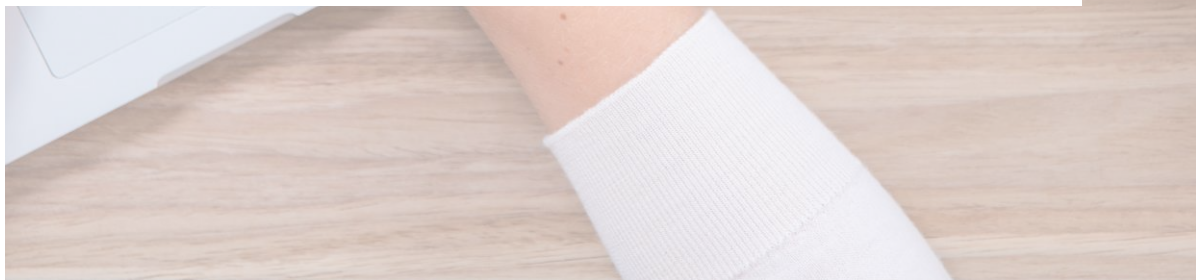




FINANCIAL STATEMENTS BULLETIN JANUARY-DECEMBER 2018



GOOD RESULT IN A CHALLENGING MARKET ENVIRONMENT

- In the Wealth Management and Investor Clients segment operating profit increased and was EUR 17.4 million (1-12/2017: EUR 16.2 million)
- The operating profit in the Advisory and Corporate Clients segment declined and was EUR 2.2 million (EUR 2.4 million)
- The revenues from the trading activities through the own balance sheet declined by EUR 4.2 million compared to the previous year, which led to a decrease of the operating profit in the Group Operations segment.

January-December 2018

- The net revenue was EUR 68.5 million (EUR 71.4 million)
- The operating profit was EUR 18.9 million (EUR 21.3 million). The result was weakened by non-recurring costs of EUR 0.6 million related to operational efficiency actions
- The profit for the financial year was EUR 17.3 million (EUR 17.5 million)
- Evli's diluted earnings per share were EUR 0.68 (EUR 0.72) and return on equity was 23.0 percent (25.5%)
- A dividend of EUR 0.61 per share is proposed (EUR 0.52 per share)
- Net assets under management grew year on year and totaled EUR 11.4 billion (EUR 11.2 billion) at the end of December
- The proportion of recurring revenue to operating costs was 113 percent (113%).

October-December 2018

- The net revenue was EUR 17.5 million (EUR 21.0 million). The revenue was affected by EUR 1.5 million lower performance-based fees than in the comparison period and the lower return from the own balance sheet investment activities
- The operating profit was EUR 3.6 million (EUR 6.5 million). The result was weakened by non-recurring costs of EUR 0.6 million related to operational efficiency actions
- Earnings per share amounted to EUR 0.07 (EUR 0.21).

Outlook for 2019

The risks associated with the general trend in the equity and fixed income markets are high due to the prevailing uncertainty on the markets. A possible continued decline in equity prices or a reduction in investors' risk appetite would have a negative impact on the company's profit performance. Evli Group's assets under management have grown substantially in recent years, which softens the result-impact of any reversal of the market. Sales of alternative investment products, in particular, have brought new, stable revenue. Evli has initiated a series of internal, strategy-based actions and cost savings, leading to improvements in the company's cost effectiveness.

There has been positive development in the demand for advisory services, and its outlook for 2019 is stable. Own balance sheet investments share of Evli's business decreased during 2018. Nevertheless, it may have a significant impact on the company's result performance. In the advisory business and in own investment activities, fluctuations in quarterly and annual returns are possible. Customer's demand for Evli's products and services has continued to be good, which has also led to a systematic increase in lending.

Because of profitable and stable development, we estimate that the result for the 2019 financial year, will be clearly positive.

KEY FIGURES

	1-12/2018	1-12/2017
Income statement key figures		
Operating income, M€	68.5	71.4
Operating profit/loss, M€	18.9	21.3
Operating profit margin, %	27.6	29.8
Profit/loss for the financial year, M€	17.3	17.5
Profitability key figures		
Return on equity (ROE), %	23.0	25.5
Return on assets (ROA), %	1.9	2.0
Balance sheet key figures		
Equity-to-assets ratio, %	9.5	7.6
Group capital adequacy ratio, %	16.2	15.0
Key figures per share		
Earnings per Share (EPS), fully diluted, €	0.68	0.72
Comprehensive Earnings per Share (EPS), fully diluted, €	0.67	0.69
Dividend per share, €*	0.61	0.52
Equity per share, €	3.27	3.10
Share price at the end of the period, €	7.28	9.60
Other key figures		
Expense ratio (operating costs to net revenue)	0.72	0.70
Recurring revenue ratio, %	113	113
Personnel at the end of the period	254	240
Market value, M€	172.5	224.9

*Dividend for 2018, proposal by the Board of Directors

Maunu Lehtimäki, CEO

Despite the challenging market environment, we succeeded in increasing the sales of our strategic focus areas in 2018. Our international fund capital grew to EUR 1.9 billion and foreign customers' share of Evli's fund capital grew to 25 percent. Correspondingly over EUR 300 million in investments were raised for alternative investment products. In addition, we signed an agreement in December on buying Ab Kelonia Placering Oy. With this deal, the management of the private equity fund investments of nine important Finnish foundations, totaling some EUR 210 million, are transferred to the Evli Group.

In Finland, the sales of fund products and wealth management services also developed favorably. Although the total net subscriptions of Finnish fund management companies were clearly negative in 2018, the net subscriptions of Evli funds increased by about EUR 0.5 billion. At the end of the year, our fund capital stood at EUR 7.8 billion, which makes Evli Finland's fourth largest fund management company. The assets under management grew to EUR 11.4 billion.

In the Advisory and Corporate Clients-segment, Corporate Finance business improved sales after the weaker third quarter of the year. The company's mandate base has remained good, resulting in a favorable outlook for the future. The business of incentive system management continued its steady development, driven by new client relationships and broader incentive programs of existing clients. The sale of analysis services to listed companies launched a couple of years ago also developed favorably and increased their client base.

However, our operating profit was eleven percent lower than in 2017, largely because of two factors. Due to the decline in the stock market our performance-based fees declined substantially from last year's EUR 2.5 million. In addition, the returns from our treasury operations and market-making fell well short of 2017 due to a challenging market environment.

During the end of the year, we continued to develop our digital services and the unique client experience, and to enhance our cost structure. Our projects to improve client experience in 2018 were among others improving the features of the My Evli online service, transitioning to a fully paperless office and focusing on collecting client feedback in asset management. The several projects aiming at cost reductions included among others the decision to discontinue our market-making operations, and bond and stock brokerage in Sweden. In addition to their impact on costs, these measures will reduce our risks and reinforce our focus on asset management operations that accumulate recurring commission income. In 2019, we will continue our strategy-based actions and cost saving implementations.

Due to the weakening of market conditions, the outlook for 2019 has become challenging. However, we estimate that by continuing to invest in our strategic focus areas and concentrating on achieving stable and profitable growth, the result for 2019 will be clearly positive.

MARKET PERFORMANCE

During 2018, economic growth, which has continued for several years, showed signs of slowing, and economic uncertainty increased especially towards the end of the year. The waning of growth was the most visible in Europe, Japan, and export-driven countries in the emerging markets. Factors contributing to the decline included the weakened global economic outlook, uncertainty over the expansion of the trade war between the USA and China, the growth of protectionism, and increased political risks in Europe. The equity and corporate bond markets declined considerably during the final quarter of the year, and the quarter was the weakest in over 10 years. The poor performance of the markets is also illustrated by the fact that in the USA, equity market performance in December was the weakest since the Great Depression in 1931.

The US Federal Reserve (Fed) continued raising interest rates in December and cutting down its balance sheet during the fourth quarter. Thus, at the same time Fed indicated that it is assessing to slow down the monetary policy tightening, due to the weak economic outlook and the weakening of the global economic environment. The European Central Bank (ECB) ended its bond purchases at the end of December, according to plan, but Mario Draghi, President of the European Central Bank, assured the ECB will continue to be cautious in its monetary policy.

