2018

Evli Bank Plc
Half Year Financial Report
January-June

EVLI

COMMISSION INCOME AND ASSETS UNDER MANAGEMENT CONTINUED TO GROW

- In the Wealth Management and Investor Clients segment operating profit increased by almost 26 percent and was EUR 9.1 million (1-6/2017: EUR 7.3 million)
- The operating profit in the Advisory and Corporate Clients segment over doubled and was EUR 0.8 million (EUR 0.3 million)
- The revenues from the trading activities through the own balance sheet declined in the Group Operations segment.

January-June 2018

- The Group's net revenue increased to EUR 34.9 million (EUR 34.1 million)
- The Group's operating profit was EUR 10.4 million (EUR 9.8 million)
- Evli's diluted earnings per share were EUR 0.40 (EUR 0.31) and return on equity was 28.8 percent (22.3%)
- Net assets under management grew year on year and totaled EUR 11.9 billion (EUR 11.8 billion) at the end of June, which is historically the highest amount for Evli. Respectively from the beginning of the year, growth was EUR 0.7 billion.
- The proportion of recurring revenue to operating costs improved to 113 percent (110%).

April-June 2018

- The Group's net revenue was EUR 18.0 million (EUR 17.9 million)
- The Group's operating profit was EUR 5.2 million (EUR 5.2 million)
- Earnings per share amounted to EUR 0.16 (EUR 0.16).

Outlook for 2018 unchanged

The risks associated with the general trend in the equity and fixed income markets are high due to the prevailing uncertainty on the markets. A continued decline in equity prices or a reduction in investors' risk appetite would have a negative impact on the company's profit performance. Demand for Evli's products has remained stable and assets under the Group's management have grown substantially in recent years, which would soften the result-impact of any reversal of the market.

There has been positive development in the demand for advisory services, and its outlook for 2018 is stable. Customer's demand for Evli's products and services has developed positively, which has also led to a systematic increase in lending. In the advisory business and in own investment activities, substantial fluctuations in annual returns are possible.

Due to successful and stable development at the beginning of the year, we estimate that the result for the 2018 financial year will be clearly positive.

KEY FIGURES

	1-6/2018	1-6/2017	1-12/2017
Income statement key figures			
Operating income, M€	34.9	34.1	71.4
Operating profit/loss, M€	10.4	9.8	21.3
Operating profit margin, %	29.8	28.8	29.8
Profit/loss for the financial year, M€	10.3	7.1	17.5
Profitability key figures			
Return on equity (ROE), %	28.8	22.3	25.5
Return on assets (ROA), %	2.1	1.5	2.0
Balance sheet key figures			
Equity-to-assets ratio, %	7.2	5.6	7.6
Group capital adequacy ratio, %	16.4	14.0	15.0
Key figures per share			
Earnings per Share (EPS), fully diluted, €	0.41	0.32	0.72
Comprehensive Earnings per Share (EPS), fully diluted, €	0.40	0.31	0.69
Dividend per share, €*			0.52
Equity per share, €	2.97	2.69	3.10
Share price at the end of the period, €	9.84	6.90	9.60
Other key figures			
Expense ratio (operating costs to net revenue)	0.70	0.71	0.70
Recurring revenue ratio, %	113	110	113
Personnel at the end of the period	268	254	240
Market value, M€	233.1	160.9	224.9

**Dividend from 2017 approved by the Annual General Meeting. The dividend was paid on March 21, 2018.*

Maunu Lehtimäki, CEO

Second-quarter revenue and operating profit remained at the previous year's level despite a clear increase in net commission income. A decline in trading returns weakened the growth in revenue and profit. The growth in commission income is a result of a particularly positive trend in the client assets under management, which increased to a record of EUR 11.9 billion during the review period. Evli's funds collected net subscriptions of about EUR 0.5 billion during the first half, and, measured with fund subscriptions, Evli collected the highest amount of assets out of all fund management companies in Finland. The increase in client assets was boosted by successful customer acquisition activities and strong sales of asset management mandates, positive net subscriptions to funds and new product launches during the beginning of the year, particularly in the strategically important area of alternative investment products. For the fourth consecutive year, Evli was ranked the best institutional asset manager in a survey by KANTAR SIFO Prospera.

The development was also positive in the area of corporate clients, apart from a couple of delays in Corporate Finance orders. Evli managed to grow its business activities in corporate finance, investment research and incentive systems.

During the second quarter, our revenue and operating profit remained at the level of the previous year and our operating margin was almost 30 percent. Our key strategic indicator, the ratio of our recurring revenue in relation to the Group's operating expenses, reached 113 percent. Including the profit of associated companies, the Group's return on equity rose to almost 29 percent.

To target growth alongside the promotion of our traditional business, we continued our efforts in international fund sales, development of alternative investment products and the creation of a simply unique customer experience. As was the case in the first quarter, we made progress on each strategic frontier. In international sales, we continued to expand the distribution of our funds. In addition to a distribution agreement concerning Germany, which was signed in the first half of the year, we also signed an agreement regarding fund distribution in the Gulf region. In alternative investment products, we launched the Evli Healthcare I Ky fund, which invests in care facilities during the first quarter. At the establishment phase, we collected over EUR 70 million in investments and during the second quarter we collected around another EUR 30 million. We also launched the new non-UCITS fund Evli Rental Yield, which invests in commercial premises and had assets of about EUR 40 million at the end of June.

Due to our success in the first half, the outlook for 2018 is very promising. We will continue to focus on our strategic priorities and concentrate on achieving stable and profitable growth. We expect that on this basis, the result for 2018 will be clearly in the positive.

MARKET PERFORMANCE

Market performance was positive during the first half of 2018. In the developed markets, the economy continued on a growth track despite the prevailing uncertainty. In the USA, economic growth was driven by the recovery in consumer demand and tax cuts. In Europe, the outlook was improved by the positive development in consumer demand and exports during spring and early summer. In the emerging markets, there was growing uncertainty regarding the continuation of economic growth, among other things due to rising interest rates. The positive developments led the central banks in the USA and Europe to make announcements on their tightening monetary policy. The US central bank (FED) raised its benchmark interest rate in June on account of solid employment growth and inflation, and also announced future hikes during the second half of the year. Correspondingly, the European Central Bank (ECB) announced it would end its quantitative easing program, which has been in progress for a while, in December 2018.

During the first half of the year, uncertainty on the market was increased in particular due to the fear of a trade war breaking out and due to political risks. Trade tensions between the USA and China and the USA and other countries continued to worsen during the early summer when the countries imposed new import tariffs on each other. In addition, Italy's challenging government negotiations raised concerns in the euro area. Uncertainty was also increased by the presidential election in Turkey and the future direction of the country's monetary policy.

Despite the risks, among others, most of the European equity markets reached all-time highs during the review period. During the second quarter, the equity markets recovered strongly after a weak first quarter. European equities (Stoxx 600) returned 4.0 percent and US equities (S&P 500) returned 8.9 percent calculated in euros during the second quarter. Finnish equities (OMX Helsinki Cap GI) returned 6.2 percent during the same period. The rise in equity prices was assisted by the continuation of companies' strong profit performance.

The growing uncertainty in Europe reflected in the fixed income markets. Among others, the yield of German government bonds, which are considered safe havens, declined to the lowest levels for over a year. The yield on the ten-year bond declined to below 0.3 percent and that of the two-year bond correspondingly declined to below -0.75 percent. Euro area government bonds declined by 0.9 percent during the second quarter. Lower-rated high yield corporate bonds also declined 1.1 percent and higher-rated corporate bonds by 0.1 percent. The euro weakened significantly against the dollar during the review period. The euro weakened 4.9 percent in relation to the dollar. This weakening was caused in particular by the developments in the US trade policy.

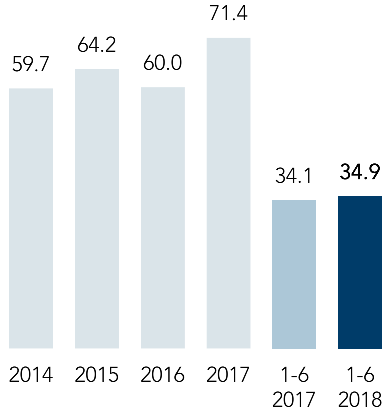
DEVELOPMENT OF REVENUE AND RESULT

January-June

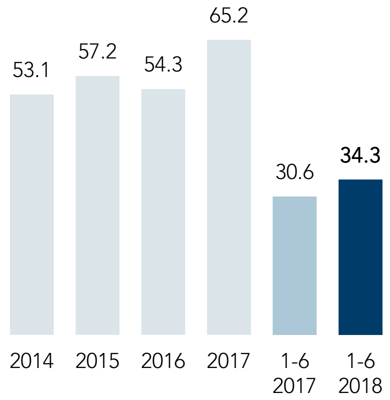
The Group's net commission income grew by 12.2 percent during the first half of the year compared to the same period last year and was EUR 34.3 million (EUR 30.6 million). The growth was mainly the result of positive development in fund commissions due to successful acquisition of new clients. However, the net returns from securities transactions and foreign exchange dealing declined significantly from the previous year to EUR 0.4 million (EUR 3.0 million). An impairment of EUR 0.6 million made on an investment in Evli's own balance sheet during the second quarter had a negative impact on the net returns from securities transactions. Overall, during the review period, the return from Evli Group's operations grew 2.6 percent year on year and was EUR 34.9 million (EUR 34.1 million).

