

Interim Report 1-9/2020

STRONG THIRD QUARTER



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Financial performance January-September 2020

- Net revenue was EUR 51.6 million (1-9/2019: EUR 53.1 million)
- Operating profit was EUR 15.5 million (EUR 15.4 million)
- The Wealth Management and Investor Clients segment's operating profit increased and was EUR 15.6 million (EUR 12.3 million)
- The Advisory and Corporate Clients segment's operating profit declined and was EUR 1.2 million (EUR 1.6 million)
- The return from own balance sheet items declined during the beginning of the year as a consequence of the market collapse and were EUR 1.0 million (EUR 3.2 million), which resulted in a weaker operating profit in the Group Operations segment
- Net assets under management amounted to EUR 13.6 billion (EUR 13.6 billion) at the end of September
- Evli's diluted earnings per share were EUR 0.46 (EUR 0.47) and return on equity was 19.8 percent (21.1%)
- Proportion of recurring revenue to operating costs was 128 percent (118%).

Financial performance July-September 2020

- The Group's net revenue was EUR 18.7 million (EUR 18.0 million)
- The Group's operating profit was EUR 6.9 million (EUR 5.9 million)
- Earnings per share amounted to EUR 0.21 (EUR 0.18).

Outlook for 2020 specified

We estimate that the operating profit for 2020 will be clearly positive.

The view is supported by a high ratio of recurring revenue to operating costs, as well as sales of alternative investment products, which have brought new, stable revenue.

Previously we stated that, in the current market environment, we estimate that the operating profit for 2020 will be clearly positive. In a situation where market conditions would deteriorate from the current situation, we estimate the operating profit to be positive.

KEY FIGURES DESCRIBING THE GROUP'S FINANCIAL PERFORMANCE

	1-9/2020	1-9/2019	1-12/2019
Income statement key figures			
Operating income, M€	51.6	53.1	75.8
Operating profit/loss, M€	15.5	15.4	24.1
Operating profit margin, %	30.0	29.0	31.8
Profit/loss for the financial year, M€	12.3	12.1	18.7
Profitability key figures			
Return on equity (ROE), %	19.8	21.1	23.4
Return on assets (ROA), %	1.7	1.7	2.1
Balance sheet key figures			
Equity-to-assets ratio, %	8.1	7.1	8.9
Group capital adequacy ratio, %	15.5	14.9	15.1
Key figures per share			
Earnings per Share (EPS), fully diluted, €	0.46	0.47	0.71
Comprehensive Earnings per Share (EPS), fully diluted, €	0.46	0.47	0.71
Dividend per share, €			0.66*
Equity per share, €	3.40	3.15	3.40
Share price at the end of the period, €	10.00	8.32	10.40
Other key figures			
Expense ratio (operating costs to net revenue)	0.70	0.71	0.68
Recurring revenue ratio, %	128	118	124
Personnel at the end of the period	258	254	249
Market value, M€	241.1	198.9	248.6

*Approved by the Annual General Meeting. The dividend was paid on March 18, 2020.

Maunu Lehtimäki, CEO

The recovery that started in the spring continued until the end of the third quarter. Investor optimism grew stronger with the decline in the number of coronavirus infections during the summer and expectations of vaccines being introduced to the market at the beginning of next year. Investor optimism was also strengthened by extensive economic support packages and long-term commitment by central banks to expansionary monetary policy. Net subscriptions to Evli's funds grew and fund capital increased from the level at the end of June. Evli's operating profit improved, which was a result of an increase in revenue and a reduction in costs.

Despite the coronavirus pandemic and the resulting broad recommendation to favour remote work, Evli's operations continued in the third quarter without disruption and we maintained our client activity at the level of previous years. Our determined efforts to develop our information systems and to renew our processes carried out over recent years have increased our capacity to operate in conditions such as the present exceptional circumstances.

In the third quarter, the return from Evli's operations rose by four percent to EUR 18.7 million and operating profit rose by 18 percent to EUR 6.9 million. Client assets under management, which decreased as a result of the fall in share prices in the first half of the year, had a negative impact on our net fees and they were two percent lower than in the comparison period. However, net income from securities transactions and foreign exchange dealing more than doubled, and Evli's return on equity was almost 20 percent. The ratio of recurring revenue to operating costs rose to 128 percent.

Overall, the return from the Wealth Management and Investor Clients segment's operations remained at the same level year on year and was EUR 14.6 million. At the end of September, client assets under management were EUR 13.6 billion (EUR 13.6 billion) and Evli Fund Management Company's fund capital was EUR 8.9 billion (EUR 9.4 billion). Net subscriptions during the third quarter were EUR 384 million.

The Advisory and Corporate Clients segment's return declined 13 percent and were EUR 2.0 million. The Corporate Finance unit's invoicing fell below the previous year's level after several advisory projects were delayed. The unit's mandate base is strong, however, and the outlook for the final quarter

of the year is positive. The incentive systems management business continued to grow as in previous quarters. At the end of the quarter, a share exchange was executed in which Evli Awards Management Oy and Alexander Incentives Oy were merged into a new company named Evli Alexander Incentives Oy. Through the merging of operations, the new company will have the opportunity to serve its clients throughout the value chain of incentive programs, from design to management and realization.

Among Evli's strategic focus areas, international fund sales faced a challenging spring due to redemptions following market turbulence, but the situation calmed down during the third quarter. Evli's fixed income funds that are widely recognized and invest in European and Nordic corporate bonds are at the core of international fund sales. In August, we launched a new Evli Green Corporate Bond fund that invests in green corporate bonds. In this short amount of time, the fund has already been positively received by our clients.

Another strategic focus area – sales of alternative investment products – performed as planned in the third quarter. We started the marketing of our new forest fund, Evli Impact Forest Fund I, and aim to carry out the first closing during the end of the year. We also started preparations for the launch of the new Leveraged Loan and Private Debt funds and strengthened our resources with two experienced experts. The combined assets of alternative investment products have increased significantly in recent years and were already over EUR 1 billion at the end of the quarter.

We made responsibility a strategic focus area for Evli at the beginning of the year, as we believe that responsibility will become even more important in the future. During the third quarter we received very good ratings of our responsibility in two external evaluations. The UN's responsible Investment umbrella organization, PRI, awarded Evli its highest rating (A+) in the Responsible Investment Strategy and Governance category, and Evli's responsible investment was ranked best in Finland for the fourth consecutive year in the KANTAR SIFO Prospera "External Asset Management Finland 2020" -survey.

I would like to thank our clients and shareholders for their trust and our employees for their hard and successful work in this exceptional environment.

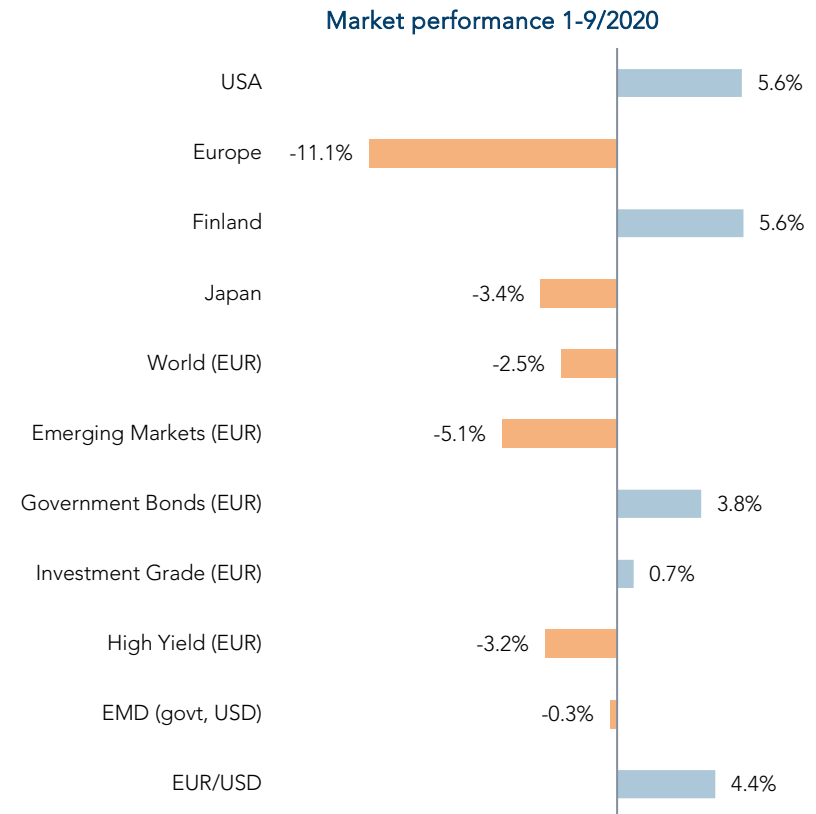
MARKET PERFORMANCE

The financial markets were on an upward trend in the third quarter as valuation levels reached new records. However, the real economy has been slower to recover from the slump in the spring, and the second wave of the coronavirus in Europe, which has accelerated during the fall, increased the uncertainty prevalent on the markets. The restrictions to curb the pandemic that were removed during the summer were gradually reinstated as the number of cases increased, which further hampered economic recovery. Political risk factors remained high. The lack of clarity in Brexit's progress, the ongoing US presidential elections and the slow progress of the US-China trade negotiations added to investor uncertainty.

