



# Evli - A Wealth Management Bank

Evli Bank Plc 4.11.2019

Maunu Lehtimäki, CEO & Juho Mikola, CFO

**EVLI**

# Evli in Brief - Continued growth in AUM

- **Evli is a Wealth Management Bank** that helps institutions, corporations and private individuals increase their wealth
- **Two client segments** supported by Group Operations

Wealth Management  
and Investor Clients



Advisory and  
Corporate Clients

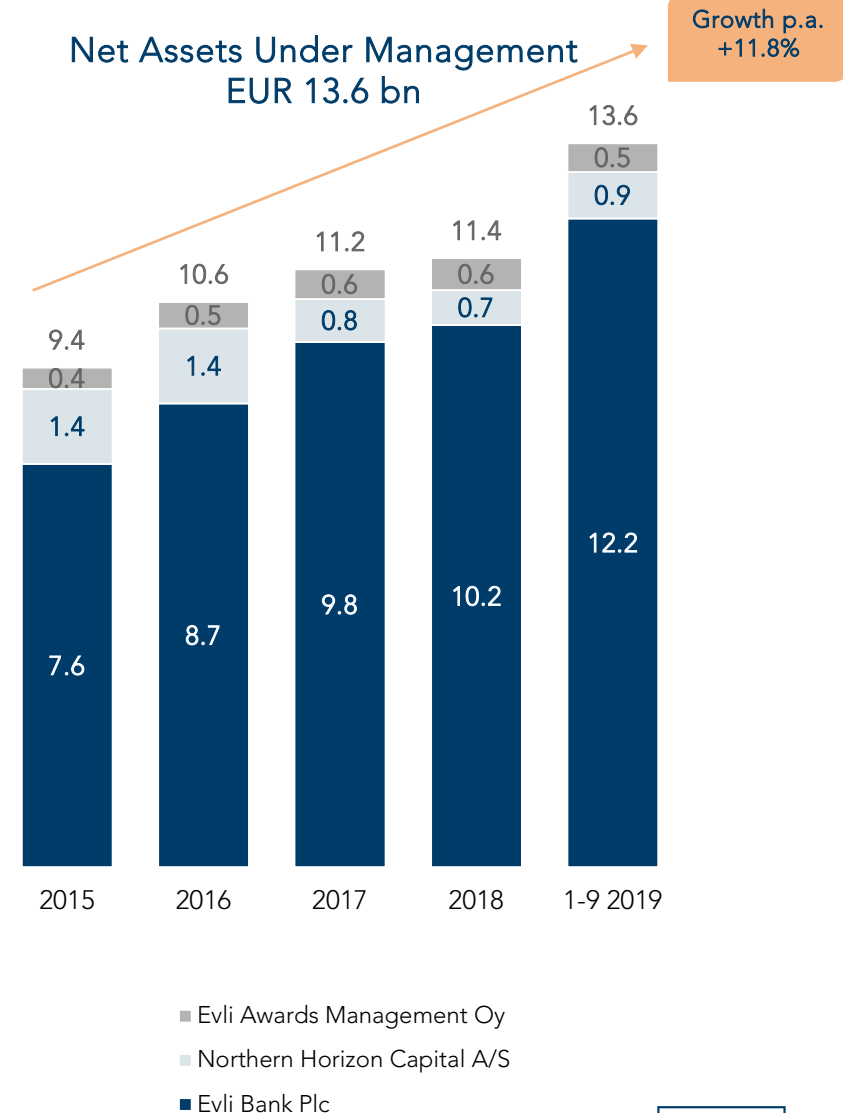


Investment  
specialists  
~250

- 📍 Helsinki
- 📍 Turku
- 📍 Stockholm



**Evli Bank Plc** has two share series, A and B. The B shares are listed on **Nasdaq Helsinki's main market** since 2015.



