EVLI BANK PLC

FINANCIAL REVIEW 2010

CONTENTS

EVLI

BOARD OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR JANUARY 1 – DECEMBER 31, 2010

2010 was another challenging year for the entire financial sector. Regardless of the market conditions, Evli Group's business units all increased their commission income. Evli's products and services were also highly commended, and the respected awards received during 2010 provide examples of this. For example, Evli was ranked the best small fund management company in the Nordic countries in the Lipper Funds Awards 2010. Evli also achieved second place in an evaluation of the overall quality of Finnish asset managers by institutional investors participating in a study carried out by Scandinavian Financial Research.

In 2010, the Board of Directors focused on monitoring the integration of acquired businesses and on preparing a new growth strategy.

In the first half of the year, the Board's areas of focus included expanding the wealth management business operations in line with the strategy implemented in fall 2009 and early 2010 through corporate acquisitions. In the second half of 2009, Evli acquired Carnegie's Finnish asset management business. The transaction enabled Evli to strengthen its position in Finland, especially in institutional asset management. The integration of the companies acquired from Carnegie into Evli's operations was completed in early spring.

In order to strengthen its Swedish wealth management operations, Evli acquired the entire share capital of Erik Penser Fonder AB from Urdar AB under a contract signed on October 19, 2009. Control of Erik Penser Fonder AB was transferred to Evli on February 3, 2010 and the company's operations were integrated into Evli's operations by the end of the summer.

In the summer and early fall, the Board of Directors focused on Evli's new strategy and its finalization. The growth strategy aims to strengthen the status of Evli's core businesses, wealth management business and investment bank business in the Northern Baltic Sea region and to ensure that Evli's clients receive the best possible, individualized service from leading experts in the business. The key to success is that Evli will be able to offer its customers new and innovative products continuously and competitively also in the future.

In 2010 Evli's position as a corporate advisor operating in Russia strengthened substantially. The Group's Russian operations constitute one of Russia's largest corporate finance service providers. In a comparison by Thomson Reuters, Evli Russia was ranked the third-largest adviser in Russia, and fifth-largest in Mergermarket's comparison. Products and services related to Russia form a significant part of the Evli Group's service concept.

In addition to the current client segments – institutions and high net worth individuals – the Evli Group is also seeking investor-saver clients through electronic services. Electronic trading enables the efficient acquisition of new investor-saver clients.

The Board of Directors has been actively monitoring the development of regulations associated with remuneration, and in this respect we can determine that Evli's reward systems are not in conflict with the new regulations.

Evli's market position - especially in Finland – grew stronger, which was discernible in the increase in the number of private banking customers. With the market situation much more positive than in early 2010, we can embark on 2011 with confidence. The new strategy, combined with the numerous measures carried out earlier, improves the Group's profitability and further strengthens its position especially in asset management operations.

Market performance

The escalation of Greece's debt crisis in the spring was one of the most significant events of 2010. The fear of financial difficulties spreading caused equity prices and long-term interest rates to decline. The Stoxx index, which measures the European equity markets, was at its lowest in the summer at 8.0 percent, and the yield on German 10-year government bonds was 2.11 percent at its lowest. During the fall, the markets regained confidence in the acceleration of global economic growth. This view was supported by information about the U.S. Federal Reserve deciding to continue its purchase program on the fixed income markets and about tax concessions being continued in the USA. Share prices and long-term interest rates rose substantially during the second half of the year despite the Irish Government running into financial difficulties. 2011 continues to be overshadowed by concerns about certain euro area members' financing needs and the related arrangements.

In 2010, equity prices rose globally by 7.6 percent according to MSCI's global index. The MSCI Emerging Markets Free index, which measures equity market performance in emerging markets, rose by 16.8 percent and the Stoxx index, which measures the European equity markets, rose by 9.4 percent. In Finland the OMX Helsinki CAP index rose by 24.8 percent and in Sweden the OMX Stockholm CAP index rose by 23.1 percent. The Baltix index, which describes the equity markets of the Baltic countries, rose by 71.9 percent.

The European Central Bank kept its refinancing rate at one percent, but started reducing the bank system's liquidity through its money market operations. Euro exchange rates fluctuated heavily during the year and were 7.3 percent lower at the year-end. The Swedish krona strengthened 12.6 percent in relation to the euro. The yield on German 10-year government bonds finished at 2.97 percent. Corporate bond risk premiums declined substantially.

During January-December, net subscriptions of fund units in Finland totaled EUR -31.1 million (EUR 4,174.3 million).

Revenue performance

The Group's net revenue performed positively compared with 2009. The Evli Group's net revenue was EUR 59.4 million, representing growth of 10 percent (EUR 53.8 million). Net revenue performance was positively influenced by increases in commission income from Wealth Management operations and in advisory fee income. The decrease in net income from securities trading and foreign exchange dealing was mainly due to the Group's Treasury operations. The revenue performance of Treasury operations was weakened by uncertainty that spread to the fixed income markets from the end of spring and raised risk premiums. The Evli Group's investments are valued on the basis of market quotations.

The net revenue of the Wealth Management unit rose by 37 percent on the previous year. This was primarily due to the increase in the market value of the assets under management and the subsequent increase in the unit's accumulated commission income. The acquisitions carried out in 2009 and the consequent additions of commission income also increased the Wealth Management unit's net revenue performance for the review period. The acquisitions also contributed to the increase in assets under management.

The Markets unit's net revenue for the review period increased by 23 percent on the comparison period. The growth was derived, in particular, from net commission income, which increased by 44 percent compared with the corresponding period of 2009.

The Corporate Finance unit's net revenue doubled in relation to 2009. This net revenue growth was due to an increase in M&A activity. Significant fluctuations in net revenue from one quarter to the next are typical of the corporate finance business. The unit's mandate base is at a healthy level.

Result and cost structure

The Group's profit before taxes and profit sharing with employees for the review period was EUR 8.2 million (EUR 8.3 million). The profit before appropriations and taxes was EUR 4.2 million (EUR 5.3 million). The Group's income/expense ratio remained at the level of 2009, i.e. 1.1.

The increase in the Group's expenses was due to the acquisitions carried out in late 2009 and investments in marketing and in the development of new products and services.

Parent company's profit performance

The net revenue of Evli Bank Plc, the Group's parent company, was approximately EUR 42.3 million for the financial year, which corresponds to the level of the previous year. The parent company's profit was EUR 0.03 million (EUR 2.82 million).

The depreciation of the parent company's profit in 2010 was increased by the depreciation of the goodwill of businesses acquired during 2009.

The parent company's profit for 2009 was positively influenced by the contributions returned from the Evli Group's joint pension fund and left unpaid in the second half of the year. The effect of the above-mentioned items on profit in the parent company's personnel expenses was approximately EUR 1.5 million. On the other hand, the Group's profit was negatively affected by the impairment of shares in subsidiaries, amounting to slightly over EUR 2.0 million.

Balance sheet and funding

The Group's equity was EUR 56.8 million at the end of the review period. In the Basel II capital adequacy calculation, Evli applies the standardized approach (capital requirement for credit risk) and the basic indicator approach (capital requirement for operational risk). The Group's capital adequacy ratio of 14.8 percent clearly exceeds the regulator's requirement (8%).

The Group's funding from the public and credit institutions decreased by seven percent compared with the previous year. The company's loan portfolio increased by 17 percent on the previous year to approximately EUR 58 million. The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 19 percent. The Group's liquidity is solid.

Employees and organization

The Group had 282 employees (281) at the end of the review period. The number of employees increased by one person, up by 0.3 percent on the comparison period. 72 percent of the personnel were employed in Finland and 28 percent abroad.

Business areas

Wealth Management

Wealth Management in numbers	1-12/ 2010	1-12/ 2009	Change %
Net revenue, M€	32.5	23.6	37
Operating profit / loss, M€	6.8	2.8	149
Personnel, at the end of period	91	94	-3
Assets under management (net), at the end of period, M€	5 159	4 897	5
Market share (Evli Fund Mgmt Company), %	5.1	4.6	
Net subscriptions to own funds, M€	58.4	16.3	
Average rating of Evli funds in Morningstar	3.5	3.3	

Wealth Management operations performed relatively well during the review period, in view of the market conditions. The unit's net assets under management totaled EUR 5.2 billion at the end of December (EUR 4.9 billion). This is five percent more than a year earlier. The assets managed by the unit decreased by EUR 32 million from the end of September. The year 2010 saw EUR 58.4 million in net subscriptions to Evli's funds (2009: EUR 16.3 million).

In the December fund comparison by the independent Morningstar, the average star rating of Evli's funds was 3.52 (3.26). Of Evli's 29 funds, 23 were included in the comparison. 12 funds in all received the highest or second-highest Morningstar rating.

In a comparison of the returns of individual funds in January-December, the best-performing fixed income fund was Evli Ruble Debt (which outperformed the benchmark index by 4.93%) and the best-performing equity fund was Evli Europe (which outperformed the benchmark index by 10.51%).

At the end of the year, with a market share of 5.1 percent (2009: 4.6%), Evli Fund Management Company Ltd kept the position of fifth-largest fund management company in Finland. The combined capital of the 29 mutual funds managed by the company was EUR 3,159 million (EUR 2,491 million) and the number of shareholders was 17,497 (15,033). The rise in market share originated primarily from the transfer of mutual funds managed by

Carnegie Fund Management Company Ltd, or the capital of these funds, under Evli Fund Management Company's management in 2010.

Of Evli's funds, the biggest net subscriptions were gathered by Evli Alpha Bond (EUR 122 million) and Evli Europe (EUR 82 million). The funds with the most capital at the year-end were Evli Euro Liquidity (EUR 446 million) and Evli European High Yield (EUR 362 million).

The funds' performance was in line with the general market development, and the returns for the calendar year were still generally higher than long-term average returns. The best-performing equity funds were Evli Greater Russia, which invests in Russia (annual return 57.8%) and the Nordic equity fund Evli Nordic Dividend (+33.6%). The best-performing balanced fund was Evli Global Multi Manager 75 (+11.6%) and the best-performing fixed income fund was Evli European High Yield (+15.5%). Evli Europe outperformed its benchmark index by the widest margin with a return that was over 10 percent higher than European equities. All the funds that were in operation attained positive annual returns.

Mutual Fund Evli Emerging Markets Equity, which invests in the emerging equity markets, commenced operations in 2010. Three mutual funds of the former Carnegie Fund Management Company Ltd were also transferred under Evli Fund Management Company's management. Due to the merging of Carnegie Fund Management Company's operations, the Carnegie Euro Bond, Carnegie Multifund and Carnegie Optimum+ funds were merged into Evli funds with corresponding investment strategies. Moreover, the Evli Money Manager+ money market fund was merged with Mutual Fund Evli Euro Liquidity.

The majority of the operations of the Stockholm branch, which was established in spring 2008, were transferred to the sister fund management company Evli Fonder AB. The processes between the sister companies were also developed. The purpose of these is to promote the sale of Evli's funds operating in Finland to Swedish clients.

The UCITS IV Directive will be implemented in Finnish law during the early fall. The Directive will bring new possibilities in the cross-border management and marketing of funds, for example. The content of fund prospectuses will also be clarified. In concrete terms, the changes will be discernible to clients not only as amendments to fund rules, but also in a harmonization of prospectuses at the EU level.

Markets

Markets in numbers	1-12/ 2010	1-12/ 2009	Change %
Net revenue, M€	15.8	12.8	23
Operating profit / loss, M€	-4.2	-4.7	11
Personnel, at the end of period	51	67	-24
Market share (OMX Helsinki), EUR volume, %	2.1	3.8	
Market share (OMX Helsinki), number of trades, %	1.7	3.0	

The Markets unit's net revenue increased by 23 percent on the comparison period.

During the review period, the significant share transactions - those worth over EUR 10 million – executed by the unit included Pohjola Bank plc (EUR 81.5 million), Alma Media Corporation (EUR 50 million), Orion Corporation (EUR 33.6 million), Stockmann plc (EUR 28.1 million), Kemira Oyj (EUR 24.9 million) and Outokumpu Oyj (EUR 20.5 million).

Evli's Investment Research was acknowledged in a study carried out by Prospera Research AB especially for the analyses of the construction, banking and insurance, real estate, retail and consumer product industries and small-cap companies.

The sale of structured investment products offered by the Markets unit performed well in 2010. The unit executed 40 share issues with a total nominal value of approximately EUR 113 million. Sales clearly exceeded the level of 2009 measured in terms of both the number of products sold and the nominal value.

In 2010, the Markets unit launched a comprehensive ETF product portfolio that comprises ETF research, a selection tool, and the market leading execution of trades. The new product was well received on the market and attracted growing interest in the second half of 2010.

Corporate Finance

Corporate Finance in numbers	1-12/ 2010	1-12/ 2009	Change %
Net revenue, M€	9.4	4.8	93
Operating profit / loss, M€	1.5	-2.0	177
Personnel, at the end of period	40	43	-7

During 2010 the Corporate Finance unit acted as advisor in 23 disclosed transactions which included a wide variety of deals. For example, Evli advised Fortum in four transactions in Russia and HgCapital in its acquisition of Frösunda, and it acted as lead manager in Stonesoft's and Technopolis's directed share issues. Client activity remained good but careful throughout the year.

Evli's Board of Directors and auditors

The Annual General Meeting held on March 2, 2010 re-elected Henrik Andersin, Pekka Hietala, Harri-Pekka Kaukonen, Timo Korvenpää and Thomas Thesleff to Evli Bank Plc's Board of Directors and elected Robert Ingman, Mikael Lilius and Teuvo Salminen as new members. Henrik Andersin was chosen as Chairman of the Board. Tapio Hintikka and Folke Husell left the Board.

The Annual General Meeting elected KPMG Oy Ab, Authorized Public Accountants, as the company's auditor and Marcus Tötterman, APA, as the principally responsible auditor.

Changes in Evli's shares, ownership, and group structure

The number of Evli Bank Plc's shares increased by 15,000 during the second quarter and by 9,000 shares during the fourth quarter, due to a share issue.

Evli Bank acquired the share capital of Erik Penser Fonder AB from Urdar AB by a share purchase agreement signed on October 19, 2009. The company's ownership was transferred to Evli Bank on February 3, 2010.

The subsidiary Evli II Asset Management Ltd was merged with Evli Bank Plc on February 28, 2010.

Evli's share capital and Board authorizations

Pursuant to the authorization to acquire Evli shares issued by the Annual General Meeting (AGM) on March 4, 2009, the company acquired a total of 4,683 Evli shares at the start of 2010. The shares were acquired in accordance with shareholder agreements through changes in ownership.

The Board of Directors used the share issue authorization granted by the AGM on March 4, 2009 after a decision was made on February 12, 2010 to offer the company's key employees a total of no more than 35,000 shares, of which 15,000 were subscribed during the subscription period. The new shares were entered in the Trade Register on April 29, 2010.

Evli Bank Plc's AGM resolved on March 2, 2010 to authorize the Board of Directors to decide on issuing shares and stock options and/or issuing special rights entitling the holder to shares pursuant to chapter 10, section 1, of the Limited Liability Companies Act in one or more lots in such a way that the total number of shares granted on the basis of the authorization would be a maximum of three hundred and thirteen thousand (313,000) shares. Based on the authorization, the Board of Directors is entitled to decide on issuing shares and stock options and/or issuing special rights entitling the holder to shares pursuant to chapter 10, section 1, of the Limited Liability Companies Act in the same way as a General Meeting could decide on such matters, in every respect. The authorization remains valid until further notice, but will expire no later than eighteen (18) months after the decision of the General Meeting.

The Board of Directors used the share issue authorization granted by the AGM on March 2, 2010 after a decision was made on December 16, 2010 to offer the company's key employees a total of no more than 12,500 shares, of which 9,000 were subscribed during the subscription period. The new shares were entered in the Trade Register on December 30, 2010.

The AGM resolved on March 2, 2010 to authorize the Board of Directors to decide on buying back Evli shares. A maximum of 417,879 shares may be bought back pursuant to the authorization, and they may be bought back in one or more lots, provided that after the purchase the total number of shares in the possession of or held as pledges by the company and its subsidiaries does not exceed ten (10) percent of the company's total shares. The Board of Directors is also authorized to buy back Evli shares other than in proportion to the shareholders' holdings, and to determine the order of buying back the shares. The authorization will expire eighteen (18) months after the decision of the Annual General Meeting.

The Board acted on the AGM's Evli share buy-back authorization of March 2, 2010 by buying back 18,250 Evli shares in the first quarter and 15,000 shares in the fourth quarter. The shares were acquired in accordance with shareholder agreements through changes in ownership.

At the end of the review period, the company held a total of 64,333 Evli shares. The total number of shares at the end of the review period was 4,202,799 shares.

There were no changes in the company's share capital during the review period.

Outlook

The company's operating environment will be favorable in 2011.

