



Interim Report 1-9/2021

EXCELLENT QUARTER



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Financial performance January-September 2021

- Operating income was EUR 80.6 million (1-9/2020: EUR 51.6 million)
- Operating profit was EUR 36.9 million (EUR 15.5 million)
- Operating result of the Wealth Management and Investor Clients segment increased to EUR 29.7 million (EUR 15.6 million)
- Operating result of the Advisory and Corporate Clients segment increased to EUR 6.5 million (EUR 1.2 million)
- Revenue from own balance sheet developed positively and amounted to EUR 2.9 million (EUR 1.0 million)
- At the end of September, assets under management amounted to EUR 16.8 billion (EUR 13.6 billion) on net basis.
- Diluted earnings per share were EUR 1.02 (EUR 0.46) and return on equity was 36.7 percent (19.8%)
- The ratio of recurring revenues to operational costs was 136 percent (128%).

Financial performance July-September 2021

- The Group's net revenue was EUR 24.8 million (EUR 18.7 million)
- The Group's operating profit was EUR 12.1 million (EUR 6.9 million)
- Earnings per share amounted to EUR 0.39 (EUR 0.21).

Outlook for 2021 unchanged

Supported by strong client demand and a favourable stock market performance, business has developed well during the year.

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

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

Taking into account the above considerations, 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

	1-9/2021	1-9/2020	1-12/2020
Income statement key figures			
Operating income, M€	80.6	51.6	79.7
Operating profit/loss, M€	36.9	15.5	29.1
Operating profit margin, %	45.8	30.0	36.5
Profit/loss for the financial year, M€	30.4	12.3	23.2
Profitability key figures			
Return on equity (ROE), %	36.7	19.8	26.2
Return on assets (ROA), %	5.3	1.7	2.7
Balance sheet key figures			
Equity-to-assets ratio, %	16.7	8.1	12.3
Group capital adequacy ratio, %	16.1	15.5	15.2
Key figures per share			
Earnings per Share (EPS), fully diluted, €	1.02	0.46	0.87
Comprehensive Earnings per Share (EPS), fully diluted, €	1.02	0.46	0.88
Dividend per share, €			0.73
Equity per share, €	5.01	3.40	3.86
Share price at the end of the period, €	24.40	10.00	12.20
Other key figures			
Expense ratio (operating costs to net revenue)	0.54	0.70	0.63
Recurring revenue ratio, %	136	128	124
Personnel at the end of the period	282	258	261
Market value, M€	588.3	241.1	294.1

Maunu Lehtimäki, CEO

The strong rise in share prices at the beginning of the year levelled off in the third quarter. Share prices rose until the end of August but turned lower in September as inflation fears increased. Investors' nervousness was reinforced by the US Federal Reserve's plans to reduce its quantitative easing and expectations that interest rate hikes could be brought forward. Other key concerns included the rapid spread of the delta variant of COVID-19, and China's tightening regulatory policy towards internet companies along with increasing difficulties in that country's real estate sector. In addition, asset values that have reached record highs in recent years have become a growing concern for investors. However, economic growth has strengthened, and with it, corporate earnings are on the rise, which is helping to mitigate the high valuation multiples.

In the third quarter, Evli's business developed extremely well. Operating income increased by one third versus the comparison period and amounted to EUR 24.8 million. Group operating profit increased by 75 percent and amounted to EUR 12.1 million. The result for the comparison period was boosted by income from securities trading and foreign exchange operations of almost EUR 2 million as well as the temporary adjustment of personnel expenses in response to uncertainty regarding the coronavirus pandemic. In the period under review, Evli's return on equity increased to 36.7 percent (19.8 percent) and the ratio of recurring income to operating expenses was 136 percent (128 percent).

Operating income in the Wealth Management and Investor Clients segment increased by 40 percent to EUR 20.5 million. Client assets under management reached a record EUR 16.8 billion (EUR 13.6 billion) and Evli Fund Management Company's fund capital amounted to EUR 10.6 billion (EUR 8.7 billion). Net subscriptions for the funds amounted to EUR 350 million, mainly in Nordic and European corporate bonds. The growth in segment returns was positively influenced by fee income from traditional and alternative funds as well as brokerage commissions. New client additions, increased investments from existing clients, and a positive market impact increased the client assets under management for both the high-net-worth individuals and the institutional asset management mandates to a new record. The segment's positive development was reinforced by good portfolio management results and success in independent benchmarking within both wealth management and fund management.

Operating income in the Advisory & Corporate Clients segment increased by 55 percent to EUR 3.1 million. The Corporate Finance unit's invoicing clearly increased from the comparison period to EUR 1.4 million (EUR 0.8 million). The unit's mandate base is strong and the outlook for the rest of the year is favourable. Incentive income increased as in the first half of the year and amounted to EUR 1.6 million (EUR 1.1 million). The company has won significant new incentive plan planning and management mandates in the first half of the year and its outlook for the rest of the year is good. New demand for the company's services has been boosted by the active Finnish IPO market, the change in the law on the tax treatment of employee shareholdings in unlisted companies and marketing to Swedish listed companies.

The key drivers for Evli's strategy, international sales and alternative investment products, developed as planned in the first half of the year. Despite travel restrictions, international sales have performed well, with net subscriptions exceeding EUR 500 million since the beginning of the year and the share of international clients in Evli's total fund capital, including alternative investment products, already exceeds 25 percent. Total sales of alternative investment products in Q3 amounted to EUR 140 million, of which the specialised investment fund Evli Leveraged Loan, launched in August, raised EUR 55 million by the end of the period, and Evli Growth Partners II Ky, which invests in unlisted growth companies and made its first closing in September, raised EUR 50 million.

During the third quarter, we launched practical actions toward the climate targets we set in June 2021. We set up a separate working group on climate targets, introduced a new climate data platform and started a process to engage with the companies in which our funds invest. The climate target engagement is part of the roadmap for Evli's climate targets and will, in the first phase, target high emitting companies that do not have emission reduction targets or science-based targets. During the third quarter, Evli had such engagement with a total of fourteen companies. Some of this engagement was not only on climate change mitigation, but also on that from the companies' supply chains.

On July 14, we published a stock exchange release announcing our demerger into a new listed asset management company and a continuing banking company, which will be merged with Fellow Finance Plc. The arrangement follows the launch of a review announced at the end of January 2021 on the future of the credit institution

operations in the Evli Group. The result of the arrangement will be the birth of a new Fellow Bank based on a scalable and digital service concept and a new Evli with a stronger focus on wealth management and advisory services. The arrangement will enable us to grow both our banking and wealth management businesses as independent entities. The arrangement is expected to be fully completed in the first half of 2022.

The new Evli aims to be the leading asset manager in the Nordic countries, with an even broader international reach. Growth, profitability, and responsibility will be the guiding themes. The company aims to achieve a return on equity of more than 25% and an operating profit margin of more than 30% over the business cycle, as well as to double the assets under management from current levels in the long term. In addition, the company aims to increase the ratio of recurring revenues to operating costs to over 130%. The Board of Directors of the new Evli will further specify its financial objectives after the implementation of the demerger.

