

Half Year Financial Report 1-6/2020



STRONG RESULT IN AN EXCEPTIONAL MARKET ENVIRONMENT



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Financial performance January-June 2020

- Net revenue was EUR 33.0 million (1-6/2019: EUR 35.1 million)
- Operating profit was EUR 8.6 million (EUR 9.5 million)
- The Wealth Management and Investor Clients segment's operating profit increased and was EUR 10.1 million (EUR 6.9 million)
- The Advisory and Corporate Clients segment's operating profit declined and was EUR 0.9 million (EUR 1.0 million)
- The return from own balance sheet items declined as a consequence of the market collapse and were EUR -0.8 million (EUR 2.5 million), which resulted in a weaker operating profit in the Group Operations segment
- Net assets under management amounted to EUR 12.9 billion (EUR 13.3 billion) at the end of June
- Evli's diluted earnings per share were EUR 0.25 (EUR 0.29) and return on equity was 17.3 percent (19.8%)
- Proportion of recurring revenue to operating costs was 121 percent (113%).

Financial performance April-June 2020

- The Group's net revenue was EUR 18.8 million (EUR 18.3 million)
- The Group's operating profit was EUR 6.5 million (EUR 5.2 million)
- Earnings per share amounted to EUR 0.18 (EUR 0.16).

Outlook for 2020

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

Despite the challenging market environment, the view is supported by a high ratio of recurring revenue to operating costs, as well as sales of alternative investment products, which have brought new, stable revenue. In addition, the company took a number of adjustment measures during March to ease the cost structure. As part of the measures, the Board of Directors and the Executive Group as well as some employees voluntarily reduced salaries and fees on a temporary basis, among other things. As a result of the rapid market recovery, the adjustment measures will be dissolved during the third quarter.

KEY FIGURES DESCRIBING THE GROUP'S FINANCIAL PERFORMANCE

	1-6/2020	1-6/2019	1-12/2019
Income statement key figures			
Operating income, M€	33.0	35.1	75.8
Operating profit/loss, M€	8.6	9.5	24.1
Operating profit margin, %	26.0	27.2	31.8
Profit/loss for the financial year, M€	6.7	7.3	18.7
Profitability key figures			
Return on equity (ROE), %	17.3	19.8	23.4
Return on assets (ROA), %	1.4	1.6	2.1
Balance sheet key figures			
Equity-to-assets ratio, %	7.9	6.7	8.9
Group capital adequacy ratio, %	15.3	14.7	15.1
Key figures per share			
Earnings per Share (EPS), fully diluted, €	0.25	0.29	0.71
Comprehensive Earnings per Share (EPS), fully diluted, €	0.25	0.29	0.71
Dividend per share, €			0.66*
Equity per share, €	3.05	2.96	3.40
Share price at the end of the period, €	8.58	7.78	10.40
Other key figures			
Expense ratio (operating costs to net revenue)	0.74	0.73	0.68
Recurring revenue ratio, %	121	113	124
Personnel at the end of the period	248	263	249
Market value, M€	205.1	186.0	248.6

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

Maunu Lehtimäki, CEO

The spread of the coronavirus into a global pandemic was reflected in Evli's operations and financial performance in the second quarter. The recovery of the equity and corporate bond markets from the market collapse in March restored investor confidence, and the substantial net redemptions witnessed in the first quarter decreased significantly. Evli's commission income declined from the previous year, but the operating profit improved as a result of lower costs and improved return from own balance sheet items.

In order to ensure uninterrupted continuation of our operations, we switched over to remote working at the end of the first quarter. This was continued until the end of May, after which it has been possible to return to the office. Despite the exceptional circumstances our operations run smoothly during the first half of the year and we focused on active client communications and on impeccable implementation of administrative duties, including legal and official requirements. Evli's staff adjusted well to the exceptional circumstances and, based on the results of a personnel survey, plans to increase remote working possibilities under normal conditions were launched.

In the second quarter, Evli's net sales remained at the previous year's level, but the operating profit increased by 25 percent on the previous year. Due to the market collapse, brokerage and fund fees fell short of the comparison period, however, net income from securities trading and foreign exchange dealing over doubled and totalled EUR 2.9 million (EUR 1.3 million). Evli's return on equity was 17.3 percent (19.8%), and the proportion of recurring revenue to operating expenses increased to 121 percent (113%).

The Wealth Management and Investor Clients segment's revenue decreased by seven percent to EUR 13.3 million (EUR 14.4 million). At the end of June, assets under management were EUR 12.9 billion (EUR 13.3 billion) and Evli Fund Management Company's fund capital was EUR 8.0 billion (EUR 9.0 billion). Net subscriptions during the quarter were EUR -71.6 million. The redemptions were focused on fixed income funds, as in the previous quarter.

The Advisory and Corporate Clients segment's revenue declined by nine percent to EUR 2.3 million (EUR 2.5 million). The Corporate Finance unit's invoicing fell below the previous year's level after several advisory projects were suspended as a result of the crisis. The unit's mandate base has decreased, and the execution and timetable of mandates are uncertain. The incentive systems management business continued to grow as in previous quarters.

Evli's strategic focus areas – international fund sales and sales of alternative investment products – showed contrasting performance. International fund sales developed less favourably than we had expected, as international clients redeemed more than EUR 250 million from our mutual funds in the second quarter. However, we expect this trend to remain temporary and subscriptions to increase again as the global economic picture becomes clearer, especially with respect to European and Nordic corporate bonds, which are critical for international fund sales. Net sales of alternative investment products were EUR 73 million during the second quarter and combined investment assets grew by 30 percent year-on-year to around EUR 1 billion. Alternative investment product fees' share of all fund fees exceeded 20 percent, and we expect this share to grow further in the future. This view is supported by investors' interest shifting to non-traditional asset classes and the expectation that interest rates will remain low far into the future. Our aim is to present new alternative investment solutions this year and next year to complement our current product portfolio.

At the end of the first quarter, we launched a series of cost adjustment measures aimed at boosting Evli's profitability. Almost all of these measures were implemented during the first half of the year and their positive cost impact has already been noticeable. Since the operating environment recovered faster than we expected, the adjustment measures will be dissolved during the third quarter and we will continue the development work started earlier to streamline Evli's processes and further improve client satisfaction.

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

MARKET PERFORMANCE

The markets see-sawed during the first half of the year. At the beginning of the year, it looked like the global economy would continue to grow in the same way as at the end of the previous year, but the market made a complete turnaround in March as a result of the coronavirus pandemic. Due to widespread restrictions, economies around the world came to a virtual standstill, and the economic outlook took a sharp turn for the worse. Central banks in both Europe and the United States sought to respond to the crisis with ever larger stimulus packages. Many countries also announced their own stimulus measures. As a result of dissipating coronavirus fears and massive stimulus measures, the stock markets' steep decline ended in April, turning into an almost equally steep rise. Although the financial markets recovered rapidly from the coronavirus crisis, the recovery of the real economy has been slower.

