

EVLI

Evli Bank Plc Review of H1 2016

Maunu Lehtimäki, CEO
Juho Mikola, CFO

14.7.2016

Evli in brief

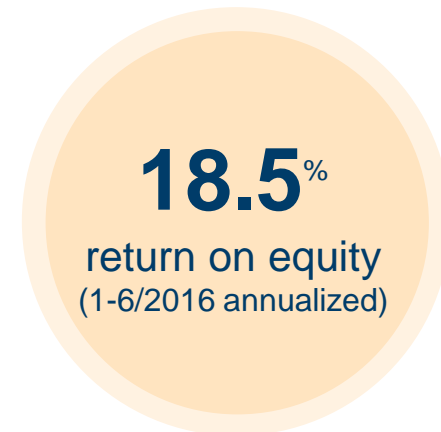
3 business areas

WEALTH MANAGEMENT

MARKETS

CORPORATE FINANCE

over **200** investment specialists



Highlights of the period

1

Significant increase in earnings per share (EPS)

2

Net subscriptions to Evli's funds 2nd largest in Finland

3

AUM development good from previous year

4

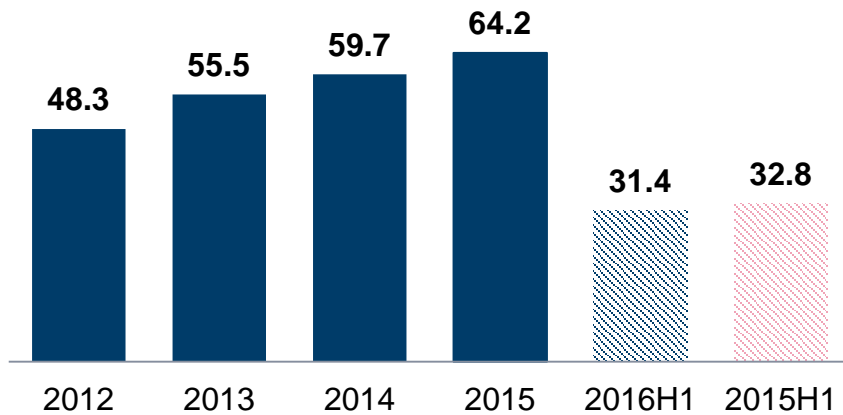
Acquisition of full share capital in EAM

5

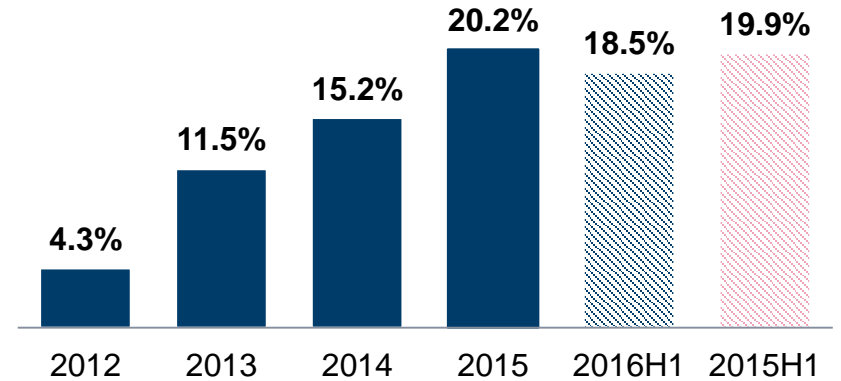
Efficiency improvements

Evli's key figures

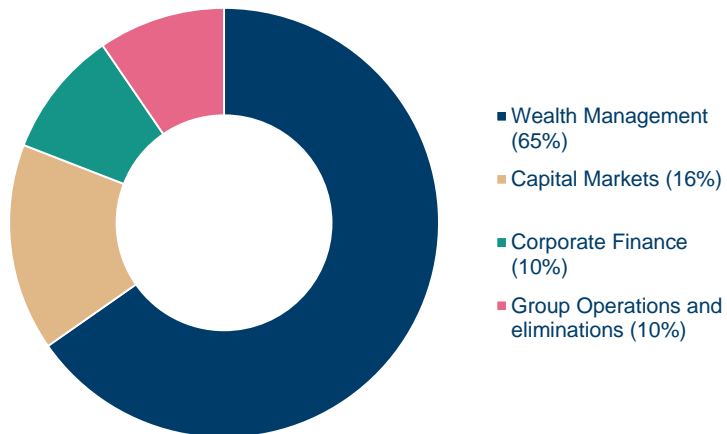
Revenue (EURm)



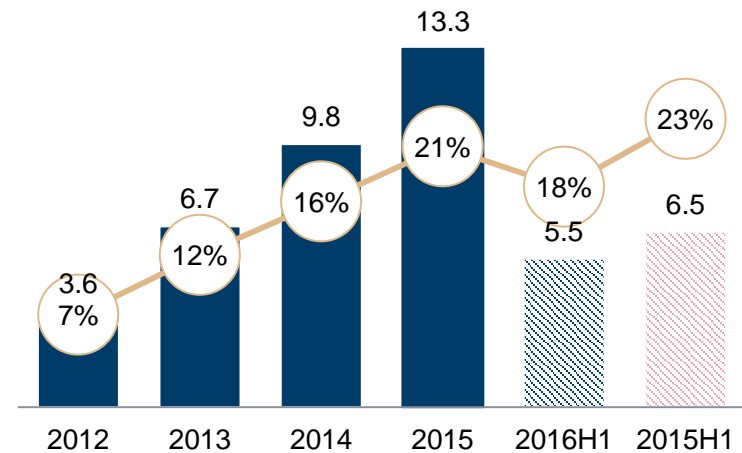
Return on Equity % (ROE)



