

2017

HALF YEAR FINANCIAL REPORT





9 August 2017 at 8:00 a.m.

eQ PLC'S HALF YEAR FINANCIAL REPORT 2017 – eQ GROUP'S OPERATING PROFIT GREW BY 8%

January to June 2017 in brief

- During the period under review, the Group's net revenue totalled EUR 18.8 million (EUR 18.4 million from 1 Jan. to 30 June 2016).
 - The Group's net fee and commission income was EUR 18.3 million (EUR 17.7 million).
 - The Group's net investment income from own investment operations was EUR 0.5 million (EUR 0.6 million).
- The Group's operating profit grew by 8 per cent to EUR 8.7 million (EUR 8.1 million).
- The Group's profit was EUR 6.9 million (EUR 6.4 million).
- The consolidated earnings per share were EUR 0.19 (EUR 0.17).
- The net cash flow from own investment operations was EUR 0.1 million (EUR 0.7) and the change in fair value was EUR 1.0 million (EUR -0.4 million).
- The net revenue of the Asset Management segment increased by 32 per cent to EUR 16.0 million (EUR 12.1 million) and the operating profit by 54 per cent to EUR 8.2 million (EUR 5.3 million).
- The net revenue of the Corporate Finance segment fell to EUR 2.3 million (EUR 5.8 million). It is typical of corporate finance business that success fees have a considerable impact on invoicing, due to which the result may vary considerably from quarter to quarter.

April to June 2017 in brief

- In the second quarter, the Group's net revenue totalled EUR 9.4 million (EUR 9.0 million from 1 April to 30 June 2016).
 - The Group's net fee and commission income was EUR 9.1 million (EUR 8.7 million).
 - The Group's net investment income from own investment operations was EUR 0.3 million (EUR 0.3 million).
- The Group's operating profit grew by 12 per cent to EUR 4.4 million (EUR 4.0 million).
- The Group's profit was EUR 3.5 million (EUR 3.1 million).
- The consolidated earnings per share were EUR 0.09 (EUR 0.09).

Key ratios	1-6/17	1-6/16	Change %	4-6/17	4-6/16	Change %	1-12/16
Net revenue, Group, M€	18.8	18.4	2%	9.4	9.0	5%	35.4
Net revenue, Asset Management, M€	16.0	12.1	32%	8.0	6.0	35%	25.6
Net revenue, Corporate Finance, M€	2.3	5.8	-59%	1.1	2.8	-61%	7.9
Net revenue, Investments, M€	0.3	0.5	-38%	0.2	0.2	6%	1.9
Net revenue, Group administration and eliminations, M€	0.1	0.0	1928%	0.1	0.0	2848%	0.0
Operating profit, Group, M€	8.7	8.1	8%	4.4	4.0	12%	16.2
Operating profit, Asset Management, M€	8.2	5.3	54%	4.2	2.7	57%	12.0
Operating profit, Corporate Finance, M€	0.8	3.0	-73%	0.4	1.5	-75%	3.7
Operating profit, Investments, M€	0.3	0.5	-38%	0.2	0.2	6%	1.9
Operating profit, Group administration, M€	-0.6	-0.8	-17%	-0.3	-0.4	-17%	-1.4
Profit for the period, M€	6.9	6.4	7%	3.5	3.1	12%	12.8



Key ratios	1-6/17	1-6/16	Change %	4-6/17	4-6/16	Change %	1-12/16
Earnings per share, €	0.19	0.17	6%	0,09	0.09	11%	0.35
Equity per share, €	1.45	1.58	-8%	1,45	1.58	-8%	1.74
Cost/income ratio, Group, %	53.6	54.9	-2%	52,8	55.9	-6%	53.0
Liquid assets, M€	5.3	7.5	-30%	5,3	7.5	-30%	16.7
Private equity fund investments, M€	20.5	22.0	-7%	20,5	22.0	-7%	19.2
Interest-bearing liabilities, M€	0.0	0.0	0%	0,0	0.0	0%	0.0
Assets under management, € billion	9.6	8.2	17%	9,6	8.2	17%	8.8

Janne Larma, CEO

The net revenue of the Group grew by 2 per to EUR 18.8 million and the operating profit by 8 per cent to EUR 8.7 million. The Group's profit increased to EUR 6.9 million (EUR 6.4 million from 1 Jan. to 30 June 2016).

eQ Asset Management's operating profit grew by 54 per cent

eQ Asset Management's strong profit growth continued. eQ Asset Management's rolling 12-month operating profit has already grown for 18 consecutive quarters, which is a tremendous achievement. The net revenue of the Asset Management segment increased by 32 per to EUR 16.0 million and the operating profit by 54 per cent to EUR 8.2 million. All business areas have driven growth: the management fees from traditional asset management grew by 18 per cent and the management fees from real estate and private equity asset management grew by 35 per cent. The strong interest of investors in real estate funds continued, and new subscriptions worth EUR 133 million were made in the funds during the six-month period. The interest in private equity asset management also continued to be solid. The final close of the eQ PE IX US Fund was made in June at more than USD 100 million. In June, we established a fund called eQ PE SF to manage a secondary market portfolio of EUR 135 million. Within traditional asset management, the returns of the funds managed by eQ are excellent. Since the beginning of the year, 71 per cent of our funds have surpassed their benchmark indices, and during an investment period of three years, all funds that eQ manages have surpassed their benchmark indices. We feel that our product portfolio is very well suited to the present market situation, and this combined with our good past returns will give us good operating preconditions in future as well.

Advium's fee income at a lower level than last year

In the Corporate Finance segment Advium acted as advisor in six finalised transactions during the six-month period. Towards the end of the period under review, Advium also acted as advisor in two signed transactions that have not yet been finalised. Advium acted as advisor, e.g. in the largest real estate transaction in the Baltic countries in 2017 and issued a fairness opinion to the Board of Ilmarinen on the joining of the two occupational pension insurance companies Ilmarinen and Etera. Advium's fee income was at a lower level than last year. The company's net revenue fell to EUR 2.3 million (EUR 5.8 million from 1 Jan. to 30 June 2016) and its operating profit fell to EUR 0.8 million (EUR 3.0 million). Great variations in fees per quarter are typical of corporate finance operations. The market situation for corporate and real estate transactions continues to be good, and we believe that it will remain good in the second half of the year as well.

The result of the Investments segment fell slightly from last year

The operating profit of the Investments segment fell slightly from last year to EUR 0.3 million (EUR 0.5 million). At the end of June, the balance sheet value of the private equity fund investments was EUR 20.5 million (EUR 19.2 million on 31 December 2016). The values of the investments developed favourably, and the value change in the fair value reserve before taxes was EUR 1.0 million during the six-month period.



eQ's half year financial report 1 January to 30 June 2017 is enclosed to this release and it is also available on the company website at www.eQ.fi.

