



INTERIM REPORT

January-September 2019

THIRD QUARTER OPERATING PROFIT INCREASED BY NEARLY 20 PERCENT

- The Wealth Management and Investor Clients segment's operating profit decreased and was EUR 12.3 million (1-9/2018: EUR 13.5 million)
- The Advisory and Corporate Clients segment's operating profit nearly doubled and was EUR 1.6 million (EUR 0.8 million)
- The return from own balance sheet items developed favourably and totaled EUR 3.2 million (EUR 1.1 million) improving operating profit in the Group Operations segment
- According to strategy, Evli's assets under management in alternative investment products increased during the review period and were EUR 814 million (about EUR 250 million).

January-September 2019

- Net revenue was EUR 53.1 million (EUR 51.0 million)
- Operating profit was EUR 15.4 million (EUR 15.3 million)
- Profit for the financial year was EUR 12.1 million (EUR 14.8 million). Profit for the financial year includes EUR -0.1 million (EUR 2.1 million) of the share of the associated company
- Evli's diluted earnings per share were EUR 0.47 (EUR 0.59) and return on equity was 21.1 percent (26.8%)
- Net assets under management grew and totaled record-high EUR 13.6 billion (EUR 12.3 billion) at the end of September
- Proportion of recurring revenue to operating costs was 118 percent (118%).

July-September 2019

- The Group's net revenue was EUR 18.0 million (EUR 16.1 million)
- The Group's operating profit was EUR 5.9 million (EUR 4.9 million)
- Earnings per share amounted to EUR 0.18 (EUR 0.20).

Outlook for 2019 specified

The risks associated with the general trend in the equity and fixed income markets are high due to the prevailing uncertainty on the markets. A possible continued decline in equity prices or a reduction in investors' risk appetite would have a negative impact on the company's profit performance. Evli Group's assets under management have grown substantially in recent years, which softens the result-impact of any reversal of the market. Sales of alternative investment products, in particular, have brought new, stable revenue. Evli has initiated a series of internal, strategy-based actions and cost savings, leading to improvements in the company's cost effectiveness.

There has been positive development in the demand for advisory services, and its outlook for 2019 is stable. Own balance sheet investments share of Evli's business decreased during 2018. Nevertheless, it may have a significant impact on the company's result performance. In the advisory business and in own investment activities, fluctuations in quarterly and annual returns are possible. Customer's demand for Evli's products and services has continued to be good, which has also led to a systematic increase in lending.

Because of profitable and stable development, we estimate that our operating profit for 2019 will remain at or above the level of the comparison period.

Earlier we said that, because of profitable and stable development, we estimate that the result for the 2019 financial year, will be clearly positive.

KEY FIGURES

	1-9/2019	1-9/2018	1-12/2018
Income statement key figures			
Operating income, M€	53.1	51.0	68.5
Operating profit/loss, M€	15.4	15.3	18.9
Operating profit margin, %	29.0	30.0	27.6
Profit/loss for the financial year, M€	12.1	14.8	17.3
Profitability key figures			
Return on equity (ROE), %	21.1	26.8	23.0
Return on assets (ROA), %	1.7	2.1	1.9
Balance sheet key figures			
Equity-to-assets ratio, %	7.1	8.2	9.5
Group capital adequacy ratio, %	14.9	15.3	16.2
Key figures per share			
Earnings per Share (EPS), fully diluted, €	0.47	0.61	0.68
Comprehensive Earnings per Share (EPS), fully diluted, €	0.47	0.59	0.67
Dividend per share, €*			0.61
Equity per share, €	3.15	3.17	3.27
Share price at the end of the period, €	8.32	9.40	7.28
Other key figures			
Expense ratio (operating costs to net revenue)	0.71	0.70	0.72
Recurring revenue ratio, %	118	118	113
Personnel at the end of the period	254	260	254
Market value, M€	198.9	222.7	172.5

*Dividend for 2018 approved by the Annual General Meeting. The dividend was paid on March 21, 2019.

Maunu Lehtimäki, CEO

The business developed positively in the third quarter. Client activity was high, as it had been in the first half, and this was reflected as strong demand for fund products, discretionary asset management services and corporate services. Fund and asset management fees grew year on year and client assets under management rose to EUR 13.6 billion, which is the highest figure in Evli's history. The growth in net commission income and balance sheet income remaining at the previous year's level boosted the Group's revenue so that it was 12 percent higher and operating profit so that it was almost 20 percent higher year on year.

The development and sales of alternative investment products, international fund sales, and projects to promote customer experience and digitalization, which are core areas of Evli's strategy, developed as planned.

In alternative investment products, we raised nearly EUR 50 million in new capital for the Evli Private Equity I Ky and II Ky funds and the non-UCITS Evli Rental Yield Fund. The capital, including investment commitments, of alternative investment products exceeded EUR 800 million at the end of the review period compared with around EUR 250 million a year earlier. Alternative investment products have thus become a major source of commission income within a short time and we expect their relative importance to continue to grow in the future.

International fund sales grew by around EUR 100 million during the review period and calculated from the beginning of the year has grown by about EUR 450 million. Most of the international fund sales focused on our corporate bond funds, especially the Evli Nordic Corporate Bond Fund, which already had capital of almost EUR 1 billion at the end of

September. Overall, our international fund capital grew to EUR 2.5 billion compared with EUR 2 billion a year earlier. Evli's major markets outside Finland are Sweden and the other Nordic countries and the large countries in Central Europe, particularly Germany, France and Spain. We expect international fund sales to continue to focus on corporate bond funds because of their record low interest rates and, on the other hand, because the global economic challenges, the China-US trade war and Brexit are limiting investors' risk appetite on a broader scale.

At home, the sales performance of fund products and discretionary asset management services was also favorable for both private and institutional clients. Growth in asset management services for private persons has recently been accelerated by Evli's wider range of alternative investment products, combined with its market-leading Private Banking service. On the institutional clients side, growth has been supported by Evli's success in surveys measuring the quality of asset management services. In the KANTAR SIFO Prospera "External Asset Management Finland 2019" survey, Evli was ranked as the best institutional asset manager for the fifth consecutive year.

Net subscriptions in Evli's traditional mutual funds during the first nine months were over EUR 800 million and fund capital in these funds reached EUR 9.2 billion. Evli is the fourth-largest fund management company in Finland and its market share was 7.6 percent at the end of September.

In the Advisory and Corporate Clients segment the Corporate Finance business area performed well and invoicing increased on the previous year. The company's mandate base is stable and the outlook for the final quarter of the year is favorable. The outlook is supported by the IPO of Relais Group Plc, which took place in early October so the settlement fees will be booked in the fourth quarter. The incentive system management business grew thanks to new clients and existing clients extending their current incentive systems. The incentive system management business supports Evli Group's strategic target of strengthening the position of asset management among Finnish customers.

We will continue our resolute work to develop our strategic focus areas in order to reach our target of achieving an even broader selection of funds and more international clientele. By developing new alternative investment products, we want to meet client demand even better and strengthen the margin of our fund products. In addition, our work to create a unique client experience and to boost the efficiency of our investment processes continues. At the end of the quarter, Evli completed co-determination negotiations in the Group's administrative and support functions, which resulted in the reduction of the number of permanent employees by nine. Streamlining processes and creating new work models are a key part of the process of increasing the scalability of operations and boosting cost-effectiveness being focused on in Evli's information system projects. The trends prevailing in the sector, including increasing regulation, digitalization, growth in passive investment, price competition and responsibility all highlight the importance of expanding the clientele, differentiation, strong focus, and the continuous pursuit of cost efficiency.

MARKET PERFORMANCE

During the first half, uncertainty prevailed on the market. During the first quarter equity prices recovered from the decline at the end of 2018, but the rise tailed off as the summer approached when the trade dispute between the United States and China came to a head. Customs barriers and sales restrictions have negatively affected both global trade and corporate investment appetite. In contrast, consumer purchasing power in Europe, North America and Asia has remained stable thanks to the strong employment situation. As a result of political uncertainty and trade disputes, the equity markets fluctuated during the second and third quarters. Bond yields continued to decline, ending up at record-low levels in August. The number of bonds with negative yield was also record high.

