

FIM

FIM Group Corporation
Annual Report 2006

Contents

3	Focused passion
9	FIM — Devoted to investing
11	Overview of 2006
13	CEO's review
15	FIM's strategy
17	Glitnir's tender offer
19	Business environment
21	Asset management
25	Brokerage
29	Investment banking
32	Personnel
35	Corporate governance
38	Corporate governance in 2006
41	Management remuneration
42	Risk management
47	Insider regulation
48	Board of Directors
50	Management board
54	Shareholder information

Focused passion

Investing resembles collecting. It takes a good dose of passion to achieve success. For the best investors and collectors, the process itself is enjoyable, beneficial, involves constant learning and is creative: it offers a chance to make one's own choices and to stand out from the crowd. Investing and collecting are activities that are pursued within the limits of a specific time and place, and in accordance with generally accepted and binding rules.

Both are a kind of game in which there are rules and one can win. The stakes in the game are cultural capital or capital, along with the requisite knowhow.

Real collectors take a fundamentally serious attitude toward their hobby. It is more than a hobby: a long and patient dedication to one's pursuit. Even if collecting remains only a small part of one's life, the seriousness is manifested in an expert approach and the keen interest of a researcher.

Investors, for their part, seek capital gains, and their goal from the very outset is to achieve a rise in the value of their investments. A collector of valuables for gain in the investment sense is not

a thoroughbred collector. The contemplation of value upon exchange, right from the time of purchase, indicates that the acquirer is considering the future sale of the object.

Collectors can at the same time act as brokers or traders in the wares they collect, but such collectors carefully keep their own collections apart from the goods that are for sale. Collectors are generally satisfied with an appreciation in the monetary value of their collections, and sometimes they will ultimately sell an entire collection. Yet financial gain is not the collector's primary objective when building up the collection.

Professional portfolio managers put their knowhow to work, and seek to find the best possible portfolio investments for their customers, thereby increasing the value of their customers' assets.

The traits which a collector, an investor and a portfolio manager have in common are passion, dedication and expertise.

FIM works and deploys its expertise on behalf of its clientele, by investing its customers' assets. FIM's operations are driven by a passion to increase the customer's wealth. FIM is devoted to investing.

"The collector saves the object from decay and destruction. He presents the object with the treatment most desirable in the modern world: he puts the object up on a pedestal where it belongs; and it blossoms. And the salvaged, rehabilitated, highlighted object rewards its philanthropist in hundredfold for his good deed. The collection creates an ambiance in the home of the collector: of refined peace, of the light of intellect, of serene wisdom." Michael Tournier



Keijo Rautell

HELICOPTERS

"A strange machine flew over my childhood home. It felt as if it could be seized from the sky by hand. It was one of the first helicopters ever seen in Finland. Ever since that time, I dreamt of having one of my own."



Timo Lehtonen

TANK WAGONS USED BY THE RAILWAY

"It's turned out to be quite impossible to explain to others what I see in them. During the best times, however, I've been here over a couple of hundred days a year and the work goes on long into the evening, till about five in the morning. I can stand it for twelve days — then I have to go somewhere else. No matter how much you give of your time to this thing, it's never enough. The first wagon I fixed up has already started to rust."



© Veli Granö

Esko

PIPES, MOUTHPIECES, OBJECTS CONNECTED WITH SMOKING

"A few days ago, I noticed that the arrangement of things had changed a little. A lot of things were missing. What had disappeared had been in the exhibition. Somebody had marked what he wanted. Even a lock is no obstacle to a professional. They were so well-chosen that I suspect they are now in somebody else's collection."

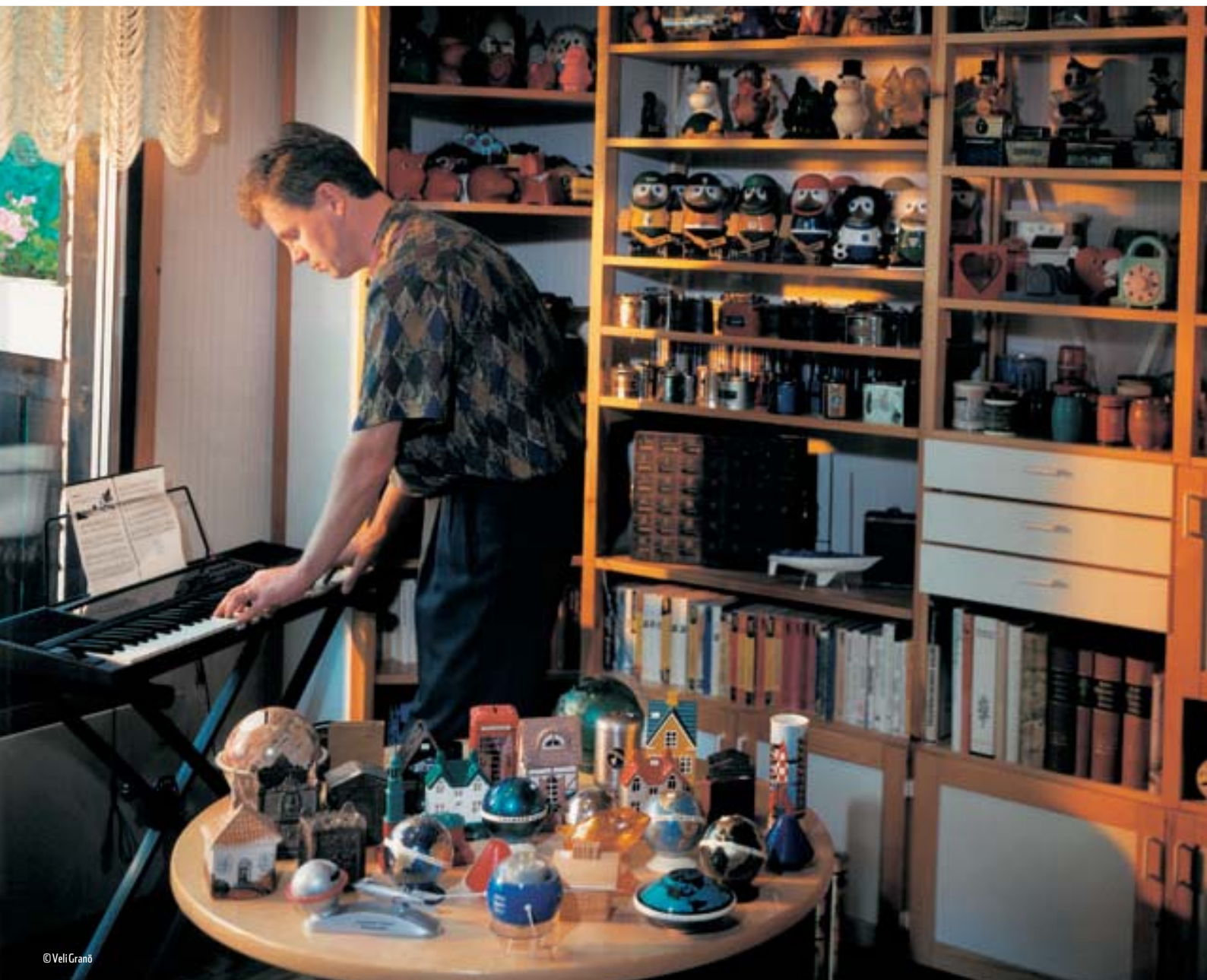


© Veli Granö

Åke Blomqvist

WHISKY, VODKA, COGNAC

"I am a teetotalter and temperance society proponent and have never been a drinker. The unopened bottles are particular examples of my work in such public education. These days, I have concentrated my interest on drinks of distinction, and the work in collecting the same for thirty years is already valuable in other respects. This collection has been insured for a considerable sum of money."



© Veli Granö

Rauno Toikka

MONEY BOXES FROM BANKS

"Some time after I left my job as a bank manager, decisions were made there that one-third of the staff and fifteen of the thirty-six branch banks would be terminated. I've been involved myself in that process as well, so it can't be said that the others made mistakes and I just looked on. Still, I don't want to give those things up. Many of these coin banks became rarities in an instant, because even those banks aren't around anymore and all those things can now be seen reflected from the perspective of those money boxes."

FIM — Devoted to investing

CUSTOMER FOCUS

Customers are at the core of all activity. We know how to meet their needs and how to take their current situation as the basis of the relationship. Products and services must evolve as situations change.

ATTITUDE

We set our goals high and want to succeed. All our activities reflect commitment and high work ethics, and we recognize the importance of each employee in achieving our goals. We work together, sharing our successes with customers.

PRO-ACTIVITY

FIM analyzes and researches the market, turning knowledge into profit. Our strengths are independence and speed: being a step ahead is an integral part of our corporate culture - and we will continue to lead the way.

COMPETENCE

Experience and professional knowledge yield results. Therefore, we emphasize the importance of continuous learning and personal development. Everyone working at FIM is committed to enhancing his or her expertise.

FIM's business portfolio is a combination of profitably growing existing businesses and investments in the search for future growth areas. The development of the business portfolio is conducted in such way that all the business areas, i.e. those with a solid position, with growth focus and those with focus on new businesses, are in balance.



FIM ASSET MANAGEMENT
Asset Management; comprehensive service portfolio including mutual funds, discretionary asset management and discretionary fund management, which means active management of client funds in which portfolio selection is based mainly on FIM's mutual funds.

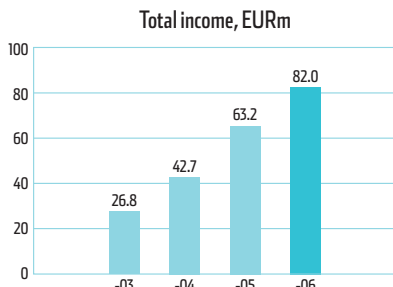
FIM BROKERAGE
Brokerage; extensive equity research, securities and derivative brokerage as well as clearing, custody and depository services.

FIM INVESTMENT BANKING
Investment Banking; focus on advisory services in ECM and M&A transactions.

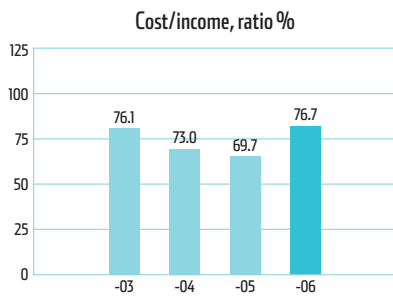
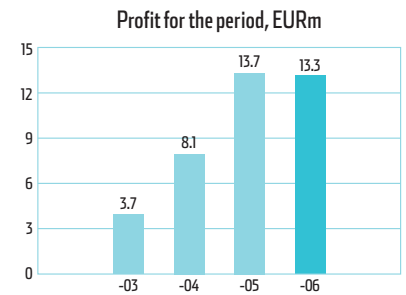
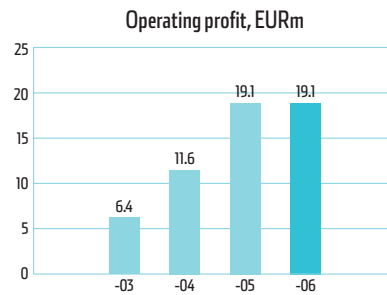
FIM'S BUSINESS AREAS

Overview of 2006

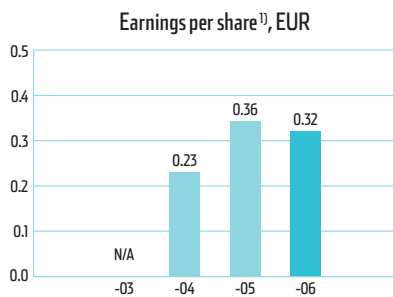
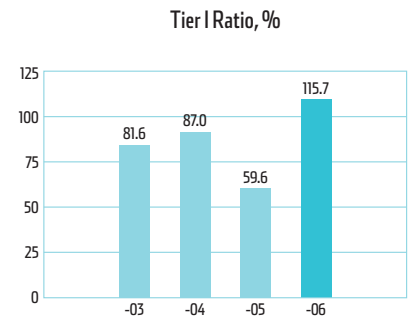
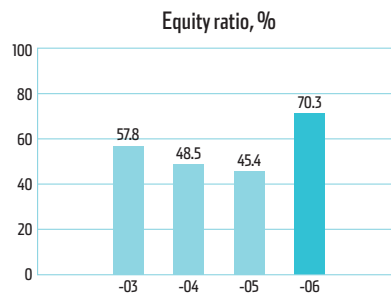
- Total income from investment services operations was up 30 percent to EUR 82 million.
- Operating profit was EUR 19.1 million
- Net profit was EUR 13.3 million, and earnings per share EUR 0.32.
- Three priority areas have been chosen as the cornerstones of the Group's growth-oriented business strategy: the expansion of service offerings in Finland, in connection with which FIM has in January 2007 applied for a license to operate as a bank, sales of selected investment service products to an international clientele, as well as the expansion of operations in Russia.
- FIM Group Corporation is listed on the OMX Helsinki Stock Exchange, and trading in the company's share commenced on the Pre List on April 13, 2006. The company's share moved to the Main List on April 21, 2006. The principal purpose of the listing was to give the company greater potential for continued growth.
- Mr. Risto Perttunen, MSc. (Eng.), BBA, MBA, was appointed CEO of FIM Group Corporation, effective July 1, 2006.
- The number of personnel at the end of the year was 284, or 32 percent more than at the end of 2005. The geographical distribution of the personnel was as follows: Finland, 246 employees; Russia, 35 employees; Sweden, 3 employees.
- FIM Asset Management's total income grew to EUR 50.5 million (39.3). The subsidiary that was established in Russia to carry on asset management and mutual fund operations received an operating license in August 2006, and the startup of actual operations has been progressing as planned during the year.
- FIM Brokerage's total income amounted to EUR 25.3 million (20.8). Factors that contributed to the strong growth in total income were the clear increase in trade volumes on the OMX Helsinki Stock Exchange as well as a growing clientele for the company's operations in Russia.
- FIM Investment Banking had total income of EUR 7.4 million (4.4). The favorable trend in total income was driven above all by the strong growth in sales of structured products.
- During 2006, FIM launched four new mutual fund products, including the FIM Sahara fund, which is the first Finnish fund to invest in South Africa and the Middle East. At the turn of the year, there were 31 FIM mutual funds and EUR 1,865 million of capital invested in them.
- FIM placed second in the general category of the Great Place to Work personnel survey in Finland. The opinion expressed by 93 percent of personnel was that FIM, all things considered, was an excellent place to work.
- After the end of the report period 2006, Icelandic Glitnir announced on February 5, 2007 its intention to acquire all FIM's outstanding shares and options. FIM's Board of Directors has recommended FIM's shareholders to accept the offer.



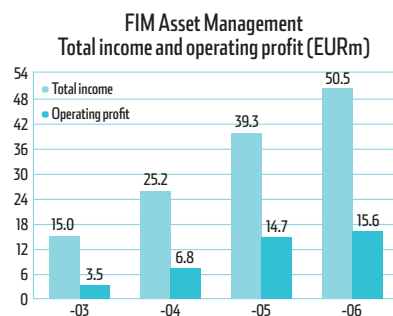
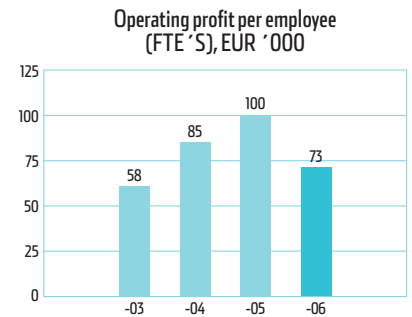
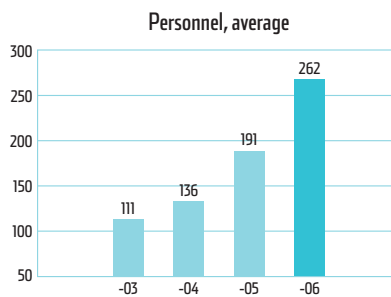
Financial information in 2003 according to FAS; 2004–2006 according to IFRS.



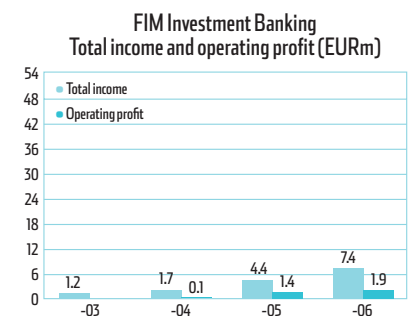
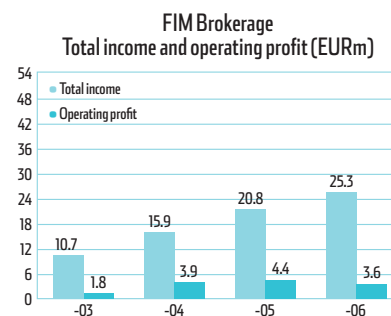
Financial information in 2003 according to FAS; 2004–2006 according to IFRS.



¹⁾ Based on diluted weighted average number of shares after deduction of minority interests. Financial information in 2003 according to FAS; 2004–2006 according to IFRS.



Financial information in 2003 according to FAS; 2004–2006 according to IFRS.



CEO's review



For FIM, 2006 was an eventful and prosperous year, the highlight of which was the company's listing on the Helsinki Stock Exchange.

Total income from FIM's investment services rose to EUR 82 million, up 30 percent on the previous year, and surpassing by a good margin the 20 percent target set by the company's Board of Directors. Operating profit in 2006 was on a par with 2005, coming in at EUR 19.1 million. The operating profit margin was 23 percent, or slightly less than the 25 percent target set by the Board of Directors. The main factors behind the earnings trend were: 1) strong inputs into future growth, reflected particularly in the fast rise in the number of personnel, 2) the dip in third-quarter total income in both asset management and brokerage, and 3) non-recurring expenses totaling about EUR 2 million during 2006.

Third-quarter total income was lower than in the other quarters and below the same period of last year. This was due to the aftermath of the sharp correction in the equity market at the end of the second quarter. Furthermore, the judgment which the Helsinki District Court delivered to FIM's principal shareholder, and the resultant decision of the Financial Supervision Authority on nullifying his voting rights, had a negative impact on new sales and existing customer relationships. Fourth-quarter earnings show that the fall in third-quarter volume and earnings were transitory, and that FIM has returned to its sought-after growth and profitability curve.

The listing on the Helsinki Stock Exchange in 2006 marked the culmination of FIM's development from a small entrepreneur-led partnership to a medium-sized investment services company. The listing on the stock exchange in late March and early April was a big success, especially among international institutional investors — the institutional offering and share sales was oversubscribed about 11.3 times. In the stock exchange listing, FIM gained about 1,800 new shareholders, whom I wish to thank again at this time.

One of the main reasons for the stock exchange listing was the desire of FIM's owners to invest in growth. During 2006, we defined three priorities for FIM's growth-oriented business strategy: 1) to expand service offerings to domestic customers through new investment services products, by developing corporate finance operations and by applying for a banking license; 2) to devote resources to the sale of selected investment services products to international institutional investors, and, 3) to increase operations in Russia. We expect these inputs to boost FIM's net sales substantially in a year or so both in Finland and in the international market and, a bit farther out, also in Russia.

On February 5, 2007, after the end of the report period, Glitnir banki hf. of Iceland announced its intention to acquire all shares outstanding in FIM. The Board of Directors of FIM Group Corporation has recommended that FIM's shareholders accept the offer. FIM's largest shareholders, assisted by the Board of Directors and line management, held talks with a number of interested parties. In these discussions, Glitnir made the best offer.



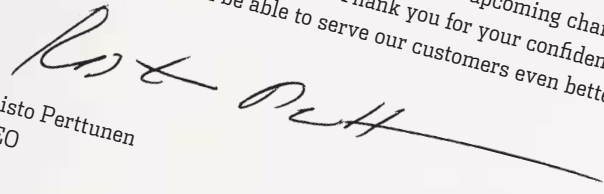
FIM's Board of Directors believes that the up coming M&A arrangement will speed up the achievement of FIM's strategic objectives. Glitnir is a player very much like FIM — an innovative and growth-oriented Nordic bank. If and when completed, the arrangement will enable FIM to step up the pace of carrying out its growth strategy by selling FIM's products in international markets and by expanding its service offerings on the Finnish market. The M&A arrangement will not have negative repercussions for personnel.

Skilled and motivated employees have been and continue to be the most important resource for FIM's success. I am especially gratified that FIM again ranked very highly in the Great Place to Work competition. In the general category, we moved from third place last year to second place in 2006. I wish to thank FIM's personnel for the excellent job they have done during 2006.

A vote of thanks also goes to Jan Forsbom, who stewarded FIM Group Corporation successfully as Chief Executive for a one-year transition period in 2005/2006, and who has stayed on as Managing Director of FIM Asset Management Ltd as of July 1, 2006.

Now that FIM's 20-year journey as an independent company is presumably drawing to a close, I wish on behalf of the Board of Directors, the entire personnel and for my own part to underscore the importance of the role played by Seppo Sairanen, FIM's principal owner of long standing, as a successful entrepreneur, innovator and force that has motivated our entire staff. Under Seppo Sairanen's leadership, FIM has grown to become the success story that we know.

Our customers need not be worried about the upcoming changes. FIM's passion, now as ever, is to increase our customers' wealth. Thank you for your confidence in us in 2006! I am convinced that in the future we will be able to serve our customers even better and with expanded resources.


Risto Perttunen
CEO

FIM's strategy

FIM'S OBJECTIVE IS TO GROW AS AN INTEGRATED PROVIDER OF INVESTMENT SERVICES

During its two decades in business, FIM has grown from a small, entrepreneurled provider of niche services to become a medium-sized integrated investment services group. By spearheading mutual funds investing in emerging economies, FIM has become Finland's leading investment services group specializing in emerging markets. Thanks to the subsidiaries set up in Moscow, Russia, FIM has achieved a unique position among Nordic investment services groups.

CARRYING OUT FIM'S STRATEGY REVOLVES AROUND A BALANCED BUSINESS PORTFOLIO

In 2001, FIM's business consisted of equity funds, brokerage and discretionary asset management. Operations have subsequently been developed systematically and actively in line with our clientele's needs. Today, FIM's business portfolio brings together the profitable growth of existing businesses and resource allocation to seek out future growth areas. The business portfolio is being developed with the aim of ensuring a good balance between well-established and growth-oriented businesses.

FIM'S STRATEGIC OBJECTIVE IS CONTINUOUS PROFITABLE GROWTH

With the aim of meeting the challenges posed by its clientele and strengthening its competitive position,

the Group has chosen the following three priority areas as the cornerstones of its business strategy;

A BROADER SERVICE CONCEPT FOR FINNISH CUSTOMERS

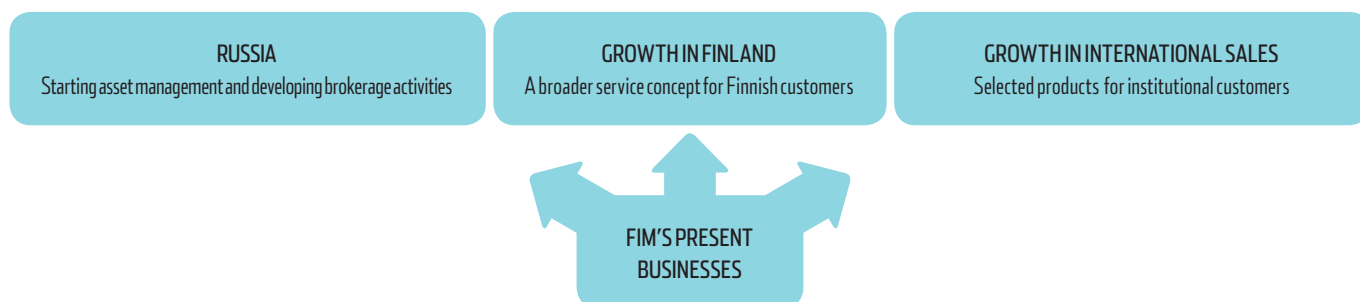
FIM is seeking growth in Finland by developing a broader range of competitive products and services, particularly for the needs of the institutional sector. FIM intends to continue bringing innovative and pioneering investment products to the market, and to leverage its product development experience by expanding its palette of products for the fixed-income market and alternative investments. In addition, sales of structured products will be fast-tracked, and the corporate finance function in Finland will be developed. As part of the expansion of its service concept, FIM has applied for a license to operate as a bank.

INTERNATIONAL CUSTOMERS WILL PROPEL GROWTH

FIM has a broad range of historically well-performing emerging market equity funds, whose clientele consists mainly of Finnish investors. The objective is to increase sales of FIM's spearhead products to international institutional investors, and as part of this development effort, the mutual fund business is preparing the registration of mutual funds in Luxembourg.

EXPANDING OPERATIONS IN RUSSIA

In recent years, FIM has invested heavily in growth in the Russian market. The basic structures of FIM Brokerage's securities brokerage operations located in Moscow have been put in place, and further inputs will be made to spur growth. The subsidiary that was established in Russia to carry on asset management and mutual fund operations received an operating license in August 2006 and the startup of actual operations is progressing as planned. Actual asset management and mutual fund operations are expected to get started during the early part of 2007.



THE GROUP'S STRATEGIC OBJECTIVES ARE DIVIDED ACROSS THREE HORIZONS

Horizon 1: "Profitably growing businesses "

The existing Asset Management and Brokerage businesses will be developed in the domestic market by expanding the product range and customer base. Operations will be geared to customer-satisfaction and efficiency as well as profitable growth. These business areas underpin FIM's growth-oriented business strategy.

Horizon 2: "Growth-seeking businesses"

The business areas will seek to expand into new types of operations that are fundamentally profitable and are expected to generate earnings at least over the medium term. Areas of this kind are the launching of fixed-income and alternative investment products in Finland, the development of sales of structured products together with cooperating partners and an increase in brokerage sales to

international customers. The organizational structures for these functions are for the most part in place. The priority now is to grow the operations, while profitability is already at least at the break-even point.

Horizon 3: "Future growth areas"

Maintaining a balanced business portfolio calls for making continual inputs into future growth. Scouting for new businesses is a critical part of strategy work, and developing such businesses initially requires inputs that exceed the profitability they can be expected to deliver. At present, there are four growth priorities on this horizon: expanding the international clientele of Asset Management, developing operations in Russia within both Asset Management and Brokerage, relaunching Investment Banking operations, and starting retail banking operations in Finland.

HORIZON1 "Profitably growing businesses"	HORIZON2 "Growth-seeking businesses"	HORIZON3 "Future growth areas"	
<p>Discretionary Asset Management in Finland</p> <p>Equity funds in Finland</p>	<p>Fixed-income and alternative investment products in Finland</p> <p>Structured products</p>	<p>International sales</p> <p>Russia</p>	ASSET MANAGEMENT
<p>Finland</p>	<p>International sales</p> <p>Russia</p>		BROKERAGE
	<p>Investment banking Finland</p>	<p>Investment banking Russia</p>	INVESTMENT BANKING
		<p>Banking operations in Finland</p>	OTHERS

- Profitably growing businesses
- Growth-seeking businesses, profitability at break-even
- Future growth areas, inputs still exceeding profitability
- Business in development phase

Glitnir's tender offer

On February 5, 2007, Icelandic Glitnir banki hf. announced that it intends to acquire the outstanding shares and options of FIM. The initiative on the arrangement has come from the largest shareholder in FIM. FIM Group Corporation's Board of Directors has recommended the shareholders and option holders to accept the tender offer.

Glitnir is a growing financial services group, whose strategy is to specialize both in income structure and geographically. The focused business strategy has enabled the bank to grow both in its home markets in Iceland and Norway and internationally. In Northern Europe the bank focuses on Corporate Finance, Leverage/Integrated Finance as well as Property Finance and Asset Management/Private Banking.

In recent years, Glitnir has expanded its operations strongly by both organic growth and M&A activity. The reasoning behind the intention to acquire FIM includes three major factors:

- 1) willingness to expand operations to Finland
- 2) strengthening the Nordic concept in securities brokerage
- 3) FIM's comprehensive product range and offering it in Iceland and Norway.

Glitnir is also interested in the possibilities in Russia that are opened up through FIM's operations.

FIM's expertise in asset management enables Glitnir to establish increasingly international asset management services. Glitnir's wide distribution network can be utilized in selling FIM's wide-ranging mutual funds to customers.

The brokerage operations will have concrete benefits from the Nordic brokerage concept. Based on 2006 figures, Glitnir and FIM together would have been the number three broker both on the Nordic and Helsinki Stock Exchange lists measured by the value of transactions. Glitnir brings to the entity its large institutional clientele whereas FIM's strength lies in its wide retail sector.

Within corporate advisory business, putting Glitnir and FIM together will increase opportunities for cross-border and cross-business transactions.

FIM will continue to develop its own retail banking business as part of expanding its service offering to Finnish customers.

PRINCIPLE TERMS OF THE TENDER OFFER

Shareholders representing approximately 68 percent of the shares in FIM have given an irrevocable undertaking to sell their shares to Glitnir at a price of EUR 8 per share 50% payable in cash and 50% in Glitnir shares.

All the other shareholders of FIM have two alternatives to accept the public tender offer:

- a) Combined cash and Glitnir share offer containing EUR 4.00 cash and 14.75 Glitnir shares per each FIM share.
- b) Cash offer for EUR 8.00 per each FIM share.

The combined cash and share consideration corresponds to a total consideration of EUR 8.00 per FIM share based on Glitnir's closing share price of ISK 24.80 on January 15, 2007 and an ISK/EUR exchange rate of 91.44, the mid-rate published by the Icelandic Central Bank on January 16, 2007.

If the Annual General Meeting of FIM resolves to distribute a dividend in excess of EUR 0.14 before the settlement date of the public tender offer, the offer price shall be reduced by the amount of the dividend in excess of EUR 0.14 per share in any such dividend distribution.

