

EVLI

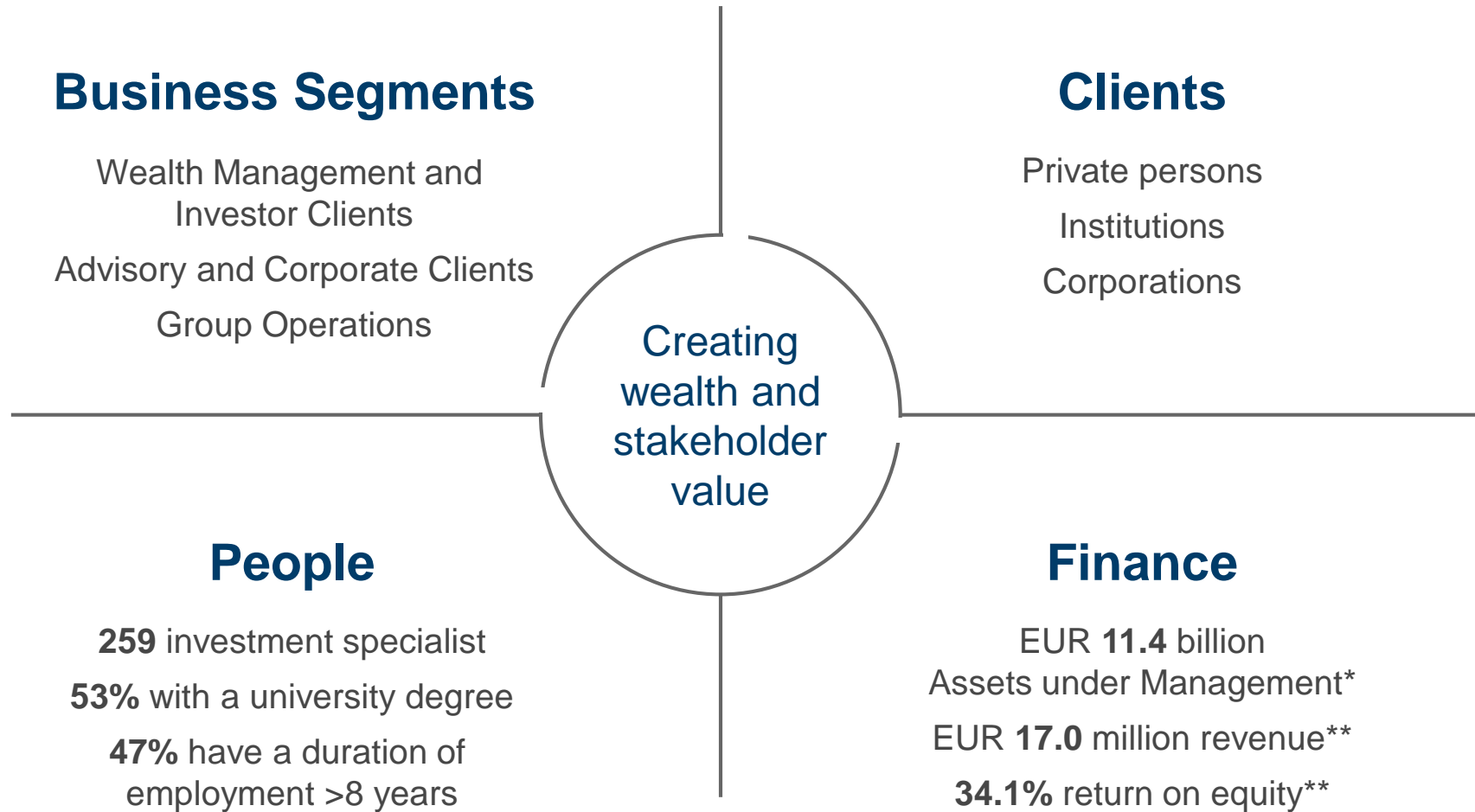
January-March 2018 Interim Report
STABLE GROWTH CONTINUED

Maunu Lehtimäki, CEO
Juho Mikola, CFO

April 25, 2018



Evli in Brief



1 *March 31, 2018
**1-3/2018

Agenda

1 Highlights 1-3/2018

2 Financial Figures

3 Strategy & Key Focus Areas 2018

4 Outlook 2018

A blurred background image of a business meeting. Several people in business attire are seated around a table. In the foreground, a person's hands are holding a tablet computer. The tablet screen displays a business dashboard with a bar chart at the top and a data table below. The text 'Highlights 1-3/2018: Stable growth continued' is overlaid on the tablet screen in a large, bold, dark blue font.

