

EVLI

2017

**Evli Bank Plc
Half Year Financial report
January – June 2017**

Maunu Lehtimäki, CEO
Juho Mikola, CFO

14.7.2017

Agenda

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2 Financial Figures 1-6/2017

3 Business Segments

4 Outlook

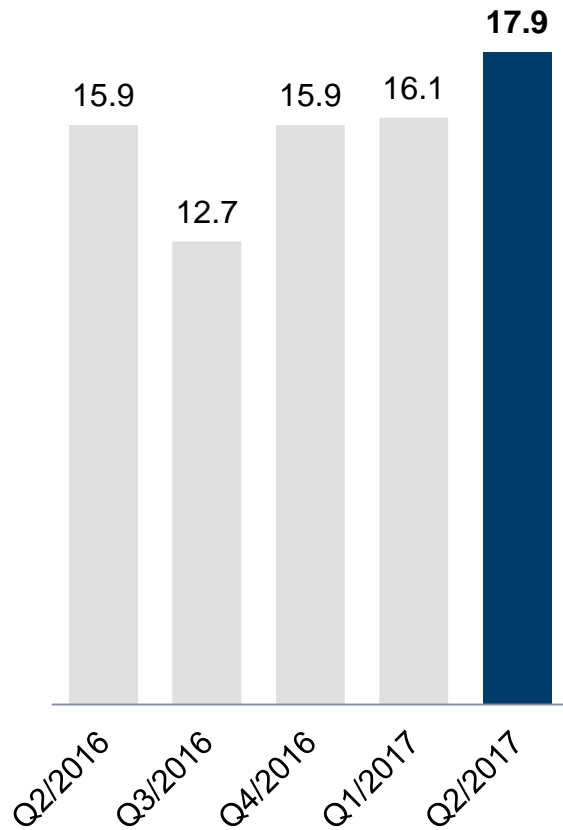
The operating profit almost doubled during the review period

- Evli Group revenues grew 9% to EUR 34.1 million
- Evli Group operating profit grew 80% to EUR 9.8 million
- Strong performance in Wealth Management and Investor Clients-segment
 - Assets under management at an all time high of EUR 11.8 billion
 - Net subscriptions to Evli funds EUR 820 million, 3rd most in Finland
 - International sales of Evli funds clearly positive
- Firm outlook in Advisory and Corporate Clients-segment
 - Corporate Finance mandate base developed favorably, but closing fees lagged
 - Evli Awards Management continued its steady positive development
 - Evli Research Partners has had a good start - over a dozen signed research service agreements

