



EVLI BANK PLC: FINANCIAL STATEMENTS BULLETIN 1-12/2020

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Q4/2020 turned out to be best ever

Financial performance 1-12/2020

- Net revenue increased to EUR 79.7 million (EUR 75.8 million)
- Net commission income increased to EUR 76.8 million (EUR 72.2 million)
- Operating profit increased to EUR 29.1 million (EUR 24.1 million)
- Recurring revenue ratio at 124% (124%).

Financial performance 10-12/2020

- Net revenue increased to EUR 28.1 million (EUR 22.7 million)
- Net commission income increased to EUR 26.6 million (EUR 22.5 million)
- Operating profit increased 56% to EUR 13.6 million (EUR 8.7 million).

Strategic development

- Assets under Management EUR 14.1 billion (EUR 14.3 billion)
- Launch of Evli Impact Forest Fund I
- International fund sales suffered from market volatility and travel restrictions
- Alternative assets grew to EUR 1.1 billion (EUR 0.9 billion), share of fund fees growing
- Administrative costs decreasing according to plan (IT and process improvements).

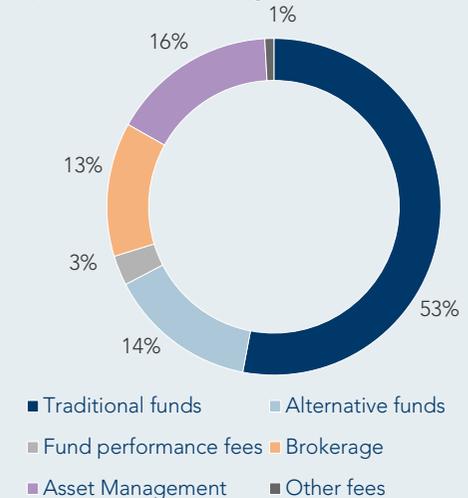
Market situation

- Stock markets reached their all-time high at the end of 2020 (risky assets in favor)
- Second wave of COVID-19 infections dampening hopes of a sustained economic recovery
- Political risks remain high, uncertainty over Brexit terms, political uncertainty in U.S. and trade relations between U.S. and China. Strong fiscal and monetary stimulus set to continue and give support to equities and other risky assets.

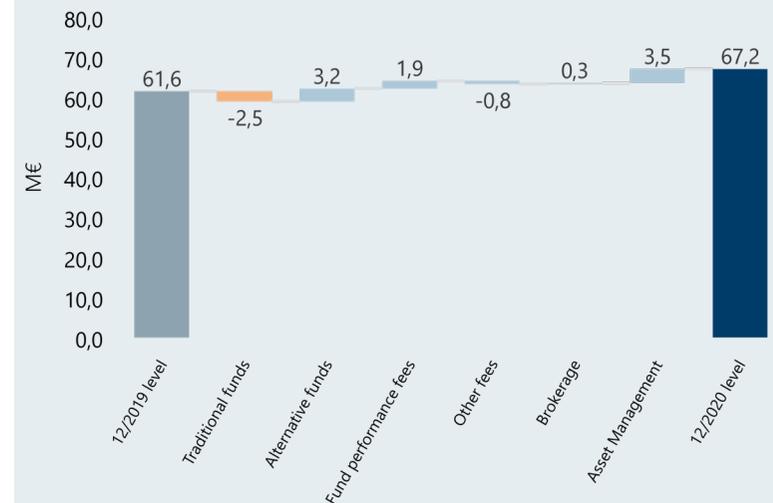
Wealth Management & Investor Clients

- Net revenues increased 9% to EUR 67.1 million (EUR 61.6 million)
- Operating profit increased 18% to EUR 33.5 million (EUR 28.3 million)
- AUM EUR 14.1 billion (EUR 14.3 billion)
 - Discretionary asset management EUR 5.2 billion (EUR 5.3 billion)
 - Mutual funds EUR 6.1 billion (EUR 6.7 billion)
 - Alternative investment funds EUR 1.1 billion (EUR 0.9 billion)
 - EUR 1.7 billion from subsidiaries and associated companies (EUR 1.4 billion).
- New investment commitments to alternative investment funds totalled EUR 206 million (EUR 258 million)
 - Evli Infrastructure Fund I raised EUR 104 million in 2020
 - Evli Impact Forest Fund I first closing in Q4 with EUR 28 million raised
- Commission income from brokerage products at previous year's level
- Best fund management company in Sweden*
- Most widely used and second-best institutional asset manager in Finland**
- Best Finnish Private Bank for the second year in a row***.