As a result of the slowdown in economic growth and low inflation expectations, the central banks attempted to strengthen the markets with their monetary policies over the summer. In the third quarter alone, 16 central banks lowered their key interest rates and measures are expected to continue during the remainder of the year. However, the impact of the measures has been limited. Particularly in Europe, there has already been discussion, among other things, on increasing public consumption and on tax cuts to boost economic growth.

Corporate earnings growth has also been weak throughout the first half of the year, especially in the exporting cyclical sectors. Nevertheless, earnings have been surprisingly positive, as the figures have been better than feared and this has been reflected as a rise in equity prices. US equities (S&P 500) rose 18.7 percent and European equities (Stoxx 600) 16.4 percent over the last three quarters. Finnish equities (OMX Helsinki Cap) rose 10.1 percent during the same period.

Long rates continued their decline during the first half of the year leading to an increase in the values of interest-bearing papers. The values of euro area government bonds rose 10 percent. The values of corporate bonds with higher ratings rose 6.9 percent and the values of high yield bonds with lower ratings rose 9.4 percent. The euro weakened by 4.8 percent against the dollar.

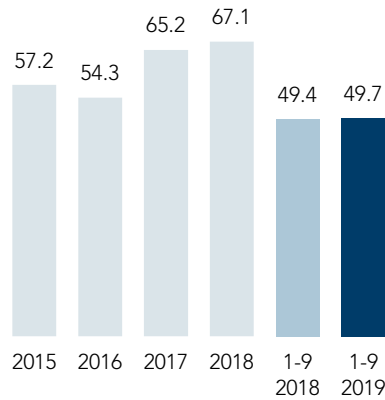
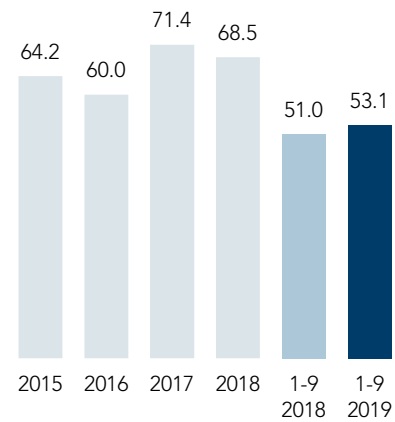
DEVELOPMENT OF REVENUE AND RESULT

January-September

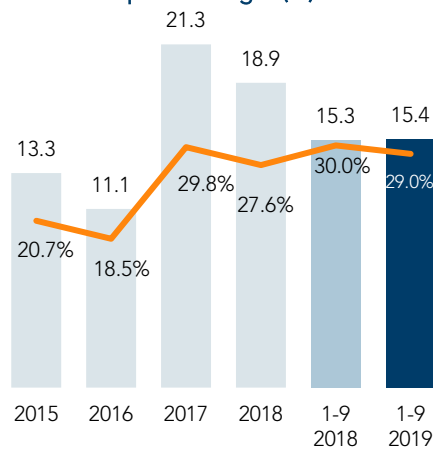
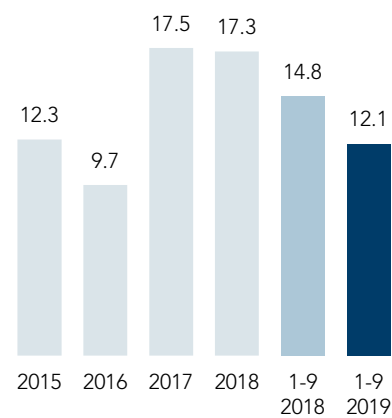
The Evli Group's net commission income remained at the same level year on year and totaled EUR 49.7 million (EUR 49.4 million). There was a positive trend in fund fees, in particular, which rose seven percent year on year, despite a lack of profit-related fees from mutual funds or asset management during the review period (EUR 0.4 million). On the other hand, brokerage fees declined as a result of weaker client demand.

Overall, the return from Evli Group's operations grew four percent year on year and was EUR 53.1 million (EUR 51.0 million). Revenue performance was positively affected by the net income from securities transactions and foreign exchange dealing, which increased significantly on the previous year to EUR 3.2 million (EUR 1.1 million) thanks to successful investment activities.

Overall costs for January-September, including depreciation, amounted to EUR 37.7 million (EUR 35.7 million). During the past year, Evli has invested significantly in the development of alternative investment funds, which has increased costs. The Group's personnel expenses totaled EUR 21.9 million (EUR 19.9 million) including estimated performance bonuses for the personnel. The personnel expenses are not directly comparable due to the reversal of the performance bonus provision for the comparison period. The Group's administrative expenses were EUR 10.4 million (EUR 11.8 million). The Group's depreciation, amortization and write-downs were EUR 2.6 million (EUR 1.4 million). The increase in depreciation is mainly due to the completion of information system projects. The Group's other operating expenses totaled EUR 2.7 million (EUR 2.7 million). Evli's expense/income ratio was 0.71 (0.70).

Net commission income (M€)

Net Revenue (M€)


The Group's operating profit for the review period remained at the same level as in the comparison period and was EUR 15.4 million (EUR 15.3 million). The operating margin was 29.0 percent (30.0%). The profit for the review period was EUR 12.1 million (EUR 14.8 million). The Group's annualized return on equity was 21.1 percent (26.8%), which clearly exceeded the long-term return on equity target of 15.0 percent.

Operating profit (M€) & profit margin (%)

Net profit (M€)


July-September

Evli Group's net revenue increased by 12 percent compared to the previous year, totaling EUR 18.0 million (EUR 16.1 million). The Group's net commission income increased by 13 percent and was EUR 17.2 million (EUR 15.1 million).

Overall costs for the third quarter, including depreciation, increased by nine percent from the previous year's level and amounted to EUR 12.2 million (EUR 11.1 million).

The Group's third quarter operating profit increased by 20 percent compared to the same period last year and was EUR 5.9 million (EUR 4.9 million). The operating margin was 32.5 percent (30.6%). The profit for the period was EUR 4.8 million (EUR 4.5 million).

Balance sheet and funding

At the end of September, the Evli Group's balance sheet total was EUR 1,054.8 million (EUR 909.2 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 75.1 million (EUR 74.3 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 14.9 percent clearly exceeds the regulator's requirement of 11.5 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 11 percent compared to the comparison period. The company's loan portfolio increased by 7.5 percent compared to the comparison period and was EUR 115.7 million. The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 20.5 percent. The Group's liquidity is good.

COMMON EQUITY TIER 1 CAPITAL, M€	30.9.2019	30.9.2018
Share capital	30.2	30.2
Funds total and retained earnings	32.3	29.4
Minority interest	0.0	0.0
<i>Decreases:</i>		
Intangible assets	14.5	10.8
Other decreases	0.0	1.8
Total common equity tier 1 capital	48.0	47.0

Evli Bank has no tier 2 capital.

Minimum requirement of own funds, M€	30.9.2019	30.9.2019
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	32.0
Investments in mutual funds	2.9	36.0
Claims secured with property	0.1	0.9
Claims from corporate customers	3.0	37.7
Items with high risk, as defined by the authorities	0.1	1.1
Other items	6.8	85.5
Minimum amount of own funds, market risk	0.4	4.4
Minimum amount of own funds, operational risk	9.9	123.8
Total	25.7	321.5

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.

