

# Interim report 1-3/2021

EXCELLENT FIRST QUARTER



## EXCELLENT FIRST QUARTER

### Financial performance January-March 2021

- Net revenue was EUR 27.1 million (1-3/2020: EUR 14.2 million)
- Operating profit was EUR 11.8 million (EUR 2.1 million)
- The Wealth Management and Investor Clients segment's operating profit increased and was EUR 10.6 million (EUR 6.2 million)
- The Advisory and Corporate Clients segment's operating profit increased and was EUR 1.1 million (EUR 0.4 million)
- The return from own balance sheet items developed positively and were EUR 1.0 million (EUR -3,7 million), which resulted in an increase in the operating profit in the Group Operations segment
- Net assets under management amounted to EUR 15.0 billion (EUR 12.2 billion) at the end of March
- Evli's diluted earnings per share were EUR 0.34 (EUR 0.07) and return on equity was 40.6 percent (10.1%)
- Proportion of recurring revenue to operating costs was 117 percent (118%).

### Outlook for 2021 specified

This year has started positively from a business perspective, supported by strong client demand and favorable equity market performance.

The general performance of the equity and fixed income markets is always prone to risks, however. A decline in equity prices or a reduction in investors' risk appetite would have a negative impact on the company's profit performance, for example. Nevertheless, the assets under the Group's management that reached a new record level by the end of the first quarter and the product selection that expanded, especially in alternative investment products, alleviate negative profit impacts of a possible market reversal.

There has been positive development in the demand for advisory services, and its outlook for 2021 is stable. Although investment activities through Evli's own balance sheet constitute only a limited proportion of Evli's business, these could still have a substantial impact on profit performance during sudden market movements. Seasonal and annual fluctuations in revenues from advisory business and own investments are possible.

In the view of the above mentioned reasons, the company has adjusted its outlook. If the market conditions continue to be favorable, we estimate that the operating profit for 2021 will exceed the level of the comparison period.

Earlier, we estimated that the operating profit for 2021 would be clearly positive.

## KEY FIGURES DESCRIBING THE GROUP'S FINANCIAL PERFORMANCE

	1-3/2021	1-3/2020	1-12/2020
<b>Income statement key figures</b>			
Operating income, M€	27.1	14.2	79.7
Operating profit/loss, M€	11.8	2.1	29.1
Operating profit margin, %	43.4	14.5	36.5
Profit/loss for the financial year, M€	10.2	1.9	23.2
<b>Profitability key figures</b>			
Return on equity (ROE), %	40.6	10.1	26.2
Return on assets (ROA), %	5.2	0.7	2.7
<b>Balance sheet key figures</b>			
Equity-to-assets ratio, %	13.2	5.1	12.3
Group capital adequacy ratio, %	16.2	14.6	15.2
<b>Key figures per share</b>			
Earnings per Share (EPS), fully diluted, €	0.34	0.07	0.87
Comprehensive Earnings per Share (EPS), fully diluted, €	0.35	0.07	0.88
Dividend per share, €	-	-	0.73*
Equity per share, €	4.17	2.80	3.86
Share price at the end of the period, €	16.20	7.40	12.20
<b>Other key figures</b>			
Expense ratio (operating costs to net revenue)	0.57	0.85	0.63
Recurring revenue ratio, %	117	118	124
Personnel at the end of the period	269	249	261
Market value, M€	390.6	176.9	294.1

\*Approved by the Annual General Meeting. The time of payment of the dividend has not yet been determined.

## Maunu Lehtimäki, CEO

The year 2021 has started in positive spirits on the capital markets. As was the case last year, demand for equities and other risk-bearing asset classes has remained strong, and in many markets prices have risen to a higher level than at the turn of the year. Broad fiscal and monetary policy support measures, the progress in coronavirus vaccinations and expectations regarding global economic recovery have all contributed to increasing investor optimism. However, concerns regarding economic overheating and inflation pressure buildup have caused long-term interest rates to rise in the United States. In Europe on the other hand, the unhurried vaccination rate and more moderate economic stimulus measures than in the United States have kept upward pressure on long-term interest rates in check.

Evli's operations showed excellent and disturbance-free development during the quarter. Our client activity was also at a high level. We have generally met with our clients online, which is the safest option from a health perspective, and we believe that this operating model is here to stay to some extent.

Evli's operating income nearly doubled in relation to the comparison period and was EUR 27.1 million. The Group's operating profit rose more than five-fold to EUR 11.8 million. The profit for the comparison period was hampered by a valuation loss of nearly EUR four million from securities transactions and foreign exchange dealing. Evli's return on equity rose to 40.6 percent (10.1%) during the quarter and equity surpassed EUR 100 million. The ratio of recurring revenue to operating costs was 117 percent (118%).

The income from the Wealth Management and Investor Clients segment's operations increased by 40 percent and was EUR 22.0 million. Client assets under management were a record-high EUR 15.0 billion (EUR 12.2 billion) and Evli Fund Management Company's fund capital was EUR 9.5 billion (EUR 7.5 billion). Net subscriptions totaled EUR 461.3 million, focusing primarily on short-term fixed income investments and European equities. Alternative investment products, asset management fees and funds' performance-based fees had a positive impact on the growth in the segment's earnings. Evli's position as the leading asset manager of high-net-worth individuals and

institutions strengthened further, as exemplified by the building of new client relationships and the growth of client assets under management.

The Advisory and Corporate Clients segment's return increased by 88 percent and was EUR 4.0 million. The Corporate Finance unit's invoicing recovered from the exceptionally low level in the comparison period and was EUR 2.0 million (EUR 0.6 million). The incentive business grew as in previous years, and the unit's invoicing totaled EUR 2.1 million (EUR 1.5 million). A share exchange executed last year in which Evli Awards Management Oy and Alexander Incentives Oy were merged into a new company Evli Alexander Incentives Oy has made good progress and the company has gained new client relationships in incentive system planning and management during the first quarter. Growing client interest towards the company's services in the area of unlisted Finnish companies and listed Swedish companies, in addition to traditional listed Finnish companies, has been especially pleasing.

Evli's key strategic drivers – international fund sales and sales of alternative investment products – performed according to plan in the beginning of the year. Despite extensive travel restrictions, international sales have recovered, and the outlook has brightened further as a result of the positive investment environment and our funds' good performance.

In line with the plan, there were no new launches of alternative investment products during the first quarter, and sales were focused on the Evli Infrastructure Fund, Evli Forest Impact Fund and Evli Rental Yield Fund, which were open for subscriptions. During the course of the year, we intend to present investors with new alternative investment funds in the private equity, growth equity and unlisted corporate bond (private debt and leveraged loans) asset classes. The planning and preparation work for these new products has progressed as planned and launches are scheduled for the upcoming quarters. Our goal is to offer our clients a broad range of varied alternative investment products to support traditional asset classes, enabling the implementation of a comprehensive and well-diversified asset management strategy.

Responsibility is one of our strategic focus areas and we have continued its development according to plan. We launched new client-specific ESG reports during the first quarter. We prepare a comprehensive and varied sustainability report on all of our clients' investments, thus increasing transparency and allowing clients to follow the development of ESG key indicators. In addition, we have implemented a new set of responsibility laws, the Sustainable Finance Disclosure Regulation (SFDR), in accordance with which the majority of Evli's funds were classified as funds that promote sustainability factors, while two were classified as funds that have a sustainability objective.

Announced at the end of January, the research work examining the future of credit institution operations has made good progress, and we aim to complete it during the first half. The study evaluates the significance of credit institution operations as a part of Evli Group, and the potential impacts of breaking away from these operations on business and finances

