



**HALF YEAR  
FINANCIAL REPORT 2017  
TAALERI PLC**

CEO JUHANI ELOMAA  
22 AUGUST 2017

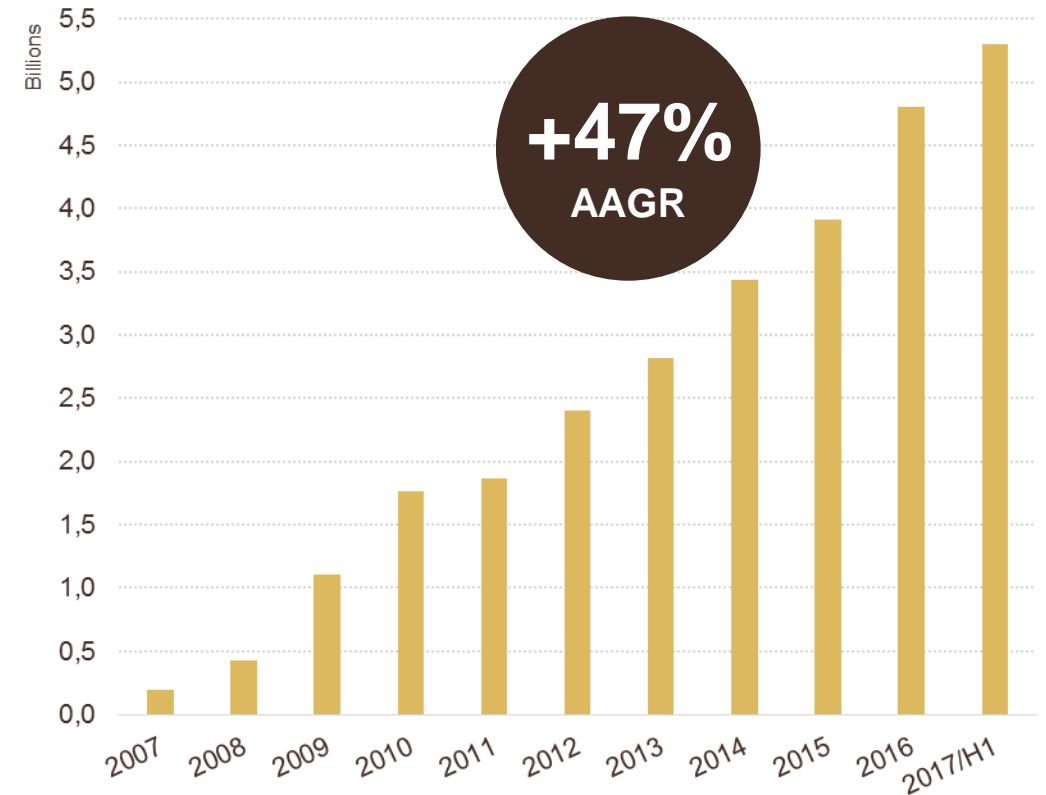
**TAALERI**

*Ownership*  
IS FOR EVERYONE.

# TAALERI GROUP

- Taaleri is a Finnish financial group founded in 2007. Taaleri Plc, the parent company, is listed on the Nasdaq Helsinki stock exchange. Members of the Board of Directors and employees own directly or indirectly over 50 per cent of the company's shares.
- Three business segments:
  - Wealth Management
  - Financing
  - Energy
- 180 staff provide services to institutional investors, corporates and private individuals from 7 offices
- At the end of June 2017, Taaleri had 5.3 billion euro of assets under management.
- The operations of Taaleri are supervised by the Finnish Financial Supervisory Authority.

## ASSETS UNDER MANAGEMENT



# TAALERI'S STRUCTURE

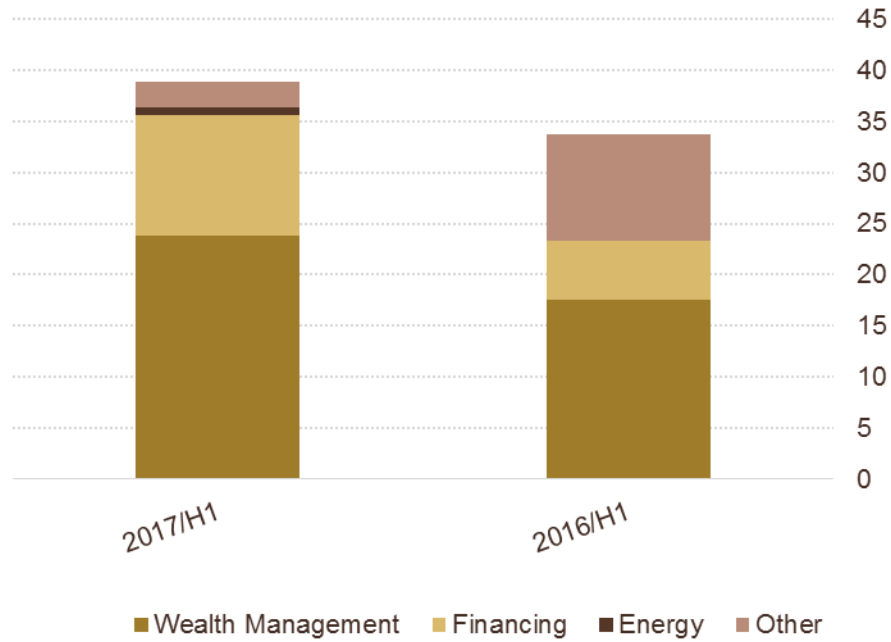


## GROUP PERFORMANCE OVERVIEW H1 2017

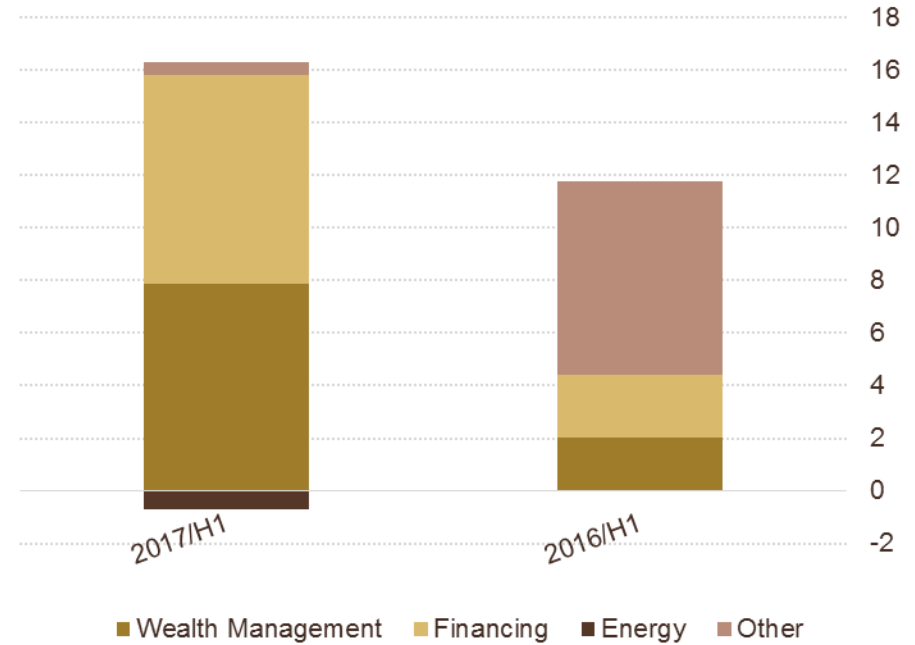
- Continuing earnings increased by 46.7 per cent to 31.5 million euro (1–6/2016: 21.5)
- Income increased by 15.0 per cent to 38.7 million euro (33.7)
- Assets under management grew by 10.4 per cent to 5.3 billion euro (12/2016: 4.8)
- Operating profit increased by 32.8 per cent to 15.6 million euro (11.7)
- Operating profit amounted to 40.3 per cent of income (34.9)
- Earnings per share were 0.44 euro (0.32)
- Investment operations have been successful in both mutual funds and private equity funds
- Strong growth in premiums written and realised net income from investment operations in the Financing segment
- The cost level in Wealth Management kept under control despite the growth of operations
- The launch of the first international Solar Wind Fund was a success in the Energy segment

