2006

Financial Statements and Report of the Board

2006

Contents

Report of the Board

1 January – 31 December 2006

Year 2006 in brief

Total income from operations	EUR 48.3 million (EUR 31.0 million)
Operating profit	EUR 18.7 million (EUR 6.3 million)
Net profit	EUR 16.7 million (EUR 7.4 million)
Earnings per share	EUR 0.50 (EUR 0.23)
Return on equity	24.5% (13.0%)
Board of Director's dividend proposal	EUR 0.40 per share (EUR 0.20)

Operating environment

The good economic trend was also reflected in the securities markets in 2006. The OMX Helsinki overall index representing the general level of prices increased by approximately 18% during the year, while the trading volume on the Helsinki Stock Exchange increased by 18% (24% in 2005). Securities brokerage has grown rapidly in recent years. In addition to the good economic conditions, the internationalisation of investing affects the increased activity. An increasing proportion of trading is carried out by foreign investors. According to eQ's estimate, approximately 20 to 25% of trading on the Helsinki Stock Exchange is attributable to Finnish investors.

The trading activity of Finnish private and institutional investors has increased in recent years, which is reflected as a clear increase in eQ's commissions and fee net revenues. However, the proportion of Finnish investors in total stock exchange trading has simultaneously decreased, which is reflected as a decrease in eQ's market share. Finnish investors prefer to trade through Finnish brokers, and according to our understanding, this will provide eQ with good preconditions for business in the next few years. The cornerstones of eQ's competitive advantage are the company's good local service, excellent trading tools and more comprehensive research on Finnish companies.

OMX launched the Nordic List in October. In line with our advance expectations, the list reform has had quite minor effects on Nordic trading at least in the initial phase.

Asset management services continued to grow rapidly in 2006. According to estimates, the investment assets of Finns will continue to grow by 6–7% annually. New investment alternatives and internationalisation also create increased need for professional asset management and various kinds of advisory services. These factors have resulted in strong growth within the industry. The total assets of mutual funds registered in Finland increased by 35.5% to EUR 61 billion during the year.

M&A activity was record breaking in 2006 both in Europe and globally. The number of transactions in Finland was also high. Furthermore, the number of new companies listed on the Helsinki Stock Exchange increased during the year but compared to the other Nordic countries, six new companies is still a small number. Market activity was positively affected by the activity of private equity investors on both buying and selling side, as well as good availability of funding despite the increase in interest rates.

The volume of real estate transactions in Finland reached an all-time high in 2006. In addition to increased presence, the growth of volume is also explained by the fact that interest has spread from major commercial centres and the Helsinki region to other parts of Finland and different types of properties, such as industrial premises.

Outsourcing of IT services is still growing. Two trends were characteristic for outsourcing in 2006. In blue-chip companies the outsourcing was more selective and they seek the best provider in highly specialised services. Additionally, medium- and small-sized companies have started to buy sophisticated IT services. In addition to this, the growing e-business sector and the increasingly critical role of communications and technology create demand for high usability IT services.

Net revenues and profit

All business units within eQ Group (Securities Brokerage, Asset Management, Corporate Finance and Hosting services) strongly increased their net revenues in 2006. The consolidated net revenues from operations increased by 56% to EUR 48.3 million (EUR 31.0 million). The Group's costs increased by 19.9% to EUR 29.6 million (EUR 24.7 million). Most of the increase was due to bonuses paid on the basis of improved profitability.

The strong increase in consolidated net revenues and a clearly smaller increase in costs resulted in that the operating profit increased by 196% from the previous year's EUR 6.3 million to EUR 18.7 million. The net profit for the period amounted to EUR 16.7 million (EUR 7.4 million).

The increase in net revenues was affected by increases in the number of customers, customer activity and managed assets, as well as lively stock exchange trading during the first half of the year. Also, the activity in the corporate finance business was very high during the entire year with regard to mergers and acquisitions as well as major real estate transactions.

Return on equity (ROE) was 24,5% (13.0%). Earnings per share were EUR 0.50 per share (EUR 0.23 per share). Equity per share was EUR 2.18 (EUR 1.89). The operation cost to earnings was 0.6 (0.8).

The number of customers continued to increase clearly during the financial year. eQ had approximately 46,200 customers at the end of December, which is 9% more than at the end of December 2005.

The balance sheet total was EUR 627.1 million (EUR 540.4 million). Consolidated balance sheet liabilities totalled EUR 553.5 million (EUR 477.4 million), of which EUR 435.8 million (EUR 369.8 million) were customer deposits. The Group's shareholders' equity at the end of the financial period was EUR 73.6 million (EUR 63.1 million), while the capital adequacy ratio after the planned dividend distribution was 18.9 % (17.1%), over 10 percentage points above the 8% minimum set by the authorities.

Deferred tax assets

In previous years, the Group has recognised EUR 3.4 million of deferred tax assets on unutilised tax losses carried forward. This tax asset has been reduced by EUR 1.8 million on the basis of the profit and the income taxes for 2006, which is reflected as a tax expense in the net revenues statement. The booking has no cash flow effect.

After the booking, EUR 1.6 million of deferred tax assets remain in the balance sheet. This corresponds to the full amount of remaining tax-deductible losses (EUR 6.2 million). According to the Board of Directors' estimate, income taxes corresponding to this tax deduction allowance will be generated in the future, which means that the deduction allowance can be utilised in full.

Investments

Investments in 2006 amounted to a total of EUR 12.8 million (EUR 1.5 million), of which EUR 9.5 million were directed to acquisitions and EUR 1.6 million to the investments in the second data center of Xenetic.

Based on the agreement between eQ Corporation and Advium Partners Ltd on November 2, 2004, the sellers of Advium are entitled to an additional purchase price during November 1, 2004 – December 31, 2007. An additional purchase price, based on the profitability Advium has achieved, has been booked totalling EUR 2.8 million. The final additional purchase price will be determined based on the results of Advium's business operations during 2007.

Acquired businesses

eQ Corporation's subsidiary eQ Bank Ltd bought the entire share capital of Fides Asset Management on 29 December 2006. Fides is a Finnish investment services group established in 1997. The customers of Fides consist mainly of domestic institutional investors and approximately 1,000 private investors. Fides had approximately EUR 531 million of customer assets under management (29 December 2006). The purchase price was EUR 6.4 million, paid entirely in cash.

The acquisition substantially strengthens eQ's asset management and mutual fund business and increases eQ's assets under management to approximately EUR 1.5 billion. Assets under management include deposits, discretionary asset management and mutual funds. There is partial overlap between discretionary asset management and mutual funds. The acquisition makes eQ Bank into a significant Finnish asset manager. eQ's position will be strengthened particularly as an institutional asset manager.

Capital adequacy

At the end of December 2006 the group capital adequacy ratio was 27.2%. If the dividend will be distributed according to the board's proposal, the capital adequacy ratio will be 18.9%.

As of 2007 the requirement of capital adequacy for banks has been changed. The new capital adequacy requirement is divided into three pillars. Pillar I adjusts the calculation of minimum regulatory capital and capital adequacy ratio.

Pillar II requires banks to have a process for assessing the overall capital requirements in relation to the bank's risk profile and includes a qualitative evaluation of internal control and risk management. Pillar III defines the disclosure requirements regarding risk and capital adequacy. The new regulations also set minimum capital requirements for operational risks.

The Board of Directors of eQ Corporation has approved a new strategic capital management plan, which outlines risk-based capital requirements and capital adequacy. Furthermore the plan also defines the objectives for Tier 1 capital and the

Capital adequacy

EUR 1 000	31 Dec. 2006	31 Dec. 2005	31 Dec. 2004	31 Dec. 2003	31 Dec. 2002
Own funds					
Tier I	30,813	33,537	30,755	32,727	32,515
Tier II	0	12	53	0	0
Deductions	0	0	-14	0	0
Own funds, total	30,813	33,549	30,794	32,727	32,515
Risk-weighted items, total	163,054	196,276	135,210	93,557	64,953
Capital adequacy ratio, %	18.9	17.1	22.8	35.0	50.1

overall capital mix as well as sets the internal goals for the capital adequacy ratio.

In addition to the minimum regulatory capital, the Board of Directors of eQ Corporation has decided to maintain a risk buffer. The Board estimates that this risk buffer will ensure that eQ Corporation will be able to continue its operations even in exceptionally poor market conditions without major disturbances.

Based on regulatory capital requirements and an analysis of risk-based capital requirements, the Board has decided that the internal target for the capital adequacy ratio of eQ Corporation is 12 per cent. The capital adequacy ratio may temporarily vary from the target level, but it may not fall below 10 per cent. The target level corresponds to the regulatory minimum of eight per cent plus an additional risk buffer of 50 per cent.

Personnel

eQ Group employed 170 people at the end of the year (142 people on 31 December 2005). The numbers include all permanent employees and all fixed-term employment relationships that have lasted for at least 6 months. 22% of the personnel worked in securities brokerage, 26% in asset management, 7% in corporate finance services and 9% in hosting services. The rest worked in various administrative and support tasks. The average number of personnel in 2006 was 150 (141).

RISK MANAGEMENT

Risk management organisation and principles

The Board of Directors of eQ Corporation is in charge of the risk management strategy and principles, and responsible for managing of risks that compromise the achievement of strategic targets.

The management of eQ Bank is responsible for carrying out risk management in accordance with principles confirmed by the Board of Directors. The task of the bank's management is to evaluate the risks related to the operations regularly, to define the necessary supervision measures and to evaluate the success of risk management.

An independent risk control unit is responsible for the control of daily operations. The risk management unit operates under the CEO of eQ Corporation and reports to the managing director of eQ Bank, the Board of eQ Bank and to the Board of eQ Corporation.

Internal audit monitors and assesses the adequacy, functionality and appropriateness of the Group's risk management and internal controls. The internal audit has been outsourced to Tuokko Tilintarkastus Oy, which audits business units according to an annual plan approved by the Board.

Risk management is a part of eQ Group's internal controls. The purpose of risk management is to ensure that risks related to business operations are identified and monitored. The principle of risk management is managed and controlled risk-taking in accordance with the targets defined for the business operations. Risk management methods include approval procedures, limits, task descriptions and internal guidelines, the diversification of tasks, training, efficient processes, backup arrangements and insurance.

No material risks for the Group were realised in 2006, and no litigations or other legal actions to any similar effect were pending.

Risk categories

The risks of eQ Corporation's operations are categorised into strategic risks, property and liability risks, financial risks and operational risks. Based on this categorisation, risks are assessed and anlysed annually and the acceptable risk limits and control measures are defined accordingly.

Strategic risks

According to eQ Corporation's management, the strategic or business risks most crucial for the company are external factors such as competitors' actions, variation in demand or legislative changes. The aim is to manage business-related risks through a flexible long-span business strategy that is reviewed and updated in connection with annual planning.

Property and liability risks

Measures have been taken to protect eQ Corporation's property by strictly limited access rights and camera surveillance, as well as by ensuring the safety of the data centre and its equipment against fire or water damage, for example. Risks that cannot be managed in-house are transferred to an external party through insurance. eQ Corporation is prepared for property, discontinuance and liability risks with, for example, a very comprehensive insurance policy.

Operational risks

Operational risks refer to the risk of loss resulting from factors such as inadequate or failed internal processes, personnel, systems or external factors. Operational risks are managed by measures such as developing internal processes, ensuring sufficient guidance and using collateral and insurance policies. Each business unit has made a contingency plan to ensure that the operations critical for business can be carried out regardless of external factors. The earnings impact of operational risks during the period has been minor.

Credit risks

eQ Group's credit risk arises mainly from the inability of counterparties to lending, investment and brokerage services to settle their payment obligations towards the company.

eQ Bank does not have any significant concentrations of credit risk as the bank's credit portfolio is distributed across a large customer base and the maximum amounts for individual loans are specifically determined. The credit issuance process is guided by the confirmed credit risk policy, decision-making authorities and guidelines.

eQ Bank does not grant credit without collateral. The Bank's Board of Directors has determined credit granting criteria and the required collateral values. Most of the credit granted by the bank constitutes loans and credit lines for the purpose of financing investment activities.

The credit granting process plays a central role in credit risk management. The assessment of creditworthiness and customer-specific maximum credit, decision-making and execution are separated from each other. Furthermore, the risk management and payment control units monitor granted credit and associated collateral daily. Collateral for lines of credit is monitored in real time and the bank is entitled to immediately liquidate the securities pledged by the customer if the situation so dictates.

In addition to lending, credit risk arises from treasury activities. The bank's treasury invests any excess liquidity from the company's deposit and lending operations in financial products issued by credit institutions and enterprises, such as commercial papers, certificates of deposit, bonds and bank deposits. The counterparty risk of the treasury operations is limited by counterparty-specific maximum amounts set by the company's Board of Directors and CEO.

In addition to the above, credit risk arises from eQ Bank's involvement in securities brokerage. eQ Bank has a right of lien to the cash assets and securities of its investment service customers. eQ Bank expects the amount of credit losses to remain very close to zero.

Market risks

Market risks refer to the effects of fluctuation in share prices, interest rates and foreign exchange rates on the company's earnings. Furthermore, market risks include the market liquidity risk that is materialised if financial instruments cannot be realised at market price when necessary. The company's market risk consists of balance sheet risks arising from customer business, the risks of trading operations and the market risks embedded in long-term investments. The trading unit of eQ Bank operates within the set limits according to the authorisation it has been granted, and the risk management unit monitors these limits on a daily basis.

Interest rate risk

The Group is exposed to interest rate risk due to a mismatch between interest rate sensitive assets and liabilities. This mismatch can be due to different maturities or different interest rate bases. If loans and other assets have longer maturities than funding transactions, an increase in the interest rate level leads to a loss for the bank. Interest rate risk is monitored by net interest rate sensitivity analysis subject to changes in the interest rates.

Interest rate risk in bank's customer operations is a result of deviations between the interest rate binding of deposits and lending. Interest rate risk within eQ Bank's customer business is minor because most deposits and lending have equal duration. Excess liquidity from deposits is primarily invested in securities having similar interest rate duration to that of deposits.

The company's trading and other investment operations are relatively limited, and the associated interest rate risk is monitored continuously. The company may use derivative instruments to reduce interest rate risks. The company's Board of Directors and CEO confirm the maximum limits for interest rate risk.

Interest rate risk is commonly measured using the GAP analysis that measures changes in the market values of assets and liabilities in case market interest rates change by one percentage point equally in all maturity classes.