Overall costs for January-June, including depreciation, amounted to EUR 24.5 million (EUR 24.3 million). The Group's personnel expenses totaled EUR 13.7 million (EUR 14.2 million) including estimated performance bonuses for the personnel. The Group's administrative expenses were EUR 8.0 million (EUR 7.4 million). The Group's depreciation, amortization and write-downs were EUR 0.9 million (EUR 1.1 million). Other operating expenses totaled EUR 1.9 million (EUR 1.5 million). Other operating expenses include a non-recurring expense related to the acquisition of Aurator Asset Management Ltd's minority equities, totaling EUR 0.4 million. Evli's expense/income ratio improved on the previous year and was 0.70 (0.71).

Net revenue (M€)

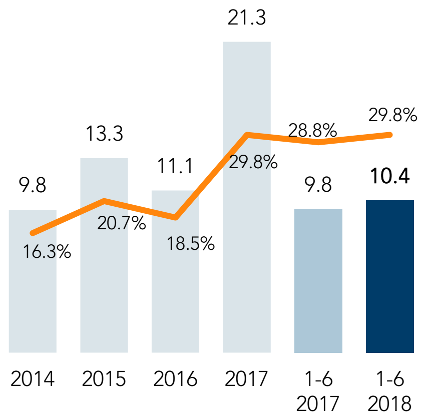


Net commission income (M€)

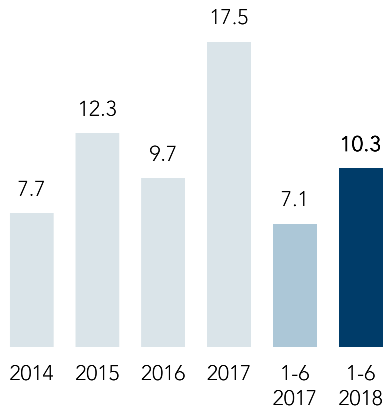


The Group's operating profit for the first half of the year increased by 6.2 percent compared to the same period last year and was EUR 10.4 million (EUR 9.8 million). The operating margin was 29.8 percent (28.8%). The profit for the review period was EUR 10.3 million (EUR 7.1 million). The profit in the review period was positively affected by the non-recurring exit fees received by the associated company. The Group's annualized return on equity was 28.8 percent (22.3%), which clearly exceeds the long-term return on equity target of 15.0 percent.

Operating profit (M€) and profit margin (%)



Net profit (M€)



April-June

During the second quarter Evli Group's net revenue remained at the previous years level at EUR 18.0 million (EUR 17.9 million). The Group's net commission income increased by 5.6 percent and was EUR 17.4 million (EUR 16.4 million). Overall costs for the second quarter, including depreciation, remained at the same level as in the comparison period and amounted to EUR 12.8 million (EUR 12.7 million).

The Group's second-quarter operating profit remained at the same level as in the comparison period and was EUR 5.2 million (EUR 5.2 million), due to the decrease in revenue from the trading activities through the own balance sheet. The operating margin was 28.9 percent (29.2%). The profit for the period was EUR 4.3 million (EUR 3.8 million).

Balance sheet and funding

At the end of June, the Evli Group's balance sheet total was EUR 980.9 million (EUR 1,102.7 million). Due to daily changes in client activity, significant fluctuations in the size of the balance sheet total are possible from one quarter to the next. At the end of the review period, the Evli Group's equity was EUR 69.4 million (EUR 61.8 million).

Evli applies the standardized approach (capital requirement for credit risk) and the basic indicator approach (capital requirement for operational risk) in its capital adequacy calculation. The Group's capital adequacy ratio of 16.4 percent clearly exceeds the regulator's requirement of 10.5 percent including the extra capital requirement. The Group's own minimum target for capital adequacy is 13.0 percent.

The Group's funding from the public and credit institutions decreased by 13.7 percent compared to the comparison period. The company's loan portfolio increased by 31.3 percent year on year to EUR 109.1 million. The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 21.6 percent. The Group's liquidity is good.

COMMON EQUITY TIER 1 CAPITAL, M€	30.6.2018	30.6.2017
Share capital	30.2	30.2
Funds total and retained earnings	29.5	24.3
Minority interest	0.0	0.0
Decreases:		
Intangible assets	10.5	9.5
Other decreases	1.5	3.6
Total common equity tier 1 capital	**47.6**	**41.5**

Evli Bank has no tier 2 capital.

Minimum requirement of own funds, M€

Minimum capital adequacy requirement by asset group, standard credit risk method:	30.6.2018 Min. requirement	30.6.2018 Risk-weighted value
Claims from the state and central banks	0.0	0.0
Claims from regional governments and local authorities	0.0	0.0
Claims from credit institutions and investment firms	3.0	37.4
Investments in mutual funds	0.2	2.3
Claims secured with property	0.1	1.1
Claims from corporate customers	2.2	27.4
Items with high risk, as defined by the authorities	0.2	2.2
Other items	6.9	86.8
Minimum amount of own funds, market risk	1.0	11.9
Minimum amount of own funds, operational risk	9.6	120.4
Total	**23.2**	**289.5**

BUSINESS AREAS

Wealth Management and Investor Clients

The Wealth Management and Investor Clients segment offers services to present and future high net worth private individuals and institutions. The comprehensive product and service selection includes asset management services, fund products offered by Evli and its partners, various capital market services and alternative investment products. The segment also includes operations and execution activities that directly support these core activities.

Wealth Management

The sales of Evli's Wealth Management services developed favourable during the review period. The number of clients continued to grow in both traditional and digital asset management. At the end of the review period, Evli had EUR 4.9 billion in discretionary asset management assets, which includes both the traditional and the digital services.

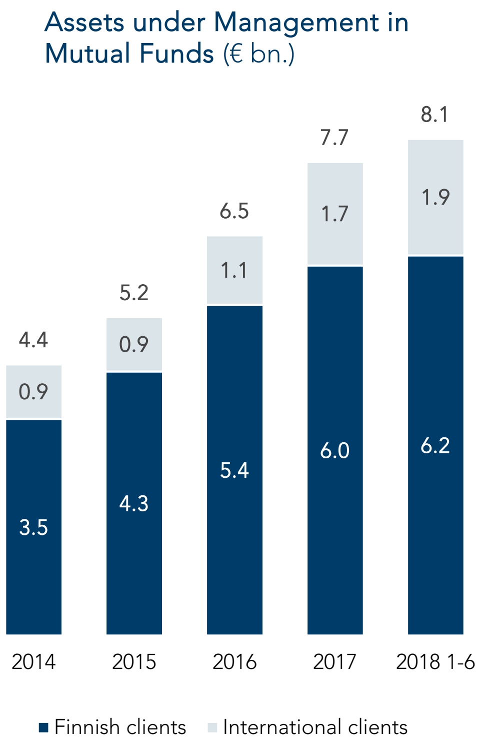
During the beginning of the year, Evli received recognition in a survey by Euromoney, one of the world's top financial magazines. In the survey Evli was selected as best in Finland in the digital client experience, asset management research and asset allocation advice categories. Over the past few years Evli has been focusing strongly on developing its digital asset management services. For example, the digital asset management service, Evli Digital, which was launched at the end of 2017, has been well received. At the end of the review period Evli launched a new version of its online service for clients, My Evli. Evli's goal is to continuously develop its digital services.

