

EVLI

2017

**EVLI BANK PLC'S FINANCIAL STATEMENTS
BULLETIN
JANUARY-DECEMBER 2017**

**EVLI BANK PLC'S FINANCIAL STATEMENTS BULLETIN 2017:
OPERATING PROFIT NEARLY DOUBLED**

- The operating profit of the Wealth Management and Investor Clients segment rose almost 130 percent as a result of increased fees from fund management
- The operating profit of the Advisory and Corporate Clients segment increased over 80 percent and the market position improved
- In the Group Operations segment, return from investment activities improved nearly 25 percent on the comparison period.

January-December 2017

- The Group's net revenue increased 19 percent to EUR 71.4 million (1-12/2016: EUR 60.0 million)
- The Group's operating profit was EUR 21.3 million (EUR 11.1 million)
- Evli's diluted earnings per share were EUR 0.69 (EUR 0.40) and return on equity was 25.5 percent (14.3%)
- A dividend of EUR 0.52 per share is proposed (EUR 0.40 per share)
- Net assets under management totaled EUR 11.2 billion (EUR 10.6 billion) at the end of December
- The proportion of recurring revenue to operating costs improved to 113 percent (94%).

October-December 2017

- The Group's net revenue was EUR 21.0 million (EUR 15.9 million)
- The Group's operating profit almost doubled to EUR 6.5 million (EUR 3.3 million)
- Earnings per share amounted to EUR 0.21 (EUR 0.07).

Outlook for 2018

The risks associated with the general trend in the equity and fixed income markets have increased along with high valuation levels especially in US equities and corporate bonds with a lower rating. A decline in equity prices or a weakening of investors' risk appetite would have a negative impact on the company's performance. Demand for Evli's products has remained stable and assets under the Group's management have grown substantially in recent years, softening the result-impact of any reversal of the market.

The performance of the Advisory and Corporate Clients segment has been positive and the outlook for 2018 is stable. Investment activities through Evli's own balance sheet and lending have been increased in 2017 according to plan. In the advisory business and in own investment activities, substantial fluctuations in annual returns are possible.

Thanks to successful and stable development in 2017, we estimate that our result for the financial year 2018 will be clearly positive.

KEY FIGURES

	10-12/ 2017	10-12/ 2016	1-12/ 2017	1-12/ 2016
Sales, M€	21,6	16,4	73,3	62,1
Net revenue, M€	21,0	15,9	71,4	60,0
Operating profit / loss, M€	6,5	3,3	21,3	11,1
Profit / Loss for financial year, M€	5,7	1,8	17,5	9,7
Operating profit / loss % of net revenue	30,9	20,7	29,8	18,5
Earnings/share (EPS)	0,21	0,08	0,72	0,42
Diluted earnings/share IFRS	0,20	0,07	0,69	0,40
Return on equity % (ROE) *	-	-	25,5	14,3
Recurring revenue ratio %	-	-	113	94
Dividend/share**	-	-	0,52	0,40
Shareholders' equity per share	-	-	3,10	2,81
Market value, M€***	-	-	224,9	157,4
Share price in end of period	-	-	9,60	6,75
Personnel in end of period	-	-	240	244

* Annualized

**Dividend for 2017, proposal by the Board of Directors

***Series A shares are valued at the closing value of the series B shares.

Maunu Lehtimäki, CEO

The year 2017 and its final quarter were excellent for Evli. Our revenue and operating profit grew strongly and there was growth in all target client segments and almost all product and service areas. The international sales of our investment products also developed very positively.

During the last quarter of the year our revenue grew as much as 30 percent on the comparison period and the operating margin also exceeded 30 percent. As in the previous year, performance-based fees were allocated to the final quarter as a result of very successful portfolio management, in addition the Corporate Finance unit executed several orders. Assets under management also developed favorably and were EUR 11.2 billion at the end of the year. With the increase in client assets under management, the ratio of our recurring revenue in relation to the Group's total costs, a strategic indicator, exceeded the targeted level of 100 percent and came to 113 percent.

Evli has made increasing international sales one of its strategic priorities. The strategy targets especially institutional investors. At the end of the year, the company's selected funds were available to institutional investors in Spain, France, Italy and Latin America in addition to the domestic markets of Finland and Sweden. Of our EUR 7.7 billion fund capital, as much as EUR 1.7 billion is already from outside Finland.

For the Advisory and Corporate Clients segment, customer activity accelerated significantly towards the end of the year and as a result, the segment's income doubled compared to the final quarter of 2016. Evli has been targeting a larger share of the issue market and brought two new interesting companies to the Helsinki stock exchange at the end of the year. In addition to all the executions, the unit also secured new orders and its

mandate base is at a good level. The incentive program administration business continued to perform well and there was positive development in the sale of research services to listed companies, which was launched in 2016.

In the final quarter we continued to focus on developing digital services and increasing the efficiency of processes and systems. Earlier in the fall we introduced a new digital asset management concept called Evli Digital, and at the end of the year we renewed our online trading system. We are continuing development work on both of these services and will add new functions to them in the near future. There are also other new digital service solutions on the way. With regard to process and system efficiency we continued the development of our application systems. We also carried out the first successful tests with robotic automation and artificial intelligence. We intend to expand these experiments significantly in the future.

The end of the year was marked by the forthcoming entry into force of the MiFID II regulations, which took place at the beginning of 2018. This introduced substantial changes to our practices and processes and has meant major investments in system development. Much of the changes have taken place inside the company, but the regulatory changes will also be visible to our clients as more detailed reporting and more comprehensive assessment of the investors experience and knowledge.

Because of successful development the outlook for 2018 is very promising. We will 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.

Evli Bank Plc

Evli is a bank specialized in investments that helps institutions, corporations and private persons increase their wealth. The product and service offering includes mutual funds, asset management and capital markets services, alternative investment products, investment research, administration of incentive programs and Corporate Finance services. The company also offers banking services that support clients' investment operations. Evli is the highest ranked and most used institutional asset manager in Finland.*

Evli has a total of EUR 11.2 billion in client assets under management (net 12/2017). The Evli Group's equity capital totals EUR 72.5 million and its BIS capital adequacy ratio is 15.0 percent (December 31, 2017). The company has more than 200 employees. Evli Bank Plc's B shares are listed on Nasdaq Helsinki Ltd.