MARKET PERFORMANCE

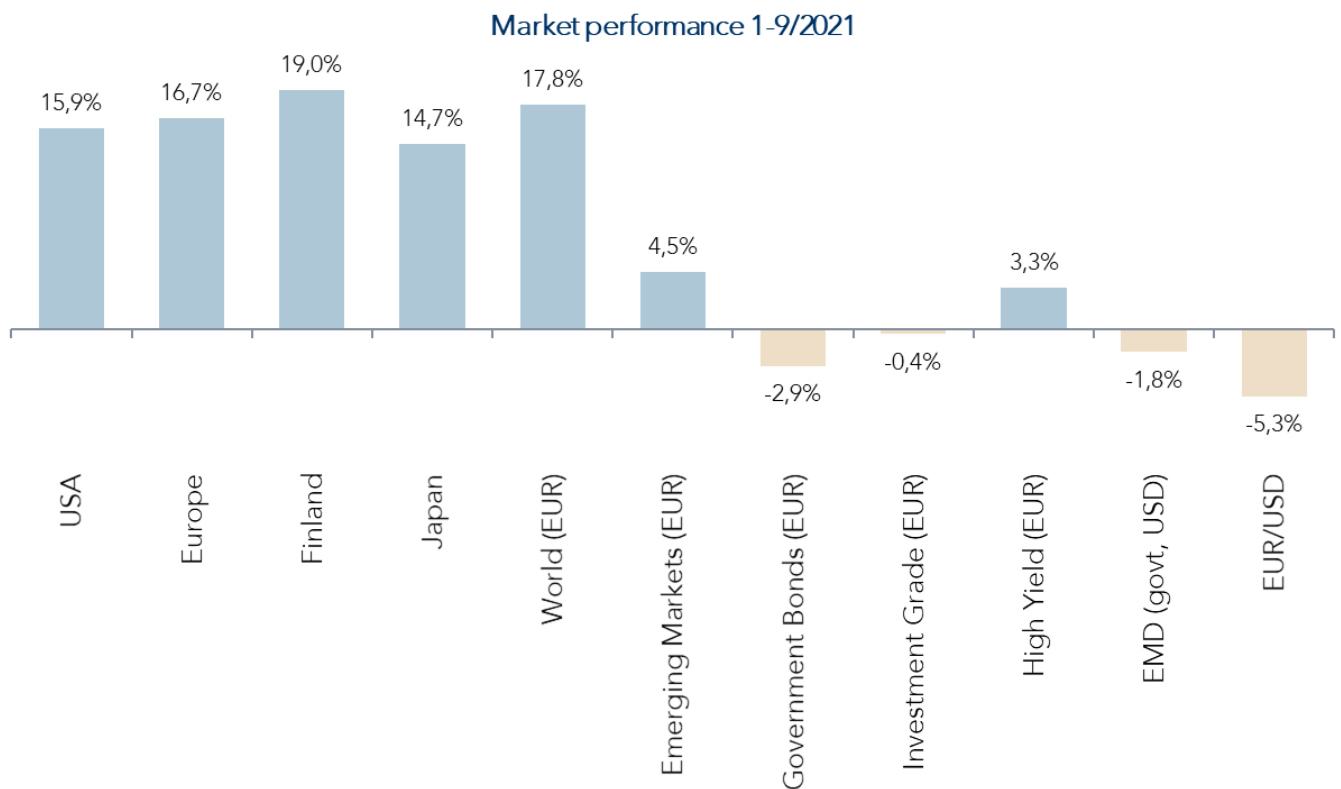
The markets started the third quarter on an upward trend, but growth slowed slightly towards the end of September. Uncertainty has been raised, in particular, by potential problems in the Chinese real estate market and their contagion to the financial sector, among others. Despite the small slump, the global markets have risen in comparison with the turn of the year and the end of June. This growth has been fuelled particularly by the easing of the COVID-19 pandemic situation and stronger industrial expectations, together with increased consumer confidence, which have led to a higher earnings outlook.

With strong growth and improved confidence, central banks have indicated at a gradual reduction in their stimulus measures. Based on statements from the US central bank, the expectation is that the tapering of the bond purchasing programme will start before the end of the year and a possible increase in the policy rate may come as early as next year. The European Central Bank has also indicated that it will reduce its purchasing programme from the current level of EUR 80 billion per month to slightly lower levels due to favourable developments in the operating environment.

With the strong recovery, positive growth prospects and, on the other hand, production challenges in certain sectors, fears of accelerating inflation have increased over the past year. The situation has been further exacerbated by significant increases in raw material and energy prices. However, central banks have so far been cautious about the rise in inflation, believing it to be only temporary and to level off as economies return to normal after a year and a half of coronavirus restrictions.

In the equity markets, US shares (S&P 500) rose by 15.9 percent and European shares (Stoxx 600) by 16.7 percent in the first nine months of the year. Over the same period, Finnish equities (OMX Helsinki Cap) rose by 19 percent.

Developments in the fixed-income markets were mixed in January-September. The return on higher-rated corporate bonds fell by 0.4 percent and euro area government bonds by 2.9 percent. On the other hand, the lower-rated high yield bonds rose by 3.3 percent. The euro depreciated by 5.3 percent against the dollar.



DEVELOPMENT OF REVENUE AND RESULT

January-September

Evli Group's net commission income increased by 54 percent from the corresponding period of the previous year and amounted to EUR 77.6 million (EUR 50.2 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, among others, the growth of assets under management through successful new sales and positive development in valuation. 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 plans, asset management and brokerage commissions. During the period under review, performance-related fees amounted to EUR 7.0 (EUR 0.2 million).

Net income from securities trading and foreign exchange operations increased from the corresponding period of the previous year and amounted to EUR 2.9 million (EUR 1.0 million). Overall, during the review period Evli Group's operating income increased by 56 percent from the corresponding period of the previous year and amounted to EUR 80.6 million (EUR 51.6 million).

Overall costs for January-September, including depreciation amounted to EUR 43.7 million (EUR 36.2 million). The Group's personnel expenses amounted to EUR 27 million (EUR 21.6 million), including an estimate of performance bonuses for the personnel. The Group's administrative expenses amounted to EUR 11.8 million (EUR 9.1 million). Administrative expenses include non-recurring costs related to, among other things, the partial demerger of the company and a disagreement regarding the termination of an individual distribution agreement in Central Europe. In total, 1.0 million non-recurring costs were incurred during the period under review. The Group's depreciation and impairment amounted to EUR 3.7 million (EUR 4.5 million). Other operating expenses were EUR 1.2 million (EUR 0.9 million). Evli's expense/income ratio was 0.54 (0.70).