Revenue split, 2016 H1

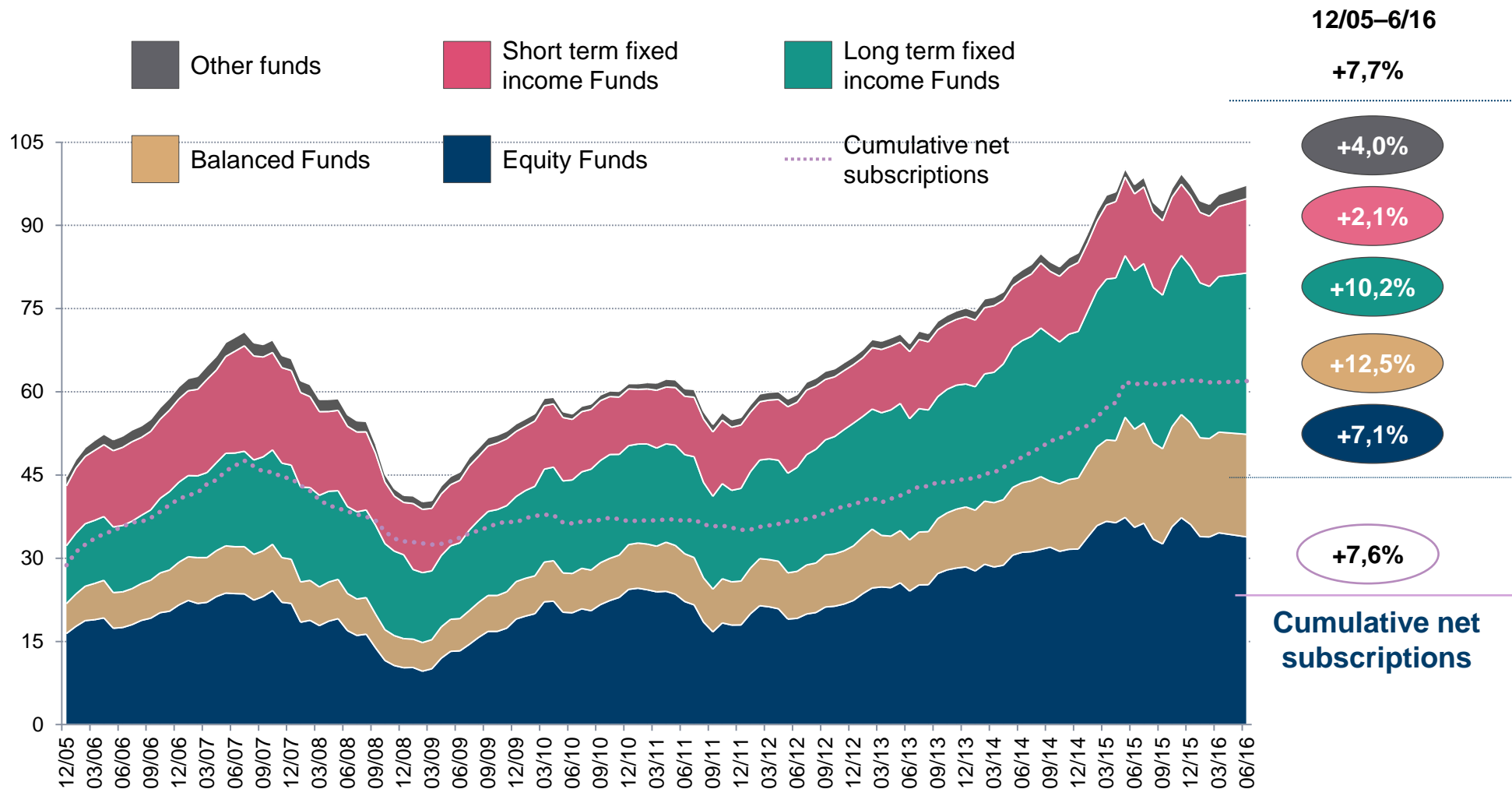


Operating profit (EURm) & profit margin



Market development 2005-2016 H1

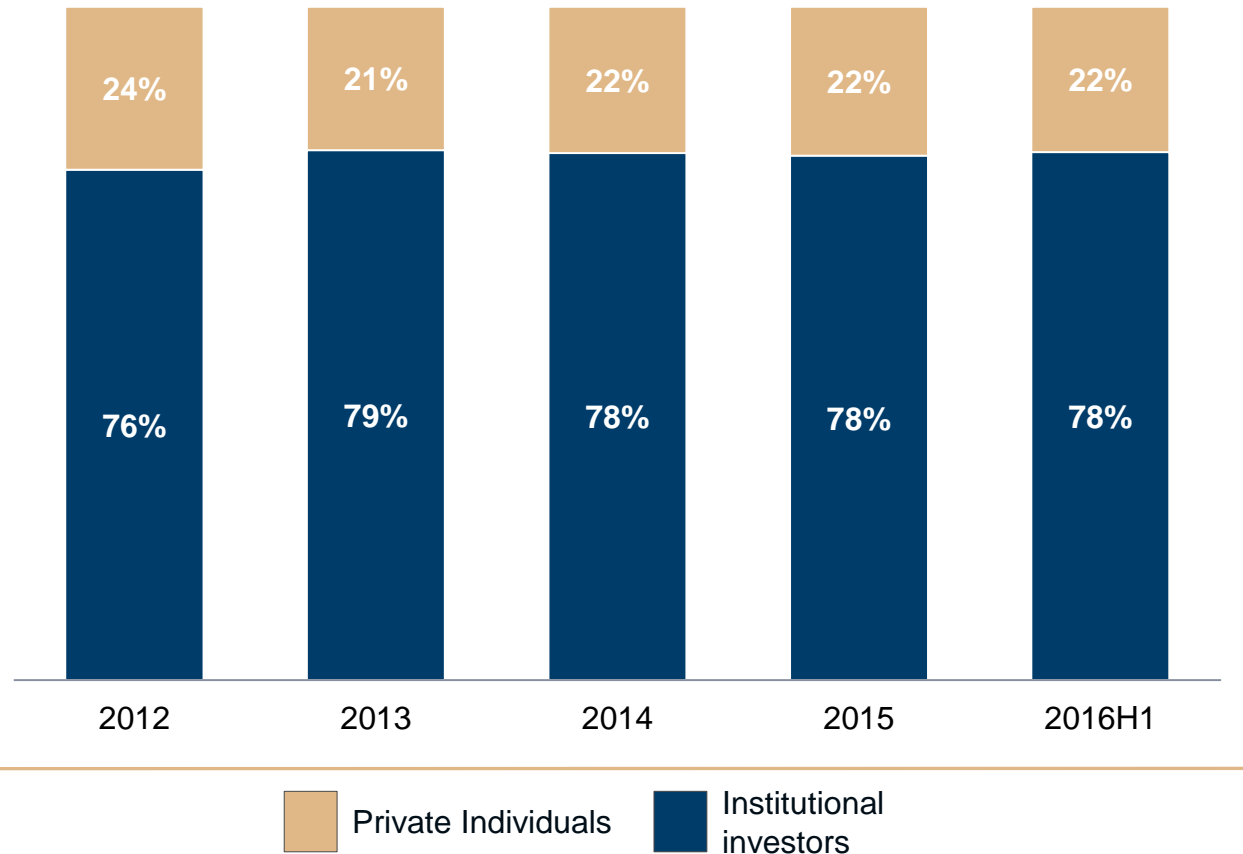
Growth in fund assets in Finland, 12/2005–6/2016 (EUR billion)



Clientele development

Split of Evli's clients based on the assets under management**
2012–2016 H1

- Evli has a strong presence among institutional investors
- A majority of Evli's assets under management are from institutional investors
- Evli's clientele is focused on institutional investors, other professional investors and present and future high net worth individuals which makes this clientele unique compared to Evli's competitors



