



INTERIM REPORT
January-March 2019

CAUTIOUS MARKET SENTIMENT REFLECTED IN THE FIRST QUARTER RESULT

- The Wealth Management and Investor Clients segment's operating profit declined and was EUR 2.8 million (1-3/2018: EUR 4.3 million)
- The Advisory and Corporate Clients segment's operating profit of EUR 0.5 million remained at same level as in the comparison period (EUR 0.5 million)
- The return from own balance sheet items developed favourably and totaled EUR 1.1 million (EUR -0.1 million), which improved the operating profit in the Group Operations segment
- According to our strategy, Evli's assets under management in alternative investment products increased during the review period and exceeded EUR 400 million (about EUR 100 million).

January-March 2019

- Net revenue was EUR 16.8 million (EUR 17.0 million)
- Operating profit was EUR 4.3 million (EUR 5.2 million)
- Profit for the financial year was EUR 3.5 million (EUR 5.9 million)
- Evli's diluted earnings per share were EUR 0.13 (EUR 0.24) and return on equity was 19.2 percent (34.1%)
- Net assets under management grew and totaled EUR 11.9 billion (EUR 11.4 billion) at the end of March
- Proportion of recurring revenue to operating costs was 110 percent (120%).

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

	1-3/2019	1-3/2018	1-12/2018
Income statement key figures			
Operating income, M€	16.8	17.0	68.5
Operating profit/loss, M€	4.3	5.2	18.9
Operating profit margin, %	25.7	30.8	27.6
Profit/loss for the financial year, M€	3.5	5.9	17.3
Profitability key figures			
Return on equity (ROE), %	19.2	34.1	23.0
Return on assets (ROA), %	1.4	2.3	1.9
Balance sheet key figures			
Equity-to-assets ratio, %	5.7	6.1	9.5
Group capital adequacy ratio, %	15.8	15.4	16.2
Key figures per share			
Earnings per Share (EPS), fully diluted, €	0.13	0.24	0.68
Comprehensive Earnings per Share (EPS), fully diluted, €	0.13	0.23	0.67
Dividend per share, €*	-	-	0.61
Equity per share, €	2.79	2.80	3.27
Share price at the end of the period, €	7.70	9.48	7.28
Other key figures			
Expense ratio (operating costs to net revenue)	0.74	0.69	0.72
Recurring revenue ratio, %	110	120	113
Personnel at the end of the period	256	259	254
Market value, M€	184.0	224.6	172.5

*Dividend for 2018 approved by the Annual General Meeting. The dividend was paid on March 21, 2019.

Maunu Lehtimäki, CEO

After the steep decline in share prices at the end of last year the market environment calmed down and equity and corporate bond prices recovered. Despite this, investor activity and sentiment were cautious at the beginning of the year and this was reflected in Evli's first quarter financial performance. During the review period, our net revenue declined 1 percent, net commission income by 8 percent and operating profit by 18 percent year on year. A decline in fund and brokerage fees, in particular, had a negative effect on performance. However, the balance sheet returns developed exceptionally well and was EUR 1.1 million in the first quarter.

The core areas in Evli's strategy performed according to expectations during the first quarter. In line with the strategy we focused on developing alternative investment products, on international fund sales and on projects to improve client experience and digitalization.

In the area of alternative investment products, we launched the new Evli Private Equity II Ky fund that invests in private equity funds in the first quarter and raised around EUR 60 million for our real estate equity funds. The Evli Healthcare I fund, which invests in care facilities, reached its target size of EUR 200 million and was closed to new subscriptions. The total capital in the alternative investment products, including investment commitments, was around EUR 400 million at the end of the review period compared with around EUR 100 million a year earlier.

International fund sales grew by around EUR 100 million during the first quarter, the majority of the growth came from corporate bond funds. As was the case in the previous year, foreign investors were interested in the Nordic Corporate Bond fund and the fund's capital

increased to almost EUR 700 million. Overall, our international fund capital grew to EUR 2.1 billion compared with EUR 1.7 billion a year earlier. Evli's major markets outside Finland are Sweden and the other Nordic countries and large countries in Central Europe, particularly Germany, France and Spain.

In Finland, the sales performance of fund products and discretionary asset management services was varied. The sale of asset management services to private and institutional clients increased according to plan. However, fund sales were negative during the first quarter on account of a couple of large redemptions. Evli Fund Management Company's net subscriptions to traditional mutual funds were around EUR 100 million negative, but as a result of the recovery of share prices our fund capital increased and exceeded that of the end of last year at EUR 8.1 billion. Evli is the fourth largest fund management company in Finland and its market share was 7.1 percent at the end of March. Our client assets under management grew to EUR 11.9 billion.

In the Advisory and Corporate Clients segment the Corporate Finance business area performed in line with expectations and invoicing was at the level of the previous year. The company's mandate base is stable so the outlook for the coming quarters is also positive. The incentive system management business grew as it has in previous years due to new clients and existing clients extending their current incentive systems.

We will continue our resolute work to develop our strategic focus areas in order to reach our target of achieving an even broader selection of funds and more international clientele. By developing new alternative investment products, we want to meet client demand even better and strengthen the average margin of our fund products. We will also continue our work to create a unique client experience and to boost the efficiency of our investment processes. We have invested in the development of our information systems for a long time now. During 2019 our target is to launch new digital services and update our back-office systems. We believe this work will have a positive impact on client satisfaction and our profitability.

MARKET PERFORMANCE

At the beginning of the year it looked like the global economy would continue to decline in the same way as at the end of the previous year. However, this was not the case as the market made a complete turnaround during the first quarter. Despite the slow economic growth, weaker than expected macro figures and the ongoing trade dispute between China and the USA the first quarter was the strongest quarter since 1998 with regard to US equities. This was partly caused by long rates remaining at low levels and indications that the trade dispute might be resolved. In addition, there were rising hopes that economic growth would accelerate as a result of positive predictive indicators which prompted a counter reaction on the market and share price rises after last year's share price decline.

The US Federal Reserve (Fed), which raised interest rates during the previous year, unexpectedly changed its view in January regarding the forthcoming economic growth and indicated that it would ease its tightening of the market. The Fed announced, among others, that it would stop the decreases of its balance sheet by the end of October. The European Central Bank (ECB) also reacted to the weakening of the economic outlook and slowing growth by announcing that it would postpone interest rate hikes and by deciding to implement a new targeted longer-term refinancing operation (TLTRO) during 2019.

