



UNITED BANKERS PLC'S
Half-Year Financial Report

1 JAN - 30 JUNE 2022



UNITED BANKERS PLC'S HALF-YEAR FINANCIAL REPORT 1 JAN – 30 JUNE 2022:

Positive performance in a difficult market environment – real estate and forest funds supported the company's profit growth

The figures in this release are unaudited.

JANUARY–JUNE 2022 IN BRIEF

- The Group's revenue (income from operations) in the review period amounted to EUR 23.4 million (EUR 21.0 million in 1–6/2021), an increase of 11.0%.
- The Group's adjusted EBITDA in the review period amounted to EUR 8.4 million (EUR 7.3 million in 1–6/2021), an increase of 15.7% and adjusted operating profit amounted to EUR 7.4 million (EUR 6.4 million in 1–6/2021), an increase of 16.4%.
- The Group's operating profit for the review period amounted to EUR 7.4 million (EUR 6.3 million in 1–6/2021), an increase of 18.2% and the profit for the review period amounted to EUR 5.8 million (EUR 4.9 million in 1–6/2021), an increase of 18.1%.
- Earnings per share were EUR 0.53 (EUR 0.43 in 1–6/2021), an increase of 23.1%.
- Gross fee income from wealth management increased during the review period to EUR 22.5 million (EUR 18.8 million), a growth of 19.7% from the comparison period. Gross fee income from capital markets services amounted to EUR 1.1 million (EUR 1.8 million), decreasing by 40.8%.
- Assets under management decreased to EUR 4,626 million (EUR 4,800 million on 31 December 2021), decreasing by 3.6%.
- In the challenging market environment, United Bankers' funds received positive net subscriptions in the amount of EUR 71.3 million.
- Despite the poor performance of the investment market, the wealth management business segment continued to evolve positively. Particularly the favourable return performance of forest and real estate funds, as well as the continued strong demand for same supported the growth of the fee income generated by the funds.
- The EBITDA of wealth management segment for the review period grew to EUR 9.4 million (EUR 6.9 million 1–6/2021), an increase of 36.4%.
- The result of the Group's capital markets services segment decreased from the comparison period, with economic uncertainty hampering the activity level in the market.
- The cost-to-income ratio improved from comparison period to 0.67 (0.69).
- Guidance for 2022: Albeit market outlook remains uncertain for the end of the year, the company reiterates its guidance concerning the operating profit announced in its Financial Statements Release on 18 February 2022. Supported by positive development at the beginning of the year the company estimates that its operating profit for 2022 will remain close to the level of 2021.

CONSOLIDATED KEY FIGURES

(The figures are presented in more detail in the appendix of the half-year financial report)

	1-6/2022	1-6/2021	change %*	1-12/2021
Key Income Statement Figures				
Revenue, MEUR	23.4	21.0	11.0	43.8
Adjusted EBITDA, MEUR	8.4	7.3	15.7	16.3
Adjusted operating profit, MEUR	7.4	6.4	16.4	14.4
Adjusted operating profit, % of revenue	31.8	30.3		32.9
Operating profit, MEUR	7.4	6.3	18.2	14.3
Profit for the period, MEUR	5.8	4.9	18.1	11.2
Profitability				
Return on Equity (ROE), %	28.4	18.9		26.9
Return on Assets (ROA), %	17.0	12.0		16.4
Key Balance Sheet Figures				
Equity ratio, %	63.5	59.8		56.7
Capital adequacy ratio, %	25.7	26.6		24.9
Key Figures Per Share				
Earnings per share, EUR	0.53	0.43	23.1	1.00
Earnings per share, EUR (diluted)	0.52	0.43	22.0	0.98
Equity per share, EUR	3.82	3.64		4.19
Dividend per share**				0.80**
Other Key Figures				
Cost-to-income ratio	0.67	0.69		0.66
Assets under management at the end of the period, MEUR	4,626	4,194	-3.6	4,800
Number of clients at the end of the period	14,200	13,600		14,100
Personnel at the end of the period (FTE)***	149	137		137

* The percentage change has been calculated using the actual figures, the figures shown in the table have been rounded

** Dividend for the 2021 financial period confirmed by the Annual General Meeting of Shareholders on 23 March 2022. Ordinary dividend of EUR 0.70 per share and an extra dividend of EUR 0.10 to celebrate United Bankers' 35th anniversary.

*** The number of personnel stated has been converted to full-time personnel

As its key financial figures, United Bankers presents adjusted EBITDA and adjusted operating profit, which the company uses to illustrate the profitability and result of the Group's business operations as a going concern. Adjusted key figures are used to improve comparability between reporting periods. The adjusted key figures are adjusted for the impacts of corporate transactions influencing comparability, as well as certain material non-operating items. More information on the calculation of the key figures is available in the tables section of the half-year financial report.