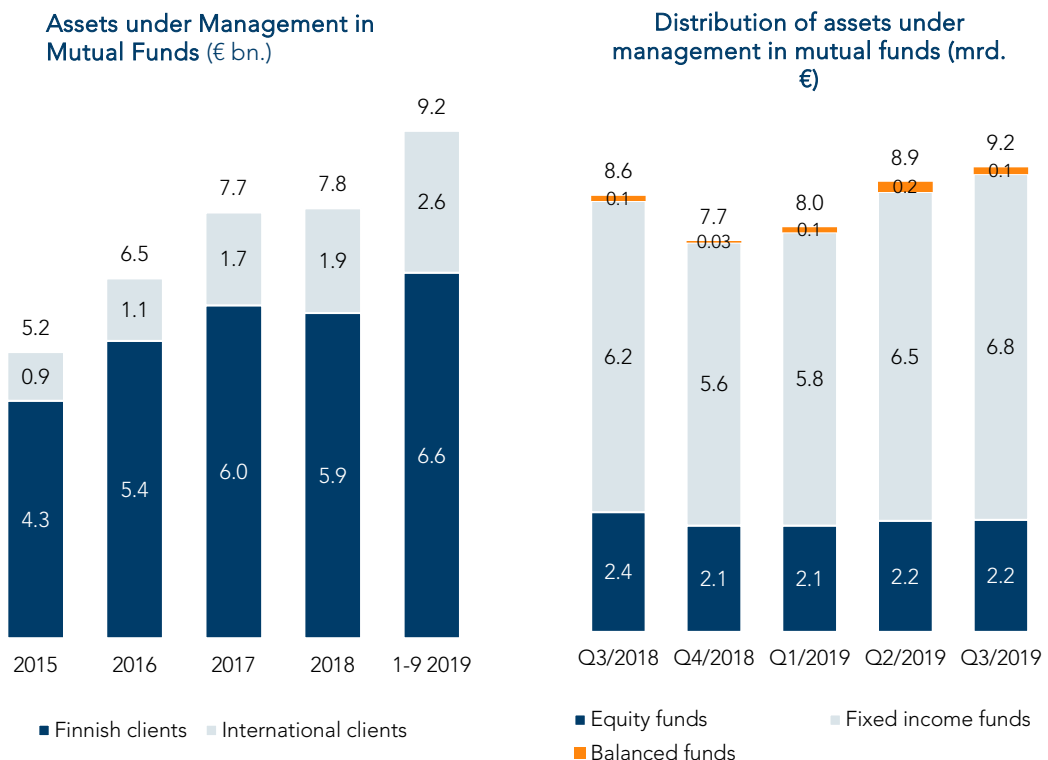
Wealth Management

The sales of Evli's Wealth Management services developed favourably during the review period. The number of clients continued to grow in both traditional and digital asset management. At the end of the review period, Evli had EUR 5.2 billion (EUR 4.8 billion) in discretionary assets under management, which includes both the traditional and the digital services.

Evli received excellent recognition from the independent KANTAR SIFO Prospera "External Asset Management Finland 2019" -survey, where Evli was ranked as the best institutional asset manager for the fifth consecutive year. Evli was once again placed first in among others portfolio management competence, track record and responsible investments (ESG). Evli's brand strength was also assessed as clearly the strongest in asset management services in Finland.

Investment products – traditional mutual funds

Traditional mutual fund sales continued to develop favorably during the third quarter of the year. Net subscriptions for the first three quarters of the year totaled EUR 857.1 million (EUR 952.7 million). According to the Mutual Fund Report carried out by Investment Research Finland, Evli Fund Management Company's market share increased by 0.1 percentage points on the previous year and was 7.6 percent at the end of September. At the end of



September, Evli had 28 investment funds registered in Finland. The combined assets of the traditional mutual funds managed by the company were EUR 9.2 billion (EUR 8.7 billion). Of this, EUR 2.2 billion were invested in equity funds (EUR 2.4 billion), EUR 6.8 billion in fixed income funds (EUR 6.2 billion) and EUR 0.1 billion in balanced funds (EUR 0.1 billion). Evli's clients invested the most new assets in the Evli Nordic Corporate Bond (EUR 365 million), the Evli Euro Liquidity (EUR 299 million) and the Evli European High Yield (EUR 117 million), funds.

One of Evli's strategic targets is to boost the international sales of its investment products. The company's funds are currently available to institutional investors in among others Italy, Spain, France, German, Portugal and Latin America in addition to the domestic markets of Finland and Sweden. The intention is to extend the availability of products to new markets and to increase the efforts in international sales. The international interest in Evli's products has been good. By the end of September EUR 2.6 billion (EUR 2.1 billion) of Evli's fund capital came from clients outside of Finland.

At the beginning of 2019, Evli's fund knowledge was recognized. Evli was awarded with the "Best Group Bond - Overall Small Company" Lipper Fund Award 2019 in Germany and Evli Short Corporate Bond B was rewarded with both "Best Fund over 3 years" and "Best Fund over 5 years" in the "Bond EUR Corporates Short Term" category. Further, Evli was awarded with the "Best Group Bond - Overall Small Company" Lipper Fund Award 2019 in France and European Lipper Fund Awards 2019. Evli was awarded for its superior firm-wide results, excellent fixed income knowledge and outstanding performance of its product range. In addition, Evli Fund Management Company was awarded Best Fixed Income Management Company in Spain at the Morningstar Awards gala.

On May 6, 2019, Evli launched a new Evli Target Maturity Nordic Bond 2023 mutual fund that invests in Nordic corporate bonds. It is a long-term corporate bond fund that mainly invests in bonds issued by Nordic companies, financial institutions and other organizations. The fund has a fixed-period investment strategy that will end on December 31, 2023, at the latest. The fund has an active approach to responsible investment and its investments are primarily passive holdings. The fund's portfolio is managed by Juhamatti Pukka and Jani Kurppa, who were ranked among Europe's best portfolio managers in Citywire's Euro Stars comparison.

Investment products – alternative investment products

The sale of strategically important alternative investment products developed according to plans. Evli has three real estate funds and three private equity funds in its product selection.

Regarding the real estate funds, the EAI Residential fund continued its steady growth. The demand for the fund is constantly greater than the number of investors that can be included in it. At the end of March Evli collected the final investment commitments for the fund and closed it to new investments to focus on maximizing the clients' returns. The Evli Healthcare I fund was also closed to new investments in February as planned. By this point around EUR 200 million had been collected in the fund. The Evli Rental Yield non-UCITS fund launched in the second quarter of 2018 is open to investors interested in real estate. The fund raised EUR 49 million in new net subscriptions during the nine months. At the end of September Evli managed EUR 387 million of assets in its real estate funds.

Evli's private equity fund business was launched at the end of 2018 with the new Evli Growth Partners fund, which had grown to EUR 46 million by the end of September. The company reinforced its private equity business operations by purchasing Ab Kelonia Placering Oy's business operations during the second half of 2018. The business was launched during the second quarter of 2019 when the transaction closed. In relation to this, the company launched the new Evli Private Equity II Ky fund which invests in private equity funds. EUR 97 million of investment commitments were raised for the fund during the past year. In conjunction with the Kelonia transaction, the fund that is now known as Evli Private Equity I Ky was transferred under Evli's management. The size of the fund at the end of the review

period was EUR 270 million, including investment commitments. The company's target is to significantly grow its existing products during the year and to launch one or more products on the market.

Investment products - others

The past year has been challenging regarding the brokerage of investment products. Commission income declined in conventional equity brokerage, derivatives and structured products. In contrast, brokerage fees on ETFs increased slightly year on year. Fees have declined as a result, among others, of the company's decision last year to stop equity brokerage in Sweden and discontinue bond brokerage operations in Finland.

Corporate Responsibility

Evli has made responsibility one of its competitive factors. Responsibility factors have been integrated into investment operations in Evli's most substantial business area, Wealth Management, which means that responsible investment is a systematic part of portfolio management. The investments made by Evli's mutual funds are monitored continuously for any norm violations (for example human rights, corruption and environmental issues), and in Wealth Management, engagement with companies takes place both independently and jointly with other investors.

During the third quarter, Evli carried out engagement independently with eight companies. The engagement related to the environment for six companies, corporate governance for one and corporate social responsibility for one. In August 2019, in accordance with its Climate Change Principles, Evli joined the Task Force on Climate-Related Financial Disclosures (TCFD) as a public supporter, and in September 2019 Evli signed the PRI's Investor Statement on deforestation and forest fires in the Amazon initiative, which calls for corporate action to curb the Amazon's forest fires. More sustainable land use will also help in the fight against climate change.