Largest owners in Evli 30.6.2016

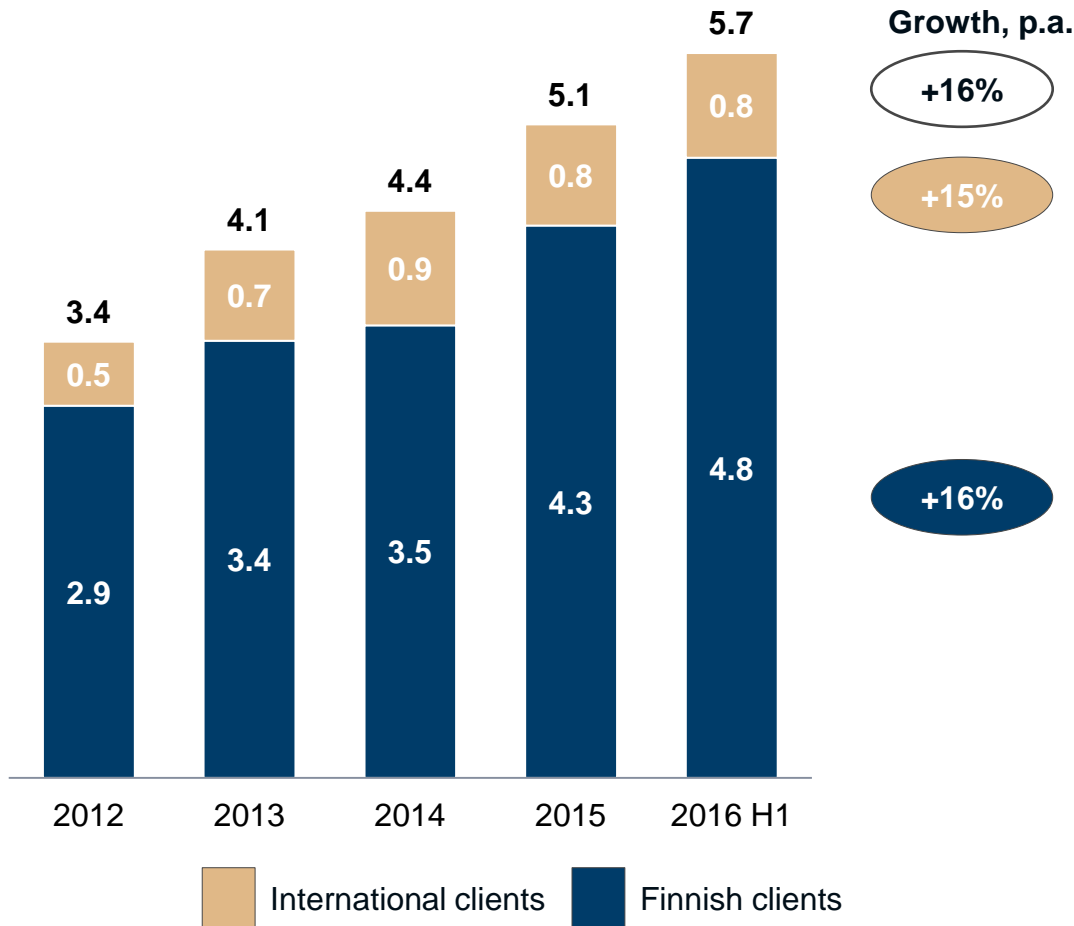
Shareholders	A Shares	B Shares	Shares total	% of all shares	% of votes
1. Oy Prandium Ab	3 803 280	950 820	4 754 100	20,39	22,29
2. Oy Scripo Ab	3 803 280	950 820	4 754 100	20,39	22,29
3. Oy Fincorp Ab	2 319 780	580 115	2 899 895	12,44	13,59
4. Ingman Group Oy Ab	1 860 000	500 000	2 360 000	10,12	10,91
5. Maunu Lehtimäki	433 728	108 432	542 160	2,33	2,54
6. Tallberg Claes	369 756	92 439	462 195	1,98	2,17
7. Hollfast John Erik	328 320	82 080	410 400	1,76	1,92
8. Thunekov AB	224 000	56 000	280 000	1,2	1,31
9. Ridgeback Advisory AB	210 000	52 500	262 500	1,13	1,23
10. Dudarev Grigory	201 540	50 385	251 925	1,08	1,18



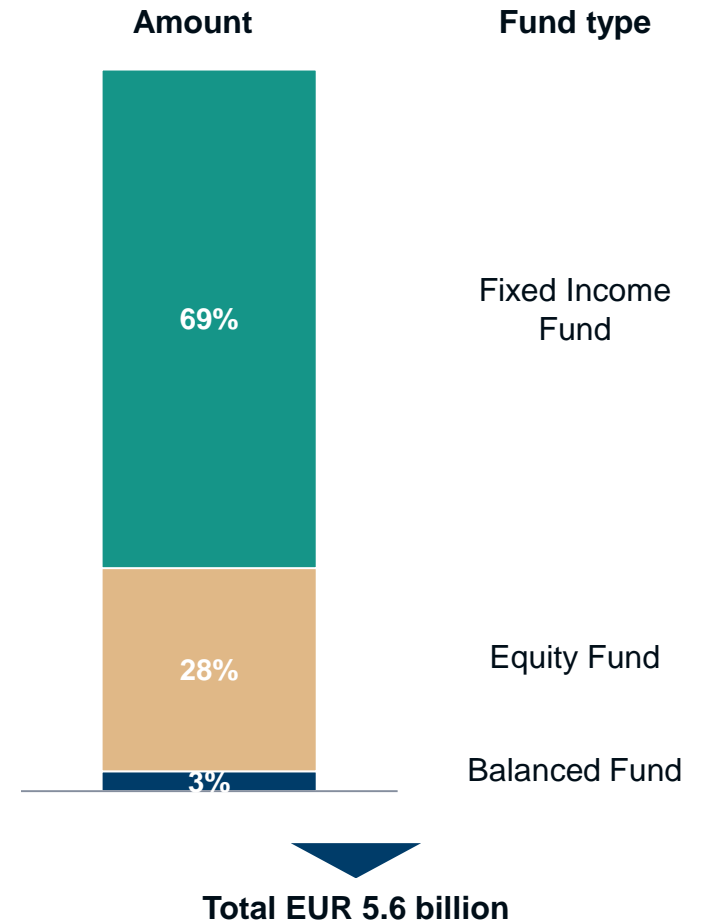
Products and services

Development of assets in Evli funds

Development of assets in Evli's mutual funds, 2012 – June 30, 2016 (EUR billion)



