



TAALERI

FINANCIAL RESULTS 2018

CEO JUHANI ELOMAA

14 FEBRUARY 2019

AGENDA

Taaleri in brief

Financial results in 2018

Key figures

Segment information

 Wealth Management

 Financing

 Energy

 Other

Results, Balance sheet and Solvency

Board of Directors' dividend proposal

Summary

Group strategy

Taaleri as an investment

Wealth Management, Income and Operating profit

Garantia Income and Operating profit, IFRS



TAALERI IN BRIEF

LISTED ON NASDAQ HELSINKI'S MAIN MARKET

- 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.

KEY FIGURES 2018

- Income: EUR 72.5 million
- Operating profit: EUR 23.9 million
- Operating profit: 33%
- AuM*: EUR 5.7 billion
- Customers**: 5,400
- Personnel: 183

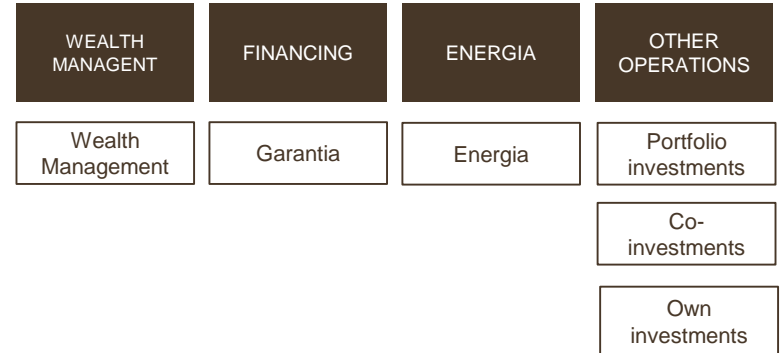
* Assets under Management

** Wealth Management

THREE BUSINESS SEGMENTS

- Wealth Management
- Financing
- Energy
- Operations that do not belong to the segments are presented in "Other operations".

TAALERI



OUR STRATEGIC AIM IS TO HAVE AN IMPACT

We all have the duty to operate responsibly. We also believe that responsible operations advance business success and long-term shareholder value.

We want to promote solutions that tackle the key challenges of our time, e.g. in renewable energy production. We want people, communities, the environment, and our assets to be safe also in the future.



GROUP LONG-TERM 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% operating profit margin
- >15% ROE
- >30% equity ratio



FINANCIAL RESULTS 2018

TAALERI IN JANUARY-DECEMBER 2018

- Income was EUR 72.5 (81.0) million. The decline, 10.5%, was due to lower performance fees.
- Continuing earnings increased by 6.3% to EUR 52.0 (48.9) million.
- Net income from investment operations was EUR 12.2 (16.8) million. Garantia's investment operations yielded EUR -0.7 (11.9) million, and a profit of EUR 13.8 million was recorded due to the listing of Fellow Finance.
- Operating profit was EUR 23.9 (27.6) million and represented 33.0 (34.1)% of income. This was mainly due to improved cost efficiency.
- Write-downs in geothermal projects in Germany amounting to EUR 5.4 million.
- Earnings per share was EUR 0.76 (0.76).
- Assets under Management grew 2.9% to EUR 5.7 (5.6) million.
- Insurance exposure grew 11.8% and totalled EUR 1.7 (1.5) billion.
- The Board proposes a dividend of EUR 0.30 per share.

HIGHLIGHT DURING THE PERIOD

- Investments in a Texas wind power project as well as real-estate investments in Finland.
- The acquisition of the capital stock of robo-advisor Evervest Oy.
- The financing of the Keilaniemi tower building in Espoo, Finland.
- The Savings Banks Group collaboration.
- The listing of Fellow Finance Plc.
- The launch of Garantia's multi-issuer bond.
- The launch of "Tallikiinteistöt", a real-estate private equity fund.



TAALERI IN JULY-DECEMBER 2018

- Income declined 11.8%, and totalled EUR 37.3 (42.3) million.
- Continuing earnings grew 5.4%, and totalled EUR 25.2 (23.9) million.
- Performance fees totalled EUR 2.5 (10.1) million.
- Investment activity generated EUR 9.2 (8.7) million.
- Operating profit was 11.5 (12.0) million.
- Earnings per share was EUR 0.44 (0.32).
- The listing of Fellow Finance yielded a total of EUR 13.8 million.
- Geothermal project write-off, EUR 3.1 million.