The scale of the economic crisis caused by the coronavirus pandemic has been even greater than the financial crisis. Similarly, stimulus measures implemented by central banks and governments have been unprecedented. Boosted by extensive support measures and companies' strengthened future outlook, the equity markets rose in the USA and Finland in the fall. On the equity markets US equities (S&P 500) rose 5.6 percent, whereas European equities (Stoxx 600) decreased 11.1 percent during the beginning of the year. During the same period, Finnish equities (OMX Helsinki Cap) also rose 5.6 percent.

Despite the strong market recovery, net subscriptions to mutual funds registered in Finland remained negative for this year so far. Net subscriptions to all funds registered in Finland totaled EUR -836 million (EUR 390 million) during the first nine months.

Due to the coronavirus crisis, the performance of interest-bearing papers varied. The values of corporate bonds with higher ratings rose 0.7 percent and the values of high yield bonds with lower ratings declined 3.2 percent during the first nine months of the year. During the same period values of euro area government bonds rose 3.8 percent. The euro strengthened by 4.4 percent against the dollar.



DEVELOPMENT OF REVENUE AND RESULT

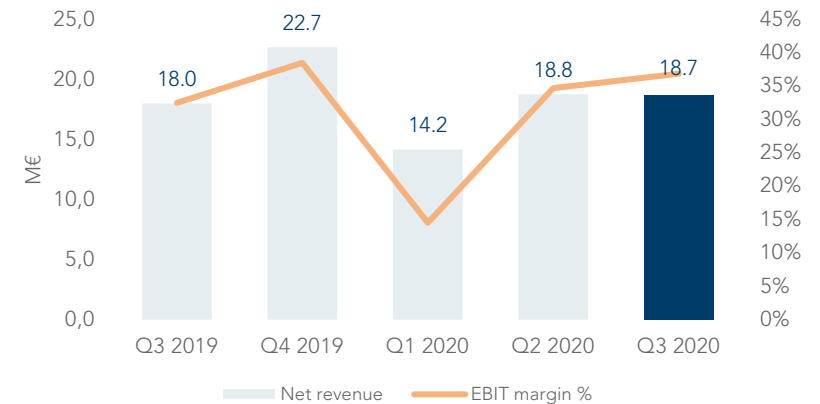
In January-September the Evli Group's net commission income were a bit above the comparison period and was EUR 50.2 million (EUR 49.7 million). Despite the challenging market environment, both brokerage and fund fees increased from the comparison period. As a consequence of the coronavirus crises during the spring, advisory fees decreased due to delays or suspensions in client assignments. During the review period, profit-related fees from asset management or mutual funds came to EUR 0.2 million (EUR 0.0 million).

During January-September net income from securities transactions and foreign exchange dealing decreased substantially from the previous year to EUR 1.0 million (EUR 3.2 million). This was due to the significant negative value changes in the first-quarter result due to the market collapse. Overall, during January-September, the return from Evli Group's operations declined three percent year on year and was EUR 51.6 million (EUR 53.1 million).

Overall costs for January-September, including depreciation, amounted to EUR 36.2 million (EUR 37.7 million). The Group's personnel expenses totalled EUR 21.6 million (EUR 21.9 million) including estimated performance bonuses for the personnel. The Group's administrative expenses were EUR 9.1 million (EUR 10.4 million). The Group's depreciation, amortization and write-downs were EUR 4.5 million (EUR 2.6 million). The increase in depreciation is mainly explained by the transfer of rental expenses to depreciation in accordance with IFRS 16. In the comparison period, rental expenses were presented as part of other operating expenses. The Group's other operating expenses totalled EUR 0.9 million (EUR 2.7 million). Impairment losses on loans and other receivables were EUR 0.1 million (EUR 0.1 million). Evli's expense/income ratio was 0.70 (0.71).

The Group's operating profit for January-September was on the previous year's level at EUR 15.5 million (EUR 15.4 million). The operating margin was 30.0 percent (29.0%). The profit for January-September was EUR 12.3 million (EUR 12.1 million). The Group's annualized return on equity was 19.8 percent (21.1%).

Net revenue and EBIT margin



EBIT bridge



Evli Group's net revenue for **July-September** increased by four percent compared to the previous year, totalling EUR 18.7 million (EUR 18.0 million). Increased valuations of investments in own balance sheet had a positive impact on net revenue development as the markets continued to recover. The return from own balance sheet items totalled EUR 1.1 million (EUR 3.4 million) during the third quarter. On the other hand, the Group's net commission income decreased slightly and was EUR 16.8 million (EUR 17.2 million). Commission income was negatively affected by lower fund management fees caused by the market collapse, as well as higher transaction fees than during the comparison period.

Overall costs for the third quarter, including depreciation, decreased slightly from the previous year's level and amounted to EUR 11.8 million (EUR 12.2 million). The Group's personnel expenses increased by nine percent during the third quarter due to a bonus provision made for the review period. However, other administrative expenses decreased by 26 percent.

The Group's third-quarter operating profit was EUR 6.9 million (EUR 5.9 million). The operating margin was 36.9 percent (32.5%). The profit for July-September was EUR 5.6 million (EUR 4.8 million).

Balance sheet and funding

At the end of September, the Evli Group's balance sheet total was EUR 1,036.0 million (EUR 1,054.8 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 September, the Evli Group's equity was EUR 83.9 million (EUR 75.1 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 15.5 percent clearly exceeds the regulator's requirement of 10.5 percent. In response to the coronavirus crisis, the authorities eased banks' capital requirements, and consequently, Evli's capital adequacy ratio fell to the current level from the previous level of 11.5 percent. The Group's own minimum target for capital adequacy is 13.0 percent.

The Group's funding from the public and credit institutions decreased by 16 percent compared to the comparison period. The company's loan portfolio decreased nine percent compared to the comparison period and was EUR 105.0 million (EUR 115.7 million). The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 23.8 percent. The Group's liquidity is good.

Due to the coronavirus crisis, the probability of credit losses has increased. As a result of this Evli has increased its loan loss provision during the first half of the year by EUR 0.1 million in accordance with IFRS 9. Evli's loan portfolio consists mainly of secured investment loans, which collateral values are monitored on a daily basis. No credit losses were realized during the review period.

COMMON EQUITY TIER 1 CAPITAL, M€	30.9.2020	30.9.2019
Share capital	30.2	30.2
Funds total and retained earnings	39.8	32.3
Minority interest	0.0	0.0
<i>Decreases:</i>		
Intangible assets	16.5	14.5
Other decreases	0.0	0.0
Total common equity tier 1 capital	53.5	48.0

Evli Bank has no tier 2 capital.

Minimum requirement of own funds, M€	30.9.2020	30.9.2020
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	2.8	35.0
Investments in mutual funds	4.6	56.9
Claims secured with property	0.1	1.1
Claims from corporate customers	2.5	31.6
Items with high risk, as defined by the authorities	0.1	1.1
Other items	6.5	81.0
Minimum amount of own funds, market risk	0.4	4.8
Minimum amount of own funds, operational risk	10.7	133.5
Total	27.6	344.8

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 assets under management in Evli's Wealth Management decreased during the spring. Despite the market recovery the assets in discretionary asset management fell short of the comparison period. At the end of September, Evli had EUR 5.0 billion (EUR 5.2 billion) in discretionary asset management assets, which includes both the traditional and digital services.