Division of assets in Evli's mutual funds, June 30, 2016



Performance of Evli's funds*

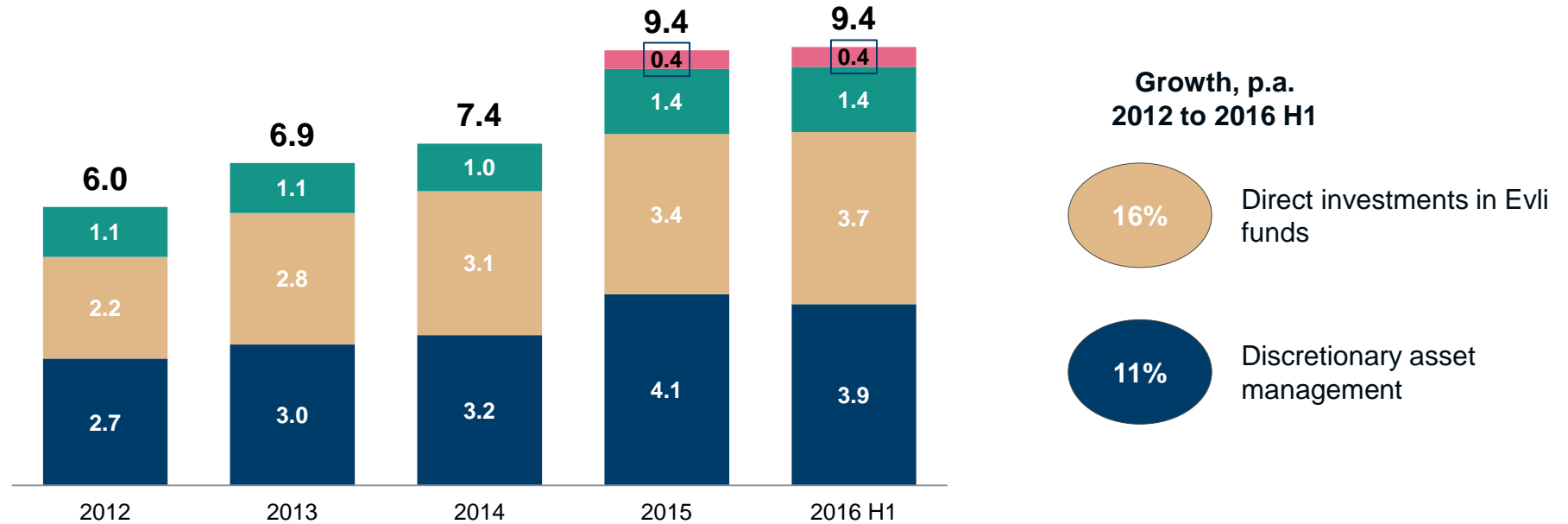
Fund	fund size, m€	net subscriptions, m€	1 year performance (p.a.)	3 year performance (p.a.)	10 year performance (p.a.)	Morningstar-rating*
Fixed-income funds	3 909,3	554,5				
Evli Taktinen Alfa-Korko	33,3	-63,6	1,3 %	2,7 %	0,0 %	★★★
Evli Yrityslaina	262,3	-8,0	2,9 %	4,1 %	4,7 %	★★★★
Evli Kehittyvät Markkinat Yrityslaina	147,2	-0,2	2,4 %	0,0 %	0,0 %	-
Evli Likvidi	1 358,7	399,5	0,7 %	0,9 %	2,3 %	★★★★★
Evli Valtionobligaatio	129,5	-21,5	8,0 %	5,6 %	4,5 %	★★★
Evli High Yield Yrityslaina	792,9	-20,5	3,0 %	5,9 %	6,5 %	★★★★
Evli Investment Grade Yrityslaina	342,9	45,0	3,7 %	4,3 %	4,3 %	★★★★
Evli Lyhyt Yrityslaina	842,4	223,8	1,9 %	2,3 %	2,0 %	★★★★
Equity funds	1 592,9	-66,5				
Evli Emerging Frontier	34,1	-8,8	0,4 %	0,0 %	0,0 %	-
Evli Eurooppa	630,3	-14,8	-6,2 %	12,4 %	4,2 %	★★★★
Evli GEM	69,1	51,9				-
Evli Suomi Select	102,3	-2,1	3,0 %	11,6 %	4,2 %	★★
Evli Suomi Pienyhtiöt	139,2	-11,8	6,0 %	15,3 %	8,1 %	★★★★★
Evli Maailma	121,4	5,8	-1,2 %	14,6 %	5,1 %	★★★★★
Evli Japani	30,8	-3,7	-	9,6 %	1,6 %	★★★★
Evli Osakefaktori	93,5	-2,3	0,0 %	0,0 %	0,0 %	★★
Evli Pohjoismaat	48,7	-1,0	7,6 %	17,6 %	0,0 %	★★★★
Evli Pohjois-Amerikka	50,5	-35,3	-6,4 %	13,3 %	6,1 %	★★★
Evli Venäjä	11,2	0,7	11,3 %	-5,7 %	-3,7 %	★★
Evli Ruotsi Pienyhtiöt	103,5	-40,8	6,5 %	20,7 %	0,0 %	★★★★
Evli Ruotsi Osakeindeksi	150,7	-3,9	-13,5 %	5,2 %	0,0 %	★
Evli Ruotsi Select	7,9	-0,3	-4,9 %	11,9 %	0,0 %	★★★★
Balanced funds	156,0	-1,5				
Evli Suomi Mix	18,1	-0,1	4,0 %	7,2 %	4,9 %	★★★★★
Evli Taktinen Allokatio	3,2	-0,2	-3,1 %	1,0 %	0,0 %	★
Evli Varainhoito 40	19,4	-0,5	-2,9 %	6,5 %	3,2 %	★★★★
Evli Varainhoito 75	19,5	-0,7	-5,4 %	9,0 %	2,8 %	★★★

Source: Rahastoraportti by Sijoitustutkimus.fi

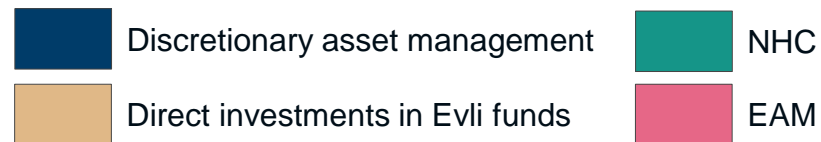
Evli's market share in mutual funds*

Company	Total Assets MEUR	Market Share	Rank	Change YTD	Unit holders	Net Subscriptions YTD MEUR
Nordea Funds Oy	37 176,28	38,2 %	1	0,5 %	1 263 301	499,39
OP-Rahastoyhtiö Oy	20 945,62	21,5 %	2	-0,7 %	644 942	-709,08
Danske Invest Rahastoyhtiö Oy	11 234,44	11,5 %	3	-0,3 %	297 589	-256,26
Evli-Rahastoyhtiö Oy	5 576,24	5,7 %	4	0,5 %	21 696	474,66
FIM Varainhoito Oy	5 142,54	5,3 %	5	-0,1 %	202 112	-136,14
Aktia Rahastoyhtiö Oy	3 762,54	3,9 %	6	0,1 %	168 109	59,57
SEB Rahastoyhtiö Suomi Oy	3 537,22	3,6 %	7	0,0 %	42 076	16,39
eQ Rahastoyhtiö Oy	1 709,17	1,8 %	8	0,1 %	10 653	127,40
Sp-Rahastoyhtiö Oy	1 634,30	1,7 %	9	0,1 %	150 084	73,85
Seligson & Co Rahastoyhtiö Oyj	1 571,88	1,6 %	10	0,0 %	97 637	-9,32
Ålandsbanken Rahastoyhtiö Oy	1 359,89	1,4 %	11	0,1 %	30 098	136,42
Fondita Rahastoyhtiö Oy	620,12	0,6 %	12	-0,1 %	2 264	-23,15
UB Rahastoyhtiö Oy	600,39	0,6 %	13	0,0 %	3 705	17,16
Taaleri Rahastoyhtiö Oy	596,63	0,6 %	14	0,0 %	2 588	32,55
Fourton Oy	488,59	0,5 %	15	0,0 %	764	-27,80
PYN Rahastoyhtiö Oy	316,04	0,3 %	16	0,0 %	2 689	7,24
Alexandria Rahastoyhtiö Oy	278,28	0,3 %	17	0,0 %	5 896	37,66
Alfred Berg Rahastoyhtiö Oy	270,03	0,3 %	18	0,0 %	4 255	5,13
Elite Rahastohallinto Oy	174,18	0,2 %	19	-0,1 %	3 239	-27,47
Estlander & Partners Oy	128,62	0,1 %	20	0,0 %	1 010	33,92
Front Varainhoito Oy	82,06	0,1 %	21	0,0 %	349	-5,54
JOM Rahastoyhtiö	59,99	0,1 %	22	0,0 %	660	-5,73
Aurejärvi Varainhoito Oy	8,60	0,0 %	23	0,0 %	155	0,00
AJ Rahastoyhtiö Oy	5,49	0,0 %	24	0,0 %	203	-2,27
Handelsbanken Rahastoyhtiö Oy	-	-	-	-	-	-54,05

