



# Half Year Financial Report 1-6/2021

Record first half



## RECORD FIRST HALF

### Financial performance January-June 2021

- Operating income was EUR 55.8 million (1-6/2020: EUR 33.0 million)
- Operating profit was EUR 24.9 million (EUR 8.6 million)
- Operating result of the Wealth Management and Investor Clients segment increased to EUR 19.1 million (EUR 10.1 million)
- Operating result of the Advisory and Corporate Clients segment increased to EUR 5.7 million (EUR 0.9 million)
- Revenue from own balance sheet developed positively and amounted to EUR 1.8 million (EUR -0.8 million)
- At the end of June, assets under management amounted to EUR 16.1 billion (EUR 12.9 billion) on net basis.
- Diluted earnings per share were EUR 0.63 (EUR 0.25) and return on equity was 37.7 percent (17.3%)
- The ratio of recurring revenues to operational costs was 127 percent (121%).

### Financial performance April-June 2021

- The Group's net revenue was EUR 28.7 million (EUR 18.8 million)
- The Group's operating profit was EUR 13.1 million (EUR 6.5 million)
- Earnings per share amounted to EUR 0.29 (EUR 0.18).

### Outlook for 2021 revised

The current year has started business-strong, supported by strong customer demand and favorable stock market developments.

Demand for advisory services has developed positively and its outlook for 2021 is stable. Evli's investment activities through its own balance sheet account for a limited share of Evli's business, but nevertheless it can have a significant impact on the development of profit in sudden market movements. Seasonal and annual variations in advisory activities and own investment returns are possible.

However, there are always risks associated with the overall development of the stock and interest rate markets. Any fall in prices or a reduction in investors' willingness to take risks would have a negative impact on the company's profit development. The group's assets under management reached a new record level at the end of the current quarter, and the product range has expanded especially to alternative investment products, mitigating the negative impact of a possible market turn.

Demand for advisory services has developed positively and its outlook for 2021 is stable. Evli's investment activities through its own balance sheet account for a limited share of Evli's business, but nevertheless it can have a significant impact on the development of profit in sudden market movements. Seasonal and annual variations in advisory activities and own investment returns are possible.

Taking into account the above considerations, and with the accumulated operating profit being almost at the level of the entire comparison year, we estimate that the operating profit in 2021 will clearly exceed the level of the previous year.

**KEY FIGURES DESCRIBING THE GROUP'S FINANCIAL PERFORMANCE**

	1-6/2021	1-6/2020	1-12/2020
<b>Income statement key figures</b>			
Operating income, M€	55.8	33.0	79.7
Operating profit/loss, M€	24.9	8.6	29.1
Operating profit margin, %	44.6	26.0	36.5
Profit/loss for the financial year, M€	19.8	6.7	23.2
<b>Profitability key figures</b>			
Return on equity (ROE), %	37.7	17.3	26.2
Return on assets (ROA), %	5.3	1.4	2.7
<b>Balance sheet key figures</b>			
Equity-to-assets ratio, %	15.6	7.9	12.3
Group capital adequacy ratio, %	15.9	15.3	15.2
<b>Key figures per share</b>			
Earnings per Share (EPS), fully diluted, €	0.63	0.25	0.87
Comprehensive Earnings per Share (EPS), fully diluted, €	0.64	0.25	0.88
Dividend per share, €			0.73*
Equity per share, €	4.63	3.05	3.86
Share price at the end of the period, €	18.80	8.58	12.20
<b>Other key figures</b>			
Expense ratio (operating costs to net revenue)	0.55	0.74	0.63
Recurring revenue ratio, %	127	121	124
Personnel at the end of the period	281	248	261
Market value, M€	453.3	205.1	294.1

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

## Maunu Lehtimäki, CEO

Like in the first quarter, the development of the capital markets has continued on a positive note. Demand for shares and other risky asset classes has been strong and prices have been rising. Broad economic and monetary policy support measures, advances in coronavirus vaccination, signs of a recovery in the global economy and strong growth in business results have maintained investor optimism, as in the first half of the year. However, concerns about overheating of the economy and the development of inflationary pressures have increased in the USA and to a lesser extent in Europe.

Evli's operations developed excellently during the second quarter. Our client activity was at a high level and we are happy to have been able to meet our clients again physically during the late spring, in addition to over-the-network communication.

Evli's operating income for the second quarter grew by 53 percent compared to the comparison period and totaled EUR 28.7 million. The Group's operating profit doubled to EUR 13.1 million. The result for the comparison period was improved by revenues of nearly EUR 3 million from securities trading and foreign exchange operations after the prices rebounded from the collapse that followed the start of the coronavirus crisis. Evli's return on equity increased to nearly 38 percent (17.3%) in the first half, and the ratio of recurring returns to operating expenses was 127 percent (121%).

Operating income for the second quarter in the Wealth Management and Investor Clients segment increased by 51 percent to EUR 28.7 million. At the end of June, the managed client assets amounted to a record EUR 16.1 billion (EUR 12.9 billion) and Evli's fund capital was EUR 10.3 billion (EUR 8 billion). The funds collected net entries of EUR 611 million, mainly for short-term fixed income investments, Nordic corporate bonds and European and American shares. The growth in segment returns was positively impacted by commission income from traditional and alternative funds, asset management fees and commissions for brokerage activities. Evli's position as a leading asset manager for wealthy individuals and Institutions was further strengthened, as evidenced by the new customers won and the client funds to be managed, as well as Evli's selection in Kantar Prospera's recent client survey as Finland's best and most widely used institutional asset manager. Evli's brand was again ranked the strongest in asset management services in the survey, and Evli received excellent assessments in portfolio management expertise, product quality, expertise in sustainable investment and sales personnel competence, among other things. Evli has previously ranked first in the study for five years in a row (2015-2019) and second place in 2020.

Operating income for the second quarter in the Advisory and Corporate Clients segment increased by 236 percent to EUR 7.6 million. Corporate Finance's invoicing recovered from the low level of the comparison period and was EUR 5.6 million (EUR 0.8 million). The incentive business grew as in previous years, and the invoicing of the unit was EUR 2.1 million (EUR 1.3 million). Last year's share swap, in which Evli Awards Management Oy and Alexander Incentives Oy merged into the new Evli Alexander Incentives Oy, was officially completed during the quarter. The new company's operations have developed excellently, and at the beginning of the year the company has won significant new incentive planning and management clients in both Finland and Sweden.

The key drivers for Evli's strategy, international sales and alternative investment products, have developed according to plan in the first half of the year. Despite travel restrictions, international sales have gone well. Since the beginning of the year, net subscriptions amount to approximately EUR 380 million and the share of international clients in Evli's total fund capital, including alternative investment products, has already risen to 25 percent.

Evli sold alternative investment products in the second quarter with a total of EUR 110 million, of which Evli Private Debt Fund, launched in May, raised EUR 59 million in its first closing as other investments went to Evli Infrastructure, Evli Impact Forest and Evli Rental Yield funds. The Evli Infrastructure Fund had its last closing, and the final size of the fund was more than EUR 150 million in line with the original target.

Responsibility is one of our strategic priorities and we have continued to develop it according to our plans. During the second quarter, we announced Evli's climate targets, and we aim to be a net zero asset manager by 2050 at the latest. Evli sets a target to be net zero in terms of emissions from its own operations (Scope 1 and 2) by 2025 at the latest and aims to halve the carbon emissions of its investments by 2030, provided that the investment environment allows for it. In addition, we will establish a Working Committee for the years 2021-2022

in order to assess how the investment-related interim target can be reached through real world carbon emission reductions and to ensure that it will be in line with the Paris Agreement.

The evaluation on the future of banking services announced at the end of January was completed and, accordingly, Evli has decided to exit the banking business. The exit will take place through an arrangement, by which Evli will demerge through a partial demerger into a new asset management group that will be listed and a company that will carry on Evli's banking services and into which Fellow Finance will merge. In my opinion, the negotiated solution is the best possible one from the perspective of Evli's customers, shareholders and other key stakeholders and creates a solvent bank of a new era that specializes in providing consumer and corporate finance based on digital service concept. It will also free up financial and human resources to develop existing and new products and services to strengthen Evli's market position. Evli's customers' services will thus be further strengthened and we will be able to offer our clients a more comprehensive service package in cooperation with Fellow Bank and other key banking partners.