## MARKET PERFORMANCE

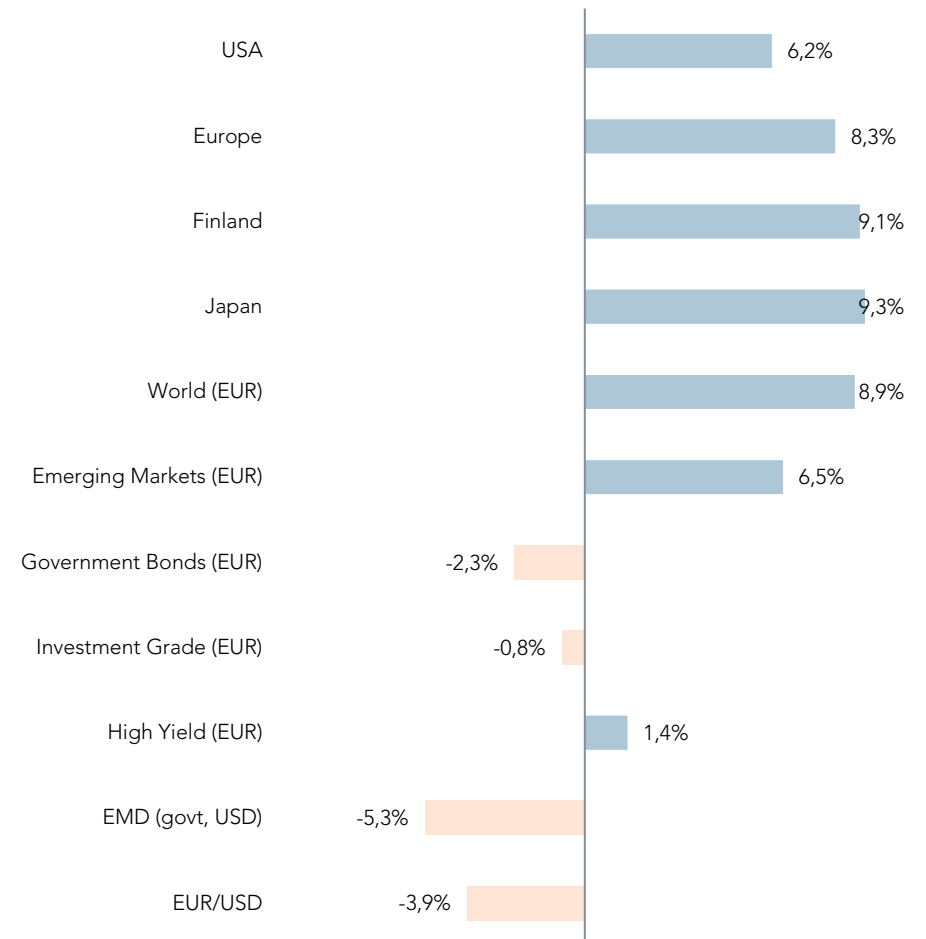
The year 2021 started on a growth track on the markets. Although at the start of the year coronavirus restrictions were continued or tightened in many countries due to growing numbers of cases, the confidence in economic recovery that resulted from the improved availability of vaccines helped several equity indexes attain new record levels during the first quarter. Political risks have also abated, and expectations of economic recovery are strong, particularly in the United States. This is being supported by an exceptionally robust USD 1.9 billion stimulus package for households and companies established by the government, which is already planned to be followed by a USD 2,250 billion financing program for various infrastructure and social projects. The recovery expectations in Europe are more moderate, due to a more challenging coronavirus situation and a slower vaccination rate, hampering the opening of economies.

As a result of the strong stimulus and a positive growth outlook, fears of an acceleration of inflation have grown. In fact, inflation fears have caused long-term interest rates to start rising slightly. However, the central banks have adopted a calm approach to the situation for the time being. The European Central Bank accelerated its securities purchase program because of the rise in long-term interest rates, but otherwise, the central banks were not very active on the markets during the first quarter.

On the equity markets, US equities (S&P 500) increased 6.2 percent and European equities (Stoxx 600) 8.3 percent during the first three months. Finnish equities (OMX Helsinki Cap) increased 9.1 percent during the same period. Notable in the stock market has been the rotation from growth companies to value and cyclical companies.

In the fixed income market, the development was twofold. The values of corporate bonds with higher ratings declined 0.8 percent and The values of euro area government bonds declined by 2.3 percent. The values of high yield bonds with lower ratings on the other hand increased 1.4 percent. The euro weakened 3.9 percent against the dollar.

Market performance 1-3/2021



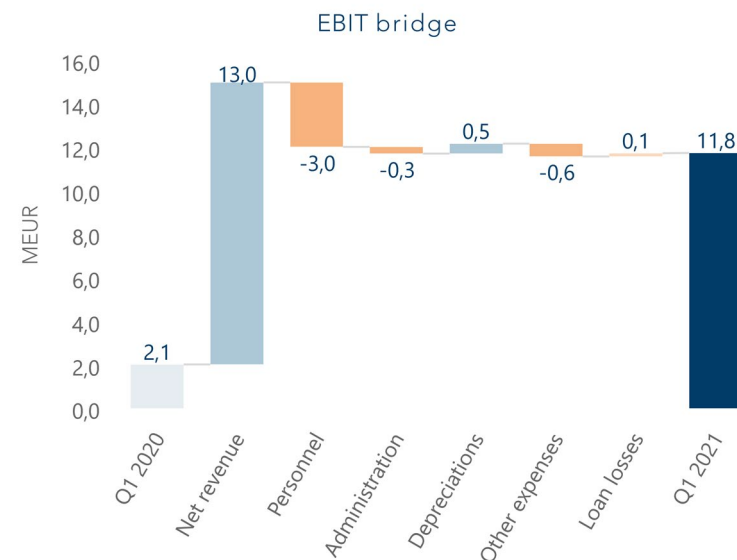
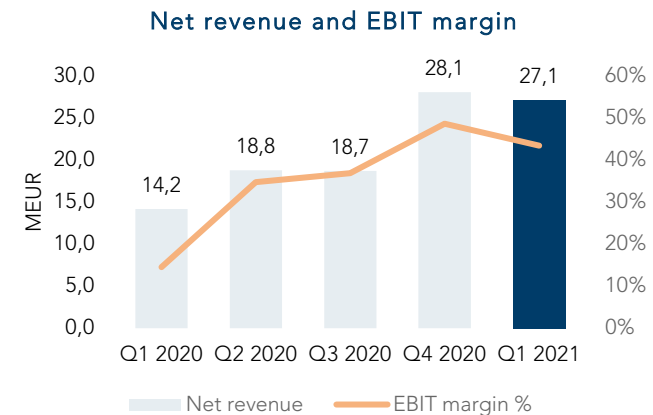
## DEVELOPMENT OF REVENUE AND RESULT

In January-March the Evli Group's net commission income increased 46 percent compared to the comparison period and was EUR 26.0 million (EUR 17.9 million). Fee and commission income developed positively almost across the board. Mutual fund fees in particular increased compared to the comparison period, supported by performance-related fees. Fees from advisory and incentive systems also developed favorably. Instead, brokerage commissions fell short of the comparison period. During the period under review, performance-related fees amounted to EUR 5.1 million from asset management or funds (EUR 0 million).

Net income from securities transactions and foreign exchange dealing increased substantially from the previous year to EUR 1.0 million (EUR -3.7 million). The development was affected by the market collapse in the comparison period and thus by the negative value development of own balance sheet items. Overall, during the review period, the return from Evli Group's operations increased 91 percent year on year and was EUR 27.1 million (EUR 14.2 million).

Overall costs for the January-March, including depreciation, amounted to EUR 15.4 million (EUR 12.1 million). The Group's personnel expenses totaled EUR 9.6 million (EUR 6.6 million) including estimated performance bonuses for the personnel. The Group's administrative expenses were EUR 3.9 million (EUR 3.6 million). The Group's depreciation, amortization and write-downs were EUR 1.1 million (EUR 1.5 million). The Group's other operating expenses totaled EUR 0.7 million (EUR 0.2 million). Expenses for the review period include EUR 0.8 million of non-recurring expenses. Evli's expense/income ratio was 0.57 (0.85).

The Group's operating profit for the review period more than quintupled year on year to EUR 11.8 million (EUR 2.1 million). The operating margin was 43.4 percent (14.5%). The profit for the review period was EUR 10.2 million (EUR 1.9 million). The Group's annualized return on equity was 40.6 percent (10.1%).



## Balance sheet and funding

At the end of March, the Evli Group's balance sheet total was EUR 793.6 million (EUR 1,327.9 million). Due to daily changes in client activity, significant fluctuations in the size of the balance sheet total are possible from one quarter and from one year to the next. At the end of the review period, the Evli Group's equity was EUR 105.1 million (EUR 67.5 million).

Evli applies the standardized approach (capital requirement for credit risk) and the basic indicator approach (capital requirement for operational risk) in its capital adequacy calculation. The Group's capital adequacy ratio of 16.2 percent clearly exceeds the regulator's requirement of 10.5 percent including the extra capital requirement, which was in force during the first quarter. The Group's own minimum target for capital adequacy is 13.0 percent.

The Group's funding from the public and credit institutions decreased by 37.5 percent compared to the comparison period. The company's loan portfolio increased 2.2 percent compared to the comparison period and was EUR 112.6 million (EUR 110.2 million). The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 27.1 percent. The Group's liquidity is good.

The probability of credit losses has not changed significantly during the first quarter. Evli's loan portfolio consists mainly of secured investment loans, which collateral values are monitored on a daily basis. No credit losses were realized during the review period.

### COMMON EQUITY TIER 1 CAPITAL,

M€	31.3.2021	31.3.2020
Share capital	30.2	30.2
Funds total and retained earnings	62.0	34.4
Minority interest	0.0	0.0
<i>Decreases:</i>		
Intangible assets	15.4	-13.3
Other decreases	17.4	-0.0
<b>Total common equity tier 1 capital</b>	<b>59.4</b>	<b>51.3</b>

Evli Pankilla ei ole toissijaista pääomaa.

### Minimum requirement of own funds, M€

	31.3.2021	31.3.2021
Minimum capital adequacy requirement by asset group, standard credit risk method:	Min. requirement	Risk-weighted value
Claims from the state and central banks	0.0	0.0
Claims from regional governments and local authorities	0.0	0.0
Claims from credit institutions and investment firms	2.6	32.9
Investments in mutual funds	4.7	58.2
Claims secured with property	0.0	0.3
Claims from corporate customers	2.8	34.9
Items with high risk, as defined by the authorities	0.1	1.4
Other items	7.6	94.6
Minimum amount of own funds, market risk	0.5	6.5
Minimum amount of own funds, operational risk	11.1	138.9
<b>Total</b>	<b>29.4</b>	<b>367.5</b>



## BUSINESS AREAS

### Wealth Management and Investor Clients

The Wealth Management and Investor Clients segment offers services to present and future high net worth private individuals and institutions. The comprehensive product and service selection includes asset management services, fund products offered by Evli and its partners, various capital market services and alternative investment products. The segment also includes execution and operations activities that directly support these core activities.