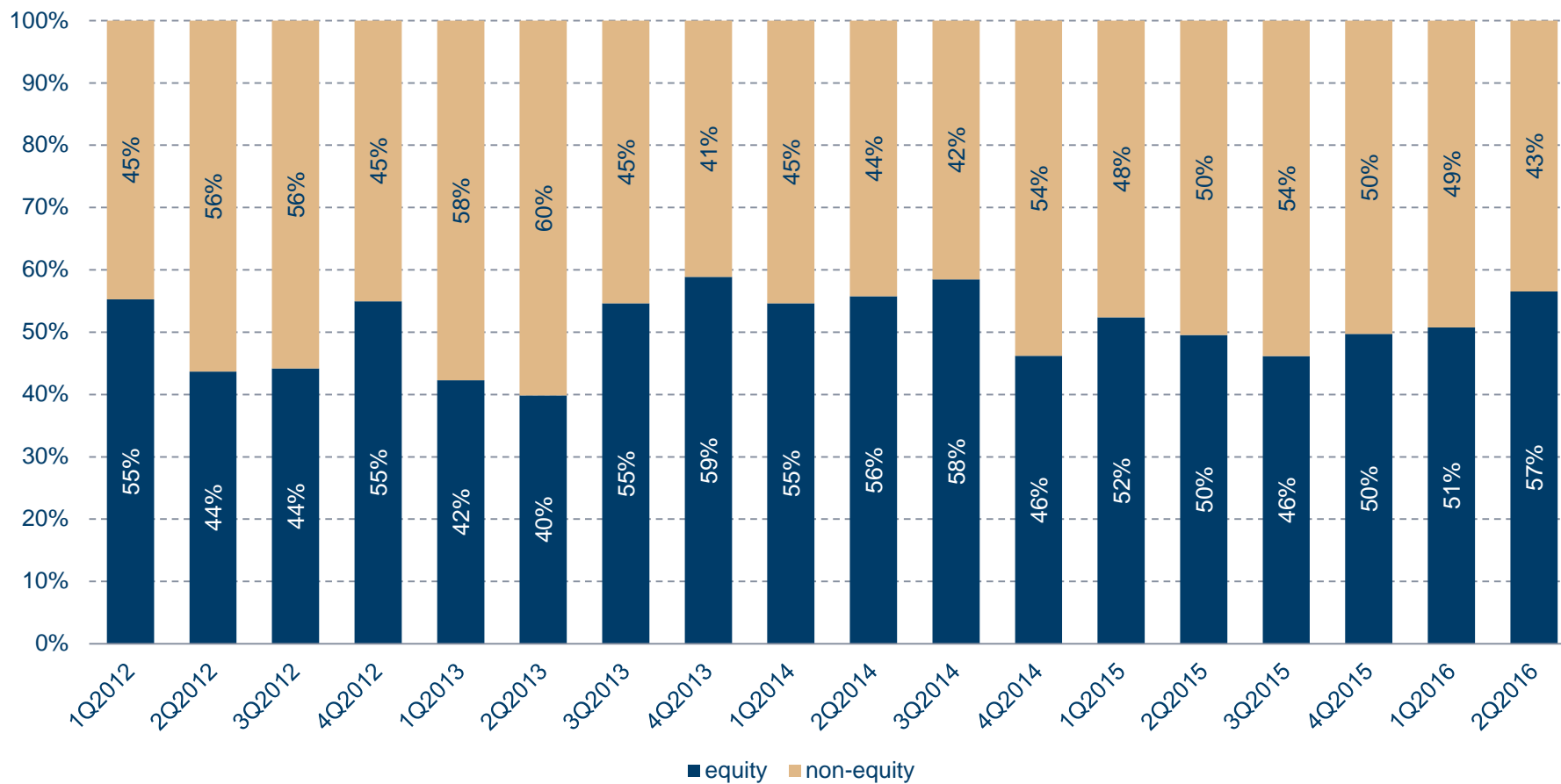
Composition of Evli's Assets under management



(EUR billion)



Brokerage revenues



Non-equity broking

Equity broking

Evli Corporate Finance – chosen references

<p>July 2016</p> <p>CapMan</p> <p>Capman and other shareholders have agreed to sell</p> <p>Samsa to Attendo</p> <p>The undersigned acted as financial advisor to the sellers</p> <p>EVLI</p>	<p>July 2016</p> <p>ITAB</p> <p>Has successfully completed the acquisition of</p> <p>LAFORTEZZA Industrial Store Systems</p> <p>The undersigned acted as financial advisor to ITAB</p> <p>EVLI</p>	<p>June 2016</p> <p>Ukkoverkot</p> <p>has successfully completed a convertible bond issue</p> <p>EUR 10 million</p> <p>The undersigned acted as Lead Manager</p> <p>EVLI</p>	<p>June 2016</p> <p>ssh communications security</p> <p>has successfully completed a directed shares issue</p> <p>EUR 8 million</p> <p>The undersigned acted as Lead Manager</p> <p>EVLI</p>	<p>June 2016</p> <p>Etteplan</p> <p>rights issue</p> <p>EUR 14 million</p> <p>The undersigned acted as Lead Manager</p> <p>EVLI</p>
<p>June 2016</p> <p>sentica PARTNERS</p> <p>Sentica Partners and other shareholders have agreed to sell</p> <p>arjessa to Humana</p> <p>The undersigned acted as advisor to the Sellers</p> <p>EVLI</p>	<p>May 2016</p> <p>digia Qt 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>EVLI</p>	<p>May 2016</p> <p>ITAB</p> <p>Has successfully completed the acquisition of</p> <p>PIKVAL</p> <p>The undersigned acted as financial advisor to ITAB</p> <p>EVLI</p>	<p>February 2016</p> <p>ambea:</p> <p>Has successfully completed the acquisition of</p> <p>Solhaga gruppen</p> <p>The undersigned acted as financial advisor to Ambea</p> <p>EVLI</p>	<p>February 2016</p> <p>STOCKMANN</p> <p>has agreed to sell sale department store business in Russia to Reviva holdings (Russian franchisee of Debenhams)</p> <p>DEBENHAMS</p> <p>The undersigned acted as advisor to the Sellers</p> <p>EVLI</p>
<p>December 2015</p> <p>Visiometrics</p> <p>has successfully been sold to</p> <p>HALMA</p> <p>The undersigned acted as advisor to the Sellers</p> <p>EVLI</p>	<p>December 2015</p> <p>NORDIC MINES</p> <p>has successfully completed rights issue</p> <p>SEK 80 million</p> <p>The undersigned acted as Advisor to Nordic Mines</p> <p>EVLI</p>	<p>December 2015</p> <p>Seamless</p> <p>has successfully completed a private placement</p> <p>SEK 32 million</p> <p>The undersigned acted as Joint Advisor</p> <p>EVLI</p>	<p>November 2015</p> <p>Vittor public tender offer for all shares of</p> <p>CYBERCOM GROUP</p> <p>The undersigned acted as advisor to the Board of Cybercom and provided a fairness opinion</p> <p>EVLI</p>	<p>October 2015</p> <p>Finnlines</p> <p>Grimaldi has acquired Ilmarinen's minority stake in Finnlines Oyj</p> <p>EUR 57 million</p> <p>The undersigned acted as financial advisor and arranger in the block trade</p> <p>EVLI</p>

