



Evli Bank Plc Interim report January – September 2017

Maunu Lehtimäki, CEO
Juho Mikola, CFO

26.10.2017

Evli today



Wealth Management & Investor Clients

Discretionary asset management services to private individuals and institutions.

Fund products, various capital market services and alternative investment products.

Operations and execution services that directly support these core activities.



Advisory & Corporate Clients

Advisory services related to M&A transactions, including corporate acquisitions and divestments, IPOs, share and debt issues.

Incentive program administration services.

Corporate equity research for listed companies.



Group Operations

Support functions: Information Management, Financial Administration, Communications and IR, Legal, HR, and Internal Services.

Banking services and balance sheet investments.

Supervisory functions: Compliance, Risk Management and Internal Audit.

Agenda

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2 Financial Figures

3 Business Segments

4 Evli as an Investment

5 Updated Outlook

Highlights:
**Operating profit exceeded last years
total outcome**

Operating profit exceeded last years total outcome

Growth in both revenues and operating profit

- Evli Group revenues grew 14% to EUR 50.4 million
 - Evli Group operating profit grew 90% to EUR 14.8 million
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Strong performance in Wealth Management & Investor Clients-segment

- Assets under management grew year on year to EUR 11.1 billion
 - A new service, Evli Digital, was launched
 - Net subscriptions to Evli funds EUR 813 million, 3rd most in Finland
 - 45% of net subscriptions from international clients
-

Good demand for all products and services in Advisory & Corporate Clients-segment

- Corporate Finance mandate base continued to develop favorably
 - Evli Awards Management maintained its steady positive development
 - Evli Research Partners has had a good first year, 16 signed research service agreements
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Updated outlook for 2017: The full year 2017 profit is expected to clearly exceed that of previous year

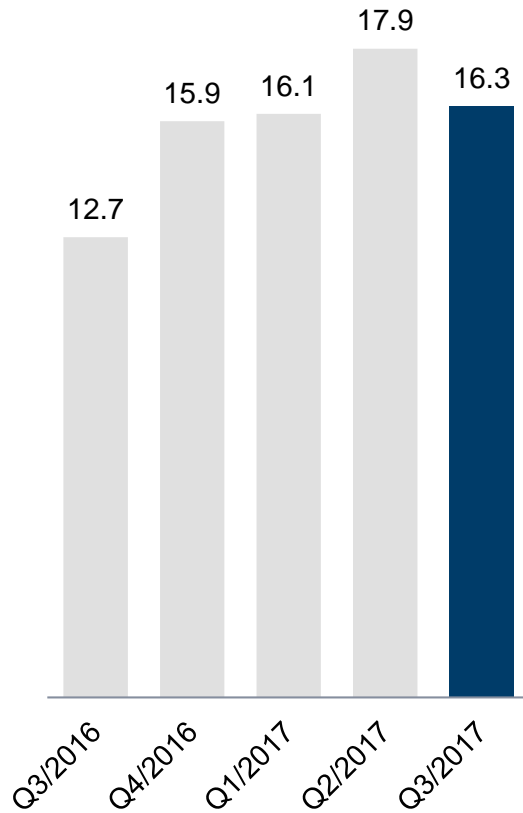
- Likely strong performance in asset management performance-based fees in the fourth quarter
- The 1-9/2017 accumulated profits and the steady development of AuM

**Financial Figures:
Good Performance driven by
Increase in Recurring Revenue**

Quarterly Figures Q3/2016 – Q3/2017

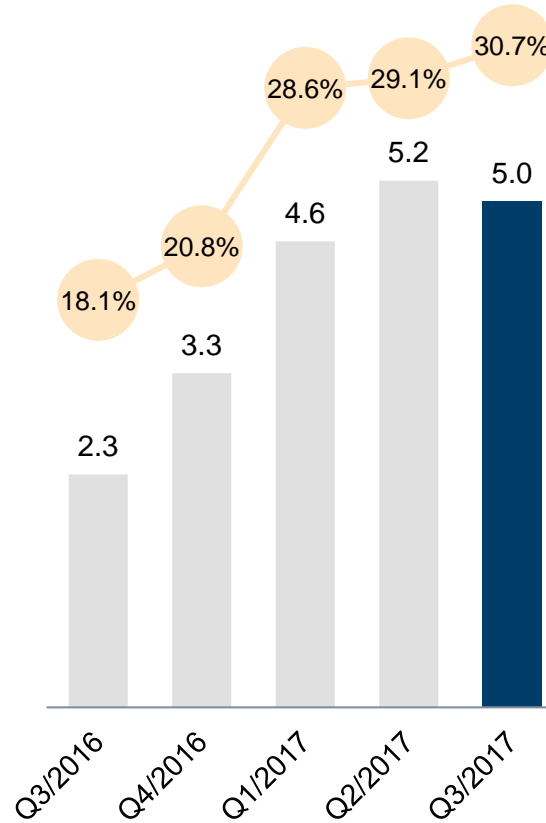
Net revenue increased by 28% compared to last year