Helsinki, February 11, 2011

Board of Directors

KEY FIGURES

	1.1.–31.12.2010	1.1.-31.12.2009	1.1.-31.12.2008	1.1.-31.12.2007	1.1.-31.12.2006
Net Revenue, 1 000€	**59 380**	53 758	56 172	79 879	55 776
Operating profit, 1 000€	**4 176**	5 251	-718	15 884	5 114
% of net revenue	**7.0**	9.8	-1.3	19.9	9.2
Profit for the financial year, 1 000€	**3 407**	3 695	-1 134	12 040	5 653
% of net revenue	**5.7**	6.9	-2.0	15.1	10.1
Return on equity (ROE), %	**5.9**	6.3	-1.8	18.5	9.7
Return on assets (ROA), %	**0.5**	0.5	-0.1	1.4	0.8
Equity-to-assets ratio, %	**8.7**	8.6	8.7	7.4	8.4
Expense ratio (earnings to operating costs)	**1.1**	1.1	1.0	1.2	1.1
Capital adequacy ratio, %	**14.8**	13.6	14.1	15.3	22.6
Personnel, at the end of period	**282**	281	295	377	295

Calculation of key ratios

Net revenue		From Income Statement. Includes gross returns, deducted by interest and commission expenses.	
Operating profit		From Income Statement	
Profit for the financial year		From Income Statement	
Return on equity (ROE), %	=	Operating profit/loss - taxes / Equity capital and minority interest (average of the figures for the beginning and at the end of the year)	x 100
Return on assets (ROA), %	=	Operating profit/loss - taxes / Average total assets (average of the figures for the beginning and at the end of the year)	x 100
Equity / Total assets ratio, %	=	Equity capital + Appropriations / Total assets	x 100
Expense ratio as earnings to operating costs	=	Net interest income + net commission income + net income from securities transactions and foreign exchange dealing + other operating income / Administrative expenses + depreciation and impairment charges + other	x 100

CONSOLIDATED INCOME STATEMENT

1 000 EUROS	Note	1.1.–31.12.2010	1.1.-31.12.2009
Interest income	1.	8 172	10 799
Interest expenses	2.	–5 943	-7 594
NET INTEREST INCOME		2 228	3 205
Fee and commission income	3.	59 313	40 625
Fee and commission expenses	4.	–2 793	-3 360
Net income from securities transactions and foreign exchange dealing	5.		
Net income from securities transactions		–439	11 293
Net income from foreign exchange dealing		905	1 432
Other operating income	6.	165	563
NET REVENUE		59 380	53 758
Administrative expenses			
Personnel expenses	7.	–30 134	-26 336
Other administrative expenses	8.	–18 263	-16 359
Depreciation, amortization and impairment charges	9.	–3 682	-2 672
Other operating expenses	10.	–3 124	-3 131
Impairment losses on loans and other receivables	11.	0	-9
OPERATING PROFIT/LOSS		4 176	5 251
Share of profit or loss of associates		0	1
PROFIT BEFORE INCOME TAX		4 176	5 251
Income taxes	12.	–770	-1 557
PROFIT/LOSS FOR THE FINANCIAL YEAR		3 407	3 695
Attributable to			
Minority interest		1 050	806
Shareholders of parent company		2 357	2 889
PROFIT/LOSS FOR THE FINANCIAL YEAR		3 407	3 695
Income and expense recognised directly in equity			
Foreign currency translation differencies for foreign operations		–474	-66
Income and expense recognised directly in equity		–474	-66
TOTAL RECOGNISED INCOME AMD EXPENSES FOR THE PERIOD		2 932	3 629
Attributable to			
Minority interest		1 050	806
Equity holders of parent company		1 882	2 823

CONSOLIDATED BALANCE SHEET

1 000 EUROS	Note	31.12.2010	31.12.2009
ASSETS			
Cash and cash equivalents		**27 512**	45 044
Loans and other receivables			
Claims on credit institutions	13.	**19 001**	17 407
Claims on the public and public sector entities	14.	**58 090**	49 581
Loans and other receivables, total		**77 092**	66 987
Financial assets at fair value through profit or loss			
Debt securities eligible for refinancing with central banks	15.	**236 703**	240 219
Debt securities	15.	**38 316**	31 525
Shares and participations	16.	**90 703**	129 975
Derivative contracts	18.	**19 418**	13 944
Financial assets at fair value through profit or loss, total		**385 140**	415 663
Saleable financial assets			
Shares and participations	16.	**1 896**	0
Saleable financial assets total		**1 896**	0
Other than financial assets			
Shares and participations in associates	17.	**76**	80
Intangible assets	19.	**14 545**	14 565
Property, plant and equipment	20.	**1 509**	1 791
Other assets	21.	**138 605**	140 486
Accrued income and prepayments	22.	**5 560**	5 245
Deferred tax assets	23.	**823**	951
Other than financial assets, total		**161 118**	163 118
TOTAL ASSETS		**652 757**	690 813

1 000 EUROS	Note	31.12.2010	31.12.2009
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities at amortized cost			
Liabilities to credit institutions and central banks	24.		
Central banks		0	90 000
Credit institutions		21 161	63 050
Liabilities to the public and public sector entities	25.		
Deposits		293 359	162 367
Other liabilities		4 921	37 063
Debt securities issued to the public	26.		
Bonds		51 862	51 004
Other		10 967	6 485
Financial liabilities at amortized cost, total		382 269	409 969
Financial liabilities at fair value through profit or loss			
Derivative contracts and other liabilities held for trading	27.	42 449	46 905
Other than financial liabilities			
Other liabilities	28.	151 258	157 613
Accrued expenses and deferred income	29.	19 340	15 354
Deferred tax liabilities	30.	629	1 287
Other than financial liabilities, total		171 227	174 253
TOTAL LIABILITIES		595 945	631 127
EQUITY	32.,33.		
Share capital		30 194	30 194
Share premium fund		1 839	1 839
Fund of invested non-restricted equity		10 483	10 009
Other reserves		107	107
Translation difference		-73	401
Retained earnings		12 743	15 876
Minority interest		1 520	1 259
TOTAL EQUITY		56 812	59 685
TOTAL LIABILITIES AND EQUITY		652 757	690 813

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 000 EUROS

Consolidated statement of changes in equity 2009	Share capital	Share premium fund	Reserve for invested unrestricted equity	Other reserves	Translation difference	Retained earnings	Total	Minority interests	Total equity
Equity at 1.1.	30 194	1 839	7 446	107	467	17 356	57 408	861	58 269
Net income recognized direct in equity	0	0	0	0	-66	0	-66	0	-66
Profit/loss for the period	0	0	0	0	0	2 889	2 889	806	3 695
Total recognized income and expenses for the period	0	0	0	0	-66	2 889	2 823	806	3 629
Share issue	0	0	2 563	0	0	0	2 563	35	2 598
Dividends	0	0	0	0	0	-2 829	-2 829	-448	-3 277
Acquisition of own shares	0	0	0	0	0	-1 540	-1 540	0	-1 540
Other changes	0	0	0	0	0	0	0	6	6
Equity at 31.12.	30 194	1 839	10 009	107	401	15 876	58 426	1 259	59 685

Consolidated statement of changes in equity 2010	Share capital	Share premium fund	Reserve for invested unrestricted equity	Other reserves	Translation difference	Retained earnings	Total	Minority interests	Total equity
Equity at 1.1.	**30 194**	**1 839**	**10 009**	**107**	**401**	**15 876**	**58 426**	**1 259**	**59 685**
Net income recognized direct in equity	**0**	**0**	**0**	**0**	**-474**	**0**	**-474**	**0**	**-474**
Profit/loss for the period	**0**	**0**	**0**	**0**	**0**	**2 357**	**2 357**	**1 050**	**3 407**
Total recognized income and expenses for the period	**0**	**0**	**0**	**0**	**-474**	**2 357**	**1 882**	**1 050**	**2 932**
Share issue	**0**	**0**	**474**	**0**	**0**	**0**	**474**	**0**	**474**
Subscription of share capital	**0**	**0**	**0**	**0**	**0**	**-513**	**-513**	**0**	**-513**
Dividends	**0**	**0**	**0**	**0**	**0**	**-4 977**	**-4 977**	**-707**	**-5 684**
Other changes	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-83**	**-83**
Equity at 31.12.	**30 194**	**1 839**	**10 483**	**107**	**-73**	**12 743**	**55 292**	**1 520**	**56 812**

The translation reserve includes foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

ACQUIRED BUSINESSES

Acquisitions 2010

On October 19, 2009 Evli Bank signed a share purchase agreement by which it acquired the share capital of Erik Penser Fonder AB from Urdar AB, and the company's ownership was transferred to Evli Bank on February 3, 2010. The acquisition enables the strengthening of Evli Bank's position on the Swedish market, which is important for Evli. Evli's fund selection was augmented by eight Swedish equity, hedge and fixed income funds, and its assets under management consequently rose by approximately EUR 200 million. The transaction also provides Evli with better opportunities to develop local know-how in equity and fixed income products.

1 000 EUROS	
Evli Fonder AB's profit for the year is	-1 181
of which the profit for the first month is	-90
Evli Fonder AB's 11-month profit, which is included in the Group's 2010 income statement	-1 091
The Group's net revenue for 2010 would have totaled	59 451
and profit would have totaled	3 317
if the company had been incorporated in the consolidated financial statements from the beginning of the financial year.	

ASSETS	Fair values recognized in merger	Book values before merger
Claims on credit institutions	297	297
Debt securities eligible for refinancing with central banks	1 074	1 074
Intangible assets	1	1
Property, plant and equipment	27	27
Accrued income and prepayments	114	114
TOTAL ASSETS	**1 513**	**1 513**
LIABILITIES AND EQUITY		
LIABILITIES		
Other liabilities	471	471
Accrued expenses and deferred income	169	169
Share capital	977	977
Other reserves	20	20
Retained earnings	-123	-123
TOTAL LIABILITIES AND EQUITY	**1 513**	**1 513**
Net assets	874	874
Acquisition price paid in cash		874
Goodwill		0

Acquisitions 2009

On October 7, 2009 Evli Bank signed a share purchase agreement by which it acquired the asset management operations of Carnegie in Finland and agreed on a long-term co-operation agreement on the representation and sales of Carnegie's international funds in Finland. The target of the transaction was the entire share capital of Carnegie Kapitalförvaltning Finland Ab. As a part of the transaction, Carnegie Fund Management Company Ltd was also transferred under Evli's ownership at the same time. No goodwill was generated from this transaction. The 'other intangible rights' included in the transaction price, such as client agreements, will be completely amortized within two to seven years.

One of Evli's strategic areas of focus is institutional asset management and its development The transaction will further strengthen Evli's market position, especially in the pension foundation and pension fund segments, where Carnegie has traditionally been a strong operator. The transaction raised Evli's net assets under management by approximately EUR 800 million.

1 000 EUROS	
The Carnegie Group's profit for the year is	-293
of which the profit for the first 9 months is	-111
The Carnagie Group's 3-month profit, which is included in the Group's 2009 income statement	-181
The Group's net revenue for 2009 would have totaled	55 588
and profit would have totaled	3 583
if the company had been incorporated in the consolidated financial statements from the beginning of the financial year.	

ASSETS	Fair values recognized in merger	Book values before merger
Claims on credit institutions	3 594	3 594
Debt securities	307	307
Intangible assets	4 676	31
Property, plant and equipment	11	11
Other assets	393	393
Accrued income and prepayments	226	226
TOTAL ASSETS	**9 208**	**4 563**
LIABILITIES AND EQUITY		
LIABILITIES		
Other liabilities	242	242
Accrued expenses and deferred income	2 024	2 024
Deferred tax liabilities	1 208	0
TOTAL LIABILITIES	3 474	2 266
EQUITY		
Share capital	1 615	1 615
Share premium fund	55	55
Retained earnings	738	738
Profit for the period	-111	-111
TOTAL EQUITY	2 297	2 297
TOTAL LIABILITIES AND EQUITY	**5 771**	**4 563**
Net assets	5 734	2 297
Acquisition price paid in cash		5 610
Asset transfer tax		90
Sale price allocated to acquired agreements		-4 610
Tax payable		1 208
Goodwill		0

CONSOLIDATED STATEMENT OF CASH FLOW

1 000 EUROS	1.1.–31.12.2010	1.1.-31.12.2009
Cash flow from operating activities		
Interest and commission received and proceeds from securities transactions incl. dividends	56 551	100 706
Interest and commissions paid	–8 241	-12 850
Cash payments to employees and suppliers	–51 084	-36 373
Increase (-) or decrease in operating assets:		
Net change in trading book assets and liabilities	30 720	71 480
Deposits held for regulatory or monetary control purposes	759	-1 429
Issue of loan capital	5 340	936
Funds advanced to customers	–36 742	-63 099
Net cash from operating activities before income taxes	–2 697	59 371
Income taxes	–2 252	935
Net cash used in operating activities	–4 949	60 306
Cash flow from investing activities		
Proceeds from sales of subsidiaries and associates	–1 147	-1 905
Interest received	2	0
Acquisition of property, plant and equipment and intangible assets	–3 354	-6 980
Net cash used in investing activities	–4 499	-8 885
Cash flow from financing activities		
Proceeds from issue of share capital	474	2 598
Purchase of own shares	–513	-1 540
Issue of preference shares by subsidiary undertaking	0	-4
Net decrease in other borrowings	–7	4
Payment of finance lease liabilities	–135	-292
Dividends paid	–5 724	-3 277
Net cash from financing activities	–5 905	-2 510
Net increase in cash and cash equivalents	–15 354	48 911
Cash and cash equivalents at beginning of period	60 508	11 562
Effects of exchange rate changes on cash and cash equivalents	176	35
Cash and cash equivalents* at end of period	45 330	60 508

* Cash and cash equivalents include cash and cash equivalents and claims on credit institutions repayable on demand.

ACCOUNTING POLICIES

Basic information on Evli Group

Evli Bank Plc is an independent investment and wealth management bank whose clients are institutions, companies and present or future high net worth individuals. Clients are served by international groups operating in two business areas by providing asset management services, brokering shares and derivatives, and providing analysis and advisory services. The Evli Group operates in five countries. It has its head office in Finland and also operates in Sweden and, through its Evli Securities subsidiary, in Estonia and Lithuania and through its Evli Russia Ltd subsidiary in St. Petersburg and Moscow.

The Group's parent company is Evli Bank Plc. The parent company is domiciled in Helsinki and its registered address is Aleksanterinkatu 19 A, 00100 Helsinki.

A copy of the consolidated financial statements can be obtained from www.evli.com or from the parent company's registered office at Aleksanterinkatu 19 A, 00100, Helsinki.

Accounting policies

Basis for preparation of the consolidated financial statements

The consolidated financial statements have been prepared in compliance with the IFRSs (International Financial Reporting Standards) and IASs (International Accounting Standards) valid at the end of 2010, together with their respective SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations. These standards and interpretations have been approved in accordance with the regulation (EC) No. 1606/2002 adopted by the European Parliament and the Council. In addition, Finland's Act on Credit Institutions has also been applied in preparing the consolidated financial statements.

Assets and liabilities in the consolidated financial statements have been measured at historical cost, with the exception of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, derivative financial instruments and hedged items in fair value hedges. With respect to business combinations occurring before 2005, goodwill is reported as the carrying amount recognized under previous accounting principles, and this is used as the deemed cost under IFRSs. The classification and accounting treatment of these acquisitions have not been restated in preparing the Group's IFRS opening balance sheet.

The Group has applied the following new or amended standards and interpretations from January 1, 2010:

- Revised IFRS 3 Business Combinations (effective for annual periods beginning on or after July 1, 2009). Significant amendments have been made to the standard. The amendments expand the scope of application of IFRS 3, and affect the amount of goodwill recognized in acquisitions and the results of business disposals, for example. Contingent consideration is measured at fair value, with subsequent changes reflected in profit or loss. Acquisition costs such as costs for the services of experts are recognized as expenses instead of being capitalized. Non-controlling interests may be recognized on a transaction-by-transaction basis either at fair value or as a relative proportion of the target's net assets.
- Amended IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after July 1, 2009). The amendments to the standard affect the accounting treatment of partial acquisitions and partial disposals. If the parent's control is retained, the effects arising from the changes in ownership interest in a subsidiary are recognized directly in the Group's equity. Such arrangements carried out with a minority interest do not generate goodwill or income or expenses recognized through profit or loss. If control is lost in the subsidiary, any residual holding is measured at fair value and recognized in profit or loss. A corresponding accounting method is also applied to investments in associates and in joint ventures. In the future, the losses of subsidiaries may also be allocated to non-controlling interests, if they exceed the non-controlling interest in the equity of the subsidiary.
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after July 1, 2009). The interpretation provides instructions on how an entity should account for a dividend payable to an owner in the form of non-cash assets.
- Improvements to IFRSs (April 2009) - collection of amendments to standards (effective for annual periods beginning on or after January 1, 2010). The amendments apply to 15 standards, and their effects vary from standard to standard.

No other standards and interpretations that entered into force in 2010 have had an effect on Evli's financial statements.

The financial statements are presented in euro (EUR) rounded to the nearest thousand.

Consolidation principles

Subsidiaries

The consolidated financial statements comprise the financial statements of Evli Bank Plc and all its subsidiaries. Entities qualify as subsidiaries if the Group has control. The Group obtains control if its shareholding carries more than half of the voting rights, or if it otherwise has the power to exercise control over the financial and operating policies of the entity so as to obtain benefits from its activities.

The Group's internal shareholdings are eliminated by using the purchase method of accounting. Subsidiaries acquired are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceases.

All intra-group transactions, receivables, liabilities, unrealized gains and internal distribution of profits are eliminated in preparing the consolidated financial statements. Unrealized losses are not eliminated, if the loss is due to impairment of an asset. The profit for the period attributable to parent company's equity holders and minority interests is presented in the profit and loss account, while the minority interest in equity is presented separately in the balance sheet within equity. The minority interest in cumulative losses is recognized in the consolidated financial statements up to the amount of the investment at most.

Mutual funds managed on behalf of clients are not consolidated, since the Group has no control over them.

Associates

Associates are entities in which the Group has significant influence. Significant influence is demonstrated when the Group generally holds in excess of 20 percent of a company's voting rights or when the Group otherwise has significant influence, but not control. Associates are consolidated by using the equity method. Unrealized gains between the Group and associates are eliminated in proportion to the Group's ownership interest. An investment in an associate includes the goodwill generated by the acquisition.

The subsidiaries and associates included in the consolidated financial statements are listed in the Notes to the Financial Statements on page 28.

Translation of items denominated in foreign currency

The figures showing the profit/loss and financial position of the Group's units are measured in the currency used in each unit's main functional environment ("the functional currency"). The consolidated financial statements are presented in euro, which is the functional and presentation currency of the Group's parent company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. Foreign currency balance sheet items are translated into the functional currency at the rate prevailing on the balance sheet date. Exchange rate differences are included in net income from foreign exchange.

The income statements of foreign Group entities are translated into euro at the weighted average rates for the period, and the balance sheets at the rates prevailing on the balance sheet date. The translation differences resulting from the use of different rates for the translation of consolidated income for the period in the consolidated income statement and balance sheet are recognized in other consolidated income items and presented in equity. The translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and from post-acquisition cumulative changes in equity items are recognized in other consolidated income items and presented in equity. When a subsidiary is disposed of wholly or partly, the cumulative translation differences are recognized in profit or loss as part of gains or losses from disposal.

Property, plant and equipment

Tangible fixed assets are measured at historical cost less accumulated depreciation and impairment losses. Subsequent costs are included in the carrying amount of tangible fixed assets only if it is probable that the future economic benefits attributable to the assets will flow to the Group and that the cost of the assets can be reliably measured. Other repair and maintenance costs are recognized as expenses in the period in which they were incurred.

Assets are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives are as follows:

Machinery and equipment:	5 years
IT equipment:	3 years
Assets under finance leases:	3-5 years
Renovations of leased premises:	term of lease

The residual values and useful lives of assets are reviewed at each reporting date and, if necessary, are adjusted to reflect changes occurring in expectations of useful life.

The depreciation of an item of property, plant and equipment will cease when the tangible fixed asset is classified as held for sale under IFRS 5 Non-current assets held for sale and discontinued operations.

Gains and losses from the sales or disposals of tangible fixed assets are included in other operating income and expenses.

Intangible assets

Intangible assets are recognized in the balance sheet only if their cost can be reliably measured and if it is probable that the expected future economic benefits attributable to the assets will flow to the company. Intangible assets with definite useful lives are recognized in the balance sheet at historical cost and are amortized in the profit and loss account on a straight-line basis over their known or estimated useful lives. Intangible assets include software licenses and other intangible rights whose useful life is 3-5 years.