Despite relatively strong earnings growth and still decent economic growth levels, equity index valuation levels dropped dramatically during the fourth quarter. Market returns were weak in all stock markets. US equities (S&P 500) fell 13.5 percent and European equities (Stoxx 600) fell 11.6 percent in the fourth quarter. At the same time, Finnish shares (OMX Helsinki Cap) fell by 14.4 per cent.

In fixed income investments, euro area government bond values rose 1.5 percent in the fourth quarter, as investors fled to safer asset classes like government bonds. Higher-rated investment grade corporate bond values declined by 0.6 percent in the fourth quarter, while the lower-rated high yield corporate bond values fell by 3.7 percent. The euro continued to weaken and was -1.3 percent against the dollar.

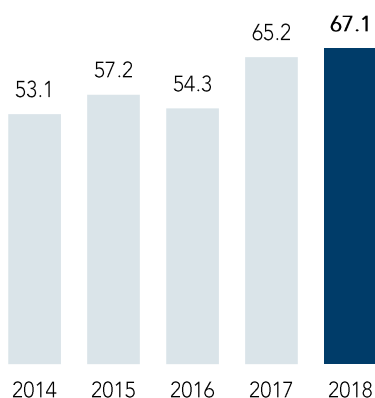
DEVELOPMENT OF REVENUE AND RESULT

January-December

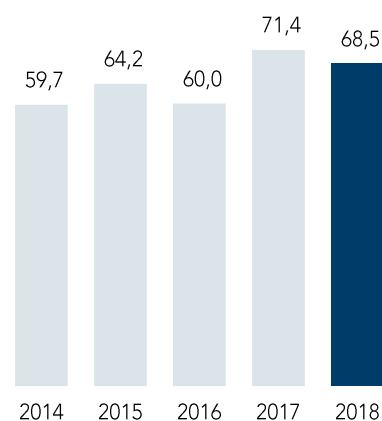
The Evli Group's net commission income grew by 2.8 percent in 2018 compared to the previous year and was EUR 67.1 million (EUR 65.2 million). The growth was mainly the result of positive development in fund commissions due to successful acquisition of new clients. In the challenging market environment, performance-based fees from mutual funds and wealth management were lower than the previous year and were EUR 0.2 million (EUR 2.5 million). In addition, the net returns from securities transactions and foreign exchange dealing declined significantly from the previous year to EUR 0.7 million (EUR 4.9 million). An impairment of EUR 0.6 million made on an investment in Evli's own balance sheet during the second quarter had a negative impact on the net returns from securities transactions. Overall, during the review period, the Evli Group's net revenue declined four percent year on year and was EUR 68.5 million (EUR 71.4 million).

Overall costs for January-December, including depreciation, amounted to EUR 49.6 million (EUR 50.1 million). The costs for the review period included EUR 0.6 million in non-recurring items related to operational restructuring carried out during the final quarter of the year. The Group's personnel expenses totaled EUR 27.9 million (EUR 28.9 million) including estimated performance bonuses for the personnel. The Group's administrative expenses were EUR 15.9 million (EUR 15.1 million). The Group's depreciation, amortization and write-downs were EUR 2.1 million (EUR 2.3 million). Other operating expenses totaled EUR 3.6 million (EUR 3.9 million). Other operating expenses include a non-recurring expense related to the acquisition of Aurator Asset Management Ltd's minority equities, totaling EUR 0.4 million. Evli's expense/income ratio was 0.72 (0.70).

Net commission income (M€)



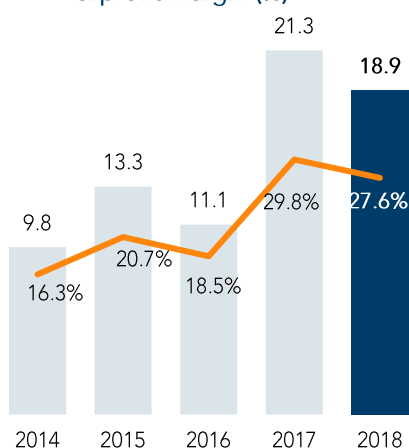
Net Revenue (M€)



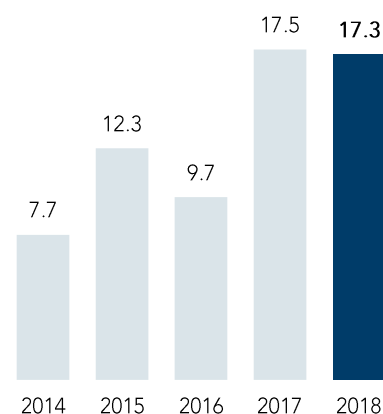
During the last few years, Evli has invested significantly in among others the development of IT-systems, with the aim of improving efficiency of operations. The related projects have now reached a phase where the level of recurring expenses for 2019 is expected to decrease from the 2018 level.

The Group's operating profit for the review period declined by eleven percent compared to the previous year and was EUR 18.9 million (EUR 21.3 million). The operating margin was 27.6 percent (29.8%). The profit for the review period was EUR 17.3 million (EUR 17.5 million). The Group's annualized return on equity was 23.0 percent (25.5%), which clearly exceeds the long-term return on equity target of 15.0 percent.

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



Net profit (M€)



October-December

During the fourth quarter Evli Group's net revenue declined from the previous year and stood at EUR 17.5 million (EUR 21.0 million). This was a result of the substantial decline in performance-based fees, with fees dropping to EUR 0.2 million (EUR 1.7 million) during the review period. Balance sheet investment activities also generated lower returns than in the comparison period. The Group's net commission income declined by 11.4 percent and was EUR 17.7 million (EUR 19.9 million). Similarly, returns from securities transactions and foreign exchange dealing were lower than the comparison period and were EUR -0.4 million (EUR 0.5 million).

Overall costs for the final quarter of the year, including depreciation were EUR 13.9 million (EUR 14.5 million). The costs included EUR 0.6 million in non-recurring items related to operational restructuring.

The Group's fourth-quarter operating profit was EUR 3.6 million (EUR 6.5 million), due to the revenues from the trading activities through the own balance sheet and the performance-based fees being lower than in the previous year. The operating margin was 20.5 percent (30.9%). The profit for the period was EUR 2.5 million (EUR 5.7 million).

Balance sheet and funding

At the end of the year, the Evli Group's balance sheet total was EUR 815.5 million (EUR 960.7 million). Due to daily changes in client activity, significant fluctuations in the size of the balance sheet total are possible from one quarter and from one year to the next. At the end of the review period, the Evli Group's equity was EUR 77.4 million (EUR 72.5 million).

Evli applies the standardized approach (capital requirement for credit risk) and the basic indicator approach (capital requirement for operational risk) in its capital adequacy calculation. The Group's capital adequacy ratio of 16.2 percent clearly exceeds the regulator's requirement of 10.5 percent including the extra capital requirement. The Group's own minimum target for capital adequacy is 13.0 percent.

The Group's funding from the public and credit institutions decreased by 15.1 percent compared to the comparison period. The company's loan portfolio increased by 24.5 percent year on year to EUR 114.6 million. The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 24.4 percent. The Group's liquidity is good.

COMMON EQUITY TIER 1 CAPITAL, M€	31.12.2018	31.12.2017
Share capital	30.2	30.2
Funds total and retained earnings	30.1	24.7
Minority interest	0.0	0.0
<i>Decreases:</i>		
Intangible assets	11.4	9.7
Other decreases	0.0	2.1
Total common equity tier 1 capital	48.8	43.0

Evli Bank has no tier 2 capital.