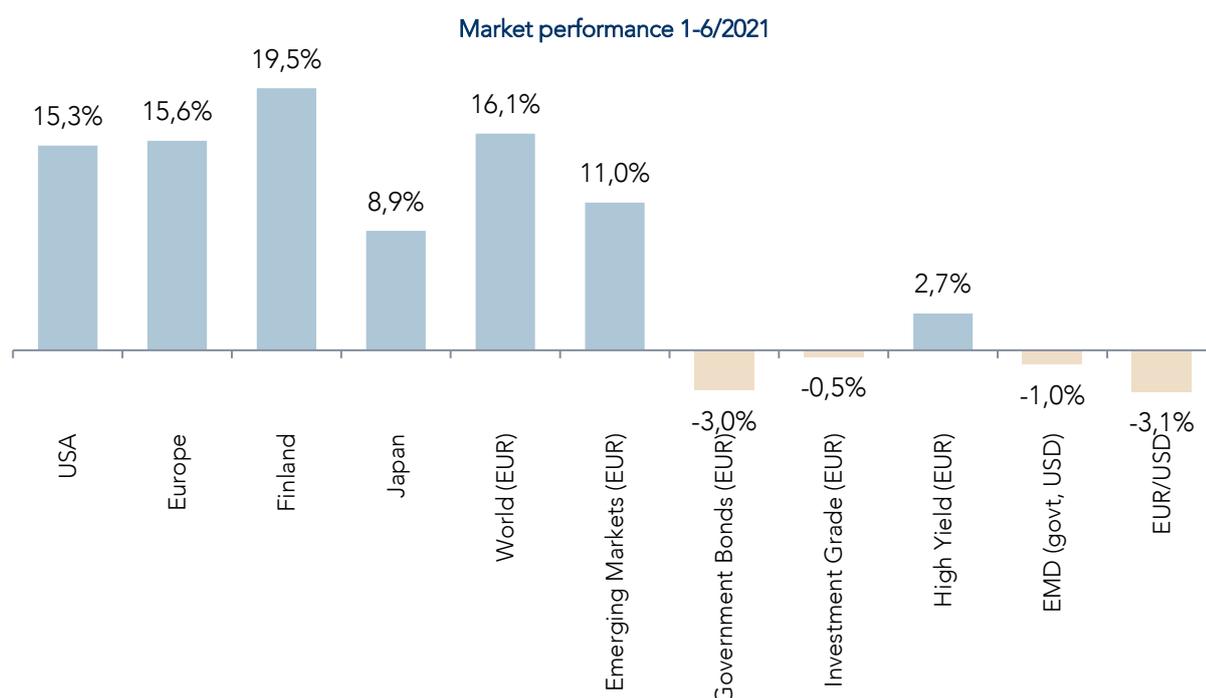
## MARKET PERFORMANCE

Market rise seen during the beginning of the year continued during second quarter and global stock indices increased to new record highs. Good progress in distribution of vaccines, the opening up of national economies after Corona-constraints and confidence in the future contributed to the positive development. The dissipation of political risks in the first half of the year has also created confidence in growth. In the United States in particular, expectations of economic recovery are strong, supported by exceptional stimulus packages totaling around \$ 6,000 billion. Although more moderate, cautious positive signs were also seen in the euro area during the first part of the year. Easing pandemic outlook and strengthened industry expectations improved earnings prospects, helping positive market development.

With a strong recovery, growth prospects and, on the other hand, production challenges in certain sectors, fears of accelerating inflation have increased. The situation has been exacerbated by rising raw material prices. Due to the fear of inflation, long-term interest rates have started to rise slightly. The central banks of England and Canada, among others, announced a reduction in their support measures as inflation-related risks increased. On the other hand, US and European central banks have so far reacted moderately to inflation.

In the stock market, US equities (S&P 500) increased 15.3 percent and European equities (Stoxx 600) 15.6 percent during the first half. During the same period, Finnish shares (OMX Helsinki Cap) increased by 19.5 percent.

In the fixed income market, the development was twofold. Higher-rated corporate bonds fell by 0.5 percent and euro area government bonds fell by 3.0 percent. The values of lower-rated high-yield loans, on the other hand, increased 2.7 percent. The euro depreciated by 3.1 percent against the dollar.



## DEVELOPMENT OF REVENUE AND RESULT

### January-June

Evli Group's net commission income increased by 61 percent from the corresponding period of the previous year and amounted to EUR 53.8 million (EUR 33.4 million). The positive development of fee and commission income was mainly due to a significant increase in fund fees and advisory fees from the comparison period. The increase in fund fees has been driven, by the growth of assets under management through successful new sales and positive value development. The performance-related fees for the period considered have also contributed to the positive development. With regard to advisory fees, the increase is explained by the completion of an exceptional number of transactions during the period under review. The development of commission income was also positive for incentive systems, asset management and brokerage commissions. During the period under review, performance-related fees amounted to EUR 5.6 (EUR 0 million).

Net income from securities trading and foreign exchange operations increased substantially from the corresponding period of the previous year and amounted to EUR 1.8 million (EUR -0.8 million). The development was affected by the market collapse in the comparison period and thus by the negative value development of own balance sheet items. Overall, during the review period Evli Group's operating income increased by 69 percent from the corresponding period of the previous year and amounted to EUR 55.8 million (EUR 33.0 million).

Overall costs for the January-June, including depreciation amounted to EUR 30.9 million (EUR 24.4 million). The Group's personnel expenses amounted to EUR 19.4 million (EUR 14.1 million), including an estimate of performance bonuses for the personnel. The Group's administrative expenses amounted to EUR 8.0 million (EUR 6.5 million). The Group's depreciation and impairment amounted to EUR 2.4 million (EUR 3.0 million). Other operating expenses were EUR 1.0 million (EUR 0.7 million). Evli's expense/income ratio was 0.55 (0.74).

The Group's operating profit for the first half of the year almost tripled from the corresponding period of the previous year and was EUR 24.9 million (EUR 8.6 million). Operating profit margin was 44.6 percent (26.0%). The result for the review period was EUR 19.8 million (EUR 6.7 million). The Group's annualized return on equity was 37.7 percent (17.3%).

### April-June

Evli Group's operating income for the second quarter increased by 53 percent from the corresponding level of the previous year, being EUR 28.7 million (EUR 18.8 million). The growth was driven especially by the positive development of commission income across the board. In particular, fund fees and advisory fees developed favorably. The growth in fund fees is driven by successful new sales and positive value development of customer assets. Exceptionally large number of advisory fee transactions took place during the second quarter, which was reflected in the income of the success fees. The Group's net commission income increased by 79 percent to EUR 27.8 million (EUR 15.6 million). In the second quarter, revenue from own balance sheet was EUR 0.8 million (EUR 2.9 million). Returns on the balance sheet were exceptionally high as valuation levels recovered from the market collapse experienced in the first quarter of 2020.

Total costs for the second quarter, including depreciation, increased by 27 percent from the corresponding level of the previous year and amounted to EUR 15.6 million (EUR 12.3 million). The costs of the comparison period were exceptionally low due to the adjustment measures taken during the coronavirus crisis. The increase in costs is also explained by the company's investments in new product areas, such as the design of incentive programs and new alternative product areas.

The Group's operating profit for the second quarter was EUR 13.1 million (EUR 6.5 million). Operating profit margin was 45.8 percent (34.7%). The result for the period considered was EUR 9.6 million (EUR 4.8 million).

## BALANCE SHEET AND FUNDING

Evli Group's balance sheet total was EUR 737.1 million (EUR 919.3 million) at the end of June. 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 110.2 million (EUR 71.8 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 15.9 percent clearly exceeds the regulator's requirement of 10.5 percent including the extra capital requirement. The Group's own minimum target for capital adequacy is 13.0 percent.