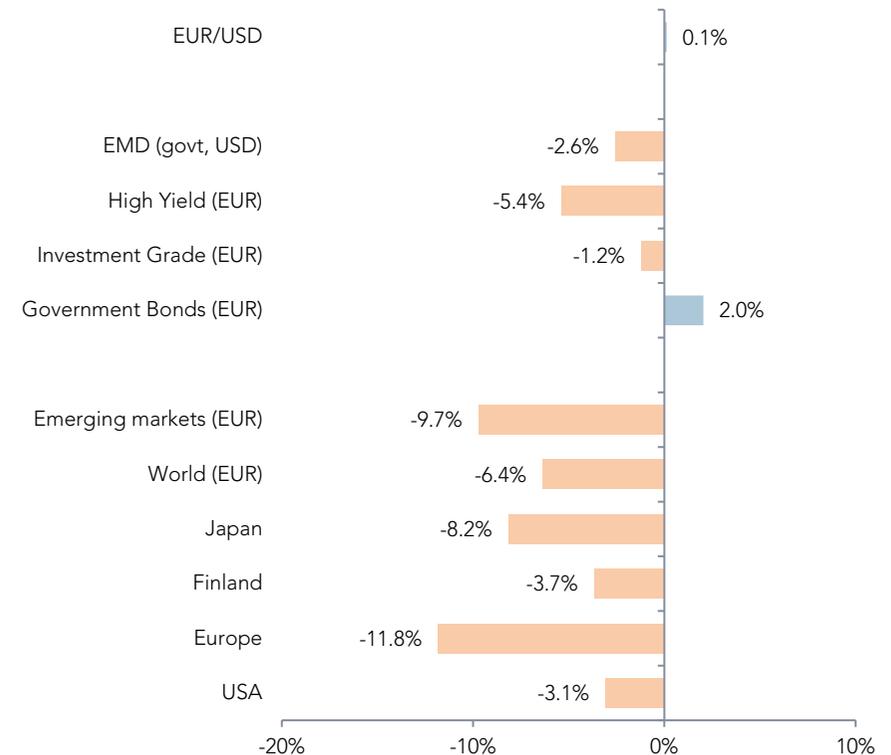
The scale of the economic crisis caused by the coronavirus pandemic has been even greater than the financial crisis. Companies, regardless of sector, have had to suspend or adjust their operations indefinitely. During the first half of the year, national economies entered into recession as a result of a rapid decline in consumer demand and in the United States, for example, unemployment rose to the highest levels since the world wars. On a global scale, the coronavirus is still spreading, but the situation in Asia and Europe developed favourably in the latter part of the first half, and many countries started lifting restrictions.

On the equity markets, US equities (S&P 500) declined 3.1 percent and European equities (Stoxx 600) 11.8 percent during the first half. Finnish equities (OMX Helsinki Cap) declined 3.7 percent during the same period.

The market uncertainty was also reflected in mutual funds registered in Finland. The net subscriptions for the first half of the year were EUR -2,107 million (EUR -970 million) for all the mutual funds registered in Finland.

Interest-bearing papers and corporate bonds, in particular, weakened in the first half as a result of the coronavirus crisis. The values of corporate bonds with higher ratings fell 1.2 percent and the values of high yield bonds with lower ratings declined 5.4 percent during the first half of the year. In contrast, the values of euro area government bonds rose 2.0 percent. The euro strengthened by 0.1 percent against the dollar.

Market performance 1-6/2020



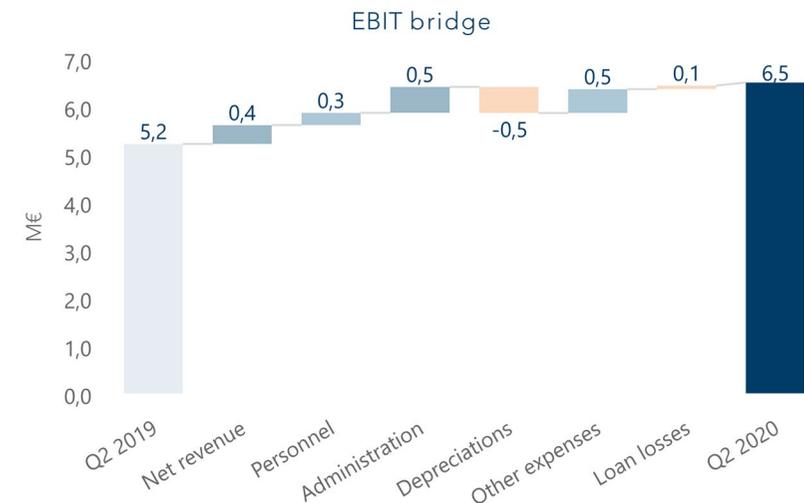
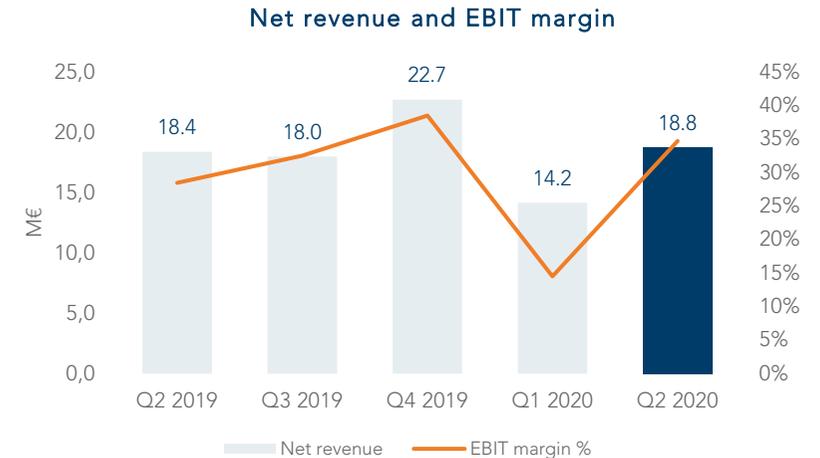
DEVELOPMENT OF REVENUE AND RESULT

In January-June the Evli Group's net commission income were a bit above the comparison period and was EUR 33.4 million (EUR 32.5 million). Despite the challenging market environment, both brokerage and fund fees increased from the comparison period due to a strong first quarter. On the other hand, due to increased uncertainty, advisory fees decreased due to delays or suspensions in client assignments. Similar to the comparison period there were no profit-related fees from mutual funds or asset management.

During the first half of the year net income from securities transactions and foreign exchange dealing decreased substantially from the previous year to EUR -0.8 million (EUR 2.5 million). This was due to the significant negative value changes in the first-quarter result due to the market collapse. Overall, during the review period, the return from Evli Group's operations declined six percent year on year and was EUR 33.0 million (EUR 35.1 million).

Overall costs for January-June, including depreciation, amounted to EUR 24.4 million (EUR 25.5 million). The Group's personnel expenses totalled EUR 14.1 million (EUR 15.0 million) including estimated performance bonuses for the personnel. The Group's administrative expenses were EUR 6.5 million (EUR 6.9 million). The Group's depreciation, amortization and write-downs were EUR 3.0 million (EUR 1.7 million). The increase in depreciation is mainly explained by the transfer of rental expenses to depreciation in accordance with IFRS 16. In the comparison period, rental expenses were presented as part of other operating expenses. The Group's other operating expenses totalled EUR 0.7 million (EUR 1.8 million). Impairment losses on loans and other receivables were EUR 0.2 million (EUR 0.1 million). Evli's expense/income ratio was 0.74 (0.73).

The Group's operating profit for the first half of the year declined by ten percent year on year to EUR 8.6 million (EUR 9.5 million). The operating margin was 26.0 percent (27.2%). The profit for the review period was EUR 6.7 million (EUR 7.3 million). The Group's annualized return on equity was 17.3 percent (19.8%).



Despite the exceptional market environment Evli Group's net revenue for **April-June** increased by three percent compared to the previous year, totalling EUR 18.8 million (EUR 18.3 million). Increased valuations of investments in own balance sheet had a positive impact on net revenue development as markets recovered. The return from own balance sheet items totalled EUR 2.9 million (EUR 1.3 million) during the second quarter. On the other hand, the Group's net commission income decreased by eight percent and was EUR 15.6 million (EUR 16.9 million). Commission income was negatively affected by lower fund management fees caused by the market collapse, and less activity in brokerage operations than during the comparison period.

Overall costs for the second quarter, including depreciation, decreased by six percent from the previous year's level and amounted to EUR 12.3 million (EUR 13.1 million). The cost reduction was achieved through the cost-reducing adjustment measures launched in conjunction with the coronavirus crisis. As a consequence of the market recovery, the adjustment measures will be dissolved during the third quarter.

The Group's second-quarter operating profit was EUR 6.5 million (EUR 5.2 million). The operating margin was 34.7 percent (28.6%). The profit for the period was EUR 4.8 million (EUR 3.8 million).

Balance sheet and funding

At the end of June, the Evli Group's balance sheet total was EUR 919.3 million (EUR 1,041.0 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 71.8 million (EUR 69.6 million).

Evli applies the standardized approach (capital requirement for credit risk) and the basic indicator approach (capital requirement for operational risk) in its capital adequacy calculation. The Group's capital adequacy ratio of 15.3 percent clearly exceeds the regulator's requirement of 10.5 percent. In response to the coronavirus crisis, the authorities eased banks' capital requirements, and consequently, Evli's capital adequacy ratio fell to the current level from the previous level of 11.5 percent. The Group's own minimum target for capital adequacy is 13.0 percent.