#### Wealth Management

The assets under management in Evli's Wealth Management developed positively during the first quarter, especially supported by market developments. At the end of the review period, Evli had EUR 5.5 billion (EUR 4.7 billion) in discretionary asset management assets, which includes both the traditional and the digital services.

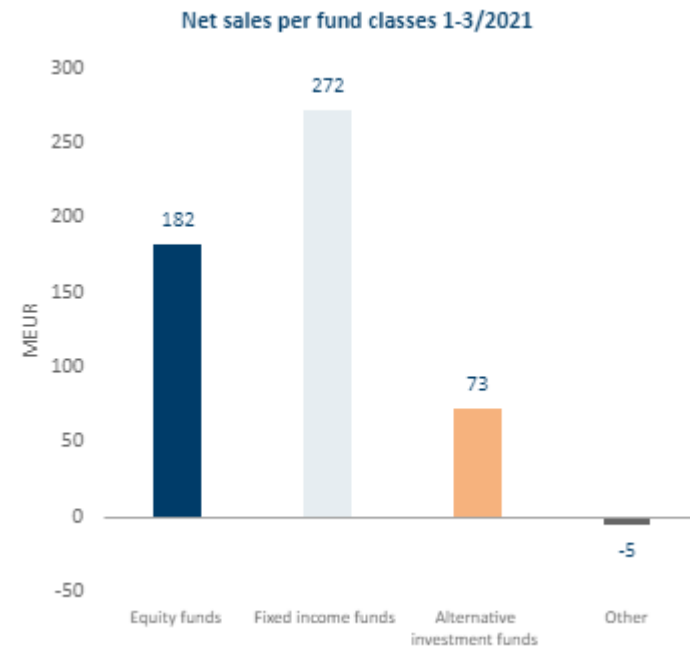
#### Traditional mutual funds

The fund sales developed positively during the review period. The mutual funds' net subscriptions for the first quarter of the year were EUR 461.3 million (EUR -982.4 million). Most of the net subscriptions were to fixed income funds, but the general rotation towards value shares also supported the development of Evli's equity funds. Most net subscriptions were made to Evli Short Corporate Bond (EUR 224 million), Evli Euro Liquidity (EUR 152 million) and Evli Europe (EUR 98 million) funds. Evli's strategic target is to boost the international sales of its investment products. During the first quarter net subscriptions from foreign investors were EUR 41 million (EUR -171 million).

According to the Mutual Fund Report carried out by Investment Research Finland, Evli Fund Management Company's market share decreased by 0.3 percentage points on the previous year and was 6.7 percent at the end of March. At the end of March, Evli had 30 investment funds registered in Finland. The combined assets of the traditional mutual funds managed by the company were EUR 9.4 billion (EUR 7.4 billion). Of this, approximately EUR 2.9 billion were invested in equity funds (EUR 1.8 billion), EUR 6.3 billion in

fixed income funds (EUR 5.5 billion) and EUR 0.2 billion in balanced funds (EUR 0.1 billion).

By the end of March EUR 2.9 billion (EUR 2.4 billion) of Evli's fund capital came from clients outside of Finland.

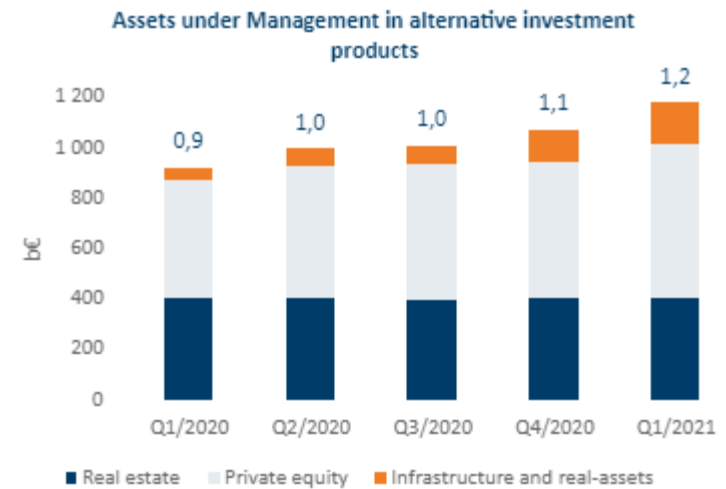


### Alternative investment products

Sales of strategically important alternative investment products were as expected. Subscriptions and investment commitments for alternative investment products totaled around EUR 73 million in the first quarter. Of the subscriptions and investment commitments, EUR 33 million went to the Private Equity Fund, EUR 20 million to the Infrastructure Fund and EUR 15 million to the Impact Forest Fund. In addition, the non-UCITS fund Evli Rental Yield collected subscriptions of EUR 7 million.

### 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 clearly decreased from 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-March the Wealth Management and Investor Clients segment's profit developed favorably. The segment's net revenue grew 40 percent year on year totaling EUR 22.0 million (EUR 15.7 million). An increase in the mutual fund fees and the increased performance-based fees had a positive impact on the revenue development. During the period under review, performance-related fees amounted to EUR 5.1 million from asset management or funds (EUR 0 million).

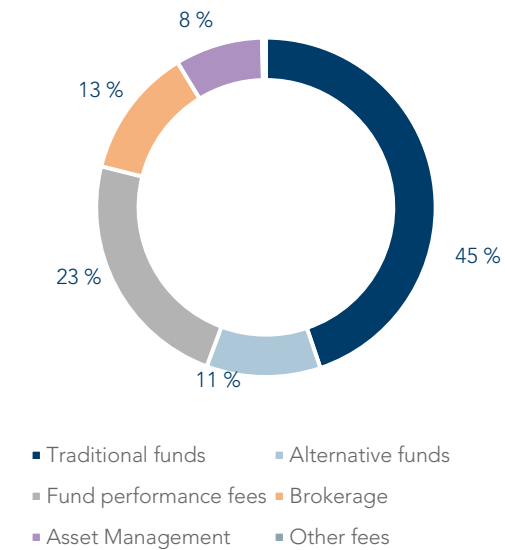
#### Key figures - Wealth Management and Investor Clients segment

M€	1-3/2021	1-3/2020	Change %
Net revenue	22.0	15.7	40%
Operating profit/loss before Group allocations	13.6	7.0	94%
Operating profit/loss	10.6	6.2	72%
Number of personnel	163	159	
Market share, %*	6.8	7.0	
Net subscriptions**	461	-982.4	

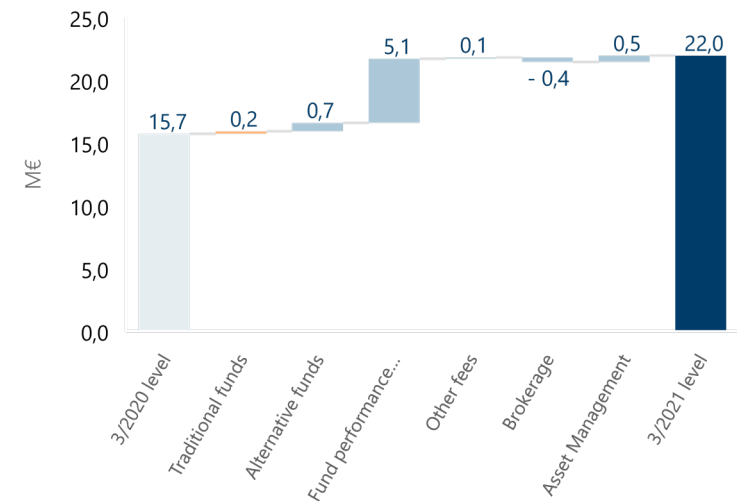
\*Evli Fund Management Company. Source: fund report by Finanssialan Keskusliitto ry

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

Split of Wealth Management fees 1-3/2021



Development of Investor client commission



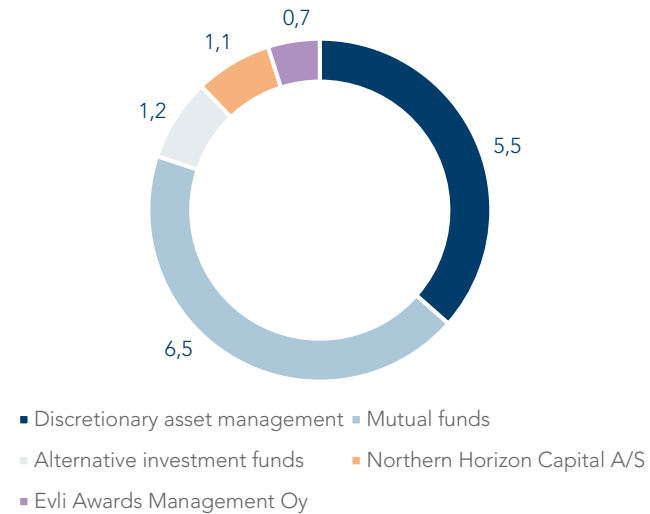
### Development of client assets under management