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eQ Group is a group of companies that concentrates on asset management and corporate finance business. eQ Asset Management offers a wide range of asset management services (including private equity funds and real estate asset management) for institutions and private individuals. The assets managed by the Group total approximately EUR 9.6 billion. Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets.

More information about the Group is available on our website www.eQ.fi.

Result of operations and financial position 1 Jan. to 30 June 2017

- During the period under review, the Group's net revenue totalled EUR 18.8 million (EUR 18.4 million from 1 Jan. to 30 June 2016).
 - The Group's net fee and commission income was EUR 18.3 million (EUR 17.7 million).
 - The Group's net investment income from own investment operations was EUR 0.5 million (EUR 0.6 million).
- The Group's operating profit grew by 8 per cent to EUR 8.7 million (EUR 8.1 million).
- The Group's profit was EUR 6.9 million (EUR 6.4 million).
- The consolidated earnings per share were EUR 0.19 (EUR 0.17).
- The net cash flow from own investment operations was EUR 0.1 million (EUR 0.7) and the change in fair value was EUR 1.0 million (EUR -0.4 million).

- The net revenue of the Asset Management segment increased by 32 per cent to EUR 16.0 million (EUR 12.1 million) and the operating profit by 54 per cent to EUR 8.2 million (EUR 5.3 million).
- The net revenue of the Corporate Finance segment fell to EUR 2.3 million (EUR 5.8 million). It is typical of corporate finance business that success fees have a considerable impact on invoicing, due to which the result may vary considerably from quarter to quarter.

Result of operations and financial position 1 April to 30 June 2017

- In the second quarter, the Group's net revenue totalled EUR 9.4 million (EUR 9.0 million from 1 April to 30 June 2016).
 - The Group's net fee and commission income was EUR 9.1 million (EUR 8.7 million).
 - The Group's net investment income from own investment operations was EUR 0.3 million (EUR 0.3 million).
- The Group's operating profit grew by 12 per cent to EUR 4.4 million (EUR 4.0 million).
- The Group's profit was EUR 3.5 million (EUR 3.1 million).
- The consolidated earnings per share were EUR 0.09 (EUR 0.09).

Operating environment

The second quarter of 2017 was politically extremely eventful, but the impact on the market was surprisingly little. In the US, Trump's administration had great difficulties in reaching decisions about the country's internal affairs. The US bombed Syria, which strained the relationship between the US and Russia. The discussions about the situation in North Korea also strained the relationship between the US and China at times. In France, Macron was elected president and the party that he represents also rather surprisingly obtained a majority in the parliamentary election, which contributed to the EU's unity. In the U.K., the conservatives experienced a clear defeat in early elections, which foresees more co-operative Brexit negotiations. The political crisis in Brazil deepened, as a new political scandal was revealed, and the present president became a target of bribery investigations.

Economic growth in above all Europe continued to gain momentum, and it became evident in the second quarter that European economies had begun to recover on a broad basis. Even in China and the US, strong economic growth continued, even though there were at times signs of a slow-down in the US growth during the quarter. The ECB did not alter its monetary policy, while the FED increased interest rates from 0.75 per cent to 1.0 per cent.

The sentiment in the equity market remained positive for the most part of the second quarter, and above all in Western markets volatility was at a historically very low level. Regional differences were great, however.



Helsinki Stock Exchange rose by 6.7 per cent in the second quarter and was among the best exchanges. Since the beginning of 2017, the Helsinki Exchange has risen by no less than 11.4 per cent. In Europe, the broad share index rose by 0.68 per cent during the quarter and by 6.7 per cent since the beginning of the year. The US stock exchange developed strongly calculated in dollars – the rise during the quarter was 2.9 per cent and since the beginning of the year 9.0 per cent. The dollar fell clearly, however, and calculated in euros the Q2 return was -3.5 per cent and since the beginning of the year only 0.8 per cent. In emerging markets, the return of the Chinese equity market was positive both in the second quarter and since the beginning of the year, but the exchanges in both Brazil and Russia fell considerably. As a whole, the share index of emerging markets fell by 0.35 per cent in the second quarter, while the rise since the beginning of the year was 9.5 per cent. Japan was feeble – in the second quarter the stock exchange fell by 1.4 per cent calculated in euros, and the rise since the beginning of the year was only 1.7 per cent.

In the bond market, the second quarter was mainly tranquil, as central banks confirmed that they would tighten monetary policy very moderately despite the stronger global growth outlook. The euro government bonds gave a 0.5 per cent return during the quarter, while the return since the beginning of the year remained 1.0 per cent negative. The return of investment grade loans was 0.4 per cent (since the beginning of the year 0.7 per cent) and that of high yield loans 2.0 per cent (3.9). The return of euro hedged corporate bonds of emerging countries was 1.0 per cent (3.5).

Major events during the period under review

On 2 January 2017, eQ Plc was transferred from Small Cap companies to Mid Cap companies in the annual market capitalisation classification of Nasdaq Helsinki.

The Annual General Meeting of eQ Plc was held on 29 March 2017. Carl Haglund (M.Sc. (Econ), born 1979) was elected as new member of the Board of Directors. Jussi Seppälä, who has been on eQ Plc's Board since 2011, left the Board. Georg Ehrnrooth will continue as Chairman of the Board. The decisions by the Annual General Meeting have been presented in a separate chapter below.

eQ Plc's number of shares increased by 530 000 on 31 May 2017 due to shares subscribed for with option rights.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 18.8 million (EUR 18.4 million from 1 Jan. to 30 June 2016). The Group's net fee and commission income increased to EUR 18.3 million (EUR 17.7 million). The Group's net investment income from own investment operations was EUR 0.5 million (EUR 0.6 million).

The Group's expenses and depreciation totalled EUR 10.1 million (EUR 10.3 million). Personnel expenses were EUR 7.9 million (EUR 7.9 million), other administrative expenses totalled EUR 1.1 million (EUR 1.0 million), and the other operating expenses were EUR 1.0 million (EUR 1.0 million). Depreciation was EUR 0.1 million (EUR 0.3 million).

The Group's operating profit was EUR 8.7 million (EUR 8.1 million) and the profit for the period was EUR 6.9 million (EUR 6.4 million).

Business areas

Asset Management

eQ Asset Management offers versatile and innovative asset management services to both institutions and individuals. The Asset Management segment consists of the investment firm eQ Asset Management Ltd and other Group companies engaged in asset management operations, the most important of which is eQ Fund Management Company Ltd.



Mutual funds and asset management

At the end of May, eQ established a new Emerging Markets Small Cap Fund, which makes investments in smaller emerging market companies. At the end of the second quarter, its size was already EUR 33 million, and there were more than 200 unit holders in the fund. At the end of June, eQ had 27 mutual funds registered in Finland.