Foreign exchange risk

The Group's funding and lending are entirely denominated in euros, and therefore the Group is not exposed to any substantial foreign exchange risks in the course of normal business. Any transactions arising from customer business are carried out without delay and do not create any foreign exchange positions for the Group. The foreign exchange positions of investment operations are monitored daily, and predetermined stop-loss limits are in force.

Equity risk

eQ Group's equity risk arises from the company's investment operations that include equities, equity funds and other investment vehicles with embedded equity risk (such as index-linked bonds) acquired for either trading purposes or long-term holdings. The company may use derivative instruments to reduce equity risk. The company's equity risk is controlled by the investment policy approved by the company's Board of Directors.

Liquidity risk

eQ Bank's treasury is responsible for managing the company's liquidity risk. It ensures that the bank's liquidity position is secured in all presumable circumstances. The fact that the company's customer business is focused on equity brokerage may impose substantial changes in the bank's customer deposits in the short term, due to which the company's assets are mainly invested in very liquid instruments. Liquidity requirements are monitored within the company on a daily bases.

Changes in corporate structure

eQ Bank's share of holding in eQ Capital Markets Ltd increased from 75% to 100 % in October.

The merger of eQ Corporation's subsidiary Advium Partners Ltd with eQ Bank Ltd was recorded in the Trade Register on 2 January 2006.

On 29 December 2006, eQ Corporation's subsidiary eQ Bank Ltd acquired the investment services group Fides consisting of Fides Asset Management Ltd and Fides Fund Management Ltd.

Board of Directors

The Board of Directors in 2006 comprised:
Georg J. C. Ehrnrooth, Chairman
Johan Horelli, Vice Chairman
Miika Varjovaara
Petteri Walldén
Timo Everi as of 29 March 2006
Antti Pankakoski as of 29 March 2006
Jari Puhakka until 29 March 2006

Chief Executive Officer

eQ Corporation's CEO is Antti Mäkinen.

Auditors

The company auditor is KPMG Oy Ab, and Sixten Nyman, Authorised Public Accountant, is the auditor with principal responsibility.

Events after the financial period

In December 2006, eQ Bank and the investment service company Ilmatar Asset Management Oy signed an agreement on jointly launching the international hedge fund Ilmatar Fund investing in Eastern Europe and Russia. In February 2007, eQ Corporation acquired 19% of Ilmatar Asset Management Oy. The rest of Ilmatar Asset Management Oy is held by the company's executive management.

Outlook

The revenues of the eQ Group as well as the profitability are very sensitive to the development of the equity and fixed income markets. In corporate finance business the revenues are highly dependent on receiving success fees as well as the timing of those. Due to these reasons the financial performance of eQ Group may fluctuate significantly between quarters. The financial performance of eQ Group has been exceptionally good during 2006 and especially during the last quarter of 2006.

The business cycle seems to be strong and the development of the equity market has been good during the beginning of 2007. This provides securities brokerage and asset management with a strong basis for 2007. In corporate finance services, a large portion of the mandates portfolio was finalised in 2006, which means that the unit's fee income in the beginning of 2007 is likely to be slightly lower compared to the first quarter of 2006.

Board of Directors' proposal for the distribution of profit

In October 2006, the Board of Directors confirmed a new strategic capital management plan based on the Basel II requirements, which have become applicable as of 1 January 2007. According to the capital management plan, the target is to maintain a risk buffer of 50% above the regulatory minimum. The target level for the capital adequacy ratio is thus 12%. The capital adequacy ratio may temporarily fall below the target level but it is not expected to fall below 10%.

The Group's shareholders' equity at the end of 2006 amounted to EUR 73.6 million (EUR 63.1 million). According to the current capital adequacy requirements the consolidated capital adequacy ratio would have been 27.2% provided that no dividends were distributed, a level well above the required minimum. The parent company's distributable funds are EUR 18.4 million or approximately EUR 0.54 per share.

The Board of Directors of eQ Corporation proposes to the Annual General Meeting that a dividend of EUR 0.40 per share would be distributed totalling EUR 13,485,379.60. Considering the Group's current capital adequacy requirements the capital adequacy ratio after the proposed dividend distribution would be 18.9%.

According to the Basel II framework, the Group's consolidated capital adequacy before any dividend distribution would be 19.2%. Considering the proposed dividend distribution, the Group's capital adequacy ratio would be 13.4%.

The application of the Basel II framework includes factors of uncertainty. Therefore, the Board of Directors will propose to the Annual General Meeting to authorise the Board of Directors to decide on a share repurchase programme of upto 1 000 000 shares (approximately 3.0 % of the equity capital). The details of the proposal will be presented in the invitation to the Annual General Meeting. This will give eQ a possibility of adjusting the amount of equity capital, when the Group has more experience of the application of Basel II regulations.

Financial indicators and per-share indicators

	2006 IFRS	2005 IFRS	2004 IFRS	2003 FAS	2002 FAS
Return on equity, %	24.5	13.0	5.2	0.4	-5.1
Return on assets, %	2.9	1.6	0.7	0.1	-1.8
Equity to assets ratio, %	11.7	11.7	12.4	15.5	20.4
Operating costs to earnings ratio	0.6	0.8	0.9	1.0	1.1
PER-SHARE INDICATORS					
Earnings per share (EPS), EUR	0.5	0.2	0.1	0.0	-0.1
Equity per share, EUR	2.2	1.9	1.6	1.4	1.4
Price/earnings ratio	9.7	10.9	22.9	225.0	-18.8
Lowest price in public trading, EUR	2.5	1.8	1.8	1.4	1.0
Highest price in public trading, EUR	5.0	2.6	3.0	2.5	1.8
Average price for the period, EUR	3.5	2.2	2.4	1.7	1.5
Market value, EUR million	163.2	83.5	64.3	59.6	38.7
Trading volume, number of shares	13,898,464	8,654,186	11,435,241	8,463,392	6,485,343
Trading volume in relation to average number of shares, %	41.4	27.6	41.9	32.5	25.1
Average weighted number of shares adjusted for share issues	33,559,020	31,401,110	27,301,303	26,066,062	25,826,884
Number of shares at the end of financial period adjusted for share issues	33,713,449	33,397,384	31,327,384	26,740,884	25,826,884

Calculation of indicators

Return on equity, %	$\dfrac{\text{(net operating profit/loss – taxes) x 100}}{\text{equity capital + minority interest (average between beginning and end of year)}}$
Return on assets, %	$\dfrac{\text{(net operating profit/loss – taxes) x 100}}{\text{average balance sheet total (average between beginning and end of year)}}$
Equity to assets ratio, %	$\dfrac{\text{(equity capital + minority interest) x 100}}{\text{balance sheet total}}$
Operating costs to earnings ratio	administrative expenses + depreciation and impairment of tangible and intangible assets + other operating expenses / net interest income + net commission income + impairment of receivables + net income from financial instruments held for trading + net income from financial assets available for sale + net income from foreign exchange dealing + other operating income + share of associated companies' results
Profit per share	$\dfrac{\text{net operating profit/loss – taxes + minority interest}}{\text{average number of shares adjusted for share issues}}$
Equity per share, EUR	$\dfrac{\text{equity + minority interest}}{\text{number of shares at the end of financial period adjusted for share issues}}$
Price/earnings ratio	$\dfrac{\text{last trading price for the financial period adjusted for share issues}}{\text{profit per share}}$
Market value, EUR million	number of shares x last trading price for the financial period

Consolidated balance sheet, IFRS

EUR 1 000	Notes	31 Dec. 2006	31 Dec. 2005
ASSETS			
Liquid assets		40	38
Receivables from credit institutions	4.	91 508	116 339
Financial instruments held for trading purposes	5. & 6.	189 188	79 658
Financial assets available for sale	7.	168 216	190 134
Receivables from the public and public sector entities	4.	54 866	35 327
Investments in associates	8.	30	77
Intangible assets	10.	27 745	19 409
Tangible assets	11.	4 699	2 956
Other assets	9.	89 198	92 852
Deferred tax assets	24.	1 661	3 625
TOTAL ASSETS		**627 150**	**540 415**
EQUITY AND LIABILITIES			
LIABILITIES			
Liabilities to credit institutions	12.	90	1 768
Liabilities to the public and public sector entities	12.	435 833	369 815
Derivative financial instruments and other liabilities held for trading	5. & 6.	15 571	9 026
Other liabilities	13.	101 018	96 044
Deferred tax liabilities	24.	993	699
TOTAL LIABILITIES		**553 505**	**477 351**
EQUITY CAPITAL			
Share capital	28.	5 731	5 678
Share premium account		48 675	48 144
Reserve fund		2 106	2 106
Fair value reserve	7.	0	9
Retained earnings		17 131	7 023
Total equity attributable to equity holders of the parent company		73 644	62 960
Minority interest		0	103
TOTAL EQUITY		**73 644**	**63 063**
TOTAL EQUITY AND LIABILITIES		**627 150**	**540 415**

Consolidated income statement, IFRS

EUR 1 000	Notes	1 Jan.–31 Dec. 2006	1 Jan.–31 Dec. 2005
Interest income	15.	14 075	8 049
Interest expenses	15.	-8 762	-4 877
Net interest income		**5 312**	**3 171**
Fee and commission income	16.	43 293	27 499
Fee and commission expenses	16.	-6 059	-5 728
Net fee and commission income		**37 233**	**21 771**
Impairment of receivables	17.	10	1
Net income from financial assets held for trading	5.	2 393	3 182
Net income from available-for-sale financial assets	7.	377	412
Net income from foreign exchange dealing		59	34
Other operating income	18.	2 901	2 424
Total income		48 285	30 996
Administrative expenses			
Staff costs	19.	-15 893	-12 416
Other administrative expenses	20.	-9 360	-8 568
Total administrative expenses		**-25 252**	**-20 984**
Depreciation and write-downs on tangible and intangible assets	21.	-2 349	-2 070
Other operating expenses	22.	-1 917	-1 588
Share of associated companies' results	8.	-47	-23
Net operating profit		**18 720**	**6 331**
Income taxes	23.	-2 007	1 112
Profit for the financial year		**16 713**	**7 442**
Attributable to:			
Equity holders of the parent company		16 765	7 507
Minority interests		-52	-65
Earnings per share (basic) for shareholders of the parent company	25.	0,50	0,23
Earnings per share (diluted) for shareholders of the parent company	25.	0,50	0,23

Consolidated cash flow statement, IFRS

EUR 1 000	1 Jan.–31 Dec. 2006	1 Jan.–31 Dec. 2005
Cash flow from operating activities		
Net operating profit	18 720	6 331
Adjustments:		
Depreciation and amortization	2 349	2 070
Unrealised gains and losses	-1 074	-513
Share of associated companies' results	47	23
Employee benefits	23	37
Other adjustments	-111	-13
Change in working capital		
Shares and derivatives held for trading purposes	14 407	-15 991
Short term receivables	2 537	-33 722
Short term liabilities	2 228	33 315
Income taxes paid	-44	-26
Cash flow from operating activities	**39 083**	**-8 489**
Cash flow from investing activities		
Investments in intangible and tangible assets	-3 351	-1 283
Acquisitions of subsidiaries	-5 446	-124
Investment in associates	0	-400
Other investments	-164	0
Cash flow from investing activities	**-8 960**	**-1 807**
Cash flow from financing activities		
Share issue	585	4 324
Payment of dividend	-6 678	0
Cash flow from financing activities	**-6 093**	**4 324**
Change in cash and cash equivalents	24 029	-5 972
Cash and cash equivalents at Jan 1.	24 546	30 518
Cash and cash equivalents at the end of the period	48 575	24 546
Change in cash and cash equivalents	**24 029**	**-5 972**

Consolidated statement of changes in equity, IFRS

EUR 1 000	Share capital	Share issue	Share premium account	Reserve fund	Fair value reserve	Retained earnings	Minority interests	Total equity capital
Equity capital 1.1.2006	5 678	0	48 144	2 106	9	7 023	103	63 063
Subscription with the option rights	54		531					585
Financial instruments					-9			-9
Equity compensation plans						23		23
Distribution of dividend						-6 679		-6 679
Profit for the period						16 765	-52	16 713
Minority interests							-51	-51
Equity capital 31 Dec. 2006	**5 731**	**0**	**48 675**	**2 106**	**0**	**17 131**	**0**	**73 644**

EUR 1 000	Share capital	Share issue	Share premium account	Reserve fund	Fair value reserve	Retained earnings	Minority interests	Total equity capital
Equity capital 1.1.2005	5 306	174	44 202	2 106	39	-521	13	51 320
Subscription with the option rights	20	-174	154					0
Financial instruments					-30			-30
Equity compensation plans						37		37
Management’s share subscription	352		3 788					4 140
Profit for the period						7 507	-65	7 442
Minority interests							155	155
Equity capital 31 Dec. 2005	**5 678**	**0**	**48 144**	**2 106**	**9**	**7 023**	**103**	**63 063**

Accounting policies of the consolidated financial statements

The Group's parent company, eQ Corporation, is a Finnish public limited company. These are eQ's first consolidated financial statements to be prepared under the IFRS (International Financial Reporting Standards) and in compliance with the IAS (International Accounting Standards) and IFRS valid at 31 December 2006, together with the interpretations of the SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee). In addition, IFRS 7 (Financial instruments: Disclosures) standard and changes to IAS 1 (Presentation of Financial Statements) standard have been complied. Copies of the financial statements can be obtained from the address Mannerheiminaukio 1 A, FI-00100 Helsinki.

Consolidation principles

The consolidated financial statements consist of eQ Corporation and its directly or indirectly owned subsidiaries in which the parent company exercises control. Control arises when the Group holds half of the voting power or otherwise has the right to control a company's financial and business policies in order to gain benefit from its operations. Subsidiaries are consolidated from the moment when the control over them has been arisen.

Investments in associates, in which eQ Corporation holds 20–50% of the total votes, have been consolidated by the equity method. Investments are recognised at original cost, and thereafter the accounts are adjusted by changes in eQ's share of the associate's net assets. If eQ's share of an associate's loss equals or exceeds the investment's carrying amount, the investment is recognised in the balance sheet as having no value, and any losses exceeding it are not recognised, unless the Group has obligations related to the associate.

Mutual shareholdings are eliminated by the purchase method. All intra-group transactions and intra-group balances are eliminated in full. The division of the financial year's profit between the parent company's equity holders and minority interests is presented in the income statement, and the share of equity attributable to minority interests is presented as a separate balance sheet item under "Equity".