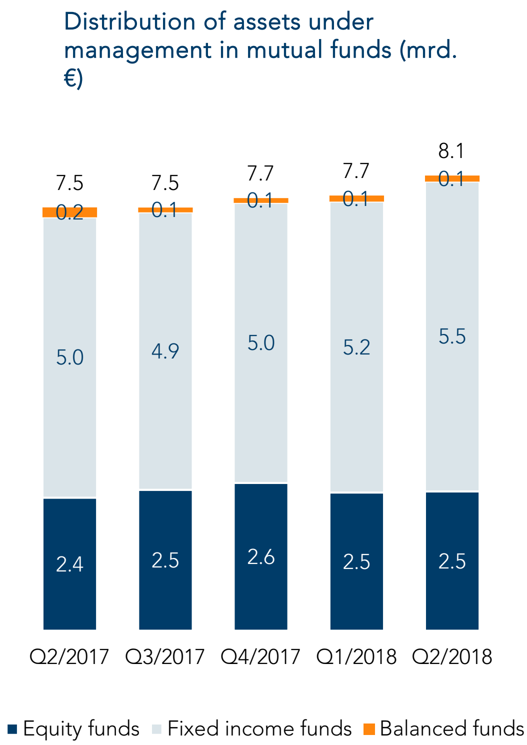
After the review period, Evli also gained acknowledgment for its traditional asset management operations when it was ranked as Finland's best asset manager for the fourth time in a row by institutional investors. The survey was carried out by KANTAR SIFO Prospera. Evli was placed first in ten different quality criteria, including portfolio management competence, track record, product quality, sales competence and responsible investments (ESG). In addition to this, Evli's brand strength was assed as the strongest in asset management services in Finland.

Investment products - mutual funds

The high demand for Evli's traditional mutual funds continued, as in previous years. In a comparison of fund management companies, Evli received the highest number of net subscriptions in Finland for the first time, totaling EUR 485.1 million (EUR 454,0 million). According to the Mutual Fund Report carried out by Investment Research Finland, Evli Fund Management Company's market share increased by 0.4 percentage points on the previous year and was 7.0 percent at the end of June. At the end of June, Evli had 29 investment funds and three property investment funds registered in Finland. The combined assets of the mutual funds managed by the company were EUR 8,106 million (EUR 7,422 million). Of this, EUR 2,482 million were invested in equity funds (EUR 2,369 million), EUR 5,515 million in fixed income funds (EUR 4,992 million) and EUR 109 million in balanced funds (EUR 61 million). Evli's clients invested the most new assets in the Evli Euro Liquidity (EUR 274 million), the Evli Nordic Corporate Bond (EUR 216 million) and the Evli Short Corporate Bond (EUR 184 million) funds.

During the second quarter of the year, Evli launched the new Evli Global X fund to respond to customers demand of a fund with an exclusion strategy. The fund's investment policy complies with Evli's policies for responsible investment. In addition, the fund excludes from its investments companies with operations in controversial areas.





One of Evli's strategic targets is to boost the international sales of its investment products. The company's funds are currently available to institutional investors in among others Italy, Spain, France, German, Portugal and Latin America in addition to the domestic markets of Finland and Sweden. At the end of the review period the company signed a distribution agreement with Market Securities Ltd, which means Evli's funds will also be offered in the Gulf region. The intention is to extend the availability of products to new markets and to increase the efforts in international sales. The international interest in Evli's products has been good. By the end of June EUR 1.9 billion of Evli's fund capital came from clients outside of Finland (1.5 billion).

At the beginning of the year, Evli's fund knowledge was recognised in its domestic market and internationally. Evli Corporate Bond B -fund was selected as the best euro-denominated fixed income fund in Finland, Spain and France by Morningstar. Lipper Fund Awards also awarded Evli "Best Group Over 3 years - Overall Small Company" and Evli Short Corporate Bond B the best fund in the euro-denominated short-term fund category in France and Europe. The fund awards are given to the fund that has made the most consistent returns.

Investment products – real estate funds

Another of Evli's strategic targets is to extend its offering of alternative investment products. During the second quarter, Evli launched a new non-UCITS fund, Evli Rental Yield, with an initial investment of EUR 10 million. By the end of June, the fund already had over EUR 40 million in assets. During the review period, Evli collected a total of EUR 154.5 million in its new and existing real estate funds.

Investment products - others

The entry into force of MiFID II at the beginning of 2018 has changed the operating environment, particularly regarding traditional equity brokerage activities. Many brokerage clients have focused their services with a smaller group of brokers or otherwise changed the way they operate. Despite the change in the operating environment, the gross commission income from Evli's equity brokerage rose from the levels of the previous year.

There was also growth in all categories in the brokerage of other investment products. The brokerage commissions for derivatives as well as ETF instruments increased compared to the previous year. The sale of structured products also developed well as a consequence of increased client demand. Evli has strengthened the group's product sales by establishing a tied agent network, coordinated by Evli Investment Solutions Oy. At the end of June, Evli had seven tied agents specializing in sales. The business has developed as planned and the net revenue increased substantially compared to the corresponding period of the previous year.

KEY FIGURES - WEALTH MANAGEMENT AND INVESTOR CLIENTS SEGMENT

M€	1-6/2018	1-6/2017	*Change %*	4-6/2018	4-6/2017	*Change %*
Net revenue	29.5	26.8	*10.3%*	15.2	14.5	*4.4%*
Operating profit/loss before Group allocations	13.5	10.7	*26.3%*	7.3	6.1	*18.4%*
Operating profit/loss	9.1	7.3	*25.7%*	4.8	4.4	*10.8%*
Number of personnel	176	170	*3.5%*			
Market share, %*	7.0	6.6				
Net subscriptions**	485	454				

**Evli Fund Management Company. Source: fund report by Finanssialan Keskusliitto ry*
***Net subscription to own funds. Source: fund report by Finanssialan Keskusliitto ry*

January-June

The Wealth Management and Investor Clients segment developed well during the first half of the year. Net revenue increased by 10.3 percent on the corresponding period of the previous year and was EUR 29.5 million (EUR 26.8 million). The revenue performance was positively affected in particular by the growth in fund management fees as a result of new products and successful sales in the domestic and international markets. During the review period, EUR 0.4 million in performance-based or similar fees were received as a result of asset management and funds (EUR 0.6 million).

April–June

The net revenue of the Wealth Management and Investor Clients segment rose by 4.4 percent during the second quarter compared with the same period in 2017 and was EUR 15.2 million (EUR 14.5 million). The growth of assets under management was the main reason behind the positive development of the revenue performance. During the second quarter of the year Evli did not enter as income any performance-based or similar fees (EUR 0.3 million).

Advisory and Corporate Clients

The Advisory and Corporate Clients segment provides advisory services related to M&A transactions, including corporate acquisitions and divestments, IPOs and share issues. The segment also offers incentive program administration services and investment research for listed companies.

M&A transactions

During the second quarter, Evli acted as the advisor in six transactions, one of which were share or bond issues. The level of activity on the M&A markets was at a record high when considered globally. During the first half, corporate acquisitions totaling 2.5 trillion dollars were made globally. This is even more than in the peak year of 2007. Noteworthy was the substantial number of major acquisitions that took place. Major acquisitions took place in the media sectors in particular. A high level of activity also continued in the Nordic countries. The company’s mandate base remained at a historically high level as a consequence of the excellent client activity level. Therefore, the future outlook for the business is favorable.

During the second quarter, Evli was an advisor among others in the following transactions:

- Keensight Capital's acquisition of a majority stake in Biovian
- Re:newcell's fund-raising.

Incentive systems

The Incentive systems business area continued to perform well in the second quarter, as it had in the first quarter, as revenue increased on the comparison period. The trend in the revenue was positively affected by new customer relationships and more extensive incentive systems of existing clients. The second quarter is the busiest of the year regarding the Market Abuse Regulation (MAR) and equity acquisitions related to incentives, including Board of Director fees. At the end of June, Evli was responsible for the administration of the incentive systems for about 60 companies, which are mainly listed companies.

Investment research

The performance of Evli's investment research business area developed according to expectations during the beginning of the year. The paid research business continued to have a positive reception and the company gained two new clients during the second quarter. At the end of June, Evli's research service had 24 companies as clients.

KEY FIGURES - ADVISORY AND CORPORATE CLIENTS SEGMENT

M€	1-6/2018	1-6/2017	Change %	4-6/2018	4-6/2017	Change %
Net revenue	4.6	3.8	*22.5%*	2.3	2.1	*9.1%*
Operating profit/loss before Group allocations	1.5	0.6	*160.4%*	0.7	0.3	*111.4%*
Operating profit/loss	0.8	0.3	*202.6%*	0.4	0.1	*267.0%*
Number of personnel	41	37	*10.8%*			

January-June

The net revenue of the Advisory and Corporate Clients segment increased by 22.5 percent during the first half of the year compared to the comparison period and was EUR 4.6 million (EUR 3.8 million). Significant fluctuations in revenue from one quarter to the next are typical of the segment's Corporate Finance activities.

April-June

The net revenue of the Advisory and Corporate Clients segment increased by 9.1 percent during the second quarter compared to the comparison period and was EUR 2.3 million (EUR 2.1 million). The implementation of many orders that had been expected to take place during the second quarter was moved further into the future, which has strengthened the segment's outlook for the second half of the year.