KEY FIGURES - WEALTH MANAGEMENT AND INVESTOR CLIENTS SEGMENT

M€	1-9/2019	1-9/2018	Change %	7-9/2019	7-9/2018	Change %
Net revenue	42.2	42.9	-1.6%	14.8	13.4	10.4%
Operating profit/loss before Group allocations	17.9	19.9	-9.9%	7.3	6.4	14.1%
Operating profit/loss	12.3	13.5	-8.6%	5.4	4.4	22.7%
Number of personnel	164	162	1.2%			
Market share, %*	7.6	7.5				
Net subscriptions**	857.1	952.7				

*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

January-September

The Wealth Management and Investor Customers segment developed favorably during the review period, but the challenging market environment in the early part of the year lowered operating income. The segment's net revenue fell 1,6 percent year on year totaling EUR 42.2 million (EUR 42.9 million). The development of net revenue was negatively affected in particular by the decline in brokerage fees due to lower client activity. No performance-based fees were received from asset management or funds during the review period (EUR 0.4 million).

July-September

The net revenue of the Wealth Management and Investor Clients segment increased by ten percent during the third quarter compared with the same period in 2018 and was EUR 14.8

million (EUR 13.4 million). The development of the revenue performance was positively influenced particularly by the increase in brokerage fees.

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

During the third quarter, Evli acted as an advisor in three completed transactions. The activity on the M&A market has remained good and the demand for the company's services has remained stable. The company's mandate base has remained at a good level.

In the third quarter of the year, Evli acted as advisor in the following transactions:

- Financial advisor to CAKE in relation to the SEK 137 million private placement
- Financial advisor to OKQ8 in relation to closed acquisitions
- Financial advisor in relation to refinancing of two Swedish listed midcaps.

Incentive systems

The Incentive systems business developed well during the third quarter as revenue continued to increase from the comparison period. The revenue development was positively affected both by new clients, the more extensive incentive programs of existing customers and additional services related to management of incentive systems. At the end of September, Evli was responsible for the administration of the incentive systems for about 70 mainly listed companies.

Investment research

The performance of Evli's investment research segment did not reach expectations during the early part of the year. During the third quarter, the number of research analysis clients did not change. At the end of September, 26 companies were clients of Evli's research service.

KEY FIGURES - ADVISORY AND CORPORATE CLIENTS SEGMENT

M€	1-9/2019	1-9/2018	Change %	7-9/2019	7-9/2018	Change %
Net revenue	7.4	6.5	13.7%	2.4	1.9	26.3%
Operating profit/loss before Group allocations	2.5	1.8	40.8%	0.9	0.3	200.0%
Operating profit/loss	1.6	0.8	93.9%	0.6	0.0	-
Number of personnel	44	41	7.3%			

January-September

The net revenue of the Advisory and Corporate Clients segment developed favorably and was EUR 7.4 million (EUR 6.5 million). Significant fluctuations in revenue from one quarter to the next are typical of the segment's M&A activities.

July-September

The net revenue of the Advisory and Corporate Clients segment increased by 26 percent during the third quarter compared to the comparison period and was EUR 2.4 million (EUR 1.9 million). During the review period the company participated in three executed

transactions. The mandate base is heavily focused on the latter half of the year, which provides a good basis for performance in the fourth quarter of the year.

Group Operations

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

KEY FIGURES - GROUP OPERATIONS SEGMENT

M€	1-9/2019	1-9/2018	Change %	7-9/2019	7-9/2018	Change %
Net revenue	3.4	1.7	96.7%	0.7	0.8	-12.5%
Operating profit/loss before Group allocations	-5.3	-6.6	-19.8%	-2.6	-1.9	-36.8%
Operating profit/loss	1.1	0.8	46.0%	-0.5	0.4	-
Number of personnel	46	51	-9.8%			

January-September

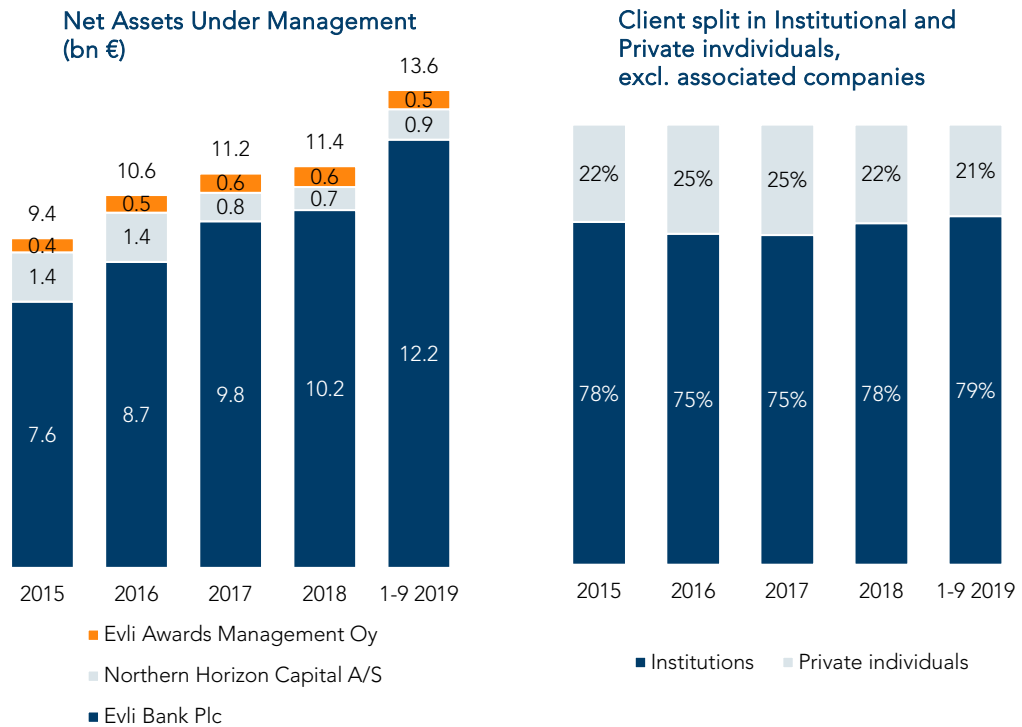
The net revenue of the Group operations segment almost doubled compared to previous year and was EUR 3.4 million (EUR 1.7 million). This growth was a result of Evli's Treasury function's return that was higher than the previous year and the positive performance of long-term investments through Evli's own balance sheet.

July-September

The net revenue of the Group Operations segment decreased 12.5 percent compared to the comparison period and was EUR 0.7 million in total (EUR 0.8 million). Revenue development was negatively affected by the Treasury function's returns that had declined on the comparison period.

DEVELOPMENT OF CLIENT ASSETS UNDER MANAGEMENT

There was a positive trend in client assets under management during the review period as a result of successful sales and market growth. The Group's combined net assets under management at the end of September were EUR 13.6 billion (EUR 12.3 billion). About 79



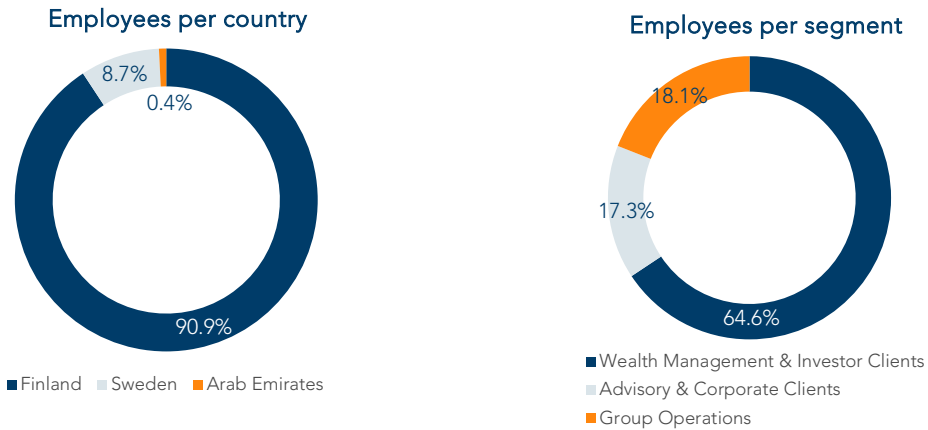
percent of client assets under management in mutual funds and asset management came from institutional investors and the remaining 21 percent from private individuals.