# Two Client Segments - Diversified Client Base

## Wealth Management & Investor Clients

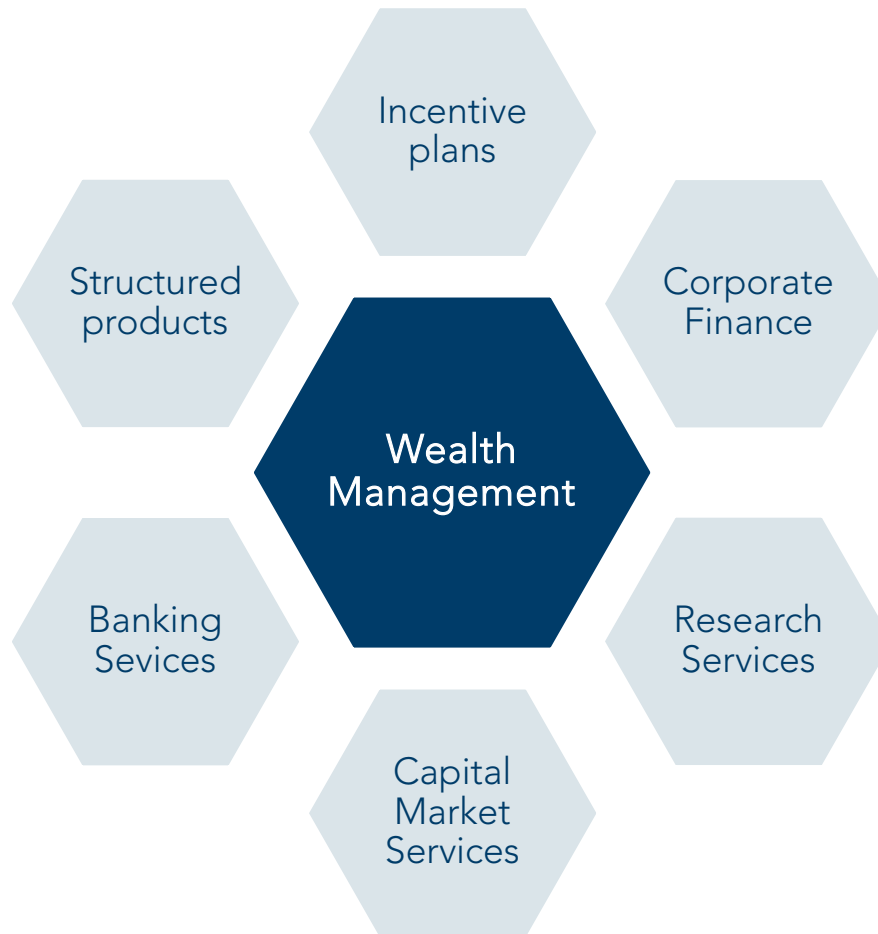
- Product and service offering:
  - Private Banking to high net worth individuals
  - Evli Digital to private clients and institutions
  - Institutional asset management
  - Public and private market funds to private clients and institutions.
- Finland's 4th largest Fund Management Company. Market share 7.6%\*
- Employs 164 investment specialists in Finland and Sweden
- Best and most used institutional asset manager in Finland for the fifth consecutive year\*\*.

## Advisory & Corporate Clients

- Corporate Finance
  - Independent financial advisor in financial arrangements for listed and unlisted companies
  - Experience in advising over 100 M&A transactions
- Incentive plan administration
  - Incentive programs for companies from unlisted to listed companies
  - Around 70 clients in Finland
- Research services
  - Research to small and mid-sized listed companies
  - 26 research clients in Finland
- Employs 44 persons in Finland and Sweden.

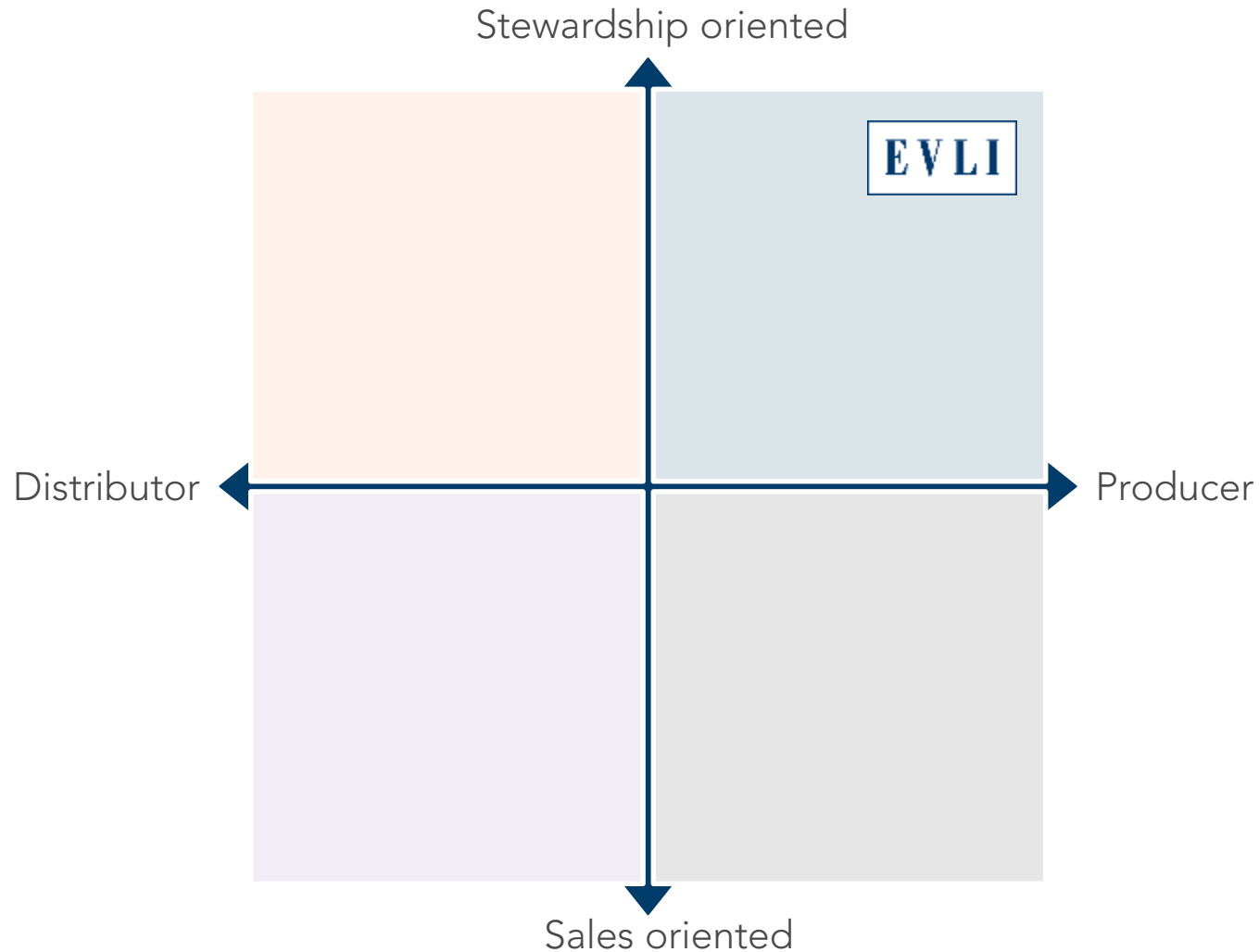
# Wealth Management at the core of Evli's services