Foreign currency denominated items

Foreign currency transactions are recognised in euros at the exchange rate of the transaction date. Assets and liabilities outstanding at the close of the financial year are translated into euros at the exchange rate of the transaction date.
Net exchange gains and losses are presented in the financial statements under "Net income from foreign exchange dealing".

Financial instruments

IFRS 7(Financial instruments: Disclosures) standard has been complied in the financial statements. IFRS 7 has no effect on measurement principles of financial instruments.

Financial assets are classified as financial assets held for trading, available-for-sale financial assets and loans and other financial assets. Purchases and sales are recognised as per the transaction date.

Financial assets held for trading are recognised at purchase price and subsequently measured at market price. Unrealized revaluation is recognised in the result under "Net income from financial assets held for trading".

Derivative instruments are recognised at purchase price and subsequently measured at the most probable replacement cost in compliance with broadly accepted measurement principles.

Available-for-sale financial assets are initially measured at purchase price and subsequently at market price (fair price). Non quoted instruments are however always measured in their purchase price less possible impairment losses. The market prices of fund units are obtained directly from active markets. The market prices of other available-for-sale financial assets are obtained by discounting future cash flows to the balance sheet date, 31 December, by applying a straight-line interpolation of the Euribor rate for the corresponding period. Unrealized value increases are recognised directly in equity under "Fair value reserve". Unrealized impairment is recognised through profit or loss under: "Net income from available-for-sale financial assets".

The financial assets that are classified as loans and receivables class are measured at amortised cost with the effective interest method. Impairment is recognised through profit or loss.

No financial assets have been classified under investments held until maturity.

No hedge accounting under IAS 39 (Financial Instruments: Recognition and Measurement), has been applied. Changes in the fair values of derivative financial instruments are recognised through profit or loss under "Net income from financial assets held for trading".

Financial liabilities consist of liabilities held for trading and are measured at market price (fair value).

Cash and cash equivalents

The Group's cash and cash equivalents consist of cash, loans and advances to credit institutions, financial instruments (bonds) held for trading purposes, available for sale financial assets (certificate of claims and fund units). For the purposes of the cash flow statement, items received and paid on behalf of customers are offset. Cash flow statement is presented using the indirect method.

Other assets and liabilities

The business segments' short-term trade receivables and other receivables from customers are recognised under other assets. Additionally, short-term receivables from customers and clearing houses originating from securities brokerage are recognised in other assets. Brokerage receivables form the majority of other assets. Other assets are measured at purchase price.

The business segments' short-term trade payables and other liabilities to customers are recognised in other liabilities. Additionally, short-term payables to customers and clearing houses originating from securities brokerage are recognised in other liabilities. Brokerage liabilities form the majority of other liabilities. Other liabilities are measured at purchase price.

Intangible and tangible assets

Intangible and tangible assets are recognised in the balance sheet at original cost less accumulated depreciation and impairment. Assets are depreciated on a straight-line basis during their estimated useful life. The depreciation periods for intangible and tangible assets are as follows:

Machinery and equipment	4 – 5 years
Intangible assets	4 – 10 years
Hosting business hardware	10 years

Goodwill is that portion of the purchase cost that exceeds the Group's share of the fair value of an acquired company's net assets at the acquisition date. In accordance with an exemption allowed by IFRS 1, business combinations made before the transition date, 1 January 2004, have not been adjusted to comply with the IFRS. Instead, their goodwill corresponds to the book value under the previously applied accounting policies, which is used as the deemed cost.

Goodwill is not depreciated according to plan, but is tested annually for impairment. A goodwill impairment test is also made when its value has probably decreased due to changed circumstances. The recoverable amount is defined for the segments to which the goodwill has been allocated. If the recoverable amount is smaller than the segment's carrying amount, the impairment is entered in the income statement.

Intangible assets recognised separately from goodwill (identifiable intangible assets) are entered in the balance sheet at fair values (value in use) and are depreciated during their useful life. Identifiable intangible assets are not necessarily included in the balance sheet of the company acquired/disposed of, but their fair values must, in accordance with IAS 38 (Intangible Assets), be reliably determinable, based on a contract or law, and they must be identifiable. Fair values are determined for identifiable intangible assets by using a valuation technique selected case-specifically. eQ has applied valuation techniques based on discounted cash flows.

Tangible assets recognised in the consolidated balance sheet in conjunction with business combinations have been measured at fair value, based on the appraisals of relevant industry experts. The appraisals are based on prevailing market prices.

Impairment
At each balance sheet date, the Group assesses whether there are any indications of the impairment of an asset. If such indications exist, the recoverable amount of the asset in question is assessed. In addition, goodwill and assets with unlimited useful life are tested annually regardless of whether there are indications of impairment.

The recoverable amount is the asset's fair value less the costs of disposal or its value in use, whichever is higher. Value in use means the estimated net cash flows obtainable from the asset in the future. The recoverable amount of financial assets is either their fair value, or the present value of expected future cash flows discounted at the original effective interest rate. An impairment loss is recognised when the asset's carrying amount is larger than the recoverable amount.

An impairment loss is immediately recognised as an expense in the income statement. An impairment loss will be reversed, if the recoverable amount has changed from the impairment loss entry date. However, the reversal of an impairment loss shall not exceed the asset's carrying amount without the recognised impairment loss. Goodwill impairment is not revoked under any circumstances.

The goodwill impairment test required by the first-time adoption standard was performed on the IFRS transition date, 1 January 2004.

Bad and doubtful debts are recognised in the income statement as an expense under "Write-down of loans and advances" and are deducted from the carrying amount of the appropriate loans and advances category. Items previously entered in bad and doubtful debts, but successfully recovered later, are entered as a decrease in bad and doubtful debts.

Leases
Leases that transfer substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases, in accordance with IAS 17 (Leases). Finance leases are entered under tangible assets in the balance sheet less accumulated depreciation. Liabilities related to finance leases are recognised under other liabilities in the balance sheet. Lease payments are recognised as interest expense and as a decrease in liabilities.

Operating leases are recognised in the income statement as a lease expense on a straight-line basis over the lease term.

Interest income and expenses
Interest income and expenses are recognised using effective interest method.

Fee and commission income
The Group's fee and commission income consists of brokerage commissions from customers, custody-based and return-based fees and commissions from funds, asset management fees and corporate finance fees. Brokerage commissions are recognised as income at the transaction date.

Other operating income and expenses
Income from hosting activities and income from other than the Group's actual business operations are recognised under "Other operating income".

Rent paid for premises, insurance payments, and supervision and membership fees are recognised under "Other operating expenses".

Income taxes
Accrual-based taxes determined from the Group companies' results and changes in deferred taxes are recognised under "Income taxes" in the consolidated financial statements. Taxes are adjusted by taxes related to previous financial years, if any.

Deferred taxes are recognised from taxable and deductible temporary differences between accounting and taxation in accordance with IAS 12 (Income Taxes). A deferred tax asset is recognised to the extent it is probable that future taxable income will accrue against which the temporary difference can be utilized. The most significant deferred tax asset consists of unused fiscal losses.

Pension plans
The Group's pension plans are funded by pension insurance. These are classified as defined contribution plans, and contributions made on their basis are recognised as an expense in the income statement of the financial year in which they are incurred.

Share-based payment

A fair value is determined for stock options at the time of their granting. The fair value of the stock options is amortized as personnel expenses over the vesting period. A corresponding amount is credited in equity against retained earnings. Since 24 March, 2004, eQ Group has had a valid share-based options program in accordance with IFRS 2 (Share-based Payment) that has been recognised as described above. Stock options whose subscription right arose prior to 1 January 2005 have not been treated in accordance with IFRS 2.

The fair value of stock options has been measured in accordance with the Black-Scholes formula.

Use of estimates in the financial statements

IFRS-compliant preparation of the financial statements requires the Group's management to make estimates and assumptions to a certain extent. Estimates have to be made for future cash flows and discount rates used in impairment tests and in allocation of cost of acquisition. These affect the values of reported balance sheet items and the income and expenses reported for the year. The final result may deviate from the estimates made. Such items in the balance sheet are goodwill both assets and liabilities from business combinations.

Provisions

A provision will be recognised as a liability, when there is a legal or an actual obligation, its realisation is probable and the amount can be accurately estimated.

Adoption of new IFRS-standards and interpretations

In 2009 eQ Group will adopt IFRS 8 (Operating Segments) standard.

Notes to the consolidated financial statements

1. Segment information

Segments
eQ Group's segment information is based on four business segments. The segment information reflects the operational organisation structure of the eQ Group. There are no geographical segments in the eQ Group.

Securities Brokerage Services
Securities brokerage services segment operates as securities broker for securities and derivatives on every major market in Finland and abroad. In addition to this, the segment provides investment analysis on Finnish and other Scandinavian companies.

The segment includes also a trading unit, which trades securities on its own account. The customers of this segment are companies and private investors. The net income comes mainly from brokerage commissions and trading profits.

Asset Management Services
Asset management services includes services in banking and asset management. The customers of the segment are private and institutional investors. The net income generates from banking and asset management activities.

Corporate Finance Services
Advium Corporate Finance provides advisory services for mergers and acquisitions and for large real estate transactions.

The customers of the segment are large or medium-sized Finnish companies and international companies, which have business interests in Finland. The net income comes from success fees and guidance fees.

Hosting Services
Hosting business provides high-usability IT services for small and medium sized companies. The net profit for hosting segment comes from monthly IT hosting fees. Hosting segment provides also hosting services to the eQ Group companies.

Business segments 2006

EUR 1 000	Securities Brokerage Services	Asset Management Services	Corporate Finance Services	Hosting Services	Elimination	Group
Sales, outside group	16 835	14 433	14 220	2 797		48 285
Sales, inside group				1 324	-1 324	
Net income	**16 835**	**14 433**	**14 220**	**4 121**	**-1 324**	**48 285**
Depreciation and write downs	-794	-634	-16	-905		-2 349
Share of associated companies' results	0	-47	0	0		-47
Net operating profit	3 445	4 755	10 464	56		18 720
Unallocated items						-2 007
Profit for the period						**16 713**
Assets allocated to segments	124 427	482 247	16 060	4 803	-2 078	625 459
Investments in associates		30				30
Unallocated assets						1 661
Total assets						**627 150**
Liabilities allocated to the segments	104 233	441 938	5 713	2 706	-2 078	552 512
Unallocated liabilities						993
Total liabilities						**553 505**
Investments	902	7 224	2 899	1 776		12 801

Business segments 2005

EUR 1 000	Securities Brokerage Services	Asset Management Services	Corporate Finance Services	Hosting Services	Elimination	Group
Sales, outside group	14 009	12 175	2 387	2 425		30 996
Sales, inside group				895	-895	
Net income	**14 009**	**12 175**	**2 387**	**3 320**	**-895**	**30 996**
Depreciation and write downs	822	606	107	535		-2 070
Share of associated companies' results	0	23	0	0	0	23
Net operating profit	861	3 909	1 153	468	-60	6 331
Unallocated items						1 112
Profit for the period						**7 442**
Assets allocated to segments	121 982	399 061	13 757	3 260	-1 401	536 659
Investments in associates	0	77	0	0	0	77
Unallocated assets						3 679
Total assets						**540 415**
Liabilities allocated to the segments	103 572	372 485	221	1 776	-1 401	476 652
Unallocated liabilities						699
Total liabilities						**477 351**
Investments	505	663	4	755		1 927

2. Acquired businesses

The share capital of Fides

eQ's fully owned subsidiary eQ Bank bought the entire share capital of Fides Asset Management on December 29, 2006.

Fides is a Finnish investment service group established in 1997.

The customers of Fides consist mainly of domestic institutional investors and approximately 1 000 private investors.

Fides' assets under management are approximately EUR 531 million (December 29th, 2006) including discretionary asset management and mutual funds.

The total purchase price was EUR 6,4 million and it was paid in cash. The acquisition cost included the purchase price, consultancy fees and transfer tax. The goodwill was EUR 4,9 million, which is mainly due to synergies between eQ Bank's and Fides' asset management businesses and positive cash flow expectations.

Approximately EUR 1,0 million was allocated from the acquisition cost to the largest customer contracts.

This asset will be depreciated over 10 years.

eQ Group's net revenues would have increased by EUR 2,4 million and the net profit would have increased by EUR 0,4 million, if Fides would have been consolidated to the eQ Group in the beginning of 2006. EUR 0,008 million has been recognised in eQ's consolidated profit for the financial year 2006 from Fides.

The following assets and liabilities were recognised:

EUR 1 000	Fair values used in combination	Carrying amounts before combination
Cash and cash equivalents	790	790
Financial assets	413	413
Identifiable intangible assets	1 005	0
Tangible assets	27	27
Deferred assets	419	419
Total assets	**2 654**	**1 649**
Deferred liabilities	744	744
Deferred tax liability	261	0
Total liabilities	**1 006**	**744**
Net assets	1 648	905
Acquisition cost	6 598	
Goodwill	4 950	
Purchase price	6 400	
Net financial assets	1 203	
Consultancy fees	96	
Stamp tax	102	
Total cash flow effect	**-5 395**	

3. Risk management

Risk management organisation and principles

The Board of Directors of eQ Corporation is in charge of the risk management strategy and principles, and responsible for managing risks that compromise the achievement of strategic targets.

The management of eQ Bank is responsible for carrying out risk management in accordance with principles confirmed by the Board of Directors. The task of the bank's management is to evaluate the risks related to the banking operations regularly, to define the necessary supervision measures and to evaluate the success of risk management.

An indipendent risk control unit is responsible for the control of daily operations. The risk management unit operates under the CEO of eQ Corporation and reports to the managing director of eQ Bank, the Board of eQ Bank and to the Board of eQ Corporation.

