



TAALERI'S HALF-YEAR FINANCIAL REPORT 2018

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TAALERI

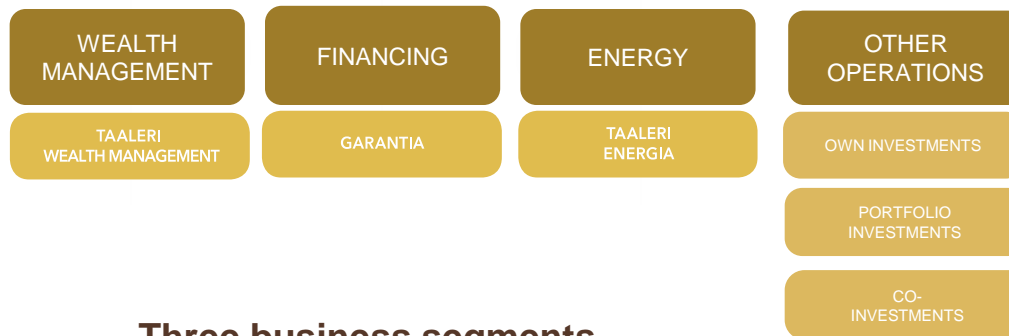
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TAALERI PROACTIVELY SEEKS OPPORTUNITIES

Listed on Nasdaq Helsinki's main market

- An agile and visionary growth company in the financial sector.
- Strong values drive responsible business.
- Employees directly or indirectly own a significant share of the company's shares.



Three business segments

- Wealth Management
- Financing
- Energy

Operations that do not belong to the segments are presented in “Other operations”.

Key figures 2017

- Income 81 MEUR
- Operating profit 28 MEUR
- Operating profit %, 34,1
- AuM* 5,6 BEUR
- Customers** 4,400
- Personnel 180

*Assets under management

**Excl. Garantia customers

WE ENCOURAGE RESPONSIBILITY BY ACTION

The goal as a company is to grow profitably, responsibly.

Transparency guide our operations.

CDP¹, UNPRI², FIBS³, FINSIF⁴



Wind Power

Solar Power

Geo-
thermal
energy

Forest

Circular
Economy

1) CDP is an international, independent, non-profit organization whose task is to collect company-specific information on climate change mitigation, greenhouse gas emissions and adaptation to climate change.

2) UNPRI - principles of UN's responsible investment

3) FIBS - to promote corporate social responsibility in Finland

4) FINSIF - to promote responsible investment in Finland

GROUP LONG-TERM STRATEGIC AND FINANCIAL TARGETS

STRATEGIC TARGETS

- Strong but controlled growth and increasing profitability.
 - Growth in AuM* and clientele
 - Profitable growth in insurance premiums
 - Strong growth in investments in energy projects

*Assets under Management

FINANCIAL TARGETS

- >20% profit margin
- >15% ROE
- >30% equity ratio



**TAALERI'S FINANCIAL RESULTS
FOR HALF-YEAR JANUARY-JUNE
2018**

HIGHLIGHTS

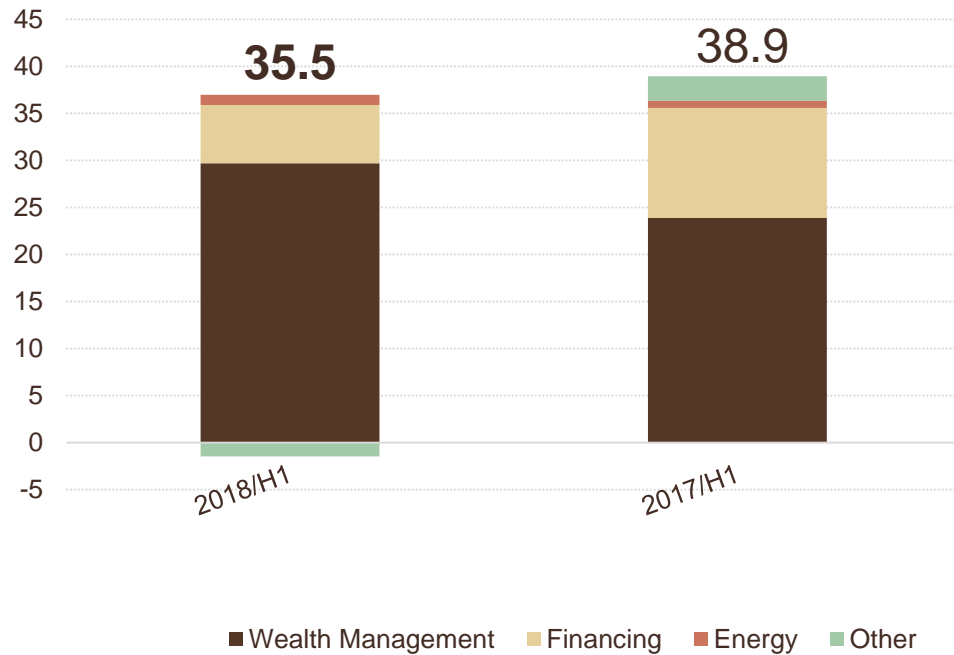
- Wealth Management profitability was excellent
 - operating profit 48% of income and 80% growth compared to the comparison period.
- The Finansiing-segment's income from insurance operations grew by 10%
 - Insurance portfolio grew 7% and the combined ratio strenghtened and was 42%.
- The Group's earnings from investment operations declined to EUR 3.0 (8.1).
- With IFRS 9, the majority of the change in the fair value of investments of Garantia's investment portfolio is visible directly in income. Garantia's investment income was at zero in January-June.
- The acquisition of Evervest expands Taaleri's wealth management service offering for customers and complements the conventional face-based wealth management service model.
- Product collaboration with the Savings Bank Group creates new opportunities.
- Significant growth steps in the Energy segment.