Minimum requirement of own funds, M€

	31.12.2018 Min. requirement	31.12.2018 Risk-weighted value
Minimum capital adequacy requirement by asset group, standard credit risk method:		
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	2.8	35.0
Investments in mutual funds	1.8	22.4
Claims secured with property	0.1	1.1
Claims from corporate customers	2.7	34.0
Items with high risk, as defined by the authorities	0.1	1.5
Other items	6.1	76.6
Minimum amount of own funds, market risk	0.5	6.7
Minimum amount of own funds, operational risk	9.9	123.8
Total	24.1	301.1

BUSINESS AREAS

Wealth Management and Investor Clients

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

Wealth Management

The sales of Evli's Wealth Management services developed favourable during 2018. The number of clients continued to grow in both traditional and digital asset management. At the end of the review period, Evli had EUR 4.9 billion (EUR 4.8 billion) in discretionary asset management assets, which includes both the traditional and the digital services.

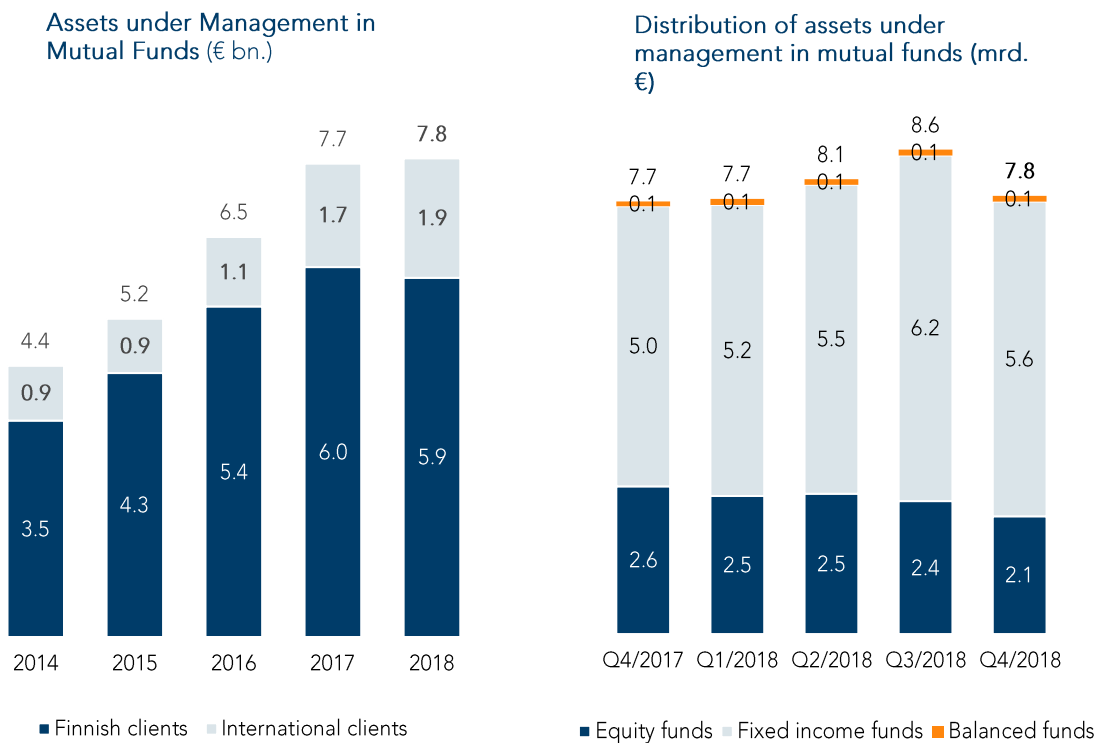
During the beginning of the year, Evli received recognition in a survey by Euromoney, one of the world's top financial magazines. In the survey Evli was selected as best in Finland in the digital client experience, asset management research and asset allocation advice categories. Over the past few years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

During 2018, Evli also gained acknowledgment for its traditional asset management operations when it was ranked as Finland's best asset manager for the fourth time in a row by institutional investors. The survey was carried out by KANTAR SIFO Prospera. Evli was placed first in ten different quality criteria, including portfolio management competence, track record, product quality, sales competence and responsible investments (ESG). In addition to this, Evli's brand strength was assessed as the strongest in asset management services in Finland.

Evli was also ranked for the fourth time as best and most used institutional asset manager in Finland in SFR Scandinavian Financial Research -survey 2018. As a recognition of this, Evli was again awarded with the SFR Platinum Award. Evli received particular praise for its investment performance, stability and resources, responsible investments (ESG) and client service.

Investment products – traditional mutual funds

The high demand for Evli's mutual funds that are based on traditional equity and fixed income instruments continued, as in previous years. In a comparison of fund management companies, Evli received the highest number of net subscriptions in Finland, totaling EUR 518.3 million (EUR 991.0 million). This was an especially good achievement considering the negative performance of the entire mutual fund market. As a whole, net subscriptions in the Finnish mutual fund market were nearly EUR 4 billion negative during the review period. According to the Mutual Fund Report carried out by Investment Research Finland, Evli Fund Management Company's market share increased by 0.5 percentage points on the previous year and was 7.1 percent at the end of December. At the end of December, Evli had 29 investment funds registered in Finland. The combined assets of the traditional mutual funds managed by the company were EUR 7,844 million (EUR 7,720 million). Of this, EUR 2,077 million were invested in equity funds (EUR 2,631 million), EUR 5,614 million in fixed income funds (EUR 4,988 million) and EUR 98 million in balanced funds (EUR 85 million). Evli's clients invested the most new assets in the Evli Nordic Corporate Bond (EUR 467 million), the Short Corporate Bond (EUR 244 million) and the Evli Euro Liquidity (EUR 208 million), funds.



Evli has made responsibility one of its competitive factors. Responsibility factors have been integrated into investment operations in Evli's most substantial business area, Wealth Management, which means that responsible investment is a systematic part of portfolio management. In practice, this means that Evli uses its own internal ESG database, which enables portfolio managers to analyze responsibility factors in a systematic manner. In addition, the investments made by Evli's mutual funds are monitored regularly for any norm violations (for example human rights, corruption and environmental issues), and in Wealth Management, engagement with companies takes place both independently and jointly with other investors. Responsibility reports are also published for Evli's equity and corporate bond funds, and these are available to all investors. The new Evli Global X fund was launched in 2018 in response to client demand for funds operating with an exclusion strategy. The fund's investment operations comply with Evli's responsible investment policies, in addition to which the fund excludes companies that operate in controversial sectors.

One of Evli's strategic targets is to boost the international sales of its investment products. The company's funds are currently available to institutional investors in among others Italy, Spain, France, Germany, Portugal 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. By the end of December EUR 1.9 billion (1.7 billion) of Evli's fund capital came from clients outside of Finland.

At the beginning of 2018, Evli's fund knowledge was recognised in its domestic market and internationally. Evli Corporate Bond B -fund was selected as the best euro-denominated fixed income fund in Finland, Spain and France by Morningstar. In addition, Lipper Fund Awards awarded Evli "Best Group Over 3 years - Overall Small Company" and Evli Short Corporate Bond B -fund the best fund in the euro-denominated short-term fund category in France and Europe. The fund awards are given to the fund that has made the most consistent returns.

Investment products – alternative investment products

Another of Evli's strategic targets is to broaden its product selection in the area of alternative investment products. At the end of the review period, Evli had three real estate funds and two private equity funds in its product selection.

Regarding the real estate funds, the EAI Residential fund continued its steady growth according to plan. The demand for the fund is constantly greater than the number of investors that can be included in it. At the beginning of the year, Evli launched its own Evli Healthcare I fund. Due to high demand, it has been decided to keep the fund open for new investments until the end of February 2019, after which the plan is to close the fund to new investments. In addition, Evli launched another new alternative investment product during the second quarter: the Evli Rental Yield non-UCITS fund. The fund had, by the end of December already grown to over EUR 71 million. During 2018, Evli collected a total of EUR 312 million in its real estate funds.

Evli expanded its private equity fund operations significantly during the final quarter of the year by establishing a new private equity fund, Evli Growth Partners, and by acquiring Ab Kelonia Placering Oy. The Evli Growth Partners fund was launched in December with an initial stake of EUR 39 million, which is intended to be augmented in the future. Although the Kelonia acquisition was signed in December, the final transaction is expected to be implemented during the second quarter of 2019.