PERSONNEL

The group had 254 employees (260) at the end of September. The number of employees declined by two percent, from the comparison period. 91 percent of the personnel were employed in Finland and 9 percent abroad.

In August, Evli initiated co-determination negotiations to reorganize its business support functions and administration. The negotiations ended on September 30, 2019 and resulted in the reorganization of teams and new job descriptions. As a result of the negotiations, the number of employees in these functions was reduced by 9 persons and Evli offered 14 persons new job descriptions. The actions taken are aimed at further improving the quality of customer service, boosting the efficiency of processes and the dissemination of information and knowledge within the company, with centralized data analysis for example.

EMPLOYEE FACTS



CHANGES IN GROUP STRUCTURE

There were no significant changes in the Group structure during the review period. During the review period, the share capital of Evli Private Equity Partners Ltd was strengthened with a private placement. In conjunction with this Evli’s stake in the company decreased from the previous 100 percent to 80 percent.

EVLI’S SHARES AND SHARE CAPITAL

At the end of September, Evli Bank Plc’s total number of shares was 23,901,420, of which 15,236,543 were series A shares and 8,664,877 were series B shares. The company held 375,387 series A shares. The company’s share capital was EUR 30,194,097.31 at the end of September. No changes took place in the share capital.

Based on the stock options 2014 granted by the company's Board of Directors a total of 170,000 new A shares and 42,500 new B shares were subscribed to on February 11, 2019. The shares subscribed to were registered in the Trade Register on February 11, 2019. Public trading with the new B-shares began at Nasdaq Helsinki Ltd on February 12, 2019.

Under Article 4 of its Articles of Association, the company converted 91,404 A shares into B shares on February 13, 2019. Public trading on the converted shares began at Nasdaq Helsinki Ltd on February 14, 2019.

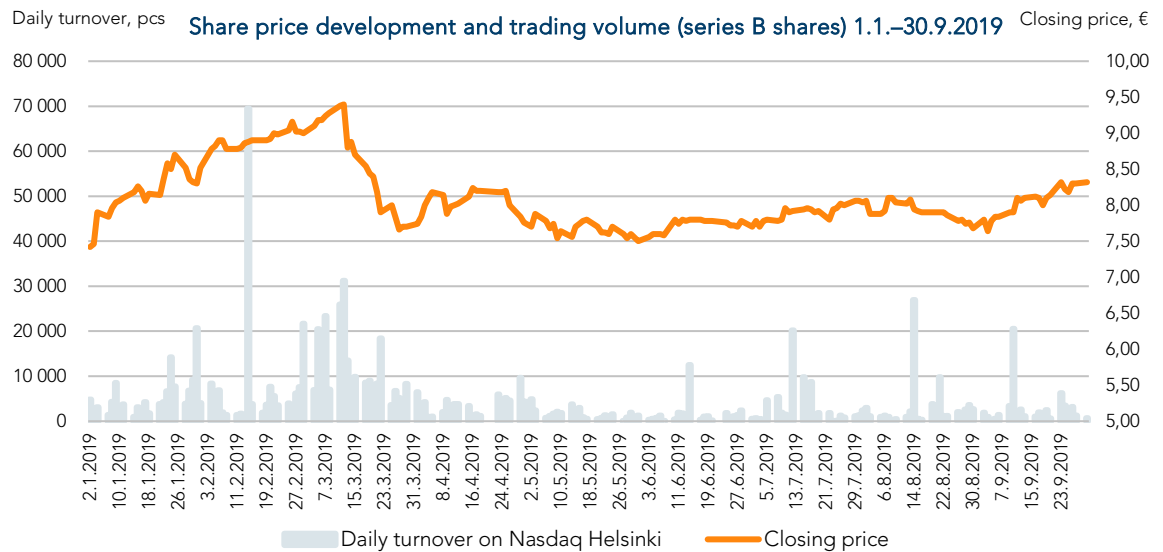
Under Article 4 of its Articles of Association, the company converted 149,248 A shares into B shares on June 10, 2019. Public trading on the converted shares began at Nasdaq Helsinki Ltd on June 11, 2019.

Under Article 4 of its Articles of Association, the company converted 21,728 A shares into B shares on July 12, 2019. Public trading on the converted shares began at Nasdaq Helsinki Ltd on July 15, 2019.

Trading on Nasdaq Helsinki

At the end of September, Evli had 8,664,877 B shares subject to public trading on Nasdaq Helsinki Ltd. Trading in the shares in January-September came to EUR 7.2 million, with 855,011 Evli shares traded. The closing price at the end of September was EUR 8.32. The highest share price during the review period was EUR 9.48 and the lowest was EUR 7.24. Evli’s market capitalization was EUR 198.9 million at the end of September. 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.



Shareholders

Evli’s ten largest shareholders on September 30, 2019 are listed in the table below. The total number of shareholders at the end of September was 4,110 (4,133). The stake of Finnish companies was 53.8 percent (53.8%) and that of private Finnish individuals was 26.0 percent (25.6%). The remaining 20.2 percent of the shares (20.6%) were owned by financial and insurance institutions, public sector organizations, non-profit institutions serving households and foreign investors.

LARGEST SHAREHOLDERS SEPTEMBER 30, 2019

	A-shares	B-shares	Shares total	% of all shares	Votes total	% of votes
1. Oy Scripo Ab	3 803 280	950 820	4 754 100	19.9%	77 016 420	24.6%
2. Prandium Oy Ab	3 803 280	950 820	4 754 100	19.9%	77 016 420	24.6%
3. Oy Fincorp Ab	2 319 780	415 991	2 735 771	11.45%	46 811 591	14.9%
4. Ingman Group Oy Ab	1 860 000	600 000	2 460 000	10.3%	37 800 000	12.1%
5. Lehtimäki Maunu	533 728	155 932	689 660	2.9%	10 830 492	3.5%
6. Hollfast John Erik	328 320	82 080	410 400	1.7%	6 648 480	2.1%
7. Tallberg Claes	369 756	32 588	402 344	1.7%	7 427 708	2.4%
8. Evli Bank Plc	375 387	0	375 387	1.6%	7 507 740	2.4%
9. Moomin Characters Oy Ltd	0	316 293	316 293	1.3%	316 293	0.1%
10. Svenska Litteratursällskapet i Finland	0	220 336	220 336	0.9%	220 336	0.1%

DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Evli Bank Plc’s Annual General Meeting, held in Helsinki on March 12, 2019, decided on the following matters:

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

Evli Bank Plc's Annual General Meeting adopted the financial statements and resolved in accordance with the proposal of the Board of Directors to pay EUR 0.61 per share in dividends. The dividend was paid to a shareholder who on the record date March 14, 2019 was registered in the shareholders' register of the company held by Euroclear Finland Ltd. The date of the payment of dividends was resolved to be March 21, 2019.

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 2018 financial year.

Number of Board members, members and fees

The Annual General Meeting confirmed six as the total number of members of the Board of Directors. Henrik Andersin, Robert Ingman, Mikael Lilius and Teuvo Salminen were re-elected to Evli Bank Plc's Board of Directors. In addition, Sari Helander and Fredrik Hacklin were elected as new members to the Board of Directors.

The meeting attendance fee payable to Board members is EUR 5,000.00 per month, and the attendance fee payable to the Chairmen of the Committees is EUR 6,000.00 per month. The meeting attendance fee payable to the Chairman of the Board is EUR 7,500.00 per month.

Auditors and auditors' fees

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

Board authorizations

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

The total number of own series A shares to be repurchased may be a maximum of 1,540,752 shares, and the total number of own series B shares to be repurchased may be a maximum of 849,390 shares. The proposed 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, 2020.

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 Limited Liability Companies Act in one or more lots, for a fee or free of charge.