PERFORMANCE OF ASSETS UNDER MANAGEMENT

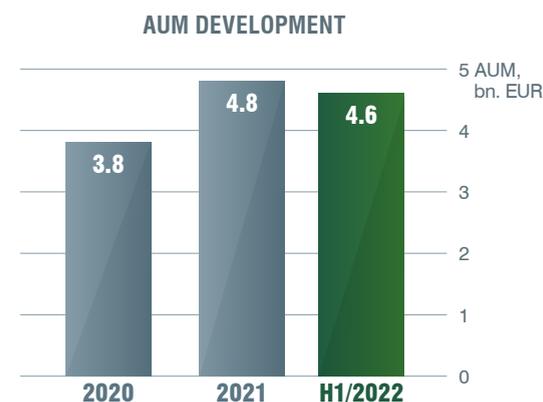
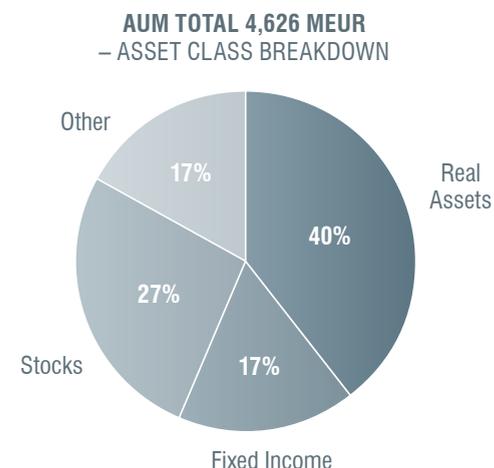
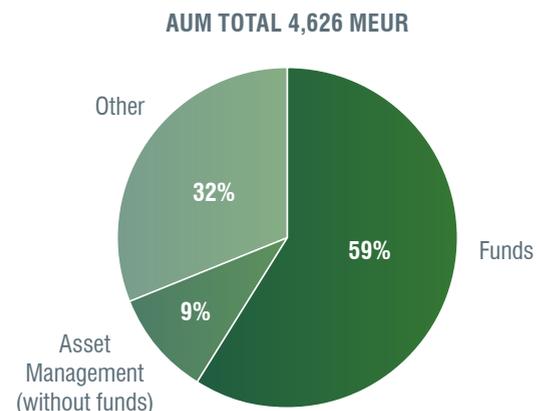
(comparison figures as at 31 December 2021)

During the review period, United Bankers' assets under management decreased to EUR 4,626 million (EUR 4,800 million), signifying a drop of 3.6 per cent from the level at the turn of the year. The general poor market conditions had an adverse impact on the development of assets under management. Both the equity and the fixed-income markets exhibited a major decline in the first part of the year. In the equity market, the returns of the half-year period were among the slimmest in decades, and also the performance of fixed-income investments proved exceptionally weak. Amidst the market turmoil, real estate and forest funds swam upstream, offering investors positive returns. A substantial share of United Bankers' assets under management is invested specifically in real estate and forest funds. As a result, the poor investment market development had less impact on the capitals compared to the market performance in general.

Accelerating inflation and the war in Ukraine added to the investors' concerns, and redemptions particularly in equity and fixed income funds increased markedly during the first part of the year. Indeed, net subscriptions in United Bankers' equity and fixed income funds remained distinctly on the negative side in the first half of the year. On the other hand, forest and real estate funds, that offer steadier return potential, continued to attract ample new capital and gained net subscriptions totalling EUR 145 million (including the called-in capital of funds operating as limited partnerships) in the first part of the year. Indeed, as a whole, net subscriptions for United Bankers' funds increased to a clearly positive level, while the net subscriptions of other domestic fund management companies remained distinctly negative on average.

United Bankers' strategic objective is to increase the share of products and services in its assets under management that generates on-going fee income. The Group's unique selection of real asset funds plays a focal role in attaining this objective. At the end of the review period, a total of EUR 3,161 million of United Bankers' assets under management were invested in funds or discretionary asset management. This equals over two thirds of the assets under management. At the end of the review period, a total of EUR 2,727 million (EUR 2,773 million) was invested in funds. Owing to the favourable return performance of forest and real estate funds and thanks to the new capital attracted by these funds, the capitals of real asset funds increased in the first part of the year to EUR 1,829 million (EUR 1,673 million). At the end of June, the proportion of real asset fund capital of all fund capitals amounted to 67 per cent (60 per cent) and to 40 per cent (35 per cent) of all the Group's assets under management.

During the first part of the year, the number of United Bankers' clients increased to approximately 14,200 clients (14,100).



CEO'S REVIEW

PATRICK ANDERSON



The start of the year 2022 turned our sights from the pandemic towards a cruel war in the middle of Europe. The barbaric attack on Ukraine was a shock to the entire civilized world and we have for our part, both as a company and as individuals, sought to support the Ukrainians amidst the war. Alongside immeasurable human suffering, the war has major political and economic impacts. During the first part of the year, the equity and fixed-income markets declined severely, while inflation, propelled particularly by energy prices, soared to its highest level in decades. Interest rate hikes by central banks, the gradual abatement of the expansionary monetary policy and real interest rates plummeting ever deeper below zero are an actual fact. For European wealth management companies, this new operating environment has on average been fairly challenging. Alongside a discernible decline in asset values, equity and fixed income wealth managers have witnessed exceptionally sizeable redemptions. From funds registered in Finland alone, more than EUR 3.2 billion worth of assets were redeemed in the first part of

the year. For wealth management companies offering alternative solutions, on the other hand, the novel operating environment has offered opportunities for growth – both in relative and in absolute terms. Indeed, for United Bankers, the first part of the year 2022 marked the second-best half-year period over its operating history of 35 years and the best first part of the year ever. Bearing in mind the exceptional circumstances, this is a great achievement. Our business is no longer fluctuating alongside stock market, as it did back in the days, instead it today correlates increasingly with the performance of the real estate and timberland markets.