The Group's funding from the public and credit institutions decreased by 21.8 percent compared to the comparison period. The company's loan portfolio decreased by three percent compared to the comparison period and was EUR 106.2 million (EUR 109.8 million). The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 27.0 percent. The Group's liquidity is good.

The probability of credit losses has not changed significantly during the first half of the year. 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.

<b>COMMON EQUITY TIER 1 CAPITAL, M€</b>	<b>30.6.2021</b>	<b>30.6.2020</b>
Share capital	30.2	30.2
Funds total and retained earnings	64.6	35.6
Minority interest	0.0	0.0
<i>Decreases:</i>		
Intangible assets	14.9	12.8
Other decreases	17.4	0.0
<b>Total common equity tier 1 capital</b>	<b>62.5</b>	<b>53.0</b>

Evli Bank has no subordinated capital.

#### Minimum requirement of own funds, M€

	<b>30.6.2021</b>	<b>30.6.2021</b>
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	2,8	35,0
Investments in mutual funds	6,4	79,7
Claims secured with property	0,0	0,3
Claims from corporate customers	2,3	29,1
Items with high risk, as defined by the authorities	0,1	1,5
Other items	8,4	104,5
Minimum amount of own funds, market risk	0,4	5,5
Minimum amount of own funds, operational risk	11,1	138,9
<b>Total</b>	<b>31,6</b>	<b>394,5</b>

## BUSINESS AREAS

### Wealth Management and Investor Clients

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

#### Wealth Management

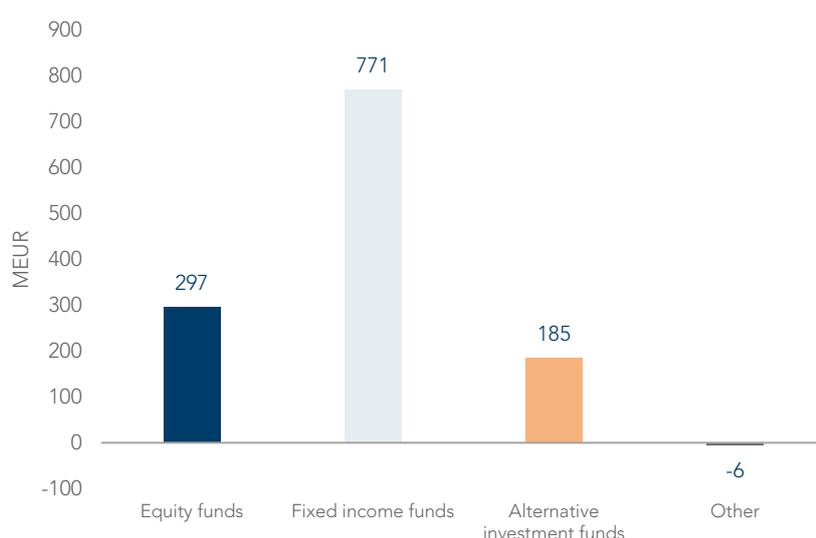
Assets under asset management developed positively in the first half of the year, especially supported by market development. At the end of the review period, Evli had EUR 5.6 billion (EUR 4.9 billion) in discretionary asset management assets, which includes both the traditional and the digital services.

#### Traditional mutual funds

Fund sales during the period under review developed positively. Net subscriptions to mutual funds amounted to EUR 1,078.0 million (EUR -1,054.0 million) for the first half of the year. Most of the net subscriptions were to fixed income funds, but the general rotation towards value shares also supported the development of Evli's equity funds. Most net entries were made to Evli Likvidi (EUR 238 million), Evli Short Corporate Bond (EUR 133 million), and Evli Nordic Corporate Bond (EUR 82 million). According to Evli's strategy, the goal is to increase the international sales of its investment products. In the first half of the year, net subscriptions from foreign investors amounted to EUR 366 million (EUR -434 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 6.9 percent at the end of June. The combined capital of traditional investment funds managed by the management company amounted to EUR 10.3 billion (EUR 8.0 billion). Of this, approximately EUR 3.2 billion was invested in equity funds (EUR 1.9 billion), EUR 6.9 billion in interest-rate funds (EUR 5.9 billion) and EUR 0.2 billion in mixed funds (EUR 0.2 billion). At the end of June, EUR 3.3 billion of Evli's fund capital came from clients outside of Finland (EUR 2.4 billion).

Net sales per fund classes 1-6/2021

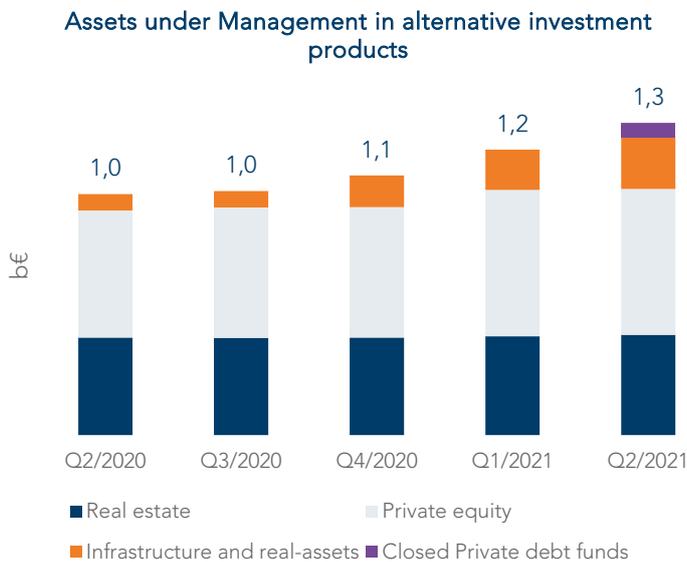


### Alternative investment products

Sales of strategically important alternative investment products went as expected. Subscriptions and investment commitments for alternative investment products totaled around EUR 185 million in the first half of the year. Of the subscriptions and investment commitments, EUR 33 million went to the Private Equity Fund, EUR 51 million to the Infrastructure Fund and EUR 32 million to the Impact Forest Fund and approximately EUR 59 million to the Evli Private Debt Fund launched in the second quarter. In addition, the non-UCITS fund Evli Rental Yield collected subscriptions of EUR 11 million.

### Other investment products

Demand for brokerage products increased compared to the comparison period, especially for equities and ETF instruments. In contrast, demand for structured products clearly decreased from the comparison period. Last year's market turmoil supported sales of structured products, which were exceptionally strong in the comparison period.



## Financial performance

In **January-June**, the result of the Wealth Management and Investor Clients segment developed positively. Net revenue grew by 45 percent from the previous year and totaled EUR 42.2 million (EUR 29.1 million). The development of returns was particularly positively influenced by the positive development of fund fees and through performance-related fees. During the period under review, performance-related fees amounted to EUR 5.6 million from asset management or funds (EUR 0 million).

In **April-June** the net revenue of the Wealth Management and Investor Clients segment increased by 51 percent compared to the review period and was EUR 20.1 million (EUR 13.3 million). The significant increase in income was mainly due to the increase in assets under management due to successful new sales and positive value development.