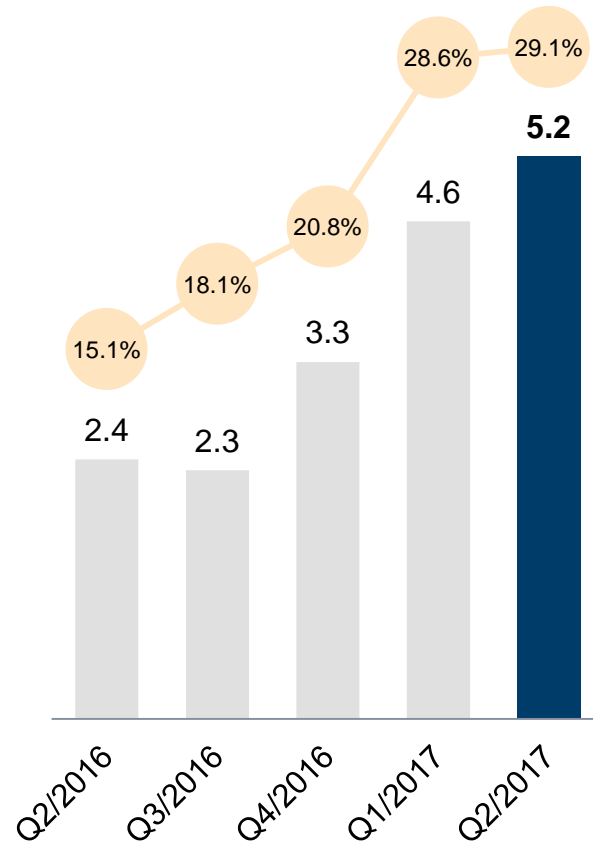
Financial Figures

Quarterly Figures Q2/2016 – Q2/2017

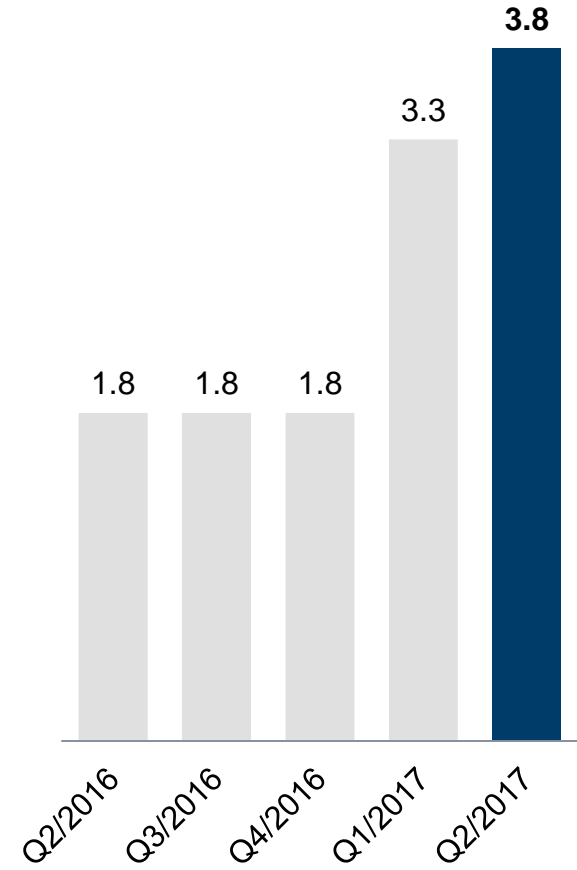
Net Revenue
(million euros)



Operating Profit (million euros)
and Profit margin (%)

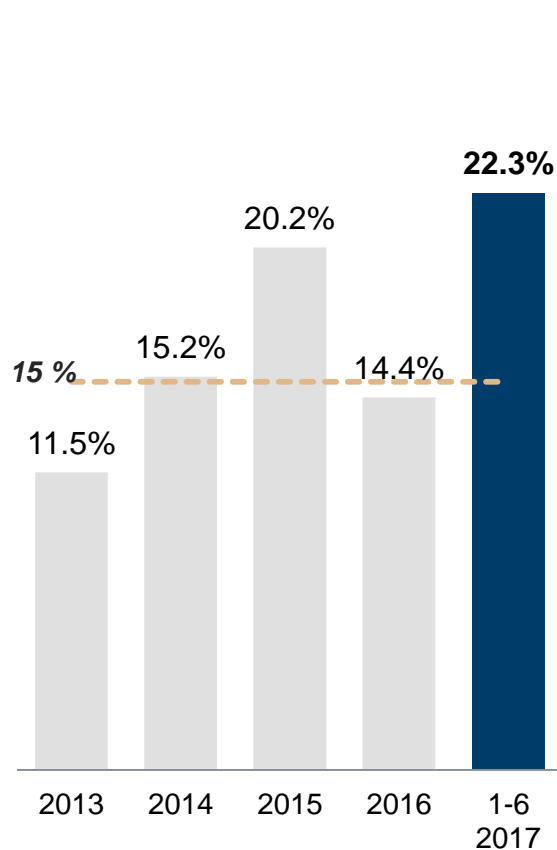


Net Profit
(million euros)