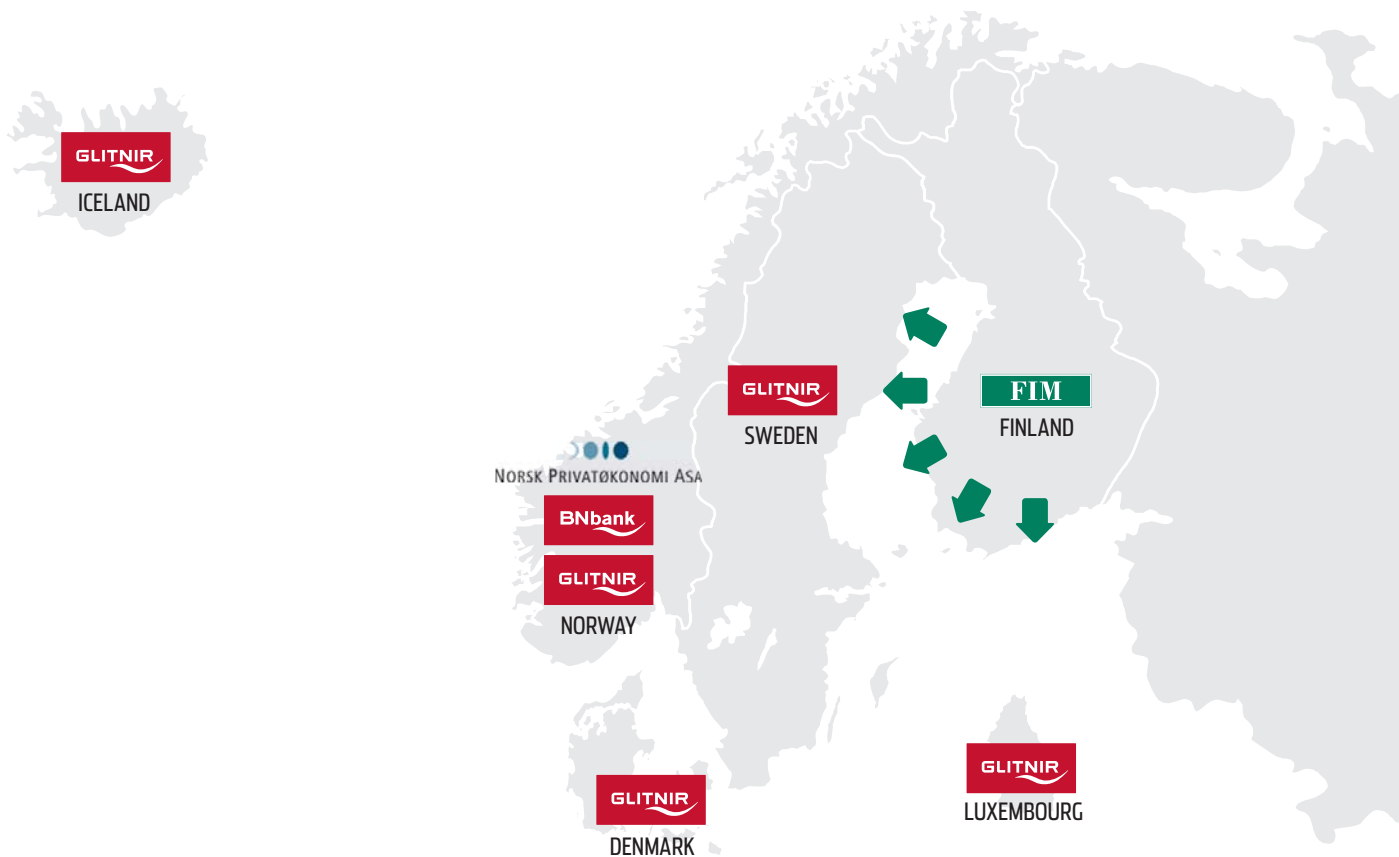
FIM stock option holders will receive EUR 8.00 per option less the trade weighted average price of the FIM share in regular trading on the Helsinki Stock Exchange between October 1 and December 31, 2006 (EUR 5.19). The trade weighted average referred to above (the option exercise price) shall be adjusted by any dividend paid by FIM.

FIM Group Corporation's Board of Directors recommends the shareholders and option holders to accept the tender offer. Further, the Board of Directors of FIM has signed a combination agreement with Glitnir.

The Board of Directors notes that at the time of decision making each FIM shareholder and option holder must independently choose whether to accept the combined cash and share offer, the cash offer or not to accept the tender offer. The Board of Directors recommends that each shareholder and option holder independently evaluates the impact of possible exchange rate fluctuation risk, the risk associated with the general development in the Icelandic economy, tax position, trading and other costs and volatility risk with respect to the share component of the combined cash and share offer.

The principle terms of the public tender offer, including the conditions for completing the public tender offer, were published in a stock exchange release on February 5, 2007 which is also available on FIM's website at www.fim.com.

The offer period is expected to commence in March 2007. A public offer document will be published prior to the start of the offer period and it will also be available on FIM's website at www.fim.com.



Business environment

THE OPERATING ENVIRONMENT FOR INVESTMENT SERVICES WAS IN A DUAL MODE IN 2006

All in all, 2006 was a year of strong growth even though the first part of the year was marked by uncertainty in the investment market. Share prices headed downward around the world in the second quarter. During the summer, receding inflation fears and buoyant corporate earnings sparked a rebound in share prices. The global equity index rose 8 percent in euro terms in 2006. The equities index for the world's emerging markets rose by 26 percent from the beginning of the year and the OMX Helsinki Cap Index by 30 percent.

Similarly, interest rates were on the rise in the early months of the year. After the summer, the fixed-income market turned favorable for investors, because long interest rates declined during the fall, on the tail of fairly weak financial news from the USA. In December, interest rates headed upward again.

THE ROLE OF EMERGING MARKETS IS INCREASING IN THE GLOBAL ECONOMY

In recent years, Asian economies, led by China and India, have become engines of growth for the world. The structural focus of the global economy is moving from industrialized western countries to Asia. Within the next few decades, China is estimated to become the largest single economy over the USA. The share of emerging markets in the global economy is about a third and until 2050 the share is estimated

to increase to over a half. The driving forces behind the growth in emerging economies are urbanization, moving forward in the production chain and industrialization.

Globalization and the structural change in the global economy have led to accelerating internationalization in M&A activities and companies' business development. International consolidation is expected to continue to be brisk and investment services companies are part of this development.

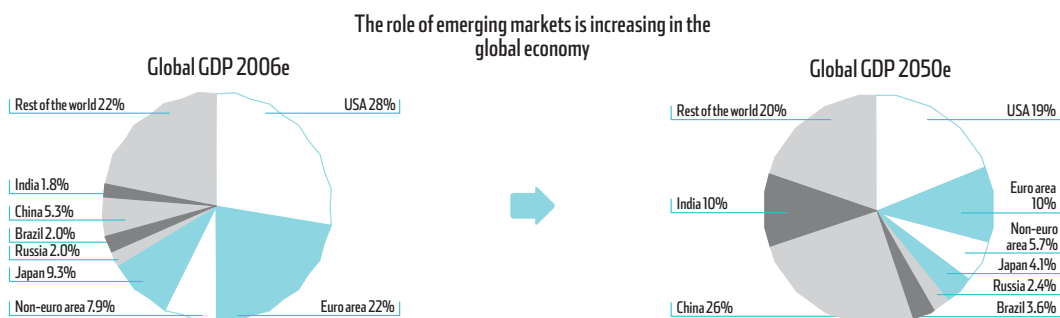
MEGATREND IN INDUSTRIALIZED COUNTRIES: POPULATION AGEING

A significant factor behind the growth in investment services, and especially those connected with asset management, is the demographic shift that is underway in the developed countries. The average age of the population is increasing, and this drives up demand for various personal savings products. This trend is reinforced by the underfunding of defined-benefit pension plans. The growth in pension fund assets is expected to accelerate in future decades, as Europeans prepare to meet the needs of a rapidly ageing population.

THE STRUCTURAL CHANGE IN THE GLOBAL ECONOMY AFFECTS INVESTING

The focus of growth in the global economy has already moved to emerging markets. For investors, this means that the most interesting investment targets are found in these rapidly developing markets and in companies which are able to benefit from growth in these markets through low-cost labor and increasing demand.

Investment services companies also need to take this development into account in their own investment activities. The significance of geographic allocation will be emphasized when making decisions on the allocation of investment instruments and the contents of portfolios.



POPULARITY OF MUTUAL FUND INVESTING IS GROWING

The internationalization of investment activities is a major factor behind the popularity of mutual fund investing. It is easiest to make direct equity investments in companies that operate close to the investor or are otherwise well-known and about which there is a great deal of analysis available. Mutual funds offer investors a simpler and easier route to get in on the growth of companies operating in these growth centers than they can do by way of direct equity investments. During recent years, interest in mutual fund investing has been increasing also in Finland.

THE CUSTOMER EXPECTS A TOTAL PERSPECTIVE

In lockstep with increasing activity in equity and mutual fund investing, customers have become more discerning. It is now more important for the customer that the provider of investment services is able to present an insight on the customer's entire wealth and how it should be allocated among different asset classes.

Customers' needs are thus leading to a unification of the product ranges of investment services providers. Those who offer niche services are expanding their product palette, and large banking and investment services groups are also including niche products in their offerings within certain asset classes.

Another trend being ushered in by internationalization is the spread of networking among service providers. Stockbrokers and mutual funds deal with reliable and credible partners in cooperation in areas where outsourcing yields advantages of scale. On the other hand, global reach furthermore translates into increased competition.

During 2006, investors' need to diversify their wealth across different asset classes has become more pronounced. After three years of strongly

rising share prices, investors have become more cautious, and are now more risk-averse. Demand for alternative investment products has shown a particular increase, as has the diversification of investments globally within certain asset classes.

INSTITUTIONAL CUSTOMERS WANT CONCEPT-FOCUSED SERVICES

Among institutional investors, there has been growth in demand for concept-focused services. Investment services companies are called upon to deliver not only a viewpoint on total allocation, but also a systematic investment process and transparency in reporting.

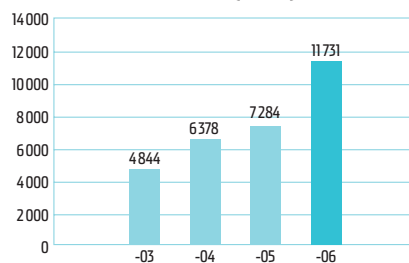
The market situation of late has been reflected in institutional investors' portfolios with the weightings of emerging market equities showing further growth. Likewise, there has been increased demand for funds of funds and alternative investment products at a time when the level of interest rates has been relatively low.

EQUITY BROKERAGE FACES NEW CHALLENGES

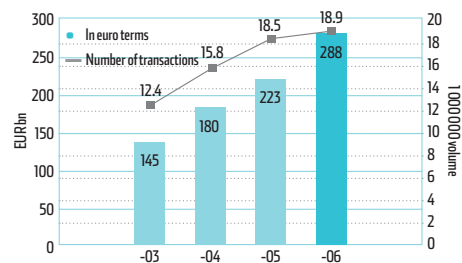
The prevailing trend in equity brokerage is an increase in global reach along with international competition. In 2006, remote brokers gained a good deal of market share on the OMX Helsinki Stock Exchange. Among the ten largest brokers, seven were remote brokers, with Morgan Stanley, Goldman Sachs and Merrill Lynch at the top of the list. The trend reflects the increasing preponderance of foreign investors in trading carried out in Helsinki.

The requirements for effectiveness have led equity brokers to develop e-trading services that offer customers the tools for online trading. Online trading services are increasingly offered also to active private investors.

Net inflow into all funds, Finland (EURm)



OMX volume



Asset management

AIMING TO BE A FULL-SERVICE ASSET MANAGER

FIM Asset Management's range of services includes mutual funds and discretionary mandates, the latter being further divided into discretionary asset management and fund asset management. FIM is one of Finland's leading asset management companies for equity funds.

Measured by both total income and operating profit, FIM Asset Management is FIM Group's largest business area. At the end of 2006, FIM Asset Management had a total of about EUR 3 billion in assets under management.

FIM's investment philosophy places the accent on active and insightful asset management in all asset classes. Investment activities are based on a knowledge of customers and their needs. The core element of FIM's operational model is the comprehensive allocation concept, which covers fixed-income, equity and alternative investment products.

From the beginning of 2007, capital-protected structured products are also a part of the asset management service concept, whereas previously they were handled by the Investment Banking arm.

CREATING AN INTERNATIONAL FOOTPRINT

Among FIM Asset Management's 31 mutual funds are pioneering equity funds that invest in emerging markets, and on which FIM's recognition

rests. In particular, the Group is responding to the growing needs of its domestic clientele by expanding its product range in such a way that customers can also be offered non-equity products on the basis of a comprehensive allocation concept.

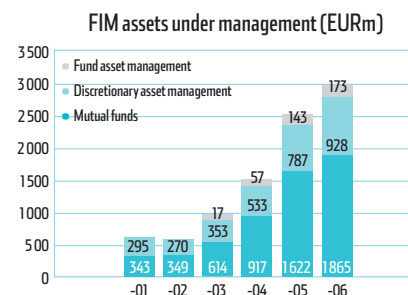
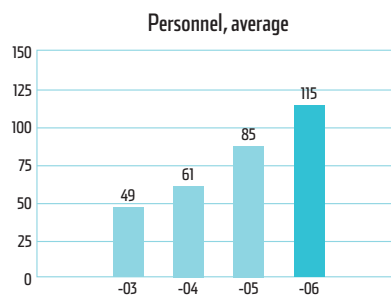
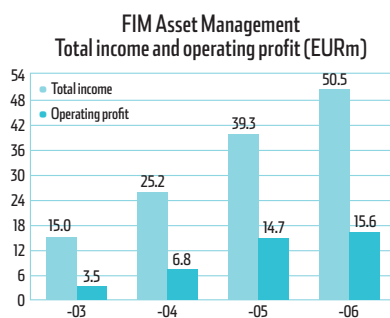
FIM is pursuing international growth by leveraging its emerging markets expertise. FIM Asset Management has set up a special international sales team which during 2006 has actively built a network of cooperation with international institutional investors and distribution channels. The objective is to increase the sales of FIM's leading products to international institutional investors. As part of this effort, the mutual fund staff is currently preparing the registration of funds in Luxembourg.

The subsidiary that was established in Russia to carry on FIM's asset management and mutual funds operations received an operating license in August 2006. Preparations for actual operations are progressing according to plans, and in January the FSFR, Russia's financial markets regulatory authority, approved the statutes of FIM's first local funds. It is estimated that the funds will begin operating during the first quarter of 2007.

The expansion of operations in Sweden has been continued. In summer 2006 the Stockholm branch office concluded a major distribution agreement with Länsförsäkringar, one of Sweden's largest insurance companies.

FUNDS PLACE WELL IN RATINGS

Over the past years, FIM's mutual funds have ranked among Finland's very best in their own risk categories. In 2006, in the assessments of the independent Morningstar rating agency, 7 of FIM's 12 rated equity and asset allocation funds received the full 5 stars and placed within the best 10 per cent among their peer group.



In a study carried out by Scandinavian Financial Research Ltd in November 2006, FIM shared second place as an institutional asset and fund manager in Finland. According to the same study, institutional customers ranked FIM in first place as measured by pricing competitiveness and quality of customer reporting.

The success of FIM's asset management is based on solid knowhow and continuity in portfolio management. In the investment process, a clear balance is struck between active input and prudent caution. It is noteworthy that by February 2007, not one of FIM's fund managers has moved to another company.

GROWTH AND NEW MUTUAL FUNDS

In 2006, FIM launched four new mutual funds, two of which complement FIM's array of emerging market funds.

FIM Sahara is the first Finnish fund to invest in companies listed on the stock exchanges of countries in the Middle East and Africa.

FIM Ukraine invests in Ukrainian companies that are listed on the Kiev Stock Exchange.

FIM Japan Small Cap, which invests in Japanese companies with a market capitalization of under USD 4 billion, was set up to complement the FIM Japan fund, which invests primarily in well-established and recognized blue chip companies.

FIM's funds of funds were added to by setting up the FIM Multihedge fund, which invests its assets in a number of different hedge funds and employs several different investment strategies.

A total of about EUR 1,865 million was invested in all of FIM's mutual funds as of December 31, 2006. FIM's market share of all the mutual funds registered

in Finland was 3.1 percent, counting equity, asset allocation, fixed-income and special investment funds in this figure.

A total of about EUR 1,297 million was invested in all of FIM's equity funds as of December 31, 2006. FIM's market share of equity funds registered in Finland, calculated according to assets under management, was 5.9 percent.

FIM's volume of assets under management has grown steadily. In 2006, growth was fueled especially by the appreciation of mutual funds. FIM's mutual funds had more than 55,000 unitholders in Finland as of December 31, 2006. The number of unitholders has quintupled since 2000.

EUR 1.1 BILLION IN DISCRETIONARY MANDATES

FIM's discretionary mandates services are divided into discretionary asset management and fund asset management, with a total of about 2,400 securities portfolios under management at the end of 2006. The discretionary mandates had aggregate customer assets as of December 31, 2006 of about EUR 1.1 billion, more than half of which was invested in mutual funds managed by FIM.

Within discretionary asset management, about 1,000 securities portfolios were under management as of December 31, 2006, with customer funds at the same date of EUR 928 million.

FIM's fund asset management operations had about 1,400 securities portfolios under management as of December 31, 2006, with customer assets at this date totaling EUR 173 million.

Funds gain in popularity in Russia

FIM's first mutual funds were registered in Russia in January 2007. The first three funds were named FIM Russian Equities, FIM Russian Portfolio and FIM Russian Bonds. The funds are open-end for both Russian and international investors.

"In Russia, only mutual funds registered in Russia can operate, and for the time being they can invest their assets solely in Russian securities," says Irina Torp, Director. For this reason, FIM cannot sell and market its existing funds to Russian investors, but must set up new funds.

Irina Torp judges that mutual funds have good growth prospects in Russia.

"In Russia, mutual funds are still a fairly new thing, but interest in them has grown rapidly. The Russian middle class is becoming more affluent and they are saving for pensions and for the education of their children. New capital is flowing into the funds all the time."

During 2006, the capital invested in mutual funds almost doubled. So far, the most popular offerings have been equity funds, because share prices on the Moscow Stock Exchange have been rising lately.

Ms. Torp says that FIM's decision to begin mutual fund operations in Russia has been well received

on the market, even among competitors. There are about 600 mutual funds operating in Russia, but only a few of them have been established by western companies. "Because the mutual fund culture is young, more information on mutual funds is needed, and there should be more parties who represent investing in mutual funds. This is for the best of all the players in the sector."

Russia's mutual fund legislation makes three types of funds possible: open-end, closed-end and interval funds, the last of which specifies that new capital can only be invested at specific intervals. FIM's funds are of the open-end type.

Ms. Torp lauds Russia's mutual fund legislation and regulatory regime for being quite well developed. She points out that the Mutual Funds Act from 2001 is a combination of American and European regulation.

FIM intends to sell and market its funds primarily to Russian private individuals. The aim is to expand the sale of funds beyond Moscow and St. Petersburg to other large cities. Apart from its own sales organization, FIM employs other distribution channels as well. Development of the distribution network was started at the same time as other preparatory work.

"The cooperation network includes both banks and other types brokers," says Ms. Torp.

Structured products are a big hit

Structured products have gained in popularity in Finland faster than any other investment product. One of the most important reasons for this popularity is that in these products, the capital is generally completely protected over the investment horizon. Capital protection in combination with the opportunity for a return is quite an attractive package for many types of investors.

In addition, structured products enable a retail investor to gain access with limited risk and a small amount of capital to markets which previously were the exclusive province of institutions. Structured products have undergone energetic development, and returns on them are linked to a wide variety of assets: not only equities and fixed instruments, but real estate property, mutual funds, debt, foreign exchange, commodities and raw materials, insurance... You name it! Yet one precondition is that there must be well functioning secondary markets for these assets.

A structured product boils down to the old familiar bonds, on top of which derivatives have been employed to "build" a return that is tied to the trend in the value of one or more underlying assets. This is why these debt obligations are referred to as structured products.

"There are cultural differences from country to country regarding the popularity of structured

products: In Great Britain, they're based nearly solely on domestic equities, whereas the Germans and the Danes favor fixed-income debt, and the Italians go for the most exotic combinations. Finns invest mainly in the equity market and don't shy away from emerging markets," says Christer Schoultz, Operations Director, Alternative investments business.

FIM has pioneered the development of structured products in Finland.

"According to our own estimate, we're among Finland's three largest providers, and the largest non-banking player in this market," says Mr. Schoultz.

The issuer of FIM's publicly traded structured products is Credit Suisse International, one of the world's largest investment banks. In 2006, one of the most popular products among bonds offered to the public was Super Trend, which has a return that is linked to several underlying assets and can offer a yield even when the stock market is falling.

"Demand for structured products, too, varies in line with the trend in the equity market. The sharp correction in the spring of 2006 put a damper on demand, and shifted investors' interest toward defensive bonds. In the latter part of the year, however, products involving more risk have been selling well," says Mr. Schoultz.

Christer Schoultz estimates that structured products still have huge growth potential. All it takes is a look at Finland's neighbor to the west. In Sweden, EUR 3.4 billion in structured products were subscribed for in the first half of last year, against EUR 760 million worth of subscriptions in Finland over the same period.

Brokerage

FIM'S BROKERAGE ACTIVITIES GROW AND GO INTERNATIONAL

FIM Brokerage's operations encompass wide-ranging equity research in Finland, securities and derivative brokerage as well as clearing, settlement, custody and custody agent services in both the domestic and international markets. FIM Brokerage's clientele consists of active private investors as well as professional and institutional investors.

FIM is a member of the Helsinki, Stockholm, Copenhagen, and Oslo Stock Exchanges, the international Eurex Derivatives Exchange, and is also the first Finnish company to be a member of the RTS Exchange and the Moscow Interbank Currency Exchange (MICEX) as well as the Depository Clearing Company (DCC) in Moscow.

The cornerstones of the Brokerage arm's strategy are strong analysis, the development of operations in Finland, investment in an international clientele and the development of electronic trading services. Operations revolve around customer satisfaction, efficiency and profitable growth. A special emphasis on seeking profitable growth lies in international operations.

EXPANDING OPERATIONS IN RUSSIA

The infrastructure for FIM Brokerage's securities brokerage operations located in Moscow was put in

place during 2006. Operations in Russia registered a clear gain in their number of customers during the year, and further outlays are being made to develop and increase operations in Russia. In step with the growth in brokerage activities, the analysis function has also been expanded. Equity research was expanded in Russia during 2006.

The FIM Direct online trading service was extended in the fall of 2006 to cover the Oslo and Copenhagen Stock Exchanges in addition to Helsinki and Stockholm.

BOLSTERED BY ACTIVE EQUITY RESEARCH

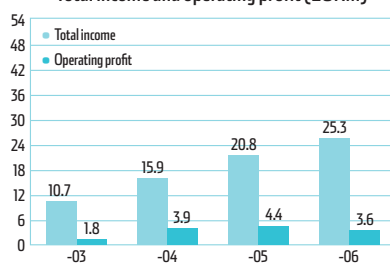
Long-term investment in extensive equity research has brought FIM a strong position among Finnish institutional and private customers. The good reputation and active work of the equity team has also been one of the central elements enabling FIM Brokerage to gain market share.

In a customer survey conducted among Finnish institutional customers and published by Prospera Research AB in December 2006, FIM was chosen again as the best Finnish company offering analysis of listed companies with a market capitalization of under 700 million euros.

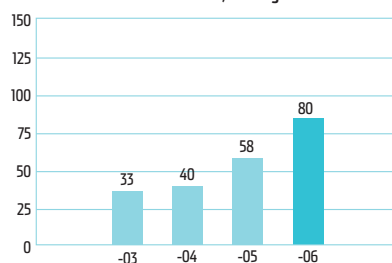
FIM's equity research tracks about 100 Finnish listed companies representing a total of about 99 percent of the market capitalization of the Helsinki Stock Exchange. FIM furthermore has seven analysts in Moscow, who follow more than 50 Russian companies.

In 2006, more than 200 occasions were arranged, at which representatives of Finnish listed companies presented an overview of their operations to FIM's domestic and international customers. During the year, more than 1000 copies of invest-

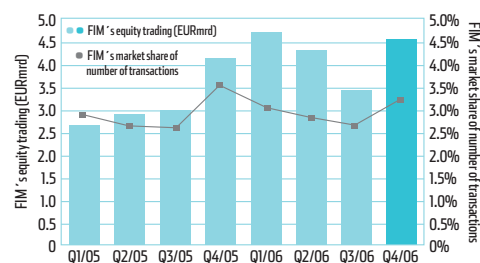
FIM Brokerage
Total income and operating profit (EURm)



Personnel, average



FIM's equity trading and
market share of number of transactions



ment research products, such as morning updates, comments on companies and other reports were sent to customers. Over the year, FIM also arranged a number of fairly extensive trips, notably to Russia and Asia, offering an opportunity to view the operations of Finnish and local companies up close.

NEW CUSTOMERS BOOST GROWTH

The bulk of FIM's brokerage activities take place on the OMX Helsinki Stock Exchange. In 2006, the overall average daily trade volume on the Helsinki Stock Exchange was EUR 1.1 billion, which clearly broke the EUR 0.9 billion record that was set in 2000. Local stockbrokers, with a few exceptions, lost a good deal of market share to remote brokers. FIM Securities nevertheless managed to increase its market share slightly, to 2.97 percent (2005: 2.90 percent), and FIM thus succeeded well in consolidating up its position in the face of stiff competition.

In Prospera's annual investor survey, FIM ranked sixth overall among the fourteen companies assessed. FIM was in seventh place in 2005. Improvement has been made, particularly in implementing trades and in carrying through large block trades.

Over the past years, FIM Brokerage has striven actively to expand its clientele to cover international institutions. Good results have been achieved in this work. Scandinavian and continental European institutional customers now form a significant and growing part of FIM Brokerage's international clientele. In addition, these customers increased their trade volumes markedly over the year.

The number of customers and volume of the FIM Direct online trading service that FIM offers to active investors grew substantially in 2006. FIM and the Finnish Savings Banks Association have entered into a cooperation agreement under which FIM will act as the online intermediary in securities transactions of the Finnish Savings Banks Association's member savings banks in all trades executed on the Nordic Exchange. The savings banks will change over to using FIM Securities as their intermediary in securities transactions in the fall of 2007.

INVESTMENTS IN SYSTEMS AND IMPROVING PROCESSES

FIM Brokerage's continuous growth and success are largely attributable to the development of sales and order systems as well as support services. FIM has made several investments in its trading and back office systems.

Towards the end of 2006, a new back office system became fully operational at FIM, offering enhanced reporting, improved risk management and automated trading processes. Furthermore, a new customer information system was placed in use in brokerage operations, and it is to be expanded Group-wide.

In quest of a market model

Jussi Hyöty knows that his job as FIM's Chief Analyst is his calling in life. He views himself and other analysts and brokers as part of a struggle for survival in which money gravitates toward the best ideas.

Just as in the Darwinian evolution of the species, the winners are the companies that operate efficiently and are capable of adapting to changes faster than others. Also winners are those who know how to invest in such enterprises — preferably, before others do. Finding nuggets of gold is the challenging task of Jussi Hyöty and his colleagues. Mr. Hyöty thoroughly enjoys his work amid a welter of ideas.

"I've been in a flow state for ten years or so," he chuckles.

A flow state means being absorbed by one's work in a positive sense. It is typical of people who work in creative fields. And the money world, if any, is creative, says Mr. Hyöty. In his book *In the Grips of Equity Stories — A Passion for Analysis*, which came out in Finnish in 2006, he goes through the main market mechanisms and discusses a number of cases he has analyzed while trawling the equity market.

It doesn't even take Jussi Hyöty two seconds to think over his answer to the question of whether the markets would work without analysts. Of course they wouldn't work!

"If it weren't for us, all prospective investments would appear equal in value. Capital would flow on the same terms into both good and bad companies. The good companies would get frustrated and exit the market."

This situation, which is dubbed the "lemon dilemma" in his market analysis, is one of Mr. Hyöty's favorite examples, because it helps us understand how the markets work.

An aspect that makes an analyst's work particularly interesting and creative is that it is not enough just to be right. The "take" on the market or company must be original into the bargain. If everybody shares the same view, it no longer has any value. Generally known factors are already priced into stocks.

"It's important also to understand mass psychology and to know how people behave in different situations. This is only learned through experience," says Mr. Hyöty.

"You can't learn creative analysis in school. You've got to know financial theory, but you continually have to season gray theory with new information, link things together and have a good knowledge of human nature. What's more, you have to be able to sell your own insights and investment ideas to customers."

"Nor does reading textbooks offer any hard and fast "rules of thumb" for investors. If somebody detects a systematic market law — say, that share prices always rise on a given day of the week — it won't be possible to cash in on this information for very long, because others too will come up with it and act accordingly. Ideas are of value only when they are new."

At present, Jussi Hyöty is most taken up with globalization and its many implications. When a major change occurs, the cards are dealt anew, and you have to learn to read your hand correctly.



Investment banking

A YEAR OF REORGANIZATIONS

The FIM Investment Banking business area was made up of two separate units in 2006: structured products and corporate finance advisory services. During the summer and fall of 2006, the company made a decision to reorganize its investment banking operations.

The FIM Investment Banking operations will from now on focus on advisory services in equity capital market transactions and in mergers and acquisitions. Owing to this decision, it was decided to organize the sale of structured products within FIM Asset Management from the beginning of 2007.

It was also decided to concentrate FIM's inputs into growth in Russia for the time being toward the development of asset management and brokerage. The investment banking function in Finland will work in cooperation with FIM's units in Russia. The development of corporate finance functions in Russia will be reassessed.

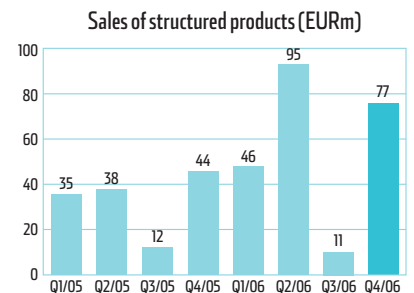
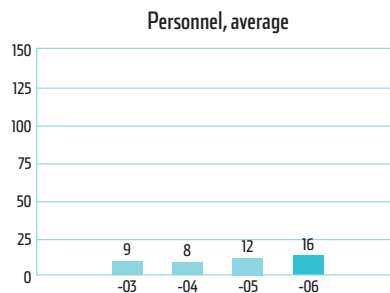
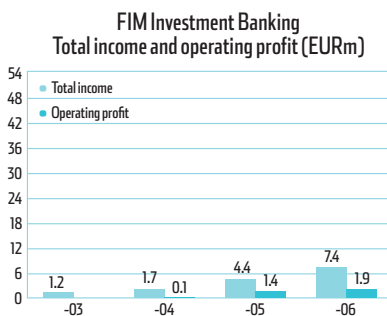
The purpose of the reorganization of investment banking is to significantly strengthen FIM's position in the M&A and ECM markets in Finland.

STRONG GROWTH IN SALES OF STRUCTURED PRODUCTS
FIM offers retail investors the structured products issued by Credit Suisse. The partners in cooperation of FIM's institutional structured products unit are more than 20 of the world's largest international investment banks in this sector.

Demand for FIM's capital-protected structured products grew rapidly in 2006, with sales rising 79 percent on the previous year and ending at record levels. Capital-protected structured products have been part of FIM's product portfolio since 2003. In 2006, thirteen structured products and sixteen debt tranches were issued for subscription by retail investors, and they had an aggregate value of over EUR 229 million. In management's estimation, during the year this made FIM one of the big three in this market in Finland.

FIM's sales of structured products were developed in 2006 by expanding the distribution network. In September, FIM signed a cooperation agreement with Bon Life Oy and Amos Partners Oy, according to which the companies have given their commitment to carry on marketing cooperation solely with FIM in structured products that are issued by Credit Suisse and offered to retail investors.

In early 2007, FIM concentrated its alternative investment knowhow in a new unit, Alternative Investments. The unit has been established under FIM Asset Management and it will serve both institutional and private customers. The unit's products include, among other things, capital protected structured products, as well as hedge and real estate funds.



A revamp of investment banking

Kurt Lundmark took over at the helm of FIM's Investment Banking operations at the beginning of September 2006. Under his direction, the reinforced investment banking team will now consist of eight experts and seek to strengthen FIM's position significantly within M&A deals and in the equity capital markets.

Investment banking refers to various M&A and capital market transactions. Typical services are acquisitions and divestitures, listings on the stock exchange, share issues and sales of shares. These activities call for a core team with the requisite spread of skills in analysis, project management and legal affairs.

"FIM's competitive advantages in this demanding area are not only the knowledgeability of the investment banking staff itself, but the support and knowhow that flow from FIM's other areas of expertise. If needed, we can engage in cooperation with FIM's analysis and brokerage functions, as far as allowed by the so-called Chinese wall restrictions, of course, and otherwise receive background support and views on the market from them," says Kurt Lundmark, Managing Director of Investment Banking.

"We operate with the same customer-focus as do FIM's other units. We can offer each client a solution that fits the bill, be it an M&A deal, some other industrial arrangement or a listing. As part of our service package, we can also offer clients asset management services, which are a common need in exit situations."

Mr. Lundmark sees good markets and growth potential for operations in Finland, though there are already other players in the sector, starting with the large banks. The FIM team believes in the power of versatile and individual service and strong expertise.

Mr. Lundmark himself has worked in the industry since the 1980s and viewed the development of the sector in Finland, with all the ups and downs of the market.

