



**EVLI**

# **Evli Bank Plc Financial Statements bulletin 2016**

Maunu Lehtimäki, CEO  
Juho Mikola, CFO

24.1.2017

# Agenda

1

Evli in brief

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2

Highlights of 2016

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3

Business Areas

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4

Financial figures

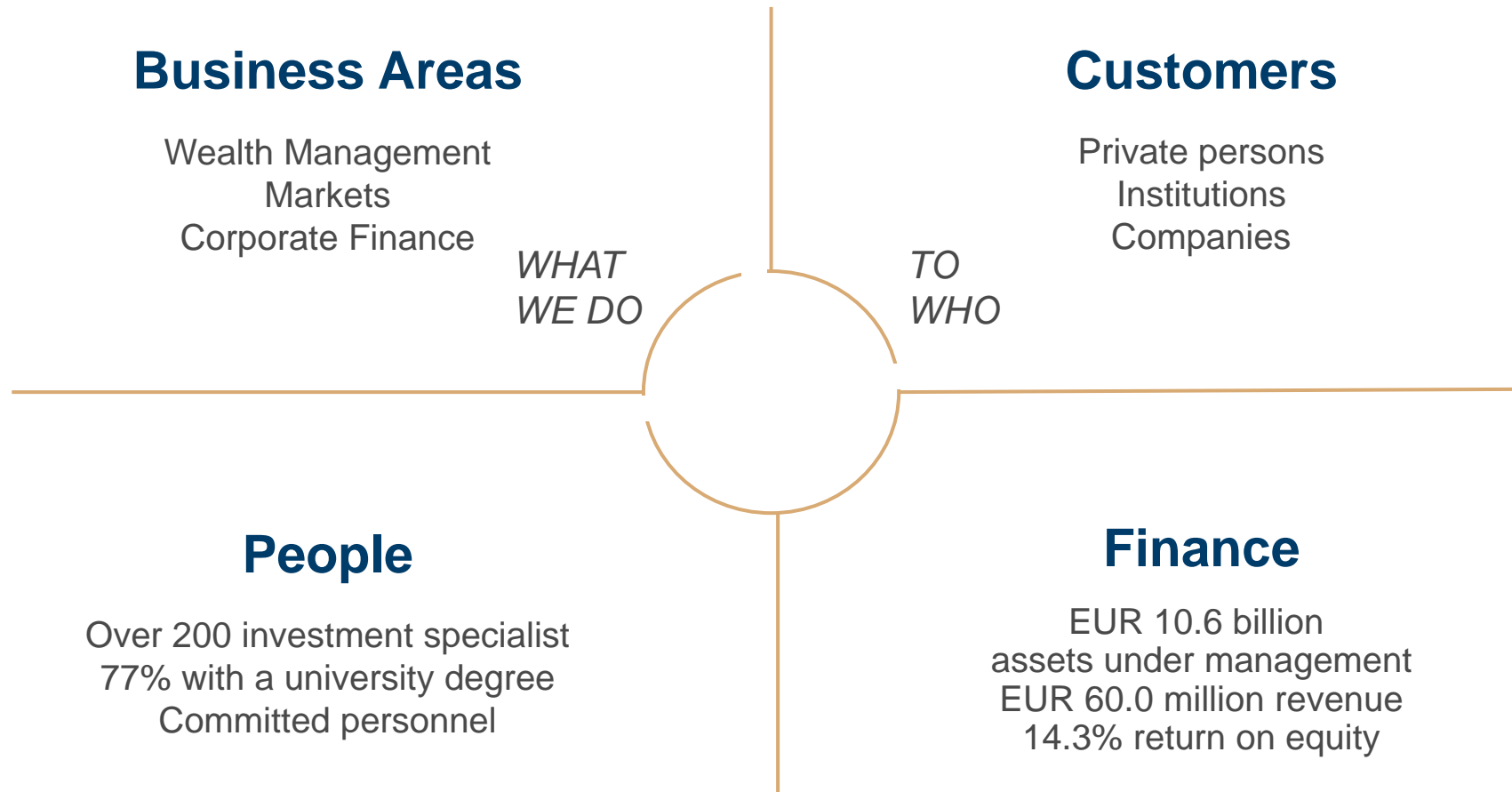
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5

Strategy & Outlook

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# Evli in Brief



# Highlights of 2016

## Good performance in wealth management

- Assets under management all time high EUR 10.6 billion
  - Net subscription to Evli's funds 2nd largest in Finland
  - Evli Fund management company Finland's 4th largest
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## Awards

- Best institutional asset manager in Finland by both TNS Sifo Prospera and SFR\*
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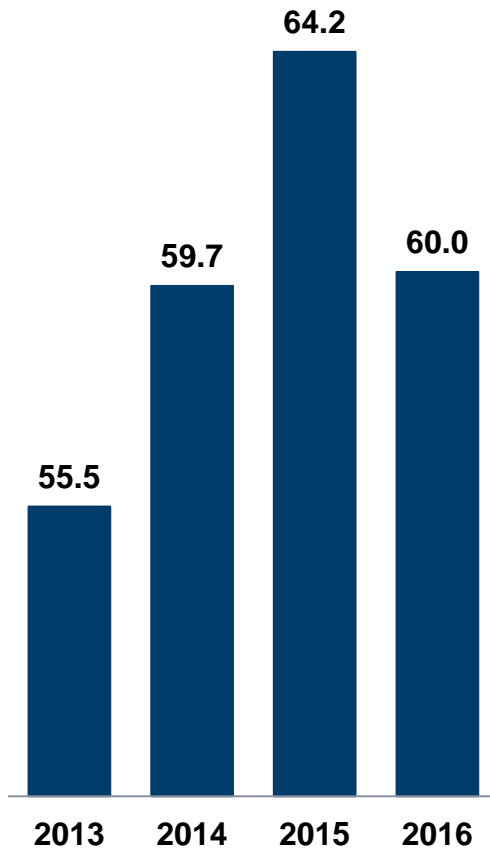
## New and acquired entities