OPERATING PROFIT ON GOOD LEVEL; ASSETS UNDER MANAGEMENT AND GUARANTY INSURANCE PORTFOLIO GREW

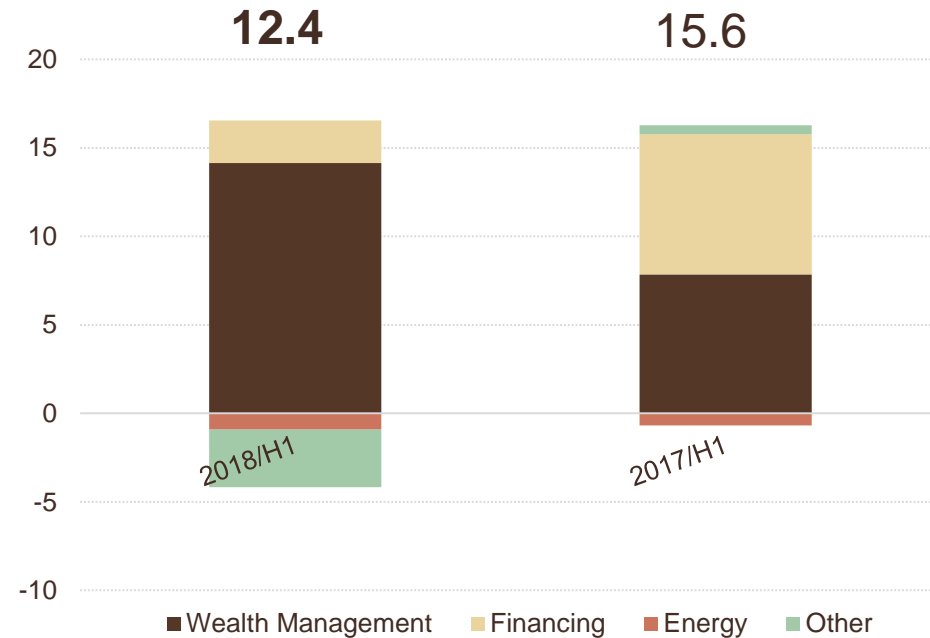
Group key figures	1-6/2018	1-6/2017	2017	Long-term target
Earnings key figures				
Income, MEUR	35.2	38.7	81.0	
Operating profit, MEUR	12.4	15.6	27.6	
Operating profit, %	35.1	40.3	34.1	> 20.0
Profit for the period, MEUR	9.4	12.5	21.8	
Return on equity*, %	17.4	26.2	21.8	> 15.0
Balance sheet key figures				
Equity ratio, %	48.3	46.7	46.3	> 30.0
Group's capital adequacy ratio, %	178.1	272.9	251.2	> 150.0
Per share key figures				
Earnings/share, euros	0.32	0.44	0.76	
Equity/share, euros	3.84	3.44	3.73	
Share closing price, euros	10.00	9.20	10.35	
Other key figures				
Cost/income ratio	65.1	59.9	66.2	
Average full-time employees	185	186	184	
Market capitalisation MEUR	283.1	260.4	293.0	
Assets under management BEUR	6.0	5.3	5.6	