The Group's operating profit grew 139 percent from the corresponding period of the previous year and was EUR 36.9 million (EUR 15.5 million). Operating profit margin was 45.8 percent (30.0%). The result for the review period was EUR 30.4 million (EUR 12.3 million). As a result of the profit improvement, the Group's annualised return on equity also increased to 36.7 percent (19.8%).

July-September

Evli Group's operating income for the third quarter increased by 33 percent from the corresponding level of the previous year, amounting to EUR 24.8 million (EUR 18.7 million). The growth was driven especially by the positive development of commission income across the board. In particular, fund fees and advisory fees developed favourably. The growth in fund fees is driven by successful new sales and positive valuation development of client assets. With regard to the advisory business, the strong momentum at the beginning of the year continued in the third quarter, which was reflected in increased performance fees. The Group's net commission income increased by 41 percent to EUR 23.7 million (EUR 16.8 million). In the third quarter, the return from own balance sheet items totalled EUR 1.1 million (EUR 1.8 million).

Total costs for the third quarter, including depreciation, increased by eight percent from the corresponding level of the previous year and amounted to EUR 12.7 million (EUR 11.8 million). The increase in costs is 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 third quarter was EUR 12.1 million (EUR 6.9 million). Operating profit margin was 48.6 percent (36.9%). The result for the period considered was EUR 10.5 million (EUR 5.6 million).

BALANCE SHEET AND FUNDING

Evli Group's balance sheet total was EUR 751.5 million (EUR 1,036.0 million) at the end of September. 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 125.4 million (EUR 83.9 million).

Evli applies the standardised approach (capital requirement for credit risk) and the basic indicator approach (capital requirement for operational risk) in its capital adequacy calculation. The Group's capital adequacy ratio of 16.1 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 15 percent compared to the comparison period. The company's loan portfolio grew by 3.5 percent compared to the comparison period and was EUR 108.8 million (EUR 105.0 million). The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 28 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, the collateral values of which are monitored on a daily basis. No credit losses were realised during the review period.

COMMON EQUITY TIER 1 CAPITAL, M€	30.9.2021	30.9.2020
Share capital	30.2	30.2
Funds total and retained earnings	64.5	39.8
Minority interest	0.0	0.0
<i>Decreases:</i>		
Intangible assets	14.2	16.5
Other decreases	17.4	0.0
Total common equity tier 1 capital	63.1	53.5

Evli Bank has no subordinated capital.

Minimum requirement of own funds, M€

	30.9.2021	30.9.2021
Minimum capital adequacy requirement by asset group, standard credit risk method:	Min. requirement	Risk-weighted value
Claims from the state and central banks	0.0	0.0
Claims from regional governments and local authorities	0.0	0.0
Claims from credit institutions and investment firms	3.2	39.6
Investments in mutual funds	6.7	84.1
Claims secured with property	0.0	0.2
Claims from corporate customers	2.5	31.2
Items with high risk, as defined by the authorities	0.2	1.9
Other items	7.2	89.5
Minimum amount of own funds, market risk	0.6	7.1
Minimum amount of own funds, operational risk	11.1	138.9
Total	31.4	392.7

Group capital adequacy

	1-9/2021	1-9/2020	1-12/2020
Own assets (common equity Tier 1 capital), M€	63.1	53.5	54.5
Risk-weighted items total for market- and credit risks, M€	253.8	211.4	220.4
Capital adequacy ratio, %	16.1	15.5	15.2
Evli Bank Plc's adequacy ratio, %	17.0	18.2	18.7
Own funds surplus, M€	31.6	25.9	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	21.8	17.2	16.8

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 third quarter, especially supported by the market development. At the end of the review period, Evli had EUR 5.8 billion (EUR 5.0 billion) in discretionary asset management assets, which includes both traditional and digital services.

Traditional mutual funds

Fund sales during the period under review developed positively. According to the Mutual Fund Report carried out by Investment Research Finland, net subscriptions to Evli's mutual funds in cumulative terms were EUR 1,383 million (EUR -670 million). Most of the net subscriptions were to fixed income funds, but the general rotation towards value shares also supported the development of Evli's equity funds. Most net subscriptions were made to Evli Euro Liquidity (EUR 528 million), Evli Short Corporate Bond (EUR 446 million), and Evli Nordic Corporate Bond (EUR 321 million). According to Evli's strategy, the goal is to increase the international sales of its investment products. In the review period, net subscriptions from foreign investors amounted to EUR 557 million (EUR -439 million).

According to the Mutual Fund Report carried out by Investment Research Finland, Evli Fund Management Company's market share decreased by 0.1 percentage points on the previous year and was 7.0 percent at the end of September. The combined capital of traditional investment funds managed by the Evli Fund Management Company was EUR 10.7 billion (EUR 8.7 billion). Of this, approximately EUR 3.2 billion was invested in equity funds (EUR 2.1 billion), EUR 7.2 billion in fixed income funds (EUR 6.3 billion) and EUR 0.2 billion in balanced funds (EUR 0.1 billion). At the end of September, EUR 3.1 billion of Evli's fund capital came from clients outside of Finland (EUR 2.2 billion).

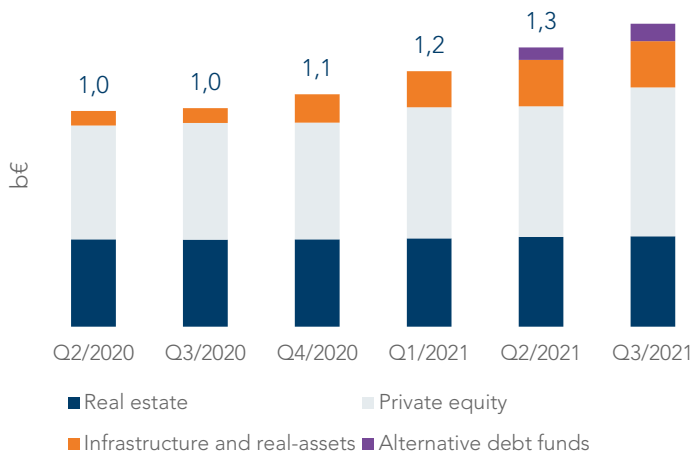
Alternative investment products

Sales of strategically important alternative investment products proceeded as expected. Subscriptions and investment commitments for alternative investment products totalled around EUR 142 million during the third quarter of the year. Of the subscriptions and investment commitments, almost EUR 50 million went to the Evli Growth Partners II fund, which was launched in September and is a continuation of the very successful Evli Growth Partner I fund. Also the specialised investment fund Evli Leveraged Loan, launched in August, had a good start and raised EUR 55 million. In addition, approximately 35 million of the subscriptions and investment commitments were made to the Evli Private Equity I fund. The non-UCITS fund Evli Rental Yield collected subscriptions of EUR 3 million. Cumulatively subscriptions to alternative funds totalled EUR 327 million euros during the review period.