Investment products - others

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

On the other hand, the development in the brokerage of other investment products varied. The brokerage commissions for derivatives as well as ETF instruments decreased compared to the previous year. Whereas, the sale of structured investment products developed well as a consequence of increased client demand. Evli has strengthened the group's product sales by establishing a tied agent network, coordinated by Evli Investment Solutions Oy. At the end of December, Evli had six tied agents specializing in sales. The business has developed as planned and the net revenue increased substantially compared to the corresponding period of the previous year.

During the review period, Evli launched a number of strategic measures that resulted in the discontinuation of functions related to investment product brokerage, among other things. These were equity brokerage in Sweden and bond brokerage. The measures have a positive impact on the company's profitability.

KEY FIGURES - WEALTH MANAGEMENT AND INVESTOR CLIENTS SEGMENT

M€	1-12/ 2018	1-12/ 2017	Change %	10-12/ 2018	10-12/ 2017	Change %
Net revenue	57.4	55.4	3.7 %	14.4	15.5	-7.2 %
Operating profit/loss before Group allocations	26.5	22.9	15.8 %	6.7	6.6	2.3 %
Operating profit/loss	17.4	16.2	7.4 %	4.0	5.0	-19.6 %
Number of personnel	164	154	6.5 %			
Market share, %*	7.1	6.6				
Net subscriptions**	518	991				

*Evli Fund Management Company. Source: fund report by Finanssialan Keskusliitto ry

**Net subscription to own funds. Source: fund report by Finanssialan Keskusliitto ry

January-December

The Wealth Management and Investor Clients segment developed well during the review period. Net revenue increased by 3.7 percent on the corresponding period of the previous year and was EUR 57.4 million (EUR 55.4 million). The revenue performance was positively affected in particular by the growth in fund management fees as a result of new products and successful sales in the domestic and international markets. During the review period, EUR 0.2 million in performance-based fees were received as a result of asset management and funds (EUR 2.5 million).

October-December

The net revenue of the Wealth Management and Investor Clients segment decreased by 7.2 percent during the fourth quarter compared with the same period in 2017 and was EUR 14.4 million (EUR 15.5 million). The profit performance was affected by lower performance-based fees than in the comparison period, which were EUR 0.2 million (EUR 1.7 million).

Advisory and Corporate Clients

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

M&A transactions

In 2018, Evli acted as an advisor in 27 completed transactions. After a quiet third quarter, M&A activity accelerated towards the end of the year, and previously delayed orders were completed. Demand for the company's services has remained high and the company's mandate base has remained at a good level. As a result, the business's future outlook is favorable.

In the last quarter of the year, Evli acted as advisor in the following transactions:

- Miss Mary's sales to Scope, a Nordic growth equity fund
- Aurvandil's sales to Ratos' subsidiary Airteam
- Comiq Group Oy's sales to Alte Oy
- Dyn4m0 Consulting AB's sales to Combined Excellence AB
- Efore Plc's rights issue and the acquisition of Powernet Oy

Incentive systems

The Incentive systems business developed well during 2018, with revenue increasing from the comparison period. The revenue development was positively affected both by new clients and the more extensive incentive programs of existing customers. At the end of December, Evli was responsible for the administration of the incentive systems for about 60 mainly listed companies.

Investment research

The performance of Evli's investment research business area developed according to expectations during 2018. The paid research business continued to have a positive reception and the company gained two new clients during the fourth quarter. At the end of December, Evli's research service had 27 companies as clients.

KEY FIGURES - ADVISORY AND CORPORATE CLIENTS SEGMENT

M€	1-12/ 2018	1-12/ 2017	Change %	10-12/ 2018	10-12/ 2017	Change %
Net revenue	10.0	9.9	1.1 %	3.6	4.2	-14.2 %
Operating profit/loss before Group allocations	3.6	3.1	15.1 %	1.8	2.0	-9.8 %
Operating profit/loss	2.2	2.4	-8.0 %	1.4	1.8	-21.1 %
Number of personnel	42	41	2.4 %			

January-December

The net revenue of the Advisory and Corporate Clients segment remained at the previous year's level and was EUR 10.0 million (EUR 9.9 million). 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 decreased from the previous year's level and was EUR 3.6 million (EUR 4.2 million).

Group Operations

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

KEY FIGURES - GROUP OPERATIONS SEGMENT

M€	1-12/ 2018	1-12/ 2017	Change %	10-12/ 2018	10-12/ 2017	Change %
Net revenue	1.3	5.5	-76.2%	-0.4	0.9	-
Operating profit/loss before Group allocations	-10.8	-5.1	112.2%	-4.7	-2.4	98.9%
Operating profit/loss	-0.3	2.4	-	-1.6	-0.6	183%
Number of personnel	48	45	6.7%			

January-December

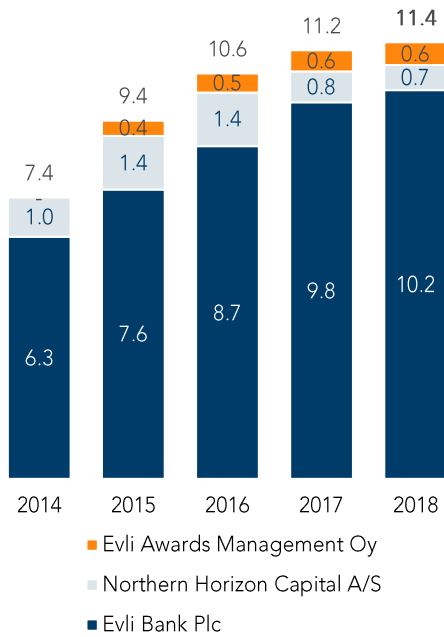
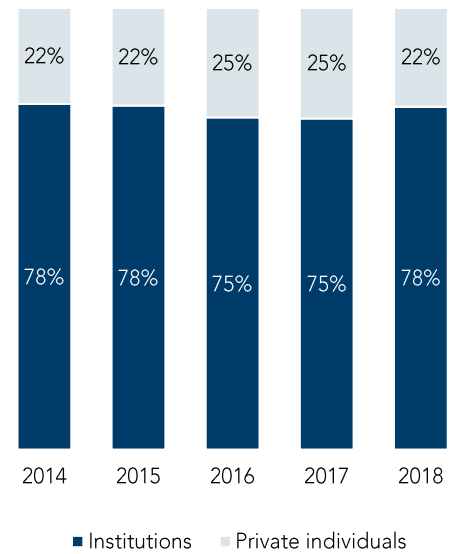
The net revenue of the Group Operations segment declined by 76.2 percent compared to the previous year and totaled EUR 1.3 million (EUR 5.5 million). The decline was caused by Evli's trading function's return that was lower than that of the previous year and the Treasury function's return, which weakened as a result of changes in the interest rate environment. A one-off impairment loss of EUR 0.6 million concerning an investment on Evli's own balance sheet was also entered during the second quarter.

October-December

The net revenue of the Group Operations segment declined compared to the previous year and was EUR -0.4 million (EUR 0.9 million). Revenue development was negatively affected by the profit performance of Evli's trading function, in particular, that was weaker year on year and the challenging interest rate environment.

DEVELOPMENT OF CLIENT ASSETS UNDER MANAGEMENT

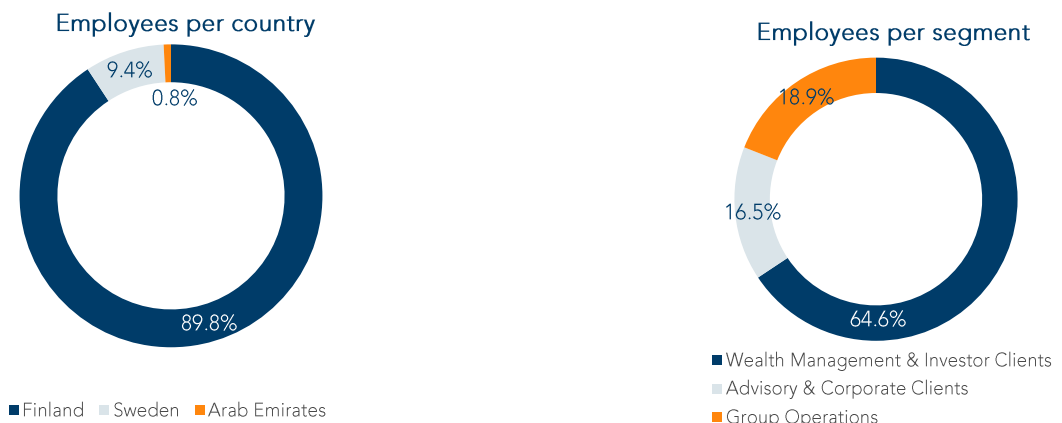
There was a positive trend in client assets under management during the review period despite the decline in the market. The Group's combined net assets under management at the end of 2018 were EUR 11.4 billion (EUR 11.2 billion). About 78 percent of client assets under management in mutual funds and asset management came from institutional investors and the remaining 22 percent from private individuals.