By a contract signed on October 7, 2009, Evli acquired the entire share capital of Carnegie Asset Management and Carnegie Fund Management in Finland. No goodwill was generated from this transaction. The 'other intangible rights' included in the transaction price, including client agreements, will be completely amortized within two to seven years.

Goodwill

Goodwill represents the excess of the cost of an acquisition (made after 1 January 2005) over the fair value of the Group's share of the net identifiable assets and liabilities of the acquired entity at the date of acquisition. The goodwill of prior business combinations is reported in accordance with previous accounting principles and the carrying amount is used as the deemed cost. The classification and accounting treatment of these acquisitions have not been restated in preparing the Group's IFRS opening balance sheet.

Goodwill is measured at historical cost less cumulative impairment losses. Goodwill is not amortized, but tested annually for impairment. For this purpose, goodwill is allocated to the cash-generating units, or, if it concerns a subsidiary, goodwill is included in the carrying amount of the subsidiary in question and the subsidiary forms a cash flow-generating unit.

In the Group, goodwill is tested by discounting the forecast future net cash flows (10 years) using market-based discount factors. In addition to the cash flows of the forecast period, the terminal value is also taken into account in measurement.

Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred. Directly attributable transaction costs of a certain borrowing are included in the original amortized cost of the borrowing, and are amortized as interest expense by using the effective interest method or, if necessary, by following a formula whose result can be deemed as being sufficiently near the sum calculated by using the effective interest method.

Leases

Leases of property, plant and equipment in which substantially all the risks and rewards of ownership are transferred to the Group are classified as finance leases. An asset leased under a finance lease is recognized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. An asset leased under a finance lease is depreciated over the shorter of the asset's useful life and the lease term. Lease payments are allocated between the interest expense and the reduction of the outstanding liability during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each financial period. Finance lease liabilities are included in other liabilities.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made on operating leases are recognized in profit or loss on a straight-line basis over the lease term.

Impairment

At each reporting date the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. In addition, goodwill and intangible assets not yet available for use are tested for impairment annually, regardless of the existence of indication of impairment. The need for impairment is assessed for each cash-generating unit which, in the case of the Evli Group, means for each subsidiary.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is determined as the present value of the future net cash flows expected to be derived from the said asset or cash-generating unit. The discount rate used is a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset is higher than its recoverable amount. Useful life of the asset is reviewed when the impairment loss is recognized. An impairment loss is reversed if circumstances have changed and the recoverable amount has changed since the date of recognizing the impairment loss. Impairment losses recognized for goodwill are not reversed under any circumstances.

Employee benefits

Retirement plans

Retirement plans are classified as either defined contribution plans or defined benefit plans. Contributions to defined benefit plans are reflected in profit or loss in the period in which they are incurred. The Evli Group finances all its retirement plans as contributions to pension insurance companies. The contributions take different countries' local regulations and practices into account.

In Finland, the employees' statutory pension insurance was arranged through Evli Group's joint pension fund before 2010. Since the number of employees covered by the joint pension fund had fallen below the 300 person limit for several financial periods, in the fall of 2009 the Board of Evli Group's joint pension fund resolved jointly with the Board of Evli Bank Plc to transfer pension liabilities to an employee pension insurance company. The pension liabilities were transferred to the Varma employee pension company as of December 31, 2009. The other assets forming part of defined benefit plans that were generated in previous financial years have been entirely terminated at the time of the transfer.

Share-based payments

No separate time value has been calculated for shares transferred to and returned from the employees, because the share subscription periods are short and, at the termination of a shareholder's employment, the company repurchases the shares at fair value in accordance with the shareholder agreement.

Provisions

A provision is recognized when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the Group can reliably estimate the amount of the obligation.

Income taxes

The profit and loss account's tax expense comprises current and deferred tax. Current tax is calculated on the taxable profit for the period determined on the basis of the enacted tax rate of each country, adjusted by any taxes related to previous periods.

Deferred tax is generally calculated on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. However, deferred tax assets have been recognized to the extent that future taxable income is likely to be generated, against which the temporary difference can be used. The largest temporary differences arise from the depreciation of tangible fixed assets and from losses verified in taxation. No deferred tax is recognized on the undistributed profits of subsidiaries to the extent it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is measured by using the tax rates enacted by the balance sheet date.

Financial assets and liabilities

Group's financial assets and liabilities are classified in accordance with IAS 39 Financial Instruments: Recognition and Measurement into the following categories: financial assets and liabilities at fair value through profit or loss, saleable financial assets, loans and receivables and other financial liabilities. The classification is done when a financial instrument is recognized initially.

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or the Group has transferred substantially all the risks and rewards of ownership of the financial asset to an external party. Financial assets and liabilities are recognized according to the trade date. A financial liability is derecognized when the obligation specified in the contract is discharged.

A financial asset and a financial liability shall be offset only when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Financial assets

The Financial assets at fair value through profit or loss category is divided into two sub-categories: trading assets, e.g. shares and derivatives, and financial assets designated as at fair value through profit or loss upon initial recognition, e.g. long-term investments in funds, shares, bonds and interest rate instruments. Trading assets are acquired principally to obtain profit in the short-term through changes in market prices.

The category's assets are measured at fair value and the fair value of all of this category's investments is determined on the basis of prices quoted on active markets, i.e. bid and ask quotations on the balance sheet date. In cases where price quotations have not been available from active markets, the fair value has been determined using common valuation models. Unquoted instruments such as shares and private equity funds are recognized at the acquisition price if no better estimate of the fair value is available – such as a share's net asset value, or a valuation price published by the management company of a private equity fund. Unrealized and realized gains and losses arising from changes in the fair value are recognized in net income or loss from securities trading in profit or loss for the period in which they were incurred.

Financial assets available for sale include long-term investments whose fair value cannot be accurately determined. The investments are recognized at the acquisition price if no better estimate of the fair value is available.

Loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and that the Group is not holding for trading purposes. Loans and other receivables are initially recognized at fair value inclusive of expenses immediately caused by the acquisition. Loans and receivables are measured at amortized cost.

Cash and cash equivalents comprise the cash reserves and minimum deposit balances required by the Bank of Finland. Repayable-on-demand deposits in credit institutions are also included in cash and cash equivalents in the cash flow statement.

Financial liabilities

Financial liabilities are initially recognized at fair value based on the consideration received. Subsequently, all financial liabilities are measured at amortized cost, using the effective interest rate method.

The fair value of this category's liabilities is determined principally on the basis of prices quoted on active markets, i.e. asking prices quoted on the balance sheet date. Financial liabilities at fair value through profit or loss include shares that have been sold short and derivatives.

Trading liabilities arise in situations where securities have been sold short. Trading liabilities, i.e. obligations to deliver trading securities that the Group has sold to third parties but does not own (short selling), are measured through profit or loss. In securities lending, the securities are retained in the original owner's balance sheet.

Liabilities corresponding to asset items acquired through a financial leasing agreement are included in other liabilities.

Impairment of financial assets

An item of loans and receivables is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Objective evidence of adverse changes in the borrower's ability to settle its obligations is based on the borrower's risk rating and Group's experience and management's estimate of the effects of delayed payments on future cash flows.

An impairment loss is recognized if the present value of the estimated future cash flows of the receivable discounted at the original effective interest rate is lower than the carrying amount of the receivable. The analysis takes into account the amount received upon foreclosure of collateral. After the impairment the interest expense is recognized on the impaired amount.

The impairment is recognized as a credit loss, when the debtor has been found insolvent in bankruptcy proceedings, it has closed down or the receivable has been forgiven in a voluntary or statutory loan arrangement.

Derivative financial instruments

The Group has treated derivative financial instruments in accordance with IAS 39 Financial instruments: recognition and measurement. Derivative financial instruments are initially recognized at cost, which corresponds to their fair value. Subsequently derivative financial instruments are measured at fair value. Resulting gains and losses are treated in accordance with the purpose of the derivative instrument. Positive changes in the value of derivative contracts are recognized in the balance sheet as assets and negative changes as liabilities.

Hedge accounting is not applied in the company, and derivative agreements are classified as held for trading. Changes in the value of derivatives in this category during the year and the realized gains/losses are presented in the income statement under net income from securities transactions.

Recognition of equity linked notes

The calculatory commission from issued equity linked notes, is recognized immediately in the income statement. The notes are recognized in the balance sheet at the amortized cost, and the interest component of the loan, which is the same as the value of the option, is recognized as a separate debt item in the group 'Derivative contracts and trading liabilities'. The interest expense for the notes is calculated by using the effective interest method.

Treasury shares

The cost of treasury shares acquired by the parent company is deducted from equity. When such shares are sold later, all of the consideration received is included in equity.

Operating profit

IAS 1 Presentation of Financial Statements does not define the concept of operating profit. The Group has defined it as follows: operating profit is the net sum formed after interest expenses, commission expenses, employee benefits expenses, other administrative expenses, depreciation, amortization and possible impairment losses, and other operating expenses are deducted from revenue. All other items than the ones mentioned above are presented below operating profit in the profit or loss.

Revenue recognition principles

Income from projects related to Corporate Finance operations are recognized as profits for the financial year in which the project's end result can be assessed reliably. The expenses arising from a project and the loss that can be expected are expensed immediately.

Commissions from asset management are accrued monthly and are invoiced in arrears in three-, six- or twelve-month periods. Securities brokerage events are recognized according to the trading date.

Interest income and expenses are calculated by using the effective interest method or, if necessary, by following a formula whose result can be deemed as being sufficiently near the sum calculated by using the effective interest method. The interest income and expenses related to the internal bank's trading operations are included in the profit and loss account item, net income from securities transactions. In recognizing an impairment loss on a contract classified as a financial asset, the recovery of interest is continued at the lowered accounting balance using the original effective interest rate of the contract. If the receipt of interest is unlikely, it is recognized as an impairment loss.

Accounting policies requiring management's judgement and key sources of estimation uncertainty

Preparation of the financial statements requires the making of certain estimates and assumptions about the future, and the actual outcomes may differ from these estimates and assumptions. The estimates are based on experience and on management's assumptions that were considered reasonable under the circumstances at the time. Preparation of the financial statements also requires, in some circumstances, the making of judgements with respect to accounting policies. The most significant estimates concern the impairment testing of goodwill.

Impairment testing of goodwill is based on the estimated future recoverable net cash flows of the cash generating units to which goodwill has been allocated, which is then compared to these units' carrying amounts. The testing requires making of assumptions concerning variables such as future prices, the growth rate of returns, costs of operations and the discount rate.

In situations where no external market price is available for single derivatives that are valued at their fair value, a price is used, which is theoretically calculated based on the generally approved valuation models used in the market.

New International Financial Reporting Standards (IFRS)

The following new and amended standards and interpretations have been approved by the IASB. The Group applies each standard and interpretation from its effective date or, if the effective date is not the first day of the annual period, from the beginning of the next annual period.

- Revised IAS 24, Related Party Disclosures
- Amended IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Amended IAS 32 Financial Instruments: Presentation – Classification of Rights Issues
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- IFRS 9 Financial Instruments
- IFRS 7 Transfers of Financial Assets – Disclosures

Segment reporting

The primary segment reporting is based on the business segments used in the Group's internal reporting. Evli Bank Plc's business segments are Asset Management, Markets and Corporate Finance. The Group also has a number of joint functions, which are reported under Group operations. Secondary segment reporting is based on geographical areas: Finland, Sweden and the Baltic region.

The business segments consist of business units whose products, services, earnings logic and profitability are related, but are different from those of other business segments. The business risks of the various segments are also different.

Inter-segment pricing occurs in arm's length transactions at fair value. The revenue, expenses, assets and liabilities that are deemed as directly attributable to or can be allocated on a reasonable basis to a particular business area are allocated to that business area. The revenue, expenses, investments and capital that are not allocated to a particular business area, and the inter-business-area eliminations in the Group, are reported under Group operations.

Asset Management

Evli's Asset Management service comprises individualized institutional asset management and Private Banking service, as well as a wide range of mutual funds. Institutional asset management offers professional total asset management solutions to e.g. insurance companies, pension funds, organizations, municipalities and companies. Evli's Private Banking is a comprehensive private banking service for private individuals with investment assets in excess of EUR 300,000. Other private clients are offered mutual funds, electronic banking services and other standardized money market products.

Markets

The operations of the Markets unit are divided into four business areas: equity brokerage, derivatives brokerage, market making and trading, and investment research. The unit's product range includes also structured products, ETFs and realization of management's share-based payment arrangements.

Corporate Finance

The Corporate Finance unit provides advisory services related to M&A transactions and securities offerings. M&A transactions include acquisitions, divestments, mergers and demergers. Securities offerings comprise initial public offerings, share issues, share sales, convertible loans and private placement arrangements.

Group operations

Group operations comprise the internal bank (consisting of the treasury, payments and credit management), Evli Bank's investments, financial administration, risk management, IT administration, corporate communications, legal affairs, compliance activities, human resources administration and internal services.

SEGMENT REPORTING

2010 (1 000 EUROS)	Markets	Corporate Finance	Asset Management	Group Operations	Unallocated	Group
	1.1.-31.12.2010	1.1.-31.12.2010	1.1.-31.12.2010	1.1.-31.12.2010		1.1.-31.12.2010
SEGMENT INCOME STATEMENT						
REVENUE						
External sales	**16 292**	**9 361**	**32 504**	**1 222**	**0**	**59 380**
Inter-segment sales	**-452**	**-8**	**-14**	**474**	**0**	**0**
Total revenue	**15 840**	**9 353**	**32 491**	**1 696**	**0**	**59 380**
RESULT						
Segment operating expenses	**-17 090**	**-6 641**	**-21 157**	**-10 315**	**0**	**-55 203**
Corporate expenses	**-2 972**	**-1 233**	**-4 835**	**9 040**	**0**	**0**
Operating profit	**-4 222**	**1 478**	**6 499**	**422**	**0**	**4 176**
Segment income taxes					**-770**	**-770**
Segment profit/loss after taxes	**-4 222**	**1 478**	**6 499**	**422**	**-770**	**3 407**
SEGMENT BALANCE SHEET						
Segment assets	**233 254**	**1 753**	**20 970**	**430 020**		
Unallocated corporate assets					**-33 241**	
Consolidated total assets						**652 757**
Segment liabilites	**170 539**	**574**	**9 015**	**432 682**		
Unallocated corporate liabilities					**-16 865**	
Consolidated total liabilities						**595 945**

2009 (1 000 EUROS)	Markets	Corporate Finance	Asset Management	Group Operations	Unallocated	Group
	1.1.-31.12.2009	1.1.-31.12.2009	1.1.-31.12.2009	1.1.-31.12.2009		1.1.-31.12.2009
SEGMENT INCOME STATEMENT						
REVENUE						
External sales	13 417	4 851	23 649	12 510	-670	53 757
Inter-segment sales	-574	-15	-12	601	0	0
Total revenue	12 843	4 836	23 638	13 111	-670	53 757
RESULT						
Segment operating expenses	-14 785	-5 802	-17 186	-11 520	786	-48 507
Corporate expenses	-2 799	-1 019	-3 697	7 515	0	0
Operating profit	-4 741	-1 985	2 755	9 106	116	5 251
Segment income taxes					-1 557	-1 557
Segment profit/loss after taxes	-4 741	-1 985	2 755	9 106	-1 440	3 695
SEGMENT BALANCE SHEET						
Segment assets	185 033	2 437	63 341	448 685		
Unallocated corporate assets					-8 684	
Consolidated total assets						690 813
Segment liabilities	161 334	1 143	44 496	432 838		
Unallocated corporate liabilities					-8 684	
Consolidated total liabilities						631 127

Group operations comprise the internal Bank, Evli Bank's investments, financial administration, risk management, IT administration, corporate communications, legal affairs, compliance activities, human resources administration and internal services. Segment operating expenses for Group operations in 2009 include profit sharing to the entire Group, unallocated to business units.

No individual customers of Evli Bank Plc have returns that exceed 10 percent of the total returns.

2010 (1 000 EUROS)	**Finland**	**Sweden**	**Baltic countries**	**Group**
	1.1.-31.12.2010	1.1.-31.12.2010	1.1.-31.12.2010	1.1.-31.12.2010
SEGMENT INCOME STATEMENT (GEOGRAPHICAL)				
Net revenue	**48 099**	**8 911**	**2 370**	**59 380**
SEGMENT BALANCE SHEET (GEOGRAPHICAL)				
Segment assets	**628 424**	**22 298**	**2 035**	**652 757**

2009 (1000 EUROS)	Finland	Sweden	Baltic countries	Group
	1.1.-31.12.2009	1.1.-31.12.2009	1.1.-31.12.2009	1.1.-31.12.2009
SEGMENT INCOME STATEMENT (GEOGRAPHICAL)				
Net revenue	46 169	6 176	1 413	53 758
SEGMENT BALANCE SHEET (GEOGRAPHICAL)				
Segment assets	646 646	42 205	1 962	690 813

PRINCIPLES OF CORPORATE GOVERNANCE

The governance of Evli Bank Plc (hereinafter Evli) complies with the Finnish Limited Liability Companies Act, applicable statutory provisions governing the Finnish securities markets, the regulations of the Finnish Financial Supervisory Authority, the Finnish Corporate Governance Code issued by the Securities Market Association, and the rules and regulations of the NASDAQ OMX Helsinki. Further information on Evli's risk management system is available on page 23.

General Meeting of Shareholders

The ultimate decision-making power in the company is vested in the General Meeting, at which shareholders 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, on a date designated by the Board of Directors no later than the end of June. Each Evli share represents one vote at a General Meeting.

The AGM adopts the financial statements and decides on the distribution of dividends. The AGM also decides on the number of members of the Board of Directors, elects them and confirms the yearly compensation. In addition to designating the company's Board of Directors, the AGM has the authority under the Limited Liability Companies Act to amend the company's articles of association, increase the company's share capital or grant an authorization thereto. The AGM also decides on the election of one or more auditors and the compensation payable to them.

Board of Directors and its committees

The AGM elects four to eight members to the Board of Directors, who serve until the end of the following year´s AGM. The Board members comprise representatives of major shareholders and external, independent members who have diverse experience of the business and industry in which Evli operates. The Board elects a Chairman and Vice Chairman from its members.

The Annual General Meeting held on March 2, 2010 reelected Henrik Andersin, Pekka Hietala, Harri-Pekka Kaukonen, Timo Korvenpää and Thomas Thesleff to Evli Bank Plc's Board of Directors. Robert Ingman, Mikael Lilius and Teuvo Salminen were elected as new members as Tapio Hintikka and Folke Husell left the Board of Directors. During the financial year, Henrik Andersin continued as Chairman of the Board and Harri-Pekka Kaukonen was Vice Chairman.

