

**EVLI**

**2017**

**Evli Bank Plc  
Interim report 1-3/2017**

Maunu Lehtimäki, CEO  
Juho Mikola, CFO

24.4.2017

# Agenda

1 Highlights

---

2 Financial Figures 1-3/2017

---

3 Business Segments

---

4 Strategy & Outlook

---

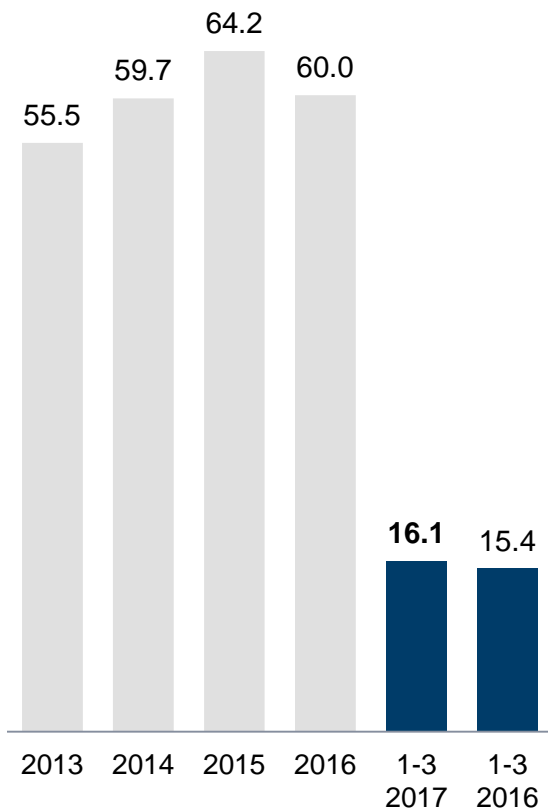
# Highlights - Interim Report 1-3/2017

- Evli Group revenues grew 4% to EUR 16.1 million
- Evli Group EBIT grew 47% to EUR 4.6 million
- Strong performance in Wealth Management and Investor Clients-segment
  - Assets under management at an all time high of EUR 11.3 billion
  - Net subscriptions to Evli funds EUR 454 million, 2<sup>nd</sup> most in Finland
  - International sales of Evli funds clearly positive
- Firm outlook in Advisory and Corporate Clients-segment
  - Corporate Finance mandate base increased, but closing fees lagged
  - Evli Awards Management performed well and revenues grew
  - Evli Research Partners has started well and received positive feedback