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

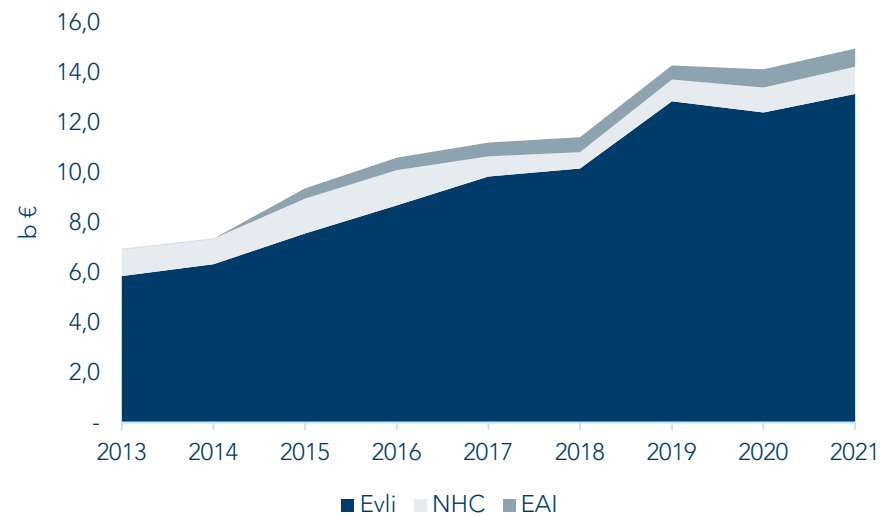
Assets under management developed positively during the review period, supported by net sales and market development, reaching a new record. At the end of March, the Group's total net assets under management were, totaled EUR 15.0 billion (EUR 12.2 billion).

At the end of March, assets under discretionary management amounted to EUR 5.5 billion (EUR 4.7 billion). Correspondingly, direct investments in Evli's traditional mutual funds were EUR 6.5 billion (EUR 5.2 billion) at the end of the review period. The assets under management in alternative investment products was EUR 1.2 billion (EUR 0.9 billion). Assets managed through subsidiaries and associated companies remained at the corresponding level of the previous year.

Net assets under management March, 2021 (EUR bn.)



Development of Assets under management



## 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

After a challenging corona year, client activity in the advisory business has been high. This has been reflected, in particular, in the positive development of the mandate base. During the first quarter of the year, Evli advised on six assignments. Invoicing at the beginning of the year clearly exceeded the level of the comparison period, amounting to EUR 1.8 million (EUR 0.6 million).

During the first quarter Evli's published transactions are:

- Endomines AB (publ)'s rights issue
- Enersense International Oy's private placement
- SEB Private Equity's public take-over of AxKid AB (publ)
- Sitowise Group's add-on acquisitions in Sweden
- PHM Group's add-on acquisition in Sweden
- IK Kapital Partner owned Netel's add-on acquisitions in Sweden

### Incentive systems

At the end of March, Evli was responsible for the administration of the incentive systems for about 90 mainly listed companies, in addition to which it annually advises more than 100 companies on remuneration-related assignments. Increasing sales of product and service offerings related to incentive schemes to overseas and unlisted companies has continued during the first part of the year after the company acquired several new Nordic listed and domestic unlisted companies as its clients. In the first quarter of the year revenues from the Incentive systems business were EUR 2.1 million (EUR 1.5 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.

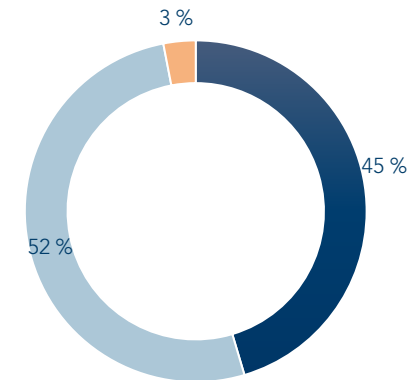
## Financial performance

In **January-March** the net revenue of the Advisory and Corporate Clients segment increased 88 percent year on year totaling EUR 4.0 million (EUR 2.1 million). Significant fluctuations in revenue from one quarter to the next are typical of the segment's M&A activities.

### Key figures - Advisory and Corporate Clients segment

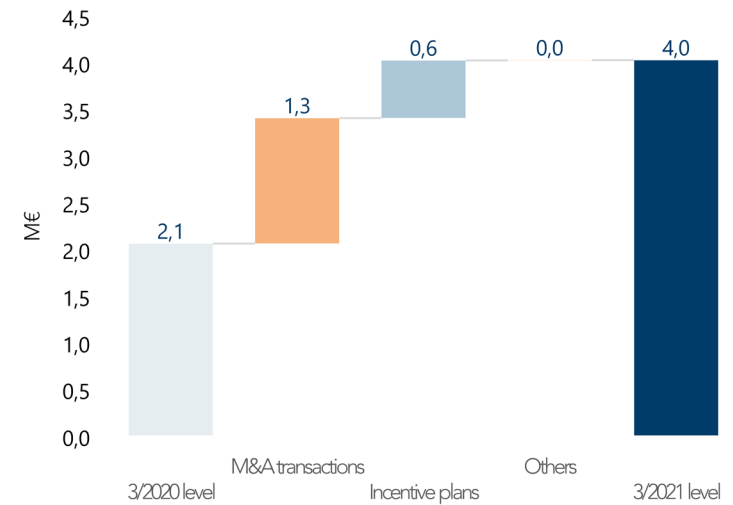
M€	1-3/2021	1-3/2020	Change %
Net revenue	4.0	2.1	88%
Operating profit/loss before Group allocations	1.8	0.5	266%
Operating profit/loss	1.1	0.4	195%
Number of personnel	58	44	

Split of advisory commissions 1-3/2021



■ Advisory fees ■ Incentive management ■ Other advisory fees

Development of advisory commissions



## Group Operations

The Group Operations segment includes support functions serving the business areas, such as Information Management, Financial Administration, Marketing, Communications and Investor Relations, Legal Department, Human Resources, and Internal Services. Banking services and the company's own investment operations that support the company's operations, and the Group's supervisory functions; Compliance, Risk Management and Internal Audit, are also part of Group Operations.

## Financial performance

In **January-March** the return of the Group operations segment increased year on year and was EUR 1.1 million (EUR -3.7 million).

The positive development was due to the market turmoil seen in the comparison period, resulting unrealized losses on fixed income investments in the own balance sheet.

### Key figures - Group Operations segment

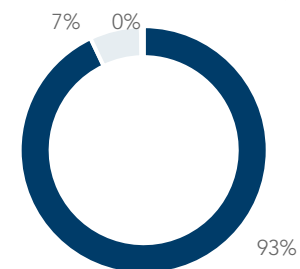
M€	1-3/2021	1-3/2020	Change %
Net revenue	1.1	-3.7	-
Operating profit/loss before Group allocations	-3.7	-5.4	-32%
Operating profit/loss	0.0	-4.5	-
Number of personnel	48	46	

## PERSONNEL

The group had 269 employees (249) at the end of March. The number of employees increased by eighth percent, from the comparison period. 93 percent of the personnel were employed in Finland and seven percent abroad.

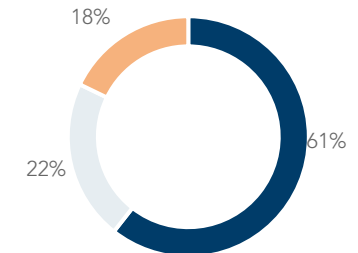
## Employee facts

Employees per country



■ Finland ■ Sweden ■ Arab Emirates

Employees per segment



■ Wealth Management & Investor Clients

## 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 first quarter, Evli continued to systematically develop and expand its responsibility endeavors by launching client-specific ESG reporting. A responsibility report is prepared for each client's investments, providing a comprehensive overview of the responsibility of the investments and of the development of responsibility key figures. Evli also expanded its reporting by publishing an allocation and impact report on the Evli Green Corporate Bond fund. The report provides transparent information on the concrete impacts of the fund's investments. Evli also published an analysis of its funds in accordance with the TCFD (Task Force on Climate-related Financial Disclosures) reporting framework during the first quarter. In February, Evli launched a new fund focusing on Nordic corporate bonds – Evli Nordic 2025 Target Maturity. The fund is managed actively, taking ESG matters into consideration.

When the Sustainable Finance Disclosure Regulation entered into force on May 10, 2021, Evli added the responsibility information required by the regulation to its website, and classified its funds based on how well they take sustainability factors into account. The majority of Evli's funds were classified as funds that promote sustainability factors (article 8 funds, light green), and two were classified as funds that have sustainability objectives (article 9 funds, dark green).

In addition, Evli participated in 12 annual general meetings and engaged with five companies. Because of the coronavirus pandemic, participation in annual general meetings took place via electronic means by providing voting instructions and pre-voting, where applicable. Cases of engagement were related to good governance, human rights and subcontracting chains. During the first quarter, Evli also implemented its third Europe Green Note Autocall certificate.