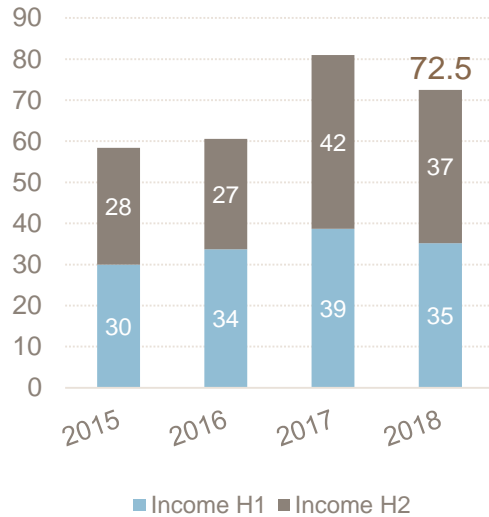
OPERATING PROFIT AND EARNINGS PER SHARE ON GOOD LEVEL

Group key figures	2018	2017	H2/2018	H2/2017	Long-term target
Earnings key figures					
Continuing earnings	52.0	48.9	25.2	23.9	
Income, MEUR	72.5	81.0	37.3	42.3	
Operating profit, MEUR	23.9	27.6	11.5	12.0	
Operating profit, %	33.0	34.1	30.9	28.4	> 20.0
Profit for the period, MEUR	21.6	21.8	12.2	9.3	
Return on equity*, %	18.9	21.8	21.1	18.2	> 15.0
Balance sheet key figures					
Equity ratio, %	51.4	46.3			> 30.0
Group's capital adequacy ratio, %	186.0	251.2			
Per share key figures					
Earnings/share, euros	0.76	0.76	0.44	0.32	
Equity/share, euros	4.26	3.73			
Share closing price, euros	7.10	10.35			
Other key figures					
Cost/income ratio	67.0	66.2	68.9	71.8	
Average full-time employees	183	175	187	175	
Market capitalisation MEUR	201.0	293.0			
Assets under management BEUR	5.7	5.6			
Guaranty insurance portfolio, BEUR	1.7	1.5			