** TNS Sifo Prospera External Asset Management Finland 2017, SFR Scandinavian Financial Research Institutional Investment Services, Finland 2017 (shared first place).*

MARKET PERFORMANCE

2017 was a year of positive economic surprises and strong growth. Global economic growth was on a steady footing as all regions from Asia to the United States experienced significant growth. The euro area, which had been growing at a more moderate pace for a long time, saw strong accelerated growth. Despite growth, inflation growth remained low globally and was surprisingly weak especially in the United States. At the end of the year, market confidence in continued growth was boosted by the US tax reform and the associated improved economic forecasts for 2018. The growth has allowed central banks to continue their moderate tightening of monetary policy. In the US, official interest rates were increased on three occasions. In Europe, the European Central Bank (ECB) tapered its bond-buying program.

Political risks marked the entire year 2017. Uncertainty dominated the beginning of the year as President Donald Trump took office. In the summer, elections around Europe caused concern. In the fall, investors were worried about Catalonia's plans for independence and the Brexit negotiations. Uncertainty was also increased by the war of words between North Korea and the United States that was set off by North Korea's nuclear tests, but in the end the market reaction was very moderate.

Equity markets improved robustly during 2017 and broke records. However, the strengthening of the euro against the dollar by as much as 14 percent during the year, reduced euro-denominated returns. European equities (Stoxx 600) returned 10.6 percent while US equities (S&P 500) returned 6.9 percent in euros. In Finland, equities rose 11.5 percent (OMX Helsinki Cap GI). The good equity performance was especially the result of strong profit growth which reached double digits in many markets such as Europe and the United States. With the rise in equity prices, valuation levels increased somewhat. In the United States especially, equity valuations are at a historically high level. In Europe and the emerging markets, valuation levels are more moderate according to almost all indicators.

In 2017, euro area high yield corporate bonds with a lower credit rating returned 6.9 percent. In contrast, the bonds of companies with a higher credit rating returned 2.4 percent while government bonds returned 0.1 percent. Price fluctuation was very low in all markets especially at the end of the year.

DEVELOPMENT OF REVENUE AND RESULT

January-December

The Evli Group's net revenue grew by 19 percent in 2017 and was EUR 71.4 million (EUR 60.0 million). The Group's net commission income was EUR 65.2 million (EUR 54.3 million). The increase in net revenue was positively affected especially by the considerable growth in recurring revenue. Brokerage of direct investment products also developed well.

Overall costs for January-December, including depreciation, amounted to EUR 50.1 million (EUR 48.9 million). The Group's personnel expenses totaled EUR 28.9 million (EUR 27.7 million) including estimated performance bonuses for the personnel. The Group's administrative expenses were EUR 15.1 million (EUR 14.8 million). The Group's depreciation, amortization and write-downs were EUR 2.3 million (EUR 3.1 million). Other

operating expenses totaled EUR 3.9 million (EUR 3.3 million). Evli's expense/income ratio improved considerably on the previous year and was 0.70 (0.82).

The Group's operating profit for the review period almost doubled compared to the previous year to EUR 21.3 million (EUR 11.1 million). The operating margin was 29.8 percent (18.5%). The profit for the review period was EUR 17.5 million (EUR 9.7 million). The profit in the current period and the comparison period was positively affected by the profit development in the associated company. The Group's return on equity was 25.5 percent (14.3%), which clearly exceeds the long-term return on equity target of 15.0 percent.

October-December

The Evli Group's net revenue increased by 32 percent during the review period, to EUR 21.0 million (EUR 15.9 million). The Group's net commission income was EUR 19.9 million (EUR 15.5 million). The income for the quarter benefited from the performance-based fees generated by successful asset and fund management, which came to EUR 1.7 million (EUR 1.5 million).

Overall costs for the last quarter of the year, including depreciation, amounted to EUR 14.5 million (EUR 12.6 million). Costs in the review period were increased, among others, by performance bonuses paid to the personnel due to the good result.

The Group's fourth quarter operating profit almost doubled on the corresponding level of the previous year and was EUR 6.5 million (EUR 3.3 million). The operating margin was 30.9 percent (20.7%). The profit for the period was EUR 5.7 million (EUR 1.8 million).

Balance sheet and funding

At the end of December, the Evli Group's balance sheet total was EUR 960.7 million (EUR 755.0 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 72.5 million (EUR 65.3 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 15.0 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 increased by 51 percent compared with the previous year. The company's loan portfolio increased by 31 percent year on year to approximately EUR 92.0 million. The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 15 percent. The Group's liquidity is very good, and Evli clearly meets the regulators' Liquidity Coverage Ratio (LCR) requirement.

Common equity tier 1 capital, M€	31.12.2017	31.12.2016
Share capital	30,2	30,2
Funds total	24,7	25,2
Minority interest	0,0	0,0
<i>Decreases:</i>		
Intangible assets	9,7	9,4
Other decreases	2,1	0,3
Total common equity tier 1 capital	43,0	45,7

Evli Bank has no tier 2 capital.

Minimum requirement of own funds, M€	31.12.2017	31.12.2017
	Min. requirement	Risk-weighted value
Minimum capital adequacy requirement by asset group, standard credit risk method (€ million):		
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	2,9	36,3
Investments in mutual funds	0,5	6,9
Claims secured with property	0,1	1,2
Claims from corporate customers	2,1	26,0
Items with high risk, as defined by the authorities	0,2	2,6
Other items	6,6	81,9
Minimum amount of own funds, market risk	1,0	12,0
Minimum amount of own funds, operational risk	9,6	120,4
Total	23,0	287,3

BUSINESS AREAS

Wealth Management and Investor Clients

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

Wealth Management

Sales of Evli's Wealth Management services were good during 2017. The number of clients continued to grow in both traditional and digital asset management.

During the first half of the year, Evli received acknowledgement for its digital services when the digital client experience of Evli's private clients was awarded best in Finland. The survey was carried out by Euromoney, one of the world's most respected financial industry periodicals. During the third quarter of the year, Evli launched Evli Digital, its next generation digital asset management service. In this service, the goal-oriented investment strategy of major international institutions is now also available to private investors for the first time in Finland as a fully digital product. During the last quarter of the year, Evli launched a new mobile-friendly service in My Evli for trading with equities and ETFs. The

trading service is part of the future My Evli, which has the objective of offering the most seamless and easy-to-use investment services. Evli will continue to focus strongly on the development of new digital services.

Evli also received recognition for its traditional wealth management expertise. For the third consecutive year, Evli was ranked as the best institutional asset manager in the TNS Sifo Prospera External Asset Management Finland 2017 survey. The ranking is based on the overall asset management score, which is calculated based on 12 quality criteria. Evli received particular praise and was placed first overall in portfolio management competence, product quality and responsible investments. Evli was also the most widely used institutional asset manager. Over 56 percent of the respondents use Evli's asset management services.