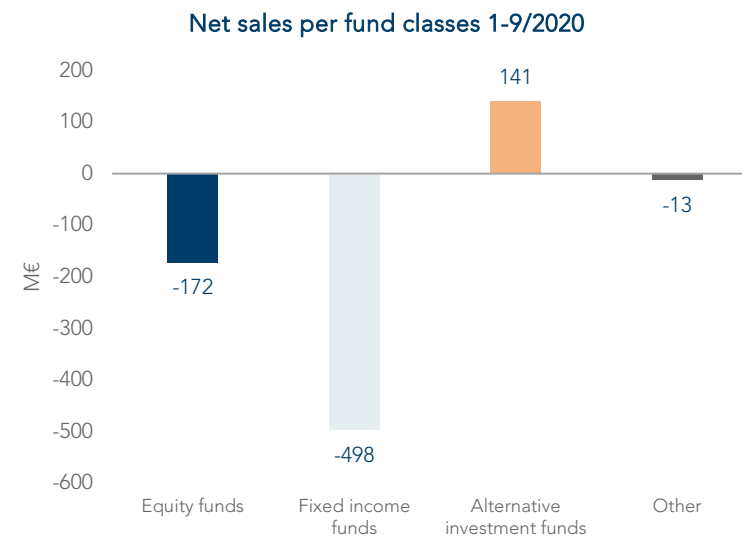
Traditional mutual funds

The coronavirus crisis reflected negatively on fund sales during the review period as clients sold their holdings during the spring. The situation calmed down during the summer, however, and in the fall, net monthly subscriptions to Evli's funds were again positive. The funds' net subscriptions for the third quarter were EUR 383.6 million (EUR 183.0 million). Despite of this net subscriptions for January-September were EUR -670.4 million (EUR 952.7 million). The majority of redemptions were in short-duration fixed income funds. Evli's strategic target is to boost the international sales of its investment products. During January-September net subscriptions from foreign investors were EUR -439 million (EUR 439 million).

According to the Mutual Fund Report carried out by Investment Research Finland, Evli Fund Management Company's market share decreased by 0.5 percentage points on the previous year and was 7.1 percent at the end of September. At the end of September, Evli had 30 investment funds

registered in Finland. The combined assets of the traditional mutual funds managed by the company were EUR 8.7 billion (EUR 9.2 billion). Of this, approximately EUR 2.1 billion were invested in equity funds (EUR 2.2 billion), EUR 6.3 billion in fixed income funds (EUR 6.8 billion) and EUR 0.1 billion in balanced funds (EUR 0.1 billion).

Evli launched two new mutual funds in the third quarter. In August, Evli Green Corporate Bond, a fixed income fund investing in European green corporate bonds, was launched. The purpose of the fund is to invest in assets that, based on a sustainability analysis, are expected to have a positive impact on the environment or society or on the achievement of the UN Sustainable Development Goals. The Evli Equity Factor Global fund, which has a factor focus and invests in companies in developed countries globally, was also launched in August. The fund's investment objects are primarily developed-economy equities in Europe, North America, Asia, and the Pacific region.



Alternative investment products

Sales of strategically important alternative investment products developed according to expectations, considering the market situation. Subscriptions and investment commitments for alternative investment products totalled EUR 141 million (EUR 203 million) during January-September. In the spring, Evli launched the Evli Infrastructure I fund, to which close to EUR 70 million was raised during January-September. The fund focuses on global infrastructure projects. The fall subscription window for the fund closed on October 15, 2020. The related subscription commitments have not been taken into account in the assets under management for the period under review. Evli will launch at least one new alternative investment fund during the later part of the year.

Other investment products

As a result of the market turmoil in spring, there was a peak in demand for Evli's brokerage products, which, however, leveled off as the markets calmed down during the summer and fall. From a cumulative point of view, brokerage fees rose on the comparison period. Especially the brokerage of structured investment products developed favourably.

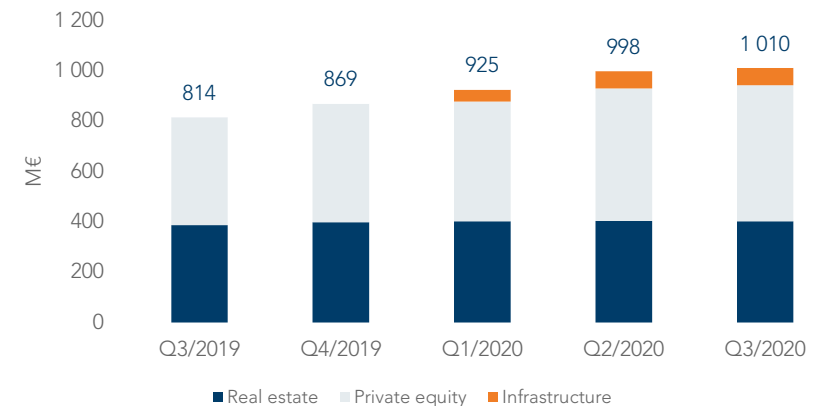
Awards

During the first half of the year, Evli's wealth management received recognition from the independent KANTAR SIFO Prospera "External Asset Management Finland 2020" -survey, where Evli was for the fourth consecutive year in a row the most widely used institutional asset manager in Finland. In addition, institutional investors ranked Evli as the second-best institutional asset manager in Finland and Evli's brand strength was assessed as the strongest in asset management services. Evli was also placed first in among others portfolio management competence and responsible investments (ESG).

Evli's fund knowledge received international recognition during the first half of the year. Morningstar awarded Evli best fund management company in Sweden. In the "Best Fund House: Overall" category, the rankings are determined based on five-year risk-adjusted returns, taking into account all funds registered in the country by the fund management company.

In Lipper Fund Awards 2020 France, Evli received the award of best fixed income house among smaller fund management companies. In addition, 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 Lipper Fund Awards 2020 in Europe, Nordics, Germany and France, Evli Nordic fund was awarded "Best Fund over 5 years" and "Best Fund over 10 years" in Lipper Fund Awards 2020 in Europe and "Best Fund over 5 years" in Lipper Fund Awards 2020 in Germany and France in the "Equity Nordic" category.

Assets under Management
in alternative investment products



Financial performance

In **January-September** the Wealth Management and Investor Clients segment's profit developed favourably. The segment's net revenue grew three percent year on year totalling EUR 43.7 million (EUR 42.2 million). In particular, an increase in the management fees of alternative investment funds and brokerage fees, which were higher than in the comparison period, had a positive impact on the development of returns. During the review period, EUR 0.2 million in performance-based and similar fees were received from asset management and funds (EUR 0.0 million).

In **July-September** the net revenue of the Wealth Management and Investor Clients segment was nearly at the previous year's level and was EUR 14.6 million (EUR 14.8 million). The negative revenue development was mainly due to lower management fees from traditional mutual funds than in the comparison period.

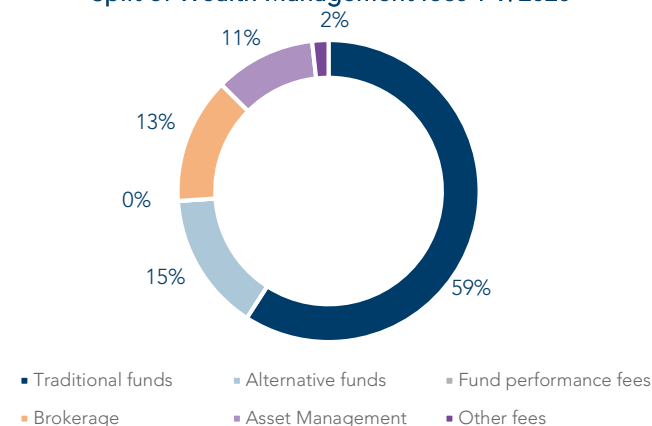
Key figures - Wealth Management and Investor Clients segment

M€	1-9/ 2020	1-9/ 2019	Change %	7-9/ 2020	7-9/ 2019	Change %
Net revenue	43.7	42.2	3%	14.6	14.8	-1%
Operating profit/loss before Group allocations	19.5	17.9	9%	7.1	7.3	-2%
Operating profit/loss	15.6	12.3	27%	5.5	5.4	2%
Number of personnel	156	164	-5%			
Market share, %*	7.1	7.6	-7%			
Net subscriptions**	-670.4	857.1	-			