Net revenue, million euros



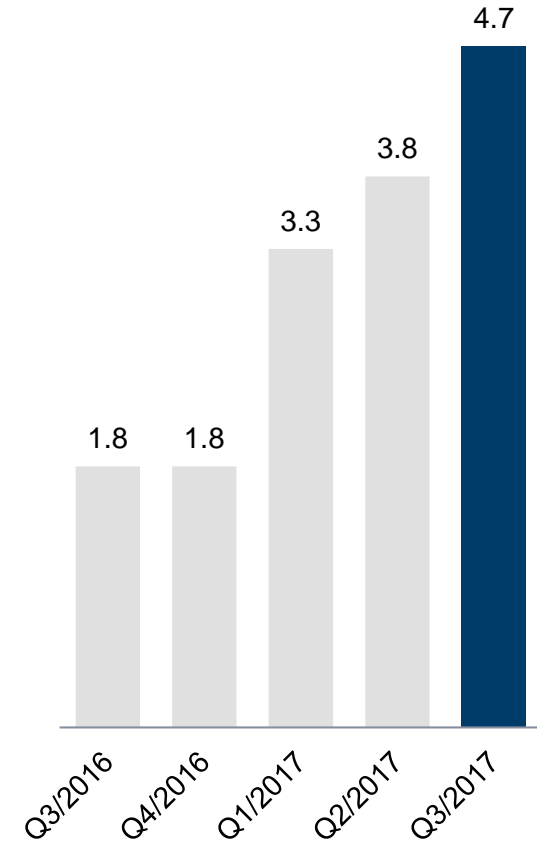
Operating profit more than doubled

Operating Profit, million euros. Profit margin, %



Net profit grew significantly

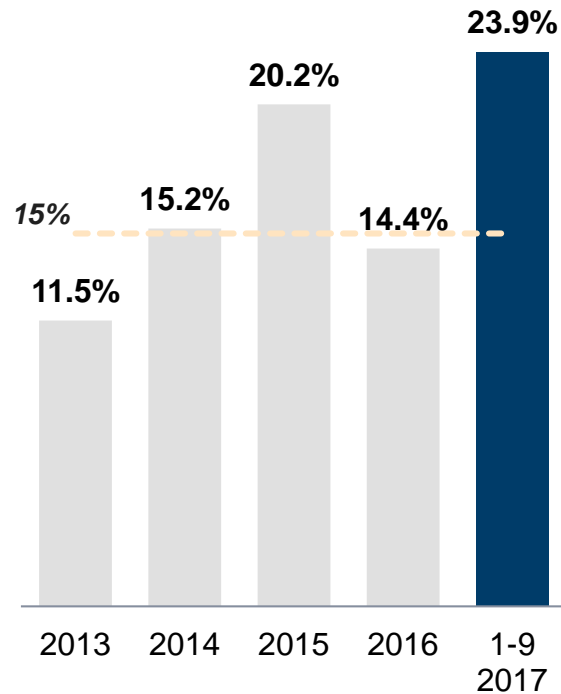
Net profit, million euros



Key Figures 2013 – 1-9/2017

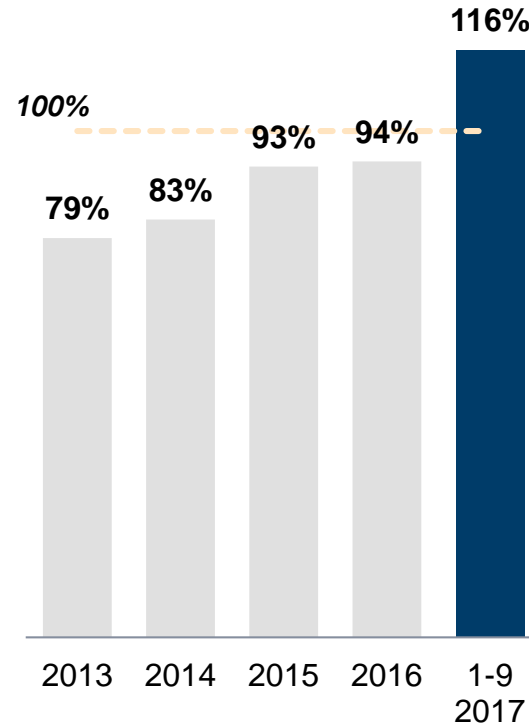
Return on Equity well above the target of 15%