Financial data

Profit and loss statement

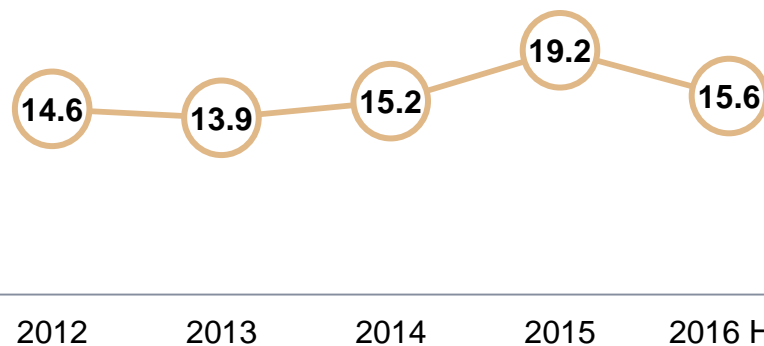
EURm	2016 H1	2015 H1	2015	2014	2013	2012
Net interest	1,0	0,5	1,4	1,0	0,5	3,1
Net commissions	27,2	28,8	57,2	53,1	49,5	43,3
Net income from securities trading and FX	3,1	3,4	5,4	5,2	5,2	1,2
Other operative income	0,0	0,1	0,2	0,4	0,4	0,7
NET REVENUE	31,4	32,8	64,2	59,7	55,5	48,3
Administrative expenses						
<i>Personnel expenses</i>	(14,5)	(14,4)	(27,5)	(26,7)	(26,0)	(21,5)
<i>Other administrative expenses</i>	(7,8)	(8,2)	(15,8)	(14,0)	(13,9)	(14,3)
Depreciations and amortizations	(1,8)	(2,0)	(3,9)	(5,3)	(4,7)	(4,4)
Other operative expenses	(1,7)	(1,8)	(3,8)	(4,0)	(4,2)	(4,5)
Impairment losses	-	-	-	-	-	(0,1)
NET OPERATING PROFIT/LOSS	5,5	6,5	13,3	9,8	6,7	3,6
Share of profit/loss of associates	1,8	(0,0)	2,1	0,3	0,2	(0,2)
PROFIT BEFORE TAXES	7,3	6,5	15,4	10,0	6,9	3,3
Taxes	(1,2)	(1,5)	(3,0)	(2,4)	(1,2)	(1,2)
PROFIT/LOSS FOR THE PERIOD	6,1	5,0	12,3	7,7	5,6	2,1
Attributable to						
<i>Non-controlling interest</i>	0,1	0,7	0,9	0,9	0,6	0,5
<i>Equity holders of parent company</i>	6,0	4,3	11,5	6,8	5,0	1,6

Balance sheet

ASSETS, EURm	31.3.2016	31.3.2015	31.12.2015
Liquid assets	315,6	165,3	128,0
Debt securities eligible for refinancing with central banks	56,3	40,6	38,5
Claims on credit institutions	98,8	133,5	119,4
Claims on the public and public sector entities	64,5	58,9	56,0
Debt securities	194,1	132,4	133,0
Shares and participations	63,7	48,6	38,0
Participating interests	3,8	2,9	5,0
Derivative contracts	22,9	6,1	21,6
Intangible and tangible assets	11,3	8,7	11,9
Other assets	263,3	127,8	80,9
Total assets	1094,3	731,3	632,2

LIABILITIES, EURm	31.3.2016	31.3.2015	31.12.2015
Liabilities to credit institutions and central banks	22,1	6,9	5,5
Liabilities to the public and public sector entities	629,1	442,3	352,4
Debt securities issued to the public	33,1	37,3	35,7
Derivative contracts and other trading liabilities	57,8	23,2	36,5
Other liabilities	290,5	172,5	131,9
Liabilities	1032,6	682,1	562,0
Equity to holders of parent company	61,4	48,1	69,0
Non-controlling interest in capital	0,2	1,1	1,2
Equity	61,6	49,2	70,2
Total liabilities and equity	1094,2	731,3	632,2

BIS adequacy (%)



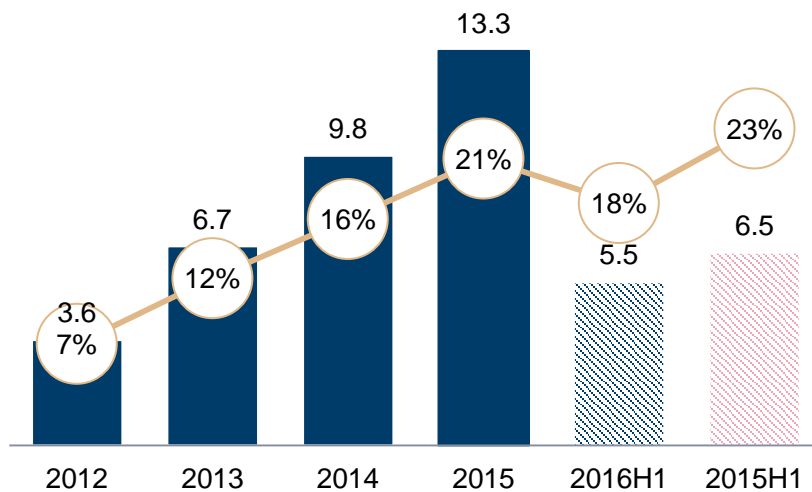
Key ratios

	un-audited		audited			
	2016 H1	2015 H1	2015	2014	2013	2012
Return on equity-% (ROE)	18,5 %	19,9 %	20,2 %	15,2 %	11,5 %	4,3 %
Cost-income ratio	0,83	0,80	0,79	0,84	0,88	0,93
Core BIS capital adequacy, %	15,6 %	13,9 %	19,2 %	15,2 %	13,9 %	14,6 %
Earnings/Share, diluted (IFRS)*	0,25	0,19	0,53	0,31	0,24	0,08
Paid dividend/share*	0,31**	-	0,21	0,21	0,24	0,24
Paid capital distribution/share*	-	-	0,20	-	-	-
Personnel, at the end of period	247	244	248	242	245	243
Return on assets-% (ROA)	1,4 %	1,7 %	2,2 %	1,4 %	0,9 %	0,4 %
Equity ratio	5,6 %	6,7 %	11,1 %	10,7 %	8,5 %	8,3 %