Evli's business model is built around:  
Growth in AUM, High scalability and Strong branding



# Evli's strategic positioning

Proprietary know how enables higher margins



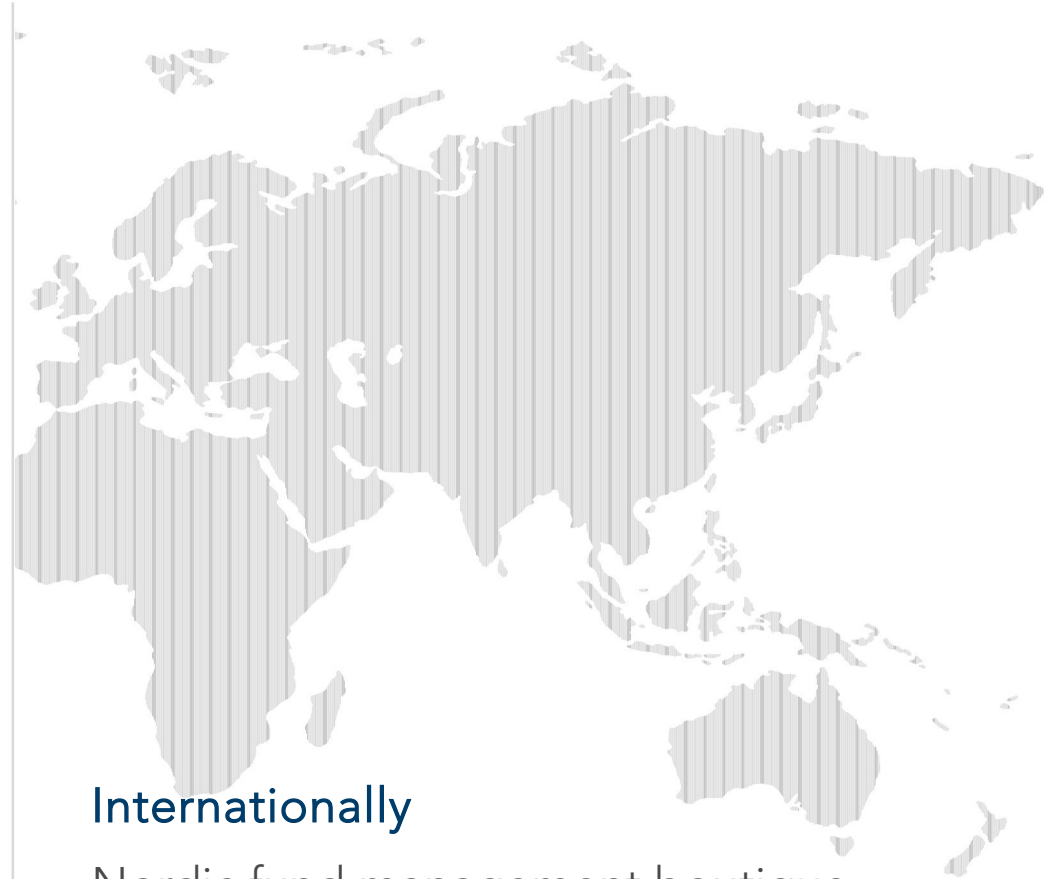
# Evli Branding

Reflects competitive advantage in different markets

## Finland

Comprehensive Wealth Management and Investment banking services.