Return on Equity, %



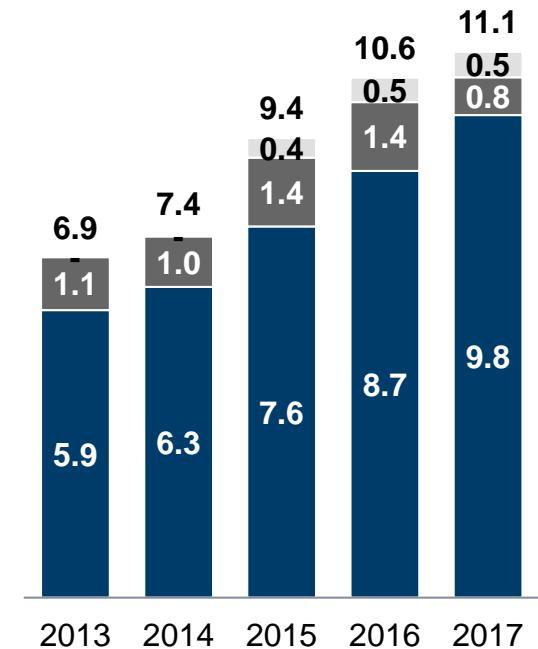
Target of 100% recurring revenue to operational costs reached

Recurring Revenues to Operating Expenses, %



AUM has grown steadily

Net assets under management, billion euros



- Evli Awards Management
- Northern Horizon Capital
- Evli Bank Plc

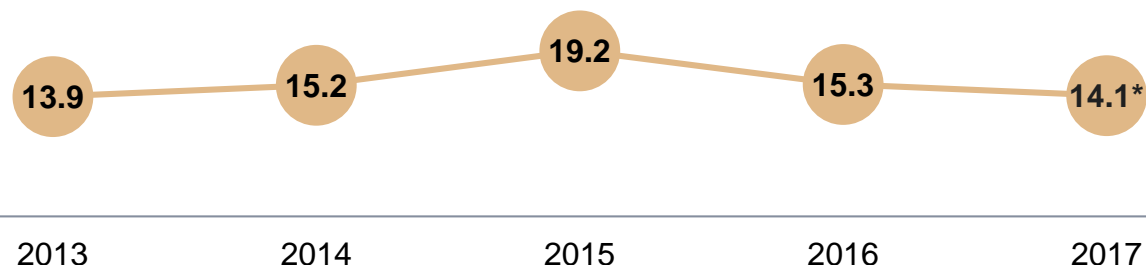
Profit and Loss Statement

	Q3/2017	Q3/2016	Change, %	YTD 2017	YTD 2016	Change, %
Net interest	0.1	0.4	-69%	0.7	1.3	-51%
Net commissions	14.7	11.6	27%	45.3	38.8	17%
Net trading	1.5	0.8	94%	4.4	3.9	15%
Other income	0.0	0.0	3%	0.0	0.1	-60%
NET REVENUE	16.3	12.7	28%	50.4	44.1	14%
Personnel expenses	-6.2	-5.7	9%	-20.4	-20.2	1%
General expenses	-3.6	-3.2	14%	-11.0	-10.9	1%
Depreciations and impairments	-0.6	-0.7	-22%	-1.7	-2.6	-33%
Other operative expenses	-1.0	-0.8	21%	-2.6	-2.6	-1%
Loan losses	0.0	0.0	-	0.0	0.0	-
OPERATING PROFIT	5.0	2.3	115%	14.8	7.8	90%
Participation share	0.3	-0.1	-294%	-0.5	1.7	-128%
Appropriations	0.0	0.0		0.0	0.0	
Taxes*	-0.5	-0.4	37%	-2.5	-1.6	56%
NET PROFIT	4.7	1.8	165%	11.8	7.9	50%
Distributable to						
Minority share	-0.4	-0.1	657%	-0.3	-0.1	110%
Owners of the parent company	4.3	1.7	150%	11.6	7.7	49%

Balance sheet

ASSETS, EURm	30.9. 2017	30.9. 2016	31.12. 2016	LIABILITIES, EURm	30.9. 2017	30.9. 2016	31.12. 2016
Liquid assets	127.8	144.7	203.1				
Debt securities eligible for refinancing with central banks	36.3	56.4	39.1	Liabilities to credit institutions and central banks	17.9	7.3	5.5
Claims on credit institutions	67.1	82.0	66.0	Liabilities to the public and public sector entities	164.0	417.7	445.0
Claims on the public and public sector entities	87.2	66.6	70.4	Debt securities issued to the public	92.6	32.1	46.1
Debt securities	302.0	161.8	183.9	Derivative contracts and other trading liabilities	36.8	54.1	41.0
Shares and participations	54.3	57.2	65.8	Other liabilities	274.7	226.1	152.2
Participating interests	2.6	3.6	3.0	Liabilities	886.9	737.3	689.7
Derivative contracts	24.8	25.2	26.9	Equity to holders of parent company	65.9	62.7	64.9
Intangible and tangible assets	11.6	11.5	11.8	Non-controlling interest in capital	0.6	0.3	0.4
Other assets	239.6	191.4	84.8	Equity	66.5	63.0	65.3
Total assets	953.4	800.3	755.0	Total liabilities and equity	953.4	800.3	755.0