Evli's current Board of Directors consists of industry experts and the company's major shareholders and comprises eight members. The majority of the current members of the Board are independent of the company. Pekka Hietala, Harri-Pekka Kaukonen, Timo Korvenpää, Mikael Lilius and Teuvo Salminen are independent of the company and shareholders.

The Board of Directors is responsible for looking after the company's administration and appropriate organization of operations, and ensuring that the supervision of the company's accounting and asset management has been arranged suitably. 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 their salaries and other benefits. Furthermore, the Board approves the objectives of the Evli Group's human resources plan and monitors their implementation, and decides the criteria for the Evli Group's compensation system and other extensive matters that concern the personnel. In accordance with principles of good corporate governance, the Board also ensures that the company reinforces the corporate values applied to its operations.

The Board has approved a written procedure, dated December 11, 2006, defining the Board's duties and meeting practices. The Board carries out an annual internal self-evaluation of its activities and working practices.

The Board of Directors and the CEO shall manage the company and the Group in a professional manner and in accordance with sound and prudent business principles. The Board's obligation is to promote and advance the interests of the company and all its shareholders.

Evli's Board of Directors met 10 times in 2010. Board members' average attendance rate at meetings was 89.9 percent. In accordance with the AGM's decision, the Board members were paid a compensation of EUR 4100 per month.

On December 11, 2006, the Board established and appointed an Audit Committee and a Compensation 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.

The Audit Committee is responsible for advising the company's Board 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. Additionally, the Audit Committee is responsible for overseeing the accuracy and correctness of the company's financial reporting and preparing the proposal on the election 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, good management and governance practices, as well as for monitoring the activity of the internal audit function. The Audit Committee consists of at least three members, which may not be part of the company's management. The committee is elected by the Board from its members that are independent of the company. In addition to the committee's regular members the auditors, the CEO, the CFO and the internal auditor shall attend the meetings. The members of Evli's Audit Committee are Harri-Pekka Kaukonen (Chairman), Robert Ingman and Mikael Lilius. The committee meets regularly every quarter. The committee met 5 times in 2010. The Audit Committee's members' average attendance rate at meetings was 66.7 percent.

The Compensation Committee is responsible for advising the company's Board in the preparation of matters related to the management's employment terms and compensation and also the compensation and incentive systems for management and personnel. The Compensation Committee consists of at least three members, elected by the Board from its members, and the committee shall be chaired by an independent Board member. The members of Evli's Compensation Committee are Timo Korvenpää (Chairman), Henrik Andersin, Pekka Hietala, Teuvo Salminen and Thomas Thesleff. The committee met 7 times in 2010. The Compensation Committee's members' average attendance rate at meetings was 87.5 percent.

During the financial year members of the Board received no shares or share-based rights as compensation.

Chief Executive Officer and Executive Group

Evli's Board of Directors appoints the CEO, who is responsible for the company's day-to-day management in compliance with the Limited Liability Companies Act and the instructions and decisions provided by the Board of Directors. The CEO's duties include management and supervision of the Group's business, preparation of matters to be handled by the Board and implementation of the Board's decisions. The CEO's work is guided by a written procedure approved by the Board, effective as of November 1, 2006.

The company's CEO is Maunu Lehtimäki, M.Sc. (Econ.), born 1967. In 2010, the CEO was paid a salary of EUR 374,424, plus performance bonuses and other benefits EUR 93,256, making a total of EUR 467,680. During the financial year the CEO received no shares or share-based rights as compensation.

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 years.

The CEO is aided in the company's operating management by Evli's Executive Group, which is convened by the Chairman every second week. The Executive Group supports the CEO in preparing and executing the strategy, coordinating Evli's operations, preparing and executing significant or fundamental matters and decisions, and ensuring internal cooperation and communication. The Executive Group's work is guided by a written procedure approved by the Board, effective as of November 1, 2006.

The company has a reward system covering its entire personnel and within the framework of this at most 40 percent of the Group's profit can be distributed to the personnel. The system also permits restricted profit sharing for profit-making businesses even in situations in which the Evli Group has made a loss. The aim of this profit-linked reward system is above all to ensure the profitable growth of the Evli Group.

The reward system has two parts. The first part of the profit distribution is based on the result of each business unit. A possible additional part is determined according to the system by Evli Group's financial result. Individual rewarding is tied to the personal objectives of each Evli employee. Each employee has been set qualitative and quantitative targets and the achievement of these objectives is monitored by team leaders at development discussions held twice a year.

The Group's CEO and members of the Executive Group are also included in the reward system, though their reward is always tied to the financial result of the entire Group. The rewarding of senior management is always dealt with by the Compensation Committee, which makes proposals to the Board regarding rewarding of the CEO and each member of the Executive Group. As the rewarding of the management is completely dependent on the financial performance of the Group, the rewarding according to the reward system can vary significantly from year to year.

The company's remuneration system will be renewed in the future when new regulations regarding remuneration enter into force in early 2011.

Holdings of Board members, the CEO and Executive Group members in Evli

At the end of 2010, Evli's current Board members and the CEO held, either directly or indirectly through companies controlled by them, 58.65 percent of the company's total stock and 59.56 percent of the total votes. Board members, the CEO and members of the Executive Group together held, either directly or indirectly through companies controlled by them, a combined 61.88 percent of the company's total stock and 63.35 percent of the votes.

Internal controls and internal audit

Evli's internal audit reports to the CEO and is independent of the business functions. Its purpose is to audit the adequacy and effectiveness of the internal control system and the quality of performance in the Evli Group. Evli's Board of Directors, management and personnel can make use of the audits for operational management, control and development purposes.

The internal audit reports its findings to Evli's Board of Directors and CEO through the Audit Committee. The Board's Audit Committee annually approves the planning of the internal audit.

The internal audit follows internal audit guidelines and an internationally acknowledged framework of professional practices (The Institute of Internal Auditors) and corresponding information systems audit standards (Information Systems Audit and Control Association).

Evli's values and policy of transparent, appropriate communications support the company's operational integrity and high ethical standards. The company's organizational structure supports the planning, execution, control and monitoring of business operations in a manner that facilitates the achievement of defined objectives.

Evli's management acts in accordance with high moral and ethical standards. The company applies constant vigilance to ensure that its operations comply with all applicable laws and regulations. The responsibility for ensuring compliance rests with each employee, the operating management and the Board of Directors. A number of operational rules and regulations have been issued to ensure that applicable laws and regulations are complied with throughout Evli.

Auditors

Evli has one auditor. The auditor and a deputy, if any, must be a public accountant or auditing firm authorized by the Finnish Central Chamber of Commerce. If the auditor is an auditing firm, no deputy auditor need be elected. The auditor serves until the end of the following year´s AGM.

Evli's auditor is KPMG Oy Ab, an auditing firm, the principally responsible auditor being Marcus Tötterman, Authorized Public Accountant. The auditor is responsible for audit instructions and coordination. The auditor issues a statutory audit report to the company's shareholders as part of the company's annual financial statements. The principal function of a statutory audit is to ensure that the company's financial statements provide a true and fair view of the company's financial position and performance for each reporting period. The auditor also confirms the net asset value of the company's share on a quarterly basis, which is an important part of the company's share-based incentive scheme. In 2010, the Group paid EUR 276,691, and the parent company EUR 173,484, in auditor's fees. Additionally, the Group paid the auditing firm EUR 65,000 and the parent company EUR 19,421 in other fees. These were mainly related to tax counseling and the valuation of funds. From time to time, the company also purchases consultation services from the KPMG auditing firm, and the independence of this work from the audit is assessed by the Board of Directors.

Description of the Evli Group's financial reporting process

The Board of Directors monitors financial reporting and the Audit Committee assists the Board in this work. The CEO's and CFO's task is to monitor and ensure the quality of financial reporting.

The Group prepares the annual financial statements and also a quarterly interim report (IAS34), which is published as a press release. The Audit Committee meets well in advance before the AGM to deal with the annual and interim reports in detail. Reports are submitted to the Board on a monthly basis with separate reports relating to the business areas.

Operating under the CFO, the Finance Department produces and compiles the financial data on the financial performance of the individual areas of business in detail partly based on the financial data produced by the operational systems. The accuracy of financial data of separate companies and Group level data is ensured at different daily, weekly and monthly controls and calculation and validation measures.

Data are transferred in batches from the information systems related to operations, which are maintained by the business units, to the financial administration's systems. Various balancing measures are employed to ensure that the data transferred from the information systems related to operations correspond with the data in the financial administration's systems. The financial administration also ensures that all the data are delivered and entered in the accounting records. Securities are revalued for accounting in the financial administration's systems in accordance with IFRS 39 and the Group's internal guidelines. Various balancing mechanisms are employed to ensure that all the positions and securities have been transferred to the accounting system, and to monitor differences between the valuation price in the information systems related to operations and the price used in the accounting system, as well as the reasons for these differences. The accounting of all the Group companies is in the same accounting system, and the companies comply with the same accounting policies.

The purpose of the Finance Department's Management Accounting function is to continuously monitor the Evli Group's financial performance on both the Group and business unit levels. 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. The Group Controller reports to the Executive Group and the Board of Directors every month on Group-level performance and future outlook. Performance is evaluated by comparing actual figures with the budget and the forecast for the rest of the year that is updated every week. Each business unit has a Business Controller who is responsible for monitoring and reporting on the performance of the unit. The Business Controller is responsible for reporting on the financial results, sales and activity at least monthly and depending on the unit, even daily, to the Executive Group and other concerned parties. In addition to the reporting for each business unit, the monitoring is also carried out for the separate countries. Country Managers receive a monthly report on the financial performance of the country they represent. In order to ensure the accuracy of the data and to avoid any human errors, the internal accounting reports are balanced each month against the Group accounting. Any discrepancies are documented and presented in connection with the reports.

RISK MANAGEMENT

Organization of risk management

The Evli Group defines risk as an event or series of events that jeopardize the company's short-term or long-term financial performance. The objective of risk management is to support the undisturbed execution of the Group's strategy and financial performance. Each employee bears responsibility for risk management.

The Board of Directors of Evli Bank Plc sets the risk management policies, corporate risk limits and other general guidelines used to organize risk management and internal controls at Evli. The Board has established a risk management committee (Credalco), which prepares risk-taking matters for the review of the Board. Credalco defines and monitors market, credit and counterparty risks and the company's capital structure. The members during the review period were Kaj Blomster (Chairman), Tuomas Hukka, Johanna Lamminen, Maunu Lehtimäki and the expert member: Bengt Wahlström.

Risk management tasks

The following five areas have been defined as ongoing risk management tasks:

1. Making management aware of any risks involving short-term or long-term financial exposures.
2. Ensuring that any financial losses related to the risks are under control.
3. Preparing presentations regarding risk-taking and hedging decisions in a way that is proportionate to Evli Group's risk-bearing capacity.
4. Securing the commitment of employees to continuous risk management.
5. Facilitating and ensuring the establishment of risk management as part of regular day-to-day management.

The managers of the business units are responsible for risk management being at a sufficient level in each respective unit. The Group Risk Management Unit oversees the Group's operations and compliance with the risk limits granted to the business units on a daily basis. The Group also has an independent internal audit function which is responsible for the continuous auditing of the Group's functions. The Group Risk Management Unit reports the Group's overall risk position to the Board and the Group's Executive Group monthly.

In addition to the above-mentioned duties, the Group Risk Management Unit also has various other functions: It is tasked with acting as a consultant and developer during the development of the units' risk management procedures and instructions. The Group Risk Management Unit also acts as a controller when the units prepare the necessary guidelines and train their staff. The unit's most important task is overseeing the units' compliance with risk limits on a daily basis.

Risk concepts

Evli divides risks into three main categories:

1. Market risks including liquidity, interest rate, credit and price risks
2. Operational risks including legal, compliance and information security risks
3. Business risks

Market risks

One of Evli's greatest market risks is the price risk of Evli's own investment portfolio and trading stock. The own-book trading in which Evli engages on the equity markets is focused on securities quoted on the stock exchanges of Helsinki and Stockholm, and on derivatives connected to these securities. The investment activity related to the equity markets comprises market making operations, temporary investments for brokerage purposes, trading based on various trading strategies, and fund and private equity investments. Evli's Treasury engages in investment activity on the fixed income and currency markets.

The delta-adjusted equity market risk decreased and was at a lower level compared with previous years. The equity risk is measured by using delta-adjusted risk and other so-called 'Greeks', as well as by using stress tests. The delta-adjusted average of the total equity risk for 2010 was EUR 6.5 million, and at the end of the year EUR 6.0 million (the corresponding figures for 2009 were EUR 8 million and EUR 7 million - see notes 16 and 18 in the Notes to the Financial Statements).

The equity-related risks were moderate in relation to Evli's risk-bearing capacity. In the end-of-year situation, a scenario featuring negative market movements of 20 percent would have led to a loss of about EUR 1.2 million (a loss of EUR 1.4 million in 2009). Evli did not have significant equity risks related to an individual issuer at the end of the year. The Board has set maximum limits for investments in single issuers and for the total amount of investments in the CEE countries and Russia. In addition, illiquid investments and investment commitments are monitored regularly.

Only 3.3 percent of the total value of the investment portfolio and the trading stock has been measured using other than market quotations. Information on the methods used to measure investment instruments can be found under Accounting Policies in the Financial Review. Instruments measured by theoretical means were recognized entirely through profit or loss during the financial year, because the maturity periods of theoretically measured agreements are short and the accounting parameters used are based mainly on information from the markets.

The Evli Treasury's currency risk limits have been defined by currency, and currency-specific and aggregate stop-loss limits have been linked to them. Considering the scope of Evli's business, direct currency risks were of minor significance in 2010. The fixed income risk of the Treasury's investments was EUR 600,000 (EUR 1,600,000 in 2009) assuming that market rates change by one percentage point. The interest rate risk is also measured by means of change scenarios linked to the shape of the interest rate curve. The shape of the interest rate curve is stressed on the assumption that the 3-month rate would rise or fall by one percentage point and that the 5-year rate would fall or rise by half a percentage point.

Share-based incentive plans managed for clients on a contractual basis were carried out by acquiring equities in the client companies in question. There was no equity market risk for Evli. The credit and counterparty risks arising from market price fluctuations are monitored separately. No exposures arise in the financial statements from these operations.

In 2010, market risks accounted for 9 percent of Evli's total risk-based capital requirement including operational risks (42%).

Liquidity risk

The Board of Directors of Evli Bank Plc sets limits for the use of corporate capital. The proposals for these limits are prepared by the Group's risk management committee, Credalco. Evli's funding policy always assumes the full use of these limits.

Evli's internal bank is responsible for managing the liquidity risk. Liquidity risk is monitored by the Group Risk Management Unit, which reports to Credalco and the company's Board of Directors.

The use of funds was primarily related to capital market products and lending. Capital is also tied by collateral for settlement and derivatives trading. The Group's liabilities decreased about EUR 20 million during the year 2010 and were approximately EUR 396 million at the turn of the year. The immediately available liquidity, consisting of the sum of avista account funds and non-pledged securities, was on average about EUR 186 million during the year. This figure incorporates the use of capital within the Group. The bulk of funds were raised for a term of less than one year and the primary sources of funds were the customer deposits and the issuance of certificates of deposit. The long-term funding increased slightly during 2010 and was about EUR 50 million (EUR 44 million in 2009).

Evli's Internal Capital Adequacy Assessment Process (ICAAP) found no need for extra capital to cover liquidity risk.

Credit risks

The Board of Directors has approved a corporation-wide strategy for managing credit risks. The strategy defines the lending policies and specifies collateral requirements, pricing and maturities. The credit risk strategy also defines a classification scheme for customers and loans to be used in Evli. Credit risks are monitored by the Group Risk Management Unit, which reports them to the Executive Group, to Credalco and to the company's Board of Directors. Credit risks occur primarily through lending, the Treasury unit's investment operations and counterparty risk in derivative operations.

The external credit exposure of Evli's banking operations was EUR 58 million at the end of the year (EUR 49.5 million at the end of 2009). Loans to corporate customers accounted for 7 percent (8%) of this. The bank did not have any unarranged receivables at the end of the financial year. Credalco is authorized to make credit decisions within the limits set by the Board of Directors. Lending is focused on asset management customers with collateral for security. Approximately EUR 1,500 in credit losses were recognized in 2010

As the Treasury invests primarily in banks and credit institutions with high credit ratings (at least A-) and in government bonds, the credit risks of its investment portfolio are moderate. Investments are focused on credit institutions operating in the Nordic countries, and government bonds account for approximately 24 percent of the investment portfolio. Limits on investment operations are set taking into account the issuer's credit rating and geographical location, for example.

Brokerage-related credit risks were minor during the year under review. The counterparty risk in derivative operations is managed with daily collateral requirements and collateral management for both OTC and standardized contracts. Evli limits the size of individual clients' derivative position and all clients engaging in OTC derivative operations must be approved by the risk committee. The risks of share brokerage settlement operations were minor during the year under review.

In 2010, credit risks accounted for 50 percent of Evli's total risk-based capital requirement (50% in 2009). The capital requirement primarily consists of the risks related to lending, the Treasury's investments and strategic investments.

Operational risks

Operational risks refer to the direct or indirect risk of financial loss caused by shortfalls or failures in internal processes, systems, personnel or external factors. Legal, compliance and information security risks are also considered to be operational risks. Operational risks therefore relate to factors such as the company's management system, operating processes, information systems, personnel and various external factors or threats. Each unit is responsible for managing their own operational risks.

Evli continuously pays particular attention to the identification, tracking and management of its operational risks. Each business unit conducts regular self-evaluations of the operational risks related to its products, services, personnel, operating processes and systems. Evli has prepared specific, corporation-wide guidelines for the identification, assessment, monitoring and reporting of operational risks.

With the introduction of the capital adequacy requirements of the Basel Committee on Banking Supervision (Basel II), operational risks are also incorporated in the minimum capital requirements of banks. Evli applies the "Basic Indicator Approach" to capital adequacy, in which the capital requirement for operational risk is based on the average gross income of the preceding three years multiplied by a factor (0.15) set by the Basel Committee. Using this approach, the capital requirement for operational risk amounted to EUR 8.5 million in 2010. However, the capital requirement for operational risk calculated by Evli's own internal capital adequacy management process was notably smaller.

Processes

Business processes are developed quickly as the Group's business expands and grows. Evli's key processes are documented in process descriptions that can be used as tools in employee orientation and systems development. As these processes change, the guidelines are updated to reflect the new approaches. Processes and working instructions are reviewed and updated regularly. The responsibility for making the descriptions rests with the head of each unit, and compliance is monitored through spot checks by the corporate Internal Audit. Job descriptions and divisions of labor and responsibilities must be so clearly defined in writing that the party responsible for reconciliations, verifications and approvals is easily identifiable.