Based on the authorization, the number of shares issued or transferred, including shares received based on special rights, may total a maximum of 2,390,142 series B shares. The proposed 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 478,028 shares may be used as part of the company's share-based incentive schemes, representing approximately two 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, 2020.

BUSINESS ENVIRONMENT

The prevailing business environment is favorable for Wealth Management operations. Evli has a strong position on the Finnish market, as exemplified by the nomination of the company as Finland's best institutional asset manager for the fifth consecutive year in KANTAR SIFO Prospera's survey. Demand for wealth management services has remained stable, and Evli has won a substantial proportion of the competitive biddings in which it has participated. This provides a solid foundation for future growth.

In mutual fund operations, investors have been interested in fixed income funds in particular as a result of the uncertain market environment. This has been evident as redemptions in Evli's equity funds and correspondingly in the substantial growth of fixed income funds, for example. The company's position in the Finnish fund market is substantial, as Evli is the fourth-largest operator on the market with over EUR 9 billion in fund capital. Nevertheless, the Finnish market continues to hold potential for substantial growth.

Client demand for alternative investment products has grown. Evli has responded by making funds that invest in properties and private equity funds available to its clients. Although the selection of alternative products is still quite new, Evli has been able to build a good market position for itself. A good product selection and new innovations provide a solid foundation for developing operations. Evli's goal is to turn alternative investment products into a major source of revenue.

The company focuses its international growth on the Nordic and European markets. Evli has also concluded fund distribution agreements in Latin America, for example. In addition to product availability, the streamlining and adaptation of administrative processes to correspond to the standards that investors are accustomed to on other markets are critical for the success of international growth. Evli is excellently placed where international sales are concerned, and the image of a high-quality Nordic fund management boutique is of interest to foreign investors.

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.

More information on business risks and their control can be found in the company's annual report.

OUTLOOK FOR 2019 PRECISED

The risks associated with the general trend in the equity and fixed income markets are high due to the prevailing uncertainty on the markets. A possible continued decline in equity prices or a reduction in investors' risk appetite would have a negative impact on the company's profit performance. Evli Group's assets under management have grown substantially in recent years, which softens the result-impact of any reversal of the market. Sales of alternative investment products, in particular, have brought new, stable revenue. Evli has initiated a series of internal, strategy-based actions and cost savings, leading to improvements in the company's cost effectiveness.

There has been positive development in the demand for advisory services, and its outlook for 2019 is stable. Own balance sheet investments share of Evli's business decreased during 2018. Nevertheless, it may have a significant impact on the company's result performance. In the advisory business and in own investment activities, fluctuations in quarterly and annual returns are possible. Customer's demand for Evli's products and services has continued to be good, which has also led to a systematic increase in lending.

Because of profitable and stable development, we estimate that our operating profit for 2019 will remain at or above the level of the comparison period.

Earlier we said that, because of profitable and stable development, we estimate that the result for the 2019 financial year, will be clearly positive.

Helsinki, October 22, 2019

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

EVLI BANK PLC

INTERIM REPORT TABLES

CONSOLIDATED INCOME STATEMENT	20
CONSOLIDATED INCOME STATEMENT QUARTERLY	21
CONSOLIDATED BALANCE SHEET	22
EQUITY CAPITAL.....	23
SEGMENT INCOME STATEMENT	24
CASH FLOW STATEMENT.....	25
KEY FIGURES DESCRIBING THE FINANCIAL PERFORMANCE	26
CALCULATION OF KEY RATIOS.....	27
NOTES TO BALANCE SHEET	28
VALUE OF FINANCIAL INSTRUMENTS ACROSS THE THREE LEVELS OF THE FAIR VALUE HIERARCHY	29
DERIVATIVE CONTRACTS	30
IFRS 9 - FINANCIAL INSTRUMENTS	31
ACCOUNTING POLICIES.....	32
IFRS 16 – LEASES.....	32

CONSOLIDATED INCOME STATEMENT, M€

	7-9/2019	7-9/2018	1-9/2019	1-9/2018	1-12/2018
Net interest income	0.1	0.2	0.2	0.5	0.7
Commission income and expense, net	17.2	15.1	49.7	49.4	67.1
Net income from securities transactions and foreign exchange dealing	0.7	0.7	3.2	1.1	0.7
Other operating income	0.0	0.0	0.0	0.0	0.1
NET REVENUE	18.0	16.1	53.1	51.0	68.5
Administrative expenses					
Personnel expenses	-6.9	-6.2	-21.9	-19.9	-27.9
Other administrative expenses	-3.5	-3.7	-10.4	-11.8	-15.9
Depreciation, amortisation and write-down	-0.9	-0.5	-2.6	-1.4	-2.1
Other operating expenses	-0.8	-0.8	-2.7	-2.7	-3.6
Impairment losses on loans and other receivables	0.0	0.0	-0.1	0.0	0.0
NET OPERATING PROFIT / LOSS	5.9	4.9	15.4	15.3	18.9
Share of profits (losses) of associates	-0.1	0.3	-0.2	2.4	2.6
Income taxes*	-1.0	-0.7	-3.1	-2.9	-4.2
PROFIT / LOSS FOR FINANCIAL YEAR	4.8	4.5	12.1	14.8	17.3
Attributable to					
Non-controlling interest	0.4	-0.1	0.5	0.4	1.3
Equity holders of parent company	4.4	4.7	11.6	14.4	16.0
PROFIT / LOSS FOR FINANCIAL YEAR	4.8	4.5	12.1	14.8	17.3
OTHER COMPREHENSIVE INCOME / LOSS					
Items, that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0.0	0.1	-0.2	-0.2	-0.2
Other comprehensive income/loss	0.0	0.1	-0.2	-0.2	-0.2
Other comprehensive income after taxes / loss total	0.0	0.1	-0.2	-0.2	-0.2
OTHER COMPREHENSIVE INCOME / LOSS TOTAL	4.8	4.6	11.9	14.6	17.1
Attributable to					
Non-controlling interest	0.4	-0.1	0.5	0.4	1.3
Equity holders of parent company	4.5	4.7	11.4	14.2	15.8
Earnings per Share (EPS), fully diluted	0.18	0.20	0.47	0.61	0.68
Comprehensive Earnings per Share (EPS), fully diluted	0.18	0.20	0.47	0.59	0.67

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

**CONSOLIDATED INCOME STATEMENT
QUARTERLY, M€**

	7-9/ 2019	4-6/ 2019	1-3/ 2019	10-12/ 2018	7-9/ 2018
Net interest income	0.1	0.1	0.0	0.2	0.2
Commission income and expense. net	17.2	16.9	15.6	17.7	15.1
Net income from securities transactions and foreign exchange dealing	0.7	1.3	1.1	-0.4	0.7
Other operating income	0.0	0.0	0.0	0.1	0.0
NET REVENUE	18.0	18.3	16.7	17.5	16.1
Administrative expenses					
Personnel expenses	-6.9	-7.7	-7.3	-8.1	-6.2
Other administrative expenses	-3.5	-3.4	-3.6	-4.2	-3.7
Depreciation, amortisation and write-down	-0.9	-0.9	-0.8	-0.8	-0.5
Other operating expenses	-0.8	-1.0	-0.8	-0.9	-0.8
Impairment losses on loans and other receivables	0.0	-0.1	0.0	0.0	0.0
NET OPERATING PROFIT/LOSS	5.9	5.2	4.2	3.6	4.9
Share of profits (losses) of associates	-0.1	-0.1	0.0	0.2	0.3
Income taxes*	-1.0	-1.3	-0.8	-1.3	-0.7
PROFIT/LOSS FOR FINANCIAL YEAR	4.8	3.8	3.4	2.5	4.5
Attributable to					
Non-controlling interest	0.4	-0.1	0.2	0.9	-0.1
Equity holders of parent company	4.4	3.9	3.2	1.6	4.7
PROFIT/LOSS FOR FINANCIAL YEAR	4.8	3.8	3.4	2.5	4.5
OTHER COMPREHENSIVE INCOME/LOSS					
Items that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0.0	-0.1	-0.1	0.0	0.1
Other comprehensive income/loss	0.0	-0.1	-0.1	0.0	0.1
Other comprehensive income after taxes/loss total	0.0	-0.1	-0.1	0.0	0.1
OTHER COMPREHENSIVE INCOME/LOSS TOTAL	4.8	3.7	3.3	2.5	4.6
Attributable to					
Non-controlling interest	0.4	-0.1	0.2	0.9	-0.1
Equity holders of parent company	4.5	3.7	3.1	1.7	4.7