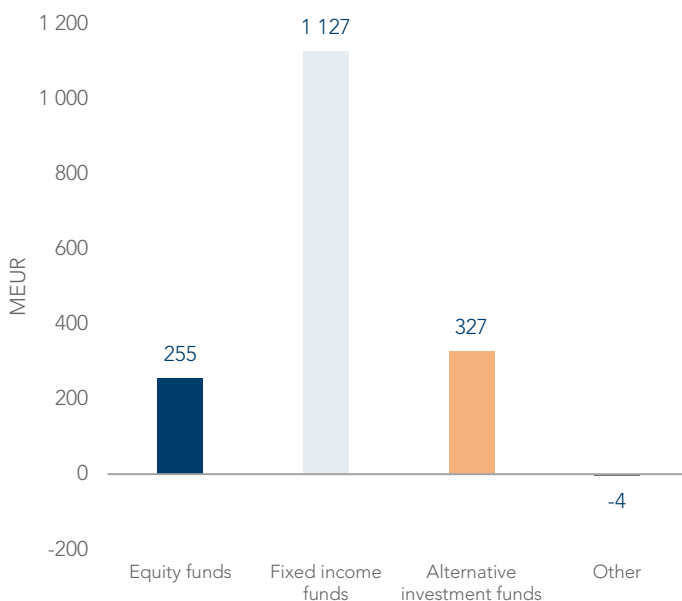
Other investment products

Demand for brokerage products increased compared to the comparison period, especially for equities and ETF instruments. In contrast, demand for structured products did not reach the corresponding level of the comparison period. Last year's market turmoil supported sales of structured products, which were exceptionally strong in the comparison period.

Assets under Management in alternative investment products



Net sales per fund classes 1-9/2021



Financial performance

In **January-September**, the profit of the Wealth Management and Investor Clients segment developed positively. Net revenue grew by 43 percent from the previous year and totalled EUR 62.7 million (EUR 43.7 million). The development of revenue performance was positively influenced particularly by the positive development of fund fees due to successful new sales and performance-related fees. During the period under review, performance-related fees amounted to EUR 7.0 million from asset management or funds (EUR 0.2 million).

In **July-September** the net revenue of the Wealth Management and Investor Clients segment increased by 40 percent from the comparison period and was EUR 20.5 million (EUR 14.6 million). The significant increase in returns was mainly influenced by the increase in assets under management due to successful new sales and positive development in valuations.

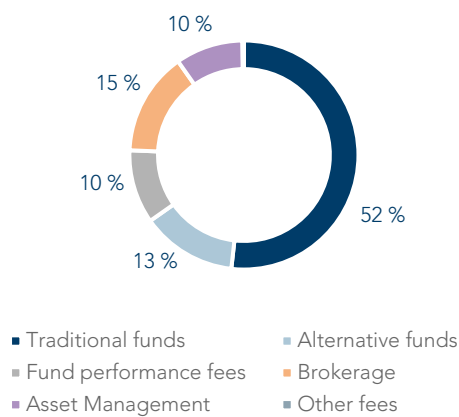
Key figures - Wealth Management and Investor Clients segment

M€	1-9/2021	1-9/2020	Change %	7-9/2021	7-9/2020	Change %
Net revenue	62.7	43.7	43%	20.5	14.6	40%
Operating profit/loss before Group allocations	35.9	19.5	84%	11.9	7.1	66%
Operating profit/loss	29.7	15.6	90%	10.7	5.5	94%
Number of personnel	165	156	6%			
Market share, %*	7.0	7.1	-1%			
Net subscriptions**	1383	-670.4	-			

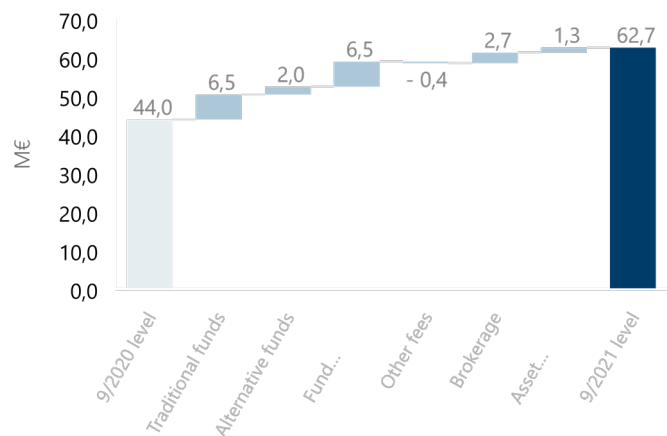
*Evli Fund Management Company. Source: fund report by Investment Research Finland

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

Split of Wealth Management fees 1-9/2021



Development of Investor client commission

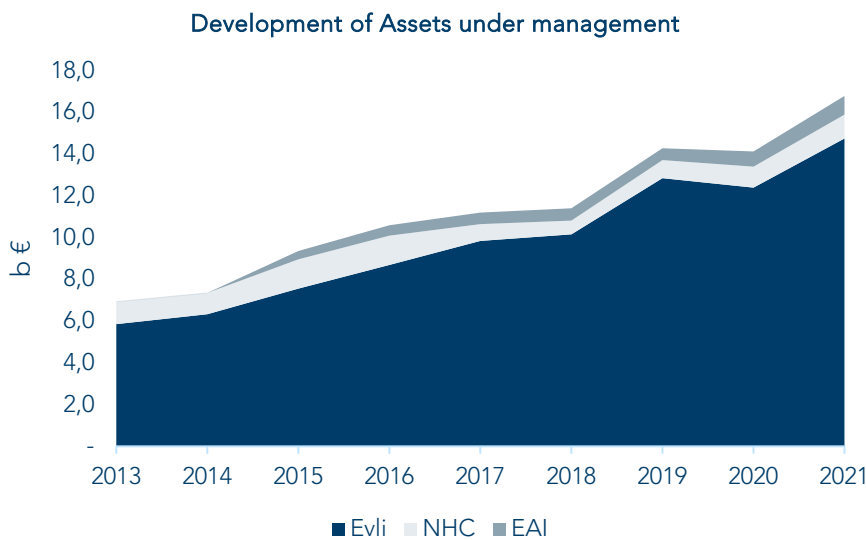


Development of client assets under management

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 September, the Group's total net assets under management amounted to EUR 16.8 billion (EUR 13.6 billion).

At the end of September, assets under discretionary management amounted to EUR 5.8 billion (EUR 5.0 billion). Correspondingly, direct investments in Evli's traditional mutual funds were EUR 7.6 billion (EUR 6.0 billion) at the end of the review period. The assets under management in alternative investment products was EUR 1.4 billion (EUR 1.0 billion). Assets managed through subsidiaries and associated companies also increased from 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

As at the beginning of the year, client activity in the advisory business remained high. This was reflected, in particular, in the positive development of the mandate base. During the review period, Evli acted as an advisor on 15 assignments. Invoicing at the beginning of the year clearly exceeded the level of the comparison period, amounting to EUR 8.7 million (EUR 2 million).