BIS adequacy (%)



Key Ratios and Performance Indicators

	Un-audited		Audited			
	1-9 2017	1-9 2016	2016	2015	2014	2013
Return on equity (ROE)	23.9%	15.8%	14.3%	20.2%	15.2%	11.5%
Cost-income ratio	0.71	0.82	0.82	0.79	0.84	0.88
Core BIS capital adequacy	14.1%	16.0%	15.3%	19.2%	15.2%	13.9%
Earnings/Share, diluted (IFRS)	0.49	0.33	0.40	0.53	0.31	0.24
Dividend/share	-	-	0.40	0.31	0.21	0.21
Capital distribution/share	-	-	-	-	-	0.20
Personnel at end of period	248	242	244	248	242	245
Return on assets (ROA)*	1.9%	1.5%	1.4%	2.2%	1.4%	0.9%

*annualized

Strategic KPI

Return on Equity **23.9%**
(Target 15%)

Recurring Revenue to Operational Costs **116%**
(Target 100%)

Assets under Management **11.1**
EUR billion

Net Fee Income **45.3**
EUR million
(1-9/2017)

Business Segments

Business Segment Highlights



Wealth Management & Investor Clients

- AUM grew to EUR 11.1 billion
- Evli Digital, a digital asset management service, was launched
- Finland's 4th largest Fund Management Company. Market share 6.5%
- International fund sales grew 37% during the year
- Gross commissions from equity brokerage declined. Brokerage of other investment products developed positively.



Advisory & Corporate Clients

- Operating profit decreased 21%
- Corporate Finance invoicing lagged previous year
- Favorable development in the mandate base
- Incentive program management business continued its steady growth
- Sales of company research developed according to plans and so far 16 agreements have been signed.