Net Assets Under Management (bn €)

Spilit in Institutional & Private individuals, excl. associated companies


PERSONNEL

The group had 254 employees (240) at the end of December. The number of employees increased by 5.8 percent, from the comparison period. 89.8 percent of the personnel were employed in Finland and 10.2 percent abroad.

EMPLOYEE FACTS



CHANGES IN GROUP STRUCTURE

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

At the beginning of the year, Evli sold 4.9 percent of its shares in Terra Nova Capital Advisor Ltd to an employee of the company. Evli's stake in the company is after the transaction 50.1 percent.

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

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

In the third quarter, Evli sold three percent of its shares in Evli Corporate Finance AB to the company's employees. After the transaction, Evli's stake in the company is 63.5 percent.

Evli Research Partners Oy, which is an Evli Group company, acquired five percent of its shares in accordance with the shareholder agreement during the third quarter as a result of a termination of an employment relationship.

Head Asset Management Oy, which was part of Evli Group, was terminated during the third quarter.

In the last quarter of the year, a new subsidiary, EGP General Partner Oy, was established as an Evli Group company.

Evli Alternative Investments Oy, which is an Evli Group company, sold Nordic Shine GP Oy to Evli Fund Management Company in the last quarter.

Nordic Shine Oy, Evli Russia Ltd, EAM Finland Oy and Evli Alternative Investments Ltd, which were part of the Evli Group, were terminated in the fourth quarter.

In the fourth quarter, Evli acquired 4.9 per cent of its shares in Terra Nova Capital Advisor Ltd from a company employee. After the transaction, Evli's stake in the company is 55.0 percent.

EVLI'S SHARES AND SHARE CAPITAL

At the end of December, Evli Bank Plc's total number of shares was 23,688,920, of which 15,328,923 were series A shares and 8,359,997 were series B shares. The company held 375,387 series A shares. The company's share capital was EUR 30,194,097.31 at the end of the year. No changes took place in the share capital.

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

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

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

In accordance with the shareholder agreement, the company acquired 2,666 of its own unlisted A shares on July 24, 2018 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 July 13, 2018.

In accordance with the shareholder agreement, the company acquired 1,334 of its own unlisted A shares on July 30, 2018 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 July 13, 2018.

In accordance with the shareholder agreement, the company acquired 5,066 of its own unlisted A shares on September 17, 2018 as a result of the termination of employment relationships. 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 10, 2018.

Under Article 4 of its Articles of Association, the company converted 19,333 A shares into B shares on September 25, 2018. Public trading on the converted shares began at Nasdaq Helsinki Ltd on September 26, 2018.

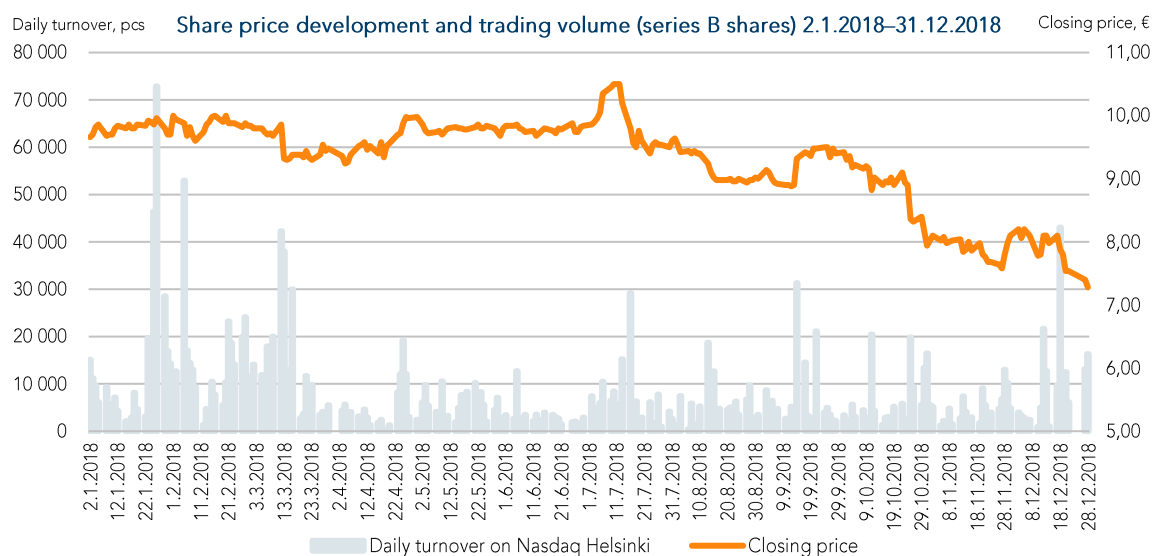
In accordance with the shareholder agreement, the company acquired 10,666 of its own unlisted A shares as a result of the termination of employment relationships. The consideration paid in the transaction is, according to the terms and conditions of the shareholder agreement, 50 percent of the B share's closing price on Nasdaq Helsinki Ltd on October 30, 2018.

Under Article 4 of its Articles of Association, the company converted 30,667 A shares into B shares on November 19, 2018. Public trading on the converted shares began at Nasdaq Helsinki Ltd on November 20, 2018.

Under Article 4 of its Articles of Association, the company converted 142,697 A shares into B shares on December 17, 2018. Public trading on the converted shares began at Nasdaq Helsinki Ltd on December 18, 2018.

Trading on Nasdaq Helsinki

At the end of December, Evli had 8,359,997 series B shares subject to public trading on Nasdaq Helsinki Ltd. Trading in the shares in January-December came to EUR 17.9 million, with 1,914,305 Evli shares traded. The closing price at the end of year 2018 was EUR 7.28. The highest share price during the year was EUR 10.50 and the lowest was EUR 7.28. Evli's market capitalization was EUR 172.5 million at the end of December. 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, 2018 are listed in the table below. The total number of shareholders at the end of December was 3,982 (3,044). The stake of Finnish companies was 54.0 percent (69.3%) and that of private Finnish individuals was 25.3 percent (24.9%). The remaining 20.7

percent of the shares (5.8%) were owned by Financial and insurance institutions, public sector organizations, non-profit institutions serving households and foreign investors.

LARGEST SHAREHOLDERS DECEMBER 31, 2018

	A-shares	B-shares	Shares total	% of all shares	% of votes
1. Oy Scripo Ab	3 803 280	950 820	4 754 100	20.1	24.5
2. Prandium Oy Ab	3 803 280	950 820	4 754 100	20.1	24.5
3. Oy Fincorp Ab	2 319 780	514 991	2 834 771	11.6	14.7
4. Ingman Group Oy Ab	1 860 000	535 000	2 395 000	10.1	12.0
5. Lehtimäki Maunu	433 728	108 432	542 160	2.3	2.8
6. Höllfast John Erik	328 320	82 080	410 400	1.7	2.1
7. Tallberg Claes	369 756	32 588	402 344	1.7	2.4
8. Evli Pankki Oyj	375 387	0	375 387	1.6	2.4
9. Moomin Characters Oy Ltd	0	293 420	293 420	1.2	0.1
10. Lundström Mikael	186 448	35 546	221 994	1.0	1.2

DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

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

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

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

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

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

Number of Board members, members and fees

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

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

Auditors and auditors' fees

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

Board authorizations

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

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

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

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

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

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

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

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

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

BUSINESS ENVIRONMENT

Towards the end of the year, risks in Evli's business environment grew clearly. The decline in the equity markets and the political uncertainty have made investors cautious and made them favor lower risk, and hence lower margin products. This was also reflected in substantial fund redemptions in the last quarter of the year. The uncertainty on the market has also increased the possibility of losses in investments through Evli's own balance sheet. As a result, Evli further reduced the risk level of the own balance sheet during the review period, which in turn has a negative impact on portfolio return expectations. Despite the uncertainty, the situation in the company's domestic market in Finland is stable and the prerequisites for growth are good especially due to the expanded product range.

