

EVLI BANK PLC

CORPORATE GOVERNANCE STATEMENT

2015

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GENERAL

The governance of Evli Bank Plc (hereinafter Evli) is based on the Articles of Association, the Finnish Limited Liability Companies Act, applicable statutory provisions governing the Finnish securities markets, the regulations of the Finnish Financial Supervisory Authority, the rules and regulations of Nasdaq Helsinki Ltd, and other statutes and regulations concerning the governance of public limited companies.

Evli also complies with the Finnish Corporate Governance Code issued by the Securities Market Association. The Code can be viewed in full on the Securities Market Association website at www.cgfinland.fi/en/.

This Corporate Governance Statement has been drawn up separately from the report by the Board of Directors.

DECISION MAKING

General Meeting of shareholders, Board of Evli and CEO are responsible for managing the company and its business. Their duties are determined by the Finnish Limited Liability Companies Act and Articles of Association of Evli.

GENERAL MEETING OF SHAREHOLDERS

The ultimate decision-making power in the company is exercised by shareholders at General Meetings. At these meetings shareholders are able to participate in the control and supervision of the company. General Meetings are held at least once a year. The Annual General Meeting (AGM) is held upon completion of the company's financial statements, at a place and on a date designated by the Board of Directors. The date must be no later than the end of June.

Matters to be discussed at a General Meeting are specified in the Limited Liability Companies Act and in Evli's Articles of Association. The General Meeting normally discusses not only the matters specified by law and in the Articles of Association but also items presented to the meeting by the Board of Directors. Under the Limited Liability Companies Act, shareholders are also entitled to bring for discussion at a General Meeting any matter that falls within the authority of the meeting.

A notice of a General Meeting and the Board of Directors' proposals to the General Meeting are published on the company's internet pages and in a stock exchange release at the earliest three months before the record date for the General Meeting and at the latest three weeks before the General Meeting, provided it is at least nine days before the record date for the General Meeting. The Board of Director can also decide to publish a notice of the General Meeting in one or more newspapers.

The documents to be presented at the General Meeting and the proposed decisions to be taken at the General Meeting are also made available on the company's internet pages at least three weeks prior to a General Meeting.

ANNUAL GENERAL MEETING

At the AGM, information is presented about the company's activities, and the financial statements for the preceding annual period are adopted. Resolutions are also taken at the AGM concerning the company's profit distribution, granting release from liability for the Board members and the CEO and his deputy, the election of Board members and appointment of auditors and the remuneration to be paid to them.

In 2015 the annual general meeting convened in Helsinki on 6.3.2015.

EXTRAORDINARY GENERAL MEETING

The Board of Directors may convene an Extraordinary General Meeting if it considers this necessary. The auditor and any shareholder with more than ten percent of the company's shares also have the right to demand that an Extraordinary General Meeting be called to discuss a matter to be presented by the auditor or shareholder.

In 2015 two extraordinary general meetings were held. One was held on 30.6.2015 and other on 1.10.2015.

PARTICIPATION IN GENERAL MEETINGS

Shareholders can exercise their right to participate in a General Meeting and vote at a General Meeting personally or through an authorized representative.

Each of the company's A shares entitles the holder to twenty (20) votes, and each of the company's B shares to one (1) vote at a General Meeting.

In the meeting held on 6.3.2015 35 shareholders were present representing 86 per cent of all the votes in the company.

In the meeting held on 30.6.2015 21 shareholders were present representing 82 per cent of all the votes in the company.

In the meeting held on 1.10.2015 40 shareholders were present representing 75 per cent of all the votes in the company.

THE BOARD

The Annual General Meeting of Evli Bank Plc each year elects a Board of Directors, which, between General Meetings, exercises the ultimate decision-making power in the Evli Group. The task of Evli's Board is to manage the company in accordance with the law and official regulations, and in compliance with the Articles of Association and the decisions of the General Meeting.

TASKS OF THE BOARD

The Board has approved a written procedure defining its duties and meeting practices.