Evli was also ranked for the third time as best and most used institutional asset manager in Finland in SFR's Institutional Asset Management Client Survey 2017. As a recognition of this, Evli was awarded with the SFR Platinum Award. Evli received particular praise relative to its competitors in investment performance, stability and resources as well as responsible investments.

Investment products - mutual funds

Within Evli's product selection, the fastest growth has been in fund sales during 2017. Evli accumulated the second largest amount of net subscriptions among fund management companies in Finland, with EUR 991 million (EUR 1,019 million) in total. According to the Mutual Fund Report carried out by Investment Research Finland, Evli Fund Management Company's market share increased by 0.6 percentage points on the previous year and was 6.6 percent at the end of December. At the end of December, Evli had 29 funds registered in Finland. The combined assets of the mutual funds managed by the company were EUR 7,720 million (EUR 6,516 million). Of this, EUR 2,631 million were invested in equity funds (EUR 2,101 million), EUR 4,988 million in fixed income funds (EUR 4,237 million) and EUR 85 million in balanced funds (EUR 67 million). Evli's clients invested the most new assets in the Evli Short Corporate Bond (EUR 476 million), the Evli Equity Factor Europe (EUR 125 million) and the Evli Euro Liquidity (EUR 123 million) funds.

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 Italy, Spain, France and Latin America in addition to the domestic markets of Finland and Sweden. 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. The assets under management of clients outside of Finland grew from the previous year by 49 percent to EUR 1.7 billion at the end of 2017.

Evli's fund expertise was recognized during 2017. Evli Fund Management Company was rewarded with the Specialist Group of the Year award in the Fund Manager of the Year Awards 2017/18 by InvestmentEurope. In the ceremony the outstanding achievements of fund managers whose funds are available for sale across Continental Europe were celebrated.

Regarding individual funds, Evli's global equity fund Evli Global was awarded by the Swedish publications Fondmarknaden.se and Privata Affärer and by Morningstar in Finland and Sweden for being the best globally investing equity fund. Similarly, the Evli Emerging Frontier Fund was ranked the best Nordic equity fund investing in Emerging

Markets in the Lipper Fund Awards 2017. The fund was awarded the highest points for consistent results over a period of three years.

Portfolio manager Juhamatti Pukka also received special acknowledgement and was ranked among the top 20 young portfolio managers in Citywire's Top talent age 40 and under comparison. Juhamatti Pukka reached a sixth place in the comparison and was the only Finnish portfolio manager among the top 20 talents.

During 2017, Evli made changes to its fund selection. Among others, the company launched the new non-UCITS fund Evli Factor Premia. Evli also merged the Head Nordic Select Dividend fund with the Evli Nordic fund. The reasons for the merger were the decline in the number of clients in the merging fund and the decision to combine two Nordic equity funds to make one larger fund. In addition, the strategy of the Evli Alpha Bond fund was refined in the third quarter and its name was changed to Evli Nordic Corporate Bond.

Investment products - others

The customer activity for conventional equity brokerage in the Finnish market developed favorably during the review period. Cumulatively, the trading volume on Nasdaq Helsinki rose by 11 percent from the same period last year. Despite the pick-up in customer activity, gross commissions from Evli's equity brokerage stayed at the same level as the previous year. By contrast, gross commissions received from brokerage of other investment products developed positively.

Evli has strengthened the group's product sales by establishing a tied agent network, coordinated by Evli Investment Solutions Oy. At the end of December, Evli had seven tied agents specializing in sales. The business has developed as planned.

Profit performance of the Wealth Management and Investor Clients segment

<u>Wealth Management and Investor Clients in numbers</u>	<u>1-12/2017</u>	<u>1-12/2016</u>	<u>Change %</u>	<u>10-12/2017</u>	<u>10-12/2016</u>	<u>Change %</u>
Net revenue, M€	55,4	47,1	18 %	15,5	13,4	16 %
Operating profit/loss before Group allocations, M€	22,4	15,4	45 %	8,0	5,8	36 %
Operating profit / loss, M€	15,7	6,9	129 %	4,5	2,7	63 %
Personnel, at the end of period	154	164	-6 %			
Market share (Evli Fund Company), %*	6,6	6,0				
Net subscriptions to own funds, M€	991	1019				

*source: fund report by Finanssialan Keskusliitto ry

January-December

The Wealth Management and Investor Clients segment performed well during the review period. Net revenue increased by 18 percent on the corresponding period of the previous year and was EUR 55.4 million (EUR 47.1 million). Revenue was boosted especially by an increase in fund management fees, which resulted from the growth of net assets under management. EUR 2.4 million in performance-based fees were received during the review period as a result of successful funds and wealth management (EUR 1.6 million).

October-December

The net revenue of the Wealth Management and Investor Clients segment rose by 16 percent during the fourth quarter compared with the same period in 2016 and was EUR 15.5 million (EUR 13.4 million). The growth of assets under management and the direct fund sales had the greatest positive impact on the net revenue performance. EUR 1.7 million was allocated to the final quarter of 2017 in performance-based fees (EUR 1.5 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 corporate analysis for listed companies.

M&A transactions

During 2017 Evli acted as the advisor in 28 transactions. The company has set the target of increasing its market share, particularly in public orders, and has launched measures to achieve this target, focusing especially on small and middle-sized companies. During the year Evli has participated in eight share and bond issues. In addition, advisory activities outside of the Nordic countries have been concentrated through the global AICA network (Alliance of International Corporate Advisors). Through the network, Evli participated in one transaction. In the last quarter of the year, the unit's activity significantly picked up on the year before and several orders were executed. Simultaneously work was carried out on new orders and marketing the operations and as a result, the outlook for the immediate future is positive. The company's mandate base has remained strong.

During 2017 Evli acted as Lead Manager in for example the following transactions:

- Efecte Plc's EUR 11.3 million IPO (Q4)
- GoFore Plc's 21.2 million IPO (Q4)
- Soundtrap's asset acquisition (Q3)
- PEQ Invest's sale of Feab Isolerproffs to Cremab (Q3)
- M-Brain's bond issue amounting to EUR 15 million (Q2)
- SSH Communications Security's directed share issue amounting to EUR 7 million (Q2)
- Digia's share issue with pre-emptive rights amounting to EUR 12 million (Q2)
- Nortal's bond issue amounting to EUR 15 million (Q2)
- Qt Group's rights issue amounting to EUR 15.3 million (Q2)
- Svenska Brandslangsfabriken AB's sale (Q1).

Incentive systems

The positive form has continued and the last quarter of the year continued to be busy regarding the administration of share-based incentive systems. Evli's business potential has remained stable as new listings have increased the number of companies listed on the stock exchange. At the end of December, Evli was responsible for the administration of the incentive systems for about 50 listed companies.