Highlights 1-3/2018:
Stable growth continued

The Year 2018 Started Strongly

Improved revenue and operating profit

- Net revenue grew 5%
- Operating profit grew 15%
- Successful sales activities and new products drivers of positive profit performance

Strategy development

- International sales: fund distribution started in Germany and continued sales efforts in other core market areas
- Alternative investment products: Launch of new real estate fund Evli Healthcare and new equity round in the Residential fund
- Client experience: Investments in personnel training and the quality of client material

Outlook for 2018

- Thanks to successful and stable development at the beginning of the year, we estimate that the result for the 2018 financial year will be clearly positive.

Strategic KPI

Return on Equity
(Target 15.0%)

34.1%
(1-3/2017: 21.4%)

Recurring
Revenue to
Operational
Costs
(Target 100%)

120%
(1-3/2017: 112%)

Assets under
Management

EUR 11.4 bn
(31.3.2017: EUR 11.3 bn)

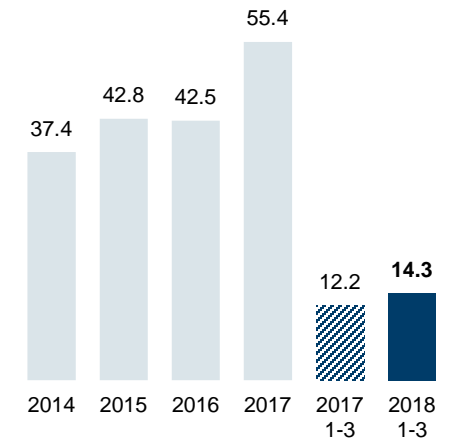
Net Fee Income

M€ 16.9
(31.3.2017: M€ 14.1)

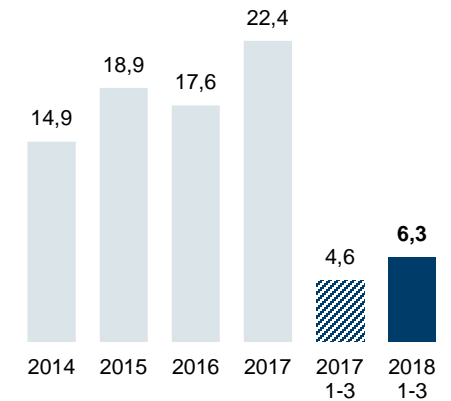
Wealth Management & Investor Clients

- Net revenue increased 17.2%
- AUM grew to a new record, EUR 11.4 billion
- Growth in traditional and digital asset management
- Finland's 4th largest Fund Management Company. Market share 6.8%. AUM EUR 7.8 billion
- International clients 22% of fund AUM, EUR 1.7 billion
- New Alternative Investment Fund (Evli Healthcare I Ky)
- Evli awarded best in Finland in super-affluent clients, innovative technology – client experience and research and asset allocation advice categories by Euromoney
- Evli Funds received awards
 - Morningstar: Corporate Bond fund selected best euro-denominated fixed income fund in Finland, Spain and France
 - Lipper Fund Awards: Evli awarded “Best Group Over 3 years - Overall Small Company” in France and Evli Corporate Bond fund best euro-denominated short-term fund in France and Europe.