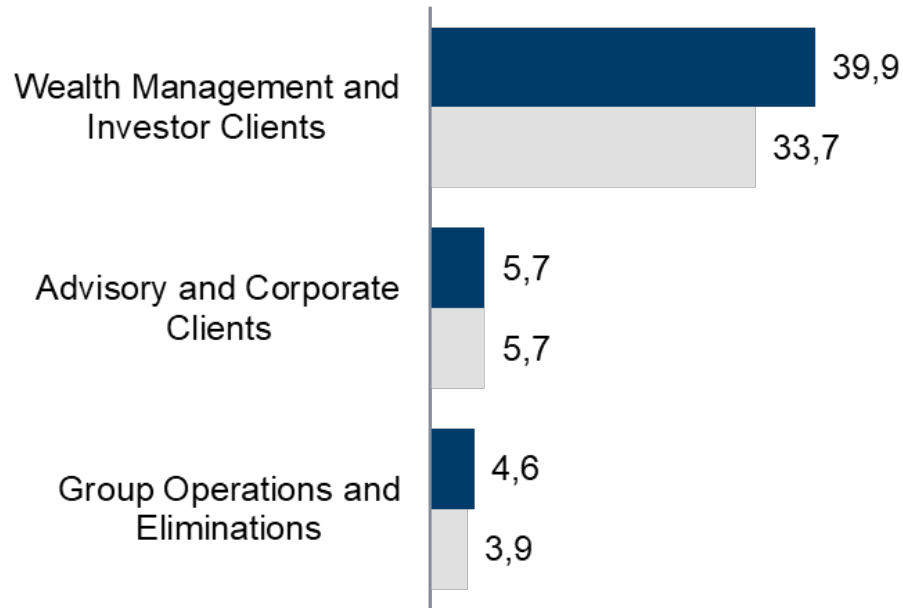


Group Operations

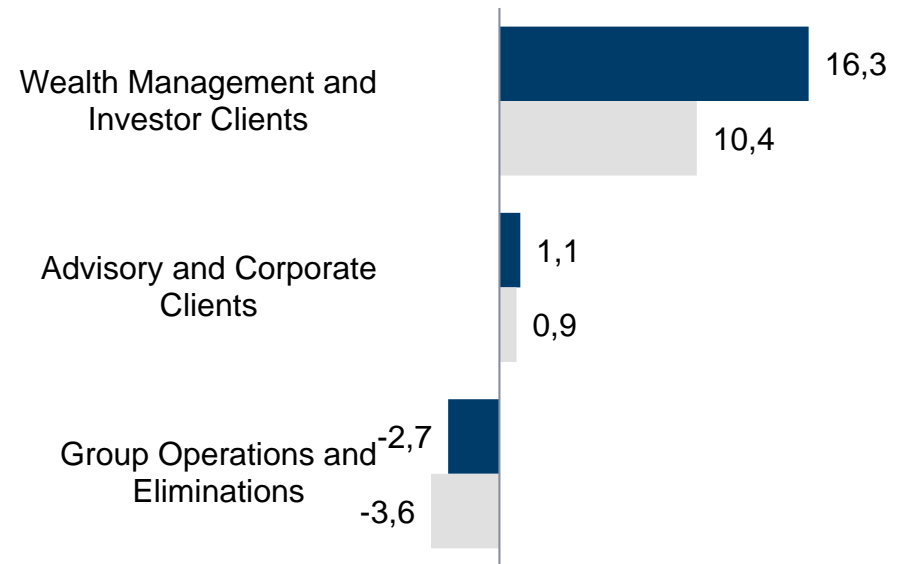
- Net income increased by 19%
- Growth mainly driven by foreign exchange trading
- Costs remained at the previous years level.

Business Segment Profitability

Net revenue



Profit before allocations



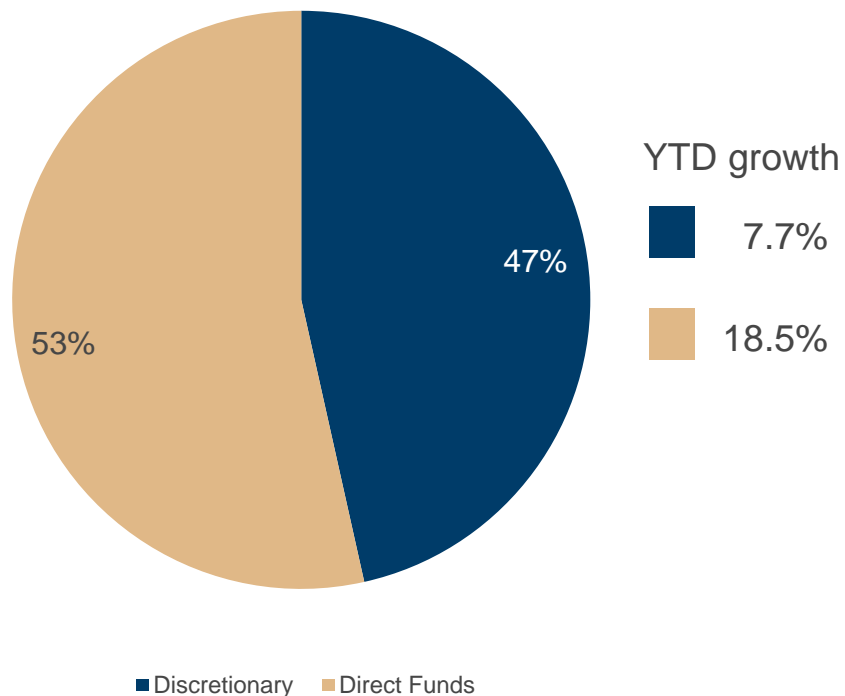
1-9/2017

1-9/2016

Assets under Management grew to 11.1 billion

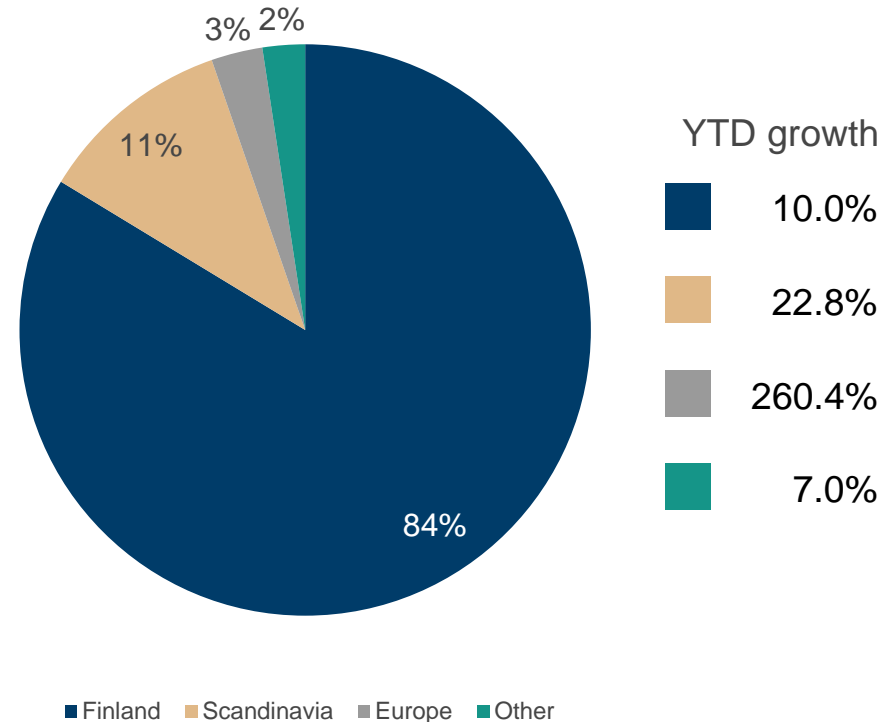
All product categories continued their steady growth