Split of Wealth Management fees 1-12/2020



Development of Investor client commission



*Morningstar Fund Awards 2020 Sweden

**KANTAR SIFO Prospera "External Asset Management Finland 2020" –survey

***KANTAR SIFO Prospera "Private Banking 2019 and 2020 Finland" -surveys

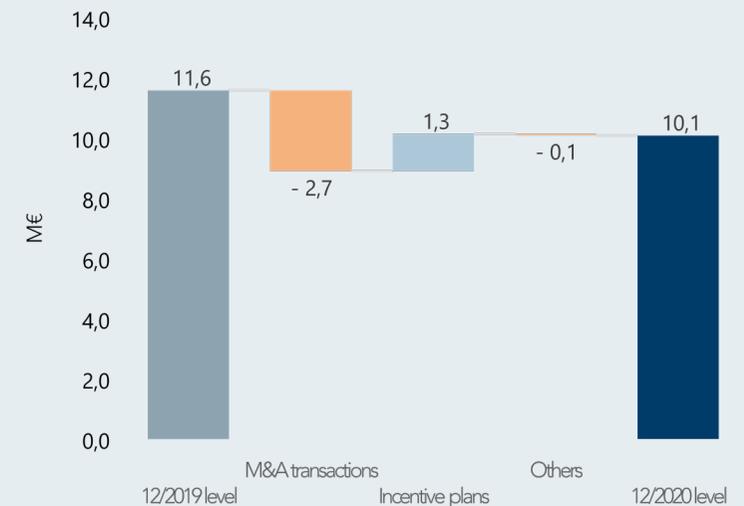
Advisory & Corporate Clients

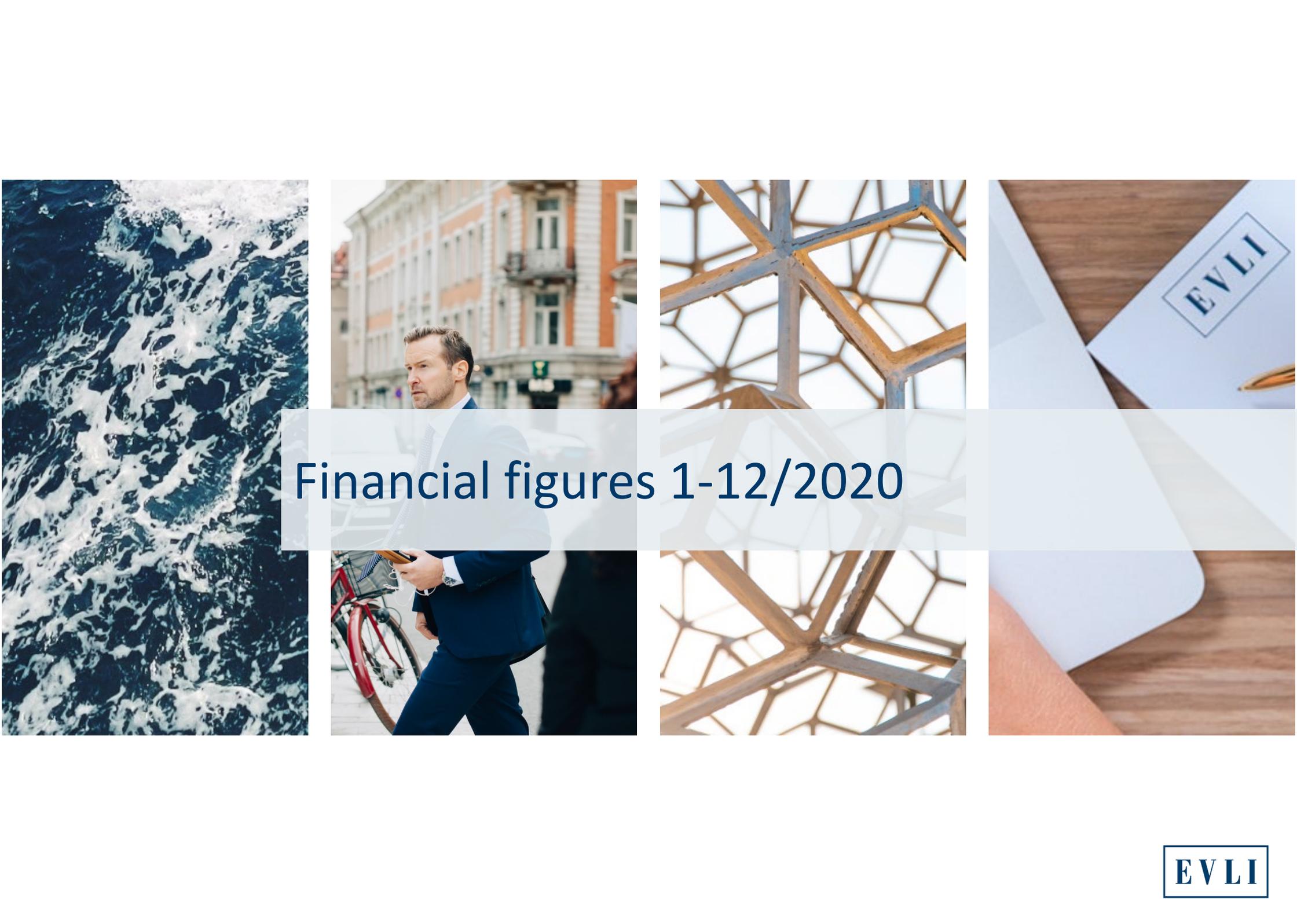
- Net revenues decreased 11% to EUR 9.7 million (EUR 10.9 million)
- Operating profit decreased 33% to EUR 2.7 million (EUR 4.0 million)
- Corporate Finance advisory fees below previous year's level at EUR 3.3 million (EUR 6.0 million)
 - Acted as advisor in four published transactions during Q4
 - Market uncertainty led to projects being postponed to 2021
 - Mandate base on a good level
- Evli Alexander Incentives (formerly EAM) revenues increased to EUR 5.9 million (EUR 4.6 million)
 - Revenue development driven by an increase in the number of client companies and lower-than-expected impact from the coronavirus pandemic
 - Merger between Evli Awards Management and Alexander Incentives well-received among clients and employees. The integration of operations proceeded according to plan.
 - The company is responsible for the management of over 80 incentive plans and acted as an advisor to about 100 companies in reward-related planning during 2020.

