EVLI

Financial Statements Bulletin 1-12/2021

RECORD RESULT – OPERATING PROFIT INCREASED BY MORE THAN 80 PERCENT

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Financial performance January-December 2021

- Operating income was EUR 115.6 million (1-12/2020: EUR 79.7 million)
- Operating profit was EUR 53.0 million (EUR 29.1 million)
- Operating result of the Wealth Management and Investor Clients segment increased to EUR 44.8 million (EUR 27.7 million)
- Operating result of the Advisory and Corporate Clients segment increased to EUR 7.4 million (EUR 1.8 million)
- Revenue from own balance sheet developed positively and amounted to EUR 3.5 million (EUR 2.4 million)
- At the end of December, assets under management amounted to EUR 17.5 billion (EUR 14.1 billion) on net basis.
- Diluted earnings per share were EUR 1.47 (EUR 0.87) and return on equity was 40.3 percent (23.4%)
- The ratio of recurring revenues to operational costs was 130 percent (128%).
- The Board of Directors proposes that a dividend of EUR 1.06 per share (EUR 0.73) be paid for the financial year 2021. The company estimates that capital committed to the current business will be freed up through the demerger and the concentration on the asset management business. With regard to the capital released, the company will assess the possibility of investing it or distributing it to shareholders at a later stage.
- In the partial demerger, Evli Bank's shareholders will also retain ownership of shares in Fellow Bank created by the arrangement. In the merger with Fellow Bank, Evli Bank will retain an amount of own funds equivalent to approximately EUR 0.27 per share.

Financial performance October-December 2021

- The Group's net revenue was EUR 35.0 million (EUR 28.1 million)
- The Group's operating profit was EUR 16.1 million (EUR 13.6 million)
- Diluted earnings per share amounted to EUR 0.46 (EUR 0.42).

OUTLOOK FOR 2021

The year 2022 has started on a challenging note for markets, with heightened interest rate and inflation fears, increased geopolitical risks and a drop in the markets.

With the demerger planned for 2022, Evli will be able to better focus on developing both its wealth management and banking businesses. Growth prospects for the asset management business, which includes products and services for investors and corporates, are stable. However, there are always risks associated with the general development of the equity and fixed income markets. A possible fall in share prices or a reduction in investors' risk appetites would have a negative impact on the company's performance. The Group's assets under management reached a new record level at the end of 2021 and the product range has expanded, in particular in alternative investment products, which will mitigate the negative impact on results from a possible market turnaround.

The banking business will be clearly strengthened by the merger of Fellow Finance Plc with Evli Bank Plc, which will result in positive growth prospects for this business. However, there is considerable uncertainty about the development of the loan and deposit portfolio, which is critical for the business. These will have a direct impact on the company's short-term performance.

In view of the above, the outlook for the banking operations will become clearer once the demerger and merger are completed. For the asset management business, we expect the operating result to be at a good level. The outlook for asset management will be further specified after the completion of the demerger and during the year as the outlook for market developments becomes clearer.

KEY FIGURES DESCRIBING THE GROUP´S FINANCIAL PERFORMANCE

	1-12/2021	1-12/2020
Income statement key figures		
Operating income, M€	115.6	79.7
Operating profit/loss, M€	53.0	29.1
Operating profit margin, %	45.9	36.5
Profit/loss for the financial year, M€	43.0	23.2
Profitability key figures		
Return on equity (ROE), %	40.3	26.2
Return on assets (ROA), %	5.6	2.7
Balance sheet key figures		
Equity-to-assets ratio, %	15.6	12.3
Group capital adequacy ratio, %	15.4	15.2
Key figures per share		
Earnings per Share (EPS), fully diluted, €	1.47	0.87
Comprehensive Earnings per Share (EPS), fully diluted, €	1.48	0.88
Dividend proposal per share, €*	1.06	0.73
Equity per share, €	4.73	3.86
Share price at the end of the period, €	26.20	12.20
Other key figures		
Expense ratio (operating costs to net revenue)	0.54	0.63
Recurring revenue ratio, %	130	128
Personnel at the end of the period	290	261
Market value, M€	631.7	294.1

**The board's proposal for the annual general meeting.*

Maunu Lehtimäki, CEO

In the fourth quarter, capital markets continued to develop positively, and stock prices rose globally. The positive performance of equity markets was supported by strong global economic growth, improved corporate earnings, accommodative fiscal policies and easy monetary policy by central banks, and the gradual easing of the coronavirus pandemic as vaccination coverage increased.

The emergence of the omicron variant at the end of the year reversed the downward trend in infection rates. The milder symptoms of the variant have so far helped avoid large-scale restriction measures that would have crippled society and the economy. However, high valuation levels, prevailing inflationary pressures and rising interest rate expectations do not leave room for any disappointment in economic growth prospects. China's strict zero-covid policy will contribute to the risk of disruptions to global flows and supply chains, which, if they materialise, will also affect corporate earnings prospects.

In the fourth quarter, Evli's business developed excellently. Operating income grew by 25 percent year-on-year to EUR 35 million, while Group operating profit increased by 18 percent to EUR 16.1 million, driven by revenue growth in all key business areas and the accrual of performance fees on the back of strong portfolio management performance. The result was negatively impacted by external expert expenses related to the merger announced in the summer, as a result of which Evli Bank Plc will be split into a new listed asset management company and a company continuing its banking operations, to which Fellow Finance Plc will be merged.

For the full year, Evli's turnover increased by 45 percent to EUR 116 million and operating profit almost doubled to EUR 53 million. Evli's return on equity was 40 percent (26%) and the ratio of recurring income to operating expenses was 130% (128%). The strong growth in returns is the result of investments in new product development, active client acquisition both at home and abroad, increased demand for business services and excellent portfolio management performance across the board.

Operating income in the Wealth Management and Investor Clients segment increased by 23 percent compared to the last quarter of the previous year and amounted to EUR 28.8 million. Client assets under management reached a new record of EUR 17.5 billion (EUR 14.1 billion) and Evli Fund Management Company's mutual fund capital amounted to EUR 10.6 billion (EUR 8.7 billion). Net subscriptions amounted to almost EUR 1.2 billion, mainly in Nordic and European corporate bonds. The segment's income growth was positively influenced by higher fee income from traditional and alternative funds and increased brokerage fees. New client wins, additional investments from existing clients and the positive market impact increased the assets under management in private and institutional mandates to a new record. The segment's positive performance was underpinned by good portfolio management results and success in independent competitor benchmarking in both wealth management and fund management.

Operating income in the Advisory and Corporate Clients segment increased by 65 percent in the fourth quarter to EUR 5.4 million. Invoicing in the Corporate Finance unit increased clearly from the comparison period to EUR 2.8 million (EUR 1.2 million). The unit's mandate base is at a good level and the outlook for the year ahead is favourable. As in the first half of the year, income from the Incentives business increased to EUR 2.8 million (EUR 2.1 million). The company has continued to win new incentive plan design and administration clients during the latter part of the year and the outlook is also good. New demand for the company's services has been created by the active Finnish IPO market, the change in the law on the tax treatment of employee shareholdings in unlisted companies and marketing to Swedish listed companies.

The key drivers of Evli's strategy, international sales and alternative investment products, developed as planned during the quarter and throughout the year. International sales have performed well despite travel restrictions, with net subscriptions since the beginning of the year totalling EUR 737 million and international clients accounting for more than 27% of total Evli assets under management, including alternative investment products.

Alternative investment products were sold for a total of EUR 171 million in the last quarter and EUR 498 million for the full year. New products launched in the last quarter were Evli Private Equity III and Evli Residential II, for which a total of EUR 92 million was raised for the first closing. A total of five new alternative investment products were launched during 2021. The expertise and ability to create new alternative investment products is key to our objective of offering our clients a comprehensive and well-diversified wealth management strategy, combining both traditional and alternative asset classes.

Evli Bank's Extraordinary General Meeting held on December 22, 2021, confirmed the demerger of Evli Bank Plc and the merger of the remaining part of Evli Bank with Fellow Finance Plc. The result of the arrangement will be a new Fellow Bank Plc based on a scalable and digital service concept and an Evli Plc that has an even stronger focus than before on asset management and advisory services. The arrangement creates the conditions to grow both the banking and asset management businesses as independent entities. The transaction is expected to be completed at the beginning of the second quarter. Evli Plc aims to become the leading Nordic asset manager with a broader international business footprint. Growth, profitability, and responsibility will be the guiding themes of its operations. The company aims to achieve a return on equity of more than 25% and an operating profit margin of more than 30% over the business cycle and to increase the assets under management to 30 billion in the long term. In addition, the company aims to increase the ratio of recurring income to operating costs to over 130%. The Board of Directors of the new Evli will further specify its financial objectives after the implementation of the split.

In the area of responsible investing, work in the last quarter of the year was largely focused on influencing climate goals. Climate advocacy is part of Evli's roadmap for climate targets and, in the first phase, targets high emitting companies that do not have emission reduction or climate targets. Evli's sustainability work was also praised by clients, who rated the company as the best in Finland for responsible investing in an institutional asset management client survey by SFR Scandinavian Financial Research.

I would like to thank our clients and shareholders for their trust in Evli, and our employees for their great and successful work in 2021.

MARKET PERFORMANCE

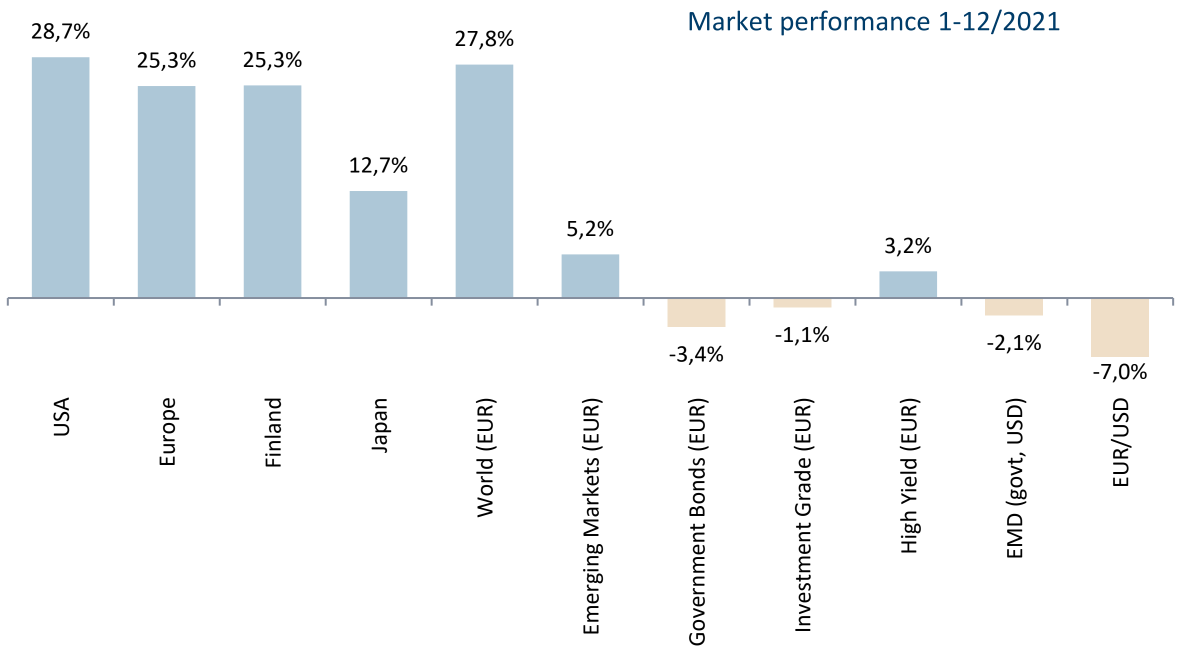
For investors, 2021 was an excellent year as stock markets around the world performed well. The positive performance was driven by both the long-lasting expansionary monetary policy from central banks and the economic recovery from the slump in 2020. The unwinding of coronavirus restrictions and stronger expectations for the manufacturing sector boosted confidence as the spring progressed. Consumer confidence developed positively and the prospects for corporate earnings improved. Towards the end of the year, however, coronavirus restrictions were reintroduced along with new virus variants, which negatively reflected on future expectations.