Legal risks

Rapid changes in legislation and legal practice create challenges for the introduction of different guidelines and regulations. Implementing the changes often takes a lot of time and effort. The primary responsibility for compliance with specific laws and governmental regulations applicable to the different Evli companies always rests with the line management in charge of the function in question. Evli's Board of Directors has appointed a Compliance Officer, and the Executive Group has designated a Compliance Steering Committee whose members represent the various business functions.

Information risk

Evli's operations are based to a large extent on the utilization of information technology and telecommunications. One of the key objectives of all Evli functions is the efficient, error- free and secure processing of information in a variety of formats. Evli handles and stores large amounts of information that is designated as confidential under applicable law, guidelines or contracts or otherwise requires special security arrangements. The confidentiality, accuracy and usability of such information must be protected at all times. In order to manage information risk, it is necessary to ensure that information systems function properly and reliably and to pay particular attention to the accuracy of information updated in databases and to the management of access rights.

The responsibility for ensuring that information is accurate rests primarily with the users of systems, rather than with information technology services such as systems support or systems development. For this reason, a specific 'Information Security Policy' that addresses information security and related procedures has been prepared for the management of operational risks related to information systems and information security.

Continuity management

Evli's operations may be threatened by external or internal crises of a physical or other nature. In crisis situations, an organization must:

- be prepared for crisis situations
- have crisis management capability
- have prepared by means of drills.

To ensure operational continuity, each function has a continuity plan. The purpose of continuity planning is to ensure that, in the event of certain threats materializing, it is possible to ensure the safety of Evli's customers and employees, to protect tangible and intangible property, to comply with the law and other regulations, to maintain the targeted level of customer service and internal operations and to preserve the trust of stakeholders.

Each continuity plan will include system recovery plans, including guidelines on how to get information systems into operating condition in situations of severe failure, how to continue operations and how to return operations to normal.

The coordination of continuity planning is the responsibility of the Group Risk Management Unit.

New products and services

The safe introduction of new products and services requires that, prior to making the final decision on introduction, assurance has been obtained that all units participating in the delivery of the product know their respective duties and that they have made the function in question aware of any operational and other risks involved in launching it on the market. The indirect effects of risks on the whole Group need to be assessed with particular care. Specific guidelines are in use in the Evli Group concerning the approval and introduction of new products and services.

Outsourcing of operations

The delegation of business operations to agents or other outsourcing of operations does not relieve Evli of its responsibilities or obligations. Evli has adopted guidelines regarding the principles that must be complied with when Evli's business operations are delegated outside the Group. These guidelines ensure that the management and monitoring of operational risks relating to the outsourced functions is arranged in the manner required by the Financial Supervisory Authority.

Reporting

The Group Risk Management Unit is responsible for corporate- wide risk reporting, which consists of both numerical and written reports. The Group Risk Management reports include at least the following:

1. Daily report to the Executive Group on the utilization of corporate limits and any observations arising from risk monitoring
2. Monthly numerical and narrative risk management report and summary of customer exposure and limit utilization to Credalco
3. Monthly report to the Board of Directors and the Executive Group
4. Annual operational risk assessment report to the Executive Group and the Board of Directors

Managing capital adequacy

An essential element of the Basel II capital adequacy regulations is compliance with the principles of pillar 2. Pillar 2 considers the risks outside the measurement of minimum capital requirements and all their dimensions and the residual risks outside this measurement. The capital adequacy regulation is based on the principle that the quantity, quality and allocation of the bank's own assets must be continuously sufficient to cover the material risks applying to the supervised party. It is not possible, however, to use capital to replace deficiencies in the qualitative aspects of risk bearing capacity. Broadly speaking, risk bearing capacity includes not only capital and profitability, but also reliable management, well-organized internal control and risk management. Evli's Internal Capital Adequacy Assessment Process (ICAAP) has been developed in line with the requirements of Basel II.

Evli Bank's Board of Directors has set a target of maintaining at least a 13 percent BIS capital adequacy. This target is monitored by means of the Group Risk Management Unit's monthly reports to the Board of Directors, the Executive Group and Credalco. Evli's internal capital adequacy management calculations are updated as deemed necessary by the management. However, this updating takes place at least once a year as part of strategic planning during the budgetary process.

No financial losses were sustained in 2010 as a result of misuse of information systems or disturbances affecting them. In addition to arranging normal asset protection, Evli has comprehensive insurance coverage for liability and criminal losses. Due to the Group's high capital adequacy ratio and good risk bearing capacity, Evli applies a relatively high deductible in its insurance policies.

CAPITAL ADEQUACY OF THE GROUP

	1.1.2010–31.12.2010	1.1.2009–31.12.2009	1.1.2008–31.12.2008	1.1.2007–31.12.2007	1.1.2006–31.12.2006
Own funds, M€*	**37.5**	40 .9	43.6	52.3	48 .1
Risk-weighted receivables, investments and off-balance sheet obligations, M€	**148 .1**	182.6	189.1	223.7	212.7
Own funds to cover operational risk, M€	**8.5**	9.5	9.6	9.5	0.0
Capital adequacy ratio, %	**14.8**	13.6	14.1	15.3	22.6
Evli Bank Plc's capital adequacy ratio, %	**17.2**	17.5	17.7	17.3	22.5
Own funds surplus M€	**17.2**	16.8	18.9	24.9	31.1
Own funds in relation to the minimum capital requirement	**1.9**	1.7	1.8	1.9	2.8

* Including only tier 1 capital.

Figures for the years 2007-2010 have been calculated in accordance with Basel II. Correspondingly, figures for 2006 have been calculated in accordance with Basel I.

Own funds	**2010**	2009
Own funds include share capital, funds and profits for the year. These items are not subject to special terms.		
Total tier 1 capital, M€:		
Equity	**30.2**	30.2
Funds total	**25.1**	28.2
Minority interest	**1.5**	1.3
Decreases:		
Intangible assets	**13.7**	13.4
Other decreases	**5.6**	5.5
Total tier 1 capital	**37.5**	40.9

Evli Bank has no tier 2 capital.

Capital adequacy management and minimum own funds		Risk-weighted
See section 'Capital adequacy management'.	Min. requirement	value
Claims from credit institutions and investment firms	**4.1**	50.6
Investments in mutual funds	**0.6**	7.7
Claims secured with property	**0.2**	2.5
Claims from corporate customers	**0.5**	6.5
Items with high risk, as defined by the authorities	**0.6**	7.4
Other items	**4.1**	51.7
Total	**10.1**	126.4
Minimum amount of own funds, market risk, M€	**1.7**	21.7
Risk-weighted receivables, investments and off-balance sheet obligations, total	**11.9**	148.1
Minimum amount of own funds, operational risk, M€	**8.5**	105.9
Total	**20.3**	254.0

Risk management principles by risk area

See section 'Risk management'.

General information on credit and dilution risk		
The definitions used in accounting for maturation and impairment are presented in the financial statements.		
Loans are entered as non-performing if payment of interest or instalments is overdue by at least 90 days.		
Lending is focused on Finnish asset management customers.		
Value adjustments of approximately EUR 1,500 concerning loans were made during the year.		
Credit risk (standard method)		
The credit rating institutions used in the standard method are Standard & Poor's and Moody's.		
Techniques to reduce credit risk		
The valuation of collateral uses risk committee-approved collateral factors that		
are based on the collateral's realizability and susceptibility to changes in value.		
Principal real collateral types used in capital adequacy calculation:		
Residential property collateral		
Cash deposits		
Liabilities hedged with approved collateral, M€	**2010**	2009
Mortgages	**7.2**	5.9
Other credits	**10.3**	12.7
Counterparty exposure of OTC derivatives	**3.1**	1.9
Credit risk (counterparty risk) M€		
Positive fair value of OTC derivatives in the financial statement	**15.7**	10.4
The derivatives comprise equity, currency and fixed income derivatives		
Collateral reducing counterparty risk in capital adequacy calculations		1.9
After the collateral-reducing effect the credit counter-value of derivatives totaled		19.4
Market risk		
Minimun capital adequacy requirement, trading stock, M€:		
Position risk	**1.0**	2.1
Minimun capital adequacy requirement for the total currency risk of all operations, M€	**0.8**	0.3
Total	**1.7**	2.5
Operational risk		
The method applied is the basic method.		
Shares outside the trading book		
Shares and participations in the banking book are measured at fair value through profit or loss and as avalaible-for sale investments.		
The value of the investments in the financial statements was EUR 35.7 million, which is the fair value of the investments.		
The listed shares are related to the equity incentive schemes.		
Investment types, M€:		
Private equity funds	**4.9**	4.8
Unlisted shares	**2.2**	1.3
Mutual funds	**4.1**	30.6
Listed shares	**24.5**	19.0
Total	**35.7**	55.7
Private equity funds and mutual funds have been valued by applying the last known fair value from the funds' management companies.		
Unlisted shares have been valued to purchase price unless a better opinion of the fair value is available, like the net asset value of the share.		
During the year, the realized capital gains from the investments was net EUR 1.1 million.		
Interest rates risk of items outside the trading book		
See section 'Market risks'.		

Companies included in the Consolidated Accounts

Evli Bank Plc, Helsinki (parent company)
- Evli Life Ltd, Helsinki (100%)
- Evli Fund Management Company Ltd, Helsinki (100%)
- Evli Property Investments Ltd, Helsinki (100%)
  - EPI Russia Partners I Ltd, Helsinki (50%)
    - EPI Rus Partners OOO, St. Petersburg (100%)
  - EPI Healthcare Partners Oy, Helsinki (100%)
  - EPI Russia Partners II Ltd, Helsinki (100%)
- Evli Alexander Management Oy, Helsinki (45%)*
- Evli Russia Ltd (54,90 %)
  - OOO Evli St. Petersburg, St Petersburg (100 %)
  - OOO Evli Moscow, Moscow (100%)
- Evli Securities AS, Tallinn (100 %)
  - Baltic SME Management B.V., Amsterdam (33.3%)
  - BIF Management Ltd, Jersey (10%)
- Evli Fonder AB, Stockholm (100%)

The Group's parent company is Evli Bank Plc, domiciled in Helsinki.
The consolidated accounts are available on the Internet at www.evli.com
or at the address Aleksanterinkatu 19 A, P.O. Box 1081, FI-00101 Helsinki, Finland.

All subsidiaries and branch offices are included in the consolidated accounts.
The pooling method has not been used in the consolidation of subsidiaries.
All subsidiaries included in the consolidated accounts have the same financial year.
* The company is Evli's associated company: according to the shareholders' agreement Evli is the controlling company.

NOTES TO INCOME STATEMENT

1 000 EUROS	2010	2009
1. Interest income		
At fair value through profit or loss		
Debt securities	6 944	9 121
Derivative contracts	0	75
Interest income from other loans and claims		
Claims on credit institutions	282	237
Claims on the public and public sector entities	942	1 356
Other interest income	4	10
Interest income, total	8 172	10 799
2. Interest expenses		
At fair value through profit or loss		
Derivative contracts and trading liabilities	-14	-16
Interest expenses from other borrowing		
Liabilities to the public, public sector entities and credit institutions	-3 452	-4 943
Debt securities issued to the public	-2 472	-2 632
Other interest expenses	-5	-3
Interest expenses, total	-5 943	-7 594
3. Commission income		
Credit related fees and commissions	18	13
Insurance brokerage	282	41
Advisory services	10 033	4 965
Securities brokerage	13 733	9 871
Mutual funds	25 678	16 997
Asset management	4 771	4 029
Custody services	2 678	2 276
Other operations	2 121	2 433
Commission income, total	59 313	40 625
4. Commission expenses		
Trading fees paid to stock exchanges	-1 084	-1 218
Other	-1 710	-2 142
Commission expenses, total	-2 793	-3 360
5. Net income from securities transactions and foreign exchange dealing		
Income from equity investments		
Dividends from financial assets classified as held for trading	536	825
Dividends from group companies	-4	-459
Income from equity investments, total	532	365
Financial assets held for trading	1 878	3 842
Financial assets at fair value through profit or loss	-2 850	7 085
Net income from securities transactions, total	-971	10 927

	Gains and losses on sales	Changes in fair value	Total	Total
Debt securities	-4 702	-656	-5 358	3 626
Shares and derivative contracts	8 349	-3 962	4 387	7 301
Net income from securities transactions, total	3 647	-4 618	-971	10 927
Net income from foreign exchange operations			905	1 432
Net income from securities transactions and foreign exchange operations, total			-66	12 359

1 000 EUROS	2010	2009
6. Other operating income		
Rental income	44	103
Gain on sale of owner-occupied investment properties	3	5
Other income	118	455
Other operating income, total	165	563

1 000 EUROS		2010		2009
7. Employee benefits				
Wages and salaries		-23 174		-20 490
- of which bonuses	-3 214		-2 601	
Other social security costs		-2 365		-1 864
-of which relating to bonuses	-186		-110	
Pension expenses		-4 596		-3 983
- of which relating to bonuses	-507		-314	
-defined benefit plans	0		-640	
-defined contribution plans	-4 596		-3 343	
Employee benefits, total		-30 134		-26 336

	2010	2009
Number of personnel during the period, average	275	278
Number of personnel at the end of the period	282	281
Employees by business segment at the end of the period		
Markets	46	69
Corporate finance	45	45
Asset management	96	99
Administration and other	95	68
Total	282	281
Employees by geographic market at the end of the period		
Finland	211	203
Sweden	26	32
Estonia	16	14
Lithuania	11	11
Russia	18	21
Total	282	281
8. Other administrative expenses		
Office maintenance expenses	-681	-567
Office expenses	-1 448	-1 442
Telephone and postage expenses	-736	-684
Information expenses	-2 810	-2 586
IT related expenses	-4 920	-4 271
Business expenses	-400	-275
Travel expenses	-953	-872
Car costs	-232	-252
Other human resources related expenses	-1 088	-706
Marketing expenses	-1 545	-1 525
Banking and custodian expenses	-730	-575
External services fees	-2 721	-2 603
Other administrative expenses, total	-18 263	-16 359

1 000 EUROS	2010	2009
9. Depreciation, amortization and impairment losses		
Depreciation and amortization		
Applications and software	**–1 771**	-1 449
Other intangible assets	**–1 087**	-272
Leasehold improvements	**–74**	-104
Assets acquired under finance leases	**–226**	-266
Equipment and furniture	**–523**	-582
Depreciation, amortization and impaiment losses, total	**–3 682**	-2 672
10. Other operating expenses		
Supervision expenses	**–215**	-262
Rental expenses	**–2 772**	-2 717
Loss on sale of owned properties, plant and equipment	**–2**	-15
Other expenses	**–135**	-136
Other operating expenses, total	**–3 124**	-3 131
11. Impairment losses on loans and other commitments and other financial assets		
Claims on the public and public sector entities		
Actual impairment losses	**2**	0
Reversals of impairment losses	**–1**	2
Individually impairment losses	**0**	-11
Impairment losses on loans and other commitments, total	**0**	-9
12. Income taxes		
Current tax expense	**–1 413**	-2 030
Taxes from previous years	**–43**	0
Deferred taxes	**736**	458
Other taxes	**–51**	16
Income taxes, total	**–770**	-1 557
Reconciliation between the income tax expense recognized in the income statement		
and the taxes calculated using the parent company's domestic tax rate:		
Profit/loss before taxes, Finland	**4 972**	6 558
Profit/loss before taxes, other countries	**–795**	-1 307
Profit/loss before taxes, total	**4 176**	5 251
Tax at domestic tax rate	**1 086**	1 365
Effect of foreign subsidiaries' differing tax rates	**–50**	340
Tax at source paid abroad	**–9**	-21
Income not subject to tax	**–61**	136
Expenses not deductible for tax purposes	**54**	-137
Adjustment to depreciation on property, plant and equipment previously not deducted in taxation	**–73**	-110
Change in other deferred tax assets	**–178**	0
Other taxes	**0**	-16
Income tax charge in the consolidated income statement	**770**	1 557

NOTES TO CONSOLIDATED BALANCE SHEET

1 000 EUROS			2010	2009
13. Claims on credit institutions				
Repayable on demand				
Domestic credit institutions			14 191	7 255
Foreign credit institutions			3 627	8 209
Repayable on demand, total			17 818	15 464
Other than repayable on demand				
Central banks				
Foreign credit institutions			1 183	1 943
Other than repayable on demand, total			1 183	1 943
Claims on credit institutions, total			19 001	17 407
14. Claims on the public and public sector entities by sector				
Repayable on demand				
Foreign countries			0	1
Repayable on demand, total			0	1
Other than repayable on demand				
Enterprises and housing associations			3 493	2 481
Public corporations				
Households			46 528	38 606
Foreign countries			8 068	8 492
Other than repayable on demand, total			58 090	49 580
Claims on the public and public sector entities by sector, total			58 090	49 581
15. Debt securities				
Issued by public corporations	Publicly quoted	Other	Total	Total
Government bonds held for trading	66 154	0	66 154	21 036
Issued by public corporations, total	66 154	0	66 154	21 036
Issued by other than public corporations				
Other than held to trading			0	4
Held for trading				
Banks' certificates of deposit	0	32 900	32 900	20 767
Bonds issued by banks	64 059	111 905	175 964	229 670
Other debt securities	0	0	0	267
Issued by other than public corporations, total	64 059	144 806	208 865	250 708
Debt securities, total			275 019	271 744
Debt securities by balance sheet category				
Debt securities eligible for refinancing with central banks				
On public sector entities			66 154	21 036
Other			170 549	219 183
Debt securities				
On public sector entities			0	4
Other			38 316	31 521
Total			275 019	271 744

1 000 EUROS		2010	2009
16. Shares and participations			
Fair valued through profit or loss		**2010**	
Balance sheet category	**Publicly quoted**	**Other**	**Total**
Shares and participations			
Available for sale	**0**	**1 896**	1 896
Valued at fair value throuh profit or loss			
Held for trading	**53 941**	**2 984**	**56 925**
Other	**28 554**	**5 224**	**33 778**
Shares and participations, total	**82 495**	**10 104**	**92 599**
		2009	
Balance sheet category	Publicly quoted	Other	Total
Shares and participations			
Valued at fair value throuh profit or loss			
Held for trading	74 209	88	74 297
Other	49 589	6 089	55 678
Shares and participations, total	123 798	6 177	129 975

Net risk position is described on page 23.