During the first six months, eQ's fixed-income funds gave very good returns with the exception of the eQ Euro Government Bond Fund and eQ LCR Income Fund. The eQ High Yield and eQ Emerging Markets Corporate Bond funds were the best fixed-income funds in the first half-year with returns of 2 to 4.5 per cent. eQ's all fixed-income funds exceeded their benchmark indices clearly during the first six months, and eQ has no less than three fixed-income funds with a five-star Morningstar rating.

The returns of the equity funds were mainly excellent in the first six months. The best development in the six-month period was seen in the eQ Nordic Small Cap, eQ CO2 and the emerging market funds eQ Emerging Asia and eQ Emerging Dividend. The returns of the best equity funds clearly exceeded 10 per cent in the first six months. The only fund with a slightly negative development was the eQ Russia Fund. The best returns as compared with the benchmark indices came from the eQ Russia, eQ Nordic Small Cap and eQ CO2 funds. Of the funds managed by eQ, 71 per cent surpassed their benchmark indices during the six-month period, and during the past three years all funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 4 stars at the end of the quarter. The returns of the discretionary asset management portfolios that eQ manages varied between 2 and 6 per cent during the period, based on the allocation of the investment portfolio. The return of the share portfolio investing in domestic shares exceeded 11 per cent.

Private Equity

The eQ PE IX US private equity fund held its first close at USD 45 million at the end of January. The second close of the fund took place in April at almost USD 82 million, and the final close in June at more than USD 100 million. At the end of the first quarter, eQ also established a new eQ Private Credit Fund, which gathered EUR 90 million in one single closing. eQ Private Credit is a fund that mainly makes investments in European senior loans, and it is implemented together with MV Credit, an experienced private credit actor. At the end of the second quarter, eQ established a new eQ PE SF private equity fund for the management of a secondary market transaction of EUR 135 million, which will be carried out in two stages. The assets managed under private equity operations grew and amounted to EUR 4 965 million at the end of the second quarter (EUR 4 319 million on 31 Dec. 2016).

Real estate investments

The strong growth of the eQ Finnish Real Estate fund continued, and at the end of the second quarter, new subscriptions for EUR 35 million were made in the fund. At the end of the quarter, the size of the fund was EUR 349 million, and its real estate property was almost EUR 450 million. The investment operations of the fund have been extremely successful, and the return since establishment is 10.1 per cent p.a. The fund already has approximately 1 750 unit holders.

The eQ Care Fund was temporarily closed for new subscriptions during the first quarter in order to safeguard the success of the fund's investment operations. At the end of the second quarter, new subscriptions for almost EUR 33 million were made in the fund. At the end of the quarter, the size of the fund was EUR 438 million and its real estate assets exceeded EUR 580 million. The return of the fund since establishment is excellent at 8.8 per cent p.a., and the fund already has almost 2 500 unit holders.

Overall, eQ's real estate funds had real estate assets exceeding one billion euros at the end of the second quarter, and eQ has become a major Finnish real estate investor. Consequently, the real estate team has been expanded.

Towards the end of 2016, eQ also established a new non-UCITS fund that is especially designed for institutions, eQ Forest. eQ Forest makes investments in Finnish forests, and it has made its first forest deals worth almost EUR 10 million.



Assets under management and clients

At the end of the second quarter, the assets managed by eQ Asset Management totalled EUR 9 592 million. The assets increased by EUR 817 million from the close of the year (EUR 8 775 million on 31 Dec. 2016). At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 2 145 million (EUR 1 936 million), and the assets under management increased by more than EUR 208 million. Mutual funds managed by international partners and other assets covered by asset management operations totalled EUR 2 482 million (EUR 2 520 million). The assets managed under private equity funds and asset management totalled EUR 4 965 million (EUR 4 319 million). EUR 3 186 million (EUR 2 890 million) of these private equity assets were covered by the reporting service.

Result of the Asset Management segment

The net revenue of the Asset Management segment increased by 32 per cent and the operating profit by 54 per cent to EUR 8.2 million (EUR 5.3 million from 1 Jan. to 30 June 2016) during the period under review. The fee and commission income grew strongly in all areas. Expenses increase mainly due to performance-based salary items. The cost/income ratio has fallen below 50 per cent. During the period under review it was 48.8 per cent. Calculated as full-time resources, the Asset Management segment had 60 employees at the end of the second quarter.

Asset Management	1-6/17	1-6/16	Change %	4-6/17	4-6/16	Change %	1-12/16
Net revenue, M€	16.0	12.1	32%	8.0	6.0	35%	25.6
Operating profit, M€	8.2	5.3	54%	4.2	2.7	57%	12.0
Assets under management, € billion	9.6	8.2	17%	9.6	8.2	17%	8.8
Cost/income ratio, %	48.8	54.4	-10%	48.0	53.9	-11%	51.6
Personnel at the end of the period	60	60	0%	60	60	0%	62

Fee and commission income, Asset Management, M€	1-6/17	1-6/16	Change %	4-6/17	4-6/16	Change %	1-12/16
Management fees from traditional asset management	4.4	3.7	18%	2.2	1.9	19%	7.7
Real estate and private equity management fees	8.5	6.3	35%	4.4	3.5	25%	13.8
Other fee and commission income	0.5	0.2	106%	0.4	0.1	252%	0.3
Performance fees	2.8	2.0	45%	1.1	0.5	113%	3.9
Total	16.2	12.2	33%	8.1	6.0	35%	25.8

Corporate Finance

In the Corporate Finance segment, Advium Corporate Finance acts as advisor in mergers and acquisitions, large real estate transactions and equity capital markets.

During the first six months, Advium acted as advisor in six finalised transactions. Advium acted as advisor to Kesko, the Rakauskas family and Zabolis Partners in a transaction where CPA:17 – Global bought 70 per cent of the real estate investment company UAB Baltic Retail Properties. The overall value of the arrangement is about EUR 174 million, and the real estate objects are located in Estonia, Latvia and Lithuania. Advium issued a fairness opinion to the Board of Ilmarinen on the joining of the two occupational pension insurance companies Ilmarinen and Etera.

In addition, Advium acted as advisor in two transactions that were signed in June 2017 but that have not yet been finalised. Advium acted as advisor to Rettig as it sold an industrial property in Belgium. The transaction is expected to be finalised in September 2017. Advium acted as advisor to VR Group, when it undertook to sell its head office by Helsinki Central railway station to a fund managed by Exilion Capital. It is expected that the transaction will be finalised in 2018.



Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 2.3 million (EUR 5.8 million from 1 Jan. to 30 June 2016). The operating profit was EUR 0.8 million (EUR 3.0 million). The segment had 15 employees at the end of the period.