The Board of Directors is responsible for the company's administration and appropriate organization of operations, and for ensuring that the company's accounting and asset management are monitored in an appropriate manner. The Board handles all matters that are of extensive and fundamental importance for the operation of the company and the entire Group. The Board's responsibilities include deciding upon the Evli Group's business strategy, approving the budget and the principles for the arrangement of the Evli Group's risk management and internal control. The Board appoints the CEO and the members of the Executive Group, relieves them of their duties and decides upon the CEO's salary and other benefits. The Board also approves the objectives for the Group's human

resources planning and monitors the implementation of these objectives, and it decides the basis for the Group's remuneration system and other far-reaching matters that concern the personnel. In accordance with the principles of good governance, the Board also ensures that the company, in its operations, endorses the corporate values that have been set out for compliance.

The Board conducts an annual review of its activities and working practices in the form of an internal self-assessment.

MEMBERS OF THE BOARD

The AGM elects four to eight members to the Evli Board of Directors from among representatives of the major shareholders and from among external, independent experts who have diverse experience of business and of the industry in which Evli operates. When possible, the composition of the Board is to be multiform in a way that at least both male and female representatives are present in the Board. at the end of 2015, Evli's Board included both male and female members.

Board members are elected for a term of one year, which begins at the close of the AGM and expires at the close of the first AGM following their election. The Board elects a Chairman and Vice Chairman from among its members.

Following persons were Evli Bank Plc Board members during the year 2015:

name	birth year	education	SHARES IN COMPANY*, COUNT	
			A-share	B-share
Henrik Andersin	1960	M.Sc. Economics	3 803 280	950 820
Harri-Pekka Kaukonen	1963	Doctor of Technology		1 991
Robert Ingman	1961	M.Sc. (Tech.), M.Sc. (Econ. and Business Administration)	1 860 000	500 274
Johanna Lamminen**	1966	Licentiate in Technology, MBA		306
Mikael Lilius	1949	B.Sc. (Econ. and Business Administration)		11 795
Teuvo Salminen	1954	M.Sc. (Econ. and Business Administration)		5 986
Thomas Thesleff	1951	M.A.	3 803 280	950 820

*ownership 31.12.2015 including related parties

**Extraordinary general meeting on 1.10.2015 appointed Johanna Lamminen as new member of the Board

The Board of Directors convened 13 times in 2015. The average attendance rate of Board members at the meetings was 91.6 percent. Following table depicts attendance by each member.

name	role	attendance
Henrik Andersin	Chairman	13/13
Harri-Pekka Kaukonen	vice chairman	10/13
Robert Ingman	member	11/13
Johanna Lamminen**	member	5/6
Mikael Lilius	member	13/13
Teuvo Salminen	member	13/13
Thomas Thesleff	member	12/13

Evli's current Board of Directors consists of industry experts and the company's major shareholders. Harri-Pekka Kaukonen, Mikael Lilius, Teuvo Salminen and Johanna Lamminen are independent of the company and shareholders.

COMMITTEES OF THE BOARD

The Board has established an Audit Committee and a Compensation and Nomination Committee to prepare matters to be handled by the Board. The committees have no independent decision-making power; instead, decisions are made by the Board on the basis of recommendations and information supplied by the committees. The committees make regular reports on their activities to the Board.

AUDIT COMMITTEE

The Audit Committee is responsible for assisting the Board of Directors in ensuring that the company has an adequate internal control system covering all operations and that the company's risk management has been arranged appropriately, and it also monitors the financial statements reporting process. Additionally, the Audit Committee is responsible for overseeing the accuracy and correctness of the company's financial reporting, monitoring the statutory auditing of the financial statements and consolidated financial statements, and preparing the proposal on the appointment of auditors and the auditors' fees, to be made to the AGM. Furthermore, the Audit Committee is responsible for ensuring that the company's operations and internal control have been arranged in accordance with all applicable laws, regulations, and good management and governance practices, as well as for monitoring the activity and efficiency of the internal audit function and assessing the independence of the statutory auditor or auditing firm, and especially the provision of ancillary services to the company. The Audit Committee consists of at least two members, who may not be part of the company's management and must be independent of the company. The committee is elected by the Board of Directors from among the Board's members. In addition to the committee's regular members, the meetings are attended by the auditors, the CEO, the CFO and the internal auditor. The committee meets every quarter.