The Group's funding from the public and credit institutions decreased by 18 percent compared to the comparison period. The company's loan portfolio decreased six percent compared to the comparison period and was EUR 109.8 million (EUR 116.8 million). The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 22 percent. The Group's liquidity is good.

Due to the corona crisis, the probability of credit losses has increased. As a result of this Evli has increased its loan loss provision during the first half of the year by EUR 0.2 million in accordance with IFRS 9. Evli's loan portfolio consists mainly of secured investment loans, which collateral values are monitored on a daily basis. No credit losses were realized during the review period.

COMMON EQUITY TIER 1 CAPITAL, M€	30.6.2020	30.6.2019
Share capital	30.2	30.2
Funds total and retained earnings	35.6	32.2
Minority interest	0.0	0.0
<i>Decreases:</i>		
Intangible assets	12.8	14.7
Other decreases	0.0	0.0
Total common equity tier 1 capital	53.0	47.8

Evli Bank has no tier 2 capital.

Minimum requirement of own funds, M€	30.6.2020	30.6.2020
Minimum capital adequacy requirement by asset group, standard credit risk method:	Min. requirement	Risk-weighted value
Claims from the state and central banks	0.0	0.0
Claims from regional governments and local authorities	0.0	0.0
Claims from credit institutions and investment firms	3.2	39.6
Investments in mutual funds	3.8	48.0
Claims secured with property	0.1	0.9
Claims from corporate customers	2.9	35.7
Items with high risk, as defined by the authorities	0.1	1.0
Other items	6.8	84.5
Minimum amount of own funds, market risk	0.3	3.9
Minimum amount of own funds, operational risk	10.7	133.5
Total	27.8	347.0

BUSINESS AREAS

Wealth Management and Investor Clients

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

Wealth Management

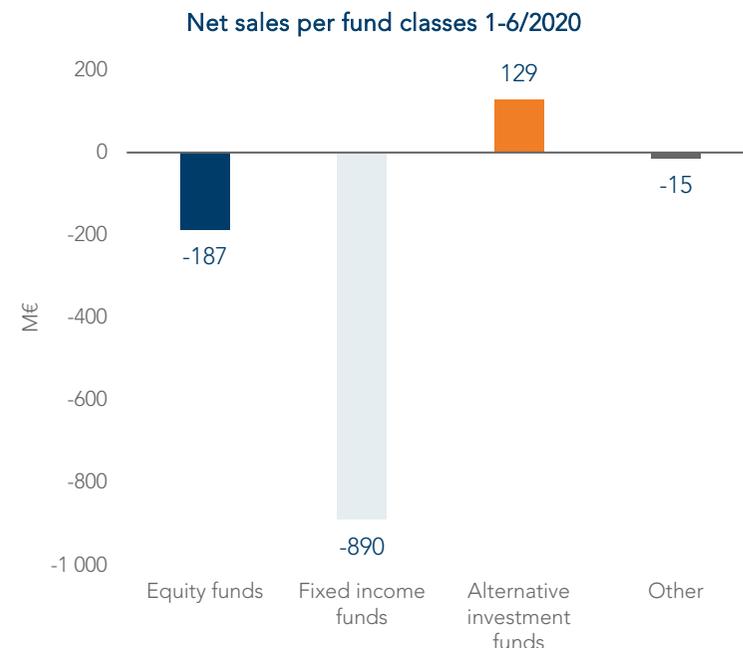
The assets under management in Evli's Wealth Management decreased during the first quarter of the year, due to the coronavirus pandemic. Despite the second-quarter growth, the assets in discretionary asset management fell short of the comparison period. At the end of the review period, Evli had EUR 4.9 billion (EUR 5.0 billion) in discretionary asset management assets, which includes both the traditional and the digital services.

Traditional mutual funds

The coronavirus crisis reflected negatively on fund sales during the review period as clients sold their holdings. Evli's mutual funds' net subscriptions for the first half of the year were EUR -1,054.0 million (EUR 658.7 million). The majority of redemptions were in short-duration fixed income funds. Most net redemptions were made from Evli Short Corporate Bond (EUR -444 million) and Evli Euro Liquidity (EUR -327 million) funds. Evli's strategic target is to boost the international sales of its investment products. During the first half of the year net subscriptions from foreign investors were EUR -434 million (EUR 377 million).

According to the Mutual Fund Report carried out by Investment Research Finland, Evli Fund Management Company's market share decreased by 0.8 percentage points on the previous year and was 6.9 percent at the end of June. At the end of June, Evli had 28 investment funds registered in Finland. The combined assets of the traditional mutual funds managed by the

company were EUR 8.0 billion (EUR 8.9 billion). Of this, approximately EUR 1.9 billion were invested in equity funds (EUR 2.2 billion), EUR 5.9 billion in fixed income funds (EUR 6.5 billion) and EUR 0.2 billion in balanced funds (EUR 0.1 billion).



Alternative investment products

Sales of strategically important alternative investment products developed well, considering the market situation. Subscriptions and investment commitments for alternative investment products totalled EUR 129 million in the first half of the year (EUR 157 million). During the period under review, Evli launched the Evli Infrastructure I fund, to which EUR 69 million was raised during the first half of the year. The fund focuses on global infrastructure projects. In response to the rapid changes in the operating environment, Evli is investigating opportunities to launch new products still during this year.

Other investment products

The market turmoil clearly increased the demand for Evli's brokerage products during the first quarter. Despite the somewhat quieter second quarter, the fees for the first half of the year clearly exceeded those of the comparison period. Especially the brokerage of ETF:s and structured investment products developed favourably.

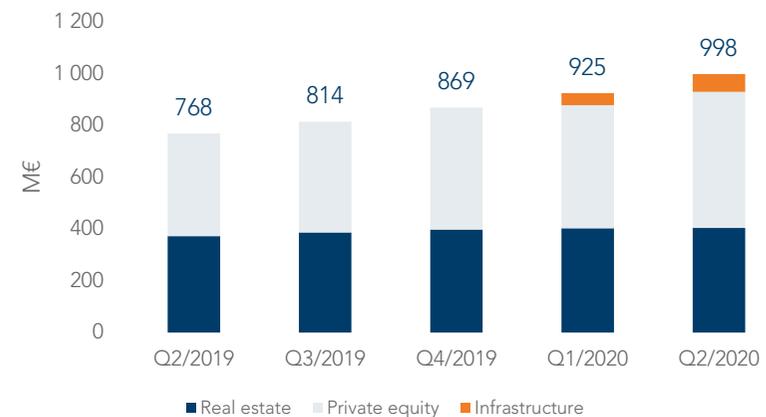
Awards

During the first half of the year, Evli's wealth management received recognition from the independent KANTAR SIFO Prospera "External Asset Management Finland 2019" -survey, where Evli was for the fourth consecutive year in a row the most widely used institutional asset manager in Finland. In addition, institutional investors ranked Evli as the second-best institutional asset manager in Finland and Evli's brand strength was assessed as the strongest in asset management services. Evli was also placed first in among others portfolio management competence and responsible investments (ESG).

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

In Lipper Fund Awards 2020 France, Evli received the award of best fixed income house among smaller fund management companies. In addition, Evli Short Corporate Bond B was rewarded with both "Best Fund over 3 years" and "Best Fund over 5 years" in the "Bond EUR Corporates Short Term" category. In Lipper Fund Awards 2020 in Europe, Nordics, Germany and France, Evli Nordic fund was awarded "Best Fund over 5 years" and "Best Fund over 10 years" in Lipper Fund Awards 2020 in Europe and "Best Fund over 5 years" in Lipper Fund Awards 2020 in Germany and France in the "Equity Nordic" category.

Assets under Management in alternative investment products



Financial performance

In **January-June** the Wealth Management and Investor Clients segment's profit developed favourably. The segment's net revenue grew six percent year on year totalling EUR 29.1 million (EUR 27.4 million). The revenue development was positively affected by the fund fees, that were higher than in the comparison period in January and February, and the significant increase in brokerage fees during the first quarter. Similar to the comparison period no performance-based fees were received from asset management or funds during the review period.

