



FINANCIAL STATEMENTS BULLETIN January–December 2019

Evli Bank Plc 24.1.2020

Maunu Lehtimäki, CEO & Juho Mikola, CFO

EVLI

Agenda

1 Highlights 10-12/2019

2 Financial Figures

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A person is writing on a document in a meeting room. A laptop is open on the table to the left. Other people are visible in the background, but they are out of focus. A semi-transparent grey box is overlaid on the right side of the image, containing the text 'HIGHLIGHTS 10-12/2019'.

HIGHLIGHTS 10-12/2019

RECORD PROFIT FOR THE FINAL QUARTER OF THE YEAR

Financial performance

- Net revenues increased nearly 30% to EUR 22.7 million (EUR 17.5 million)
- Operating profit more than doubled to EUR 8.7 million (EUR 3.6 million) with operating profit margin reaching close to 40%
- Recurring revenue ratio reached new all-time high of 124% (full year)

Strategic development

- Assets under management (AUM) increased to record-high EUR 14.3 billion (EUR 11.4 billion)
- International fund capital grew over 40% to EUR 2.8 billion (EUR 1.9 billion)
- Alternative investment funds grew to EUR 869 million (EUR 349 million)
- Internal efficiency projects proceeded according to plan

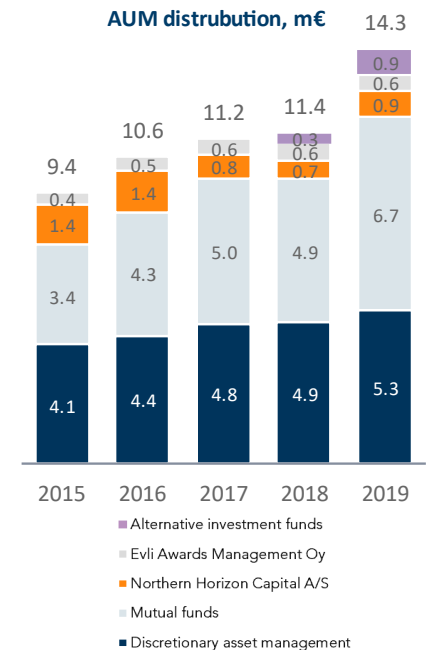
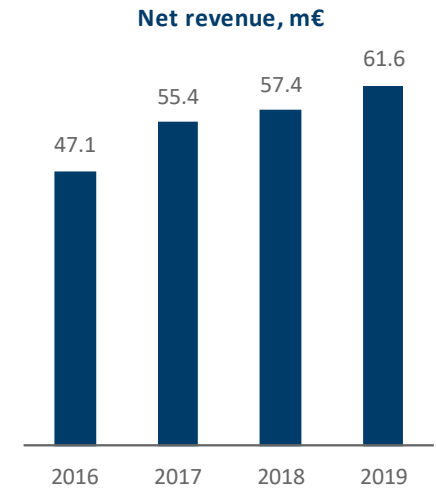
Dividend proposal

- The Board of Directors proposes a dividend of EUR 0.66 per share (EUR 0.61)

Wealth Management & Investor Clients

Growth in AUM and Number of Clients

- Net revenues increased 7% to EUR 61.6 million (EUR 57.4 million)
- Q4 net revenues increased 35% to EUR 19.4 million (EUR 14.4 million)
 - Driven by net sales, increased assets under management and performance fees
- AUM grew to EUR 14.3 billion driven by successful sales and market growth
 - Assets under discretionary management increased to EUR 5.3 billion (EUR 4.9 billion)
 - The combined assets in traditional funds increased to EUR 9.6 billion (EUR 7.8 billion).
 - Assets in alternative funds increased to EUR 0.9 billion (EUR 0.3 billion)
- Largest fund subscriptions in Finland. Among top 100 in Europe
- Brokerage business developed favorably with commissions close to previous year's level
- Evli received among others following recognitions:
 - Best institutional asset manager for the 5th consecutive year (KANTAR SIFO Prospera "External Asset Management Finland 2019" -survey)
 - Finland's most widely used asset manager (SFR Scandinavian Financial Research's "Institutional Investment Services, Finland 2019" -survey)
 - Best Private Banking in Finland (KANTAR SIFO Prospera "Private Banking 2019 Finland" -survey)