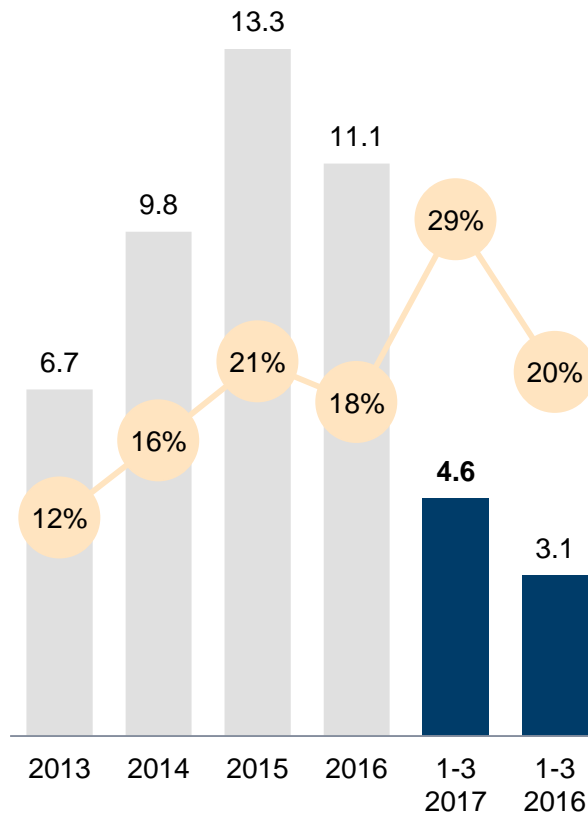
# Financial Figures

# Evli's Key Figures 2013 – 1-3/2017

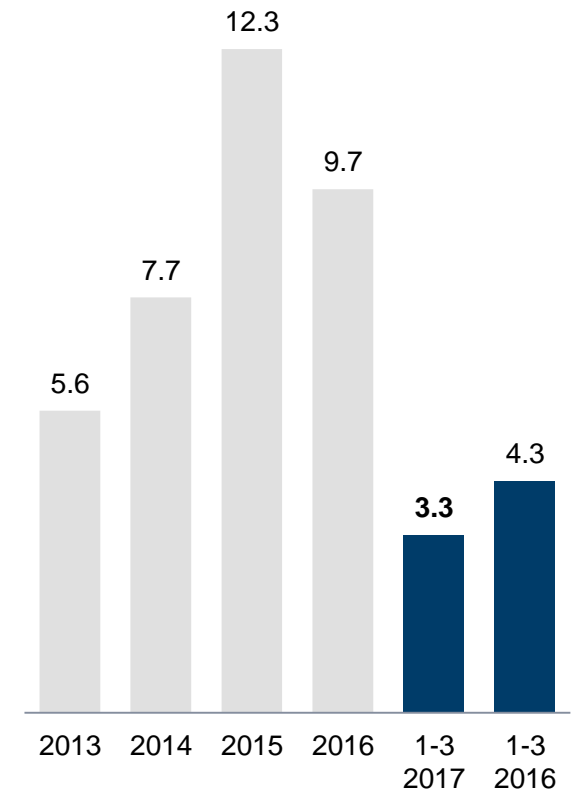
**Net Revenue**  
(million euros)