Investment research

The performance of Evli's investment research during its first full calendar year was a success. Almost without exception, clients have given the unit's services a positive reception and operations have developed as anticipated. During 2017, the company recruited three new analysts and at the end of the review period, Evli's research service had 18 companies as its clients.

During the review period analyst Joonas Häyhä was awarded in Thomson Reuters yearly Analyst Award. Häyhä was ranked the best earnings estimator in the category Consumer Goods & Services in the Nordic countries.

Profit performance of the Advisory and Corporate Clients segment

<i>Advisory and Corporate Clients in numbers</i>	1-12/2017	1-12/2016	Change %	10-12/2017	10-12/2016	Change %
Net revenue, M€	9,9	7,8	26 %	4,2	2,1	101 %
Operating profit/loss before Group allocations, M€	3,1	1,3	141 %	2,0	0,6	223 %
Operating profit / loss, M€	2,4	1,3	84 %	1,8	0,4	325 %
Personnel, at the end of period	41	37	11 %			

January-December

The net revenue of the Advisory and Corporate Clients segment increased by 26 percent compared to the previous year and was EUR 9.9 million (EUR 7.8 million). The first half of the year was quieter in the M&A business, but client activity clearly picked up during the second half. Significant fluctuations in revenue from one quarter to the next are typical of the segment's Corporate Finance activities.

October-December

The net revenue of the Advisory and Corporate Clients segment doubled compared to the previous year and was EUR 4.2 million (EUR 2.1 million). The development of the results was positively affected by the invoicing of M&A mandates, which was higher than that of the comparison period.

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.

Profit performance of the Group Operations segment

<i>Group Operations in numbers</i>	1-12/2017	1-12/2016	Change %	10-12/2017	10-12/2016	Change %
Net revenue, M€	5,5	4,4	24 %	0,9	0,6	54 %
Operating profit/loss before Group allocations, M€	-5,2	-5,5	-5 %	-2,5	-1,8	36 %
Operating profit / loss, M€	2,2	3,1	-27 %	-0,7	0,4	-
Personnel, at the end of period	45	43	5 %			

January–December

The net income of Group Operations increased by 24 percent year on year and was EUR 5.5 million in total (EUR 4.4 million). The growth is based on a better return from the own investment portfolio than the previous year. The costs of Group Operations remained at the previous year’s level.

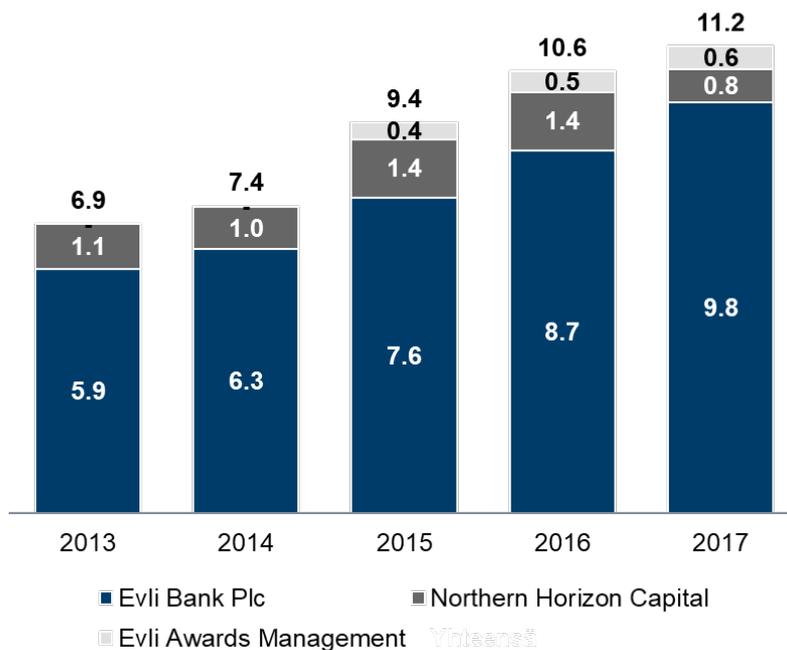
October–December

The net income of Group operations increased by 54 percent year on year and was EUR 0.9 million in total (EUR 0.6 million). The revenue performance was positively affected, in particular, by the development of the investment portfolio’s return.

DEVELOPMNET OF CLIENT ASSETS UNDER MANAGEMENT

There was positive development in assets under management during the review period, apart from the assets under management of the associated company Northern Horizon Capital (NHC), which declined towards the fall as a result of the realization of the target portfolio. The negative development of NHC’s assets under management does not have a material impact on Evli’s result. The Group’s combined net assets under management at the end of the review period was EUR 11.2 billion (EUR 10.6 billion). When examining the assets under management of Evli’s asset management and funds, 18 percent of the assets are those of international investors.

Client assets under management 2013–2017



PERSONNEL

The group had 240 employees (244) at the end of December. The number of employees decreased by two percent, from the comparison period. 91 percent of the personnel were employed in Finland and nine percent abroad.

CHANGES IN GROUP STRUCTURE

During the review period Evli sold 8.5 percent of its shares in Evli Corporate Finance Ab to the company's employees. Evli's stake in the company is now 66.5 percent.

At the end of May 2017 Evli acquired the remaining of its company, Head Asset Management Oy, in which it previously had a 90 percent ownership. This transaction made Head Asset Management a wholly-owned subsidiary of Evli.

During the review period, Evli sold 13.5 percent of its shares in Terra Nova Capital Advisor Ltd to an employee of the company. As a result of the procedure, Evli's stake in the company is now 55 percent.

The operations of the OOO Evli Moscow company, which was part of the Evli Group, were liquidated on October 11, 2017 in accordance with the decision approved by the authorities.

A decision was made to terminate the operations of Nordic Shine Ltd, which was part of the Evli Group, in accordance with a decision made on October 18, 2017.

EVLI'S SHARES AND SHARE CAPITAL

At the end of December 2017, Evli Bank Plc's total number of shares was 23,430,420 shares, of which 15,624,177 were series A shares and 7,806,243 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 1,050,464 A shares into B shares on January 3, 2017. Public trading on the converted shares began at Nasdaq Helsinki Ltd on January 4, 2017.

In accordance with the shareholder agreement, the company acquired 5,333 of its own unlisted A shares on February 28, 2017 as a result of the termination of an employment relationship. The consideration paid in the transaction is, according to the terms and conditions of the shareholder agreement, 50 percent of the B share's closing price on Nasdaq Helsinki Ltd on February 27, 2017.