- Evli acquired the remainder of Evli Alexander Management Oy. Previous ownership 45%
  - Evli established Evli Research Partners Oy. The company focuses on investment research
  - Evli established Evli Investment Solutions Oy. The company coordinates Evli's tied agent network and promotes the sale of individual products, such as structured instruments, locally on the Finnish market
  - Evli acquired 58% of the shares of Nordic Shine Ltd. The company focuses on solar energy related investments.
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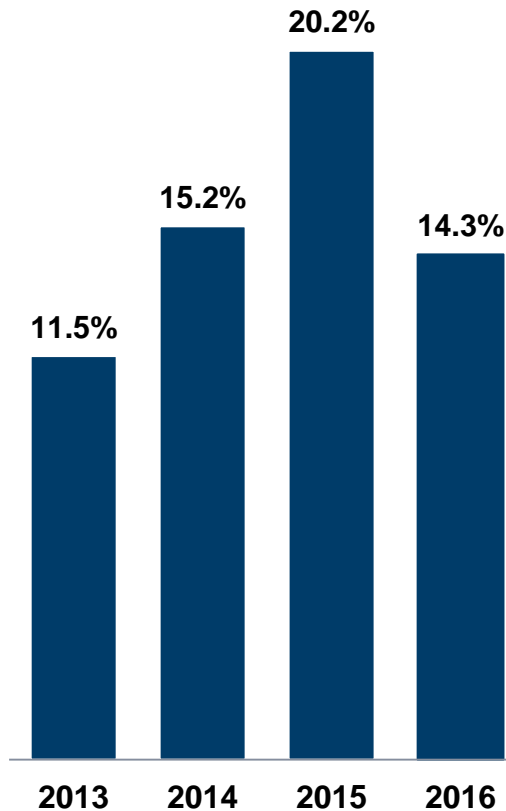
*\*TNS Sifo Prospera External Asset Management Institutions 2016, Finland survey, SFR Investment Services Programme, Finland 2016 client survey by Scandinavian Financial Research.*

# Evli's key figures

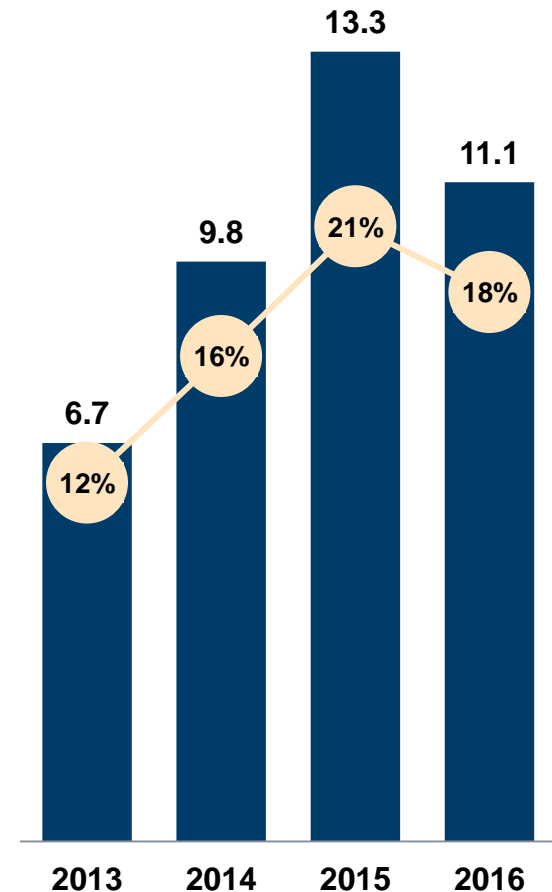
Revenue (EURm)



Return on Equity % (ROE)