In line with its strategy, Evli has focused increasingly on international sales and developing of alternative investment products. These are considered important sources of growth for the company and a way to further diversify the company's revenue base. Work has also been done to further improve scalability.

In terms of international growth, the company's focus is on the Nordic and European markets. In addition, Evli has entered into fund distribution agreements with Latin America for example. In addition to product availability, the streamlining and adaptation of administrative processes to correspond to the standards that investors are accustomed to on other markets are critical for the success of international growth. Evli is excellently placed where international sales are concerned, and the image of a high-quality Nordic fund management boutique is of interest to foreign investors.

Alternative investment products are another important strategic focus area for Evli. Strong demand for these products has continued and the market has been favorable for the growth of the asset class. This development is supported by long-term trends, such as the aging of the population and urbanization as well as the interest rates that have remained low for a long time. This is a challenging asset class when it comes to seeking attractive return for investors, which also covers the risks contained in the investment which is always long term. The asset class is also a very competitive area. During 2018 Evli launched three new alternative investment products and is investigating the possibilities for more product development and new products during the upcoming years. In addition, Evli bought Ab Kelonia Placering Oy's private equity operations, which will contribute to growth in new product areas. The company's goal is to turn alternative investment products into a major source of revenue.

Increasing efficiency is critical for the company's success in its business environment that is becoming increasingly digitalized. Alongside the traditional service models, Evli has also focused considerably on the development of its digital services. Process automation, robotic process automation and artificial intelligence will, in the future, play an increasing role in the daily activities of the investment services industry. They also have a direct impact on the client experience in the form of the smooth performance of the services. By developing digital service models and processes, the company believes that it will also be able to streamline its cost structure. In addition to developing digital services, Evli has launched a number of internal, strategy-based actions to improve cost efficiency. Projects aiming at cost reductions included among others the decision to discontinue the market-making operations, and bond and stock brokerage in Sweden. To maintain its competitiveness and improve cost efficiency Evli will continue to invest in digital services and automation of its operations.

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 REVIEW PERIOD

Major shareholders' proposal to the Annual General Meeting 2019

Evli Bank Plc's shareholders who represent approximately 75 percent of the voting rights of the shares propose to the Annual General Meeting that six members be elected to the Board of

Directors and that the present members Henrik Andersin, Robert Ingman, Mikael Lilius and Teuvo Salminen be re-elected as members of the Board of Directors. In addition, Sari Helander and Fredrik Hacklin would be elected as new members of the Board of Directors. The present board member Johanna Lamminen has informed that she will no longer be a candidate for Evli's Board of Directors.

Other proposals by the major shareholders and the Board of Directors to the Annual General Meeting will be published in connection with the notice of the Annual General Meeting.

SUGGESTION FOR DISTRIBUTION OF PROCEEDS

The parent company's distributable assets on December 31, 2018 totaled EUR 43,000,362.93 of which EUR 18,618,241.39 were retained earnings and EUR 24,382,121.54 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 0.61 per share be paid. The total proposed dividend calculated according to the number of shares on the balance sheet date is EUR 14,450,241.20.

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 2019

The risks associated with the general trend in the equity and fixed income markets are high due to the prevailing uncertainty on the markets. A possible continued decline in equity prices or a reduction in investors' risk appetite would have a negative impact on the company's profit performance. Evli Group's assets under management have grown substantially in recent years, which softens the result-impact of any reversal of the market. Sales of alternative investment products, in particular, have brought new, stable revenue. Evli has initiated a series of internal, strategy-based actions and cost savings, leading to improvements in the company's cost effectiveness.

There has been positive development in the demand for advisory services, and its outlook for 2019 is stable. Own balance sheet investments share of Evli's business decreased during 2018. Nevertheless, it may have a significant impact on the company's result performance. In the advisory business and in own investment activities, fluctuations in quarterly and annual returns are possible. Customer's demand for Evli's products and services has continued to be good, which has also led to a systematic increase in lending.

Because of profitable and stable development, we estimate that the result for the 2019 financial year, will be clearly positive.

Helsinki, January 23, 2019

EVLI BANK PLC
Board of Directors

Additional information:

Maunu Lehtimäki, CEO, tel. +358 (0) 50 553 3000
Juho Mikola, CFO, tel. +358 (0) 40 717 8888

www.evli.com

INVESTOR CALENDER 2019

- Interim Report, January-March: April 26, 2019
- Half-year Financial Report, January-June: July 12, 2019
- Interim Report, January-September: October 22, 2019

The Annual Report and Financial Statements for 2018 will be published on the company's website www.evli.com on week 7, 2019.

The Annual General Meeting of Evli Bank Plc is planned to be held in Helsinki on March 12, 2019 starting at 9.00 am.

EVLI BANK PLC

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CONSOLIDATED INCOME STATEMENT, M€	10-12/ 2018	10-12/ 2017	1-12/ 2018	1-12/ 2017
Net interest income	0.2	0.2	0.7	0.9
Commission income and expense, net	17.7	19.9	67.1	65.2
Net income from securities transactions and foreign exchange dealing	-0.4	0.5	0.7	4.9
Other operating income	0.1	0.4	0.1	0.4
NET REVENUE	17.5	21.0	68.5	71.4
Administrative expenses				
Personnel expenses	-8.1	-8.5	-27.9	-28.9
Other administrative expenses	-4.2	-4.0	-15.9	-15.1
Depreciation, amortisation and write-down	-0.8	-0.6	-2.1	-2.3
Other operating expenses	-0.9	-1.4	-3.6	-3.9
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0
NET OPERATING PROFIT / LOSS	3.6	6.5	18.9	21.3
Share of profits (losses) of associates	0.2	1.0	2.6	0.6
Income taxes*	-1.3	-1.8	-4.2	-4.3
PROFIT / LOSS FOR FINANCIAL YEAR	2.5	5.7	17.3	17.5
Attributable to				
Non-controlling interest	0.9	0.6	1.3	0.8
Equity holders of parent company	1.6	5.2	16.0	16.7
PROFIT / LOSS FOR FINANCIAL YEAR	2.5	5.7	17.3	17.5
OTHER COMPREHENSIVE INCOME / LOSS				
Items, that will not be reclassified to profit or loss				
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences - foreign operations	0.0	-0.4	-0.2	-0.2
Other comprehensive income/loss	0.0	-0.4	-0.2	-0.2
Other comprehensive income after taxes / loss total	0.0	-0.4	-0.2	-0.2
OTHER COMPREHENSIVE INCOME / LOSS TOTAL	2.5	5.3	17.1	17.4
Attributable to				
Non-controlling interest	0.9	0.6	1.3	0.8
Equity holders of parent company	1.7	4.7	15.8	16.5
Earnings per Share (EPS), fully diluted	0.07	0.21	0.68	0.72
Comprehensive Earnings per Share (EPS), fully diluted	0.07	0.20	0.67	0.69