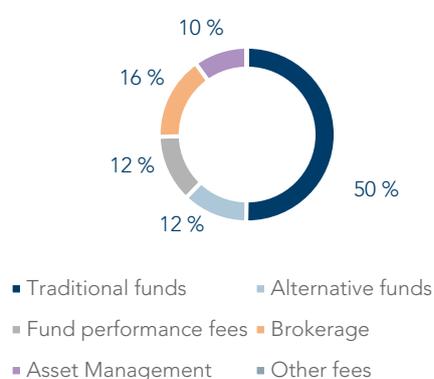
## Key figures - Wealth Management and Investor Clients segment

M€	1-6/2021	1-6/2020	Change %	4-6/2021	4-6/2020	Change %
Net revenue	42.2	29.1	45 %	20.1	13.3	51 %
Operating profit/loss before Group allocations	24.0	12.4	94 %	10.4	5.4	94 %
Operating profit/loss	19.1	10.1	88 %	8.4	3.9	114 %
Number of personnel	164	158				
Market share, %*	7.0	6.9				
Net subscriptions**	1.078	-1.054.0				

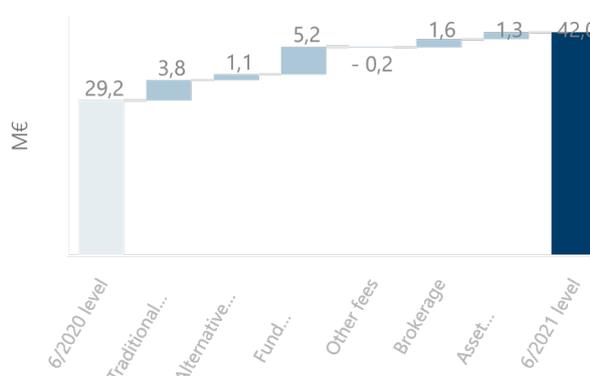
\*Evli Fund Management Company. Source: fund report by Investment Research Finland

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

Split of Wealth Management fees 1-6/2021



Development of Investor client commission

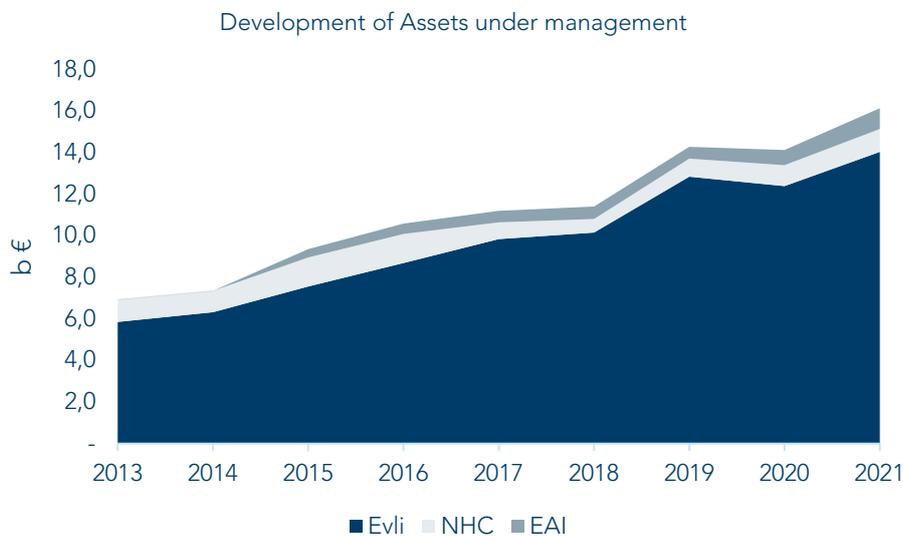


## Development of client assets under management

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

Assets under management developed positively during the review period, supported by net sales and market development, reaching a new record. At the end of June, the Group's total net assets under management amounted to EUR 16.1 billion (EUR 12.9 billion).

At the end of June, assets under discretionary management amounted to EUR 5.6 billion (EUR 4.9 billion). Correspondingly, direct investments in Evli's traditional mutual funds were EUR 7.2 billion (EUR 5.5 billion) at the end of the review period. The assets under management in alternative investment products was EUR 1.3 billion (EUR 1.0 billion). Assets managed through subsidiaries and associated companies remained at the corresponding level of the previous year.



## Advisory and Corporate Clients

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

### M&A transactions

The customer activity of the advisory business has been exceptionally high. This has been reflected, in particular, in the positive development of the mandate base. During the first half of the year, Evli acted as an advisor on 11 assignments. The invoicing for the first half of the year clearly exceeded the level of the comparison period, amounting to EUR 7.6 million (EUR 1.4 million).

Evli's published orders for the first quarter:

- KnowIT's advisor in acquisition of Cybercom
- SEB Private Equity's advisor in sales of Uniwater to Nalka Invest
- Advisor in the main board listing of Enersense International Oy including a directed share issue of EUR 16m
- FSN Capital's advisor in relation to acquisition of Omegapoint
- Advisor in SEK 49 million private placement of shares in SurfCleaner AB
- Advisor in the IPO of Netum Group Plc

### Incentive systems

At the end of June, Evli was responsible for the administration of the incentive systems for nearly 100 mainly listed companies, in addition to which it annually advises more than 110 companies on remuneration-related assignments. Increasing sales of product and service offerings related to incentive schemes to overseas and unlisted companies has continued during the first part of the year after the company acquired several new Nordic listed and domestic unlisted companies as its clients.

In the first quarter of the year revenues from the Incentive systems business were EUR 4.2 million (EUR 2.7 million). The revenue development was positively affected by both the increase in the number of client companies from the comparison period and the cross-selling of incentive planning and management solutions. In addition, interest in incentive schemes for all employees, such as employee share issue, was higher than before.

## Financial performance

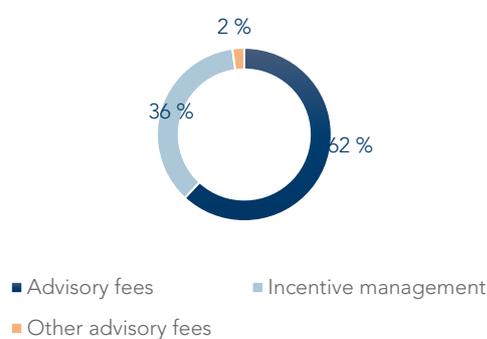
In **January-June**, the net revenue in the Advisory and Corporate Clients segment increased by 164 percent from the previous year and amounted to EUR 11.7 million (EUR 4.4 million). Revenue growth was positively impacted by the clear recovery in the M&A market seen during the first half of the year, as well as the well-continued growth of the incentive business. Significant fluctuations in revenue from one quarter to the next are typical of the segment's M&A activities.

In **April-June** the net revenue of the Advisory and Corporate Clients segment more than tripled compared to the comparison period and was EUR 7.6 million (EUR 2.3 million). During the comparison period, assignments were delayed or interrupted in many respects due to the corona crisis. After the market recovered during the first half of the year, activity in the M&A market increased. The strong market tension continued in the second quarter, which was reflected in the completion of many transactions. During the period under review, the company was involved in 11 transactions. Income from the incentive business also developed favorably as the number of customers continued to grow steadily.

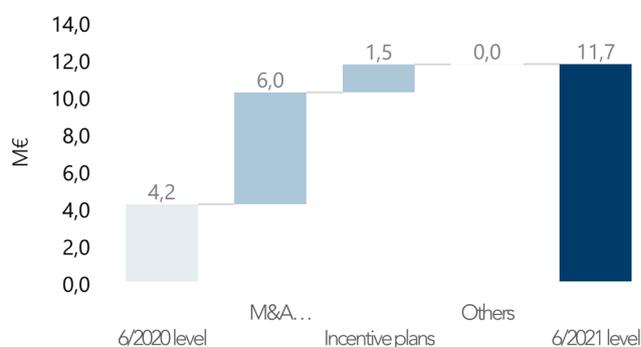
### Key figures - Advisory and Corporate Clients segment

M€	1-6/2021	1-6/2020	Change %	4-6/2021	4-6/2020	Change %
Net revenue	11.7	4.4	164 %	7.6	2.3	236 %
Operating profit/loss before Group allocations	7.0	1.3	453 %	5.1	0.8	579 %
Operating profit/loss	5.7	0.9	539 %	4.6	0.5	787 %
Number of personnel	66	43				

Split of advisory commissions 1-6/2021



Development of advisory commissions



## Group Operations

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

### Financial performance

**In January-June**, the net revenue in the Group Operations segment increased by EUR 2.0 million (EUR -0.5 million) compared to the previous year. The positive development was due to the market turmoil seen in the comparison period, resulting unrealized losses on fixed income investments in the own balance sheet.