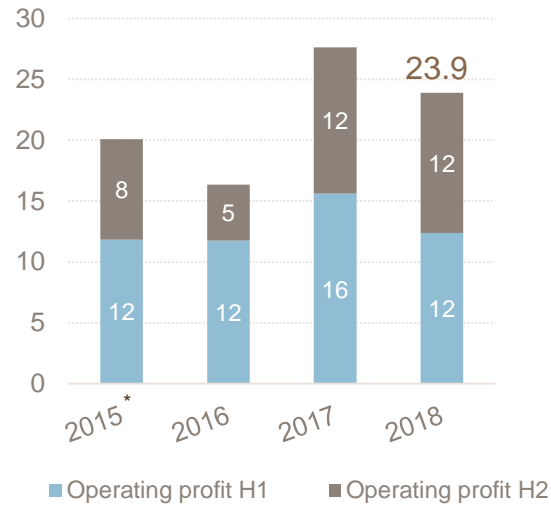
* annualized

KEY FIGURES

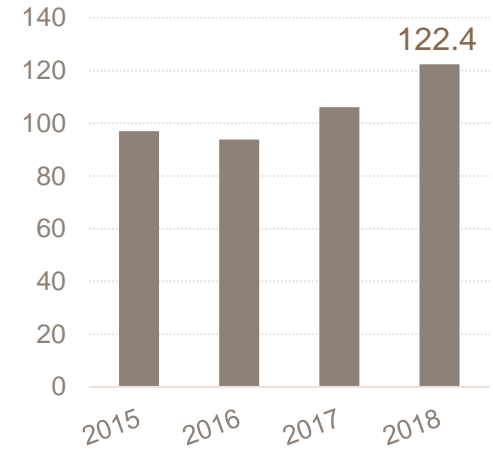
INCOME, MEUR



OPERATING PROFIT, MEUR



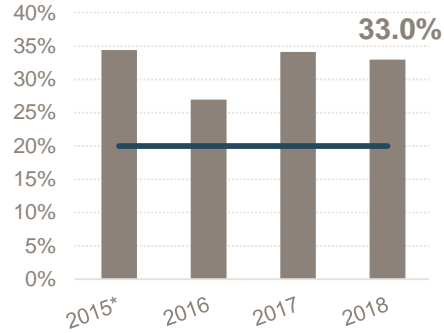
EQUITY, MEUR



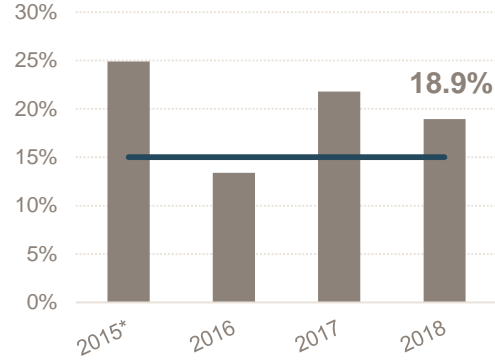
* Adjusted

ECONOMIC PROGRESS

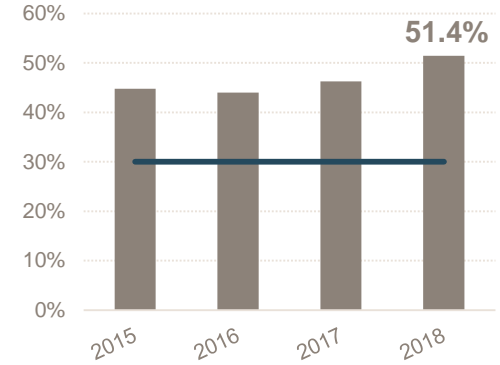
OPERATING PROFIT, %



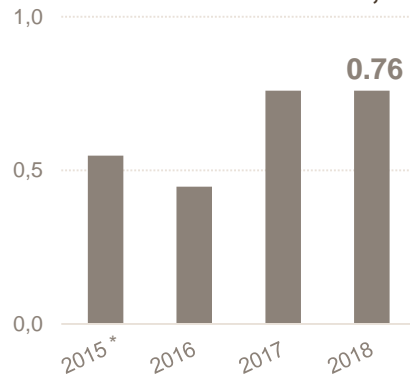
RETURN ON EQUITY, %



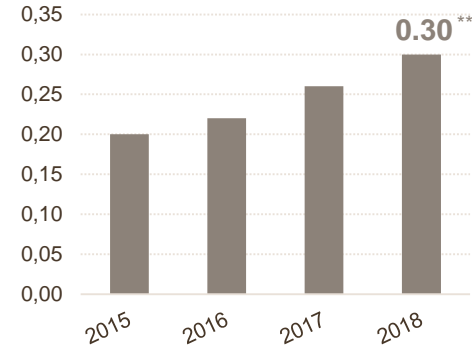
EQUITY RATIO, %



EARNINGS PER SHARE, EUR

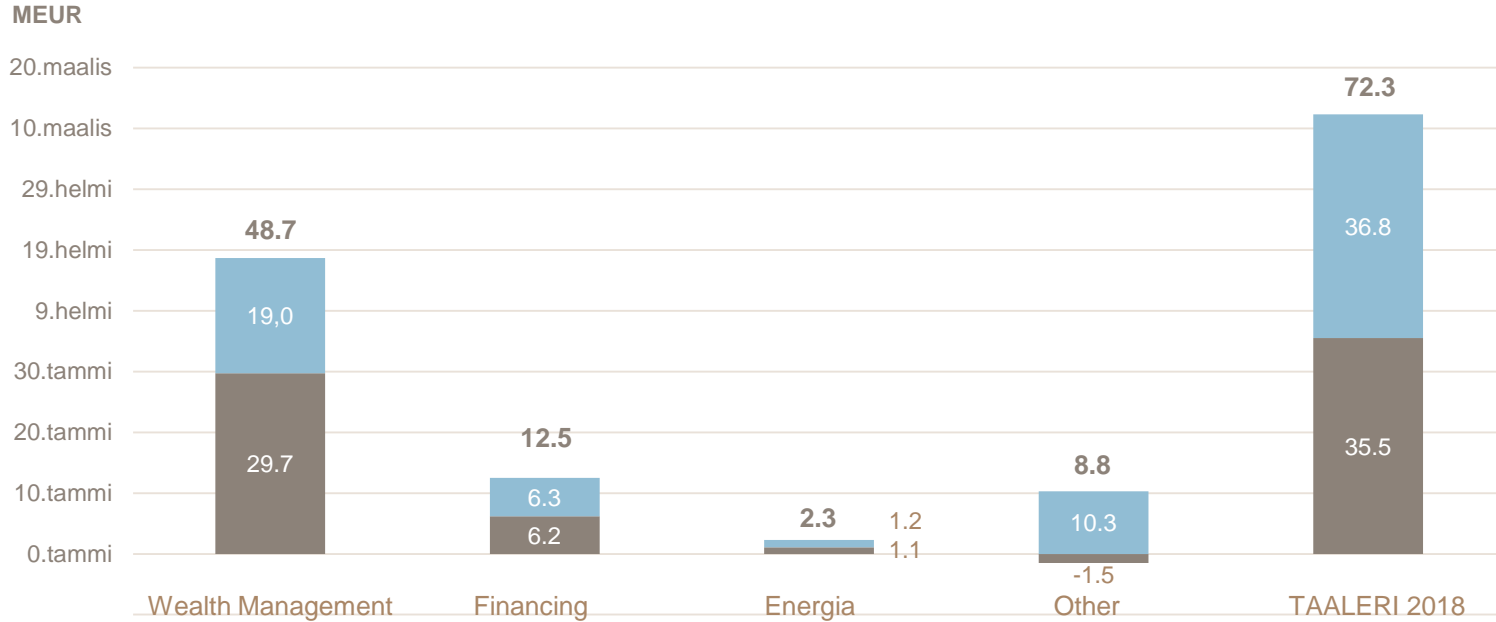


DIVIDEND/SHARE, EUR



— Long-term target
 * Adjusted
 ** Board's proposal

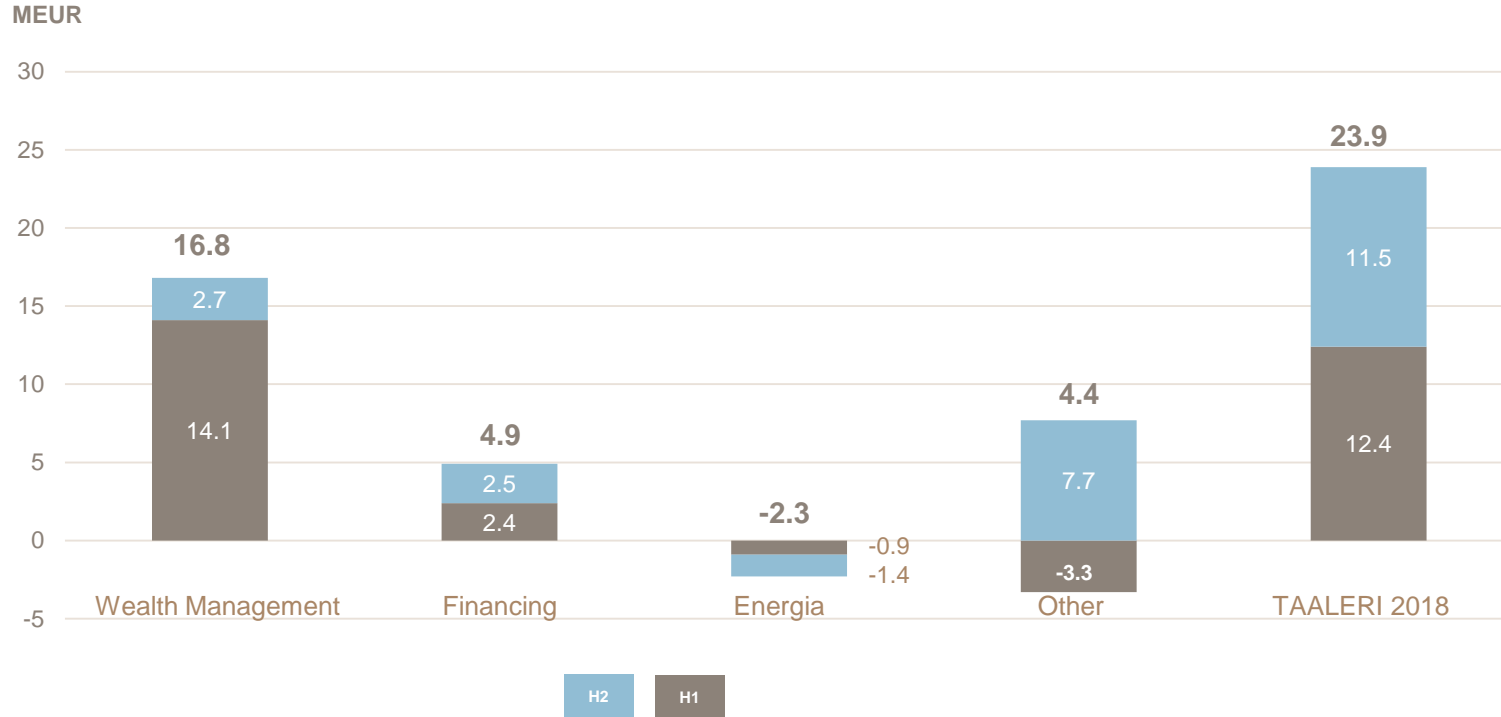
INCOME BY SEGMENT 2018*



*Including results of associated companies



OPERATING PROFIT BY SEGMENT 2018





WEALTH MANAGEMENT

GOOD PROFITABILITY, CONTINUOUS INVESTMENTS IN GROWTH

- Result stayed on a good level.
 - Operating profit margin grew, and was 35 (30)%.
 - Trading volumes decreased compared to the previous year.
 - Performance fees normalized, and totalled EUR 8.1 (15.8) million.
- The positive development in administrative expenses kept operating profit at last year's level EUR 16.8 (16.6) million.
- Assets under management grew by 3.0%.
- The acquisition of robo-advisor wealth management company Evervest enables a new digital channel, boosts efficiency into processes and supports the traditional meeting-based asset management service model.