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

CONSOLIDATED BALANCE SHEET, M€	30.9.2019	30.9.2018	31.12.2018
ASSETS			
Liquid assets	287.6	138.4	239.7
Debt securities eligible for refinancing with central banks	36.1	31.2	31.1
Claims on credit institutions	50.3	61.9	76.8
Claims on the public and public-sector entities	115.7	107.6	114.6
Debt securities	236.2	321.7	223.2
Shares and participations	42.2	44.2	30.1
Participating interests	4.2	5.0	5.1
Derivative contracts	21.4	33.4	24.2
Intangible assets	14.5	10.9	11.5
Property, plant and equipment	1.7	1.8	1.9
Other assets	239.9	144.3	51.9
Accrued income and prepayments	4.4	7.4	5.3
Deferred tax assets	0.6	1.4	0.1
TOTAL ASSETS	1,054.8	909.2	815.5
LIABILITIES			
Liabilities to credit institutions and central banks	0.6	17.2	6.7
Liabilities to the public and public-sector entities	565.5	483.4	469.9
Debt securities issued to the public	143.4	136.8	160.9
Derivative contracts and other trading liabilities	21.2	41.2	24.3
Other liabilities	231.3	139.6	58.0
Accrued expenses and deferred income	17.7	16.5	18.1
Deferred tax liabilities	0.0	0.1	0.0
LIABILITIES TOTAL	979.7	834.8	738.0
Equity to holders of parent company	74.1	74.0	76.3
Non-controlling interest in capital	1.0	0.3	1.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,054.8	909.2	815.5

EQUITY CAPITAL, M€	Share capital	Share premium fund	Reserve for invested unrestricted equity	Other reserves	Retained earnings	Total	Non-controlling interest	Total Equity
Equity capital 31.12.2017	30.2	1.8	17.5	0.1	22.0	71.6	0.9	72.5
Translation difference					0.0	0.0		0.0
Profit/loss for the period					14.4	14.4	0.4	14.8
Dividends					-12.2	-12.2	-0.9	-13.1
Share options exercised			0.5			0.5		0.5
Acquisition of own shares						0.0		0.0
Acquisition of non-controlling interest						0.0		0.0
Other changes				0.2	-0.4	-0.2		-0.2
Equity capital 30.9.2018	30.2	1.8	18.0	0.3	23.7	74.0	0.3	74.3
Translation difference					0.0	0.0		0.0
Profit/loss for the period					1.6	1.6	0.9	2.5
Dividends						0.0	-0.1	-0.1
Share options exercised						0.0		0.0
Acquisition of own shares			-0.1			-0.1		-0.1
Acquisition of non-controlling interest			0.5			0.5		0.5
Other changes			-0.2	0.0	0.2	0.0		0.0
Equity capital 31.12.2018	30.2	1.8	18.3	0.4	25.6	76.3	1.1	77.4
Translation difference					-0.2	-0.2		-0.2
Profit/loss for the period					11.6	11.6	0.4	12.0
Dividends					-14.4	-14.4	-0.7	-15.1
Share options exercised			0.4			0.4		0.4
Acquisition of own shares						0.0		0.0
Acquisition of non-controlling interest						0.0		0.0
Other changes				0.4		0.4	0.1	0.5
Equity capital 30.9.2019	30.2	1.8	18.7	0.8	22.5	74.1	1.0	75.1

	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group
SEGMENT INCOME STATEMENT, M€	1-9/2019	1-9/2019	1-9/2019	1-9/2019	1-9/2019
REVENUE					
Net interest	0.0	0.0	0.1	0.0	0.2
Net commissions	42.2	7.4	0.1	0.0	49.7
Trading and FX result	0.0	0.0	3.2	0.0	3.2
Other operative income	0.0	0.0	0.0	0.0	0.0
External sales	42.2	7.4	3.4	0.0	53.1
Inter-segment sales	0.0	0.0	0.0	0.0	0.0
Total revenue	42.2	7.4	3.4	0.0	53.1
Timing of revenue recognition					
At a point in time	37.5	3.9	-1.0	0.0	40.5
Over time	5.3	3.4	0.5	0.0	9.2
RESULT					
Segment operating expenses	-22.2	-4.7	-8.3	0.2	-35.0
Business units operating profit before depreciations and Group allocations	20.0	2.8	-4.9	0.2	18.1
Depreciations	-2.1	-0.3	-0.4	0.2	-2.6
Business units operating profit before Group allocations	17.9	2.5	-5.3	0.4	15.5
Allocated corporate expenses	-5.5	-0.9	6.5	0.0	0.0
Operating profit including Group allocations	12.3	1.6	1.1	0.4	15.5
Share of profits (losses) of associates	0.0	0.0	0.0	-0.2	-0.2
Income taxes	-2.2	-0.8	0.0	-0.1	-3.1
Segment profit/loss	10.1	0.8	1.1	0.1	12.1

	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group
SEGMENT INCOME STATEMENT, M€	1-9/2018	1-9/2018	1-9/2018	1-9/2018	1-9/2018
REVENUE					
Net interest	0.0	0.0	0.4	0.0	0.5
Net commissions	42.7	6.5	0.4	-0.1	49.4
Trading and FX result	0.2	0.1	0.8	0.0	1.1
Other operative income	0.0	0.0	0.0	0.0	0.0
External sales	42.9	6.5	1.7	-0.1	51.0
Inter-segment sales	-0.1	0.0	0.1	0.0	0.0
Total revenue	42.9	6.5	1.7	-0.1	51.0
Timing of revenue recognition					
At a point in time	36.0	3.4			39.4
Over time	6.6	3.1			9.7
RESULT					
Segment operating expenses	-22.8	-4.5	-8.0	0.9	-34.3
Business units operating profit before depreciations and Group allocations	20.1	2.0	-6.2	0.8	16.7
Depreciations	-0.3	-0.2	-0.4	-0.5	-1.4
Business units operating profit before Group allocations	19.9	1.8	-6.6	0.3	15.3
Allocated corporate expenses	-6.4	-1.0	7.4	0.0	0.0
Operating profit including Group allocations	13.5	0.8	0.8	0.3	15.3
Share of profits (losses) of associates				2.4	2.4
Income taxes				-2.9	-2.9
Segment profit/loss	13.5	0.8	0.8	-0.3	14.8

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, Group Communications, Legal Department and Compliance, and Human Resources.