Operating profit (EURm) & profit margin



# Market development 2016

**2.43%**

Yield on the 10-year US government bond

**0.21%**

Yield on the 10-year German government bond

**1.05**

Dollars to the euro

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**+11.0%**

MSCI World daily  
TR gross index

**3.5%**

MSCI Europe  
TR Gross

**+13.3%**

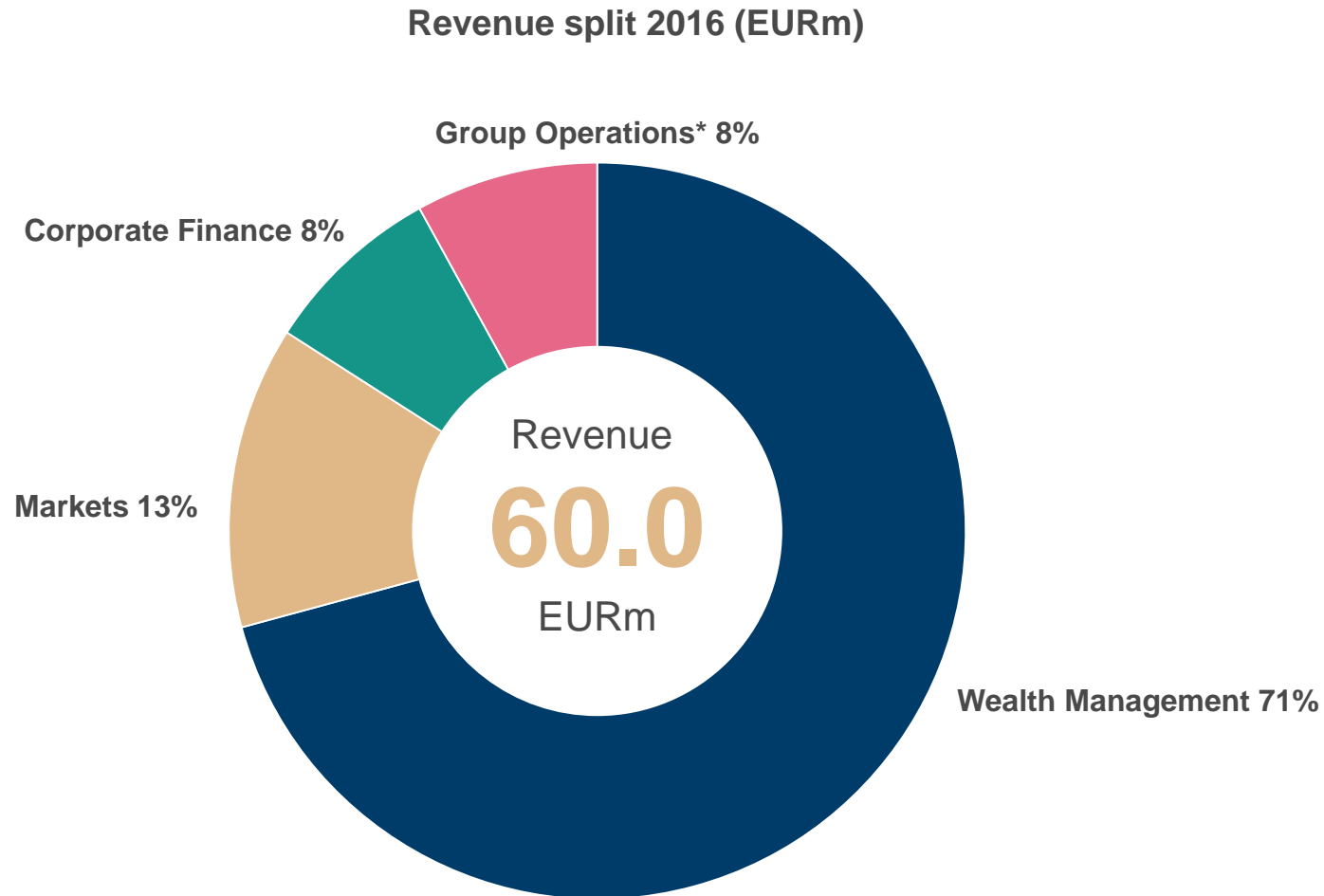
OMX Helsinki  
CAP\_GI

**+15.3%**

MSCI Emerging  
markets TR Gross

# **Business Areas**

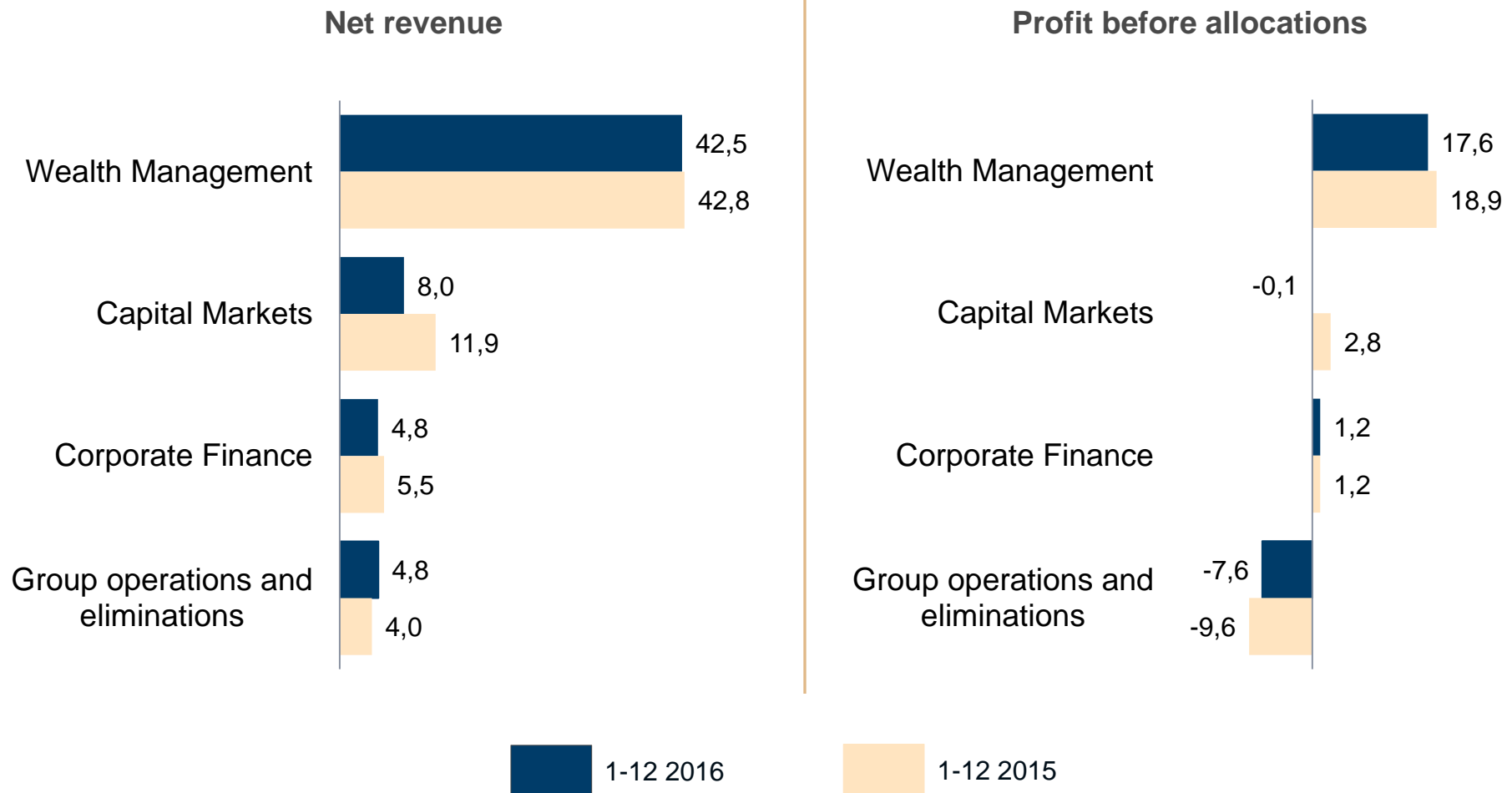
# Strong performance in Wealth Management