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

**CONSOLIDATED INCOME STATEMENT
QUARTERLY, M€**

	10-12/ 2018	7-9/ 2018	4-6/ 2018	1-3/ 2018	10-12/ 2017
Net interest income	0.2	0.2	0.1	0.1	0.2
Commission income and expense, net	17.7	15.1	17.4	16.9	19.9
Net income from securities transactions and foreign exchange dealing	-0.4	0.7	0.5	-0.1	0.5
Other operating income	0.1	0.0	0.0	0.0	0.4
NET REVENUE	17.5	16.1	18.0	17.0	21.0
Administrative expenses					
Personnel expenses	-8.1	-6.2	-7.4	-6.3	-8.5
Other administrative expenses	-4.2	-3.7	-4.2	-3.9	-4.0
Depreciation, amortisation and write-down	-0.8	-0.5	-0.4	-0.4	-0.6
Other operating expenses	-0.9	-0.8	-0.8	-1.1	-1.4
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0
NET OPERATING PROFIT/LOSS	3.6	4.9	5.2	5.2	6.5
Share of profits (losses) of associates	0.2	0.3	0.4	1.7	1.0
Income taxes*	-1.3	-0.7	-1.2	-1.0	-1.8
PROFIT/LOSS FOR FINANCIAL YEAR	2.5	4.5	4.3	5.9	5.7
Attributable to					
Non-controlling interest	0.9	-0.1	0.3	0.2	0.6
Equity holders of parent company	1.6	4.7	4.0	5.7	5.2
PROFIT/LOSS FOR FINANCIAL YEAR	2.5	4.5	4.3	5.9	5.7
OTHER COMPREHENSIVE INCOME/LOSS					
Items, that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0.0	0.1	-0.1	-0.2	-0.4
Other comprehensive income/loss	0.0	0.1	-0.1	-0.2	-0.4
Other comprehensive income after taxes/loss total	0.0	0.1	-0.1	-0.2	-0.4
OTHER COMPREHENSIVE INCOME/LOSS TOTAL	2.5	4.6	4.3	5.7	5.3
Attributable to					
Non-controlling interest	0.9	-0.1	0.3	0.2	0.6
Equity holders of parent company	1.7	4.7	3.9	5.5	4.7

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

CONSOLIDATED BALANCE SHEET, M€		
	31.12.2018	31.12.2017
ASSETS		
Liquid assets	239.7	383.2
Debt securities eligible for refinancing with central banks	31.1	36.3
Claims on credit institutions	76.8	64.1
Claims on the public and public-sector entities	114.6	92.0
Debt securities	223.2	229.4
Shares and participations	30.1	31.5
Participating interests	5.1	3.6
Derivative contracts	24.2	30.2
Intangible assets	11.5	10.0
Property, plant and equipment	1.9	1.8
Other assets	51.9	73.9
Accrued income and prepayments	5.3	4.0
Deferred tax assets	0.1	0.7
TOTAL ASSETS	815.5	960.7
LIABILITIES		
Liabilities to credit institutions and central banks	6.7	31.7
Liabilities to the public and public-sector entities	469.9	621.5
Debt securities issued to the public	160.9	97.5
Derivative contracts and other trading liabilities	24.3	34.6
Other liabilities	58.0	83.6
Accrued expenses and deferred income	18.1	19.1
Deferred tax liabilities	0.0	0.2
LIABILITIES TOTAL	738.0	888.1
Equity to holders of parent company	76.3	71.6
Non-controlling interest in capital	1.1	0.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	815.5	960.7

EQUITY CAPITAL, M€	Share capital	Share premium fund	Reserve for invested unrestricted equity	Other reserves	Translation difference	Retained earnings	Total	Non-controlling interest	Total Equity
Equity capital 31.12.2016	30.2	1.8	18.4	0.1	-0.2	14.6	64.9	0.4	65.3
Translation difference					0.0		0.0		0.0
Profit/loss for the period						16.7	16.7	0.8	17.5
Share options exercised			0.2				0.2		0.2
Dividends						-9.2	-9.2	-0.3	-9.5
Acquisition of non-controlling interest			-0.5				-0.5		-0.5
Acquisition of own shares			-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
Translation difference					0.0		0.0		0.0
Profit/loss for the period						16.0	16.0	1.3	17.3
Dividends						-12.2	-12.2	-1.0	-13.1
Share options exercised			0.5				0.5		0.5
Acquisition of own shares			-0.1				-0.1		-0.1
Acquisition of non-controlling interest			0.5				0.5		0.5
Other changes			-0.2	0.2		-0.2	-0.2		-0.2
Equity capital 31.12.2018	30.2	1.8	18.3	0.4	-0.2	25.8	76.3	1.1	77.4

	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group
SEGMENT INCOME STATEMENT, M€	1-12/2018	1-12/2018	1-12/2018	1-12/2018	1-12/2018
REVENUE					
Net interest	0.1	0.0	0.6	0.0	0.7
Net commissions	57.1	10.0	0.0	0.0	67.1
Trading and FX result	0.3	0.0	0.5	-0.1	0.7
Other operative income	0.0	0.0	0.1	0.0	0.1
External sales	57.5	10.0	1.2	-0.2	68.5
Inter-segment sales	-0.1	0.0	0.1	0.0	0.0
Total revenue	57.4	10.0	1.3	-0.2	68.5
Timing of revenue recognition					
At a point in time	47.3	4.4		-	51.7
Over time	9.8	5.6		-	15.4
RESULT					
Segment operating expenses	-30.0	-6.1	-11.6	0.2	-47.5
Business units operating profit before depreciations and Group allocations	27.4	3.9	-10.3	0.0	21.0
Depreciations	-1.0	-0.3	-0.5	-0.3	-2.1
Business units operating profit before Group allocations	26.4	3.6	-10.8	-0.3	18.9
Allocated corporate expenses	-9.1	-1.4	10.5	0.0	0.0
Operating profit including Group allocations	17.4	2.2	-0.3	-0.3	18.9
Share of profits (losses) of associates				2.6	2.6
Income taxes				-4.2	-4.2
Segment profit/loss	17.4	2.2	-0.3	-2.0	17.3

	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group
SEGMENT INCOME STATEMENT, M€	1-12/2017	1-12/2017	1-12/2017	1-12/2017	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
Timing of revenue recognition					
At a point in time	43.9	3.8		-	47.7
Over time	11.1	6.1		-	17.2
RESULT					
Segment operating expenses	-31.5	-6.2	-10.2	0.0	-47.9
Business units operating profit before depreciations and Group allocations	23.9	3.7	-4.7	0.7	23.5
Depreciations	-1.0	-0.5	-0.4	-0.4	-2.3
Business units operating profit before Group allocations	22.9	3.1	-5.1	0.3	21.3
Allocated corporate expenses	-6.7	-0.7	7.4	0.0	0.0
Operating profit including Group allocations	16.2	2.4	2.4	0.3	21.3
Share of profits (losses) of associates				0.6	0.6
Income taxes				-4.3	-4.3
Segment profit/loss	16.2	2.4	2.4	-3.4	17.5

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

CASH FLOW STATEMENT, M€	1-12/2018	1-12/2017
Cash flows from operating activities		
Interest and commission received	62.7	71.3
Open trades, net	2.8	-34.3
Interest and commissions paid	-4.9	-4.2
Cash payments to employees and suppliers	-53.9	-57.2
Increase(-) or decrease(+) in operating assets:		
Net change in trading book assets and liabilities	13.7	-14.5
Deposits held for regulatory or monetary control purposes	-10.3	-17.9
Funds advanced to customers	-193.8	182.4
Issue of loan capital	63.4	51.4
Net cash from operating activities before income taxes	-120.3	177.0
Income taxes	-5.6	-4.1
Net cash used in operating activities	-126.0	172.9
Cash flows from investing activities		
Proceeds from sales of subsidiaries and associates	0.0	-1.1
Acquisition of property, plant and equipment and intangible assets	-2.2	-1.9
Net cash used in investing activities	-2.2	-3.0
Cash flows from financing activities		
Purchase of own shares	-0.1	-0.3
Payment of finance lease liabilities	-0.2	-0.2
Transactions with non-controlling interests	0.0	0.0
Dividends paid	-12.2	-9.2
Net cash from financing activities	-12.4	-9.6
Net increase/decrease in cash and cash equivalents	-141.1	160.3
Cash and cash equivalents at beginning of period	388.6	228.3
Effects of exchange rate changes on cash and cash equivalents	-0.1	0.1
Cash and cash equivalents at end of period	247.4	388.6