The committee met five times in 2015. The Audit Committee's Chairman in 2015 was Teuvo Salminen and its members were Robert Ingman and Johanna Lamminen (from October 1, 2015). The Audit Committee members' average attendance rate at meetings was 100 percent.

Following table depicts attendance by each member.

name	role	attendance
Teuvo Salminen	Chairman	5/5
Robert Ingman	member	5/5
Johanna Lamminen**	member	1/1

COMPENSATION AND NOMINATION COMMITTEE

The Compensation and Nomination Committee is responsible for assisting the Board of Directors in the preparation of matters related to the management's employment terms and compensation, the compensation and incentive systems for management and personnel, and the regular assessment of the functioning of and compliance with the compensation system. The committee consists of at least three members, elected by the Board from among its members. The committee Chairman is chosen from among the committee members and must be an independent Board member.

The members of Evli's Compensation and Nomination Committee are Harri- Pekka Kaukonen (Chairman), Henrik Andersin, Mikael Lilius and Thomas Thesleff. The committee met four times in 2015. The Compensation and Nomination Committee's members' average attendance rate at meetings was 87.5 percent.

Following table depicts attendance by each member.

name	role	attendance
Harri-Pekka Kaukonen	Chairman	4/4
Henrik Andersin	member	4/4
Mikael Lilius	member	3/4
Thomas Thesleff	member	3/4

CHIEF EXECUTIVE OFFICER AND EXECUTIVE GROUP

Evli's Board of Directors appoints the company's CEO and decides the terms and conditions of his or her service relationship. The CEO is responsible for the company's day-to-day management in compliance with the instructions and decisions provided by the Board of Directors. The CEO's duties include the management and supervision of the Group's business, preparation of matters to be handled by the Board, and implementation of the Board's decisions. In accordance with the Limited Liability Companies Act, the CEO ensures that the company's accounting is lawful and that the asset management is arranged reliably.

The CEO's period of notice is six months, and the severance compensation payable to the CEO in addition to the salary for the period of notice corresponds to 12 months' salary. The CEO's retirement age is 63.

The company's CEO is Maunu Lehtimäki, M.Sc. (Econ.), born 1967. In 2015, the CEO was paid a salary of EUR 381,600.00 plus EUR 50,240.00 in performance bonuses and other benefits, making a total of EUR 431,840.00. As part of the incentive and commitment system 42,500 stock options have been granted to the CEO.

In managing the company's operations, the CEO is assisted by Evli's Executive Group. The Executive Group consists of the CEO and six members. The CEO presents a proposal regarding the choice of members to the Executive Group, and these names are then subject to confirmation by the Board of Directors. The CEO convenes the Executive Group as necessary and serves as its Chairman. The Executive Group normally meets twice a month. The Executive Group's task is to support the CEO in preparing and implementing the strategy and in coordinating the Group's operations. The Executive Group's duties also include preparing and executing matters that are significant or involve fundamental principles, and ensuring internal cooperation and communication.

Members of the executive group in 2015 were:

name	Area of responsibility	education	ownership*, share count	
			A-share	B-share
Maunu Lehtimäki , s.1967	CEO	M.Sc. (Econ.)	433 728	108 642
Mari Etholén , s. 1973	Head of HR and Legal affairs	LLB	60 000	15 528
Panu Jousimies , s.1969	Director, Capital Markets	M.Sc. (Econ.)	179 072	45 268
Lea Keinänen , s.1966	Deputy to CEO, Director, Funds	Certificate in Business Studies, MBA	138 848	34 712
Juho Mikola , s.1981	CFO	M.Sc. (Econ.)	68 000	17 219
Esa Pensala , s.1974	Director, Wealth Management	M.Sc. (Tech.)	142 000	35 500
Mikael Thunved , s.1965	Director, Corporate Finance	B.Sc. (Econ.)	224 000	56 522

*ownership 31.12.2015 including related parties

*In addition, Maunu Lehtimäki has 42 500 option rights

INSIDER REGISTER

Evli Group has a guideline on insider rules and regulations that is approved by the board of directors and based on Finnish legislation, Nasdaq Helsinki Guidelines for Insiders of Listed Companies, the stipulations and guidelines of the Finnish Financial Supervision Authority as well as relevant directives accepted by the European parliament and union and the European commission's regulations. Evli Group companies that are registered elsewhere than in Finland shall comply not only with these guidelines, but also with the national legislation and official regulations of the country where the companies are located. The guideline for insiders is distributed to all insiders of the company. The insiders shall comply with the restrictions regarding the use of insider information and trading, for example during the closed window period. Evli Bank Plc's Board of Directors approves the guidelines each year.