Group Operations

The Group Operations segment includes support functions serving the business areas, such as Information Management, Financial Administration, Group Communications and Investor Relations, Legal Department, Human Resources, and Internal Services. Banking services and the company's own investment operations that support the company's operations, and the Group's supervisory functions; Compliance, Risk Management and Internal Audit, are also part of Group Operations.

KEY FIGURES - GROUP OPERATIONS SEGMENT

M€	1-6/2018	1-6/2017	Change %	4-6/2018	4-6/2017	Change %
Net revenue	0.9	3.4	*-73.9%*	0.5	1.2	*-60.5%*
Operating profit/loss before Group allocations	-4.8	-1.6	*203.7%*	-2.8	-1.4	*99.4%*
Operating profit/loss	0.3	2.2	*-86.2%*	0.0	0.6	
Number of personnel	51	50	*2.0%*			

January-June

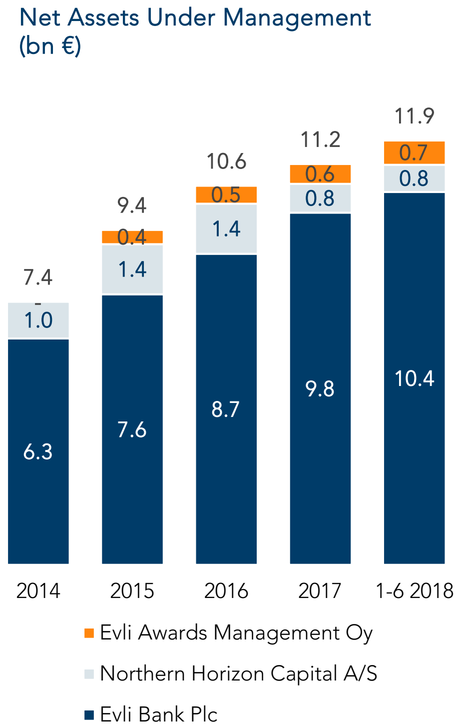
The net revenue of the Group Operations segment declined 73.9 percent, during the first half of the year, compared to the previous year and totaled EUR 0.9 million (EUR 3.4 million). The decline was caused by Evli's trading function's return that was lower than that of the previous year and the Treasury function's return, which weakened as a result of changes in the interest rate environment.

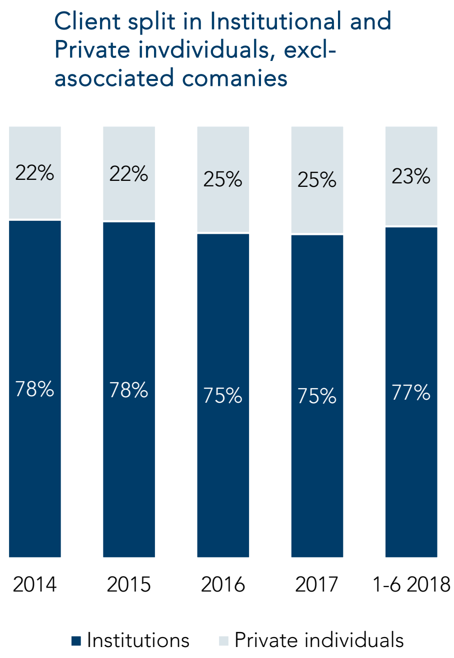
April-June

The net revenue of the Group Operations segment declined by 60.5 percent compared to the comparison period and was EUR 0.5 million in total (EUR 1.2 million). Revenue development was negatively affected by the profit performance of Evli's trading function, in particular, that was weaker year on year and the challenging interest rate environment. A one-off impairment loss of EUR 0.6 million concerning an investment on Evli's own balance sheet was also entered for the review period.

DEVELOPMENT OF CLIENT ASSETS UNDER MANAGEMENT

There was a positive trend in client assets under management during the review period due to the high number of new customers in mutual funds and asset management. However, the assets managed by the associated company Northern Horizon Capital A/S declined from the comparison period. The Group's combined net assets under management at the end of the review period were EUR 11.9 billion (EUR 11.8 billion). About 77 percent of client assets under management in mutual funds and asset management came from institutional investors and the remaining 23 percent from private individuals.

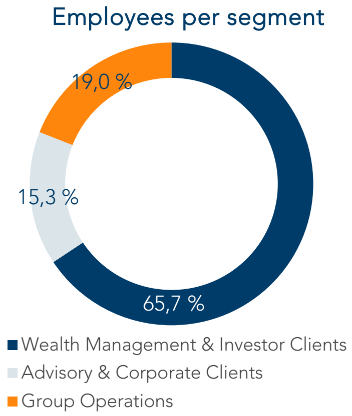


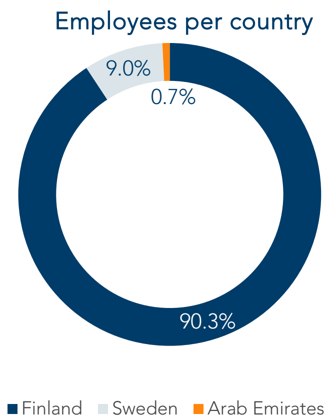


PERSONNEL

The group had 268 employees (254) at the end of June. The number of employees increased by 5.5 percent, from the comparison period. 90.3 percent of the personnel were employed in Finland and 9.7 percent abroad.

EMPLOYEE FACTS





CHANGES IN GROUP STRUCTURE

In the first quarter, Evli acquired an approximately ten percent share of Aurator Asset Management Ltd held by its minority owners. This transaction made Aurator Asset Management Ltd a wholly-owned subsidiary of Evli.

During the review period, Evli sold 4.9 percent of its shares in Terra Nova Capital Advisor Ltd to an employee of the company. Evli's stake in the company is now 50.1 percent.

Evli decided to concentrate the development of its alternative investment products to Evli Fund Management Company, and the business and subsidiaries of Evli Alternative Investments were transferred to the Evli Fund Management Company Group.

In connection with the administration of the care facilities fund, Evli HC I GP Oy, a new wholly-owned subsidiary was established during the review period.

EVLI'S SHARES AND SHARE CAPITAL

At the end of June, Evli Bank Plc's total number of shares was 23,688,920, of which 15,521,620 were series A shares and 8,167,300 were series B shares. The company held 355,655 series A shares. The company's share capital was EUR 30,194,097.31 at the end of the review period. No changes took place in the share capital.

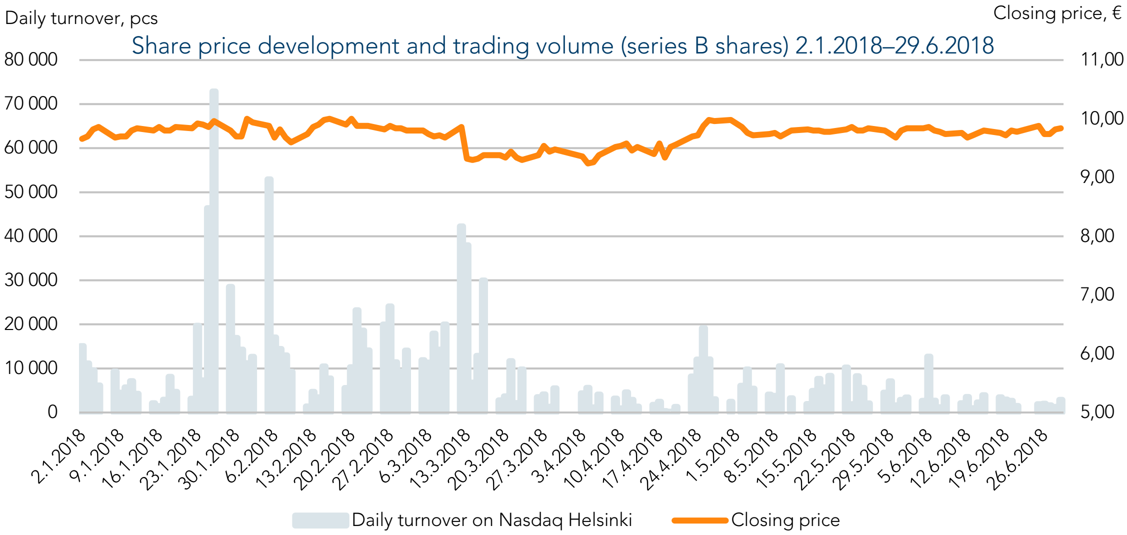
Under Article 4 of its Articles of Association, the company converted 168,426 A shares into B shares on February 20, 2018. Public trading on the converted shares began at Nasdaq Helsinki Ltd on February 21, 2018.

Based on the stock options 2014 granted by the company's Board of Directors a total of 206,800 new A shares and 51,700 new B shares were subscribed to on February 20, 2018. The shares subscribed to were registered in the Trade Register on February 20, 2018. Public trading with the new B-shares began at Nasdaq Helsinki Ltd on February 21, 2018.