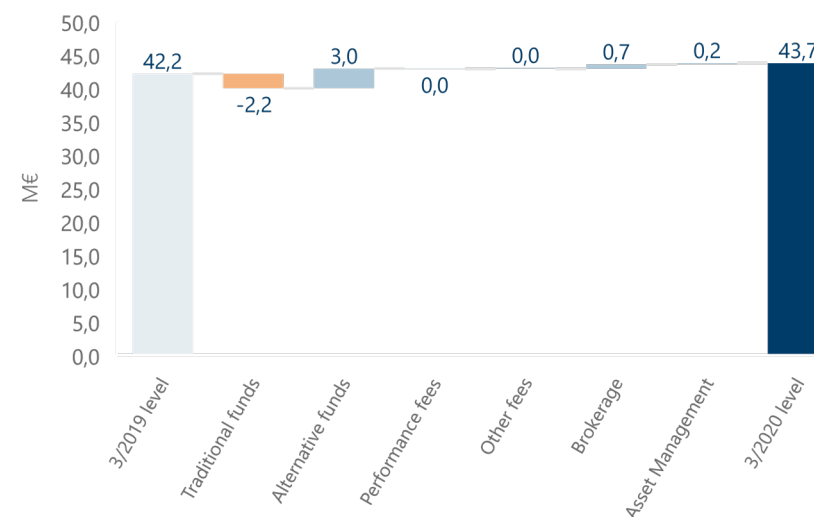
*Evlí Fund Management Company. Source: fund report by Investment Research Finland

**Net subscription to Evlí's traditional mutual funds. Source: fund report by Investment Research Finland

Split of Wealth Management fees 1-9/2020



Development of Investor client commission



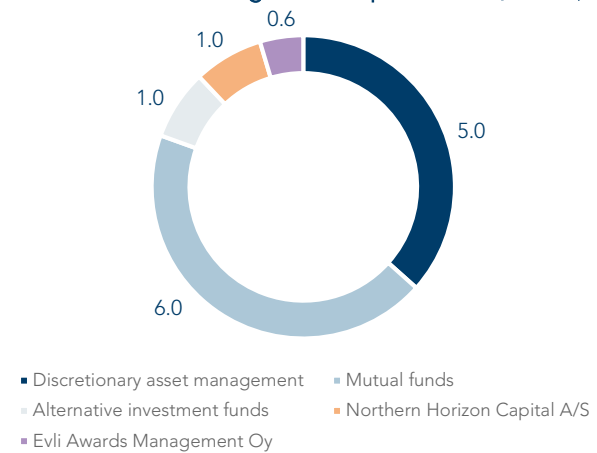
Development of client assets under management

Client assets under management consist of direct investments in mutual funds and alternative investment funds, discretionary asset management and assets managed through Evli's subsidiaries and associated companies.

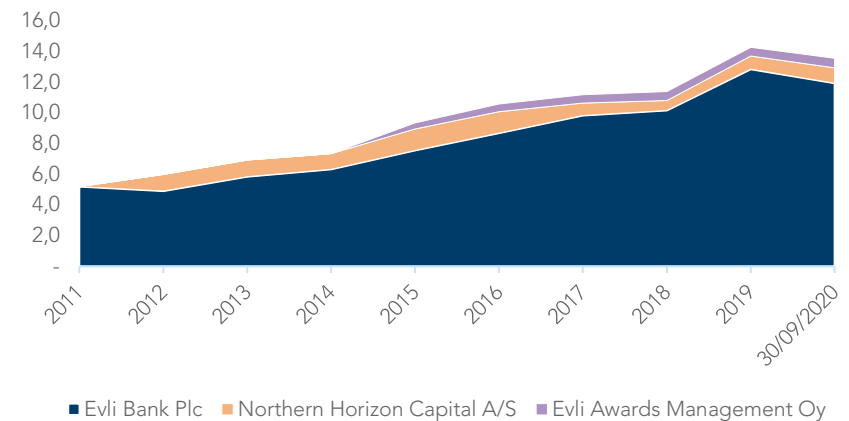
Assets under management decreased substantially during the market collapse in March but recovered during the summer and fall. Due to the positive development, the Group's total net assets under management were at the previous year's level and totalled EUR 13.6 billion (EUR 13.6 billion) at the end of September.

At the end of September, assets under discretionary management amounted to EUR 5.0 billion (EUR 5.2 billion). Correspondingly, direct investments in Evli's traditional mutual funds were EUR 6.0 billion (EUR 6.6 billion) at the end of September. The assets under management in alternative investment funds was EUR 1.0 billion (EUR 0.8 billion). Assets managed through subsidiaries and associated companies remained at the corresponding level of the previous year.

Net Assets Under Management September 30, 2020 (EUR bn.)



Net Assets Under Management EUR 13.6 bn.



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 design and administration services and investment research for listed companies.

M&A transactions

The coronavirus crisis had a substantial impact on the unit's business, leading to delays and suspensions of advisory assignments in the spring. The M&A market reactivated in the fall, and the mandate base grew considerably. At the end of September, the unit's mandate base was at a good level.

Evli's third quarter published transactions:

- Advisor to the owners of Pislä Oy regarding the sale of the company to Volani AB
- Advisor to the PHM Group, backed by Norvestor and Intera, concerning add-on acquisitions in Sweden.

Incentive plans

During the review period, returns from the administration of incentive plans exceeded the level of the comparison period and were EUR 3.8 million (EUR 3.6 million). The revenue performance was positively affected especially by existing clients' incentive plans having a wider scope than before, share-based Board of Directors' fees becoming more common, and new incentive plans that started during the beginning of the year. During the year, Evli has started offering management services also in Sweden. At the end of September, the company had signed agreements with two Swedish clients.

In the third quarter of the year, Evli's incentive system management business was merged with Alexander Incentives Oy and expanded to include, among other things, the design of incentive plans. Alexander Incentives Oy's net revenue for 2019 was EUR 2.8 million. Through the combining of functions, Evli has the opportunity to serve its clients

throughout the value chain of incentive programs, from design to administration and realization. The combined operations will be carried out under the name Evli Alexander Incentives Oy. Overall, the new entity is responsible for the incentive plan design and administration of about 140, both listed and non-listed, companies.

Financial performance

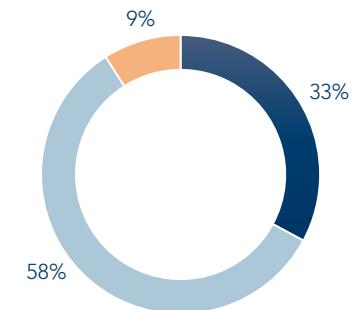
In **January-September** the net revenue of the Advisory and Corporate Clients segment decreased 13 percent year on year totalling EUR 6.4 million (EUR 7.4 million). Significant fluctuations in revenue from one quarter to the next are typical of the segment's M&A activities.

In **July-September** the net revenue of the Advisory and Corporate Clients segment decreased by 16 percent compared to the comparison period and was EUR 2.0 million (EUR 2.4 million). During the review period, the company participated in two published transactions. Due to the coronavirus crisis, many mandates were delayed or suspended during the spring. As the market recovered during the summer and fall, activity in advisory business picked up and the activity rate is again at a high level.

Key figures - Advisory and Corporate Clients segment

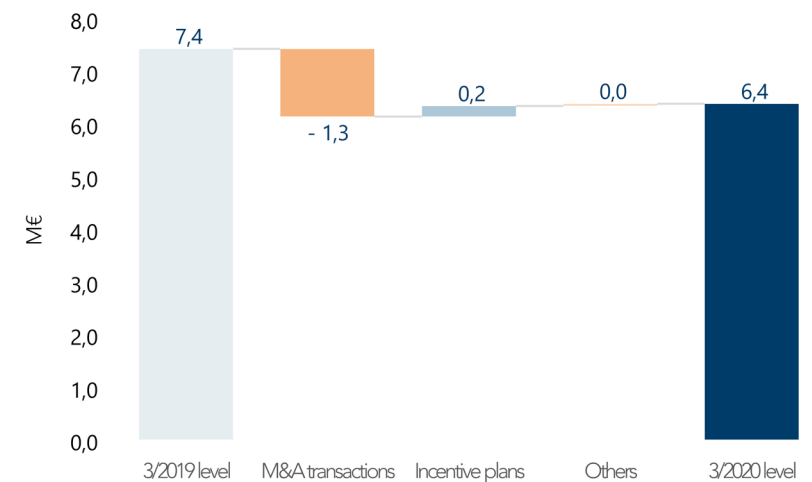
M€	1-9/ 2020	1-9/ 2019	Change %	7-9/ 2020	7-9/ 2019	Change %
Net revenue	6.4	7.4	-13%	2.0	2.4	-16%
Operating profit/loss before Group allocations	1.8	2.5	-29%	0.5	0.9	-41%
Operating profit/loss	1.2	1.6	-29%	0.3	0.6	-55%
Number of personnel	56	44	27%			

Split of advisory commissions 1-9/2020



■ Advisory fees ■ Incentive management ■ Other advisory fees

Development of advisory commissions



Group Operations

The Group Operations segment includes support functions serving the business areas, such as Information Management, Financial Administration, Marketing, 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.