*\*Group operations include treasury, payment transactions, loan services, the management of Group investments, financial administration, risk management, information management, Group communications, legal and compliances, human resources and internal services.*



# Business area profitability



# Wealth Management – Highlights 2016

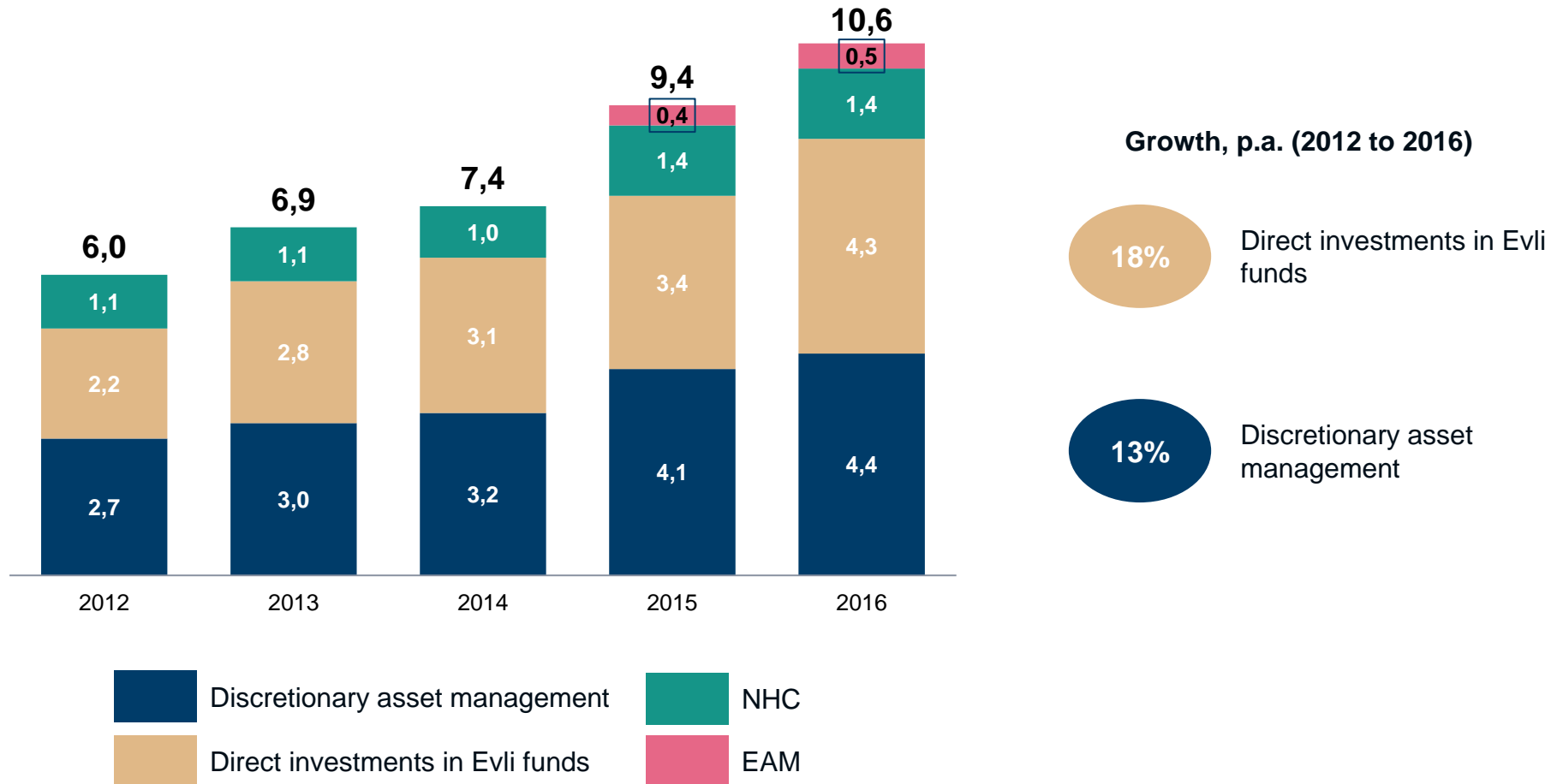
- Increase in Assets Under Management and number of clients
- Ranked as Finland's best asset manager by institutional clients second time in a row\*
- Evli Fund Company's market share 6.0%. Finland's 4<sup>th</sup> largest fund management company
- International sales increased substantially during the period and is starting to gain good foothold in Europe.

	2016	2015	Change %
Net revenue, M€	42.5	42.8	-1%
Operating profit/loss before Group allocations and bonuses, M€	19.1	20.6	-7%
Operating profit / loss, M€	10.6	11.3	-7%
Personnel, at the end of period	118	107	10%
Market share (Evli Fund Company), %*	6.0	5.3	
Net subscriptions to own funds, M€**	1 019	493	107%