Split of advisory commissions 1-12/2020



Development of advisory commissions

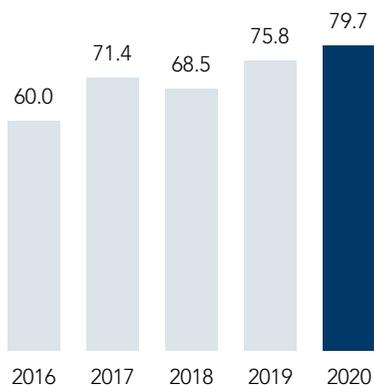




Financial figures 1-12/2020

Financial Development 2016-2020

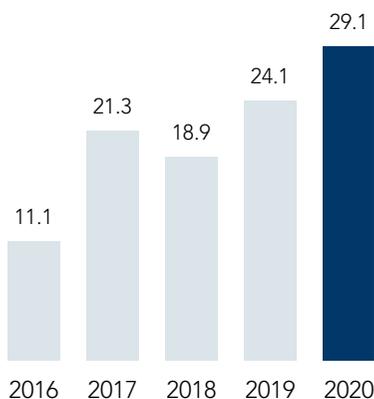
Net Revenue (M€)



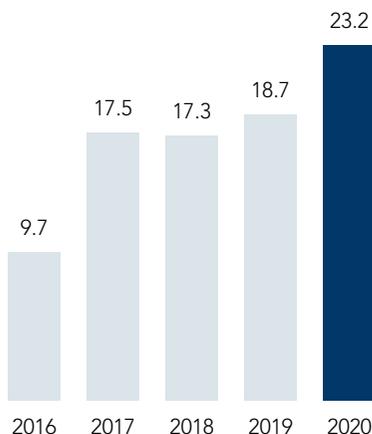
Net commission income (M€)



Operating profit (M€)



Net profit (M€)



Strategic KPI

Return on Equity
(Target 15.0%)

26.2%
(1-12/2019: 23.4%)

Recurring Revenue
ratio (Target 100%)

124%
(1-12/2019: 124%)

Assets under
Management
(bn€)

14.1
(31.12.2019: 14.3)

Net Commission
Income
(M€)

76.8
(1-12/2019: 72.2)

Profit and Loss Statement

M€	10-12/2020	10-12/2019	1-12/2020	1-12/2019	Change, %	2018	2017
Net interest	0.0	0.2	0.2	0.3	-39%	0.7	0.9
Net commissions	26.6	22.5	76.8	72.2	6%	67.1	65.2
Net income from securities trading and FX	1.4	0.0	2.4	3.2	-23%	0.7	4.9
Other operative income	0.1	0.1	0.2	0.1	-	0.1	0.4
NET REVENUE	28.1	22.7	79.7	75.8	5%	68.5	71.4
Personnel expenses	-8.9	-8.5	-30.5	-30.4	1%	-27.9	-28.9
General expenses	-3.4	-3.5	-12.5	-14.0	-11%	-15.9	-15.1
Depreciations and amortizations	-1.3	-0.9	-5.7	-3.5	61%	-2.1	-2.3
Other operative expenses	-0.8	-1.0	-1.7	-3.7	-54%	-3.6	-3.9
Impairment losses	0.0	0.0	-0.1	-0.1	66%	0.0	0.0
NET OPERATING PROFIT/LOSS	13.6	8.5	29.1	24.1	21%	18.9	21.3
Share of profit/loss of associates	0.1	-0.4	0.4	-0.6		2.6	0.6
Taxes	-2.7	-1.8	-6.3	-4.9		-4.2	-4.3
PROFIT/LOSS FOR THE PERIOD	11.0	6.6	23.2	18.7		17.3	17.5
Attributable to							
Non-controlling interest	0.6	0.9	1.9	1.4		1.3	0.8
Equity holders of parent company	10.4	5.7	21.3	17.3		16.0	16.7