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

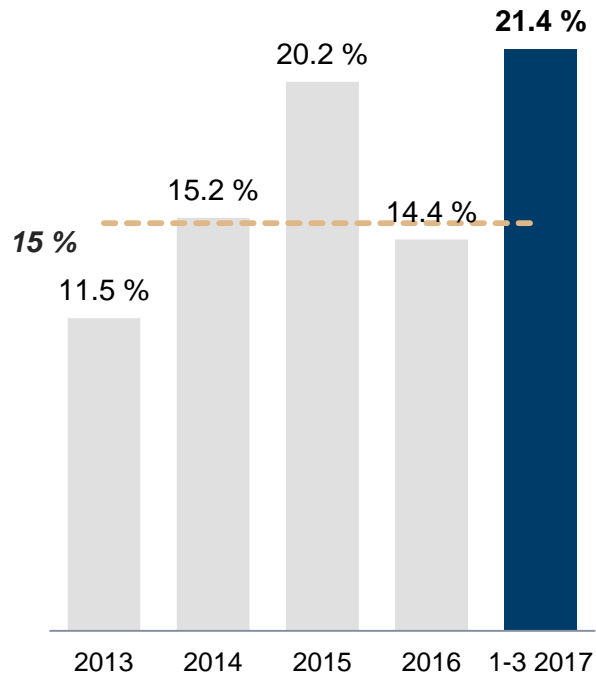


**Net Profit**  
(million euros)

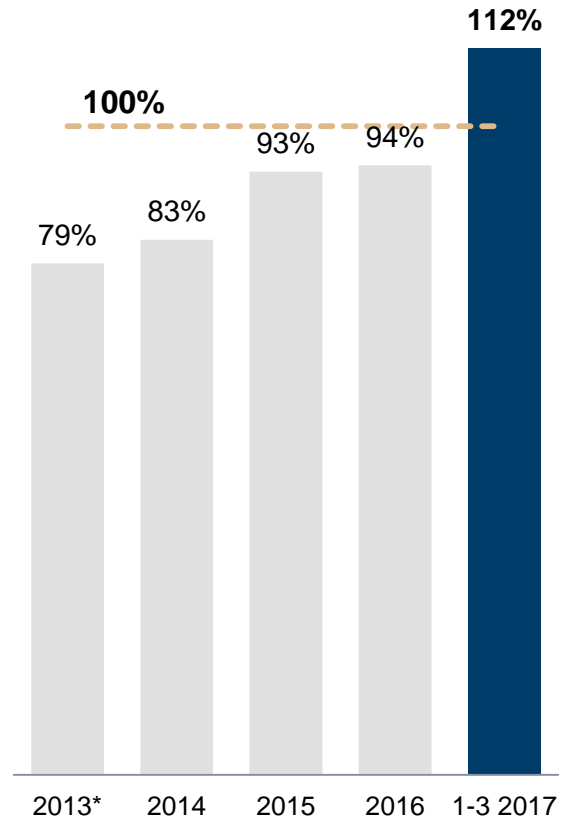


# Evli's Key Figures 2013 – 1-3/2017

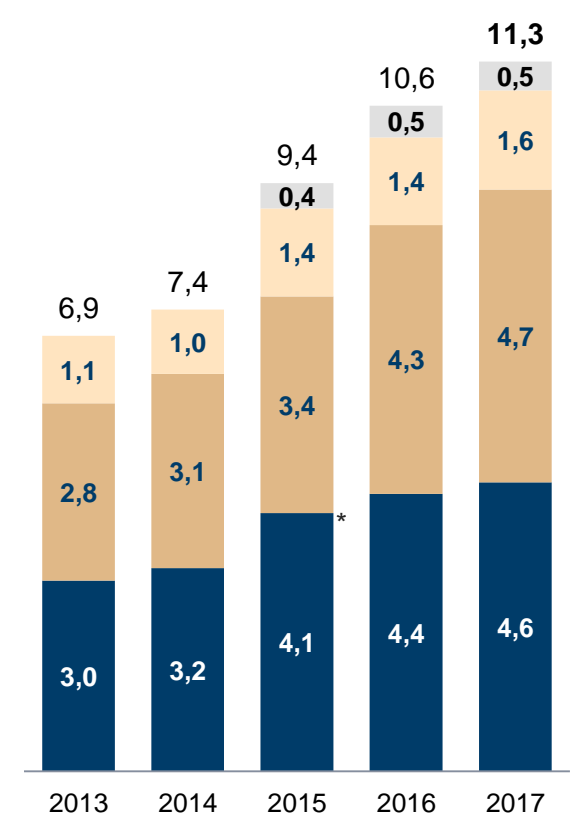
Return on Equity (%)



Proportion of Recurring Revenues to Operating Expenses (%)



Net Assets under Management\* (billion euros)