Evli's published orders for the third quarter:

- Evli assisted French partner firm DDA & Company on the sale of Diaclone to Medix BiochemicaSEB.
- Evli acted as the sole advisor to Capacent on the sale of the company's management consulting business to Knowit, a digital solutions company listed in Sweden.
- Evli acted as the sole advisor to the Vitality Group and its owners regarding the sale of the company to Midsona Sverige, known for its consumer health products in Sweden.
- Evli acted as the sole advisor to the owners of PBM Sweden Ab regarding the sale of the company to Kry.

Incentive systems

At the end of the review period, Evli managed about one hundred incentive programs, mostly for Finnish companies. The company annually advises more than 120 companies on remuneration-related assignments. Increasing sales of product and service offerings related to incentive schemes to overseas and unlisted companies has progressed well during the first three quarters, with the company acquiring several new Nordic listed companies as well as domestic unlisted companies as its clients.

In the review period, revenues from the incentive systems business were EUR 5.8 million (EUR 3.8 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. In the second half of the year, various survey products and analyses will also be realised, such as compensation surveys for top executives and key personnel.

Financial performance

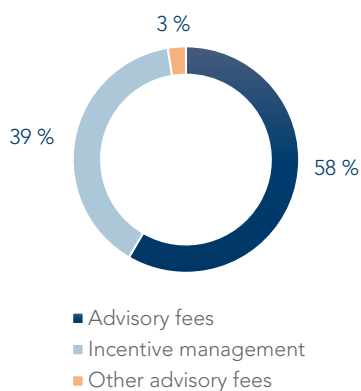
In **January-September**, the net revenue in the Advisory and Corporate Clients segment increased by 130 percent from the previous year and amounted to EUR 14.8 million (EUR 6.4 million). Revenue growth was positively impacted by the clear recovery in the M&A market seen during the first half of the 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 **July-September** the net revenue of the Advisory and Corporate Clients segment grew by 55 percent compared to the comparison period reaching EUR 3.1 million (EUR 2.0 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. During the period under review, the company was involved in four completed transactions. Income from the incentive business also developed favourably as the number of clients continued to grow steadily.

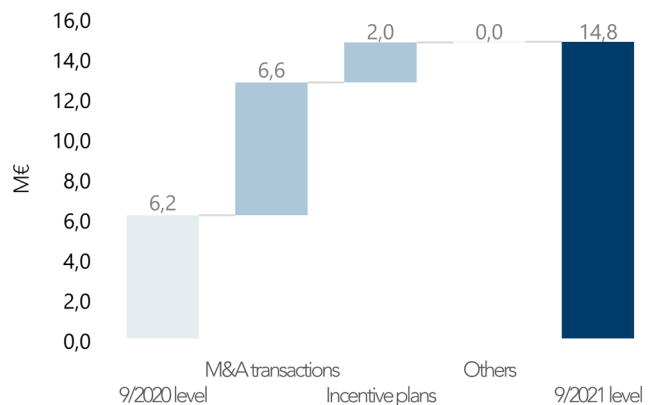
Key figures - Advisory and Corporate Clients segment

M€	1-9/2021	1-9/2020	Change %	7-9/2021	7-9/2020	Change %
Net revenue	14.8	6.4	130%	3.1	2.0	55%
Operating profit/loss before Group allocations	8.0	1.8	348%	1.0	0.5	96%
Operating profit/loss	6.5	1.2	459%	0.7	0.3	181%
Number of personnel	68	56	21%			

Split of advisory commissions 1-9/2021



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-September, the net revenue in the Group Operations segment increased 175 percent compared to the previous year and was EUR 3.1 million (EUR 1.1 million).

In July-September, the net revenue of the Group Operations segment decreased 30 percent compared to the comparison period and was EUR 1.2 million in total (EUR 1.7 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

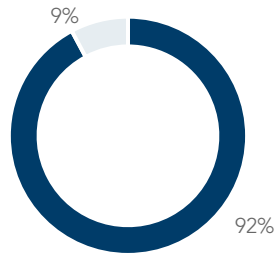
M€	1-9/2021	1-9/2020	Change %	7-9/2021	7-9/2020	Change %
Net revenue	3.1	1.1	175%	1.2	1.7	-30%
Operating profit/loss before Group allocations	-6.9	-5.6	24%	-0.8	-0.9	-10%
Operating profit/loss	0.8	-1.1	-	0.7	1.0	-31%
Number of personnel	49	46	7%			

PERSONNEL

At the end of September, the Group had 282 (258) employees. The number grew by nine percent from the corresponding period of the previous year. 91 percent of the personnel worked in Finland and nine percent outside Finland.

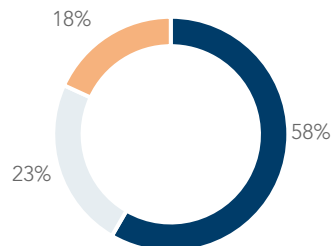
Employee facts

Employees per country



■ Domestic ■ Foreign

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 third quarter, Evli initiated work towards its climate targets by setting up a climate targets working committee, putting new climate data to use, and starting a process for engagement with the companies. The purpose of the climate targets working group is to further explore how best to achieve the investment-related interim target through real-world emission reductions and to do so in line with the Paris Climate Agreement.

Evli's goal is to be a net zero asset manager by 2050 at the latest. The goal applies to emissions from both Evli's own operations and from its investments. Evli has set interim targets for emissions from its own operations (Scope 1 and 2) to be net zero by 2025 at the latest and to halve the carbon emissions from its investments by 2030, provided that the investment environment allows for this.

Climate targets related engagement is part of Evli's roadmap for climate targets and will initially target high emitting companies that do not have emission reduction targets or science-based targets. During the third quarter, Evli engaged with fourteen companies. Some of the engagements covered not only climate change mitigation but also that of the companies' supply chains. Evli also participated in one Annual General Meeting during July-September. Due to the coronavirus pandemic, participation in the AGM took place by issuing proxies with voting instructions.

Goals for 2021

ESG - deepening integration

Development of staff diversity

Setting climate targets

Publication of new sustainability funds

Results 7-9/2021

- Establishment of the climate targets working committee
- Launch of the climate targets engagement work
- Introduction into use of new climate database
- Engagement with fourteen companies in different ways
- Participation in one Annual General Meetings

EVLI'S SHARES AND SHARE CAPITAL

Evli Bank Plc's total number of shares at the end of September was 24,109,420 shares, of which 14,617,664 series A shares and 9,491,756 Series B shares. The company held 251,983 B shares. At the end of September, the company's share capital was EUR 30,194,097.31. There were no changes in the share capital.