72% of Fund AUM



## Internationally

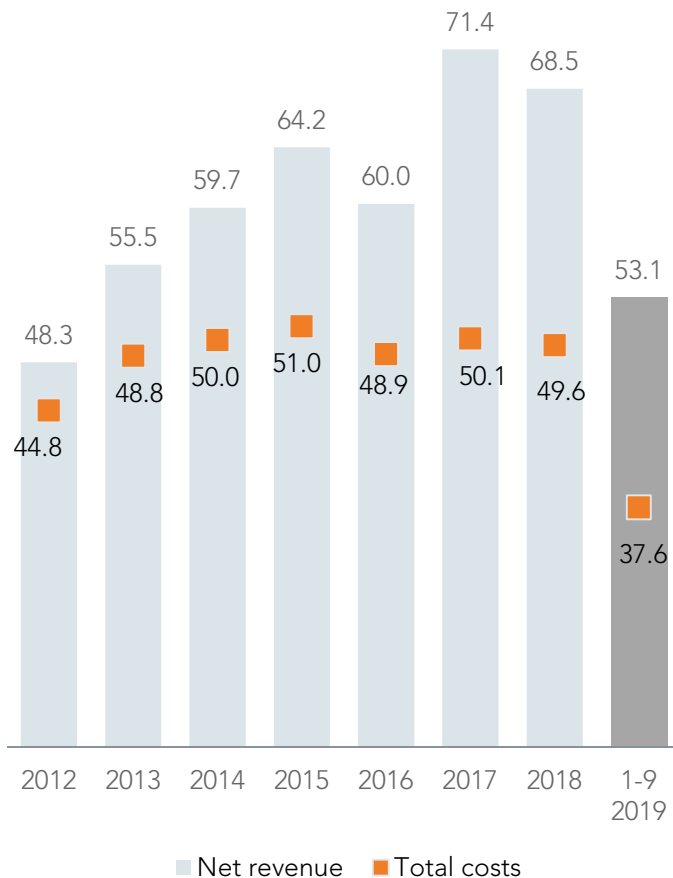
Nordic fund management boutique for institutional investors.

28% of Fund AUM

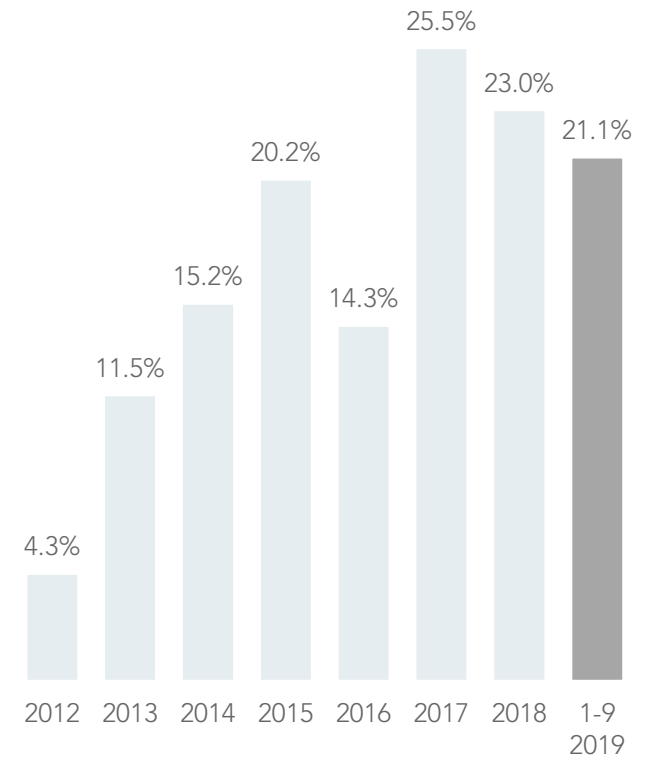
# Scalability

Growth in AUM translating into strong Operating profit and ROE

Net Revenue & Total costs (M€)



Return on Equity (%)



A person is writing in a notebook with a pen. In the background, a laptop is open on a desk, and other people are blurred, suggesting a busy office or meeting environment. A semi-transparent grey box is overlaid on the right side of the image, containing the text.

# STRATEGY - Sustainable growth and scalability

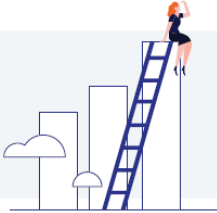





# Growth Strategy

## Megatrends

	<b>Globalization</b> Increased competition Blurring industry boundaries Empowerment of customer
	<b>Business environment</b> Consolidation Increased regulation and control
	<b>Societal transitions</b> Aging of the population Digital natives
	<b>Responsibility</b> Ethical business Sustainability Transparency Climate change
	<b>Digitalization</b> Artificial Intelligence Robotization Big data Cyber risks