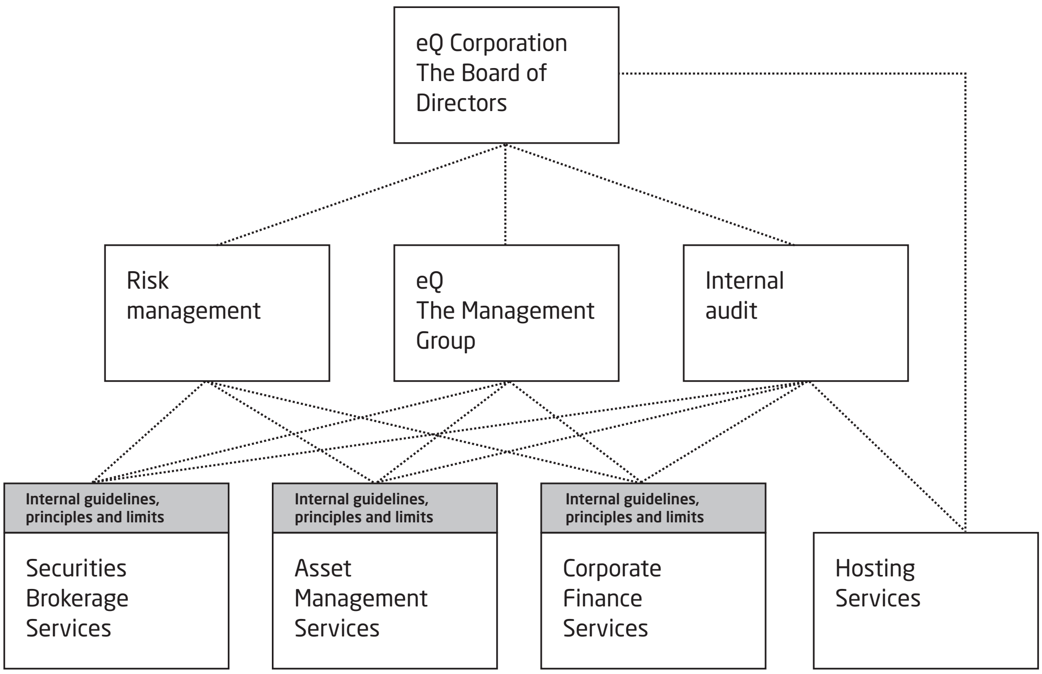
Internal audit monitors and assesses the adequacy, functionality and appropriateness of the Group's risk management and internal controls. The internal audit has been outsourced to Tuokko Tilintarkastus Oy, which audits business units according to an annual plan approved by the Board.

Risk management is a part of eQ Group's internal controls. The purpose of risk management is to ensure that risks related to business operations are identified and monitored. Risk management is continuous and systematic work that aims to ensure the fulfillment of the business strategy, stable and profitable economic growth, profit-earning capacity and the sufficiency of capital in relation to business risks.

The principle of risk management is managed and controlled risk-taking in accordance with the targets defined for the business operations. Risk management methods include approval procedures, limits, task descriptions and internal guidelines, the diversification of tasks, training, efficient processes, backup arrangements and insurance.

No material risks for the Group were realised in 2006, and no litigations or other legal actions to any similar effect were pending.

eQ Group's risk management organisation



eQ Group's capital adequacy 2002–2006

EUR 1 000	31 Dec. 2006	31 Dec. 2005	31 Dec. 2004	31 Dec. 2003	31 Dec. 2002
Own funds					
Tier I	30 813	33 537	30 755	32 727	32 515
Tier II	0	12	53	0	0
Deductions	0	0	-14	0	0
Own funds, total	**30 813**	**33 549**	**30 794**	**32 727**	**32 515**
Risk-weighted items, total	163 054	196 276	135 210	93 557	64 953
Capital adequacy ratio, %	18,9	17,1	22,8	35,0	50,1

Capital adequacy planning

eQ Group's capital adequacy planning observes the requirement that the minimum capital adequacy ratio set by eQ Corporation's Board of Directors must be achieved in all presumable circumstances. The Board's current requirement for the capital adequacy ratio (12%) is clearly higher than the regulation controlling credit institutions (Act on credit institution operations, chapter 9, 8%). Capital adequacy has been reported quarterly to the Financial Supervision Authority.

The Basel II capital adequacy reform requires that capital planning must be a part of the bank's strategy, and in addition to the previous capital requirements concerning credit risk and market risk, the capital requirement concerning operational risk will be accounted for. The Basel II capital adequacy framework will be introduced as of 1 January 2007. Implementation of Basel II capital adequacy accounting within eQ Group is addressed more extensively in the capital adequacy section within the Board of Directors' report. The previous capital adequacy framework remained in force for the year 2006. The development of capital adequacy is presented in table above.

Risk categories

The risks of eQ Corporation's operations are categorised into strategic risks, property and liability risks, financing risks and operational risks. Based on this categorisation, risks are assessed and analysed annually and the accetable risk limits and control measures are defined accordingly.

Strategic risks

According to eQ Corporation's management, the strategic or business risks most crucial for the company are external factors, such as competitors' actions, variation in demand or legislative changes. The aim is to manage business-related risks through a flexible long-span business strategy that is reviewed and updated in connection with annual planning.

Property and liability risks

Measures have been taken to protect eQ Corporation's property by strictly limited access rights and camera surveillance, as well as by ensuring the safety of the data centre and its equipment against fire or water damage, for example. Risks that cannot be managed in-house are transferred to an external party through insurance. eQ Corporation is prepared for property, discontinuance and liability risks with, for example, a very comprehensive insurance policy.

Operational risks

Operational risks refer to the risk of loss resulting from factors such as inadequate or failed internal processes, personnel, systems or external factors. Operational risks are managed by measures such as developing internal processes, ensuring sufficient guidance and using collateral and insurance policies. Each business unit has made a contingency plan to ensure that the operations critical for business can be carried out regardless of external factors. The earnings impact of operational risks during the period has been minor.

Financing risks

Credit risks

eQ Group's credit risk arises mainly from the inability of counterparties to lending, investment and brokerage services to settle their payment obligations towards the company.

eQ Bank does not have any significant concentrations of credit risk as the bank's credit portfolio is distributed across a large customer base and the maximum amounts for individual loans are specifically determined. The credit issuance process is guided by the confirmed credit risk policy, decision-making authorities and guidelines.

eQ Bank does not grant credit without collateral. The Bank's Board of Directors has determined credit granting criteria and the required collateral values. Most of the credit granted by the bank constitutes loans and credit lines for the purpose of financing investment activities.

The credit granting process plays a central role in credit risk management. The assessment of creditworthiness and customer-specific maximum credit, decision-making and execution are separated from each other. Furthermore, the risk management and payment control units monitor granted credit and associated collateral daily. Collateral for lines of credit is monitored in real time and the bank is entitled to immediately liquidate the securities pledged by the customer if the situation so dictates. The collateral value of securities is 66,67% of market value at maximum. Should the market value decrease, the limit will be reduced or additional collateral requested. The collateral for investment credit comprises the securities acquired on credit and held in pledged book-entry accounts.

In addition to lending, credit risk arises from treasury investment activities. The bank's treasury invests any excess liquidity from the company's deposit and lending operations in financial products issued by credit institutions and enterprises, such as commercial papers, certificates of deposit, bonds and bank deposits. The counterparty risk of the treasury operations is limited by counterparty-specific maximum amounts set by the company's Board of Directors and CEO.

In addition to the above, credit risk arises from eQ Bank's involvement in securities brokerage. eQ Bank has a right of lien to the cash assets and securities of its investment service customers. The limit or purchasing power of an investment service customer is based on customer assets in eQ Bank's custody. eQ Bank expects the amount of credit losses to remain very close to zero.

Financial assets by credit rating

EUR 1 000		**31 Dec. 2006**		**31 Dec. 2005**
Receivables from credit institutions		**91 508**		**116 339**
Financial instruments held for trading		**189 188**		**79 658**
Bonds		171 139		55 544
Financial and insurance institutions	148 755		44 275	
Enterprises	22 384		11 269	
Equities		9 034		14 723
Enterprises	7 614		10 907	
Financial and insurance institutions	1 420		3 816	
Derivative contracts		9 016		9 392
Financial assets available for sale		**168 216**		**190 134**
Mutual fund units		12 151		14 573
Debt securities		155 901		175 561
Public corporations	9 957		39 839	
Financial and insurance institutions	115 227		80 791	
Enterprises	30 717		54 931	
Unquoted investments		164		
Receivables from the public and public corporations		**54 866**		**35 327**
Financial and insurance institutions	6 243		2 803	
Enterprises	4 328		2 204	
Households	44 295		30 319	35 327
Total		**503 778**		**421 458**

Assets subject to credit risk by credit rating

EUR 1 000	2006	2005
AAA	82 735	63 289
AA+, AA	135 887	15 637
AA-	45 454	149 182
A+, A	52 044	36 901
A-, BBB+	15 716	1 554
BBB, BBB-	517	6 616
B+, B	500	559
Households	44 295	30 319
Unrated	126 630	117 401
Total	**503 778**	**421 458**

Rating: S&P

Market risks

Market risks refer to the effects of share prices, interest rates and foreign exchange rates on the company's earnings. Furthermore, market risks include the market liquidity risk that is materialised if financial instruments cannot be realised at market price when necessary. The company's market risk consists of balance sheet risks arising from customer business, the risks of trading operations and the market risks embedded in long-term investments. The trading unit of eQ Bank operates within the set limits according to the authorisation it has been granted, and the risk management unit monitors these limits on a daily basis.

Interest rate risk

The Group is exposed to interest rate risk due to a mismatch between interest rate sensitive assets and liabilities. This mismatch can result in different maturities or different interest rate basis. If loans and other assets have longer maturities than funding, an increase in the interest rates leads to a loss for the bank. Interest rate risk in monitored by net interest income sensitivity analysis subject to changes in the interest rates.

Interest rate risk in bank´s customer operations is a result of deviations between the interest rate sensitivity of deposits and lending. Interest rate risk within eQ Bank´s customer business is minor because most deposits and lending have equal duration. Excess liquidity from deposits is primarly invested in securities having similar interest rate duration to that of deposits.

The company's trading and other investment operations are relatively limited, and the associated interest rate risk is monitored continuously. The company may use derivative instruments to reduce interest rate risks. The company's Board of Directors and CEO confirm the maximum limits for interest rate risk.

Interest rate risk is commonly measured using the GAP analysis that measures changes in the market values of assets and liabilities in case market interest rates change by one percentage point equally in all maturity classes. The GAP analysis is unable to measure interest rate risk if the market interest rates do not increase equally across all maturity classes but as the bulk of the bank's balance sheet consists of current receivables and liabilities, the analysis represents the bank's interest rate risk with sufficient precision.

Foreign exchange risk

The Group's funding and lending are entirely denominated in euro, and therefore the Group is not exposed to any substantial foreign exchange risks in the course of normal business. Any transactions arising from customer business are carried out without delay and do not create any foreign exchange positions for the Group. Designated units and persons are allowed to take moderate foreign exchange risk in the Group's investment operations within the limits of the investment policy approved by the company's Board of Directors. The foreign exchange positions of investment operations are monitored daily, and predetermined stop-loss limits are in force.

Equity price risk

eQ Group's equity price risk arises from the company's investment operations that include equities, equity funds and other investment vehicles with embedded equity price risk (such as index-linked bonds) acquired for either trading purposes or long-term holdings. The company may use derivative instruments to reduce equity price risk. The company's equity risk is controlled by the investment policy approved by the company's Board of Directors.

Sensitivity analysis
The sensitivity analysis has been prepared to demonstrate how reasonably conceivable changes in risk variables on the balance sheet date would affect the income statement and shareholders' equity. The risk variables are: interest rate, equity prices and foreign exchange rates.

Sensitivity analysis 2006

EUR 1 000		Interest rate		Equity prices		Foreign exchange rate	
		-1 %	+1%	-10 %	+10%	-5 %	+5%
Asset Management Services		961	-961	-406	406	-47	47
Securities Brokerage Services		46	46	-80	-86		
Group total							
Income Statement total		454	-454	-340	346	-47	47
Shareholders' equity total		1 008	-1 008	-486	493	-47	47
Exchange rate risk by currency		**USD**	**SEK**	**JPY**	**GBP**	**Others**	**Total**
Forex position 31 Dec. 2006	**EUR**	230	161	-32	17	11	387
5% decrease against the euro	**EUR**	-12	-8	2	-1	-1	-19

Sensitivity analysis 2005

EUR 1 000		Interest rate		Equity prices		Foreign exchange rate	
		-1 %	+1%	-10 %	+10%	-5 %	+5%
Asset Management Services		539	-539	-224	224	-96	96
Securities Brokerage Services		-47	47	47	47	0	0
Group total							
Income Statement total		270	-493	-177	-47	-96	96
Shareholders' equity total		492	-492	-177	177	-96	96
Exchange rate risk by currency		**USD**	**SEK**	**JPY**	**GBP**	**Others**	**Total**
Forex position 31 Dec. 2005	**EUR**	1 445	965	-619	43	91	1 924
5% decrease against the euro	**EUR**	-72	-74	31	-2	-5	-122

Liquidity risk
eQ Bank's treasury is responsible for managing the company's liquidity risk. It ensures that the bank's liquidity position is secured in all presumable circumstances. The fact that the company's customer business is focused on equity brokerage may impose substantial changes in the bank's customer deposits in the short term, due to which the company's assets are mainly invested in very liquid instruments. Liquidity requirements are monitored within the company at the daily level.

Cash flows arising from the bank's equity brokerage services, which constitute the major part of cash flows significant to liquidity management, are known 3 banking days in advance, which means that short-term liquidity requirements can always be covered by cashing the company's liquidity reserves. eQ Bank's refinancing risk is currently very minor as lending constitutes a very small proportion of the balance sheet. The maturities of assets and liabilities are presented in the table on page 24.

Maturities of receivables and liabilities 31 Dec. 2006

EUR 1 000	0-(-3)months	max 1 month	1-3 months	3 months-1 yr	1-5 yrs	over 5 yrs
ASSETS						
Receivables from credit institutions	0	78 975	12 003	76	454	0
Financial instruments held for trading *)	0	189 188	0	0	0	0
Financial assets available for sale *)	0	168 052	0	0	0	164
Receivables from the public and public corporations	629	2 947	3 839	23 247	24 833	0
Investments in associates	0	0	0	0	0	30
Other assets	0	88 704	58	348	88	0
Total	**629**	**528 030**	**15 899**	**23 671**	**25 374**	**194**

	0-(-3)months	max 1 month	1-3 months	3 months-1 yr	1-5 yrs	over 5 yrs
LIABILITIES						
Liabilities to credit institutions	0	90	0	0	0	0
Liabilities to the public and public corporations	0	396 953	17 598	17 277	4 005	0
Financial liabilities held for trading	0	8 578	1 250	5 743	0	0
Other liabilities	0	90 421	5 550	2 196	2 850	0
Total	**0**	**496 043**	**23 398**	**25 216**	**6 855**	**0**

Maturities of receivables and liabilities 31 Dec. 2005

EUR 1 000	0-(-3)months	max 1 month	1-3 months	3 months-1 yr	1-5 yrs	over 5 yrs
ASSETS						
Receivables from credit institutions	0	82 554	33 014	372	400	0
Financial instruments held for trading *)	0	79 658	0	0	0	0
Financial assets available for sale *)	0	190 134	0	0	0	0
Receivables from the public and public corporations	0	3 193	3 861	24 183	3 790	300
Investments in associates	0	0	0	0		77
Other assets	967	91 758	83	0	26	18
Total	**967**	**447 297**	**36 958**	**24 554**	**4 216**	**395**

	0-(-3)months	max 1 month	1-3 months	3 months-1 yr	1-5 yrs	over 5 yrs
LIABILITIES						
Liabilities to credit institutions	0	1 768	0	0	0	0
Liabilities to the public and public corporations	0	340 096	24 043	5 512	164	0
Financial liabilities held for trading	0	6 809	1 898	205	113	0
Other liabilities	0	93 880	1 881	176	106	0
Total	**0**	**442 553**	**27 822**	**5 893**	**383**	**0**

*) All securities held for trading and securities available for sale, with the exception of an unquoted investment of EUR 164 thousand, have been categorised into the shortest maturity class.