Net revenue (M€)



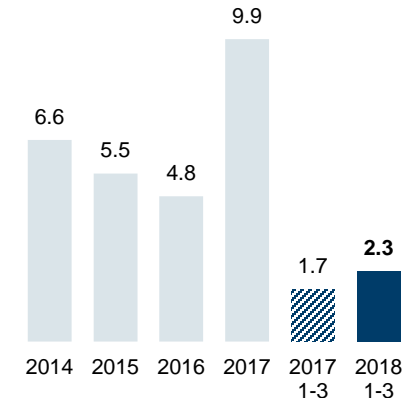
Operating profit before allocations (M€)



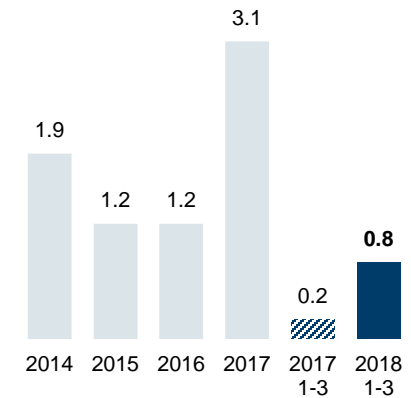
Advisory & Corporate Clients

- Net revenue increased by 39.2%
- Corporate Finance
 - Advisor in 3 transactions
 - Activity on the M&A market has remained strong
- Incentive systems
 - Performed well, achieving a record level of revenue
 - Responsible for the administration of incentive systems for around 60 listed companies
- Investment research
 - Sales of company research developed according to plans
 - 22 signed agreements.

Net revenue (M€)



Operating profit before allocations (M€)

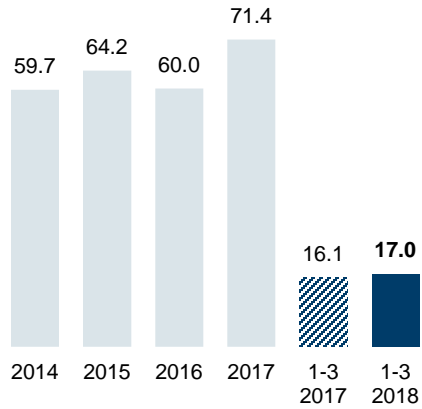


A blurred background image of a business meeting. Several people in business attire are seated around a table. In the foreground, a person's hands are visible, holding a tablet computer. The tablet screen displays a financial dashboard with a bar chart at the top and a data table below. The text is overlaid on this image.

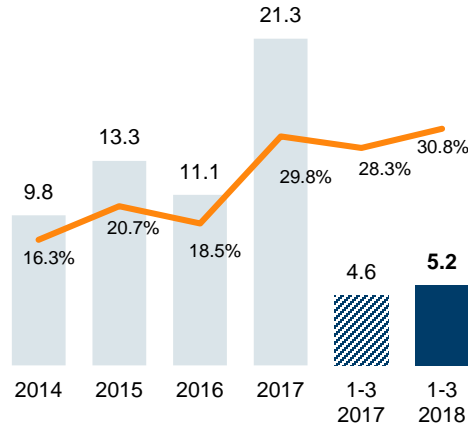
Financial Figures:
**Strong Performance Driven by
Increase in Recurring Revenue**

Financial Development 2014-Q1/2018

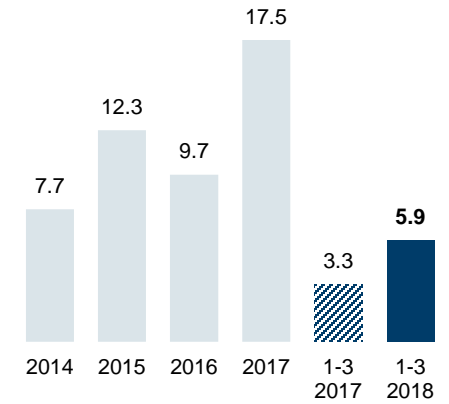
Net revenue (M€)



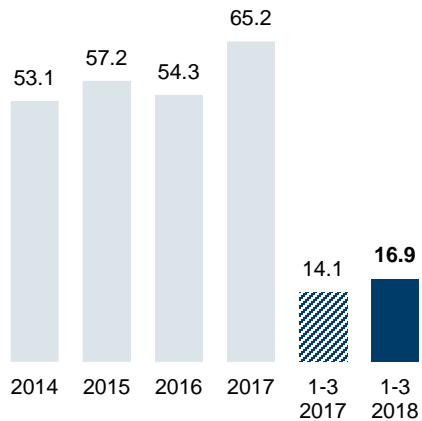
Operating profit (M€) and profit margin (%)