GOOD GROWTH AND PROFITABILITY DEVELOPMENT, ALTHOUGH EARNINGS FROM INVESTMENT OPERATIONS WEAKENED

TOTAL INCOME, MEUR



OPERATING PROFIT, MEUR



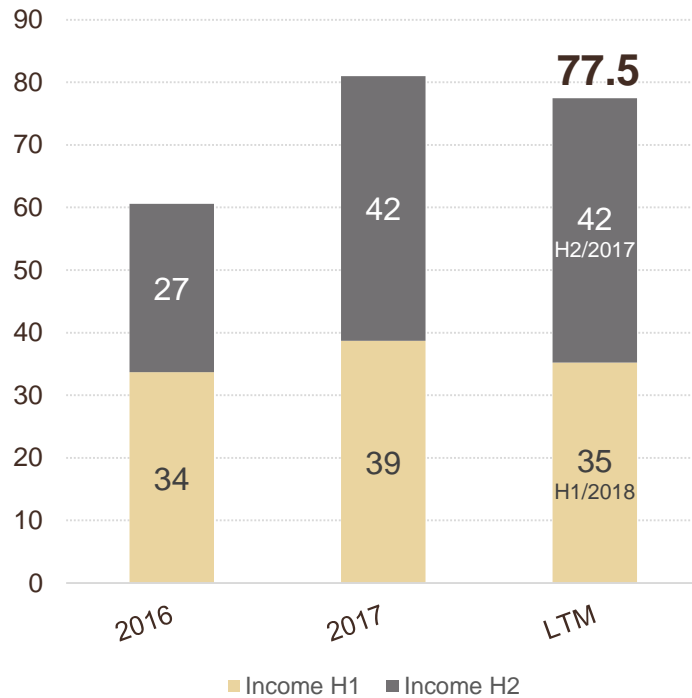
TAALERI RESULTS

EUR 1 000	1-6/2018	1-6/2017	2017
Continuing earnings	26,865	25,079	48,947
Performance fees	5,637	5,745	15,806
Investment operations	2,979	8,103	16,820
Income	35,481	38,927	81,572
Fee and commission expense	-3,152	-2,539	-6,391
Interest expense	-1,464	-1,613	-3,133
Personnel costs	-10,219	-12,418	-29,304
Direct expenses	-7,657	-6,184	-13,818
Depreciation, amortisation and impairment	-608	-570	-1,316
Impairment losses on loans and other receivables	-4	-	-
Operating profit	12,377	15,604	27,611
Change in fair value of investments	-563	-2 382	-3,739
Profit before taxes and non-controlling interests	11,814	13,222	23,872

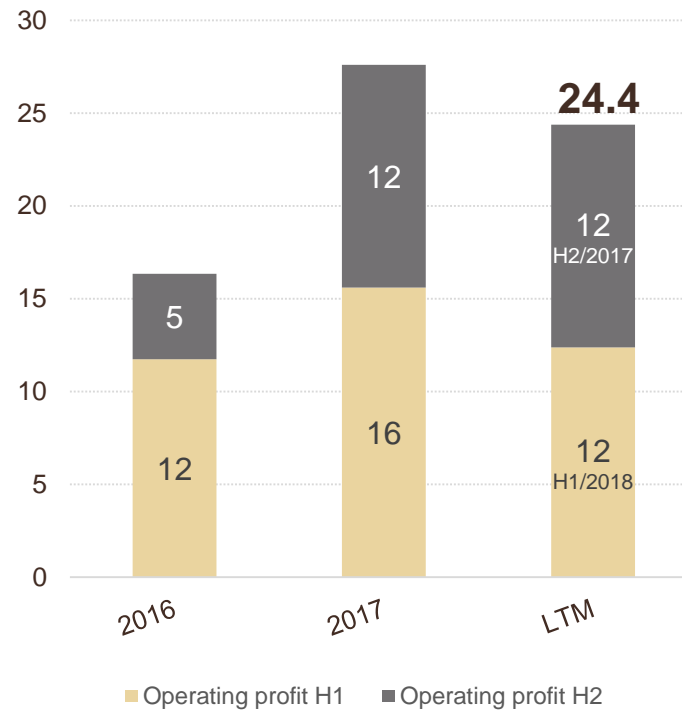
KEY FIGURES

ANNUALISED COMPARISON (LTM)