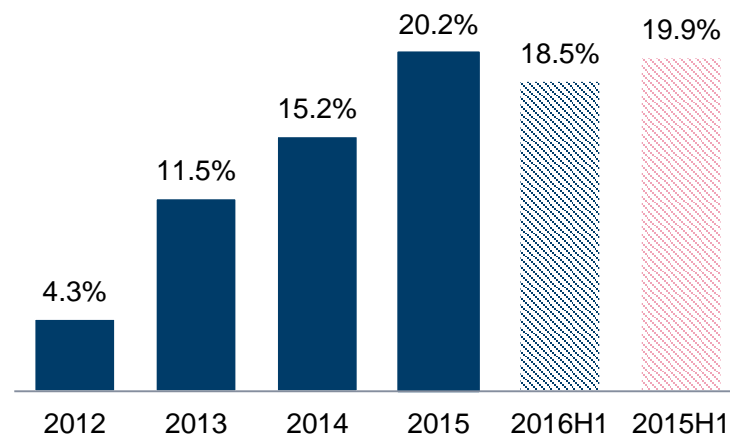
*Split corrected sharecount

** Paid on 17.3.2016 according to AGM decision

Operating profit for the period (EURm)

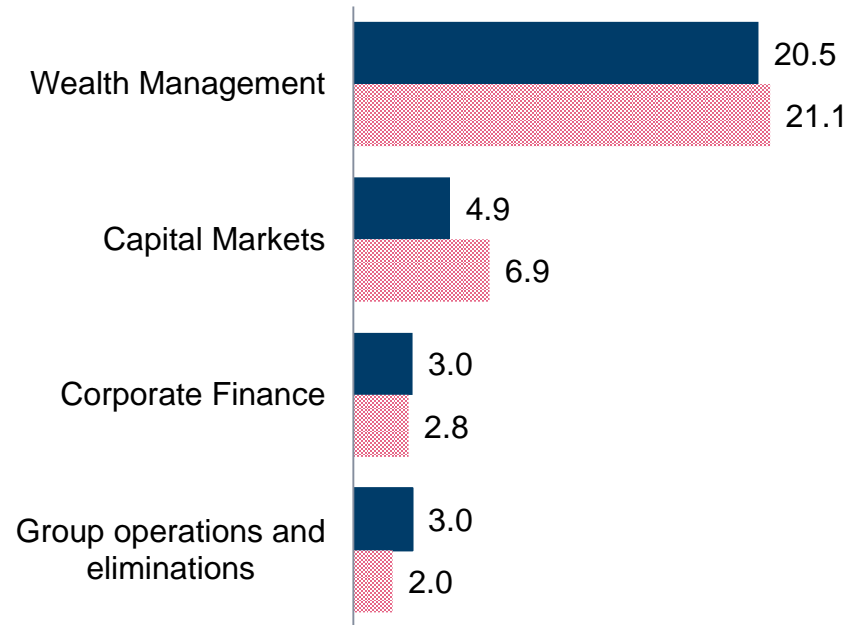


Return on equity (%)