In **April-June** the net revenue of the Wealth Management and Investor Clients segment decreased by seven percent compared to the same period in 2019 and was EUR 13.3 million (EUR 14.4 million). The negative development of the revenue performance was particularly influenced by the decrease in brokerage fees.

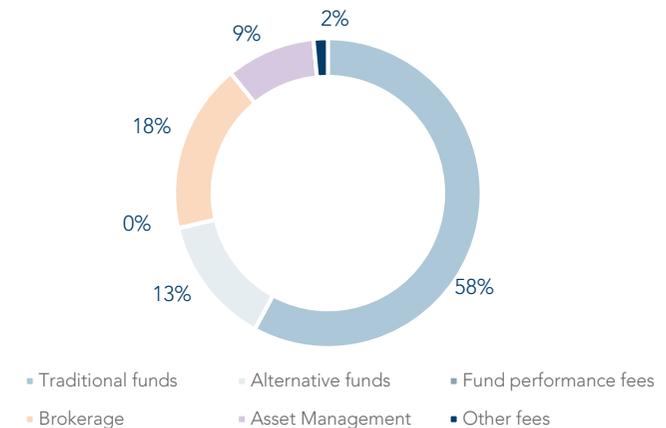
Key figures - Wealth Management and Investor Clients segment

M€	1-6/ 2020	1-6/ 2019	Change %	4-6/ 2020	4-6/ 2019	Change %
Net revenue	29.1	27.4	6%	13.3	14.4	-7%
Operating profit/loss before Group allocations	12.4	10.6	17%	5.4	6.0	-11%
Operating profit/loss	10.1	6.9	47%	3.9	4.1	-4%
Number of personnel	158	172	-8%			
Market share, %*	6.9	7.7	-10%			
Net subscriptions**	1,054.0	658.7	-			

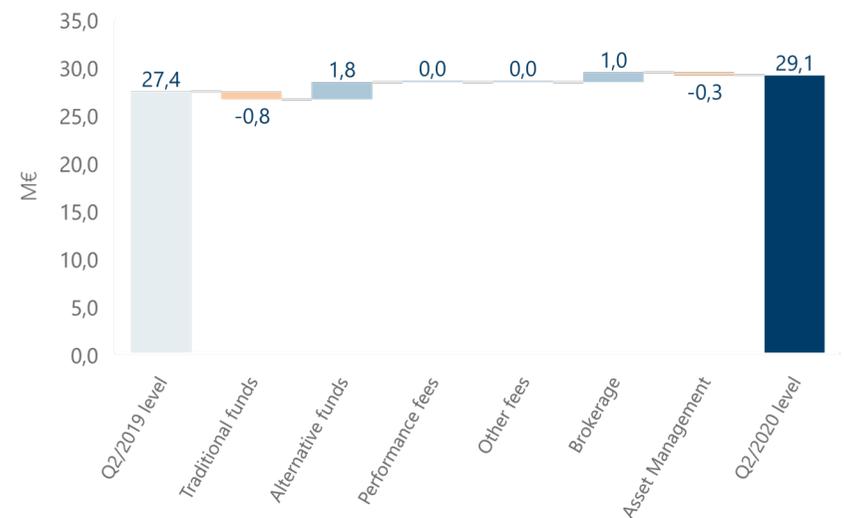
*Evli Fund Management Company. Source: fund report by Investment Research Finland

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

Split of Wealth Management fees 1-6/2020



Development of Investor client commissions



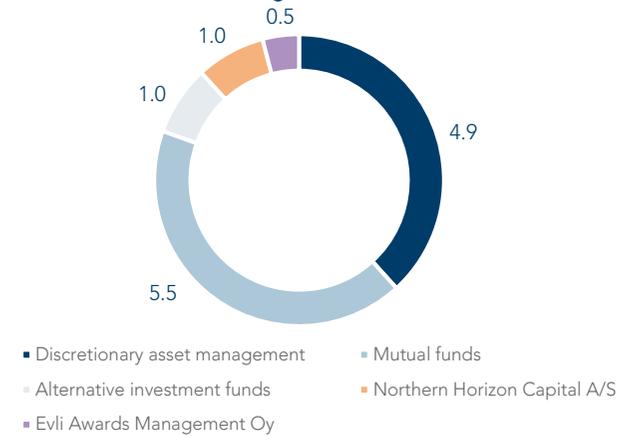
Development of client assets under management

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

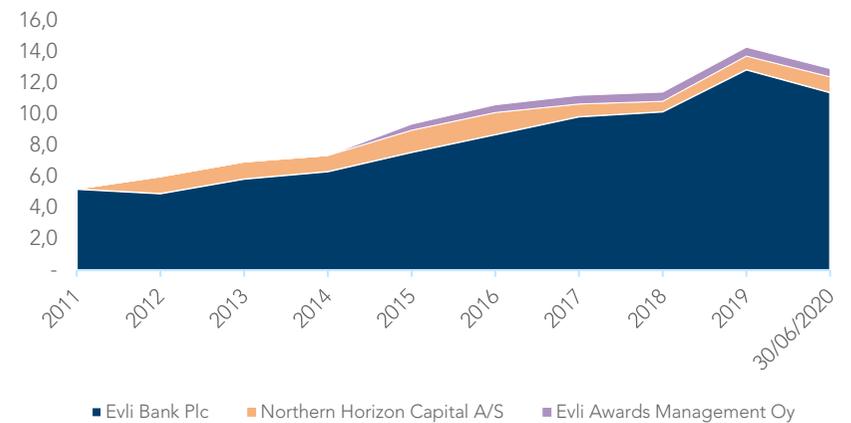
Assets under management decreased substantially during the market collapse in March but recovered somewhat during the second quarter. Despite the recovery, the Group's total net assets under management were below that of the comparison period and totalled EUR 12.9 billion (EUR 13.3 billion) at the end of June.

At the end of June, assets under discretionary management amounted to EUR 4.9 billion (EUR 5.0 billion). Correspondingly, direct investments in Evli's traditional mutual funds were EUR 5.5 billion (EUR 6.2 billion) at the end of the review period. The assets under management in alternative investment funds was EUR 1.0 billion (EUR 0.8 billion). Assets managed through subsidiaries and associated companies remained at the corresponding level of the previous year.

Net assets under management June 30, 2020 (EUR bn.)



Net Assets Under Management EUR 12.9 bn.



Advisory and Corporate Clients

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

M&A transactions

The coronavirus crisis had a substantial impact on the unit's business, leading to delays and suspensions of advisory assignments. On the other hand, the exceptional operating environment provided new opportunities for corporate debt restructuring, for example.

Evli's second quarter transactions:

- Advisor to the Swedish listed company Haldex in a SEK 1.3 billion refinancing, including a SEK 157 million share issue
- Advisor to the listed company Eltel in a EUR 150 million refinancing
- Advisor to the private owners in the sale of the life science company Laroda to the English company Associated British Foods
- Advisor to the Board of Directors of the Finnish company M-Brain regarding the company's refinancing.

Incentive systems

During the second quarter, the returns from the administration of incentive systems were despite the coronavirus pandemic, at the previous year's level, at EUR 1.3 million (EUR 1.2 million). The revenue performance was positively affected especially by existing clients' incentive systems having a wider scope than before, share-based Board of Directors' fees becoming more common, and new incentive systems that started during the beginning of the year. The first agreement with a Swedish client was also signed during the second quarter. At the end of June, Evli was responsible for the administration of the incentive systems of about 70 companies, which are mainly listed companies. Challenges caused by the coronavirus crisis did

not yet materialize during the first half of the year, although acquisition of new clients is anticipated to be challenging this year.

Financial performance

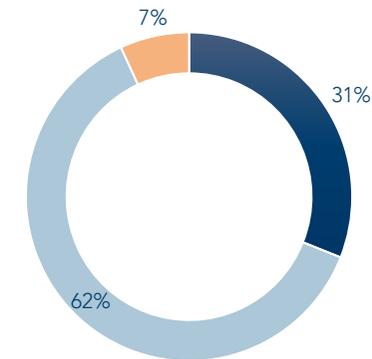
In **January-June** the net revenue of the Advisory and Corporate Clients segment decreased twelve percent year on year totalling EUR 4.4 million (EUR 5.0 million). Significant fluctuations in revenue from one quarter to the next are typical of the segment's M&A activities.