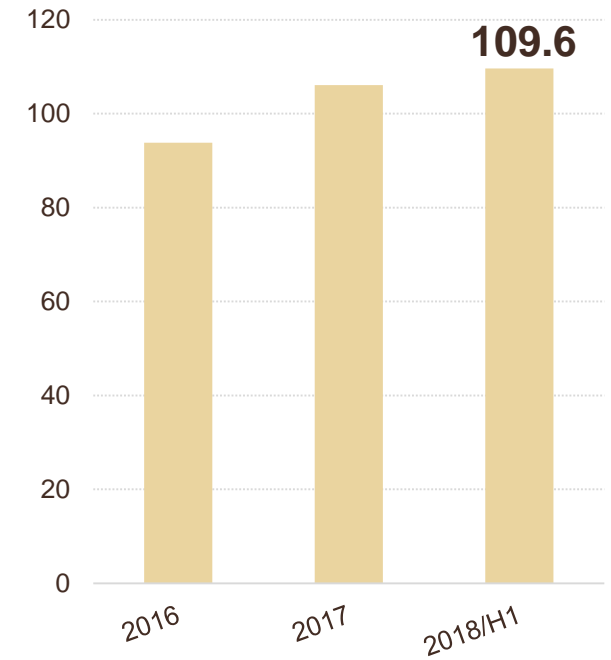
INCOME, MEUR



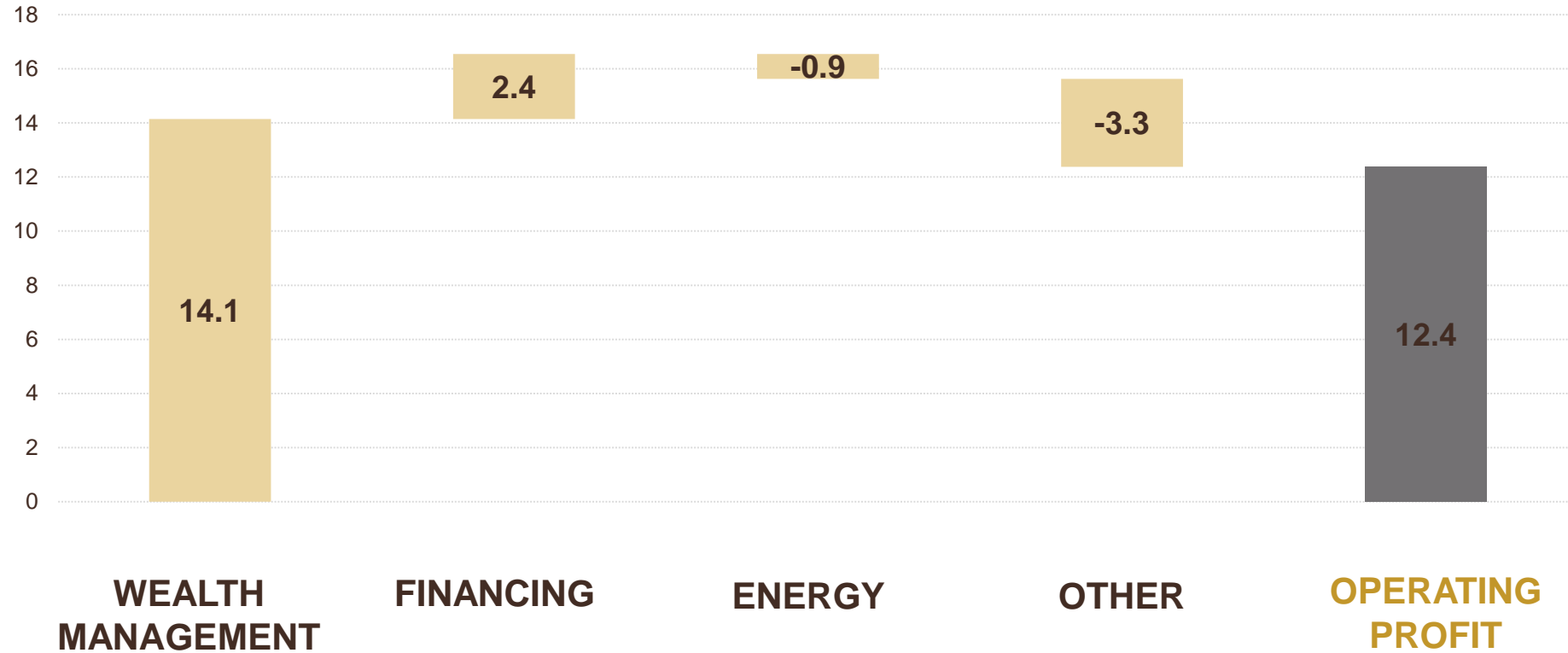
OPERATING PROFIT, MEUR



EQUITY, MEUR



OPERATING PROFIT BY SEGMENT, MEUR

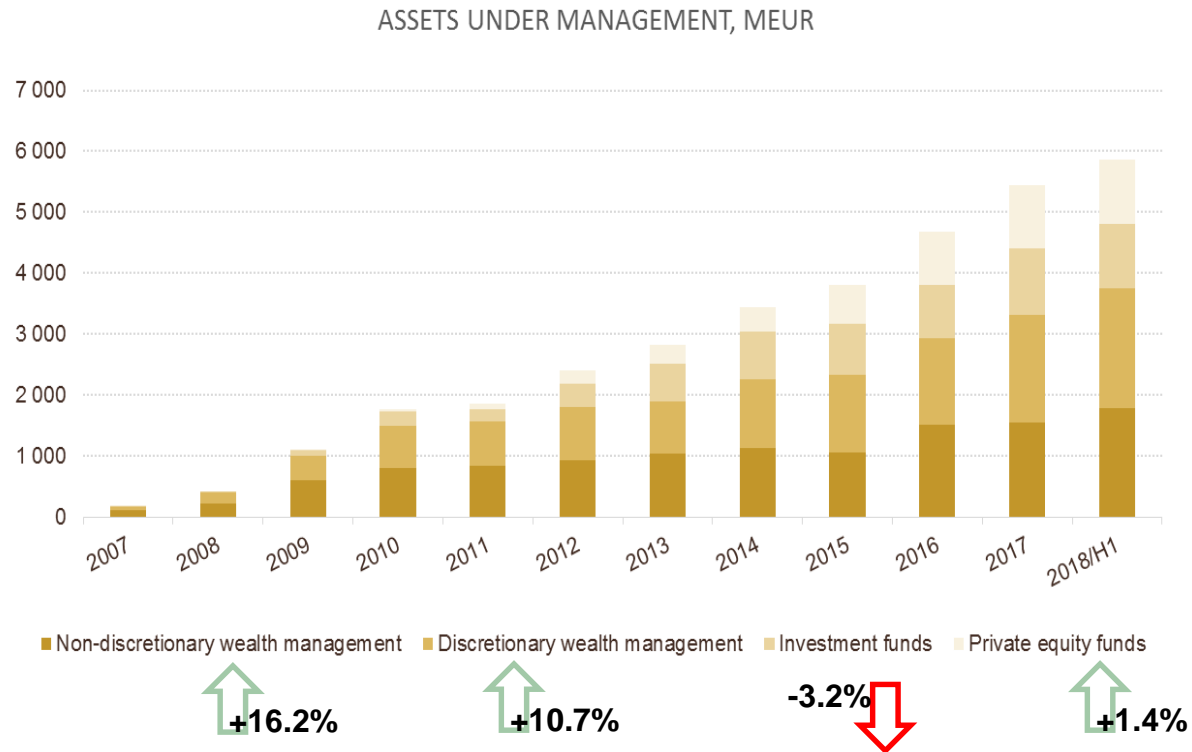




WEALTH MANAGEMENT

WEALTH MANAGEMENT PROFITABILITY WAS EXCELLENT; FOCUSING ON GROWTH

- Income increased, primary drivers were:
 - the increase in assets under management as well as the increased advisory fees,