In accordance with the shareholder agreement, the company acquired 132,782 of its own unlisted A shares on March 8, 2017 as a result of the termination of an employment relationship. The consideration paid in the transaction is, according to the terms and conditions of the shareholder agreement, 50 percent of the B share's closing price on Nasdaq Helsinki Ltd on March 7, 2017.

Under Article 4 of its Articles of Association, the company converted 150,432 A shares into B shares on May 11, 2017. Public trading on the converted shares began at Nasdaq Helsinki Ltd on May 12, 2017.

Based on the stock options 2014 granted by the company's Board of Directors a total of 5,200 new A shares and 1,300 new B shares were subscribed to between March 28, 2017 and April 25, 2017. The shares subscribed to were registered in the Trade Register on June 19, 2017. Public trading with the new B-shares began at Nasdaq Helsinki Ltd on June 20, 2017.

In accordance with the shareholder agreement, the company acquired 8,000 of its own unlisted A shares on September 6, 2017 as a result of the termination of an employment relationship. The consideration paid in the transaction is, according to the terms and conditions of the shareholder agreement, 50 percent of the B share's closing price on Nasdaq Helsinki Ltd on September 5, 2017.

Based on the stock options 2014 granted by the company's Board of Directors a total of 44,000 new A shares and 11,000 new B shares were subscribed to on November 17, 2017. The shares subscribed to were registered in the Trade Register on November 17, 2017. Public trading with the new B-shares began at Nasdaq Helsinki Ltd on November 20, 2017.

Under Article 4 of its Articles of Association, the company converted 14,667 A shares into B shares on November 17, 2017. Public trading on the converted shares began at Nasdaq Helsinki Ltd on November 20, 2017.

Based on the stock options 2014 granted by the company's Board of Directors a total of 44,000 new A shares and 11,000 new B shares were subscribed to on December 5, 2017. The shares subscribed to were registered in the Trade Register on December 5, 2017. Public trading with the new B-shares began at Nasdaq Helsinki Ltd on December 7, 2017.

Under Article 4 of its Articles of Association, the company converted 14,667 A shares into B shares on December 5, 2017. Public trading on the converted shares began at Nasdaq Helsinki Ltd on December 7, 2017.

Under Article 4 of its Articles of Association, the company converted 200,929 A shares into B shares on December 28, 2017. Public trading on the converted shares began at Nasdaq Helsinki Ltd on December 29, 2017.

Trading on Nasdaq Helsinki

At the end of December, Evli had 7,806,243 series B shares subject to public trading on Nasdaq Helsinki Ltd. Trading in the shares in January-December came to EUR 16.1 million, with 2,175,167 Evli shares traded. The closing price on December 31, 2017 was EUR 9.60. The highest share price during 2017 was EUR 9.75 and the lowest was EUR 6.16. Evli's market capitalization was EUR 224.9 million on December 31, 2017. 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 December 31, 2017 are listed in the table below. The total number of shareholders at the end of the financial year was 3,044.

Shareholders, December 31, 2017	A Shares	B Shares	Shares total	% of all shares	% of votes
1. Oy Scripo Ab	3 803 280	950 820	4 754 100	20,29	24,05
2. Prandium Oy Ab	3 803 280	950 820	4 754 100	20,29	24,05
3. Oy Fincorp Ab	2 319 780	511 172	2 830 952	12,08	14,65
4. Ingman Group Oy Ab	1 860 000	500 000	2 360 000	10,07	11,77
5. Lehtimäki Maunu	433 728	108 432	542 160	2,31	2,74
6. Hollfast John Erik	328 320	82 080	410 400	1,75	2,08
7. Tallberg Claes	369 756	32 588	402 344	1,72	2,32
8. Evli Pankki Oyj	355 655	0	355 655	1,52	2,22
9. Moomin Characters Oy Ltd	0	249 627	249 627	1,07	0,08
10 Svenska Litteratursällskapet i Finland	0	220 336	220 336	0,94	0,07

DECISIONS OF THE GENERAL MEETING OF SHAREHOLDERS

Evli Bank Plc's Annual General Meeting, held in Helsinki on Monday March 13, 2017, 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 0.40 per share in dividends. The dividend was paid to a shareholder who on the record date March 15, 2017 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 22, 2017.

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 2016 financial year.

Number of Board members, members and fees

The Annual General Meeting confirmed six as the total number of members of the Board of Directors. Henrik Andersin, Robert Ingman, Harri-Pekka Kaukonen, 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 Chairman of the Board and the Chairmen of the Committees is EUR 6,000.00 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 1,696,213 shares, and the total number of own series B shares to be repurchased may be a maximum of 635,178 shares. The proposed number of shares corresponds to a total of approximately 10 percent of the total number of the company's all shares on the date of the Notice of 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). The authorization will replace earlier unused authorizations to repurchase the company's own shares. The authorization will be in force until the next Annual General Meeting but not later than until June 30, 2018.

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 on the basis of special rights, may total a maximum of 2,331,392 series B shares. The proposed number of shares corresponds to a total of approximately 10 percent of the total number of the company's own shares on the date of the Notice of Annual General Meeting. Of the above-mentioned total number, however, a maximum of 233,139 shares may be used as part of the company's share-based incentive schemes, which corresponds to approximately one percent of the total number of the company's all shares on the date of the Notice of Annual General Meeting. The authorization will entitle 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 will replace 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 next Annual General Meeting but not later than until June 30, 2018.

BUSINESS ENVIRONMENT

No material changes took place in Evli's business environment in 2017. As a result of tightening regulation, the competitive field has consolidated somewhat, but this has not changed Evli's competitive position in any essential way. The prevailing environment is favorable for the growth of the company's traditional operations and the situation in the company's domestic market in Finland is very stable. In 2017, Evli increasingly focused on improving international sales and developing alternative investment products. These are considered important sources of growth for the company. Work has also been done to further improve scalability.

Evli has successfully established itself as a leading asset manager among Finnish investors and one of the biggest fund houses in the country. It has received significant recognition for these achievements. During 2017, Evli successfully gained a foothold in the fund markets of continental Europe. The competitive field and market practices in Central Europe differ from those in Finland, which means expansion into new markets requires efforts in the areas of sales and administration and will also take time. For international institutional investors, evaluating the suitability of investment products and making subscription decisions are processes that take a lot of time. There is significant potential in the market, however, and international growth is a strategic priority for Evli and its development is monitored closely.