■ Evli, Asset Management Agreements  
■ Evli funds ■ NHC ■ EAM

\* Including associated companies

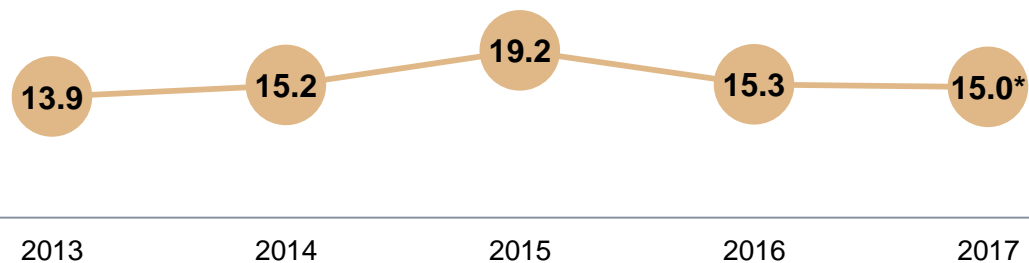
# Profit and Loss Statement

EURm	1-3 2017	1-3 2016	2016	2015	2014	2013
<b>Net interest</b>	<b>0.3</b>	<b>0.5</b>	<b>1.6</b>	<b>1.4</b>	<b>1.0</b>	<b>0.5</b>
Net commission	14.1	13.5	54.3	57.2	53.1	49.5
Net income from securities trading and FX	1.7	1.5	4.0	5.4	5.2	5.2
Other operating income	0.0	0.0	0.1	0.2	0.4	0.4
<b>NET REVENUE</b>	<b>16.1</b>	<b>15.4</b>	<b>60.0</b>	<b>64.2</b>	<b>59.7</b>	<b>55.5</b>
Administrative expenses						
Personnel expenses	-6.9	-7.0	-27.7	-27.5	-26.7	-26.0
Other administrative expenses	-3.4	-3.6	-14.8	-15.8	-14.0	-13.9
Depreciation and amortization	-0.6	-0.8	-3.1	-3.9	-5.3	-4.7
Other operating expenses	-0.7	-0.9	-3.3	-3.8	-4.0	-4.2
Impairment losses	-	-	-	-	-	-
<b>NET OPERATING PROFIT/LOSS</b>	<b>4.6</b>	<b>3.1</b>	<b>11.1</b>	<b>13.3</b>	<b>9.8</b>	<b>6.7</b>
Share of profit/loss of associates	-0.3	1.9	1.1	2.1	0.3	0.2
<b>PROFIT BEFORE TAXES</b>	<b>4.3</b>	<b>5.0</b>	<b>12.1</b>	<b>15.4</b>	<b>10.0</b>	<b>6.9</b>
Taxes	-0.9	-0.7	-2.4	-3.0	-2.4	-1.2
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>3.3</b>	<b>4.3</b>	<b>9.7</b>	<b>12.3</b>	<b>7.7</b>	<b>5.6</b>
Attributable to						
Non-controlling interest	-0.1	0.2	-0.2	0.9	0.9	0.6
Equity holders of parent company	3.4	4.1	9.6	11.5	6.8	5.0

# Balance sheet

<b>ASSETS, EURm</b>	<b>31.3. 2017</b>	<b>31.3. 2016</b>	<b>31.12. 2016</b>	<b>LIABILITIES, EURm</b>	<b>31.3. 2017</b>	<b>31.3. 2016</b>	<b>31.12. 2016</b>
Liquid assets	324.8	67.1	203.1				
Debt securities eligible for refinancing with central banks	39.2	54.4	39.1	Liabilities to credit institutions and central banks	4.0	8.8	5.5
Claims on credit institutions	47.8	138.0	66.0	Liabilities to the public and public sector entities	713.4	373.7	445.0
Claims on the public and public sector entities	77.3	62.0	70.4	Debt securities issued to the public	59.3	34.7	46.1
Debt securities	340.9	155.8	183.9	Derivative contracts and other trading liabilities	40.6	49.2	41.0
Shares and participations	37.7	43.7	65.8	Other liabilities	457.2	272.6	152.2
Participating interests	2.7	3.9	3.0	<b>Liabilities</b>	<b>1 274.5</b>	<b>739.0</b>	<b>689.7</b>
Derivative contracts	18.0	23.6	26.9	Equity to holders of parent company	58.6	65.8	64,9
Intangible and tangible assets	11.7	11.6	11.8	Non-controlling interest in capital	0.3	0.8	0,4
Other assets	433.5	245.6	84.8	<b>Equity</b>	<b>58.9</b>	<b>66.6</b>	<b>65.3</b>
<b>Total assets</b>	<b>1 333.4</b>	<b>805.5</b>	<b>755.0</b>	<b>Total liabilities and equity</b>	<b>1 333.4</b>	<b>805.5</b>	<b>755.0</b>

## BIS adequacy



\*2017 figure calculated excluding the profit for the period



# Key Ratios and Performance Indicators

	Un-audited		Audited			
	1-3 2017	1-3 2016	2016	2015	2014	2013
Return on equity (ROE)	21.4%	25.1%	14.3%	20.2%	15.2%	11.5%
Cost-income ratio	0.72	0.80	0.82	0.79	0.84	0.88
Core BIS capital adequacy	15.0%	17.4%	15.3%	19.2%	15.2%	13.9%
Earnings/Share, diluted (IFRS)	0.15	0.17	0.40	0.53	0.31	0.24
Dividend/share	-	-	0.40	0.31	0.21	0.21
Capital distribution/share	-	-	-	-	-	0.20
Personnel, at end of period	244	246	244	248	242	245
Return on assets (ROA)*	1.3%	2.4%	1.4%	2.2%	1.4%	0.9%
Equity ratio	4.4%	8.3%	8.6%	11.1%	10.7%	8.5%