 - performance fees that stayed at last year's levels, and
 - the additional earn-out from the wind project.
- Assets under management increased by 7.7%.
- Robo-advisor wealth management company Evervest's digital platform expands Taaleri's wealth management service offering.

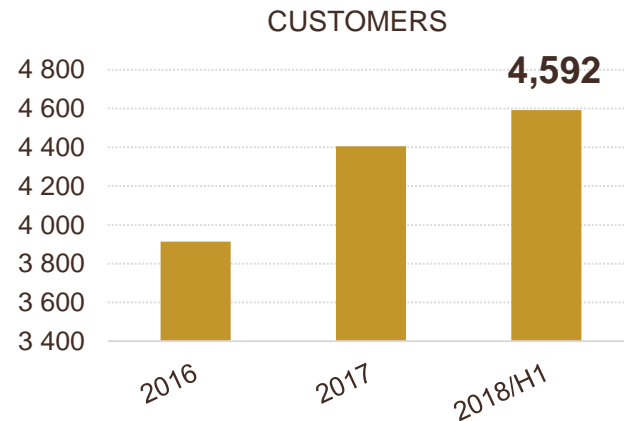
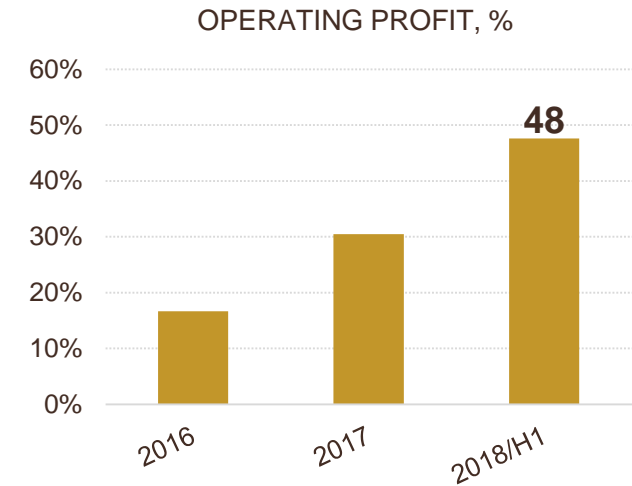
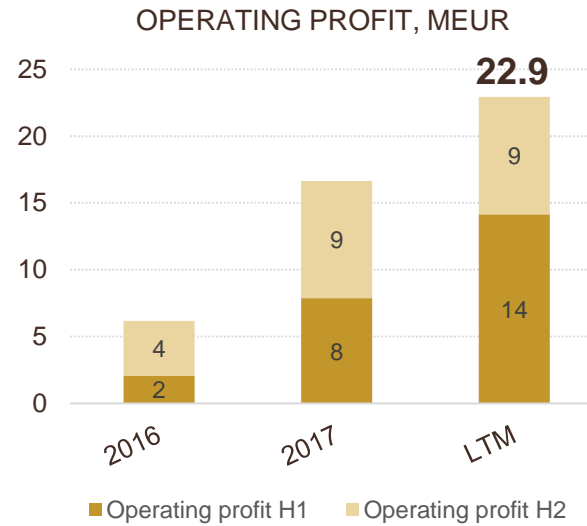
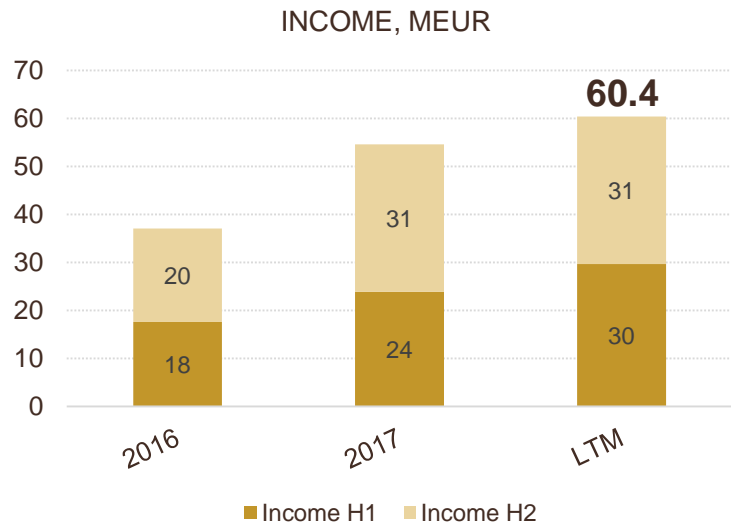