In **April-June** the net revenue of the Advisory and Corporate Clients segment decreased by nine percent compared to the comparison period and was EUR 2.3 million (EUR 2.5 million). During the second quarter, the company participated in four transactions. Due to the corona crisis, many mandates were delayed or suspended. As the market has recovered, activity in advisory business has picked up, but there is a greater uncertainty than previously about the execution of the transactions.

Key figures - Advisory and Corporate Clients segment

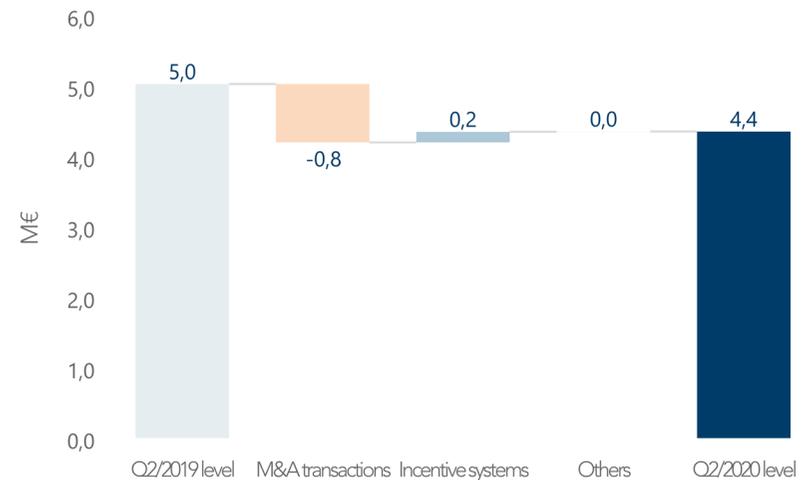
M€	1-6/ 2020	1-6/ 2019	Change %	4-6/ 2020	4-6/ 2019	Change %
Net revenue	4.4	5.0	-12%	2.3	2.5	-9%
Operating profit/loss before Group allocations	1.3	1.6	-21%	0.8	0.8	-6%
Operating profit/loss	0.9	1.0	-10%	0.5	0.5	4%
Number of personnel	43	42	2%			

Split of advisory commissions 1-6/2020



■ Advisory fees ■ Incentive management ■ Other advisory fees

Development of advisory commissions



Group Operations

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

Financial performance

In **January-June** the return of the Group operations segment decreased year on year and was EUR -0.5 million (EUR 2.7 million). The decrease was due to unrealized losses on fixed income investments in the own balance sheet caused by the market turmoil.

In **April-June** the net revenue of the Group Operations segment increased compared to the comparison period and was EUR 3.2 million in total (EUR 1.5 million). Revenue development was positively affected by the increase in the value of fixed income investments in own balance sheet investments.

Key figures – Group operations segment

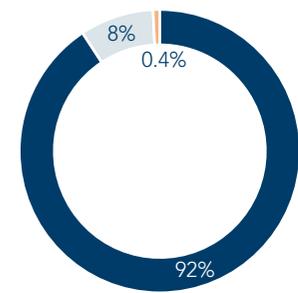
M€	1-6/ 2020	1-6/ 2019	Change %	4-6/ 2020	4-6/ 2019	Change %
Net revenue	-0.5	2.7	-	3.2	1.5	111%
Operating profit/loss before Group allocations	-4.7	-2.7	73%	0.7	-1.4	-
Operating profit/loss	-2.1	1.6	-	2.4	0.8	199%
Number of personnel	47	49	-4%			

PERSONNEL

The group had 248 employees (263) at the end of June. The number of employees declined by six percent, from the comparison period. 92 percent of the personnel were employed in Finland and eight percent abroad.

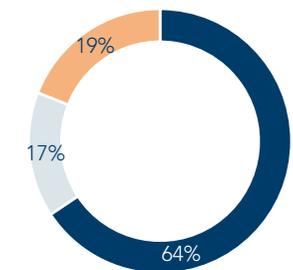
Employee facts

Employees per country



■ Finland ■ Sweden ■ Arab Emirates

Employees per segment



■ Wealth Management & Investor Clients
 ■ Advisory & Corporate Clients
 ■ Group Operations

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 second quarter Evli further tightened its funds' exclusion criteria, and added adult entertainment producers and companies engaged in controversial lending (including so-called pay-day lenders) with a five percent revenue threshold to the list of excluded industries. In June, Evli celebrated its 10-year anniversary as a signatory of the United Nations' Principles for Responsible Investment (PRI). Evli signed the principles in June 2010 and has since then committed to implementing the six Principles for Responsible Investment and to reporting on the responsibility of its investments on an annual basis. During the second quarter, Evli also joined a new collaborative engagement under PRI – the Need for Biodiversity Metrics – and signed the Sustainable Recovery from the Covid-19 Pandemic joint statement.

The shareholder meeting season continued and Evli participated in 19 general meetings of shareholders in April-June. Due to the coronavirus pandemic, participation in general meetings of shareholders took place by issuing powers of attorney along with voting instructions. Before the shareholder meetings, Evli contacted four companies. The engagement operations concerned Board of Directors' fees, share issue authorizations and articles of association. Evli's Responsible Investment Annual Report was published during the second quarter. Evli also became a member of the Green Building Council. The association's key focus is to promote practices that support sustainable development in the built environment.

Results 4-6/2020

- Expanded exclusion criteria published
- Responsible Investment Annual Report published
- Joining a new collaborative engagement initiative
- Participation in 19 general meetings of shareholders
- Engaging with four companies
- Becoming a member of the Green Building Council.

Goals 2020-2021

Renewal of the ESG reports

Launch new responsibility funds

Set climate targets

Deepen ESG integration in Portfolio Management

EVLI'S SHARES AND SHARE CAPITAL

At the end of June, Evli Bank Plc's total number of shares was 23,901,420, of which 15,015,615 were series A shares and 8,885,769 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 June. No changes took place in the share capital.

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

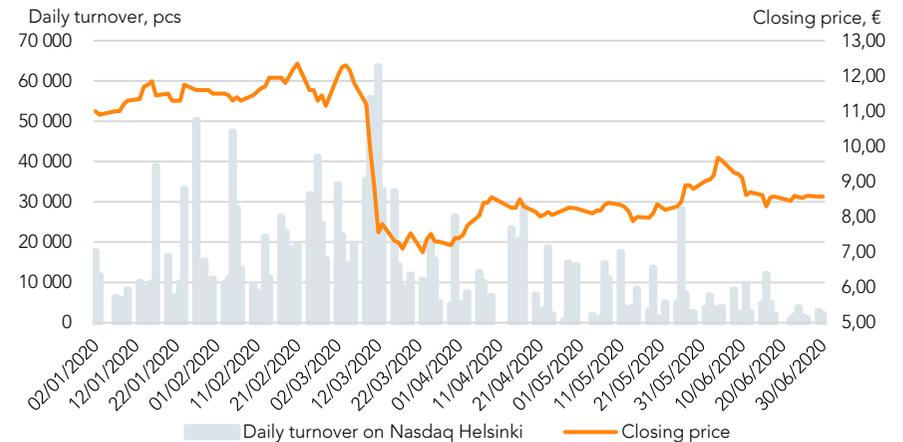
Trading on Nasdaq Helsinki

	1-6/2020	1-6/2019
Highest price, €	12.6	9.48
Lowest price, €	6.8	7.24
Trading in the shares, €	16,111,775	5,600,000
Trading in the shares, pcs	1,617,228	657,510

	June 30, 2020	June 30, 2019
Evli's series B shares, pcs	8,885,769	8,643,149
Closing price, €	8.58	7.78
Market capitalization*, M€	205.1	186.0

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

Share price development and trading volume (series B shares) 1.1.–30.6.2020



Shareholders

The total number of shareholders at the end of June was 4,858 (4,092). The stake of Finnish companies was 54 percent (54%) and that of private Finnish individuals was 26 percent (26%). The remaining 20 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 June 30, 2020 are listed on page 37.

DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Evli Bank Plc's Annual General Meeting, held in Helsinki on March 9, 2020, decided on the following matters:

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

Evli Bank Plc's Annual General Meeting adopted the financial statements and resolved in accordance with the proposal of the Board of Directors to pay EUR 0.66 per share in dividends. The dividend was paid to a shareholder who on the record date March 11, 2020 was registered in the shareholders' register of the company held by Euroclear Finland Ltd. The date of the payment of dividends was resolved to be March 18, 2020.

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

The Annual General Meeting granted release from liability to the Members of the Board of Directors and the CEO for the 2019 financial year.

Remuneration policy

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

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

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

An individual's short-term (one-year earnings criterion) variable remuneration may not exceed 100 percent of an individual's annual fixed remuneration. However, the combination of short-term variable remuneration and long-term commitment plan payments may exceed 100 percent of the individual's annual fixed remuneration. However, the aggregate of short-term variable remuneration and long-term commitment plan payments may not exceed 200 percent of the individual's annual fixed remuneration.

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

Number of Board members, members and fees

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

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

Auditors and auditors' fees

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

Board authorizations

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

The total number of own series A shares to be repurchased may be a maximum of 1,516,088 shares, and the total number of own series B shares to be repurchased may be a maximum of 874,055 shares. The number of shares represents approximately ten percent of all the shares of the company on the date of the Notice of the Annual General Meeting.

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

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

The Board of Directors will decide how the company's own shares will be repurchased. Financial instruments such as derivatives may be used in the purchasing. The company's own shares may be repurchased in other proportion than the shareholders' proportional shareholdings (private purchase). Shares may be repurchased through public trading at the prevailing market price formed for the B-shares in public trading on the Nasdaq Helsinki Oy on the date of repurchase.

The authorization will replace earlier unused authorizations to repurchase the company's own shares. The authorization will be in force until the next Annual General Meeting but no later than until June 30, 2021.

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

Based on the authorization, the number of shares issued or transferred, including shares received based on special rights, may total a maximum of

2,390,140 series B shares. The number of shares represents approximately ten percent of all the shares of the company on the date of the Notice of the Annual General Meeting. Of the above-mentioned total number, however, a maximum of 239,014 shares may be used as part of the company's share-based incentive schemes, representing approximately one percent of all the shares of the company on the date of the Notice of the Annual General Meeting.

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

The authorization will replace earlier unused authorizations concerning the issuance of shares as well as the issuance of options and other special rights entitling to shares. The authorization will be in force until the end of the next Annual General Meeting but no longer than until June 30, 2021.

CHANGES IN GROUP STRUCTURE

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

BUSINESS ENVIRONMENT

Despite the recovery in the investment market Evli's business environment is currently exceptionally challenging. The increased fear of a trade war, the downturn in the real economy, and a possible second wave of the coronavirus contribute to increased uncertainty among investors. The coronavirus pandemic and the uncertainty which has followed has been reflected at Evli in the form of redemptions, especially from short-duration fixed income funds as clients reinforce their cash positions and seek safe havens.

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

In line with its strategy, Evli has focused increasingly on the development of international sales and alternative investment products. These are considered important sources of growth for the company and a means to further diversify the company's sources of revenue. Work has also been done to further improve business scalability.

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

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

the challenges posed by the market environment Evli's goal is to turn alternative investment products into a major source of revenue.

RISK MANAGEMENT AND BUSINESS RISKS

Evli's most significant near-term risk is the impact of market performance on the company's business functions. Securities market performance has a direct impact on the wealth management business. Its revenue is based on the performance of assets under management and is therefore subject to market fluctuations. The general performance of the markets also has an impact on brokerage operations. In advisory assignments, any changes in the market confidence of investors and corporate management may result in the lengthening or termination of projects.

Evli's most significant risks associated with its bank and investment activities are liquidity, market and interest rate risks. These risks are controlled with limits set by Evli Bank's Board of Directors. The limits are constantly monitored. The basis for investments made by the company is that they must not endanger Evli's result or solvency. Evli's investments are very highly diversified, and dependency on a single company is restricted by limiting the size of company-specific investments, for example. Regardless of good monitoring, there is always a certain degree of risk involved in investment activities, which means the return from investment activities can fluctuate significantly from one quarter to the next.

OUTLOOK FOR 2020

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

Despite the challenging market environment, the view is supported by a high ratio of recurring revenue to operating costs, as well as sales of alternative investment products, which have brought new, stable revenue. In addition, the company took a number of adjustment measures during March to ease the cost structure. As part of the measures, the Board of Directors and the Executive Group as well as some employees voluntarily reduced salaries and fees on a temporary basis, among other things. As a result of the rapid market recovery, the adjustment measures will be dissolved during the third quarter.

Helsinki, July 14, 2020

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

INVESTOR CALENDER 2020

- Interim Report, January-September: October 23, 2020

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The figures in the half year financial report tables and appendices are presented in millions of euros, unless indicated

Consolidated comprehensive income statement

	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Net interest income	0.2	0.1	0.2	0.1	0.3
Commission income and expense, net	15.6	16.9	33.4	32.5	72.2
Net income from securities transactions and foreign exchange dealing	2.9	1.3	-0.8	2.5	3.2
Other operating income	0.0	0.0	0.0	0.0	0.1
NET REVENUE	18.8	18.3	33.0	35.1	75.8
Administrative expenses					
Personnel expenses	-7.5	-7.7	-14.1	-15.0	-30.4
Other administrative expenses	-2.8	-3.4	-6.5	-6.9	-14.0
Depreciation, amortisation and write-down	-1.5	-0.9	-3.0	-1.7	-3.5
Other operating expenses	-0.5	-1.0	-0.7	-1.8	-3.7
Impairment losses on loans and other receivables	0.0	-0.1	-0.2	-0.1	-0.1
NET OPERATING PROFIT / LOSS	6.5	5.2	8.6	9.5	24.1
Share of profits (losses) of associates	0.0	-0.1	0.2	-0.2	-0.6
Income taxes*	-1.7	-1.3	-2.1	-2.1	-4.9
PROFIT / LOSS FOR FINANCIAL YEAR	4.8	3.8	6.7	7.3	18.7
Attributable to					
Non-controlling interest	0.4	-0.1	0.6	0.1	1.4
Equity holders of parent company	4.4	3.9	6.0	7.2	17.3
PROFIT / LOSS FOR FINANCIAL YEAR	4.8	3.8	6.7	7.3	18.7
OTHER COMPREHENSIVE INCOME / LOSS					
Items, that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0.3	-0.1	-0.1	-0.2	0.0
Other comprehensive income/loss	0.3	-0.1	-0.1	-0.2	0.0
Other comprehensive income after taxes / loss total	0.3	-0.1	-0.1	-0.2	0.0
OTHER COMPREHENSIVE INCOME / LOSS TOTAL	5.1	3.7	6.6	7.1	18.6
Attributable to					
Non-controlling interest	0.4	-0.1	0.6	0.1	1.4
Equity holders of parent company	4.7	3.8	5.9	6.9	17.2
Earnings per Share (EPS), fully diluted	0.18	0.16	0.25	0.29	0.71
Comprehensive Earnings per Share (EPS), fully diluted	0.18	0.1	0.25	0.29	0.71