"M&A deals are being made all the time, and the number of them has grown steadily. In this sense, they offer a solid foundation for our operations. In the capital markets, in turn, the growth story has been bumpier. At present, private equity investors favor mergers and acquisitions, and are seeking to maximize the value of their investments, whereas some time ago, IPOs were in vogue. The situation can change again, however, in favor of IPOs, and it's good that we're able to serve clients across a spectrum of alternatives."

Just turned twenty!

When Finanssimarkkinat Oy, the firm of financial brokers that was FIM's predecessor, began operations as a stockbroker in 1987, trading in shares was still done in the grand-style hall of the Stock Exchange Building on Fabianinkatu, where the brokers sat at desks and pressed buttons during the trading and outcry period. If the investment market and ways of trading have changed tremendously over the two decades since then, FIM has grown and developed at least as swiftly.

Originally, the company's shareholders consisted of the founding brokers and a group of customers. In the next phase, the securities firm came under the ownership of the listed company Nobiscum for two years. FIM's development path in its present form dates back to 1992, when Seppo Sairanen bought all shares outstanding. At the time, FIM Securities had five employees. The next year, they moved from Helsinki's Mikonkatu to the present address on Pohjoisesplanadi.

"If brokerage fees in a single day topped the magic 100,000 markka target, we celebrated it with a layer cake," recalls Jukka Ylitalo, a member of FIM's Board of Directors, who started as a broker and served as FIM's Chief Executive from 1996 to 2000.

"In lean years, costs were kept in check, and from time to time we had to dispense with cleaning services too. As I recollect, emptying the waste baskets was Seppo Sairanen's job," he reminisces.

In this small firm, there was an abundance of gallows humor, but peak performance was the thing, and that is how the FIM spirit was created that today is still reflected in innovations and audacious brand building. FIM has also had the ability and possibility to recruit good people, even at times when competitors were tightening their belts.

Operations got off to profitable growth after the Stock Market rebounded from the depths of the long bear market. By then, they could even afford to have parties.

In the 1990s, FIM found a niche that competitors hadn't hit upon. Brokering unlisted shares, such as those of the provincial newspapers and telephone companies, was profitable business. The increased income generated from this was invested in developing asset management operations. It was already evident that Finns were becoming affluent, and there was burgeoning demand for asset management products.

The first mutual fund, FIM Forte, was run by Markku Kaloniemi and started up in 1994. The hugely popular FIM Russia fund was set up in 1998. When the fund's NAV had fallen to a fifth in its first year of operations, an advertisement shamelessly used the Financial Supervision Authority's compulsory warning as a headline: "Past performance is no guarantee of future results." And indeed they weren't, for the fund's NAV at the end of 2006 had quadrupled from its launch value.

For that matter, the first mandate in the company's history stands out unforgettably: A customer had placed an order to buy 500 shares. The broker accidentally sold that number of shares! Fortunately, this beginning was not a portent of what was to come, either.

Personnel

SUCCESS SPRINGS FROM SKILLED STAFF

In 2006, FIM's personnel again demonstrated their motivation, enthusiasm and entrepreneurial spirit. Staffed by excellent people, FIM delivered good earnings.

The success of an expert organization always depends on knowledgeable and motivated people. At FIM, the working atmosphere is open, and personnel are both given the responsibility and the freedom to create new products, and to develop new business ideas and operational models. A lean organizational structure encourages people to take responsibility.

The entire personnel is within the scope of a motivating and open bonus scheme. The various components of the bonus scheme are transparent, and every employee knows what they are. The same bonus scheme has been in use since 2003, and it has been well received by both personnel and outside experts.

A performance appraisal discussion has been held with every employee twice a year with the aim of agreeing on each person's development needs, ascertaining their level of motivation, going through their personal profit-related bonus and, furthermore, in order to set targets for the next half-year period.

EMPLOYEES' SIGNIFICANT SHAREHOLDINGS

A large number of FIM's shares were owned by personnel at the end of 2006. In February 2007, the largest shareholders in FIM committed to sell their shares to Icelandic Glitnir.

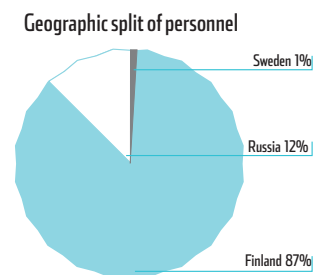
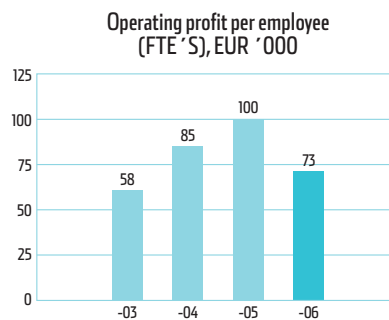
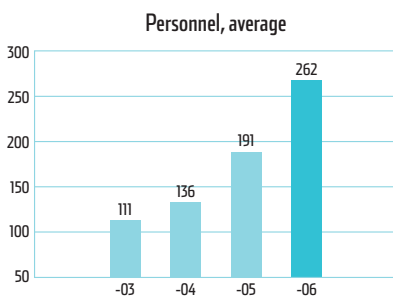
A stock option scheme was launched toward the end of 2006. In January 2007, two kinds of options were distributed. A part of options were targeted at key employees, with the aim of insuring that the price trend of the FIM share directly affects key employees' compensation. A broader stock option program was directed at employees who were with the company when its intention to list on the stock exchange was announced to the personnel in the fall of 2005.

FIM'S PERSONNEL ARE PROUD OF THEIR WORKPLACE

FIM took part in the Finnish Great Place to Work survey, and for the third year running placed high up in the ranking, in second place. The best marks came for the personnel's pride in their work and the company's team spirit. Some 93% of our people rated FIM, all in all, as an excellent workplace. FIM is also considered to be a very equal-opportunity employer, where every staff member is treated equally irrespective of age, ethnic background or gender.

FAST GROWTH IN 2006

The greatest challenge to the HR function in 2006 was the rapid growth in personnel. The number of employees at the end of 2006 was 284, which was 69 higher than at the end of 2005.



A good spirit brings results

One senses the laid-back ease and good spirit right in the lobby of FIM's headquarters, where people go busily in and out the doors. Growth has caused a bit of crowding in Helsinki's Kämp block, but this only seems to boost the staff's stored-up energy. Here, if anywhere, is an industry where knowledge is capital, and people breathe in sync with movements in the markets.

FIM is a highly regarded workplace, where people enjoy their jobs. Human Resources Director Jaana Pohjanheimo finds a number of reasons for this. One of the most important is a flat organization.

"We try to steer clear of a hierarchy. We want a working atmosphere where everybody is able to have a say, and where diversity fits in. Supervisors are close to their subordinates, and decision-making is decentralized."

The FIM spirit has won public recognition, too, by ranking high up in the annual comparisons made by the international Great Place to Work Institute. These rankings are based not only on compensation systems and other criteria, but also come straight from the employees themselves. The survey indicates that FIM's personnel are proud of the place where they work, and there is a good deal of trust between management and people who report to management.

An important element of the FIM company culture is a strong positive spirit of competition, and the desire to show what one can do. This directly benefits customers. Establishing an international presence adds a little extra spice to the FIM spirit. This is no doubt also a reason why young people seek jobs at FIM. Ms Pohjanheimo's e-mail registers a steady flow of open job applications.

"This straightforward approach came naturally when the company was small. Now that our headcount is reaching 300, growth is posing challenges to our working atmosphere. Growth, an exchange listing and internationalization are all combining to compel us to develop and to expand our corporate administration. That's why it's important in this situation to continue to actively foster our good company culture."

The average age of FIM employees is 35, and not one of them has yet retired. Among the employees, there are both very young people and, increasingly, middle-aged staff members. This is a good thing. People shouldn't be clones of each other.

"Especially in sales work, being "streetwise" is an asset," says Ms Pohjanheimo.

The FIM spirit has won public recognition, too, by ranking high up in the annual comparisons made by the international Great Place to Work Institute. These rankings are based not only on compensation systems and other criteria, but also come straight from the employees themselves. The survey indicates that FIM's personnel are proud of the place where they work, and there is a good deal of trust between management and people who report to management.



Corporate governance

The tasks of FIM Group Corporation's governing bodies are determined in accordance with Finnish law and FIM's corporate governance principles. FIM has observed the recommendations on the corporate governance system of listed companies issued by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industries EK as of the date of its stock exchange listing, April 13, 2006. FIM likewise observes the insider guidelines issued by the Helsinki Stock Exchange. FIM Group Corporation is listed on the OMX Helsinki Stock Exchange.



The General Meeting of the shareholders of FIM Group Corporation is the Group's highest decision-making body, and it is convened at least once a year. General Meetings of shareholders pass resolutions on matters in their competence under the Companies Act, such as the adoption of financial statements and distribution of dividends as well as the granting of release from liability to members of the Board of Directors and the Chief Executive. The General Meeting furthermore elects the members of the Board of Directors and the auditors as well as decides on the remuneration to be paid to them.

The management of FIM is the duty of the company's Board of Directors and Chief Executive. Other management assists the Chief Executive in carrying out his duties. The Board of Directors sees to it that sound principles of corporate management are observed across FIM units.

BOARD OF DIRECTORS

The Board of Directors oversees FIM's operations and management and decides important matters relating to the company's strategy, investments, organization and financing. The Board of Director's duty is to see to it that the decisions made by the company's administrative officers are in the company's best interests and support the growth of shareholder value, also taking into account that the company's shareholders are treated equitably. Information on the members of the Board of Directors on pages 54–55.

BOARD COMMITTEES

The Board of Directors has a combined Nomination and Compensation Committee. The task of the committee is to enhance the preparation of matters connected with the Group's appointments and compensation. The Committee does not make independent decisions. The Nomination and Compensation

Committee assists the Board of Directors in dealing with the issues falling within its competence: senior management appointments, matters relating to terms of employment and compensation as well as the design of the Group's reward systems. The purpose of the Committee is to steer the selection of top management as well as terms of employment and reward systems such that they are fair and guide top management toward the best possible earnings and growth in the company's value. The Board of Directors names from among the non-executive directors three (3) members of the combined Nomination and Compensation Committee, who have sufficient experience of the terms of employment for top management and compensation systems. The Board of Directors appoints the Chairman of the Committee and the members for one year at a time. The Chief Executive or another management officer cannot be a member of the Nomination and Compensation Committee.

AUDIT

The company shall have two regular auditors and one deputy auditor. At least one of the regular auditors and the deputy auditor must be either authorized by the Central Chamber of Commerce or be a firm of independent public accountants so authorized. Under the Articles of Association, the election of the auditors shall be decided by a General Meeting of the company's shareholders. The term of office of an auditor lasts until the next Annual General Meeting.

CHIEF EXECUTIVE OFFICER

The Board of Directors appoints a Chief Executive Officer who is responsible for managing FIM's business operations in accordance with the Companies Act, the legislation and regulatory regime for FIM's industry and the instructions issued by the Board of Directors. The Chief Executive reports to the Board

to Directors and furnishes it with sufficient information on FIM's operating environment.

The Chief Executive prepares the matters to be dealt with by the Board of Directors and its committees, and implements the decisions made by them unless the Board of Directors, in an individual case, decides otherwise. The Chief Executive guides and oversees the operations of FIM and its business areas. Furthermore, the Chief Executive serves as the Chairman of FIM's Management Board.

MANAGEMENT BOARD

The Group Management Board assists the Chief Executive as the Group's operational steering group, and it coordinates Group functions. The Management Board is made up of the Managing Directors of Group companies as well as the members called by the Chief Executive. The Management Board participates in planning Group strategies and operations. Information on CEO and Management Board on pages 56–59.

BUSINESS AREAS AND GROUP SUPPORT FUNCTIONS

FIM Group's operations are divided into three areas: FIM Asset Management, FIM Brokerage and FIM Investment Banking. Business operations are carried on at wholly-owned subsidiaries of the Group's parent company FIM Group Corporation in accordance with each company's Articles of Association and as permitted by the operating licenses granted by the Financial Supervision Authority.

The Group's parent company FIM Group Corporation is a holding company for the subsidiaries. The parent company supports the Group's subsidiaries by producing for them part of the support functions and administrative services they require. Services of this kind are information management, financial administration, marketing, human resources

management and internal auditing. Group Administration also oversees that the Group's operations are in conformity with the relevant legislation, the strategy adopted by the Board of Directors and management, and risk policy.

INTERNAL AUDIT

FIM's Internal Audit operates separately from FIM's business operations and financial administration. The Internal Auditor, who works in the Internal Audit unit, oversees the operation of FIM's internal control systems and reports on matters connected with them. The Internal Auditor operates in cooperation with FIM Group's Risk Management Group. The Internal Audit function also issues recommendations for remedying shortcomings and any deficiencies that have been detected in the control systems.

By maintaining efficient internal auditing, FIM seeks to insure compliance with the laws and regulations of the authorities that are in effect as well as to limit large previously identified and yet unidentified risks relating to the company and its shareholders and customers. FIM's objective is to continuously raise the level of its internal auditing, to increase its employees' awareness of control procedures and quality and to insure that management receives reliable information to support decisions concerning business operations.

The Internal Auditor reports primarily to the Board of Directors of FIM Group Corporation and, as required, also to the Boards of Directors of the subsidiaries. The Internal Auditor prepares quarterly reports presenting a summary of ongoing audit procedures, describing the progress of audits during said audit periods and giving recommendations on the basis of observations made in carrying out the audits. The timetable for implementing the recommendations is agreed together with management, and the carrying out of specific measures is followed as required.

INSIDERS

FIM Group Corporation maintains a public insider register in accordance with the Securities Market Act and the relevant standard issued by the Financial Supervision Authority and, additionally, it keeps a non-public company-specific insider register as well as project-specific non-public insider registers. FIM Group employs its own internal guidelines that are based on the legislation, regulatory regime, and the insider guidelines issued by the Helsinki Stock Exchange, but is in certain respects more stringent. These guidelines specify that FIM Group Corporation's insiders with a duty to declare are obligated to report information concerning them for entry in the register. The officers classified as having a duty to report to the public insider register are the Chairman of the company's Board of Directors, the members of the Board of Directors, the Auditors, the members of the Group's Management Board and the Internal Auditor.

The FIM Group's executive in charge of legal affairs and compliance is responsible for maintaining the company's insider registers. FIM maintains a register of insiders with a duty to declare within the Sire system of Finnish Central Securities Depository Ltd, whereby information on holdings of securities is entered in Sire directly from the book-entry system. The holdings of FIM's insiders with a duty to declare are presented on FIM's website, and changes that have taken place in the register are updated on the website on the day following the registration of the changes.

DISCLOSURE AND INFORMATION

FIM maintains an investor website in Finnish and English at the address www.fim.com. The pages present not only investor information, but also details of the corporate governance and steering system as well as all information that has been published in stock exchange and press releases on the basis of the disclosure obligation of a listed company.

Corporate Governance in 2006

- FIM's Annual General Meeting was held on February 27, 2006, in Helsinki. In 2006, two Extraordinary General Meetings were held. The first Extraordinary General Meeting was held on March 28, 2006, when a resolution was passed on the share issue in connection with the company's stock exchange listing. A second Extraordinary General Meeting at which amendments to the Articles of Association and the launch of a stock option program were decided was held on December 5, 2006.
- The Annual General Meeting elected five members to FIM's Board of Directors. Mr. Antti Kivimaa served as Chairman of the Board of Directors. The Board did not elect a Deputy Chairman. FIM's Board of Directors met 17 times in 2006, the average attendance at the meetings being 96.5%.
- Messrs Antti Kivimaa, Vesa Honkanen and Jukka Ylitalo served on the Nomination and Compensation Committee. The Committee met twice in 2006. The main task of the Nomination and Compensation Committee in 2006 was the planning of the stock option scheme for the FIM Group's personnel and key employees.
- Mr. Risto Perttunen was appointed Chief Executive Officer of FIM Group Corporation on July 1, 2006. The previous Chief Executive Officer was Mr. Jan Forsbom, who moved to the position of Managing Director of FIM Asset Management Ltd as of July 1, 2006. Mr. Niklas Geust was appointed Director in charge of the Mutual Fund Business and Group CEO, effective July 1, 2006. Kurt Lundmark was appointed Managing Director of FIM Investment Banking, effective September 1, 2006.
- CEO Mr. Risto Perttunen was Chairman of the Management Board. The other members of the Management Board on December 31, 2006 were Mr. Jan Forsbom, Director of FIM Asset Management, Mr. Pekka Väisänen, Managing Director of FIM Brokerage, Mr. Kurt Lundmark, Managing Director of FIM Investment Banking, CFO Mr. Niklas Geust, Ms. Jaana Pohjanheimo, HR Director, Mr. Jussi Seppälä, Marketing Director, Ms. Mari Tyster, Head of Group Legal and Compliance, Mr. Teemu Nyholm, Information Officer, Mr. Juha Pohjonen, Sales Director, and Ms. Kirsi Untala, Director, Finance and Accounting. Management Board member Ms. Hanna Loikkanen, the Head of Operations in Russia, has been on maternity leave since the beginning of April 2006. Mr. Jean Grall was a member of the Management Board from February 1 to November 30, 2006, with responsibility for operations in Russia during Hanna Loikkanen's maternity leave. Mr. Arto Lyytinen moved from his position as Administrative Director of the Group to Director of Customer Relationships at FIM Asset Management on November 13, 2006, from which time he no longer served on the Management Board.
- The Management Board operates both in its full composition and as a working group which was established in the fall of 2006. Members of the working group are Risto Perttunen, Niklas Geust, Jan Forsbom, Pekka Väisänen, Kurt Lundmark.
- FIM's Management Board met 35 times in 2006, of which 33 in full composition and twice as a working group. The Management Board's main task during 2006 was to coordinate the entire Group's operations in order to achieve the objectives decided by the Board of Directors as well as to oversee that operations were carried out in accordance with the relevant legislation, the guidelines issued by the authorities and the Group's own internal risk management strategies.
- The members of the Group's Management Board did not have a cash loan from the company or its subsidiaries as of December 31, 2006. Mr. Jukka Ylitalo, member of the Board of Directors, and the company controlled by him had credit facilities from FIM Group Corporation totaling EUR 636 000 as of December 31, 2006, for the purpose of securities trading between Mr. Ylitalo and FIM Securities Ltd, which is under his control. Sufficient collateral according to FIM Securities Ltd's instructions concerning collateral have been set for the credit limits.

The smell of a brand

When in the late summer of 2006, the fumes of forest fires in Russia stung the noses of Finns, FIM declared in its advertisements "Russia smells!" The advertisement concerned was the FIM Russia Mutual Fund.

The use of this kind of fresh and timely insight would not have been possible unless Finns had gotten used to FIM's advertising and its 'nose for money' theme. This advertisement received the "Billboard Award" (Pahvi-palkinto) sponsored by Helsingin Sanomat, Helsinki's largest newspaper, and MTL Finnish Association of Marketing Communication Agencies, for the best advertisement during fall 2006.

FIM has built up its brand through the systematic use of marketing communications. The basic idea has been that the promise that has been made must be sustainable and aligned with customers' experience, and it must increase the company's value.

FIM directs its marketing primarily at private individuals. The aim is to boost the number of customers, which in turn is an essential part of the Group's business strategy. The advertising is audacious and seeks to break far away from the ever-growing gray mass of mutual funds, among which it is difficult for the customer to find products that stand out clearly.

Although FIM's nose advertisements provoke smiles, they have not sprung solely from "a cute idea," but are based on careful analysis and planning. The theme and the campaigns revolving around it were launched after thorough strategy deliberations with the aim of supporting FIM's vision and business objectives.

"The brand promise of an investment services company should withstand storms, too," says Mr. Jussi Seppälä, FIM Group's Marketing Director, who right from the start has been involved in building FIM's marketing communications.

"That's why we always sign our advertisements with our slogan 'Devoted to investing,'" points out Mr. Seppälä.

The nose theme has been with us since 2004, and it has proved to be adaptable to many purposes. In addition, the advertising has been done cost-effectively: thanks to skillful design, small column lengths have been used to achieve great impact.

The results speak for themselves. The spontaneous recognition of FIM's advertising is, according to the company's own surveys, the best of all the Finnish fund management companies. FIM's spontaneous recognition is furthermore the country's fourth best, coming right after the big banks.

"Studies show that recognition in our industry is worth going after, because it correlates in the customer's mind directly with reliability. The better known, the more reliable. Our advertising appeals most of all to young, well-educated city-dwellers, who make up most of our clientele. They are the forerunners who carry the message unflinchingly ahead."

The use of this kind of fresh and timely insight would not have been possible unless Finns had gotten used to FIM's advertising and its 'nose for money' theme. This advertisement received the "Billboard Award" (Pahvi-palkinto) sponsored by Helsingin Sanomat, Helsinki's largest newspaper, and MTL Finnish Association of Marketing Communication Agencies, for the best advertisement during fall 2006.

Management remuneration

REMUNERATION

In accordance with the relevant resolution of the Annual General Meeting, the emolument of the Chairman of the Board of Directors is EUR 24,000 for the term of office. The emolument of other members of the Board of Directors is EUR 12,000 for the 2006 fiscal year. However, for those Board members who are otherwise compensated by the company as an employee or the like, remuneration is included in the salary. In 2006, a total of EUR 48,000 was paid in Board remunerations. For those members that are not employed by the company.

The salaries and remunerations paid to members of the Board and CEO during the financial period totaled EUR 658,082. Details of the emoluments are presented in Note 33 to the Financial Statements on page 46–47.

The salary and other benefits of Risto Perttunen, FIM's CEO from July 1, 2006, for the period July 1–December 31, 2006 was EUR 188,760. According to the CEO Agreement, in the event of termination, the period of notice if the Chief Executive tenders his resignation is 3 months, and it is 6 months if FIM dismisses the Chief Executive. The Chief Executive is not paid separate severance compensation. General retirement age and pensionable salary are based on the Employees' Pensions Act.

The salary of the members of FIM's Management Board is made up of monthly salaries that are reviewed biannually and comprise a fixed basic salary as well as a variable component that is reviewed at 6-month intervals. In the bonus model that is reviewed biannually, the bonus component of the salary for the next 6-month period is based on both the employee's personal contribution and on the operating profit of the business unit, and at the Group level, for the previous 6-month period.

The component of the bonus system that is based on profitability is tied to a fixed target that is set for the number of employees in relation to operating profit, and the profit-tied bonus varies linearly with the amount by which the target is exceeded or undershot. The profit-

tied bonus can nevertheless not be smaller than zero. In determining the variable salary component, the weighting assigned to the personal contribution that is at the supervisor's discretion is 50 percent, whereas the operating profit of the business unit in question is weighted at 30 percent and the company's operating profit at 20 percent.

On December 31, 2006, the aggregate shareholding of FIM's Board of Directors was 3,679,393 FIM Group Corporation's shares, which corresponded to 8.6 percent of the shares and 12.6 percent of the votes. The aggregate shareholding of FIM's Management Group (including those who also are members of the Board of Directors) was 5,329,416 FIM Group Corporation's shares, which corresponds to 12.5 percent of the shares and 18.2 percent of the votes.

In addition, management has been granted stock options, the objective of which is to build management's commitment to work over the long term on behalf of the FIM Group. In accordance with the resolution of the General Meeting, a total of 371,250 stock options 2006H were distributed to the personnel of FIM and a total of 870,000 stock options 2006A were distributed to key employees in January 2007. All the remaining stock options, 2,608,750 in number, were distributed to FIM Securities Ltd. The subscription price of the company's share through the exercise of stock option warrants 2006A and 2006H is the trade volume-weighted average price of the FIM Group Corporation share on the Helsinki Stock Exchange from October 1 to December 31, 2006.

Detailed information on the shareholdings of the Board of Directors and management is presented in the section Shares and shareholdings in the Financial Statements on page 68–70.

EXTERNAL AUDIT

FIM's financial period is the calendar year. In addition to the annual auditors' report, the auditors report on their auditing observations to the Board of Directors on a regular basis. Authorized Public Accountant Kim Karhu and Authorized Public Accountant Kaija Leppinen have acted as FIM's auditors since 2002 and PricewaterhouseCoopers Oy, Authorized Public Accountants, as adequate auditors.

Auditors' fees are compensated against an invoice. For the financial period, the Group companies' audit fees totaled EUR 187,867 million. A total of EUR 155,790 million was paid in non-audit fees to the auditing firm.

Risk management

Risk management is a continuous and active part of FIM's business operations, and the company observes sound risk management practice so that it can identify material business risks. Risk management is an essential part of internal control, and its aim is to reduce the probability of unforeseeable losses or a threat to the reputation of FIM. All of FIM's employees must, for their own part, promote the efficient carrying out of risk management.

Risk management covers all the material risks connected with business operations: both internal and external, measurable or unmeasurable; risks over which FIM has control and those which FIM itself cannot influence directly but can only hedge against. Means of measurement are defined for measurable risks, whereas appropriate assessment methods are developed for the management of risks that are beyond measurement. Risk management procedures must be maintained continuously and developed so as to assure that all new material but previously unidentified risks are brought within the scope of risk management.

ORGANIZATION AND INDEPENDENT ASSESSMENT OF RISK MANAGEMENT

FIM Group Corporation's Board of Directors defines the principles of the Group's risk-taking, grants decision-making authorizations to management and oversees risk management. The task of the Group's independent risk management team is to study and

assess, efficiently and broadly, the comprehensiveness, adequacy and effectiveness of the FIM's risk management. The unit is responsible for maintaining, developing and preparing risk management guidelines that are to be confirmed by the parent company's Board of Directors. In addition, it formulates methods that are to be used in assessing and measuring risks. The risk management assessment function must also ensure that for all major risks assumed in business operations, the joint effect on the earnings and equity of both an individual Group company and the FIM Group are reported to the respective Boards of Directors and the Management Boards.

AREAS OF RISK

The chart below sets out the typical areas of risk for a player in the financial services sector. It is not always possible to draw the line between areas of risk. For example, the different stages of credit extension and trading processes involve both operational risks and credit and market risks.

OPERATIONAL RISK

Operational risk encompasses the danger of loss or damage arising as a result of unclear or deficient guidelines, actions in violation of instructions, unreliable information, deficient systems, employee actions or external factors. Operational risk also includes legal risks, meaning the danger of damage resulting from invalid agreements or deficient documentation and breaking the law or violating the regulations of the authorities. Damage of this kind can occur in the form of sanctions, loss of goodwill or some other loss.

The management of operational risk is part of the FIM's overall risk management, and it generally involves minimizing risks. Risks can lead to direct financial losses or indirect adverse effects — for example, damage arising from an impaired corporate

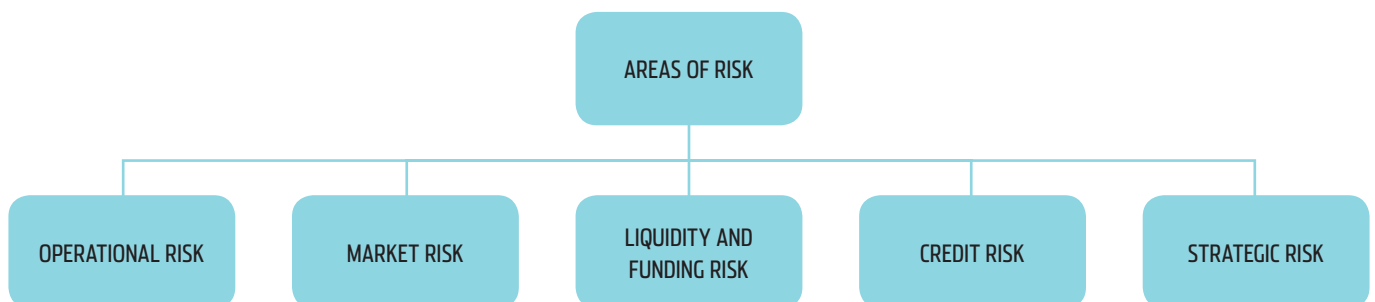


image. In addition to preventive work that is carried out to avert operational risks, FIM seeks to maintain sufficient insurance coverage for the purpose of compensating loss or damage, such as that resulting from malfeasance, intrusion into information systems, or other criminal actions. Continuity plans have been put in place to cope with major disturbances to operations.

MARKET RISKS

Market risk means the effect on earnings of fluctuations in interest rates or asset prices. Over the long term, a stable trend in net interest income and earnings is sought through the proper management of market risk. FIM's Board of Directors determines the risk-taking limits and principles governing market risks. The objective is the well-controlled taking of market risks with a view to supporting the Group's core business operations and customer service. Limits and other operational instructions have been set for the taking of market risks, bearing in mind the sufficiency of equity and capital adequacy planning within FIM.

Line management is in charge of managing market risk in accordance with the authorizations it has received from FIM's Board of Directors. FIM's Market Making Unit is responsible for risk-taking within the framework of the limits and operational instructions that have been confirmed by the Board of Directors.

Market risks are discussed in greater detail in the Notes to the Financial Statements on pages 33–35.

LIQUIDITY AND FUNDING RISK

Liquidity risk means the risk that the company's liquid funds and "top-up" financing possibilities do not suffice to cover the needs of its operations. The objective of liquidity risk management is to maintain sufficient liquid funds and credit facilities in such a way that the financing of the Group's operations is

safeguarded continuously and that fluctuations in the liquidity position can be equalized. By means of managing liquidity and refinancing risks, it is insured that the Group is able to meet its financing obligations.

To support liquidity management, FIM Securities Ltd has the possibility, in the form of credit extended by customers (so-called cash account customers), to improve its liquidity, and, additionally, the company has credit facilities that have been agreed with banks and can be drawn as the need arises. In practice, despite the increase in trading activity, it has been possible to attend to liquidity management mainly without having recourse to bank credit facilities.

Liquidity risks are discussed in greater detail in the Notes to the Financial Statements on page 35.

CREDIT RISK

Credit risk is the risk that the customer (customer risk) or the counterparty (counterparty risk) does not fulfill its obligations to FIM under an agreement, and a loss results from this. The aim is to keep the negative effects of credit risks on earnings at an acceptable level, while optimizing the risk/return ratio.

Across FIM units, the contractual counterparties in accordance with the adopted definition of credit risk are customers and other trading counterparties as well as other cooperation partners.

In FIM's operations, pure lending is confined to the margin trading limits granted to brokerage customers. This credit is fairly minor in amount. In line with the lending policy approved by the Board of Directors, FIM engages only lending activities in which risk-taking is limited and the risk is manageable. Lending is targeted primarily to private individuals. Credit risk management is based on a

well-defined credit decision process and on the continuous monitoring of collateral values and the necessary remedial measures to prevent credit losses. In granting credit and monitoring credit decisions that have been made, account is taken of the aggregate liabilities for a customer entity, the customer's creditworthiness and the collateral lodged as security for the repayment of credit that has been extended.

The Board of Directors and line management regularly track the risk level of direct lending. Line management and FIM's Risk Manager analyze the credit portfolio and changes in it as well as changes in payment behavior and collateral values on the market, and they seek to forecast fluctuations in the credit portfolio and in the risk level of receivables involving counterparty risk.

Credit risks are discussed in greater detail in the Notes to the Financial Statements on page 33.

STRATEGIC RISK

Strategic risk is related to the choice of business areas, their geographical extent, competitive factors and inputs into them. Strategic risk involves a fluctuation in earnings in relation to the earnings target as a result of the strategy chosen and implementation of it. Strategic risk does not necessarily feed through rapidly into earnings, but it can be realized quickly in the form of a change in the share price.

Strategic choices are made by the heads of the business areas, and their execution is overseen by the parent company's CEO and the Board of Directors. At FIM, the Group's visions and strategy are defined at the Group level, as are long-term plans and objectives, where risk factors connected with the objectives are taken into account at a general level.