In the wake of the coronavirus pandemic, markets have experienced unprecedented stimulus measures. In the US, a USD 1,900 billion support package for American households and entrepreneurs was approved in the spring, followed in the autumn by a programme of around USD 1,200 billion for infrastructure development. Europe also saw support measures, but not quite on the same scale.

With the strong recovery, rapid growth and, on the other hand, production challenges in certain sectors, fears of accelerating inflation increased during the remainder of the year. The situation was further exacerbated by significant increases in raw material and energy prices over the past year. However, central banks have so far remained calm and have assessed the rapid price increases as only temporary. However, central banks in both the US and Europe have indicated that they will ease their stimulus measures; in December, the US Federal Reserve announced that it would accelerate the tapering of stimulus measures and indicated interest rate hikes are on tap for 2022. Meanwhile, the European Central Bank announced that it would ease its bond market support programme from the previous level of EUR 80 billion in monthly purchases to a new level of EUR 40 billion in early 2022.

In stock markets, US equities (S&P 500) rose by 28.7% and European shares (Stoxx 600) by 25.3% in the first nine months of the year. Over the same period, Finnish equities (OMX Helsinki Cap) rose by 25.3%.

Developments in the fixed income markets were mixed in January-December. Higher-rated corporate bonds fell by 1.1% in value and euro area government bonds dropped by 3.4%. In contrast, high yield bonds with a lower rating rose by 3.2%. The euro depreciated by 7% against the dollar.



DEVELOPMENT OF REVENUE AND RESULT

January-December

Evli Group's net commission income increased by 45 percent from the corresponding period of the previous year and amounted to EUR 111.7 million (EUR 76.8 million). The positive development of fee and commission income was mainly due to a significant increase in fund fees and advisory fees from the comparison period. The increase in fund fees has been driven by, among others, the growth of assets under management through successful new sales and positive development in valuation. With excellent investment activities the performance-related fees for the period considered have also contributed to the positive development. During the period under review, performance-related fees amounted to EUR 15.9 million (EUR 6.7 million). With regard to advisory fees, the increase is explained by the completion of an exceptional number of transactions during the period under review. The development of commission income was also positive for incentive plans, asset management and brokerage commissions.

Net income from securities trading and foreign exchange operations increased from the corresponding period of the previous year and amounted to EUR 3.5 million (EUR 2.4 million). Overall, during the review period Evli Group's operating income increased by 45 percent from the corresponding period of the previous year and amounted to EUR 115.6 million (EUR 79.7 million).

Overall costs for January-December, including depreciation amounted to EUR 62.5 million (EUR 50.6 million). The Group's personnel expenses amounted to EUR 37.4 million (EUR 30.5 million), including an estimate of performance bonuses for the personnel. The Group's administrative expenses amounted to EUR 18.5 million (EUR 12.5 million). Administrative expenses include non-recurring costs related to, among other things, the partial demerger of the company and a disagreement regarding the termination of an individual distribution agreement in Central Europe. In total, 3.7 million non-recurring costs were incurred during the period under review. The Group's depreciation and impairment amounted to EUR 4.8 million (EUR 5.7 million). Other operating expenses were EUR 1.8 million (EUR 1.7 million). Evli's expense/income ratio was 0.54 (0.63).

The Group's operating profit grew 82 percent from the corresponding period of the previous year and was EUR 53.0 million (EUR 29.1 million). Operating profit margin was 45.9 percent (36.5%). The result for the review period was EUR 43.0 million (EUR 23.2 million). As a result of the profit improvement, the Group's annualised return on equity also increased to 40.3 percent (26.2%).

October-December

Evli Group's operating income for the fourth quarter increased by 25 percent from the corresponding level of the previous year, amounting to EUR 35.0 million (EUR 28.1 million). The growth was driven especially by the positive development of commission income across the board. In particular, fund fees and advisory fees developed favourably. The growth in fund fees is driven by successful new sales and positive valuation development of client assets. With regard to the advisory business, the strong momentum continued in the fourth quarter, which was reflected in increased performance fees. The Group's net commission income increased by 29 percent to EUR 34.2 million (EUR 26.6 million). In the fourth quarter, the return from own balance sheet items totalled EUR 0.7 million (EUR 1.4 million) and performance-related fees EUR 8.9 million (EUR 6.4 million).

Total costs for the fourth quarter, including depreciation, increased by 31 percent from the corresponding level of the previous year and amounted to EUR 18.9 million (EUR 14.4 million). The increase in costs is explained by advisory expenses related to the separation of banking operations and a higher provision for the performance bonuses for personnel than in the comparison period, among other things. In total, non-recurring costs in the last quarter of the year totaled approximately EUR 2.5 million.

The Group's operating profit for the fourth quarter was EUR 16.1 million (EUR 13.6 million). Operating profit margin was 46.0 percent (48.6%). The result for the period considered was EUR 12.6 million (EUR 11.0 million).

BALANCE SHEET AND FUNDING

Evli Group's balance sheet total was EUR 757.7 million (EUR 772.6 million) at the end of December. Due to daily changes in client activity, significant fluctuations in the size of the balance sheet total are possible from one quarter and from one year to the next. At the end of the review period, the Evli Group's equity was EUR 118.1 million (EUR 95.4 million).

Evli Bank’s Extraordinary General Meeting held on December 22, 2021 confirmed the partial demerger of Evli Bank Plc, where the current Evli Group’s asset management business will be transferred to a new company that will be established in the demerger, Evli Plc. In addition to the partial demerger, the Extraordinary General Meeting approved the merger of Evli Bank Plc, which continues banking business after demerger, and Fellow Finance Plc. Under the arrangement, the shareholders of the current Evli Bank Plc will receive shares in Evli Plc as a result of the partial demerger.

The interpretation of IFRIC 17 as a part of IFRS standards has been taken into account when preparing the balance sheet of the consolidated IFRS financial statements for the financial year ended 31 December 2021. In accordance with this interpretation, the business transferred in the partial demerger has been recognized in the consolidated balance sheet as a distribution liability. The purpose of the asset distribution liability in the balance sheet is to illustrate the value of Evli Plc shares being distributed to shareholders of Evli Bank Plc, i.e. a calculated value for the business being transferred to Evli Plc. Distribution liability is presented in the consolidated IFRS financial statements as a separate line, on one hand reducing equity and on the other increasing the company's liabilities towards shareholders accordingly. Asset distribution liability is an accounting presentation technique based on IFRS standards, in which the asset distribution liability is discharged upon completion of the arrangement.

Asset distribution liability based on IFRS standards has no effect on the company's financial position, solvency, key figures or potential distribution of dividends. Given that this is only an accounting presentation issue, the financial position of the company should be considered without the liability to distribute funds in accordance with IFRIC 17. In order to provide investors with relevant information, the company presents the balance sheet without the asset distribution liability in accordance with the interpretation of IFRIC 17 in addition to the consolidated balance sheet based on IFRS standards.

Evli applies the standardised 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 16.1 percent clearly exceeds the regulator’s requirement of 10.5 percent including the extra capital requirement. The Group’s own minimum target for capital adequacy is 13.0 percent.

The Group’s funding from the public and credit institutions increased by 6.6 percent compared to the comparison period. The company’s loan portfolio decreased by 10.6 percent compared to the comparison period and was EUR 98.0 million (EUR 109.6 million). The ratio of loans granted by the Group to Evli Bank Plc’s deposits from the public was 24 percent. The Group’s liquidity is good.

The probability of credit losses has not changed significantly during the fourth quarter of the year. When the Corona crisis started, Evli estimated that credit loss risks had increased and at that time increased its credit loss provisions and tightened the calculation model for credit loss provisions. During the period under review, the company did not detect substantial changes in client’s credit worthiness, which has slightly reduced credit loss provisions. This has not had a substantial effect on the result. The total effect of the reduction of credit loss provisions was EUR 0.1 million. Evli's loan portfolio consists mainly of secured investment loans, the collateral values of which are monitored on a daily basis. No credit losses were realised during the review period.

COMMON EQUITY TIER 1 CAPITAL, M€	31.12.2021	31.12.2020
Share capital	30.2	30.2
Funds total and retained earnings	46.4	40.3
Minority interest	0.0	0.0
Decreases:		
Intangible assets	13.8	16.0
Other decreases	0.0	0.0
Total common equity tier 1 capital	62.8	54.5

Evli Bank has no subordinated capital.

Minimum requirement of own funds, M€

Minimum capital adequacy requirement by asset group, standard credit risk method:	31.12.2021 Min. requirement	31.12.2021 Risk-weighted value
Claims from the state and central banks	0.0	0.0
Claims from regional governments and local authorities	0.0	0.0
Claims from credit institutions and investment firms	2.7	33.9
Investments in mutual funds	6.0	75.6
Claims secured with property	0.0	0.2
Claims from corporate customers	2.0	24.6
Items with high risk, as defined by the authorities	0.2	2.6
Other items	7.7	95.8
Minimum amount of own funds, market risk	0.6	6.9
Minimum amount of own funds, operational risk	13.4	166.9
Total	32.5	406.6

Group capital adequacy

	1-12/2021	1-12/2020
Own assets (common equity Tier 1 capital), M€	62.8	54.5
Risk-weighted items total for market- and credit risks, M€	239.7	220.6
Capital adequacy ratio, %	15.4	15.2
Evli Bank Plc's adequacy ratio, %	17.9	18.7
Own funds surplus, M€	30.3	25.8
Own funds in relation to the minimum capital requirement, M€	1.9	1.9
Own funds surplus M€ including additional capital requirement	20.1	16.8

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

Assets under asset management developed positively in the fourth quarter, especially supported by the market development. At the end of the review period, Evli had EUR 6.0 billion (EUR 5.2 billion) in discretionary asset management assets, which includes both traditional and digital services.