# GROWTH IN OPERATING PROFIT AND TOTAL INCOME

TOTAL INCOME, MEUR



OPERATING PROFIT, MEUR



## OTHER MILESTONES IN THE FIRST HALF OF 2017

- Solar Wind Fund, focusing on renewable energy, raised over 87 million euro in equity
- Africa II private equity fund established, over 60 million euro funds raised
- Income of 2.5 million euro from sale of co-investment item Mattiovi
- 400 new customers
- 500 new shareholders
- Assets under management increased by more than one billion euro to 5.3 billion euro in one year



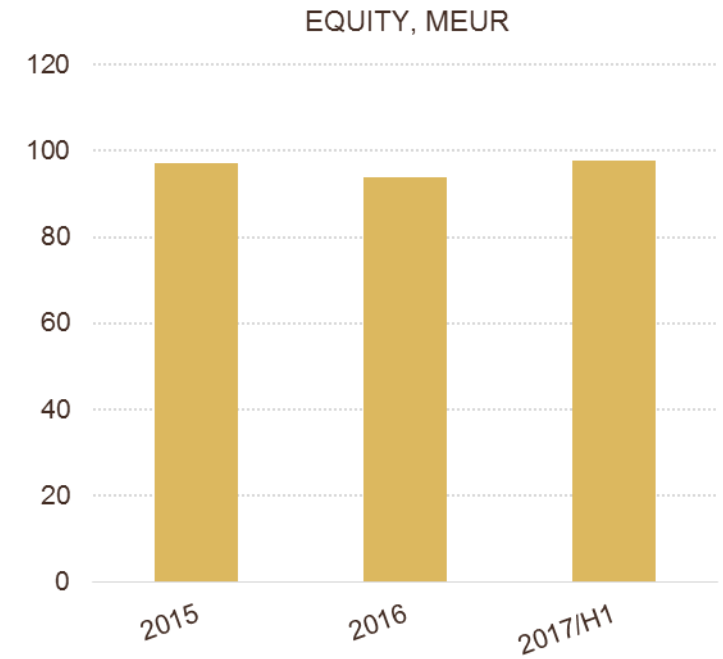
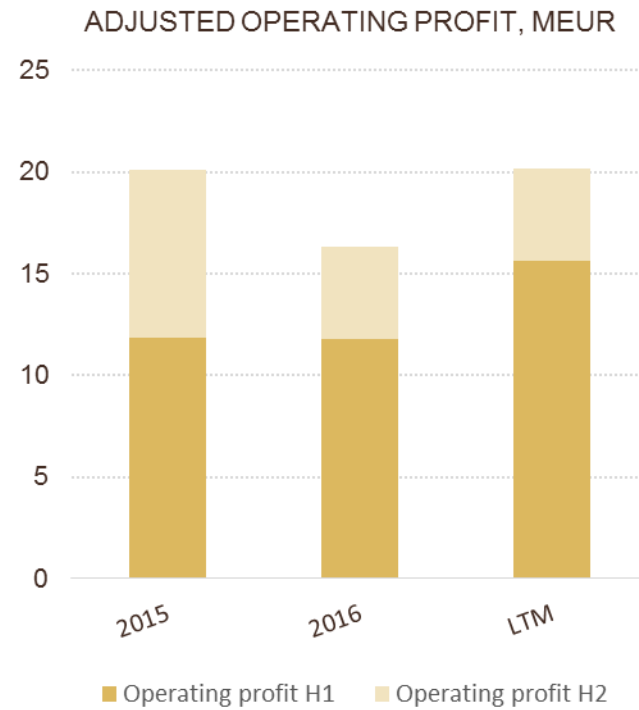
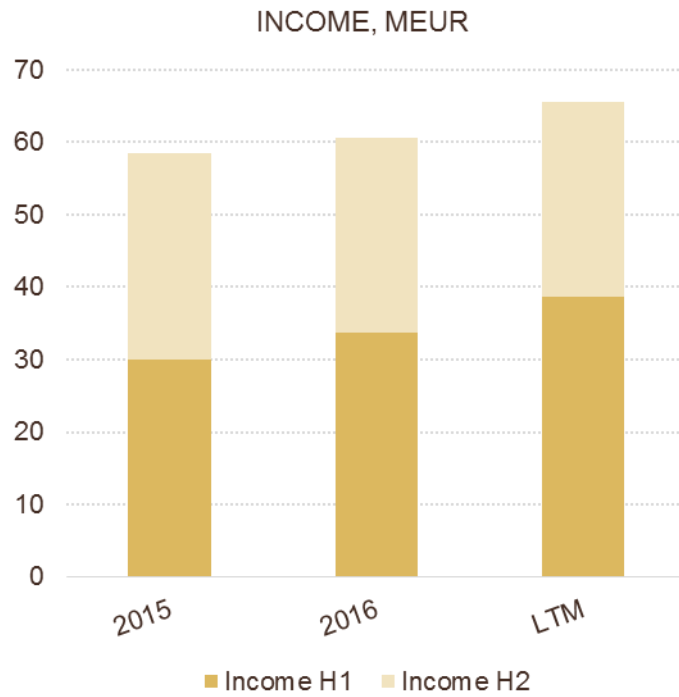
# TAALERI KEY FIGURES

TAALERI	H1 2017	H1 2016	Change %	FY 2016
EUR million				
Income	<b>38.7</b>	33.7	15.0	60.6
Expenses	<b>-23.1</b>	-22.0	5.5	-44.2
Operating profit	<b>15.6</b>	11.7	32.8	16.3
Net profit for the period	<b>12.5</b>	9.2	36.5	12.8
Return on equity, %	<b>26.2</b>	19.9		13.4
Assets under management, EUR billion	<b>5.3</b>	4.2	25.6	4.8