Under Article 4 of its Articles of Association, the company converted 140,931 A shares into B shares on May 11, 2018. Public trading on the converted shares began at Nasdaq Helsinki Ltd on May 14, 2018.

Trading on Nasdaq Helsinki

At the end of June, Evli had 8,167,300 series B shares subject to public trading on Nasdaq Helsinki Ltd. Trading in the shares in January-June came to EUR 11.0 million, with 1,125,201 Evli shares traded. The closing price at the end of the review period (June 29, 2018) was EUR 9.84. The highest share price during the first half of the year was EUR 10.50 and the lowest was EUR 9.14. Evli's market capitalization was EUR 233.1 million at the end of the second quarter. The market capitalization is calculated based on both unlisted series A shares and listed series B shares. Series A shares are valued at the closing value of the series B share at the end of the reporting period.



Shareholders

Evli's ten largest shareholders on June 30, 2018 are listed in the table below. The total number of shareholders at the end June was 3,960 (2,621). The stake of Finnish companies was 67.4 percent (69.2%) and that of private Finnish individuals was 26.1 percent (24.8%).

LARGEST SHAREHOLDERS JUNE 30, 2018

	A-shares	B-shares	Shares total	% of all shares	% of votes
1. Oy Scripo Ab	3 803 280	950 820	4 754 100	20.1	24.2
2. Prandium Oy Ab	3 803 280	950 820	4 754 100	20.1	24.2
3. Oy Fincorp Ab	2 319 780	441 257	2 761 037	11.6	14.7
4. Ingman Group Oy Ab	1 860 000	535 000	2 395 000	10.1	11.8
5. Lehtimäki Maunu	433 728	108 432	542 160	2.3	2.8
6. Hollfast John Erik	328 320	82 080	410 400	1.7	2.1
7. Tallberg Claes	369 756	32 588	402 344	1.7	2.3
8. Evli Pankki Oyj	355 655	0	355 655	1.5	2.2
9. Moomin Characters Oy Ltd	0	249 627	249 627	1.1	0.1
10. Lundström Mikael	186 448	45 546	231 994	1.0	1.2

DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Evli Bank Plc's Annual General Meeting, held in Helsinki on Monday March 12, 2018, decided on the following matters:

Adoption of the financial statements and use of the profit shown on the balance sheet and the payment of dividend

Evli Bank Plc's Annual General Meeting adopted the financial statements and resolved in accordance with the proposal of the Board of Directors to pay EUR 0.52 per share in dividends. The dividend was paid to a shareholder who on the record date March 14, 2018 was registered in the shareholders' register of the company held by Euroclear Finland Ltd. The date of the payment of dividends was resolved to be March 21, 2018.

The release from liability of the members of the Board of Directors and the CEO

The Annual General Meeting granted release from liability to the Members of the Board of Directors and the CEO for the 2017 financial year.

Number of Board members, members and fees

The Annual General Meeting confirmed five as the total number of members of the Board of Directors. Henrik Andersin, Robert Ingman, Johanna Lamminen, Mikael Lilius and Teuvo Salminen were re-elected to Evli Bank Plc's Board of Directors.

The meeting attendance fee payable to Board members is EUR 5,000.00 per month, and the attendance fee payable to the Chairmen of the Committees is EUR 6,000.00. The meeting attendance fee payable to the Chairman of the Board is EUR 7,500.00 per month.

Auditors and auditors' fees

PricewaterhouseCoopers Oy, an auditing firm, was elected as the auditor, with Jukka Paunonen, Authorized Public Accountant, as the principally responsible auditor. The auditor is paid remuneration according to a reasonable invoice approved by the company.

Board authorizations

The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the company's own series A and series B shares in one or more lots as follows:

The total number of own series A shares to be repurchased may be a maximum of 1,562,418 shares, and the total number of own series B shares to be repurchased may be a maximum of 780,624 shares. The proposed number of shares represents approximately ten percent of all the shares of the company on the date of the Notice of the Annual General Meeting.

Based on the authorization, the company's own shares may only be repurchased with unrestricted equity. The company's own shares may be repurchased at the price formed for series B shares in public trading or at the price otherwise formed on the market on the purchase day.

The Board of Directors will decide how the company's own shares will be repurchased. Financial instruments such as derivatives may be used in the purchasing. The company's own shares may be repurchased in other proportion than the shareholders' proportional shareholdings (private purchase). Shares may be repurchased through public trading at the prevailing market price formed for the B-shares in public trading on Nasdaq Helsinki Ltd on the date of repurchase.

The authorization replaces earlier unused authorizations to repurchase the company's own shares. The authorization will be in force until the next Annual General Meeting but no later than until June 30, 2019.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and special rights entitling to shares pursuant to chapter 10, section 1, of the Limited Liability Companies Act in one or more lots, for a fee or free of charge.

Based on the authorization, the number of shares issued or transferred, including shares received based on special rights, may total a maximum of 2,343,042 series B shares. The proposed number of shares represents approximately ten percent of all the shares of the company on the date of the Notice of the Annual General Meeting. Of the above-mentioned total number, however, a maximum of 234,304 shares may be used as part of the company's share-based incentive schemes, representing approximately one percent of all the shares of the company on the date of the Notice of the Annual General Meeting.

The authorization entitles the Board of Directors to decide on all the terms and conditions related to the issuing of shares and special rights entitling to shares, including the right to deviate from the shareholders' pre-emptive subscription rights. The Board of Directors may decide to issue either new shares or any own shares in the possession of the company.

The authorization replaces earlier unused authorizations concerning the issuance of shares as well as the issuance of options and other special rights entitling to shares. The authorization will be in force until the end of the next Annual General Meeting but no longer than until June 30, 2019.

BUSINESS ENVIRONMENT

The risks have grown in Evli’s business environment. The rapid fluctuations in the equity markets and the political uncertainty have made investors cautious and made them favor lower risk, and hence lower margin products. The uncertainty on the market has also increased the likelihood of losses in investments through Evli’s own balance sheet. As a result, Evli has further reduced the risk level of the Treasury unit's investment portfolio, which in turn has a negative impact on portfolio return expectations. Despite this, the situation in the company’s domestic market in Finland is stable and the prerequisites for growth in the company’s traditional operations are good.

In line with its strategy, Evli has focused increasingly on international sales and developing alternative investment products. These are considered important sources of growth for the company and as a buffer in any reversal of the market. Work has also been done to further improve scalability.

During the first half of the year Evli started to distribute its products in Germany and the Gulf region. In addition to product availability, the streamlining and adaptation of administrative processes to correspond to the standards that investors are accustomed to on other markets are critical for the success of international growth. The company currently has many investigations under way in this area into measures that may help to accelerate growth. Evli is excellently placed where international sales are concerned, and the image of a high-quality Nordic fund management boutique is of interest to foreign investors.

Alternative investment products are another important strategic focus area for Evli. Strong demand for these products has continued and the market has been favorable for the growth of the asset class. This development is supported by long-term trends, such as the aging of the population and urbanization. This is a challenging asset class when it comes to seeking sufficient return for investors, which also covers the risks contained in the investment which is always long term. The asset class is also a very competitive area. During the first half of the year Evli has launched two new alternative investment products and is investigating the possibilities for more new products during this year. The company’s goal is to turn alternative products into a major source of revenue.

Increasing efficiency is critical for the company's success in its business environment that is becoming increasingly digitalized. Alongside the traditional service models, Evli has also focused considerably on the development of its digital services. Process automation, robotic process automation and artificial intelligence will, in the future, play an increasing role in the daily activities of the investment services industry. They also have a direct impact on the client experience in the form of the smooth performance of the services. To maintain its competitiveness, Evli will continue to invest increasingly in digital services and automation of its practices.

RISK MANAGEMENT AND BUSINESS RISKS

Evli's most significant near-term risk is the impact of market performance on the company's business functions. Securities market performance has a direct impact on the wealth management business. Its revenue is based on the performance of assets under management and is therefore subject to market fluctuations. The general performance of the markets also has an impact on brokerage operations. In advisory assignments, any changes in the market confidence of investors and corporate management may result in the lengthening or termination of projects.

Evli's most significant risks associated with its bank and investment activities are liquidity, market and interest rate risks. These risks are controlled with limits set by Evli Bank's Board of Directors. The limits are constantly monitored. The basis for investments made by the company is that they must not endanger Evli's result or solvency. Evli's investments are very highly diversified, and dependency on a single company is restricted by limiting the size of company-specific investments, for example. Regardless of good monitoring, there is always a certain degree of risk involved in investment activities, which means the return from investment activities can fluctuate significantly from one quarter to the next.