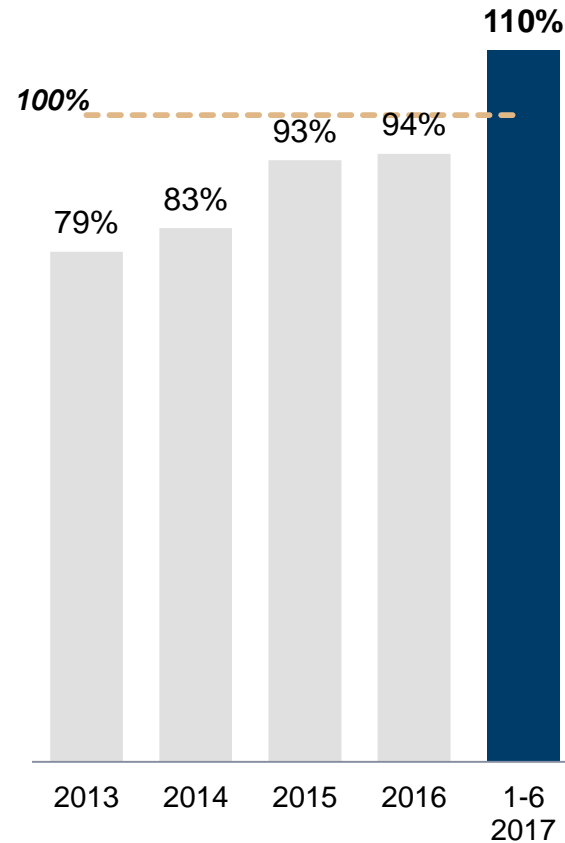


Key Figures 2013 – 1-6/2017

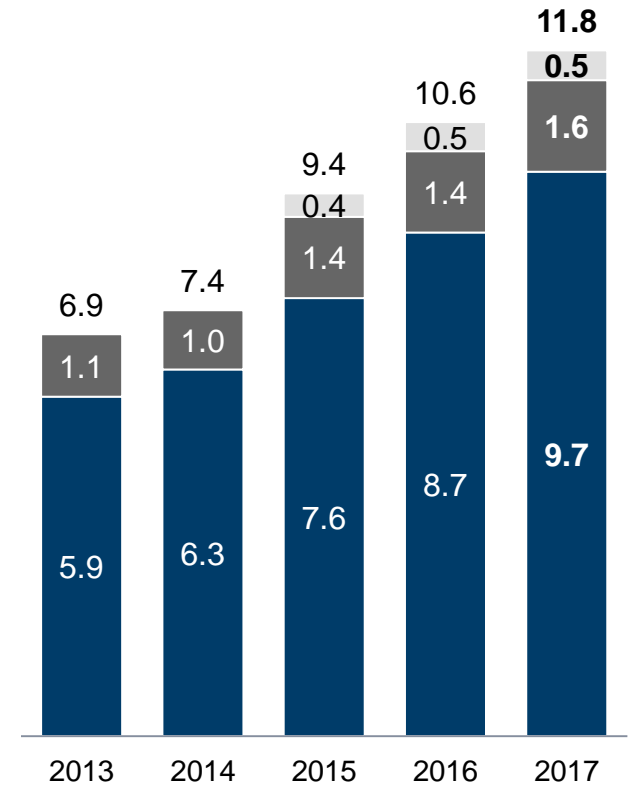
Return on Equity (%)



Proportion of Recurring Revenues to Operating Expenses (%)



Net Assets Under Management (billion euros)