It is typical of corporate finance business that success fees have a considerable impact on invoicing, due to which the result may vary considerably from quarter to quarter.

Corporate Finance	1-6/17	1-6/16	Change %	4-6/17	4-6/16	Change %	1-12/16
Net revenue, M€	2.3	5.8	-59%	1.1	2.8	-61%	7.9
Operating profit, M€	0.8	3.0	-73%	0.4	1.5	-75%	3.7
Cost/income ratio, %	65.0	47.9	36%	66.9	48.0	39%	52.7
Personnel at the end of the period	15	14	7%	15	14	7%	13

Investments

The business operations of the Investments segment consist of private equity fund investments made from eQ Group's own balance sheet.

During the period under review, the net revenue of the Investments segment totalled EUR 0.3 million (EUR 0.5 million from 1 Jan. to 30 June 2016). At the end of the period, the fair value of the private equity fund investments was EUR 20.5 million (EUR 19.2 million on 31 Dec. 2016) and the amount of the remaining investment commitments was EUR 10.2 million (EUR 11.2 million). Of the market value, 72 per cent has been invested in private equity funds managed by eQ. The breakdown of the market value and investment commitments of private equity fund investments per fund are presented in the tables on page 20.

During the period, the investment objects returned capital for EUR 1.3 million (EUR 1.5 million from 1 Jan. to 30 June 2016) and distributed a profit of EUR 0.4 million (EUR 0.9 million). Capital calls totalled EUR 1.7 million (EUR 1.7 million). The net cash flow from investments during the period was EUR 0.1 million (EUR 0.7 million). The Group's internal management fee expenses, which are included in the result of the Investments segment, totalled EUR 0.2 million (EUR 0.2 million). The write-downs recognised through profit and loss during the period totalled EUR 0.03 million (EUR 0.2 million from 1 Jan. to 30 June 2016).

The value change of investments in the fair value reserve before taxes was EUR 1.0 million (EUR -0.4 million). The unrealised value changes of investments in the fair value reserve after taxes were EUR 0.7 million (EUR -0.1 million on 31 Dec. 2016) at the end of the period. The return of eQ's own investment operations since the beginning of operations has been 21 per cent p.a. (IRR).

In the first quarter, eQ Plc made a USD 1.0 million investment commitment in the eQ PE IX US private equity fund. The eQ PE IX US Fund makes investments in private equity funds that make equity investments in unlisted small and mid-sized companies in the US and Canada.

The income of eQ's own investment operations is recognised due to factors independent of the company. Due to this, the segment's net revenue and result may vary considerably. eQ only makes new investments in funds managed by eQ.

Investments	1-6/17	1-6/16	Change %	4-6/17	4-6/16	Change %	1-12/16
Net revenue, M€	0.3	0.5	-38%	0.2	0.2	6%	1.9
Operating profit, M€	0.3	0.5	-38%	0.2	0.2	6%	1.9
Fair value of investments, M€	20.5	22.0	-7%	20.5	22.0	-7%	19.2
Investment commitments, M€	10.2	11.7	-13%	10.2	11.7	-13%	11.2



Balance sheet and solvency

At the end of the period under review, the consolidated balance sheet total was EUR 65.3 million (EUR 76.2 million on 31 Dec. 2016) and the shareholders' equity was EUR 54.2 million (EUR 64.5 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 6.9 million, the change in the fair value reserve of EUR 0.8 million, the dividend distribution of EUR -12.9 million, the repayment of equity of EUR -5.5 million from the reserve for invested unrestricted equity, the subscription of new shares with option rights of EUR 3.0 million and the accrued expense of EUR 0.3 million related to an option scheme and entered in the shareholders' equity. The changes are specified in detail in the tables attached to this release.

At the end of the period, liquid assets totalled EUR 3.2 million (EUR 6.6 million) and liquid investments in mutual funds EUR 2.1 million (EUR 10.0 million). In order to safeguard the availability of financing, the Group has access to a credit limit of EUR 4.0 million. At the end of the period, the Group had no interest-bearing liabilities (EUR 0.0 million). Interest-free long-term debt, which consists of the deferred tax liability, at the end of the period was EUR 0.5 million (EUR 0.4 million) and interest-free short-term debt EUR 10.6 million (EUR 11.3 million). eQ's equity to assets ratio was 83.1% (84.7%).

A subsidiary called eQ Asset Management Ltd, which is engaged in investment firm operations and fully owned by eQ Plc, is part of the Group. eQ Asset Management Ltd, as investment firm, and eQ Plc as the holding company, apply the Basel III/CRD IV regulations. The Group's CET1 (Common Equity Tier 1) and solvency ratio of the own funds was 15.6 per cent (13.9 per cent on 31 Dec. 2016) at the end of the period. The minimum requirement for own funds is 8 per cent. At the end of the period, the Group's own funds based on solvency calculations totalled EUR 17.9 million (EUR 16.6 million on 31 Dec. 2016), and the risk-weighted items were EUR 114.9 million (EUR 119.3 million). Detailed information on the Group's solvency can be found in the tables section.

Shares and share capital

At the end of the period on 30 June 2017, the number of eQ Plc's shares was 37 507 198 and the share capital was EUR 11 383 873.

The number of eQ Plc's shares increased by 530 000 on 31 May 2017 due to shares subscribed for with options from the 2010 scheme. The subscription price of the new shares totalled EUR 323 300.00. The entire subscription was entered in the reserve for invested unrestricted equity. There were no changes in the share capital during the period.

The closing price of eQ Plc's share on 30 June 2017 was EUR 8.10 (EUR 8.11 on 31 Dec. 2016). The market capitalisation of the company was thus EUR 303.8 million (EUR 299.9 million) at the end of the period. During the period, 1 212 680 shares were traded on Nasdaq Helsinki (2 579 145 shares from 1 Jan. to 30 June 2016).

Own shares

At the end of the period, on 30 June 2017, eQ Plc held no own shares.



Shareholders

Ten major shareholders on 30 June 2017

	Shares	Share, %
1 Fennogens Investements SA	6 973 137	18.59
2 Chilla Capital S.A.	5 372 635	14.32
3 Anchor Oy Ab	3 883 677	10.35
4 Teamet Oy	3 850 000	10.26
5 Umo Capital Oy	3 779 286	10.08
6 Oy Cevante Ab	1 419 063	3.78
7 Fazer Jan Peter	1 288 306	3.43
8 Linnalex Ab	681 652	1.82
9 Lavventura Oy	550 000	1.47
10 Pinomonte Ab	529 981	1.41
10 major shareholders, total	28 327 737	75.53
Nominee registered	605 301	1.61
Other shares	8 574 160	22.86
Total	37 507 198	100.00

On 30 June 2017, eQ Plc had 4 891 shareholders (4 668 shareholders on 31 Dec. 2016).