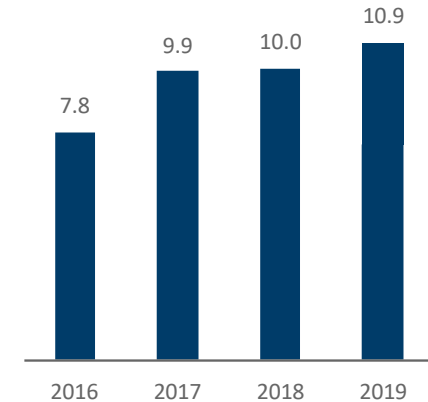


Advisory & Corporate Clients

Growth in Incentive Systems

- Advisory business developed favorably with net revenues growing close to 10% in 2019
- Q4 net revenues at the previous years level of EUR 3.5 million (EUR 3.6 million)
- Corporate Finance revenues grew close to 10%
 - Demand for M&A advisory remained stable
 - Total of 4 completed transactions during Q4/2019. 17 completed transactions in 2019
 - Mandate base at a good level
- Management of incentive systems performed well with revenues growing over 10%
 - Revenue increase driven by new clients and existing clients' broader incentive systems
 - Responsible for the administration of incentive systems for some 70 mainly listed companies

Net revenue, m€



Selected transactions

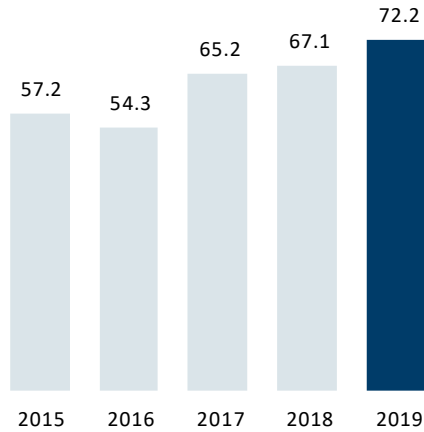




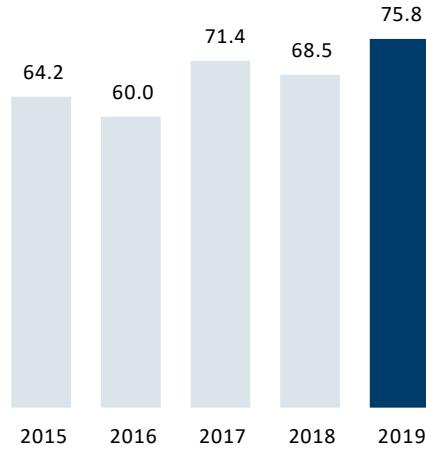
FINANCIAL FIGURES 1-12/2019

Financial Development 2015-2019

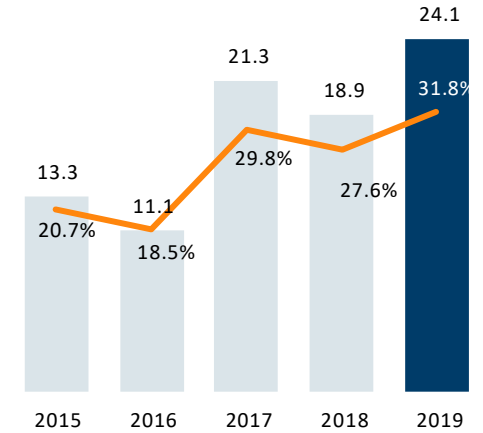
Net commission income (M€)



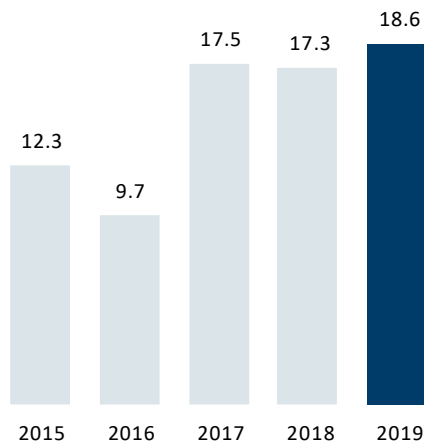
Net Revenue (M€)