4. Loans and receivables

EUR 1 000	31 Dec. 2006	31 Dec. 2005
RECEIVABLES FROM CREDIT INSTITUTIONS		
Repayable on demand		
Domestic credit institutions	52 712	63 021
Foreign credit institutions	2 472	3 618
Total	**55 183**	**66 639**
Other		
Central banks	8 474	5 914
Domestic credit institutions	27 851	43 785
Total	**36 325**	**49 700**
Maturities		
less than 1 month	78 975	82 554
1 – 3 month	12 003	33 014
3 months – 1 year	76	372
1 – 5 years	454	400
Total	**91 508**	**116 339**
Total receivables from credit institutions		
Central banks	8 474	5 914
Domestic credit institutions	80 562	106 806
Foreign credit institutions	2 472	3 618
Total	**91 508**	**116 339**
Currency positions, net		
USD, US dollar	230	1 445
SEK, Swedish krona	161	446
GBP, British pound	17	43
MYR, Malaysian ringgit	0	-43
KRW, Korean won	0	308
HKD, Hungarian forint	1	-203
JPY, Japanese yen	-32	-619
Others	10	29
Total	**386**	**1 405**

EUR 1 000	Balance sheet	Off-balance sheet Credit limits not in use
RECEIVABLES FROM THE PUBLIC AND PUBLIC SECTOR ENTITIES		
31 Dec. 2006		
Loans granted		
Households	44 295	50 156
Corporations and housing corporations	4 028	5 623
Financial and insurance institutions	6 243	3 244
Total	**54 566**	**59 023**
Convertible loan	300	0
Total	**54 866**	**59 023**
Maturities		
(remaining maturity)		
0-(-3) month	629	
less than 1 month	2 318	4 794
1 – 3 month	3 839	8 662
3 months – 1 year	23 247	45 567
1 – 5 years	24 833	0
Total	**54 866**	**59 023**
31 Dec. 2005		
Loans granted		
Households	30 319	30 248
Corporations and housing corporations	1 904	2 612
Financial and insurance institutions	2 803	2 092
Total	**35 027**	**34 951**
Convertible loan	300	0
Total	**35 327**	**34 951**
Maturities		
(remaining maturity)		
less than 1 month	3 193	2 170
1 – 3 month	3 861	5 739
3 months – 1 year	24 183	27 042
1 – 5 years	4 090	0
Total	**35 327**	**34 951**

5. Financial instruments held for trading purposes

EUR 1 000	2006	2005
Financial instruments held for trading purposes		
Bonds	171 139	55 544
Securities	9 034	14 723
Market values of derivative instruments	9 016	9 392
Total	**189 188**	**79 658**
Liabilities held for trading purposes		
Securities	8 088	2 687
Market values of derivative instruments	7 482	6 339
Total	**15 571**	**9 026**
Income from financial assets held for trading purposes		
Bonds		
Interest income	2 867	1 042
Profit / Loss	347	1 248
Securities		
Dividend income	313	128
Profit / Loss	1 445	298
Derivative instruments		
Profit / Loss	288	1 508
Interest income	2 867	1 042
Net income from financial assets held for trading	2 393	3 182

EUR 1 000

Financial instruments held for trading purposes, 31 Dec. 2006

Maturities (original maturity)	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years
Bonds	16 099	15 019	29 447	82 980	27 594
Securities	9 034	0	0	0	0
Market values of derivative instruments	877	5 446	2 693	0	0
Total	**26 010**	**20 465**	**32 140**	**82 980**	**27 594**

Maturity (repricing date)	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years
Bonds	36 208	105 180	12 471	15 200	2 080
Effective interest	3,81	3,89	4,11	4,22	4,34

Liabilities held for trading	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years
Securities	8 088	0	0	0	0
Market values of derivative instruments	489	1 250	5 743	0	0
Total	**8 577**	**1 250**	**5 743**	**0**	**0**

Financial instruments held for trading purposes, 31 Dec. 2005

Maturities (original maturity)	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years
Bonds	0	0	7 318	41 424	6 802
Securities	14 722	0	0	0	0
Market values of derivative instruments	385	8 843	48	115	0
Total	**15 107**	**8 843**	**7 366**	**41 540**	**6 802**

Maturity (repricing date)	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years
Bonds	4 410	36 085	6 743	6 569	52
Effective interest	2,399	2,755	2,812	3,504	3,351

Liabilities held for trading	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years
Securities	2 687	0	0	0	0
Market values of derivative instruments	4 122	1 898	205	113	0
Total	**6 809**	**1 898**	**205**	**113**	**0**

6. Derivates

EUR 1 000	31 Dec. 2006	31 Dec. 2005
Derivatives held for trading purposes		
Security derivatives		
Positive market values	9 013	9 376
Negative market values	7 293	6 318
Forward contracts		
Positive market values	2	16
Negative market values	190	21

	Nominal value under 1 year	Nominal value 1-2 years	Nominal value under 1 year	Nominal value 1-2 years
Nominal values of derivate instruments				
Derivatives held for trading purposes				
Security derivatives				
Bought	132 598	0	123 387	746
Written	-109 598	0	-99 210	-497
Forward contracts	-2 457	0	-5 191	0

Off balance sheet derivatives				
Values of underlying instruments				
Derivatives held for trading purposes				
	Market value	**Nominal value**	**Market value**	**Nominal value**
Interest rate derivatives				
Forward contracts	-5 441	-5 000	-5 646	-5 000
Security derivatives				
Forward contracts	-173	-164	-108	-106
Derivatives held for trading purposes				
	Nominal value under 1 year	**Nominal value 1-2 years**	**Nominal value under 1 year**	**Nominal value 1-2 years**
Interest rate derivatives	-5 000	0		
Forward contracts			-5 000	0
Security derivatives				
Forward contracts	-164	0	-106	0

7. Financial assets available for sale

EUR 1 000	Book value 31 Dec.	Unrealised profits	Unrealised losses	Realised profits	Realised losses
2006					
Debt securities eligible for refinancing with central banks	49 649	0	-5	0	0
Claims on public sector entities	9 957	0	0	0	0
Commercial papers	30 717	0	0	0	0
Other certificates of claim	65 578	0	14	0	0
Mutual fund units	12 151	0	1	367	0
Non quoted investments	164	0	0	0	0
Total	**168 216**	**0**	**10**	**367**	**0**

EUR 1 000	Book value 31 Dec.	Unrealised profits	Unrealised losses	Realised profits	Realised losses
2005					
Debt securities eligible for refinancing with central banks	59 838	0	-14	0	0
Claims on public sector entities	39 839	0	-21	0	0
Commercial papers	59 701	0	-2	0	0
Other certificates of claim	16 183	0	0	0	0
Mutual fund units	14 573	12	-1	449	0
Total	**190 134**	**12**	**-37**	**449**	**0**

EUR 1 000

31 Dec. 2006 Maturities (original maturity)	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years	
Debt securities eligible for refinancing with central banks	0	39 751	9 898	0	0	
Claims on public sector entities	0	9 957	0	0	0	
Commercial papers	24 745	5 972	0	0	0	
Other certificates of claim	39 920	19 852	5 806	0	0	
Mutual fund units	12 151	0	0	0	0	
Non quoted investments	0	0	0	0	164	
Total	**76 816**	**75 532**	**15 704**	**0**	**164**	**168 216**
Maturities Assets under interest rate risk						
Debt securities eligible for refinancing with central banks	0	39 751	9 898	0	0	
Claims on public sector entities	0	9 957	0	0	0	
Commercial papers	24 745	5 972	0	0	0	
Other certificates of claim	39 920	19 852	5 806	0	0	
Mutual fund units	2 616	2 354	0	7 181	164	
Total	**67 281**	**77 886**	**15 704**	**7 181**	**164**	**168 216**

EUR 1 000

31 Dec. 2005 Maturities (original maturity)	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years	
Debt securities eligible for refinancing with central banks	59 838	0	0	0	0	
Claims on public sector entities	0	39 839	0	0	0	
Commercial papers	29 162	26 576	3 962	0	0	
Other certificates of claim	16 183	0	0	0	0	
Mutual fund units	14 573	0	0	0	0	
Total	**119 756**	**66 415**	**3 962**	**0**	**0**	**190 134**
Maturities						
Assets under interest rate risk						
Debt securities eligible for refinancing with central banks	59 838	0	0	0	0	
Claims on public sector entities	0	39 839	0	0	0	
Commercial papers	29 162	26 576	3 962	0	0	
Other certificates of claim	16 183	0	0	0	0	
Mutual fund units	0	4 664	0	6 366	0	
Total	**105 183**	**71 079**	**3 962**	**6 366**	**0**	**186 591**

Mutual funds subject to interest rate risk, are money market funds, in which the group has an indirect interest rate risk. These positions are hedged with off-balance sheet instruments with similar maturities.

EUR 1 000	2006	2005
Fair value reserve includes unrealised profits as follows:		
Mutual fund units	0	12
Deferred tax liability	0	-3
Fair value reserve	**0**	**9**

8. Investments in associates

EUR 1 000	31 Dec. 2006	31 Dec. 2005
Book value 1 Jan.	77	0
Acquisitions	0	100
Share of profit	-47	-23
Book value 31 Dec.	**30**	**77**
Financial overview (100%) of the associate Unicus Ltd.		
Share	33,3 %	33,3 %
Assets	813	868
Liabilities	723	637
Net sales	178	0
Net profit	-140	-69

9. Other assets

EUR 1 000	31 Dec. 2006	31 Dec. 2005
Payment transaction receivables	1 441	872
Securities brokerage receivables	83 329	88 919
Securities sales receivables	0	249
Other sales receivables	360	811
Commission receivables	1 353	878
Others	182	117
Accrued credits		
Interest receivables	1 820	514
Others	713	492
Total	**89 198**	**92 852**
Maturities		
0–(-3) months	0	967
less than 1 month	88 704	91 758
1 – 3 months	58	83
3 months – 1 year	348	0
1 – 5 years	88	26
over 5 years	0	18
Total	**89 198**	**92 852**

10. Intangible assets

EUR 1 000	Goodwill	Other intangible assets
2006		
Acquisition cost at 1 Jan.	16 835	10 722
Additions	2 850	594
Acquired businesses	4 950	1 005
Acquisition cost at 31 Dec.	**24 635**	**12 321**
Accumulated depreciation at 1 Jan.	0	-8 149
Depreciation during financial year	0	-1 063
Accumulated depreciation at 31 Dec.	**0**	**-9 212**
Book value 31 Dec.	24 635	3 109
Total 31 Dec. 2006		27 745
2005		
Acquisition cost at 1 Jan.	16 753	10 498
Additions	96	224
Disposals	-14	0
Acquisition cost at 31 Dec.	**16 835**	**10 722**
Accumulated depreciation at 1 Jan.	0	-6 894
Depreciation during financial year	0	-1 254
Accumulated depreciation at 31 Dec.	**0**	**8 149**
Book value 31 Dec.	16 835	2 574
Total 31 Dec. 2005		19 409
Impairment tests for cash generating units containing goodwill		
Goodwill allocated to cash generating units:	**31 Dec. 2006**	**31 Dec. 2005**
Asset management services	5 719	770
Corporate finance services	15 955	13 105
Others	2 960	2 960
Total	**24 635**	**16 835**

The item Others includes goodwill of those segments, whose goodwill is not significant (IAS 36.135) compared to the whole amount of goodwill of the corporation.
The recoverable amounts of business segments are based on calculations for value in use.
Forecasted cash flows are based on the budget and estimates accepted by the management.
Cash flow projections cover four years following the budget. Cash flows for following three years have been estimated to grow 2% annually. The long term growth is estimated to be 1%.
Discount rates have been calculated before taxes.

Used discount rates

Asset management services	12,62%
Corporate finance services	13,22%

The primary variables used in value in use calculations were:
Asset management services: Management fees and success fees
Corporate finance services: Success fees

Sensitivity analysis according to IFRS 36 standard
The value in use of every segment exceeded clearly its carrying amount.
If however any of the following scenarios would come true, an impairment loss would probably have to be recognised.

Asset management services
If Management fees would be 40% lower or if net interest income would be 25% lower annually, an impairment loss would probably have to be recognised.
Absence of success fees would not alone cause a risk of impairment.

If discount rate would be over 20%, an impairment loss would probably have to be recognised.

Corporate finance services
The income of the unit is very difficult to estimate. If the annual income during the forecast period would be over 70% lower than the year 2006 level, an impairment loss would be probable.

A significant part of the goodwill is allocated to the Corporate finance unit. If activity in mergers and acquisitions decreases substantially for few years, an impairment loss would probably have to be recognised.

If discount rate would be over 19%, an impairment loss would probably have to be recognised.