Financial performance

In **January-September** the return of the Group operations segment decreased year on year and was EUR 1.1 million (EUR 3.4 million). The decrease was due to unrealized losses on fixed income investments in the own balance sheet caused by the market turmoil.

In **July-September** the net revenue of the Group Operations segment increased compared to the comparison period and was EUR 1.7 million in total (EUR 0.7 million). Revenue development was positively affected by the increase in the value of fixed income investments in own balance sheet investments.

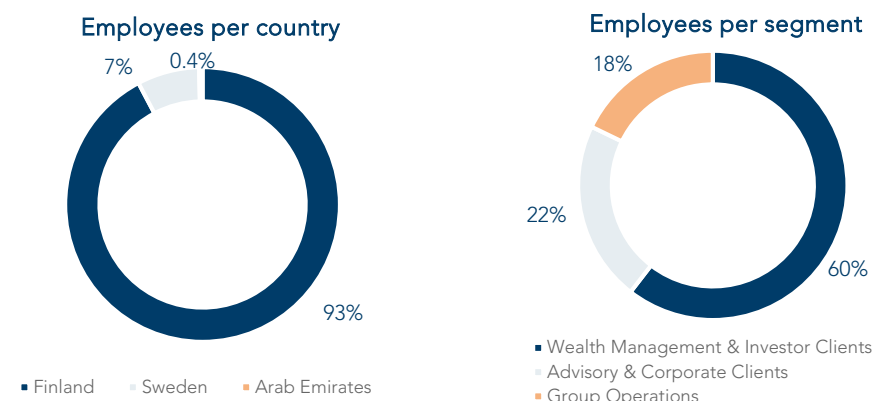
Key figures – Group Operations segment

M€	1-9/ 2020	1-9/ 2019	Change %	7-9/ 2020	7-9/ 2019	Change %
Net revenue	1.1	3.4	-66%	1.7	0.7	138%
Operating profit/loss before Group allocations	-5.6	-5.4	4%	-0.9	-2.6	-64%
Operating profit/loss	-1.1	1.1	-	1.0	-0.5	-
Number of personnel	46	46	0%			

PERSONNEL

The group had 258 employees (254) at the end of September. The number of employees increased by two percent, from the comparison period. Approximately 93 percent of the personnel were employed in Finland and around seven percent abroad.

Employee facts



CORPORATE RESPONSIBILITY

Evli has raised responsibility to one of its strategic focus areas. Responsibility factors have been integrated into investment operations in Evli's most significant business area, Wealth Management, which means that responsible investment is a systematic part of portfolio management. Investments made by Evli's mutual funds are also monitored for possible norm violations, and Wealth Management engages with companies independently and together with other investors.

Responsible investing

In the third quarter, Evli published its funds' renewed ESG reports. New indicators describing climate and reputation risks were added to the reports as the importance of climate change continues to grow. The new reports also feature each fund's ESG strategy, and the fund's responsible investment approaches and exclusions.

In August, Evli launched Evli Green Corporate Bond, a new fund focusing on green corporate bonds, and the new Evli Equity Factor Global fund, in which responsibility is an essential part of the selection of investment instruments. In addition, Evli participated in one extraordinary general meeting and engaged with one European company.

During the third quarter, Evli's responsible investment achieved good ratings in external evaluations. In an international comparison, the UN's umbrella organization for responsible investment PRI awarded Evli its highest rating (A+) in the Responsible Investment Strategy and Governance category. In the KANTAR SIFO Prospera External Asset Management Finland 2020 survey, Evli was ranked best in responsible investment in Finland for the fourth consecutive year.

Results 7-9/2020

- Renewed fund ESG reports
- Two new funds focused on responsibility
- Attendance at one general meeting of shareholders
- Engagement with one company
- Best rating from PRI (A+) in the Responsible Investment Strategy and Governance category
- Ranked best in responsible investment in Finland in the KANTAR SIFO Prospera External Asset Management Finland 2020 survey.

Goals 2020-2021

Renewal of the ESG reports

Launch new responsibility funds

Set climate targets

Deepen ESG integration in Portfolio Management

EVLI'S SHARES AND SHARE CAPITAL

At the end of September, Evli Bank Plc's total number of shares was 24,109,420, of which 14,640,264 were series A shares and 9,469,156 were series B shares. The company held 328,998 series B shares. The company's share capital was EUR 30,194,097.31 at the end of September. No changes took place in the share capital.

Under Article 4 of its Articles of Association, the company converted 145,224 A shares into B shares on April 24, 2020. Public trading on the converted shares began at Nasdaq Helsinki Ltd on April 27, 2020.

Based on the stock options 2016 granted by the company's Board of Directors a total of 125,000 new B shares were subscribed to on July 17, 2020. The shares subscribed to were registered in the Trade Register on July 17, 2020. Public trading with the new B-shares began at Nasdaq Helsinki Ltd on July 20, 2020.

Based on the stock options 2016 granted by the company's Board of Directors a total of 83,000 new B shares were subscribed to on September 4, 2020. The shares subscribed to were registered in the Trade Register on September 4, 2020. Public trading with the new B-shares began at Nasdaq Helsinki Ltd on September 7, 2020.

Under Article 4 of its Articles of Association, the company converted 375,387 company held A shares into B shares on September 11, 2020. Public trading on the converted shares began at Nasdaq Helsinki Ltd on September 14, 2020.

On September 23, 2020 the company's Board of Directors issued and conveyed without consideration 46,389 Evli Bank Plc's B-shares to the key persons participating in the Restricted Share Plan 2017.

Shareholders

The total number of shareholders at the end of September was 5,043 (4,110). The stake of Finnish companies was 55 percent (54%) and that of private Finnish individuals was 27 percent (26%). The remaining 18 percent

of the shares (20%) were owned by financial and insurance institutions, public sector organizations, non-profit institutions serving households and foreign investors. Evli's ten largest shareholders on September 30, 2020 are listed on page 37.

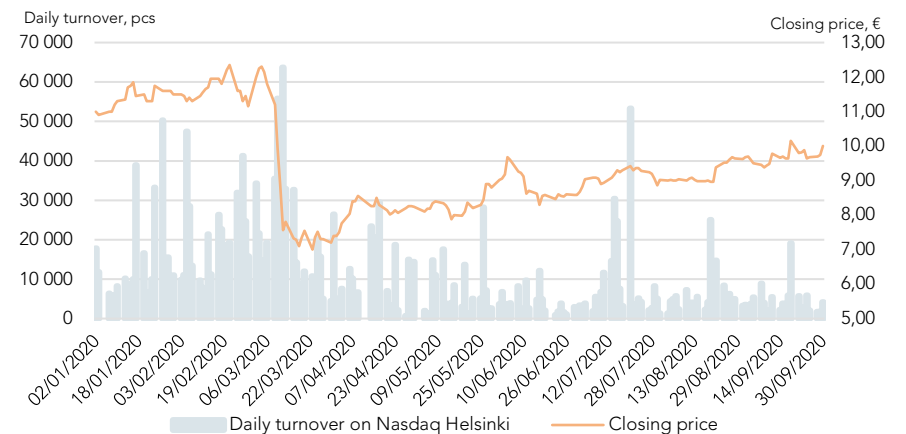
Trading on Nasdaq Helsinki

	1-9/2020	1-9/2019
Highest price, €	12.60	9.48
Lowest price, €	6.78	7.24
Trading in the shares, €	20,107,672	7,200,000
Trading in the shares, pcs	2,045,600	855,011

	September 30, 2020	September 30, 2019
Evli's series B shares, pcs	9,469,156	8,664,877
Closing price, €	10.00	8.32
Market capitalization*, M€	241.1	198.9

*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.