The revenue of the United Bankers Group increased in the first part of the year by 11.0 per cent, to EUR 23.4 million. Our adjusted operating profit, in turn, increased by 16.4 per cent, to EUR 7.4 million, and earnings per share grew by 23.1 per cent, to EUR 0.53. Our cost-to-income ratio improved to 0.67 (0.69). In the wealth management segment, net fee income increased by 24.2 per cent, to

EUR 20.0 million, with the EBITDA increasing by 36.4 per cent, to EUR 9.4 million. The net fee income of the capital markets services segment, in turn, declined by 37.6 per cent, to EUR 1.0 million, with the EBITDA plunging by 86.2 per cent, to EUR 0.1 million. Even amidst the uncertainty, we succeeded in gaining net subscriptions totalling EUR 71.3 million for our funds, but our assets under management decreased, nevertheless, owing to the adverse market environment of the first part of the year, by 3.6 per cent, to EUR 4.6 billion. Despite the decline in assets under management, the net income from funds increased by 28.6 per cent from the comparison period. The proportion of real asset funds from the fund capital also reached a new record, increasing from 60 per cent to 67 per cent.

In spite of the colossal redemptions within the Finnish fund market, our clients swam upstream and increased their investments both in our funds and in our asset management, amidst the turmoil. Both real estate and forest offered our clients predictable positive returns during the review period, which was rewarded with positive net subscriptions worth a total of EUR 145 million in these two fund families. Indeed, the evolution of assets under management has been positive specifically in our real estate and forest funds offering returns steadier than the equity market. The amount of the assets invested in these funds increases the potential for performance fees going forward, but also reduces the fluctuation of the key figures of our company thanks to the growing management fees. All and all, our strategic focus on real assets signified, in addition to growing customer demand, growth both in the company's revenue and in its profitability.

Real asset investment solutions comprise one of the most profitable segments of the company's wealth management business. Alongside the development that has remained strong, they also provide the company's business operations exceptionally good built-in protection against inflation. With inflation elevating real asset values, this entails a growth both in the returns received by our clients and in the performance fees accrued by the company.

Also the company's expenditure increased during the first part of the year. In addition to the growth in the number of personnel, costs were increasingly incurred during the first part of the year also from investments in internationalization, our new private equity fund, as well as responsibility. These investments are expected to generate new cash flows as of the second half of the current year. Thanks to the positive development of the company's business in the first part of the year, our near-future outlook remains stable, and we are not making any changes to the financial guidance for the entire year concerning the level of the company's adjusted operating profit: We continue to estimate, as we did in February, that our adjusted operating profit will remain somewhere close to the record-breaking level of 2021.

I would like to extend my gratitude to United Bankers' clients and shareholders for their enduring trust also in the current year. I am also incredibly thankful to our highly committed UB team for going out of their way for our clients. The efforts we have exerted in the first part of 2022 have laid down an excellent foundation for continuing to create value for our clients and other stakeholders, as well as for ensuring the continued profitable growth of our company for the remainder of the year and in the years to come.

A handwritten signature in black ink, consisting of a large, stylized initial 'P' followed by a long, horizontal, wavy line that tapers off to the right.

OPERATING ENVIRONMENT



Following the vigorous economic recovery measures in the aftermath of the coronavirus pandemic and the prolonged positive performance within the investment markets, the economic outlook took a distinct turn towards a gloomier direction at the beginning of 2022. During the spring, the principal concerns surfacing in the market included the rapidly accelerating inflation, along with projections of stagnation in economic growth entailed by the tightening monetary policy of central banks. The disruptions in supply ensuing from the coronavirus pandemic continued to create inflationary pressure. Furthermore, the war of aggression instigated by Russia against Ukraine in February served to further accelerate inflation, as the prices of energy and raw materials soared.

In late 2021, inflation was still being regarded even in the commentaries of central banks as a transitory phenomenon that would begin to recede once economic activity normalized following the coronavirus pandemic. However, the war in Ukraine and the strict restrictions continued by China in an effort to halt the coronavirus pandemic entailed that inflation continued to accelerate during the spring. Indeed, in June, inflation peaked at the highest level it

has been for forty years. In the United States, inflation increased to as high as 9.1 per cent and within the eurozone to 8.6 per cent.

The rapid rise in long-term interest rates resulting from the tightening monetary policy stirred fears of a severe slowdown in economic growth. The war in Ukraine hampered the economic outlook even further first and foremost in Europe, but also in other parts of the world. For the economic development of Europe, the principal concern related to the dependency of numerous European countries on natural gas delivered from Russia. For Germany, for instance, the risk of an impending recession increased significantly during the spring. The uncertainty entailed by the effects of the war in Ukraine was reflected in the economy also more extensively, inter alia, via deteriorating corporate and household confidence.