Though the earnings growth for the first quarter was expected to decline to its lowest level in three years, market returns were the highest they had been in many years. On the equity markets US equities (S&P 500) rose 13.6 percent and European equities (Stoxx 600) 13.0 percent during the first three months of the year. Finnish equities (OMX Helsinki Cap) climbed 11.9 percent during the same period.

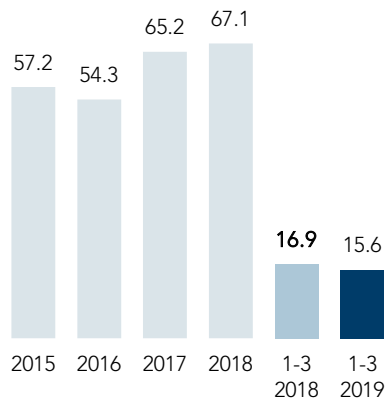
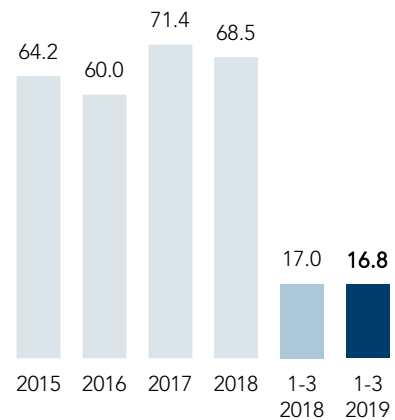
Long rates continued their decline during the first quarter of the year leading to an increase in the values of interest-bearing papers. The values of euro area government bonds rose 2.5 percent. The values of corporate bonds with higher ratings rose 3.2 percent and the values of high yield bonds with lower ratings rose 5.1 percent. The euro weakened by 2.0 percent against the dollar.

DEVELOPMENT OF REVENUE AND RESULT

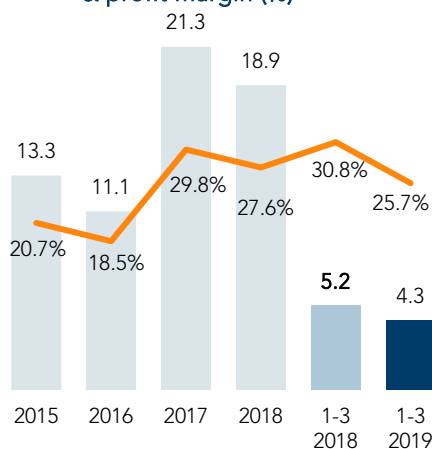
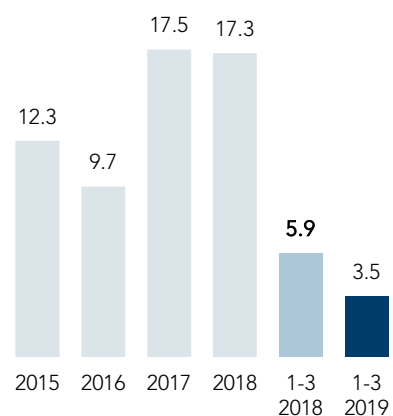
January-March

The Evli Group's net commission income declined eight percent during the review period year on year and was EUR 15.6 million (EUR 16.9 million). The main reason for the negative performance was the decline in brokerage fees as a result of weaker client demand and a decline in fund fees. This was partly affected by a non-recurring fund fee (EUR 0.4 million) in the comparison period and client demand focusing on fixed income funds with lower-margins. There were no profit-related fees from mutual funds or asset management (EUR 0.4 million) during the review period. However, due to successful investment activities the net income from securities transactions and foreign exchange dealing increased significantly from the previous year to EUR 1.1 million (EUR -0.1 million). Overall, during the review period, the return from Evli Group's operations declined one percent year on year and was EUR 16.8 million (EUR 17.0 million).

Overall costs for the period, including depreciation, amounted to EUR 12.5 million (EUR 11.7 million). The Group's personnel expenses totaled EUR 7.3 million (EUR 6.3 million) including estimated performance bonuses for the personnel. The personnel expenses are not directly comparable as the provision during the comparison period were higher than the period's performance bonus payment. The Group's administrative expenses were EUR 3.6 million (EUR 3.9 million). The Group's depreciation, amortization and write-downs were EUR 0.8 million (EUR 0.4 million). The Group's other operating expenses totaled EUR 0.8 million (EUR 1.1 million). Evli's expense/income ratio was 0.74 (0.69).

Net commission income (M€)

Net Revenue (M€)


The Group's operating profit for the review period declined by 18 percent year on year to EUR 4.3 million (EUR 5.2 million). The operating margin was 25.7 percent (30.8%). The profit for the review period was EUR 3.5 million (EUR 5.9 million). The Group's annualized return on equity was 19.2 percent (34.1%), which exceeded the long-term return on equity target of 15.0 percent.

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

Net profit (M€)


Balance sheet and funding

At the end of March, the Evli Group's balance sheet total was EUR 1,168.0 million (EUR 1,082.2 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 66.6 million (EUR 65.9 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 15.8 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 increased by 27 percent compared to the comparison period. The company's loan portfolio increased by 15 percent compared to the comparison period and was EUR 117.7 million. The ratio of loans granted

by the Group to Evli Bank Plc's deposits from the public was 17 percent. The Group's liquidity is good.

COMMON EQUITY TIER 1 CAPITAL, M€	31.3.2019	31.3.2018
Share capital	30.2	30.2
Funds total and retained earnings	32.2	29.5
Minority interest	0.0	0.0
<i>Decreases:</i>		
Intangible assets	11.5	10.0
Other decreases	0.0	2.0
Total common equity tier 1 capital	50.8	47.8

Evli Bank has no tier 2 capital.