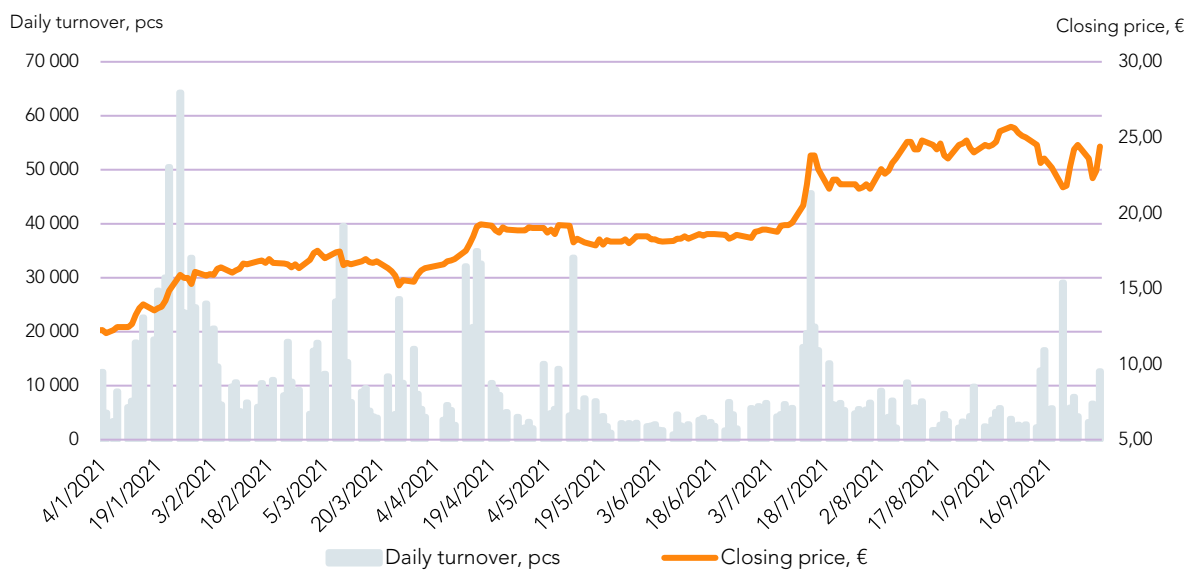
Pursuant to Section 4 of the Articles of Association, the company converted 10,000 A shares into B shares on 23 July 2021. The converted shares were admitted to public trading on Nasdaq Helsinki on 26 July 2021.

Trading on Nasdaq Helsinki

	1-9/2021	1-9/2020
Highest price, €	26.70	12.60
Lowest price, €	11.90	6.78
Exchange of shares, €	32,666,569	20,107,672
Exchange of shares, p/st	1,804,685	2,045,600
	30.9.2021	30.9.2020
Evlin B shares, pcs	9,491,756	9,469,156
Closing price, €	24.40	10.00
Market value*, M€	588.3	241.1

*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 September 2021



Shareholders

Evli's total number of shareholders was 5,725 (5,043) at the end of September. Finnish companies owned 55 percent (55%) and the shareholding of Finnish private individuals 27 percent (27%). Remaining 18 percent (18%) 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 36.

DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

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

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

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

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

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

Remuneration policy

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

Number of Board members, members and fees

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

Auditors and auditors' fees

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

Board authorizations

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

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

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

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

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

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

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

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

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

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

CHANGES IN 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 of the investment markets has had a positive effect on Evli's business environment. Investors' risk appetite and investment interest have increased along with the market rise supported by governments and central banks. Well-advanced corona vaccinations and the gradual lifting of corona restrictions have further boosted optimism and confidence in accelerating economic growth. However, the potential rapid acceleration of inflation and, most recently, the fear of a slowdown in economic growth, are creating uncertainty.

The excellent performance of traditional investment products and the growing investment interest of clients provide good conditions for growth. Evli already has a strong position among both institutions and wealthy individuals. The prospects for growth 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 product availability, the streamlining and adaptation of administrative processes and structures to correspond to the standards that investors are accustomed to in 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. Thanks to the company's highly developed products, the company's prospects for growth abroad have further improved.

Evli sees alternative investment products as another important strategic priority. The company's ambition is to be able to offer a comprehensive range of products from typical, very liquid fixed income funds to real and private equity funds. To achieve this goal, Evli has introduced several new products to the market over the last few years, and the company's product offering currently covers a wide range of different asset classes. As the investment period for these products draws to a close, the company intends to launch new products in the product categories, such as the Evli Growth Partners II fund, which was launched in the third quarter. The Finnish market for alternative investment products is highly competitive. Despite the challenges posed by the operating environment, Evli's aim is to turn alternative investment products into a major source of revenue, with the help of a comprehensive offering 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

On October 1, 2021, Evli Bank Plc's Board of Directors decided to pay a dividend of EUR 0.73 per share for the 2020 financial year in accordance with the authorization given by the Annual General Meeting 2021, a total of approximately EUR 17.4 million. The dividend to be paid had already been deducted from the bank's core capital (CET 1), so the dividend payment had no effect on the company's solvency.

OUTLOOK FOR 2021 UNCHANGED

Supported by strong client demand and a favourable stock market performance, business has developed well during the year.

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

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

Taking into account the above considerations, we estimate that the operating profit in 2021 will clearly exceed the level of the previous year.

Helsinki, October 20, 2021

EVLI BANK PLC
Board of Directors

Additional information:

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

www.evli.com

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Consolidated comprehensive income statement

	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Net interest income	0.0	-0.1	0.1	0.2	0.2
Commission income and expense, net	23.7	16.8	77.6	50.2	76.8
Net income from securities transactions and foreign exchange dealing	1.1	1.8	2.9	1.0	2.4
Other operating income	0.0	0.1	0.0	0.2	0.2
NET REVENUE	24.8	18.7	80.6	51.6	79.7
Administrative expenses					
Personnel expenses	-7.5	-7.5	-27.0	-21.6	-30.5
Other administrative expenses	-3.7	-2.6	-11.8	-9.1	-12.5
Depreciation, amortisation and write-down	-1.3	-1.5	-3.7	-4.5	-5.7
Other operating expenses	-0.2	-0.2	-1.2	-0.9	-1.7
Impairment losses on loans and other receivables	0.0	0.0	0.0	-0.1	-0.1
NET OPERATING PROFIT / LOSS	12.1	6.9	36.9	15.5	29.1
Share of profits (losses) of associates	0.2	0.2	0.5	0.3	0.4
Income taxes	-1.7	-1.4	-7.0	-3.5	-6.3
PROFIT / LOSS FOR FINANCIAL YEAR	10.5	5.6	30.4	12.3	23.2
Attributable to					
Non-controlling interest	1.0	0.7	5.4	1.3	1.9
Equity holders of parent company	9.5	4.9	25.0	11.0	21.3
PROFIT / LOSS FOR FINANCIAL YEAR	10.5	5.6	30.4	12.3	23.2
OTHER COMPREHENSIVE INCOME / LOSS					
Items, that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0.0	0.0	0.2	-0.1	0.2
Other comprehensive income/loss	0.0	0.0	0.2	-0.1	0.2
Other comprehensive income after taxes / loss total	0.0	0.0	0.2	-0.1	0.2
OTHER COMPREHENSIVE INCOME / LOSS TOTAL	10.5	5.6	30.5	12.2	23.4
Attributable to					
Non-controlling interest	1.0	0.7	5.4	1.3	1.9
Equity holders of parent company	9.5	4.9	25.1	10.9	21.5
Earnings per Share (EPS), fully diluted					
Comprehensive Earnings per Share (EPS), fully diluted	0.39	0.21	1.02	0.46	0.87
Earnings per share (EPS), undiluted	0.40	0.21	1.04	0.45	0.88