	2010	2009
17. Shares and participations in associates and joint ventures		
At the beginning of the period	**80**	599
Share of profit/loss	**–4**	-459
Disposals	**0**	-60
At the end of the period	**76**	80

Shares and participations in associates contain the fair value of the indirectly owned funds by the companies

Holdings in consolidated associated compnaies	**BIF**	**Baltic SME**
Company	**Management Ltd**	**Management B.V**
Domicile	**Jersey**	**Netherlands**
Assets	**8**	**11**
Liabilities	**0**	**1**
Revenue	**29**	**29**
Profit/loss	**0**	**0**
Ownership (%)	**10%**	**33,33%**

1 000 EUROS

18. Derivative contracts

Overall effect of risks associated with derivative contracts	Nominal value of underlying			2010	2010
	Remaining maturity				
Held for trading	Less than 1 year	1-5 years	Fair value (+/-)	ASSETS	LIABILITIES
Interest rate derivatives					
Futures	74 900	0	0	0	0
Currency-linked derivatives	342 884	0	-10	4 749	4 759
Equity-linked derivatives					
Futures	28 251	0	-504	308	812
Options bought	37 286	59 157	13 375	13 952	578
Options sold	61 912	62 322	-14 919	408	15 327
Other derivatives					
Held for trading, total	545 233	121 479	-2 058	19 418	21 476
Derivative contracts, total	545 233	121 479	-2 058	19 418	21 476

Overall effect of risks associated with derivative contracts				2009	2009
Held for trading					
Interest rate derivatives					
Futures	75 700	0	0	0	0
Currency-linked derivatives	95 237	0	6	976	971
Equity-linked derivatives					
Futures	24 554	0	-49	535	584
Bought	92 882	51 248	11 323	12 005	682
Sold	47 502	55 573	-10 994	428	11 422
Other derivatives					
Held for trading, total	335 874	106 821	285	13 944	13 659
Derivative contracts, total	335 874	106 821	285	13 944	13 659

Equity derivatives held for trading, and other liabilities held for trading (notes 18 and 27) hedge the equity delta risk for shares and participations in the trading book (note 16). The delta-adjusted equity risk was at the end of 2010 EUR 5.9 million, including shares and participations in the banking book.

The interest rate derivatives hedge the interest rate risk in assets and liabilities in the balance sheet.
Currency derivatives comprise commitments made against clients and the associated hedges, and contracts made to hedge currency risk in the balance sheet.
Equity derivatives in the banking book hedge the equity risk in equity-linked bonds issued to the public.

1 000 EUROS	2010	2009
19. Intangible assets		
Goodwill		
Cost at 1.1.	**4 468**	4 468
Increases	**195**	0
Cost at 31.12.	**4 663**	4 468
Book value at 31.12.	**4 663**	4 468
Software or projects in progress		
Cost at 1.1.	**535**	945
Increases	**2 466**	946
Decreases	**–1 130**	-1 356
Cost at 31.12.	**1 871**	535
Book value at 31.12.	**1 871**	535
Applications and software		
Cost at 1.1.	**12 172**	9 743
Exchange difference	**9**	4
Increases	**1 333**	2 441
Decreases	**–56**	-15
Cost at 31.12.	**13 458**	12 172
Accumulated amortisation and impairment losses at 1.1.	**–6 937**	-5 502
Exchange difference	**–7**	-1
Amortisation for the period	**–1 765**	-1 449
Accumulated amortisation in respect of decreases	**24**	15
Accumulated amortisation and impairment losses at 31.12.	**–8 686**	-6 937
Book value at 31.12.	**4 772**	5 235
Other intangible assets		
Cost at 1.1.	**4 598**	0
Increases	**0**	4 598
Decreases	**–453**	0
Cost at 31.12.	**4 145**	4 598
Accumulated amortisation and impairment losses at 1.1.	**–272**	0
Amortisation for the period	**–906**	-272
Accumulated depreciation in respect of decreases	**272**	0
Accumulated amortisation and impairment losses at 31.12.	**–906**	-272
Book value at 31.12.	**3 239**	4 326
Intangible assets, total at 31.12.	**14 545**	14 565
Book value of intangible assets at 31.12.	**14 545**	14 565

The testing of goodwill did not give reason to impair goodwill. The goodwill assessments were based on the cash flow model in use, in which the confirmed budgets for 2011 and eight-year cash flow forecasts were used as a template. These eight-year cash flow forecasts are commonly used in Corporate Finance unit's estimates. The permanent growth after the forecast period was estimated to be approximately 2-3 percent, and the weighted average cost of capital was estimated to be approximately 16 percent

However, no moderately estimated change of any of the key variables used in the calculation would lead to a situation in which the book value of an acquired business would exceed its value-in-use. Therefore, it is the management's understanding that there is no need for recognitions of impairment.

1 000 EUROS	2010	2009
20. Property, plant and equipment		
Equipment and furniture		
Cost at 1.1.	**6 164**	6 218
Exchange difference	**113**	29
Increases	**278**	93
Decreases	**–745**	-175
Cost at 31.12.	**5 811**	6 164
Accumulated depreciation at 1.1.	**–5 413**	-5 048
Exchange difference	**–68**	-18
Depreciation for the period	**–522**	-573
Translation difference from depreciation for the period	**–1**	-1
Accumulated depreciation in respect of decreases	**732**	226
Accumulated depreciation 31.12.	**–5 271**	-5 413
Book value at 31.12.	**540**	752
Assets acquired under finance leases		
Cost at 1.1.	**1 983**	1 875
Increases	**230**	107
Cost at 31.12.	**2 213**	1 983
Accumulated depreciation at 1.1.	**–1 705**	-1 440
Depreciation for the period	**–228**	-265
Accumulated depreciation at 31.12.	**–1 933**	-1 705
Book value at 31.12.	**280**	278
Property, plant, and equipment, total 31.12.	**820**	1 029
Leasehold improvements		
Cost at 1.1.	**3 346**	3 416
Transfer between balance items	**3**	1
Decreases	**–6**	-71
Cost at 31.12.	**3 344**	3 346
Accumulated depreciation at 1.1.	**–3 175**	-3 142
Transfer between balance items	**0**	-1
Depreciation for the period	**–77**	-104
Accumulated depreciation in respect of decreases	**6**	71
Accumulated depreciation at 31.12.	**–3 246**	-3 175
Book value at 31.12.	**98**	171
Other tangible assets		
Cost at 1.1.	**591**	584
Increases	**0**	7
Cost at 31.12.	**591**	591
Book value at 31.12.	**591**	591
Property, plant and equipment, total at 31.12.	**1 509**	1 791
Book value of tangible assets at 31.12.	**1 509**	1 791

1 000 EUROS		2010	2009
21. Other assets			
Securities sale receivables		**14 142**	20 584
Commission receivables		**7 428**	6 212
Securities broking receivables		**116 865**	113 434
Other receivables		**169**	257
Other assets total		**138 605**	140 486
In Finland, the personnel's statutory pension cover has been arranged			
through Evli Group's joint pension fund until December 31, 2009.		**0**	165
Pension receivables are included in other receivables.			
22. Accrued income and prepayments			
Interest		**2 447**	2 559
Taxes		**149**	79
Staff-related		**717**	471
Other items		**2 248**	2 136
Accrued income and prepayments total		**5 560**	5 245
23. Deferred tax assets			
Due to timing differences		**479**	538
Other temporary differences			
From tax losses carried forward		**344**	413
Deferred tax assets total		**823**	951
Deferred tax assets result from timing differences in fixed asset depreciation.			
24. Liabilities to credit institutions and central banks			
Central banks		**0**	90 000
Credit institutions			
Repayable on demand		**0**	27 000
Others		**21 161**	36 050
Liabilities to credit institutions and central banks, total		**21 161**	153 050
25. Liabilities to the public and public sector entities			
Deposits			
Repayable on demand		**266 713**	143 173
Other than repayable on demand		**26 645**	19 194
Other liabilities			
Other than repayable on demand		**4 920**	37 062
Liabilities to the public and public sector entities, total		**298 279**	199 430
26. Debt securities issued to the public			
Certificate of deposits		**10 967**	6 485
Bonds		**51 862**	51 004
Debt securities issued to the public, total		**62 829**	57 489
Breakdown by maturity	less than 3 months	3-12 months	1-5 years
Debt securities issued to the public	6 492	7 400	48 936
Changes in bonds issued to the public			
Issues		**24 426**	30 788
Repurchases		**18 847**	21 936

1 000 EUROS		2010	2009
27. Derivative contracts and other liabilities held for trading			
Derivative contracts		**21 476**	13 659
Due to short selling		**20 973**	33 246
Derivative contracts and other liabilities held for trading, total		**42 449**	46 905
27. Breakdown of other liabilities			
Securities broking liabilities		**111 936**	118 102
Securities purchase liabilities		**24 067**	20 998
Finance lease payables		**288**	289
Income tax payable		**30**	13
Personnel related		**854**	810
Other short-term liabilities		**13 950**	17 194
VAT payable		**134**	207
Other liabilities, total		**151 258**	157 613
29. Accrued expenses and deferred income			
Interest		**1 897**	1 399
Tax payables		**767**	1 629
Personnel related		**7 967**	6 514
Other accrued expenses		**8 709**	5 811
Accrued expenses and deferred income, total		**19 340**	15 354
30. Deferred tax liabilities			
Due to timing differences		**629**	1 287
Deferred tax liability, total		**629**	1 287
31. Own shares held by the credit institution			
The credit institution holds own shares	64 333		
The cost of own shares is	EUR 512 602		
The cost of purchase has been deducted from unrestricted equity.			
32. Share capital, parent company			
The company has one series of shares outstanding and each share represents one vote.			
Total number of shares is	4 202 799		

1 000 EUROS

33. Changes in the share capital, board authorizations and option programs

	Number of own shares held	Number of outstanding shares	Share capital	Share premium fund	Fund of invested non-restricted equity
1.1.2009	142 976	4 073 853	30 194	1 839	7 466
Aquisition of own shares 2008 authorization	32 454	-32 454	0	0	0
Aquisition of own shares 2009 authorization	75 300	-75 300	0	0	0
Nullification of own shares 2009 decision	-224 330	0	0	0	0
Share issue 2009 authorization	0	186 300	0	0	2 547
31.12.2009	26 400	4 152 399	30 194	1 839	10 013
Total number of shares		4 178 799			
1.1.2010	**26 400**	**4 152 399**	**30 194**		
Aquisition of own shares 2009 authorization	**4 683**	**–4 683**	**0**		
Aquisition of own shares 2010 authorization	**33 250**	**–33 250**	**0**		
Share issue 2009 authorization	**0**	**15 000**	**0**		
Share issue 2010 authorization	**0**	**9 000**	**0**		
31.12.2010	**64 333**	**4 138 466**	**30 194**		
Total number of shares		**4 202 799**			

Share premium fund

The share premium fund comprises the following items: the amount exceeding the counter-book value of the share paid for shares prior to September 1, 2006 in a new issue; the amount paid for a subscription right based on an option right; gain on sale of the company's own shares; and the amount by which the share capital is lowered and which is not used to cover an adopted loss, transferred to a fund to be used in accordance with the decision of the general meeting of the shareholders or distributed to the shareholders.

Fund of invested non-restricted equity

The fund of invested non-restricted equity includes the proceeds from the disposals of own shares received after September 1, 2006.

34. Largest shareholders and share ownership breakdown

	Share	%
Oy Prandium Ab (Thomas Thesleff and his family)	950 820	22.62
Oy Scripofilum Ab (Henrik Andersin)	950 820	22.62
Oy Fincorp Ab (Roger Kempe)	579 945	13.80
Ingman Group Oy Ab	465 000	11.06
Lehtimäki Maunu	98 432	2.34
Tallberg Claes	92 439	2.20
Hollfast John	82 080	1.95
Hartikainen Raimo	41 504	0.99
Jousimies Panu	39 768	0.95
von Bonsdorff Petter	39 416	0.94
	3 340 224	79.48
Others	862 575	20.52
Total	4 202 799	100.00

1 000 EUROS

35. Maturities of financial assets and financial liabilities of credit institution

Due to the nature of the business, predicting future cash flows is difficult. Cash flows from derivatives are especially difficult to predict.

The maturities of derivatives are provided in note 17; the maturities are as agreed, which does not fully conform to real cash flows.

2010	less than 3 months	3–12 months	1–5 years	5–10 years	Total
Loans and other claims					
Claims on credit institutions	19 001	0	0	0	19 001
Claims on the public and public sector entities	4 390	12 574	40 376	750	58 090
Financial assets at fair value through profit or loss					
Debt securities eligible for refinancing with central banks	1 336	0	235 367	0	236 703
Debt securities	2 998	31 858	3 460	0	38 316
Financial liabilities at amortized cost					
Liabilities to credit institutions	18 011	1 650	1 500	0	21 161
Liabilities to the public and public sector entities	291 322	6 871	86	0	298 279
Debt securities issued to the public	6 492	7 400	48 936	0	62 829
2009					
Loans and other claims					
Claims on credit institutions	17 407	0	0	0	17 407
Claims on the public and public sector entities	4 729	11 963	31 781	1 107	49 581
Financial assets at fair value through profit or loss					
Debt securities eligible for refinancing with central banks	4 008	54 090	171 367	10 754	240 219
Debt securities	2 964	24 735	3 826	0	31 525
Financial liabilities at amortized cost					
Liabilities to credit institutions	71 820	81 080	150	0	153 050
Liabilities to the public and public sector entities	196 755	2 606	70	0	199 430
Debt securities issued to the public	4 497	9 171	43 821	0	57 489

36. Assets and liabilities denominated in domestic and foreign currency

			2010			2009
Balance sheet item	Domestic	Foreign currency	Total	Domestic	Foreign currency	Total
Loans and other claims						
Cash on hand	27 512	0	27 512	45 044	0	45 044
Claims on the public and public sector entities	58 090	0	58 090	49 503	77	49 581
Financial assets at fair value through profit or loss						
Claims on credit institutions	15 843	3 158	19 001	10 711	6 696	17 407
Debt securities	273 683	1 336	275 019	271 744	0	271 744
Shares and participations	67 033	25 642	92 675	92 351	37 624	129 975
Derivative financial instruments	18 921	496	19 418	13 715	229	13 944
Other assets	134 654	26 387	161 041	121 455	41 663	163 118
Total	595 736	57 020	652 757	604 523	86 289	690 813
Financial liabilities at amortized cost						
Liabilities to credit institutions	21 161	0	21 161	153 050	0	153 050
Liabilities to the public and public sector entities	293 574	4 706	298 279	188 104	11 326	199 430
Debt securities issued to the public	62 829	0	62 829	57 489	0	57 489
Financial assets at fair value through profit or loss						
Derivative contracts and liabilities held for trading	31 778	10 670	42 449	17 331	29 574	46 905
Other liabilities	145 054	26 173	171 227	135 688	38 566	174 253
Total	554 396	41 549	595 945	551 661	79 466	631 127

1 000 EUROS

37. Value of financial instruments across the three levels of the fair value hierarchy	Level1	Level2	Level3	Total
Fair value	2010	2010	2010	
Financial assets:				
Shares and participations classified as held for trading	53 941	0	2 984	56 925
Shares and participations, other	28 554	0	7 119	35 673
Debt securities	239 638	35 381	0	275 019
Positive market values from derivatives	2 641	4 891	11 886	19 418
Total financial assets held at fair value	324 774	40 272	21 989	387 035
Financial liabilities:				
Shares and participations classified as held for trading	20 973	0	0	20 973
Negative market values from derivatives	3 088	4 870	13 517	21 476
Total financial liabilities held at fair value	24 062	4 870	13 517	42 449
	2009	2009	2009	Total
Financial assets:				
Shares and participations classified as held for trading	74 206	0	91	74 297
Shares and participations, other	49 589	0	6 089	55 678
Debt securities	21 036	250 253	455	271 744
Positive market values from derivatives	3 943	1 272	8 729	13 944
Total financial assets held at fair value	148 774	251 525	15 364	415 663
Financial liabilities:				
Shares and participations classified as held for trading	33 246	0	0	33 246
Negative market values from derivatives	2 595	1 069	9 995	13 659
Total financial liabilities held at fair value	35 841	1 069	9 995	46 905

Explanation of fair value hierarchies:

Level 1

Fair values measured using quoted prices in active markets for identical instruments.

Level 2

Fair values measured using directly or indirectly observable inputs, other than those included in level 1.

Level 3

Fair values measured using inputs that are not based on observable market data.

Level 1 of the hierarchy includes listed shares, mutual funds and derivatives listed on exchanges, and debt securities that are traded in active OTC- and public markets.

Shares and participations classified in level 3 are usually instruments which are not publicly traded. These instruments are valued to purchase price unless a better opinion of the fair value is available, like the net asset value of the share, or for venture capital funds; the valuation received from the fund management company.

Derivatives in level 2 or 3 are derivatives whose values are calculated with pricing models widely in use, like Black-Scholes.

Derivative valuations for level 3 instruments contain inputs (volatility and dividend estimate) which are not directly observable in the market.

Debt securities valuations that are obtained from markets that are not fully active, have a fair value level hierarchy of 2.
Level 3 valuations for debt securities are valuations received directly from the arranger of the issue.

1 000 EUROS	2010	2009
38. Analysis of financial instruments categorized in level 3		
Financial assets:		
Shares and participations classified as held for trading	**2 984**	91
Unlisted shares and participations	**2 198**	1 319
Venture capital funds	**4 921**	4 770
OTC equity derivatives	**11 886**	8 729
Total financial assets held at fair value	**21 989**	15 364
Financial liabilities:		
OTC equity derivatives	**13 517**	9 995
Total financial liabilities held at fair value	**13 517**	9 995
Significant changes during the year, considering level 3 categorized instruments:		
Bought venture capital funds	**253**	1 214
Bought unlisted shares	**1 243**	297
Fair value changes for venture capital funds	**139**	-1 377
Sold debt securities	**0**	2 805
Reclassified debt securities to level 2 from level 3	**471**	1 953
Reclassified debt securities to level 3 from level 2	**0**	455

The reason for the reclassification is that a more reliable fair value has been obtained from the market.

Change in derivatives is attributed to both an appreciation in value of bought and sold options, and a larger position in OTC options.

If the volatility estimate in the options pricing model for level 3 categorized options, is changed to a publicly available historical volatility, the options market value would change by net + EUR 0.07 million.

39. Unrealized profit/loss for financial instruments categorized in level 3	**Unrealized P/L at year-end 2010**	Unrealized P/L at year-end 2009
Financial assets:		
Shares and participations classified as held for trading	**421**	37
Shares and participations, other	**-524**	-962
Debt securities	**0**	-45
Positive market values from derivatives	**2 963**	-1 118
Unrealized P/L at year-end, financial assets	**2 860**	-2 087
Financial liabilities:		
Negative market values from derivatives	**-4 555**	-179
Unrealized P/L at year-end, financial liabilities	**-4 555**	-179
Total unrealized profit (loss), level 3 instruments	**-1 695**	-2 266

Total unrealized profit is recorded in net income from securities transactions.