## Strategy

<b>Growth</b>		International growth through thoroughly selected fund products  Stable growth of Assets under Management in the domestic market
<b>New products and services</b>		Alternative Investment products to private clients and institutions  Development of the integrated corporate service model to corporate clients
<b>Customer experience</b>		Perceived as "simply unique" by customers  High standard of service and an unsurpassed customer experience 24/7
<b>Digitalization</b>		New digital investment solutions and service models  Utilization of process automation, software robotics and artificial intelligence

## Targets

	<b>BUSINESS DEVELOPMENT AND PROFITABLE GROWTH</b>  Return on Equity  Assets under Management  Recurring Revenue to Operational Costs  Net Fee Income
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# Sustainable growth and scalability

Growth

## **Integrate ESG:**

- Smarter and more innovative approach together with impact products

## **Develop alternative investment fund offering:**

- Introduce new alternative asset classes and scale up existing ones

Profitability

Increased profitability through significant AUM growth

## **Increase international customer base:**

- Focus on credit and private equity products in Nordics, traditional funds in central Europe

Quality

Scalability

Positioning

Branding

## **Strive for internal efficiency:**

- Enhancing internal processes through continuous system development

## **Increase domestic customer base and share of wallet:**

- Preserve position as award-winning institutional asset manager



# Strategy - 2019 Targets

## GROWTH

### International growth

- Deepen the presence in current markets and open up one new market
- Increasing brand awareness.

### Stable growth in Finland

- Increasing net sales to individuals and institutions
- Increasing share of wallet of current clients.

## NEW PRODUCTS AND SERVICES

### Alternative investment products

- Integrate the alternative investment products as part of the comprehensive wealth management service
- Launch 1-2 private equity fund of fund products and 1-2 new other alternative investment products.

### Integrated corporate service model

- Launch the share plan administration in Sweden and seek to further increase sales in Finland
- Increase the amount of equity research clients in Finland.

## CUSTOMER EXPERIENCE

### Improving customer experience

- A new version of the My Evli online service
- Improving user experience of Evli Digital
- New [www.evli.com](http://www.evli.com)
- Further improving the average score of the continuous client satisfaction measurement.

## DIGITALIZATION

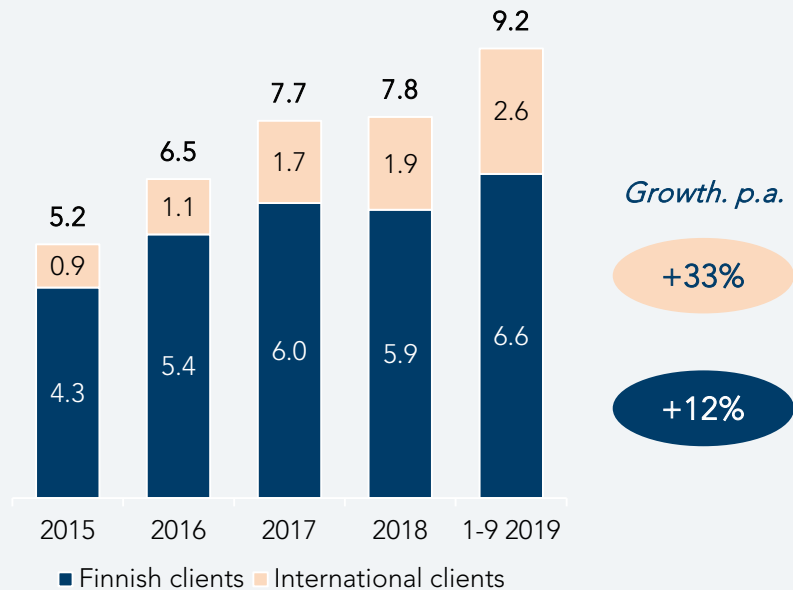
### New digital investment solutions

- Implementation of the new NAV calculation and portfolio management systems
- Outsourcing depository services to better meet the demands of international clients
- Enhancing internal processes through digitalization.

# Strategy implementation in numbers

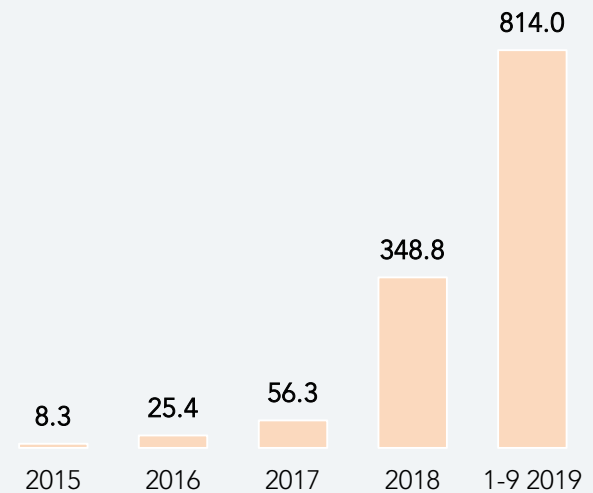
## International clients share of Fund AuM 28%

Development of assets in mutual funds 2015–Q3/2019\* (€ bn.)