Option schemes

At the end of the period, eQ Plc had two option schemes. The option schemes are intended as part of the commitment system of the Group's key personnel.

Option scheme 2010

At the end of the period, altogether 1 700 000 options had been allocated from option scheme 2010. Of these options, altogether 1 150 000 had been exercised by the end of the period. The number of outstanding options was 550 000 at the end of the period. No options of the option scheme 2010 can any longer be allocated. Options of the option scheme 2010 have been listed on Nasdaq Helsinki. The terms and conditions of the option scheme have been published in a stock exchange release of 18 August 2010, and they can be found in their entirety on the company website at www.eQ.fi.

Option scheme 2015

At the end of the period, altogether 1 575 000 options had been allocated from option scheme 2015. At the end of the period, there were still 425 000 options in option scheme 2015 available for allocation. The terms and conditions of the option scheme have been published in a stock exchange release of 5 November 2015, and they can be found in their entirety on the company website at www.eQ.fi.

Decisions by the Annual General Meeting

eQ Plc's Annual General Meeting (AGM), held on Wednesday 29 March 2017 in Helsinki, decided upon the following:

Confirmation of the financial statements

eQ Plc's AGM confirmed the financial statements of the company, which included the consolidated financial statements, the report by the Board of Directors, and the auditors' report for the financial year 2016.



Decision in respect of the result shown on the balance sheet and the distribution of assets from the reserve for invested unrestricted equity

The AGM confirmed the proposal by the Board of Directors that a dividend of EUR 0.35 per share and a repayment of equity of EUR 0.15 from the reserve for invested unrestricted equity be paid out. The dividend and equity repayment were paid to shareholders who, on the record date for the dividend payment, i.e. 31 March 2017, were recorded in the shareholder register held by Euroclear Finland Ltd. The payment date of the dividend and equity repayment was 7 April 2017.

Discharge from liability to the Board of Directors and the CEO

The AGM decided to grant discharge from liability to the Board of Directors and the CEO.

Number of directors, appointment of directors, and the remuneration of directors

According to the decision of the AGM, five members shall be elected to eQ Plc's Board of Directors. Nicholas Berner, Georg Ehrnrooth, Timo Kokkila and Annika Poutiainen were re-elected and Carl Haglund was elected as new member to the Board for a term of office that will end at the close of the next Annual General Meeting. The AGM decided that the directors would receive remuneration as follows: the Chairman of the Board will receive EUR 3 500 and the other directors EUR 2 000 per month. The Directors will also be paid EUR 400 for each Board meeting that they attend. Travel and lodging costs will be compensated in accordance with the company's expense policy. The Board elected Georg Ehrnrooth Chairman of the Board at its meeting held immediately after the AGM.

Auditors and auditors' compensation

The AGM decided to elect the corporation of authorised public accountants KPMG Oy Ab auditor of the company. The auditor with main responsibility appointed by the company is Raija-Leena Hankonen, APA. It was decided to compensate the auditor according to an invoice approved by eQ Plc.

Authorising the Board of Directors to decide on the repurchase of shares

The AGM authorised the Board of Directors to decide on the repurchase of the company's own shares in one or several transactions on the following terms: The Board of Directors was authorised to decide on the repurchase of no more than 1 000 000 own shares, which corresponded to approximately 2.70 per cent of all the shares in the company on the date of the notice of the AGM. The shares will be repurchased with assets from the company's unrestricted equity, which means that any repurchases will reduce the distributable assets of the company. Shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders with assets from the company's unrestricted equity at the market price of the shares in public trading on Nasdaq Helsinki Ltd at the time of purchase or at a lower price.

Own shares may be repurchased in order to develop the company's capital structure, to finance corporate acquisitions or other business transactions, to finance or carry out investments or other arrangements pertaining to the company operations, or they may be used as part of the company's incentive schemes. For said purposes, the repurchased shares may be held, transferred further or cancelled. The Board of Directors shall decide on other matters related to the repurchase of own shares. The authorisation cancels all previous authorisations to repurchase the company's own shares and is effective until the next AGM, no longer than 18 months, however.

Authorising the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares

The AGM authorised the Board of Directors to decide on a share issue or share issues and/or the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act, in one or several transactions, comprising a maximum total of 5 000 000 new shares. The amount of the authorisation corresponded to approximately 13.52 per cent of all shares in the company on the date of the notice of the AGM.



The authorisation can be used in order to finance or carry out potential acquisitions or other business transactions, to strengthen the balance sheet and the financial position of the company, to carry out the company's incentive schemes or for any other purposes decided by the Board. Based on the authorisation, the Board shall decide on all matters related to the issuance of shares and special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act, including the recipients of the shares or the special rights entitling to shares and the amount of the consideration to be paid. Therefore, based on the authorisation, shares or special rights entitling to shares may also be issued to certain persons, i.e. in deviation of the shareholders' pre-emptive rights as described in said Act. A share issue may also be executed without payment in accordance with the preconditions set out in the Limited Liability Companies Act. The authorisation cancels all previous corresponding authorisations and is effective until the next AGM, no longer than 18 months, however.

Personnel and organisation

At the end of the period, the number of Group personnel calculated as full-time resources was 80 (80 persons on 31 December 2016). Calculated as full-time resources, the Asset Management segment had 60 (62) employees and the Corporate Finance segment 15 (13) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 7.9 million (EUR 7.9 million from 1 Jan. to 30 June 2016).

Major risks and short-term uncertainties

The major single risk of the Group is the dependence of the operating income on changes in the external operating environment. The result of the Asset Management segment depends on the development of the assets under management, which is dependent of the development of the capital market. The realisation of the performance fee income that is dependent on the success of the investment operations also influences result development. On the other hand, the management fees of private equity funds are based on long-term agreements that produce a stable cash flow.

Success fees, which depend on the number of mergers and acquisitions and real estate transactions, have a considerable impact on the result of the Corporate Finance segment. These vary considerably within one year and are dependent on economic trends.

The risks associated with eQ Group's own investment operations are the market risk, currency risk and liquidity risk. Among these, the market risk has the greatest impact on investments. The company's own investments are well diversified, which means that the impact of one investment in a company, made by one individual fund, on the return of the investments is often small. The income from eQ Group's own investment operations is recognised for eQ in different quarters due to factors independent of the company, depending on the exits from private equity funds. The income from investment operations may vary considerably from quarter to quarter.

Events after the period under review

There have not been any significant events after the period under review.

eQ Plc
Board of Directors



TABLES

Principles for drawing up the report

The interim report has been prepared in accordance with IFRS standards and the IAS 34 Interim Reports standard, approved by the EU.

The income of eQ's own investment operations is recognised due to factors independent of the company. As a result, the net income from available-to-sale financial assets may vary considerably.