Key figures 2018 (2017)

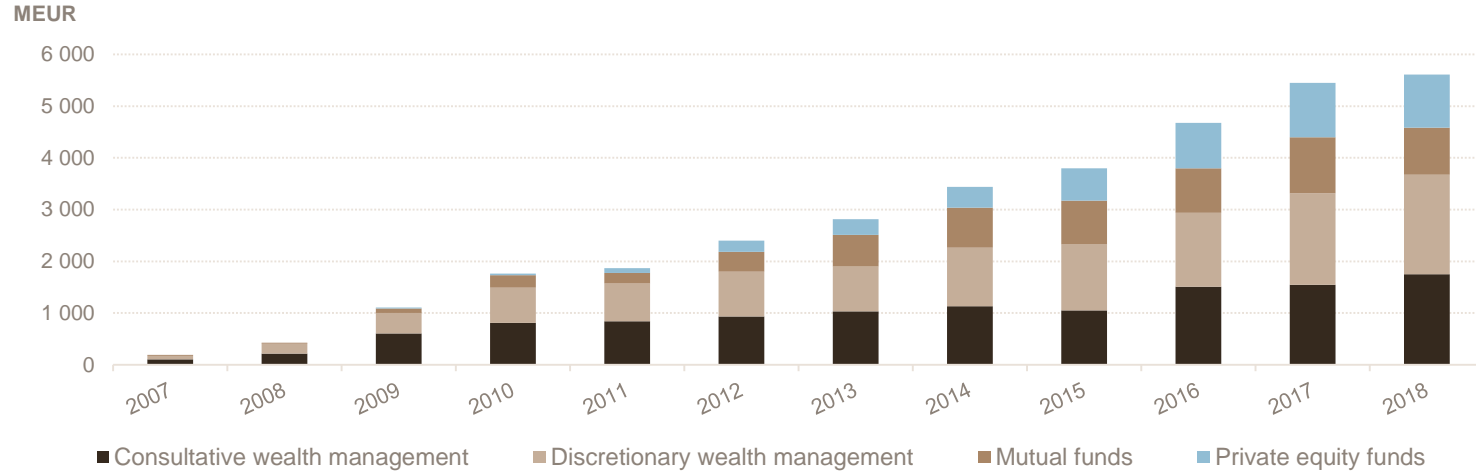
Income
48.7 MEUR
 (54.6)

Operating profit
16.8 MEUR
 (16.6)

Customers
5,400
 (4,400)

Assets under management
5.6 BEUR
 (5.5)

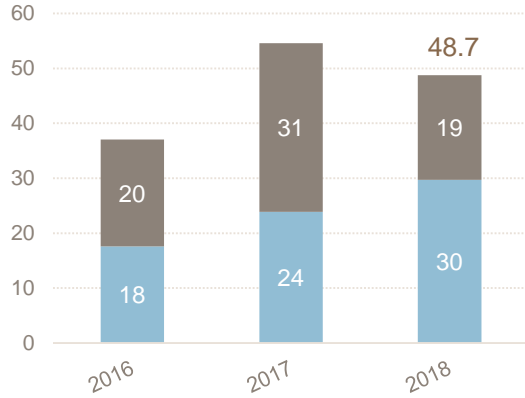
DEVELOPMENT OF ASSETS UNDER MANAGEMENT, WEALTH MANAGEMENT



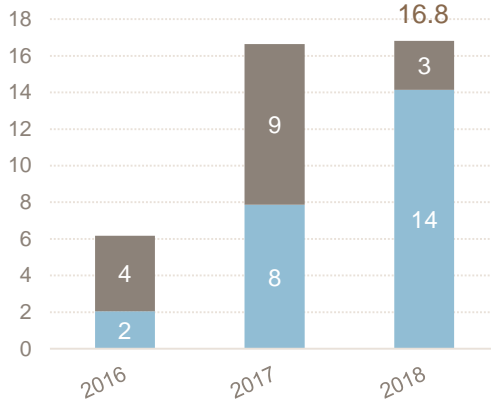
Assets under Management, EUR million	31 Dec. 2018	31 Dec. 2017	Change, %
Assets under Management	5,612	5,451	3.0%
Mutual funds	911	1,083	-15.8%
Private equity funds	1,024	1,052	-2.6%
Discretionary wealth management	1,922	1,772	8.4%
Consultative wealth management	1,754	1,544	13.6%