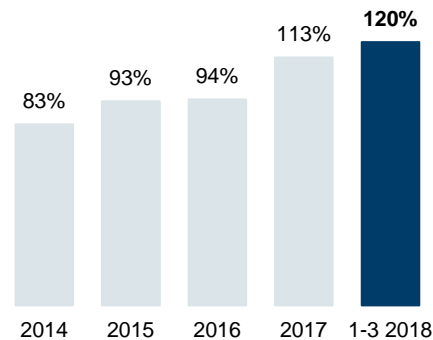
Net profit (M€)



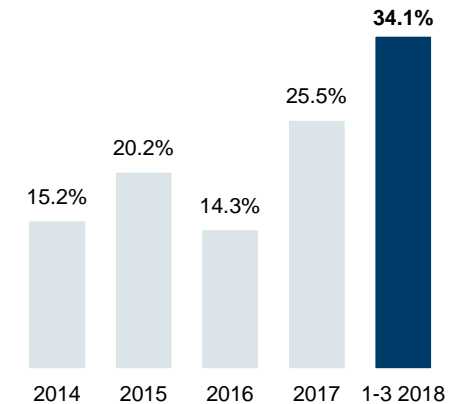
Net fee income (M€)



Proportion of recurring revenue to operating expenses (%)

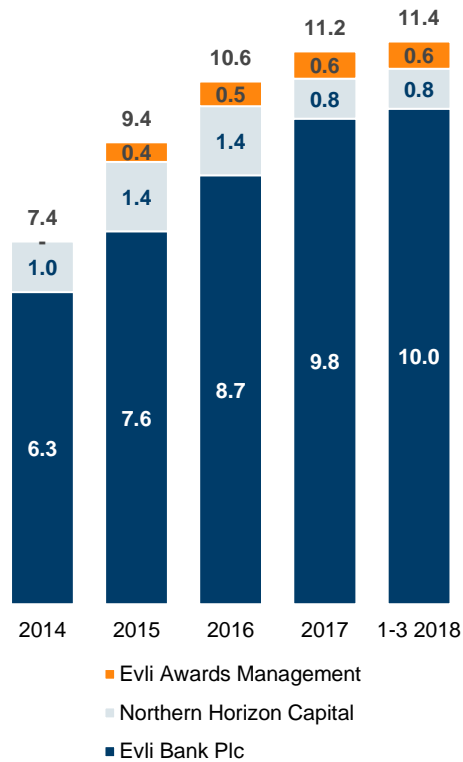


Return on Equity (%)