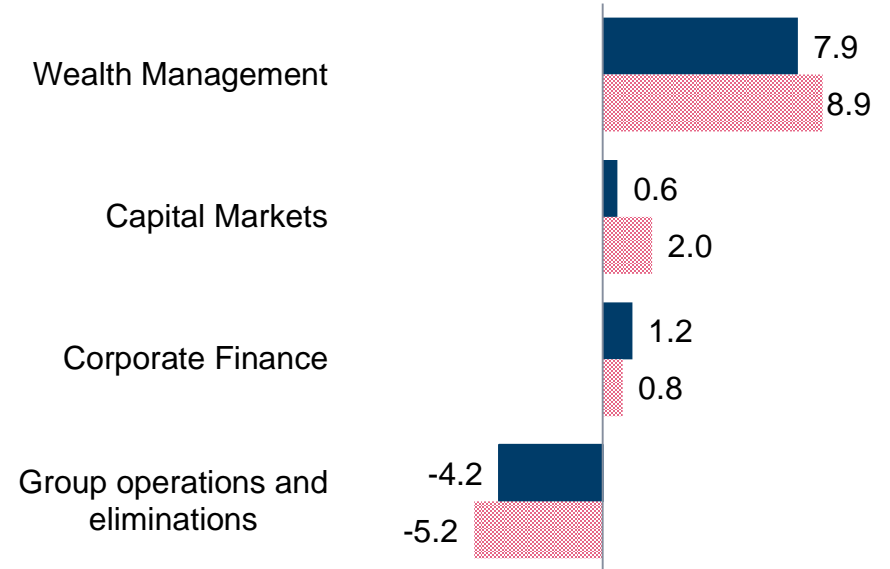


Segment profitability

Net revenue



Profit before allocations

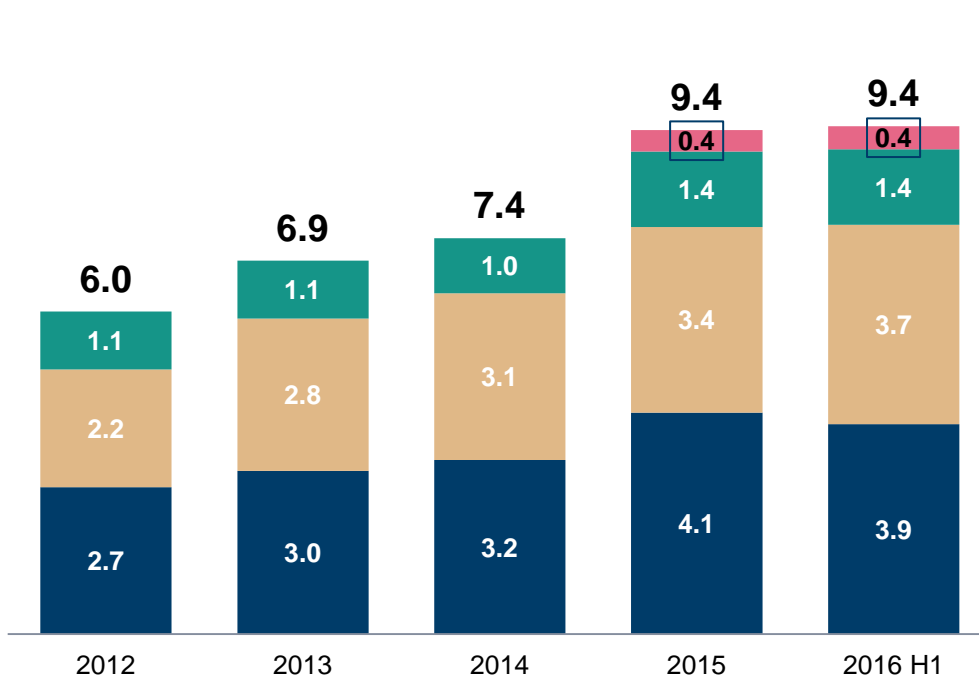


 H1 2016

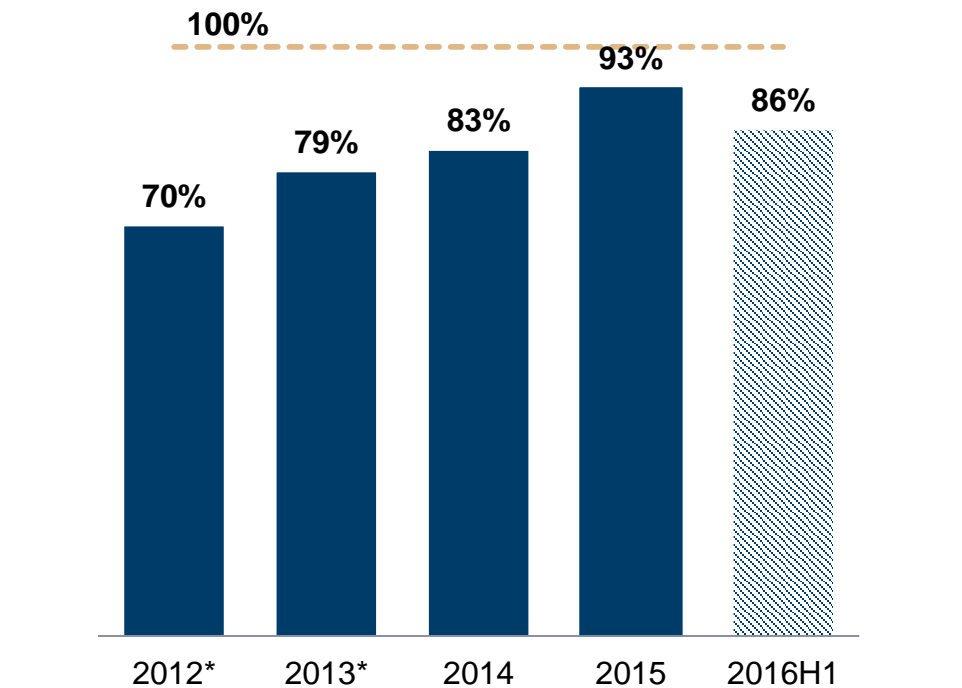
 H1 2015

Strategic KPI figures in line with targets

Assets under Management (EUR billion)



Recurring revenues to operational costs



Evli Alexander Management AUM

Northern Horizon Capital AUM

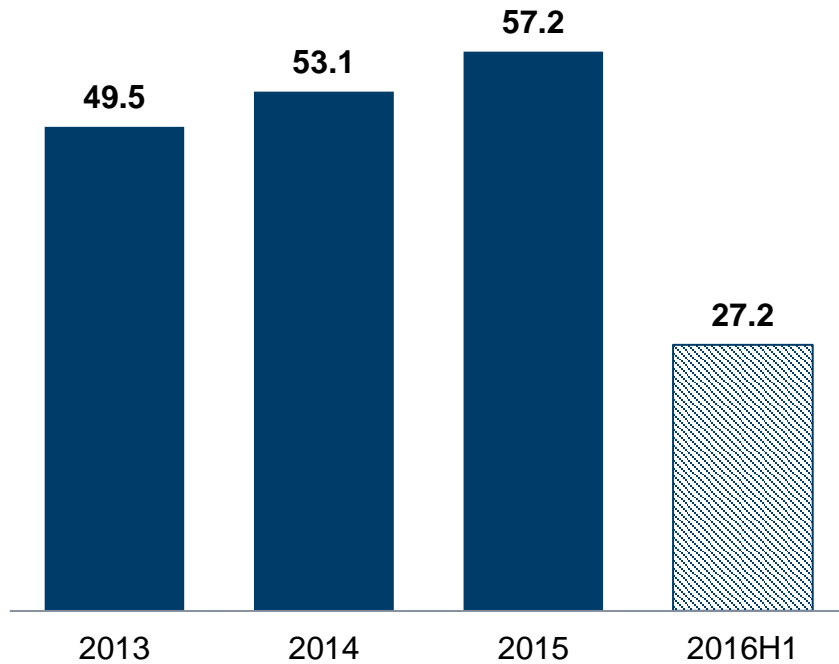
Evli Group's AUM

Recurring revenues to operational costs, target

Recurring revenue ratio

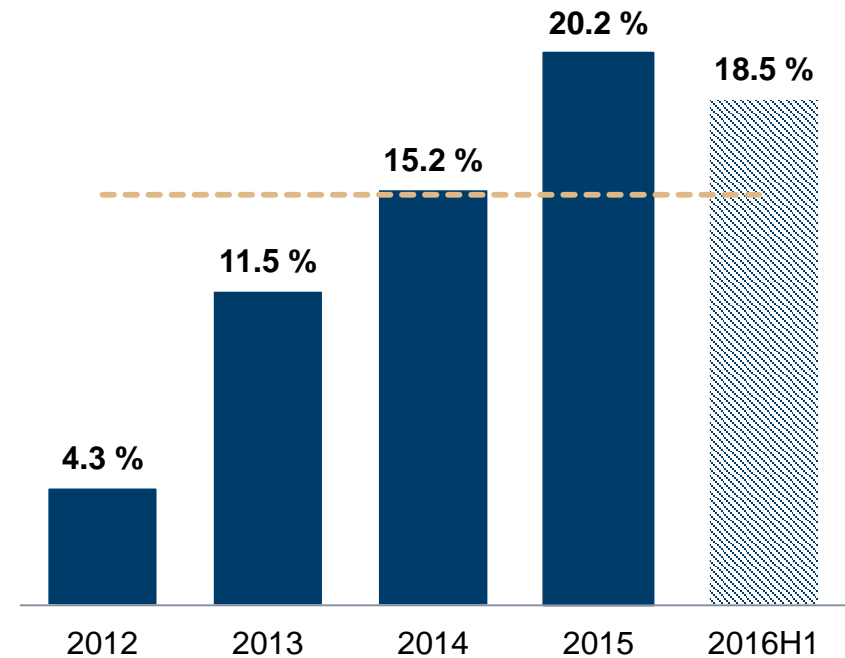
Strategic KPI figures in line with targets

Net fee income (EURm)



Net fee income (EURm)

Return on Equity % (ROE)



Target rate for return on Equity -%

Return on Equity - %

Cornerstones of Evli strategy – Simply Unique

*EVLI's core strengths and uniqueness are built around: 1) a 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**. These are the cornerstones of "simply unique".*

Themes for 2016

- Streamlining of core investment processes
- Digitalization and client experience
- Alternative investment products
- International sales

Outlook for 2016

“Evli’s business performance has been strong in recent years, and interest in Evli’s services and products is expected to remain stable. In the Corporate Finance business, substantial fluctuations in annual profits are possible. The unit’s mandate base is at a healthy level. The ratio of Evli’s recurring revenue to expenses has developed as planned. We believe that the result for 2016 will be clearly positive.”

Contact information

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