■ Northern Horizon Capital ■ Evli Awards Management
Yhteensä

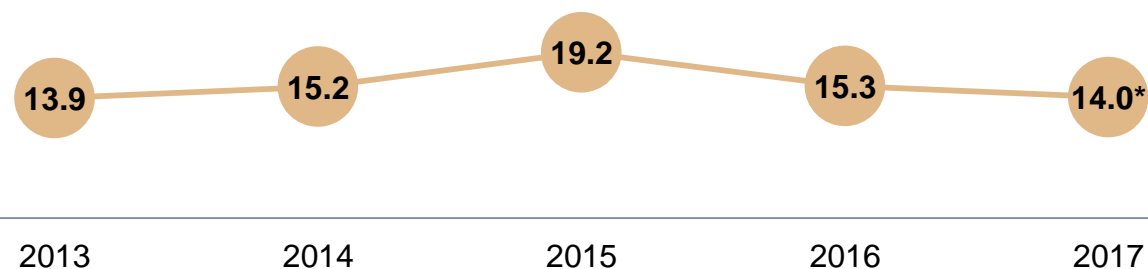
Profit and Loss Statement

EURm	2017 H1	2016 H1	2016	2015	2014	2013
Net interest	0.5	1.0	1.6	1.4	1.0	0.5
Net commission	30.6	27.2	54.3	57.2	53.1	49.5
Net income from securities trading and FX	3.0	3.1	4.0	5.4	5.2	5.2
Other operating income	0.0	0.0	0.1	0.2	0.4	0.4
NET REVENUE	34.1	31.4	60.0	64.2	59.7	55.5
Administrative expenses						
Personnel expenses	-14.2	-14.5	-27.7	-27.5	-26.7	-26.0
Other administrative expenses	-7.4	-7.8	-14.8	-15.8	-14.0	-13.9
Depreciation and amortization	-1.1	-1.8	-3.1	-3.9	-5.3	-4.7
Other operating expenses	-1.5	-1.7	-3.3	-3.8	-4.0	-4.2
Impairment losses	-	-	-	-	-	-
NET OPERATING PROFIT/LOSS	9.8	5.5	11.1	13.3	9.8	6.7
Share of profit/loss of associates	-0.8	1.8	1.1	2.1	0.3	0.2
PROFIT BEFORE TAXES	9.0	7.3	12.1	15.4	10.0	6.9
Taxes	-2.0	-1.2	-2.4	-3.0	-2.4	-1.2
PROFIT/LOSS FOR THE PERIOD	7.1	6.1	9.7	12.3	7.7	5.6
Attributable to						
Non-controlling interest	-0.1	0.1	-0.2	0.9	0.9	0.6
Equity holders of parent company	7.2	6.0	9.6	11.5	6.8	5.0

Balance sheet

ASSETS, EURm	30.6. 2017	30.6. 2016	31.12. 2016	LIABILITIES, EURm	30.6. 2017	30.6. 2016	31.12. 2016
Liquid assets	438.9	315.6	203.1				
Debt securities eligible for refinancing with central banks	31.2	56.3	39.1	Liabilities to credit institutions and central banks	50.5	22.1	5.5
Claims on credit institutions	54.7	98.8	66.0	Liabilities to the public and public sector entities	622.1	629.1	445.0
Claims on the public and public sector entities	83.1	64.5	70.4	Debt securities issued to the public	88.2	33.1	46.1
Debt securities	213.9	194.1	183.9	Derivative contracts and other trading liabilities	42.2	57.8	41.0
Shares and participations	61.2	63.7	65.8	Other liabilities	237.7	290.5	152.2
Participating interests	2.3	3.8	3.0	Liabilities	1 040.7	1 032.6	689.7
Derivative contracts	29.9	22.9	26.9	Equity to holders of parent company	61.8	61.4	64.9
Intangible and tangible assets	11.7	11.3	11.8	Non-controlling interest in capital	0.1	0.2	0.4
Other assets	175.9	263.3	84.8	Equity	61.9	61.6	65.3
Total assets	1 102.7	1 094.3	755.0	Total liabilities and equity	1 102.7	1 094.2	755.0

BIS adequacy (%)



*2017 figure calculated excluding the profit for the period

Key Ratios and Performance Indicators

	Un-audited		Audited			
	2017 H1	2016 H1	2016	2015	2014	2013
Return on equity (ROE)	22.3%	18.5%	14.3%	20.2%	15.2%	11.5%
Cost-income ratio	0.71	0.83	0.82	0.79	0.84	0.88
Core BIS capital adequacy	14.0%	15.6%	15.3%	19.2%	15.2%	13.9%
Earnings/Share, diluted (IFRS)	0.31	0.25	0.40	0.53	0.31	0.24
Dividend/share	-	-	0.40	0.31	0.21	0.21
Capital distribution/share	-	-	-	-	-	0.20
Personnel, at end of period	254	247	244	248	242	245
Return on assets (ROA)*	1.53%	1.4%	1.4%	2.2%	1.4%	0.9%
Equity ratio	5.6%	5.6%	8.6%	11.1%	10.7%	8.5%