The Group's Board of Directors each year confirms an action plan and budget for each business area with

the aim of providing guidelines for the operations of each business unit. The risks connected with each business are taken into account when formulating the action plan, and the risk-taking levels that are confirmed annually are spelled out in the action plan.

INTEREST RATE RISK

Interest rate risk refers to uncertainty in the trend in interest income resulting from an imbalance in the interest rate maturities of the Group's receivables and liabilities. Interest rate risk is managed through planning the balance sheet structure and interest rate maturities as well as by means of interest rate derivatives.

Fluctuations in interest rates also affect the fair value reserve under shareholders' equity when changes occur in the market values of bonds and notes. FIM measures and limits this risk by monitoring the change in the market value of available-for-sale categorized bonds and notes in such a way that the change corresponds to an interest-rate rise of one percentage point.

CURRENCY RISK

Currency risk means a negative change in value in currency exposures due to changes in foreign exchange rates. The starting point for FIM's foreign exchange dealing is customers' needs. Accordingly, dealing is confined primarily to the Swedish krona and the United States dollar. The matching principle is observed in managing balance-sheet currency risks.

EQUITY RISK

Equity risk refers to the danger of a loss arising from changes in the price of shares and equity derivatives. Across the FIM Group, equity risk is assumed in market making operations. Equity risk is managed primarily by means of limits, intra-day reporting of losses and derivatives.

COMMODITY RISK

Commodity risk refers to changes in value resulting from price changes in energy resources, raw materials, precious metals and similar commodities as well as in the derivative instruments corresponding to them.

REFORMED CAPITAL ADEQUACY REGULATIONS

As of January 1, 2007, FIM's operations have been in compliance with the Basel II capital adequacy reform. FIM's Board of Directors has prepared a capital plan in accordance with the reformed capital adequacy regulations. The plan sets out FIM's risk-based capital requirement, the sufficiency of capital items and capital adequacy. The capital plan furthermore sets the objectives for the shareholders' equity to cover FIM's capital requirements and for the capital adequacy ratio.

FIM operates nearly entirely on a fee and commission basis and does not seek, to any significant extent, to generate income through active risk-taking. Accordingly, the Group's risk-based capital requirement is relatively small in proportion to the extent of operations.

The main component that ties up capital across FIM units is the liquidity required in brokerage activities, particularly in Russia. In planning the amount of the Group's equity, the central factor is, however, the assessment of the riskiness of operations. In addition to the minimum requirements set in the regulatory regime, a number of international counterparties and cooperating partners require a given capital adequacy level, and thus capital adequacy is also a factor influencing the competitive position.

FIM complies with all the relevant capital adequacy regulations. Furthermore, at FIM's business units and at the Group level, a regular assessment is made of the risk level of operations, and the susceptibility

to risk is taken into account in managing capital and solvency as well as in operational planning.

The capital requirement for covering business risks is assessed systematically, using means such as scenario analysis and stress testing. The Group's balance sheet and capital adequacy position are currently strong.

The regulatory capital adequacy requirement for FIM's Pillar 1 risks (credit, market and operational risks) on December 31, 2006, was a total of EUR 11.8 million. The adequacy of capital is examined especially with respect to the regulatory calculations for Tier 1 capital. Tier 1 capital corresponds roughly to shareholders' equity in the balance sheet less the amount of intangible assets and the fair value reserve derived from the measurement differences for available-for-sale securities. The Tier 1 capital as of December 31, 2006 was about EUR 49.7 million (22.6). The Group's capital adequacy is thus nearly four-fold compared to the required in order to meet the minimum level specified in the regulatory requirements. Accordingly, the Group has a strong capital and solvency position at the present time.

In order to maintain sufficient operational leeway and a risk buffer, the target level for FIM's own funds is either a minimum of 150 percent of the risk-based capital requirement, or 150 percent of the minimum capital adequacy required by the regulatory authorities, whichever is greater. Calculated in this way, FIM's capital adequacy target at present would be about EUR 20 million, which is substantially below the present level of the company's own funds (Tier 1). Bearing in mind the Group's growth at the present time, it is desirable to maintain a sufficient capital adequacy level in order to be able to prepare for the capital requirements for the growth in operations and the planned startup of retail banking.



Insider regulations

Owing to the nature of the FIM Group's operations, insider regulations are divided across FIM Group units into four different sub-areas:

- 1) Regulations concerning the insider registers and declaration requirements
- 2) Regulations concerning trading in the FIM Group Corporation share
- 3) Regulations concerning the insider registers and declaration requirements of investment services companies and the mutual fund company belonging to the Group
- 4) Rules concerning trading in publicly traded shares in Finland, Sweden, Denmark, Norway and Russia.

FIM Group has its own internal insider registers and guidelines regulating the employees' trading, which cover the above-described subareas. Personnel regularly receive training in insider regulations and employees' trading is monitored continuously. Insiders and personnel are encouraged to make long-term investments in the FIM Group Corporation share. Any kind of abuse of insider information is prohibited. FIM adheres to the so-called "closed window" rule, according to which insiders and other Group personnel must not trade

in the company's share for 45 days prior to an earnings report or 30 days prior to an interim report. The trading restriction ends on the stock exchange day following publication of the stock exchange and press releases mentioned. Furthermore, persons who are entered in the insider registers of FIM Group Corporation must always consult the Group's General Counsel and the director in charge of compliance for permission to execute their trades.

Owing to the nature of the operations of the FIM Group's subsidiaries, FIM has given its commitment to observe the trading guidelines issued by the Finnish Association of Securities Dealers and the Finnish Association of Mutual Funds, according to which short-term trading is prohibited with securities, or instruments entitling their holders to them, which are publicly traded in Finland, Sweden, Denmark, Norway and Russia. An investment is deemed a short-term investment if the time between two opposite transactions is less than one month.

In accordance with the insider regulations in force, trading is always prohibited, regardless of the above-described time limits, if the person has in his or her possession insider information that affects the value of the security.

Board of Directors

VESA HONKANEN

Born: 1956

Education: M.Sc. Engineering

Principal occupation: Managing Director, Trainers' House Oy; Board member since 2006.

Fees in 2006: 12,000 euros.

FIM shares and share options: No shares, options or other share-related incentive schemes.

RISTO PERTTUNEN

Born: 1954

Education: M.Sc. Engineering, BBA, MBA

Principal occupation: Chief Executive Officer of FIM Group Corporation; Board member since 2005.

Fees in 2006: Remuneration from Board membership included in the salary.

FIM shares and share options: 207,917 shares, 100,000 2006A options.

JUKKA YLITALO

Born: 1964

Education: M.Sc. Economics

Principal occupation: Professional investor; Board member since 1996.

Fees in 2006: 12,000 euros.

FIM shares and share options: 1,102,476 shares, no options or other share-related incentive schemes.

ANTTIKIVIMAA CHAIRMAN

Born: 1949

Education: M.Sc. Engineering and Economics

Principal occupation: Chief Executive Officer of Ruukki Group Oyj; Board member since 1995.

Fees in 2006: 24,000 euros.

FIM shares and share options: 65,000 shares, no options or other share-related incentive schemes.



From left to right: Vesa Honkanen, Risto Perttunen, Jukka Ylitalo, Antti Kivimaa and Niklas Geust.

NIKLAS GEUST

Born: 1967

Education: M.Sc. Engineering

Principal occupation: Group CFO, Board member since 2000.

Fees in 2006: Remuneration from Board membership included in the salary.

FIM shares and share options: 2,304,000 shares, no options or other share-related incentive schemes.

INDEPENDENCE OF DIRECTORS

The majority of the current members of the Board of Directors are independent of the company. In addition, two members representing this majority are independent of significant shareholders of the company. Independent members (according to the Corporate Governance Recommendation of the Helsinki Stock Exchange) are Mr. Antti Kivimaa, Mr. Vesa Honkanen and Mr. Jukka Ylitalo, out of which Mr. Antti Kivimaa and Mr. Vesa Honkanen are also independent of significant shareholders of the company.

BOARD COMMITTEES

The Board of Directors has elected its members Mr. Antti Kivimaa, Mr. Vesa Honkanen and Mr. Jukka Ylitalo to be members of the joint Nomination and Compensation Committee.

Management Board

KURT LUNDMARK

Managing Director, FIM Investment Banking

Born: 1961

Education: M.Sc. Economics

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Three months by the Managing Director and six months by the company, no separate severance payment.

Management Board member since: 2006

FIM shares and share options: 40,000 options, no shares.

NIKLAS GEUST

CFO and member of the Board of Directors of FIM Group Corporation

Born: 1967

Education: M.Sc. Engineering

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Three months by the CFO and six months by the company, no separate severance payment.

Management Board member since: 2000

FIM shares and share options: 2,304,000 shares, no options.

RISTO PERTTUNEN

Chief Executive Officer and member of the Board of Directors of FIM Group Corporation

Born: 1954

Education: M.Sc. Engineering, BBA, MBA

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Three months by the Chief Executive Officer and six months by the company, no separate severance payment.

Management Board member since: 2006

Remuneration 1.7.–31.12.2006: 188,760 euros

FIM shares and share options: 207,917 shares, 100,000 2006A options.



From left to right: Kurt Lundmark, Niklas Geust, Risto Perttunen, Kirsi Untala and Jan Forsbom.

KIRSI UNTALA

Director, finance and accounting, FIM Group

Born: 1971

Education: M.Sc. Economics

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Two months, no severance payment.

Management Board member since: 2002

FIM shares and share options: 52,499 shares, 10,000 2006A options.

JAN FORSBOM

Managing Director of FIM Asset Management

Born: 1964

Education: Master of Laws, MBA

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Three months by the Managing Director and six months by the company, no separate severance payment.

Management Board member since: 2000

FIM shares and share options: 675,000 shares, 60,000 2006A options.

MARITYSTER

Head of Group Legal and Compliance, FIM Group

Born: 1975

Education: Master of Laws

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Two months, no severance payment.

Management Board member since: 2006

FIM shares and share options: 24,000 shares, 20,000 2006A options.

JUHA POHJONEN

Sales Director, FIM Group

Born: 1957

Education: B.S. Forest Engineering

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Two months, no severance payment.

Management Board member since: 2003

FIM shares and share options: 105,000 shares, 40,000 2006A options.

JAANA POHJANHEIMO

HR Director, FIM Group

Born: 1960

Education: Master of Laws, MBA

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Three months, no severance payment.

Management Board member since: 2006

FIM shares and share options: 10,000 2006A options.

TEEMUNYHOLM

Chief Information Officer, FIM Group

Born: 1975

Education: M.Sc. Engineering, B.S. Economics

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Two months, no severance payment.

Management Board member since: 2006

FIM shares and share options: 11,250 shares, 10,000 2006A options.

PEKKA VÄISÄNEN

Managing Director of FIM Brokerage

Born: 1961

Education: M.Sc. Politics

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Three months by the Managing Director and six months by the company, no severance payment.

Management Board member since: 2001

FIM shares and share options: 225,000 shares, 60,000 2006A options.



From left to right: Mari Tyster, Juha Pohjonen, Jaana Pohjanheimo, Teemu Nyholm and Pekka Väisänen.

HANNA LOIKKANEN

CEO of ZAO FIM Financial Services, Moscow

Born: 1969

Education: M.Sc. Economics

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Three months by the CEO and six months by the company, no severance payment.

Management Board member since: 2004

FIM shares and share options: 114,750 shares, 4,050 options 2006H.

JUSSI SEPPÄLÄ

Marketing Director, FIM Group

Born: 1963

Education: M.Sc. Economics

Retirement age and benefits: General retirement age and pensionable salary based on Employees' Pensions Act.

Notice period and severance pay: Two months, no severance payment.

Management Board member since: 1999

FIM shares and share options: 1,610,000 shares, no options.

Shareholder information

Telephone: +358 9 6134 6323 (Tuula MacIntosh)
weekdays from 9.00 a.m. to 4.00 p.m. Finnish time
Telefax: +358 9 6134 6363
E-mail: tuula.macintosh@fim.com

ANNUAL GENERAL MEETING

The Annual General Meeting of FIM Group Corporation will be held on Thursday, March 15, 2007, beginning at 3.00 p.m. at Restaurant Linna, Jugend hall, Lönnrotinkatu 29. The checking of registration forms and passing out of ballots will begin at 2.15 p.m.

RIGHT TO ATTEND

A shareholder who has been registered in the company's Shareholder Register maintained by Finnish Central Securities Depository Ltd no later than by March 5, 2007, and has registered for the Annual General Meeting is entitled to attend the meeting. The shareholder in whose name the shares are registered is automatically entered in the company's Shareholder Register. A nominee-registered shareholder can temporarily be entered in the company's Shareholder Register, providing this has been done by March 5, 2007.

REGISTRATION

A shareholder who wishes to participate in the Annual General Meeting must register with the company no later than on March 8, 2007, by 12.00 either by mail, or by e-mail, telephone or telefax.

By mail:
FIM Group Corporation
Tuula MacIntosh
Pohjoisesplanadi 33 A
FI-00100 Helsinki

Registrations must be received before the closing deadline on March 8, 2007 at 12.00. It is requested to deliver proxies, which authorize a person to vote for a specified shareholder at the meeting when registering.

DIVIDEND PAYOUT

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.14 per share be paid for the 2006 fiscal year. The dividend will be paid to a shareholder who on the record date on March 20, 2007 has been entered in the Shareholder Register kept by Finnish Central Securities Depository Ltd. The Board of Directors will propose that the dividend payout date be set for 27.3.2007.

FINANCIAL REPORTING

FIM Group Corporation's Annual Report 2006 was published on the company's internet pages at www.fim.com in week 10. The annual report is available in PDF format in Finnish, Swedish and English. The printed annual report is available from week 11, after which FIM Group Corporation will mail it on request.

The Interim Reports are published as stock exchange and press releases in Finnish, Swedish and English. All financial releases are available on the company's website immediately after their publication.

The Annual Summary 2006 lists stock exchange releases and announcements published in 2006 and it is available on the company's website at www.fim.com.

FIM

FIM Group Corporation
Financial Statements 2006

Contents

3	Board of Directors' Report
15	FIM Group's Key Figures
CONSOLIDATED FINANCIAL STATEMENTS (IFRS)	
18	Consolidated Income Statement
19	Consolidated Balance Sheet
21	Consolidated Statement of Changes in Equity
23	Consolidated Cash Flow Statement
24	Accounting Principles
33	Risk Management
37	Other Notes to the Consolidated Financial Statements
FINANCIAL STATEMENTS OF THE PARENT COMPANY (FAS)	
54	Parent Company Income Statement
55	Parent Company Balance Sheet
56	Parent Company Cash Flow Statement
57	Notes to the Parent Company Financial Statements
69	Shares and Shareholders
72	Signatures
73	Auditors' Report

Board of Directors' Report

OPERATING ENVIRONMENT IN 2006

The strong growth in the global equity markets in the first part of the year tailed off in the second quarter, when concern about inflation and the trend in the world economy sent share prices downward. During the summer, fading inflation fears and buoyant corporate earnings sparked a rebound in share prices. The global equity index rose 8 percent in euro terms in 2006. The equities index for the world's emerging markets has risen by 26 percent from the beginning of the year and the OMX Helsinki Cap Index by 30 percent.

From the standpoint of the fixed-income investor, 2006 was clearly a dual mode year. Inflation fears and the strong growth in the global economy led to a rise in long interest rates in the first half of 2006. After the summer, the fixed-income market turned favorable for investors, because long interest rates declined during the fall, on the tail of fairly weak financial news from the USA. In December, interest rates headed upward again.

In trade volumes, 2006 was a record year on the OMX Helsinki Stock Exchange. Trade volume grew by 29 percent compared with 2005 and was EUR 288 billion (223). Average intra-day volume grew to about EUR 1.1 billion. The third quarter was an exception to the pattern of growth, because the sharp correction in the spring was reflected in the trade volume, and the growth in volume was markedly lower than in other quarters.

M&A activity in Finland and the country's nearby areas was brisk. The market in Finland for capital-protected structured products grew to a record figure of more than 2 billion euros in 2006 (growth of 40 percent on 2005).

INCOME AND FINANCIAL PERFORMANCE IN 2006

In 2006, FIM's total income from investment services amounted to EUR 82.0 million. Total income increased 30 percent compared with income in 2005 (63.2). Growth was driven by the strong trend in the capital markets as well as FIM's active investments to boost growth, along with expanded product offerings and successful portfolio management.

The second quarter of 2006 saw a plunge in the stock markets in the emerging markets — an important area for FIM — and in the Nordic countries. The ensuing slowdown in trade volume, as well as the District Court of Helsinki's ruling on FIM's major owner which was followed by the Finnish FSA's decision to nullify his voting rights, was reflected clearly in third-quarter total income, which only reached the level of the same period in 2005. The total income in the other quarters of 2006 grew substantially compared with 2005.

The Group's expenses in 2006, excluding fee and interest expenses, came to EUR 52.5 million (37.9). Expenses grew 39 percent compared to 2005. The inputs made over the past years to spur growth have particularly increased the Group's personnel expenses. The average number of employees grew by 37 percent on 2005.

Owing to non-recurring items and factors that negatively affected third-quarter operations, operating profit in 2006 matched only the level of 2005 and was EUR 19.1 million (19.1). Operating

profit was 23 percent of total income (30). Non-recurring items amounted to about EUR 2 million and include, among other things, court costs, damages paid and the cost of reorganizing the investment banking business.

The Group's taxes were EUR 5.8 million in 2006 and EUR 5.4 million in 2005. The effective tax rate grew due to non tax-deductible losses in operations abroad.

Net profit for the 2006 fiscal year was EUR 13.3 million (13.7).

Earnings per share for 2006 were EUR 0.32 (0.36).

BALANCESHEET

The Group's total assets strengthened in fiscal year 2006 in step with the share issue that was carried out in April. Total assets as of December 31, 2006, stood at EUR 142.4 million (71.4).

The Group's shareholders' equity at the end of the fiscal year was EUR 100.1 million (32.4), or EUR 2.34 per share (0.88). The acquisition of minority interests that was carried out through exchanges of shares during 2006 was made at fair value, and thereby brought a significant increase in the share premium reserve. For this reason, goodwill of EUR 41.2 million was recorded in the consolidated balance sheet. The annualized return on equity was 20.2% (50.8).

The Group's equity ratio was 70.3 percent (45.4) and the Tier 1 ratio was 115.7 percent (59.6).

FIM's derivatives exposure at the end of the reporting period consisted mainly of equity derivatives held for trading. The value of the underlying assets of equity derivatives was EUR 44.9 million, and

they had a fair value of EUR -5.3 million. In addition, receivables denominated in foreign currency were hedged with forward contracts, the underlying assets of which had a value of EUR 16.8 million, their fair value being EUR 0.5 million.

INVESTMENTS

In 2006, the Group's investments in tangible and intangible assets were EUR 3.9 million (3.5).

Over the past years, FIM has made a number of investments in its trading and back office systems. In 2006, the most important investments were carried out within brokerage. Toward the end of the year, a new customer information system became operational, along with the last parts of the new back office system, bringing stepped-up reporting, improved risk management and automated trading processes.

PERSONNEL

The number of employees has grown greatly in recent years. In 2006, the Group had an average headcount of 262 employees (191). The number of employees at the end of December was 284 (215). During 2006, 24 people left the company (14).

At the end of 2006, the personnel were divided by business area as follows: FIM Asset Management: 129 employees; FIM Brokerage: 87 employees; and FIM Investment Banking: 11 employees. The number of employees working in Finland was 246, with 35 employees in Russia and 3 in Sweden. Personnel figures are stated converted to full-time staff.

The share of part-time employees of the total personnel has been under 10 percent during 2006 and 2005. The average age of the employees is 35 years and the share of women 41 percent (37).

In 2006, the total amount of salaries and bonuses paid by the Group was EUR 23.0 million (16.1).

FIM has put in place a compensation scheme for employees, in which part of the bonus is based on personal performance. A performance appraisal discussion is held with every employee twice a year with the aim of agreeing on each person's development areas, ensuring their level of motivation, going through their personal profit-related bonus and, furthermore, in order to set targets for the next half-year period.

As part of the incentive and commitment-building system for personnel, an extraordinary general meeting of FIM Group Corporation's shareholders passed a resolution on December 5, 2006, to grant stock options to employees and to the CEO of the FIM Group.

In June 2006, the Group appointed a Human Resources Director, who is also a member of the Group Management Board. Human resources processes will be refined and harmonized for a unified approach in different countries.

In the competition organized by the Great Place to Work Institute Finland, FIM placed second in the general category, from a group of about 80 Finnish companies. The results were published in January 2007. The company's ranking improved by one, from third place in 2006.

CHANGES IN THE COMPANY'S MANAGEMENT

Risto Perttunen was appointed CEO of FIM Group Corporation, effective July 1, 2006. Jan Forsbom

served as the Group's CEO until June 30, 2006. He was appointed Managing Director of FIM Asset Management as of July 1, 2006. Niklas Geust was appointed Group CFO, effective July 1, 2006, in addition to his duties within mutual fund operations. Kurt Lundmark was appointed Managing Director of FIM Investment Banking as of September 1, 2006.

CHANGES IN THE GROUP STRUCTURE

During the year 2006 FIM executed the following changes in its structure. The purpose of the changes was to make all the Group's companies 100% owned subsidiaries of FIM Group Corporation and to end the minority holdings of FIM Omaisuuendoito Oy ja FIM Corporate Finance Ltd.

Before the reorganization the minority holdings went through the following changes in 2006: The ownership of minority shareholders in FIM Omaisuuendoito Oy decreased from 30.0 percent to 29.7 percent, when FIM Omaisuuendoito Oy directed a share issue to FIM Group Corporation on February 27, 2006. The share of the minority shareholders in FIM Corporate Finance Ltd increased from 26.0 percent to 31.5 percent, when FIM Group Corporation sold part of its shares in FIM Corporate Finance Ltd to the Chief Executive Officer of FIM Corporate Finance Ltd through a sale executed on February 17, 2006. The share of the minority shareholders of FIM Corporate Finance Ltd decreased to 24.5 percent when FIM redeemed in cash the shares of FIM Corporate Finance Ltd held by the former Chief Executive Officer of FIM Corporate Finance Ltd on March 7, 2006.

FIM started a process of changing its legal structure that simplifies the current Group's legal structure and better corresponds to the main business area division of the company. As a part of the reorganization, the business of FIM Omai-

suudenhoito Oy was transferred on March 1, 2006 to FIM Asset Management Ltd (formerly FIM Fund Management Ltd) that is a fund management company operating under the Finnish Act on Mutual Funds and has been granted an operating license which covers also asset management and closely related services. To reflect the expanded scope of the operations, the name of the former FIM Fund Management Ltd was changed to FIM Asset Management Ltd on February 28, 2006. As a consideration for the business transfer, FIM Omaisuuendoito Oy received new shares in FIM Asset Management Ltd, issued on March 31, 2006, due to which the ownership of FIM Omaisuuendoito Oy in FIM Asset Management Ltd grew to 90.0 percent.

The Extraordinary General Meeting of shareholders of the company resolved on March 28, 2006 to increase the company's share capital through a directed issue, in which the minority shareholders of FIM Omaisuuendoito Oy convey to the company a part of their shares in FIM Omaisuuendoito Oy as contribution in kind, against which they received 1,817,949 shares. The new shares given in connection with this increase represented the number of shares sold by the minority shareholders of FIM Asset Management in the offering in connection with FIM's IPO. FIM Group Corporation directed a share issue to the minority shareholders of FIM Omaisuuendoito Oy, thereby making it possible for all the minority shareholders of FIM Omaisuuendoito Oy to take part in the offering.

FIM Omaisuuendoito Oy merged into FIM Group Corporation through a merger procedure in accordance with the Finnish Companies Act and the merger was registered on August 15, 2006. In connection with the merger, FIM Group issued 6,457,996 new shares to the minority shareholders of FIM Omaisuuendoito Oy as merger consideration.

In addition, the Extraordinary General Meeting of shareholders of the company resolved on March 28, 2006 to increase the company's share capital through a directed issue, in which the minority shareholders of FIM Corporate Finance Ltd conveyed to the company as contribution in kind their shares in FIM Corporate Finance Ltd, against which they received 465,745 shares. The minority shareholders of FIM Corporate Finance Ltd will sell a part of the shares in connection with the offering and FIM's IPO. As a result of the reorganization, the ownership of FIM Group Corporation in all its subsidiaries, that is, FIM Securities Ltd, FIM Asset Management Ltd, FIM Corporate Finance Ltd, CJSC FIM Financial Services and LLP FIM Asset Management is 100 percent. As a result of the completion of the reorganization, the number of shares increased by a total of 8,741,690 shares, of which 8,275,945 shares relate to the redemption of the minority shareholding in FIM Omaisuuendoito Oy and 465,745 shares to the redemption of the minority shareholding in FIM Corporate Finance Ltd.

SHARES AND SHARE CAPITAL

FIM Group Corporation was listed on the OMX Helsinki Stock Exchange, and the trading in the company's share commenced on the Exchange's Pre List on April 13, 2006. The company's share moved to the Main List on April 21, 2006. The listing was carried out through a share issue and sale of shares, in which a total of 9.7 million FIM Group Corporation shares were offered. The share issue accounted for 3.6 million of this total number of shares.

The FIM Group Corporation's share capital on December 31, 2006, was EUR 2,813,505 million. The company's issued shares consist of one share class that is divided into a total of 42,683,690 shares. According to a decision issued by the Finnish Financial Supervision Authority on

September 19, 2006, the voting rights of the shares owned by Mr. Seppo Sairanen were nullified for one year. Seppo Sairanen's shareholding as of December 31, 2006, was a total of 13,476,451 FIM Group Corporation shares, corresponding to 31.6% of the share capital. Accordingly, the number of votes conferred by all the company's shares is 29,207,239.

After the listing, the trade volume of the FIM Group Corporation share on the OMX Helsinki Stock Exchange during the period April 13 – December 31, 2006, was EUR 112.6 million and 19.3 million shares. The trade volume includes the 6.1 million shares sold in the initial public offering. The share price registered a high of EUR 8.25 in April and a low of EUR 4.76 in June. The volume-weighted average share price was EUR 5.88. At the end of the reporting period on December 31, 2006, the share price was EUR 6.10 and the company had a market capitalization of EUR 260.4 million. The company had in its possession a total of 36,000 treasury shares as of December 31, 2006, and they had a market value of EUR 0.2 million.

RESOLUTIONS OF THE GENERAL MEETINGS

The Annual General Meeting of FIM Group Corporation was held on February 27, 2006, before the company was listed on the Helsinki Stock Exchange. Five members were elected as full members of the Board of Directors: Antti Kivimaa, Risto Perttunen, Niklas Geust, Vesa Honkanen, Jukka Ylitalo. In its organizing meeting, the Board of Directors elected Antti Kivimaa as Chairman of the Board. No deputy chairman was elected. The Board of Directors also reviewed the independence of its members as defined in the corporate governance recommendation of the Helsinki Stock Exchange. According to the definition, independent members are Antti Kivimaa, Vesa Honkanen and Jukka Ylitalo,

out of which Antti Kivimaa and Vesa Honkanen are also independent of significant shareholders of the company.

In addition, on March 28, 2006, an Extraordinary General Meeting was held, at which, among other issues, a resolution was passed on the share issue in connection with the listing.

At a second Extraordinary General Meeting that was held on December 5, 2006, a resolution was passed on amending the Articles of Association. The amendments were mostly of a technical nature in accordance with the new Companies Act. Articles regarding share capital and the number of shares were removed from the Articles of Association and the term of the auditors was defined to end at the close of the first Annual General Meeting following their election. All the wordings regarding the Agenda of the Annual General Meeting were amended in accordance with the new Companies Act. The Extraordinary General Meeting furthermore resolved to issue stock options to FIM Group personnel and key employees as well as to FIM Group Corporation's wholly-owned subsidiary FIM Securities Ltd.

STOCK OPTION PLAN

In accordance with the resolution of the General Meeting, a total of 371,250 stock options 2006H were distributed to the personnel of FIM and a total of 870,000 stock options 2006A were distributed to key employees in January 2007. All the remaining stock options, 2,608,750 in number, were granted to FIM Securities Ltd. The subscription price of the company's share through the exercise of stock option warrants 2006A and 2006H was the trade volume-weighted average price of the FIM Group Corporation share on the Helsinki Stock Exchange from October 1 to December 31, 2006.

SUMMARY OF THE CHANGES IN FIM'S SHARE CAPITAL

	Increase/decrease in share capital (EUR)	Increase/decrease in the number of shares	Share capital (EUR)	Number of shares
31.12.2005			2 000 000	30 342 000
Share issue 13.4.2006	119 830.53	1 817 949	2 119 830.53	32 159 949
Share issue 13.4.2006	30 699.69	465 745	2 150 530.22	32 625 694
Share issue 13.4.2006	237 294.84	3 600 000	2 387 825.06	36 225 694
Share issue 15.8.2006	425 680.31	6 457 996	2 813 505.37	42 683 690

RISK MANAGEMENT

Risk management is an essential part of the internal control and its aim is to reduce the probability of unforeseeable losses or a threat to the reputation of FIM. Risk management covers all material risks connected with FIM's operations, such as operational risks, market risks, liquidity and financing risks, credit risks and strategic risks.

The parent company's Board of Directors defines the principles of the Group's risk-taking, grants decision-making authorizations to management and oversees risk management. The task of the Group's independent risk management team is to study and assess, efficiently and broadly, the comprehensiveness, adequacy and effectiveness of FIM Group's risk management. The unit is responsible for maintaining, developing and preparing risk management guidelines that are confirmed by the parent company's Board of Directors. The risk management assessment function must also ensure that for all major risks assumed in business operations, the joint effect on the earnings and own funds of both an individual Group company and FIM Group are reported to the respective Board of Directors and the Management Boards.

Operational risks encompass the danger of loss or damage arising as a result of unclear or deficient guidelines, actions in violation of instructions, unreliable information, deficient systems or external factors. The management of operational risks is part of FIM Group's overall risk management, and it generally involves minimizing risks. In addition to preventive work that is carried out to prevent operational risks from materializing, FIM Group seeks to maintain sufficient insurance coverage for the purpose of compensating, for example, loss or damage resulting from malfeasance, intrusion

into information systems, or other criminal actions. Continuity plans have been put in place to cope with major disturbances to operations.

Market risk means the effect on earnings of fluctuations in interest rates or asset prices. FIM's Board of Directors determines the risk-taking limits and principles governing market risks. Limits and other operational instructions have been set for the taking of market risks, bearing in mind the sufficiency of equity and capital adequacy planning within FIM Group.

By means of managing liquidity and refinancing risks, it is insured that the Group is able to meet its financing obligations. To support liquidity management, FIM Securities Ltd has the possibility, in the form of credit extended by customers (so-called cash account customers), to improve its liquidity, and, additionally, the company has credit facilities that have been agreed with banks and can be drawn as the need arises. In practice, despite the increase in trading activity, it has been possible to attend to liquidity management mainly without having recourse to bank credit facilities.

Across FIM units, the contractual counterparties in accordance with the adopted definition of credit risk are customers and other trading counterparties as well as other cooperation partners. In line with the lending policy approved by the Board of Directors, FIM engages only in lending activities in which risk-taking is limited and the risk is manageable. Lending is targeted primarily at private individuals.

REFORMED CAPITAL ADEQUACY REGULATIONS

As of January 1, 2007, FIM's operations have been in compliance with the Basel II capital adequacy reform. FIM's Board of Directors has prepared a capital plan in accordance with the reformed capital adequacy regulations. The plan sets out FIM's risk-

based capital requirement, the sufficiency of capital items and capital adequacy. The capital plan further sets the objectives for the shareholders' equity to cover FIM's capital requirements and for the capital adequacy ratio.

FIM operates nearly entirely on a fee and commission basis and does not seek, to any significant extent, to generate income through active risk-taking. Accordingly, the Group's risk-based capital requirement is relatively small in proportion to the extent of operations.