Another strategic priority for the company is alternative investment products. Demand for this asset class has continued to grow for quite some time. In addition, several long-term trends, such as ageing of the population, urbanization and increasing interest in alternative sources of energy, support this growth trend. Evli is investigating several alternative investment products to develop new solutions that perform well for investors. The company's goal is to turn alternative products into a significant source of revenue.

As a part of the scalability of its operations, Evli has also invested significantly in the development of its digital services alongside traditional service models. 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. Together, they also make costs structures more efficient. Evli will continue to invest in digital services and automation of its practices in the future to maintain its competitiveness.

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.

EVENTS TAKING PLACE AFTER THE FINANCIAL PERIOD

Evli has decided to focus the development of alternative investment products to Evli Fundmanagement Company, through which the business operations and subsidiaries of Evli Alternative Investments Oy will be transferred to Evli Fund Management Company.

SUGGESTION FOR DISTRIBUTION OF PROCEEDS

The parent company's distributable assets on December 31, 2017 totaled EUR 38,770,975.33 of which EUR 14,818,009.43 were retained earnings and EUR 23,952,965,90 were in the reserve for invested unrestricted equity. The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 0.52 per share be paid. The total proposed dividend calculated according to the amount of shares on the balance sheet date is EUR 12,183,818.40.

There have been no major changes in the company's financial position after the end of the financial year. The proposed distribution of profit does not endanger the financial solidity or liquidity of the company.

OUTLOOK FOR 2018

The risks associated with the general trend in the equity and fixed income markets have increased along with high valuation levels especially in US equities and corporate bonds with a lower rating. A decline in equity prices or a weakening of investors' risk appetite would have a negative impact on the company's performance. Demand for Evli's products has remained stable and assets under the Group's management have grown substantially in recent years, softening the result-impact of any reversal of the market.

The performance of the Advisory and Corporate Clients segment has been positive and the outlook for 2018 is stable. Investment activities through Evli's own balance sheet and lending have been increased in 2017 according to plan. In the advisory business and in own investment activities, substantial fluctuations in annual returns are possible.

Thanks to successful and stable development in 2017, we estimate that our result for the financial year 2018 will be clearly positive.

Helsinki, January 25, 2018

Board of Directors



19 (30)
STOCK EXCHANGE
RELEASE
JANUARY 25, 2018

Additional information:

Maunu Lehtimäki, CEO
tel. +358 (9) 4766 9304 or +358 (0) 50 553 3000

Juho Mikola, CFO
tel. +358 (9) 4766 9871 or +358 (0) 40 717 8888

www.evli.com

EVLI BANK PLC
CONSOLIDATED INCOME STATEMENT, M€

	10-12/2017	10-12/2016	1-12/2017	1-12/2016
Net interest income	0,2	0,3	0,9	1,6
Commission income and expense, net	19,9	15,5	65,2	54,3
Net income from securities transactions and foreign exchange dealing	0,5	0,1	4,9	4,0
Other operating income	0,4	0,0	0,4	0,1
NET REVENUE	21,0	15,9	71,4	60,0
Administrative expenses				
Personnel expenses	-8,5	-7,5	-28,9	-27,7
Other administrative expenses	-4,0	-3,8	-15,1	-14,8
Depreciation, amortisation and write-down	-0,6	-0,6	-2,3	-3,1
Other operating expenses	-1,4	-0,7	-3,9	-3,3
Impairment losses on loans and other receivables	0,0	0,0	0,0	0,0
NET OPERATING PROFIT / LOSS	6,5	3,3	21,3	11,1
Share of profits (losses) of associates	1,0	-0,6	0,6	1,1
Income taxes*	-1,8	-0,9	-4,3	-2,4
PROFIT / LOSS FOR FINANCIAL YEAR	5,7	1,8	17,5	9,7
Attributable to				
Non-controlling interest	0,6	0,0	0,8	0,2
Equity holders of parent company	5,2	1,8	16,7	9,6
PROFIT / LOSS FOR FINANCIAL YEAR	5,7	1,8	17,5	9,7
OTHER COMPREHENSIVE INCOME / LOSS				
Items, that will not be reclassified to profit or loss				
Total	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	-0,4	0,0	-0,2	0,1
Other comprehensive income/loss	-0,4	0,0	-0,2	0,1
Other comprehensive income after taxes / loss for the year	-0,4	0,0	-0,2	0,1
OTHER COMPREHENSIVE INCOME / LOSS FOR THE YEAR	5,3	1,8	17,4	9,8
Attributable to				
Non-controlling interest	0,6	0,0	0,8	0,2
Equity holders of parent company	4,7	1,8	16,5	9,6

* Taxes are proportionate to the net profit for the period

CONSOLIDATED INCOME STATEMENT, M€

	10-12/2017	7-9/2017	4-6/2017	1-3/2017	10-12/2016
Net interest income	0,2	0,1	0,3	0,3	0,3
Commission income and expense, net	19,9	14,7	16,4	14,1	15,5
Net income from securities transactions and foreign exchange dealing	0,5	1,5	1,2	1,7	0,1
Other operating income	0,4	0,0	0,0	0,0	0,0
NET REVENUE	21,0	16,3	17,9	16,1	15,9
Administrative expenses					
Personnel expenses	-8,5	-6,2	-7,3	-6,9	-7,5
Other administrative expenses	-4,0	-3,6	-4,0	-3,4	-3,8
Depreciation, amortisation and write-down	-0,6	-0,6	-0,6	-0,6	-0,6
Other operating expenses	-1,4	-1,0	-0,8	-0,7	-0,7
Impairment losses on loans and other receivables	0,0	0,0	0,0	0,0	0,0
NET OPERATING PROFIT / LOSS	6,5	5,0	5,2	4,6	3,3
Share of profits (losses) of associates	1,0	0,3	-0,4	-0,3	-0,6
Income taxes*	-1,8	-0,5	-1,1	-0,9	-0,9
PROFIT / LOSS FOR FINANCIAL YEAR	5,7	4,7	3,8	3,3	1,8
Attributable to					
Non-controlling interest	0,6	0,4	-0,1	-0,1	0,0
Equity holders of parent company	5,2	4,3	3,8	3,4	1,8
PROFIT / LOSS FOR FINANCIAL YEAR	5,7	4,7	3,8	3,3	1,8
OTHER COMPREHENSIVE INCOME / LOSS					
Items, that will not be reclassified to profit or loss	0,0	0,0	0,0	0,0	0,0
Total	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	-0,4	0,0	0,1	0,2	0,0
Other comprehensive income/loss	-0,4	0,0	0,1	0,2	0,0
Other comprehensive income after taxes / loss for the year	-0,4	0,0	0,1	0,2	0,0
OTHER COMPREHENSIVE INCOME / LOSS FOR THE YEAR	5,3	4,8	3,8	3,5	1,8
Attributable to					
Non-controlling interest	0,6	0,4	-0,1	-0,1	0,0
Equity holders of parent company	4,7	4,3	3,9	3,6	1,8