**In April-June**, the net revenue of the Group Operations segment decreased compared to the comparison period and was EUR 0.9 million in total (EUR 3.2 million). Revenues for the comparison period were exceptionally high as the market recovered from the market collapse experienced in the first quarter of 2020.

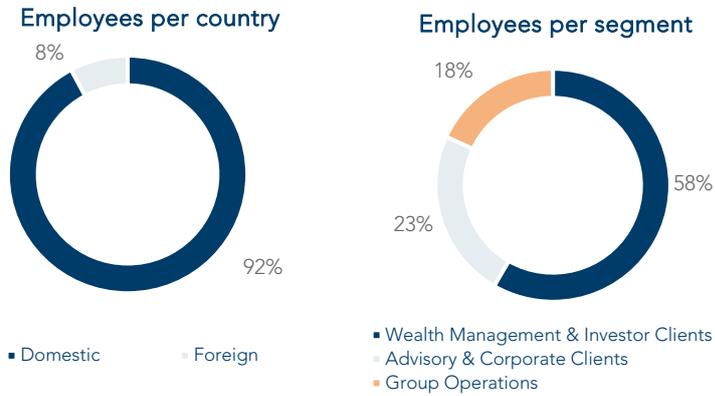
### Key figures – Group operations segment

M€	1-6/2021	1-6/2020	Change %	4-6/2021	4-6/2020	Change %
Net revenue	2.0	-0.5	-	0.9	3.2	-71 %
Operating profit/loss before Group allocations	-6.1	-4.7	31 %	-2.4	0.7	-
Operating profit/loss	0.1	-2.1	-	0.1	2.4	-97 %
Number of personnel	51	47				

## PERSONNEL

At the end of June, the Group had 281 (248) employees. The number grew by 13 percent from the corresponding period of the previous year. 92 percent of the personnel worked in Finland and eight percent outside Finland.

### Employee facts



## CORPORATE RESPONSIBILITY

Evli has made responsibility one strategic focus area. In the company's most significant area, financial management, sustainability factors are integrated into investment operations, which means that responsible investment is a systematic part of portfolio management. Investments made by Evli's investment funds are also monitored for possible breaches of the norm, and financial management is independently influenced by companies and together with other investors.

### Responsible investing

Evli announced its climate targets during the second quarter. Evli's goal is to be a net zero asset manager by 2050 at the latest and the target applies to emissions from Evli's own operations and investments. Evli sets a target to be net zero in terms of emissions from its own operations (Scope 1 and 2) by 2025 at the latest and aims to halve the carbon emissions of its investments by 2030, provided that the investment environment allows for it. In addition, Evli will establish a Working Committee for the years 2021-2022 in order to assess how the investment-related interim target can be reached through real world carbon emission reductions and to ensure that it will be in line with the Paris Agreement.

During the second quarter, Evli, together with other investors, signed a letter to governments, Global Investor Statement to Governments on the Climate Crisis encouraging the setting of ambitious targets for the achievement of the Paris Agreement, providing roadmaps for carbon-intensive sectors to transition to low carbon, increasing funding and the necessary policies to achieve net zero carbon emissions, and committing to complying with TCFD recommendations regarding reporting. Evli also continued to influence through CDP, which aims to encourage companies to set science-based targets. The influencing is directed at companies that have the greatest impact on carbon emissions globally. The annual general meeting period continued and Evli participated in nine Annual General Meetings during April-June. Due to the coronavirus pandemic, the annual general meeting participations took place by issuing proxy statements with voting instructions. During the second quarter, Evli's Responsible Investment Report was published, and Evli implemented the fourth Europe Green Note Autocall certificate.

#### Goals for 2021

ESG - deepening integration

Development of staff diversity

Setting climate targets

Publication of new sustainability funds

#### Results 1-6/2021

- Publication of Evli's climate targets
- Signing of a joint statement to governments
- Continuing the influencing through CDP on SBT
- Publication of Evli's Annual Report on Responsible Investment
- Participation in 9 Annual General Meetings
- Fourth Europe Green Note Autocall certificate

## Evli's shares and share capital

Evli Bank Plc's total number of shares at the end of June was 24,109,420 shares, of which 14,627,664 series A shares and 9,481,756 Series B shares. The company held 290,703 B shares. At the end of June, the company's share capital was EUR 30,194,097.31. There were no changes in the share capital.

Pursuant to Section 4 of the Articles of Association, the company converted 7,600 A shares into B shares on 22 February 2021. The converted shares were admitted to public trading on Nasdaq Helsinki on 23 February 2021.

### Trading on Nasdaq Helsinki

	1-6/2021	1-6/2020
Highest price, €	19.90	12.60
Lowest price, €	11.90	6.80
Exchange of shares, €	21,950,762	16,111,775
Exchange of shares, p/st	1,332,783	1,617,228
	<b>30.6.2021</b>	<b>30.6.2020</b>
Evlin B shares, pcs	9,481,756	8,885,769
Closing price, €	18.80	8.58
Market value*, M€	453.3	205.1

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

### Share price development and trading volume (series B shares) from 1 January to 30 June 2021



## Shareholders

Evli's total number of shareholders was 5,530 (4,858) at the end of June. Finnish companies owned 56 percent (54%) and the shareholding of Finnish private individuals 27 percent (26%). Remaining 17% (20%) the shares were owned by financial and insurance corporations, general government, non-profit-making entities and foreign investors. The ten largest shareholders are presented on page 38.

## DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

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

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

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

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

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

### Remuneration policy

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

### Number of Board members, members and fees

The Annual General Meeting confirmed five as the total number of members of the Board of Directors. Henrik Andersin, Fredrik Hacklin, Sari Helander, Robert Ingman and Teuvo Salminen were re-elected to Evli Bank Plc's Board of Directors. The meeting attendance fee payable to Board members is EUR 5,000.00 per month, and the attendance fee payable to the Chairmen of the Committees is EUR 6,000.00 per month. The meeting attendance fee payable to the Chairman of the Board is EUR 7,500.00 per month.

### Auditors and auditors' fees

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

### Board authorizations

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

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

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

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

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

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

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

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

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

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

## CHANGES IN THE GROUP STRUCTURE

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

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

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

## BUSINESS ENVIRONMENT

The recovery in the investment market has reflected positively in Evli's business environment. With the rise of markets supported by central governments and central banks, investors' willingness to take risks and do investments has increased. Well progressed corona vaccinations together with relaxing corona restrictions has encouraged optimism and faith in accelerating economic growth even further. On the other hand, there is uncertainty about the possible rapid rise in inflation and the continuation of restrictions if vaccine-resistant virus variations become more common.

The excellent performance of traditional investment products and the growing investment interest of customers provide good conditions for growth. Evli has already a strong position among both institutions and wealthy

individuals. The prerequisites for the growth of the basic business in the company's domestic market in Finland are good, especially with the expanded product range.

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

In terms of international growth, the company's focus is on the Nordic and European markets. In addition to productivity, it is critical for the success of international growth to streamline and modify administrative processes and structures to meet standards used in other markets. In terms of international sales, Evli is in an excellent position and the image of a high-end Nordic boutique fund house is attracting interest from foreign investors. As a result of the coronavirus concerns, the previous year was exceptionally challenging, but now, as the worries have eased, the growth outlook has clearly improved.

Evli sees alternative investment products as another important strategic priority. The company's will is to be able to offer a comprehensive product offering from typical, very liquid interest rate funds to more exotic real and private equity funds. In order to achieve this goal, Evli has introduced several new products to the market and will further expand supply to new asset classes. The Finnish market is highly competitive in terms of alternative investment products. Despite the challenges of the operating environment, Evli aims to build alternative investment products into a significant source of turnover with comprehensive and exceptional expertise.

## RISK MANAGEMENT AND BUSINESS RISKS

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

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

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

## EVENTS TAKING PLACE AFTER REVIEW PERIOD

Evli Bank Plc has published an exchange release regarding an arrangement, by which Evli will demerge through a partial demerger into a new asset management group that will be listed ("New Evli") and a company that will carry on Evli's banking services and into which Fellow Finance will merge (the combined company formed in the merger of Fellow Finance and the company that will carry on Evli's banking services is hereinafter referred to as "Fellow Bank"). The arrangement will create a new company, Fellow Bank, which will be based on a scalable and digital service concept as well as New Evli, which will be further focused on wealth management and advisory services. The arrangement further improves opportunities to grow both banking services and wealth management as independent businesses.