The report has not been audited.

CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-6/17	1-6/16	4-6/17	4-6/16	1-12/16
Fee and commission income	18 430	17 836	9 173	8 764	33 434
Interest income	1	2	1	0	4
Net income from available-for-sale financial assets	492	636	330	255	2 194
Other operating income	-	1	-	1	-
Operating income, total	18 924	18 475	9 504	9 020	35 633
Fee and commission expenses	-150	-99	-80	-51	-213
Interest expenses	0	0	0	0	-1
NET REVENUE	18 774	18 376	9 423	8 969	35 418
Administrative expenses					
Personnel expenses	-7 911	-7 948	-3 884	-3 861	-14 572
Other administrative expenses	-1 075	-1 023	-541	-517	-2 012
Depreciation on tangible and intangible assets	-141	-342	-65	-159	-644
Other operating expenses	-957	-987	-487	-475	-1 914
OPERATING PROFIT (LOSS)	8 690	8 076	4 447	3 957	16 227
Income tax	-1 832	-1 692	-950	-824	-3 395
PROFIT (LOSS) FOR THE PERIOD	6 858	6 385	3 496	3 134	12 832



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-6/17	1-6/16	4-6/17	4-6/16	1-12/16
Other comprehensive income:					
Items that may be reclassified subsequently to the income statement:					
Available-for-sale financial assets, net	750	-337	158	-362	-761
Translation differences	-	-	-	-	-
Other comprehensive income after taxes	750	-337	158	-362	-761
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7 608	6 047	3 655	2 772	12 071
Profit for the period attributable to:					
Equity holders of the parent company	6 858	6 385	3 496	3 134	12 832
Non-controlling interests	-	-	-	-	-
Comprehensive income for the period attributable to:					
Equity holders of the parent company	7 608	6 047	3 655	2 772	12 071
Non-controlling interests	-	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company					
Earnings per average share, EUR	0.19	0.17	0.09	0.09	0.35
Diluted earnings per average share, EUR	0.17	0.17	0.09	0.08	0.33



CONSOLIDATED BALANCE SHEET, EUR 1 000

	30 June 2017	30 June 2016	31 Dec. 2016
ASSETS			
Liquid assets	20	51	47
Claims on credit institutions	3 144	4 494	6 579
Available-for-sale financial assets			
Financial securities	2 135	3 007	10 076
Private equity fund investments	20 520	22 033	19 209
Intangible assets	29 447	29 677	29 455
Tangible assets	336	422	368
Other assets	7 906	5 726	8 946
Accruals and prepaid expenditure	1 349	2 041	1 006
Income tax receivables	255	329	254
Deferred tax assets	149	318	237
TOTAL ASSETS	65 261	68 098	76 177
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	3 232	3 091	3 369
Accruals and deferred income	7 031	5 882	7 607
Income tax liabilities	325	615	316
Deferred tax liabilities	455	562	374
TOTAL LIABILITIES	11 043	10 150	11 666
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Fair value reserve	690	363	-61
Reserve for invested unrestricted equity	29 638	34 584	34 861
Retained earnings	5 649	5 234	5 495
Profit (loss) for the period	6 858	6 385	12 832
TOTAL SHAREHOLDERS' EQUITY	54 218	57 949	64 511
TOTAL LIABILITIES AND EQUITY	65 261	68 098	76 177



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-6/2017	1-6/2016	1-12/2016
CASH FLOW FROM OPERATIONS			
Operating profit	8 690	8 076	16 227
Depreciation and write-downs	171	547	999
Interest income and expenses	-1	-1	-3
Transactions with no related payment transactions	261	264	525
Available-for-sale investments, change	-462	-212	1 886
Change in working capital			
Business receivables, increase (-) / decrease (+)	698	-1 831	-3 752
Interest-free debt, increase (+) / decrease (-)	-1 026	-1 265	738
Total change in working capital	-328	-3 096	-3 013
Cash flow from operations before financial items and taxes	8 332	5 578	16 620
Interests received	1	2	4
Interests paid	0	0	-1
Taxes	-1 528	-1 223	-3 422
CASH FLOW FROM OPERATIONS	6 804	4 356	13 202
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets	-101	-87	-113
Investments/redemptions in other investments – liquid mutual funds	8 000	2 016	-5 000
CASH FLOW FROM INVESTMENTS	7 899	1 929	-5 113
CASH FLOW FROM FINANCING			
Dividends paid/equity repayments	-18 489	-18 364	-18 364
Income from share issue	323	-	278
CASH FLOW FROM FINANCING	-18 165	-18 364	-18 086
INCREASE/DECREASE IN LIQUID ASSETS	-3 462	-12 078	-9 998
Liquid assets on 1 Jan.	6 626	16 623	16 623
Liquid assets on 30 June/31 Dec.	3 164	4 545	6 626



CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY, EUR 1 000

Equity attributable to equity holders of the parent company						
	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Retained earnings	Total	Total equity
Shareholders' equity on 1 Jan. 2016	11 384	41 929	700	15 988	70 001	70 001
Profit (loss) for the period				6 385	6 385	6 385
Other comprehensive income						
Available-for-sale financial assets			-337		-337	-337
Total comprehensive income			-337	6 385	6 047	6 047
Dividend/equity repayment		-7 345		-11 018	-18 364	-18 364
Options granted				264	264	264
Shareholders' equity on 30 June 2016	11 384	34 584	363	11 618	57 949	57 949
Shareholders' equity on 1 Jan 2017	11 384	34 861	-61	18 326	64 511	64 511
Profit (loss) for the period				6 858	6 858	6 858
Other comprehensive income						
Available-for-sale financial assets			750		750	750
Total comprehensive income			750	6 858	7 608	7 608
Dividend/equity repayment		-5 547		-12 942	-18 489	-18 489
Share issue		323			323	323
Options granted				261	261	261
Other changes				3	3	3
Shareholders' equity on 30 June 2017	11 384	29 638	690	12 507	54 218	54 218

FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-6/17	1-6/16	4-6/17	4-6/16	1-12/16
Asset management fees					
Management fees from traditional asset management	4 362	3 692	2 219	1 863	7 732
Real estate and private equity management fees	8 425	6 181	4 350	3 455	13 545
Other fee and commission income	473	229	395	112	344
Performance fees	2 827	1 953	1 108	521	3 909
Total	16 086	12 054	8 072	5 951	25 530
Corporate finance fees	2 344	5 782	1 100	2 814	7 905
Fee and commission income, total	18 430	17 836	9 173	8 764	33 434

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	30 June 2017		30 June 2016		31 Dec. 2016	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Available-for-sale financial assets						
Private equity fund investments	20 520	20 520	22 033	22 033	19 209	19 209
Financial securities	2 135	2 135	3 007	3 007	10 076	10 076
Accounts receivable and other receivables	1 103	1 103	403	403	1 517	1 517
Liquid assets	3 164	3 164	4 545	4 545	6 626	6 626
Total	26 923	26 923	29 988	29 988	37 429	37 429
Financial liabilities						
Accounts payable and other liabilities	188	188	633	633	643	643
Total	188	188	633	633	643	643

The table shows the fair values and book values of financial assets and liabilities per balance sheet item. The assessment principles of fair values are presented in the accounting principles. The original book value of accounts receivable and accounts payable corresponds to their fair value, as the impact of discounting is not essential taking into account the maturity of the receivables and liabilities.