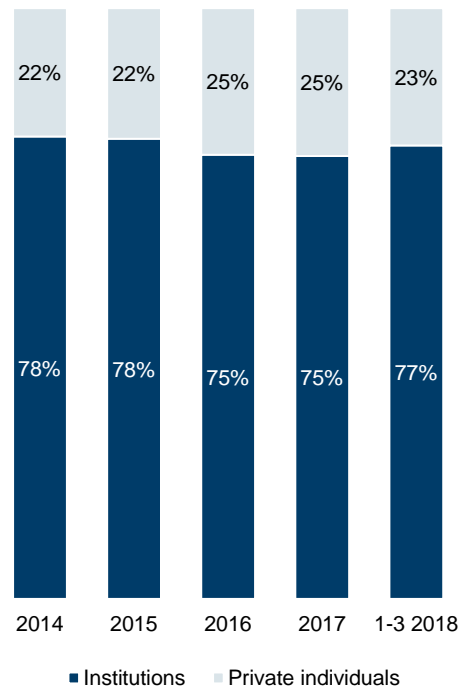


Key Figures 2014-Q1/2018

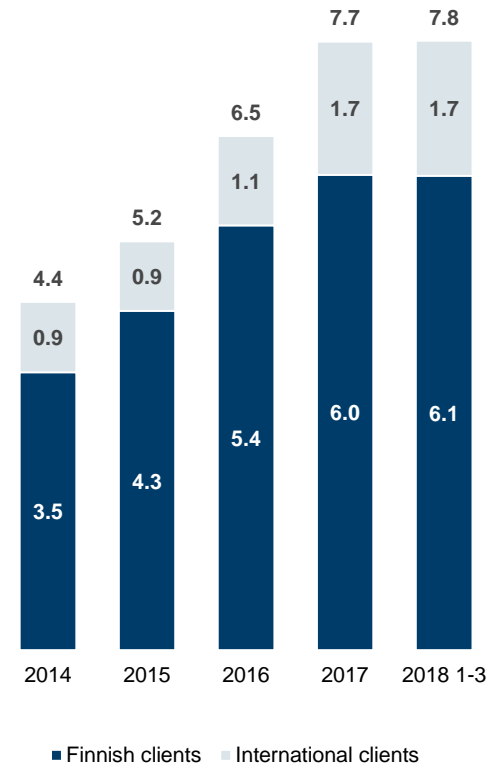
Net Assets Under Management
(bn €)



Distribution of Institutional and Private clients
(excl. associated companies)



Assets under management in Mutual funds (€bn.)



Profit and Loss Statement

M€	1-3/2018	1-3/2017	Change, %	2017	2016	2015	2014
Net interest	0.1	0.3	-48%	0.9	1.6	1.4	1.0
Net commissions	16.9	14.1	20%	65.2	54.3	57.2	53.1
Net income from securities trading and FX	-0.1	1.7	-105%	4.9	4.0	5.4	5.2
Other operative income	0.0	0.0	0%	0.4	0.1	0.2	0.4
NET REVENUE	17.0	16.1	5%	71.4	60.0	64.2	59.7
Personnel expenses	-6.3	-6.9	-8%	-28.9	-27.7	-27.5	-26.7
General expenses	-3.9	-3.4	12%	-15.1	-14.8	-15.8	-14.0
Depreciations and amortizations	-0.4	-0.6	-23%	-2.3	-3.1	-3.9	-5.3
Other operative expenses	-1.1	-0.7	57%	-3.9	-3.3	-3.8	-4.0
Impairment losses	0.0	0.0	-	0.0	0.0	0.0	0.0
NET OPERATING PROFIT/LOSS	5.2	4.6	14%	21.3	11.1	13.3	9.8
Share of profit/loss of associates	1.7	-0.3	-601%	0.6	1.1	2.1	0.3
Taxes	-1.0	-0.9	15%	-4.3	-2.4	-3.0	-2.4
PROFIT/LOSS FOR THE PERIOD	5.9	3.3	78%	17.5	9.7	12.3	7.7
Attributable to							
Non-controlling interest	-0.2	0.1	-335%	-0.8	-0.2	-0.9	-0.9
Equity holders of parent company	5.7	3.4	68%	16.7	9.6	11.5	6.8

Balance Sheet

ASSETS, M€	31.3. 2018	31.3. 2017	31.12. 2017	LIABILITIES, M€	31.3. 2018	31.3. 2017	31.12. 2017
Liquid assets	347.2	324.8	383.2	Liabilities to credit institutions and central banks	9.8	4.0	31.7
Debt securities eligible for refinancing with central banks	36.2	39.2	36.3	Liabilities to the public and public sector entities	560.6	713.4	621.5
Claims on credit institutions	73.0	47.8	64.1	Debt securities issued to the public	99.1	59.3	97.5
Claims on the public and public sector entities	102.6	77.3	92.0	Derivative contracts and other trading liabilities	53.6	40.6	34.6
Debt securities	147.6	340.9	229.4	Other liabilities	277.3	442.7	83.6
Shares and participations	48.3	37.7	31.5	Accrued expenses and deferred income	15.6	14.1	19.1
Participating interests	5.3	2.7	3.6	Deferred tax liabilities	0.2	0.4	0.2
Derivative contracts	46.7	18.0	30.2	LIABILITIES TOTAL	1 016.3	1 274.5	888.1
Intangible assets	10.2	9.7	10.0	Equity to holders of parent company	65.4	58.6	71.6
Property, plant and equipment	1.8	2.0	1.8	Non-controlling interest in capital	0.5	0.3	0.9
Other assets	255.8	425.0	73.9	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1 082.2	1 333.4	960.7
Accrued income and prepayments	6.4	7.6	4.0				
Deferred tax assets	1.0	0.9	0.7				
TOTAL ASSETS	1 082.2	1 333.4	960.7				