The Arrangement is intended to be completed during the first half of 2022.

## OUTLOOK FOR 2021 REVISED

The current year has started business-strong, supported by strong customer demand and favorable stock market developments.

Demand for advisory services has developed positively and its outlook for 2021 is stable. Evli's investment activities through its own balance sheet account for a limited share of Evli's business, but nevertheless it can have a significant impact on the development of profit in sudden market movements. Seasonal and annual variations in advisory activities and own investment returns are possible.

However, there are always risks associated with the overall development of the stock and interest rate markets. Any fall in prices or a reduction in investors' willingness to take risks would have a negative impact on the company's profit development. The group's assets under management reached a new record level at the end of the current quarter, and the product range has expanded especially to alternative investment products, mitigating the negative impact of a possible market turn.

Demand for advisory services has developed positively and its outlook for 2021 is stable. Evli's investment activities through its own balance sheet account for a limited share of Evli's business, but nevertheless it can have a significant impact on the development of profit in sudden market movements. Seasonal and annual variations in advisory activities and own investment returns are possible.

Taking into account the above considerations, and with the accumulated operating profit being almost at the level of the entire comparison year, we estimate that the operating profit in 2021 will clearly exceed the level of the previous year.

Helsinki, July 14 2021

EVLI BANK PLC  
Board of Directors

### **Additional information:**

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

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

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

## INVESTOR CALENDAR 2021

- Interim Report January-September: October 20, 2021

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## Consolidated comprehensive income statement

	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
Net interest income	0.0	0.2	0.1	0.2	0.2
Commission income and expense, net	27.8	15.6	53.8	33.4	76.8
Net income from securities transactions and foreign exchange dealing	0.8	2.9	1.8	-0.8	2.4
Other operating income	0.0	0.0	0.0	0.0	0.2
<b>NET REVENUE</b>	<b>28.7</b>	<b>18.8</b>	<b>55.8</b>	<b>33.0</b>	<b>79.7</b>
Administrative expenses					
Personnel expenses	-9.9	-7.5	-19.4	-14.1	-30.5
Other administrative expenses	-4.1	-2.8	-8.0	-6.5	-12.5
Depreciation, amortisation and write-down	-1.4	-1.5	-2.4	-3.0	-5.7
Other operating expenses	-0.3	-0.5	-1.0	-0.7	-1.7
Impairment losses on loans and other receivables	0.1	0.0	0.0	-0.2	-0.1
<b>NET OPERATING PROFIT / LOSS</b>	<b>13.1</b>	<b>6.5</b>	<b>24.9</b>	<b>8.6</b>	<b>29.1</b>
Share of profits (losses) of associates	0.0	0.0	0.3	0.2	0.4
Income taxes	-3.4	-1.7	-5.4	-2.1	-6.3
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>9.6</b>	<b>4.8</b>	<b>19.8</b>	<b>6.7</b>	<b>23.2</b>
Attributable to					
Non-controlling interest	2.6	0.4	4.4	0.6	1.9
Equity holders of parent company	7.0	4.4	15.4	6.0	21.3
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>9.6</b>	<b>4.8</b>	<b>19.8</b>	<b>6.7</b>	<b>23.2</b>
<b>OTHER COMPREHENSIVE INCOME / LOSS</b>					
Items, that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0.0	0.3	0.2	-0.1	0.2
Other comprehensive income/loss	0.0	0.3	0.2	-0.1	0.2
Other comprehensive income after taxes / loss total	0.0	0.3	0.2	-0.1	0.2
<b>OTHER COMPREHENSIVE INCOME / LOSS TOTAL</b>	<b>9.7</b>	<b>5.1</b>	<b>20.0</b>	<b>6.6</b>	<b>23.4</b>
Attributable to					
Non-controlling interest	2.6	0.4	4.4	0.6	1.9
Equity holders of parent company	7.1	4.7	15.6	5.9	21.5
Earnings per Share (EPS), fully diluted	0.25	0.18	0.63	0.25	0.87
Comprehensive Earnings per Share (EPS), fully diluted	0.24	0.18	0.64	0.25	0.88

## Consolidated comprehensive income statement quarterly

	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020
Net interest income	0.0	0.1	0.0	-0.1	0.2
Commission income and expense, net	27.8	26.0	26.6	16.8	15.6
Net income from securities transactions and foreign exchange dealing	0.8	1.0	1.4	1.8	2.9
Other operating income	0.0	0.0	0.1	0.1	0.0
<b>NET REVENUE</b>	<b>28.7</b>	<b>27.1</b>	<b>28.1</b>	<b>18.7</b>	<b>18.8</b>
Administrative expenses					
Personnel expenses	-9.9	-9.6	-8.9	-7.5	-7.5
Other administrative expenses	-4.1	-3.9	-3.4	-2.6	-2.8
Depreciation, amortisation and write-down	-1.4	-1.1	-1.3	-1.5	-1.5
Other operating expenses	-0.3	-0.7	-0.8	-0.2	-0.5
Impairment losses on loans and other receivables	0.1	0.0	0.0	0.0	0.0
<b>NET OPERATING PROFIT/LOSS</b>	<b>13.1</b>	<b>11.8</b>	<b>13.6</b>	<b>6.9</b>	<b>6.5</b>
Share of profits (losses) of associates	0.0	0.3	0.1	0.2	0.0
Income taxes	-3.4	-1.9	-2.7	-1.4	-1.7
<b>PROFIT/LOSS FOR FINANCIAL YEAR</b>	<b>9.6</b>	<b>10.2</b>	<b>11.0</b>	<b>5.6</b>	<b>4.8</b>
Attributable to					
Non-controlling interest	2.6	1.8	0.6	0.7	0.4
Equity holders of parent company	7.0	8.4	10.4	4.9	4.4
<b>PROFIT/LOSS FOR FINANCIAL YEAR</b>	<b>9.6</b>	<b>10.2</b>	<b>11.0</b>	<b>5.6</b>	<b>4.8</b>
<b>OTHER COMPREHENSIVE INCOME/LOSS</b>					
Items, that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0.0	0.1	0.3	0.0	0.3
Other comprehensive income/loss	<b>0.0</b>	<b>0.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>
Other comprehensive income after taxes/loss total	0.0	0.1	0.3	0.0	0.3
<b>OTHER COMPREHENSIVE INCOME/LOSS TOTAL</b>	<b>9.7</b>	<b>10.3</b>	<b>11.2</b>	<b>5.6</b>	<b>5.1</b>
Attributable to					
Non-controlling interest	2.6	1.8	0.6	0.7	0.4
Equity holders of parent company	7.1	8.5	10.6	4.9	4.7

## Consolidated balance sheet

	30.6.2021	30.6.2020	31.12.2020
<b>ASSETS</b>			
Liquid assets	322.7	337.4	331.6
Debt securities eligible for refinancing with central banks	32.1	41.8	37.2
Claims on credit institutions	76.5	88.6	66.8
Claims on the public and public-sector entities	106.2	109.8	109.6
Debt securities	1.3	62.9	9.8
Shares and participations	59.5	54.6	57.3
Participating interests	2.8	4.0	4.2
Derivative contracts	17.6	35.2	52.2
Intangible assets	14.9	12.8	16.0
Property, plant and equipment	1.5	1.4	1.4
Other assets	96.0	166.2	83.3
Accrued income and prepayments	6.0	4.0	3.3
Deferred tax assets	0.1	0.5	0.1
<b>TOTAL ASSETS</b>	<b>737.1</b>	<b>919.3</b>	<b>772.6</b>
<b>LIABILITIES</b>			
Liabilities to credit institutions and central banks	4.1	7.5	0.7
Liabilities to the public and public-sector entities	393.1	490.1	385.2
Debt securities issued to the public	101.1	139.4	131.1
Derivative contracts and other trading liabilities	17.5	35.1	52.5
Other liabilities	77.5	155.9	84.4
Accrued expenses and deferred income	28.9	18.6	23.3
Deferred tax liabilities	0.0	-0.1	0.0
<b>LIABILITIES TOTAL</b>	<b>622.0</b>	<b>846.6</b>	<b>677.2</b>
Equity to holders of parent company	110.2	71.8	91.8
Non-controlling interest in capital	4.9	1.0	3.6
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>737.1</b>	<b>919.3</b>	<b>772.6</b>