# EXCELLENT RESULTS AND GROWTH CONTINUES

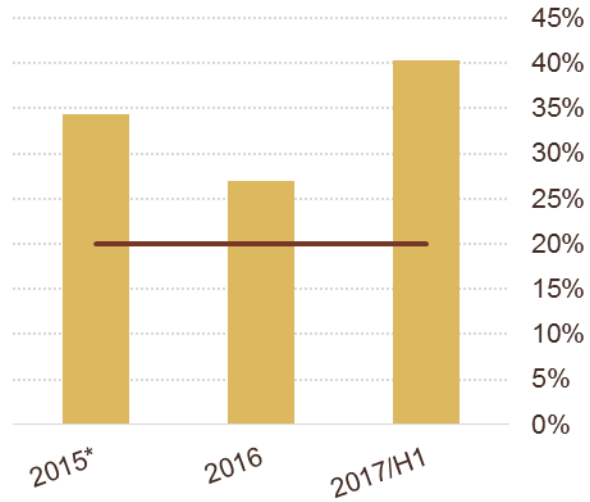
## YEAR ON YEAR COMPARISON



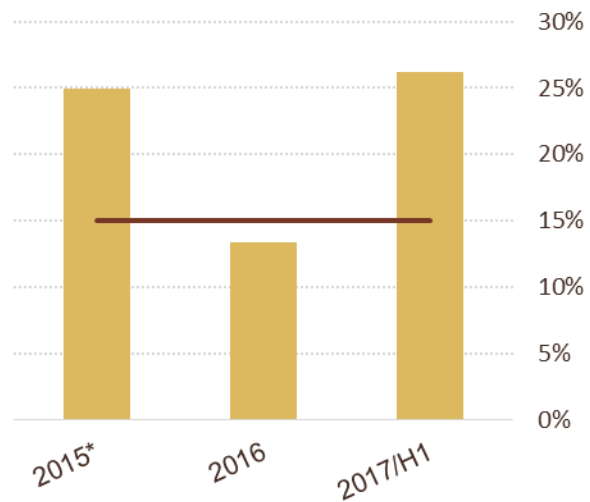
# FINANCIAL PERFORMANCE

## PER CENTAGE COMPARISON

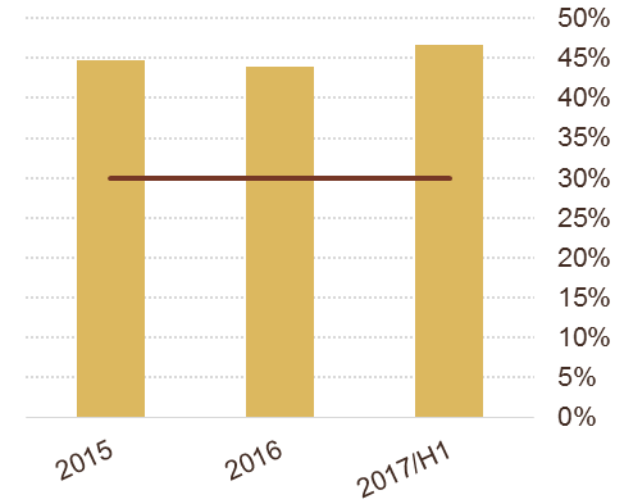
OPERATING PROFIT MARGIN



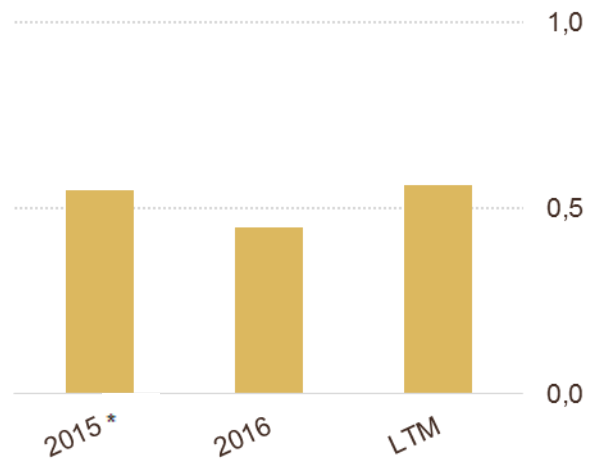
RETURN ON EQUITY



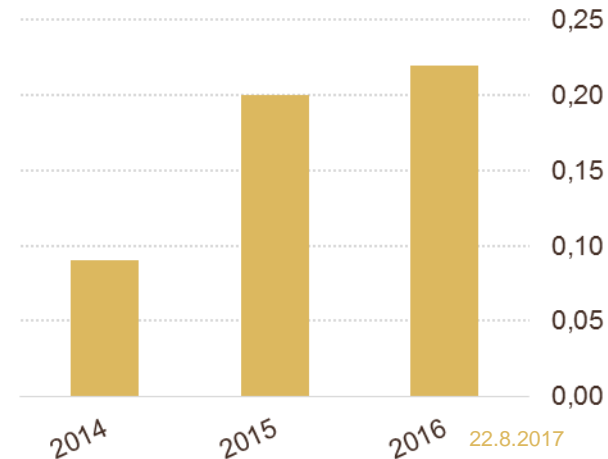
EQUITY RATIO



EARNINGS PER SHARE, EUR

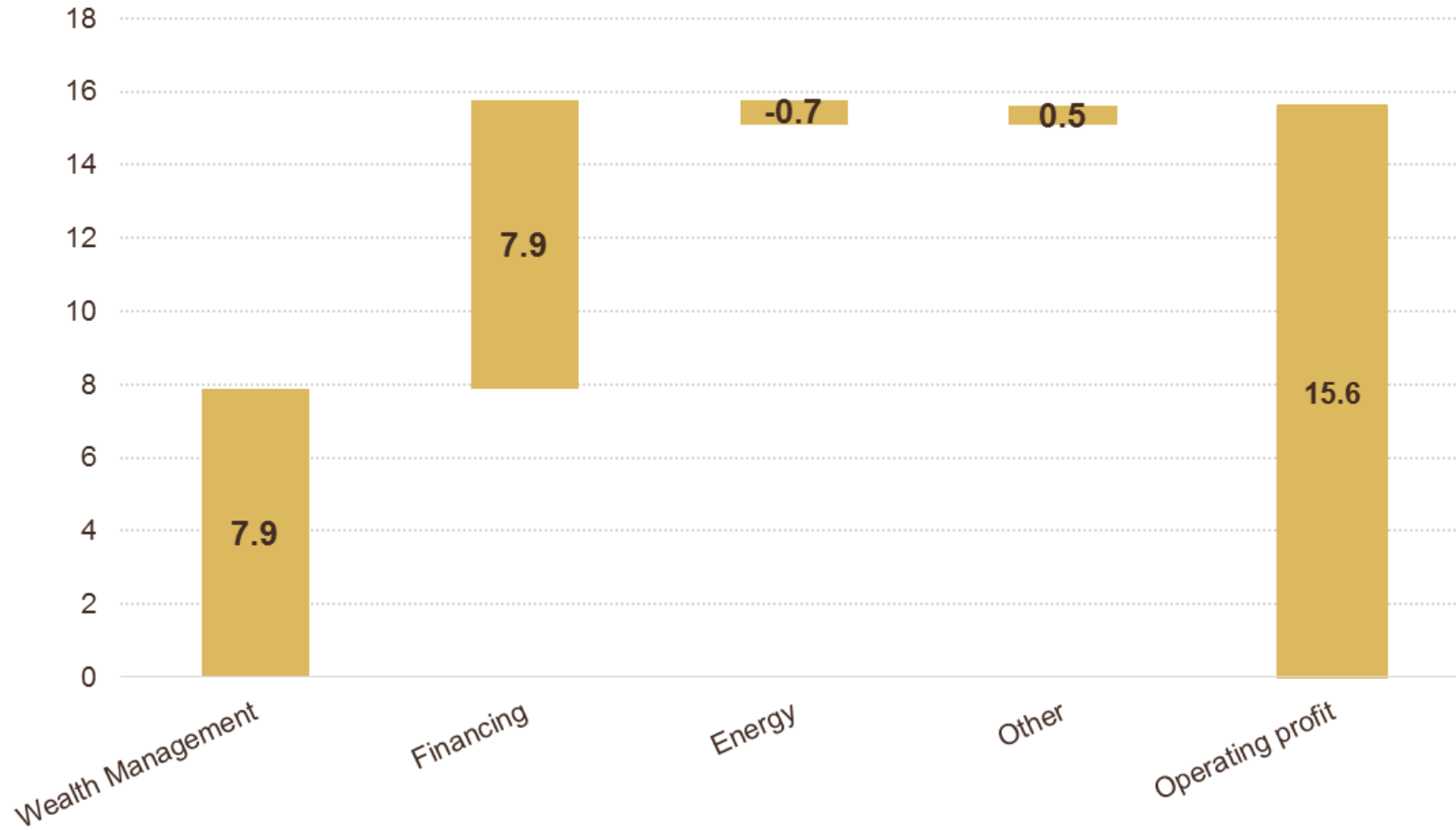


DIVIDEND/SHARE, EUR



— Financial Objectives in 2017  
 \* Adjusted

# OPERATING PROFIT BY SEGMENTS, MEUR



# WEALTH MANAGEMENT SEGMENT

H1 2017

## WEALTH MANAGEMENT H1 2017

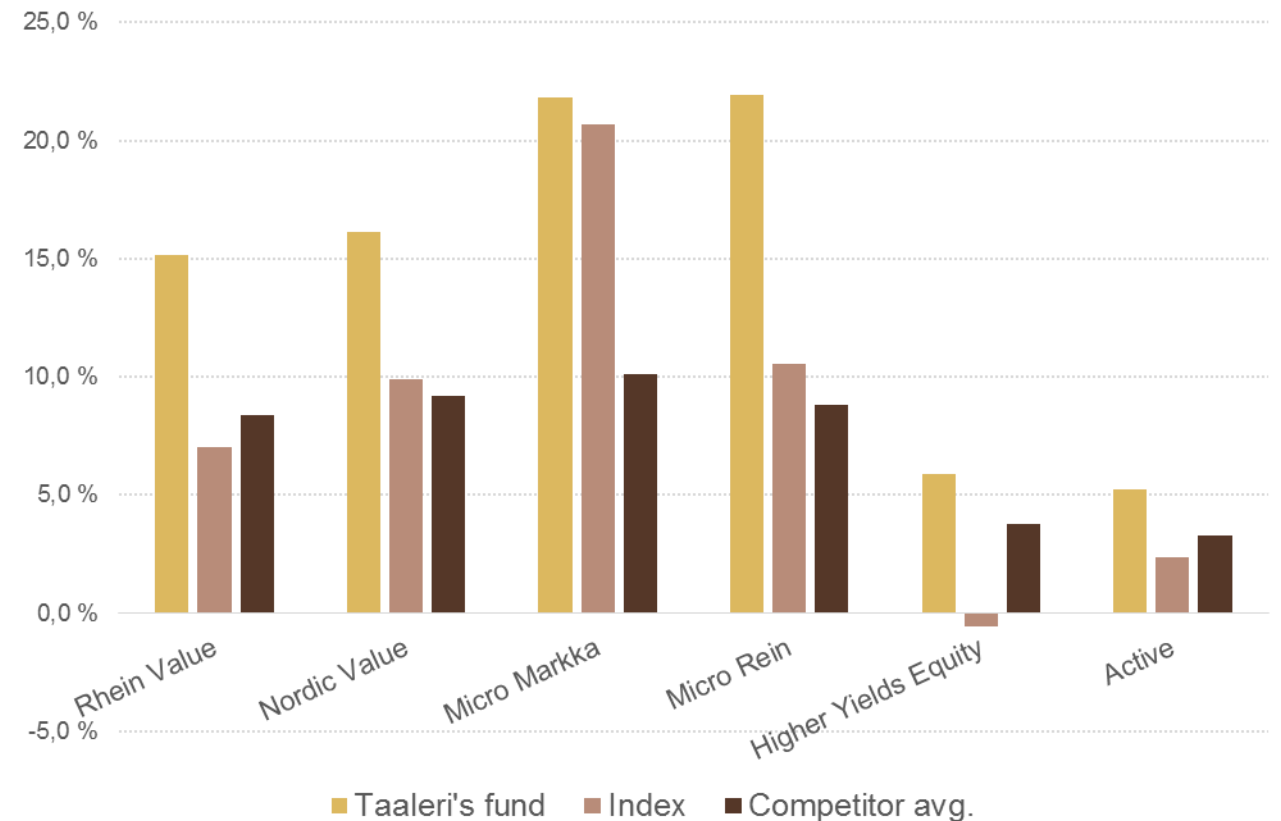
- Income grew by 36 per cent to 23.9 million euro, continuing earnings by 32 per cent to 18.1 million euro and performance fees by 51 per cent to 5.7 million euro
- Operating profit nearly quadrupled, and was 7.9 million euro (2.0)