Minimum requirement of own funds, M€	31.3.2019	31.3.2019
Minimum capital adequacy requirement by asset group, standard credit risk method:	Min. requirement	Risk-weighted value
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	2.7	33.4
Investments in mutual funds	2.8	35.5
Claims secured with property	0.1	1.0
Claims from corporate customers	2.9	36.1
Items with high risk, as defined by the authorities	0.1	1.4
Other items	6.7	83.8
Minimum amount of own funds, market risk	0.5	6.5
Minimum amount of own funds, operational risk	9.9	123.8
Total	25.7	321.6

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

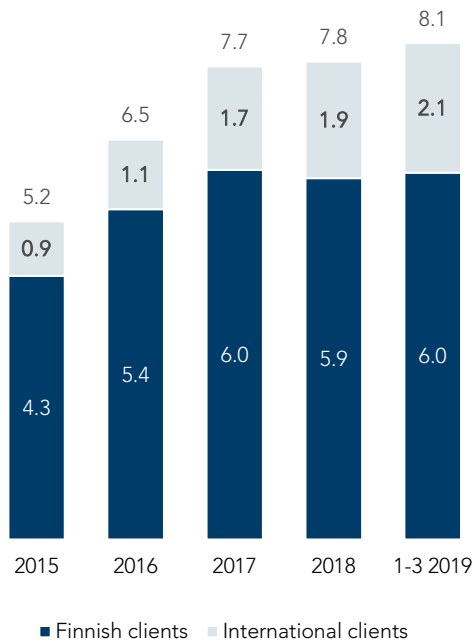
The sales of Evli's Wealth Management services developed favourable during the first quarter. The number of clients continued to grow in both traditional and digital asset management. At the end of the review period, Evli had EUR 5.1 billion (EUR 4.8 billion) in discretionary asset management assets, which includes both the traditional and the digital services.

Investment products – traditional mutual funds

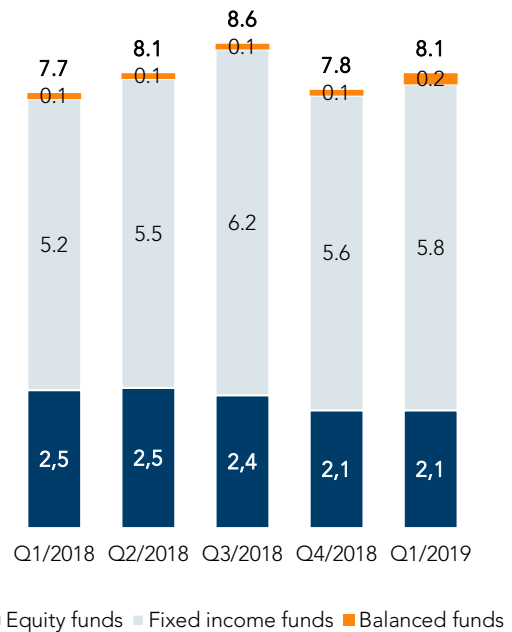
Traditional mutual fund sales did not perform as anticipated during the first quarter of the year as net subscriptions were negative by EUR 87.6 million (EUR 153.0 million). Despite this, according to the Mutual Fund Report carried out by Investment Research Finland, Evli Fund Management Company's market share increased by 0.25 percentage points on the previous

year and was 7.1 percent at the end of March. At the end of March, Evli had 28 investment funds registered in Finland. The combined assets of the traditional mutual funds managed by the company were EUR 8.1 billion (EUR 7.8 billion). Of this, EUR 2.1 billion were invested in equity funds (EUR 2.5 billion), EUR 5.8 billion in fixed income funds (EUR 5.2 billion) and EUR 0.1 billion in balanced funds (EUR 0.1 billion). Evli's clients invested the most new assets in the Evli Nordic Corporate Bond (EUR 103 million), the Evli European Investment Grade (EUR 60 million) and the Evli European High Yield (EUR 42 million), funds.

Assets under Management in Mutual Funds (€ bn.)



Distribution of assets under management in mutual funds (mrd. €)



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. The investments made by Evli's mutual funds are also 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. During the first quarter, Evli engaged with five companies regarding matters related to corporate governance, in one company regarding corporate responsibility matters and joined one new collaborative engagement activity through PRI. In addition, responsibility reports are published for Evli's equity and corporate bond funds, and these are available to all investors.

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, German, 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 March EUR 2.1 billion (EUR 1.7 billion) of Evli's fund capital came from clients outside of Finland.

At the beginning of 2019, Evli's fund knowledge was recognized. Evli was awarded with the "Best Group Bond - Overall Small Company" Lipper Fund Award 2019 in Germany and Evli Short Corporate Bond B was rewarded with both "Best Fund over 3 years" and "Best Fund over 5 years" in the "Bond EUR Corporates Short Term" category. In addition, Evli Fund

Management Company was awarded Best Fixed Income Management Company in Spain at the Morningstar Awards gala.

Investment products – alternative investment products

The sale of strategically important alternative investment products developed according to plans during the first quarter. Evli has 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 end of March Evli collected the final investment commitments for the fund and closed it to new investments to focus on maximizing the clients' returns. The Evli Healthcare I fund was also closed to new investments in February as planned. By this point around EUR 200 million had been collected in the fund. The Evli Rental Yield non-UCITS fund launched in the second quarter of 2018 is still open for investments for the time being by investors interested in real estate. The fund raised EUR 19 million in new net subscriptions during the first quarter. At the end of March Evli managed EUR 357 million of assets in its real estate funds.

Evli's private equity fund business was launched at the end of 2018 with the new Evli Growth Partners fund, which had grown to EUR 40 million by the end of the review period. The company reinforced its private equity business operations by purchasing Ab Kelonia Placering Oy's business operations during the second half of 2018. The business will be launched during the second quarter of 2019 when the transaction is approved. In relation to this, the company launched the new Evli Private Equity II Ky fund which invests in private equity funds. EUR 31 million of investment commitments was raised for the fund. The company's target is to significantly grow its existing products during the year.

Investment products - others

The first quarter of the year was challenging regarding the brokerage of investment products. Commission income declined in conventional equity brokerage, derivatives and ETF instruments. The brokerage fees for structured products also fell considerably short of the year-on-year level. Client activity has declined, among others, as a result of the uncertainty on the markets.

KEY FIGURES - WEALTH MANAGEMENT AND INVESTOR CLIENTS SEGMENT

M€	1-3/2019	1-3/2018	Change %
Net revenue	13.0	14.3	-9%
Operating profit/loss before Group allocations	4.6	6.3	-27%
Operating profit/loss	2.8	4.3	-35%
Number of personnel	164	178	
Market share, %*	7.1	6.8	
Net subscriptions**	8.1	153.0	

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

**Net subscription to Evli's traditional mutual funds. Source: fund report by Finanssialan Keskusliitto ry

January-March

The Wealth Management and Investor Clients segment's profit performance did not meet expectations. The segment's net revenue fell nine percent year on year totaling EUR 13.0 million (EUR 14.3 million). The development of net revenue was negatively affected in particular by the decline in brokerage fees due to lower client activity and, among other things, the reduction in fund fees as a result of allocation decisions. No performance-based fees were received from asset management or funds during the review period (EUR 0.4 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

During the first quarter, Evli acted as an advisor in five completed transactions. The activity on the M&A market has remained good and the demand for the company's services has remained stable. The company's mandate base has remained at a good level.