CASH FLOW STATEMENT, M€

	1-9/2019	1-9/2018	1-12/2018
Cash flows from operating activities			
Interest and commission received	53.2	61.8	62.7
Open trades. net	-19.4	-8.5	2.8
Interest and commissions paid	-4.0	-3.1	-4.9
Cash payments to employees and suppliers	-29.5	-45.9	-53.9
Increase(-) or decrease(+) in operating assets:			
Net change in trading book assets and liabilities	-22.3	-108.1	13.7
Deposits held for regulatory or monetary control purposes	24.6	-0.6	-10.3
Funds advanced to customers	84.7	-164.3	-193.8
Issue of loan capital	-17.5	39.3	63.4
Net cash from operating activities before income taxes	69.8	-229.4	-120.3
Income taxes	-4.0	-3.8	-5.6
Net cash used in operating activities	65.8	-233.2	-126.0
Cash flows from investing activities			
Proceeds from sales of subsidiaries and associates	-0.4	-0.4	0.0
Acquisition of property, plant and equipment and intangible assets	-5.5	-1.5	-2.2
Net cash used in investing activities	-5.9	-2.0	-2.2
Cash flows from financing activities			
Purchase of own shares	0.0	0.0	-0.1
Share options subscriptions	0.4	0.0	0.0
Payment of finance lease liabilities	-0.1	-0.1	-0.2
Transactions with non-controlling interests	0.0	0.0	0.0
Dividends paid	-14.5	-12.2	-12.2
Net cash from financing activities	-14.1	-12.2	-12.4
Net increase/decrease in cash and cash equivalents	46.1	-247.5	-141.1
Cash and cash equivalents at beginning of period	247.4	388.6	388.6
Effects of exchange rate changes on cash and cash equivalents	0.0	-0.1	-0.1
Cash and cash equivalents at end of period	293.5	141.0	247.4

KEY FIGURES DESCRIBING THE FINANCIAL PERFORMANCE

	7-9/2019	7-9/2018	1-9/2019	1-9/2018	1-12/2018
Income statement key figures					
Operating income, M€	18.0	16.1	53.1	51.0	68.5
Operating profit/-loss, M€	5.9	4.9	15.4	15.3	18.9
Operating profit margin, %	32.5	30.6	29.0	30.0	27.6
Profit/loss for the financial year, M€	4.8	4.5	12.1	14.8	17.3
Profitability key figures					
Return on equity (ROE), %			21.1	26.8	23.0
Return on assets (ROA), %			1.7	2.1	1.9
Balance sheet key figures					
Equity-to-assets ratio, %			7.1	8.2	9.5
Capital adequacy ratio, %			14.9	15.3	16.2
Key figures per share					
Earnings per Share (EPS), fully diluted, €	0.18	0.20	0.47	0.61	0.68
Comprehensive Earnings per Share (EPS), fully diluted, €	0.18	0.20	0.47	0.59	0.67
Dividend / share, €*					0.61
Equity per share, €			3.15	3.17	3.27
Share price at the end of the period, €			8.32	9.40	7.28
Other key figures					
Expense ratio (operating costs to net revenue)			0.71	0.70	0.72
Recurring revenue ratio, %			118	118	113
Personnel at the end of the period			254	260	254
Market value, M€			198.9	222.7	172.5

*Dividend for 2018 approved by the Annual General Meeting. The dividend was paid on March 21, 2019.

Evli Group's capital adequacy	1-9/2019	1-9/2018	1-12/2018
Own assets (common equity Tier 1 capital), M€	48.0	47.0	48.8
Risk-weighted items total for market- and credit risks, M€	197.6	185.7	177.3
Capital adequacy ratio, %	14.9	15.3	16.2
Evli Bank Plc's adequacy ratio, %	18.3	18.6	18.8
Own funds surplus, M€	22.3	22.5	24.8
Own funds in relation to the minimum capital requirement, M€	1.9	1.9	2.0
Own funds surplus M€ including additional capital requirement	11.1	14.8	17.2

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, M€				
	30.9.2019	30.9.2018	31.12.2018	
Equity and debt securities				
Equity securities are presented in the Statement of Changes in Equity				
Debt securities issued to the public				
Certificates of Deposits and commercial papers	25.0	42.9	43.0	
Bonds	118.5	93.9	118.0	
Debt securities issued to the public	143.4	136.8	160.9	
Breakdown by maturity				
	under 3 months	3-12 months	1-5 years	5-10 years
Debt securities issued to the public	0.5	34.4	108.5	0.0
Changes in bonds issued to the public				
	30.9.2019	30.9.2018	31.12.2018	
Issues	29.2	41.7	67.0	
Repurchases	26.2	19.0	23.7	
Off-balance sheet commitments				
Commitments given to a third party on behalf of a customer				
	8.5	8.4	2.6	
Irrevocable commitments given in favour of a customer				
	0.0	0.2	0.2	
Guarantees on behalf of others				
	0.5	0.5	0.5	
Unused credit facilities				
	9.0	3.1	2.6	
Transactions with related parties				
	1-9/2019			
	Associated companies	Group management		
Sales	0.0	0.0		
Purchases	0.0	0.0		
Receivables	0.0	0.4		
Liabilities	0.0	0.8		

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, M€

Fair value	Level 1 2019	Level 2 2019	Level 3 2019	Total
Financial assets				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Shares and participations. other	34.9	0.0	7.3	42.2
Debt securities eligible for refinancing with central banks	36.1	0.0	0.0	36.1
Debt securities	1.4	231.0	3.8	236.2
Positive market values from derivatives	0.0	18.1	3.3	21.4
Total financial assets held at fair value	72.4	249.1	14.4	335.9
Financial liabilities				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Negative market values from derivatives	0.0	17.9	3.3	21.2
Total financial liabilities held at fair value	0.0	17.9	3.3	21.2

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, M€	Remaining maturity			Fair value (+/-)
	Nominal value of underlying, gross	Less than 1 year	1-5 years	
Held for trading				
Interest rate derivatives				
Interest rate swaps	3.5	94.0	0.0	0.0
Equity-linked derivatives				
Futures	3.4	4.9	0.0	0.0
Options bought	3.8	0.6	0.0	0.4
Options sold	3.8	0.6	0.0	-0.4
Currency-linked derivatives	5,864.6	18.9	0.0	0.2
Held for trading, total	5,879.2	119.0	0.0	0.2
Derivative contracts, total	5,879.2	119.0	0.0	0.2

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, M€
 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	50.4	50.4	0.0	0.0	0.0	0.0
Receivables from the public	115.7	114.9	0.5	0.3	0.1	0.0
Receivables from the public; corporate	25.7	25.2	0.5	0.0	0.0	0.0
Receivables from the public; private	89.0	88.6	0.0	0.3	0.1	0.0
Receivables from the public; other	1.0	1.0	0.0	0.0	0.0	0.0
Sales receivables	2.8	2.8	0.0	0.0	0.0	0.0
Off-balance sheet loan commitments	9.0	9.0	0.0	0.0	0.0	0.0
Total	177.9	177.0	0.5	0.3	0.1	0.0

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.

Two loan receivables were transferred from level 1 to level 2 during the year. One loan was transferred from level 2 to level 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 into groups 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, %	0.0
Impact on own funds, M€	-0.1

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. As a consequence, this interim report should be read in conjunction with the company's financial statements for the financial year ended December 31, 2018.

The accounting policies used are consistent with the accounting policies for the financial year 2018 and the comparative reporting period, excluding the new IFRS standards that are described separately below.

The company has changed its consolidation system during the review period, the change has no significant impact on the accounting policies or reported figures.

The figures are unaudited.

NEW IFR STANDARD APPLIED

Evli has started applying the following standard during the review period:

- IFRS 16 Leases

The impact of the new standard on the figures in the interim report is described below separately.

IFRS 16 – LEASES

The new standard replaces the current IAS 17 standard and associated interpretations. IFRS 16 requires the lessees to recognize the lease agreements on the balance sheet as right-of-use assets and lease liabilities. The accounting model is similar to current finance lease accounting according to IAS 17.

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 analyzed its contract portfolio taking into account the IFRS 16 standard that will be taken into force. Based on the analysis, the IFRS 16 standard mainly applies to leases of premises that the company has previously treated as operating leases under IAS 17. Typically lease agreement terms differ from two to five years and may contain an option to extend the lease term. Evli has negotiated individual agreements for each location with potentially differing terms.

In accordance with IFRS 16 Evli has identified lease liabilities as part of its balance sheet and includes right-of-use assets as part of Other assets and corresponding lease liabilities in Other liabilities. Right-of-use assets and corresponding liabilities are calculated at net present value for lease liability exceeding 12 months. When considering the net present value of the liability, an estimate of annual increases to leases is taken into account. Future payments have been discounted to present value using a discount factor determined by the company. The company has not calculated a separate interest fee component to the lease liabilities due to low funding costs of the company and excess liquidity. Lease liability identified in the balance sheet decreases linearly over time and is identified in other operative expenses in profit and loss statement.

The impact of the IFRS 16 Standard on the Group's Other assets and Other liabilities at the end of the review period was EUR 5.3 million. Potential options to extend current leases have not been considered due to uncertainty related to use of those options.