Key figures H1/2018 (H1/2017)



* Assets under Management

WEALTH MANAGEMENT'S OPERATING PROFIT GREW AND WAS 48 % OF INCOME

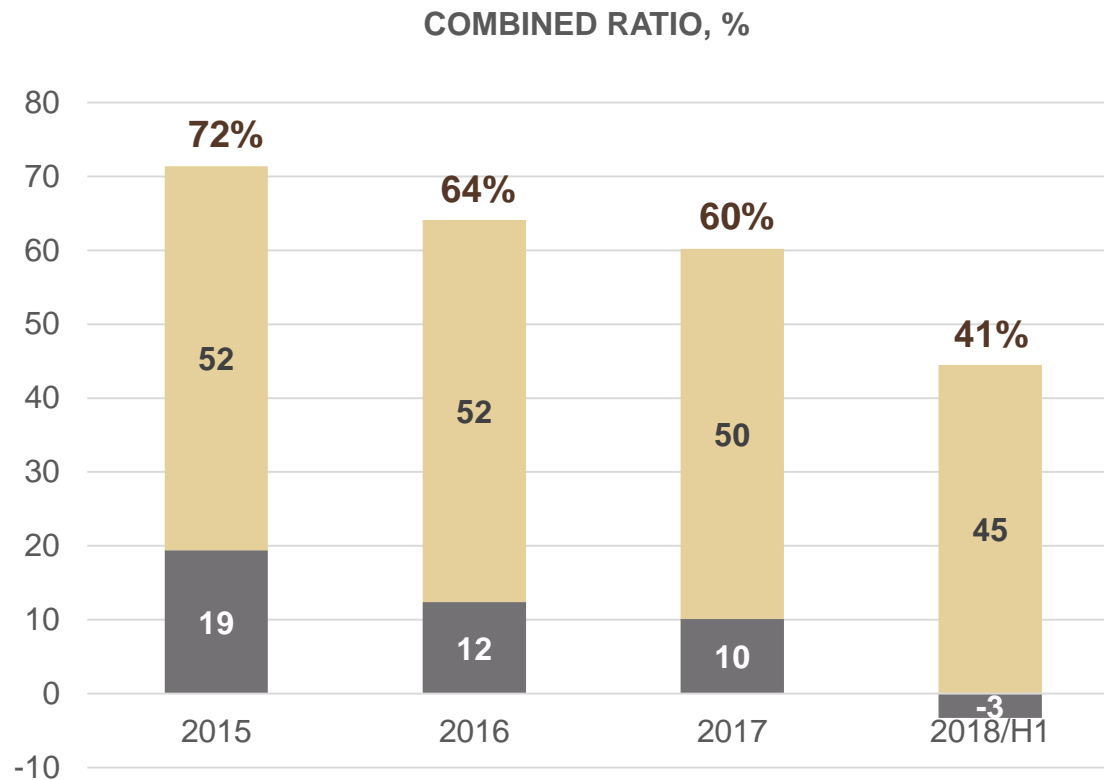




FINANCING

PREMIUMS WRITTEN INCREASED AND COMBINED RATIO IMPROVED

- Insurance income grew.
- Premiums written grew 5%
- Net income from insurance operations grew 10%
- The guaranty insurance portfolio increased
- Investment income was at zero