- Level of personnel and administrative expenses remained unchanged despite the growth of operations
- Number of customers increased to 4,300 during the period
- Assets under management grew by 11 per cent to 5.2 billion euro (4.7)
- Strong growth in assets under management in mutual funds and discretionary wealth management
- Great success in investment operations
- Private equity funds
  - Solar Wind Fund raised 87 million euro as targeted
  - Africa II private equity fund established in March 2017, raised equity of over 60 million euro

# CONTINUED SUCCESS OF OUR MUTUAL FUNDS

- Nearly all Taaleri mutual funds (16/18) beat their indices during the first half of the year.
- Morningstar ratings of Taaleri's best funds:

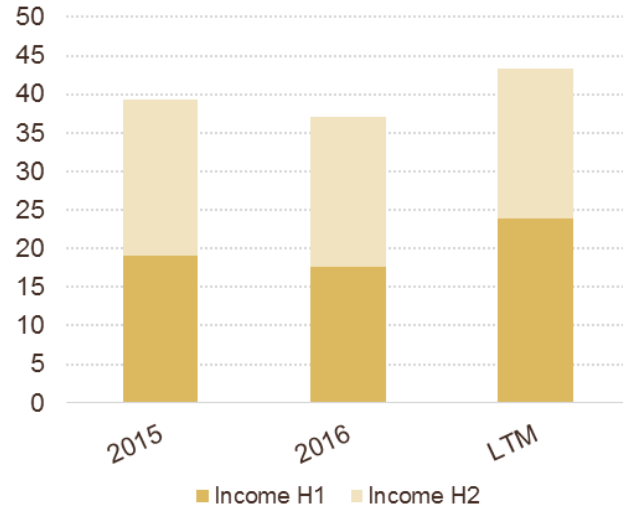
Taaleri Allocation 25	★★★★★
Taaleri Micro Markka	★★★★★
Taaleri Allocation 50	★★★★★
Taaleri Fixed Income Allocation	★★★★
Taaleri Optimi Allocation	★★★★