AUM by product, excluding NHC and EAM



Significant growth in AUM from Europe

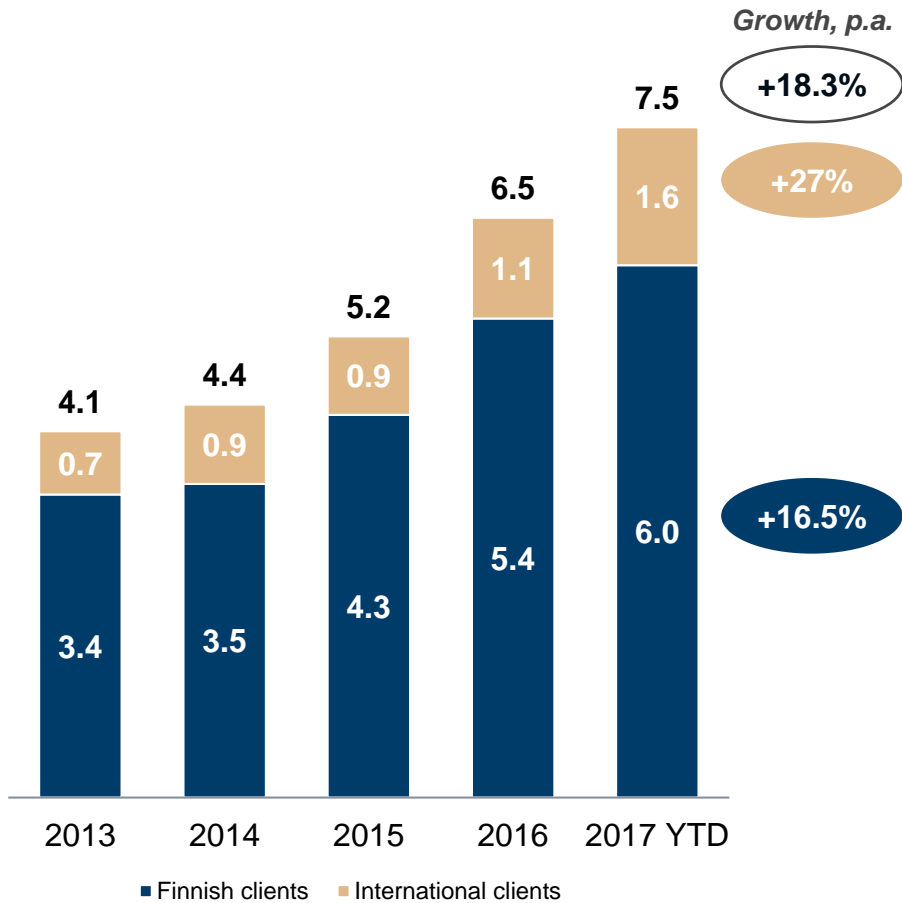
AUM by area, excluding NHC and EAM



EUR 813 Million Net Subscriptions in Mutual Funds*

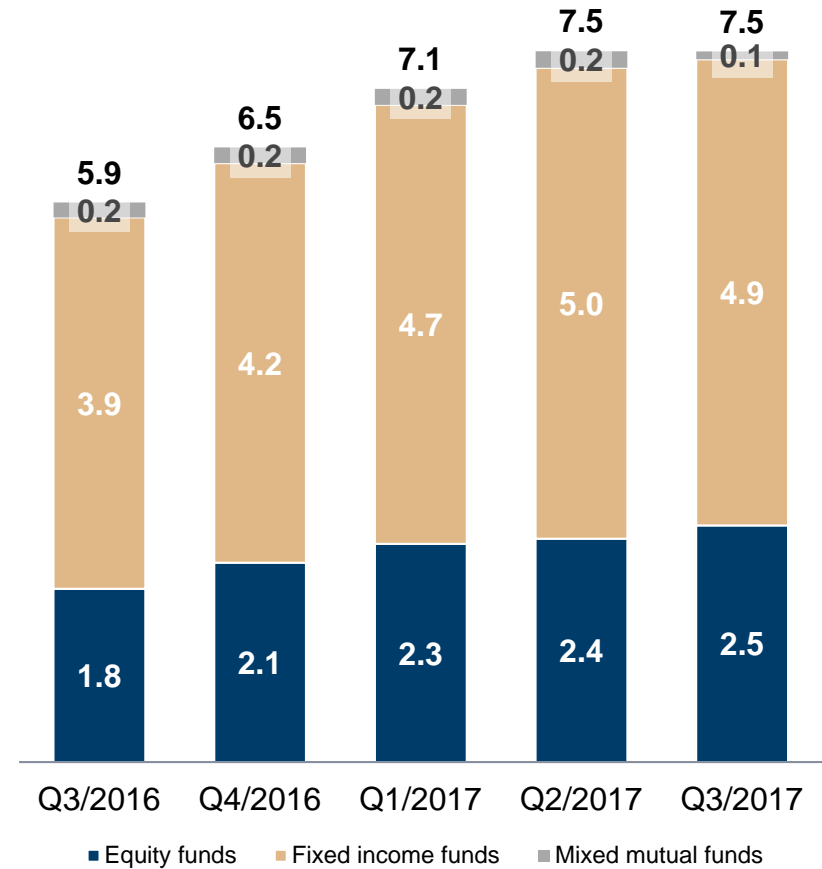
International clients share of Fund AUM grew to 21%

Development of assets in mutual funds 2013–2017** (EUR billion)



Fixed income funds continued to dominate

Split of assets in mutual funds Q3/2016–Q3/2017 (EUR billion)



Evli as an Investment

Cornerstones of Evli's Strategy – Simply Unique

EVLI's core strengths and uniqueness are built around:

1) **Very strong customer experience**
(including offering, service and culture)

AND

2) **Product excellence,**
based on innovative spearhead "institutional investor quality" products