* Taxes are proportionate to the net profit for the period

CONSOLIDATED BALANCE SHEET, M€

	31.12.2017	31.12.2016
ASSETS		
Liquid assets	383,2	203,1
Debt securities eligible for refinancing with central banks	36,3	39,1
Claims on credit institutions	64,1	66,0
Claims on the public and public sector entities	92,0	70,4
Debt securities	229,4	183,9
Shares and participations	31,5	65,8
Participating interests	3,6	3,0
Derivative contracts	30,2	26,9
Intangible assets	10,0	9,9
Property, plant and equipment	1,8	1,9
Other assets	73,9	80,8
Accrued income and prepayments	4,0	3,6
Deferred tax assets	0,7	0,4
TOTAL ASSETS	960,7	755,0
LIABILITIES AND EQUITY		
Liabilities to credit institutions and central banks	31,7	5,5
Liabilities to the public and public sector entities	621,5	445,0
Debt securities issued to the public	97,5	46,1
Derivative contracts and other trading liabilities	34,6	41,0
Other liabilities	83,6	136,4
Accrued expenses and deferred income	19,1	15,3
Deferred tax liabilities	0,2	0,5
	888,1	689,7
Equity to holders of parent company	71,6	64,9
Non-controlling interest in capital	0,9	0,4
TOTAL LIABILITIES AND EQUITY	960,7	755,0

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	31.12.2015	30,2	1,8	24,2	0,2	-0,3	12,9	69,0	1,2	70,2
Translation difference						0,1		0,1		0,1
Profit/loss for the period							9,6	9,6	0,2	9,7
Dividends							-7,6	-7,6	-0,7	-8,3
Acquisition of non-controlling interest				-6,2				-6,2		-6,2
Acquisition of own shares				-0,7				-0,7		-0,7
Other changes				0,4	-0,1		0,6	0,8	-0,3	0,5
Transfer between items				0,7			-0,7	0,0		0,0
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							16,7	16,7	0,8	17,5
Dividends							-9,2	-9,2	-0,3	-9,5
Share options exercised				0,2				0,2		0,2
Acquisition of own shares				-0,5				-0,5		-0,5
Acquisition of non-controlling interest				-0,5				-0,5		-0,5
Other changes				-0,1	0,1		0,0	0,0	0,0	0,0
Equity capital	31.12.2017	30,2	1,8	17,5	0,1	-0,2	22,2	71,6	0,9	72,5

SEGMENT INCOME STATEMENT, M€

	Wealth Management and Investor Clients 1-12/ 2017	Advisory and Corporate Clients 1-12/ 2017	Group Operations 1-12/ 2017	Unallocated 1-12/ 2017	Group 1-12/ 2017
REVENUE					
Net interest	0,1	0,0	0,8	0,0	0,9
Net commissions	55,0	9,9	0,2	0,0	65,2
Trading and FX result	0,4	0,0	4,3	0,2	4,9
Other operative income	0,0	0,0	0,0	0,4	0,4
External sales	55,4	9,9	5,4	0,7	71,4
Inter-segment sales	-0,1	0,0	0,1	0,0	0,0
Total revenue	55,4	9,9	5,5	0,7	71,4
RESULT					
Segment operating expenses	-32,0	-6,2	-10,3	0,6	-47,9
Business units operating profit before depreciations and Group allocations	23,4	3,7	-4,8	1,3	23,5
Depreciations	-1,0	-0,5	-0,4	-0,4	-2,3
Business units operating profit before Group allocations	22,4	3,1	-5,2	1,0	21,3
Allocated corporate expenses	-6,7	-0,7	7,4	0,0	0,0
Operating profit including Group allocations	15,7	2,4	2,2	1,0	21,3
Share of profits (losses) of associates				0,6	0,6
Income taxes				-4,3	-4,3
Segment profit/loss after taxes	15,7	2,4	2,2	-2,8	17,5

	Wealth Management and Investor Clients 1-12/ 2016	Advisory and Corporate Clients 1-12/ 2016	Group Operations 1-12/ 2016	Unallocated 1-12/ 2016	Group 1-12/ 2016
REVENUE					
Net interest	0,0	0,0	1,6	0,0	1,6
Net commissions	46,3	7,8	-0,1	0,3	54,3
Trading and FX result	0,8	0,0	2,8	0,4	4,0
Other operative income	0,0	0,0	0,1	0,0	0,1
External sales	47,2	7,9	4,3	0,7	60,0
Inter-segment sales	-0,1	0,0	0,1	0,0	0,0
Total revenue	47,1	7,8	4,4	0,7	60,0
RESULT					
Segment operating expenses	-30,2	-6,0	-9,2	-0,4	-45,8
Business units operating profit before depreciations and Group allocations	16,9	1,9	-4,8	0,3	14,2
Depreciations	-1,5	-0,6	-0,7	-0,4	-3,1
Business units operating profit before Group allocations	15,4	1,3	-5,5	-0,1	11,1
Allocated corporate expenses	-8,5	0,0	8,5	0,0	0,0
Operating profit including Group allocations	6,9	1,3	3,1	-0,1	11,1
Share of profits (losses) of associates				1,1	1,1
Income taxes				-2,4	-2,4
Segment profit/loss after taxes	6,9	1,3	3,1	-1,5	9,7

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 includes 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€

	1-12/ 2017	1-12/ 2016
Cash flows from operating activities		
Interest and commission received	71,3	58,3
Open trades, net	-34,3	31,7
Interest and commissions paid	-4,2	-3,3
Cash payments to employees and suppliers	-57,2	-45,1
Increase(-) or decrease(+) in operating assets:		
Net change in trading book assets and liabilities	-14,5	-84,1
Deposits held for regulatory or monetary control purposes	-17,9	1,6
Funds advanced to customers	182,4	75,9
Issue of loan capital	51,4	10,4
Net cash from operating activities before income taxes	177,0	45,4
Income taxes	-4,1	-3,6
Net cash used in operating activities	172,9	41,8
Cash flows from investing activities		
Proceeds from sales of subsidiaries and associates	-1,1	-7,2
Acquisition of property, plant and equipment and intangible assets	-1,9	-3,1
Net cash used in investing activities	-3,0	-10,2
Cash flows from financing activities		
Purchase of own shares	-0,3	-0,7
Payment of finance lease liabilities	-0,2	0,0
Dividends paid	-9,2	-7,6
Net cash from financing activities	-9,6	-8,4
Net increase / decrease in cash and cash equivalents	160,3	23,2
Cash and cash equivalents at beginning of period	228,3	205,0
Valuuttakurssien muutosten vaikutus rahavaroihin	0,1	0,1
Cash and cash equivalents at end of period	388,6	228,3