#### Results 1-3/2021

- New client-specific ESG reports were launched
- The allocation and impact report on the Evli Green Corporate Bond fund was published
- SFDR implementation, most of the funds article 8 & 9
- The second analysis in accordance with the TCFD-framework published
- Participation in twelve annual general meetings
- Engaging with five companies
- Third Europe Green Note Autocall certificate

#### Goals 2021

Deepening ESG integration

Developing employee diversity

Setting climate goals

introduction of new mutual funds with ESG emphasis



## EVLI'S SHARES AND SHARE CAPITAL

At the end of March, Evli Bank Plc's total number of shares was 24,109,420 of which 14,627,664 were series A shares and 9,481,756 were series B shares. The company held 328,998 series B shares. The company's share capital was EUR 30,194,097.31 at the end of March. No changes took place in the share capital.

Under Article 4 of its Articles of Association, the company converted 7,600 A shares into B shares on February 22, 2021. Public trading on the converted shares began at Nasdaq Helsinki Ltd on February 23, 2021.

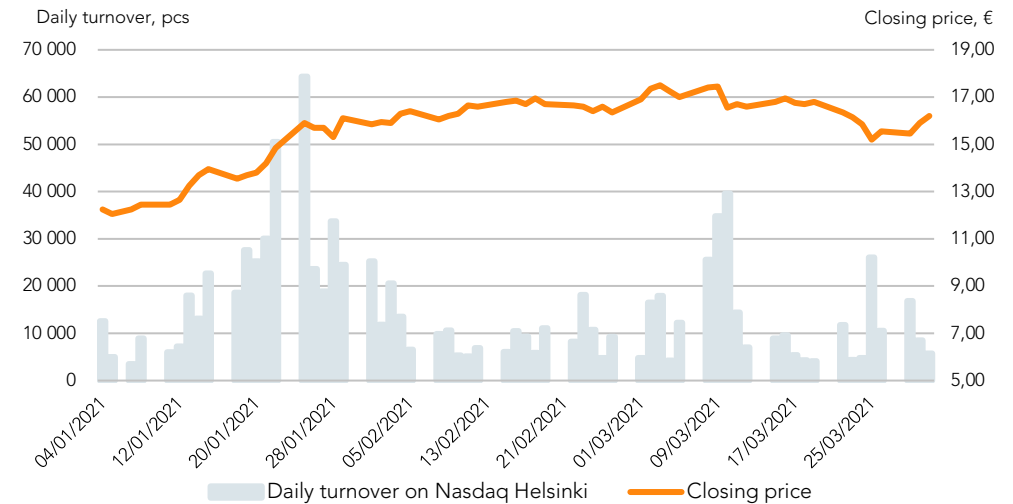
### Trading on Nasdaq Helsinki

	1-3/2021	1-3/2020
Highest price, €	17.95	12.6
Lowest price, €	11.90	6.78
Trading in the shares, €	14,382,757	12,539,014
Trading in the shares, pcs	921,285	1,190,947

	March 31, 2021	March 31, 2020
Evli's series B shares, pcs	9,481,756	8,740,545
Closing price, €	16.2	7.40
Market capitalization*, M€	390.6	176.9

\*The market capitalization is calculated based on both unlisted A shares and listed B shares. A shares are valued at the closing value of the B share at the end of the reporting period.

### Share price development and trading volume (series B shares) 1.1.–31.3.2021



### Shareholders

The total number of shareholders at the end of March was 5,484 (4,778). The stake of Finnish companies was 55 percent (54%) and that of private Finnish individuals was 27 percent (26%). The remaining 18 percent of the shares (20%) were owned by financial and insurance institutions, public sector organizations, non-profit institutions serving households and foreign investors. Evli's ten largest shareholders on March 31, 2021 are listed on page 36.

## DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Evli Bank Plc's Annual General Meeting, held in Helsinki on March 9, 2021, decided on the following matters:

### Adoption of the financial statements and use of the profit shown on the balance sheet and the payment of dividend

Evli Bank Plc's Annual General Meeting adopted the financial statements. The Meeting approved the Board of Directors' proposal authorize the Board of Directors to pay a dividend for the financial year 2020 and that the maximum amount of the dividend is EUR 0.73 per share. The Annual General Meeting authorized the Board of Directors to decide on the payment of the dividend in one or more instalments at a time it deems best, taking into account the current authority recommendations. The dividend will be paid to shareholders who are entered in the shareholder register maintained by Euroclear Finland Oy on a record date determined separately by the Board of Directors.

### The release from liability of the members of the Board of Directors and the CEO

The Annual General Meeting granted release from liability to the Members of the Board of Directors and the CEO for the 2020 financial year.

### Remuneration policy

The Annual General Meeting approved the Remuneration Report 2020 of the company's governing bodies.

### Number of Board members, members and fees

The Annual General Meeting confirmed five as the total number of members of the Board of Directors. Henrik Andersin, Fredrik Hacklin, Sari Helander, Robert Ingman and Teuvo Salminen were re-elected to Evli Bank Plc's Board of Directors. The meeting attendance fee payable to Board members is EUR 5,000.00 per month, and the attendance fee payable to the Chairmen of the

Committees is EUR 6,000.00 per month. The meeting attendance fee payable to the Chairman of the Board is EUR 7,500.00 per month.

### Auditors and auditors' fees

PricewaterhouseCoopers Oy, an auditing firm, was elected as the auditor, with Jukka Paunonen, Authorized Public Accountant, as the principally responsible auditor. The auditor shall be paid remuneration according to a reasonable invoice approved by the company.

### Board authorizations

The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the company's own series A and series B shares in one or more lots as follows:

The total number of own series A shares to be repurchased may be a maximum of 1,463,526 shares, and the total number of own series B shares to be repurchased may be a maximum of 947,416 shares. The number of shares represents approximately ten percent of all the shares of the company on the date of the Notice of the Annual General Meeting.

Based on the authorization, the company's own shares may only be repurchased with unrestricted equity.

The company's own shares may be repurchased at the price formed for series B shares in public trading or at the price otherwise formed on the market on the purchase day.

The Board of Directors will decide how the company's own shares will be repurchased. Financial instruments such as derivatives may be used in the purchasing. The company's own shares may be repurchased in other proportion than the shareholders' proportional shareholdings (private purchase). Shares may be repurchased through public trading at the

prevailing market price formed for the B-shares in public trading on the Nasdaq Helsinki Oy on the date of repurchase.

The authorization will replace earlier unused authorizations to repurchase the company's own shares. The authorization will be in force until the next Annual General Meeting but no later than until June 30, 2022.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and special rights entitling to shares pursuant to chapter 10, section 1, of the Companies Act in one or more lots, for a fee or free of charge.

Based on the authorization, the number of shares issued or transferred, including shares received based on special rights, may total a maximum of 2,410,942 series B shares. The number of shares represents approximately ten percent of all the shares of the company on the date of the Notice of the Annual General Meeting. Of the above-mentioned total number, however, a maximum of 241,094 shares may be used as part of the company's share-based incentive schemes, representing approximately one percent of all the shares of the company on the date of the Notice of the Annual General Meeting.

The authorization will entitle the Board of Directors to decide on all the terms and conditions related to the issuing of shares and special rights entitling to shares, including the right to deviate from the shareholders' pre-emptive subscription rights. The Board of Directors may decide to issue either new shares or any own shares in the possession of the company.

The authorization will replace earlier unused authorizations concerning the issuance of shares as well as the issuance of options and other special rights entitling to shares. The authorization will be in force until the end of the next Annual General Meeting but no longer than until June 30, 2022.

## CHANGES IN GROUP STRUCTURE

During the first quarter Evli bought five percent and sold 40 percent of its shares in Terra Nova Capital Advisors Ltd to its employees. Following the transaction, Evli's ownership in the company is 55 percent.

## BUSINESS ENVIRONMENT

The recovery of the investment markets has had a positive effect on Evli's business environment. Investors' risk appetite and investment interest have increased along with the market rise supported by governments and central banks,. The prospect of deregulation on as summer approaches and acceleration of economic growth together with corona vaccinations further increase optimism. However, potential rapid acceleration of inflation and the risk of continuation of lock-downs if vaccine resistant viral variations become more common create uncertainty.

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

In line with its strategy, Evli has increasingly invested in international growth and development of 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. Efforts have also been made to achieve even better business scalability.

The company focuses its international growth on the Nordic and European markets. In addition to product availability, n addition to product availability, the streamlining and adaptation of administrative processes and structures to correspond to the standards that investors are accustomed to on other markets are critical for the success of international growth. Evli is excellently placed where international sales are concerned, and the image of a high-quality Nordic fund management boutique is of interest to foreign investors. Previous year was exceptionally challenging due to corona worries for international sales, but now as concerns ease, the growth outlook has clearly improved.

Alternative investment products are another important strategic focus area for Evli. The company's goal is to be able to offer a comprehensive product selection from typical, very liquid fixed income funds to more exotic real

interest rate and private equity funds. To achieve this goal, Evli has launched several new products and will further expand its offering to new asset classes in the future. The Finnish market is highly competitive in terms of alternative investment products. Despite the challenges posed by the operating environment, Evli's objective is to turn alternative investment products into a major source of revenue, with the help of a comprehensive selection 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.

## OUTLOOK FOR 2021 SPECIFIED

This year has started positively from a business perspective, supported by strong client demand and favorable equity market performance.