SUPPORTED BY

3) **Strong operational process efficiency**

Key Target Areas 2017 and Onwards

International growth

- Distribution of Evli's funds to professional investors in selected markets
 - Evli has good competitive factors in place to increase international sales
-

Expanding our alternative asset class offering

- Demand for products in the alternative asset class has grown
 - New products relating to real-estate and renewable energy
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Improved efficiency through digitalization

- Introduction of Lean concept to make Evli's operations more efficient
 - Robot colleagues and Artificial Intelligence to daily work
-

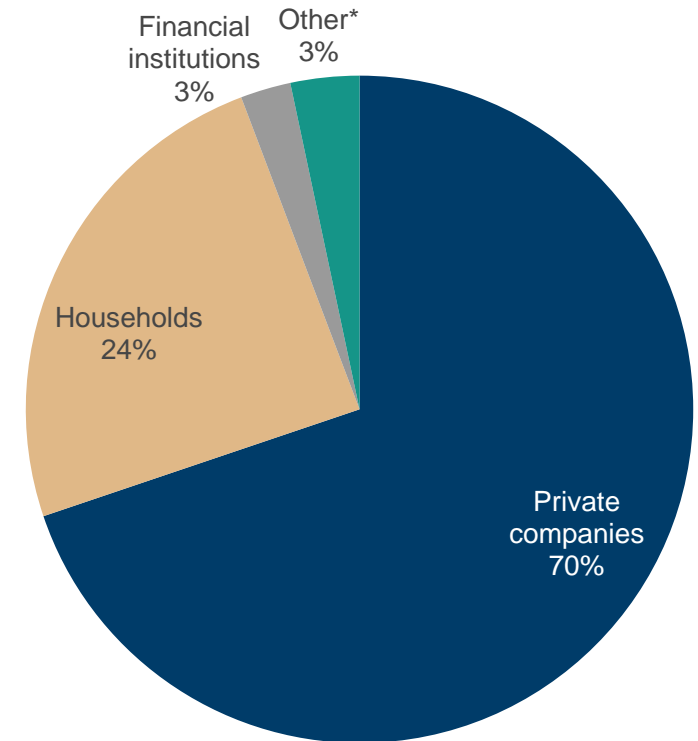
Corporate responsibility and new areas of responsible investments