Traditional mutual funds

Fund sales during the period under review developed excellently. According to the Mutual Fund Report carried out by Investment Research Finland, net subscriptions to Evli's mutual funds in cumulative terms were EUR 1,183 million (EUR -1071 million). Most of the net subscriptions were to fixed income funds, but sales of Evli's equity funds also developed positively due to increased client demand. Most net subscriptions were made to Evli Euro Liquidity (EUR 491 million), Evli Short Corporate Bond (EUR 471 million), and Evli Nordic Corporate Bond (EUR 307 million). According to Evli's strategy, the goal is to increase the international sales of its investment products. In the review period, net subscriptions from foreign investors amounted to EUR 737 million (EUR -471 million).

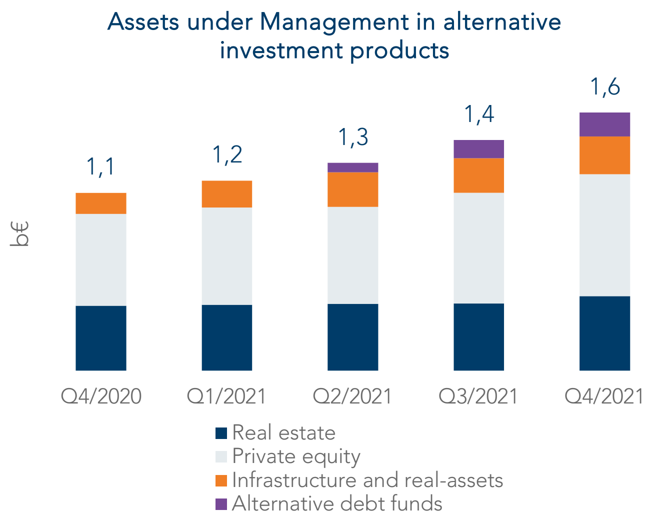
According to the Mutual Fund Report carried out by Investment Research Finland, Evli Fund Management Company's market share grew by 0.1 percentage points on the previous year and was 6.7 percent at the end of December. The combined capital of traditional investment funds managed by the Evli Fund Management Company was EUR 10.6 billion (EUR 8.7 billion). Of this, approximately EUR 3.4 billion was invested in equity funds (EUR 2.4 billion), EUR 7.0 billion in fixed income funds (EUR 6.0 billion) and EUR 0.1 billion in balanced funds (EUR 0.1 billion). At the end of December, EUR 3.3 billion of Evli's fund capital came from clients outside of Finland (EUR 2.3 billion).

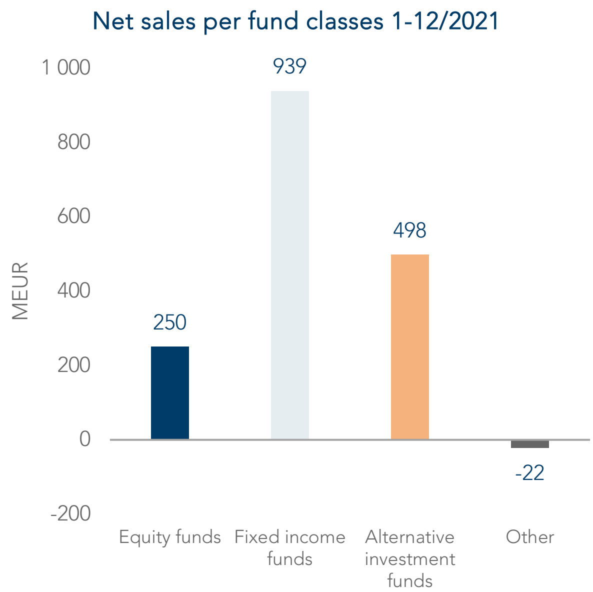
Alternative investment products

Sales of strategically important alternative investment products proceeded as expected. Subscriptions and investment commitments for alternative investment products totalled around EUR 171 million during the fourth quarter of the year. Of the subscriptions and investment commitments, almost EUR 57 million went to the newly launched Evli Private Equity Fund III, which is a continuation of the very successful Evli Private Equity Fund II. Also the Evli Residential Fund II had a good start and raised EUR 35 million in the last quarter of the year. In addition, approximately EUR 13 million of the subscriptions and investment commitments were made to the Evli Growth Partners Fund II, around EUR 22 million to the Evli Impact Forest Fund and almost EUR 17 million to the Evli Private Debt Fund. The non-UCITS fund Evli Rental Yield collected subscriptions of EUR 11 million and Evli Leverage Loan EUR 18 million. Cumulatively subscriptions to alternative funds totalled EUR 498 million euros during the review period.

Other investment products

Demand for brokerage products increased compared to the comparison period, especially for equities and ETF instruments. In contrast, demand for structured products did not reach the corresponding level of the comparison period. Last year's market turmoil supported sales of structured products, which were exceptionally strong in the comparison period.





Financial performance

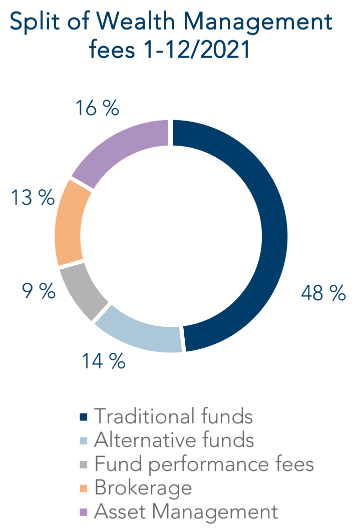
In **January-December,** the profit of the Wealth Management and Investor Clients segment developed positively. Net revenue grew by 36 percent from the previous year and totalled EUR 91.4 million (EUR 67.1 million). The development of revenue performance was positively influenced particularly by the positive development of fund fees due to successful new sales and performance-related fees. During the period under review, performance-related fees amounted to EUR 15.9 million from asset management or funds (EUR 6.7 million).

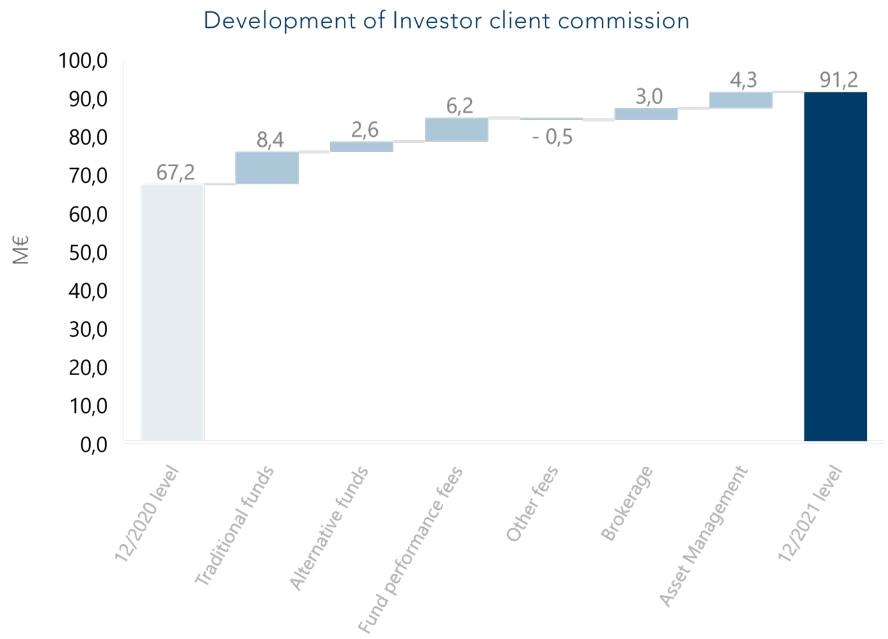
In **October-December** the net revenue of the Wealth Management and Investor Clients segment increased by 23 percent from the comparison period and was EUR 28.8 million (EUR 23.4 million). The significant increase in returns was mainly influenced by the increase in assets under management due to successful new sales and positive development in valuations. With excellent investment activities also the performance-related fees increased from the comparison period of the previous year, amounting to EUR 8.9 million (EUR 6.4 million).

Key figures - Wealth Management and Investor Clients segment

M€	1-12/2021	1-12/2020	*Change %*	10-12/2021	10-12/2020	*Change %*
Net revenue	91.4	67.1	*36 %*	28.8	23.4	*23 %*
Operating profit/loss before Group allocations	53.8	33.5	*61 %*	17.9	14.0	*28 %*
Operating profit/loss	44.8	27.7	*62 %*	15.0	12.1	*25 %*
Number of personnel	166	160	*4 %*			
Market share, %*	6.7	6.6				
Net subscriptions**	1183	-1071.5				

**Evli Fund Management Company. Source: Fund report by Investment Research Finland*
***Net subscription to Evli's traditional mutual funds. Source: Fund report by Investment Research Finland*



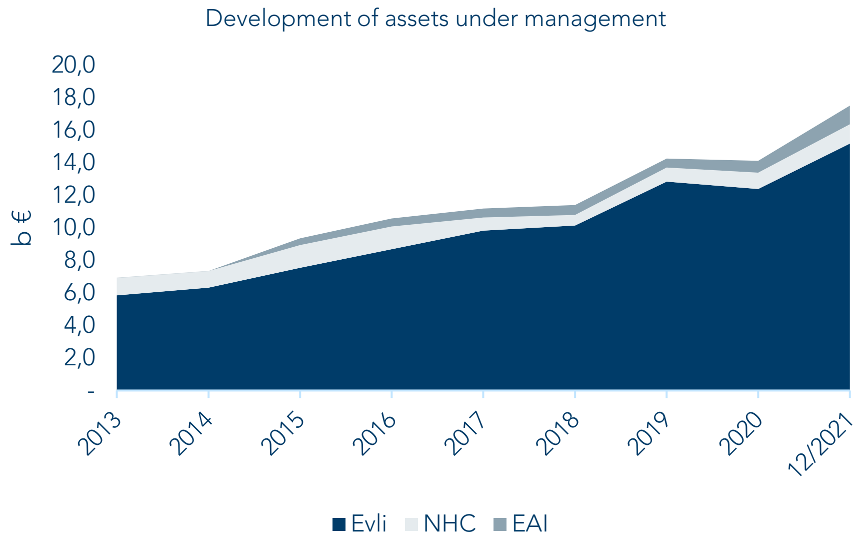


Development of client assets under management

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

Assets under management developed positively during the review period, supported by net sales and market development, reaching a new record. At the end of December, the Group's total net assets under management amounted to EUR 17.5 billion (EUR 14.1 billion).