OUTLOOK FOR 2018 UNCHANGED

The risks associated with the general trend in the equity and fixed income markets are high due to the prevailing uncertainty on the markets. A continued decline in equity prices or a reduction in investors' risk appetite would have a negative impact on the company's profit performance. Demand for Evli's products has remained stable and assets under the Group's management have grown substantially in recent years, which would soften the result-impact of any reversal of the market.

There has been positive development in the demand for advisory services, and its outlook for 2018 is stable. Customer's demand for Evli's products and services has developed positively, which has also led to a systematic increase in lending. In the advisory business and in own investment activities, substantial fluctuations in annual returns are possible.

Due to successful and stable development at the beginning of the year, we estimate that the result for the 2018 financial year will be clearly positive.

Helsinki, July 13, 2018

EVLI BANK PLC
Board of Directors

Additional information:
Maunu Lehtimäki, CEO, tel. +358 (0) 50 553 3000
Juho Mikola, CFO, tel. +358 (0) 40 717 8888
www.evli.com

INVESTOR CALENDER 2018
Interim Report January-September, 2018: October 30, 2018

EVLI BANK PLC

HALF YEAR FINANCIAL REPORT TABLES

CONSOLIDATED INCOME STATEMENT, M€	4-6/ 2018	4-6/ 2017	1-6/ 2018	1-6/ 2017	1-12/ 2017
Net interest income	0.1	0.3	0.3	0.5	0.9
Commission income and expense, net	17.4	16.4	34.3	30.6	65.2
Net income from securities transactions and foreign exchange dealing	0.5	1.2	0.4	3.0	4.9
Other operating income	0.0	0.0	0.0	0.0	0.4
NET REVENUE	18.0	17.9	34.9	34.1	71.4
Administrative expenses					
Personnel expenses	-7.4	-7.3	-13.7	-14.2	-28.9
Other administrative expenses	-4.2	-4.0	-8.0	-7.4	-15.1
Depreciation, amortisation and write-down	-0.4	-0.6	-0.9	-1.1	-2.3
Other operating expenses	-0.8	-0.8	-1.9	-1.5	-3.9
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0
NET OPERATING PROFIT / LOSS	5.2	5.2	10.4	9.8	21.3
Share of profits (losses) of associates	0.4	-0.4	2.1	-0.8	0.6
Income taxes*	-1.2	-1.1	-2.2	-2.0	-4.3
PROFIT / LOSS FOR FINANCIAL YEAR	4.3	3.8	10.3	7.1	17.5
Attributable to					
Non-controlling interest	0.3	-0.1	0.5	-0.1	0.8
Equity holders of parent company	4.0	3.8	9.7	7.2	16.7
PROFIT / LOSS FOR FINANCIAL YEAR	4.3	3.8	10.3	7.1	17.5
OTHER COMPREHENSIVE INCOME / LOSS					
Items, that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	-0.1	0.1	-0.3	0.2	-0.2
Other comprehensive income/loss	-0.1	0.1	-0.3	0.2	-0.2
Other comprehensive income after taxes / loss total	-0.1	0.1	-0.3	0.2	-0.2
OTHER COMPREHENSIVE INCOME / LOSS TOTAL	4.3	3.8	9.9	7.3	17.4
Attributable to					
Non-controlling interest	0.3	-0.1	0.5	-0.1	0.8
Equity holders of parent company	3.9	3.9	9.4	7.5	16.5
Earnings per Share (EPS), fully diluted	0.17	0.17	0.40	0.32	0.72
Comprehensive Earnings per Share (EPS), fully diluted	0.16	0.16	0.40	0.31	0.69

**Taxes are proportionate to the net profit for the period.*

CONSOLIDATED INCOME STATEMENT QUARTERLY, M€	4-6/ 2018	1-3/ 2018	10-12/ 2017	7-9/ 2017	4-6/ 2017
Net interest income	0.1	0.1	0.2	0.1	0.3
Commission income and expense, net	17.4	16.9	19.9	14.7	16.4
Net income from securities transactions and foreign exchange dealing	0.5	-0.1	0.5	1.5	1.2
Other operating income	0.0	0.0	0.4	0.0	0.0
NET REVENUE	18.0	17.0	21.0	16.3	17.9
Administrative expenses					
Personnel expenses	-7.4	-6.3	-8.5	-6.2	-7.3
Other administrative expenses	-4.2	-3.9	-4.0	-3.6	-4.0
Depreciation, amortisation and write-down	-0.4	-0.4	-0.6	-0.6	-0.6
Other operating expenses	-0.8	-1.1	-1.4	-1.0	-0.8
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0
NET OPERATING PROFIT/LOSS	5.2	5.2	6.5	5.0	5.2
Share of profits (losses) of associates	0.4	1.7	1.0	0.3	-0.4
Income taxes*	-1.2	-1.0	-1.8	-0.5	-1.1
PROFIT/LOSS FOR FINANCIAL YEAR	4.3	5.9	5.7	4.7	3.8
Attributable to					
Non-controlling interest	0.3	0.2	0.6	0.4	-0.1
Equity holders of parent company	4.0	5.7	5.2	4.3	3.8
PROFIT/LOSS FOR FINANCIAL YEAR	4.3	5.9	5.7	4.7	3.8
OTHER COMPREHENSIVE INCOME/LOSS					
Items, that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	-0.1	-0.2	-0.4	0.0	0.1
Other comprehensive income/loss	-0.1	-0.2	-0.4	0.0	0.1
Other comprehensive income after taxes/loss total	-0.1	-0.2	-0.4	0.0	0.1
OTHER COMPREHENSIVE INCOME/LOSS TOTAL	4.3	5.7	5.3	4.8	3.8
Attributable to					
Non-controlling interest	0.3	0.2	0.6	0.4	-0.1
Equity holders of parent company	3.9	5.5	4.7	4.3	3.9

**Taxes are proportionate to the net profit for the period.*

CONSOLIDATED BALANCE SHEET, M€

	30.6.2018	30.6.2017	31.12.2017
ASSETS			
Liquid assets	237.1	438.9	383.2
Debt securities eligible for refinancing with central banks	36.2	31.2	36.3
Claims on credit institutions	68.8	54.7	64.1
Claims on the public and public-sector entities	109.1	83.1	92.0
Debt securities	251.6	213.9	229.4
Shares and participations	35.2	61.2	31.5
Participating interests	4.7	2.3	3.6
Derivative contracts	33.9	29.9	30.2
Intangible assets	10.7	9.8	10.0
Property, plant and equipment	1.8	1.9	1.8
Other assets	186.9	168.6	73.9
Accrued income and prepayments	3.9	6.2	4.0
Deferred tax assets	1.0	1.1	0.7
TOTAL ASSETS	980.9	1 102.7	960.7

LIABILITIES			
Liabilities to credit institutions and central banks	10.0	50.5	31.7
Liabilities to the public and public-sector entities	504.4	622.1	621.5
Debt securities issued to the public	142.0	88.2	97.5
Derivative contracts and other trading liabilities	39.3	42.2	34.6
Other liabilities	197.9	219.5	83.6
Accrued expenses and deferred income	16.9	17.8	19.1
Deferred tax liabilities	0.2	0.4	0.2
LIABILITIES TOTAL	910.7	1 040.8	888.1
Equity to holders of parent company	69.4	61.8	71.6
Non-controlling interest in capital	0.7	0.1	0.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	980.9	1 102.7	960.7

EQUITY CAPITAL, M€	Share capital	Share premium fund	Reserve for invested unrestricted equity	Other reserves	Translation difference	Retained earnings	Total	Non-controlling interest	Total Equity
Equity capital 31.12.2016	30.2	1.8	18.4	0.1	-0.2	14.6	**64.9**	0.4	**65.3**
Translation difference					0.0		**0.0**		**0.0**
Profit/loss for the period						7.2	**7.2**	-0.1	**7.1**
Dividends						-9.2	**-9.2**	-0.3	**-9.5**
Acquisition of own shares			-0.5				**-0.5**		**-0.5**
Acquisition of non-controlling interest			-0.5				**-0.5**		**-0.5**
Other changes			0.0			-0.1	**-0.2**	0.1	**-0.1**
Equity capital 30.6.2017	30.2	1.8	17.3	0.1	-0.2	12.5	**61.8**	0.1	**61.8**
Translation difference					0.0		**0.0**		**0.0**
Profit/loss for the period						9.5	**9.5**	0.8	**10.3**
Share options exercised			0.2				**0.2**		**0.2**
Dividends						0.0	**0.0**		**0.0**
Acquisition of non-controlling interest			0.0				**0.0**		**0.0**
Acquisition of own shares			0.0				**0.0**		**0.0**
Other changes			-0.1	0.1		0.1	**0.1**	0.6	**0.7**
Equity capital 31.12.2017	30.2	1.8	17.5	0.1	-0.2	22.2	**71.6**	0.9	**72.5**
Translation difference					-0.1		**-0.1**		**-0.1**
Profit/loss for the period						9.7	**9.7**	0.5	**10.3**
Dividends						-12.2	**-12.2**	-0.6	**-12.7**
Share options exercised			0.5				**0.5**		**0.5**
Acquisition of own shares							**0.0**		**0.0**
Acquisition of non-controlling interest							**0.0**		**0.0**
Other changes						-0.2	**-0.2**	-0.1	**-0.3**
Equity capital 30.6.2018	30.2	1.8	18.0	0.2	-0.3	19.4	**69.4**	0.7	**70.1**