Consolidated comprehensive income statement quarterly

	7-9/2021	4-6/2021	1-3/2020	10-12/2020	7-9/2020
Net interest income	0.0	0.0	0.1	0.0	-0.1
Commission income and expense, net	23.7	27.8	26.0	26.6	16.8
Net income from securities transactions and foreign exchange dealing	1.1	0.8	1.0	1.4	1.8
Other operating income	0.0	0.0	0.0	0.1	0.1
NET REVENUE	24.8	28.7	27.1	28.1	18.7
Administrative expenses					
Personnel expenses	-7.5	-9.9	-9.6	-8.9	-7.5
Other administrative expenses	-3.7	-4.1	-3.9	-3.4	-2.6
Depreciation, amortisation and write-down	-1.3	-1.4	-1.1	-1.3	-1.5
Other operating expenses	-0.2	-0.3	-0.7	-0.8	-0.2
Impairment losses on loans and other receivables	0.0	0.1	0.0	0.0	0.0
NET OPERATING PROFIT/LOSS	12.1	13.1	11.8	13.6	6.9
Share of profits (losses) of associates	0.2	0.0	0.3	0.1	0.2
Income taxes	-1.7	-3.4	-1.9	-2.7	-1.4
PROFIT/LOSS FOR FINANCIAL YEAR	10.5	9.6	10.2	11.0	5.6
Attributable to					
Non-controlling interest	1.0	2.6	1.8	0.6	0.7
Equity holders of parent company	9.5	7.0	8.4	10.4	4.9
PROFIT/LOSS FOR FINANCIAL YEAR	10.5	9.6	10.2	11.0	5.6
OTHER COMPREHENSIVE INCOME/LOSS					
Items, that will not be reclassified to profit or loss					
Income and expenses recognised directly in equity	0.0	0.0	0.0	0.0	0.0
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0.0	0.0	0.1	0.3	0.0
Other comprehensive income/loss	0.0	0.0	0.1	0.3	0.0
Other comprehensive income after taxes/loss total	0.0	0.0	0.1	0.3	0.0
OTHER COMPREHENSIVE INCOME/LOSS TOTAL	0.0	0.0	0.1	0.3	0.0
TOTAL	10.5	9.7	10.3	11.2	5.6
Attributable to					
Non-controlling interest	1.0	2.6	1.8	0.6	0.7
Equity holders of parent company	9.5	7.1	8.5	10.6	4.9
Earnings per share (EPS), fully diluted	0.39	0.21			
Earnings per share (EPS), undiluted	0.40	0.21			

Consolidated balance sheet

	30.9.2021	30.9.2020	31.12.2020
ASSETS			
Liquid assets	310.7	350.0	331.6
Debt securities eligible for refinancing with central banks	33.5	33.9	37.2
Claims on credit institutions	87.2	79.1	66.8
Claims on the public and public-sector entities	108.8	105.0	109.6
Debt securities	0.7	30.2	9.8
Shares and participations	58.8	63.4	57.3
Participating interests	3.0	4.1	4.2
Derivative contracts	17.3	41.4	52.2
Intangible assets	14.2	16.5	16.0
Property, plant and equipment	1.4	1.4	1.4
Other assets	112.6	306.2	83.3
Accrued income and prepayments	3.2	4.3	3.3
Deferred tax assets	0.1	0.4	0.1
TOTAL ASSETS	751.5	1036.0	772.6
LIABILITIES			
Liabilities to credit institutions and central banks	0.0	19.3	0.7
Liabilities to the public and public-sector entities	391.1	441.2	385.2
Debt securities issued to the public	91.1	134.2	131.1
Derivative contracts and other trading liabilities	17.1	41.6	52.5
Other liabilities	96.6	293.5	84.4
Accrued expenses and deferred income	30.3	22.3	23.3
Deferred tax liabilities	0.0	0.0	0.0
LIABILITIES TOTAL	626.2	952.1	677.2
Equity to holders of parent company	119.6	80.9	92.4
Non-controlling interest in capital	5.7	3.0	3.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	751.5	1036.0	772.6

Consolidated statement of changes in equity

	Share capital	Share premium fund	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interest	Total equity
Equity capital 31.12.2019	30.2	1.8	18.7	29.3	80.1	1.7	81.8
Translation difference				0.2	0.2		0.2
Profit/loss for the period				11.0	11.0	1.3	12.3
Dividends				-15.2	-15.2	-1.0	-16.2
Share options exercised			1.5		1.5		1.5
Acquisition of own shares					0.0		0.0
Acquisition of non-controlling interest					0.0		0.0
Other changes			2.7	0.7	3.4	1.0	4.4
Equity capital 30.9.2020	30.2	1.8	22.8	26.0	80.9	3.0	83.9
Translation difference				0.2	0.2		0.2
Profit/loss for the period				10.4	10.4	0.1	10.5
Dividends				0	0.0	0.0	0.0
Share options exercised					0.0		0.0
Acquisition of own shares							0.0
Acquisition of non-controlling interest							0.0
Other changes*				1.0	1.0	-0.1	0.9
Equity capital 31.12.2020	30.2	1.8	22.8	37.5	92.4	3.0	95.4
Translation difference				0.2	0.2	0.0	0.2
Profit/loss for the period				25.1	25.1	5.4	30.5
Dividends					0.0	-1.4	-1.4
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**			1.9	0.1	2.0	-1.3	0.7
Equity capital 30.9.2021	30.2	1.8	24.7	62.9	119.7	5.7	125.4

*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 and an one off impact from the acquisition of Alexander Incentives Oy.