At the end of December, assets under discretionary management amounted to EUR 6.0 billion (EUR 5.2 billion). Correspondingly, direct investments in Evli's traditional mutual funds were EUR 7.6 billion (EUR 6.1 billion) at the end of the review period. The assets under management in alternative investment products was EUR 1.6 billion (EUR 1.1 billion). Assets managed through subsidiaries and associated companies also increased from the corresponding level of the previous year.



Advisory and Corporate Clients

The Advisory and Corporate Clients segment provides advisory services related to M&A transactions, including corporate acquisitions and divestments, IPOs and share issues. The segment also offers incentive program administration services and investment research for listed companies.

M&A transactions

Client activity in the advisory business remained high throughout the whole year. This was reflected, in particular, in the positive development of the mandate base. During the review period, Evli acted as an advisor on 30 assignments. Invoicing in 2021 clearly exceeded the level of the comparison period.

Evli's published orders for the fourth quarter:

- Evli acted as lead manager in Administer Plc’s IPO on First North Growth Market Finland.
- Evli acted as advisor to Netel Group regarding the acquisition JR Markteknik.
- Evli acted as advisor to the Board of Directors of Headsent AB regarding the sale of Capasearch AB, Capacify AB and the related sale of Commended AB companies to Bergslagen Erverb 1.
- Evli acted as arranger regarding the trade of Kry company’s shares to Flat Capital AB.

Incentive systems

At the end of the review period, Evli managed around 110 incentive programs, mostly for Finnish companies. The company annually advises more than 130 companies on remuneration-related assignments. Increasing sales of product and service offerings related to incentive schemes to overseas and unlisted companies has progressed well during the first three quarters, with the company acquiring several new Nordic listed companies as well as domestic unlisted companies as its clients.

In the review period, revenues from the incentive systems business were EUR 8.5 million (EUR 5.9 million). The revenue development was positively affected by both the increase in the number of client companies from the comparison period and the cross-selling of incentive planning and management solutions. In addition, interest in incentive schemes for all employees, such as employee share issue, was higher than before. In the fourth quarter of the year, various survey products and analyses were also realised, such as compensation surveys for top executives and key personnel.

Financial performance

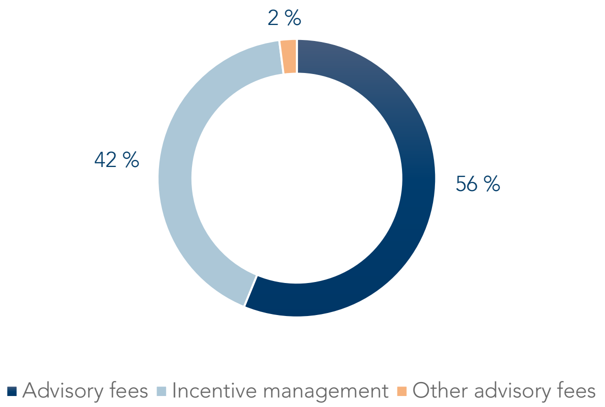
In **January-December**, the net revenue in the Advisory and Corporate Clients segment doubled from the previous year and amounted to EUR 20.2 million (EUR 9.7 million). Revenue growth was positively impacted by the clear recovery in the M&A market seen during the first half of the year, as well as the well-continued growth of the incentive business. Significant fluctuations in revenue from one quarter to the next are typical of the segment's M&A activities.

In **October-December** the net revenue of the Advisory and Corporate Clients segment grew by 65 percent compared to the comparison period reaching EUR 5.4 million (EUR 3.3 million). During the comparison period, assignments were delayed or interrupted in many respects due to the corona crisis. After the market recovered during 2021, activity in the M&A market increased. During the period under review, the company was involved in four completed transactions. Income from the incentive business also developed favourably as the number of clients continued to grow steadily.

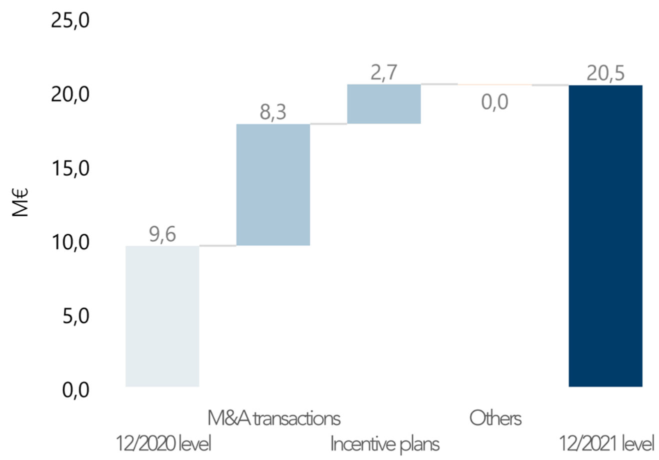
Key figures - Advisory and Corporate Clients segment

M€	1-12/2021	1-12/2020	*Change %*	10-12/2021	10-12/2020	*Change %*
Net revenue	20.2	9.7	*108 %*	5.4	3.3	*65 %*
Operating profit/loss before Group allocations	9.6	2.7	*255 %*	1.6	0.9	*76 %*
Operating profit/loss	7.4	1.8	*316 %*	0.9	0.6	*49 %*
Number of personnel	74	53	*40 %*			

Split of advisory commissions 1-12/2021



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-December, the net revenue in the Group Operations segment increased 39 percent compared to the previous year and was EUR 3.9 million (EUR 2.8 million).

In October-December, the net revenue of the Group Operations segment decreased 54 percent compared to the comparison period and was EUR 0.8 million in total (EUR 1.7 million). Revenues for the comparison period were exceptionally high as the market recovered from the market collapse experienced in the first quarter of 2020.

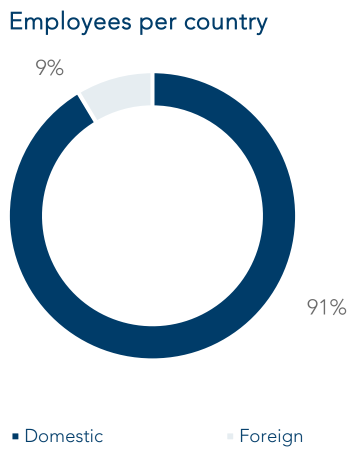
Key figures – Group operations segment

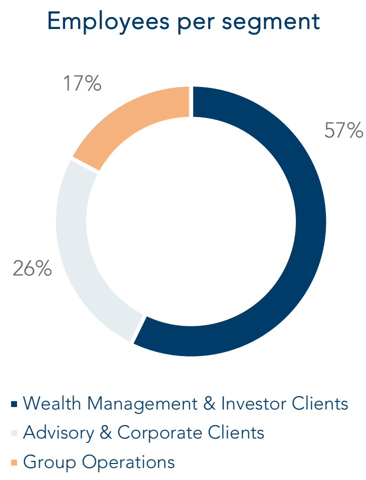
M€	**1-12/2021**	1-12/2020	*Change %*	**10-12/2021**	10-12/2020	*Change %*
Net revenue	3.9	2.8	*39 %*	0.8	1.7	*-54 %*
Operating profit/loss before Group allocations	-10.4	-6.7	*55 %*	-3.5	-1.1	*208 %*
Operating profit/loss	0.9	0.0	*4894 %*	0.1	1.1	*-88 %*
Number of personnel	50	48	*4 %*			

PERSONNEL

At the end of December, the Group had 290 (261) employees. The number grew by 11 percent from the corresponding period of the previous year. 91 percent of the personnel worked in Finland and nine percent outside Finland.

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 breaches of standards, and Wealth Management engages with companies independently and together with other investors.

Responsible investing

During the fourth quarter, Evli continued its work on climate targets. This work was mainly done in terms of identifying emissions from Evli's own operations and engagement towards meeting climate targets. Assessing the emissions from Evli's own operations is being carried out in line with the GHG protocol.

Evli's goal is to be a net zero asset manager by 2050 at the latest. The goal applies to emissions from both Evli's own operations and from its investments. Evli has set interim targets for emissions from its own operations (Scope 1 and 2) to be net zero by 2025 at the latest and to halve the carbon emissions from its investments by 2030, provided that the investment environment allows for this. In addition, Evli implemented the fifth Europe Green Note Autocall certificate.

Climate targets related engagement is part of Evli's roadmap for climate targets and will initially target high emitting companies that do not have emission reduction targets or science-based targets. During the fourth quarter, Evli engaged with 27 companies.

During the fourth quarter, Evli's responsible investment also received good ratings from external evaluations. Evli was rated the best in responsible investing both among "Large" asset managers and among all asset managers in a client survey by SFR Scandinavian Financial Research, which evaluated 18 asset managers on responsible investing based on the views of Finland's largest professional institutional investors.

Goals for 2021

ESG - deepening integration	Development of staff diversity
Setting climate targets	Publication of new sustainability funds

Results 10-12/2021

- In line with the emission targets, identifying emissions from own operations
- Continuing to advocate for climate targets
- Engaging with twenty-seven companies
- Fifth Europe Green Note Autocall certificate
- In the SFR institutional asset manager client survey Evli was ranked the best in responsible investment capabilities among both "large" asset managers. and among all asset managers.

EVLI´S SHARES AND SHARE CAPITAL

Evli Bank Plc's total number of shares at the end of December was 24,109,420 shares, of which 14,507,948 series A shares and 9,491,756 Series B shares. The company held 9,601,472 B shares. At the end of December, the company's share capital was EUR 30,194,097.31. There were no changes in the share capital.

Pursuant to Section 4 of the Articles of Association, the company converted 109,716 A shares into B shares during the fourth quarter. The converted shares were admitted to public trading on Nasdaq Helsinki on 9 November 2021.