As a result of the grimmer economic outlook, the equity markets took a strong downward turn in the first part of the year after the ascending trend that had continued for quite some time. At the end of June, stock market indexes dropped by 20.6 per cent in the United States (S&P 500 price index), by 16.5 per cent in Europe

(STOXX Europe 600 price index) and by a staggering 21.2 per cent in Finland (OMX Helsinki Cap price index) from the level at the turn of the year. In the United States, the performance of the half-year period was the weakest it has been in fifty years. Even the fixed-income markets exhibited exceptional volatility during the first part of the year. For instance, the values of global government bonds declined by 14.8 per cent, investment grade bonds by 15.6 per cent, and high yield bonds by 16.9 per cent.

In the Nordic real estate market, the transaction volumes in the first half of the year remained at the level of the record-high figures of the first part of 2021, with transactions reaching EUR 30 billion. In terms of the transaction volume, the comparison period figures were even exceeded. The accelerating inflation and rising interest rate level were at times reflected in the pricing of objects and as budding cautiousness among investors. The real estate market continued, however, to attract investors thanks to the inflationary protection it offers. Foreign investors' interest in Finland's real estate market remained at the level of the corresponding period in the preceding year.

The operating environment within the forestry sector remained favourable for timberland property investors, albeit the war in Ukraine and the impaired economic outlook brought about increased uncertainty in the market. During the first half of 2022, timber trade volumes in Finland were lower compared to the comparison period, but the transaction volumes picked up distinctly towards the summer months. In timber prices, the first part of the year equally exhibited a rising trend, and in June, the real median prices of timber already clearly exceeded the prices in the preceding year, as well as the long-term average. Furthermore, the prices of forest properties continued on an upward trend in the prevailing market conditions both in Finland and in the Baltics.

The first effects of Russia's war of aggression on the forestry sector manifested themselves through the scarcity of timber raw material and timber products, when exportation from Russia, Belarus and Ukraine ebbed. This, in turn, supported the positive price development of timber, inter alia, in Finland and the Baltics, as substi-

tute demand for end-products and hence increasing demand for timber was targeted specifically to these countries.

During the first part of the year the heightened uncertainty among investors was reflected in the general demand for wealth management services and funds. According to Investment Research Finland's Fund Report for June, a large number of capital was redeemed from Finnish investment funds during the first half of the year. The capitals of funds managed by fund management companies registered in Finland also declined as a result of the poor market performance. At the end of June, the combined fund capitals had declined by as much as 16 per cent, to EUR 133 billion, when at the end of 2021 they were still at EUR 159 billion. During the first part of the year, net subscriptions for funds registered in Finland were EUR 3.2 billion on the negative side. Capitals were being redeemed both from equity and fixed-income funds. Alternative investment funds, which also includes real estate and forest funds, on the other hand, continued to grow their popularity and welcomed positive net subscriptions during the first part of the year. The market conditions became substantially weaker also from the perspective of capital markets transactions and mergers and acquisitions, and the activity level in capital markets services declined considerably from the record year of 2021.

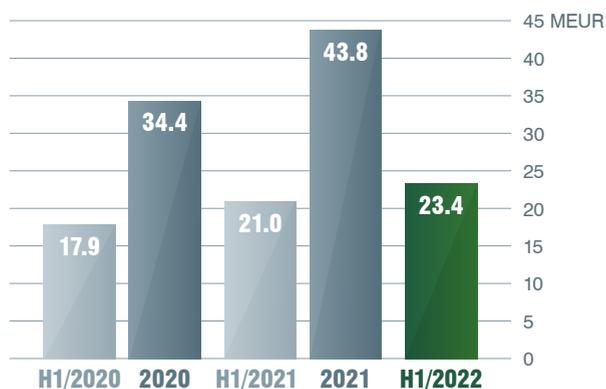
Financial services sector is heavily impacted by the EU's regulation on sustainable financing. The Sustainable Finance Disclosure Regulation (SFDR) requires that investors will be provided with sustainability-related information and that investment products are classified under different categories depending on their level of sustainability. During the spring, companies operating within the industry were preparing for the adjustment that became effective in August 2022, obligating the investment services provider to ascertain their client's sustainability preferences through a suitability assessment and to adjust the selection of financial products recommended to the client in accordance with such preferences. The EU-level disclosure and reporting obligation to investors in sustainability questions ensuing from the regulation of sustainable financing will be further expanded in the coming years.