1 000 EUROS	2010	2009
40. Securities lending		
Market value of securities lending at 31.12.	**23 889**	35 718

41. Fair values and book values of financial assets and financial liabilities	2010	2010
	Book value	Fair value
Liquid assets	**27 512**	**27 512**
Debt securities eligible for refinancing with central banks	**236 703**	**236 703**
Claims on credit institutions	**19 001**	**19 001**
Claims on the public and public sector entities	**58 090**	**58 090**
Debt securities	**38 316**	**38 316**
Shares and participations	**92 599**	**92 599**
Shares and participations in associates	**76**	**76**
Derivative contracts	**19 418**	**19 418**
Financial liabilities		
Liabilities to credit institutions	**21 161**	**21 161**
Liabilities to the public and public sectory entities	**298 279**	**298 279**
Debt securities issued to the public	**62 829**	**62 277**
Derivative contracts and other trading liabilities	**42 449**	**42 449**

The lending rate is tied to the Euribor rates, and so the carrying amount of loans is not considered to differ significantly from the fair value.

1 000 EUROS	2010	2009

42. Pension obligations

In Finland, the personnel's statutory pension cover was arranged through Evli Group's joint pension fund until December 31, 2009. In the calculation of the pension fund's net assets, principles compliant with national legislation have been taken into account when appraising pension assets and liabilities. As the number of people within the scope of the joint pension fund operations fell below 300 the responsibility and asset management of the pension fund was transferred to Varma Mutual Pension Insurance Company on December 31, 2009. The transfer has been handled as the fulfillment of an obligation.
The arrangement under the Employees' Pensions Act (TyEL) with the insurance company is a defined contribution scheme.

1 000 EUROS	2010	2009
Defined benefit pension assets recognised in the balance sheet		
Present value of the obligation	0	7 640
Effect of settlement	0	-7 640
Fair value of plan assets	0	-7 059
Effect of settlement	0	7 059
Overfunded	0	0
Unrecognised actuarial gains (+) / losses (-)	0	-408
Effect of settlement	0	408
Liability/asset recognised in balance sheet	0	0
The positive effect on profit or loss owing to the defined benefit plans		
Current service cost	0	761
Interest expense	0	431
Expected return on plan assets	0	-476
Net actual (gain) loss recognised in PL	0	97
Effect of settlement	0	-173
Total	0	640

The actual return on the assets was EUR 1,591,013 in 2009.

1 000 EUROS	2010	2009
The movement in the defined benefit obligation over the year		
Present value of the defined benefit obligation 1.1.	0	7 832
Current service cost	0	761
Interest expense	0	431
Actuarial gains (-) / losses (+)	0	-1 383
Effect of settlement	0	-7 640
Defined benefit obligation at 31.12.	0	0
The movement in the fair value of plan assets of the year		
Fair value of plan assets at 1.1.	0	7 259
Expected return on plan assets	0	476
Actuarial gains (+) / losses (-)	0	1 115
Contributions paid by the employer	0	-1 791
Effect of settlement	0	-7 059
Fair value of plan assets at 31.12.	0	0

1 000 EUROS		2010	2009
Principal actuarial assumptions at the balance sheet date			
Discount rate		**0.00%**	5.50%
Expected return on plan assets		**0.00%**	6.30%
Future salary increases		**0.00%**	6.00%

The expected return on the assets in the arrangement are calculated on the basis of ten-year projected returns, and the rate of compensation increase is calculated by predicting the average annual development of salaries over the next ten years.

Three-year record	**31.12.10**	31.12.09	31.12.08
Defined benefit obligation	**0**	0	7 832
Fair value of plan assets	**0**	0	7 259
Liability/asset recognised in balance sheet	**0**	0	-573
Experience adjustments on plan assets	**0**	11 115	-3 817
Experience adjustments on plan liabilities	**0**	-1 383	15

43. Assets pledged as collateral and other commitments	**2010**	2009
Securities	**130 887**	237 103
Cash deposits	**1 604**	2 656

44. Operating leases		
Not later than one year	**352**	368
Over year not later than five year	**378**	305
Later than five year	**0**	4

45. Other rental commitments		
Rental liabilities up to one year	**2 377**	1 994
Rental liabilities over one year	**12 569**	11 305

46. Breakdown of off-balance sheet commitments		
Commitments given to a third party on behalf of a customer*	**6 419**	9 266
Irrevocable commitments given in favour of a customer	**1 672**	2 277
Guarantees on behalf of others	**530**	530
Unused credit facilities	**3 055**	2 508

* Commitments given on behalf of a customer for a third party include collaterals given on behalf of customers in HypoVereins bank, OMX and SEB. The customers have covered their collateral to Evli in full, with the exception of the collateral deficit of EUR 0.07 million of a single customer. Other irrevocable commitments given on behalf of a customer comprise subscription commitments guaranteed on behalf of customers.

47. Asset management services offered by the credit institution (million euros)		
Assets under management at Evli Bank's Asset Management as of December 31		
Gross	**7 258**	7 277
Net	**5 162**	4 897
Assets under management on the basis of power of attorney		
Discretionary asset management	**2 058**	1 830
Consultative asset management	**96**	91
Total	**2 154**	1 921

48. Related party disclosures

The Group's related parties include the parent company, subsidiaries, and associates. Related parties also include the Group management consisting of the members of the board of directors and the Group's management team, as well as the board members of the subsidiaries.

Subsidiaries and associates	Domicile	In ownership until	Ownership, %	Share of voting rights, %
Evli Fund Management Ltd	Finland		100	100
Evli Life Ltd	Finland		100	100
Evli Property Investments Ltd	Finland		100	100
EPI Russia Partners I Ltd	Finland		50	50
EPI Russia Partners II Ltd	Finland		100	100
EPI Healthcare Partners Oy	Finland		100	100
Evli Alexander Management Oy	Finland		45	Majority
Evli Russia Oy	Finland		55	Majority
OOO Evli St. Petersburg	Russia		100	Majority
OOO Evli Moscow	Russia		100	Majority
AS Evli Securities	Estonia		100	100
Evli Fonder AB	Sweden		100	100
Baltic SME Management B.V	Netherlands		33	33
BIF Management Ltd	Jersey		10	33

1 000 EUROS	2010	2009
Compensation of Board of Directors and CEOs		
Salaries, CEOs	**–1 232**	-666
Salaries, members of Board of Directors	**–384**	-290

Transactions with related parties	Group pension fund	Associated companies	Group management
Sales	**0**	**0**	**4**
Receivables	**0**	**0**	**6**
Liabilities	**0**	**0**	**64**

Shares owned by related parties 3 375 560

Transactions with related parties 2009			
Sales	0	0	4
Receivables	0	0	212
Liabilities	0	0	134

Shares owned by related parties 3 376 076

Fees paid to auditors		2010	2009
Audit fees	KPMG	**–277**	-279
Other	KPMG	**–65**	-253
Total	KPMG	**–342**	-532

CONSOLIDATED INCOME STATEMENT

1 000 EUROS	Note	1.1.–31.12.2010	1.1.-31.12.2009
Interest income	1.	8 164	10 794
Interest expenses	2.	–5 962	-7 609
NET INTEREST INCOME		2 203	3 185
Fee and commission income	3.	42 968	29 440
Fee and commission expenses	4.	–5 541	-4 884
Net income from securities transactions and foreign exchange dealing	5.		
Net income from securities transactions		1 454	11 714
Net income from foreign exchange dealing		552	1 404
Other operating income	6.	660	968
NET REVENUE		42 295	41 826
Administrative expenses			
Personnel expenses	7.	–21 721	-17 211
Other administrative expenses	8.	–14 743	-13 234
Depreciation, amortization and impairment charges	9.	–2 853	-1 746
Other operating expenses	10.	–3 065	-2 781
Impairment losses on loans and other receivables	10.	0	-9
Impairment losses on other financial assets	11.	0	-2 329
OPERATING PROFIT/LOSS		–83	4 516
PROFIT BEFORE INCOME TAX		–86	4 516
Income taxes	12.	120	-1 697
PROFIT/LOSS FOR THE FINANCIAL YEAR		34	2 819

PARENT COMPANY'S BALANCE SHEET

1 000 EUROS	Note	31.12.2010	31.12.2009
ASSETS			
Cash and cash equivalents		**27 512**	45 044
Debt securities eligible for refinancing with central banks	15.		
On public sector entities		**64 818**	21 036
Other		**170 549**	219 183
Claims on credit institutions	13.		
Repayable on demand		**16 087**	12 462
Other than those repayable on demand		**1 176**	1 765
Claims on the public and public sector entities	14.		
Other than those repayable on demand		**58 090**	49 577
Debt securities	15.		
Other		**38 316**	31 521
Shares and participations	16.	**68 118**	110 978
Shares and participations in group undertakings		**18 504**	20 175
Derivative contracts	18.	**19 418**	13 944
Intangible assets	19.	**9 183**	5 080
Property, plant and equipment	20.	**1 028**	1 263
Other assets	21.	**135 303**	136 230
Accrued income and prepayments	22.	**5 796**	5 620
Deferred tax assets	23.	**462**	534
TOTAL ASSETS		**634 358**	674 413

1 000 EUROS	Note	31.12.2010	31.12.2009
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities to credit institutions and central banks			
Central banks	24.	**0**	90 000
Credit institutions			
Repayable on demand		**0**	27 000
Other than those repayable on demand		**21 161**	36 050
Liabilities to the public and public sector entities	25.		
Deposits			
Repayable on demand		**280 764**	152 696
Other		**26 645**	19 194
Other liabilities			
Other than those repayable on demand		**4 911**	37 056
Debt securities issued to the public	26.		
Bonds		**51 862**	51 004
Other		**10 967**	6 485
Derivative contracts and other trading liabilities	27.	**42 449**	46 905
Other liabilities	28.	**125 978**	137 804
Accrued expenses and deferred income	29.	**13 018**	9 067
Subordinated liabilities			
Deferred tax liabilities	30.	**842**	0
TOTAL LIABILITIES		**578 598**	613 261
EQUITY	31.		
Share capital		**30 194**	30 194
Share premium fund		**1 839**	1 839
Fund of invested non-restricted equity		**10 291**	10 013
Translation difference		**0**	-90
Retained earnings		**13 436**	19 196
TOTAL EQUITY		**55 761**	61 152
TOTAL LIABILITIES AND EQUITY		**634 358**	674 413

CONSOLIDATED STATEMENT OF CASH FLOW

1 000 EUROS	1.1.–31.12.2010	1.1.-31.12.2009
Cash flow from operating activities		
Interest and commission received and proceeds from securities transactions incl. dividends	32 570	84 681
Interest and commissions paid	–11 007	-14 390
Cash payments to employees and suppliers	–36 410	-28 890
Increase (-) or decrease in operating assets:		
Net change in trading book assets and liabilities	32 763	75 048
Deposits held for regulatory or monetary control purposes	590	-1 423
Issue of loan capital	5 340	936
Funds advanced to customers	–31 951	-60 600
Net cash from operating activities before income taxes	–8 107	55 364
Income taxes	–340	234
Net cash used in operating activities	–8 447	55 597
Cash flow from investing activities		
Proceeds from sales of subsidiaries and associates	1 330	-5 398
Dividend received	1 891	0
Interest received	1	3
Acquisition of property, plant and equipment and intangible assets	–3 264	-1 993
Group loans receivables	25	584
Net cash used in investing activities	–18	-6 804
Cash flow from financing activities		
Proceeds from issue of share capital	278	2 547
Purchase of own shares	–513	-1 540
Payment of finance lease liabilities	–330	-371
Dividends paid	–4 977	-2 829
Net cash from financing activities	–5 541	-2 192
Net increase in cash and cash equivalents	–14 006	46 601
Cash and cash equivalents at beginning of period	57 506	10 869
Effects of exchange rate changes on cash and cash equivalents	98	36
Cash and cash equivalents* at end of period	43 599	57 506

* Cash and cash equivalents include cash and cash equivalents and claims on credit institutions repayable on demand.

ACCOUNTING POLICIES ON PARENT COMPANY EVLI BANK PLC

Basic information on parent company Evli Bank Plc

Evli Bank Plc is domiciled in Helsinki and its registered address is Aleksanterinkatu 19 A, FI-00100 Helsinki.

Evli Bank Plc's financial statements are prepared and presented in compliance with the provisions of Finland's Act on Credit Institutions, the Ministry of Finance decision on the financial statements of credit institutions and investment services companies, and the regulations of the Financial Supervision Authority. They additionally comply with the provisions of the Accounting Act and the Companies' Act regarding financial statements, and apply the exceptions specified in the Act on Credit Institutions, section 30, paragraph 2.

The accounting policies applied to the financial statements of Evli Bank Plc (the parent company's financial statements) are the same as those applied to the Evli Bank Group, with the exceptions specified below.

Employee benefits

Until 2010 the employees' statutory pension insurance was arranged through Evli Group's joint pension fund. In the late fall of 2009, the Board of Directors of Evli Group's joint pension fund and Evli Bank Plc's Board of Directors jointly resolved to transfer the pension liabilities to an employee pension insurance company. The pension liabilities were transferred to the Varma employee pension company as of December 31, 2009.

Income taxes

Deferred taxes are calculated on all temporary differences between the carrying amount and the tax value. The largest temporary differences arise from the depreciation of tangible fixed assets.

Leases

Leases of tangible assets in which a substantial part of the risks and rewards of ownership are transferred to the parent company are classified as finance leases. In the parent company financial statements, the payments made on the basis of such leases are treated as rental expenses. Nor are the assets acquired through finance leases recognised in the balance sheet.

Acquired businesses

Evli II Asset Management Ltd was merged with Evli Bank Plc as a parent-subsidiary merger. The merger assets arising from the merger have been treated as intangible rights and will be amortized over their useful life in accordance with the Group's accounting policies.

NOTES TO INCOME STATEMENT

1 000 EUROS	2010	2009
1. Interest income		
At fair value through profit or loss		
Debt securities	6 939	9 121
Derivative contracts	0	75
Interest income from other loans and claims		
Claims on credit institutions	279	234
Claims on the public and public sector entities	943	1 356
Other interest income	3	8
Interest income, total	8 164	10 794
2. Interest expenses		
Liabilities to the public, public sector entities and credit institutions	-3 455	-4 950
Debt securities issued to the public	-2 472	-2 632
Other interest expenses	-34	-27
Interest expenses, total	-5 962	-7 609
3. Commission income		
Credit related fees and commissions	18	13
Income from payment transactions	0	0
Insurance brokerage	24	23
Advisory services	7 874	3 272
Securities brokerage	13 725	9 840
Mutual funds	13 252	9 189
Asset management	4 564	3 677
Custody services	2 696	2 272
Other operations	815	1 154
Commission income, total	42 968	29 440
4. Commission expenses		
Trading fees paid to stock exchanges	-1 084	-1 218
Other	-4 457	-3 666
Commission expenses, total	-5 541	-4 884
5. Net income from securities transactions and foreign exchange dealing		
Income from equity investments		
Dividends from financial assets classified as held for trading	2 427	808
Income from equity investments, total	2 427	808
Financial assets held for trading	1 876	3 837
Financial assets at fair value through profit or loss	-2 850	7 069
Net income from securities transactions, total	-973	10 906

	Gains and losses on sales	Changes in fair value	Total	Total
Debt securities	-4 702	-656	-5 358	3 626
Shares and derivative contracts	8 347	-3 962	4 385	7 280
Net income from securities transactions, total	3 645	-4 618	-973	10 906
Net income from foreign exchange operations			552	1 404
Net income from securities transactions and foreign exchange operations, total			-422	12 311

1 000 EUROS	2010	2009
6. Other operating income		
Rental income	71	123
Gain on sale of owner-occupied investment properties	3	0
Other income	586	845
Other operating income, total	660	968

7. Employee benefits		2010		2009
Wages and salaries		-16 683		-14 595
- of which bonuses	-2 155		-1 945	
Other social security costs		-1 778		-1 340
-of which relating to bonuses	-156		-31	
Pension expenses		-3 261		-1 275
- of which relating to bonuses	-316		-235	
-defined benefit plans	0		-146	
-defined contribution plans	-3 261		-1 129	
Employee benefits, total		-21 721		-17 211

	2010	2009
Number of personnel during the period, average	179	179
Number of personnel at the end of the period	183	179
Employees by business segment at the end of the period		
Markets	38	61
Corporate finance	20	17
Asset management	40	42
Administration and other	85	59
Total	183	179
8. Other administrative expenses		
Office maintenance expenses	-589	-503
Office expenses	-1 199	-1 193
Telephone and postage expenses	-549	-489
Information expenses	-2 069	-1 847
IT related expenses	-4 490	-4 088
Business expenses	-359	-236
Travel expenses	-566	-546
Car costs	-119	-141
Other human resources related expenses	-955	-588
Marketing expenses	-1 311	-1 334
Banking and custodian expenses	-681	-530
External services fees	-1 860	-1 741
Other administrative expenses, total	-14 743	-13 234
9. Depreciation, amortization and impairment losses		
Depreciation and amortization		
Applications and software	-1 412	-1 159
Other intangible assets	-980	-95
Equipment and furniture	-460	-493
Depreciation, amortization and impaiment losses, total	-2 853	-1 746

NOTES TO BALANCE SHEET

1 000 EUROS	2010	2009
10. Other operating expenses		
Supervision expenses	**–94**	-133
Rental expenses	**–2 300**	-2 256
Loss on sale of owned properties, plant and equipment	**–2**	-10
Loss on merger	**–335**	0
Other expenses	**–333**	-381
Other operating expenses, total	**–3 065**	-2 781
11. Impairment losses on loans and other commitments and other financial assets		
Claims on the public and public sector entities		
Actual impairment losses	2	0
Reversals of impairment losses	-1	2
Individually impairment losses	0	-11
Guarantees and other off-balance sheet commitments		
Other financial impairment losses		
Impairment losses from subsidiary shares	0	-2 329
Impairment losses on loans and other commitments, total	0	-2 338
12. Income taxes		
Current tax expense	0	-1 465
Taxes from previous years	-43	0
Deferred taxes	163	-257
Other taxes	0	25
Income taxes, total	120	-1 697
13. Claims on credit institutions		
Repayable on demand		
Domestic credit institutions	**14 012**	5 016
Foreign credit institutions	**2 075**	7 446
Repayable on demand, total	**16 087**	12 462
Other than repayable on demand		
Central banks		
Foreign credit institutions	**1 176**	1 765
Other than repayable on demand, total	**1 176**	1 765
Claims on credit institutions, total	**17 263**	14 227
14. Claims on the public and public sector entities by sector		
Other than repayable on demand		
Enterprises and housing associations	**3 493**	2 454
Financial and insurance corporations	**0**	25
Households	**46 528**	38 606
Foreign countries	**8 068**	8 492
Other than repayable on demand, total	**58 090**	49 577
Claims on the public and public sector entities by sector, total	**58 090**	49 577

1 000 EUROS

15. Debt securities	Publicly		2010	2009
Issued by public corporations	quoted	Other	Total	Total
Government bonds held for trading	64 818	0	64 818	21 036
Issued by public corporations, total	64 818	0	64 818	21 036
Issued by other than public corporations				
Banks' certificates of deposit		32 900	32 900	20 767
Bonds issued by banks	64 059	111 905	175 964	229 670
Other debt securities	0	0	0	267
Issued by other than public corporations, total	64 059	144 806	208 865	250 704
Debt securities, total			273 683	271 740
Debt securities by balance sheet category				
Debt securities eligible for refinancing with central banks				
On public sector entities			64 818	21 036
Other			170 549	219 183
Debt securities				
Other			38 316	31 521
Total			273 683	271 740

16. Shares and participations

Fair valued through profit or loss

2010	Publicly		
Balance sheet category	quoted	Other	Total
Shares and participations			
Available for sale	0	1 896	1 896
Valued at fair value throuh profit or loss			
Held for trading	53 941	2 984	56 925
Other	4 081	5 216	9 297
Shares and participations, total	58 022	10 096	68 118

2009	Publicly		
Balance sheet category	quoted	Other	Total
Shares and participations			
Valued at fair value throuh profit or loss			
Held for trading	74 276	21	74 297
Other	30 764	5 917	36 681
Shares and participations, total	105 040	5 938	110 978

Net risk position is described in page 23.