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

Consolidated comprehensive income statement quarterly

	4-6/2020	1-3/2020	10-12/2019	7-9/2019	4-6/2019
Net interest income	0.2	0.0	0.2	0.1	0.1
Commission income and expense, net	15.6	17.9	22.5	17.2	16.9
Net income from securities transactions and foreign exchange dealing	2.9	-3.7	0.0	0.7	1.3
Other operating income	0.0	0.0	0.1	0.0	0.0
NET REVENUE	18.8	14.2	22.7	18.0	18.3
Administrative expenses					
Personnel expenses	-7.5	-6.6	-8.5	-6.9	-7.7
Other administrative expenses	-2.8	-3.6	-3.5	-3.5	-3.4
Depreciation, amortisation and write-down	-1.5	-1.5	-0.9	-0.9	-0.9
Other operating expenses	-0.5	-0.2	-1.0	-0.8	-1.0
Impairment losses on loans and other receivables	0.0	-0.2	0.0	0.0	-0.1
NET OPERATING PROFIT/LOSS	6.5	2.1	8.7	5.9	5.2
Share of profits (losses) of associates	0.0	0.2	-0.4	-0.1	-0.1
Income taxes*	-1.7	-0.4	-1.8	-1.0	-1.3
PROFIT/LOSS FOR FINANCIAL YEAR	4.8	1.9	6.6	4.8	3.8
Attributable to					
Non-controlling interest	0.4	0.3	0.9	0.4	-0.1
Equity holders of parent company	4.4	1.6	5.7	4.4	3.9
PROFIT/LOSS FOR FINANCIAL YEAR	4.8	1.9	6.6	4.8	3.8
OTHER COMPREHENSIVE INCOME/LOSS					
Items, that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0.3	-0.3	0.2	0.0	-0.1
Other comprehensive income/loss	0.3	-0.3	0.2	0.0	-0.1
Other comprehensive income after taxes/loss total	0.3	-0.3	0.2	0.0	-0.1
OTHER COMPREHENSIVE INCOME/LOSS TOTAL	5.1	1.5	6.8	4.8	3.7
Attributable to					
Non-controlling interest	0.4	0.3	0.9	0.4	-0.1
Equity holders of parent company	4.7	1.3	5.9	4.5	3.8

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

Consolidated balance sheet

	30.6.2020	30.6.2019	31.12.2019
ASSETS			
Liquid assets	337.4	276.9	305.7
Debt securities eligible for refinancing with central banks	41.8	36.1	36.1
Claims on credit institutions	88.6	65.2	69.8
Claims on the public and public-sector entities	109.8	116.8	114.0
Debt securities	62.9	295.1	227.6
Shares and participations	54.6	51.3	31.5
Participating interests	4.0	4.2	3.8
Derivative contracts	35.2	25.9	59.6
Intangible assets	12.8	14.7	14.3
Property, plant and equipment	1.4	1.8	1.6
Other assets	166.2	147.8	55.3
Accrued income and prepayments	4.0	4.8	3.6
Deferred tax assets	0.5	0.4	0.2
TOTAL ASSETS	919.3	1,041.0	923.2
LIABILITIES			
Liabilities to credit institutions and central banks	7.5	14.7	1.9
Liabilities to the public and public-sector entities	490.1	611.2	551.6
Debt securities issued to the public	139.4	148.8	148.6
Derivative contracts and other trading liabilities	35.1	26.1	59.7
Other liabilities	155.9	152.4	58.0
Accrued expenses and deferred income	18.6	17.6	21.7
Deferred tax liabilities	-0.1	0.0	0.0
LIABILITIES TOTAL	846.6	970.8	841.5
Equity to holders of parent company	71.8	69.6	80.1
Non-controlling interest in capital	1.0	0.6	1.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	919.3	1,041.0	923.2

Consolidated statement of changes in equity

	Share capital	Share premium fund	Reserve for invested unrestricted equity	Other reserves	Retained earnings	Total	Non-controlling interest	Total Equity
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					7.2	7.2	0.1	7.3
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				0.2	0.1	0.3		0.3
Equity capital 30.6.2019	30.2	1.8	18.7	0.6	18.3	69.6	0.6	70.1
Translation difference					0.0	0.0		0.0
Profit/loss for the period					10.1	10.1	1.2	11.3
Dividends					0.0	0.0	-0.2	-0.2
Share options exercised						0.0		0.0
Acquisition of own shares						0.0		0.0
Acquisition of non-controlling interest						0.0		0.0
Other changes				0.4		0.4	0.1	0.5
Equity capital 31.12.2019	30.2	1.8	18.7	1.0	28.3	80.1	1.7	81.8
Translation difference					0.1	0.1	0.0	0.1
Profit/loss for the period					6.0	6.0	0.6	6.7
Dividends					-15.4	-15.4	-1.2	-16.6
Share options exercised			0.3			0.3		0.3
Acquisition of own shares						0.0		0.0
Acquisition of non-controlling interest						0.0		0.0
Other changes*			-0.1	0.7		0.6	-0.1	0.5
Equity capital 30.6.2020	30.2	1.8	18.9	1.7	19.1	71.8	1.0	72.7

*Other changes include the change in equity related to the fair value change (0.7 M€) arising from the granted share programs and the return of capital to the minority owners from the Group company (-0.1 M€).

Consolidated segment income statement

	Wealth Management and Investor Clients		Advisory and Corporate Clients		Group Operations		Unallocated		Group	
	1-6/ 2020	1-6/ 2019	1-6/ 2020	1-6/ 2019	1-6/ 2020	1-6/ 2019	1-6/ 2020	1-6/ 2019	1-6/ 2020	1-6/ 2019
REVENUE										
Net interest	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.2	0.1
Net commissions	29.1	27.4	4.4	5.0	0.0	0.2	0.0	0.0	33.4	32.5
Trading and FX result	0.0	0.0	0.0	0.0	-0.8	2.5	0.0	0.0	-0.8	2.5
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	29.1	27.4	4.4	5.0	-0.5	2.7	0.0	0.0	33.0	35.1
Inter-segment sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total revenue	29.1	27.4	4.4	5.0	-0.5	2.7	0.0	0.0	33.0	35.1
Timing of revenue recognition										
At a point in time	24.2	23.8	3.0	2.8	0.0	0.0			27.3	26.6
Over time	4.9	3.6	1.3	2.2	0.0	0.2			6.2	5.8
RESULT										
Segment operating expenses	-14.9	-15.5	-3.0	-3.3	-3.7	-5.0	0.4	0.1	-21.2	-23.8
Business units operating profit before depreciations and Group allocations	14.1	11.9	1.4	1.7	-4.2	-2.3	0.4	0.0	11.7	11.3
Depreciations	-1.8	-1.3	-0.2	-0.2	-0.2	-0.3	-0.8	0.1	-3.0	-1.7
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	-0.2	-0.1	0.0	0.0	-0.2	-0.1
Business units operating profit before Group allocations	12.4	10.6	1.3	1.6	-4.7	-2.7	-0.4	0.1	8.6	9.5
Allocated corporate expenses	-2.2	-3.7	-0.4	-0.6	2.6	4.3	0.0	0.0	0.0	0.0
Operating profit including Group allocations	10.1	6.9	0.9	1.0	-2.1	1.6	-0.4	0.1	8.6	9.5
Share of profits (losses) of associates	0.0		0.0		0.0		0.2	-0.2	0.2	-0.2
Income taxes	-1.7		-0.3		-0.1		0.0	-2.1	-2.1	-2.1
Segment profit/loss	8.5	6.9	0.6	1.0	-2.2	1.6	-0.2	-2.2	6.7	7.3

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

	1-6/2020	1-6/2019	1-12/2019
Operating activities			
Operating profit	8.6	9.6	24.1
Adjustment for items not included in cash flow	0.8	4.3	9.9
Income taxes paid	-2.4	-5.9	-5.2
Cash flow from operating activities before changes in operating assets and liabilities	7.0	8.0	28.9
Changes in operating asset, total	9.2	-177.6	-6.0
Changes in operating liabilities, total	32.2	232.1	64.8
Cash flow from operating activities	48.4	62.5	87.2
Investing activities			
Change in intangible asset	-0.2	-4.8	-5.7
Change in property, plant and equipment	-0.1	-0.4	-0.2
Cash flow from investing activities	-0.3	-5.2	-5.9
Financing activities			
Dividends paid to company's shareholders	-15.4	-14.4	-14.4
Dividends paid to non-controlling interests in subsidiaries	-1.0	-0.7	-0.7
Payment of finance lease liabilities	-1.1	-0.1	-2.7
Acquisition of own shares	0.0	0.0	0.0
Used option rights	0.3	0.4	0.4
Cash flow from financing activities	-17.1	-14.8	-17.4
Cash and cash equivalents at the beginning of period	311.4	247.4	247.4
Translation difference	0.0	0.0	0.0
Cash and cash equivalents at the end of year	342.4	290.0	311.4
Change	31.0	42.5	64.0