GROUP REVENUE AND PROFIT PERFORMANCE FOR JANUARY-JUNE 2022

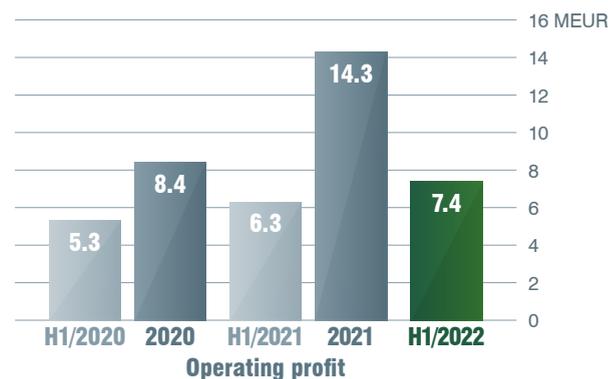
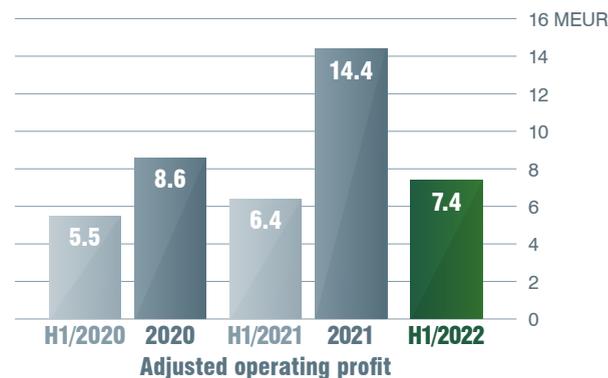
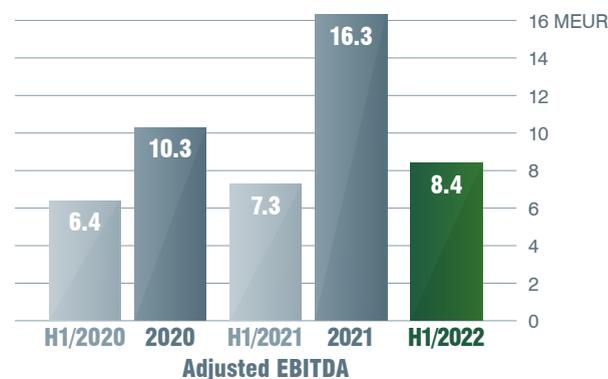
(comparison figures 1-6/2021)

Once again, United Bankers' strategy focusing on real asset investment solutions proved itself in the early part of 2022 and the Group managed to increase its revenue and adjusted operating profit despite the extremely challenging market environment. During the review period, the revenue of the United Bankers Group (income from operations) increased to EUR 23.4 million (EUR 21.0 million), entailing an increase of 11.0 per cent from the comparison period. The Group's adjusted EBITDA for the review period increased by 15.7 per cent to EUR 8.4 million (EUR 7.3 million). The adjusted operating profit increased to EUR 7.4 million (EUR 6.4 million), with an increase of 16.4 per cent from the comparison period. The Group's operating profit amounted to EUR 7.4 million (EUR 6.3 million) and it increased by 18.2 per cent from the comparison period in the preceding year. Earnings per share amounted to EUR 0.53 (EUR 0.43).

REVENUE DEVELOPMENT



KEY FIGURES



The percentage of income from funds out of all of the fee income of the Group continued to rise. Net income from funds already accounted for 86 per cent of the net fee income of the wealth management business and 82 per cent of the entire net fee income within the Group. The amount of management fees increased, even though fund capitals as a whole decreased somewhat from the level at the turn of the year. The underlying reason for this was the transfer of capitals to funds more profitable for the company, particularly into real estate and forest funds. Indeed, their capitals increased by over one third from the comparison period. A considerable portion of management fees accrued specifically from real estate and forest funds.

The positive results performance of the wealth management business was also impacted by the strong growth in the fund performance fees. In the difficult market environment, real estate and forest funds offered positive returns while simultaneously the returns from the equity and fixed-income markets on average remained markedly negative in the first part of the year. The fees from asset management, including discretionary asset management, decreased to a level slightly below the preceding year, while in relation to structured products, the market conditions were more favourable for the issuance of new products, and the fee income received from same increased during the review period.

The revenue and profit of the capital markets services segment declined relative to the strong comparison period, as the uncertain market conditions were reflected in the service demand. Furthermore, the dwindling operations of UB Finance Ltd, providing an online corporate lending platform, continued to impair the profitability of the business segment.

The business segment-specific figures have been set forth in more detail in the following sections describing the performance of the business segments.

As a whole, the company's expenditure increased from the comparison period. Administrative costs, including personnel and other administrative costs, amounted to a total of EUR 12.0 million (EUR 10.6 million), a growth of 13.2 per cent. Personnel costs increased by 5.5 per cent from the comparison period, to EUR 8.6 million (EUR 8.2 million). The personnel costs increased particularly as a result of an increase in fixed salaries, with variable salaries decreasing from the comparison period. The number of personnel, converted into full-time employees, increased and amounted to 149 persons at the end of June (137 persons as at 31 December 2021). Of this number, a total of 9 persons were fixed-term personnel (8 persons as at 31 December 2021).

United Bankers' investments in building its international sales network and launching the operations of its private equity fund investing in the forestry sector are reflected in the growth of both personnel and other costs. These investments that support future growth are expected to generate income flows starting from the latter part of the year. In the spring, United Bankers renewed its online services where customers can follow the performance of their investment portfolios and do electronic transactions. An extensive technical reform was conducted within the service, enabling the increasingly efficient and flexible further development of the service. United Bankers is continuing to further develop its IT systems and digital services, with the aim of optimising business operations and creating first-class client experiences. The company is also continuing with its work in the sphere of sustainable investment regulation and advancing the responsibility of funds. The cost-to-income ratio improved from the comparison period to 0.67 (0.69).

BUSINESS SEGMENTS

WEALTH MANAGEMENT SEGMENT

The United Bankers' wealth management business segment encompasses funds, asset management and structured investment products.

United Bankers is a forerunner in real asset investments in the Nordic market. The United Bankers fund selection includes versatile

real asset funds, including funds investing in direct real estate, funds investing in listed real estate and infrastructure companies, as well as forest funds. Additionally, United Bankers' fund assortment includes equity, fixed income and multi-strategy funds.