Consolidated segment income statement

	Wealth Management and Investor Clients		Advisory and Corporate Clients		Group Operations		Unallocated		Group	
	1-9/ 2021	1-9/ 2020	1-9/ 2021	1-9/ 2020	1-9/ 2021	1-9/ 2020	1-9/ 2021	1-9/ 2020	1-9/ 2021	1-9/ 2020
REVENUE										
Net interest	0.0	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.1	0.2
Net commissions	62.7	43.7	14.8	6.4	0.1	-0.1	0.0	0.3	77.6	50.2
Trading and FX result	0.0	0.0	0.0	0.0	2.9	1.0	0.0	0.0	2.9	1.0
Other operative income	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.2
External sales	62.7	43.7	14.8	6.4	3.1	1.1	0.0	0.3	80.6	51.6
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	62.7	43.7	14.8	6.4	3.1	1.1	0.0	0.3	80.6	51.6
Timing of revenue recognition										
At a point in time	47.5	37.2	5.0	4.1	0.0	0.0	0.0	0.4	51.9	41.7
Over time	15.8	6.5	9.9	2.1	0.0	0.0	0.0	0.0	25.6	8.5
RESULT										
Segment operating expenses	-25.1	-21.6	-6.5	-4.4	-8.4	-6.2	0.0	0.6	-40.0	-31.6
Business units operating profit before depreciations and Group allocations	37.6	22.1	8.3	2.1	-5.3	-5.1	0.0	1.0	40.6	20.1
Depreciations	-1.7	-2.6	-0.3	-0.3	-1.7	-0.4	0.0	-1.2	-3.7	-4.5
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1
Business units operating profit before Group allocations	35.9	19.5	8.0	1.8	-6.9	-5.6	0.0	-0.2	36.9	15.5
Allocated corporate expenses	-6.2	-3.9	-1.5	-0.6	7.7	4.5	0.0	0.0	0.0	0.0
Operating profit including Group allocations	29.7	15.6	6.5	1.2	0.8	-1.1	0.0	-0.2	36.9	15.5
Share of profits (losses) of associates	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.3	0.5	0.3
Income taxes	-3.3	-2.3	-1.4	-0.4	-2.3	-0.9	0.0	0.1	-7.0	-3.5
Segment profit/loss	26.4	13.3	5.0	0.8	-1.1	-2.0	0.0	0.2	30.4	12.3

Consolidated cash flow statement

	1-9/2021	1-9/2020	1-12/2020
Operating activities			
Operating profit	36.9	15.5	29.1
Adjustment for items not included in cash flow	7.7	5.2	8.2
Income taxes paid	-3.6	-3.3	-5.0
Cash flow from operating activities before changes in operating assets and liabilities	41.1	17.4	32.3
	-29.3		
Changes in operating asset, total		-82.0	170.5
	-23.0		
Changes in operating liabilities, total		127.5	-158.4
Cash flow from operating activities	-11.2	62.9	44.5
Investing activities			
Change in intangible asset	-0.4	-0.4	-0.6
Change in property, plant and equipment	-0.1	-0.1	-0.2
Cash flow from investing activities	-0.5	-0.6	-0.8
Financing activities			
Dividends paid to company's shareholders	0.0	-15.3	-15.3
Dividends paid to non-controlling interests in subsidiaries	-1.4	-1.0	-1.0
Payment of finance lease liabilities	-1.3	-1.6	-2.0
Used option rights	0.0	1.5	1.5
Cash flow from financing activities	-2.7	-16.4	-16.8
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	323.8	357.3	338.2
Change	-14.4	46.0	26.8

Notes to balance sheet

	30.9.2021	30.9.2020	31.12.2020	
Equity and debt securities				
Debt securities issued to the public				
Certificates of Deposits and commercial papers	0.0	10.0	10.0	
Bonds	91.1	124.2	121.1	
Debt securities issued to the public	91.1	134.2	131.1	
Breakdown by maturity	less than 3 months	3-12 months	1-5 years	5-10 years
Debt securities issued to the public	0.9	9.2	80.9	0.0
Changes in bonds issued to the public	30.9.2021	30.9.2020	31.12.2020	
Issues	0.0	27.6	31.7	
Repurchases	30.0	19.7	34.4	
Off-balance sheet commitments				
Commitments given to a third party on behalf of a customer	11.9	8.2	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	13.3	10.8	9.6	
Transactions with related parties	1-9/2021			
	Associated companies	Group management		
Sales	0.0	0.0		
Purchases	0.0	0.0		
Receivables	0.0	0.7		
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
Financial assets				
Shares and participations classified as held for trading	0.1	0.0	0.0	0.1
Shares and participations, other	50.8	0.0	7.9	58.8
Debt securities eligible for refinancing with central banks	33.5	0.0	0.0	33.5
Debt securities	0.0	0.4	0.4	0.7
Positive market values from derivatives	0.0	15.0	2.3	17.3
Total financial assets held at fair value	84.4	15.3	10.6	110.3
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	14.8	2.3	17.1
Total financial liabilities held at fair value	0.0	14.8	2.3	17.1

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	4.9	73.6	0.0	0.0
Equity-linked derivatives				
Futures	0.1	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	3938.5	8.3	0.0	0.1
Held for trading, total	3943.5	85.3	0.0	0.1
Derivative contracts, total	3943.5	85.3	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 – Credit loss provision for financial assets measured at amortized cost

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	87.2	87.2	0.0	0.0	0.0	0.0
Receivables from the public	108.8	108.1	0.7	0.0	0.1	0.2
Receivables from the public; corporate	30.1	29.8	0.3	0.0	0.1	0.1
Receivables from the public; private	78.7	78.3	0.4	0.0	0.1	0.1
Receivables from the public; other	0.0	0.0	0.0	0.0	0.0	0.0
Sales receivables	3.9	3.7	0.2	0.0	0.0	0.0
Off-balance sheet loan commitments	13.1	13.0	0.1	0.0	0.0	0.0
Total	213.0	212.0	0.9	0.0	0.1	0.2

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 – Operating 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 7.8 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

Lease liability recognized on 1.1.2021	9.6
Additions	0.0
Deductions	-1.8
Lease liability according to balance sheet on 30.9.2021	7.8
Current lease liabilities	1.7
Non-current lease liabilities	6.1

Accounting policies

The Interim Report complies with IAS 34, Interim Reports, as approved by the EU.

The Interim Report does not include all the tables regarding the business operations from the Annual Financial Statement. Therefore, this Interim 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.

Evli presents certain key performance indicators that are considered alternative performance measures with ESMA's Alternative Key Guidelines as they are not defined as specified measures describing historical performance, financial position or cash flows in IFRSs. Evli presents alternative performance measures, as they provide relevant additional information on Evli's performance and financial position to management, investors and other parties. Evli presents operating profit, operating margin, return on equity (ROE), return on equity (ROA), cost / income ratio and recurring income to operating expenses as additional information to describe financial performance and profitability. Evli presents the equity ratio to describe the relative use of equity in financing company's assets.

Alternative performance measures should not be considered in isolation or in place of those specified in IFRSs. Not all companies calculate alternative performance measures in a consistent manner, and thus the alternative performance measures presented by Evli may not be comparable to the similarly presented measures presented by other companies. Capital adequacy performance measures are presented based on European legislation concerning companies in the finance sector. The calculation principles and formulae of the key ratios are presented in the company's 2020 financial statements, which are available on the company website at www.evli.com

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 September 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	339,141	2,658,921	11.0%	46,734,741	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	401,235	401,235	1.7%	401,235	0.1%
9. Evli Bank Plc	0	251,983	251,983	1.1%	251,983	0.1%
10. Svenska Litteratursällskapet i Finland	0	220,336	220,336	0.9%	220,336	0.1%