SUCCESS IN EVERY INVESTMENT SOLUTIONS CATEGORY

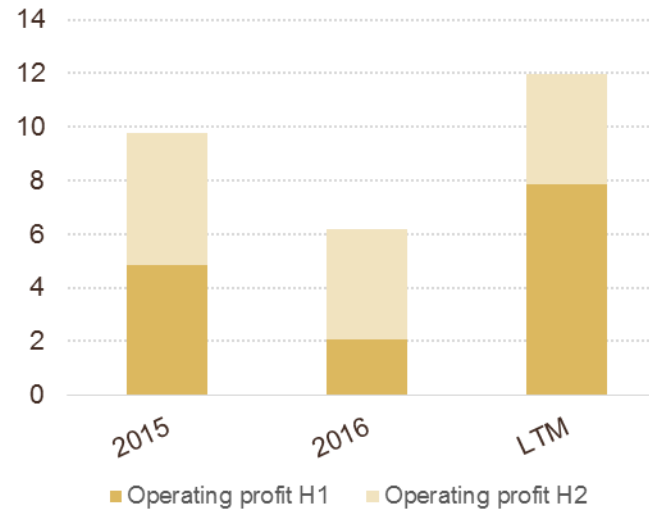


# WEALTH MANAGEMENT KEY FIGURES

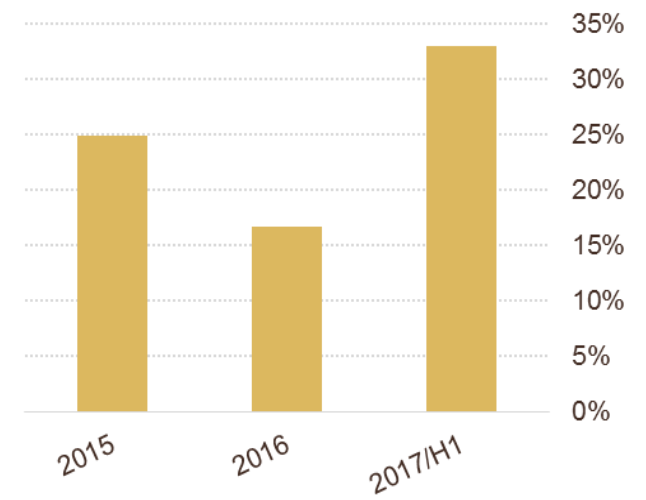
INCOME, MEUR



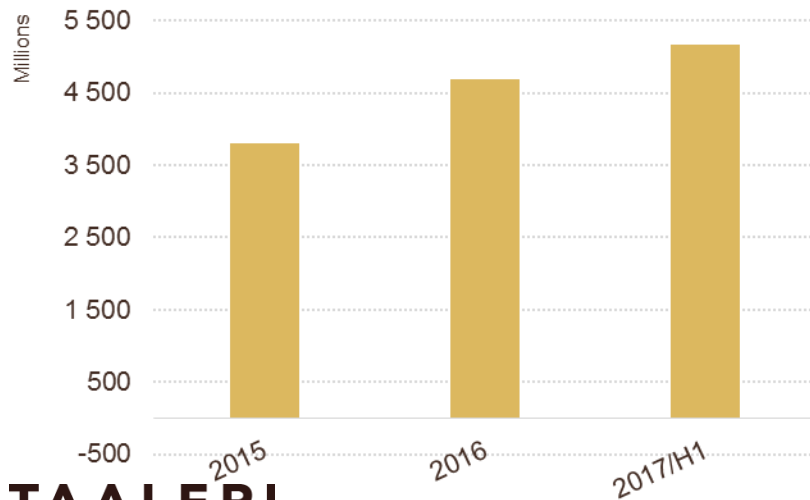
OPERATING PROFIT, MEUR



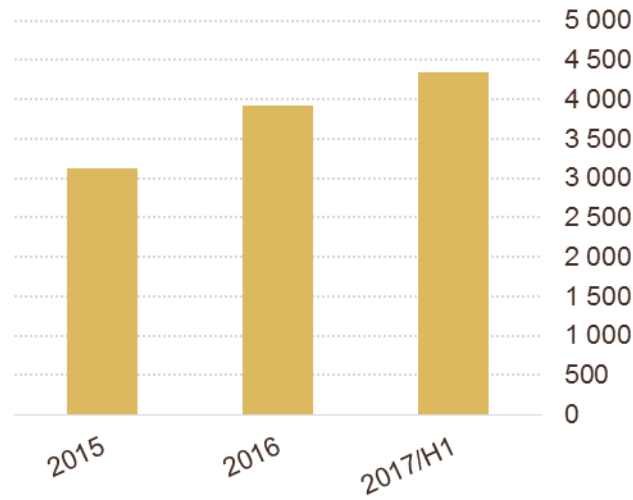
OPERATING PROFIT, %



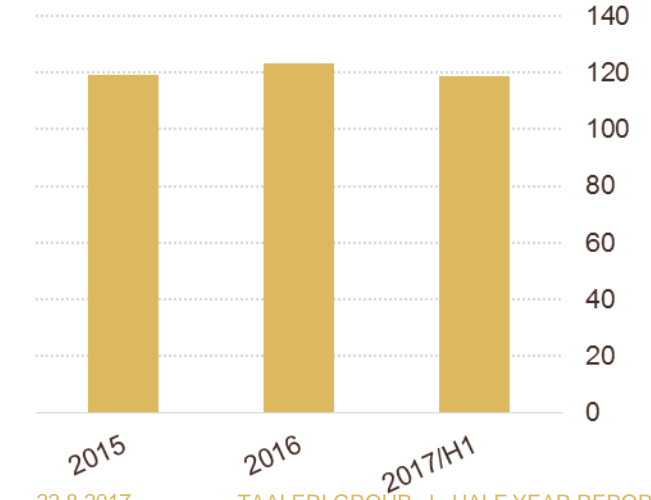
ASSETS UNDER MANAGEMENT



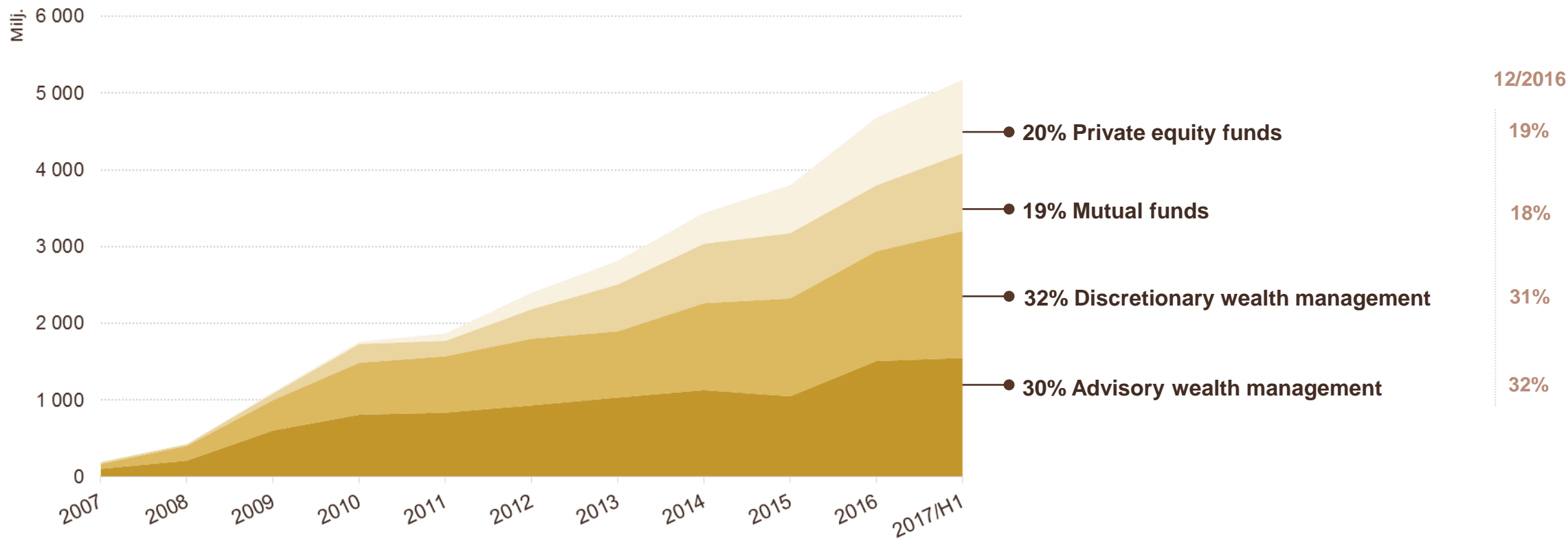
CUSTOMERS



EMPLOYEES



# DEVELOPMENT OF ASSETS UNDER MANAGEMENT





# FINANCING SEGMENT

H1 2017

## FINANCING H1 2017

- Financing segment includes Garantia Insurance Company Ltd.
- Premiums written increased by 34 per cent to 7.4 million euro (5.5) and insurance exposure by 6 per cent to 1.4 billion euro
- The balance on the technical account improved. The claims ratio was 4 per cent (10) and the combined ratio was 53 per cent (58)
- The investment income at fair value 3.3 per cent (1.5) was excellent in relation to the risk level
- Capital adequacy remained strong and solvency ratio was 420 per cent (501)

FINANCING	H1 2017	H1 2016
EUR million		
Net income from guaranty insurance operations	5.3	4.2
Net income from investment operations	6.4	1.6
<b>Total income</b>	<b>11.7</b>	<b>5.8</b>
Operating profit	7.9	2.4
Operating profit at fair value	5.7	2.5
Number of employees, avg.	26	21

FINANCING	H1 2017	H1 2016
EUR million		
Investment assets, fair values	128.5	123.5
Insurance exposure	1 402.4	1 319.7