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

	30 June 2017		30 June 2016		31 Dec. 2016	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Available-for-sale financial assets						
Private equity fund investments	-	20 520	-	22 033	-	19 209
Financial securities	2 135	-	3 007	-	10 076	-
Total	2 135	20 520	3 007	22 033	10 076	19 209

Level 3 reconciliation – Available-for-sale financial assets:

1-6/2017	Private equity fund investments
Opening balance on 1 Jan. 2017	19 209
Calls	1 670
Returns	-1 297
Impairment loss	-30
Change in fair value	968
Closing balance on 30 June 2017	20 520

1-6/2016	Private equity fund investments
Opening balance on 1 Jan. 2016	22 456
Calls	1 732
Returns	-1 521
Impairment loss	-205
Change in fair value	-429
Closing balance on 30 June 2016	22 033

1-12/2016	Private equity fund investments
Opening balance on 1 Jan. 2016	22 456
Calls	2 414
Returns	-4 328
Impairment loss	-305
Change in fair value	-1 028
Closing balance on 31 Dec. 2016	19 209

Level 1 comprises liquid assets the value of which is based on quotes in the liquid market. A market where the price is easily available on a regular basis is regarded as a liquid market.

The fair values of level 3 instruments are based on the value of the fund according to the management company of the fund and their use in widely used valuation models. Private equity fund investments are valued in accordance with a practice widely used in the sector, International Private Equity and Venture Capital Guidelines. The impairment losses of private equity fund investments are based on the management's assessment, as described in the principles for preparing the financial statements. During the period under review, no transfers took place between the levels of the fair value hierarchy.



PRIVATE EQUITY FUND INVESTMENTS, EUR 1 000

	Market value		Acquisition cost		Unrealised value change*	
	30.6.17	31.12.16	30.6.17	31.12.16	30.6.17	31.12.16
Funds managed by eQ:						
Funds of funds:						
eQ PE IX US LP	0	-	0	-	0	-
eQ PE VIII North LP	619	182	658	208	-39	-26
eQ PE VII US LP	448	219	545	269	-97	-50
eQ PE VI North LP	1 244	818	1 309	909	-66	-91
Amanda V East LP	3 542	2 730	3 623	3 187	-81	-457
Amanda IV West LP	2 924	3 020	2 336	2 515	589	505
Amanda III Eastern PE LP	5 767	6 115	5 428	5 748	339	368
Eur Fund Inv. LP (EFI II)	176	197	267	337	-91	-140
Total	14 718	13 281	14 164	13 172	554	110
Funds managed by others:						
Large buyout funds	2 394	2 945	2 389	2 907	5	38
Midmarket funds	2 402	1 879	2 155	2 195	247	-315
Venture funds	1 006	1 104	975	1 066	31	37
Total	20 520	19 209	19 683	19 340	837	-131

*Unrealised value change before taxes

REMAINING INVESTMENT COMMITMENTS OF PRIVATE EQUITY FUNDS, EUR 1 000

	Investment commitment	
	30.6.17	31.12.16
Funds managed by eQ:		
Funds of funds:		
eQ PE IX US LP	880	-
eQ PE VIII North LP	2 342	2 792
eQ PE VII US LP	2 109	2 558
eQ PE VI North LP	1 401	1 860
Amanda V East LP	1 024	1 460
Amanda IV West LP	609	603
Amanda III Eastern PE LP	331	316
Eur Fund Inv. LP (EFI II)	35	35
Total	8 731	9 624
Funds managed by others:		
Large buyout funds	237	224
Midmarket funds	1 212	1 217
Venture funds	12	115
Total	10 191	11 180



MARKET VALUE OF PRIVATE EQUITY FUND INVESTMENTS BASED ON THE YEAR OF ESTABLISHMENT, EUR 1 000

	30.6.17	31.12.16
-2000	496	530
2001-2005	1 382	1 527
2006-2010	16 331	15 934
2011-	2 310	1 219
Total	20 520	19 209

REMAINING INVEST COMMITMENTS OF PRIVATE EQUITY FUND INVESTMENTS BASED ON THE YEAR OF ESTABLISHMENT, EUR 1 000

	30.6.17	31.12.16
-2000	12	115
2001-2005	742	742
2006-2010	2 705	3 113
2011-	6 732	7 210
Total	10 191	11 180



SEGMENT INFORMATION, EUR 1 000

1-6/17	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	16 086	2 344	-	-		18 430
From other segments	100	-	-	-	-100	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	1		1
Net income from available-for-sale financial assets	-	-	404	89		492
Other operating income	-	-	-	-		-
From other segments	-	-	-	38	-38	-
Operating income, total	16 186	2 344	404	128	-138	18 924
Fee and commission expenses	-146	-	-	-4		-150
To other segments	-	-	-100	-	100	-
Interest expenses	-	-	-	0		0
NET REVENUE	16 040	2 344	304	124	-38	18 774
Administrative expenses						
Personnel expenses	-6 263	-1 201	-	-447		-7 911
Other administrative expenses	-813	-183	-	-117	38	-1 075
Depreciation on tangible and intangible assets	-118	-11	-	-11		-141
Other operating expenses	-653	-130	-	-174		-957
OPERATING PROFIT (LOSS)	8 192	820	304	-626	0	8 690
Income tax				-1 832		-1 832
PROFIT (LOSS) FOR THE PERIOD				-2 458		6 858

1-6/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	12 054	5 782	-	-		17 836
From other segments	150	-	-	-	-150	-
Net income from foreign exchange dealing	-	-	-	0		-
Interest income	-	-	-	2		2
Net income from available-for-sale financial assets	-	-	636	0		636
Other operating income	1	-	-	-		1
From other segments	-	-	-	38	-38	-
Operating income, total	12 205	5 782	636	40	-188	18 475
Fee and commission expenses	-93	-	-	-6		-99
To other segments	-	-	-150	-	150	-
Interest expenses	-	-	-	0		0
NET REVENUE	12 112	5 782	486	34	-38	18 376