KEY FIGURES DESCRIBING THE FINANCIAL PERFORMANCE

	10- 12/2018	10- 12/2017	1-12/2018	1-12/2017
Income statement key figures				
Operating income, M€	17.5	21.0	68.5	71.4
Operating profit/-loss, M€	3.6	6.5	18.9	21.3
Operating profit margin, %	20.5	30.9	27.6	29.8
Profit/loss for the financial year, M€	2.5	5.7	17.3	17.5
Profitability key figures				
Return on equity (ROE), %			23.0	25.5
Return on assets (ROA), %			1.9	2.0
Balance sheet key figures				
Equity-to-assets ratio, %			9.5	7.6
Capital adequacy ratio, %			16.2	15.0
Key figures per share				
Earnings per Share (EPS), fully diluted, €	0.07	0.21	0.68	0.72
Comprehensive Earnings per Share (EPS), fully diluted, €	0.07	0.20	0.67	0.69
Dividend / share, €*			0.61	0.52
Equity per share, €			3.27	3.10
Share price at the end of the period, €			7.28	9.60
Other key figures				
Expense ratio (operating costs to net revenue)			0.72	0.70
Recurring revenue ratio, %			113	113
Personnel at the end of the period			254	240
Market value, M€			172.5	224.9

* Dividend for 2018, proposal by the Board of Directors

Evli Group's capital adequacy	1-12/2018	1-12/2017
Own assets (common equity Tier 1 capital), M€	48.8	43.0
Risk-weighted items total for market- and credit risks, M€	177.3	166.9
Capital adequacy ratio, %	16.2	15.0
Evli Bank Plc's adequacy ratio, %	18.8	20.4
Own funds surplus, M€	24.8	20.0
Own funds in relation to the minimum capital requirement, M€	2.0	1.9
Own funds surplus M€ including additional capital requirement	17.2	12.9

CALCULATION OF KEY RATIOS

Net revenue	From Income Statement. Includes gross returns, deducted by interest and commission expenses.
Operating profit	From Income Statement
Profit for the financial year	From Income Statement
Return on equity (ROE), %	= $\frac{\text{Profit / Loss for financial year}}{\text{Equity capital and minority interest (average of the figures for the beginning and at the end of the year)}} \times 100$
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	= $\frac{\text{All revenues that are not transaction based but time dependent*}}{\text{All operative expenses excluding reservation for bonuses from review period}}$

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

NOTES TO BALANCE SHEET, M€

	31.12.2018	31.12.2017		
Equity and debt securities				
Equity securities are presented in the Statement of Changes in Equity				
Debt securities issued to the public				
Certificates of Deposits and commercial papers	43.0			22.5
Bonds	118.0			75.0
Debt securities issued to the public	160.9			97.5
		under 3 months	3-12 months	1-5 years
				5-10 years
Debt securities issued to the public		0.2	47.4	91.6
				21.8
Changes in bonds issued to the public				
	31.12.2018	31.12.2017		
Issues	67.0	49.5		
Repurchases	23.7	10.2		
Off-balance sheet commitments				
Commitments given to a third party on behalf of a customer	2.6	8.2		
Irrevocable commitments given in favour of a customer	0.2	0.2		
Guarantees on behalf of others	0.5	0.5		
Unused credit facilities	2.6	2.4		
Transactions with related parties				
	1-12/2018			
		Associated companies	Group management	
Sales		0.0	0.0	
Purchases		0.0	0.0	
Receivables		0.0	0.0	
Liabilities		0.0	0.0	

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

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

Fair value	Level 1 2018	Level 2 2018	Level 3 2018	Total
Financial assets				
Shares and participations classified as held for trading	2.5	0.0	0.0	2.5
Shares and participations, other	21.5	0.0	6.1	27.6
Debt securities eligible for refinancing with central banks	31.1	0.0	0.0	31.1
Debt securities	11.4	209.0	2.8	223.2
Positive market values from derivatives	0.1	23.2	0.9	24.2
Total financial assets held at fair value	66.6	232.2	9.8	308.6
Financial liabilities				
Shares and participations classified as held for trading	0.0	0.0	0.6	0.6
Negative market values from derivatives	0.0	22.9	0.9	23.8
Total financial liabilities held at fair value	0.0	22.9	1.5	24.3

Explanation of fair value hierarchies:
Level 1

Fair values measured using quoted prices in active markets for identical instruments

Level 2

Fair values measured using directly or indirectly observable inputs, other than those included in level 1

Level 3

Fair values measured using inputs that are not based on observable market data.

Level 1 of the hierarchy includes listed shares, mutual funds and derivatives listed on exchanges, and debt securities that are traded in active OTC- and public markets.

Shares and participations classified in level 3 are usually instruments which are not publicly traded, like venture capital funds, real estate funds, equities and equity rights.

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

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

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

Debt securities valuations that are obtained from markets that are not fully active, have a fair value level hierarchy of 2. Level 3 valuations for debt securities are valuations for illiquid securities that are received directly from the arranger of the issue, or the valuation is calculated by Evli Bank.

DERIVATIVE CONTRACTS, M€	Remaining maturity			Fair value (+/-)	
	Nominal value of underlying, gross	Less than 1 year	1-5 years		5-15 years
Held for trading					
Interest rate derivatives					
Interest rate swaps		0.5	65.1	20.8	0.0
Equity-linked derivatives					
Futures		0.3	0.0	0.0	0.1
Options bought		5.9	37.4	0.0	0.9
Options sold		5.9	37.4	0.0	-0.9
Currency-linked derivatives		4,230.8	0.0	0.0	0.3
Held for trading, total		4,243.4	139.9	20.8	0.4
Derivative contracts, total		4,243.4	139.9	20.8	0.4

Equity derivatives held for trading, and other liabilities held for trading hedge the equity delta risk for shares and participations in the trading book.

The interest rate derivatives hedge the interest rate risk in assets and liabilities in the balance sheet.

Currency derivatives comprise commitments made against clients and the associated hedges, and contracts made to hedge currency risk in the balance sheet. The net open risk position of the total amount is small.

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

ACCOUNTING POLICIES

The Interim Report complies with IAS 34, Interim Reports, as approved by the EU.

The interim report does not include all the tables regarding the business operations from the annual financial statement. As a consequence, this interim report should be read in conjunction with the company's financial statements for the financial year ended December 31, 2017.

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

NEW IFRS STANDARDS APPLIED

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

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

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

IFRS 9 - FINANCIAL INSTRUMENTS

ITEMS TO BE MEASURED ACCORDING THE IFRS 9 STANDARD, EXPECTED CREDIT LOSSES, M€
Financial assets measured at amortized cost and accounts receivable

Balance sheet item	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1., credit loss provision
Receivables from credit institutions	76.82	76.82	0.00	0.00	0.00	0.00
Receivables from the public	114.56	114.14	0.42	0.00	0.03	0.00
Receivables from the public; corporate	28.82	28.82	0.00	0.00	0.01	0.00
Receivables from the public; private	84.69	84.27	0.42	0.00	0.02	0.00
Receivables from the public; other	1.05	1.05	0.00	0.00	0.00	0.00
Sales receivables	2.78	2.66	0.12	0.00	0.00	0.00
Off-balance sheet loan commitments	3.14	3.14	0.00	0.00	0.00	0.00
	197.30	196.76	0.54	0.00	0.04	0.00

The assets are classified as Level 1 if the receivable is low risk or the credit risk of the receivable has not grown materially since the date of issuing the item. If the credit risk for a financial asset has increased materially since the issuing date, the asset will be transferred to level 2.

One loan receivable was transferred to level 2 during the year.

The bank has no loan payment instalments that are over 90 days late.

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

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

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

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

IMPACT OF THE IFRS 9 STANDARD

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

IFRS 9 CLASSIFICATION AND MEASUREMENT, FINANCIAL ASSETS

Financial assets that are measured, new and old measurement:

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

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

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

IFRS 15 – REVENUE RECOGNITION

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

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