# GARANTIA KEY FIGURES

**7.4 M€**

Earned premiums  
H1/2017

**1.4 Bn €**

Insurance exposure  
30.6.2017

**103.1 M€**

Own basic assets  
30.6.2017

**419.9%**

Solvency ratio  
30.6.2017

**52.7%**

Combined ratio  
H1/2017

**A-**

Credit rating  
Standard&Poors

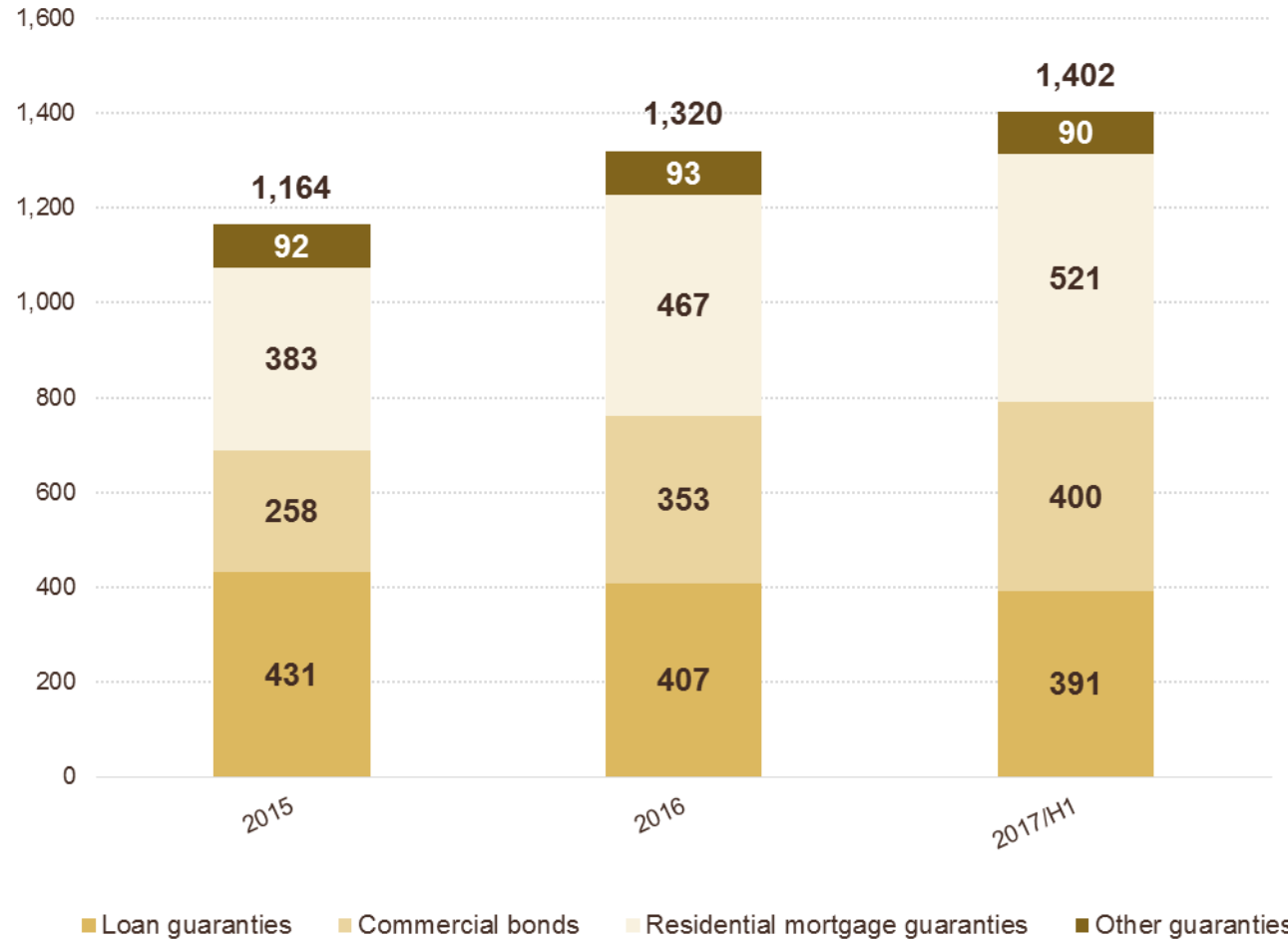


Garantia is a Finnish growth company operating in the finance sector and specialising in guaranty services.

Garantia makes investments and deals happen and enables the accumulation of wealth. Garantia's solutions help to secure financing and improve capital efficiency.

# INSURANCE EXPOSURE

INSURANCE PORTFOLIO BY PRODUCT TYPE, EUR MILLION



# ENERGY SEGMENT

H1 2017

## ENERGY H1 2017

- Energy segment was established 1 July 2016
- Taaleri is Finland's second largest wind power producer
- Taaleri's private equity funds have invested EUR 600 million in renewable energy
- Investments of 1.5 billion euro in international projects of primarily renewable energy as target
- Successful launch of the international Solar Wind Fund, which raised equity of more than 87 million euro
- On-going negotiations exclusively on investments in Eastern Europe