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

- Humana AB's acquisition of Coronaria Hoiva Oy
- Kraftpojkarna's sales of the company to OKQ8
- Sunstone Metals Ltd's sales of Avalon Minerals Viscaria AB to Copperstone Resources AB
- CGI Nordic Holdings Limited's public tender offer for Acando and provided the Board of Acando with a fairness opinion
- Lantmännen's acquisition of Tate & Lyle's mill and production facility in Kimstad, Sweden.

Incentive systems

The Incentive systems business developed well during the first quarter, 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 March, Evli was responsible for the administration of the incentive systems for about 65 mainly listed companies.

Investment research

The performance of Evli's investment research segment did not reach expectations during the first quarter. The company was unable to increase the net number of clients in research services. At the end of March, Evli's research service had 27 companies as clients.

KEY FIGURES - ADVISORY AND CORPORATE CLIENTS SEGMENT

M€	1-3/2019	1-3/2018	Change %
Net revenue	2.5	2.3	6%
Operating profit/loss before Group allocations	0.8	0.8	9%
Operating profit/loss	0.5	0.5	14%
Number of personnel	42	41	

January-March

The net revenue of the Advisory and Corporate Clients segment developed favorable and was EUR 2.5 million (EUR 2.3 million). Significant fluctuations in revenue from one quarter to the next are typical of the segment's M&A activities.

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 (including unallocated items)

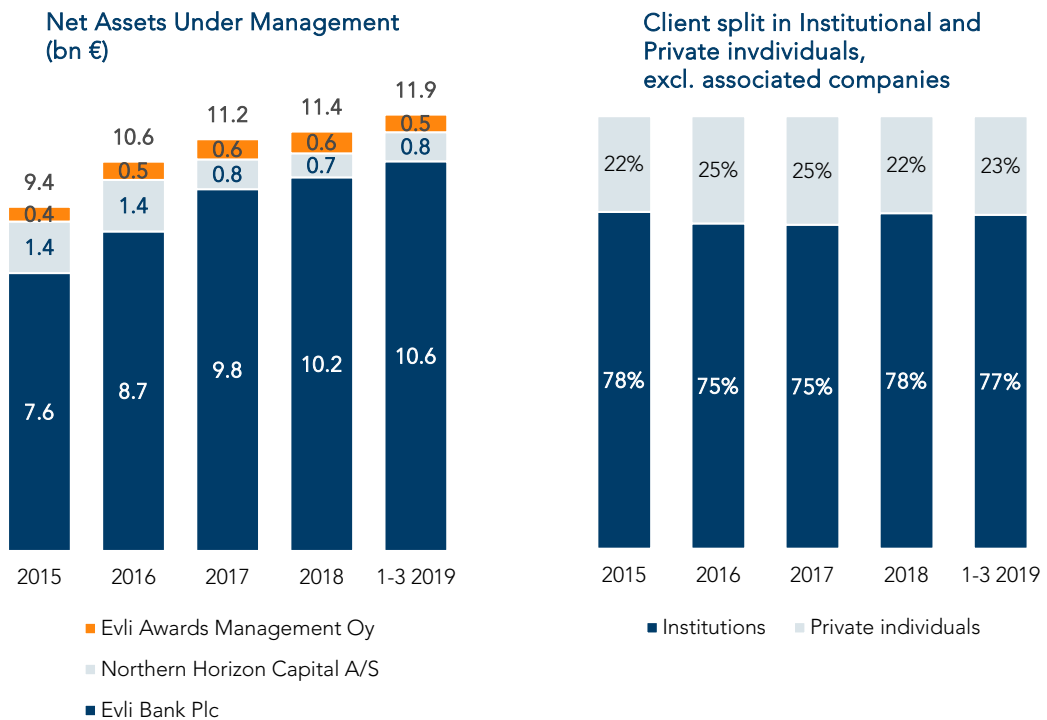
M€	1-3/2019	1-3/2018	Change %
Net revenue	1.3	0.4	331%
Operating profit/loss before Group allocations	-1.1	-1.9	-
Operating profit/loss	1.0	0.4	115%
Number of personnel	50	40	

January-March

The return of the Group operations segment more than tripled year on year and was EUR 1.3 million (EUR 0.4 million). This growth was a result of Evli's Treasury function's return that was higher than the previous year and the positive performance of long-term investments through Evli's own balance sheet.

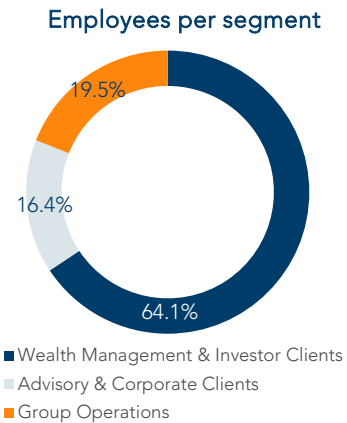
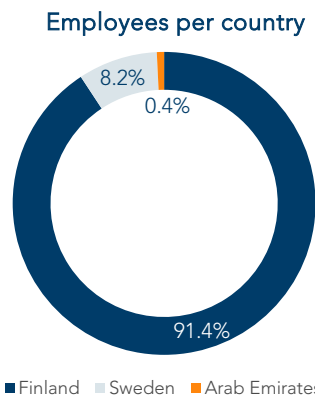
DEVELOPMENT OF CLIENT ASSETS UNDER MANAGEMENT

There was a positive trend in client assets under management during the review period as the market grew. The Group's combined net assets under management at the end of March were EUR 11.9 billion (EUR 11.4 billion). About 77 percent of client assets under management in mutual funds and asset management came from institutional investors and the remaining 23 percent from private individuals.



PERSONNEL

The group had 256 employees (259) at the end of March. The number of employees declined by one percent, from the comparison period. 91.4 percent of the personnel were employed in Finland and 8.6 percent abroad.



EMPLOYEE FACTS

CHANGES IN GROUP STRUCTURE

There were no significant changes in the Group structure during the review period.