11. Tangible assets

EUR 1 000	2006	2005
Machinery and equipment		
Acquisition cost at 1 Jan.	12 525	11 332
Additions	2 679	1 193
Disposals	-15	0
Acquired businesses	27	0
Acquisition cost at 31 Dec.	**15 215**	**12 525**
Accumulated depreciation at 1.1.	-9 674	-8 881
Depreciation during financial year	-1 175	-792
Accumulated depreciation at 31 Dec.	**-10 849**	**-9 674**
Book value 31 Dec.	4 366	2 851
Tangible assets acquired by finance lease contracts		
Acquisition cost at 1 Jan.	130	18
Additions	339	113
Acquisition cost at 31 Dec.	**469**	**130**
Accumulated depreciation at 1 Jan.	-25	-2
Depreciation during financial year	-111	-23
Accumulated depreciation at 31 Dec.	**-136**	**-25**
Book value 31 Dec.	333	105
Total tangible assets 31 Dec.	4 699	2 956

12. Liabilities to credit institutions and customers

EUR 1 000	31 Dec. 2006	31 Dec. 2005
Liabilities to credit institutions		
Repayable on demand		
Foreign credit institutions	90	1 768
Liabilities to customers		
Repayable on demand		
Deposits		
Households	247 168	230 906
Household serving non-profit entities	633	842
Public sector entities	16	540
Corporations and housing corporations	62 727	42 051
Financial and insurance institutions	20 077	20 025
Foreign	6 370	6 020
Total	**336 992**	**300 384**
Other than repayable on demand		
Deposits		
Households	82 374	60 965
Household serving non-profit entities	1 311	163
Corporations and housing corporations	8 393	3 012
Financial and insurance institutions	4 501	4 439
Foreign	2 262	852
Total	**98 841**	**69 431**
Total liabilities to the public and public sector entities	435 833	369 815
Maturities (other than repayable on demand)		
less than 1 month	59 962	39 712
1 – 3 months	17 598	24 043
3 months – 1 year	17 277	5 512
1 – 5 years	4 005	164
Total	**98 841**	**69 431**

13. Other liabilities

EUR 1 000	31 Dec. 2006	31 Dec. 2005
Payment transaction payables	817	842
Securities brokerage payables	84 945	88 072
Securities purchase payables	0	247
Other purchase payables	959	905
Commission repayment payables	695	37
Finance lease contracts	338	106
Written collateral	0	814
Value added tax debt	1 170	98
Others	1 079	888
Accrued expenses		
Interest payables	1 150	501
Others	9 866	3 534
Total	**101 018**	**96 044**
Maturities		
less than 1 month	90 421	93 880
1 – 3 months	5 550	1 881
3 months – 1 year	2 196	176
1 – 5 years	2 850	106
Total	**101 018**	**96 044**
Interest bearing liabilities		
Finance lease obligations		
Minimum lease payments, nominal value		
In less than one year	146	46
Between one and five years	211	65
Total	**357**	**110**
Future finance charges	-19	-4
Present value of minimum lease payments matures:		
In less than one year	135	43
Between one and five years	203	63
Total	**338**	**106**
The weighted effective interest rates	4,22%	3,72%

14. Fair values of financial assets and liabilities

EUR 1 000	2006 Book value	2006 Fair value	2005 Book value	2005 Fair value
Financial assets				
Claims on credit institutions				
Repayable on demand	55 183	55 183	66 639	66 639
Others	36 325	36 424	49 700	49 692
Financial assets held for trading purposes	189 188	189 188	79 658	79 658
Financial assets available for sale	168 216	168 216	190 134	190 134
Claims on the public and public entities	54 866	54 858	35 327	35 327
Investments in associates	30	30	77	77
Financial liabilities				
Liabilities to credit institutions	90	90	1 768	1 768
Liabilities to the public and public sector entities				
Repayable on demand	336 992	336 992	300 384	300 384
Others	98 841	98 773	69 431	69 418
Financial liabilities held for trading purposes	15 571	15 571	9 026	9 026
Finance lease liabilities	338	338	106	106

The fair value of “Other claims on credit institutions” is calculated by discounting the future cash flows to 31 December by applying a straight line interpolation of the Euribor rate for the corresponding period.

The fair value of “Financial assets and liabilities held for trading purposes” has been measured according to market value, which comes from active markets.

The fair value of “Financial assets and liabilities available for sale” has been measured according to market value. The market value of mutual funds comes from active markets. Other assets available for sale are measured by discounting future cash flows to 31 December, by applying a straight line interpolation of the Euribor rate for the corresponding period.

Non-quoted investments that are included in the “Financial assets held for sale” are measured at their purchace price due to lack of any other reliable measurement technique. The non-quoted investment includes EUR 123 thousand of equity and EUR 41 thousand of subordinated loan. The investment entitles in 3,5 % share of the target company.

Other liabilities to the public and public sector entities are measured by discounting future cash flows to 31 December, by applying a straight line interpolation of the Euribor rate for the corresponding period.

The book values of other items are corresponding to their fair values.

15. Interest income and expenses

EUR 1 000	2006	2005
Interest income		
Claims on credit institutions	3 501	2 225
Claims on the public and public sector entities	2 372	1 374
Financial assets held for trading purposes	2 867	1 042
Financial assets available for sale	5 333	3 401
Other interest income	1	6
Total	**14 075**	**8 049**
Interest expenses		
Liabilities to credit institutions	47	60
Liabilities to the public and public sector entities	8 697	4 807
Interest expenses from finance lease contracts	11	2
Other interest expenses	7	8
Total	**8 762**	**4 877**

16. Fee and commission income and expenses

Fee and commission income		
Securities brokerage	17 596	14 623
Issuing securities	1 420	336
Credit granting	23	18
Mutual funds	7 901	7 923
Asset management	1 349	1 753
Corporate finance	14 220	2 387
Others	784	459
Total	**43 293**	**27 499**
Fee and commission expenses		
Securities brokerage	3 804	3 312
Mutual funds	1 954	1 878
Asset management	281	538
Others	20	0
Total	**6 059**	**5 728**

17. Impairment of receivables

Impairment of receivables	0	-10
Claimed credit losses	10	11
Total	**10**	**1**

The impairment loss or TEUR 10 in 2005 can be addressed to a single payment arrangement.
The cash flows have been discounted with the original effective discount rate.
The appropriate receivable item has been subtracted with the amount of loss.

18. Other operating income

EUR 1 000	2006	2005
Hosting income	2 797	2 308
Others	104	116
Total	**2 901**	**2 424**

19. Personnel

Average number of employees during the financial year		
During the financial year		
Full time	154	148
Part time	11	11
Total	**165**	**159**
Change from the previous financial year		
Full time	6	43
Part time	0	-1
Total	**6**	**42**
Personnel expenses		
Salaries	12 557	9 777
Pensions - defined contribution plans	2 201	1 579
Other staff-related costs	1 112	1 023
Share-based payments	23	37
Total	**15 893**	**12 416**

20. Other administrative expenses

IT expenses	3 797	3 517
Office expenses	1 028	1 011
Marketing expenses	2 052	1 426
Other staff related costs	1 479	1 385
Communication costs	307	377
Others	697	852
Total	**9 360**	**8 568**

21. Depreciation

Depreciation	2 238	2 047
Depreciation on assets acquired by finance lease	111	23
Total	**2 349**	**2 070**

22. Other operating expenses

EUR 1 000	2006	2005
Lease expenses from premises	1 364	1 124
Insurance payments	133	165
Supervision and membership fees	283	220
Others	136	78
Total	**1 917**	**1 588**

23. Income taxes

Income taxes from operations	-7	-1 400
Change in deferred taxes	-2 000	2 511
Total income taxes	**-2 007**	**1 112**
Profit before taxes	18 720	6 331
Tax calculated at a tax rate of 26%	-4 867	-1 646
Expenses not deductible for tax purposes and income not subject to tax	40	-18
Effect of fiscal losses	2 993	2 600
Change in tax rate	0	0
Other items	-173	176
Total income taxes	**-2 007**	**1 112**

24. Deferred taxes

EUR 1 000	**1 Jan. 2006**	**Recognised in income statement**	**Recognised in equity**	**31 Dec. 2006**
2006				
Deferred tax assets				
Losses carried forward	3 429	-1 827		1 602
Write down of fixed asset securities	38			38
Measurement of assets at fair value	33	-12		21
Total		**-1 839**		**1 661**
Deferred tax liabilities				
Unrealised profits of financial assets available for sale	3		-3	0
Measuring net assets at fair value	316	-13	261	564
Other temporary differences	255	174		429
Total		**161**	**258**	**993**

EUR 1 000	**1 Jan. 2005**	**Recognised in income statement**	**Recognised in equity**	**31 Dec. 2005**
2005				
Deferred tax assets				
Losses carried forward	2 229	1 200	0	3 429
Write down of fixed asset securities	38	0	0	38
Measurement of assets at fair value	46	-12	0	33
Tax provision	0	125	0	1 253
Total		**1 313**	**0**	**3 625**
Deferred tax liabilities				
Unrealised profits of financial assets available for sale	14	0	-11	3
Unrealised profits of financial assets held for trading	31	-31	0	0
Measuring net assets at fair value	347	-31	0	316
Other temporary differences	117	138	0	255
Tax reserve	0	125	0	125
Total		**201**	**-11**	**699**

25. Profit per share

Basic profit per share is calculated by dividing the profit for the period attributable to ordinary shareholders by weighted average number of shares outstanding.

In calculations of diluted profit per share, the weighted average number of shares is adjusted by the effect of potential dilutive shares. These are stock options that have lower subscription price than the fair value of the share.

	2006	2005
Profit for the period attributable to equity holders of parent company	16 765	7 507
Weighted average number of shares outstanding	33 559 020	31 401 110
Effect of potential dilutive shares	119 368	22 331
Diluted weighted average number of shares	33 678 388	31 423 441
Basic earnings per share for the shareholders of parent company	0,50	0,23
Diluted earnings per share for the shareholders of parent company	0,50	0,23

26. Share based payment

eQ Group's option program 2004 is in accordance with IFRS 2 (Share based payments).
Fair value to the program has been calculated at the date of granting. The fair value is accrued for the vesting period.
The expenses are shown in the personnel expenses and a corresponding amount is booked in the equity capital.
Option programmes that give a subscription right before January 1, 2005 have not been calculated retroactively.

Option rights under IFRS 2

Date of granting	25 Aug. 2004
Number of rights	690 000
Settlement price	2,8
Share price at the date of granting	1,94
Maturity, years	3,59
Settlement	Shares
Expected volatility	20%
Expected maturity	3,59
Risk free interest rate	3,00%
Expected dividends	0
Expected decreace in the personnel	15%
Fair value of the right	0,12
Calculation model	Black-Scholes

A share-based incentive plan starting in 2007

The Board of Directors of eQ Corporation has approved in December 2006 a new share-based incentive plan for the Group key personnel. The incentive plan is established to form part of the remuneration and commitment program for the key personnel of the Company and its subsidiaries. The aim is to combine the objectives of the owners and the key personnel in order to increase the value of the Company, to bind the key personnel to the Company, and to offer them a competitive reward plan based on owning the Company shares.

The plan includes three two-year earning periods beginning 2007, 2008 and 2009. The rewards will be paid partly in the Company's shares and partly in cash payment in 2009, 2010 and 2011. The proportion to be paid in cash will cover taxes and tax-related costs arising from the reward. It is prohibited to transfer the shares within one year from the end of the earning period.

The potential reward from the plan for the earning period 2007 – 2008 will be based on the Group's earnings before interest and taxes and on the total shareholder return of the Company share.

The incentive plan is directed to approximately 30 key employees in the earning period 2007 – 2008.

Under this incentive plan, the maximum performance level for the pre-defined criteria will result in the total reward corresponding to the gross value (including cash payment) of approximately 810,000 eQ Corporation shares.

	2006 Average subscription price / share	**Rights**	**2005 Average subscription price / share**	**Rights**
Change in the option rights during the period				
At the beginning of the period	2,56	1 017 517	2,56	1 017 517
Granted new rights			2,10	130 000
Annulled rights	2,60	210 000	2,10	-130 000
Settled rights	1,85	316 065		
Expired rights	1,85	11 452		
At the end of the period	2,60	480 000	2,56	1 017 517
Executable option rights at the end of the period		0	2,05	327 517

Outstanding option rights at 31 Dec.

Expiration year	**Settlement price**	**2006**	**Settlement price**	**2005**
2006			2,05	327 517
2008	2,6	480 000	2,80	690 000

27. Related parties

The Group's parent and subsidiary relationships are as follows: Company	Home country	Share of ownersip, %	Group's share, %
eQ Corporation	Finland		
eQ Bank Ltd.	Finland	100%	100%
Xenetic Ltd.	Finland	100%	100%
The subsidiary shares owned by eQ Bank Ltd.			
eQ Fund Management Company Ltd.	Finland	100%	100%
eQ Capital Markets Ltd.	Finland	100%	100%
Fides Asset Management Ltd.	Finland	100%	100%
The subsidiary shares owned by Fides Asset Management Ltd.			
Fides Fund Management Company Ltd.	Finland	100%	100%

eQ Group's related parties consist of group companies' chief executive officers, board members, group's management team and household members and authority entities of these groups of people.

Salaries and fees of group companies' CEOs

Parent company eQ Corporation	**2006**	**2005**
Salaries and short-term employee benefits		
Jerker Molander	0	71
Georg J. C. Ehrnrooth	0	80
Antti Mäkinen	161	42
Benefits related to termination of employment		
Jerker Molander	0	258
Subsidiaries		
Salaries and short-term employee benefits	283	480
Total	**444**	**930**
Compensation to parent company's board members		
Georg J. C. Ehrnrooth	18	22
Timo Everi	10	-
Johan Horelli	14	21
Jan-Martin Börman	-	4
Antti Pankakoski	10	-
Jari Puhakka	3	19
Miika Varjovaara	14	18
Petteri Walldén	13	1
Total	**82**	**85**
Compensation to subsidiaries' board members and to the Group's management team.	974	571

At the end of financial periods 2005 and 2006, CEO of parent company nor CEOs of subsidiaries possessed any option rights of eQ corporation.

The Group's related parties possessed in total 20 805 456 shares, which is 61,71% of the total share capital and number of votes.

The CEO of eQ Corporation Antti Mäkinen subscribed on December 19, 2005 through his authority entity 2 070 000 shares of eQ corporation.

The CEO of eQ Corporation has a termination benefit with amount of minimum EUR 100 000,00 but not greater than EUR 750 000,00.