Strategic KPI

Return on Equity **22.3%**
(Target 15%)

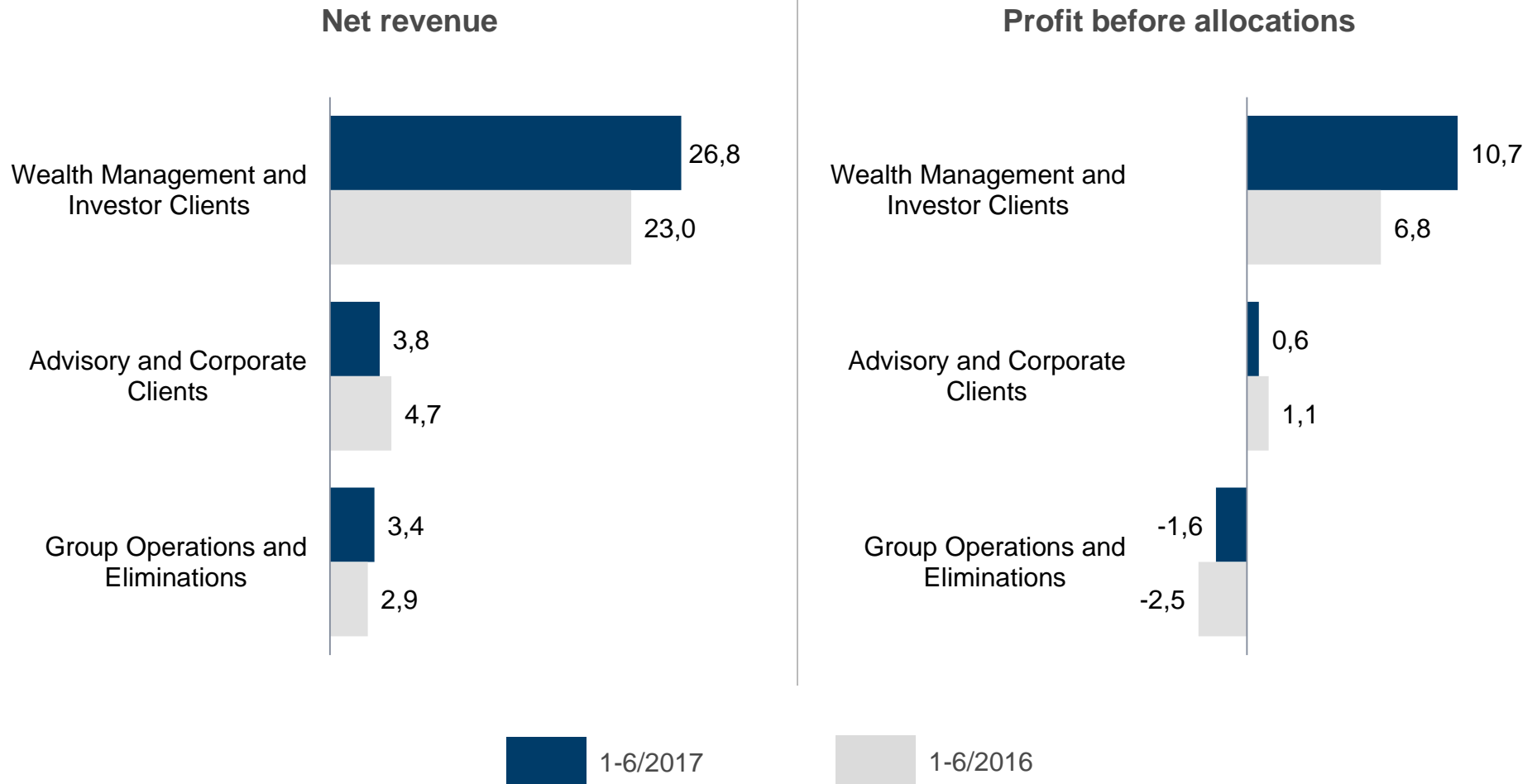
Recurring revenue to operational costs **110%**
(Target 100%)