## Strategic KPI

Return on Equity **21.4%**  
(Target 15%)

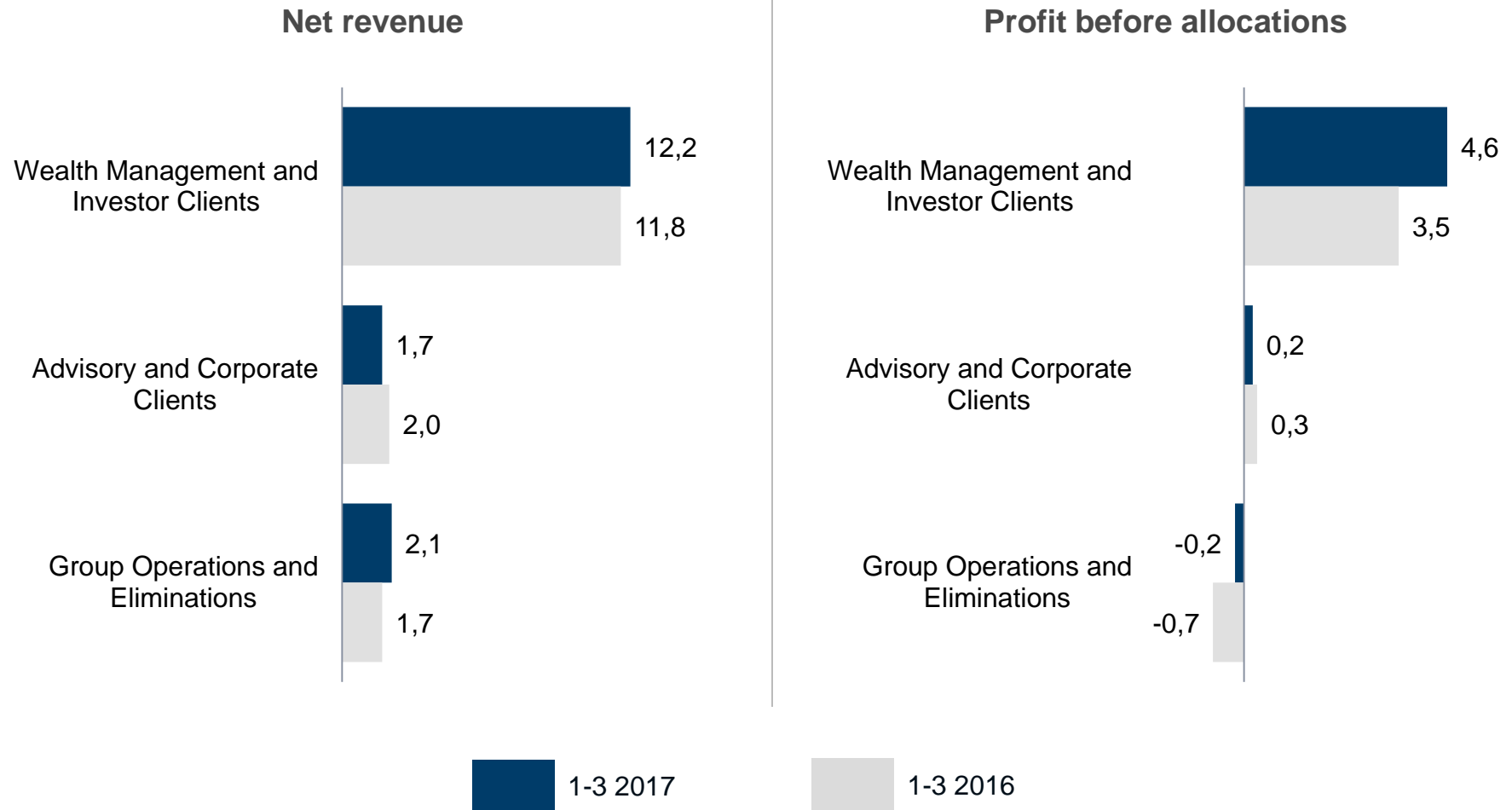
Recurring revenue to operational costs **112%**  
(Target 100%)