## Rapid growth of alternative AUM to ~800 million

Development of assets in alternative funds 2015–Q3/2019 (€ million.)

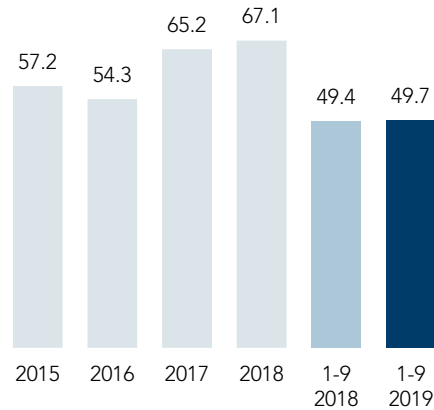




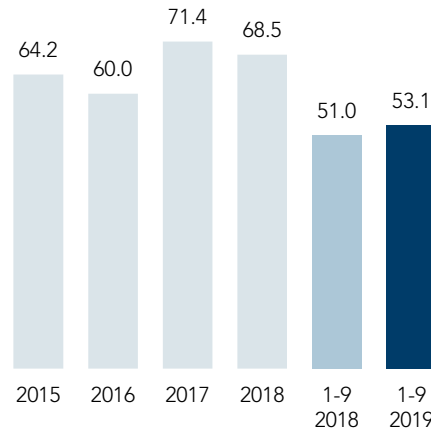
# FINANCIAL FIGURES

# Financial Development 2015-Q3/2019

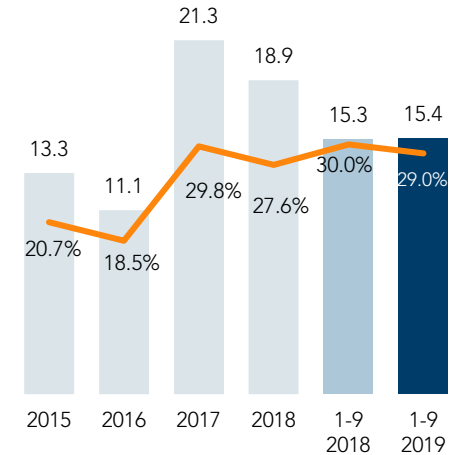
Net commission income (M€)



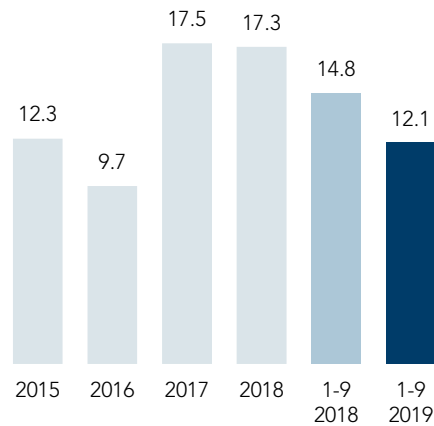
Net Revenue (M€)



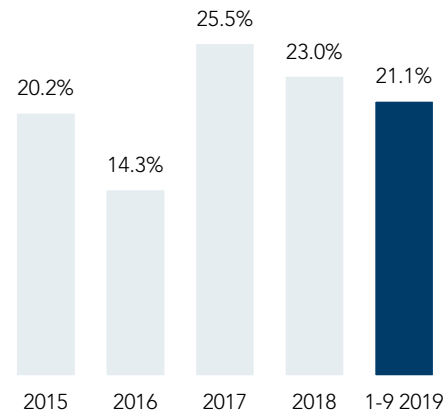
Operating profit (M€) & profit margin (%)



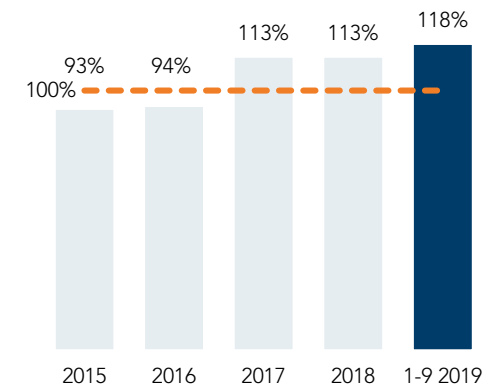
Net profit (M€)



Return on Equity (%)



Proportion of recurring revenue to operating expenses (%)