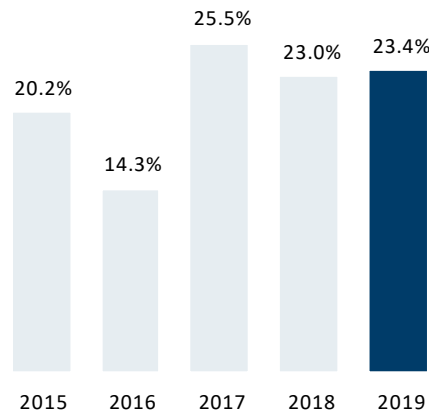
Operating profit (M€) & profit margin (%)



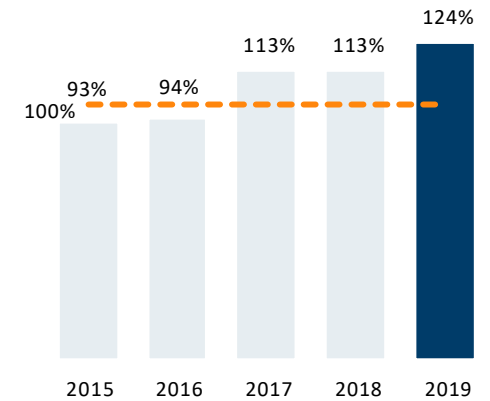
Net profit (M€)



Return on Equity (%)



Proportion of recurring revenue to operating expenses (%)



Profit and Loss Statement

M€	2019	2018	Change, %	2017	2016	2015
Net interest	0.3	0.7	-50%	0.9	1.6	1.4
Net commissions	72.2	67.1	8%	65.2	54.3	57.2
Net income from securities trading and FX	3.2	0.7	344%	4.9	4.0	5.4
Other operative income	0.1	0.1	-	0.4	0.1	0.2
NET REVENUE	75.8	68.5	11%	71.4	60.0	64.2
Personnel expenses	-30.4	-27.9	9%	-28.9	-27.7	-27.5
General expenses	-14.0	-15.9	-12%	-15.1	-14.8	-15.8
Depreciations and amortizations	-3.5	-2.1	66%	-2.3	-3.1	-3.9
Other operative expenses	-3.7	-3.6	-	-3.9	-3.3	-3.8
Impairment losses	-0.1	0.0	-	0.0	0.0	-
NET OPERATING PROFIT/LOSS	24.1	18.9	27%	21.3	11.1	13.3
Share of profit/loss of associates	-0.6	2.6	-123%	0.6	1.1	2.1
Taxes	-4.9	-4.2	16%	-4.3	-2.4	-3.0
PROFIT/LOSS FOR THE PERIOD	18.7	17.3	8%	17.5	9.7	12.3
Attributable to						
Non-controlling interest	1.4	1.3		0.8	-0.2	0.9
Equity holders of parent company	17.3	16.0		16.7	9.6	11.5

Balance Sheet

ASSETS, M€	31.12. 2019	31.12. 2018	LIABILITIES, M€	31.12. 2019	31.12. 2018
Liquid assets	305.7	239.7	Liabilities to credit institutions and central banks	1.9	6.7
Debt securities eligible for refinancing with central banks	36.1	31.1	Liabilities to the public and public sector entities	551.6	469.9
Claims on credit institutions	69.8	76.8	Debt securities issued to the public	148.6	160.9
Claims on the public and public sector entities	114.0	114.6	Derivative contracts and other trading liabilities	59.7	24.3
Debt securities	227.6	223.2	Other liabilities	58.0	58.0
Shares and participations	31.5	30.1	Accrued expenses and deferred income	21.7	18.1
Participating interests	3.8	5.1	Deferred tax liabilities	0.0	0.0
Derivative contracts	59.6	24.2	LIABILITIES TOTAL	841.5	738.0
Intangible assets	14.3	11.5	Equity to holders of parent company	80.1	76.3
Property, plant and equipment	1.6	1.9	Non-controlling interest in capital	1.7	1.1
Other assets	55.3	51.9	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	923.2	815.5
Accrued income and prepayments	3.6	5.3			
Deferred tax assets	0.2	0.1			
TOTAL ASSETS	923.2	815.5			