SEGMENT INCOME STATEMENT, M€	Wealth Management and Investor Clients 1-6/2018	Advisory and Corporate Clients 1-6/2018	Group Operations 1-6/2018	Unallocated 1-6/2018	Group 1-6/2018
REVENUE					
Net interest	0.0	0.0	0.2	0.0	0.3
Net commissions	29.4	4.6	0.4	-0.1	34.3
Trading and FX result	0.1	0.1	0.2	0.0	0.4
Other operative income	0.0	0.0	0.0	0.0	0.0
External sales	29.6	4.6	0.8	-0.1	34.9
Inter-segment sales	0.0	0.0	0.0	0.0	0.0
Total revenue	**29.5**	**4.6**	**0.9**	**-0.1**	**34.9**
Timing of revenue recognition					
At a point in time	24.3	2.2		-	26.5
Over time	5.1	2.4		-	7.4
RESULT					
Segment operating expenses	-15.8	-3.0	-5.4	0.6	-23.6
Business units operating profit before depreciations and Group allocations	13.7	1.6	-4.5	0.5	11.3
Depreciations	-0.1	-0.2	-0.2	-0.4	-0.9
Business units operating profit before Group allocations	13.5	1.5	-4.8	0.1	10.4
Allocated corporate expenses	-4.4	-0.6	5.1	0.0	0.0
Operating profit including Group allocations	9.1	0.8	0.3	0.1	10.4
Share of profits (losses) of associates				2.1	2.1
Income taxes				-2.2	-2.2
Segment profit/loss	9.1	0.8	0.3	0.0	10.3

SEGMENT INCOME STATEMENT, M€	Wealth Management and Investor Clients 1-6/2017	Advisory and Corporate Clients 1-6/2017	Group Operations 1-6/2017	Unallocated 1-6/2017	Group 1-6/2017
REVENUE					
Net interest	0.0	0.0	0.5	0.0	0.5
Net commissions	26.6	3.8	-0.1	0.2	30.6
Trading and FX result	0.2	0.0	2.9	-2.7	0.4
Other operative income	0.0	0.0	0.0	0.0	0.0
External sales	26.8	3.8	3.3	0.1	34.1
Inter-segment sales	0.0	0.0	0.0	0.0	0.0
Total revenue	**26.8**	**3.8**	**3.4**	**0.1**	**34.1**
Timing of revenue recognition					
At a point in time	22.4	1.9		-	24.3
Over time	4.3	1.9		-	6.1
RESULT					
Segment operating expenses	-15.5	-3.0	-4.8	0.2	-23.1
Business units operating profit before depreciations and Group allocations	11.3	0.8	-1.4	0.3	10.9
Depreciations	-0.5	-0.2	-0.2	-0.2	-1.1
Business units operating profit before Group allocations	10.7	0.6	-1.6	0.1	9.8
Allocated corporate expenses	-3.5	-0.3	3.8	0.0	0.0
Operating profit including Group allocations	7.3	0.3	2.2	0.1	9.8
Share of profits (losses) of associates				2.1	-0.8
Income taxes				-2.0	-2.0
Segment profit/loss	7.3	0.3	2.2	-2.6	7.1

Regular reporting to top management does not include breakdown of assets and liabilities of Evli Group to different business segments. Because of this the breakdown of assets and liabilities to segments is not included in the official segment report. Allocated corporate expenses include cost items relating to general administration of Evli Group and banking business that are allocated to business units using allocation drivers in place at each time of review. Group Operations comprise Management of Evli Group, certain back-office functions, Treasury, Group Risk Management, Financial Administration, Information Management, Group Communications, Legal Department and Compliance, and Human Resources.

CASH FLOW STATEMENT, M€

	1-6/2018	1-6/2017	1-12/2017
Cash flows from operating activities			
Interest and commission received	42.8	38.6	71.3
Open trades, net	6.7	-21.8	-34.3
Interest and commissions paid	-2.3	-1.5	-4.2
Cash payments to employees and suppliers	-30.9	-6.5	-57.2
Increase(-) or decrease(+) in operating assets:			
Net change in trading book assets and liabilities	-29.7	-28.3	-14.5
Deposits held for regulatory or monetary control purposes	-0.2	-11.6	-17.9
Funds advanced to customers	-167.0	215.7	182.4
Issue of loan capital	44.5	42.1	51.4
Net cash from operating activities before income taxes	-136.1	226.7	177.0
Income taxes	-2.3	-2.1	-4.1
Net cash used in operating activities	-138.4	224.6	172.9
Cash flows from investing activities			
Proceeds from sales of subsidiaries and associates	0.0	-1.1	-0.6
Acquisition of property, plant and equipment and intangible assets	-0.8	-0.5	-1.9
Net cash used in investing activities	-0.8	-1.6	-2.4
Cash flows from financing activities			
Purchase of own shares	0.5	-0.5	-0.3
Payment of finance lease liabilities	-0.1	-0.1	-0.2
Transactions with non-controlling interests	0.0	0.0	-0.5
Dividends paid	-12.2	-9.4	-9.2
Net cash from financing activities	-1.7	-10.0	-10.2
Net increase/decrease in cash and cash equivalents	-141.6	212.9	160.3
Cash and cash equivalents at beginning of period	388.6	228.3	228.3
Effects of exchange rate changes on cash and cash equivalents	-0.1	0.0	0.1
Cash and cash equivalents at end of period	246.9	441.2	388.6

KEY FIGURES DESCRIBING THE FINANCIAL PERFORMANCE

	4-6/2018	4-6/2017	1-6/2018	1-6/2017	1-12/2017
Income statement key figures					
Operating income, M€	18.0	17.9	34.9	34.1	71.4
Operating profit/-loss, M€	5.2	5.2	10.4	9.8	21.3
Operating profit margin, %	28.9	29.2	29.8	28.8	29.8
Profit/loss for the financial year, M€	4.3	3.8	10.3	7.1	17.5
Profitability key figures					
Return on equity (ROE), %			28.8	22.3	25.5
Return on assets (ROA), %			2.1	1.5	2.0
Balance sheet key figures					
Equity-to-assets ratio, %			7.2	5.6	7.6
Capital adequacy ratio, %			16.4	14.0	15.0
Key figures per share					
Earnings per Share (EPS), fully diluted, €	0.17	0.17	0.41	0.32	0.72
Comprehensive Earnings per Share (EPS), fully diluted, €	0.16	0.16	0.40	0.31	0.69
Dividend / share, €*					0.52
Equity per share, €			2.97	2.69	3.10
Share price at the end of the period, €			9.84	6.90	9.60
Other key figures					
Expense ratio (operating costs to net revenue)			0.70	0.71	0.70
Recurring revenue ratio, %			113	110	113
Personnel at the end of the period			268	254	240
Market value, M€			233.1	160.9	224.9

**Dividend from 2017 approved by the Annual General Meeting. The dividend was paid on March 21, 2018.*

Evli Group´s capital adequacy	1-6/2018	1-6/2017	1-12/2017
Own assets (common equity Tier 1 capital), M€	47.6	41.5	43.0
Risk-weighted items total for market- and credit risks, M€	169.1	184.1	166.9
Capital adequacy ratio, %	16.4	14.0	15.0
Evli Bank Plc:s adequacy ratio, %	19.9	19.2	20.4
Own funds surplus, M€	24.5	17.7	20.0
Own funds in relation to the minimum capital requirement	2.1	1.8	1.9
Own funds surplus M€ including additional capital requirement	17.2	10.3	12.9