WEALTH MANAGEMENT PERFORMANCE

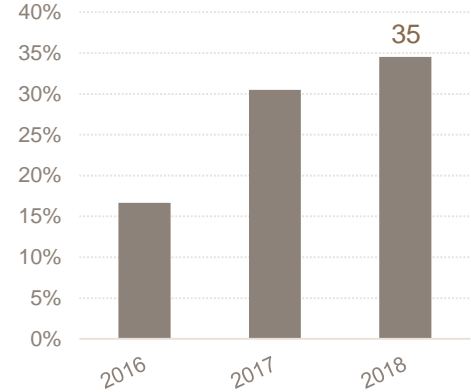
INCOME, MEUR



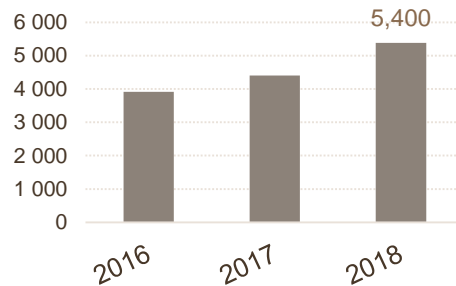
OPERATING PROFIT, MEUR



OPERATING PROFIT, %



CUSTOMERS

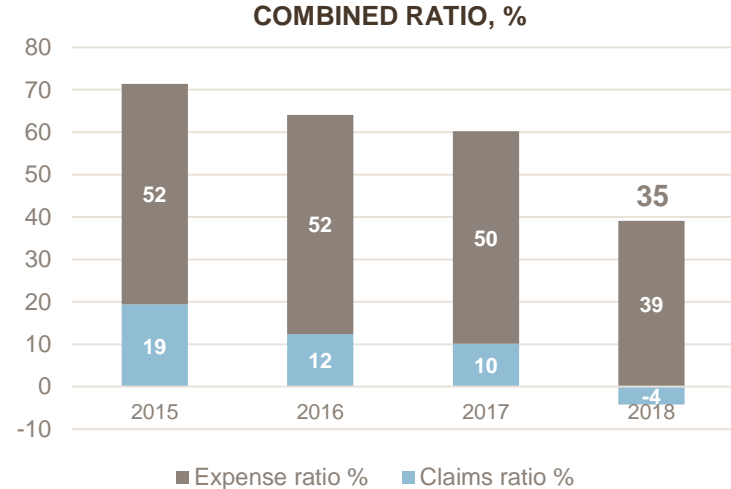


A photograph of a modern multi-story apartment building. The building features a mix of blue and orange facades. Each floor has a balcony with a dark metal railing. The windows are large and white-framed. The sky is clear and light-colored.

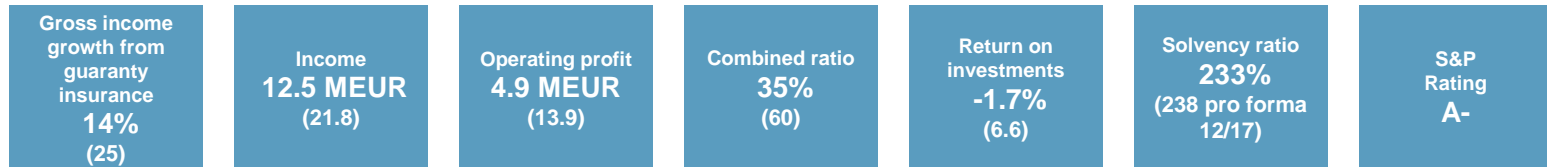
FINANCING

PREMIUMS WRITTEN GREW AND COMBINED RATIO IMPROVED FURTHER

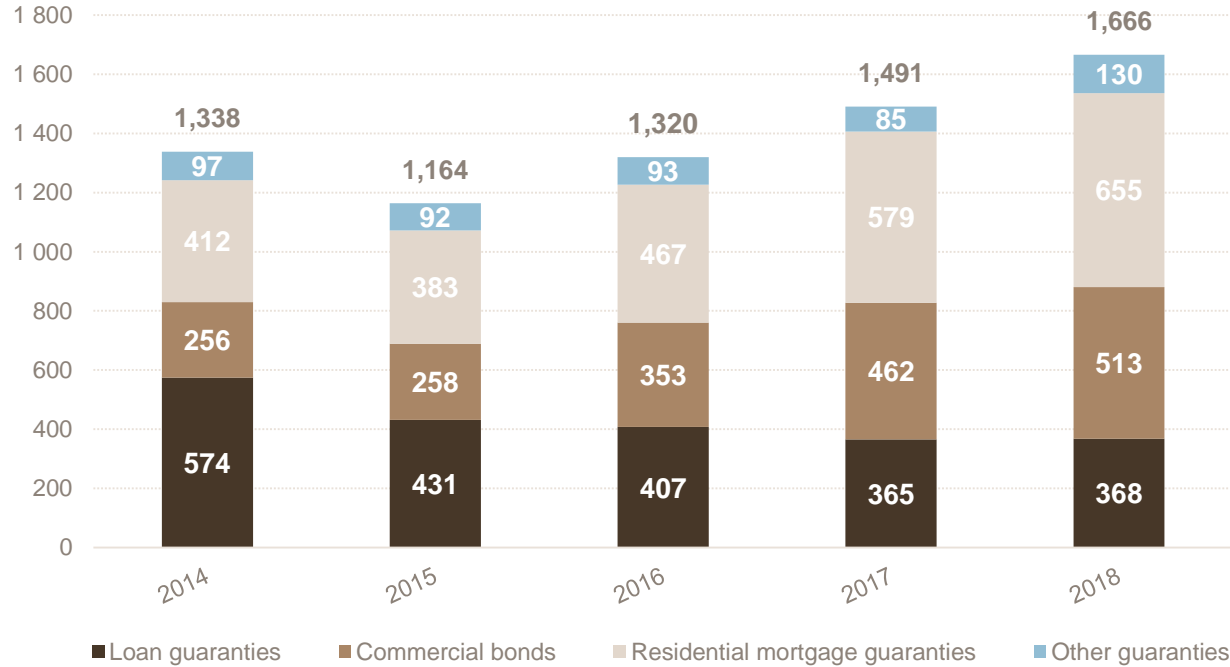
- Continuing earnings grew.
- Insurance exposure (guaranty insurance portfolio) grew 11.8 per cent to EUR 1.7 (1.5) billion.
- Gross premiums written grew by 14.1 per cent to EUR 17.4 (15.2) million.
- Balance on the technical account was excellent and combined ratio improved to 34.9%.
- Net income from investment operations totalled -0.7 (11.9) million.
- Garantia guaranteed a EUR 82 million multi-issuer bond issued by eight Finnish companies.
- S&P confirmed on 10 December 2018 the A- stable outlook rating.