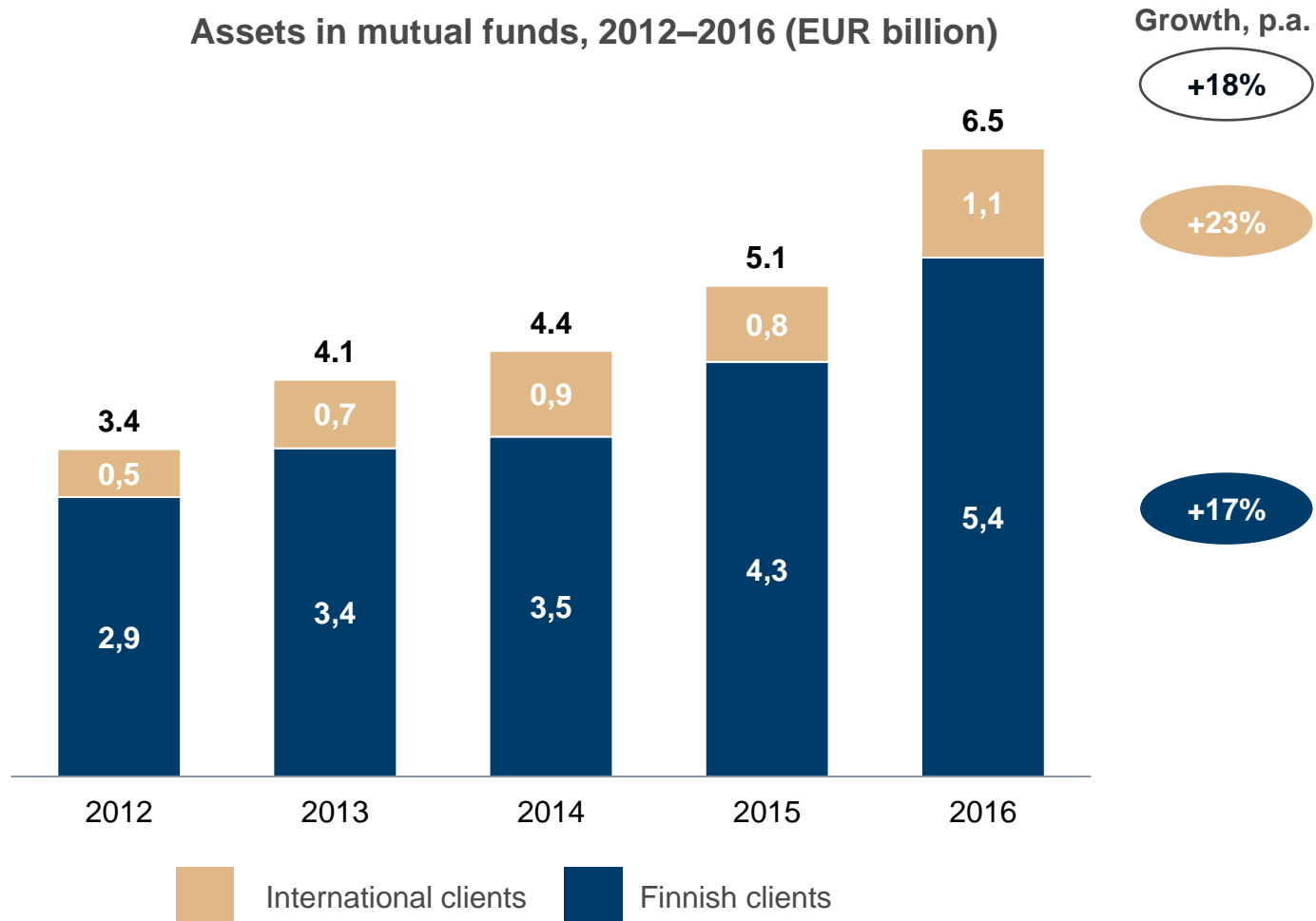
\* TNS Sifo Prospera External Asset Management Institutions 2016 , Finland survey and SFR Investment Services Programme, Finland 2016

\*\* Evli has a total of 30 funds

# Composition of Assets under management



# Development of assets in Evli's funds\*



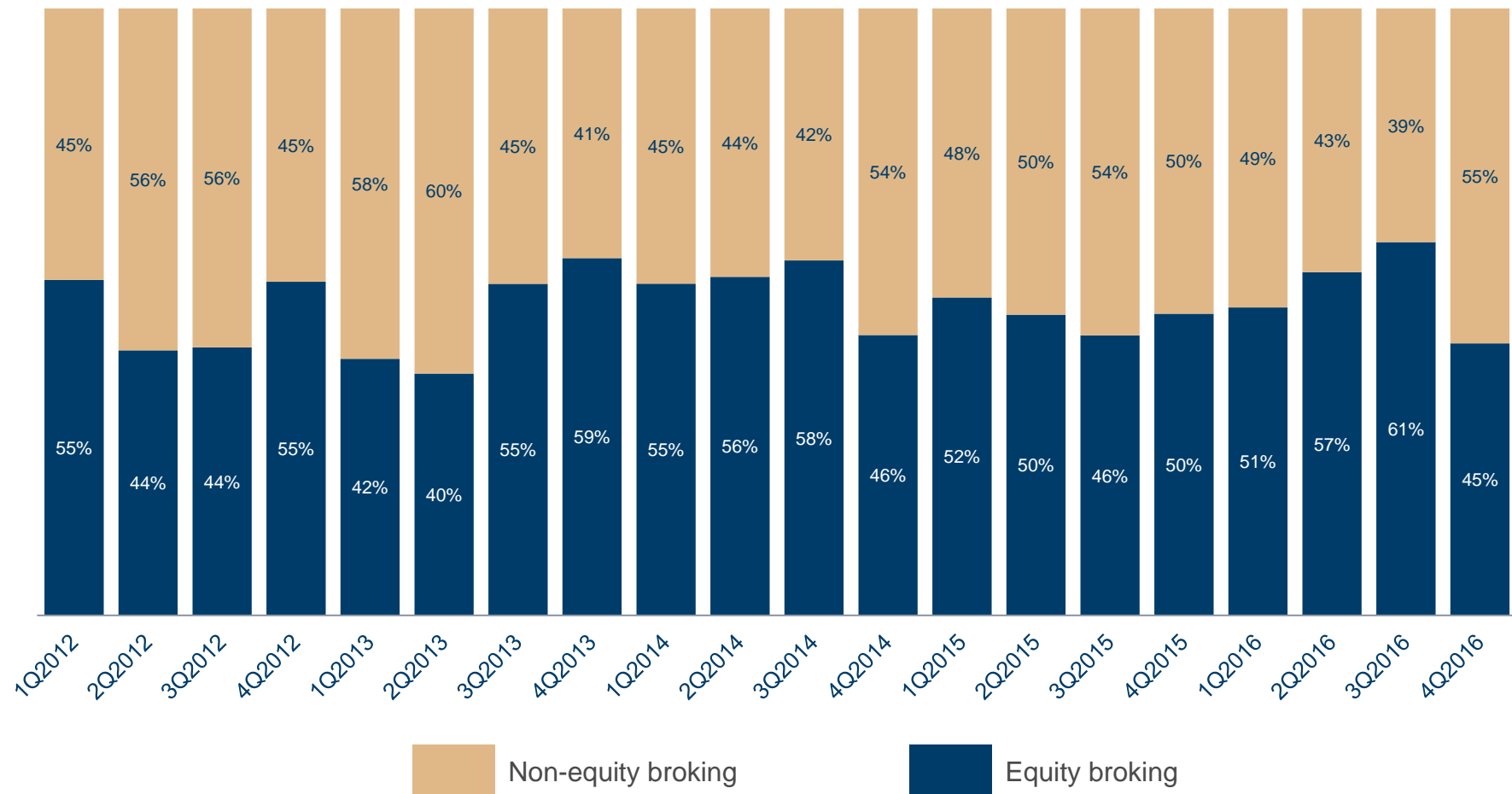
\*Note: Wealth Manager fund included in numbers.