FEE INCOME FROM THE WEALTH MANAGEMENT BUSINESS SEGMENT

WEALTH MANAGEMENT EUR 1,000	1-6/2022	1-6/2021	change %*	1-12/2021
FUNDS				
Management fees	11,218	9,148	22.6	19,273
Performance fees	6,924	4,753	45.7	11,504
Subscription and redemption fees	790	1,023	-22.8	1,883
Income from funds	18,932	14,924	26.9	32,659
Fee and commission expenses	-1,628	-1,471	10.7	-2,994
Net income from funds	17,304	13,453	28.6	29,665
ASSET MANAGEMENT				
Income from asset management	2,738	3,088	-11.3	6,506
Fee and commission expenses	-692	-975	-29.1	-1,793
Net income from asset management	2,045	2,113	-3.2	4,713
STRUCTURED PRODUCTS				
Income from structured products	832	782	6.4	1,177
Fee and commission expenses	-132	-208	-36.4	-249
Net income from structured products	700	574	21.9	928
GROSS FEE INCOME FROM WEALTH MANAGEMENT	22,502	18,794	19.7	40,342
NET FEE INCOME FROM WEALTH MANAGEMENT	20,050	16,140	24.2	35,307

* The percentage change has been calculated using the actual figures, the figures shown in the table have been rounded.

The development of the fee income from the Group's wealth management business segment continued strong during the review period. Gross fee income increased by 19.7 per cent from the comparison period and amounted in total to EUR 22.5 million (EUR 18.8 million 1-6/2021). United Bankers succeeded, in line with its strategic objective, in increasing the funds proportion of the fee income of the wealth management business. Fund income increased to EUR 18.9 million (EUR 14.9 million), representing a growth of 26.9 per cent from the comparison period. The growth was particularly steep in the fund performance fees, being 45.7 per

cent higher than in the comparison period, but also the development of management fees was positive, with an increase in same of 22.6 per cent. Asset management fees fell short of the level of the comparison period by 11.3 per cent, totalling EUR 2.7 million (EUR 3.1 million), with the weak market development being reflected in the returns of the asset management portfolios. Fee income from structured investment products increased by 6.4 per cent to EUR 0.8 million (EUR 0.8 million). Net fee income from wealth management business segment increased by 24.2 per cent, to EUR 20.0 million (EUR 16.1 million).

PROFITABILITY OF THE WEALTH MANAGEMENT BUSINESS SEGMENT

WEALTH MANAGEMENT EUR 1,000	1-6/2022	1-6/2021	change %*	1-12/2021
REVENUE	22,528	18,819	19,7	40,401
Fee and commission expenses	-2,452	-2,654	-7.6	-5,036
Administrative and other operating expenses	-10,702	-9,293	15.2	-19,199
EBITDA	9,374	6,872	36.4	16,167

* The percentage change has been calculated using the actual figures, the figures shown in the table are rounded

The expenditure of the wealth management business segment increased compared to the comparison period. The factors underlying the increase in costs include, inter alia, the aforementioned investments exerted towards progressing international sales and building a network. Nevertheless, the growth in the EBITDA of the wealth management segment was strong and during the review period, it increased to EUR 9.4 million (EUR 6.9 million), signifying an increase of 36.4 per cent from the comparison period.

Despite the uncertainty prevailing in the investment markets, the sales of United Bankers' wealth management products and services were moderate. Indeed, the total sales of the wealth management segment nearly reached the level of the strong comparison period, equalling EUR 320 million (EUR 322 million). A particularly strong sales result was attained in June, with United Bankers' forest and real estate funds attracting ample new capital. In total, net subscriptions for United Bankers' funds increased in the first part of the year to more than EUR 71 million. The figure includes the called-in capital of funds operating as limited partnerships.

In addition to funds, also demand for discretionary asset management, as well as the Private Investment Office wealth management services geared towards high networth clients remained strong, and the services raised a total of EUR 55 million in new capital. In recent years, the focus area of sales has been systematically steered towards solutions generating recurring revenues. Indeed, the share of funds, discretionary asset management and Private Investment Office services of the total wealth management sales amounted to approximately 90 per cent.

In Sweden, wealth management sales also exhibited positive development in the first part of the year, with the popularity of forest funds for their part propelling the performance of the sales of United Bankers' branch in Sweden. In fact, United Bankers is in Sweden known specifically for its real asset investment solutions. The assets managed by the Swedish branch surged to a new record at the end of June. United Bankers aims to grow the sale of real asset funds also in other parts of Europe. The progression of international sales gained new momentum once the restrictions related to the coronavirus pandemic were lifted.

The sales of structured investment products picked up compared to the comparison period. During the review period, United Bankers introduced 14 new structured investment products into the market (16 loans 1-6/2021), with their aggregate sales amounting to EUR 23.7 million (EUR 18.4 million). A discernible change occurred in the market conditions for structured investment loans during the review period. As a result of the strong rise in inflation, central banks began raising their key interest rates, which, in turn, was reflected as a marked increase in market interest rates, from the very low levels that had prevailed for a long time. This, combined with the increased market volatility, facilitated the easier construction of investment products on terms more attractive than previously. Particularly the return levels of products linked to the credit risk improved considerably as a result of the increase in the general interest rate level and risk premiums, resulting in a substantial increase in the sale of these products compared to the comparison period. The sale of equity-based products continued at a steady pace during the review period, but the emphasis in the sale of investment products was heavily in credit risk products.