EVLI'S SHARES AND SHARE CAPITAL

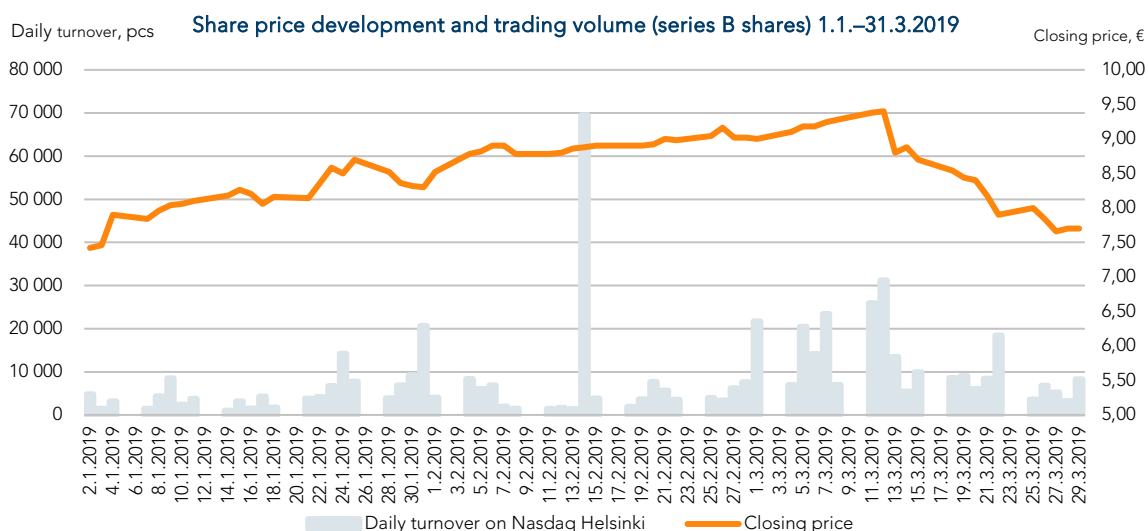
At the end of March, Evli Bank Plc's total number of shares was 23,901,420, of which 15,407,519 were series A shares and 8,493,901 were series B shares. The company held 375,387 series A shares. The company's share capital was EUR 30,194,097.31 at the end of March. No changes took place in the share capital.

Based on the stock options 2014 granted by the company's Board of Directors a total of 170,000 new A shares and 42,500 new B shares were subscribed to on February 11, 2019. The shares subscribed to were registered in the Trade Register on February 11, 2019. Public trading with the new B-shares began at Nasdaq Helsinki Ltd on February 12, 2019.

Under Article 4 of its Articles of Association, the company converted 91,404 A shares into B shares on February 13, 2019. Public trading on the converted shares began at Nasdaq Helsinki Ltd on February 14, 2019.

Trading on Nasdaq Helsinki

At the end of March, Evli had 8,493,901 B shares subject to public trading on Nasdaq Helsinki Ltd. Trading in the shares in January-March came to EUR 4.6 million, with 525,068 Evli shares traded. The closing price at the end of March was EUR 7.70. The highest share price during the review period was EUR 9.48 and the lowest was EUR 7.24. Evli's market capitalization was EUR 184.0 million at the end of March. The market capitalization is calculated based on both unlisted A shares and listed B shares. A shares are valued at the closing value of the B share at the end of the reporting period.



Shareholders

Evli’s ten largest shareholders on March 31, 2019 are listed in the table below. The total number of shareholders at the end of March was 4,159 (3,696). The stake of Finnish companies was 53.8 percent (66.2%) and that of private Finnish individuals was 25.9 percent (25.4%). The remaining 20.3 percent of the shares (8.4%) were owned by financial and insurance institutions, public sector organizations, non-profit institutions serving households and foreign investors.

LARGEST SHAREHOLDERS MARCH 31, 2019

	A-shares	B-shares	Shares total	% of all shares	Votes total	% of votes
1. Oy Scripo Ab	3 803 280	950 820	4 754 100	19.9%	77 016 420	24.3%
2. Prandium Oy Ab	3 803 280	950 820	4 754 100	19.9%	77 016 420	24.3%
3. Oy Fincorp Ab	2 319 780	415 991	2 735 771	11.5%	46 811 591	14.8%
4. Ingman Group Oy Ab	1 860 000	600 000	2 460 000	10.3%	37 800 000	11.9%
5. Lehtimäki Maunu	533 728	155 932	689 660	2.9%	10 830 492	3.4%
6. Hollfast John Erik	328 320	82 080	410 400	1.7%	6 648 480	2.1%
7. Tallberg Claes	369 756	32 588	402 344	1.7%	7 427 708	2.3%
8. Evli Bank Plc	375 387	0	375 387	1.6%	7 507 740	2.4%
9. Moomin Characters Oy Ltd	0	299 882	299 882	1.3%	299 882	0.1%
10. Lundström Mikael	186 448	35 546	221 994	0.9%	3 764 506	1.2%

DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Evli Bank Plc’s Annual General Meeting, held in Helsinki on March 12, 2019, 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 0.61 per share in dividends. The dividend was paid to a shareholder who on the record date March 14, 2019 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, 2019.

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 2018 financial year.

Number of Board members, members and fees

The Annual General Meeting confirmed six as the total number of members of the Board of Directors. Henrik Andersin, Robert Ingman, Mikael Lilius and Teuvo Salminen were re-elected to Evli Bank Plc's Board of Directors. In addition, Sari Helander and Fredrik Hacklin were elected as new members to the 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 per month. 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 1,540,752 shares, and the total number of own series B shares to be repurchased may be a maximum of 849,390 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 the Nasdaq Helsinki Oy on the date of repurchase.

The authorization will replace 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, 2020.

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 2,390,142 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 478,028 shares may be used as part of the

company's share-based incentive schemes, representing approximately two percent of all the shares of the company on the date of the Notice of the Annual General Meeting.

The authorization will entitle 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 will replace 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, 2020.

BUSINESS ENVIRONMENT

Evli's business environment is challenging. The equity market that has rose for a record period and political uncertainty have made investors cautious and to favor lower risk and thus lower margin products. This has been evident as redemptions in Evli's equity funds and correspondingly in the growth of fixed income funds. Demand for passive products has continued to grow and consequently the prices of active investment products have been pushed down. Demand for alternative investment products has also grown. Evli has responded to this demand by making a host of new funds that invest in real estate and private equity funds available for its clients. Despite the uncertainty, the situation in the company's domestic market in Finland is quite stable and the conditions for growth of the company's traditional operations are good, particularly due to the expanded product selection.