# Markets – Highlights 2016

- Weaker performance than in 2015
- A new company, Evli Investment Solutions Oy, to boost the Group's product sales
- A new company, Evli Research Partners Oy, to commercialize professional company research

	2016	2015	Change %
Net revenue, M€	8.0	11.9	-33%
Operating profit/loss before Group allocations and bonuses, M€	0.4	3.3	-89%
Operating profit / loss, M€	-2.3	0.4	
Personnel, at the end of period	29	35	-17%

# Brokerage revenues



# Corporate Finance – Highlights 2016

- Advisor in a total of 18 executed transactions.
- Example of transactions:
  - XANO's acquisition of Jorgensen
  - Obducat's AB's rights issue
  - NSS Group Management's acquisition of Nordic Shelter Solutions
  - Gasum's acquisition of Swedish Biogas International Ab
- The unit has increased its existing mandate base and strengthened its senior advisor network.

	2016	2015	Change %
Net revenue, M€	4.8	5.5	-14%
Operating profit/loss before Group allocations and bonuses, M€	1.2	1.4	-12%
Operating profit / loss, M€	1.0	0.9	19%
Personnel, at the end of period	16	21	-24%

# Evli Corporate Finance – chosen references

<p>July 2016</p> <p><b>CapMan</b></p> <p>CapMan and other shareholders have agreed to sell</p> <p><b>Samsa</b> to <b>Attendo</b></p> <p>The undersigned acted as financial advisor to the sellers</p> <p><b>EVLI</b></p>	<p>July 2016</p> <p><b>ITAB</b></p> <p>Has successfully completed the acquisition of</p> <p><b>LaFORTEZZA</b> Industrial Store Systems</p> <p>The undersigned acted as financial advisor to ITAB</p> <p><b>EVLI</b></p>	<p>June 2016</p> <p><b>Ukkoverkot</b></p> <p>has successfully completed a convertible bond issue</p> <p><b>EUR 10 million</b></p> <p>The undersigned acted as Lead Manager</p> <p><b>EVLI</b></p>	<p>June 2016</p> <p><b>ssh.</b> communications security</p> <p>has successfully completed a directed shares issue</p> <p><b>EUR 8 million</b></p> <p>The undersigned acted as Lead Manager</p> <p><b>EVLI</b></p>	<p>June 2016</p> <p><b>Etteplan</b></p> <p>rights issue</p> <p><b>EUR 14 million</b></p> <p>The undersigned acted as Lead Manager</p> <p><b>EVLI</b></p>
<p>June 2016</p> <p><b>sentica</b> PARTNERS</p> <p>Sentica Partners and other shareholders have agreed to sell</p> <p><b>arjessa</b> to <b>Humana</b></p> <p>The undersigned acted as advisor to the Sellers</p> <p><b>EVLI</b></p>	<p>May 2016</p> <p><b>digia</b> <b>Qt</b> The Qt Company</p> <p>Demerger of Qt Group Oyj from Digia Oyj and listing Qt Group Oyj</p> <p>The undersigned acted as financial advisor to Digia Oyj</p> <p><b>EVLI</b></p>	<p>May 2016</p> <p><b>ITAB</b></p> <p>Has successfully completed the acquisition of</p> <p><b>PIKVAL</b></p> <p>The undersigned acted as financial advisor to ITAB</p> <p><b>EVLI</b></p>	<p>February 2016</p> <p><b>ambea:</b></p> <p>Has successfully completed the acquisition of</p> <p><b>Solhaga gruppen</b></p> <p>The undersigned acted as financial advisor to Ambea</p> <p><b>EVLI</b></p>	<p>February 2016</p> <p><b>STOCKMANN</b></p> <p>has agreed to sell sale department store business in Russia to Reviva holdings (Russian franchisee of Debenhams)</p> <p><b>DEBENHAMS</b></p> <p>The undersigned acted as advisor to the Sellers</p> <p><b>EVLI</b></p>
<p>December 2015</p> <p><b>Visiometrics</b></p> <p>has successfully been sold to</p> <p><b>HALMA</b></p> <p>The undersigned acted as advisor to the Sellers</p> <p><b>EVLI</b></p>	<p>December 2015</p> <p><b>NORDIC MINES</b></p> <p>has successfully completed rights issue</p> <p><b>SEK 80 million</b></p> <p>The undersigned acted as Advisor to Nordic Mines</p> <p><b>EVLI</b></p>	<p>December 2015</p> <p><b>Seamless</b></p> <p>has successfully completed a private placement</p> <p><b>SEK 32 million</b></p> <p>The undersigned acted as Joint Advisor</p> <p><b>EVLI</b></p>	<p>November 2015</p> <p>Viltor public tender offer for all shares of</p> <p><b>CYBERCOM GROUP</b></p> <p>The undersigned acted as advisor to the Board of Cybercom and provided a fairness opinion</p> <p><b>EVLI</b></p>	<p>October 2015</p> <p><b>Finnlines</b></p> <p>Grimaldi has acquired Ilmarinen's minority stake in Finnlines Oyj</p> <p><b>EUR 97 million</b></p> <p>The undersigned acted as financial advisor and arranger in the block trade</p> <p><b>EVLI</b></p>