Share price development and trading volume (series B shares) 1.1.–30.9.2020



DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Evli Bank Plc's Annual General Meeting, held in Helsinki on March 9, 2020, 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 0.66 per share in dividends. The dividend was paid to a shareholder who on the record date March 11, 2020 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 18, 2020.

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 2019 financial year.

Remuneration policy

The Annual General Meeting approved the remuneration policy for governing bodies.

The ratio between fixed and variable remuneration of management and key personnel

The Annual General Meeting decided that the amount of variable remuneration paid to a person employed by Evli may exceed 100 percent of the total fixed annual remuneration of the person, subject to the conditions described below. However, the variable remuneration component shall not exceed 200 percent of the total annual fixed remuneration of the recipient.

An individual's short-term (one-year earnings criterion) variable remuneration may not exceed 100 percent of an individual's annual fixed remuneration. However, the combination of short-term variable

remuneration and long-term commitment plan payments may exceed 100 percent of the individual's annual fixed remuneration. However, the aggregate of short-term variable remuneration and long-term commitment plan payments may not exceed 200 percent of the individual's annual fixed remuneration.

The maximum variable remuneration applies to the remuneration of approximately 30 persons, that is, senior management and certain key personnel. The variable remuneration is not used to compensate the Board of Directors. The maximum variable remuneration applies until further notice.

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, Fredrik Hacklin, Sari Helander, Robert Ingman, Mikael Lilius and Teuvo Salminen were re-elected to Evli Bank Plc's 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 1,516,088 shares, and the total number of own series B shares to be repurchased may be a maximum of 874,055 shares. The 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, 2021.

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 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 2,390,140 series B shares. The 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 239,014 shares may be used as part of the company's share-based incentive schemes, representing approximately one

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, 2021.

CHANGES IN GROUP STRUCTURE

In June, Evli sold three percent of its shares in Evli Corporate Finance Ab to its employees. Following the transaction, Evli's ownership in the company is 56.5 percent.

In August, Evli bought 35 percent of Terra Nova Capital Advisors Ltd shares from the company's employees. Following the transaction, Evli's ownership in the company is 90 percent.

In September, Evli Bank Plc and the owners of Alexander Incentives Oy signed an agreement on the exchange of shares between Evli Awards Management Oy ("EAM") and Alexander Incentives Oy, in which EAM gained 100 percent of the shares of Alexander Incentives Oy. As a consideration, EAM issued new own shares so that the minority interest in the company's shares rose to 35 percent. Evli Bank's holding in the company is 65 percent.

BUSINESS ENVIRONMENT

Despite the recovery in the investment market Evli's business environment is currently exceptionally challenging. The increased fear of a trade war, the downturn in the real economy, and the second wave of the coronavirus contribute to increased uncertainty among investors. As a result of the market recovery supported by governments and central banks, investors' risk appetite has increased, which has been reflected, for example, in increased net subscriptions in Evli's funds.

Demand for passive products has continued to grow, which has pushed down the fees of active investment products. The coronavirus pandemic, which has so far reflected to the stock and bond markets, can impact also alternative investment products and result in decrease in their valuations. If realized, it might negatively affect the sales of such products. Despite the challenging market environment, the conditions for growth of the core business in the company's domestic market in Finland are good, especially with the expanded product range.

In line with its strategy, Evli has focused increasingly on the development of international sales and alternative investment products. These are considered important sources of growth for the company and a means to further diversify the company's sources of revenue. Work has also been done to further improve business scalability, as a result of which an indicator critical to the company, the ratio of recurring revenue to operating costs, has developed favourably.

The company focuses its international growth on the Nordic and European markets. 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. Nevertheless, the market environment is currently exceptionally challenging in terms of international growth.

Alternative investment products are another important strategic focus area for Evli. This is a challenging asset class when it comes to seeking sufficient return for investors, which also takes into account the typical risks of long-term investment. In addition, competition in this asset class is very tough. Despite the challenges posed by the market environment Evli'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 2020 SPECIFIED

We estimate that the operating profit for 2020 will be clearly positive.

The view is supported by a high ratio of recurring revenue to operating costs, as well as sales of alternative investment products, which have brought new, stable revenue.

Previously we stated that, in the current market environment, we estimate that the operating profit for 2020 will be clearly positive. In a situation where market conditions would deteriorate from the current situation, we estimate the operating profit to be positive.

Helsinki, October 23, 2020

EVLI BANK PLC
Board of Directors

Additional information:

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

www.evli.com

INVESTOR CALENDER 2021

- Financial Statement Bulletin 2020: January 22, 2021
- Interim Report, January-March: April 15, 2021
- Half Year Financial Report, January-June: July 14, 2021
- Interim Report, January-September: October 20, 2021

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The figures in the interim report tables and appendices are presented in millions of euros, unless indicated otherwise.

Consolidated comprehensive income statement

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Net interest income	-0.1	0.1	0.2	0.2	0.3
Commission income and expense, net	16.8	17.2	50.2	49.7	72.2
Net income from securities transactions and foreign exchange dealing	1.8	0.7	1.0	3.2	3.2
Other operating income	0.1	0.0	0.2	0.0	0.1
NET REVENUE	18.7	18.0	51.6	53.1	75.8
Administrative expenses					
Personnel expenses	-7.5	-6.9	-21.6	-21.9	-30.4
Other administrative expenses	-2.6	-3.5	-9.1	-10.4	-14.0
Depreciation, amortisation and write-down	-1.5	-0.9	-4.5	-2.6	-3.5
Other operating expenses	-0.2	-0.8	-0.9	-2.7	-3.7
Impairment losses on loans and other receivables	0.0	0.0	-0.1	-0.1	-0.1
NET OPERATING PROFIT / LOSS	6.9	5.9	15.5	15.4	24.1
Share of profits (losses) of associates	0.2	-0.1	0.3	-0.2	-0.6
Income taxes*	-1.4	-1.0	-3.5	-3.1	-4.9
PROFIT / LOSS FOR FINANCIAL YEAR	5.6	4.8	12.3	12.1	18.7
Attributable to					
Non-controlling interest	0.7	0.4	1.3	0.5	1.4
Equity holders of parent company	4.9	4.4	11.0	11.5	17.3
PROFIT / LOSS FOR FINANCIAL YEAR	5.6	4.8	12.3	12.1	18.7
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	0.0	0.0	-0.1	-0.2	0.0
Other comprehensive income/loss	0.0	0.0	-0.1	-0.2	0.0
Other comprehensive income after taxes / loss total	0.0	0.0	-0.1	-0.2	0.0
OTHER COMPREHENSIVE INCOME / LOSS TOTAL	5.6	4.8	12.2	11.9	18.6
Attributable to					
Non-controlling interest	0.7	0.4	1.3	0.5	1.4
Equity holders of parent company	4.9	4.4	10.9	11.4	17.2
Earnings per Share (EPS), fully diluted	0.21	0.18	0.46	0.47	0.71
Comprehensive Earnings per Share (EPS), fully diluted	0.21	0.18	0.46	0.47	0.71

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

Consolidated comprehensive income statement quarterly

	7-9/2020	4-6/2020	1-3/2020	10-12/2019	7-9/2019
Net interest income	-0.1	0.2	0.0	0.2	0.1
Commission income and expense, net	16.8	15.6	17.9	22.5	17.2
Net income from securities transactions and foreign exchange dealing	1.8	2.9	-3.7	0.0	0.7
Other operating income	0.1	0.0	0.0	0.1	0.0
NET REVENUE	18.7	18.8	14.2	22.7	18.0
Administrative expenses					
Personnel expenses	-7.5	-7.5	-6.6	-8.5	-6.9
Other administrative expenses	-2.6	-2.8	-3.6	-3.5	-3.5
Depreciation, amortisation and write-down	-1.5	-1.5	-1.5	-0.9	-0.9
Other operating expenses	-0.2	-0.5	-0.2	-1.0	-0.8
Impairment losses on loans and other receivables	0.0	0.0	-0.2	0.0	0.0
NET OPERATING PROFIT/LOSS	6.9	6.5	2.1	8.7	5.9
Share of profits (losses) of associates	0.2	0.0	0.2	-0.4	-0.1
Income taxes*	-1.4	-1.7	-0.4	-1.8	-1.0
PROFIT/LOSS FOR FINANCIAL YEAR	5.6	4.8	1.9	6.6	4.8
Attributable to					
Non-controlling interest	0.7	0.4	0.3	0.9	0.4
Equity holders of parent company	4.9	4.4	1.6	5.7	4.4
PROFIT/LOSS FOR FINANCIAL YEAR	5.6	4.8	1.9	6.6	4.8
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	0.0	0.3	-0.3	0.2	0.0
Other comprehensive income/loss	0.0	0.3	-0.3	0.2	0.0
Other comprehensive income after taxes/loss total	0.0	0.3	-0.3	0.2	0.0
OTHER COMPREHENSIVE INCOME/LOSS TOTAL	5.6	5.1	1.5	6.8	4.8
Attributable to					
Non-controlling interest	0.7	0.4	0.3	0.9	0.4
Equity holders of parent company	4.9	4.7	1.3	5.9	4.5