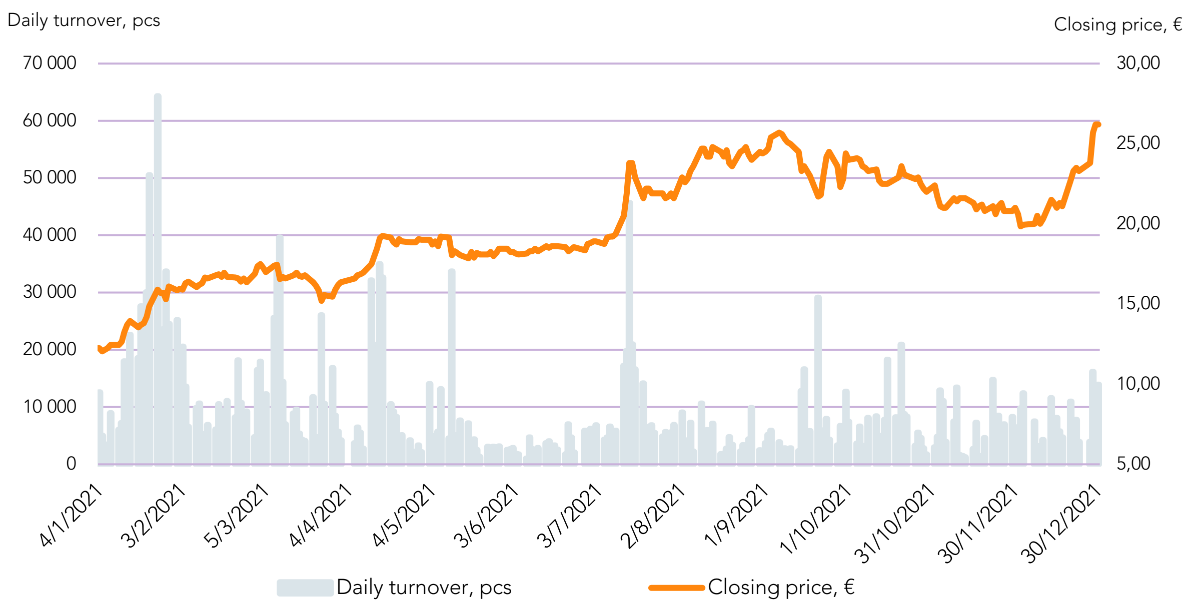
Trading on Nasdaq Helsinki

	1-12/2021	1-12/2020
Highest price, €	26.90	13.20
Lowest price, €	11.90	6.80
Exchange of shares, €	42,046,006	24,737,199
Exchange of shares, pcs	2,224,929	2,465,545

	31.12.2021	31.12.2020
Evlin B shares, pcs	9,601,472	9,474,156
Closing price, €	26.20	12.20
Market value*, M€	631.7	294.1

**The market value is calculated on the basis of unlisted Series A and listed Series B shares. The A share has been valued at the closing price of the B share for the period.*

Share price development and trading volume (series B shares) from 1 January to 31 December 2021



Shareholders

Evli Bank Plc's total number of shareholders was 5,897 (5,172) at the end of December. Finnish companies owned 55 percent (55%) and the shareholding of Finnish private individuals 27 percent (27%). Remaining 18 percent (18%) the shares were owned by financial and insurance corporations, general government, non-profit-making entities and foreign investors. The ten largest shareholders are presented on page 40.

DECISIONS TAKEN BY THE EXTRAORDINARY GENERAL MEETING

Evli Bank Plc's Extraordinary General Meeting held on 22 December 2021 has approved the arrangement between Evli Bank Plc ("Evli") and Fellow Finance Plc ("Fellow Finance"), where Evli will demerge through a partial demerger into a new asset management group of companies which will be listed on a stock exchange and into a company that will carry on Evli's banking services and into which Fellow Finance will merge.

Demerger

In order to complete the demerger, the General Meeting resolved to approve the partial demerger of Evli Bank in accordance with the demerger plan dated 30 September 2021 and approved by the Board of Directors of Evli Bank and registered with the Trade Register on 1 October 2021 (the "Demerger Plan") and to approve the proposals of the Board of Directors in order to complete the following matters in relation to the completion of the demerger:

(a) the establishment of Evli Plc and the approval of the Articles of Association;
(b) the composition of the Board of Directors of Evli Plc and on the remuneration paid to the members of the Board of Directors;
(c) the election and remuneration of the auditor of Evli Plc;
(d) the issuance of A shares and B shares in Evli Plc to the shareholders of Evli Bank as demerger consideration;
(e) authorisation of the Board of Directors of Evli Plc to issue shares and special rights entitling to shares in Evli Plc;
(f) authorisation of the Board of Directors of Evli Plc to decide on the repurchase of Evli Plc's own shares;
(g) authorisation of the Board of Directors of Evli Plc to decide on a share issue for establishing a share-based incentive plan with similar terms as Evli's incentive plan currently in force; and
(h) the decrease of Evli Bank's share capital and the dissolution of the share premium reserve.

Resolutions that are conditional on the completion of the demerger will enter into force in connection with the registration of the completion of the demerger. The planned completion date of the demerger is 2 April 2022. The completion date may change in accordance with the Demerger Plan.

In accordance with the Demerger Plan, Evli Bank will demerge so that all assets and liabilities relating to Evli Bank's asset management services, custody, clearing and settlement, and trading services and their support services (i.e. the operations falling under the investment services authorisation) will transfer without a liquidation procedure to Evli Plc, a company to be incorporated in the demerger as set forth in the Demerger Plan, through a partial demerger in accordance with the Finnish Companies Act (624/2006, as amended) and the Act on Commercial Banks and Other Credit Institutions in the Form of a Limited Company (1501/2001, as amended). The demerging company will retain the assets and liabilities relating to banking services, i.e. the operations falling under the credit institution license.

In addition to the other matters described in the Demerger Plan, the resolution on the merger included the following key matters described in more detail in the Demerger Plan:

(a) The establishment of Evli Plc, and the approval of the Articles of Association

Evli Plc as the receiving company in the demerger is established in connection with the registration of the completion of the demerger. It has been proposed that the trade name of the company be Evli Oyj (in English: Evli Plc), and the company's Articles of Association are included in full as an appendix to the Demerger Plan.

(b) The number of the members of the Board of Directors of Evli Plc, election of the members of the Board of Directors and remuneration to be paid to the members of the Board of Directors

In accordance with the proposal of the Board of Directors of Evli Bank, the General Meeting resolved to elect five (5) members to the Board of Directors of Evli Plc. Henrik Andersin, Fredrik Hacklin, Sari Helander, Robert Ingman and Teuvo Salminen were elected as members of the Board of Directors for a term starting on the registration date of the completion of the demerger and ending at the end of the first Annual General Meeting following the registration date.

The General Meeting resolved that the members of the Board of Directors of Evli Plc shall be paid the following remuneration for the term ending at the end of the next Annual General Meeting:

- chairperson of the Board, EUR 7,500.00 per month,
- committee chairpersons EUR 6,000.00 per month, and
- each member of the Board, EUR 5,000.00 per month.

(c) Election of the auditor of Evli Plc and the remuneration paid to the auditor

PricewaterhouseCoopers Oy was elected as the auditor of Evli Plc, with Jukka Paunonen acting as the responsible auditor. The auditor will be reimbursed in accordance with the auditors' reasonable invoice approved by the Board of Directors of Evli Plc.

(d) Demerger consideration

In accordance with the Demerger Plan, the shareholders of Evli Bank shall receive as demerger consideration one (1) new A share of Evli Plc for each A share owned in Evli Bank and one (1) B share of Evli Plc for each B share owned in Evli Bank, that is, the demerger consideration shall be issued to the shareholders of Evli Bank in proportion to their existing shareholding with a ratio of 1:1.

Evli Plc has two (2) share classes (A shares and B shares). The shares of Evli Plc do not have a nominal value.

No other consideration shall be issued to the shareholders of Evli Bank in addition to the aforementioned demerger consideration to be issued in the form of shares in Evli Plc.

(e) Authorisation to issue shares and special rights entitling to shares in Evli Plc

In accordance with the proposal of the Board of Directors of Evli Bank, the General Meeting resolved to authorise the Board of Directors of Evli Plc to decide on the issuance of shares and special rights entitling to shares as referred to in Chapter 10, section 1 of the Limited Liability Companies Act in one or more tranches either against payment or free of charge.

The maximum number of shares to be issued or transferred based on the authorisation, including the shares received on the basis of the special rights, is 2,410,942 of Evli Plc's class B Shares in total. The proposed number of shares corresponds to approximately 10 percent of the company's shares as at the date of this notice convening the general meeting. However, a maximum of 241,094 of Evli Plc's class B shares of the aforementioned maximum amount can be issued for use as part of Evli Plc's share-based incentive plans, which corresponds to approximately 1 percent of the total number of all shares in the company at the date of this notice convening the general meeting.

The authorisation entitles the Board of Directors of Evli Plc to decide on all terms of the issuance of shares and special rights entitling to shares, including the right to deviate from the shareholders' pre-emptive subscription right. The Board of Directors of Evli Plc can decide to issue either new shares or treasury shares potentially held by the company.

The authorisation is valid until the end of the next Annual General Meeting, however, no longer than until 30 June 2023.

(f) Authorisation to decide on repurchase of Evli Plc's own shares

In accordance with the proposal of the Board of Directors of Evli Bank, the General Meeting resolved to authorise the Board of Directors of Evli Plc to decide on the repurchase of Evli Plc's own class A Shares and class B shares in one or more tranches as follows:

The maximum number class A Shares that can be repurchased is 1,463,526 shares, and the maximum number of B Shares that can be repurchased is 947,416 shares. The proposed number of shares corresponds to approximately 10 percent of the company's shares as at the date of this notice convening the general meeting.

The company's own shares can only be repurchased based on the authorisation using the company's unrestricted equity.

The Board of Directors of Evli Plc resolves on the manner in which shares are to be repurchased. Shares may be repurchased using, inter alia, derivatives. The company's own shares can be acquired other than in proportion to the shareholdings of the shareholders (directed acquisition). Shares can be repurchased at the price of the class B Share determined in public trading organised by Nasdaq Helsinki Ltd on the repurchase date.

The authorisation is valid until the next Annual General Meeting, however no longer than until 30 June 2023.

(g) Authorisation to decide on a share issue for establishing a share-based incentive plan

In accordance with the proposal of the Board of Directors of Evli Bank, the General Meeting resolved to authorise the Board of Directors of Evli Plc to establish incentive plans for Evli Plc and its employees that correspond Evli's existing and registered incentive plans.

The General Meeting authorised the Board of Directors of Evli Plc to decide on the issuance of shares and special rights entitling to shares as referred to in Chapter 10, section 1 of the Limited Liability Companies Act in one or more tranches either against payment or free of charge. The authorisation will be used for carrying out the company's share-based incentive plans.

The maximum number of shares to be issued or transferred based on the authorisation, including the shares received on the basis of the special rights, is 733,338 of Evli Plc's class B Shares in total.

The authorisation will entitle the Board of Directors of Evli Plc to decide on all terms of the issuance of shares and special rights entitling to shares, including the right to deviate from the shareholders' pre-emptive subscription right. The Board of Directors of Evli Plc can decide to issue either new shares or treasury shares potentially held by the company.

The authorisation is valid until the end of the next Annual General Meeting, however, no longer than until 30 June 2023.

(h) Decrease of share capital and dissolution of share premium reserve

The share capital of Evli Bank is decreased in connection with the demerger by an amount equalling Evli Plc's share capital, i.e. to EUR 6,448,637.65. The amount by which the share capital of Evli is decreased shall be used to transfer funds to Evli Plc. The proposed share capital of Evli Plc is EUR 23,745,459.66. In connection with the demerger, Evli Bank's share premium reserve will be dissolved and these funds will be transferred to Evli Plc's reserve for invested unrestricted equity.