Balance Sheet

ASSETS, M€	31.12. 2020	31.12. 2019	LIABILITIES, M€	31.12. 2020	31.12. 2019
Liquid assets	331.6	305.7	Liabilities to credit institutions and central banks	0.7	1.9
Debt securities eligible for refinancing with central banks	37.2	36.1	Liabilities to the public and public-sector entities	385.2	551.6
Claims on credit institutions	66.8	69.8	Debt securities issued to the public	131.1	148.6
Claims on the public and public-sector entities	109.6	114.0	Derivative contracts and other trading liabilities	52.5	59.7
Debt securities	9.8	227.6	Other liabilities	84.4	58.0
Shares and participations	57.3	31.5	Accrued expenses and deferred income	23.3	21.7
Participating interests	4.2	3.8	Deferred tax liabilities	0.0	0.0
Derivative contracts	52.2	59.6	LIABILITIES TOTAL	677.2	841.5
Intangible assets	16.0	14.3	Equity to holders of parent company	91.8	80.1
Property, plant and equipment	1.4	1.6	Non-controlling interest in capital	3.6	1.7
Other assets	83.3	55.3	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	772.6	923.2
Accrued income and prepayments	3.3	3.6			
Deferred tax assets	0.1	0.2			
TOTAL ASSETS	772.6	923.2			

Key figures

	2020	2019	2018	2017
Profitability key figures				
Return on equity (ROE), %	26.2	23.4	23.0	25.5
Return on assets (ROA), %	2.7	2.1	1.9	2.0
Balance sheet key figures				
Equity-to-assets ratio, %	12.3	8.9	9.5	7.6
Capital adequacy ratio, %	15.2	15.1	16.2	15.0
Key figures per share				
Earnings per Share (EPS), fully diluted, €	0.87	0.71	0.68	0.72
Comprehensive Earnings per Share (EPS), fully diluted, €	0.88	0.71	0.67	0.69
Dividend/share, €	0.73*	0.66	0.61	0.52
Equity per share, €	3.86	3.40	3.27	3.10
Share price at the end of the period, €	12.20	10.40	7.28	9.60
Other key figures				
Expense ratio (operating costs to net revenue)	0.63	0.68	0.72	0.70
Recurring revenue ratio, %	124	124	113	113
Personnel at the end of the period	261	249	254	240
Market value, M€	294.1	248.6	172.5	224.9

Return on Equity (%)



Proportion of recurring revenue to operating expenses (%)



Highlights of 2020

1. Excellent performance of Private Banking

- Despite the corona challenges, strong sales and increase in the number of clients
- Best Private Bank second year in a row
- Investment philosophy combining goal-based investing with a holistic and well diversified approach regarding a broad range of asset classes (Evli model).

2. Alternative investment funds

- Assets under Management exceeded EUR 1 billion
- Two new product launches, Evli Infrastructure Fund I and Evli Impact Forest Fund I
- Broader expertise to new asset classes through recruitments
- Strong pipeline.

3. Evli Alexander Incentives

- Through merger, leading designer and administrator of incentive plans
- Growth continued, expansion to Sweden received flying start.



Focus in 2021

1. Alternative investment funds – introduction of new asset classes and programs
 - Introduction of leverage loan and private debt products to complement existing portfolio
 - Continuum to existing products
2. International sales
 - Emphasis on leveraging existing markets
 - Building our presence in Sweden
3. Strengthening our position in the domestic market
 - Increase client base both among private and institutional clients
 - Best asset manager
 - Broadening incentive offering towards non-listed companies and cross sales among existing clients
4. ESG and customer experience
 - Tools and improved reports for both institutional and private clients
 - Broader and more in-depth ESG visibility in investments

Share Price Development and Trading Volume

Share price development and trading volume* 2.12.2015–31.12.2020



Shareholdings by owner group 31.12.2020**



Listed on Nasdaq Helsinki 2015

Market cap M€ 294.1***

Registered shareholders 5,172***



Outlook



Outlook for 2021

We estimate that the operating profit for 2021 will be clearly positive.

The view is supported by:

- ➔ High ratio of recurring revenue to operating costs
- ➔ Sales of alternative investment products, which have brought new, stable revenue
- ➔ Continued strong demand for private wealth management services

Information set above is not intended as investment recommendation.

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