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. Moreover, 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 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 very competitive. Evli launched three new alternative investment products during 2018 and one fund investing in private equity funds during the first quarter of 2019. The company's goal is to turn alternative investment products into a major source of revenue.

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.

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, April 26, 2019

EVLI BANK PLC
Board of Directors

Additional information:

Maunu Lehtimäki, CEO, tel. +358 50 553 3000

Juho Mikola, CFO, tel. +358 40 717 8888

www.evli.com

INVESTOR CALENDER 2019

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

EVLI BANK PLC

INTERIM REPORT TABLES

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CONSOLIDATED INCOME STATEMENT, M€	1-3/2019	1-3/2018	1-12/2018
Net interest income	0.0	0.1	0.7
Commission income and expense, net	15.6	16.9	67.1
Net income from securities transactions and foreign exchange dealing	1.1	-0.1	0.7
Other operating income	0.0	0.0	0.1
NET REVENUE	16.8	17.0	68.5
Administrative expenses			
Personnel expenses	-7.3	-6.3	-27.9
Other administrative expenses	-3.6	-3.9	-15.9
Depreciation, amortisation and write-down	-0.8	-0.4	-2.1
Other operating expenses	-0.8	-1.1	-3.6
Impairment losses on loans and other receivables	0.0	0.0	0.0
NET OPERATING PROFIT / LOSS	4.3	5.2	18.9
Share of profits (losses) of associates	0.0	1.7	2.6
Income taxes*	-0.8	-1.0	-4.2
PROFIT / LOSS FOR FINANCIAL YEAR	3.5	5.9	17.3
Attributable to			
Non-controlling interest	0.2	0.2	1.3
Equity holders of parent company	3.3	5.7	16.0
PROFIT / LOSS FOR FINANCIAL YEAR	3.5	5.9	17.3
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
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences - foreign operations	-0.1	-0.2	-0.2
Other comprehensive income/loss	-0.1	-0.2	-0.2
Other comprehensive income after taxes / loss total	-0.1	-0.2	-0.2
OTHER COMPREHENSIVE INCOME / LOSS TOTAL	3.4	5.7	17.1
Attributable to			
Non-controlling interest	0.2	0.2	1.3
Equity holders of parent company	3.2	5.5	15.8
Earnings per Share (EPS), fully diluted	0.13	0.24	0.68
Comprehensive Earnings per Share (EPS), fully diluted	0.13	0.23	0.67

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

CONSOLIDATED INCOME STATEMENT QUARTERLY, M€	1-3/ 2019	10-12/ 2018	7-9/ 2018	4-6/ 2018	1-3/ 2018
Net interest income	0.0	0.2	0.2	0.1	0.1
Commission income and expense, net	15.6	17.7	15.1	17.4	16.9
Net income from securities transactions and foreign exchange dealing	1.1	-0.4	0.7	0.5	-0.1
Other operating income	0.0	0.1	0.0	0.0	0.0
NET REVENUE	16.8	17.5	16.1	18.0	17.0
Administrative expenses					
Personnel expenses	-7.3	-8.1	-6.2	-7.4	-6.3
Other administrative expenses	-3.6	-4.2	-3.7	-4.2	-3.9
Depreciation, amortisation and write-down	-0.8	-0.8	-0.5	-0.4	-0.4
Other operating expenses	-0.8	-0.9	-0.8	-0.8	-1.1
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0
NET OPERATING PROFIT/LOSS	4.3	3.6	4.9	5.2	5.2
Share of profits (losses) of associates	0.0	0.2	0.3	0.4	1.7
Income taxes*	-0.8	-1.3	-0.7	-1.2	-1.0
PROFIT/LOSS FOR FINANCIAL YEAR	3.5	2.5	4.5	4.3	5.9
Attributable to					
Non-controlling interest	0.2	0.9	-0.1	0.3	0.2
Equity holders of parent company	3.3	1.6	4.7	4.0	5.7
PROFIT/LOSS FOR FINANCIAL YEAR	3.5	2.5	4.5	4.3	5.9
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	-0.1	0.0	0.1	-0.1	-0.2
Other comprehensive income/loss	-0.1	0.0	0.1	-0.1	-0.2
Other comprehensive income after taxes/loss total	-0.1	0.0	0.1	-0.1	-0.2
OTHER COMPREHENSIVE INCOME/LOSS TOTAL	3.4	2.5	4.6	4.3	5.7
Attributable to					
Non-controlling interest	0.2	0.9	-0.1	0.3	0.2
Equity holders of parent company	3.2	1.7	4.7	3.9	5.5

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

CONSOLIDATED BALANCE SHEET, M€

	31.3.2019	31.3.2018	31.12.2018
ASSETS			
Liquid assets	406.9	347.2	239.7
Debt securities eligible for refinancing with central banks	36.1	36.2	31.1
Claims on credit institutions	60.1	73.0	76.8
Claims on the public and public-sector entities	117.7	102.6	114.6
Debt securities	245.3	147.6	223.2
Shares and participations	41.3	48.3	30.1
Participating interests	5.1	5.3	5.1
Derivative contracts	25.7	46.7	24.2
Intangible assets	11.6	10.2	11.5
Property, plant and equipment	1.9	1.8	1.9
Other assets	209.9	255.8	51.9
Accrued income and prepayments	5.6	6.4	5.3
Deferred tax assets	0.8	1.0	0.1
TOTAL ASSETS	1 168.0	1 082.2	815.5
LIABILITIES			
Liabilities to credit institutions and central banks	8.0	9.8	6.7
Liabilities to the public and public-sector entities	676.1	560.6	469.9
Debt securities issued to the public	165.4	99.1	160.9
Derivative contracts and other trading liabilities	25.7	53.6	24.3
Other liabilities	209.5	277.3	58.0
Accrued expenses and deferred income	16.6	15.6	18.1
Deferred tax liabilities	0.0	0.2	0.0
LIABILITIES TOTAL	1 101.4	1 016.3	738.0
Equity to holders of parent company	65.6	65.4	76.3
Non-controlling interest in capital	1.0	0.5	1.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1 168.0	1 082.2	815.5