The main component that ties up capital across FIM units is the liquidity required in brokerage activities, particularly in Russia. In planning the amount of the Group's equity, the central factor is, however, the assessment of the riskiness of operations. In addition to the minimum requirements set in the regulatory regime, a number of international counterparties and cooperating partners require a given capital adequacy level, and thus capital adequacy is also a factor influencing the competitive position.

FIM complies with all the relevant capital adequacy regulations. Furthermore, in FIM's business units and at the Group level, a regular assessment is made of the riskiness of operations, and the susceptibility to risk is taken into account in managing capital and solvency as well as in operational planning.

The capital requirement for covering business risks is assessed systematically, using means such as scenario analysis and stress testing. The Group's balance sheet and capital adequacy position are currently strong.

The regulatory capital adequacy requirement for FIM's Pillar 1 risks (credit, market and operational risks) on December 31, 2006, was a total of EUR

11.8 million. The adequacy of capital is examined especially with respect to the regulatory calculations for Tier 1 capital. Tier 1 capital corresponds roughly to shareholders' equity in the balance sheet less the amount of intangible assets and the fair value reserve derived from the measurement differences for available-for-sale securities. Tier 1 capital as of December 31, 2006 was about EUR 49.7 million (22.6). The Group's capital adequacy is thus nearly four-fold compared to the required in order to meet the minimum level specified in the regulatory requirements. Accordingly, the Group has a strong capital and solvency position at the present time.

In order to maintain sufficient operational leeway and a risk buffer, the target level for FIM's own funds is either a minimum of 150 percent of the risk-based capital requirement, or 150 percent of the minimum capital adequacy required by the regulatory authorities, whichever is greater. Calculated in this way, FIM's capital adequacy target at present would be about EUR 20 million, which is substantially below the present level of the company's own funds (Tier 1). Bearing in mind the Group's growth at the present time, it is desirable to maintain a sufficient capital adequacy level in order to be able to prepare for the capital requirements for the growth in operations and the planned start up of retail banking.

LITIGATION

In a court case concerning the concealment of the assets of a bankrupt private person, which occurred in 1998, the company's former CEO, Seppo Sairanen, and one broker were sentenced in September 2006 to a period of imprisonment. In conjunction with this, a corporate fine of EUR 100,000 was imposed on FIM Omaisuuendoito Oy. The company and the persons in question have appealed against the District Court's judgment.

On August 24, 2006, an arbitration tribunal handed down its decision in the arbitration proceedings between the former managing director of FIM Corporate Finance Ltd and FIM Group Corporation. The arbitration tribunal obligated FIM Group Corporation to pay to said person, against the shareholding in FIM Corporate Finance Ltd, damages plus interest and expenses. The cost effect of the damages paid and expenses, about EUR 0.8 million, was booked in the third quarter of 2006.

BUSINESS DEVELOPMENT

Three priority areas have been chosen as the cornerstones of the Group's growth-oriented business strategy. The aim is to expand service offerings to domestic clients by adding innovative investment service products, by devoting further efforts to sales of structured products and by developing the Corporate Finance function in Finland. As part of the enhancement of its service concept, FIM applied for a license to operate as a bank in January 2007.

The second priority area is the expansion of operations in Russia. The subsidiary that was established in Russia to carry out asset management and mutual fund operations received an operating license during the third quarter and the startup of actual operations is progressing as planned. The third growth area that has been defined is the sale of selected investment service products to an international clientele. The objective is to increase sales of FIM's leading products to international institutional investors, and as part of this development effort, the mutual fund business is presently preparing the registration of mutual funds elsewhere in Europe.

Operations in selected growth areas are expected to increase the Group's total income substantially over a period of 1-2 years.

GLITNIR'S ANNOUNCEMENT ON INTENTION TO MAKE A PUBLIC TENDER OFFER

Icelandic Glitnir banki hf. announced on February 5, 2007 that it intends to acquire the outstanding shares and options in FIM through a public tender offer. It has also obtained an irrevocable undertaking from the shareholders of FIM, who represent approximately 68 percent of the shares, to sell their shares to Glitnir.

All the other shareholders of FIM have two alternatives to accept the public tender offer:

- a) Combined cash and Glitnir share offer containing EUR 4.00 cash and 14.75 Glitnir shares per each FIM Share.
- b) Cash offer of EUR 8.00 per FIM Share.

The combined cash and share consideration corresponds to a total consideration of Eur 8.00 per FIM share based on Glitnir's closing share price of ISK 24.80 on January 15, 2007 and an ISK/EUR exchange rate of 91.44, the mid-rate published by the Icelandic Central Bank on January 16, 2007.

If the General Meeting of shareholders of FIM resolves on a dividend distribution in excess of EUR 0.14 before the settlement date of the public tender offer, the offer price shall be reduced by the amount of the dividend in excess of EUR 0.14 per share in any such dividend distribution.

FIM stock option holders will receive EUR 8.00 per option less the trade weighted average price of the FIM share in regular trading on the Helsinki stock exchange between October 1 and December 31, 2006 (EUR 5.19). The trade weighted average referred to above (the option exercise price) shall be adjusted by any dividend paid by FIM.

FIM Group Corporation's Board of Directors recommends the shareholders and option holders to accept the tender offer. Further, the Board of Directors of FIM has signed a combination agreement with Glitnir to such effect.

The Board of Directors notes that at the time of decision making each FIM shareholder and option holder must independently choose whether to accept the combined cash and share offer, the cash offer or not to accept the tender offer. The Board of Directors recommends that each shareholder and option holder independently evaluates the impact of possible exchange rate fluctuation risk, the risk associated with the general development in the Icelandic economy, tax position, trading and other costs and volatility risk with respect to the share component of the combined cash and share offer. The principle terms of the public tender offer, including the conditions for completing the public tender offer, were published in a stock exchange release on February 5, 2007 which is also available on FIM's website at www.fim.com.

The offer period is expected to commence on March 12, 2007 or as soon as practicable thereafter and a public offer document will be published prior to the start of the offer period and it will also be available on FIM's website at www.fim.com.

OTHER EVENTS AFTER THE REPORT PERIOD

At its meeting in January 2007, the Board of Directors of FIM Group Corporation announced its decision to begin preparing for the startup of retail banking operations as part of the Group's expansion of its service offerings. In this connection, Mr. Timo T. Laitinen, M.Sc. (Eng.), was appointed CFO of FIM Group as of February 15, 2007, and, apart from his role as CFO, he will also be in charge of FIM's retail banking project. The present CFO, Mr. Niklas Geust, will leave for a sabbatical beginning on March 1, 2007.

According to the plan FIM Corporate Finance Ltd will merge with FIM Asset Management Ltd during 2007.

NEAR-TERM OUTLOOK

FIM Asset Management's assets under management on January 31, 2007, totaled about EUR 3,020 million, an increase of 6 percent since January 31, 2006. FIM Brokerage's market share of euro-denominated trade volume on the OMX Helsinki Stock Exchange was 3.1 percent in January (2.6 percent, January 2006). Based on the number of trades, the market share was 3.6 percent (3.1).

The trend in operations in January offers a good starting point for the current year. The growth in full-year net sales is expected to reach the long-term growth target of 20 percent. Full-year operating profit is estimated to exceed that reported for 2006.

Cyclical sensitivity is typical of investment service operations and FIM's operations are also characterized by a marked dependence on the trend in the global securities markets. In the short term, performance fees in discretionary asset management are the type of income that is the most sensitive of all to both positive and negative moves in the market.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFITS

The parent company's distributable funds are EUR 22,929,115.77 million. The Board of Directors has decided to propose to the Annual General Meeting that a dividend of EUR 0.14 per share be paid for the 2006 fiscal year (EUR 0.18), or a total payout of EUR 5,970,676.60. No significant changes have occurred in the company's financial position after the end of the financial year. The company's liquidity is good, and in the Board of Directors' view the proposed distribution of dividend does not risk the company's financial standing.

FIM Asset Management

KEY FIGURES (million euros except for personnel and client figures)	2006	2005	Change,%
Total income	50.5	39.3	28%
Operating profit	15.6	14.7	7%
Operating margin, %	31%	37%	
Personnel, average	115	85	35%
Assets under management (end of period)	2 966	2 552	16%
Assets under management, mutual funds (end of period)	1 865	1 622	15%
Assets under management, equity funds (end of period)	1 297	1 215	7%
Market share, mutual funds (end of period)	3.1%	3.6%	
Market share, equity funds (end of period)	5.9%	7.4%	
Net subscription, mutual funds	-70	303	
Net subscription, equity funds	-185	279	
Number of unit holders, mutual funds (end of period)	55 113	48 471	14%
Number of clients in discretionary asset management and Discretionary fund management (end of period)	2 444	2 260	8%

JAN.–DEC. 2006 COMPARED WITH JAN.–DEC. 2005

FIM Asset Management's total income in 2006 amounted to EUR 50.5 million (39.3). The strong growth in total income was largely a result of the increase in assets under management. In 2006, the amount of assets under management was in average 38 percent greater than a year earlier. Full-year operating profit was EUR 15.6 million (14.7).

Of FIM's mutual funds, 50 percent outperformed their benchmark indices in the reporting period. Of FIM's 12 Morningstar rated balanced and equity funds, 7 funds had five stars at the end of the year. Within discretionary asset management and fund management, successful allocation decisions generally led to a return that exceeded the global equity markets.

The subsidiary that was established in Russia to carry out FIM's asset management and investment banking operations received an operating license in August 2006. Preparations for actual operations are progressing according to plans, and in January the FSFR, Russia's financial markets regulatory authority, approved the statutes of FIM's first local funds. It is estimated that the funds will begin operating during the current quarter.

The expansion of operations in Sweden has been continued. In fall 2006, the Stockholm branch office concluded a major distribution agreement with Länsförsäkringar, one of Sweden's largest insurance companies.

FIM Brokerage

KEY FIGURES (million euros except for personnel)	2006	2005	Change,%
Total income	25.3	20.8	22%
Operating profit	3.6	4.4	-18%
Operating margin, %	14%	21%	
Personnel average	80	58	38%
Market share, turnover in euros (OMX Helsinki)	3.0%	2.9%	0.7%
Market share, number of transactions (OMX Helsinki)	3.4%	3.3%	0.1%

JAN.–DEC./2006 COMPARED WITH JAN.–DEC./2005

FIM Brokerage's total income in 2006 increased by 22 percent and was EUR 25.3 million (20.8). Factors that contributed to the strong growth in total income were the clear increase in trade volumes on the OMX Helsinki Stock Exchange as well as a growing clientele for FIM Brokerage's operations in Russia. FIM's international customers increased their trade volumes markedly over the year. Within the FIM Direct online trading service, there was an increase in both the number of customers and the number of trades executed. In 2006, operating profit was EUR 3.6 million (4.4). Operating profit was burdened by the efforts put into expanding operations in Russia.

The infrastructure for FIM Brokerage's securities brokerage operations located in Moscow was put

in place for the most part during 2006. The inputs into developing and expanding operations in Russia increased FIM Brokerage's expenses. During the year, the earnings of the unit in Russia developed in a positive direction, but the full-year result was still in the red.

In the summer of 2006, FIM Securities Ltd and the Finnish Savings Banks Association entered into a Cooperation Agreement according to which FIM will act as the online intermediary in securities transactions of the Finnish Savings Banks Association's member savings banks in all trades executed on the Nordic Exchange. The savings banks will change over to using FIM Securities as their intermediary in securities transactions in fall 2007.

FIM Investment Banking

KEY FIGURES (million euros except for personnel)	2006	2005	Change,%
Total income	7.4	4.4	68%
Operating profit	1.9	1.4	38%
Operating margin, %	26%	31%	
Personnel average	16	12	33%
Sales of structured notes	229	129	79%

JAN.–DEC. 2006 COMPARED WITH JAN.–DEC. 2005

In 2006, FIM Investment Banking generated total income of EUR 7.4 million (4.4). In 2006, the business area comprised two separate units: structured products and corporate finance advisory services. During the summer and fall of 2006, the company made a decision to reorganize the investment banking business, and the business area's activities focused mainly on selling structured products. In 2006, operating profit was EUR 1.9 million (1.4).

The market for capital-protected structured products in Finland grew to a record figure of over 2 billion euros in 2006 (growth of 40 percent on 2005). Last year, FIM's sales of structured products totaled EUR 229 million, representing growth of 79 percent on 2005.

With a view to streamlining the structure of the investment banking operations, sales of structured products were organized within FIM Asset Management in the latter part of the year.

The FIM Investment Banking division will from now on focus on advisory services in capital market transactions and in mergers and acquisitions.

Consolidated Key Figures

The key figures for 2004–2006 have been calculated according to IFRS as where the figures for 2003 and earlier have been calculated according to FAS.

	(MEUR)	2006	2005	2004	2003	2002
1) Total income		82.05	63.15	42.72	26.85	18.61
2) Operating profit (or loss)		19.11	19.11	11.56	6.45	1.38
	% of turnover	23.3%	30.3%	27.1%	24.0%	7.4%
3) Profit or loss before taxes		19.11	19.11	11.56	6.44	1.38
	% of turnover	23.3%	30.3%	27.1%	24.0%	7.4%
4) Profit or loss for the period		13.35	13.74	8.11	3.74	0.78
	% of turnover	16.3%	21.8%	19.0%	13.9%	4.2%
5) Gross investments		3.95	3.47	2.85	0.98	1.00
	% of turnover	4.8%	5.5%	6.7%	3.6%	5.3%
6) Return on equity (ROE)		20.2%	50.8%	44.2%	32.7%	7.5%
7) Return on investments (ROI)		24,5%	48,5%	44,6%	40,7%	11,6%
8) Return on assets, % (ROA)		12.5%	23.7%	22.7%	21.4%	5.5%
9) Equity ratio, %		70.3%	45.4%	48.5%	57.8%	79.2%
10) Income /expense ratio		0.77	0.70	0.73	0.76	0.93
11) Tier I ratio	Tier I	115.67%	59.57%	87.04%	81.60%	101.02%

The ratio is calculated on the basis of the relation between the total equity and risk-adjusted receivables according to instruction 203.24 of the Financial Supervision Authority. According to this instruction, the ratio only takes into account the primary own funds.

Primary equity (Tier I)		Risk-adjusted receivables	
Share capital	2 814	Receivables from credit institutions and corresponding items	6 648
Non-restricted equity	31 748	Other assets	23 064
Share premium fund	65 493	Risk-adjusted value of market risk	13 288
Minority interest	0		42 999
Intangible assets	-44 349	Tier I ratio	115.67%
Dividend	-5 971		
	49 735		

	2006	2005	2004
12) Total amount of salaries (MEUR)	22.97	16.14	12.06
13) Personnel, average	262	191	139
14) Personnel at the year end	284	215	158

SHARE-RELATED KEY FIGURES		2006	2005	2004	2003	2002
1) Earnings per share, basic/diluted	EUR	0,32	0,36	0,23	0,12	0,03
2) Equity per share	EUR	2,34	0,88	0,62	0,44	0,34
3) Dividend per share	EUR	0,14	0,18	0,07	0,04	0,03
4) Dividend per earnings	%	44,7%	39,7%	24,7%	32,1%	103,1%
5) Effective dividend yield	%	2,3%				
6) Price per earnings (P/E)		19,32				
7) Market capitalization at the end of period	MEUR	260,4				
8) Weighted average number of shares, '000		36 763				
9) Development of share price, EUR		13.4.-31.12.2006				
Average share price		5,88				
Highest share price		8,25				
Lowest share		4,76				
Share price at the year end		6,10				
10) Trading volume, number of shares traded, '000		19 330				
11) Trading volume, number of shares traded	%	52,6%				

CALCULATION OF KEY FIGURES

Return on equity (ROE)	$\frac{\text{Operating profit / loss – taxes}}{\text{Shareholders' equity + minority interest}} \times 100$ (mean value of the beginning and end of the year)
Return on assets, % (ROA)	$\frac{\text{Operating profit / loss – taxes}}{\text{Average balance sheet total}} \times 100$ (mean value of the beginning and end of the year)
Return on Investments, % (ROI)	$\frac{\text{Income before taxes + interest and other financing expenses}}{\text{Total assets – non-interest-bearing debt}} \times 100$ (average for period)
Equity ratio, %	$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total}} \times 100$
Income /expense ratio	$\frac{\text{Interest expenses + commission expenses + administrative expenses + depreciation + other operating expenses}}{\text{Income from investment services}} \times 100$
Tier I ratio	$\frac{\text{Own funds}}{\text{Balance sheet total}} \times 100$
Earnings per share, basic/diluted	$\frac{\text{Profit for the period attributable to the shareholders of the parent company}}{\text{Weighted average number of shares}}$
Equity/share	$\frac{\text{Total equity}}{\text{Number of shares outstanding at the end of period}}$
Dividend/earnings, %	$\frac{\text{Dividend for financial period / share}}{\text{Basic earnings / share}} \times 100$
Effective dividend yield, %	$\frac{\text{Dividend /share}}{\text{Share issue adjusted closing price for the share at end of period}} \times 100$
Price/earnings (P/E)	$\frac{\text{Share issue adjusted closing price for the share at end of period}}{\text{Basic earnings / share}} \times 100$
Average share price	$\frac{\text{EUR amount traded during period for the share}}{\text{Number of shares traded during period}}$
Trading volume	Number of shares traded during period
Trading volume, %	$\frac{\text{Number of shares traded during period}}{\text{Average weighted number of shares during period}} \times 100$

Consolidated income statement (IFRS)

INCOME STATEMENT Thousand euros	Note	1.1. –31.12.2006	1.1. – 31.12.2005
Fee and commission income	4.	77 322	59 082
Net gains (losses) from securities trading	9.	1 216	39
Dividend income	8.	883	2 407
Interest income	6.	2 264	1 313
Gains less losses from available-for-sale investments	10.	147	144
Other operating income		214	167
TOTAL INCOME FROM INVESTMENT SERVICES		82 046	63 152
Fee and commission expenses	5.	-9 514	-5 851
Interest expenses	7.	-910	-343
General administrative expenses			
Employee benefits expenses			
Wages and salaries	13.	-22 970	-16 136
Social security costs			
Pension costs	13.	-3 413	-2 497
Other personnel costs	13.	-1 555	-898
Share-based payments	14.	-52	-325
Other administrative expenses		-15 775	-11 960
Depreciation, amortization and impairment charges	12, 24, 25.	-2 508	-1 863
Rent expenses		-1 707	-1 403
Other operating expenses	11.	-4 527	-2 768
Share of results of associated companies		0	0
Operating profit		19 114	19 108
PROFIT BEFORE TAX		19 114	19 108
Income taxes	15.	-5 766	-5 371
PROFIT FOR THE PERIOD		13 348	13 737
Attributable to			
Equity holders of the company		11 607	10 490
Minority interest		1 741	3 248
Earnings per share attributable to equity holders of the company			
Basic and diluted earnings per share, EUR	16.	0.32	0.36

Consolidated balance sheet (IFRS)

BALANCE SHEET	Note	31.12.2006	31.12.2005
Thousand euros			
ASSETS			
Cash and cash equivalents	18.	24 089	18 080
Due from customers			
Repayable on demand	19.	5 254	4 730
Debt securities	20.	5 904	0
Shares and participations			
Securities trading	20.	34 354	18 236
Available-for-sale investments	22.	1 084	1 601
Derivative financial instruments	21.	1 473	665
Investments in associates	23.	0	0
Intangible assets			
Goodwill	24.	41 163	31
Other intangible assets	24.	3 186	2 751
Tangible assets			
Shares in property investment companies		0	17
Other tangible assets	25.	3 914	2 908
Other assets	26.	9 151	11 637
Accrued income and prepayments	27.	12 622	10 725
Deferred tax assets		189	0
TOTAL ASSETS		142 384	71 381

BALANCE SHEET	Note	31.12.2006	31.12.2005
Thousand euros			
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	34.	2 814	2 000
Share premium		65 493	645
Treasury shares	14.	-35	-811
Translation difference		3	28
Fair value reserve	35.	8	67
Other reserves	35.	0	2 482
Retained earnings		20 177	11 859
Profit for the period		11 607	10 490
		100 066	26 760
Minority interest		0	5 628
Total equity		100 066	32 388
LIABILITIES			
Due to banks and financial institutions	28.	0	476
Due to customers			
Repayable on demand	29.	2 593	914
Derivative financial instruments and other trading liabilities	21.	11 414	5 422
Other liabilities			
Liabilities to customers in money accounts	30.	17 213	13 582
Other liabilities	30.	51	6 592
Accrued expenses and deferred income	31.	11 048	11 952
Deferred tax liabilities	15.	0	55
Total liabilities		42 319	38 993
TOTAL EQUITY AND LIABILITIES		142 384	71 381

Consolidated statement of changes in equity

	Share capital	Share premium	Other reserves	Treasury shares	Translation differences
Equity at December 31, 2004	984	1661	4 915	-2 976	-29
Net gains (losses) from available-for-sale investments					
Currency translation adjustments					58
Net income (expense) recognized directly in equity					
Profit for the period					
Total recognized income for the period	0	0	0	0	58
Dividend for year 2004					
Transfers to reserve fund					
Cancellation of treasury shares	-124	124	-2 623	2 623	
Increase in share capital	1140	-1140			
Purchase/sale of treasury shares			190	-458	
Equity at December 31, 2005	2 000	645	2 482	-811	28
Net gains (losses) from available-for-sale investments					
Currency translation adjustments					-26
Net income (expense) recognized directly in equity		-2 268			
Profit for the period					
Minority's share of the profit for the period					
Total recognized income for the period	0	-2 268	0	0	-26
Dividend for year 2005					
Transfers to reserve fund					
Cancellation of treasury shares					
Change in minority interest					
Share issue	814	67 116		776	
Transfers in equity			-2 482		
Purchase/sale of treasury shares					
Taxes on equity					
Equity at December 31, 2006	2 814	65 493	0	-35	3

	Fair value reserve	Retained earnings	Total equity attributable to equity holders of the company	Minority interest	Total equity
Equity at December 31, 2004	240	13 735	18 530	3 122	21 652
Net gains (losses) from available-for-sale investments	-173		-173	9	-164
Currency translation adjustments		-33	24		24
Net income (expense) recognized directly in equity		55	55	0	55
Profit for the period		10 490	10 490	3 248	13 737
Total recognized income for the period	-173	10 512	10 396	3 257	13 652
Dividend for year 2004		-2 000	-2 000	-750	-2 750
Transfers to reserve fund					
Cancellation of treasury shares				1 140	-1 140
Increase in share capital					
Purchase/sale of treasury shares		102	-166		-166
Equity at December 31, 2005	67	22 349	26 760	5 628	32 388
Net gains (losses) from available-for-sale investments	-59	-3	-62		-62
Currency translation adjustments		-14	-40		-40
Net income (expense) recognized directly in equity			-2 268		-2 268
Profit for the period		9 865	9 865	1 741	11 607
Minority's share of the profit for the period		1 741	1 741	-1 741	0
Total recognized income for the period	-59	11 589	9 237	0	9 237
Dividend for year 2005		-5 228	-5 228	-1 505	-6 733
Transfers to reserve fund					0
Cancellation of treasury shares					0
Change in minority interest				-3 059	-3 059
Share issue		565	69 270	-1 064	68 206
Transfers in equity		2 482			0
Purchase/sale of treasury shares		28	28		28
Taxes on equity					
Equity at December 31, 2006	8	31 784	100 066	0	100 066

Consolidated cash flow statement

Thousand euros	Note	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Fee and commission income	4.	77 322	59 082
Dividend income	8.	883	2 395
Net gains (losses) from securities trading	9.	2 511	699
Employee benefit expenses and other operating expenses		-59 765	-41 856
Interest income	6.	2 264	1 313
Other income		231	29
Income taxes paid	15, 27, 31.	-5 574	-4 204
Changes in operating assets and liabilities			
Net decrease in trading assets and liabilities	9, 20, 21.	-18 093	-13 48
Net increase (decrease) in operating assets	19, 26, 27.	1 699	-7 605
Net increase in operating liabilities	29, 30, 31.	-4 329	10 063
Net increase/decrease	19.	-1 592	-1 760
In other invest-bearing assets/liabilities	28, 30.	2 896	2 200
Net cash generated from operating activities		-1 546	19 007
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of tangible and intangible assets	12, 24, 25.	-3 950	-3 472
Proceeds from sale of tangible and intangible assets		95	68
Proceeds from sales of available-for-sale investments		557	704
Proceeds from subsidiary share sale/purchase		76	
Proceeds from sale of investment in associated company	23.	200	200
Dividends received	8.	0	12
Net cash used in investing activities		-3 022	-2 488
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues		17 635	0
Proceeds from sale of treasury shares	35.	0	328
Purchase of treasury shares		0	-35
Dividends paid		-7 032	-2 750
Net cash used in financing activities		10 603	-2 457
Net increase in cash and cash equivalents		6 036	14 062
Cash and cash equivalents at beginning of year		18 080	4 018
Exchange rate effect		-26	
Cash and cash equivalents at end of year		24 089	18 080
Net increase in cash and cash equivalents		6 036	14 062

Accounting policies applied to consolidated financial statements

GENERAL INFORMATION

FIM Group is a group offering asset management, brokerage and corporate finance services. FIM Group Corporation is the parent company of the Group. The Group comprises FIM Asset Management Ltd, FIM Securities Ltd and FIM Corporate Finance Ltd in Finland and ZAO FIM Financial Services and LLC Asset Management in Russia. FIM Asset Management Ltd operates a branch office in Sweden named FIM Kapitalförvaltning Ab Finland Filial. The parent company is domiciled in Helsinki and its registered address is Pohjoisesplanadi 33 A, 00100 Helsinki.

The Board of Directors of FIM Group Corporation has approved the financial statements for publication on February 26, 2007, and a copy of the financial statements is available at the company's registered address.

SUMMARY OF THE PRINCIPAL ACCOUNTING POLICIES APPLIED IN THE CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PRESENTATION

FIM Group Corporation's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards in reliance on the IAS and IFRS standards and SIC and IFRIC interpretations in force at December 31, 2006. In the Finnish Accounting Act and the regulations based on it, International Financial Re-

porting Standards refer to the standards and the interpretations that are issued regarding them, which have been approved for application within the EU in accordance with the procedure prescribed in EU regulation (EC) 1606/2002. The Group adopted IFRS in 2005 and thereby applied the transitional standard IFRS 1: First-time Adoption of International Financial Reporting Standards. The transition date was January 1, 2004. The Group decided to apply the following exemptions from other IFRSs as permitted under IFRS 1: In accordance with the exemption permitted under IFRS 1, the Group does not apply IFRS 3 Business Combinations retroactively to previous business combinations, but instead retains the principles of classifying and recording assets and liabilities in the form in which they were applied in the consolidated financial statements prepared in accordance with Finnish laws and regulations. The Group decided to apply IAS 32 Financial Instruments: Disclosure and Presentation and IAS 39 Financial Instruments: Recognition and Measurement from the date of adoption of IFRS, January 1, 2004.

The consolidated financial statements have been prepared based on historical cost, except for available-for-sale investments, financial assets and liabilities, which are recorded at fair value through profit or loss, and derivative contracts that have been measured at fair value. Share-based payments are recorded at fair value at their grant date. For acquisitions that have been made prior to January 1, 2004, goodwill corresponds to the carrying amount according to the previous accounting standards, and it has been used as the deemed cost. The classification of these acquisitions or their treatment in the financial statements has not been adjusted in preparing the Group's opening IFRS balance sheet. Financial statement information is presented in thousands of euros.

USE OF ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS calls for the use of certain estimates and assumptions. The use of these estimates and assumptions affects the assets and liabilities reported in the consolidated financial statements, the presentation of contingent assets and liabilities in the notes to the financial statements, the impairment testing of goodwill as well as the revenue and expenses reported for the financial period. These estimates are based on management's best knowledge of events, and therefore the final actual figures can differ from the estimated amounts. Information on the judgment which management has exercised in applying the accounting policies observed by the Group and which have the greatest effect on the figures presented in the financial statements is given in the section "Accounting Policies Requiring Management's Judgment and Key Sources of Estimation Uncertainty."

SUBSIDIARIES

The consolidated financial statements include companies in which the Group owns more than half of the voting rights or otherwise exercises control. Intra-Group share ownership has been eliminated by means of the acquisition cost method. Subsidiaries are included in the consolidated financial statements from the date when control passes to the Group, and divested subsidiaries up to the time when control ceases. All intra-Group transactions, receivables, liabilities and profits are eliminated in preparing the consolidated financial statements. Unrealized losses are not eliminated in the case where the loss is due to recording impairment. The accounting policies applied in the financial statements of subsidiaries have been altered, if necessary, to correspond to the Group's accounting policies.

In addition to the parent company FIM Group Corporation, the consolidated financial statements include the wholly-owned companies FIM Securities Ltd, FIM Asset Management Ltd, FIM Corporate Finance Ltd, LLC Asset Management and ZAO FIM Financial Services.

ASSOCIATES

Associates are companies in which the Group has significant influence. Significant influence arises when the Group holds more than 20% of the company's voting rights or when the Group otherwise has a significant influence but does not have control. Associated companies have been consolidated using the equity method. Unrealized gains arising from transactions between the Group and its affiliates or joint ventures are eliminated in accordance with the Group's holding in the entity. Likewise, unrealized losses are eliminated unless the transaction provides an indication that the value of the transferred asset item has decreased. The accounting policies applied to the financial statements of affiliates or joint ventures have been altered, if necessary, in order to insure their uniformity with the accounting policies observed by the Group. The affiliate MTH-Asunnot was sold in 2005, after which there are no longer affiliate items in the figures for 2006.

FOREIGN CURRENCY TRANSACTIONS

Figures included in the financial statements of Group units are measured in the currency that is the main functional currency of each unit. The consolidated financial statements are presented in euros, which is the functional and presentation currency of the Group's parent company.

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the time of the transaction. Monetary items denominated in

foreign currency are translated into euros using the exchange rates at the balance sheet date. Non-monetary items denominated in foreign currency, which are measured at fair values, are translated into euros using the exchange rates at the date of measurement. Gains and losses arising from transactions denominated in foreign currency and the translation of monetary items are recorded in the income statement.

The income statements and cash flow statements of foreign Group companies have been translated into euros at the weighted mean price for the period, and the balance sheets are prepared using the rates at the balance sheet date. The translation differences arising from an investment in a foreign operation are recorded in equity.

FINANCIAL ASSETS AND LIABILITIES

Purchases and sales of financial assets are recognized on the trade date. Beginning from January 1, 2004, the Group's financial assets have been classified into four groups in accordance with IAS 39: financial assets at fair value through profit or loss, held-to-maturity investments, loans and other receivables and available-for-sale financial assets. The company does not use hedge accounting in accordance with IAS 39.

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The fair values of financial assets for publicly quoted investments and derivative contracts are based on the last bid price. The fair values of liabilities for shortselling and derivative contracts are based on the last ask price. The Group has used mid-market prices in determining the fair values of risk positions that cancel each other out.

For determining the fair values of non-public equity investments, the Group applies measurement methods, which are, among others, the prices of recent market transactions, option pricing models, discounted cash flows and other methods that are generally accepted in the markets. Impairment losses have been recorded on publicly quoted available-for-sale financial assets, based on valuations of companies prepared by analysts and on the basis of the last prices of trading in the shares on the market.

ASSETS AND LIABILITIES HELD FOR TRADING

All assets and liabilities held for trading are measured at fair value on each balance sheet date. Unrealized changes in fair values as well as realized gains and losses are stated as net amounts in the income statement item "Net gains (losses) from securities trading." Dividend income from equity investments included in trading assets is presented separately in the income statement line "Income from equity investments."