The general performance of the equity and fixed income markets is always prone to risks, however. A decline in equity prices or a reduction in investors' risk appetite would have a negative impact on the company's profit performance, for example. Nevertheless, the assets under the Group's management that reached a new record level by the end of the first quarter and the product selection that expanded, especially in alternative investment products, alleviate negative profit impacts of a possible market reversal.

There has been positive development in the demand for advisory services, and its outlook for 2021 is stable. Although investment activities through Evli's own balance sheet constitute only a limited proportion of Evli's business, these could still have a substantial impact on profit performance during sudden market movements. Seasonal and annual fluctuations in revenues from advisory business and own investments are possible.

In the view of the above mentioned reasons, the company has adjusted its outlook. If the market conditions continue to be favorable, we estimate that the operating profit for 2021 will exceed the level of the comparison period.

Earlier, we estimated that the operating profit for 2021 would be clearly positive.

Helsinki, April 15, 2021

EVLI BANK PLC  
Board of Directors

### Additional information:

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

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

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

## INVESTOR CALENDER 2021

- Half-year Financial Report, January-June: July 14, 2021
- Interim Report, January-September: October 20, 2021

## INTERIM REPORT TABLES AND APPENDICIES

Consolidated comprehensive income statement .....	22
Consolidated comprehensive income statement quarterly .....	23
Consolidated balance sheet .....	24
Consolidated statement of changes in equity.....	25
Consolidated segment income statement .....	26
Consolidated statement of cash flow.....	27
Key figures describing the Group's financial performance.....	28
Calculation of key ratios.....	29
Notes to balance sheet.....	30
Value of financial instruments across the three levels of the fair value hierarchy.....	31
Derivative contracts.....	32
IFRS 9 - Financial instruments.....	33
IFRS 16 - Leases .....	34
Accounting policies.....	35
Adoption of new and amended standards and interpretations applicable in future financial years.....	35
Appendix 1 Ten largest shareholders March 31, 2021 .....	36

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

## Consolidated comprehensive income statement

	1-3/2021	1-3/2020	1-12/2020
Net interest income	0.1	0.0	0.2
Commission income and expense, net	26.0	17.9	76.8
Net income from securities transactions and foreign exchange dealing	1.0	-3.7	2.4
Other operating income	0.0	0.0	0.2
<b>NET REVENUE</b>	<b>27.1</b>	<b>14.2</b>	<b>79.7</b>
Administrative expenses			
Personnel expenses	-9.6	-6.6	-30.5
Other administrative expenses	-3.9	-3.6	-12.5
Depreciation, amortisation and write-down	-1.1	-1.5	-5.7
Other operating expenses	-0.7	-0.2	-1.7
Impairment losses on loans and other receivables	0.0	-0.2	-0.1
<b>NET OPERATING PROFIT / LOSS</b>	<b>11.8</b>	<b>2.1</b>	<b>29.1</b>
Share of profits (losses) of associates	0.3	0.2	0.4
Income taxes*	-1.9	-0.4	-6.3
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>10.2</b>	<b>1.9</b>	<b>23.2</b>
Attributable to			
Non-controlling interest	1.8	0.3	1.9
Equity holders of parent company	8.4	1.6	21.3
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>10.2</b>	<b>1.9</b>	<b>23.2</b>
<b>OTHER COMPREHENSIVE INCOME / LOSS</b>			
Items, that will not be reclassified to profit or loss			
Income and expenses recognised directly in equity	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences - foreign operations	0.1	-0.3	0.2
Other comprehensive income/loss	0.1	-0.3	0.2
Other comprehensive income after taxes / loss total	0.1	-0.3	0.2
<b>OTHER COMPREHENSIVE INCOME / LOSS TOTAL</b>	<b>10.3</b>	<b>1.5</b>	<b>23.4</b>
Attributable to			
Non-controlling interest	1.8	0.3	1.9
Equity holders of parent company	8.5	1.3	21.5
Earnings per Share (EPS), fully diluted	0.34	0.07	0.87
Comprehensive Earnings per Share (EPS), fully diluted	0.35	0.07	0.88

## Consolidated comprehensive income statement quarterly

	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Net interest income	0.1	0.0	-0.1	0.2	0.0
Commission income and expense, net	26.0	26.6	16.8	15.6	17.9
Net income from securities transactions and foreign exchange dealing	1.0	1.4	1.8	2.9	-3.7
Other operating income	0.0	0.1	0.1	0.0	0.0
<b>NET REVENUE</b>	<b>27.1</b>	<b>28.1</b>	<b>18.7</b>	<b>18.8</b>	<b>14.2</b>
Administrative expenses					
Personnel expenses	-9.6	-8.9	-7.5	-7.5	-6.6
Other administrative expenses	-3.9	-3.4	-2.6	-2.8	-3.6
Depreciation, amortisation and write-down	-1.1	-1.3	-1.5	-1.5	-1.5
Other operating expenses	-0.7	-0.8	-0.2	-0.5	-0.2
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	-0.2
<b>NET OPERATING PROFIT/LOSS</b>	<b>11.8</b>	<b>13.6</b>	<b>6.9</b>	<b>6.5</b>	<b>2.1</b>
Share of profits (losses) of associates	0.3	0.1	0.2	0.0	0.2
Income taxes*	-1.9	-2.7	-1.4	-1.7	-0.4
<b>PROFIT/LOSS FOR FINANCIAL YEAR</b>	<b>10.2</b>	<b>11.0</b>	<b>5.6</b>	<b>4.8</b>	<b>1.9</b>
Attributable to					
Non-controlling interest	1.8	0.6	0.7	0.4	0.3
Equity holders of parent company	8.4	10.4	4.9	4.4	1.6
<b>PROFIT/LOSS FOR FINANCIAL YEAR</b>	<b>10.2</b>	<b>11.0</b>	<b>5.6</b>	<b>4.8</b>	<b>1.9</b>
<b>OTHER COMPREHENSIVE INCOME/LOSS</b>					
Items, that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0.1	0.3	0.0	0.3	-0.3
Other comprehensive income/loss	0.1	0.3	0.0	0.3	-0.3
Other comprehensive income after taxes/loss total	0.1	0.3	0.0	0.3	-0.3
<b>OTHER COMPREHENSIVE INCOME/LOSS TOTAL</b>	<b>10.3</b>	<b>11.2</b>	<b>5.6</b>	<b>5.1</b>	<b>1.5</b>
Attributable to					
Non-controlling interest	1.8	0.6	0.7	0.4	0.3
Equity holders of parent company	8.5	10.6	4.9	4.7	1.3



## Consolidated balance sheet

	31.3.2021	31.3.2020	31.12.2020
<b>ASSETS</b>			
Liquid assets	350.9	454.6	331.6
Debt securities eligible for refinancing with central banks	37.1	46.4	37.2
Claims on credit institutions	63.5	101.7	66.8
Claims on the public and public-sector entities	112.6	110.2	109.6
Debt securities	2.0	163.7	9.8
Shares and participations	67.9	42.4	57.3
Participating interests	3.1	4.0	4.2
Derivative contracts	35.2	107.6	52.2
Intangible assets	15.4	13.3	16.0
Property, plant and equipment	1.4	1.8	1.4
Other assets	101.3	277.0	83.3
Accrued income and prepayments	3.2	3.9	3.3
Deferred tax assets	0.1	1.4	0.1
<b>TOTAL ASSETS</b>	<b>793.6</b>	<b>1,327.9</b>	<b>772.6</b>
<b>LIABILITIES</b>			
Liabilities to credit institutions and central banks	7.3	48.9	0.7
Liabilities to the public and public-sector entities	415.9	671.9	385.2
Debt securities issued to the public	121.6	151.7	131.1
Derivative contracts and other trading liabilities	38.3	107.5	52.5
Other liabilities	80.8	262.7	84.4
Accrued expenses and deferred income	24.5	17.8	23.3
Deferred tax liabilities	0.0	0.0	0.0
<b>LIABILITIES TOTAL</b>	<b>688.5</b>	<b>1,260.4</b>	<b>677.2</b>
Equity to holders of parent company	100.6	66.2	91.8
Non-controlling interest in capital	4.5	1.4	3.6
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>793.6</b>	<b>1,327.9</b>	<b>772.6</b>

## Consolidated statement of changes in equity

	Share capital	Share premium fund	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interest	Total Equity
<b>Equity capital 31.12.2019</b>	30.2	1.8	18.7	29.3	80.1	1.7	<b>81.8</b>
Translation difference				-0.2	-0.2		<b>-0.2</b>
Profit/loss for the period				1.6	1.6	0.3	<b>1.9</b>
Dividends				-15.6	-15.6	-0.5	<b>-16.1</b>
Share options exercised					0.0		<b>0.0</b>
Acquisition of own shares					0.0		<b>0.0</b>
Acquisition of non-controlling interest					0.0		<b>0.0</b>
Other changes				0.2	0.2	0.0	<b>0.2</b>
<b>Equity capital 31.3.2020</b>	30.2	1.8	18.7	15.4	66.2	1.4	<b>67.5</b>
Translation difference				0.5	0.5		<b>0.5</b>
Profit/loss for the period				20.3	20.3	1.0	<b>21.3</b>
Dividends				0.3	0.3	-0.5	<b>-0.2</b>
Share options exercised			1.5		1.5		<b>1.5</b>
Acquisition of own shares					0.0		<b>0.0</b>
Acquisition of non-controlling interest					0.0		<b>0.0</b>
Other changes*			2.7	0.9	3.6	1.0	<b>4.6</b>
<b>Equity capital 31.12.2020</b>	30.2	1.8	22.8	37.5	92.4	3.0	<b>95.4</b>
Translation difference				0.1	0.1		<b>0.2</b>
Profit/loss for the period				8.4	8.4	1.8	<b>10.2</b>
Dividends				-0.2	-0.2	-0.8	<b>-1.0</b>
Share options exercised					0.0		<b>0.0</b>
Acquisition of own shares					0.0		<b>0.0</b>
Acquisition of non-controlling interest					0.0		<b>0.0</b>
Other changes**				-0.3	-0.3	0.6	<b>0.3</b>
<b>Equity capital 31.3.2021</b>	<b>30.2</b>	<b>1.8</b>	<b>22.8</b>	<b>45.7</b>	<b>100.6</b>	<b>4.5</b>	<b>105.1</b>

\* 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.