The merger

In order to complete the combination, the General Meeting resolved to approve the absorption merger of Fellow Finance into Evli Bank in accordance with the merger plan dated 30 September 2021 and approved by the Board of Directors of Evli Bank and Fellow Finance, registered with the Trade Register on 1 October 2021 (the "Merger Plan") and to approve the proposals of the Board of Directors in order to complete the following matters in relation to the execution of the merger:

(a) the amendment of Evli Bank's Articles of Association after the demerger and the combination of Evli's class A shares and class B shares after the demerger into one share class;
(b) the composition of the Board of Directors of Evli Bank after the demerger and on the remuneration paid to the members of the Board of Directors;
(c) the election and remuneration of the auditor of Evli Bank after the demerger;
(d) the issuance of shares in Evli Bank to the shareholders of Fellow Finance as merger consideration after the demerger; and
(e) the establishment of a Shareholders' Nomination Board.

Resolutions that are conditional on the completion of the merger will enter into force in connection with the registration of the completion of the merger. The planned completion date of the merger is 2 April 2022. The completion date may change in accordance with the Merger Plan.

In accordance with the Merger Plan, Fellow Finance will merge into Evli Bank through an absorption merger so that all assets and liabilities of Fellow Finance will be transferred without a liquidation procedure to Evli Bank as set forth in the Merger Plan.

In addition to the other matters described in the Merger Plan, the resolution on the merger included the following key matters described in more detail in the Merger Plan:

(a) Amendment of the Articles of Association and combination of share classes

In accordance with the proposal of the Board of Directors of Evli Bank, the General Meeting resolved that, in addition to the other amendments, the Articles of Association of Evli Bank following the demerger shall be amended in accordance with the Merger Plan as follows:

(i) Article 1 concerning the company's trade name is amended so that the company's new trade name is Fellow Bank Oyj (in English: Fellow Bank Plc) ("Fellow Bank").
(ii) Article 2 concerning the company's line of business is amended so as to better reflect the business of the combined company.
(iii) The class A shares and class B shares of the Company will be combined into one share class by removing Article 4 concerning shares from the Articles of Association.

Upon the completion of the merger and after the demerger Evli Bank's class A and class B shares shall be converted into one share class whereby each share confers one vote. The 20 votes conferred by Evli Bank's class A shares are converted into one vote conferred by a share of the combined class so that after the combination of the share classes each share in Evli Bank following the demerger confers one (1) vote.

The proposed amended Articles of Association are included in full as an appendix to the Merger Plan.

The amendment will enter into force in connection with the registration of the completion of the merger.

(b) The number of the members of the Board of Directors of Evli Bank after the demerger, election of the members of the Board of Directors and remuneration to be paid to the members of the Board of Directors

The General Meeting resolved that to elect six (6) members to the Board of Directors of Evli Bank. Markku Pohjola, Teuvo Salminen, Lea Keinänen, Kai Myllyneva, Jorma Pirinen and Tero Weckroth were elected as members of the Board of Directors for a term starting on the registration date of the completion of the merger and ending at the end of the first Annual General Meeting following the registration date.

The General Meeting resolved that the members of the Board of Directors of Evli Bank after the demerger shall be paid the following remuneration for the term ending at the end of the next Annual General Meeting:

- chairperson of the Board, EUR 5,000.00 per month,
- committee chairpersons, EUR 4,000.00 per month, and
- other members of the Board, EUR 3,400.00 per month.

(c) Election of the auditor of Evli Bank after the demerger and the remuneration paid to the auditor;

PricewaterhouseCoopers Oy was elected as the auditor of the company, with Jukka Paunonen acting as the responsible auditor. The auditor will be reimbursed in accordance with the auditor's reasonable invoice approved by the Board of Directors of Evli.

(d) Merger consideration

In accordance with the Merger Plan, the shareholders of Fellow Finance shall, after the combination of the share classes of Evli described above, receive as merger consideration six (6) new shares in Evli Bank for each share they hold in Fellow Finance.

(e) Establishment of a Shareholders' Nomination Board

The General Meeting resolved, conditionally upon the completion of the merger, to establish a permanent Shareholders' Nomination Board to prepare the election and remuneration of the Board of Directors (the "Nomination Board") after the demerger and confirm the charter for the Nomination.

The main provisions of the charter read as follows:

- The duties of the Nomination Board are to: (i) prepare and present a proposal to the General Meeting for the number of members of the Board of Directors, (ii) prepare and present a proposal to the General Meeting for the Chairperson, Vice Chairperson and members of the Board of Directors, (iii) prepare and present a proposal to the General Meeting for the remuneration of the members of the Board of Directors (including the Chairperson and the Vice Chairperson) in accordance with the remuneration policy for governing bodies, (iv) respond in the General Meeting to the shareholders' questions concerning the proposals prepared by the Shareholders' Nomination Board, (v) prepare and see to it that the Company has up to date principles on the diversity of the Board of Directors and (vi) see to the successor planning for the members of the Board of Directors.
- The Nomination Board has four (4) members. The chairperson of the Company's Board of Directors may participate in the work of the Nomination Board as an expert without the right to participate in the Nomination Board's decision making.
- The members of the Nomination Board are appointed so that the Company's four (4) largest shareholders are entitled to appoint one (1) member each.
- The number of shares owned by the shareholders is determined on the basis of the Company's shareholders' register in accordance with the situation on the last day of August each year.
- The Nomination Board must make its decisions unanimously. If unanimity cannot be reached, the Nomination Board must inform the Board of Directors of this without delay.

The increase of Fellow Bank's share capital proposed in the Merger Plan immediately after the completion of the merger

In accordance with the proposal of the Board of Directors, the General Meeting resolved on a share issue, which is conditional upon the completion of the merger. The share issue will be carried out as a directed share issue, i.e. in deviation from the shareholders' pre-emptive subscription right so that shares will be subscribed for by Taaleri Plc, TN Ventures Oy and Evli Plc in accordance with the undertakings they have issued.

The directed share issue will be of the amount of EUR 11,715,469.09 and will be used to strengthen Fellow Bank's solvency, i.e. CET1 core Tier 1 capital. Therefore, there is a weighty financial reason for deviating from the shareholders' pre-emptive subscription right.

The new shares issued in the directed share issue will be subscribed for and paid immediately after the completion of the merger. The issue shares represent approximately 29.9 percent of all shares in Fellow Bank immediately after the completion of the merger calculated on the basis of the number of shares in Evli Bank's and Fellow Finance issued and outstanding on the date of the notice convening the General Meeting. After the combination of the share classes, a total of 20,005,924 new shares will be issued in the directed share issue so that a total of 4,205,325 shares will be offered for subscription to Taaleri Plc, 512,296 shares to TN Ventures Oy and 15,288,303 shares to Evli Plc. The subscription price of the shares is EUR 0.5856 per share, and the subscription price is determined on the basis of the pricing applied in the Arrangement. The subscription price of the shares must be paid to the Fellow Bank on the completion date of the merger, at the latest.

CHANGES IN THE GROUP STRUCTURE

Evli Bank Plc acquired five percent and sold 40 percent of its shares in Terra Nova Capital Advisors Ltd to the company's employees. After the transactions, Evli Bank's holding in the company will be 55 percent.

Alexander Incentives Oy, a fully-owned subsidiary of Evli Alexander Incentives Oy, was merged with Evli Alexander Incentives Oy on 30 April 2021.

Evli Bank Plc sold seven percent of its shares in Evli Corporate Finance AB to the company's employees. After the transactions, Evli's holding in the company will be 52 percent.

Evli Bank Plc sold all its shares in Evli Research Partners Oy, 70 percent of the company's shares, to its subsidiary Evli Corporate Finance Ab.

Evli Fund Management Company, an Evli Group company, established Evli Growth Partners II Oy, an alternative investment fund business, together with the key persons of the fund. Evli Fund Management Company owns 70% of the company.

Evli Private Equity Partners Oy, an Evli Group company, established Evli Private Equity III GP Oy, an alternative investment fund business, together with key members of the fund. Evli Private Equity Partners Oy owns 92.5% of the company.

Evli Fund Management Company established Evli Residential II GP Oy, an alternative investment fund business, together with key members of the fund. Evli Fund Management Company owns 70% of the company.

BUSINESS ENVIRONMENT

The year 2022 has started on a challenging note for markets, with heightened interest rate and inflation fears, increased geopolitical risks and a drop in the markets.

The excellent performance of traditional investment products and the growing investment interest of clients provide good conditions for growth. Evli already has a strong position among both institutions and wealthy individuals. The prospects for growth in the company's domestic market in Finland are good, especially with the expanded product range.

In line with its strategy, Evli has increasingly invested in the development of international sales and alternative investment products. These are seen as significant sources of growth for the company and as a way to further diversify the company's revenue base. Investments have also been made to achieve greater business scalability.

In terms of international growth, the company's focus is on the Nordic and European markets. In addition to product availability, the streamlining and adaptation of administrative processes and structures to correspond to the standards that investors are accustomed to in 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. Thanks to the company's highly developed products, the company's prospects for growth abroad have further improved.

Evli sees alternative investment products as another important strategic priority. The company's ambition is to be able to offer a comprehensive range of products from typical, very liquid fixed income funds to real and private equity funds. To achieve this goal, Evli has introduced several new products to the market over the last few years, and the company's product offering currently covers a wide range of different asset classes. As the investment period for these products draws to a close, the company intends to launch new products in the product categories, such as the Evli Private Equity III fund, which was launched in the fourth quarter. The Finnish market for alternative investment products is highly competitive. Despite the challenges posed by the operating environment, Evli's aim is to turn alternative investment products into a major source of revenue, with the help of a comprehensive offering and exceptional expertise.

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. A more detailed description of operational risks is provided in Evli's Annual Report 2020, pages 69-73.

PROFIT DISTRIBUTION PROPOSAL

On December 31, 2021, the parent company's distributable assets totalled EUR 51,312,186.20, of which retained earnings amounted to EUR 28,027,140.21 and distributable funds in the reserve of invested unrestricted equity amounted to EUR 23,285,045.99. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.06 per share be distributed on the basis of the 2021 results. The dividend corresponding to the proposal, calculated on the number of shares at the balance sheet date (excluding treasury shares held by the company), amounts to a total of EUR 25,288,883.20.

In the partial demerger, Evli Bank’s shareholders will also retain ownership of shares in Fellow Bank created by the arrangement. In the merger with Fellow Bank, Evli Bank will retain an amount of own funds equivalent to approximately EUR 0.27 per share.

The company estimates that capital committed to the current business will be freed up through the partial demerger and the concentration on the asset management business. With regard to the capital released, the company will assess the possibility of investing or distributing it to shareholders later.