EQUITY CAPITAL, M€	Share capital	Share premium fund	Reserve for invested unrestricted equity	Other reserves	Retained earnings	Total	Non-controlling interest	Total Equity
Equity capital 31.12.2017	30,2	1.8	17.5	0.1	22.0	71.6	0.9	72.5
Translation difference					0.0	0.0		0.0
Profit/loss for the period					5.7	5.7	0.2	5.9
Dividends					-12.2	-12.2	-0.6	-12.7
Share options exercised			0.5			0.5		0.5
Acquisition of own shares						0.0		0.0
Acquisition of non-controlling interest						0.0		0.0
Other changes					-0.3	-0.3	0.0	-0.3
Equity capital 31.3.2018	30,2	1.8	18.0	0.2	15.2	65.4	0.5	65.9
Translation difference					0.0	0.0		0.0
Profit/loss for the period					10.3	10.3	1.1	11.4
Dividends						0.0	-0.4	-0.4
Share options exercised						0.0		0.0
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	0.1	0.1		0.1
Equity capital 31.12.2018	30,2	1.8	18.3	0.4	25.6	76.3	1.1	77.4
Translation difference					-0.1	-0.1		-0.1
Profit/loss for the period					3.3	3.3	0.2	3.5
Dividends					-14.4	-14.4	-0.4	-14.8
Share options exercised			0.4			0.4		0.4
Acquisition of own shares						0.0		0.0
Acquisition of non-controlling interest						0.0		0.0
Other changes				0.1	0.1	0.2		0.2
Equity capital 31.3.2019	30,2	1.8	18.7	0.5	14.4	65.6	1.0	66.6

	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group
SEGMENT INCOME STATEMENT, M€	1-3/2019	1-3/2019	1-3/2019	1-3/2019	1-3/2019
REVENUE					
Net interest	0.0	0.0	0.0	0.0	0.0
Net commissions	13.0	2.5	0.0	0.1	15.6
Trading and FX result	0.0	0.0	1.1	0.0	1.1
Other operative income	0.0	0.0	0.0	0.0	0.0
External sales	13.0	2.5	1.2	0.1	16.8
Inter-segment sales	0.0	0.0	0.0	0.0	0.0
Total revenue	13.0	2.5	1.2	0.1	16.8
Timing of revenue recognition					
At a point in time	11.5	1.4		-	12.9
Over time	1.5	1.1		-	2.6
RESULT					
Segment operating expenses	-7.9	-1.6	-2.4	0.1	-11.7
Business units operating profit before depreciations and Group allocations	5.2	0.9	-1.2	0.2	5.1
Depreciations	-0.6	-0.1	-0.1	0.0	-0.8
Business units operating profit before Group allocations	4.6	0.8	-1.3	0.2	4.3
Allocated corporate expenses	-1.8	-0.3	2.1	0.0	0.0
Operating profit including Group allocations	2.8	0.5	0.8	0.2	4.3
Share of profits (losses) of associates				0.0	0.0
Income taxes				-0.8	-0.8
Segment profit/loss	2.8	0.5	0.8	-0.6	3.5

	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group
SEGMENT INCOME STATEMENT, M€	1-3/2018	1-3/2018	1-3/2018	1-3/2018	1-3/2018
REVENUE					
Net interest	0.0	0.0	0.1	0.0	0.1
Net commissions	14.3	2.3	0.4	-0.1	16.9
Trading and FX result	0.1	0.0	-0.1	0.0	-0.1
Other operative income	0.0	0.0	0.0	0.0	0.0
External sales	14.4	2.3	0.4	-0.1	17.0
Inter-segment sales	0.0	0.0	0.0	0.0	0.0
Total revenue	14.3	2.3	0.4	-0.1	17.0
Timing of revenue recognition					
At a point in time	12.4	1.1		-	13.5
Over time	1.9	1.2		-	3.1
RESULT					
Segment operating expenses	-8.0	-1.5	-2.2	0.4	-11.3
Business units operating profit before depreciations and Group allocations	6.4	0.8	-1.8	0.3	5.7
Depreciations	-0.1	-0.1	-0.1	-0.1	-0.4
Business units operating profit before Group allocations	6.3	0.8	-1.9	0.1	5.2
Allocated corporate expenses	-2.0	-0.3	2.3	0.0	0.0
Operating profit including Group allocations	4.3	0.5	0.4	0.1	5.2
Share of profits (losses) of associates				1.7	1.7
Income taxes				-1.0	-1.0
Segment profit/loss	4.3	0.5	0.4	0.8	5.9

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€	1-3/2019	1-3/2018	1-12/2018
Cash flows from operating activities			
Interest and commission received	20.0	36.8	62.7
Open trades, net	-15.1	-1.6	2.8
Interest and commissions paid	-1.2	-1.2	-4.9
Cash payments to employees and suppliers	-5.9	-4.8	-53.9
Increase(-) or decrease(+) in operating assets:			
Net change in trading book assets and liabilities	-34.8	48.5	13.7
Deposits held for regulatory or monetary control purposes	11.5	-4.0	-10.3
Funds advanced to customers	199.0	-93.9	-193.8
Issue of loan capital	4.4	1.6	63.4
Net cash from operating activities before income taxes	178.1	-18.6	-120.3
Income taxes	-0.9	-0.1	-5.6
Net cash used in operating activities	177.2	-18.7	-126.0
Cash flows from investing activities			
Proceeds from sales of subsidiaries and associates	0.0	0.0	0.0
Acquisition of property, plant and equipment and intangible assets	-0.9	-0.6	-2.2
Net cash used in investing activities	-0.9	-0.6	-2.2
Cash flows from financing activities			
Purchase of own shares	0.0	0.0	-0.1
Share options subscriptions	0.4	0.5	0.0
Payment of finance lease liabilities	0.0	0.0	-0.2
Transactions with non-controlling interests	0.0	0.0	0.0
Dividends paid	-14.4	-12.2	-12.2
Net cash from financing activities	-14.0	-11.6	-12.4
Net increase/decrease in cash and cash equivalents	162.0	-31.0	-141.1
Cash and cash equivalents at beginning of period	247.4	388.6	388.6
Effects of exchange rate changes on cash and cash equivalents	0.0	-0.1	-0.1
Cash and cash equivalents at end of period	409.5	357.5	247.4