- Integrating responsibility to all of Evli's services

Ownership, 30 September 2017

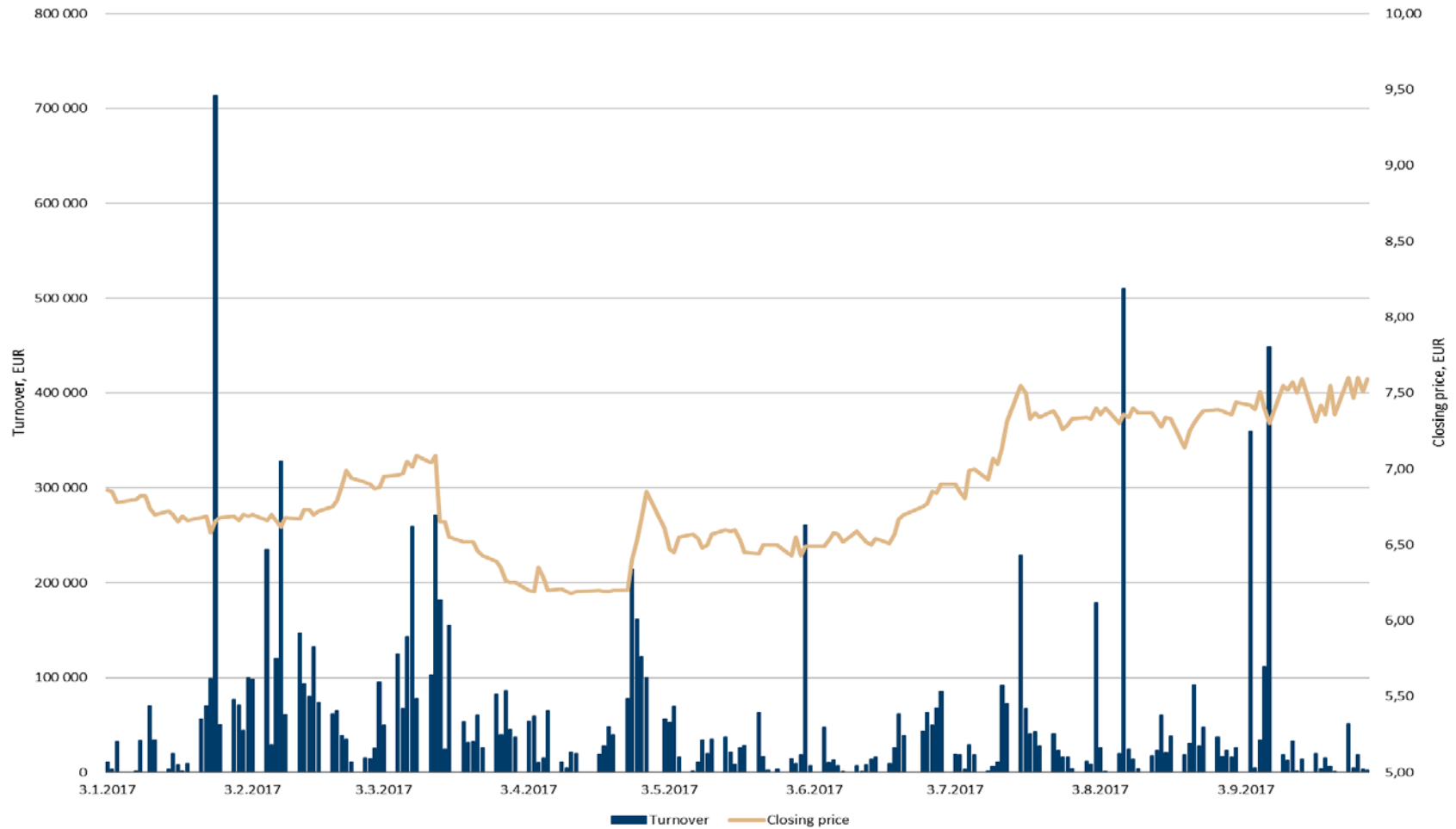
- Listed on Nasdaq Helsinki since 2015
- Market cap EUR 176.1 million
- Registered shareholders 2,576
- Largest shareholders
 - Oy Prandium Ab 20.39% of shares
 - Oy Scripo Ab 20.39% shares
 - Oy Fincorp Ab 12.37% shares
 - Ingman Group Oy Ab 10.12% shares

Ownership/sector 30.9.2017



*Public sector organizations, Non-profit institutions and foreign investors

Share information 1.1.-30.9.2017



Source: Nasdaq OMX Helsinki

**Updated Outlook:
The result for 2017 is estimated to
exceed clearly that of the previous
year**

Outlook for 2017 updated

- Due to significant growth in Assets under Management in the Wealth Management and Investor clients segment the proportion of recurring revenue to operating expenses has exceeded the long-term target level of 100%
- Performance of the Advisory and Corporate Clients segment has been positive despite the lower level of activity in Corporate Finance
- Return from investment activities through own balance sheet has grown considerably on the previous year
- Likelihood of performance fees in Asset Management has grown significantly due to good portfolio returns YTD
- The result for 2017 is estimated to exceed clearly that of the previous year.

Previous guidance:

We estimate that the result for 2017 will exceed previous years profit.

THANK YOU!

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