LOANS AND OTHER RECEIVABLES

Loans and other receivables are financial assets having fixed or definable payment installments. Loans and other receivables are measured at the post-acquisition amortized cost. Receivables from the public and public-sector entities, accrued income and prepayments, and other receivables consist of current receivables, such as trade receivables from securities transactions, accrued income and prepayments due to periodizations and other current receivables. An impairment loss is recorded on receivables whenever there is a reliable indication that the company will not be able to collect its receivables in accordance with the original terms and conditions.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets after acquisition are measured at fair value. The cost of investments includes the transaction costs of the purchase. Unrealized gains and losses arising from measurement at fair value are recorded in equity in the fair value reserve. If available-for-sale financial assets are sold or their value has decreased for a prolonged period and significantly, the cumulative gains and losses are recorded in the income statement item "Net gains on available-for-sale financial assets."

CASH ASSETS AND RECEIVABLES FROM DEPOSIT BANKS

The cash assets in the cash flow statement consists of cash, money in bank accounts and demand deposits.

FINANCIAL LIABILITIES

Financial liabilities are entered in the accounts at fair value on the basis of the consideration originally received. Transaction costs are included in the original carrying amount of financial liabilities. Subsequently, all financial liabilities (except for financial assets held for trading) are measured at amortized cost using the effective interest method.

DERIVATIVE INSTRUMENTS

The Group has treated derivative instruments in the manner defined in the standard IAS 39 Financial Instruments: Recognition and Measurement as of January 1, 2004. Derivative contracts are recognized at the original cost, which corresponds to their fair value. After acquisition, derivative instruments are measured at fair value. All of the Group's derivative contracts are classified as held for trading, and thereby changes in their fair values are recorded through profit and loss at each balance sheet date. The Group's derivative

instruments are publicly-quoted share options and forward contracts, the fair value of which is a quoted bid or ask price.

CUSTOMER ASSETS/OTHER LIABILITIES

Customer assets are divided into two classes: deposits of customer funds and cash deposits. Deposits of customer funds are not in the company's balance sheet, whereas cash accounts are entered in Other Liabilities in the balance sheet. Customer funds in a cash account are current repayable items. Their carrying amount is their fair value.

NETTING

Items belonging to financial assets and liabilities are netted out in the consolidated balance sheet only insofar as the Group has a legally enforceable right to net out the recorded items, and the Group intends to make the payment in a net amount.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured at cost less depreciation and impairment losses. Cost includes the direct costs of purchase.

Assets are depreciated using the straight-line method over their useful life. The depreciation periods are as follows:

DEPRECIATION PERIOD:

Machinery and equipment	5 years
EDP equipment	3 years
Vehicles	5 years
Basic improvements to leased premises	5 years

The residual value of tangible assets and their useful life are reviewed for each set of financial statements and, if necessary, they are adjusted to reflect changes that have occurred in the expectations for the asset's useful life.

INTANGIBLE ASSETS

GOODWILL

Goodwill corresponds to that part of the acquisition cost which exceeds the Group's share of the carrying amount, at the date of purchase, of the net asset value of a company acquired prior to 1 January 2004. The classification of these acquisitions or their treatment in the financial statements has not been adjusted in preparing the Group's opening IFRS balance sheet. The company has not made acquisitions after January 1, 2004. Goodwill arose in connection with the share issue targeted at the minority interest shareholders in FIM Omaisuu-denhoito Oy and FIM Corporate Finance Ltd, in which the shareholders received shares in FIM Group Corporation as consideration. The company has applied the so-called "parent company" model to minority interest transactions, i.e. the minority deals resulted in goodwill. The difference between the total purchase price and the carrying values of the minority interests is recorded in goodwill in the consolidated financial statements applying the "parent company" model.

Goodwill is not amortized but is measured at cost less impairment losses. An impairment test as required by the transition standard was made on goodwill, applying IAS 36 at the date of adoption of IFRSs, January 1, 2004, and, additionally, the goodwill is tested annually for any impairment. For this purpose, goodwill has been allocated to the cash-generating units.

Impairments of goodwill have not been observed as the result of impairment tests.

At each balance sheet date, the Group estimates whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

The recoverable amount is furthermore estimated annually from the following asset items regardless of whether there are indications of impairment: goodwill, intangible assets having an unlimited economic life and uncompleted intangible assets. The need for recording an impairment is examined at the level of cash-generating units or at the lowest unit level, which as a rule is independent of other units and whose cash flows can be separated out from other cash flows.

The recoverable amount is the higher of an asset's net selling price and its value in use. Value in use means the estimated future cash flows obtainable from said asset item or cash-generating unit that are discounted to present value. The discount rate used is the rate defined before taxes, which reflects the market view of the time value of money and the special risks connected with the asset item.

An impairment loss is recorded when the carrying value of an asset item is greater than its recoverable amount. Impairment losses are recorded immediately in the income statement. If an impairment loss is allocated to a cash-generating unit, it is allocated first as a reduction in the goodwill attributed to the cash-generating unit and thereafter as a reduction in the unit's other asset items, in an even proportion. When recording an impairment loss, the economic life of the asset item depreciated or amortized is reassessed. For an asset item other than goodwill, the recorded impairment loss is reversed in the case that there has been a change in the estimates used in determining the recoverable amount of the asset item. An impairment loss is not, however, reversed to an extent greater than what the carrying amount of the asset would have been without recording the impairment loss. An impairment loss recorded on goodwill is not reversed in any situation.

RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditure is recorded as an expense in the income statement for the period in which it is incurred. Research and development expenditure is capitalized when the company is able to verify that the product is technically feasible, can be exploited commercially and its cost can be determined reliably. Other research and development expenditure is recognized as an expense. The company's research and development work at the present time is of such a nature that it does not meet the criteria for capitalization, and therefore research and development expenditure has been recorded as an expense as it arises.

OTHER INTANGIBLE ASSETS

Other intangible assets are measured at cost less cumulative amortization and impairments. Intangible assets with an indefinite useful life are not amortized, but are tested annually to determine any impairment.

DEPRECIATION PERIOD:

Computer software	5 years
WWW project	3 years
The FIM domain	5 years

IMPAIRMENT LOSSES

Goodwill and other assets with an unlimited economic life are tested annually for impairment in accordance with the above-presented accounting policies. The recoverable amounts of cash-generating units are determined through calculations based on value in use. The preparation of these calculations requires the use of estimates. Additional information on the sensitivity of the recoverable amount to changes in the assumptions used is given in Note 24 to the Financial Statements.

For assets subject to depreciation and amortization, it is estimated whether there is any indication that the value of the asset item has been impaired. If there are indications of impairment, the recoverable amount of the asset is estimated as the higher of the net selling price or its value in use. If the carrying amount exceeds the recoverable amount, the difference is entered in the income statement as an impairment loss.

A previously recorded impairment loss is reversed if the assumptions used in estimating the recoverable amount change. An impairment loss is not reversed to an extent greater than what the carrying amount of the asset would have been if the impairment loss had not been recorded. An impairment loss recognized for goodwill is, however, not reversed in subsequent periods.

LEASES

Leases where substantially all of the risks and rewards of ownership are borne by the lessor are classified as operating leases. Leases for which the lessee assumes substantially all the risks and rewards incident to ownership of the asset are classified as finance lease agreements. Lease payments on the basis of other lease agreements are recognized in the income statement in even installments during the agreement period.

All the Group's leases are classified as operating leases. The Group does not act as a lessor.

SHARE CAPITAL

The share capital of FIM Group Corporation consists of shares of a single type.

The amount paid for purchasing treasury shares as well as the direct expenses of the purchase are debited from equity.

EMPLOYEE BENEFITS

PENSION LIABILITY

The pension security for the Group's personnel is handled through external pension insurance companies. The pension insurance under the Employees' Pensions Act (TEL) that is taken out with pension insurance companies is treated as a defined-contribution plan. The TEL disability component was classified as a defined-benefit plan up until December 31, 2005, after which the entire TEL pension insurance has been treated as a defined-contribution plan. The TEL disability component has nevertheless also been treated as a defined-contribution plan prior to December 31, 2005, owing to the non-material nature of the item. The supplementary pension security arranged through the Group's pension insurance company has been treated as a defined-contribution plan.

Payments made for the defined-contribution plans are recognized in the income statement in the period which the debit concerns. Defined-benefit plans are those other than defined-contribution plans, whereby the amount of the employer's pension liability is based on the present value of the liability deriving from the plan and the fair value of the plan assets, which are ascertained at sufficiently regular intervals based on the actuarial calculations according to IAS 19. At present, the Group does not have defined-benefit plans.

SHARE-BASED PAYMENT

The Group has a number of share option plans from the beginning of 2007 and they are paid either in the form of equity instruments or in cash. Equity-settled share-based payment transactions are measured at fair value at the time they are granted and entered as an expense in the income statement in even installments during the vesting period.

Cash-settled plans are measured at fair value at each balance sheet date, and the changes in the fair value of the liability are entered in the income statement. The expense determined at the moment of granting the options is based on the Group's estimate of the number of options that will vest at the end of the vesting period. The fair value is determined on the basis of the Black-Scholes pricing model for share options. The effects of conditions that are not market-based (for example, profitability and a given earnings growth target) are not included in the fair value of the option, but they are taken into account in setting the amounts of options to which the employee is assumed to be entitled at the end of the vesting period. The Group updates the assumption concerning the final amount of options at each balance sheet date. Changes in the estimates are recorded in the income statement. When stock options are exercised, the cash payments received on the basis of share subscriptions (adjusted for any transaction expenses) are recognised in equity (par value) and in the share premium fund.

The sale of shares directed at the personnel is a share-based reward in the meaning of IFRS 2: Share-based Payment. In a directed sale of shares, an employee has received the right to purchase a specified amount of shares by signing a shareholder agreement, i.e. said shares have vested immediately. In accordance with the shareholder agreement, the company nevertheless has a repurchase option and the employee (the shareholder) has an obligation to redeem the shares in the event the employee resigns. This share-based reward plan is treated as a cash-settled, share-based payment transaction in the IFRS financial statements (IFRS 2.31) according to which the liability arising from the repurchase obligation is measured both originally and at its fair value on the end date of each reporting period up to the time it is paid. The difference

between the subscription price and the fair value of the liability according to the grant date for the shares (the date of signing the agreement) as well as the difference resulting from the remeasurement of the liability at each balance sheet date is recorded as an expense and a liability in the balance sheet. Shares in the personnel's possession are retained in custody together with the company's treasury shares until the repurchase obligation under the shareholder agreement lapses. The repurchase obligation under the shareholder agreement lapsed when the company listed on the stock exchange in April 2006. Thereafter share-based reward costs have not been entered in 2006. The new share option plans will be recorded in accordance with the above-mentioned procedure in 2007.

INCOME TAXES

Tax expense in the income statement comprises the current tax and deferred taxes. Current tax is calculated on taxable income using the tax rate in force in each country. Taxes are adjusted for any taxes for previous periods.

Deferred taxes are calculated on all temporary differences between a carrying amount and the taxable value. The largest amount was realized through the confirmed losses of the parent company. Deferred taxes are calculated applying the tax rate in force by the balance sheet date and the accepted amount of which has been notified.

Tax assets are recognized to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized.

REVENUE RECOGNITION

Revenue from transactions is recorded on an accrual basis and when it is probable that the economic benefits associated with the transaction will flow to the company and the transaction can be

measured reliably. This principle is applied to the Group's most significant revenue items as follows:

COMMISSION AND FEE INCOME

Revenue from the Group's services rendered in connection with asset management, brokerage and corporate finance is recorded when the following criteria are met: the revenue can be determined reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the expenses of the transaction that have been or will be incurred can be determined reliably. Whenever the end result of a transaction connected with the rendering of a service can be estimated reliably, the revenue associated with the transaction is recorded in accordance with the degree of completion at the balance sheet date. Revenue from advisory services, which is determined on the basis of the end result of a given transaction is not booked until its amount and the actual earning of it are certain.

INTEREST AND DIVIDEND INCOME

Interest income is recorded on an accrual basis using the effective interest method, taking into consideration all the contractual terms and conditions of the financial instrument. Dividend income is recorded when the right to a dividend has arisen.

BORROWING COSTS

Borrowing costs are recognized as an expense in the period in which they are incurred.

SEGMENT REPORTING

The Group's primary division into segments is by business area: Asset Management, Brokerage and Investment Banking. The secondary segment format is geographical: Finland and Foreign Countries, based on the geographical location of the provider of the service. In presenting the primary segment, the functions of the subsidiary in Russia have been apportioned among these three business areas.

ACCOUNTING POLICIES REQUIRING MANAGEMENT'S JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates made and judgment exercised are based on previous experience and other factors, such as assumptions about future events. The estimates made and judgment exercised are examined regularly. The most important areas in which estimates and judgment have been applied are the determination of the fair value of the Group's available-for-sale unlisted equity investments as well as the impairment testing of goodwill. Management has used the best possible market information in determining fair value. The company has commissioned analysts to make value appraisals of companies for sale, and in addition it has used the latest prices of trades made in the shares in determining the fair value of unlisted available-for-sale investments.

ADOPTION OF NEW OR REVISED IFRS STANDARDS

The standards described below have been published but they are not yet effective and they have not been applied by FIM before their mandatory time of coming into effect. In 2007 FIM will adopt the following new and amended standards and interpretations by the IASB published in 2005 and 2006:

- IFRS 7 Financial Instruments: Disclosures. The Group expects the adaptation of IFRS 7 to have an effect mainly on the notes to the financial statements. The sensitivity to market risks has already been described in the Risk Section.
- IAS 1 Amendment, IAS 1 Capital Disclosures. The Group expects the adaptation of the renewed regulations of IAS 1 to have an effect mainly on the notes to the financial statements.

- IFRIC 8 IFRS 2 scope of adaptation. The Group does not expect the renewed interpretation to have an effect on the financial statements.

- IFRIC 9 Reassessment of Embedded Derivatives. According to current estimations, this interpretation is not expected have an effect on the financial statements as no Group company has changed any terms of conditions referred to by the interpretation.

- IFRS 8* Operating segments. The Group's segment reporting is according to management's internal monitoring.

- IFRIC 10* Interim Financial Reporting and Impairment. The Group does not expect the renewed interpretation to have an effect on the financial statements.

- IFRIC 12* Service Concession Arrangements. The Group does not expect the renewed interpretation have an effect on the financial statements.

- IFRIC 11* Group and Treasury Shares Transactions. The Group does not expect the renewed interpretation have an effect on the financial statements.

Standard of Interpretation* The Group does not expect that the renewed interpretation to have an effect on the financial statements.

* The EU has not yet accepted the following standard/interpretation.

Risk management

1. GENERAL DESCRIPTION AND ORGANIZATION OF RISK MANAGEMENT

Risk is generally taken to mean the threat of loss or failure, and the adverse consequences arising from risks that materialize. An essential element of risk management is the identification of risks, making it possible to assess, prevent and control them. FIM's operations involve a number of different risks, but, conversely, the business also calls for risk-taking, which is done within specified limits.

THE FINANCING RISKS OF FIM GROUP CAN BE DIVIDED INTO THE FOLLOWING CATEGORIES:

- Credit risk
- Market risk
- Liquidity risk

Because all of FIM Group's operations continuously involve various kinds of risks, the company's most important risk management tool at all levels is its skilled and well-trained personnel. Within the framework of their own job descriptions, the employees' responsibilities include attending to the aspects of risk management connected with their jobs within the framework of the internal guidelines, based on the legislation in force and regulations of the authorities.

FIM Group's principal risks are encountered in its different businesses. Risks are managed within

each business unit's risk management organization as well as at the Group level. Within Brokerage, the Managing Director is assisted by a risk management team that is independent of the business unit and meets regularly. The risk management team actively monitors large customer risks, market risk, credit risk, liquidity risk and operational risk in the company's brokerage operations. The Managing Director and Risk Manager regularly report to the Board of Directors of FIM Securities Ltd on the risk exposure of brokerage operations. The organization for risk management within Asset Management operations consists of the company's Management Board, the CEO and Asset Management's Administrative Manager, whose activities are regularly reported on to the Board of Directors of FIM Asset Management Ltd.

At the Group level, the CEO is assisted in monitoring the entire Group's risk exposure by the Group Risk Management Team, whose operations are reported on regularly to the Board of Directors of FIM Group Corporation. Similarly, the Internal Audit reports independently to the Board of Directors of the Group's parent company on the Group's risk exposure and changes that have taken place in it.

The risk management functions of the business units (subsidiaries) are responsible for most of the daily business risk management. The general risk management policy is determined at the Group level (e.g. Group-level internal guidance), as are risk management related to general compliance with applicable laws and regulations (compliance; e.g. the implementation of new legislation and the regulatory regime), and general policies related to personnel risks. The planning and implementation of Group-level risk management are nevertheless always carried out in cooperation with the businesses.

Beginning on January 1, 2007, FIM changed over to operating in compliance with the Basel II capital adequacy reform.

2. CREDIT RISK MANAGEMENT

Credit risk is a risk that a counterparty does not fulfill its obligations to FIM under an agreement, and a loss results from this. The contractual counterparties in accordance with the adopted definition of credit risk are customers (excluding mutual fund unitholders) and other trading counterparties as well as other partners in cooperation. In FIM's operations, pure lending is confined to the margin trading limits granted to brokerage customers. This credit is fairly minor in amount. The objective of all credit risk management is to minimize risks.

In general, credit risk in FIM's activities is associated with all receivables. Past due receivables are monitored in all operations. In addition, the most important credit risk management policies are described below.

Credit risk management in brokerage activities is based on defined written procedures. Trading limits are approved for customers in accordance with their funds in custody with FIM or, when an institutional customer is involved, on the amount of the institution's own funds. Brokerage customers can be granted credit limits, the amount of which depends on the funds in custody with FIM and the values of collateral. In derivatives trading, customers are always required to provide adequate collateral. The responsibilities for approving and monitoring credit limits and monitoring collateral in connection with derivatives have been separated out from the management of customer relationships, and their status is reported on a daily basis within a risk management unit that is independent of business activities. The Board of Directors of FIM

Securities has determined the limits within which line management can approve trading and credit limits for customers. The amount of credit facilities in brokerage operations at the turn of the year was EUR 2,690,000, and dealing receivables that had fallen due amounted to EUR 1,561,000.

In addition to customers, counterparty risk has to be taken into consideration in asset management and brokerage activities when, for example, securities denominated in foreign currency are traded. Only financially sound, well-known counterparties are accepted. In dealing in Russian shares, counterparties are also granted credit limits, because trading is largely on a free-of-payment clearing basis (securities and transaction prices are not paired off against each other during clearing). Because in other international trading, securities and cash payments are paired off in a net transaction during clearing (delivery versus payment), the significance of credit risk is not as great as it is in free-of-payment clearing. The development of trading-related counterparty risk management was a priority for FIM during 2006.

Credit risk in Asset Management and Corporate Finance operations relates only to fee and commission receivables from customers. Their due dates are monitored on a daily basis. Mutual funds do not carry credit risk, because a customer's investment in a mutual fund cannot be executed before the underlying funds required for the investment have been received. The fee and commission receivables that were due at the turn of the year within Asset Management and Corporate Finance totaled EUR 13,000.

3. MARKET RISK MANAGEMENT

Market risk means the effect on earnings of fluctuations in prices of securities or foreign exchange.

The most significant market risk exposure for the Group relates to proprietary trading in brokerage services, which comprises market making operations and purely speculative trading activities. Naturally, the investment operations of mutual funds also involve market risk, but these operations are subject to the rules and regulations for mutual funds within which the portfolio is managed. Although market risk does not directly affect FIM's financial result, market risks that materialize in running mutual funds have an indirect impact on FIM's financial result, since a decrease in the fund capital reduces the associated income from service fees. In discretionary asset management, the market risk of portfolios has a similar impact decreasing the amount of transaction-based fees.

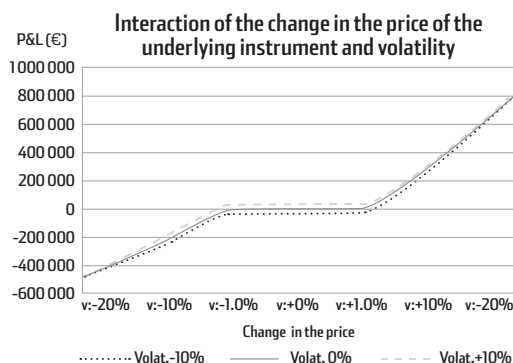
The objective of market risk management is to optimize the relation between earnings potential and risks. With respect to proprietary trading, the Board of Directors of FIM Securities has set limits and principles for risk-taking. Market risks limits have been set in relation to FIM Securities' own funds. Thus, in order to manage market risk, an overall limit has been set on the proprietary trading position, as well as a limit on daily delta risk, gamma risk and vega risk. In addition, a limit on theoretical overnight worst-case risk (sensitivity analysis simulation) that considers the worst possible simultaneous change in the price of underlying instruments and volatility has been set. The instruments of proprietary trading are mainly either direct investments in publicly traded domestic equities or standardized derivative instruments connected with them. In addition, delta limits have been granted to FIM's function in Russia for the purpose of maintaining a small-format trading inventory of Russian shares. The Board of Directors may decide to broaden the range of traded instruments upon a proposal by the head of the

proprietary trading desk. The proposal must also include a description of the suggested instrument's effect on the risk position and of any required collateral.

The interaction of the change in the price of the underlying instrument and volatility is simulated in the following table and graph. The price of the underlying instrument is allowed to vary $\pm 1\%$, $\pm 10\%$ and $\pm 20\%$ from market prices as of 29 December, 2006. Simultaneously the change in the volatility varies in the range of $\pm 1\%$, $\pm 3\%$ and $\pm 10\%$. The most unfavorable effect, a loss of EUR 522,447, on the balance sheet would occur if the market prices of the underlying instruments decreased by 20% and volatility simultaneously decreased by 10%. The most significant favorable effect on the balance sheet, a gain of EUR 841,624, would arise if there were a 20% increase in market prices and a simultaneous 10% increase in volatility.

Because taking a view of movements in foreign exchange and interest rates is not an element of proprietary trading, the management of said risk is connected only with short-term currency and interest risk positions in executing customer orders, and these positions are tracked daily by the clearing and payment transfer functions. Accordingly, FIM is by and large not exposed to foreign exchange risk, because the foreign exchange risk is borne by the customer, and thus FIM does not incur currency risk on its balance-sheet items either. Items denominated in foreign currency in the balance sheet at year-end are associated with customers' executed brokerage orders that are cleared and settled after the turn of the year. FIM does not have any financial items that are exposed to fair value or cash flow risk.

Brokerage customers can opt to open either a custodian or cash account with FIM. Customer funds in custodian accounts are not recorded in



FIM's balance sheet, and thus can only be used for executing the customer's buy and sell order. The funds in cash accounts are recorded in FIM's balance sheet, and thus comprise a significant part of liquidity management in brokerage activities (see Liquidity risk management below). FIM pays interest on customer funds in custodian and cash accounts in accordance with account agreements.

AMOUNT OF ASSETS IN CUSTOMER FUNDS AND CASH ACCOUNTS AS OF DECEMBER 31, 2006

Customer funds accounts:	30,180,213.27
Cash account funds:	17,199,048.77

The management of market risk in proprietary trading is attended to by the proprietary trading desk staff within the framework of the limits set, and the staff are overseen by the Risk Manager, together with the staff of his middle-office function. The Risk Manager reports directly to the Managing Director of FIM Securities Ltd, who in turn reports on the risk management of operations to the Board of Directors of the company concerned. The Risk Working Group of FIM Securities, which assists the Managing Director, always appraises the current trading position at that time as part of the agenda of its meetings. The Group's Risk Management Team, the Internal Audit and the parent company's Board of Directors likewise monitor proprietary trading based on the reporting information they receive.

The above-described indirect market risk of asset management can be contained by virtue of the fact that FIM, in carrying out its activities, adheres to the investment restrictions set for mutual fund and discretionary asset management customers. In addition to these limits, the Board of Directors of FIM Asset Management Ltd has approved a separate investment policy which sets out further

details of the procedure to be observed in asset management investment activities.

4. LIQUIDITY RISK MANAGEMENT

Liquidity risk means a risk that the company's liquid funds and "top-up" financing possibilities do not suffice to cover the needs of its operations. The objective of liquidity risk management is to maintain sufficient liquid funds and credit facilities in such a way that the financing of the Group's operations is continuously safeguarded. In practice, liquidity risk figures most prominently in brokerage activities, where different forms of trading and clearance delays can make significant demands on liquidity. A need for liquidity can in theory also arise should all customers, for some reason, move their assets out of FIM simultaneously. The expansion of the function in Russia also increases the need for liquidity. To support liquidity management, FIM Securities has the possibility, in the form of credit extended by customers (so-called cash account customers), to improve its liquidity, and, additionally, the company has credit facilities that have been agreed with banks and can be drawn down as the need arises. In practice, despite the increase in trading, it has been possible to attend to liquidity management mainly without having recourse to bank credit facilities. In the event that FIM's liquidity falls in such a way that day-to-day clearing activities are jeopardized, the Managing Director can decide to cut back margin credit temporarily. The market makers must see to it that the account positions can, if needed, be reduced in order to improve the liquidity situation. The payment transfers staff report daily on liquidity during the previous trading day to the market making function, the Risk Manager, the Back Office Manager and the Managing Director.

FIM does not apply hedge accounting as set out in IAS 39 to the management of financial risks.

v/p	p: -20%	p: -10%	p: -1%	p: +0%	p: +1%	p: +10%	p: +20%
v: -10 pts	-522,447	-331,420	-85,309	-50,083	-13,137	366,103	801,904
v: -3 pts	-521,202	-308,773	-49,650	-15,516	19,577	376,361	807,548
v: -1 pts	-519,386	-300,535	-39,108	-5,178	29,707	381,782	810,358
v: +0 pts	-518,172	-296,320	-33,804	0	34,830	384,880	812,108
v: +1 pts	-516,773	-292,044	-28,528	5,208	40,015	388,256	814,112
v: +3 pts	-513,413	-283,385	-17,877	15,741	50,343	395,409	818,732
v: +10 pts	-498,732	-252,389	19,319	53,038	87,514	425,572	841,624

Other notes to the consolidated financial statements

Thousand euros	2006	2005
4. Fee and commission income		
Fixed management fees from mutual funds	32 090	22 687
Performance-based fees from mutual funds	327	23
Fixed management fees from discretionary asset management	2 473	1 987
Performance-based fees from discretionary asset management	4 529	5 908
Arrangement fees from structured products	6 777	2 797
Transaction-based fees from asset management	8 602	7 024
Advisory fees	431	1 541
Custody fees	2 395	1 807
Fee and commission income from brokerage	17 058	12 977
Fees from foreign exchange transaction executed on behalf of clients	1 324	1 798
Other fee and commission income	1 313	533
Total	77 322	59 082
5. Fee and commission expenses		
Commissions	1 702	949
Other	7 813	4 902
Total	9 514	5 851
6. Interest income		
Interest income on bank accounts	1 942	1 200
Interest income due from customer	217	113
Other interest income	105	0
Total	2 264	1 313
7. Interest expenses		
Interest on liabilities due to banks and financial institutions	134	38
Interest on liabilities due to customers	776	306
Total	910	343
8. Dividend income		
Dividend income from available-for-sale investments	0	12
Dividend income from financial assets held for trading	83	2 395
Total	883	2 407

9. Net gains (losses) from securities trading 2006	Gains (losses)	Fair value changes	Total
Certificates of claim	0	81	81
Shares and participations	4 058	3 345	7 403
Derivative financial instruments	-1 547	-4 843	-6 390
Liabilities held for trading		122	122
Net income securities transactions	2 511	-1 295	1 216
Net gains (losses) from securities from trading 2005			
Certificates of claim	0	0	0
Shares and participations	2 043	-178	1 864
Derivative financial instruments	-1 344	-459	-1 803
Liabilities held for trading		-22	-22
Net income securities from transactions	699	-660	39
10. Gains less losses from available-for-sale investments		2006	2005
Gains (losses) from sales of financial assets		151	417
Impairment losses		-3	-273
Total		147	144
Impairment losses are determined either on asset valuations made by external valuation specialists or on the basis of the most recent market transactions.			
11. Other operating expenses			
Clearing fees		290	165
Consulting		738	483
Insurance fees		488	427
Supervision + inspection fees		749	529
Compensations		495	376
Other		1 767	788
Total		4 527	2 768
12. Depreciation and amortization according to plan			
Tangible assets		936	1 105
Intangible assets		1 572	758
Total		2 508	1 863
13. Pension liabilities			
Employee benefits expenses			
Wages and salaries		22 970	16 136
Social security costs			
Pension costs		3 413	2 497
Other personnel costs		1 555	898
Share-based payments		52	325
Total		27 991	19 855

In addition to the Finnish statutory employment pension scheme (TEL), certain employees participated in the Lombard International Benefit Plan, which included pension cover, group life insurance and group disability insurance. The expenses related to this arrangement amounted to EUR 85,000 in 2005, and they were recorded in Other operating expenses. The arrangement was terminated in 2006.

Amounts recognized in the income statement from pension arrangements that are treated as defined contribution plans are as follows:

	2006	2005
TEL	3 413	2 497

14. Share-based payments

2006

As part of the Group's incentive and commitment-building scheme, the Extraordinary General Meeting held on December 5, 2006, resolved to issue stock options to FIM Group personnel. Stock options will be distributed to key employees and other personnel as decided by the Board of Directors. These stock option plans, which are in force from the beginning of 2007, will be settled either in the form of equity instruments or in cash.

The expense determined at the moment of granting the options is based on the Group's estimate of the number of options that will vest at the end of the vesting period. The fair value is determined on the basis of the Black-Scholes pricing model for stock options. The effects of conditions that are not market-based are not included in the fair value of the option, but they are taken into account in setting the amounts of options to which the employee is assumed to be entitled at the end of the vesting period. The Group updates the assumption concerning the final amount of options at each balance sheet date.

Changes in the estimates are recorded in the income statement.

2005

As a part of the personnel remuneration plan, the Group has sold shares to certain employees at a subscription price which is defined by reference to a formula determined in the Partner Agreement. The price is based on the amount of equity and goodwill which has been determined in 2000. The price is fixed for a year at a time on the basis of the statutory consolidated financial statements. By signing the Partner Agreement, the employee is obligated to sell the purchased shares back to FIM Group Corporation or another party designated by the company at a price defined by reference to the same formula. FIM Group Corporation thus has a right and an obligation to repurchase the shares in the event of termination of employment.

The employee becomes a shareholder, and during the ownership period has a right to vote and receive dividends.

The shares are earned at the purchase date, and the shareholder is entered in the Shareholder Register, but the shares carry a transfer restriction in the event of termination of employment. Because the company retains control over the shares, the shares are held in the company's Treasury shares reserve. The Board of Directors and management decide on the allocation of shares, and the shares are granted for the purpose of commitment-building.

The company accounts for this compensation as a cash-settled share-based transaction as defined in IFRS 2. Thus, the liability related to the repurchase commitment is measured both initially and at each balance sheet date at fair value until settled.

At each balance sheet date, the difference between the exercise price and the fair value of the liability at the grant date is recognized as an expense and a liability in the balance sheet.

The fair value of the liability has been determined using an option pricing model (Black & Scholes), feeding in a volatility of 9.4% and a risk-free rate of 3.23% (government 10-year bonds).

The share-based payments amounted to EUR 325,000 in 2005, consisting of the difference between the subscription price for 144,500 shares and the fair value of the liability at year-end.

Figures for 2005:	Exercise dates	Number of shares	Exercise price	Share-based payment
	February 21, 2005	50 000	4.656	161
	May 18, 2005	10 000	5.747	17
	October 26, 2005	57 000	5.747	99
	December 22, 2005	27 500	5.747	48
	Total	144 500		325

This plan was dissolved in its entirety in connection with the stock exchange listing in April 2006. A share-based payment expense of EUR 52,000 was recorded for this plan in 2006.