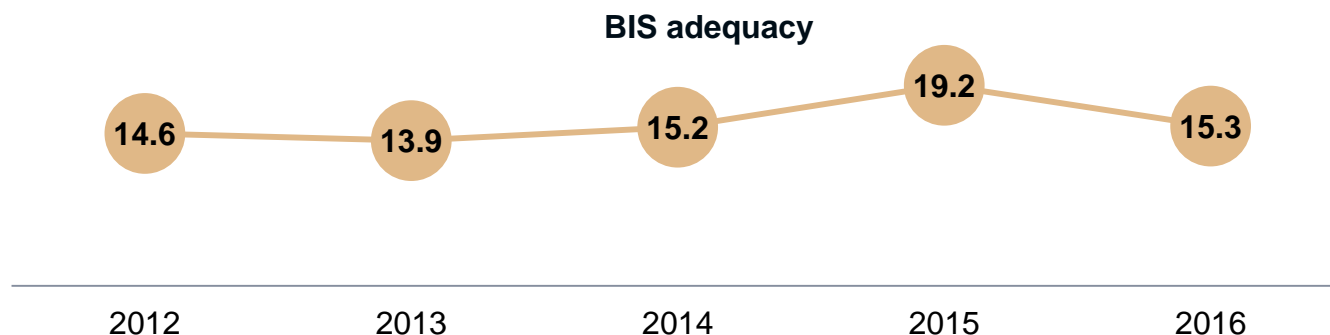
# Financial figures

# Profit and loss statement

EURm	2016	2015	2014	2013	2012
<b>Net interest</b>	<b>1.6</b>	<b>1.4</b>	<b>1.0</b>	<b>0.5</b>	<b>3.1</b>
Net commission	54.3	57.2	53.1	49.5	43.3
Net income from securities trading and FX	4.0	5.4	5.2	5.2	1.2
Other operating income	0.1	0.2	0.4	0.4	0.7
<b>NET REVENUE</b>	<b>60.0</b>	<b>64.2</b>	<b>59.7</b>	<b>55.5</b>	<b>48.3</b>
Administrative expenses					
Personnel expenses	-27.7	-27.5	-26.7	-26.0	-21.5
Other administrative expenses	-14.8	-15.8	-14.0	-13.9	-14.3
Depreciation and amortisation	-3.1	-3.9	-5.3	-4.7	-4.4
Other operating expenses	-3.3	-3.8	-4.0	-4.2	-4.5
Impairment losses	0.0	-	-	-	-0.1
<b>NET OPERATING PROFIT/LOSS</b>	<b>11.1</b>	<b>13.3</b>	<b>9.8</b>	<b>6.7</b>	<b>3.6</b>
Share of profit/loss of associates	1.1	2.1	0.3	0.2	-0.2
<b>PROFIT BEFORE TAXES</b>	<b>12.1</b>	<b>15.4</b>	<b>10.0</b>	<b>6.9</b>	<b>3.3</b>
Taxes	-2.4	-3.0	-2.4	-1.2	-1.2
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>9.7</b>	<b>12.3</b>	<b>7.7</b>	<b>5.6</b>	<b>2.1</b>
Attributable to					
Non-controlling interest	-0.2	0.9	0.9	0.6	0.5
Equity holders of parent company	9.6	11.5	6.8	5.0	1.6

# Balance sheet

ASSETS, EURm	2016	2015	LIABILITIES, EURm	2016	2015
Liquid assets	203.1	128.0			
Debt securities eligible for refinancing with central banks	39.1	38.5	Liabilities to credit institutions and central banks	5.5	5.5
Claims on credit institutions	66.0	119.4	Liabilities to the public and public sector entities	445.0	352.4
Claims on the public and public sector entities	70.4	56.0	Debt securities issued to the public	46.1	35.7
Debt securities	183.9	133.0	Derivative contracts and other trading liabilities	41.0	36.5
Shares and participations	65.8	38.0	Other liabilities	152.2	131.9
Participating interests	3.0	5.0	<b>Liabilities</b>	<b>689.7</b>	<b>562.0</b>
Derivative contracts	26.9	21.6	Equity to holders of parent company	64.9	69.0
Intangible and tangible assets	11.8	11.9	Non-controlling interest in capital	0.4	1.2
Other assets	84.8	80.9	<b>Equity</b>	<b>65.3</b>	<b>70.2</b>
<b>Total assets</b>	<b>755.0</b>	<b>632.2</b>	<b>Total liabilities and equity</b>	<b>755.0</b>	<b>632.2</b>



*\*2016 figure calculated excluding the profit for the period*

# Key ratios and performance indicators

	2016	2015	2014	2013
Return on equity-% (ROE)	14.3%	20.2%	15.2%	11.5%
Cost-income ratio	0.82	0.79	0.84	0.88
Core BIS capital adequacy, %	15.3%	19.2%	15.2%	13.9%
Earnings/Share, diluted (IFRS)	0.40	0.53	0.31	0.24
Paid dividend/share	0.40*	0.31	0.21	0.24
Paid capital distribution/share*	-	-	0.20	-
Personnel, at the end of period	244	248	242	245
Return on assets-% (ROA)	1.4%	2.2%	1.4%	0.9%
Equity ratio	7.9%	11.1%	10.7%	8.5%