REAL ESTATE FUNDS

In the first part of the year, the activity in the Nordic real estate market remained at the level of the record-breaking year 2021, both in terms of the transaction volume and the number of transactions. Traditionally, real estate has served as a safe haven for investors, and in the demanding market environment of the first part of the year, the significance of real estate funds in a well-diversified investment portfolio was accentuated. The popularity of United Bankers' real estate funds continued strong, with investors seeking stable investment instruments generating cash flow and offering a hedge from inflation. During the review period, the UB Finnish Property Fund (AIF) and UB Nordic Property Fund (AIF) raised net subscriptions totalling over EUR 56 million. Their low correlation with the equity market, inflation-linked rental income and well-diversified real estate ownership contributed to both funds attaining their target returns.

During the first part of the year, UB Nordic Property Fund (AIF) acquired three new properties: an industrial and warehouse property in Stavanger, Norway, an office and warehouse property in Oslo, and an industrial property in Denmark. In June, the fund sold its holding in a minor logistics property portfolio located in Sweden. The rental income from the property no longer met the fund's return requirements. The transaction actualised in a nearly 20-per cent annual return for the fund.

UB Nordic Property Funds (AIF) strategy is to invest in real estate that provides steady returns and is located in Finland and in the

rest of the Nordic countries. The fund's investments include, inter alia, industrial and retail properties, offices, and plots. In terms of its investable capital, UB Nordic Property Fund (AIF) is United Bankers' largest fund. At the end of June, the gross asset value (GAV) of the fund had increased to over EUR 464 million and the fund's total market value of properties had increased to EUR 499 million. The return generated by the UB Nordic Property Fund (AIF) during the first part of the year totalled 5.89 per cent (I series).

The first part of the year was highly active for the UB Finnish Property Fund (AIF). The fund acquired nine real estate assets. Furthermore, two community properties were completed under the ownership of the fund. In addition, the Kaleva residential construction project in Tampere progressed as planned. The Kaleva project will be completed at the end of December 2022.

UB Finnish Property Fund (AIF) invests in real estate assets that are located in Finland and offer steady returns. Investment assets include plots, offices, residential, community, logistics and warehouse properties; as well as other suitable real estate assets. In terms of location, the emphasis is on the Helsinki Metropolitan region and growth centres. At the end of June, the total gross asset value (GAV) of the UB Finnish Property Fund (AIF) was EUR 228 million, and the fund's total market value of properties amounted to EUR 199 million. The return generated by the fund in the first part of the year amounted to 2.85 per cent (I series).



FUNDS INVESTING IN THE SHARES OF LISTED REAL ESTATE AND INFRASTRUCTURE COMPANIES

United Bankers has four regional funds investing in the shares of listed real estate companies, i.e., REITs: UB Asia REIT Plus, UB Europe REIT, UB Global REIT and UB North America REIT.

Akin to other shares, the shares of listed real estate companies were adversely impacted by rising interest rates, with investors re-assessing the valuations of companies. Furthermore, the increased interest rates affect the loan servicing expenses of companies, undermining their earnings outlook. The fall in the share prices of listed real estate companies entailed a notable decline in the companies' valuation, relative to the valuations of the direct real estate market, and during the first part of the year the valuation difference increased to unprecedented proportions. The challenging market environment was also reflected in the returns of United Bankers' REIT funds, all of which remained negative in the first part of the year.

United Bankers has two funds investing in the shares of infrastructure companies: UB Infra, which invests globally within the OECD countries, and UB EM Infra, investing in the developing markets.

In the first half of 2022, the infrastructure stocks of developing countries underwent a correction, similarly to the remainder of the equity market. However, the decline was considerably more minor than within the equity market on average. The performance of infrastructure companies lies on a solid foundation and the pressure of impaired results as the economic growth decelerates is lesser than within the equity market in general.

The infrastructure shares of developing markets, on the other hand, appreciated in the first part of the year, as the recovery of the markets after the coronavirus pandemic continued. However, the spread of new variants of COVID-19 delayed the return to normal, especially in China. The UB EM Infra fund proved to be one of the few funds investing in the equity market that reached a positive return level in the first part of the year. The fund's returns for the first six months amounted to 3.44 per cent.

In the uncertain market environment of the first part of the year, investors were generally redeeming their assets from equity funds. This phenomenon was also reflected in United Bankers' REIT and Infra funds and the total amount of net subscriptions from the first part of the year was EUR 10.5 million on the negative side.



FOREST FUNDS

Forest assets are a great fit for the world of responsible investment – a well-managed forest is a substantial carbon storage and sink. Additionally, forest as an investment object offers protection against inflation and has a low correlation with the performance of the equity market. Indeed, the popularity of timberland investing has continued to mount in the past few years, and today timberland is viewed as an essential asset class among others.

United Bankers' forest funds offer investors a diversified and professionally managed timberland portfolio that enables an effortless method of investing in an interesting real asset class. The United Bankers' forest fund selection features three funds investing directly in forest properties: UB Timberland Fund (AIF) and UB Nordic Forest Fund II LP invest in forest properties in Finland; UB Nordic Forest Fund III LP, in turn, invests in forest properties within the Baltic Sea region. UB Timberland Global Fund (AIF) invests globally in forests, forest industry and the further processing of forest industry end-products.