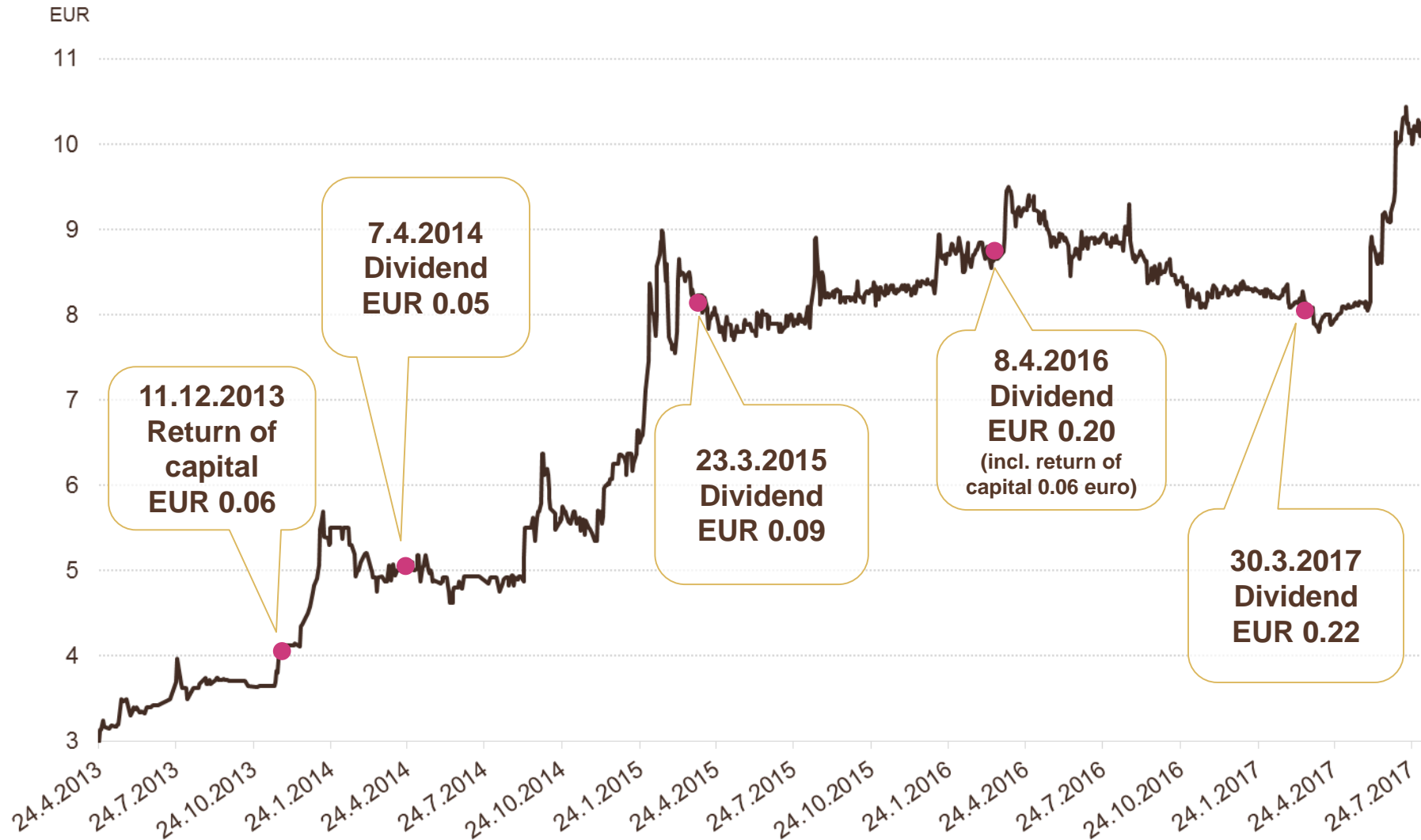


**International projects for Solar Wind Fund are currently being prepared for execution**

# TAALERI SHARE

H1 2017

# TAALERI SHARE PRICE DEVELOPMENT



**Market cap**  
30 June 2017:  
**260 M€**  
(12/2016: 232)

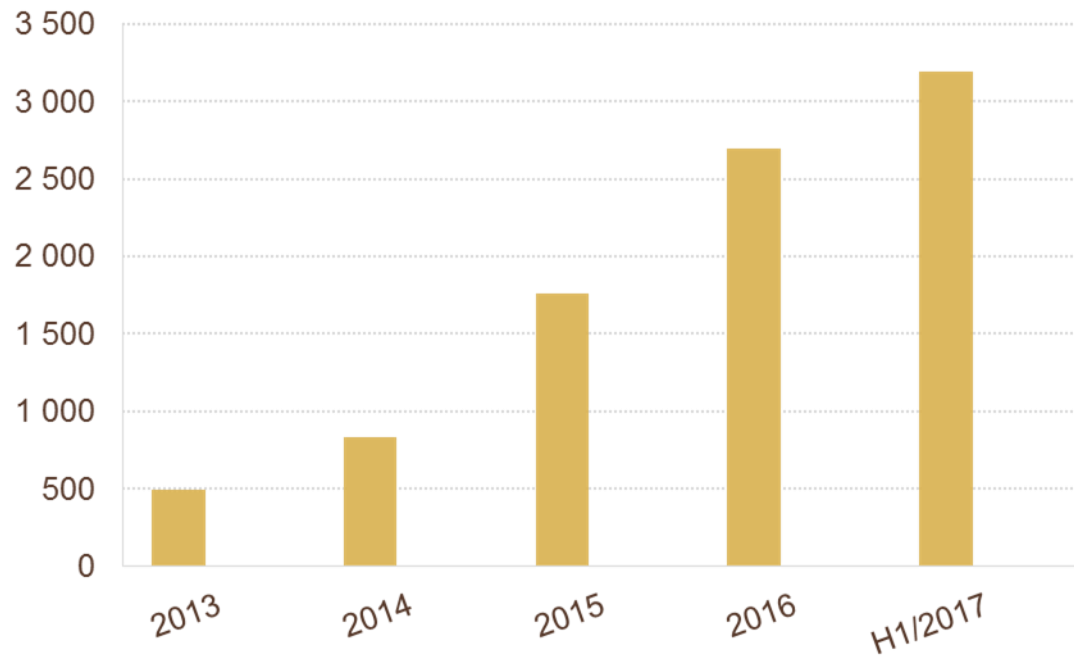
**Owners**  
30 June 2017:  
**3,200**  
(12/2016: 2,700)

**Share price**  
30 June 2017:  
**9.20€**  
(12/2016: 8.24)

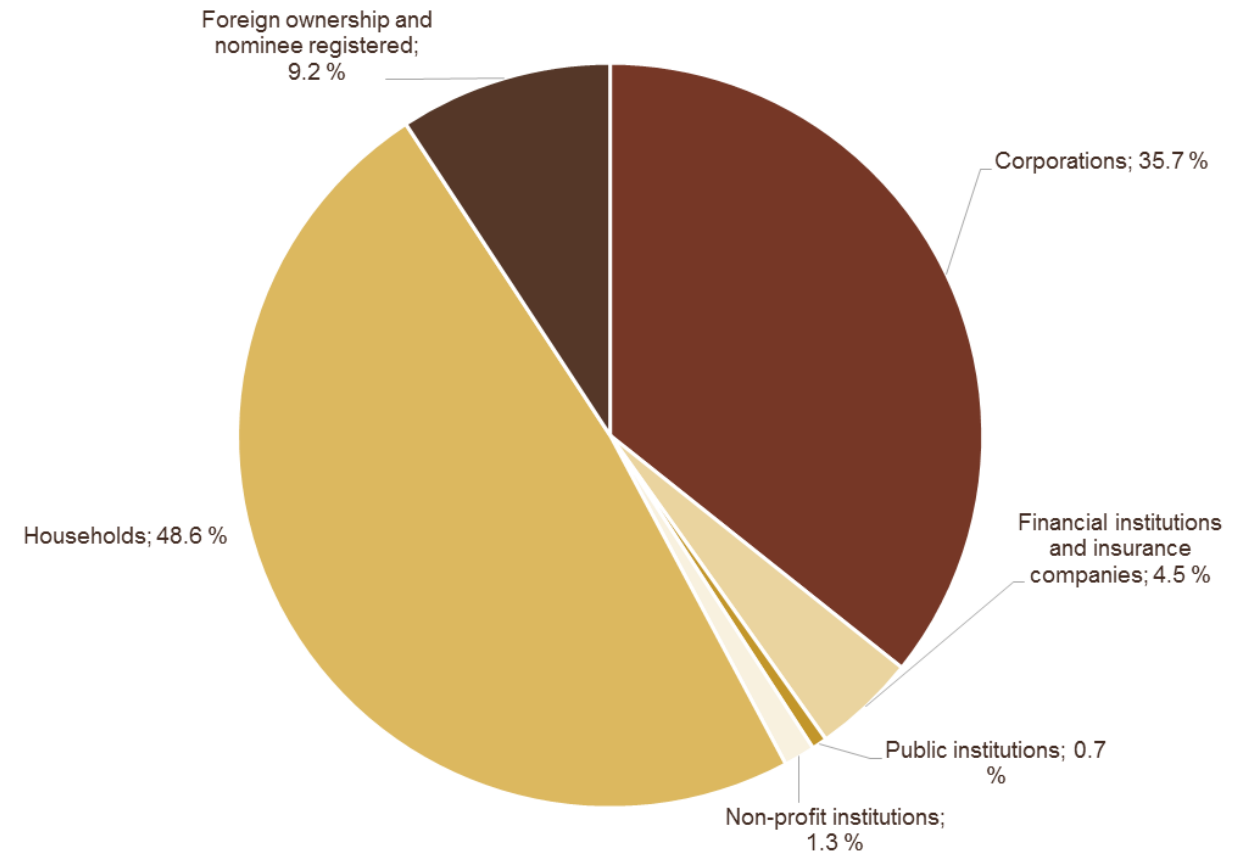


# TAALERI SHARE HOLDERS 30 JUNE 2017

SHARE HOLDERS



SHARE HOLDERS BY SECTOR



# TAALERI GROUP

# LONG-TERM TARGETS FOR THE GROUP

## STRATEGIC TARGETS

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

## FINANCIAL TARGETS

- Growth of company's market cap
- >20% profit margin
- >15% ROE over a long period
- >30% equity ratio
- Growing and competitive dividend
- Segment specific growth targets

## FINANCIAL TARGETS AND OUTLOOK

- Target for operating profit in H2 2017 at least 20 per cent according to the general guidance
  - Wealth Management segment: Growth of more than 15 per cent per annum in assets under management
  - Financing segment: Growth of more than 15 per cent per annum in gross premiums written
- Target for operating profit for the full year is at least 25 per cent due to the strong first half
- Target for return on equity over a long period is more than 15 per cent
- Target for equity ratio is at least 30 per cent
- The aim is to increase the amount of dividend distributed, and each year to distribute a competitive dividend, taking into consideration the company's financial and financing situation as well as capital adequacy requirements and future investment plans