KEY FIGURES DESCRIBING THE FINANCIAL PERFORMANCE

	1-3/2019	1-3/2018	1-12/2018
Income statement key figures			
Operating income, M€	16.8	17.0	68.5
Operating profit/-loss, M€	4.3	5.2	18.9
Operating profit margin, %	25.7	30.8	27.6
Profit/loss for the financial year, M€	3.5	5.9	17.3
Profitability key figures			
Return on equity (ROE), %	19.2	34.1	23.0
Return on assets (ROA), %	1.4	2.3	1.9
Balance sheet key figures			
Equity-to-assets ratio, %	5.7	6.1	9.5
Capital adequacy ratio, %	15.8	15.4	16.2
Key figures per share			
Earnings per Share (EPS), fully diluted, €	0.13	0.24	0.68
Comprehensive Earnings per Share (EPS), fully diluted, €	0.13	0.23	0.67
Dividend / share, €*	-	-	0.61
Equity per share, €	2.79	2.80	3.27
Share price at the end of the period, €	7.70	9.48	7.28
Other key figures			
Expense ratio (operating costs to net revenue)	0.74	0.69	0.72
Recurring revenue ratio, %	110	120	113
Personnel at the end of the period	256	259	254
Market value, M€	184.0	224.6	172.5

*Dividend for 2018 approved by the Annual General Meeting. The dividend was paid on March 21, 2019.

Evli Group's capital adequacy	1-3/2019	1-3/2018	1-12/2018
Own assets (common equity Tier 1 capital), M€	50.8	47.8	48.8
Risk-weighted items total for market- and credit risks, M€	197.7	190.5	177.3
Capital adequacy ratio, %	15.8	15.4	16.2
Evli Bank Plc's adequacy ratio, %	18.3	18.5	18.8
Own funds surplus, M€	25.1	22.9	24.8
Own funds in relation to the minimum capital requirement, M€	2.0	1.9	2.0
Own funds surplus M€ including additional capital requirement	17.1	15.1	17.2

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€

	31.3.2019	31.3.2018	31.12.2018	
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	13.0	43.0	
Bonds	122.4	86.1	118.0	
Debt securities issued to the public	165.4	99.1	160.9	
Breakdown by maturity	under 3 months	3-12 months	1-5 years	5-10 years
Debt securities issued to the public	33.1	16.6	115.7	0.0
Changes in bonds issued to the public				
	31.3.2019	31.3.2018	31.12.2018	
Issues	6.3	15.2	67.0	
Repurchases	1.0	2.1	23.7	
Off-balance sheet commitments				
Commitments given to a third party on behalf of a customer	7.9	9.7	2.6	
Irrevocable commitments given in favour of a customer	0.2	0.2	0.2	
Guarantees on behalf of others	0.5	0.5	0.5	
Unused credit facilities	2.6	2.1	2.6	
Transactions with related parties				
	1-3/2019			
	Associated companies	Group management		
Sales	0.0	0.0		
Purchases	0.0	0.0		
Receivables	0.0	0.4		
Liabilities	0.0	1.4		

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 2019	Level 2 2019	Level 3 2019	Total
Financial assets				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Shares and participations, other	35.2	0.0	6.1	41.3
Debt securities eligible for refinancing with central banks	36.1	0.0	0.0	36.1
Debt securities	3.6	238.8	2.9	245.3
Positive market values from derivatives	0.0	22.4	3.3	25.7
Total financial assets held at fair value	74.9	261.2	12.3	348.4
Financial liabilities				
Shares and participations classified as held for trading	0.2	0.0	0.0	0.2
Negative market values from derivatives	0.0	22.2	3.3	25.5
Total financial liabilities held at fair value	0.2	22.2	3.3	25.7

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	
Held for trading				
Interest rate derivatives		0.9	94.4	0.0
Interest rate swaps				
Equity-linked derivatives				
Futures		1.1	9.5	0.0
Options bought		0.8	3.8	0.0
Options sold		0.8	3.8	0.0
Currency-linked derivatives		4 513.9	17.5	0.0
Held for trading, total		4 517.4	129.0	0.0
Derivative contracts, total		4 517.4	129.0	0.0

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.

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	60.15	60.15	0.00	0.00	0.00	0.00
Receivables from the public	117.66	116.70	0.96	0.00	0.03	0.03
Receivables from the public; corporate	31.07	30.57	0.50	0.00	0.01	0.01
Receivables from the public; private	85.57	85.12	0.46	0.00	0.02	0.02
Receivables from the public; other	1.02	1.02	0.00	0.00	0.00	0.00
Sales receivables	3.69	3.68	0.01	0.00	0.00	0.00
Off-balance sheet loan commitments	3.16	3.16	0.00	0.00	0.00	0.00
	184.65	183.68	0.97	0.00	0.03	0.03

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.

Two loan receivables were 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

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, 2018.

The accounting policies used are consistent with the accounting policies for the financial year 2018 and the comparative reporting period, excluding the new IFRS standards that are described separately below.

The figures are unaudited.

NEW IFR STANDARD APPLIED

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

- IFRS 16 Leases

The impact of the new standard on the figures in the interim report is described below separately.

IFRS 16 – LEASES

The new standard replaces the current IAS 17 standard and associated interpretations. IFRS 16 requires the lessees to recognize the lease agreements on the balance sheet as right-of-use assets and lease liabilities. The accounting model is similar to current finance lease accounting according to IAS 17.

Evli has used, among others, the following practical expedients permitted by the standard when implementing IFRS 16:

- use of single discount rate to a portfolio of leases with reasonably similar characteristics
- exclusion of leases with lease term less than 12 months
- use of hindsight in determining the lease term where the contract contains options to extend the lease.

Evli has analyzed its contract portfolio taking into account the IFRS 16 standard that will be taken into force. Based on the analysis, the IFRS 16 standard mainly applies to leases of premises that the company has previously treated as operating leases under IAS 17. Typically lease agreement terms differ from two to five years and may contain an option to extend the lease term. Evli has negotiated individual agreements for each location with potentially differing terms.

In accordance with IFRS 16 Evli has identified lease liabilities as part of its balance sheet and includes right-of-use assets as part of Other assets and corresponding lease liabilities in Other liabilities. Right-of-use assets and corresponding liabilities are calculated at net present value for lease liability exceeding 12 months. When considering the net present value of the liability, an estimate of annual increases to leases is taken into account. Future payments have been discounted to present value using a discount factor determined by the company. The company has not calculated a separate interest fee component to the lease liabilities due to low funding costs of the company and excess liquidity. Lease liability identified in the balance sheet decreases linearly over time and is identified in other operative expenses in profit and loss statement.

As a result of the IFRS 16 Standard, Other assets and Other liabilities increased by 6,8 million euros during the review period. Potential options to extend current leases have not been considered due to uncertainty related to use of those options.