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

Consolidated balance sheet

	30.9.2020	30.9.2019	31.12.2019
ASSETS			
Liquid assets	350.0	287.6	305.7
Debt securities eligible for refinancing with central banks	33.9	36.1	36.1
Claims on credit institutions	79.1	50.4	69.8
Claims on the public and public-sector entities	105.0	115.7	114.0
Debt securities	30.2	236.2	227.6
Shares and participations	63.4	42.2	31.5
Participating interests	4.1	4.2	3.8
Derivative contracts	41.4	21.4	59.6
Intangible assets	16.5	14.5	14.3
Property, plant and equipment	1.4	1.7	1.6
Other assets	306.2	239.9	55.3
Accrued income and prepayments	4.3	4.4	3.6
Deferred tax assets	0.4	0.6	0.2
TOTAL ASSETS	1,036.0	1,054.8	923.2
LIABILITIES			
Liabilities to credit institutions and central banks	19.3	0.6	1.9
Liabilities to the public and public-sector entities	441.2	565.5	551.6
Debt securities issued to the public	134.2	143.4	148.6
Derivative contracts and other trading liabilities	41.6	21.2	59.7
Other liabilities	293.5	231.3	58.0
Accrued expenses and deferred income	22.3	17.7	21.7
Deferred tax liabilities	0.0	0.0	0.0
LIABILITIES TOTAL	952.1	979.8	841.5
Equity to holders of parent company	80.9	74.1	80.1
Non-controlling interest in capital	3.0	1.0	1.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,036.0	1,054.8	923.2

Consolidated statement of changes in equity

	Share capital	Share premium fund	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interest	Total Equity
Equity capital 31.12.2018	30.2	1.8	18.3	26.0	76.3	1.1	77.4
Translation difference				-0.2	-0.2		-0.2
Profit/loss for the period				11.6	11.6	0.4	12.0
Dividends				-14.4	-14.4	-0.7	-15.1
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				0.4	0.4	0.1	0.5
Equity capital 30.9.2019	30.2	1.8	18.7	23.3	74.1	1.0	75.1
Translation difference					0.0		0.0
Profit/loss for the period				5.7	5.7	0.9	6.5
Dividends				0.0	0.0	-0.4	-0.4
Share options exercised					0.0		0.0
Acquisition of own shares					0.0		0.0
Acquisition of non-controlling interest					0.0		0.0
Other changes				0.2	0.2	0.2	0.4
Equity capital 31.12.2019	30.2	1.8	18.7	29.3	80.1	1.7	81.8
Translation difference				0.2	0.2	0.0	0.2
Profit/loss for the period				11.0	11.0	1.3	12.3
Dividends				-15.2	-15.2	-2.5	-17.7
Share options exercised			1.5		1.5		1.5
Acquisition of own shares					0.0		0.0
Acquisition of non-controlling interest					0.0		0.0
Other changes*			2.7	0.8	3.4	2.5	5.9
Equity capital 30.9.2020	30.2	1.8	22.8	26.1	80.9	3.0	83.9

*Other changes in equity includes the fair value change arising from granted retention share programs, which is presented as part of the change in the retained earnings column. In addition, the share exchange between Evli Awards Management Oy and Alexander Incentives Oy and its effect is presented as other changes both in reserve for invested unrestricted equity fund and in non-controlling interests.

Consolidated segment income statement

	Wealth Management and Investor Clients		Advisory and Corporate Clients		Group Operations		Unallocated		Group	
	1-9/ 2020	1-9/ 2019	1-9/ 2020	1-9/ 2019	1-9/ 2020	1-9/ 2019	1-9/ 2020	1-9/ 2019	1-9/ 2020	1-9/ 2019
REVENUE										
Net interest	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.2	0.2
Net commissions	43.7	42.2	6.4	7.4	-0.1	0.1	0.3	0.0	50.2	49.7
Trading and FX result	0.0	0.0	0.0	0.0	1.0	3.2	0.0	0.0	1.0	3.2
Other operative income	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.2	0.0
External sales	43.7	42.2	6.4	7.4	1.1	3.4	0.3	0.0	51.6	53.1
Inter-segment sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total revenue	43.7	42.2	6.4	7.4	1.1	3.4	0.3	0.0	51.6	53.1
Timing of revenue recognition										
At a point in time	37.2	36.9	4.1	3.9	0.0	-0.4	0.4	0.0	41.7	40.5
Over time	6.5	5.3	2.1	3.4	0.0	0.5	0.0	0.0	8.5	9.2
RESULT										
Segment operating expenses	-21.6	-22.2	-4.4	-4.7	-6.2	-8.3	0.6	0.2	-31.6	-35.0
Business units operating profit before depreciations and Group allocations	22.1	20.0	2.1	2.8	-5.1	-4.9	1.0	0.2	20.1	18.1
Depreciations	-2.6	-2.1	-0.3	-0.3	-0.4	-0.4	-1.2	0.2	-4.5	-2.6
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	-0.1	-0.1
Business units operating profit before Group allocations	19.5	17.9	1.8	2.5	-5.6	-5.4	-0.2	0.4	15.5	15.4
Allocated corporate expenses	-3.9	-5.5	-0.6	-0.9	4.5	6.5	0.0	0.0	0.0	0.0
Operating profit including Group allocations	15.6	12.3	1.2	1.6	-1.1	1.1	-0.2	0.4	15.5	15.4
Share of profits (losses) of associates	0.0	0.0	0.0	0.0	0.0	0.0	0.3	-0.2	0.3	-0.2
Income taxes	-2.3	-2.2	-0.4	-0.8	-0.9	0.0	0.1	-0.1	-3.5	-3.1
Segment profit/loss	13.3	10.1	0.8	0.8	-2.0	1.0	0.2	0.1	12.3	12.1

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, Marketing, Communications and Investor Relations, Legal Department and Compliance, and Human Resource.

Consolidated statement of cash flow

	1-9/2020	1-9/2019	1-12/2019
Operating activities			
Operating profit	15.5	15.4	24.1
Adjustment for items not included in cash flow	6.3	3.7	9.5
Income taxes paid	-3.3	-5.1	-5.2
Cash flow from operating activities before changes in operating assets and liabilities	18.4	13.9	28.5
Changes in operating asset, total	-82.0	-192.7	-6.0
Changes in operating liabilities, total	127.5	244.6	64.8
Cash flow from operating activities	64.0	65.9	87.2
Investing activities			
Change in participating interests and subsidiaries	0.0	-0,4	0,0
Change in intangible asset	-0.4	-5,1	-5,7
Change in property, plant and equipment	-0.1	-0,1	-0,2
Cash flow from investing activities	-0.6	-5,7	-5,9
Financing activities			
Dividends paid to company's shareholders	-15.2	-14.4	-14.4
Dividends paid to non-controlling interests in subsidiaries	-2.1	-0.2	-0.7
Payment of finance lease liabilities	-1.6	0.0	-2.7
Acquisition of own shares	0.0	0.0	0.0
Used option rights	1.5	0.4	0.4
Cash flow from financing activities	-17.5	-14.2	-17.4
Cash and cash equivalents at the beginning of period	311.4	247.4	247.4
Translation difference	0.0	0.0	0.0
Cash and cash equivalents at the end of year	357.3	293.5	311.4
Change	46.0	46.1	64.0