15. Income taxes	2006	2005
Income taxes for the period	5 180	5 397
Income taxes for previous financial years	0	-26
Change in deferred taxes	586	0
Total	5 766	5 371
Profit before tax	19 114	19 108
Tax at 26 % rate	4 970	4 968
Effect of change in the tax rate	0	0
Tax exempt income	-57	-252
Non-deductible expenses	805	239
Losses from previous periods	0	0
Taxes for previous financial years	0	-26
Unrecognized deferred tax from losses	49	442
Income tax expense of the Group	5 766	5 371

The tax base of 26 % is the domestic enacted tax base for the company.

On 31 December 2006, the Group had 1,105,000 euros (2005; 915,000 euros) of confirmed losses, for which no deferred tax receivables have been recorded, as it is uncertain whether there will be future taxable income against which the receivable could be used. The losses are related to the business operations launched in Russia.

Deferred tax liability

From available-for-sale investments	3	35
From depreciation differences	9	19
Netting of deferred tax	-12	0
Total	0	55

Deferred tax asset

Deferred tax asset from Group's confirmed loss	200	0
Netting of deferred tax	-12	0
Total	188	0

16. Earnings per share

Profit for the financial year attributable to equity holders of the company	11 606	10 490
Basic weighted average number of shares, '000	36 763	29 482
Diluted weighted average number of shares, '000	36 763	29 482
Basic earnings per share, EUR	0.32	0.36
Diluted earnings per share, EUR	0.32	0.36

Share amounts have been retroactively adjusted to reflect stock splits that have taken place during the financial year.

17. Average number of employees by groups	Average number of personnel	Full-time	Part-time
	2006	252	10
	2005	185	11
	Personnel at year-end		
	2006	270	14
	2005	209	6

18. Cash and cash equivalents		2006	2005
The Group's cash and cash equivalents consist of deposits payable on demand at banks and financial institutions.	Deposits payable on demand	24 089	18 080

19. Due from customers			
Claims due from customers are classified into two categories: claims outstanding from brokerage transactions and margin credit granted to customers. All claims due from customers are current receivables. The margin credit amounts are current and callable at a month's notice.	Repayable on demand		
	Claims outstanding from brokerage transactions	493	1 561
	Other		
	Margin credit granted	4 761	3 169
	Total	5 254	4 730

* Cash Flow Statement: other interest-bearing assets (claims outstanding from brokerage transactions all non-interest-bearing other assets)

20. Assets held for trading

The Group's items classified as at fair value through profit or loss are assets held for trading, comprising shares and derivative financial instruments. Trading assets are included in the balance sheet lines "Shares and participations"; Assets held for trading and Derivative financial instruments. Trading liabilities are included in "Derivative financial instruments and other liabilities held for trading."

There are shares and derivatives held for trading in the balance sheet of FIM Securities Ltd at December 31, 2005.

Shares and participations and derivative financial instruments held for trading have not been offset in the balance sheet, even though for risk management purposes the items can offset each other. The fair values of trading assets held have been determined using the current bid prices, and for assets to be acquired or liabilities held, the fair values have been determined based on the current market ask prices.

Thus, the last bid price has been used in valuation of the investments held for trading, and the last ask price has been used in valuation of the liabilities held for trading. The middle rate has been used in measurement of positions with mutually offsetting market risk.

Net gains (losses) on assets held for trading have been divided between realized gains (losses) and measurement at fair value in the Notes to the Income Statement.

	2006	2005
Shares		
Publicly listed shares		
Shares and participations	34 354	18 236
Non-listed shares		
Shares and participations	-	-
Total	34 354	18 236

21. Derivative financial instruments and liabilities held for trading

The Group's items classified as at fair value through profit or loss are assets held for trading, comprising shares and derivative financial instruments. Trading assets are included in the balance sheet lines "Shares and participations"; Assets held for trading and Derivative financial instruments. Trading liabilities are included in "Derivative financial instruments and other liabilities held for trading."

All contracts have a maturity of less than one year, and they are publicly listed or quoted.

	2006 Nominal value		2005 Nominal value			
	maturity less than one year	Fair value	Receivables	Liabilities	maturity less than one year	Fair value
Listed shares						
Share derivatives						
Forwards						
Equity	29 431	615	5 695		7 464	65
Currency	16 797	491				
Options						
Purchased	10 028	367			3 871	600
Written	5 463		581		2 387	355
Subscription rights						
from short selling	5 137		5 137		4 581	4 581
Total	14 73	11 413			665	5 422

22. Available-for-sale investments

Available-for-sale financial assets after acquisition are measured at fair value. Unrealized gains and losses arising from measurement at fair value are recorded in equity in the fair value reserve. If the available-for-sale financial assets are sold or their value is significantly impaired, the cumulated gains and losses are recognized in profit or loss in the line "Gains (losses) from available-for-sale investments."

The gains and losses from selling available-for-sale investments and from remeasuring the investments at fair value have been disclosed separately in the Notes to the Income Statements.

	2006	2005	
Shares			
Listed shares			
Shares and participations at fair value	115	648	
Non-listed shares			
Shares and participations at fair value	969	953	
Total	1084	1601	
23. Investments in associates	Book value at January 1	0	315
Book value of affiliates does not contain goodwill.	Additions		
	Share of profit for the period		
	Disposals and other decreases during the period	0	-315
	Book value at December 31	0	0
	Selling price	0	400
MTH-Asunnot Oy, which is not part of the Group's main business operations was sold in December 2005 at 400 teur.	Book value	0	315
	Profit on sale	0	85
Cash proceeds of the second part of the contract price 200 teur has been received in early 2006.	Cash proceeds	200	200
	In accrued income at December 31	0	200

24. Intangible assets

Goodwill

For the purpose of impairment testing, goodwill has been allocated to FIM Asset Management, which has been defined as a cash-generating unit. There was only one cash-generating unit in 2006: Investment Banking, which had goodwill of EUR 2.3 million (this business was transferred under Asset Management on January 1, 2007, and from this date onward will not be monitored as a cash-generating unit in its own right). During 2006 it was tested as an individual unit. The goodwill of the Asset Management unit was EUR 38.9 million.

Impairment tests of goodwill at the time it arises were performed separately on these units, but owing to the combining of the units, the goodwill at the turn of the year is tested only for one cash-generating unit, which is performed on FIM Asset Management. Accordingly, the carrying amount of the cash-generating unit was the goodwill (EUR 41.2 million) + property, plant and equipment (EUR 3.6 million), totaling EUR 44.8 million, which is tested for impairment.

At FIM Group, annual impairment testing of goodwill in accordance with IAS 36 is performed during November, based on the situation at October 31. Goodwill was tested for the first time on the date when it arose, April 30, and was retested according to the situation on the merger date, August 30. The Group's goodwill at the time of testing arose through the directed share issue in connection with the stock exchange listing, in which the minority shareholders of FIM Omaisuuendoito Oy and FIM Corporate Finance Ltd received shares in the parent company as consideration, as well as in the directed share issue when FIM Omaisuuendoito Oy merged into FIM Group Corporation. The minority interest purchase was made according to the so-called "parent company model", in which the difference between the fair value of the shares and the minority interest was recorded in goodwill.

The scenario for future cash flows is based on the company's history and on assumptions concerning the expansion of operations. The chief assumptions are a one percent monthly appreciation of the equity portfolio, a steadily increasing net flow of investments made by customers and well-controlled growth in personnel in accordance with the company's vision.

The forecasts are based on the historical trend as well as the geographical and service-specific expansion of operations. The forecasts are based on long-term visions and do not take a stand on divergences due to business cycle fluctuations. The annual forecasts for free cash flow have been prepared for the next 5-year period, and a discount rate of 8 percent has been used, which covers the risk-free interest rate for 5 years and a risk premium. The terminal growth rate for free cash flow has been set at one percent per year for the period after the forecast 5-year period.

Sensitivity analysis was carried out with various yield scenarios and using a higher discount rate. Sensitivity analysis involved testing separately, as somewhat possible changes, both a halt in equity market appreciation for five years and a drying up, for a 5-year period, of inflows of new customer assets for management. In these situations, the recoverable amount (IAS 36.134 (f)) exceeds the carrying value. Accordingly, even in these situations, an impairment loss would not be recorded on goodwill.

Testing yielded the result that the recoverable amount of the cash-generating unit exceeds the carrying amount, and that an impairment of goodwill will not have to be recorded.

COMPOSITION OF GOODWILL (EUR '000):

Minority interest	Purchase cost	Share premium reserve	Share capital	Minority stake	Goodwill*
FIM Corporate Finance Ltd					
minority interest 13.4	465 745 shares x 5.75 = EUR 2 678 033.75	2 647	31	334	2 344
FIM Omaisuuendoito Oy					
minority interest 13.4	1 817 949 shares x 5.75 = EUR 10 453 206.75	10 333	120	1 083	9 370
FIM Omaisuuendoito Oy					
minority interest 15.8	6 457 996 shares x 5.28 = EUR 34 098 218.88	33 673	426	4 681	29 417

Other intangible assets include the capitalized expenses for the project of overhauling the WWW website and the capitalized expenses for the FIM Domain.

	Software	Goodwil	Other intangible assets	Total
Acquisition cost at January 1, 2005	2 891	31	948	3 870
Additions	1 198		566	1 764
Decrease				
Acquisition cost at December 31, 2005	4 089	31	1 514	5 634
Accumulated amortization at January 1, 2005	-1 206		-888	-2 094
Amortization	-658		-100	-758
Accumulated amortization at December 31, 2005	-1 864	0	-988	-2 852
Book value at December 31, 2005	2 225	31	525	2 782
Acquisition cost at January 1, 2006	4 089	31	1 514	5 634
Additions	1 066	4 131	495	42 693
Decrease				
Acquisition cost at December 31, 2006	5 156	4 163	2 009	48 327
Accumulated amortization at January 1, 2006	-1 864	0	-988	-2 852
Amortization	-818		-309	-1 127
Accumulated amortization at December 31, 2006	-2 682	0	-1 297	-3 979
Book value at December 31, 2006	2 474	4 163	712	44 349

25. Tangible assets

Modification and construction works are capitalized on an annual basis to the leasehold improvement expenses related to rented premises.

Machinery and equipment include computer hardware. Other tangible assets comprise cars and art.

	Leasehold improvements	Machinery and equipment	Other tangible assets	Total
Acquisition cost at January 1, 2005	1 944	2 802	1 041	5 787
Additions	534	1 174	1	1 709
Acquisition cost at December 31, 2005	2 478	3 976	1 042	7 496
Accumulated amortization at January 1, 2005	-946	-1 740	-796	-3 482
Amortization	-374	-682	-51	-1 106
Accumulated amortization at December 31, 2005	-1 320	-2 422	-847	-4 588
Book value at December 31, 2005	1 158	1 554	195	2 908
Acquisition cost at January 1, 2006	2 478	3 976	1 042	7 496
Additions	1 008	1 371	4	2 382
Acquisition cost at December 31, 2006	3 486	5 346	1 046	9 878
Accumulated amortization at January 1, 2006	-1 320	-2 422	-847	-4 588
Amortization	-441	-915	-20	-1 376
Accumulated amortization at December 31, 2006	-1 760	-3 336	-867	-5 964
Book value at December 31, 2006	1 726	2 010	179	3 914

26. Other assets

The Group's other assets consist of receivables from securities sold and assets kept in derivative collateral accounts as securities for derivatives trading. Receivables from securities sold consist of outstanding securities transactions that have been settled after the balance sheet date.

Derivative collaterals consist of assets held as securities for derivatives trading.

Receivables are current and their carrying amounts approximate their fair values.

	Thousand euros	2006	2005
Receivables from securities sold			
From own trading		5 895	9 972
From customers		90	56
Derivative collateral			
OMX Oy		3 166	11
INC-BHF Bank		0	584
Skandinaviska Enskilda Banken		0	1 014
Translation difference		1	0
Total		9 152	10 039

27. Accrued income and payments

The most significant item of accrued income is fee accruals.	Fee and commission accruals	8 271	8 902
In addition, all current accruals are included in accrued income.	Other accruals	4 351	1 823
	Total	12 622	10 725

Accrued income includes 733 teur (13 teur, 2005) of tax receivables.

28. Due to banks and financial institutions

Liabilities to credit institutions

Liabilities due to banks and financial institutions are current liabilities. Their carrying amounts approximate their fair values.	Nordea	0	160
	Reiffeisen Bank	0	316
	Total	0	476

29. Due to customers

Liabilities due to customers are current liabilities and mostly relate to delays in delivery of shares/securities. Their carrying amounts approximate their fair value.	Outstanding liabilities from securities trading	1 021	903
	Others	1 573	11
	Total	2 593	914

30. Other liabilities

FIM Corporate Finance Ltd's other liabilities comprise liabilities to customers in money accounts, accounts payable from securities trading, liabilities related to own shares and the FIM Corporate Finance Ltd's shareholders' liability.

Liabilities to customers consist of FIM Securities Ltd's customers' (private and corporate) assets in money accounts for which a fixed interest of 1.25% has been paid in 2006.

Assets in money accounts are payable on demand; and the company does not have fixed-period accounts. In the Cash Flow Statement, they are classified in Other liabilities. The carrying amounts of other liabilities approximate their fair values.

Payables from securities trading are liabilities to the market from proprietary securities transactions. These are classified as operating liabilities in the Cash Flow Statement. Liabilities from own shares (treasury shares) relate to shares subscribed for by shareholders in 2005, and such liabilities are recorded at fair value. See "Share-based compensation". Liabilities for treasury shares are an item that is not included in the.

The item "Liabilities for treasury shares" was dissolved in connection with the stock exchange listing on April 13, 2006.

The parent company, FIM Group Corporation, sold 26% of the shares in its subsidiary, FIM Corporate Finance Ltd, on November 30, 2005, to the employees of the subsidiary. As part of the sale, the minority shareholders signed a Parent Agreement containing a restriction on the employee's right to transfer the shares to a third party and, similarly, the company has a right and an obligation to redeem the shares from the employee. In the IFRS Consolidated Financial Statements for 2005, the cash received has been recorded as a liability, because the company has retained control over the shares in the subsidiary and, accordingly, a minority interest has not been separated out from the Group's equity. The amount of the liability as of December 31, 2005 was EUR 253,000. This arrangement was dissolved in connection with the stock exchange listing in 2006, and the liability has been acknowledged as paid when the minority interest was purchased.

Liabilities related to	Thousand euros	2006	2005
FIM Corporate Finance Ltd's shares are included in Other liabilities in the Cash Flow Statement 2005.	Liabilities to customers in money accounts	17 199	13 582
	Accounts payable from securities trading	51	5 253
	Liabilities from own shares to shareholders	0	1 081
	Liabilities related to FIM Corporate Finance Ltd's shares	0	253
	Other liabilities	14	6
	Other liabilities total	65	6 592
	Total	17 264	20 175

31. Accrued expenses and deferred income

Accrued expenses consist of current accruals of the expenses to the period.

	Accounts payable	2 012	2 143
	Liabilities related to salaries and personnel-related expenses	4 638	3 885
	Accrued commission expenses	2 953	2 204
	Tax liabilities	0	687
	Advance payments from securities transactions	0	2 215
	Others	1 444	818
	Total	11 048	11 952

32. Contingencies and commitments, including off balance sheet items

Collateral				
Other assets:				
Trading derivative collateral				
	OMX Oyj	Cash	3 166	11
	INF-BCH Bank	Cash	655	0
	Skandinaviska Enskilda Banken	Cash and share	2 958	1 014

Collateral for derivatives trading and share lending.	Off balance sheet collateral		2006	2005
	Bank	Collateral		
	OMX Oy	Share and cash	14 646	8 559
	Nordea	Cash	203	0
	INC-BHF Bank	Cash	1 733	0
	Skandinaviska Enskilda Banken	Share and cash	3 177	0
	Handelsbanken	Share and cash	1 242	0
	Off balance sheet commitments			
	Credit limits not in use		1 519	1 391
	Leases and other rental liabilities			
	Future minimum lease payments related to non-cancelable lease commitments.			
	Operating leases			
	Not later than one year		376	441
	Later than one year and not later than five years		297	387
	Total		673	827
	Leasing premises			
	Not later than one year		1 030	984
	Later than one year and not later than five years		1 046	2 362
	Total		2 076	3 346
	Other rental liabilities			
	Rent securities		68	59

33. Related party transactions

Employee benefits for top management

Top management consists of the Board of Directors and the Chief Executive.

The Chief Executive's notice period is three months by the Chief Executive Officer and six months by the company, no separate severance payment.

General retirement age and pensionable salary are based on the Employees' Pensions Act.

Employee benefits for top management

	Thousand euros	2006	2005	
Wages and salaries paid				
	Wages and salaries total	658	488	
	Risto Perttunen	Chief Executive Officer, Member of the Board of Directors	189	- 4
	Antti Kivimaa	Chairman of the Board of Directors (as from February 27, 2006)	24	10
	Niklas Geust	CFO, Member of the Board of Directors	216	172
	Vesa Honkanen	Member of the Board of Directors (as from February 27, 2006)	12	-
	Jukka Ylitalo	Member of the Board of Directors	12	10
	Jan Forsbom	Chief Executive Officer (June 23, 2005–June 30, 2006)	133	105
	Ulf Rosenlöf	Chairman of the Board of Directors (until February 26, 2006)	73	133
	Seppo Sairanen	Chief Executive Officer, Member of the Board of Directors (until June 22, 2005)	-	55

Share and option ownership of the Board of Directors and top management are presented in chapter Shares and Shareholders.

Management compensation:	2006	2005
Salaries and other current employee benefits	1931	1376
Pension payments	360	268
Share-based payments	0	11
Total	2291	1655

Credit limits granted to related parties:		
Granted limits	636	651
The amount in use at January 1	509	417
Interest charged	20	20
The amount in use at December 31	445	494

Loans to related parties consist of three credit limits.

Following related party transactions were executed.	2006		2005	
	Sales	Purchases	Sales	Purchases
Affiliates	0	0		34
Top management of the Group of the parent company. (FIM Corporate Finance Ltd 's shares)	217	141	150	0

Related party 's share of minority transactions. (see note 24, Goodwill)

Minority interest	Purchase cost	Share premium reserve	Share capital	Minority stake	Goodwill *
FIM Corporate Finance Ltd minority interest 13.4	304160 shares x 5.75 = 1748920.00	1729	20	218	1531
FIM Omaisuuendoito Oy minority interest 13.4	1793122 shares x 5.75 = 10310451.50	10192	118	1068	9242
FIM Omaisuuendoito Oy minority interest 13.4	4413810 shares x 5.28 = 23304916.80	23014	291	3199	20106

34. Share capital

FIM Group Corporation was listed on the OMX Helsinki Stock Exchange, and trading in the company's share commenced on the Exchange's Pre List on April 13, 2006. The company's share moved to the Main List on April 21, 2006. The listing was carried out through a share issue and sale of shares, in which a total of 9.7 million FIM Group Corporation shares were offered. The share issue accounted for 3.6 million of this total number of shares.

FIM Group Corporation's share capital as of December 31, 2006, was EUR 2,813,505. The company has one class of shares, which is divided into a total of 42,683,690 shares. The share does not have a nominal value. All shares outstanding are fully paid.

Resolutions of general meetings

The Annual General Meeting of FIM Group Corporation was held on February 27, 2006, before the company was listed on the Helsinki.

Stock Exchange. In addition, on March 28, 2006, an Extraordinary General Meeting was held, at which, among others, a resolution was passed on the share issue in connection with the listing.

At a second Extraordinary General Meeting that was held on December 5, 2006, a resolution was passed on amending the Articles of Association. The amendments were mostly of a technical nature in accordance with the new Companies Act. Articles regarding share capital and the number of shares were removed from the Articles of Association and the term of the auditors was defined to end at the close of the first Annual General Meeting following their election. All the wordings regarding the Agenda of the Annual General Meeting were amended in accordance with the new Companies Act. The Extraordinary General Meeting furthermore resolved to issue stock options to FIM Group personnel and key employees as well as to FIM Group Corporation's wholly-owned subsidiary FIM Securities Ltd.

Stock option plans

In accordance with the resolution of the General Meeting, a total of 371,250 stock options 2006H were distributed to the personnel of FIM and a total of 870,000 stock options 2006A were distributed to key employees.. All the remaining stock options, 2,608,750 in number, were distributed to FIM Securities Ltd. The subscription price of the company's share through the exercise of stock option warrants 2006A and 2006H is the trade volume-weighted average price of the FIM Group Corporation share on the Helsinki Stock Exchange from October 1 to December 31, 2006.

Changes in share capital	2006	2005
Book value at January 1	2 000	984
Cancellation of own shares	0	-124
Increase of share capital (bonus issue)	0	1140
Increase share capital (Listing)	237	0
Share issues directed to the minorities	151	0
Increase share capital (merger with FIM Omaisuuendoito Oy)	426	0
Book value at December 31	2 814	2 000

NUMBER OF SHARES	Share premium fund euro	Share capital euro	Number of shares	Treasury shares
31.12.2005	645 399	2 000 000	30 342 000	36 000
Share issue directed to the minority	10 333 376	119 831	1 817 949	
Share issue directed to the minority	2 647 334	30 700	465 745	
Public offering	18 194 450	237 295	3 600 000	
Increase share capital (FIM Omaisuuendoito Oy, merger)	33 672 539	425 680	6 457 996	
31.12.2006	65 493 097	2 813 505	42 683 690	36 000

FIM Group Corporation has 36 000 own shares at purchase price of 35 teur.

Dividend distribution

The dividend proposal of the Group's parent company, FIM Group Corporation, for the 2006 fiscal year is EUR 0.14 per share, or a total of EUR 5,970,676.60. The dividend will be paid on March 27, 2007.

35. Fair value and other reserves

Other reserves

The Group structure was changed in 2003 such that the business activities of the preceding parent company FIM Securities Ltd were transferred to a newly-formed company. The parent company changed its name to FIM Group Corporation, and its share capital was reduced. The reduction in share capital was recorded in Other reserves.

With the entry into force of the new Companies Act in 2006, FIM Group Corporation has recorded the Other reserves, which were stated in non-restricted equity, in Retained earnings

Fair value reserve

The Fair value reserve comprises the fair value changes related to the Company's available-for-sale investments.

Share premium reserve

The amounts recorded in the Share premium reserve during the year are the funds obtained in the Share Listing Offering, representing the excess after the share capital and the listing costs (EUR 2,268,000 in net amount) that have been deducted from the proceeds of the share issue as well as the purchases of minority interests in subsidiaries in accordance with the calculation of the composition of goodwill in Note 24.

In the Share Listing Offering, 3,600,000 shares were issued at a price of EUR 5.75 = EUR 20,700,000, of which EUR 20,463,000 was entered in the Share premium reserve, and EUR 237,000 in Share capital.

36. Shares and participations held by the Group

The Group structure was changed during the year. More detailed explanation is available in the Board of Directors' Report under title "Changes in the Group structure".

Group companies	Ownership of the group and voting rights %	
Parent	FIM Group Corporation	
Subsidiaries	FIM Securities Ltd.	100%
	FIM Asset Management	100%
	FIM Corporate Finance Ltd.	100%
	CJSC FIM Financial Services	100%
	LLC FIM Asset Management	100%

37. Legal proceedings

The company is party to three lawsuits.

1. In June, the Helsinki District Court sentenced two persons who had been in the employment of FIM to a term in prison for concealment of funds. The charge is based on the entry of a customer company's mutual funds in the assets of a foreign mutual fund company during 1997 and 1998 as well as on the transfer of the mutual fund custodial account to another custodian. In the same connection, FIM Asset Management Ltd, which subsequently merged into FIM Group Corporation, was sentenced to the payment of a corporate fine of EUR 100,000. The persons concerned and FIM Group Corporation have appealed the District Court's judgment, and the case is still being heard in the Court of Appeal. FIM has made an expense provision for the corporate fine in connection with the matter.

2. The bankruptcy estate of the private person involved in the first legal proceedings has demanded payment of funds amounting to DEM 3,735,000 that were used to subscribe for the mutual funds, including penalty interest, in connection with this case from FIM Group Corporation and FIM Asset Management Ltd together with the accused parties. The Helsinki District Court has delivered a decision in the case in accordance with which the bankruptcy estate, if it so wishes, must file a separate suit concerning its demand. Legal action has not been instituted. In the Company's estimation, any damage which the bankruptcy estate may have suffered does not stand in a causal relationship to the actions of FIM Group Corporation or FIM Asset Management Ltd. On the basis of the view of management and the Company's lawyers, a provision for any damages claimed has not been set up in the financial statements, because it is highly improbable that the companies belonging to the FIM Group will be obligated to pay them.

3. In December 2003, a private individual brought a suit against FIM Group Corporation and OMX Securities Services Ltd, jointly claiming damages for financial losses caused to him as a result of an incorrect entry for a substantively invalid pledge made at the claimant's request. The claim for damages is EUR 1,337,000 plus penalty interest. The Helsinki District Court has delivered a judgment in the case in favor of FIM Group Corporation and rejected the suits brought against the companies. The claimant has appealed against the judgment. On the basis of the view of management and the company's lawyers, a provision for any damages claimed has not been set up in the financial statements, because it is highly improbable that the companies belonging to the FIM Group will be obligated to pay them.

38. Segment information

The primary segments of the Group are its three business areas: Asset Management, Brokerage and Investment Banking.

Revenues and expenses that cannot be allocated to the business areas are allocated to FIM Group Corporation. The parent company of the Group, FIM Group Corporation, provides services to the companies such as administration, marketing and information technology, which are allocated to the segments. All costs are allocated to the segments on the basis of client relationships.

If one segment has provided services to another, such services have been charged at fair value. The Group's segment information is according to management's internal monitoring as to primary and secondary segments.

Segment assets include all assets except deferred tax assets. Segment liabilities exclude tax liabilities and deferred tax liabilities.

Investments consist of acquisitions of tangible and intangible assets.

INCOME STATEMENT 2006	Asset Management	Brokerage	Investment Banking	Group	Eliminations	Total
External income	48 333	25 253	7 296	1 162		82 046
Inter-segment income	2 158	83	140	9 462	-11 844	0
Total income	50 492	25 337	7 437	10 625	-11 844	82 046
Segment result	15 642	3 622	1 906	1 860		23 030
Unallocated expenses					-3 917	-3 917
OPERATING PROFIT	15 642	3 622	1 906	1 860	-3 917	19 114
Group contribution		-2 300		2 300		0
Income taxes					-5 766	-5 766
Minority interest					-1 741	-1 741
PROFIT	15 642	1 322	1 906	4 160	-11 424	11 606
Segment investments	2 223	1 173	84	464		3 944
Segment assets	33 958	81 560	4 826	50 321	-28 725	141 940
Segment liabilities	6 925	60 529	516	1 782	-27 956	41 796
Segment depreciation, amortization and impairment charges	1 228	877	95	308		2 508
INCOME STATEMENT 2005	Asset Management	Brokerage	Investment Banking	Group	Eliminations	Total
External income	37 540	20 585	4 323	704		63 152
Inter-segment income	1 797	247	101	5 586	-7 731	
Total income	39 337	20 833	4 425	6 289	-7 731	63 152
Segment result	14 652	4 447	1 384	618		21 102
Unallocated expenses					-1 994	-1 994
OPERATING PROFIT	14 652	4 447	1 384	618	-1 994	19 108
Group contribution	-42	-4 500		4 542		
Income taxes					-5 371	-5 371
Minority interest					-3 247	-3 247
PROFIT	14 706	100	1 384	5 236	-10 937	10 490
Segment investments	1 492	1 279	179	520		3 471
Segment assets	25 242	54 592	3 113	15 480	-27 046	71 381
Segment liabilities	5 269	46 969	900	1 198	-15 601	38 735
Segment depreciation, amortization and impairment charges	860	667	49	283	4	1 863

The Group's secondary segment format is geographical: Finland and Foreign Countries, based on the geographical location of the provider of the service. The first subsidiary in Russia was established in 2004 and the company started its operations in the latter half of 2005. This Russian subsidiary is mainly involved in the brokerage business.

In 2006 another subsidiary was established in Russia. FIM Asset Management Ltd has also a branch office in Sweden. This branch office is involved in asset management.

Investments consist of procurements in tangible and intangible assets.

Geographical segment information	Revenue	2006	2005
	Finland	78 145	62 519
	Foreign countries	3 901	633
	Total	82 046	63 152
Segment assets			
Based on location of assets			
	Finland	139 841	69 213
	Foreign countries	2 543	2 168
	Total	142 384	71 381
Investments			
	Finland	3 868	3 201
	Foreign countries	82	270
	Total	3 950	3 471

39. Events after the balance sheet date

On February 5, 2007, Glitnir banki h.f. of Iceland announced its intention to acquire the shares and stock options issued by FIM by launching a public tender offer. Glitnir has also received from FIM's shareholders representing 68 percent of the shares a commitment according to which they will sell their shares to Glitnir. The offer period is expected to commence on or about March 12, 2007, or as soon as is practically possible thereafter. The formal offer document will be published prior to this.

At its meeting in January 2007, the Board of Directors of FIM Group Corporation announced its decision to begin preparing for the startup of retail banking operations as part of the Group's expansion of its service offerings. In this connection, Mr. Timo T. Laitinen, M.Sc.(Eng.), was appointed CFO of the FIM Group as of February 15, 2007, and, apart from his role as CFO, he will also be in charge of FIM's retail banking project. The present CFO, Mr. Niklas Geust, will take his planned sabbatical for one year beginning on March 1, 2007.