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), %	=	Profit / Loss for financial year ——— 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), %	=	Profit / Loss for financial year ——— Average total assets (average of the figures for the beginning and at the end of the year)	x 100
Equity ratio, %	=	Equity incl. non-controlling interest's share of equity ——— Average balance total	x 100
Expense ratio as earnings to operating costs	=	Administrative expenses + depreciation and impairment charges+ other operating expenses ——— Net interest income + net commission income + net income from securities transactions and foreign exchange dealing + other operating income	
Comprehensive Earnings per Share (EPS), fully diluted	=	Comprehensive income for the year after taxes attributable to the shareholders of Evli Bank Plc ——— average number of shares outstanding including issued share and option rights	
Earnings per Share (EPS)	=	Profit for the year after taxes attributable to the shareholders of Evli Bank Plc ——— average number of shares outstanding including issued share and option rights	
Group´s capital adequacy (CET1), %	=	Group assets (common equity Tier 1 capital) ——— Risk-weighted items total	x 100
Equity per share	=	Equity attributable to the shareholders of Evli Bank Plc ——— Number of shares at the end of the year	
Recurring revenue to operating costs ratio	=	All revenues that are not transaction based but time dependent* ——— All operative expenses excluding reservation for bonuses from review period	

**Asset management, fund fees, administration of incentive schemes, research, custody and client net interest fees*

NOTES TO BALANCE SHEET, M€

	30.6.2018		30.6.2017	31.12.2017
Equity and debt securities				
Equity securities are presented in the Statement of Changes in Equity				
Debt securities issued to the public				
Certificates of Deposits and commercial papers	42.9		32.4	22.5
Bonds	99.1		55.8	75.0
Debt securities issued to the public	142.0		88.2	97.5

Breakdown by maturity	under 3 months	3-12 months	1-5 years	5-10 years
Debt securities issued to the public	0.0	45.0	77.0	20.1

Changes in bonds issued to the public	30.6.2018		30.6.2017	31.12.2017
Issues	35.3		24.0	49.5
Repurchases	7.2		5.3	10.2
Off-balance sheet commitments				
Commitments given to a third party on behalf of a customer	7.1		4.2	8.2
Irrevocable commitments given in favour of a customer	0.2		0.2	0.2
Guarantees on behalf of others	0.5		0.5	0.5
Unused credit facilities	2.2		3.6	2.4

Transactions with related parties	1-6/2018	
	Associated companies	Group management
Sales	0.0	0.0
Purchases	0.0	0.0
Receivables	0.0	0.1
Liabilities	0.0	0.5

There were no major changes in transactions with related parties in the review period.

VALUE OF FINANCIAL INSTRUMENTS ACROSS THE THREE LEVELS OF THE FAIR VALUE HIERARCHY, M€

Fair value	Level 1 2018	Level 2 2018	Level 3 2018	Total
Financial assets				
Shares and participations classified as held for trading	25.6	0.0	0.9	26.5
Shares and participations, other	2.3	0.0	6.4	8.8
Debt securities eligible for refinancing with central banks	36.2	0.0	0.0	36.2
Debt securities	5.6	243.6	2.3	251.6
Positive market values from derivatives	1.3	28.9	3.8	33.9
Total financial assets held at fair value	71.0	272.5	13.4	357.0
Financial liabilities				
Shares and participations classified as held for trading	3.8	0.0	0.9	4.7
Negative market values from derivatives	2.2	28.8	3.5	34.6
Total financial liabilities held at fair value	6.1	28.8	4.4	39.3

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, like venture capital funds, real estate funds, equities and equity rights.

Derivatives in level 2 are forwards whose values are calculated with inputs like quoted interest rates and currency rates.

Derivative valuations for level 3 instruments contain inputs (volatility and dividend estimate) which are not directly observable in the market. The values are calculated with pricing models widely in use, like Black-Scholes. Valuations received from the counterparty of the OTC trade are classified as level 3 valuations.

There is no significant change in the option fair values, If the volatility estimates are changed to publicly obtained historical volatilities.

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 for illiquid securities that are received directly from the arranger of the issue, or the valuation is calculated by Evli Bank.

DERIVATIVE CONTRACTS, M€	Remaining maturity			
Nominal value of underlying, gross	Less than 1 year	1-5 years	5-15 years	Fair value (+/-)
Held for trading				
Interest rate derivatives				
Interest rate swaps	0.0	39.2	20.1	0.0
Equity-linked derivatives				
Futures	5.4	0.0	0.0	0.1
Options bought	57.3	48.3	0.0	4.9
Options sold	53.5	48.3	0.0	-5.8
Currency-linked derivatives	3 845.7	0.0	0.0	0.1
Held for trading, total	3 963.2	135.7	20.1	-0.6
Derivative contracts, total	3 963.2	135.7	20.1	-0.6

Equity derivatives held for trading, and other liabilities held for trading hedge the equity delta risk for shares and participations in the trading 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. The net open risk position of the total amount is small.

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

ACCOUNTING POLICIES

The Interim Report complies with IAS 34, Interim Reports, as approved by the EU.
The interim report does not include all the tables regarding the business operations from the annual financial statement. As a consequence, this interim report should be read in conjunction with the company's financial statements for the financial year ended December 31, 2017.

The accounting policies used are consistent with the accounting policies for the financial year 2017 and the comparative reporting period, excluding the new IFRS standards that are described separately below.

NEW IFRS STANDARDS APPLIED

Evli has started applying the following standards during the review period:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers.

The impact of the new standards on the figures in the interim report is described below separately for each standard. The figures are unaudited.

IFRS 9 - FINANCIAL INSTRUMENTS

ITEMS TO BE MEASURED ACCORDING THE IFRS 9 STANDARD, EXPECTED CREDIT LOSSES, M€

Financial assets measured at amortized cost and accounts receivable

Balance sheet item	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1., credit loss provision
Receivables from credit institutions	68.76	68.76	0.00	0.00	0.00	0.00
Receivables from the public	109.08	109.08	0.00	0.00	0.03	0.00
Receivables from the public; corporate	23.06	23.06	0.00	0.00	0.01	0.00
Receivables from the public; private	85.99	85.99	0.00	0.00	0.02	0.00
Receivables from the public; other	0.03	0.03	0.00	0.00	0.00	0.00
Other receivables	1.94	1.94	0.00	0.00	0.00	0.00
Off-balance sheet loan commitments	2.16	2.16	0.00	0.00	0.00	0.00
	181.95	**181.95**	**0.00**	**0.00**	**0.03**	**0.00**

The assets are classified as Level 1 if the receivable is low risk or the credit risk of the receivable has not grown materially since the date of issuing the item. At the end of the period there were no such receivables whose risk level was considered to have grown materially.

The bank has one loan payment instalment that is over 30 days late, but the reason for this is technical.

The expected credit loss is a probability-weighted calculation formula in which the parameters used are probability of default and the potential total loss when the receivable’s collateral is realized.

The parameters are generally measured on group levels, and financial assets are classified into groups of assets with similar risks and collateral.

The probability of default of counterparties is primarily measured with statistical data based on the amount of problem receivables in the credit stock on a national level.

The Group has no assets in the ‘measured at fair value through comprehensive income’ group and the debt securities are not valued at amortized cost.

IMPACT OF THE IFRS 9 STANDARD

Impact on capital adequacy, %	-0.02
Impact on own funds, M€	-0.03

IFRS 9 CLASSIFICATION AND MEASUREMENT, FINANCIAL ASSETS

Financial assets that are measured, new and old measurement:

Financial asset group before 1.1.2018	Contents	Measurement method
Loans and other receivables	Receivables from the public and credit institutions, cash assets	Amortized cost
Financial assets measured at fair value through profit or loss	Shares and participations, derivatives, debt securities, funds	Fair value
Available-for-sale financial assets	Unquoted shares	Fair value
Financial assets held to maturity	Not in use	Amortized cost

Financial asset group as of 1.1.2018	Contents	Measurement method
Financial assets measured at amortized cost	Receivables from the public and credit institutions, cash assets	Amortized cost
Financial assets measured at fair value through profit or loss	Shares and participations, derivatives, debt securities, funds, unquoted equities	Fair value
Financial assets measured at fair value through comprehensive income	Not in use	Fair value

The change in classification does not result in any changes to the valuation methods of financial assets.

IFRS 15 – REVENUE RECOGNITION

The new standard replaces current IAS 18 and IAS 11 -standards and related interpretations. The IFRS 15 guidance applies to all revenues collected from clients that are not processed in accordance with other IFRS standards such as IFRS 9. Interest and dividend income are also examples of revenue items that do not come under IFRS 15. In IFRS 15 a five-step model is applied to determine when to recognize revenue, and at what amount. Revenue is recognized when (or as) a company transfers control of goods or services to a customer either over time or at a point in time. The impacts of IFRS 15 on Evli's consolidated financial statements have been assessed as follows:

Key revenue streams that fall under the standard and are based on client contracts have been analyzed using the five-step model. The client contract on which the stream is based and any performance criteria on which fees are based have been identified for each revenue stream. The fee charged has then been allocated to each performance criterion and the revenue recognition principles have been built around meeting the criteria. Breakdown of revenue in accordance to IFRS standard between overtime and at a point in time recognized revenue is shown as part of the segment reporting.