There have been no material changes in the financial position of the company since the end of the financial year. The proposed dividend distribution will not jeopardise the company's solvency or liquidity.

PROPOSAL FOR A NEW MEMBER OF THE EVLI PLC BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING

The Extraordinary General Meeting of Evli Bank approved the future composition of the Board of Directors of Evli Plc at its meeting on December 22, 2021. Evli Bank's capital owners propose to the Annual General Meeting in the spring that the Board of Directors of Evli Plc be strengthened by one member, so that the size of the Board for 2022 would be six members. It is proposed that Antti Kuljukka be appointed as a new member of the Board of Directors.

OUTLOOK FOR 2022

The year 2022 has started on a challenging note for markets, with heightened interest rate and inflation fears, increased geopolitical risks and a drop in the markets.

With the demerger planned for 2022, Evli will be able to better focus on developing both its wealth management and banking businesses. Growth prospects for the asset management business, which includes products and services for investors and corporates, are stable. However, there are always risks associated with the general development of the equity and fixed income markets. A possible fall in share prices or a reduction in investors' risk appetites would have a negative impact on the company's performance. The Group's assets under management reached a new record level at the end of 2021 and the product range has expanded, in particular in alternative investment products, which will mitigate the negative impact on results from a possible market turnaround.

The banking business will be clearly strengthened by the merger of Fellow Finance Plc with Evli Bank Plc, which will result in positive growth prospects for this business. However, there is considerable uncertainty about the development of the loan and deposit portfolio, which is critical for the business. These will have a direct impact on the company's short-term performance.

In view of the above, the outlook for the banking operations will become clearer once the demerger and merger are completed. For the asset management business, we expect the operating result to be at a good level. The outlook for asset management will be further specified after the completion of the demerger and during the year as the outlook for market developments becomes clearer.

Helsinki, January 25, 2022

EVLI BANK PLC
Board of Directors

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TABLES AND ANNEXES TO THE FINANCIAL STATEMENTS

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Consolidated comprehensive income statement

	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Net interest income	0.0	0.0	0.1	0.2
Commission income and expense, net	34.2	26.6	111.7	76.8
Net income from securities transactions and foreign exchange dealing	0.7	1.4	3.5	2.4
Other operating income	0.2	0.1	0.2	0.2
NET REVENUE	**35.0**	**28.1**	**115.6**	**79.7**
Administrative expenses				
Personnel expenses	-10.4	-8.9	-37.4	-30.5
Other administrative expenses	-6.7	-3.4	-18.5	-12.5
Depreciation, amortisation and write-down	-1.1	-1.3	-4.8	-5.7
Other operating expenses	-0.6	-0.8	-1.8	-1.7
Impairment losses on loans and other receivables	0.0	0.0	0.1	-0.1
NET OPERATING PROFIT / LOSS	**16.1**	**13.6**	**53.0**	**29.1**
Share of profits (losses) of associates	0.1	0.1	0.5	0.4
Income taxes	-3.5	-2.7	-10.5	-6.3
PROFIT / LOSS FOR FINANCIAL YEAR	**12.6**	**11.0**	**43.0**	**23.2**
Attributable to				
Non-controlling interest	1.3	0.6	6.7	1.9
Equity holders of parent company	11.4	10.4	36.3	21.3
PROFIT / LOSS FOR FINANCIAL YEAR	**12.6**	**11.0**	**43.0**	**23.2**
OTHER COMPREHENSIVE INCOME / LOSS				
Items, that will not be reclassified to profit or loss	0.0	0.0	0.0	0.0
Income and expenses recognised directly in equity	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	0.1	0.2
Other comprehensive income/loss	**0.0**	**0.3**	**0.1**	**0.2**
Other comprehensive income after taxes / loss total	0.0	0.3	0.1	0.2
OTHER COMPREHENSIVE INCOME / LOSS TOTAL	**12.6**	**11.2**	**43.1**	**23.4**
Attributable to				
Non-controlling interest	1.3	0.6	6.7	1.9
Equity holders of parent company	11.3	10.6	36.5	21.5
Earnings per Share (EPS), fully diluted	0.46	0.42	1.47	0.87
Earnings per share (EPS), undiluted	0.46	0.44	1.48	0.88

Consolidated comprehensive income statement quarterly

	10-12/2021	7-9/2021	4-6/2021	1-3/2021	10-12/2020
Net interest income	0.0	0.0	0.0	0.1	0.0
Commission income and expense, net	34.2	23.7	27.8	26.0	26.6
Net income from securities transactions and foreign exchange dealing	0.7	1.1	0.8	1.0	1.4
Other operating income	0.2	0.0	0.0	0.0	0.1
NET REVENUE	**35.0**	**24.8**	**28.7**	**27.1**	**28.1**
Administrative expenses					
Personnel expenses	-10.4	-7.5	-9.9	-9.6	-8.9
Other administrative expenses	-6.7	-3.7	-4.1	-3.9	-3.4
Depreciation, amortisation and write-down	-1.1	-1.3	-1.4	-1.1	-1.3
Other operating expenses	-0.6	-0.2	-0.3	-0.7	-0.8
Impairment losses on loans and other receivables	0.0	0.0	0.1	0.0	0.0
NET OPERATING PROFIT/LOSS	**16.1**	**12.1**	**13.1**	11.8	**13.6**
Share of profits (losses) of associates	0.1	0.2	0.0	0.3	0.1
Income taxes	-3.5	-1.7	-3.4	-1.9	-2.7
PROFIT/LOSS FOR FINANCIAL YEAR	**12.6**	**10.5**	**9.6**	**10.2**	**11.0**
Attributable to					
Non-controlling interest	1.3	1.0	2.6	1.8	0.6
Equity holders of parent company	11.4	9.5	7.0	8.4	10.4
PROFIT/LOSS FOR FINANCIAL YEAR	**12.6**	**10.5**	**9.6**	**10.2**	**11.0**
OTHER COMPREHENSIVE INCOME/LOSS					
Items, that will not be reclassified to profit or loss	0.0				
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	0.0	0.1	0.3
Other comprehensive income/loss	**0.0**	**0.0**	0.0	0.1	0.3
Other comprehensive income after taxes/loss total	0.0	0.0	0.0	0.1	0.3
OTHER COMPREHENSIVE INCOME/LOSS TOTAL	**12.6**	**10.5**	**9.7**	**10.3**	**11.2**
Attributable to					
Non-controlling interest	1.3	1.0	2.6	1.8	0.6
Equity holders of parent company	11.3	9.5	7.1	8.5	10.6

Consolidated balance sheet

	31.12.2021 Excluding IFRIC 17 distribution liabilities	31.12.2020	31.12.2021 Considering IFRIC 17 distribution liabilities
ASSETS			
Liquid assets	384.1	331.6	331.6
Debt securities eligible for refinancing with central banks	33.4	37.2	37.2
Claims on credit institutions	48.1	66.8	66.8
Claims on the public and public-sector entities	98.0	109.6	109.6
Debt securities	0.7	9.8	9.8
Shares and participations	49.6	57.3	57.3
Participating interests	4.1	4.2	4.2
Derivative contracts	26.4	52.2	52.2
Intangible assets	13.8	16.0	16.0
Property, plant and equipment	1.4	1.4	1.4
Other assets	95.4	83.3	83.3
Accrued income and prepayments	2.6	3.3	3.3
Deferred tax assets	0.1	0.1	0.1
TOTAL ASSETS	757.7	772.6	772.6
LIABILITIES			
Liabilities to credit institutions and central banks	8.6	0.7	0.7
Liabilities to the public and public-sector entities	402.9	385.2	385.2
Debt securities issued to the public	91.0	131.1	131.1
Derivative contracts and other trading liabilities	26.3	52.5	52.5
Other liabilities	75.7	84.4	84.4
Accrued expenses and deferred income	35.0	23.3	23.3
Deferred tax liabilities	0.0	0.0	0.0
LIABILITIES TOTAL BEFORE IFRIC 17 DISTRIBUTION LIABILITIES	639.5	677.2	639.5
Distribution liability in accordance with IFRIC 17	-	-	620.2
LIABILITIES TOTAL	639.5	677.2	1 259.7
Equity to holders of parent company	112.9	92.4	112.9
Non-controlling interest in capital	5.2	3.0	5.2
EQUITY BEFORE IFRIC 17 DISTRIBUTION LIABILITIES	118.1	95.4	118.1
Distribution liability in accordance with IFRIC 17	-	-	-620.2
EQUITY	118.1	95.4	-502.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	757.7	772.6	757.7

Consolidated statement of changes in equity

	Share capital	Share premium fund	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interest	Equity before the distribution of funds in accordance with IFRIC 17	Distribution liability in accordance with IFRIC 17	Equity including distribution liability in accordance with IFRIC 17
Equity capital 31.12.2019	30.2	1.8	18.7	29.3	80.1	1.7	81.8		81,8
Translation difference				0.4	0.4		0.4		0,4
Profit/loss for the period				21.9	21.9	1.3	23.2		23,2
Dividends				-15.3	-15.3	-1.0	-16.3		-16,3
Share options exercised			1.5		1.5		1.5		1,5
Acquisition of own shares					0.0		0.0		0,0
Acquisition of non-controlling interest				0.0	0.0		0.0		0,0
Other changes			2.7	1.2	3.8	1.0	4.8		4,8
Equity capital 31.12.2020	30.2	1.8	22.8	37.5	92.4	3.0	95.4	-	95,4
Translation difference				0.1	0.1		0.1		0,1
Profit/loss for the period				36.3	36.3	6.7	43.0		43,0
Dividends				-17.4	-17.4	-3.1	-20.5		-20,5
Share options exercised					0.0		0.0		0,0
Acquisition of own shares					0.0		0.0		0,0
Acquisition of non-controlling interest				0.0	0.0		0.0		0,0
Other changes*			2.0	-0.5	1.5	-1.3	0.2		0,2
IFRIC 17 distribution liability							-	-620,2	-620,2
Equity capital 31.12.2021	30.2	1.8	24.8	56.1	113.0	5.2	118.2	-620,2	-502,0

*Other changes from 2020 include the accrual of expenses arising from granted retention 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.

**Other changes from 2021 include the accrual of expenses arising from granted retention programs, which is presented as part of the change in the retained earnings column and an one off impact from the acquisition of Alexander Incentives Oy.

***The Group's liability for distributions is based on the application of IFRIC 17. This interpretation based on IFRS standards became applicable with the decision of Evli Bank Plc's Annual General Meeting held on December 22, 2021, at which the Annual General Meeting decided on the partial demerger of Evli. According to IFRIC 17, the business to be transferred in a partial demerger is presented in Evli's consolidated financial statements as a distribution liability measured at fair value, where the distribution liability is presented as a separate item in among liabilities in the balance sheet and the counterpart as equity.