KEY FIGURES DESCRIBING THE FINANCIAL PERFORMANCE OF THE GROUP

	1-12/ 2017	1-12/ 2016
Net revenue, M€	71,4	60,0
Operating profit / loss, M€	21,3	11,1
% of net revenue	29,8	18,5
Profit / Loss for financial year, M€	17,5	9,7
% of net revenue	24,6	16,2
Expense ratio (operating costs to net revenue)	0,70	0,82
Earnings/share (EPS)	0,72	0,42
Diluted earnings/share IFRS	0,69	0,40
Return on equity % (ROE) *	25,5	14,3
Return on assets % (ROA) *	2,04	1,40
Equity/total assets ratio %	7,6	8,6
Dividend/share**	0,52	0,40
Personnel in end of period	240	244

*annualized

**Dividend from 2016 approved by the Annual General Meeting. The dividend was paid on March 22, 2017.

Evli Group's capital adequacy	31.12.2017	31.12.2016
Own assets (common equity Tier 1 capital), M€	43,0	45,7
Risk-weighted items total for market- and credit risks, M€	166,9	184,8
Capital adequacy ratio, %	15,0	15,3
Evli Bank Plc:s adequacy ratio, %	20,4	20,7
Own funds surplus M€	20,0	21,8
Own funds in relation to the minimum capital requirement	1,9	1,9
Own funds surplus M€ including additional capital requirement	12,9	14,4

CALCULATION OF KEY RATIOS

Sales	Net interest income + commission income + net income from securities transactions and foreign exchange dealing + other operating income
Net revenue	From Income Statement. Includes gross returns, deducted by interest and
Operating profit	From Income Statement
Profit for the financial year	From Income Statement
Return on equity (ROE), %	$= \frac{\text{Profit / Loss for financial year}}{\text{Equity capital and minority interest (average of the figures for the beginning and at the end of the year)}} \times 100$
Return on assets (ROA), %	$= \frac{\text{Profit / Loss for financial year}}{\text{Average total assets (average of the figures for the beginning and at the end of the year)}} \times 100$
Equity ratio, %	$= \frac{\text{Equity incl. non-controlling interest's share of equity}}{\text{Average balance total}} \times 100$
Expense ratio as earnings to operating costs	$= \frac{\text{Administrative expenses + depreciation and impairment charges + other operating expenses}}{\text{Net interest income + net commission income + net income from securities transactions and foreign exchange dealing + other operating income}}$
Comprehensive Earnings per Share (EPS), fully diluted	$= \frac{\text{Comprehensive income for the year after taxes attributable to the shareholders of Evli Bank Plc}}{\text{average number of shares outstanding including issued share and option rights}}$
Earnings per Share (EPS)	$= \frac{\text{Profit for the year after taxes attributable to the shareholders of Evli Bank Plc}}{\text{average number of shares outstanding including issued share and option rights}}$
Group's capital adequacy (CET1),%	$= \frac{\text{Group assets (common equity Tier 1 capital)}}{\text{Risk-weighted items total}} \times 100$
Equity per share	$= \frac{\text{Equity attributable to the shareholders of Evli Bank Plc}}{\text{Number of shares at the end of the year}}$
Recurring revenue to operating costs ratio	$= \frac{\text{All revenues that are not transaction based but time dependant*}}{\text{All operative expenses excluding reservation for bonuses from review period}}$

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

NOTES TO BALANCE SHEET, M€
31.12.2017

31.12.2016

Equity and debt securities

Equity securities are presented in the Statement of Changes in Equity

Debt securities issued to the public

Certificates of Deposits	22,5	10,0
Bonds	75,0	36,1
Debt securities issued to the public	97,5	46,1

Breakdown by maturity
less than 3 months
3-12 months
1-5 years
5-10 years

Debt securities issued to the public	9,5	16,0	57,4	14,6
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Changes in bonds issued to the public
31.12.2017

31.12.2016

Issues	49,5	7,2
Repurchases	10,2	8,2

Off-balance sheet commitments

Commitments given to a third party on behalf of a customer	8,2	4,6
Irrevocable commitments given in favour of a customer	0,2	0,2
Guarantees on behalf of others	0,5	0,5
Unused credit facilities	2,4	2,3

Transactions with related parties
1-12/2017

	Associated companies	Group management
Sales	0,0	0,0
Purchases	0,0	0,0
Receivables	0,0	0,1
Liabilities	0,0	0,4

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, M€	Level1	Level2	Level3	Total
Financial assets:	2017	2017	2017	
Shares and participations classified as held for trading	17,2	0,0	0,0	17,2
Shares and participations, other	10,1	0,0	4,3	14,3
Debt securities eligible for refinancing with central banks	36,3	0,0	0,0	36,3
Debt securities	4,1	222,0	3,3	229,4
Positive market values from derivatives	2,0	24,9	3,3	30,2
Total financial assets held at fair value	69,6	246,9	10,8	327,4
Financial liabilities:				
Shares and participations classified as held for trading	3,9	0,0	1,1	5,0
Negative market values from derivatives	1,7	24,8	3,1	29,6
Total financial liabilities held at fair value	5,6	24,8	4,2	34,6

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.

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.

The fair values of financial instruments are defined in accordance to IFRS13. In principle, valuation of financial instruments is based on public market quotations. For unquoted financial instruments, Evli Bank's Financial Administration together with Risk Management function evaluate and classify instruments.

DERIVATIVE CONTRACTS, M€

Nominal value of underlying , gross

	Remaining maturity Less than 1 year	1-5 years	5-15 years	Fair value (+/-)
Held for trading				
Interest rate derivatives				
Interest rate swaps	0,0	20,8	10,3	0,0
Currency-linked derivatives	3 464,1	0,0	0,0	0,1
Equity-linked derivatives				
Futures	12,6	0,0	0,0	1,2
Options bought	79,9	49,4	0,0	3,7
Options sold	52,8	49,4	0,0	-4,3
Held for trading, total	3 609,5	119,6	10,3	0,6
Derivative contracts, total	3 609,5	119,6	10,3	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 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 accounting policies applied to the financial statements are detailed in the financial statements for 2016. The accounting policies applied for recognising items in the Interim Report are unchanged comparison with the 2016 Annual Report. The figures are unaudited.