Key figures 2018 (2017)



GARANTIA'S INSURANCE PORTFOLIO GREW 12% TO EUR 1.7 MILLION





ENERGIA

TAALERI ENERGIA DEVELOPED WELL

- The SolarWind I fund’s wind and solar energy projects were successfully further developed.
 - The investment period in the Aurinkotuuli I -fund ended and all investments have been done.
 - The concept is to be continued by a new fund, which fundraising is planned to take place during 2019.
- Taaleri Energy received in June the alternative investment fund manager license.
- In Texas in North America, the project rights of a 277 MW wind power project was acquired.
 - Taaleri Energia signed an agreement with the German Servion on the supply of and commissioning of 275 MW wind power to the Texas project.
- Taaleri and Masdar signed a letter of intent to establish a joint venture.

Energia, EUR million	2018	2017	Change, %	H2/2018	H2/2017	Change, %
Income	2.3	1.8	27.7	1.2	1.0	18.0
Operating profit	-2.3	-1.5	50.8	-1.4	-0.9	62.5
Average full-time personnel	19	16	19.6	20	16	26.0



OTHER OPERATIONS

OTHER OPERATIONS 2018

- The listing of Fellow Finance impacted positively the income and operating profit by EUR 13.8 million.
- Income and operating profit was on the other hand negatively impacted by write-offs of geothermal projects in Germany totalling EUR 5.4 million.
- Investments were done into real-estate projects in Finland and Canada. Ownerships in Fellow Finance and Inderes were reduced.

Other, EUR million	2018	2017	Change, %	H2/2018	H2/2017	Change, %
Income	8.8	3.4	156.0	10.3	0.9	1,100.4
Operating profit	4.4	-1.4	n.a.	7.7	-1.9	n.a.
Average full-time personnel	19	16	22.7	21	16	29.2

EUR million	31 Dec. 2018	31 Dec. 2017	Change, %
Investments, fair value	45.7	33.7	35.6
- Portfolio investments	25.3	9.2	174.6
- Co-investments	4.8	6.3	-23.6
- Own investments	15.6	18.2	-14.4



RESULTS, BALANCE SHEET AND SOLVENCY

TAALERI RESULT IN 2018

EUR 1,000	2018	2017	H2/2018	H2/2017
Continuing earnings*	52,028	48,947	25,163	23,868
Performance fees	8,102	15,806	2,465	10,061
Investment operations	12,168	16,820	9,189	8,717
Income	72,298	81,572	36,817	42,646
Fee and commission expense	-5,774	-6,391	-2,622	-3,852
Interest expense	-2,943	-3,133	-1,479	-1,519
Personnel costs	-21,735	-29,304	-11,517	-16,886
Direct expenses	-16,820	-13,818	-9,164	-7,635
Depreciation, amortisation and impairment	-1,181	-1,316	-573	-746
Impairment losses on receivables	51	-	55	-
Operating profit	23,895	27,611	11,518	12,008
Change in fair value of investments	-1,721	-3,739	-1,158	-1,357
Profit before taxes and non-controlling interests	22,174	23,872	10,360	10,650

* incl. Profit of associated companies

BALANCE SHEET

Assets	31 Dec. 2018	31 Dec. 2017
EUR 1,000		
Receivables from credit institutions	26,133	34,567
Receivables from the public and general government	9,379	6,598
Shares and units	12,424	25,883
Assets classified as held for sale	12,007	-
Participating interests	6,140	7,606
Insurance assets	133,634	135,586
- Insurance assets	1,802	3,268
- Investments	131,832	132,318
Intangible assets	6,575	2,205
Tangible assets	692	361
Other assets	6,540	10,081
Accrued income and prepayments	22,163	5,322
Deferred tax assets	2,322	1,113
	238,009	229,322
Liabilities		
EUR 1,000	31 Dec.2018	31 Dec. 2017
LIABILITIES	115,628	123,238
Liabilities to credit institutions	6,996	7,982
Debt securities issued to the public	54,815	54,758
Insurance liabilities	23,293	20,336
Other liabilities	2,882	2,131
Accrued expenses and deferred income	12,999	22,143
Deferred tax liabilities	14,643	15,887
EQUITY CAPITAL	122,381	106,084
	238,009	229,322

Fellow Finance valued at fair value EUR 12.0 million.