# Profit and Loss Statement

M€	1-9/ 2019	1-9/ 2018	Change, %	2018	2017	2016
Net interest	0.2	0.5	-68%	0.7	0.9	1.6
Net commissions	49.7	49.4	1%	67.1	65.2	54.3
Net income from securities trading and FX	3.2	1.1	192%	0.7	4.9	4.0
Other operative income	0.0	0.0	-	0.1	0.4	0.1
<b>NET REVENUE</b>	<b>53.1</b>	<b>51.0</b>	<b>4%</b>	<b>68.5</b>	<b>71.4</b>	<b>60.0</b>
Personnel expenses	-21.9	-19.9	10%	-27.9	-28.9	-27.7
General expenses	-10.4	-11.8	-12%	-15.9	-15.1	-14.8
Depreciations and amortizations	-2.6	-1.4	87%	-2.1	-2.3	-3.1
Other operative expenses	-2.7	-2.7	-	-3.6	-3.9	-3.3
Impairment losses	-0.1	0.0	-	0.0	0.0	0.0
<b>NET OPERATING PROFIT/LOSS</b>	<b>15.4</b>	<b>15.3</b>	<b>1%</b>	<b>18.9</b>	<b>21.3</b>	<b>11.1</b>
Share of profit/loss of associates	-0.2	2.4	-109%	2.6	0.6	1.1
Taxes	-3.1	-2.9	7%	-4.2	-4.3	-2.4
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>12.1</b>	<b>14.8</b>	<b>-18%</b>	<b>17.3</b>	<b>17.5</b>	<b>9.7</b>
Attributable to						
Non-controlling interest	0.5	0.4	29%	1.3	0.8	-0.2
Equity holders of parent company	11.6	14.4	-20%	16.0	16.7	9.6

# Balance Sheet

<b>ASSETS, M€</b>	<b>30.9. 2019</b>	30.9. 2018	31.12. 2018	<b>LIABILITIES, M€</b>	<b>30.9. 2019</b>	30.9. 2018	31.12. 2018
Liquid assets	287.6	138.4	239.7	Liabilities to credit institutions and central banks	0.6	17.2	6.7
Debt securities eligible for refinancing with central banks	36.1	31.2	31.1	Liabilities to the public and public sector entities	565.5	483.4	469.9
Claims on credit institutions	50.3	61.9	76.8	Debt securities issued to the public	143.4	136.8	160.9
Claims on the public and public sector entities	115.7	107.6	114.6	Derivative contracts and other trading liabilities	21.2	41.2	24.3
Debt securities	236.2	321.7	223.2	Other liabilities	231.3	139.6	58.0
Shares and participations	42.2	44.2	30.1	Accrued expenses and deferred income	17.7	16.5	18.1
Participating interests	4.2	5.0	5.1	Deferred tax liabilities	0.0	0.1	0.0
Derivative contracts	21.4	33.4	24.2	<b>LIABILITIES TOTAL</b>	<b>979.7</b>	<b>834.8</b>	<b>738.0</b>
Intangible assets	14.5	10.9	11.5	Equity to holders of parent company	74.1	74.0	76.3
Property, plant and equipment	1.7	1.8	1.9	Non-controlling interest in capital	1.0	0.3	1.1
Other assets	239.9	144.3	51.9	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,054.8</b>	<b>909.2</b>	<b>815.5</b>
Accrued income and prepayments	4.4	7.4	5.3				
Deferred tax assets	0.6	1.4	0.1				
<b>TOTAL ASSETS</b>	<b>1,054.8</b>	<b>909.2</b>	<b>815.5</b>				



# Key figures

	1-9/2019	1-9/2018	2018	2017	2016
<b>Profitability key figures</b>					
Return on equity (ROE), %	21.1	26.8	23.0	25.5	14.3
Return on assets (ROA), %	1.7	2.1	1.9	2.0	1.4
<b>Balance sheet key figures</b>					
Equity-to-assets ratio, %	7.1	8.2	9.5	7.6	8.6
Capital adequacy ratio, %	14.9	15.3	16.2	15.0	15.3
<b>Key figures per share</b>					
Earnings per Share (EPS), fully diluted, €	0.47	0.61	0.68	0.72	0.42
Comprehensive Earnings per Share (EPS), fully diluted, €	0.47	0.59	0.67	0.69	0.40
Dividend/share, €	-	-	0.61	0.52	0.40
Equity per share, €	3.15	3.17	3.27	3.10	2.81
Share price at the end of the period, €	8.32	9.40	7.28	9.60	6.75
<b>Other key figures</b>					
Expense ratio (operating costs to net revenue)	0.71	0.70	0.72	0.70	0.8
Recurring revenue ratio, %	118	118	113	113	94
Personnel at the end of the period	254	260	254	240	244
Market value, M€	198.9	222.7	172.5	224.9	157.4

## Strategic KPI

Return on Equity  
(Target 15.0%)

**21.1%**

(1-9/2018: 26.8%)

Recurring Revenue to Operational Costs  
(Target 100%)

**118%**

(1-9/2018: 118%)

Assets under Management

**EUR 13.6bn**

(30.9.2018: EUR 12.3 bn)