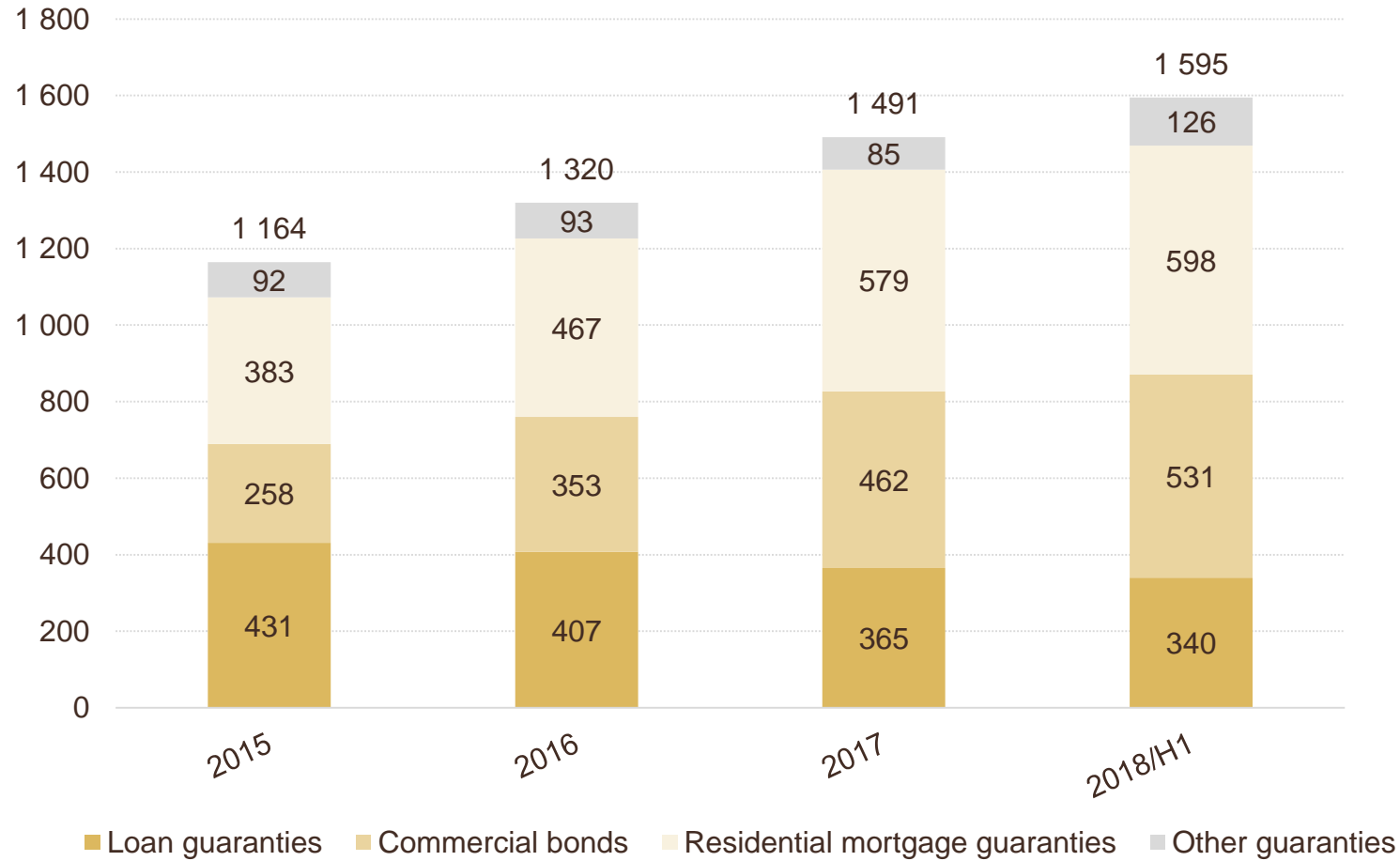


Key figures 1-6/2018 (1-6/2017)

Gross income growth from guaranty insurance 5% (34)	Income 6.2 MEUR (11.7)	Operating profit 2.4 MEUR (7.9)	Combined ratio 41% (52)	Return on investments -0.1% (3.3)	Solvency ratio 222% (238 pro forma 12/17)
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■ Expense ratio, %
■ Claims ratio, %

GUARANTY INSURANCE PORTFOLIO GREW 7%





ENERGY

THE ENERGY SEGMENT TOOK SIGNIFICANT GROWTH STEPS

- The Solar Wind fund’s wind power and solar energy projects were successfully developed forward.
- Project rights for a 227 MW wind power project were purchased in North America.
- Taaleri Energy received the alternative investment fund manager authorization.

MEUR	1-6/2018	1-6/2017	Change, %	1-12/2017
Income	1.1	0.8	40.3	1.8
Operating profit	-0.9	-0.7	35.6	-1.5



OTHER OPERATIONS

WE ARE CONSTANTLY PURSUING NEW OPPORTUNITIES

- Income and operating profit were negatively affected by an impairment of a geothermal project.
- During the first part of the year we increased our ownership in, e.g., Fellow Finance, we invested in Turun Toripark, in Finland and in real-estate projects in Finland and in Barrie, in Canada. Additionally, we reduced our ownership in Inderes.