## Consolidated segment income statement

	Wealth Management and Investor Clients		Advisory and Corporate Clients		Group Operations		Unallocated		Group	
	1-3/ 2021	1-3/ 2020	1-3/ 2021	1-3/ 2020	1-3/ 2021	1-3/ 2020	1-3/ 2021	1-3/ 2020	1-3/ 2021	1-3/ 2020
<b>REVENUE</b>										
Net interest	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0
Net commissions	22.0	15.7	4.0	2.1	0.0	0.0	0.0	0.0	26.0	17.9
Trading and FX result	0.0	0.0	0.0	0.0	1.0	-3.7	0.0	0.0	1.0	-3.7
Other operative income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External sales	22.0	15.7	4.0	2.1	1.1	-3.7	0.0	0.0	27.1	14.2
Inter-segment sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total revenue</b>	<b>22.0</b>	<b>15.7</b>	<b>4.0</b>	<b>2.1</b>	<b>1.1</b>	<b>-3.7</b>	<b>0.0</b>	<b>0.0</b>	<b>27.1</b>	<b>14.2</b>
<b>Timing of revenue recognition</b>										
At a point in time	14.3	12.7	1.6	1.6	0.0	0.0	0.0	0.0	15.8	14.3
Over time	7.7	3.0	2.5	0.6	0.0	0.0	0.0	0.0	10.2	3.6
<b>RESULT</b>										
Segment operating expenses	-7.9	-7.8	-2.1	-1.6	-4.3	-1.4	0.0	0.4	-14.3	-10.4
<b>Business units operating profit before depreciations and Group allocations</b>	<b>14.2</b>	<b>7.9</b>	<b>2.0</b>	<b>0.6</b>	<b>-3.2</b>	<b>-5.1</b>	<b>0.0</b>	<b>0.4</b>	<b>12.9</b>	<b>3.8</b>
Depreciations	-0.6	-0.9	-0.1	-0.1	-0.4	-0.1	0.0	-0.5	-1.1	-1.5
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	-0.2
<b>Business units operating profit before Group allocations</b>	<b>13.6</b>	<b>7.0</b>	<b>1.8</b>	<b>0.5</b>	<b>-3.7</b>	<b>-5.4</b>	<b>0.0</b>	<b>-0.1</b>	<b>11.8</b>	<b>2.1</b>
Allocated corporate expenses	-3.0	-0.8	-0.7	-0.1	3.7	0.9	0.0	0.0	0.0	0.0
<b>Operating profit including Group allocations</b>	<b>10.6</b>	<b>6.2</b>	<b>1.1</b>	<b>0.4</b>	<b>0.0</b>	<b>-4.5</b>	<b>0.0</b>	<b>-0.1</b>	<b>11.8</b>	<b>2.1</b>
Share of profits (losses) of associates	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.2	0.3	0.2
Income taxes	-0.6	-1.0	-0.3	-0.1	-1.0	0.7	0.0	0.0	-1.9	-0.4
<b>Segment profit/loss</b>	<b>10.0</b>	<b>5.2</b>	<b>0.8</b>	<b>0.2</b>	<b>-0.6</b>	<b>-3.8</b>	<b>0.0</b>	<b>0.2</b>	<b>10.2</b>	<b>1.9</b>

Regular reporting to top management does not include breakdown of assets and liabilities of Evli Group to different business segments. Because of this the breakdown of assets and liabilities to segments is not included in the official segment report. Allocated corporate expenses include cost items relating to general administration of Evli Group and banking business that are allocated to business units using allocation drivers in place at each time of review. Group Operations comprise Management of Evli Group, certain back-office functions, Treasury, Group Risk Management, Financial Administration, Information Management, Marketing, Communications and Investor Relations, Legal Department and Compliance, and Human Resource.

## Consolidated statement of cash flow

	1-3/2021	1-3/2020	1-12/2020
<b>Operating activities</b>			
Operating profit	11.8	2.1	29.1
Adjustment for items not included in cash flow	2.3	-1.4	8.2
Income taxes paid	-1.2	-0.5	-5.0
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>12.9</b>	<b>0.1</b>	<b>32.3</b>
<b>Changes in operating asset. total</b>	<b>-12.9</b>	<b>-208.6</b>	<b>170.5</b>
<b>Changes in operating liabilities. total</b>	<b>24.5</b>	<b>373.4</b>	<b>-158.4</b>
<b>Cash flow from operating activities</b>	<b>24.5</b>	<b>164.8</b>	<b>44.5</b>
<b>Investing activities</b>			
Change in intangible asset	-0.1	-0.1	-0.6
Change in property, plant and equipment	0.0	-0.1	-0.2
<b>Cash flow from investing activities</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.8</b>
<b>Financing activities</b>			
Dividends paid to company's shareholders	-0.2	-15.6	-15.3
Dividends paid to non-controlling interests in subsidiaries	-1.8	-0.5	-1.0
Payment of finance lease liabilities	-0.3	-0.6	-2.0
Acquisition of own shares	0.0	0.0	0.0
Used option rights	0.0	0.0	1.5
<b>Cash flow from financing activities</b>	<b>-2.2</b>	<b>-16.7</b>	<b>-16.8</b>
Cash and cash equivalents at the beginning of period	338.2	311.4	311.4
Translation difference	0.0	0.0	0.0
Cash and cash equivalents at the end of year	360.4	459.3	338.2
<b>Change</b>	<b>22.2</b>	<b>147.9</b>	<b>26.8</b>

## Key figures describing the Group's financial performance

	1-3/2021	1-3/2020	1-12/2020
<b>Income statement key figures</b>			
Operating income. M€	27.1	14.2	79.7
Operating profit/-loss. M€	11.8	2.1	29.1
Operating profit margin. %	43.4	14.5	36.5
Profit/loss for the financial year. M€	10.2	1.9	23.2
<b>Profitability key figures</b>			
Return on equity (ROE). %	40.6	10.1	26.2
Return on assets (ROA). %	5.2	0.7	2.7
<b>Balance sheet key figures</b>			
Equity-to-assets ratio. %	13.2	5.1	12.3
Capital adequacy ratio. %	16.2	14.6	15.2
<b>Key figures per share</b>			
Earnings per Share (EPS). fully diluted. €	0.34	0.07	0.87
Comprehensive Earnings per Share (EPS). fully diluted. €	0.35	0.07	0.88
Dividend / share. €		-	0.73*
Equity per share. €	4.17	2.80	3.86
Share price at the end of the period. €	16.20	7.40	12.20
<b>Other key figures</b>			
Expense ratio (operating costs to net revenue)	0.57	0.85	0.63
Recurring revenue ratio. %	117	118	124
Personnel at the end of the period	269	249	261
Market value. M€	390.6	176.9	294.1

\*Approved by the Annual General Meeting. The time of payment of the dividend has not yet been determined.