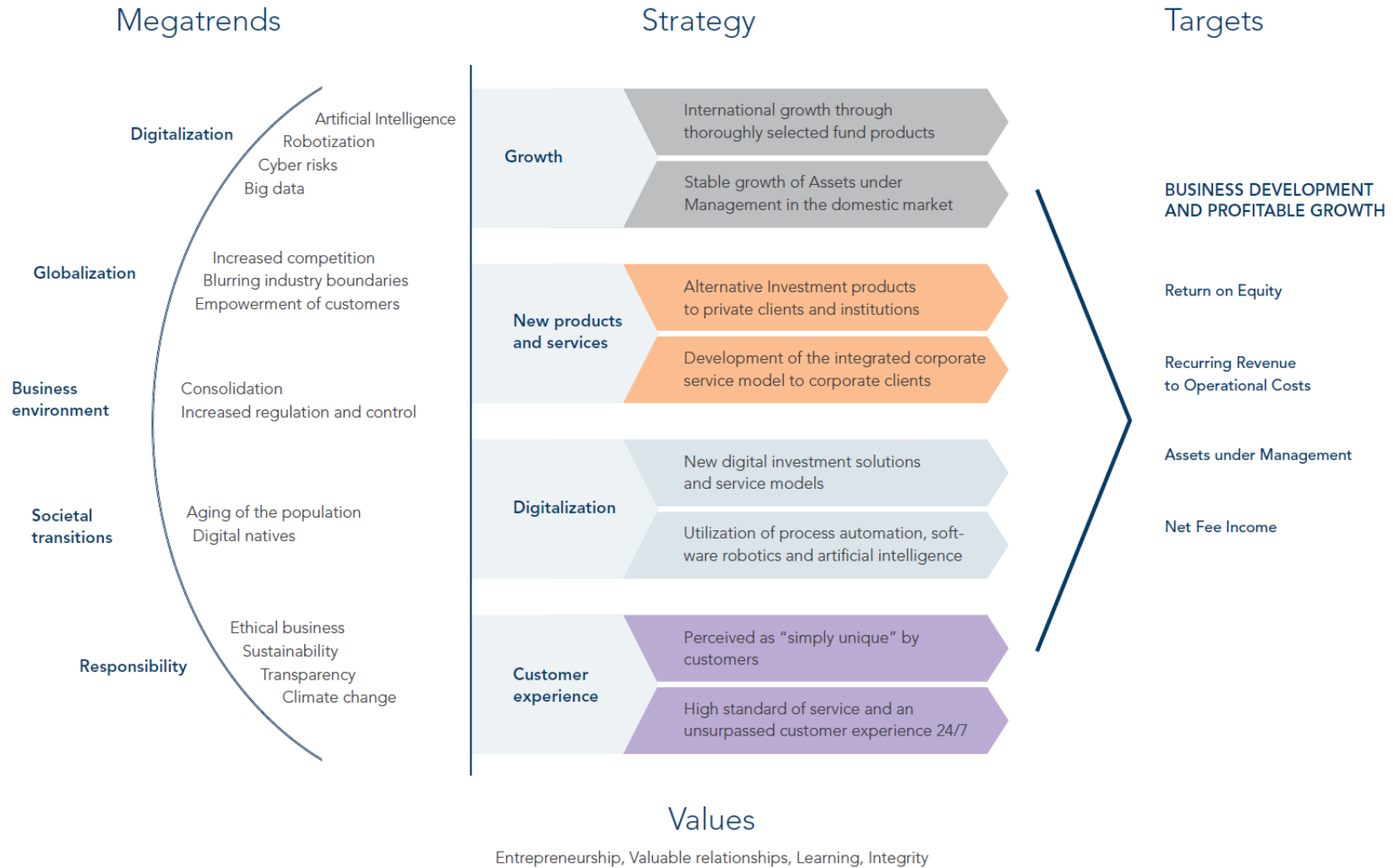
Key Financial Figures

	1-3/2018	1-3/2017	2017	2016	2015	2014
Profitability key figures						
Return on equity (ROE), %	34.1	21.4	25.5	14.3	20.2	15.2
Return on assets (ROA), %	2.3	1.3	2.0	1.4	2.2	1.4
Balance sheet key figures						
Equity-to-assets ratio, %	6.1	4.4	7.6	8.6	11.1	10.7
Capital adequacy ratio, %	15.4	15.0	15.0	15.3	19.2	15.2
Key figures per share						
Earnings per Share (EPS), fully diluted, €	0.24	0.15	0.72	0.42	0.54	0.33
Comprehensive Earnings per Share (EPS), fully diluted, €	0.23	0.15	0.69	0.40	0.53	0.31
Dividend/share, €*	-	-	0.52	0.40	0.31	0.41
Equity per share, €	2.80	2.55	3.10	2.81	2.96	12.44
Share price at the end of the period, €	9.48	6.20	9.60	6.75	8.19	-
Other key figures						
Expense ratio (operating costs to net revenue)	0.69	0.72	0.70	0.8	0.8	0.8
Recurring revenue ratio, %	120	112	113	94.0	93.0	83.0
Personnel at the end of the period	259	244	240	244	248	242
Market value, M€	224.6	144.5	224.9	157.4	190.9	-

A blurred background image of a business meeting. In the foreground, a person's hands are holding a white tablet. The tablet screen displays a business dashboard with a blue bar chart at the top and a data table below it. The text 'Strategy & Key Focus Areas 2018: Simply Unique' is overlaid in the center of the image. In the bottom right corner, there is a logo for 'EVLI' inside a square border.

Strategy & Key Focus Areas 2018:
Simply Unique

Growth Strategy



Key Focus Areas 2018 – Domestic and International Growth

- Increased focus on international growth with corporate bond and global equity funds
 - **Product requirements:** Long return history, good ranking (benchmark comparison), large enough size (AUM over 250 M€)
 - **Company requirements:** Administrative ability, strong balance sheet and solvency
 - **Go-to-market strategy:** Good local partners, rigorous customer focus and investment experts' involvement in customer encounters
 - **Distinguishing factors:** Nordic fund boutique → Transparency, reliability and efficiency
- Domestic growth in wealth management and fund sales
 - **Institutional clients:** Long experience and deep knowledge, for the third consecutive year the best and most widely used asset manager in Finland. Responsibility (ESG) is playing an increasingly important role in investment decisions