Key figures describing the Group's financial performance

	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Income statement key figures					
Operating income, M€	18.8	18.3	33.0	35.1	75.8
Operating profit/-loss, M€	6.5	5.2	8.6	9.5	24.1
Operating profit margin, %	34.7	28.6	26.0	27.2	31.8
Profit/loss for the financial year, M€	4.8	3.8	6.7	7.3	18.7
Profitability key figures					
Return on equity (ROE), %			17.3	19.8	23.4
Return on assets (ROA), %			1.4	1.6	2.1
Balance sheet key figures					
Equity-to-assets ratio, %			7.9	6.7	8.9
Capital adequacy ratio, %			15.3	14.7	15.1
Key figures per share					
Earnings per Share (EPS), fully diluted, €	0.18	0.16	0.25	0.29	0.71
Comprehensive Earnings per Share (EPS), fully diluted, €	0.18	0.16	0.25	0.29	0.71
Dividend / share, €					0.66*
Equity per share, €			3.05	2.96	3.40
Share price at the end of the period, €			8.58	7.78	10.40
Other key figures					
Expense ratio (operating costs to net revenue)			0.74	0.73	0.68
Recurring revenue ratio, %			121	113	124
Personnel at the end of the period			248	263	249
Market value, M€			205.1	186.0	248.6

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

Group's capital adequacy

	1-6/2020	1-6/2019	1-12/2019
Own assets (common equity Tier 1 capital), M€	53.0	47.8	48.6
Risk-weighted items total for market- and credit risks, M€	213.5	202.0	188.0
Capital adequacy ratio, %	15.3	14.7	15.1
Evli Bank Plc's adequacy ratio, %	18.3	18.1	19.1
Own funds surplus, M€	25.2	21.7	22.9
Own funds in relation to the minimum capital requirement, M€	1.9	1.8	1.9
Own funds surplus M€ including additional capital requirement	16.5	13.5	11.6

Calculation of key ratios

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

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

Notes to balance sheet

	30.6.2020	30.6.2019	31.12.2019
Equity and debt securities			
Equity securities are presented in the Statement of Changes in Equity			
Debt securities issued to the public			
Certificates of Deposits and commercial papers	9.9	24.9	25.0
Bonds	129.5	123.9	123.6
Debt securities issued to the public	139.4	148.8	148.6
Breakdown by maturity	under 3 months	3-12 months	1-5 years
	5-10 years		
Debt securities issued to the public	1.4	12.2	125.9
	0.0		
Changes in bonds issued to the public	30.6.2020	30.6.2019	31.12.2019
Issues	27.6	23.9	49.5
Repurchases	15.6	16.5	44.3
Off-balance sheet commitments			
Commitments given to a third party on behalf of a customer	8.7	6.0	6.9
Irrevocable commitments given in favour of a customer	1.6	0.2	0.3
Guarantees on behalf of others	0.0	0.5	0.5
Unused credit facilities	13.0	5.0	5.4
Transactions with related parties	1-6/2020		
	Associated companies	Group management	
Sales	0.0	0.0	
Purchases	0.0	0.0	
Receivables	0.0	0.5	
Liabilities	0.0	0.5	

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

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

Fair value	Level 1 2020	Level 2 2020	Level 3 2020	Total
Financial assets				
Shares and participations classified as held for trading	0.1	0.0	0.0	0.1
Shares and participations, other	47.4	0.0	7.1	54.5
Debt securities eligible for refinancing with central banks	41.8	0.0	0.0	41.8
Debt securities	1.1	59.8	1.9	62.9
Positive market values from derivatives	0.0	34.3	0.9	35.2
Total financial assets held at fair value	90.5	94.2	9.9	194.5
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	34.2	0.9	35.1
Total financial liabilities held at fair value	0.0	34.2	0.9	35.1

Explanation of fair value hierarchies

Level 1

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

Level 2

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

Level 3

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

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

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

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

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

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

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

Derivative contracts

Nominal value of underlying, gross	Remaining maturity			Fair value (+/-)
	Less than 1 year	1-5 years	5-15 years	
Held for trading				
Interest rate derivatives				
Interest rate swaps	2.1	109.4	0.0	0.0
Equity-linked derivatives				
Futures	1.5	3.4	0.0	0.0
Options bought	2.7	0.0	0.0	0.0
Options sold	2.7	0.0	0.0	0.0
Currency-linked derivatives	5,204.3	30.4	0.0	0.1
Held for trading, total	5,213.4	143.2	0.0	0.1
Derivative contracts, total	5,213.4	143.2	0.0	0.1

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

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

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

IFRS 9 - Financial instruments

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

Balance sheet item	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1., credit loss provision
Receivables from credit institutions	88.6	88.6	0.0	0.0	0.0	0.0
Receivables from the public	109.8	105.8	3.6	0.3	0.3	0.1
Receivables from the public; corporate	32.6	29.5	3.2	0.0	0.1	0.0
Receivables from the public; private	77.0	76.2	0.5	0.3	0.2	0.1
Receivables from the public; other	0.1	0.1	0.0	0.0	0.0	0.0
Sales receivables	2.9	2.9	0.0	0.0	0.0	0.0
Off-balance sheet loan commitments	12.5	12.5	0.0	0.0	0.0	0.0
Total	213.8	209.8	3.6	0.3	0.3	0.1

The assets are classified as Level 1 if the receivable is low risk or the credit risk of the receivable has not grown materially since the date of issuing the item. If the credit risk for a financial asset has increased materially since the issuing date, the asset will be transferred to level 2. Individual loans whose values have verifiably declined are recognized in level 3.

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

The bank has one loan payment instalment that is over 90 days late.

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

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

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

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

IMPACT OF THE IFRS 9 STANDARD

Impact on capital adequacy, %	-0.1
Impact on own funds, M€	-0.3

IFRS 16 - Leases

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

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

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

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

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

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

The impact of the IFRS 16 standard on the Group's other assets and other liabilities at the end of the year was EUR 4.3 million. Potential options to extend current leases have not been considered due to uncertainty related to the use of those options.

Measurement of lease liabilities

Commitments related to leases on 31.12.2019	4.9
Less (-) short-term leases not recognized as a liability	0.0
Less (-) leases of low-value assets	0.0
Add/less (-): contracts reassessed as lease contracts	0.0
Add/less (-): adjustments as a result of a different treatment of extension and termination options	0.0
Add/less (-): adjustments relating to changes in the index or rate affecting variable payments	0.0
Lease liability recognized on 1.1.2020	4.9
Of which are:	
Current lease liabilities	2.2
Non-current lease liabilities	2.7
Lease liability (right-of-use assets) according to balance sheet on 30.6.2020	4.3
Of which are:	
Current lease liabilities	2.2
Non-current lease liabilities	2.1

Accounting policies

The Half Year Financial report complies with IAS 34, Interim Reports, as approved by the EU.

The Half Year Financial report does not include all the tables regarding the business operations from the annual financial statement. Therefore, this Half Year Financial report should be read in conjunction with the company's financial statements for the financial year ended December 31, 2019.

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

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

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

The figures are unaudited.

Appendix 1 Ten largest shareholders June 30, 2020

	A-shares	B-shares	Shares total	% of all shares	Votes total	% of votes
1. Oy Scripo Ab	3,803,280	950,820	4,754,100	19.9%	77,016,420	24.9%
2. Prandium Oy Ab	3,803,280	950,820	4,754,100	19.9%	77,016,420	24.9%
3. Oy Fincorp Ab	2,319,780	420,991	2,740,771	11.5%	46,811,591	15.1%
4. Ingman Group Oy Ab	1,860,000	600,000	2,460,000	10.3%	37,800,000	12.2%
5. Lehtimäki Maunu	533,728	156,031	689,759	2.9%	10,830,591	3.5%
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	2.4%
8. Moomin Characters Oy Ltd	0	379,641	379,641	1.6%	379,641	0.1%
9. Evli Bank Plc	375,387	0	375,387	1.6%	7,507,740	2.4%
10. Svenska Litteratursällskapet i Finland	0	220,336	220,336	0.9%	220,336	0.1%