17. Shares and participations in associates and joint ventures	2010	2009
At the beginning of the period	0	345
At the end of the period	0	0

1 000 EUROS

18. Derivative contracts

Overall effect of risks associated with derivative contracts	Nominal value of underlying			2010	2010
	Remaining maturity				
Held for trading	Less than 1 year	1-5 years	Fair value (+/-)	ASSETS	LIABILITIES
Interest rate derivatives					
Futures	74 900	0	0	0	0
Currency-linked derivatives	342 884	0	-10	4 749	4 759
Equity-linked derivatives					
Futures	28 251	0	-504	308	812
Options bought	37 286	59 157	13 375	13 952	578
Options sold	61 912	62 322	-14 919	408	15 327
Other derivatives					
Held for trading, total	545 233	121 479	-2 058	19 418	21 476
Derivative contracts, total	545 233	121 479	-2 058	19 418	21 476

Overall effect of risks associated with derivative contracts				2009	2009
Held for trading					
Interest rate derivatives					
Futures	75 700	0	0	0	0
Currency-linked derivatives	95 237	0	6	976	971
Equity-linked derivatives					
Futures	24 554	0	-49	535	584
Bought	92 882	51 248	11 323	12 005	682
Sold	47 502	55 573	-10 994	428	11 422
Other derivatives					
Held for trading, total	335 874	106 821	285	13 944	13 659
Derivative contracts, total	335 874	106 821	285	13 944	13 659

Equity derivatives held for trading, and other liabilities held for trading (notes 18 and 27) hedge the equity delta risk for shares and participations in the trading book (note 16). The delta-adjusted equity risk was at the end of 2010 5,9 million euros, including shares and participations in the banking book.

The interest rate derivatives hedge the interest rate risk in assets and liabilities in the balance sheet.

Currency derivatives comprise commitments made against clients and the associated hedges, and contracts made to hedge currency risk in the balance sheet.

Equity derivatives in the banking book hedge the equity risk in equity-linked bonds issued to the public.

1 000 EUROS	2010	2009
19. Intangible assets		
Software or projects in progress		
Cost at 1.1.	535	945
Increases	2 148	946
Decreases	-1 130	-1 356
Cost at 31.12.	1 553	535
Book value at 31.12.	1 553	535
Applications and software		
Cost at 1.1.	10 702	8 471
Exchange difference	9	4
Increases	1 329	2 227
Cost at 31.12.	12 040	10 702
Accumulated amortisation and impairment losses at 1.1.	-6 328	-5 191
Exchange difference	-6	-2
Amortisation for the period	-1 413	-1 159
Accumulated amortisation in respect of decreases	0	24
Accumulated amortisation and impairment losses at 31.12.	-7 747	-6 328
Book value at 31.12.	4 293	4 374
Depreciation leasehold improvements FAS		
Acquisition cost at 1.1.	3 241	3 311
Exchange difference	3	1
Increases	0	-71
Acquisition cost at 31.12.	3 245	3 241
Accumulated depreciation at 1.1.	-3 071	-3 047
Exchange difference	-2	-1
Depreciation for the period	-74	-95
Accumulated depreciation in respect of decreases	0	71
Accumulated depreciation at 31.12.	-3 147	-3 071
Book value at 31.12.	98	171
Other intangible assets		
Increases	4 145	0
Cost at 31.12.	4 145	0
Amortisation for the period	-906	0
Accumulated amortisation and impairment losses at 31.12.	-906	0
Book value at 31.12.	3 239	0
Intangible assets, total at 31.12.	9 183	5 080
Book value of intangible assets at 31.12.	9 183	5 080

1 000 EUROS	2010	2009
20. Property, plant and equipment		
Equipment and furniture		
Cost at 1.1.	5 534	5 563
Exchange difference	83	32
Increases	224	55
Decreases	–694	-116
Cost at 31.12.	5 146	5 534
Accumulated depreciation at 1.1.	–4 861	-4 553
Exchange difference	–64	-20
Depreciation for the period	–464	-484
Translation difference from depreciation for the period	–1	-1
Accumulated depreciation in respect of decreases	681	197
Accumulated depreciation 31.12.	–4 709	-4 861
Book value at 31.12.	437	672
Property, plant, and equipment, total 31.12.	437	672
Other tangible assets		
Cost at 1.1.	591	584
Increases	0	7
Cost at 31.12.	591	591
Book value at 31.12.	591	591
Property, plant and equipment, total at 31.12.	1 028	1 263
Book value of tangible assets at 31.12.	1 028	1 263

1 000 EUROS		2010	2009
21. Other assets			
Securities sale receivables		**14 142**	20 584
Commission receivables		**3 382**	1 961
Securities broking receivables		**116 865**	113 434
Other receivables		**914**	251
Other assets total		**135 303**	136 230
22. Accrued income and prepayments			
Interest		**2 447**	2 559
Taxes		**11**	21
Staff-related		**579**	371
Other items		**2 759**	2 669
Accrued income and prepayments total		**5 796**	5 620
23. Deferred tax assets			
Due to timing differences		**462**	534
Deferred tax assets total		**462**	534
Deferred tax assets result from timing differences in fixed asset depreciation.			
24. Liabilities to credit institutions and central banks			
Central banks		**0**	90 000
Credit institutions			
Repayable on demand		**0**	27 000
Others		**21 161**	36 050
Liabilities to credit institutions and central banks, total		**21 161**	153 050
25. Liabilities to the public and public sector entities			
Deposits			
Repayable on demand		**280 764**	152 696
Other than repayable on demand		**26 645**	19 194
Other liabilities			
Other than repayable on demand		**4 911**	37 056
Liabilities to the public and public sector entities, total		**312 320**	208 946
26. Debt securities issued to the public			
Certificate of deposits		**10 967**	6 485
Bonds		**51 862**	51 004
Debt securities issued to the public, total		**62 829**	57 489
Breakdown by maturity	less than 3 months	3-12 months	1-5 years
Debt securities issued to the public	6 492	7 400	48 936
Changes in bonds issued to the public			
Issues		**24 426**	30 788
Repurchases		**18 847**	21 936
27. Derivative contracts and other liabilities held for trading			
Derivative contracts		**21 476**	13 659
Due to short selling		**20 973**	33 246
Derivative contracts and other liabilities held for trading, total		**42 449**	46 905

1 000 EUROS	2010	2009
28. Breakdown of other liabilities		
Securities broking liabilities	**111 936**	118 102
Securities purchase liabilities	**12 662**	17 322
Income tax payable	**30**	13
Personnel related	**609**	557
Other short-term liabilities	**672**	1 759
VAT payable	**70**	51
Other liabilities, total	**125 978**	137 804
29. Accrued expenses and deferred income		
Interest	**1 894**	1 398
Tax payables	**0**	1 379
Personnel related	**5 625**	4 843
Other accrued expenses	**5 500**	1 446
Accrued expenses and deferred income, total	**13 019**	9 067
30. Deferred tax liabilities		
Due to timing differences	**842**	0
Deferred tax liability, total	**842**	0
31. Changes in equity capital		
Share capital		
Book value 1.1.	**30 194**	30 194
Book value 31.12.	**30 194**	30 194
Share premium		
Book value 1.1.	**1 839**	1 839
Book value 31.12.	**1 839**	1 839
Fund of invested non-restricted equity		
Book value 1.1.	**10 013**	7 466
Increases	**278**	2 547
Decreases		
Transfers between other items		
Book value 31.12.	**10 291**	10 013
Retained earnings from previous years		
Book value 1.1.	**19 106**	20 747
Increases	**–4 977**	-2 829
Acquisition of own shares	**–513**	-1 540
Tranlation difference	**–214**	-92
Book value 31.12.	**13 402**	16 287
Profit/loss for financial year	**34**	2 819

32. Own shares held by the credit institution

The credit institution holds own shares	64 333
The cost of own shares is	EUR 512 602

The cost of purchase has been deducted from unrestricted equity.

33. Share capital, parent company

The company has one series of shares outstanding and each share represents one vote.

Total number of shares is	4 202 799

1 000 EUROS

34. Changes in the share capital, board authorizations and option programs

	Number of own shares held	Number of outstanding shares	Share capital	Share premium fund	Fund of invested non-restricted equity
1.1.2009	142 976	4 073 853	30 194	1 839	7 466
Aquisition of own shares 2008 authorization	32 454	**-32 454**	**0**	**0**	**0**
Aquisition of own shares 2009 authorization	75 300	-75 300	0	0	0
Nullification of own shares 2009 decision	-224 330	0	0	0	0
Share issue 2009 authorization	0	186 300	0	0	2 547
31.12.2009	26 400	4 152 399	30 194	1 839	10 013
Total number of shares		4 178 799			
1.1.2010	**26 400**	**4 152 399**	**30 194**	**1 839**	**10 013**
Aquisition of own shares 2009 authorization	**4 683**	**-4 683**	**0**	**0**	**0**
Aquisition of own shares 2010 authorization	**33 250**	**-33 250**	**0**	**0**	**0**
Share issue 2009 authorization	**0**	**15 000**	**0**	**0**	**0**
Share issue 2010 authorization	**0**	**9 000**	**0**	**0**	**278**
31.12.2010	**64 333**	**4 138 466**	**30 194**	**1 839**	**10 291**
Total number of shares		**4 202 799**			

Share premium fund

The share premium fund comprises the following items: the amount exceeding the counter-book value of the share paid for shares prior to September 1, 2006 in a new issue; the amount paid for a subscription right based on an option right; gain on sale of the company's own shares; and the amount by which the share capital is lowered and which is not used to cover an adopted loss, transferred to a fund to be used in accordance with the decision of the general meeting of the shareholders or distributed to the shareholders.

Fund of invested non-restricted equity

The fund of invested non-restricted equity includes the proceeds from the disposals of own shares received after September 1, 2006.

35. Largest shareholders and share ownership breakdown

	Share	%
Oy Prandium Ab (Thomas Thesleff and his family)	950 820	22.62
Oy Scripofilum Ab (Henrik Andersin)	950 820	22.62
Oy Fincorp Ab (Roger Kempe)	579 945	13.80
Ingman Group Oy Ab	465 000	11.06
Lehtimäki Maunu	98 432	2.34
Tallberg Claes	92 439	2.20
Hollfast John	82 080	1.95
Hartikainen Raimo	41 504	0.99
Jousimies Panu	39 768	0.95
von Bonsdorff Petter	39 416	0.94
	3 340 224	79.48
Others	862 575	20.52
Total	4 202 799	100.00

1 000 EUROS

36. Maturities of financial assets and financial liabilities of credit institution

Due to the nature of the business, predicting future cash flows is difficult. Cash flows from derivatives are especially difficult to predict.
The maturities of derivatives are provided in note 17; the maturities are as agreed, which does not fully conform to real cash flows.

2010	less than 3 months	3–12 months	1–5 years	5–10 years	Total
Loans and other claims					
Claims on credit institutions	**17 263**	**0**	**0**	**0**	**17 263**
Claims on the public and public sector entities	**4 390**	**12 574**	**40 376**	**750**	**58 090**
Financial assets at fair value through profit or loss					
Debt securities eligible for refinancing with central banks	**0**	**0**	**235 367**	**0**	**235 367**
Debt securities	**2 998**	**31 858**	**3 460**	**0**	**38 316**
Financial liabilities at amortized cost					
Liabilities to credit institutions	**18 011**	**1 650**	**1 500**	**0**	**21 161**
Liabilities to the public and public sector entities	**305 372**	**6 861**	**86**	**0**	**312 320**
Debt securities issued to the public	**6 492**	**7 400**	**48 936**	**0**	**62 829**
2009					
Loans and other claims					
Claims on credit institutions	14 227	0	0	0	14 227
Claims on the public and public sector entities	4 753	11 936	31 781	1 107	49 577
Financial assets at fair value through profit or loss					
Debt securities eligible for refinancing with central banks	4 008	54 090	171 367	10 754	240 219
Debt securities	2 964	24 735	3 822	0	31 521
Financial liabilities at amortized cost					
Liabilities to credit institutions	71 820	81 080	150	0	153 050
Liabilities to the public and public sector entities	206 277	2 599	70	0	208 946
Debt securities issued to the public	4 497	9 171	43 821	0	57 489

37. Assets and liabilities denominated in domestic and foreign currency

Balance sheet item	Domestic	Foreign currency	2010 Total	Domestic	Foreign currency	2009 Total
Loans and other claims						
Cash on hand	**27 512**	**0**	**27 512**	45 044	0	45 044
Claims on the public and public sector entities	**58 090**	**0**	**58 090**	49 528	49	49 577
Financial assets at fair value through profit or loss						
Claims on credit institutions	**15 404**	**1 859**	**17 263**	7 952	6 275	14 227
Debt securities	**273 683**	**0**	**273 683**	271 740	0	271 740
Shares and participations	**55 439**	**31 183**	**86 622**	73 354	37 624	110 978
Derivative financial instruments	**18 921**	**496**	**19 418**	13 715	229	13 944
Other assets	**126 213**	**25 559**	**151 771**	123 873	45 029	168 902
Total	**575 262**	**59 097**	**634 359**	585 207	89 206	674 413
Financial liabilities at amortized cost						
Liabilities to credit institutions	**21 161**	**0**	**21 161**	153 050	0	153 050
Liabilities to the public and public sector entities	**307 624**	**4 696**	**312 320**	197 626	11 319	208 946
Debt securities issued to the public	**62 829**	**0**	**62 829**	57 489	0	57 489
Financial assets at fair value through profit or loss						
Derivative contracts and liabilities held for trading	**31 778**	**10 670**	**42 449**	17 331	29 574	46 905
Other liabilities	**115 148**	**24 691**	**139 839**	108 753	38 118	146 871
Total	**538 540**	**40 058**	**578 598**	534 249	79 012	613 261

1 000 EUROS	2010	2009
38. Securities lending		
Market value of securities lending at 31.12.	**23 889**	35 718
39. Fair values and book values of financial assets and financial liabilities	**Book value**	**Fair value**
	2010	**2010**
Liquid assets	**27 512**	27 512
Debt securities eligible for refinancing with central banks	**235 367**	235 367
Claims on credit institutions	**17 263**	17 263
Claims on the public and public sector entities	**58 090**	58 090
Debt securities	**38 316**	38 316
Shares and participations	**68 118**	68 118
Shares and participations in group undertakings	**18 504**	18 504
Derivative contracts	**19 418**	19 418
Financial liabilities		
Liabilities to credit institutions	**21 161**	21 161
Liabilities to the public and public sectory entities	**312 320**	312 320
Debt securities issued to the public	**62 829**	62 277
Derivative contracts and other trading liabilities	**42 449**	42 449
40. Assets pledged as collateral and other commitments	**2010**	2009
Securities	**130 887**	237 103
Cash deposits	**1 604**	2 656
41. Operating leases		
Not later than one year	**328**	517
Over year not later than five year	**354**	344
Later than five year	**0**	4
42. Other rental commitments		
Rental liabilities up to one year	**2 266**	1 965
Rental liabilities over one year	**12 473**	11 305
43. Breakdown of off-balance sheet commitments		
Commitments given to a third party on behalf of a customer*	**6 419**	9 266
Irrevocable commitments given in favour of a customer	**1 672**	2 277
Guarantees on behalf of others	**530**	530
Unused credit facilities	**3 055**	2 508

* Commitments given on behalf of a customer for a third party include collaterals given on behalf of customers in HypoVereins bank, OMX and SEB..
The customers have covered their collateral to Evli in full, with the exception of the collateral deficit of EUR 0.07 million of a single customer.
Other irrevocable commitments given on behalf of a customer comprise subscription commitments guaranteed on behalf of customers.

44. Asset management services offered by the credit institution (million euros)		
Assets under management at Evli Bank's Asset Management as of December 31		
Gross	**7 258**	7 277
Net	**5 162**	4 897
Assets under management on the basis of power of attorney		
Discretionary asset management	**2 058**	1 830
Consultative asset management	**96**	91
Total	**2 154**	1 921

THE BOARD OF DIRECTORS' PROPOSAL TO THE GENERAL MEETING FOR THE DISTRIBUTION OF PROFIT

Evli Bank's distributable assets total EUR 13,435,889.96
of which profit for the financial year totals EUR 33,733.41. of which profit for the financial year totals EUR 33 733,41.

The board of Directors proposes to the Annual General Meeting of Shareholders that:

- a dividend of EUR 1.25 per share be paid, totalling EUR 5,173,082.50
- a total of EUR 8,262,807.46 shall be left in shareholders' equity

Helsinki, February11, 2011

Henrik Andersin Chairman	Robert Ingman	Pekka Hietala
Harri-Pekka Kaukonen	Timo Korvenpää	Mikael Lilius
Thomas Thesleff	Teuvo Salminen	Maunu Lehtimäki CEO

AUDITORS' REPORT

To the Annual General Meeting of Evli Bank plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Evli Bank plc for the year ended on December 31, 2010. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act, Finnish Credit Institutions Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, February 11, 2011

KPMG OY AB

Marcus Tötterman
Authorized Public Accountant in Finland

Evli Bank Plc
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, Finland
Tel. +358 (0)9 476 690
Fax +358 (0)9 661 387
www.evli.com

EVLI