Key figures

	2019	2018	2017	2016	2015
Profitability key figures					
Return on equity (ROE), %	23.4	23.0	25.5	14.3	20.2
Return on assets (ROA), %	2.1	1.9	2.0	1.4	2.2
Balance sheet key figures					
Equity-to-assets ratio, %	8.9	9.5	7.6	8.6	11.1
Capital adequacy ratio, %	15.1	16.2	15.0	15.3	19.2
Key figures per share					
Earnings per Share (EPS), fully diluted, €	0.71	0.68	0.72	0.42	0.54
Comprehensive Earnings per Share (EPS), fully diluted, €	0.71	0.67	0.69	0.40	0.53
Dividend/share, €	0.66*	0.61	0.52	0.40	0.31
Equity per share, €	3.40	3.27	3.10	2.81	2.96
Share price at the end of the period, €	10.40	7.28	9.60	6.75	8.19
Other key figures					
Expense ratio (operating costs to net revenue)	0.68	0.72	0.70	0.8	0.8
Recurring revenue ratio, %	124	113	113	94	93.0
Personnel at the end of the period	249	254	240	244	248
Market value, M€	248.6	172.5	224.9	157.4	190.9

Strategic KPI

Return on Equity
(Target 15.0%)

23.4%

(2018: 23.0%)

Recurring Revenue to Operational Costs
(Target 100%)

124%

(2018: 113%)

Assets under Management

EUR 14.3bn

(2018: EUR 11.4 bn)