The public insiders in Evli Group comprise:

- the members of the Board of Directors,
- Evli Bank's CEO and his deputy,
- the auditor or, in the case of an auditing firm, the auditor who is principally responsible for Evli Bank's audits, and
- the members of the Executive Group.

All the persons of the permanent insider register and the information concerning them is entered in Evli Bank's public insider register. The register also comprises the related persons of an insider and their corporations or foundations in which a person subject to the disclosure requirement has direct or indirect control as well as the information about the stock and securities holdings of the aforementioned persons in Evli Bank. In addition information about the person's interest parties' holdings is entered in the register.

Evli Bank also has a permanent company-specific insider register (not public) and a project-specific insider register. The permanent company-specific register comprise of persons employed by the company or otherwise based on a contract works for the company, that due to their position or work assignments can regularly access insider information. The project-specific insider register is created if needed. This register comprises all the persons the Company gives project specific information to.

The company's insider register, which includes the public insider register as well as the permanent company-specific insider register and the project-specific insider register, is maintained in the Euroclear Finland Ltd's SIRE system.

Information on the interests and holdings of the company's public insiders and related parties required by law are available from the internet site of the company.

Those presented in the insider register are forbidden to make market transactions on the Evli's share during a 30 day period prior to publishing of interim or annual reports.

RISK MANAGEMENT AND INTERNAL AUDIT IN EVLI GROUP

Evli's values, and its policy of transparent and appropriate communications, support the company's operational integrity and high ethical standards. The company's organizational structure, clearly established responsibilities and authorizations, and its competent staff support the planning, execution, control and monitoring of business operations in a manner that facilitates the achievement of the set objectives.

Risk management refers to those actions aimed at systematically surveying, identifying, analyzing and preventing risks. The objective of risk management is to ensure that the company's assets are sufficient in relation to its risk positions, that financial results and valuations remain within the confirmed objectives and limits, and that risks are priced in the right way to achieve sustainable profitability.

The objective of risk management is to support the uninterrupted implementation of the Group's strategy and income generation. Evli Bank defines risk as an event or series of events that jeopardize the company's income generation over the short or long term.

Evli Bank's Board of Directors is primarily responsible for the Evli Group's risk management, and confirms the risk management policies, the Group's risk limits and other guidelines governing how risk management and internal oversight is to be organized. The Board has also set up a credit and asset liability committee (Credalco) that briefs it on risk-taking matters.

In addition to the general risk management policies, the Evli Group's risk management is founded on the "three lines of defense" model.

FIRST LINE OF DEFENSE - BUSINESS UNITS

Risk management is part of internal control, and therefore the responsibility for executing risk management measures lies first with the business units, as the first line of defense. The managers of the business units are responsible for ensuring that risk management is at a sufficient level in each respective unit. They develop risk management and internal control processes and competence, identify and analyze risks, and make decisions on risk management with the aid of various protection measures.

SECOND LINE OF DEFENSE - COMPLIANCE AND RISK MANAGEMENT FUNCTIONS

The second line of defense comprises the independent Compliance and Risk Management operations whose primary task is to develop, maintain and oversee the general principles and framework of risk management.

The Risk Management unit oversees daily operations and compliance with the risk limits granted to the business units, as well as compliance with risk-taking policies and guidelines. Risk Management reports on the Group's overall risk position to the Board and the Executive Group each month.