Assets Under Management **11.3 Billion€**

Net fee income **14.1 M€**  
(1-3/2017)

# Business Segment

# Business Segment Profitability



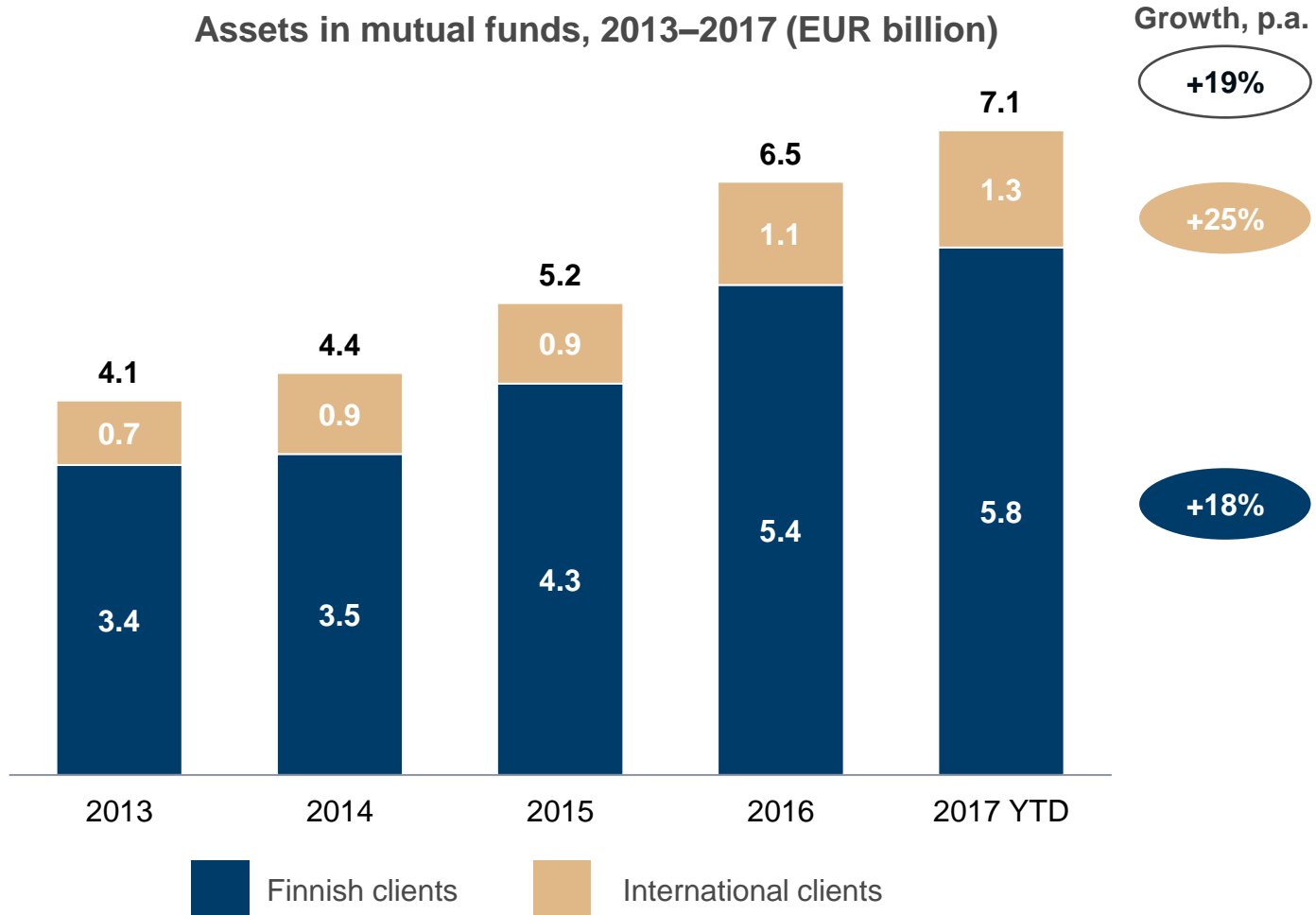
# Wealth Management and Investor Clients