# TAALERI CONSOLIDATED INCOME STATEMENT

EUR 1,000	H1 2017	H1 2016	FY 2016
Continuing earnings	31,495	21,473	43,486
Performance fees	5,745	3,799	5,781
Sales profits	1,688	8,510	11,471
<b>Total income</b>	<b>38,927</b>	<b>33,782</b>	<b>60,738</b>
Fee and commission expense	-2,539	-2,135	-4,323
Interest expense	-1,613	-1,212	-2,307
Personnel costs	-12,418	-10,605	-22,383
Direct expenses	-6,184	-7,566	-14,049
Depreciation, amortisation and impairment	-570	-576	-1,388
Impairment losses on receivables	-	60	60
<b>Operating profit</b>	<b>15,604</b>	<b>11,748</b>	<b>16,340</b>
Change in fair value of investments	-2,382	43	3,887
<b>Profit before taxes and non-controlling interests</b>	<b>13,222</b>	<b>11,791</b>	<b>20,226</b>

# TAALERI CONSOLIDATED BALANCE SHEET

<b>Assets</b>	<b>30/6/2017</b>	<b>31/12/2016</b>
<b>EUR 1,000</b>		
Receivables from credit institutions	36,928	55,148
Receivables from the public and general government	4,776	6,919
Debt securities	100	100
Shares and units	11,788	7,353
Participating interests	4,395	4,185
Derivative instruments	-	28
Insurance assets	130,867	126,202
Intangible assets	2,481	2,514
Tangible assets	453	503
Other assets	6,586	4,846
Accrued income and prepayments	10,196	4,898
Deferred tax assets	962	566
	<b>209,532</b>	<b>213,262</b>
<b>Liabilities</b>		
<b>EUR 1,000</b>		
<b>LIABILITIES</b>	<b>111,715</b>	<b>119,412</b>
Liabilities to credit institutions	8,475	8,967
Debt securities issued to the public	54,730	64,691
Insurance liabilities	16,712	14,998
Other liabilities	1,663	1,411
Accrued expenses and deferred income	13,803	12,494
Deferred tax liabilities	16,332	16,852
<b>EQUITY CAPITAL</b>	<b>97,817</b>	<b>93,850</b>
	<b>209,532</b>	<b>213,262</b>

# TAALERI KEY FIGURES

KEY FIGURES	H1 2017	H1 2016	FY 2016
Earnings per share, EUR	0.44	0.32	0.45
Return on equity, %	26.2	19.9	13.4
Return on equity at fair value, %	22.1	20.1	16.5
Return on assets, %	11.9	9.4	5.9
Cost/Income ratio, %	59.9	65.4	73.2
P/E, EUR	10.5	13.6	18.4
Number of employees, avg	186	174	179
Equity ratio, %	46.7	49.8	44.0
Equity/share, EUR	3.44	3.07	3.30
Investments, EUR	144.8	129.2	135.1
Total assets, EUR	209.5	175.4	213.3
Net gearing, %	26.9	26.0	19.7
Share closing price, EUR	9.20	8.77	8.24
Market capitalization, EUR million	260.4	248.2	233.2

# WEALTH MANAGEMENT – INCOME AND RESULTS

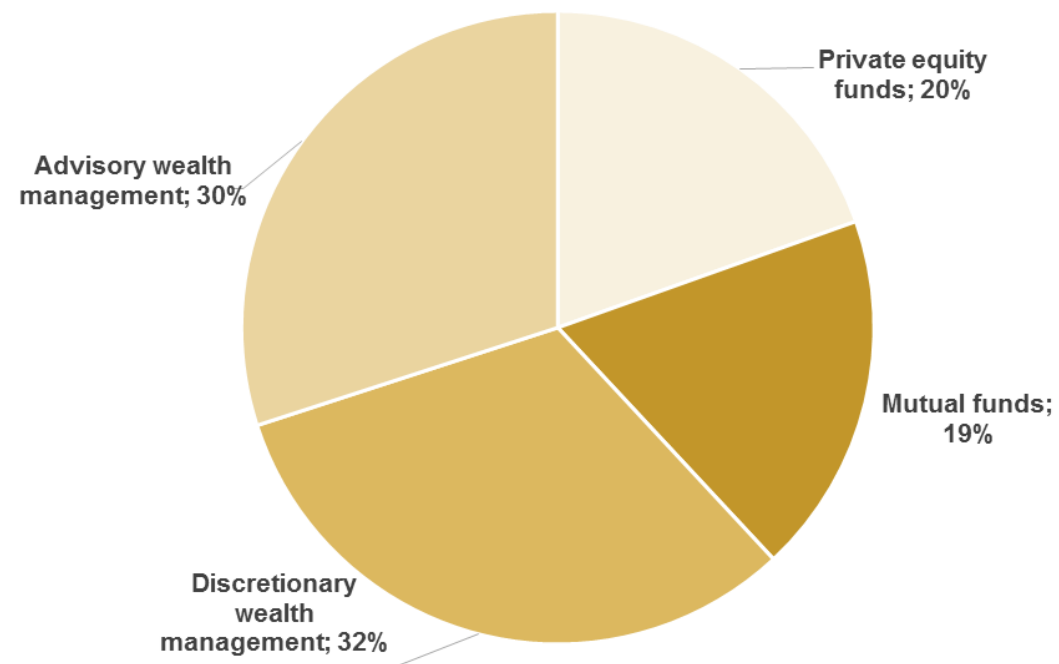
WEALTH MANAGEMENT FEES	H1 2017	H1 2016	Change %	FY 2016
EUR million				
Wealth management fees	18.1	13.8	31.8	28.3
Performance fees	5.7	3.8	51.2	5.8
Sales profits	-	-		3.0
<b>Total income</b>	<b>23.9</b>	<b>17.6</b>	<b>36.0</b>	<b>37.1</b>
<b>Operating profit</b>	<b>7.9</b>	<b>2.0</b>	<b>284.2</b>	<b>6.2</b>
Full-time employees, avg.	119	121	-1.9	123



# WEALTH MANAGEMENT – ASSETS UNDER MANAGEMENT

ASSETS UNDER MANAGEMENT	H1 2017	FY 2016	Change %
EUR, million			
<b>Assets under management</b>	<b>5,173</b>	<b>4,678</b>	<b>10.6</b>
Mutual funds	1,012	857	18.0
Private equity funds	957	880	8.8
Discretionary wealth management	1,653	1,431	15.5
Advisory wealth management	1,552	1,511	2.7

ASSETS UNDER MANAGEMENT 30/6/2017



## GARANTIA KEY FIGURES, FAS

EUR million	H1 2017	H1 2016	CHANGE %	FY 2016
<b>Premiums written</b>	<b>7.4</b>	<b>5.5</b>	<b>34.4</b>	<b>12.2</b>
Other items*	-2.0	-1.1	80.3	-2.8
<b>Earned premiums</b>	<b>5.4</b>	<b>4.4</b>	<b>23.0</b>	<b>9.5</b>
Claims incurred	-0.2	-0.4	-48.7	-1.2
Operating expenses	-2.6	-2.1	22.5	-5.0
<b>Balance on technical account before changes in the equalization provision</b>	<b>2.5</b>	<b>1.8</b>	<b>40.0</b>	<b>3.3</b>
Change in equalisation provision	0.2	0.4	-48.7	1.2
<b>Balance on technical account</b>	<b>2.8</b>	<b>2.2</b>	<b>23.4</b>	<b>4.5</b>
Investment income and expenses. net	6.1	1.3	377.1	3.2
<b>Earnings before tax</b>	<b>8.9</b>	<b>3.5</b>	<b>152.3</b>	<b>7.7</b>
Combined ratio, %	52.7%	58.4%	-5.7% units	64.9
Return on investments at fair value, %	3.3%	1.5%	1.8% units	5.8
Solvency ratio (S2), % **	419.9%	501.0%	-81.1% units	435.4

\* Reinsurers' share of premiums written, change to provision for unearned premiums and reinsurers' share of change to provision for unearned premiums.

\*\* The Solvency II regulations do not fall within the sphere of statutory auditing under the Insurance Companies Act that entered into force on 1 January 2016.



**T A A L E R I**

**RICHNESS IS LIFE.**