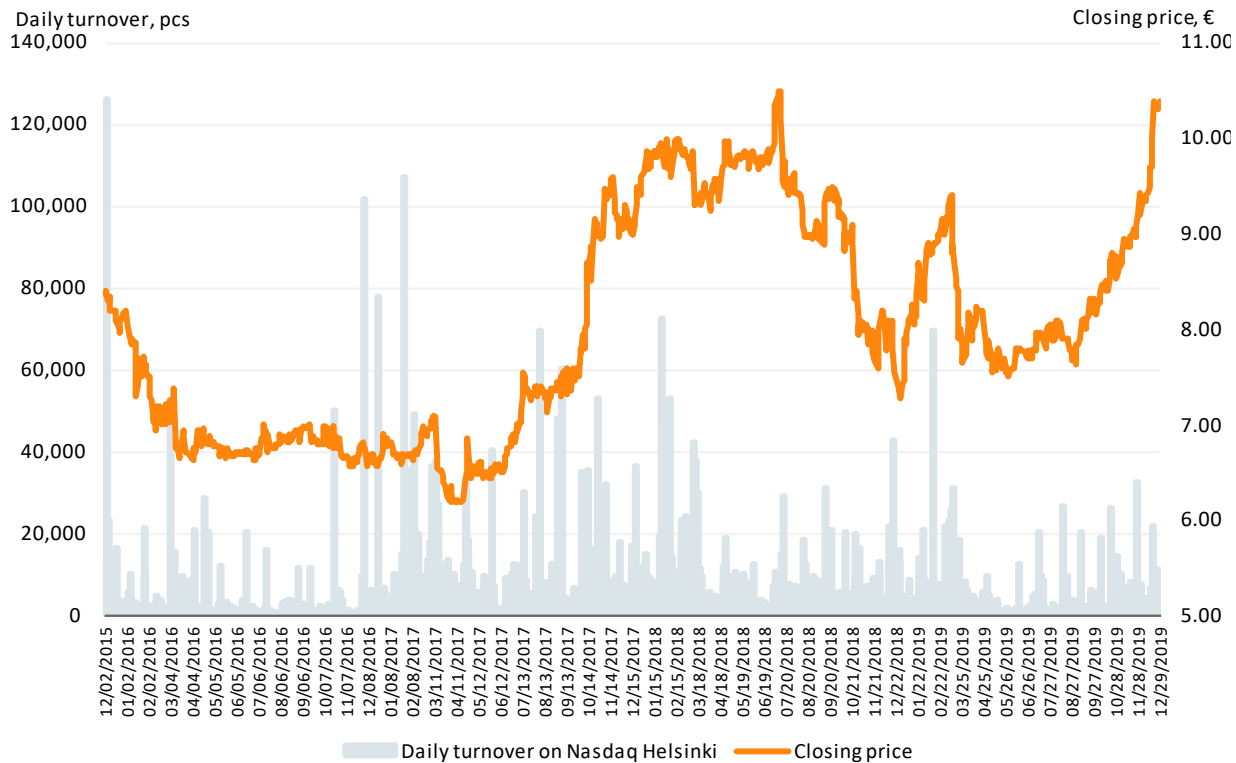
Net Commission Income

M€ 72.2

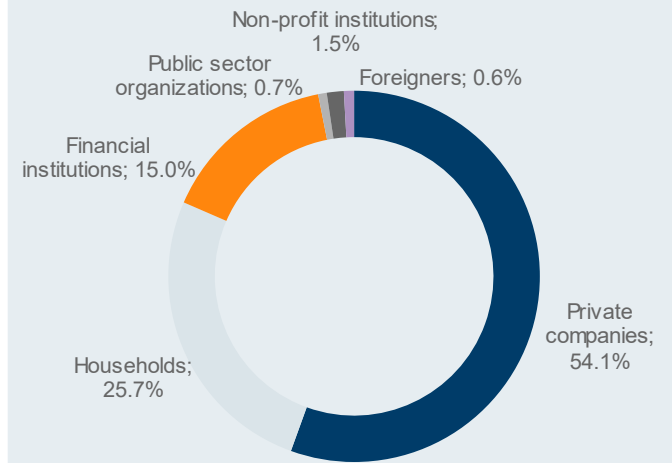
(2018: M€ 67.1)

Share Price Development and Trading Volume

Share price development and trading volume* 2.12.2015–31.12.2019



Shareholdings by owner group 31.12.2019**



Listed on Nasdaq Helsinki 2015

Market cap M€ 248.6^{***}

Registered shareholders 4,204^{***}

A top-down view of a desk with various office supplies. On the right, a silver laptop is open. In the center, a black smartphone lies vertically. To the left of the phone is a small white notepad with a black pen resting on it. Further left is a clipboard with a gold clip holding a document. The background is a light-colored surface.

OUTLOOK FOR 2020

Outlook for 2020:

We estimate the operating profit for 2020 to be clearly positive

- The view is supported by:
 - Materialized growth in AUM, including introduction of new alternative investment funds
 - Positive development and stable outlook for corporate services
 - Actions taken so far to increase internal efficiency
- However:
 - The risks associated with the general development in the equity and fixed income markets continue to be at a high level
 - A continued decline in equity prices or a reduction in investors' risk appetite would have a negative impact on the company's profit performance.

Contact information

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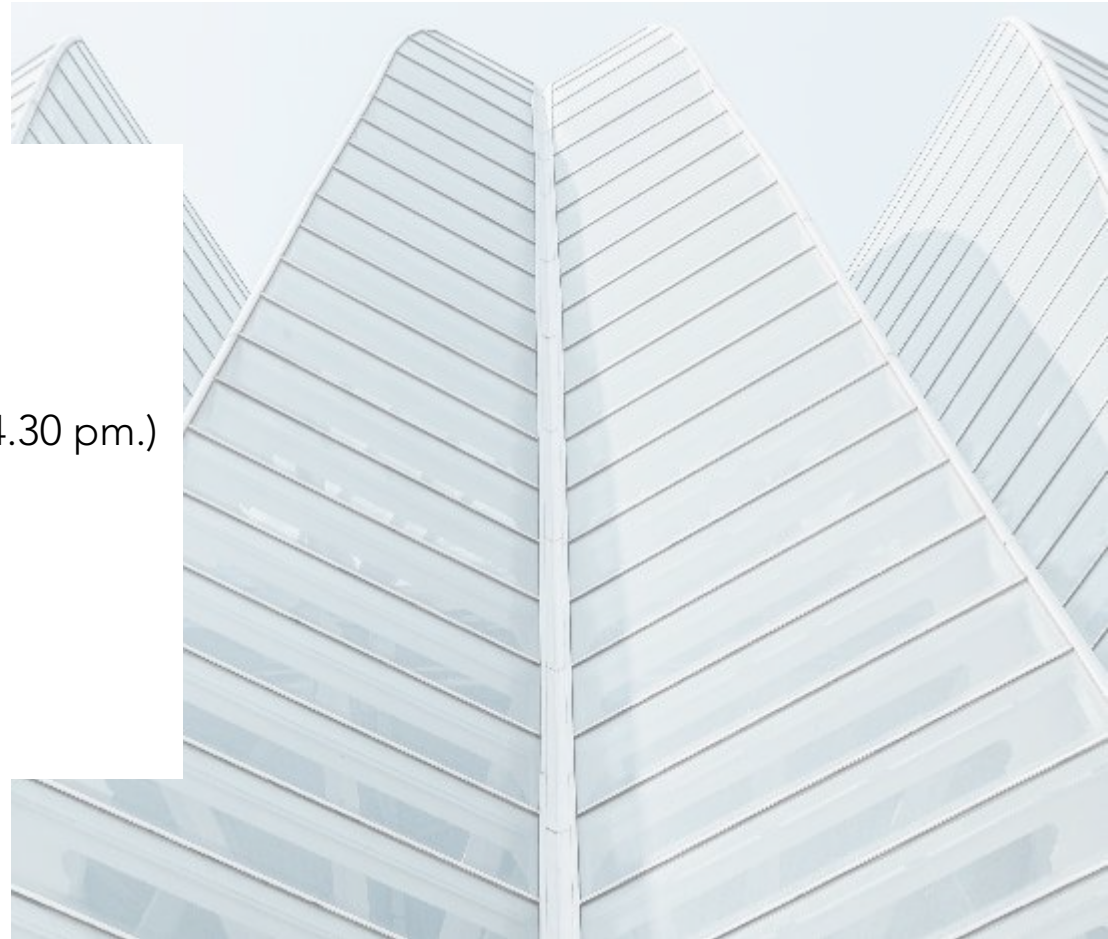
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Appendicies