Consolidated segment income statement

	Wealth Management and Investor Clients		Advisory and Corporate Clients		Group Operations		Unallocated		Group	
	1-12/ 2021	1-12/ 2020	1-12/ 2021	1-12/ 2020	1-12/ 2021	1-12/ 2020	1-12/ 2021	1-12/ 2020	1-12/ 2021	1-12/ 2020
REVENUE										
Net interest	-0.1	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.1	0.2
Net commissions	91.5	67.2	20.2	9.7	0.0	0.0	0.0	0.0	111.7	76.8
Trading and FX result	0.0	-0.1	0.0	0.0	3.6	2.5	0.0	0.0	3.5	2.4
Other operative income	0.0	0.0	0.0	0.1	0.2	0.2	0.0	0.0	0.2	0.2
External sales	91.4	67.1	20.2	9.7	3.9	2.8	0.0	0.0	115.6	79.7
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	91.4	67.1	20.2	9.7	3.9	2.8	0.0	0.0	115.6	79.7
Timing of revenue recognition										
At a point in time	64.3	52.0	6.5	5.4	0.0	0.0	0.0	0.0	70.8	57.4
Over time	27.2	15.2	13.7	4.3	0.0	0.0	0.0	0.0	40.9	19.4
RESULT										
Segment operating expenses	-35.5	-30.3	-10.2	-6.6	-12.2	-8.9	0.0	1.1	-57.8	-44.7
Business units operating profit before depreciations and Group allocations	56.0	36.9	10.1	3.1	-8.2	-6.1	0.0	1.1	57.8	35.0
Depreciations	-2.2	-3.4	-0.4	-0.4	-2.2	-0.5	0.0	-1.5	-4.8	-5.7
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	53.8	33.5	9.6	2.7	-10.4	-6.7	0.0	-0.4	53.0	29.1
Allocated corporate expenses	-9.0	-5.8	-2.3	-0.9	11.3	6.7	0.0	0.0	0.0	0.0
Operating profit including Group allocations	44.8	27.7	7.4	1.8	0.9	0.0	0.0	-0.4	53.0	29.1
Share of profits (losses) of associates	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.4	0.5	0.4
Income taxes	-4.8	-3.6	-2.0	-0.7	-3.6	-2.0	-0.1	0.1	-10.5	-6.3
Segment profit/loss	39.9	24.1	5.3	1.1	-2.2	-2.0	-0.1	0.1	43.0	23.2

Consolidated cash flow statement

	1-12/2021	1-12/2020
Operating activities		
Operating profit	53.0	29.1
Adjustment for items not included in cash flow	13.6	8.2
Income taxes paid	-7.6	-5.0
Cash flow from operating activities before changes in operating assets and liabilities	59.1	32.3
Changes in operating asset, total	41.2	170.5
Changes in operating liabilities, total	-22.4	-158.4
Cash flow from operating activities	77.9	44.5
Investing activities		
Change in intangible asset	-0.6	-0.6
Change in property, plant and equipment	-0.2	-0.2
Cash flow from investing activities	-0.7	-0.8
Financing activities		
Dividends paid to company´s shareholders	-17.4	-15.3
Dividends paid to non-controlling interests in subsidiaries	-3.1	-1.0
Payment of finance lease liabilities	-1.7	-2.0
Used option rights	0.0	1.5
Cash flow from financing activities	-22.2	-16.8
Cash and cash equivalents at the beginning of period	338.2	311.4
Translation difference	0.0	0.0
Cash and cash equivalents at the end of year	393.2	338.2
Change	54.9	26.8

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, 2020.

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 includes 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 support functions serving the business areas, such as Group´s top management, certain back-office services, Treasury, Risk Management, Financial Administration, Information Management, Marketing, Communications and Investor Relations, Legal Department and Compliance, Internal Services and Human Resources.

Evli presents certain key performance indicators that are considered alternative performance measures with ESMA's Alternative Key Guidelines as they are not defined as specified measures describing historical performance, financial position or cash flows in IFRSs. Evli presents alternative performance measures, as they provide relevant additional information on Evli's performance and financial position to management, investors and other parties. Evli presents operating profit, operating margin, return on equity (ROE), return on equity (ROA), cost / income ratio and recurring income to operating expenses as additional information to describe financial performance and profitability. Evli presents the equity ratio to describe the relative use of equity in financing company’s assets.

Alternative performance measures should not be considered in isolation or in place of those specified in IFRSs. Not all companies calculate alternative performance measures in a consistent manner, and thus the alternative performance measures presented by Evli may not be comparable to the similarly presented measures presented by other companies. Capital adequacy performance measures are presented based on European legislation concerning companies in the finance sector. The calculation principles and formulae of the key ratios are presented in the company’s 2020 financial statements, which are available on the company website at www.evli.com

The accounting policies used are consistent with the accounting policies for the financial year 2020 and the comparative reporting period, excluding the new IFRS standards that are described separately below.

Application of IFRIC 17 in the financial statements 2021

This interpretation based on IFRS standards became applicable with the decision of Evli Bank Plc's Annual General Meeting held on December 22, 2021, at which the Annual General Meeting decided on the partial demerger of Evli. According to IFRIC 17, the business transferred in a partial demerger is presented in Evli's consolidated financial statements as a distribution liability measured at fair value, in which the distribution liability is presented as a separate item in connection with the liabilities in the balance sheet and the counterparty in the Group's equity. Accounting technical items in accordance with this interpretation have been taken into account in the consolidated balance sheet and in the equity breakdown table. In order to provide better investor information, the company also presents these tables without the distribution liability.

When the demerger is implemented, currently estimated on April 2, 2022, Evli Bank will derecognise the assets and liabilities to be transferred to Evli Plc arising from the demerger and the difference between the net assets to be transferred and the distribution liability will be recognized in profit or loss.

The fair value of the distribution liability has been calculated reversely by deducting the value of the remaining banking operations from Evli Bank Plc's market value on 31 December 2021. The value of the remaining banking operations is based on the value calculated through the merger consideration under the merger plan. Asset distribution liability based on IFRS standards has no effect on the company's financial position, solvency, key figures or asset allocation. In order to provide investors with relevant information, the company presents a separate balance sheet in addition to the consolidated balance sheet based on IFRS standards, without a liability for the distribution of assets to its shareholders in accordance with IFRIC 17.

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.

Notes to balance sheet

	31.12.2021	31.12.2020
Equity and debt securities		
Debt securities issued to the public		
Certificates of Deposits and commercial papers	0.0	10.0
Bonds	91.0	121.1
Debt securities issued to the public	**91.0**	**131.1**

Breakdown by maturity	less than 3 months	3-12 months	1-5 years	5-10 years
Debt securities issued to the public	0.9	10.7	75.2	4,2

Changes in bonds issued to the public	31.12.2021	31.12.2020
Issues	4.2	31.7
Repurchases	34.3	34.4
Off-balance sheet commitments		
Commitments given to a third party on behalf of a customer	0.4	5.4
Irrevocable commitments given in favour of a customer	2.6	2.3
Guarantees on behalf of others	0.0	0.0
Unused credit facilities	18.1	9.6

Transactions with related parties	1-12/2021	
	Associated companies	Group management
Sales	0.0	0.0
Purchases	0.0	0.0
Receivables	0.0	0.7
Liabilities	0.0	0.3

There were no significant changes in transactions with related party during the period.

Value of financial instruments across the three levels of the fair value hierarchy

Fair value	Level 1 2021	Level 2 2021	Level 3 2021	Total
Financial assets				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Shares and participations, other	42.1	0.0	7.4	49.6
Debt securities eligible for refinancing with central banks	33.4	0.0	0.0	33.4
Debt securities	0.0	0.4	0.4	0.7
Positive market values from derivatives	0.0	24.1	2.3	26.4
Total financial assets held at fair value	75.5	24.4	10.1	110.1
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	24.0	2.3	26.3
Total financial liabilities held at fair value	0.0	24.0	2.3	26.3

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 Less than 1 year	1-5 years	5-15 years	Fair value (+/-)
Held for trading				
Interest rate derivatives				
Interest rate swaps	4.5	70.5	3.2	0.0
Equity-linked derivatives				
Futures	2.2	1.0	0.0	0.0
Options bought	0.0	0.0	0.0	0.0
Options sold	0.0	0.0	0.0	0.0
Currency-linked derivatives	4073.2	8.3	0.0	0.1
Held for trading, total	**4079.9**	**79.8**	**3.2**	**0.1**
Derivative contracts, total	**4079.9**	**79.8**	**3.2**	**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 – Credit loss provision for financial assets measured at amortized cost

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	48.1	48.1	0.0	0.0	0.0	0.0
Receivables from the public	98.0	97.3	0.7	0.0	0.1	0.2
Receivables from the public; corporate	25.0	24.8	0.3	0.0	0.0	0.1
Receivables from the public; private	72.9	72.5	0.4	0.0	0.0	0.1
Receivables from the public; other	0.0	0.0	0.0	0.0	0.0	0.0
Sales receivables	4.2	4.1	0.2	0.0	0.0	0.0
Off-balance sheet loan commitments	17.9	17.8	0.1	0.0	0.0	0.0
Total	**168.2**	**167.3**	**0.9**	**0.0**	**0.1**	**0.2**

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.

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. For sales receivables, a simplified procedure is used. 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. For customer credits, three transfers from level 2 to level 1 have been made during the financial year, total sum 1.3 M€. The bank has one loan payment instalment that is over 90 days late.

IMPACT OF THE IFRS 9 STANDARD	
Impact on capital adequacy, %	0.0
Impact on own funds, M€	-0.1

Appendix 1 Ten largest shareholders December 31, 2021

	A-shares	B-shares	Shares total	% of all shares	Votes total	% of votes
1. Oy Prandium Ab	3 803 280	950 820	4 754 100	19.7 %	77 016 420	25.7%
2. Oy Scripo Ab	3 803 280	950 820	4 754 100	19.7 %	77 016 420	25.7%
3. Oy Fincorp Ab	2 319 780	339 141	2 658 921	11.3 %	46 734 741	15.6 %
4. Ingman Group Oy Ab	1 860 000	650 000	2 510 000	10.4 %	37 850 000	12.6 %
5. Lehtimäki Jyri Maunu Olavi	533 728	171 031	704 759	2.9 %	10 845 591	3.6 %
6. Moomin Characters Oy Ltd	0	411 235	411 235	1.7 %	411 235	0.1 %
7. Hollfast John Erik	328 320	82 080	410 400	1.7 %	6 648 480	2.2 %
8. Tallberg Claes	369 756	32 588	402 344	1.7 %	7 427 708	2.5 %
9. Evli Pankki Oyj	0	251 983	251 983	1.1 %	251 983	0.1 %
10. Svenska Litteratursällskapet i Finland	0	220 336	220 336	0.9 %	220 336	0.1 %