The Compliance function is responsible for ensuring compliance with the rules in all of the Evli Group's operations by supporting operating management and the business units in applying the provisions of the law, the official regulations and internal guidelines, and in identifying, managing and reporting on any risks of insufficient compliance with the rules in accordance with the separate Compliance policy and monitoring plan confirmed by Evli Bank's Board of Directors. The Compliance function reports regularly via the audit committee to Evli Bank's Board and also to the operating management.

THIRD LINE OF DEFENSE - INTERNAL AUDIT

The third line of defense comprises the internal audits. The internal audit is a body that is independent of business operations, supports the Board of Directors and the senior management, and is organized administratively under the CEO and reports to the CEO and Evli Bank's Board of Directors by way of the audit committee.

The internal audit assesses the functioning of the Evli Group's internal control system, the appropriateness and efficiency of its operations, and the compliance with guidelines, through audits that are based on a plan of action for internal auditing that is confirmed annually by the audit committee of Evli Bank's Board of Directors.

The internal audit follows not only the internal audit guidelines, but also an internationally acknowledged framework of professional practices (The Institute of Internal Auditors) and corresponding information systems audit standards (The Information Systems Audit and Control Association).

AUDITORS

The shareholders elect the company's auditors each year at the Annual General Meeting. The auditors must be an auditing firm approved by the Finland Chamber of Commerce. The auditors' term continues until the end of the first AGM that follows the election of the auditors. The auditors' duties are to ensure that the financial statements have been prepared in accordance with the applicable statutes and provide a true and fair view of the company's financial position and performance and other necessary information for the company's stakeholders.

As part of their annual audit duties, the auditors of Evli Bank Plc audit the accounts and administration of the separate companies. The internal control requirements are taken into account in the auditors' audit plans. Each year, the auditors submit their report to the Annual General Meeting of Evli Bank Plc. The auditors also report the main points of the annual audit plan to the Board of Directors and to the Board's Audit Committee as well as presenting, in connection with each interim report and the financial statements, a written audit report covering the entire Group.

The 2015 AGM elected KPMG Oy Ab, Authorized Public Accountants, as the company's auditor and Marcus Tötterman, APA, as the principally responsible auditor. KPMG generally serves as the auditor for all the subsidiaries, with the exception of Terra Nova Ltd and Head Asset Management Ltd. Terra Nova's auditor was RSM Dahman Auditors and the auditor for Head Asset Management Ltd was Ernst & Young Oy, with Tuomas Rahkamaa as the principally responsible auditor.

In 2015 the auditing firms were paid fees totaling EUR 363,672.59. The fees for auditing came to EUR 242,776.37, and the fees for advisory services unconnected with auditing were EUR 120,896.22. The fees unconnected with the audit contain among others the review expenses related to Evli's initial public offering.

FINANCIAL REPORTING

The Board of Directors is responsible for overseeing the Evli Group's financial reporting. The Audit Committee assists the Board in this work. The CEO's and CFO's task is to monitor and ensure that the accounting and the financial reporting accord with the law, the Group's accounting policies and the guidelines and orders issued by the Group's Board of Directors.

The Group's accounting and results reporting are centralized under the responsibility of the Group's Financial Administration unit. The Financial Administration unit is subordinate to the CFO and is responsible for producing on a centralized basis the financial statements information required for external accounting. The unit also produces internal accounting analyses and the results reports for monitoring business activities, the separate companies and the Group's profitability. Profit performance is reported monthly both to the Executive Group and the Board of Directors in the form of specific results reports. The aim is to identify and demonstrate success factors as well as development areas well in advance, thus making it possible to react to these. Reporting practices are also used for monitoring the implementation of the business plans for the business units. The Group's Financial Administration unit is also responsible for monitoring and reporting on the performance of each business unit. Further responsibilities include reporting the financial results, sales and activity at least monthly, and even daily depending on the unit, to the Executive Group and other concerned parties. The Evli Group complies with the International Financial Reporting Standards (IFRS) approved for application in the EU. The Group prepares the annual financial statements and also a quarterly interim report (IAS34). The instructions on financial reporting and the accounting principles are applied in all the Group companies. The accounting of all the Group companies is included in the same accounting system, with the exception of Group companies in Russia and the United Arab Emirates. The accounting of the Group company Head Asset Management Ltd was outsourced in 2015.