## Group's capital adequacy

	1-3/2021	1-3/2020	1-12/2020
Own assets (common equity Tier 1 capital). M€	59.4	51.3	54.5
Risk-weighted items total for market- and credit risks. M€	228.5	216.4	220.4
Capital adequacy ratio. %	16.2	14.6	15.2
Evli Bank Plc's adequacy ratio. %	17.9	16.8	18.7
Own funds surplus. M€	30.0	23.3	25.8
Own funds in relation to the minimum capital requirement	2.0	1.8	1.9
Own funds surplus including additional capital requirement. M€	20.8	14.5	16.8

## Calculation of key ratios

Net revenue		From Income Statement. Includes gross returns. deducted by interest and commission expenses.
Operating profit		From Income Statement
Profit for the financial year		From Income Statement
Return on equity (ROE). %	=	$\frac{\text{Profit / Loss for financial year}}{\text{Equity capital and minority interest (average of the figures for the beginning and at the end of the year)}} \times 100$
Return on assets (ROA). %	=	$\frac{\text{Profit / Loss for financial year}}{\text{Average total assets (average of the figures for the beginning and at the end of the year)}} \times 100$
Equity ratio. %	=	$\frac{\text{Equity incl. non-controlling interest's share of equity}}{\text{Average balance total}} \times 100$
Expense ratio as earnings to operating costs	=	$\frac{\text{Administrative expenses + depreciation and impairment charges+ other operating expenses}}{\text{Net interest income + net commission income + net income from securities transactions and foreign exchange dealing + other operating income}}$
Comprehensive Earnings per Share (EPS), fully diluted	=	$\frac{\text{Comprehensive income for the year after taxes attributable to the shareholders of Evli Bank Plc}}{\text{Average number of shares outstanding including issued share and option rights}}$
Earnings per Share (EPS)	=	$\frac{\text{Profit for the year after taxes attributable to the shareholders of Evli Bank Plc}}{\text{Average number of shares outstanding including issued share and option rights}}$
Group's capital adequacy (CET1). %	=	$\frac{\text{Group assets (common equity Tier 1 capital)}}{\text{Risk-weighted items total}} \times 100$
Equity per share	=	$\frac{\text{Equity attributable to the shareholders of Evli Bank Plc}}{\text{Number of shares at the end of the year}}$
Recurring revenue to operating costs ratio	=	$\frac{\text{All revenues that are not transaction based but time dependent*}}{\text{All operative expenses excluding reservation for bonuses from review period}}$

\*Asset management. fund fees. administration of incentive schemes. research. custody and client net interest fees

## Notes to balance sheet

	31.3.2021	31.3.2020	31.12.2020	
<b>Equity and debt securities</b>				
Equity securities are presented in the Statement of Changes in Equity				
Debt securities issued to the public				
Certificates of Deposits and commercial papers	10.0	15.0	10.0	
Bonds	111.6	136.7	121.1	
<b>Debt securities issued to the public</b>	<b>121.6</b>	<b>151.7</b>	<b>131.1</b>	
<b>Breakdown by maturity</b>	<b>under 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5-10 years</b>
Debt securities issued to the public	10.7	2.2	108.8	0.0
<b>Changes in bonds issued to the public</b>	<b>31.3.2021</b>	<b>31.3.2020</b>	<b>31.12.2020</b>	
Issues	0.0	27.6	31.7	
Repurchases	8.9	13.4	34.4	
<b>Off-balance sheet commitments</b>				
Commitments given to a third party on behalf of a customer	8.0	11.9	5.4	
Irrevocable commitments given in favour of a customer	2.2	1.3	2.3	
Guarantees on behalf of others	0.0	0.5	0.0	
Unused credit facilities	17.3	12.7	9.6	
<b>Transactions with related parties</b>	<b>1-3/2021</b>			
	<b>Associated companies</b>	<b>Group management</b>		
Sales	0.0	0.0		
Purchases	0.0	0.0		
Receivables	0.0	0.5		
Liabilities	0.0	0.0		

There were no major changes in transactions with related parties in the review period.

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

Fair value	Level 1 2020	Level 2 2020	Level 3 2020	Total
<b>Financial assets</b>				
Shares and participations classified as held for trading	3.1	0.0	0.0	3.1
Shares and participations, other	57.5	0.0	7.3	64.8
Debt securities eligible for refinancing with central banks	37.1	0.0	0.0	37.1
Debt securities	1.3	0.3	0.4	2.0
Positive market values from derivatives	0.0	33.3	1.9	35.2
<b>Total financial assets held at fair value</b>	<b>99.0</b>	<b>33.6</b>	<b>9.6</b>	<b>142.2</b>
<b>Financial liabilities</b>				
Shares and participations classified as held for trading	3.3	0.0	0.0	3.3
Negative market values from derivatives	0.0	33.2	1.9	35.1
<b>Total financial liabilities held at fair value</b>	<b>3.3</b>	<b>33.2</b>	<b>1.9</b>	<b>38.3</b>

## Explanation of fair value hierarchies

## Level 1

Fair values measured using quoted prices in active markets for identical instruments.

## Level 2

Fair values measured using directly or indirectly observable inputs, other than those included in level 1.

## Level 3

Fair values measured using inputs that are not based on observable market data.

Level 1 of the hierarchy includes listed shares, mutual funds and derivatives listed on exchanges, and debt securities that are traded in active OTC- and public markets.

Shares and participations classified in level 3 are usually instruments which are not publicly traded, like venture capital funds, real estate funds, equities and equity rights.

Derivatives in level 2 are forwards whose values are calculated with inputs like quoted interest rates and currency rates.

Derivative valuations for level 3 instruments contain inputs (volatility and dividend estimate) which are not directly observable in the market. The values are calculated with pricing models widely in use, like Black-Scholes. Valuations received from the counterparty of the OTC trade are classified as level 3 valuations.

There is no significant change in the option fair values, if the volatility estimates are changed to publicly obtained historical volatilities.

Debt securities valuations that are obtained from markets that are not fully active, have a fair value level hierarchy of 2. Level 3 valuations for debt securities are valuations for illiquid securities that are received directly from the arranger of the issue, or the valuation is calculated by Evli Bank.



## Derivative contracts

Nominal value of underlying, gross	Remaining maturity			Fair value (+/-)
	Less than 1 year	1-5 years	5-15 years	
<b>Held for trading</b>				
Interest rate derivatives				
Interest rate swaps	4.3	94.0	0.0	0.0
Equity-linked derivatives				
Futures	0.0	3.4	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	4957.5	24.0	0.0	0.1
<b>Held for trading, total</b>	<b>4961.8</b>	<b>121.4</b>	<b>0.0</b>	<b>0.1</b>
<b>Derivative contracts, total</b>	<b>4961.8</b>	<b>121.4</b>	<b>0.0</b>	<b>0.1</b>

The interest rate derivatives hedge the interest rate risk in assets and liabilities in the balance sheet.

Currency derivatives comprise commitments made against clients and the associated hedges, and contracts made to hedge currency risk in the balance sheet. The net open risk position of the total amount is small.

Equity derivatives in the banking book hedge the equity risk in equity-linked bonds issued to the public.

## IFRS 9 - Financial instruments

Items to be measured according the IFRS 9 standard. expected credit losses  
Financial assets measured at amortized cost and accounts receivable

Balance sheet item	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1. credit loss provision
Receivables from credit institutions	63.5	63.5	0.0	0.0	0.0	0.0
Receivables from the public	112.6	110.6	2.0	0.0	0.2	0.2
Receivables from the public; corporate	32.7	31.1	1.6	0.0	0.1	0.1
Receivables from the public; private	79.9	79.5	0.4	0.0	0.1	0.1
Receivables from the public; other	0.0	0.0	0.0	0.0	0.0	0.0
Sales receivables	3.4	3.2	0.3	0.0	0.0	0.0
Off-balance sheet loan commitments	17.3	17.2	0.1	0.0	0.0	0.0
<b>Total</b>	<b>196.8</b>	<b>194.5</b>	<b>2.3</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>

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.

For customer credits, no transfers have been made during the first quarter between the levels 1, 2 and 3.

The bank has no loan payment instalments that are over 90 days late.

The expected credit loss is a probability-weighted calculation formula in which the parameters used are probability of default and the potential total loss when the receivable's collateral is realized.

The parameters are generally measured on group levels, and financial assets are classified of assets with similar risks and collateral.

The probability of default of counterparties is primarily measured with statistical data based on the relative amount of problem receivables in the credit stock on a national level.

The Group has no assets in the 'measured at fair value through comprehensive income' group, and the debt securities are not valued at amortized cost.

### IMPACT OF THE IFRS 9 STANDARD

Impact on capital adequacy, %	-0.1
Impact on own funds, M€	-0.2

## IFRS 16 - Leases

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

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

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

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

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

Typically, lease contract terms range between two and five years and may contain an option to extend the lease term.

Evli has negotiated individual contracts with potentially differing terms and conditions for each location.

The impact of the IFRS 16 standard on the Group's other assets and other liabilities at the end of the year was EUR 9.0 million. Potential options to extend current leases have not been considered due to uncertainty related to the use of those options.

### Measurement of lease liabilities

<b>Lease liability recognized on 1.1.2021</b>	<b>9.6</b>
Additions	0.0
Deductions	-0.3
Depreciations	-0.3
<b>Lease liability according to balance sheet on 31.3.2021</b>	<b>9.0</b>
Current lease liabilities	1.7
Non-current lease liabilities	7.3

## 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.

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.

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

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

The figures are unaudited.

## Appendix 1 Ten largest shareholders March 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	25.5%
2. Oy Scripo Ab	3 803 280	950 820	4 754 100	19.7%	77 016 420	25.5%
3. Oy Fincorp Ab	2 319 780	388 991	2 708 771	11.2%	46 784 591	15.5%
4. Ingman Group Oy Ab	1 860 000	650 000	2 510 000	10.4%	37 850 000	12.5%
5. Lehtimäki Jyri Maunu Olavi	533 728	171 031	704 759	2.9%	10 845 591	3.6%
6. Hollfast John Erik	328 320	82 080	410 400	1.7%	6 648 480	2.2%
7. Tallberg Claes	369 756	32 588	402 344	1.7%	7 427 708	2.5%
8. Moomin Characters Oy Ltd	0	396 351	396 351	1.6%	396 351	0.1%
9. Evli Bank Plc	0	328 998	328 998	1.4%	328 998	0.1%
10. Svenska Litteratursällskapet i Finland	0	220 336	220 336	0.9%	220 336	0.1%