## Consolidated statement of changes in equity

	Share capital	Share premium fund	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interest	Total equity
<b>Equity capital 31.12.2019</b>	30.2	1.8	18.7	29.3	80.1	1.7	<b>81.7</b>
Translation difference				0.1	0.1	0.0	<b>0.1</b>
Profit/loss for the period				6.0	6.0	0.6	<b>6.7</b>
Dividends				-15.4	-15.4	-1.2	<b>-16.6</b>
Share options exercised			0.3		0.3		<b>0.3</b>
Acquisition of own shares					0.0		<b>0.0</b>
Acquisition of non-controlling interest					0.0		<b>0.0</b>
Other changes			-0.1	0.7	0.6		<b>0.6</b>
<b>Equity capital 30.6.2020</b>	30.2	1.8	18.9	20.8	71.8	1.0	<b>72.8</b>
Translation difference				0.3	0.3		<b>0.4</b>
Profit/loss for the period				15.9	15.9	0.7	<b>16.6</b>
Dividends				0.1	0.1	0.2	<b>0.3</b>
Share options exercised			1.2		1.2		<b>1.2</b>
Acquisition of own shares							<b>0.0</b>
Acquisition of non-controlling interest							<b>0.0</b>
Other changes*			2.7	0.3	3.1	1.1	<b>4.2</b>
<b>Equity capital 31.12.2020</b>	30.2	1.8	22.8	37.4	92.4	3.0	<b>95.4</b>
Translation difference				0.2	0.2	0.0	<b>0.1</b>
Profit/loss for the period				15.4	15.4	4.4	<b>19.8</b>
Dividends				0.8	0.8	-2.1	<b>-1.3</b>
Share options exercised					0.0		<b>0.0</b>
Acquisition of own shares					0.0		<b>0.0</b>
Acquisition of non-controlling interest					0.0		<b>0.0</b>
Other changes**			1.9	-0.5	1.4	-0.4	<b>1.0</b>
<b>Equity capital 30.6.2021</b>	<b>30.2</b>	<b>1.8</b>	<b>24.7</b>	<b>53.4</b>	<b>110.2</b>	<b>4.9</b>	<b>115.1</b>

\*Other changes from 2020 include the accrual of expenses arising from granted retention programs, which is presented as part of the change in the retained earnings column. In addition, the share exchange between Evli Awards Management Oy and Alexander Incentives Oy and its effect is presented as other changes both in reserve for invested unrestricted equity fund and in non-controlling interests.

\*\*Other changes from 2021 include the accrual of expenses arising from granted retention programs, which is presented as part of the change in the retained earnings column.

## Consolidated segment income statement

	Wealth Management and Investor Clients		Advisory and Corporate Clients		Group Operations		Unallocated		Group	
	1-6/ 2021	1-6/ 2020	1-6/ 2021	1-6/ 2020	1-6/ 2021	1-6/ 2020	1-6/ 2021	1-6/ 2020	1-6/ 2021	1-6/ 2020
<b>REVENUE</b>										
Net interest	0.0	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.1	0.2
Net commissions	42.2	29.1	11.7	4.4	0.0	0.0	0.0	0.0	53.8	33.4
Trading and FX result	0.0	0.0	0.0	0.0	1.8	-0.8	0.0	0.0	1.8	-0.8
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	42.2	29.1	11.7	4.4	2.0	-0.5	0.0	0.0	55.8	33.0
Inter-segment sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total revenue</b>	<b>42.2</b>	<b>29.1</b>	<b>11.7</b>	<b>4.4</b>	<b>2.0</b>	<b>-0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>55.8</b>	<b>33.0</b>
<b>Timing of revenue recognition</b>										
At a point in time	30.2	24.2	3.4	3.0	0.0	0.0	0.0		33.7	27.3
Over time	11.9	4.9	8.2	1.3	0.0	0.0	0.0		20.2	6.2
<b>RESULT</b>										
Segment operating expenses	-17.0	-14.9	-4.5	-3.0	-7.0	-3.7	0.0	0.4	-28.5	-21.2
<b>Business units operating profit before depreciations and Group allocations</b>	<b>25.1</b>	<b>14.1</b>	<b>7.2</b>	<b>1.4</b>	<b>-5.0</b>	<b>-4.2</b>	<b>0.0</b>	<b>0.4</b>	<b>27.3</b>	<b>11.7</b>
Depreciations	-1.1	-1.8	-0.2	-0.2	-1.1	-0.2	0.0	-0.8	-2.4	-3.0
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	-0.2
<b>Business units operating profit before Group allocations</b>	<b>24.0</b>	<b>12.4</b>	<b>7.0</b>	<b>1.3</b>	<b>-6.1</b>	<b>-4.7</b>	<b>0.0</b>	<b>-0.4</b>	<b>24.9</b>	<b>8.6</b>
Allocated corporate expenses	-5.0	-2.2	-1.2	-0.4	6.2	2.6	0.0	0.0	0.0	0.0
<b>Operating profit including Group allocations</b>	<b>19.1</b>	<b>10.1</b>	<b>5.7</b>	<b>0.9</b>	<b>0.1</b>	<b>-2.1</b>	<b>0.0</b>	<b>-0.4</b>	<b>24.9</b>	<b>8.6</b>
Share of profits (losses) of associates	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.2	0.3	0.2
Income taxes	-2.2	-1.7	-1.2	-0.3	-2.0	-0.1	0.0	0.0	-5.4	-2.1
<b>Segment profit/loss</b>	<b>16.9</b>	<b>8.5</b>	<b>4.5</b>	<b>0.6</b>	<b>-1.6</b>	<b>-2.2</b>	<b>0.0</b>	<b>-0.2</b>	<b>19.8</b>	<b>6.7</b>

## Consolidated cash flow statement

	1-6/2021	1-6/2020	1-12/2020
<b>Operating activities</b>			
Operating profit	24.9	8.6	29.1
Adjustment for items not included in cash flow	4.5	0.8	8.2
Income taxes paid	-2.4	-2.4	-5.0
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>27.1</b>	<b>7.0</b>	<b>32.3</b>
<b>Changes in operating asset, total</b>	<b>-4.6</b>	<b>9.2</b>	<b>170.5</b>
<b>Changes in operating liabilities, total</b>	<b>-25.0</b>	<b>32.2</b>	<b>-158.4</b>
<b>Cash flow from operating activities</b>	<b>-2.6</b>	<b>48.4</b>	<b>44.5</b>
<b>Investing activities</b>			
Change in intangible asset	-0.3	-0.2	-0.6
Change in property, plant and equipment	-0.1	-0.1	-0.2
<b>Cash flow from investing activities</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.8</b>
<b>Financing activities</b>			
Dividends paid to company's shareholders	-2.0	-15.4	-15.3
Dividends paid to non-controlling interests in subsidiaries	0.8	-1.0	-1.0
Payment of finance lease liabilities	-0.8	-1.1	-2.0
Used option rights	0.0	0.3	1.5
<b>Cash flow from financing activities</b>	<b>-2.0</b>	<b>-17.1</b>	<b>-16.8</b>
Cash and cash equivalents at the beginning of period	338.2	311.4	311.4
Translation difference	0.0	0.0	0.0
Cash and cash equivalents at the end of year	333.2	342.4	338.2
<b>Change</b>	<b>-5.0</b>	<b>31.0</b>	<b>26.8</b>