Assets Under Management **11.8 Billion€**

Net fee income **30.6 M€**
(1-6/2017)

Business Segment

Business Segment Profitability



Wealth Management and Investor Clients

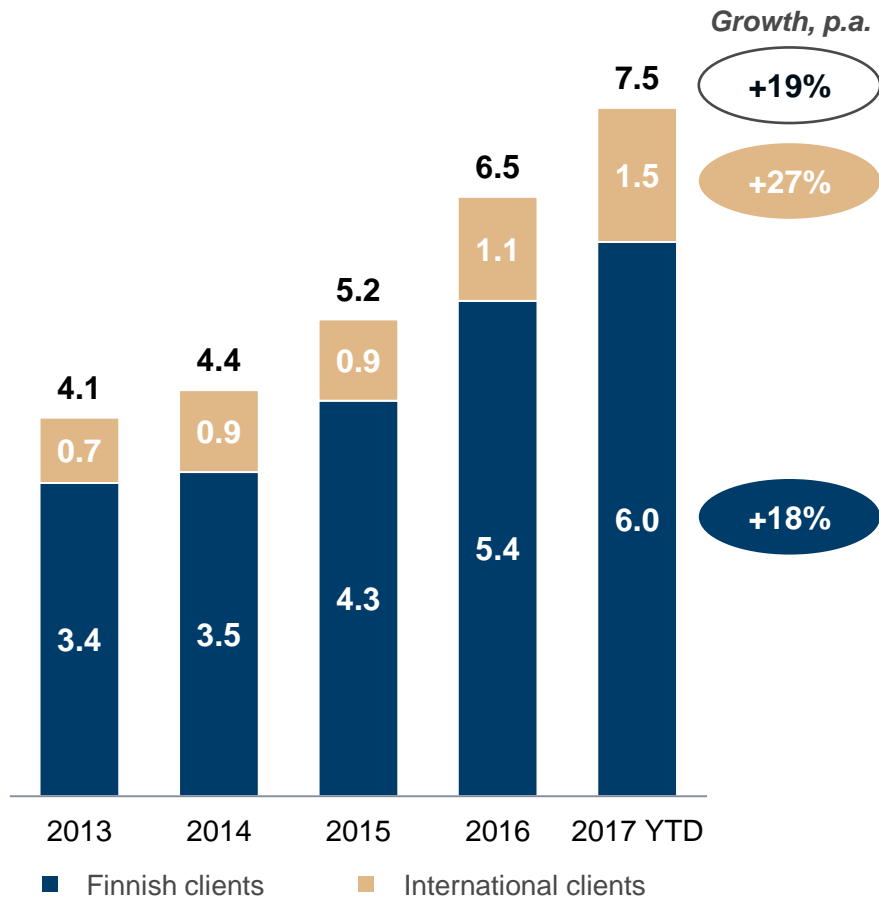
- Growth in AUM and number of clients
- Finland's 4th largest Fund Management Company. Market share increased to 6.6%
- International fund sales developed favorably. International investors share of Evli fund AUM increased to 20%
- Best digital client experience to private clients in Finland*
- Best institutional asset manager in Finland**
- Evli Global awarded as best global equity fund***
- Evli Emerging Frontier Fund best Nordic equity fund investing in Emerging Markets****

	1-6 2017	1-6 2016	Change %
Net revenue, M€	26.8	23.0	16%
Operating profit/loss before Group allocations, M€	10.7	6.8	58%
Operating profit / loss, M€	7.3	2.4	205%
Personnel, at the end of period	170	162	5%
Market share (Evli Fund Company), %*****	6.6	5.7	
Net subscriptions to own funds, M€*****	823	476	