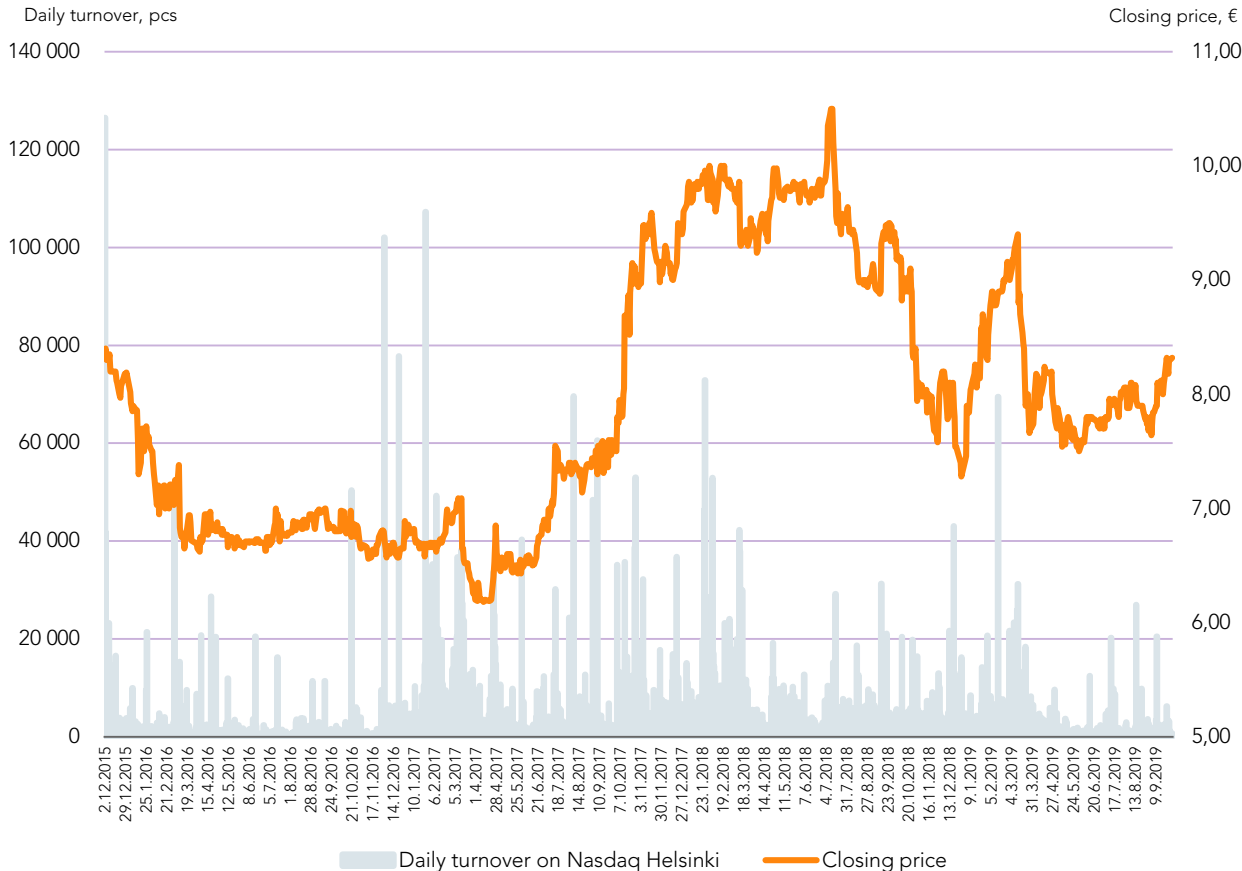
Net Commission Income

**M€ 49.7**

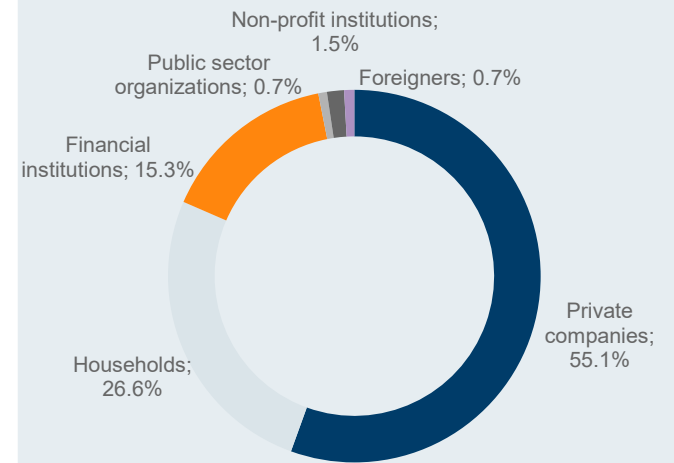
(30.9.2018: M€ 49.4)

# Share Price Development and Trading Volume

Share price development and trading volume\*\* 2.12.2015–30.9.2019



Shareholdings by owner group 30.9.2019



Listed on Nasdaq Helsinki **2015**

Market cap M€ **198.9\***

Registered shareholders **4,110\***

# Contact information

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