Includes development costs of wind- and real estate projects EUR 16.6 million.

Direct financing 89%.

Equity EUR 122.4 million.
Equity ratio 51.4%.

CAPITAL ADEQUACY – RAVA CONGLOMERATE & FINANCING SECTOR

Capital adequacy of RaVa conglomerate, EUR thousand	31 Dec. 2018	31 Dec. 2017
Shareholders' equity of the Taaleri Group	122,381	106,084
Goodwill and other intangible assets	-7,164	-2,205
Non-controlling interests	-1,661	-384
Profit for the period, Financing sector	-8,505	-7,371
Planned distribution of profit	105,051	96,124
Conglomerate's own funds, total	11,156	9,781
Financing business' requirement for own funds	45,327	28,484
Insurance business' requirement for own funds	56,483	38,265
Minimum amount of own funds of the Conglomerate, total	48,567	57,859
Conglomerate's capital adequacy	186.0%	251.2%

The conglomerate's capital adequacy stayed strong at 186.0 per cent despite the capital add-on of EUR 17.8 million set by the Finnish Financial Supervisory Authority. The minimum requirement is 100%.

Financing sector's capital adequacy, EUR thousand (CRR 49 permission)	31 Dec. 2018	31 Dec. 2017
Common Equity Tier before deductions	86,321	70,554
Deductions from the Common Equity Tier	-29,208	-21,729
Common Equity Tier (CET1)	57,113	48,825
Tier 1 capital (T1 = CET1 + AT1)	57,113	48,825
Total capital (TC = T1 + T2)	57,113	48,825
Total risk-weighted commitments (total risk)	229,622	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 permission is EUR 57.1 million and corresponds to a capital adequacy of 24.9%, when the profit of the year EUR 21.3 million is deducted.

SUMMARY

SUMMARY OF FINANCIAL STATEMENTS 2018

- Continuing earnings grew.
- Wealth Management's profitability was good, although income declined due to lower performance fees.
- Financing's continuing earnings grew and the balance on the technical account was excellent.
 - Net income from investment operations slightly negative as a result of the year-end market development.
- Significant growth steps in the Energy business.
- Fellow Finance the highlight of the year, and the geothermal projects the disappointment.
- Our aim is to improve the company's profitability through responsible growth, and cost management.
- We will continue Taaleri's development in line with the company's strategy.

BOARD OF DIRECTORS' DIVIDEND PROPOSAL

The Board of Directors proposes that a dividend of EUR 0.30 per share, a total of EUR 8.5 million to be paid for the financial year 2018.

The dividend will be paid to shareholders who are registered in the list of shareholders maintained by Euroclear Finland Ltd on the record date 22 March 2019.

The dividend payment date proposed is 29 March 2019.





GROUP STRATEGY

GROUP STRATEGY

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



TAALERI AS AN INVESTMENT



<p>Profitable growth</p>	<p>Growing stakeholder value responsibly</p>	<p>Strong financial position and excellent profitability</p>	<p>Opportunistic approach to growing business</p>	<p>Dividend</p>
<p>organic / non-organic</p>				

WEALTH MANAGEMENT INCOME AND OPERATING PROFIT

Wealth Management, EUR million	2018	2017	Change, %	H2/2018	H2/2017	Change, %
Wealth Management fees	35.8	35.7	0.2	16.7	17.6	-5.2
Performance fees	8.1	15.8	-48.7	2.5	10.1	-75.5
Investment operations	4.8	3.1	57.3	-0.1	3.1	-103.5
Income	48.7	54.6	-10.7	19.0	30.7	-38.0
Operating profit	16.8	16.6	1.1	2.7	8.8	-69.5
Average full-time personnel	120	119	1.2	121	119	1.8

GARANTIA INCOME AND OPERATING PROFIT, IFRS

Financing, EUR million	2018	2017	Change, %	H2/2018	H2/2017	Change, %
Net income from guaranty insurance operations	13.2	9.8	34.7	7.4	4.5	64.0
Net income from investment operations	-0.7	11.9	-106.2	-1.1	5.5	-120.4
Income	12.5	21.8	-42.6	6.3	10.1	-37.2
Operating profit before valuations	4.9	13.9	-64.4	2.5	6.0	-57.5
Change in fair value of investments	-1.7	-3.6	-53.1	-1.1	-1.3	-16.4
Result at fair value before tax	3.3	10.3	-68.4	1.4	4.6	-69.5

TAALERI

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