FIM Group Corporation Income statement (FAS)

INCOME STATEMENT Thousand euros	Note	1.1. – 31.12.2006	1.1. – 31.12.2005
Fee and commission income	14.	3 429 565.26	2 693 393.57
Net income from securities transactions and foreign exchange dealing			
Net income from securities transactions	16.	-229 044.13	-2 335 686.60
Income from equity investments			
From Group companies	17.	3 731 532.21	1 750 000.00
From other companies	17.	216 058.80	2 256 888.20
Interest income	18.	31 108.71	954.02
Interest income from Group companies	18.	123 140.24	73 470.60
Net income from available-for-sale financial assets	20.	0.00	101 356.78
Other operating income from Group companies	21.	5 607 715.61	3 760 453.62
Other operating income	21.	11 599 239.42	354 665.60
NET INCOME		24 509 316.12	8 655 495.79
Commission expenses	15.	3 304 307.04	2 474 478.10
Interest expenses	19.	8 422.37	130.57
Administrative expenses			
Personnel expenses			
Salaries and fees		3 226 743.03	1 906 446.47
Personnel-related expenses			
Pension costs		467 592.81	336 274.57
Other personnel-related costs		152 110.81	109 294.83
Other administrative expenses		1 388 885.95	918 207.44
Depreciation and write-downs tangible and intangible assets	22.	284 306.39	235 015.67
Rents	23.	274 768.45	160 402.80
Other operating expenses	23.	1 478 567.74	1 053 039.31
OPERATING PROFIT		13 923 611.53	1 462 206.03
Taxation	24.	0.00	1 063 458.64
PROFIT (LOSS) BEFORE TAXES		13 923 611.53	398 747.39
Extraordinary income/expenses	25.		
Extraordinary income		2 300 000.00	4 542 046.98
Extraordinary expenses			
Other financing expenses		3 065 210.00	0.00
PROFIT FOR THE FINANCIAL YEAR		13 158 401.53	4 940 794.37

FIM Group Corporation Balance sheet (FAS)

BALANCE SHEET Thousand euros	Note	31.12.2006	31.12.2005
ASSETS			
Bank and cash	1.	398 088.65	184 946.72
Other receivables	2.	444 925.26	478 962.51
Shares and participations	3.	597 937.00	580 487.07
Shares and participations in Group undertakings	3.	41 149 277.32	9 735 770.95
Intangible assets	4.	492 513.51	346 619.43
Tangible assets			
Real estate and shares and participations in real estate corporations	5.	0.00	16 818.79
Other tangible assets	5.	333 245.83	299 223.26
Other assets			
Other	6.	5 509 156.60	3 412 556.74
Accrued income and prepayments	7.	1 255 852.08	522 565.45
TOTAL ASSETS		50 180 996.25	15 577 950.92
LIABILITIES			
LIABILITIES			
Other liabilities	8.	870 034.17	582 197.81
Accrued expenses and deferred income	9.	880 886.25	490 741.93
SHAREHOLDERS' EQUITY			
Share capital	10.	2 813 505.37	2 000 000.00
Share premium fund	11.	22 687 454.69	747 398.32
Non-restricted reserves			
Other reserves	12.	0.00	2 481 642.18
Profit brought forward	13.	9 770 714.24	4 335 176.31
Profit for the financial year		13 158 401.53	4 940 794.37
Total equity		48 430 075.83	14 505 011.18
TOTAL LIABILITIES		50 180 996.25	15 577 950.92

FIM Group Corporation Cash flow statement

STATEMENT OF CHANGES IN FINANCIAL POSITION Thousand euros	2006	2005
Cash flow from operations		
Profit before extraordinary items	13 924	14 62
Depreciation according to plan	284	235
Unrealised profit/loss from stock or currency exchange	0	-213
Other adjustments	-15 323	-1 762
Cash flow before change in working capital	-1 115	-2 77
Change in working capital		
Increase(+)/decrease(-) in operational assets	-18	-2 618
Change in trade reserve	0	0
Increase(+)/decrease(-) in operational liabilities	473	-128
Cash flow from operations before financial items and taxes	-660	-3 023
Paid direct taxes	-674	-538
Cash flow from operations (A)	-1 334	981
Cash flow from investment activities		
Investments in tangible and intangible assets	-447	-276
Liquidation of tangible and intangible assets	95	0
Investments in other assets	-14 551	-641
Increase in minority interest	0	0
Dividends from investments	3 732	1 762
Cash flow from investment activities (B)	-11 172	845
Cash flow from financing activities		
Changes in shareholder 's equity	17 635	293
Funds transferred in accordance with the merger	539	
Distributed dividends	-5 455	-2 000
Cash flow from financing activities (C)	12 719	-1 707
Increase(+)/decrease(-) in liquid assets (A+B+C)	213	118
Liquid assets at the beginning of the year	185	67
Liquid assets at the end of the year	398	185
Change in liquid assets	213	118

Notes to the financial statements

The preparation of these financial statements differs from the Finnish Accounting Act and have been prepared in accordance with the Finnish Financial Supervision Authority's regulation 3.1 regarding the financial statements of investment firms, issued on 1 December 2005. The Group structure was simplified on February 1, 2003 by transferring the brokerage operations through a transfer of operations from FIM Group Ltd (previously FIM Securities Ltd) to a new company called FIM Securities Ltd (previously FIM Uusi Pankkiiriliike Oy). After this, the parent company is responsible for the Group's joint administration and all the subsidiaries conduct business of their own.

MTH-Asunnot Oy, which has previously been consolidated according to the equity method, was sold in 2005.

The value of fixed assets in the balance sheet is stated at purchase price minus depreciation according to plan.

Depreciation according to plan is based on the estimated economic useful life.

Depreciation according to plan:

Machinery and equipment	5 years
Computer hardware	3 years
Software	5 years
WWW project	3 years
Improvements in rental apartment	5 years
Intangible rights (FIM domain)	5 years

Shares and participations have been divided into shares available for sale and shares held for trading purposes. In the financial statements of December 31, 2006, the item consists of shares available for sale, which have been valued at current value.

Receivables and liabilities have been valued at acquisition cost.

Principles for recording purchase and sales contracts for securities and securities lending. Not applicable.

Translation of foreign currency items into Finnish currency.

Foreign currency items have been converted into Finnish currency at the average rate of the Bank of Finland on the balance sheet day.

Principles for value increases and the value definition methods of the objects. Not applicable.

Recording of income

The income from operations is recorded on accrual basis and when it is likely that the company will benefit from the business transaction and it can be defined reliably. This principle is applied to the major income of the Group as follows:

Commissions and fees

The income from services related to the asset management, brokerage and corporate finance operations provided by the Group is recorded when the following preconditions are fulfilled: the income can be defined reliably, it is likely that the organisation will benefit financially from the transaction and the realised and future costs related to the transaction can be defined reliably. When the result of a business transaction related to the provision of services can be assessed reliably, the income to it is recorded on the closing day according to the degree of completion. The income from advisory services, which depends on the result of the business transaction, is recorded first when its amount and the fact that it is obtained becomes certain.

Interest income

Interest income is recorded on accrual basis using the effective interest method and taking into account all contractual terms of a financing instrument.

Notes to the balance sheet

1. Bank and cash /Thousand euros	2006	2005
Payable on demand		
From domestic credit institutions	398	185
Bank and cash total	398	185

2. Other receivables /Thousand euros		
Companies	278	274
Households	167	205
Total	445	479

Subordinated claims

Defined under item Other assets (item 6).

Certificates of claim

Not applicable.

3. Shares and participations /Thousand euros				
	Group companies	Others	Publicly listed	Of which in credit institutions
Book value at January 1, 2006	9736	580	-	-
Increases during the period	32986	17		
Decreases	-1573			
Write-downs				
Book value at December 31, 2006	41149	598	-	-

Other shares are available-for-sale.

Derivatives. Not applicable.

4. Intangible assets /Thousand euros

Depreciation has been made according to plan based on the estimated economic useful life.

	Software	Other intangible assets	Improvements in rental apartment
Acquisition cost at January 1,	79	101	401
Increases during the period	59	79	153
Decreases during the period	0	0	0
Transfers between items	0	0	0
Acquisition cost at December 31,	138	180	554
Depreciation and write-downs at January 1,	-30	-15	-190
Depreciation on decreases and transfers	0	0	0
Depreciation during the period	-18	-47	-80
Write-downs	0	0	0
Depreciation at December 31,	-48	-63	-269
Book value at December 31,	90	117	285

5. Tangible assets / Thousand euros

Depreciation has been made according to plan based on the estimated economic useful life.

	Machinery and equipment	Computer hardware	Cars	Other tangible assets
Acquisition cost at January 1,	153	244	315	108
Increases during the period	31	142	0	0
Decreases during the period	0	0	0	0
Transfers between items	0	0	0	0
Acquisition cost at December 31,	184	386	315	108
Depreciation and write-downs at January 1,	-114	-111	-295	0
Depreciation on decreases and transfers	0	0	0	0
Depreciation during the period	-16	-103	-20	0
Write-downs	0	0	0	0
Depreciation at December 31,	-130	-214	-315	0
Book value at December 31,	54	172	0	108

Real estate and land / Thousand euros

Shares and participations in real

In own use

estate corporations

Acquisition cost at January 1,	17
Increases during the period	0
Decreases during the period	-17
Transfers between items	0
Acquisition cost at December 31,	0
Depreciation and write-downs at January 1,	0
Depreciation on decreases and transfers	0
Depreciation during the period	0
Write-downs	0
Depreciation at December 31,	0
Book value at December 31,	0

Company previously owned two properties that were sold during 2006. Transferred to shares and participations.

Real estate held for investment purposes at current value

Not applicable.

6. Other assets / Thousand euros	2006	2005
Loan receivables from Group companies	1100	1100
Other receivables from Group companies	4409	2313
Total	5509	3413

Major terms of the subordinated loan:

Parties: FIM Corporate Finance Ltd (debtor) and FIM Group Corporation (creditor)

Amount of debt: 100 000 euros, interest: 6% (not cumulative), loan period: 5 years

7. Accrued income and prepayments /Thousand euros	2006	2005
Interest receivables	0	0
Other accrued income	1256	523
Total	1256	523

Imputed tax claims and taxes due

Unrecognized deferred tax asset from losses	200	0
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Derivative contracts and other liabilities held for trading purposes.

Not applicable.

8. Other liabilities /Thousand euros

Other liabilities to Group companies	281	66
Other current liabilities	589	516
Total	870	582

9. Accrued expenses and deferred income /Thousand euros

Other accrued expenses	881	491
Total	881	491

Subordinated liabilities

Not applicable.

Specification of balance sheet items into domestic and foreign

currency items and pertaining to Group companies/Thousand euros

Balance sheet item	Domestic currency	Foreign currency	Total	Pertaining to Group companies
Receivables from credit institutions	398		398	
Receivables from the public and public sector entities	445		445	
Certificates of claim				
Derivative contracts				
Other receivables	6765		6765	5509
Cash				
Total	7608		7608	5509

Liabilities to credit institutions

Liabilities to the public and public sector entities

Securities issued to the public

Derivative contracts and

liabilities held for trading purposes

Other liabilities	1751		1751	281
Total	1751		1751	281

Securities lending.

Not applicable.

Repurchase agreements on securities.

Not applicable.

Definition of current values based on other than market value and changes in current value recorded in the income statement.

Not applicable.

Financial assets valued at acquisition cost instead of current value.

Not applicable.

Current values and book values of financial assets and liabilities /Thousand euros

Financial assets	Book value	Current value
Cash		
Receivables from credit institutions	398	398
Receivables from the public and public sector entities	445	445
Shares and participations	598	598
Shares and participations in Group companies	41 149	41 149
10. Share capital /Thousand euros	2006	2005
Book value at January 1,	2000	984
Decrease of share capital	0	-124
Increase of share capital (Share issue)	237	0
Transfer of share capital (Bonus issue)	0	1140
Increase of share capital (Share issues directed to the minorities)	151	0
Increase of share capital (Merger of FIM Omaisuuendoito Oy)	426	0
Book value at December 31,	2 814	2 000
11. Share premium fund /Thousand euros		
Book value at January 1,	747	1 661
Sale of own shares	0	138
Tax debt from sale of own shares	0	-36
Decrease of share capital	0	124
Increase of share capital (Share issue/Bonus issue)	20 463	-1 140
Increase of share capital (Share issue directed to the minorities)	1 477	0
Book value at December 31,	22 687	747
12. Non-restricted reserves/Thousand euros		
Book value at January 1,	2 482	2 292
Sale of own shares	0	190
Decrease of share capital	-2 482	0
Acquisition cost of own shares transferred in merger	0	2 482
Book value at December 31,	2006	2005

13. Profit brought forward / Thousand euros	2006	2005
Book value at January 1,	9 276	6 370
Dividend distribution	-5 455	-2 000
Acquisition of own shares	0	-35
Merger with FIM Omaisuudenhoito Oy	3 468	
Transfers in equity	2 482	0
Profit for the period	13 158	4 941
Book value at December 31,	22 929	9 276

For additional information, see Changes in Group structure and Stock option plan. in the Board of Directors' Report.

Share capital	Shares of owners	No.	% of votes
	Sairanen Seppo	13 476 451	31.57%
	Kaloniemi Markku	4 413 810	10.34%
	Geust Niklas	2 304 000	5.40%
	Mölsä Pekka	2 104 186	4.93%
	Toivonen Karri	1 633 890	3.83%
	Seppälä Jussi	1 610 000	3.77%
	Ylitalo Jukka	1 102 476	2.58%
	Pohjola Antti	679 500	1.59%
	Forsbom Jan	675 000	1.58%
	FIM Group Corporation	36 000	0.08%
	Others	14 648 377	34.33%
	Total	42 683 690	100%

Own shares held by FIM Group Corporation: 36 000 shares, acquisition cost 35 033.71 euros. The shares have no nominal value.

Share issues, options and issues of convertible bonds.

On March 28, 2006, the extraordinary general meeting of shareholders of the company resolved to increase the share capital of the company by a minimum of EUR 0.07 and a maximum of EUR 237,294.84 through the issuance of a minimum of one new share and a maximum of 3,600,000 new shares. The new shares were offered in deviation from the shareholders' pre-emptive subscription right to the public in Finland and both domestic and international institutional investors in the initial public offering of FIM. The subscription price per share was EUR 5.75

On March 28, 2006, the extraordinary general meeting of shareholders of the company decided to approve a merger plan, according to which FIM Omaisuuendoito Oy merged to the company, and to increase the share capital of the company by a minimum of EUR 0.07 and a maximum of EUR 545,510.84 through the issuance of a minimum of one new share and a maximum of 8,275,945 new shares. The new shares were offered in deviation from the shareholders' pre-emptive subscription right to the minority shareholders of FIM Omaisuuendoito Oy as merger consideration. The shareholders of FIM Omaisuuendoito Oy conveyed to the company as a contribution in kind their shares in FIM Omaisuuendoito Oy where against one share in FIM Omaisuuendoito Oy were given 27,586486667 new shares of the company and the total amount of shares given to a subscriber was round down to the nearest whole number of shares.

In addition to the increase of share capital related to the merger of FIM Omaisuuendoito oy, on March 28, 2006, the extraordinary general meeting of shareholders of the company resolved to increase the share capital of the company by a minimum of EUR 0.07 and a maximum of EUR 157,823.15 through the issuance of a minimum of one new share and a maximum of 2,394,335 new shares. The new shares were offered in deviation from the shareholders' pre-emptive subscription right to the minority shareholders of FIM Omaisuuendoito Oy, who were allowed to exchange a part of their shares of FIM Omaisuuendoito Oy to the shares in connection with the share capital increase. The new shares given in connection with this increase correspond to the amount of the shares that were sold by the minority shareholders of FIM Omaisuuendoito Oy in the initial public offering of FIM.

The new shares issued in connection with this share capital increase decreased the maximum number of new shares issued as merger consideration to the minority shareholders of FIM Omaisuuendoito Oy. Therefore, the aggregate increase of the company's share capital through this share capital increase and the share capital increase in connection with the merger of FIM Omaisuuendoito Oy to FIM Group Corporation was EUR 545,510.84 and the aggregate number of new shares issued is 8,275,945. The shareholders of FIM Omaisuuendoito Oy conveyed to the company as a contribution in kind their shares in FIM Omaisuuendoito Oy where against one share in FIM Omaisuuendoito Oy were given 27,586486667 new shares of the company and the total amount of shares given to a subscriber was round down to the nearest whole number of shares.

In addition, on March 28, 2006, the extraordinary general meeting of shareholders of the company resolved to increase the share capital of the Company by EUR 30,699.69, through the issuance of 465,745 new shares. The new shares were offered in deviation from the shareholders' pre-emptive subscription right to minority shareholders of FIM Corporate Finance Ltd, were allowed exchange their shares of FIM Corporate Finance Ltd to the shares in connection with the share capital increase. The purpose of the increase of the share capital was to allow the minority shareholders of FIM Corporate Finance Ltd to sell in the initial public offering of FIM part of the shares received. The share capital was increased by the maximum amount resolved by the extraordinary general meeting. The shareholders of FIM Corporate Finance Ltd conveyed to the company as a contribution in kind their shares in FIM Corporate Finance Ltd where against one share in FIM Corporate Finance Ltd were given 0,029703125 new shares of the company and the total amount of shares given to a subscriber was round down to the nearest whole number of shares.

After the described increases of share capital, the company's share capital is EUR 2,813,505.37 consisting of 42,683,690 shares.

Options and other special rights (registered December 20, 2006). On December 5, 2006 the company decided to grant stock options that entitle to a total 3,850,000 shares. The options scheme will be implemented in 2007.

For additional information, see Changes in Group structure in the Board of Directors' Report.

Notes to the income statement

14. Fee and commission income /Thousand euros	2006	2005		
From other operations	3 430	2 693		
<hr/>				
15. Fee and commission expenses/Thousand euros				
From others	3 304	2 474		
<hr/>				
Net income from leasing operations.				
Not applicable.				
<hr/>				
16. Net income from securities transactions /Thousand euros				
	Sales profits and losses	Changes in current value	Other items	Total
Certificates of claim				
Shares and participations	-229			-229
Liabilities held for trading purposes				
Net income from securities transactions total	-229			229
Net income from foreign exchange dealing				
Income statement item, total	-229			-229
<hr/>				
17. Income from equity investments /Thousand euros	2006	2005		
Dividend income from investments classified as held for trading purposes	216	2 257		
Dividend income from Group companies	3 732	1 750		
Total	3 948	4 007		
<hr/>				
Net result of hedging calculation.				
Not applicable.				
<hr/>				
Net income from real estate held for investment purposes.				
Not applicable.				
<hr/>				
18. Interest income /Thousand euros				
From credit institutions	4	1		
From the public and public sector entities	20	0		
Other interest income	7	0		
Interest income from Group companies	123	73		
<hr/>				
19. Interest expenses /Thousand euros				
To credit institutions	4	0		
Other interest expenses	4	0		

20. Net income from available-for-sale financial assets / Thousand euros	2006	2005
Transfer of financial assets	0	314
Write-downs	0	-213
Total	0	101

21. Other operating income / Thousand euros		
Other income	283	355
Other income from Group companies	16 924	3 760
Total	17 207	4 115

22. Depreciation and write-downs on tangible and intangible assets / Thousand euros		
Tangible assets	139	141
Intangible assets	145	94
Total	284	235

23. Other operating expenses / Thousand euros		
Rents	275	160
Consulting	198	72
Insurance fees	41	13
Supervision and control fees	144	68
Others	1 097	139
Total	1 753	1 213

Write-down losses on credits and other obligations and financial assets.

Not applicable.

24. Income tax / Thousand euros		
Income tax	0	-117
Income tax has related to operations	0	1 217
Tax from share premium fund due to the sale of own shares	0	-36
Tax in the income statement	0	1 063

25. Extraordinary items / Thousand euros		
Group contribution	-2 300	4 542
Expenses from listing	3 065	0
Total	765	4 542

Information on business sectors and geographical market areas.

Specified in the notes to the consolidated financial statements.

Notes on collaterals and contingent liabilities

Collaterals	Pledges	Mortgages	Other collaterals	Total
On own liabilities				
Balance sheet item				
Not applicable				
Pensions				
The pensions of the Group's employees have been arranged through a pension insurance company.				
			2006	2005
Leasing and other rent liabilities /Thousand euros				
Minimum rent payable on the basis of non-revocable leasing agreements				
			66	82
Within one year				
			65	93
Within more than one year and five years at the most				
			0	0
Within more than five years				
On the basis of other rental agreements/Thousand euros				
Collaterals for rental agreements				
			10	5
Off-balance sheet liabilities /Thousand euros				
Unused credit limits to the inner circle				
			191	157
The credit limits to the inner circle consist of two credit limits.				
Collaterals for Group companies /Thousand euros				
Mortgage on company assets				
			0	0
OMHEX's shares at book value				
			2337	1943
Liquidity guarantee to Finnish Central Securities Depository, of which in use				
			8000	8000
Intra-day trading limit from OKO Bank				
			6000	6000
OKO Bank's OP corporate account with limit				
			0	343
Raiffeisenbank Austria, credit guarantee, Moscow				
			3200	0
OKO Bank 's OP Corporate account with limit/FIM Asset Management Ltd				
Collateral obtained in transfer according to the Act on Financial Collaterals.				
Not applicable.				
Brokerage receivables and liabilities				
Not applicable.				
Other collaterals and contingent liabilities				
Not applicable.				

Notes on personnel and management

Group	Average number	Change during the period
Permanent full-time employees	40	10
Permanent part-time employees	4	3
Temporary personnel	0	0
Total	44	14

Salaries of the CEO and Board members / Thousand euros	2006	2005
Salaries	442	317
Total pension commitments (employment pension insurance)	84	49

Credit limit to the related parties / Thousand euros	2006	2005
December 31, 2006 with drawn	636	0

NOTES ON SHAREHOLDINGS

1) FIM Asset Management Ltd, Helsinki, asset management

2) Ownership 100%

3) Book value 17 485 566 euros

FIM Asset Management Ltd is included in the consolidated financial statements of the parent company.

1) FIM Corporate Finance Ltd, Helsinki

2) Ownership 100%

3) Book value 1 015 175 euros

FIM Corporate Finance Ltd is included in the consolidated financial statements of the parent company.

1) FIM Securities Ltd, Helsinki

2) Ownership 100%

3) Book value 20 049 030 euros

FIM Securities Ltd is included in the consolidated financial statements of the parent company.

1) CJSC FIM Financial Services, Moscow

2) Ownership 100%

3) Book value 1 726 907 euros

CJSC FIM Financial Services is included in the consolidated financial statements of the parent company.

1) LLC FIM Asset Management, Moscow

2) Ownership 100%

3) Book value 872 600 euros

LLC FIM Asset Management is included in the consolidated financial statements of the parent company.

Other notes

Information on trustee operations and total amount of client assets held.

Not applicable.

Notes regarding an entity that is part of a Group.

The company is part of FIM Group, the parent company of which is FIM Group Corporation and domicile Helsinki. A copy of the consolidated financial statements is available at Pohjoisesplanadi 33 A, Helsinki.

Key figures describing financial development

Key figures describing financial development: TEUR	2006	2005	2004	2003
Total income	24 509.32	8 655.50	8 079.78	5 029.91
Operating profit	13 923.61	1 462.21	2 399,66	1 960.00
Operating profit, %	56.81%	16.89%	29.70%	38.97%
Profit before appropriations and taxes	13 158.40	6 004.25	6 041.71	3 752.04
Profit before appropriations and taxes, % of total income	53.69%	69.37%	74.78%	74.59%
Return on equity %*	¹⁾ 44.20%	3.10%	6.50%	11.70%
Return on capital % **	²⁾ 42.35%	2.86%	5.50%	6.14%
Return on assets %***	²⁾ 42.35%	2.86%	5.50%	6.14%
Equity ratio %****	96.50%	93.10%	91.80%	77.10%
Income/expense ratio*****	0.43	0.83	0.70	0.61
* $\frac{\text{Operating profit/loss} - \text{taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{voluntary provisions} + \text{depreciation difference} - \text{deferred taxes due}}$ (mean value of the beginning and end of the year)	X100			
** $\frac{\text{Profit before taxes} + \text{interest expenses related to financing}}{\text{Balance sheet total (excluding liabilities)}}$	X100			
*** $\frac{\text{Operating profit/loss} - \text{taxes}}{\text{Average balance sheet total}}$ (mean value of the beginning and end of the year)	X100			
**** $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{voluntary provisions} + \text{depreciation difference} - \text{deferred taxes due}}{\text{Balance sheet total}}$	X100			
***** $\frac{\text{Commission expenses} + \text{interest expenses} + \text{administrative expenses} + \text{depreciation} + \text{other operating expenses}}{\text{Income from investment services}}$				
¹⁻²⁾ Return on equity %, return on capital employed % and return on assets % are high due to other operating income which contains gains of EUR 11.3 million from the merger.				

Shares and shareholders

FIM Group Corporation listed on the OMX Helsinki Stock Exchange, and trading in the company's share commenced on the Exchange's Pre List on April 13, 2006. The company's share moved to the Main List on April 21, 2006. The listing was carried out through a share issue and sale of shares, in which a total of 9.7 million FIM Group Corporation shares were offered. The share issue accounted for 3.6 million of this total number of shares.

The company has one class of shares, which has the Finnish ISIN code FIMIV. The shares are registered in the book-entry system maintained by Finnish Central Securities Depository Ltd.

The FIM Group Corporation's share capital as of December 31, 2006, was EUR 2,813,505, which is divided into a total of 42,683,690 shares. According to a decision issued by the Finnish Financial Supervision Authority on September 19, 2006, the voting rights of the shares owned by Mr. Seppo Sairanen were nullified for one year. Seppo Sairanen's shareholding as of December 31, 2006 was a total of 13,476,451 FIM Group Corporation shares, corresponding to 31.6% of the share capital. Accordingly, the number of votes conferred by all the company's shares is 29,207,239.

All the shares entitle their holders to a dividend of the same amount.

TREASURY SHARES

The company had in its possession a total of 36,000 treasury shares as of December 31, 2006, and they had a market value of EUR 0.2 million.

TRADE VOLUME ON THE OMX HELSINKI STOCK EXCHANGE

The trade volume of the FIM Group Corporation share on the OMX Helsinki Stock Exchange after listing was EUR 112.6 million during the period April 13–December 31, 2006, and amounted to 19.3 million shares. The trade volume includes the 6.1 million shares sold in the initial public offering.

The share registered a high of EUR 8.25 in April and a low of EUR 4.76 in June. The volume-weighted average share price was EUR 5.88. At the end of the reporting period on December 31, 2006, the share price was EUR 6.10 and the company had a market capitalization of EUR 260.4 million.

STOCK OPTION SCHEMES

In accordance with the resolution of the General Meeting, a total of 371,250 stock options 2006H were granted to the personnel of FIM and a total of 870,000 stock options 2006A were granted to key employees in January 2007. All the remaining stock options, 2,608,750 in number, were granted to FIM Securities Ltd. The subscription price of the company's share through the exercise of stock option warrants 2006A and 2006H is the trade volume-weighted average price of the FIM Group Corporation share on the Helsinki Stock Exchange from October 1 to December 31, 2006.

SHAREHOLDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT

At the end of 2006, the members of the company's Board of Directors owned a total of 3,679,363 FIM Group Corporation shares, representing a total of 8.6 percent of the shares and 12.6 percent of the voting rights. The members of the Management Board owned a total of 5,329,416 FIM Group Corporation shares, representing a total of 12.5 percent of the shares and 18.2 percent of the voting rights.

FIM'S SHAREHOLDERS

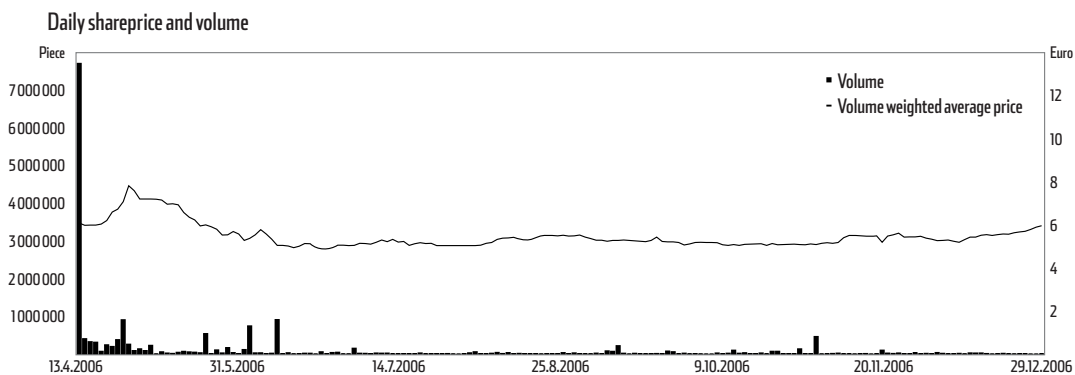
Finnish institutions	3.0%
Finnish individuals	64.4%
Treasury shares	0.1%
International institutions	16.5%
FIM's Board of Directors and Management	16.0%

SHAREHOLDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT		Shares	Stock options* (distributed in January 2007)
Antti Kivimaa	Chairman of the Board	65000	-
Risto Perttunen	Member of the Board, Chief Executive Officer	207917	100000
Niklas Geust	Member of the Board, CFO	2304000	-
Vesa Honkanen	Member of the Board	-	-
Jukka Ylitalo	Member of the Board	1102476	-
Jan Forsbom	Managing Director, FIM Asset Management, Member of the Management Board	675000	60000
Kurt Ludmark	Managing Director, FIM Investment Banking, Member of the Management Board	-	40000
Kirsi Untala	Director, finance and accounting, Member of the Management Board	52499	10000
Mari Tyster	Head of Group Legal and Compliance, Member of the Management Board	24000	20000
Juha Pohjonen	Sales Director, Member of the Management Board	105000	40000
Jaana Pohjanheimo	HR Director, Member of the Management Board	-	10000
Teemu Nyholm	Chief Information Officer, Member of the Management Board	11250	10000
Hanna Loikkanen	Chief Executive Officer, ZAO FIM Financial Services, Member of the Management Board	114750	4050
Pekka Väisänen	Managing Director, FIM Brokerage, Member of the Management Board	225000	60000
Jussi Seppälä	Marketing Director, Member of the Management Board	1610000	-

* Share options distributed from the options scheme 2006A except for Hanna Loikkanen, whose options are from options scheme 2006H

BREAKDOWN OF SHARE OWNERSHIP ON DECEMBER 31, 2006

Number of shares	Number of shareholders	Percentage of shareholders	Number of shares, units	Percentage of shares
1 – 100	129	6.7	10 498	0.0
101 – 500	978	50.5	320 631	0.8
501 – 1000	352	18.2	289 763	0.7
1001 – 5000	317	16.4	718 082	1.7
5001 – 10000	60	3.1	419 813	1.0
10001 – 50000	55	2.8	1 228 696	2.9
50001 – 100000	19	1.0	1 300 896	3.0
100001 – 500000	14	0.7	2 343 015	5.5



Largest shareholders as of December 31, 2006

SHAREHOLDER (Last name, first name)

	Shares	Percentage holding	Voting rights	Percentage of votes
1 Sairanen Seppo	13 476 451	31.57	0	0.00
2 Kaloniemi Markku	4 413 810	10.34	4 413 810	15.11
3 Geust Niklas	2 304 000	5.40	2 304 000	7.89
4 Mölsä Pekka	2 104 186	4.93	2 104 186	7.20
5 Toivonen Karri	1 633 890	3.83	1 633 890	5.59
6 Seppälä Jussi	1 610 000	3.77	1 610 000	5.51
7 Ylitalo Jukka	1 102 476	2.58	1 102 476	3.77
8 Pohjola Antti	679 500	1.59	679 500	2.33
9 Forsbom Jan	675 000	1.58	675 000	2.31
10 Hyöty Jussi	562 500	1.32	562 500	1.93
11 Holtari Janne Matti Julius	510 000	1.19	510 000	1.75
12 Lyytinen Arto	337 500	0.79	337 500	1.16
13 Väisänen Pekka	225 000	0.53	225 000	0.77
14 Perttunen Risto Sakari	207 917	0.49	207 917	0.71
15 Jaakkola Tero	191 250	0.45	191 250	0.65
16 Konttas Ari	180 000	0.42	180 000	0.62
17 Carnegie Equity Mutual Fund	170 000	0.40	170 000	0.58
18 Kaleva Mutual Insurance Company	170 000	0.40	170 000	0.58
19 Fides Mutual Funds	168 600	0.39	168 600	0.58
20 Uurasmaa Jyrki	135 000	0.32	135 000	0.46
Total	30 857 080	72.30	17 380 629	59.50
Nominee registered	7 026 571	16.50	7 026 571	24.10
Other shareholders	4 800 039	11.20	4 800 039	16.40
All shares outstanding	42 683 690	100.00	29 207 239	100.00

Signatures of Board of Directors ' Report and Financial Statements

Helsinki, February 26, 2007

Board of Directors

Antti Kivimaa
Chairman of the Board

Risto Perttunen
Chief Executive Officer
Member of the Board

Vesa Honkanen
Member of the Board

Niklas Geust
Member of the Board

Jukka Ylitalo
Member of the Board

Auditors' report

TO THE SHAREHOLDERS OF FIM GROUP CORPORATION

We have audited the accounting records, the financial statements and the administration of FIM Group Corporation for the period 1.1.–31.12.2006. The Board of Directors and the Managing Director have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, 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, cash flow 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 of the Board of Directors and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial state-

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, 26 February 2007

Kim Karhu
Authorised Public Accountant

Kaija Leppinen
Authorised Public Accountant

ment 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 (IFRS) 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 parent company's financial statements have been prepared in accordance with 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, as of the result of operations and of the financial position.

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FIM

Devoted to Investing