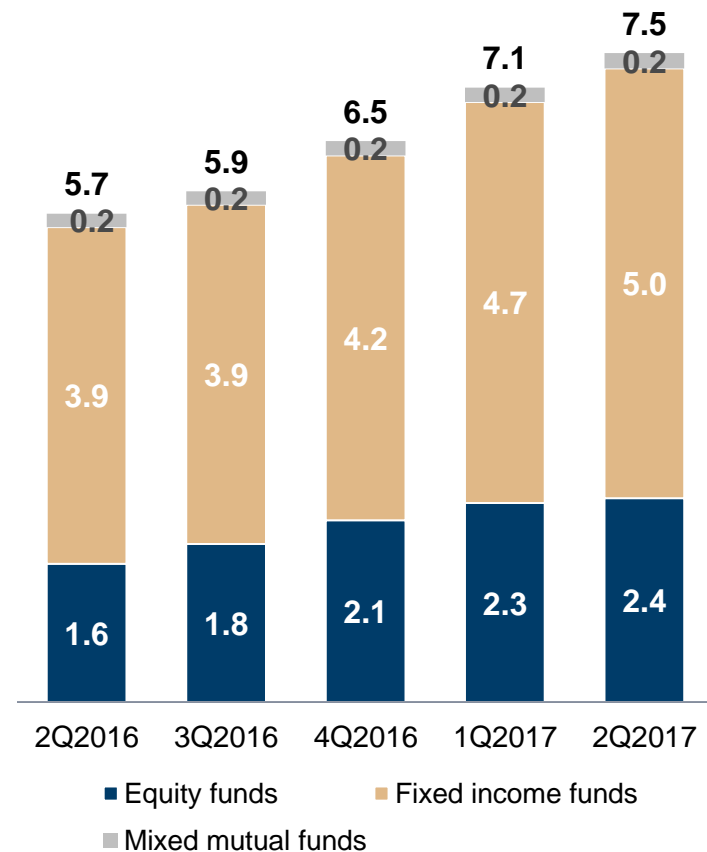
* Euromoney Private Banking and Wealth Management Survey 2017, ** TNS Sifo Prospera “External Asset Management Finland 2017” –survey, *** Swedish Fondmarknaden.se and Privata Affärer publications, Morningstar in Finland and Sweden, **** Lipper Fund Awards 2017 ***** Fund report by Finanssialan Keskusliitto ry

Assets in mutual funds

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



Split of assets in mutual funds Q2/2016-Q2/2017 (EUR billion)



*Note: Wealth Manager fund included in numbers.

Advisory and Corporate Clients

- Corporate Finance lower invoicing, but a good development in the mandate base
- Incentive program management business continued its steady growth
- Sales of company research services to listed companies has started well and signed a dozen of agreements with listed companies

	1-6 2017	1-6 2016	Change %
Net revenue, M€	3.8	4.7	-19%
Operating profit/loss before Group allocations and bonuses, M€	0.6	1.1	-49%
Operating profit / loss, M€	0.2	1.1	-84%
Personnel, at the end of period	37	38	-3%

Group Operations

- Net income growth mainly driven by strong FX result
- No major deviations in costs

	1-6 2017	1-6 2016	Change %
Net revenue, M€	3.4	2.9	16%
Operating profit/loss before Group allocations and bonuses, M€	-1.6	-2.5	-
Operating profit / loss, M€	2.2	1.9	13%
Personnel, at the end of period	50	50	0%

Outlook for 2017 updated

Outlook for 2017 updated

- *Due to significant growth in Assets under management in the Wealth Management and Investor clients business area, the proportion of recurring revenue to operating expenses is expected to exceed the long-term target level of 100%*
- *Performance of the Advisory and Corporate Clients business area has been positive despite the lower level of activity in Corporate Finance*
- *Return from investment activities through own balance sheet has grown considerably on the previous year*
- *Resulting from this, the result for 2017 is estimated to exceed that of the previous year.*
- *Previous guidance:
We estimate that the result for 2017 will be clearly positive.*

THANK YOU!

Upcoming events in the investor calendar:

- Interim report 1-9/2017 and Investor presentation: October 26, 2017
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