 - **Private clients:** Leading Private Banking service concept and presence where new wealth is created. Corporate incentive scheme management and other entrepreneur/SME related activities in focus
- Extending corporate services
 - Includes advisory in M&A, incentive program management and investment research
 - Strengthening the market position in Finland
 - Evaluating launch of the service model to Sweden.

Key Focus Areas 2018 – New Products and Services

- New alternative investment products
 - Increasing the size of current products
 - Launch of new real estate fund – Evli Vuokratuotto
 - Evaluating the possibility of launching other alternative funds
- New incentive program models, for example a bonus fund
- New ESG fund/-s
- Development of digital service models
 - Redesigning Evli's online services including My Evli and www.evli.com
 - Digital and real-time material for customer meetings → Seamless customer experience between digital and physical encounters
 - Projects around Artificial Intelligence and machine learning (NLP)
- Creating a superior customer experience
 - Dynamic measurement of customer experience for Private Banking clients will be extended to institutional clients
 - Target oriented scenario analysis.

Outlook 2018:

**The result for 2018 is estimated to
be clearly positive**

The Result for 2018 is Estimated to be Clearly Positive

- This view is supported by:
 - Demand for Evli's products and services has been stable and AUM has grown substantially over the recent years.
 - The outlook for advisory services is stable, as the demand has developed favorably

- However:
 - 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 continued decline in equity prices or a reduction in investors' risk appetite would have a negative impact on the company's profit performance

THANK YOU!

Upcoming events in the investor calendar:

- Half year report 1-6/2018 and Investor presentation: July 13, 2018
 - Interim report 1-9/2018 and Investor presentation: October 30, 2018
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Contact information

Evli Bank Plc

Aleksanterinkatu 19. 4th floor

P.O. Box 1081

00101 Helsinki

www.evli.com

Investor contacts

Juho Mikola

CFO

juho.mikola@evli.com

Tel. +358 9 4766 9871

Mikaela Herrala

IR and Communications Manager

mikaela.herrala@evli.com

Tel. +358 9 4766 9823

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