## Key figures describing the Group's financial performance

	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
<b>Income statement key figures</b>					
Operating income, M€	28.7	18.8	55.8	33.0	79.7
Operating profit/-loss, M€	13.1	6.5	24.9	8.6	29.1
Operating profit margin, %	45.8	34.7	44.6	26.0	36.5
Profit/loss for the financial year, M€	9.6	4.8	19.8	6.7	23.2
<b>Profitability key figures</b>					
Return on equity (ROE), %			37.7	17.3	26.2
Return on assets (ROA), %			5.3	1.4	2.7
<b>Balance sheet key figures</b>					
Equity-to-assets ratio, %			15.6	7.9	12.3
Capital adequacy ratio, %			15.9	15.3	15.2
<b>Key figures per share</b>					
Earnings per Share (EPS), fully diluted, €	0.29	0.18	0.63	0.25	0.87
Comprehensive Earnings per Share (EPS), fully diluted, €	0.29	0.18	0.64	0.25	0.88
Dividend / share, €					0.73*
Equity per share, €			4.63	3.05	3.86
Share price at the end of the period, €			18.80	8.58	12.20
<b>Other key figures</b>					
Expense ratio (operating costs to net revenue)			0.55	0.74	0.63
Recurring revenue ratio, %			127	121	124
Personnel at the end of the period			281	248	261
Market value, M€			453.3	205.1	294.1

\*Dividend approved by the Annual General Meeting. The dividend payment point has not yet been determined.

## Group capital adequacy

	1-6/2021	1-6/2020	1-12/2020
Own assets (common equity Tier 1 capital), M€	62.5	53.0	54.5
Risk-weighted items total for market- and credit risks, M€	255.6	213.5	220.4
Capital adequacy ratio, %	15.9	15.3	15.2
Evli Bank Plc's adequacy ratio, %	16.8	18.3	18.7
Own funds surplus, M€	31.0	25.2	25.8
Own funds in relation to the minimum capital requirement, M€	2.0	1.9	1.9
Own funds surplus M€ including additional capital requirement	21.1	16.5	16.8

## Calculation of key ratios

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

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

## Notes to balance sheet

	30.6.2021	30.6.2020	31.12.2020	
<b>Equity and debt securities</b>				
Equity securities are presented in the Statement of Changes in Equity				
Debt securities issued to the public				
Certificates of Deposits and commercial papers	0.0	9.9	10.0	
Bonds	101.1	129.5	121.1	
<b>Debt securities issued to the public</b>	<b>101.1</b>	<b>139.4</b>	<b>131.1</b>	
<b>Breakdown by maturity</b>	<b>less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5-10 years</b>
Debt securities issued to the public	0.3	8.0	92.8	0.0
<b>Changes in bonds issued to the public</b>	<b>30.6.2021</b>	<b>30.6.2020</b>	<b>31.12.2020</b>	
Issues	0.0	27.6	31.7	
Repurchases	20.3	15.6	34.4	
<b>Off-balance sheet commitments</b>				
Commitments given to a third party on behalf of a customer	11.5	8.7	5.4	
Irrevocable commitments given in favour of a customer	2.4	1.6	2.3	
Guarantees on behalf of others	0.0	0.0	0.0	
Unused credit facilities	13.7	13.0	9.6	
<b>Transactions with related parties</b>	<b>1-6/2021</b>			
	<b>Associated companies</b>	<b>Group management</b>		
Sales	0.0	0.0		
Purchases	0.0	0.0		
Receivables	0.0	0.5		
Liabilities	0.0	0.1		

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

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

Fair value	Level 1 2020	Level 2 2020	Level 3 2020	Total
<b>Financial assets</b>				
Shares and participations classified as held for trading	0.0	0.0	0.0	<b>0.0</b>
Shares and participations, other	52.2	0.0	7.3	<b>59.5</b>
Debt securities eligible for refinancing with central banks	32.1	0.0	0.0	<b>32.1</b>
Debt securities	0.7	0.3	0.4	<b>1.3</b>
Positive market values from derivatives	0.0	14.5	3.1	<b>17.6</b>
<b>Total financial assets held at fair value</b>	<b>84.9</b>	<b>14.8</b>	<b>10.8</b>	<b>110.5</b>
<b>Financial liabilities</b>				
Shares and participations classified as held for trading	0.0	0.0	0.0	<b>0.0</b>
Negative market values from derivatives	0.0	14.4	3.1	<b>17.5</b>
<b>Total financial liabilities held at fair value</b>	<b>0.0</b>	<b>14.4</b>	<b>3.1</b>	<b>17.5</b>

### Explanation of fair value hierarchies

#### Level 1

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

#### Level 2

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

#### Level 3

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

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

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

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

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

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

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

## Derivative contracts

Nominal value of underlying, gross	Remaining maturity			Fair value (+/-)
	Less than 1 year	1-5 years	5-15 years	
Held for trading				
Interest rate derivatives				
Interest rate swaps	4.2	84.2	0.0	0.0
Equity-linked derivatives				
Futures	0.0	3.4	0.0	0.0
Options bought	0.0	0.0	0.0	0.0
Options sold	0.0	0.0	0.0	0.0
Currency-linked derivatives	4543.8	26.6	0.0	0.1
<b>Held for trading, total</b>	<b>4547.9</b>	<b>114.3</b>	<b>0.0</b>	<b>0.1</b>
<b>Derivative contracts, total</b>	<b>4547.9</b>	<b>114.3</b>	<b>0.0</b>	<b>0.1</b>

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

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

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

## IFRS 9 – Financial instruments

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

Balance sheet item	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1., credit loss provision
Receivables from credit institutions	76.5	76.5	0.0	0.0	0.0	0.0
Receivables from the public	106.2	105.6	0.7	0.0	0.1	0.2
Receivables from the public; corporate	28.5	28.2	0.3	0.0	0.1	0.1
Receivables from the public; private	77.8	77.4	0.4	0.0	0.1	0.1
Receivables from the public; other	0.0	0.0	0.0	0.0	0.0	0.0
Sales receivables	4.8	4.7	0.1	0.0	0.0	0.0
Off-balance sheet loan commitments	12.6	12.5	0.1	0.0	0.0	0.0
<b>Total</b>	<b>200.1</b>	<b>199.3</b>	<b>0.9</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>

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

For customer credits, three transfers from level 2 to level 1 have been made during the financial year, total sum 1,3 M€.

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

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, %	0.0
Impact on own funds, M€	-0.1

## 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 8.3 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

<b>Lease liability recognized on 1.1.2021</b>	<b>9.6</b>
Additions	0.0
Deductions	-0.3
Depreciations	-0.3
<b>Lease liability according to balance sheet on 30.6.2021</b>	<b>8.3</b>
Current lease liabilities	1.8
Non-current lease liabilities	6.5

## 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, 2020.

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

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

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

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

The figures are unaudited.

## Appendix 1 Ten largest shareholders June 30, 2021

	A-shares	B-shares	Shares total	% of all shares	Votes total	% of votes
1. Oy Prandium Ab	3 803 280	950 820	4 754 100	19.7%	77 016 420	25.5%
2. Oy Scripo Ab	3 803 280	950 820	4 754 100	19.7%	77 016 420	25.5%
3. Oy Fincorp Ab	2 319 780	339 714	2 659 494	11.0%	46 735 314	15.5%
4. Ingman Group Oy Ab	1 860 000	650 000	2 510 000	10.4%	37 850 000	12.5%
5. Lehtimäki Jyri Maunu Olavi	533 728	171 031	704 759	2.9%	10 845 591	3.6%
6. Hollfast John Erik	328 320	82 080	410 400	1.7%	6 648 480	2.2%
7. Tallberg Claes	369 756	32 588	402 344	1.7%	7 427 708	2.5%
8. Moomin Characters Oy Ltd	0	396 351	396 351	1.6%	396 351	0.1%
9. Evli Bank Plc	0	290 703	290 703	1.2%	290 703	0.1%
10. Svenska Litteratursällskapet i Finland	0	220 336	220 336	0.9%	220 336	0.1%