MEUR	1-6/2018	1-6/2017	Change, %	1-12/2017
Income	-1.5	2.6	-157.4	3.4
Operating profit	-3.3	0.5	-745.4	-1.4

	30 June 2018	31 Dec. 2017	Change, %
Investments, fair value	39.8	33.7	17.9
- Portfolio investments	19.1	9.2	106.6
- Co-investments	6.5	6.3	2.4
- Own investments	14.2	18.2	-21.6



BALANCE SHEET AND CAPITAL ADEQUACY

BALANCE SHEET

Assets EUR 1,000	30 June 2018	31 Dec. 2017
Receivables from credit institutions	24,288	34,567
Receivables from the public and general government	12,114	6,598
Shares and units	14,013	25,883
Participating interests	10,778	7,606
Insurance assets	131,908	135,586
- Insurance assets	2,281	3,268
- Investments	129,627	132,318
Intangible assets	2,035	2,205
Tangible assets	787	361
Other assets	15,514	10,081
Accrued income and prepayments	14,032	5,322
Deferred tax assets	1,326	1,113
	226,794	229,322
Liabilities EUR 1,000	30 June 2018	31 Dec. 2017
LIABILITIES	117,156	123,238
Liabilities to credit institutions	7,489	7,982
Debt securities issued to the public	54,786	54,758
Insurance liabilities	21,169	20,336
Other liabilities	3,175	2,131
Accrued expenses and deferred income	15,124	22,143
Deferred tax liabilities	15,412	15,887
EQUITY CAPITAL	109,638	106,084
	226,794	229,322

Redemption of fixed income funds
MEUR 14.0

Includes development costs of wind- and real estate projects
MEUR 9.7

Direct financing 88 %

Equity MEUR 109.6
Equity ratio 48.3 %

CAPITAL ADEQUACY – RAVA & FINANCING SECTOR

Capital adequacy of RaVa conglomerate, EUR thousand	30 June 2018	30 Dec. 2017
Shareholders' equity of the Taaleri Group	109,638	106,084
Goodwill and other intangible assets	-2,388	-2,205
Non-controlling interests	-1,001	-384
Profit for the period, Financing sector	-2,567	
Planned distribution of profit		-7,371
Conglomerate's own funds, total	103,683	96,124
Financing business' requirement for own funds	11,152	9,781
Insurance business' requirement for own funds	47,075	28,484
Minimum amount of own funds of the Conglomerate, total	58,226	38,265
Conglomerate's capital adequacy	45,457	57,859
Conglomerate's capital adequacy ratio	178.1%	251.2%

The conglomerate's capital adequacy stayed strong at 178.1%, despite a capital add-on totaling EUR 17.8 million set by the Financial Supervisory Authority. The minimum requirement is 100%.

Financing sector's capital adequacy, EUR thousand (with the CRR 49 special permission)	30 June 2018	31 Dec. 2017
Common Equity Tier before deductions	75,150	70,554
Deductions from the Common Equity Tier	-14,380	-21,729
Common Equity Tier (CET1)	60,770	48,825
Tier 1 capital (T1 = CET1 + AT1)	60,770	48,825
Total capital (TC = T1 + T2)	60,770	48,825
Total risk-weighted commitments (total risk)	243,656	217,201
Common Equity Tier (CET1) in relation to the amount of total risk (%)	24.9%	22.5%
Tier 1 capital (T1) in relation to the amount of total risk (%)	24.9%	22.5%
Total capital (TC) in relation to the amount of total risk (%)	24.9%	22.5%

The Financing sector's Common Equity Tier with the CRR 49 special permission is EUR 60.8 million and 24.9% of capital adequacy, when the profit from the first half of the year is not taken into account.



SUMMARY

GROUP STRATEGY

- Value driven growth company
- Utiliser of new technology
- Enabler
- Forerunner

SUMMARY OF THE HALF-YEAR FINANCIAL REPORT

- Continuing earnings grew.
- Wealth Management's profitability was excellent and the continuing earnings grew.
- The Financing segment's continuing earnings grew and the balance on the technical account was excellent.
- The Energy segment took significant growth steps.
- The Group's Earnings from investment operations declined.
- Our aim is to improve the company's profitability and growth by increasing continuing earnings and automation.
- We will continue Taaleri's development in line with the company's strategy.

TAALERI AS AN INVESTMENT

Profitable growth
organic /
non-organic

**Growing ownership
value,
responsibly**

**Strong financial
position and
excellent
profitability**

**Opportunistic
approach to
growing business**

Dividend

GARANTIA KEY FIGURES, IFRS

Financing, EUR million	1-6/2018	1-6/2017	Change, %
Net income from guaranty insurance operations	5.8	5.3	9.5
Net income from investment operations	0.4	6.4	-93.9
Income	6.2	11.7	-47.2
Operating expenses	-3.8	-3.8	-0.4
Operating profit before valuations	2.4	7.9	-69.6
Change in fair value of investments	-0.6	-2.3	-75.1
Result at fair value before tax	1.8	5.7	-67.4
Claims ratio, %	-3.3%	4.0%	-7.3% pts.
Expense ratio, %	44.5%	48.4%	-3.9% pts.
Combined ratio, %	41.2%	52.4%	-11.2% pts.
Return on investment at fair value, %	-0.1%	3.3%	-3.4% pts.
Average full-time personnel	24	26	-7.7 %



TAALERI