1-6/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Administrative expenses						
Personnel expenses	-5 056	-2 434	-	-458		-7 948
Other administrative expenses	-750	-174	-	-137	38	-1 023
Depreciation on tangible and intangible assets	-317	-10	-	-15		-342
Other operating expenses	-671	-136	-	-180		-987
OPERATING PROFIT (LOSS)	5 318	3 028	486	-756	0	8 076
Income tax				-1 692		-1 692
PROFIT (LOSS) FOR THE PERIOD				-2 448		6 385

4-6/17	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	8 072	1 100	-	-		9 173
From other segments	50	-	-	-	-50	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	1		1
Net income from available-for-sale financial assets	-	-	241	89		330
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	8 122	1 100	241	109	-69	9 504
Fee and commission expenses	-78	-	-	-2		-80
To other segments	-	-	-50	-	50	-
Interest expenses	-	-	-	0		0
NET REVENUE	8 045	1 100	191	107	-19	9 423
Administrative expenses						
Personnel expenses	-3 085	-578	-	-221		-3 884
Other administrative expenses	-397	-87	-	-76	19	-541
Depreciation on tangible and intangible assets	-54	-6	-	-6		-65
Other operating expenses	-327	-64	-	-96		-487
OPERATING PROFIT (LOSS)	4 182	365	191	-291	0	4 447
Income tax				-950		-950
PROFIT (LOSS) FOR THE PERIOD				-1 241		3 496



4-6/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	5 950	2 814	-	-		8 764
From other segments	75	-	-	-	-75	-
Net income from foreign exchange dealing	-	-	-	0		-
Interest income	-	-	-	-		0
Net income from available-for-sale financial assets	-	-	255	-		255
Other operating income	1	-	-	-		1
From other segments	-	-	-	19	-19	-
Operating income, total	6 026	2 814	255	21	-94	9 020
Fee and commission expenses	-48	-	-	-3		-51
To other segments	-	-	-75	-	75	-
Interest expenses	-	-	-	0		0
NET REVENUE	5 978	2 814	180	15	-19	8 969
Administrative expenses						
Personnel expenses	-2 454	-1 188	-	-219		-3 861
Other administrative expenses	-380	-94	-	-63	19	-517
Depreciation on tangible and intangible assets	-146	-6	-	-7		-159
Other operating expenses	-333	-64	-	-77		-475
OPERATING PROFIT (LOSS)	2 665	1 462	180	-350	0	3 957
Income tax				-824		-824
PROFIT (LOSS) FOR THE PERIOD				-1 174		3 134



1-12/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	25 530	7 905	-	-		33 434
From other segments	300	-	-	-	-300	-
Net income from foreign exchange dealing	-	-	-	0		-
Interest income	-	-	-	4		4
Net income from available-for-sale financial assets	-	-	2 194	-		2 194
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	25 830	7 905	2 194	81	-377	35 633
Fee and commission expenses	-203	-	-	-10		-213
To other segments	-	-	-300	-	300	-
Interest expenses	-	-	-	-1		-1
NET REVENUE	25 626	7 905	1 894	70	-77	35 418
Administrative expenses						
Personnel expenses	-10 192	-3 513	-	-868		-14 572
Other administrative expenses	-1 517	-348	-	-223	77	-2 012
Depreciation on tangible and intangible assets	-592	-24	-	-28		-644
Other operating expenses	-1 287	-283	-	-343		-1 914
OPERATING PROFIT (LOSS)	12 039	3 686	1 894	-1 392	0	16 227
Income tax				-3 395		-3 395
PROFIT (LOSS) FOR THE PERIOD				-4 787		12 832

The fee and commission income of the Asset Management segment from other segments comprises the management fee income from eQ Group's own investments in private equity funds. The corresponding expenses are allocated to the Investments segment. Under the item Other, income from other segments comprises the administrative services provided by Group administration to other segments and the undivided interest income and expenses. The item Other also includes the undivided personnel, administration and other expenses allocated to Group administration. The taxes not distributed to the segments are also presented under the item Other.

The highest operative decision-making body does not follow assets and liabilities at segment level, due to which the Group's assets and liabilities are not presented as divided between the segments.



SOLVENCY, EUR 1 000

	CRR 30 June 2017 eQ Group	CRR 31 Dec. 2016 eQ Group
Own capital	54 218	64 511
Common equity tier 1 (CET 1) before deductions	54 218	64 511
Deductions from CET 1		
Intangible assets	-29 447	-29 451
Unconfirmed profit for the period	-6 858	-12 832
Dividend proposal by the Board*	0	-5 657
Common equity tier 1 (CET1)	17 913	16 571
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	17 913	16 571
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	17 913	16 571
Risk-weights, total	114 880	119 286
of which credit risk	52 463	57 713
of which market risk - currency risk	5 932	5 088
of which operative risk	56 485	56 485
Common equity tier 1 (CET1) / risk-weights, %	15.6%	13.9%
Tier 1 (T1) / risk-weights, %	15.6%	13.9%
Total capital (TC) / risk weights, %	15.6%	13.9%
Minimum solvency ratio, %	38.9%	28.6%
Excess of total capital compared with the minimum level (8% solvency ratio)	8 723	7 028
Excess of total capital compared with the target level (12% solvency ratio)	4 128	2 257

*The dividend and equity repayment proposed by the Board exceeding the profit for the period.



GROUP KEY RATIOS

	30 June 2017	30 June 2016	31 Dec. 2016
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	6 858	6 385	12 832
Earnings per average share, EUR	0.19	0.17	0.35
Diluted earnings per average share, EUR	0.17	0.17	0.33
Equity per share, EUR	1.45	1.58	1.74
Equity per average share, EUR *)	1.46	1.58	1.75
Return on investment, ROI % p.a.	23.1	20.0	19.1
Return on equity, ROE % p.a.	23.1	20.0	19.1
Equity to assets ratio, %	83.1	85.1	84.7
Cost/income ratio, Group, %	53.6	54.9	53.0
Share price at the end of the period, EUR	8.10	5.62	8.11
Market value, EUR million	303.8	206.4	299.9
Personnel calculated as full-time resources at the end of the period	80	79	80

*) Weighted average number of shares outstanding.

eQ applies the guidelines of the European Securities and Markets Authority, ESMA on alternative performance measures. An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). eQ presents alternative measures in order to describe the financial development of its operations. The calculation principles and formulae of the key ratios are presented in the company's financial statements, which are available on the company website at www.eQ.fi. The key ratios presented by eQ can be directly calculated with the calculation formulae based on the information in the income statement, balance sheet and notes thereto.

REMAINING COMMITMENTS

On 30 June 2017, eQ's remaining investment commitments in private equity funds totalled EUR 10.2 million (EUR 11.2 million on 31 Dec. 2016). Other commitments at the end of the period totalled EUR 1.8 million (EUR 2.1 million on 31 Dec. 2016).