EUR 1 000			2006	2005
Liabilities, receivables and purchases from related parties				
CEOs of Group companies:				
Liabilities			35	1 246
Loans				
Credit limits			0	66
Granted loans			80	10
Group companies' members of the board and the Group management team members:				
Purchases				
Other operating expenses			51	281
Liabilities			8188	2 212
Loans				
Credit limits			2228	751
Granted loans			3050	900
Related party transaction prices are based on group's valid rates. Purchases have been made at market price.				
Loans granted to parent company's CEO, members of the board or to their authority entities:				
Loans at the beginning of period			600	0
Loans granted during period			950	600
Repayment of loans			0	0
Charged interests			0	0
Received interest payments during period			0	0
Loans at the end of period			1550	600
The terms of the loans:				
Maturity	**Interest p.a.**			
March -09	3,46%		200 000,00	0,00
November -09	4,00%		600 000,00	600 000,00
October -08	3,75%		550 000,00	0,00
May -11	3,54%		200 000,00	0,00
			1 550 000,00	**600 000,00**

To the associate company Unicus Ltd. has been granted a convertible loan totalling EUR 300.000,00.
The interest rate of the loan is 2% p.a. Repayment of the loan and the interest is at December 31, 2008.
The loan is convertible to 200 shares of Unicus ltd. between December 28, 2005 and December 31, 2007.

28. Share capital of the parent company

EUR 1 000	Number of shares	Share capital (EUR 1 000)	Share premium (EUR 1 000)	Total (EUR 1 000)
Share capital				
31 Dec. 2005	33 397 384	5 678	48 144	53 822
Subscription through option rights	316 065	54	531	585
31 Dec. 2006	33 713 449	5 731	48 675	54 407

Total number of shares at December 31, 2006 is 33 713 449. The counter value of a share is EUR 0,17.
All issued shares are fully paid.

Number of shares held	Number of shareholders	% of shareholders	Total number of shares	% of shares
1-100	2 558	31,71	190 269	0,56
101-500	3 090	38,31	870 497	2,58
501-1 000	1 000	12,40	822 191	2,44
1 001-5 000	1 119	13,87	2 584 773	7,67
5 001-10 000	161	2,00	1 241 870	3,68
10 001-50 000	100	1,24	2 152 436	6,38
50 001-100 000	17	0,21	1 189 161	3,53
100 001-500 000	15	0,19	3 368 674	9,99
500 001-999 999 999	6	0,07	21 284 048	63,13
Shares not converted into book-entry securities	-	-	9 530	0,03
Total	**8 066**	**100,00**	**33 713 449**	**100,00**

Ownership structure by type of shareholder	Number of shares	% of shares and votes
Corporations	6 693 102	20
Financial and insurance institutions	1 647 478	5
Public sector entities	50	0
Non-profit entities	321 624	1
Households	8 872 333	26
Foreign countries	16 169 332	48
Common account	9 530	0
Total	**33 713 449**	**100,00**

Major shareholders	Number of shares	% of shares and votes
Fennogens Investments SA	12 559 730	37,25
Notalar Oy	3 385 010	10,04
ANHA Benelux SPRL	3 376 000	10,01
Leenos Oy	800 000	2,37
Mutual fund OP-Suomi arvo	648 900	1,92
Laakkonen Mikko	400 000	1,19
Oy Cevante Ab	400 000	1,19
Oy Kambisi Ab	400 000	1,19
Korhonen Juha	303 580	0,90
Kuusisto Teppo	274 000	0,81
Stiftelsen för Åbo Akademi	230 800	0,68
Virtanen Pekka	220 244	0,65
Herlin Ilkka	200 000	0,59
UB Finance Oy Ab	180 600	0,54
Mutual fund Fides Finland Focus	143 700	0,43
Nominee registered, total	514 408	1,53
Others	9 676 477	28,70
Total	**33 713 449**	**100,00**

29. Contingent liabilities and commitments

EUR 1 000	2006	2005
Irrevocable minimum lease obligations of operating lease contracts		
Within one year	1937	1 625
Between one and five years	4578	5 404
Over five years	0	98
Total	**6515**	**7 128**
Operating lease payments during the period	1837	1 523
Operating lease obligations contain MEUR 5.3 premises lease obligations at December 31, 2006 and MEUR 6.0 at December 31,2005. The leases have essentially been bound to changes of consumer price index (1951:10=100). The group has an option to renew the premises lease contract after it expires in 2011. Renew option is for 5 + 5 years.		
Guarantees		
On own account		
Securities		
Bonds held for trading purposes	52 475	9 778
Financial assets held for trading purposes	54 890	79 744
Claims on credit institutions	9 325	6 700
Total	**116 690**	**96 222**
Off-balance sheet commitments		
1. Credit limits not in use	59 023	34 951
2. Contingent additional purchase price of Advium Partners Ltd.		
The Advium purchase (November 30th, 2004) included an agreement of an additional purchase price when certain conditions were met. The final purchase price will be closed at the end of year 2007. At this moment an additional purchase price of MEUR 2.8 is recognised in the balance sheet as a goodwill.		

30. Information on trust operations and total amount of customer funds under management

eQ Bank Ltd., a subsidiary of eQ Corporation offers discretionary portfolio management and consultative asset management.

	2006	2005
Assets under discretionary asset management MEUR	49	52
Assets under consultative asset management MEUR	0	8
Total	**49**	**59**

Fides Asset Management Ltd., a subsidiary of eQ Bank Ltd. offers discretionary portfolio management and consultative asset management.

	2006	2005
Assets under discretionary asset management MEUR	420	0
Assets under consultative asset management MEUR	126	0
Total	**546**	**0**

31. Post balance sheet date events

eQ purchased in February 2007 a 19% share of Ilmatar Asset Management company. The management of Ilmatar asset management owns the other part of the company.

32. Key financial indicators

	2006 IFRS	2005 IFRS	2004 IFRS	2003 FAS	2002 FAS
Net income, EUR million	48,3	31,0	21,5	16,0	12,8
Net operating profit, EUR million	18,7	6,3	2,2	0,2	-2,0
Net operating profit/-loss % of Net sales	38,8	20,4	10,0	1,0	-15,8
Profit before taxes	18,7	6,3	2,1	0,2	-2,9
Profit before taxes % of Net sales	38,8	20,4	9,8	1,0	-23,0
Return on equity %	24,5	13,0	5,2	0,4	-5,1
Return on assets %	2,9	1,6	0,7	0,1	-1,8
Equity to assets ratio, %	11,7	11,7	12,4	15,5	20,4
Operating costs to earnings	0,6	0,8	0,9	1,0	1,1
Profit / share	0,5	0,23	0,09	0,01	-0,08
Equity / share	2,18	1,89	1,64	1,43	1,43
Price / earnings	9,7	10,9	22,9	225,0	-18,8
Lowest ratio in public trading, EUR	2,48	1,81	1,83	1,35	1,03
Highest ratio in public trading, EUR	4,98	2,58	3,00	2,46	1,78
Average price for the period, EUR	3,53	2,20	2,41	1,72	1,47
Market value, EUR million	163,2	83,5	64,3	59,6	38,7
Trading volume, number of shares	13 898 464	8 654 186	11 435 241	8 463 392	6 485 343
Trading volume, in relation to average number of shares, %	41,4	27,6	41,9	32,5	25,1
Average weighted number of shares adjusted for share issues	33 559 020	31 401 110	27 301 303	26 066 062	25 826 884
Number of shares at the end of financial period adjusted for share issues	33 713 449	33 397 384	31 327 384	26 740 884	25 826 884

The principles of calculating financial indicators

Net income, EUR million

net interest income + net commission income + impairment of receivables + net income from financial assets held for trading + net income from available-for-sale financial assets + net income from exchange dealing + other operating income

Return on equity, %

(net operating profit/loss - taxes) x 100
———
equity capital + minority interest
(average between the beginning and end of the year)

Return on assets, %

(net operating profit/loss - taxes) x 100
———
average balance sheet total (average between beginning and end of year)

Equity to assets ratio, %

equity capital + minority interest x 100
———
balance sheet total

Operating costs to earnings

administrative expenses + depreciation and impairment of tangible and intangible assets + other operating expenses
———
net interest income + net commission income + impairment of receivables + net income from financial instruments held for trading + net income from available-for-sale financial assets + net income from exchange dealing + other operating income + share of associated companies' results (net)

Profit / share

net operating profit/loss - taxes + minority interest
———
average weighted number of shares corrected for share issues

Equity / share

equity capital + minority interest
———
weighted number of shares at December 31 corrected for share issues

Price / earnings ratio

last trading price of the period corrected for share issues
———
profit per share

Market value, EUR million

number of shares x last trading price for the financial period

Balance sheet, Parent company, FAS

EUR 1 000	Notes		31 Dec. 2006		31 Dec. 2005
ASSETS					
Cash			2		4
Loans and advances to credit institutions	1				
Repayable on demand			27		623
Loans and advances to the public and general government	2				
Repayable on demand		622		622	
Other		634	1 257	593	1 215
Debt securities	3				
Other			2 707		9 310
Shares and units	5		11 861		5 024
Participating interests	5		400		400
Shares and units in group entities	5		45 256		42 406
Tangible assets	9, 10				
Other tangible assets			2		0
Other assets	11		19 010		5 555
Accrued income and prepayments	12		146		61
TOTAL ASSETS			**80 667**		**64 597**
EQUITY AND LIABILITIES					
Liabilities					
Liabilities to credit institutions					
Credit institutions					
Repayable on demand			2 475		1 010
Other liabilities	16		127		469
Accrued expenses and deferred income	17		3 189		214
TOTAL LIABILITIES			5 791		1 693
Equity capital	26				
Share capital	27		5 731		5 678
Share premium			48 675		48 144
Other restricted reserves					
Legal reserve			2 106		2 106
Non-restricted reserves					
Fair value reserve			0		7
Retained earnings or loss			290		352
Profit for the period			18 073		6 618
TOTAL EQUITY			**74 876**		**62 904**
TOTAL EQUITY AND LIABILITIES			**80 667**		**64 597**
Off-balance sheet commitments					
Credit limits not in use			0		0

Income statement, Parent company, FAS

EUR 1 000	Notes		Jan. 1 – 31 Dec. 2006		Jan. 1 – 31 Dec. 2005
Interest income	30		213		99
Interest expense	30		-95		-71
Net interest income			**119**		**28**
Income from equity investments	32				
Group entities			19 000		6 991
Fee and commission income	33		356		121
Net gains or net losses on dealing in securities and foreign currencies					
Net gains or net losses on dealing in securities	34		277		1 148
Net income from available-for-sale financial assets	35		179		316
Administrative expenses					
Staff costs					
Wages, salaries and fees			-750		-789
Staff-related costs					
Pensions		-127		-67	
Other staff-related costs		-54	-181	-59	-127
Other administrative expenses			-849		-1 558
Administrative expenses total			-1 780		-2 474
Depreciation, amortisation and impairment of tangible and intangible assets	39		0		-1
Other operating expenses	38		-76		-50
Operating profit (loss)			**18 073**		**6 080**
Income taxes			0		0
Post-tax profit or loss from ordinary activities			**18 073**		**6 080**
Income and expenses from other than ordinary activities	41		0		538
Profit for the period			**18 073**		**6 618**

Accounting policies, Parent company, FAS

Preparation of the financial statements complies with Finland's Credit Institution Act, the Finnish Ministry of Finance decree on the preparation of the financial statements and consolidated financial statements of credit institutions and investment service companies, and the Finnish Financial Supervision Authority's standard 3.1 "Financial Statements and Board of Directors' Report" on the financial statements and consolidated financial statements of credit institutions.

The accounting policies applied in preparing the financial statements have not changed significantly from the previous financial year. Legislation has caused changes in the presentation of the income statement and balance sheet, and the figures for the comparison year have been adjusted to comply with the new standards. The changes are not significant.

Interest income and expense

Interest income from financial assets entered under "Debt securities eligible for refinancing with central banks", "Claims on credit institutions", "Claims on the public and public sector entities", "Debt securities", "Derivative contracts" and "Other assets" is recognised under "Interest income". All interest outstanding on the balance sheet date is calculated and recognised as interest income or interest receivable under either the respective balance sheet item or "Accrued income and prepayments".

Interest expense from liabilities entered under "Liabilities to credit institutions" and "Liabilities to public and public sector entities" is recognised under "Interest expense". All unpaid interest on the balance sheet date is calculated and recognised as interest expense or interest payable under "Accrued expenses and deferred income".

Other operating income and expense

Income other than that related to the Group's actual business operations is recognised under "Other operating income".

Rent paid for premises, other premises related expenses, insurance premiums, and supervision and membership fees are recognised under "Other operating expense".

Financial instruments

Financial assets are classified as financial assets held for trading, available-for-sale financial assets and loans and other financial assets. Purchases and sales are recognised as per the transaction date.

Financial assets held for trading are initially measured at the purchase price in the accounts and subsequently at market price. Unrealised revaluation is recognised in the result under "Net income from securities transactions".

Available-for-sale financial assets are initially measured at the purchase price in the accounts and subsequently at market price (fair value). The market prices of fund units are obtained directly from active markets. The market prices of other available-for-sale financial assets are obtained by discounting future cash flows to the balance sheet date, 31 December, by applying a straight-line interpolation of the Euribor rate for the corresponding period.

Unrealised value increases are recognised directly in equity under "Fair value reserve". Unrealised impairment is recognised through profit or loss under "Net income from available-for-sale financial assets".

The financial assets that are classified as loans and receivables are measured at amortised cost with the effective interest method. Impairment is recognised through profit or loss.

No financial assets have been classified under investments held until maturity.

No hedge accounting under IAS 39 (Financial Instruments: Recognition and Measurement) has been applied. Changes in the fair values of derivative financial instruments are recognised through profit or loss under "Net income from securities transactions".

Other assets and liabilities

Short-term trade receivables and other receivables are recognised under "Other assets". Other assets are measured at original cost. Current trade payables and other liabilities are recognised under "Other liabilities". Other liabilities are measured at original cost.

Leases

Leases are recognised in the income statement as an expense on a straight-line basis over the lease term.

Pension plans

Pension plans are funded by pension insurance. These are classified as defined contribution plans, and contributions made on their basis are recognised as an expense in the income statement of the financial year in which they are incurred.

Foreign currency items

Foreign currency transactions are recognised at the exchange rate of the transaction date. Net foreign exchange gains and losses are presented in the financial statements under "Net income from foreign exchange dealing". Receivables and liabilities outstanding at the close of the financial year are recognised in euros at the average rate quoted by the European Central Bank at the balance sheet date.

Notes on balance sheet items, Parent company, FAS

Notes on balance sheet items

EUR 1 000	2006	2005
1) Loans and advances to credit institutions		
Repayable on demand		
Domestic credit institutions	27	623
2) Loans and advances to the public and general government		
Companies and housing companies	1 257	1 215

Impairment losses on loans and advances have not been recognised during the period.