Executive Group



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



Mari Etholén, born 1973
HR and Legal Affairs
LLM
Joined Evli Bank Plc in 2001



Panu Jousimies, born 1969
Execution and Operations
M.Sc. (Econ.)
Joined Evli Bank Plc in 1997



Kim Pessala, born 1969
Institutional clients
M.Sc. (Econ.)
Joined Evli Bank Plc in 1995



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



Esa Pensala, born 1974
Private Clients
M.Sc. (Tech.)
Joined Evli Bank Plc in 2001



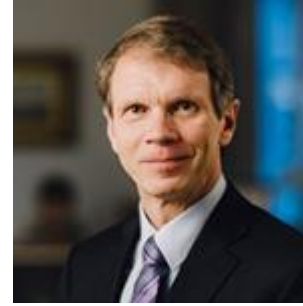
Mikael Thunved, born 1965
Corporate Finance
B.Sc. (Econ.)
Joined Evli Bank Plc in 2002

Board of Directors



Henrik Andersin, born 1960

- Chairman of the Board of Directors
- Member of the Board of Directors of Evli Bank Plc since 1985 (excluding 2002-2006)
- Chairman of the Board of Directors of Nokian Panimo Oy
- Dependent member.



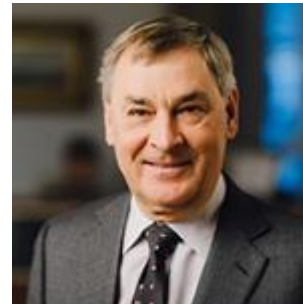
Robert Ingman, born 1961

- Member of the Board of Directors of Evli Bank Plc since 2010
- Chairman of the Boards of Directors of Ingman Group Oy Ab, Ingman Finance Oy Ab, Ingman Development Oy Ab, Digia Oyj, Etteplan Oy, Halti Oy, M-Brain Oy and Qt Group Ltd
- Dependent member.



Fredrik Hacklin, born 1978

- Member of the Board of Directors of Evli Bank Plc since 2019
- Professor of Entrepreneurship at Vlerick Business School, associate professor at ETH Zurich
- Advised multinationals and governments on entrepreneurship, strategy and technology management
- Independent member.



Mikael Lilius, born 1949

- Member of the Board of Directors of Evli Bank Plc since 2010
- Chairman of the Boards of Directors of Metso Oyj, Wärtsilä Oyj and Ahlström Capital Oy
- Independent member.



Sari Helander, born 1967

- Member of the Board of Directors of Evli Bank Plc since 2019
- Chief Executive Officer at Greenstep Oy
- Member of the Supervisory Board of LocalTapiola General Mutual Insurance Company
- Independent member.



Teuvo Salminen, born 1954

- Member of the Board of Directors of Evli Bank Plc since 2010
- Chairman of the Board of Directors of Havator Oy and Glaston Oyj
- Vice Chairman of the Board of Pöyry Oyj
- Member of the Boards of Directors of Cargotec Oyj and 3Step It Group Oy
- Independent member.