- Growth in AUM and number of clients
- Finland's 2nd largest number of net subscriptions, 454 million euros. Market share increased to 6.4%
- International fund sales developed favorably. International investors share of Evli fund AuM increased to 18%
- Best digital client experience to private clients in Finland\*
- Evli Global awarded best global equity fund\*\*

	1-3 2017	1-3 2016	Change %
Net revenue, M€	12.2	11.8	4%
Operating profit/loss before Group allocations, M€	4.6	3.5	32%
Operating profit / loss, M€	2.9	1.5	96%
Personnel, at the end of period	153	145	6%
Market share (Evli Fund Company), %***	6.4	5.4	
Net subscriptions to own funds, M€***	454	93	

\* Euromoney Private Banking and Wealth Management Survey 2017, \*\* Swedish Fondmarknaden.se and Privata Affärer publications, Morningstar in Finland and Sweden, \*\*\*Fund report by Finanssialan Keskusliitto ry

# Development of Assets in Evli Funds\*



\*Note: Wealth Manager fund included in numbers.

# Advisory and Corporate Clients

- Corporate Finance unit's mandate base and senior advisory network has developed positively
- EAM incentive program management business continued its steady growth
- ERP sales of company research services to listed companies has started well and received positive feedback

	1-3 2017	1-3 2016	Change %
Net revenue, M€	1.7	2.0	-18%
Operating profit/loss before Group allocations and bonuses, M€	0.2	0.3	-25%
Operating profit / loss, M€	0.2	0.3	-50%
Personnel, at the end of period	32	41	-22%

# Group Operations

- Net income growth partly driven by strong FX result
- Costs remained unchanged

	1-3 2017	1-3 2016	Change %
Net revenue, M€	2.1	1.7	27%
Operating profit/loss before Group allocations and bonuses, M€	-0.2	-0.7	-
Operating profit / loss, M€	1.6	1.3	23%
Personnel, at the end of period	42	42	0%

# Strategy & Outlook



# Cornerstones of Evli's Strategy – Simply Unique

*EVLI's core strengths and uniqueness are built around:*

1) **Very strong customer experience**  
*(including offering, service and culture)*

AND

2) **Product excellence,**  
*based on innovative spearhead "institutional investor quality" products*

SUPPORTED BY

3) **Strong operational process efficiency**

# Outlook for 2017

- *Wealth Management and Investor Clients expected to continue steadily*
- *Proportion of recurring revenues to operating costs expected to exceed long-term target of 100 percent*
  - *In our previous statement the estimate was for the ratio of recurring revenues to operating costs reaching long-term target of 100 percent*
- *Advisory and Corporate Clients mandate base is good. Corporate Finance revenues typically fluctuate from quarter to quarter*
- *2017 earnings estimated to be clearly positive*

# THANK YOU!

## Upcoming events in the investor calendar:

---

- Half-year financial report 1-6/2017 and Investor presentation: July 14, 2017
  - Interim report 1-9/2017 and Investor presentation: October 26, 2017
-

# Contact information

## Evli Bank Plc

Aleksanterinkatu 19, 4th floor

P.O. Box 1081

00101 Helsinki

[www.evli.com](http://www.evli.com)

## Investor contacts

Juho Mikola, CFO

[juho.mikola@evli.com](mailto:juho.mikola@evli.com)

Tel. +358 9 4766 9871

Mikaela Herrala, IR Manager

[mikaela.herrala@evli.com](mailto:mikaela.herrala@evli.com)

Tel. +358 9 4766 9823

 *Evli - Sijoittajan Pankki*

 *Evli Bank Plc*

 *@EvliTweet*

 *@EvliPankki\_WM*