	2006 Quoted	2006 Others	2005 Quoted	2005 Others
3) Debt securities				
Issued by others than general government				
Held for trading				
Bonds issued by the banks	0	0	0	0
Other debt securities	2 707	0	9 310	0
Total	**2 707**	**0**	**9 310**	**0**
Debt securities total	2 707	0	9 310	0
-eligible for refinancing with central banks	0	0	0	0
-not incurring interest income	211	0	6 507	0
4) Assets leased under finance leases				
Not applicable				
5) Shares and units				
Balance sheet item				
Shares and units				
Available for sale	0	11 861	0	5 024
Participating interests				
Credit institutions	0	0	0	0
Other	0	400	0	400
Shares and units in group entities				
Credit institutions	0	43 706	0	25 273
Other	0	1 550	0	17 133

6) Derivatives instruments
Not applicable

7) Relations with related parties
Not applicable

EUR 1 000		2006	2005
8)	Intangible assets		
	IT expenses	0	0
	Other intangible assets	0	0
9)	Tangible assets		
	Other tangible assets	2	0
10)	Increases and decreases in intangible and tangible assets during the period		
Intangible assets			
	Acquisition cost on 1 Jan	801	801
	- accumulated depreciation and impairment on 1 Jan	-801	-801
	Acquisition cost 31 Dec	**0**	**0**
Tangible assets			
	Acquisition cost on 1 Jan	7	7
	+ increases	2	0
	- accumulated depreciation and impairment on 1 Jan	-7	-7
	Acquisition cost 31 Dec	**2**	**0**
	Tangible assets do not include land and water areas, buildings or shares and participations in real estate corporations.		
11)	Other assets		
	Receivables from payment traffic transactions	0	0
	Other	19 010	5 555
12)	Accrued income and prepayments		
	Interest	63	23
	Other	82	37
13)	Deferred tax receivables and liabilities		
	Not applicable		
14)	Debt securities issued to the public		
	Not applicable		
15)	Derivative instruments and other liabilities held for trading		
	Not applicable		
16)	Other liabilities		
	Liabilities from payment traffic	0	0
	Other	127	469
17)	Accrued expenses and deferred income		
	Interest	0	0
	Other	3 189	214

18) Subordinated liabilities
Not applicable

EUR 1 000	Less than 3 months	3-12 months	1-5 years	5-10 years	Over 10 years
19) Assets and liabilities by maturity					
Loans and advances to credit institutions	27	0	0	0	0
Liabilities to the public and general government	1 216	0	0	41	0
Debt securities	0	0	2 707	0	0
Liabilities to credit institutions	2 475	0	0	0	0

Liabilities to the public and general government include EUR 622 thousand of items payable on demand.

EUR 1 000	2006 EUR	2006 Other currency	2005 EUR	2005 Other currency
20) Assets and liabilities denominated in EUR and other currencies				
Loans and advances to credit institutions	26	0	622	0
Liabilities to the public and general government	1 257	0	1 215	0
Debt securities	2 145	561	8 791	519
Other assets	76 643	33	53 449	0
Liabilities to credit institutions	2 475	0	1 010	0
Other liabilities	3 316	0	683	0
Assets and liabilities from group undertakings are included in the following balance sheet items				
Liabilities to credit institutions	0	0	606	0
Liabilities to the public and general government	1 216	0	1 215	0
Other assets	64 256	0	47 949	0
Liabilities to credit institutions	2 475	0	1 010	0
Other liabilities	27	0	425	0

21) Securities lending
Not applicable

22) Securities repurchase agreements
Not applicable

23) Fair value measurement on a basis other than market value, and fair value changes recognised on income statement
Not applicable

24) Financial assets measured at cost instead of fair value
Not applicable

25) Fair values and carrying amounts of financial asset and liabilities
According to the standard note will be submitted first time in financial statements year 2007.

EUR 1 000		2006	2005
26)	Equity items		
	Share capital		
	Book value at the beginning of the period	5 678	5 306
	+ increases for the period	54	372
	Book value at the end of the period	**5 731**	**5 678**
	Share issue		
	Book value at the beginning of the period	0	174
	- decreases for the period	0	-174
	Book value at the end of the period	**0**	**0**
	Share premium		
	Book value at the beginning of the period	48 144	44 202
	+ increases for the period	531	3 943
	Book value at the end of the period	**48 675**	**48 144**
	Fair value reserve		
	Book value at the beginning of the period	7	0
	+ increases for the period	0	7
	- decreases for the period	-7	0
	Book value at the end of the period	**0**	**7**

Non-restricted equity does not include non-distributable items.

27) Share capital

The parent company has 33 713 449 shares, all of the same series. Share is listed on the OMX Helsinki Stock Exchange with trading code EQ01V. Share's ISIN code is FI0009008676.

28) Share issues, issues of options and convertible bonds

The company had two option programs during the period (2000 and 2004). Each option entitles to subscribe for one share of eQ Corporation.

The annual general meeting decided on February 15, 2000 to issue option rights in deviation from the pre-emptive right of shareholders to the management, key personnel and subsidiary (option program 2000). The subscription period for the shares began on February 29, 2000 and ended on June 30, 2006. On ground of this option program 298 565 shares were subscribed.

The annual general meeting decided on March 24, 2004 to issue a maximum of 1 200 000 option rights in deviation from the pre-emptive rights of shareholders to the key personnel of the company and its subsidiaries (option program 2004). A maximum of 800 000 of the option rights shall be marked 2004A and a maximum of 400 000 marked 2004B. The subscription period for both series will begin on January 1, 2007 and will end on March 31, 2008. By the end of the year 2006 a total of 480 000 option rights marked 2004A had been granted (maximum dilution effect 1.4 %). Options of the 2004B series have not been granted. The subscription price for one 2004A-series option is EUR 2.60 per share.

29) Largest shareholders and distribution of holdings

Ownership structure by number of shares owned

Number of shares, pcs.	Owners, pcs.	% of owners	Number of shares total	% of shares
1 – 100	2 558	31,71	190 269	0,56
101 – 500	3 090	38,31	870 497	2,58
501 – 1 000	1 000	12,40	822 191	2,44
1 001 – 5 000	1 119	13,87	2 584 773	7,67
5 001 – 10 000	161	2,00	1 241 870	3,68
10 001 – 50 000	100	1,24	2 152 436	6,38
50 001 – 100 000	17	0,21	1 189 161	3,53
100 001 – 500 000	15	0,19	3 368 674	9,99
500 001 – 999 999 999	6	0,07	21 284 048	63,13
Shares not converted into book-entry securities	-	-	9 530	0,03
	8 066	**100,00**	**33 713 449**	**100,00**

Ownership structure by type of shareholder	Number of shares	% of shares and votes
Companies	6 693 102	19,85
Financial institutions and insurance companies	1 647 478	4,89
General government	50	0,00
Foundations and non-profit associations	321 624	0,95
Households	8 872 333	26,32
Foreign and nominee registered	16 169 332	47,96
Shares not converted into book-entry securities	9 530	0,03
	33 713 449	**100,00**

Major shareholders	Number of shares	% of shares and votes
Fennogens Investments SA	12 559 730	37,25
Notalar Oy	3 385 010	10,04
ANHA Benelux SPRL	3 376 000	10,01
Leenos Oy	800 000	2,37
Mutual fund OP-Suomi arvo	648 900	1,92
Laakkonen Mikko	400 000	1,19
Oy Cevante Ab	400 000	1,19
Oy Kambisi Ab	400 000	1,19
Korhonen Juha	303 580	0,90
Kuusisto Teppo	274 000	0,81
Stiftelsen för Åbo Akademi	230 800	0,68
Virtanen Pekka	220 244	0,65
Herlin Ilkka	200 000	0,59
UB Finance Oy Ab	180 600	0,54
Fides Finland Focus	143 700	0,43
Nominee registered total	514 408	1,53
Others	9 676 477	28,70
	33 713 449	**100,00**

Notes on income statement items, Parent company, FAS

EUR 1 000	2006	2005
30) Interest income and expense		
Interest income		
Loans and advances to the public and general government	19	18
Debt securities	194	81
Interest expenses		
Liabilities to credit institutions	95	71
31) Net income from leasing activities		
Not applicable		
32) Income from equity investments		
Group entities	19 000	6 991
33) Fee and commission income and expense		
Fee and commission income		
Other	356	121
34) Net gains or net losses on dealing in securities		
From debt securities		
Gains and losses from sales (net)	1 078	271
Fair value changes (net)	-801	878
Total	**277**	**1 149**
35) Net income from available-for-sale assets		
From shares and units		
From disposal of financial assets (gains/losses)	178	315
Transfers from the fair value reserve	1	1
	172	**316**
36) Net income from hedge accounting		
Not applicable		
37) Net income from investment property		
Not applicable		
38) Other operating income and expenses		
Other operating expenses		
Rental expenses	43	15
Expenses from real estate	3	2
Other expenses	30	32
39) Depreciation, amortisation and impairment of tangible and intangible assets		
Depreciation according to a plan	0	1
Impairments	0	0
40) Impairment losses on loans, other commitments and other financial assets		
Not applicable		
41) Income and expenses from other than ordinary activities		
Income from other than ordinary activities		
Gained group contribution	0	538

42) Information on business areas and geographical market areas
Not applicable

EUR 1 000	2006	2005
Notes on collateral and contingent liabilities		
43) Collateral provided		
Not applicable		
44) Pension liabilities		
Statutory pension cover of employees is arranged by insurance.		
45) Leasing and other rental liabilities		
Leasing payments		
within one year	12	18
in one to five years	1	17
in more than five years	0	0
46) Off-balance sheet commitments		
Not applicable		
47) Collateral received in transfer as referred to in the Financial Collateral Act		
Not applicable		
48) Broking receivables and payables		
Not applicable		
49) Other commitments and liabilities		
Not applicable		
50) Notes on employees and management		
Employees		
Average number of employees during the financial year		
During the financial year		
Full time	11	5
Part time	0	0
Total	**11**	**5**
Change from the previous financial year		
Full time	6	2
Part time	0	0
Total	**6**	**2**
Salaries and fees		
Salaries, fees, pension costs and other staff-related costs of the members of the board of directors and the managing directors and their deputies	286	599
- managing directors and their deputies	199	508

EUR 1 000	2006	2005
51) Notes on share ownership		
Shares and participations in other companies held as financial fixed assets		
1) Advium Partners Ltd, Helsinki, corporate finance		
2) parent company ownership, %	0,00	100,00
3) total book value of owned shares (EUR 1 000)	0	15 582
Advium Partners Ltd was merged to eQ Bank Ltd at 1 January 2006.		
1) eQ Bank Ltd, Helsinki, banking		
2) parent company ownership, %	100,00	84,17
3) total book value of owned shares (EUR 1 000)	43 706	25 273
1) Xenetic Ltd, Helsinki, hosting		
2) parent company ownership, %	100,00	100,00
3) total book value of owned shares (EUR 1 000)	1 550	1 550
1) Unicus Ltd, Helsinki, other operations attending financing and investing		
2) parent company ownership, %	33,33	33,33
3) total book value of owned shares (EUR 1 000)	100	100

Other notes

52) Information on trustee services and total amount of customer funds
Not applicable

53) Notes on cooperative bank or other cooperative supervised entity
Nothing to report on account of corporate form

Key financial indicators, Parent company, FAS

	2006	2005	2004	2003	2002
Net income, eur million	20,0	8,7	1,0	1,1	1,1
Net operating profit (loss), eur million	18,1	6,1	-0,6	-0,3	-0,6
Net operating profit (loss), -% of net income	90,3	70,1	-65,5	-23,7	-49,8
Profit (loss) before appropriations and taxes, eur million	18,1	6,6	0,3	0,1	-0,9
Profit (loss) before appropriations and taxes, -% of net income	90,3	76,3	28,5	4,6	-75,9
Return on equity, %	26,2	10,6	-1,3	-0,6	-1,3
Return on assets, %	24,9	10,2	-1,3	-0,6	-1,2
Equity ratio, %	92,8	97,4	95,4	98,7	99,8
Operating costs to earnings	0,1	0,3	1,7	1,2	0,7

The principles of calculating financial indicators

Net income

interest income + net income from leasing operations + income from equity investments + commission income + net income from securities transactions + net income from available-for-sale + other operating income

Return on equity, %

$$\frac{\text{(net operating profit/loss - taxes) x 100}}{\text{equity capital and minority interest + depreciation difference less deferred taxes due (average of the figures for the beginning and the end of the year)}}$$

Return on assets, %

$$\frac{\text{(net operating profit/loss - taxes) x 100}}{\text{average balance sheet total (average of the figures for the beginning and the end of the year)}}$$

Equity ratio, %

$$\frac{\text{equity capital and minority interest + depreciation difference less deferred taxes due (average of the figures for the beginning and the end of the year)}}{\text{balance sheet total}}$$

Operating costs to earnings

$$\frac{\text{administrative expenses + depreciation and write-downs on tangible and intangible assets + other operating expenses}}{\text{net income from financial operations + income from equity investments + net commission income + net income from securities transactions and foreign exchange dealing + net income from available-for-sale + net income from hedging + net income from investment property + other operating income + share of associated companies' results}}$$

Date and signatures of the financial statements

Helsinki 12th March 2007

Georg J.C. Ehrnrooth Chairman	Everi Timo
Horelli Johan	Pankakoski Antti
Varjovaara Miika	Walldén Petteri
Mäkinen Antti CEO	

Used accounting journals
Logbook, computer printout
General ledger, computer printout
Balance book, bound
Balance sheet specifications bounded with balance book

Auditors' report

To the shareholders of eQ Corporation

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of eQ Corporation for the period 1 January – 31 December 2006. The Board of Directors and the Managing Director have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, containing the consolidated balance sheet, income statement, cash flow statement, statement on the changes in equity and notes to the financial statements, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the Managing Director of the parent company have complied with the rules of the Companies Act.

Consolidated financial statements
In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent company's financial statements, report of the Board of Directors and administration
In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Companies Act.

Helsinki, 12 March 2007
KPMG OY AB

Sixten Nyman
Authorized Public Accountant

eQ Oyj

Mannerheiminaukio 1 A
00100 Helsinki
Puhelin (09) 6817 81
Faksi (09) 6817 8463
www.eQ.fi
etunimi.sukunimi@eQ.fi

eQ Corporation

Mannerheiminaukio 1 A
FI-00100 Helsinki
Tel. +358 9 6817 81
Fax +358 9 6817 8463
www.eQ.fi
firstname.lastname@eQ.fi