\*2016 Board proposal for dividend

## Strategic KPI

Return on Equity **14.3%**  
(Target 15%)

Recurring revenue to operational costs **94%**  
(Target 100%)

Assets Under Management **10.6 Billion€**

Net fee income **54.3 M€**

# Strategy & Outlook

# Cornerstones of Evli strategy – Simply Unique

*EVLI's core strengths and uniqueness are built around:*

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

AND

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

SUPPORTED  
BY

3) **Strong operational process efficiency**

# Outlook for 2017

- *The stable performance of Evli's Wealth Management unit is expected to continue.*
  - *Growth in international sales and alternative investments*
  - *Organizational changes enables increased domestic sales*
- *The proportion of recurring revenue to operating expenses is expected to exceed the long-term target level of 100 percent.*
- *In Corporate Finance the unit's mandate base is on a good level, but substantial fluctuations in revenues from year to year always possible.*
- *The result for 2017 is expected to be clearly positive.*

# New organizational structure

- External development trends together with evolving client needs and changing regulation supports a shift in Evli's business and organizational model
- The aim is to better correspond to these evolving trends
- Enhance customer centricity even further by reflecting it also in the organizational structure
- As a consequence of the organizational change, Evli will have two business areas; Wealth & Investment Services and Corporate Finance
- The aim is to get the new organization up and running by March 1, 2017
- The financial result for the first quarter 2017 will be reported in accordance with the new organizational structure.



# THANK YOU!

## Upcoming events in the investor calendar:

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- Annual report & Financial review for 2016: Week 7
  - Annual General Meeting: 13 March 2017
  - Interim report 1-3/2017 and Investor presentation: 24 April 2017
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# Contact information

## Evli Bank Plc

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00101 Helsinki

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## Investor contacts

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*Evli - Sijoittajan Pankki*



*Evli Bank Plc*



*@EvliTweet*



*@EvliPankki\_WM*

# Appendices

# Executive Group



**Maunu Lehtimäki, born 1967**  
*Chief Executive Officer*  
M.Sc. (Econ.)  
Joined Evli Bank Plc in 1996



**Mari Etholén, born 1973**  
*Head of HR and Legal Affairs*  
LLB  
Joined Evli Bank Plc in 2001



**Panu Jousimies, born 1969**  
*Head of Capital Markets*  
M.Sc. (Econ.)  
Joined Evli Bank Plc in 1997



**Lea Keinänen, born 1966**  
*Head of Wealth Management, Funds, deputy to the CEO*  
Certificate in Business Studies, MBA  
Joined Evli Bank Plc in 1998



**Juho Mikola, born 1981**  
*Chief Financial Officer*  
M.Sc. (Econ.)  
Joined Evli Bank Plc in 2004



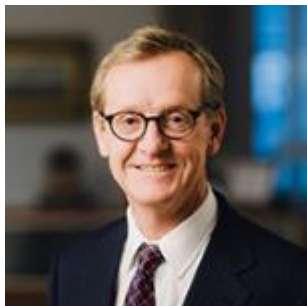
**Esa Pensala, born 1974**  
*Head of Wealth Management Advisory*  
M.Sc. (Tech.)  
Joined Evli Bank Plc in 2001



**Mikael Thunved, born 1965**  
*Managing Director, Corporate Finance*  
B.Sc. (Econ.)  
Joined Evli Bank Plc in 2002



# Board of Directors



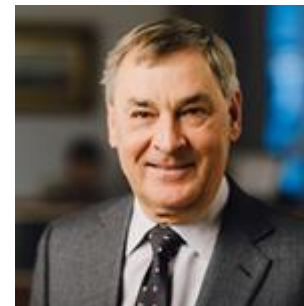
**Henrik Andersin, born 1960**  
*Chairman of the Board of Directors*  
Member of the Board of Directors of Evli Bank Plc since 1985 (excluding 2002-2006). Chairman of the Board of Directors of Nokian Panimo Oy. Dependent member.



**Robert Ingman, born 1961**  
*Member of the Board of Directors*  
Member of the Board of Directors of Evli Bank Plc since 2010. Chairman of the Boards of Directors of Ingman Group Oy Ab, Etteplan Oyj and Halti Oy, Member of the Boards of Directors of Arla Ingman Oy Ab, Digia Oyj and M-Brain Oy. Dependent member.



**Harri-Pekka Kaukonen, born 1963**  
*Vice-Chairman of the Board*  
Member of the Board of Directors of Evli Bank Plc since 2008. President and CEO of Sanoma Group in 2011-2015. Member of the Boards of Directors of Ahlström Oyj, Lindström Oyj, Tieto Oyj and ÅR Packaging Group AB. Independent member.



**Mikael Lilius, born 1949**  
*Member of the Board of Directors*  
Member of the Board of Directors of Evli Bank Plc since 2010. Chairman of the Boards of Directors of Ahlström Capital Oy, Metso Oyj and Wärtsilä Oyj. Member of the Board of Directors of Ab Kelonia Oy. Independent member.



**Johanna Lamminen, born 1966**  
*Member of the Board of Directors*  
Member of the Board of Directors of Evli Bank Plc since 2015. Managing Director of Gasum Ltd. Member of the Boards of Directors of Tieto Oyj. Independent member.



**Teuvo Salminen, born 1954**  
*Member of the Board of Directors*  
Member of the Board of Directors of Evli Bank Plc since 2010. Chairman of the Boards of Directors of Havator Oy, Member of the Boards of Directors of Holiday Club Resorts Oy, Cargotec Oyj, Glaston Oyj and Pöyry Oyj. Independent member.



**Thomas Thesleff, born 1951**  
*Member of the Board of Directors*  
Member of the Board of Directors of Evli Bank Plc since 1985. Dependent member.