Key figures describing the Group's financial performance

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Income statement key figures					
Operating income, M€	18.7	18.0	51.6	53.1	75.8
Operating profit/-loss, M€	6.9	5.9	15.5	15.4	24.1
Operating profit margin, %	36.9	32.5	30.0	29.0	31.8
Profit/loss for the financial year, M€	5.6	4.8	12.3	12.1	18.7
Profitability key figures					
Return on equity (ROE), %			19.8	21.1	23.4
Return on assets (ROA), %			1.7	1.7	2.1
Balance sheet key figures					
Equity-to-assets ratio, %			8.1	7.1	8.9
Capital adequacy ratio, %			15.5	14.9	15.1
Key figures per share					
Earnings per Share (EPS), fully diluted, €	0.21	0.18	0.46	0.47	0.71
Comprehensive Earnings per Share (EPS), fully diluted, €	0.21	0.18	0.46	0.47	0.71
Dividend / share, €					0.66*
Equity per share, €			3.40	3.15	3.40
Share price at the end of the period, €			10.00	8.32	10.40
Other key figures					
Expense ratio (operating costs to net revenue)			0.70	0.71	0.68
Recurring revenue ratio, %			128	118	124
Personnel at the end of the period			258	254	249
Market value, M€			241.1	198.9	248.6

*Approved by the Annual General Meeting. The dividend was paid on March 18, 2020.

Group's capital adequacy

	1-9/2020	1-9/2019	1-12/2019
Own assets (common equity Tier 1 capital), M€	53.5	48.0	48.6
Risk-weighted items total for market- and credit risks, M€	211.4	197.6	188.0
Capital adequacy ratio, %	15.5	14.9	15.1
Evli Bank Plc's adequacy ratio, %	18.2	18.3	19.1
Own funds surplus, M€	25.9	22.3	22.9
Own funds in relation to the minimum capital requirement, M€	1.9	1.9	1.9
Own funds surplus M€ including additional capital requirement	17.2	11.1	11.6

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

	30.9.2020	30.9.2019	31.12.2019	
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	10.0	25.0	25.0	
Bonds	124.2	118.5	123.6	
Debt securities issued to the public	134.2	143.4	148.6	
Breakdown by maturity	under 3 months	3-12 months	1-5 years	5-10 years
Debt securities issued to the public	0.8	12.2	121.1	0.0
Changes in bonds issued to the public	30.9.2020	30.9.2019	31.12.2019	
Issues	27.6	29.2	49.5	
Repurchases	19.7	26.2	44.3	
Off-balance sheet commitments				
Commitments given to a third party on behalf of a customer	8.2	8.5	6.9	
Irrevocable commitments given in favour of a customer	1.6	0.0	0.3	
Guarantees on behalf of others	0.0	0.5	0.5	
Unused credit facilities	10.8	9.0	5.4	
Transactions with related parties	1-9/2020			
	Associated companies	Group management		
Sales	0.0	0.0		
Purchases	0.0	0.0		
Receivables	0.0	0.5		
Liabilities	0.0	0.7		

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

Fair value	Level 1 2020	Level 2 2020	Level 3 2020	Total
Financial assets				
Shares and participations classified as held for trading	0.1	0.0	0.0	0.1
Shares and participations, other	56.1	0.0	7.1	63.2
Debt securities eligible for refinancing with central banks	33.9	0.0	0.0	33.9
Debt securities	0.7	27.8	1.7	30.2
Positive market values from derivatives	0.0	40.5	0.9	41.4
Total financial assets held at fair value	90.8	68.3	9.8	168.9
Financial liabilities				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Negative market values from derivatives	0.0	40.6	0.9	41.6
Total financial liabilities held at fair value	0.0	40.6	0.9	41.6

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

Nominal value of underlying, gross	Remaining maturity			Fair value (+/-)
	Less than 1 year	1-5 years	5-15 years	
Held for trading				
Interest rate derivatives				
Interest rate swaps	1.6	107.5	0.0	0.0
Equity-linked derivatives				
Futures	1.5	3.4	0.0	0.0
Options bought	2.7	0.0	0.0	0.0
Options sold	2.7	0.0	0.0	0.0
Currency-linked derivatives	4,639.1	28.8	0.0	-0.1
Held for trading, total	4,647.6	139.7	0.0	-0.1
Derivative contracts, total	4,647.6	139.7	0.0	-0.1

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
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	79.1	79.1	0.0	0.0	0.0	0.0
Receivables from the public	105.0	102.9	1.9	0.3	0.2	0.1
Receivables from the public; corporate	29.6	28.1	1.5	0.0	0.1	0.0
Receivables from the public; private	75.4	74.7	0.4	0.3	0.2	0.1
Receivables from the public; other	0.0	0.0	0.0	0.0	0.0	0.0
Sales receivables	1.9	1.9	0.0	0.0	0.0	0.0
Off-balance sheet loan commitments	10.8	10.6	0.2	0.0	0.0	0.0
Total	196.8	194.4	2.1	0.3	0.3	0.1

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. Individual loans whose values have verifiably declined are recognized in level 3.

Eight loan receivables have been transferred from level 1 to level 2 during the year, and three loan receivables have been transferred from level 2 back to level 1.

The bank has one loan payment instalment that is 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 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, %	-0.1
Impact on own funds, M€	-0.3

IFRS 16 – Leases

IFRS 16 Leases standard has been adopted as of January 1, 2019.

In conjunction with the adoption of IFRS 16, the company recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. The liabilities were measured at the present value of the remaining lease payments. When considering the present value, an estimate of index-based increases in future periods is taken into account. Future cash flows have been discounted to present value using a discount rate selected by the company. The company has not calculated a separate interest component for the assets required for financing the lease liabilities due to the company's low funding costs and excess liquidity. The liability entered in the balance sheet decreases in a linear manner over time.

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 analysed its contract portfolio according to the IFRS 16 standard. Based on the analysis, the IFRS 16 standard mainly applies to leases of premises.

Typically, lease contract terms range between two and five years and may contain an option to extend the lease term. Evli has negotiated individual contracts with potentially differing terms and conditions for each location.

The impact of the IFRS 16 standard on the Group's other assets and other liabilities at the end of the year was EUR 3.7 million. Potential options to extend current leases have not been considered due to uncertainty related to the use of those options.

Measurement of lease liabilities

Commitments related to leases on 31.12.2019	4.9
Less (-) short-term leases not recognized as a liability	0.0
Less (-) leases of low-value assets	0.0
Add/less (-): contracts reassessed as lease contracts	0.0
Add/less (-): adjustments as a result of a different treatment of extension and termination options	0.0
Add/less (-): adjustments relating to changes in the index or rate affecting variable payments	0.0
Lease liability recognized on 1.1.2020	4.9
Of which are:	
Current lease liabilities	2.2
Non-current lease liabilities	2.7
Lease liability (right-of-use assets) according to balance sheet on 30.9.2020	3.7
Of which are:	
Current lease liabilities	2.2
Non-current lease liabilities	1.5

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. Therefore, this Interim Report should be read in conjunction with the company's financial statements for the financial year ended December 31, 2019.

The accounting policies used are consistent with the accounting policies for the financial year 2019 and the comparative reporting period, excluding the new IFRS standards that are described separately below.

Adoption of new and amended standards and interpretations applicable in future financial years

New standards are not expected for the next financial year that would have a significant impact on Evli Group's accounting policies.

The figures are unaudited.

Appendix 1 Ten largest shareholders September 30, 2020

	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	19.7%	77,016,420	25.5%
2. Prandium Oy Ab	3,803,280	950,820	4,754,100	19.7%	77,016,420	25.5%
3. Oy Fincorp Ab	2,319,780	420,991	2,740,771	11.4%	46,816,591	15.5%
4. Ingman Group Oy Ab	1,860,000	650,000	2,510,000	10.4%	37,850,000	12.5%
5. Lehtimäki Maunu	533,728	171,031	704,759	2.9%	10,845,591	3.6%
6. Hollfast John Erik	328,320	82,080	410,400	1.7%	6,648,480	2.2%
7. Tallberg Claes	369,756	32,588	402,344	1.7%	7,427,708	2.5%
8. Moomin Characters Oy Ltd	0	379,641	379,641	1.6%	379,641	0.1%
9. Evli Bank Plc	0	328,998	328,998	1.4%	328,998	0.1%
10. Svenska Litteratursällskapet i Finland	0	220,336	220,336	0.9%	220,336	0.1%