The interest exhibited by investors towards United Bankers' timberland investment solutions continued strong. The UB Timberland Fund (AIF) investing in Finnish forest properties welcomed in its March and June subscription windows net subscriptions totalling nearly EUR 68 million. Furthermore, in March, UB Nordic Forest Fund III called in EUR 17.8 million worth of capital. This represented the last instalment of the fund's investment commitments totalling EUR 111.45 million. The UB Nordic Forest Fund II fund has been closed to new investments.

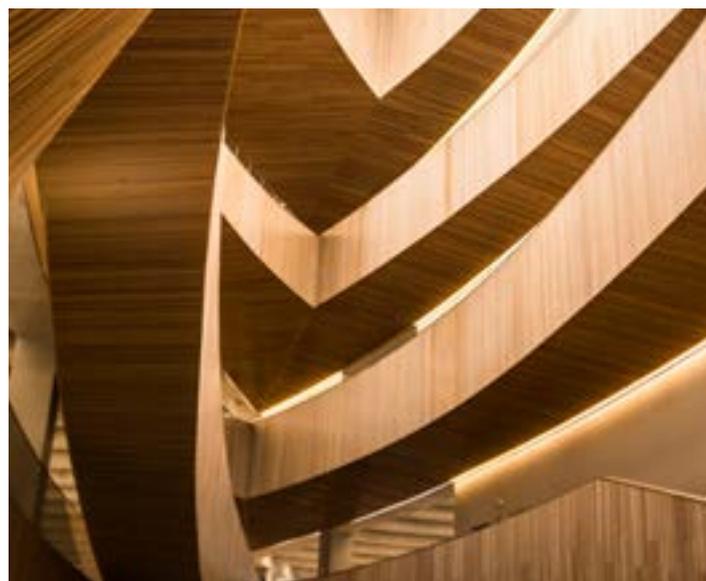
The so-called soft close effective in the UB Timberland Fund as of 15 March 2021 was lifted in March 2022. Owing to the subscriptions made in June, however, the proportion of the fund's cash assets once again increased to a level distinctly higher than the targeted level, owing to which the soft close was re-introduced in the fund following the June subscription window. The soft close was implemented through increasing the fund's subscription fee to 10 per cent of the subscription amount with the resolution of the

Board of Directors of UB Management Company Ltd. The measure seeks to secure the fund's return expectation and the interests of the unitholders.

During the first part of the year, UB Nordic Forest Fund III continued to acquire forest properties aligned with its investment policy in Finland and the Baltics. The investment activities were facilitated by the active forest estate market. Owing to a severe price increase in the Estonian forest estates, the fund focused its acquisitions to objects meeting the investment criteria in other target markets. At the end of June, the aggregate surface area of the properties owned by the UB Nordic Forest Fund III fund amounted to approximately 33,000 hectares, of which approximately 14,500 hectares in Finland, approximately 6,500 hectares in Estonia, approximately 10,400 hectares in Latvia and approximately 1,600 hectares in Lithuania.

At the close of the review period, the capitals of the four United Bankers' funds investing in the forestry sector: UB Timberland Fund (AIF), UB Timberland Global Fund (AIF) as well as UB Nordic Forest Fund II and III LP private equity fund amounted in total to EUR 590.4 million (EUR 499.5 million on 31 December 2021).

United Bankers is a leading Nordic forest fund house and the fourth largest private forest owner in Finland. The surface area of the estates owned by United Bankers' funds in Finland and in the Baltics totals over 139,000 hectares. Nearly all of the forest properties owned by United Bankers' funds in Finland and in the Baltics, totalling approximately 137,700 hectares, are being certified under the PEFC™ and the vast majority also with the FSC® certificate¹. Certification serves to demonstrate that the forest treatment is economically, socially and ecologically sustainable.



The fundraising and preparations for the launching of the investment activities of the UB Forest Industry Green Growth Fund I LP private equity fund, investing its assets in the shares of unlisted forestry and bioproduct industry companies progressed well during the review period, but owing to the due diligence processes of a few of the relevant institutional investors, the launch of the fund's operations was postponed to the latter half of the year. The fund will be an excellent addition to the United Bankers fund product assortment by providing alongside funds investing in forest land the alternative to participate in the ventures of the timber processing industry. The full expenditure incurred from launching the operations of the fund took a toll on the result for the first part of the year, with income not being generated until after the fund commences operation.

¹ There are two large certification systems in use internationally: FSC and PEFC. FSC is a system used by environmental and nature organisations. PEFC, in turn, is a system endorsed by forest owners' organisations and the forest industry. There are no significant differences between the criteria employed by the systems, albeit FSC places a slightly higher emphasis on factors related to the environment and the protection of same. Approximately 85 % of Finnish forests are PEFC-certified and just under 10 % are FSC-certified.

CAPITAL MARKETS SERVICES BUSINESS SEGMENT

United Bankers' capital markets services encompass the services of its subsidiaries UB Securities Ltd and UB Finance Ltd. UB Securities is an expert in investment banking services and the

company acts as an advisor in e.g. corporate transactions, initial public offerings, share issues and bond emissions. UB Finance offers a web-based corporate lending platform.

FEE INCOME FROM THE CAPITAL MARKETS SERVICES BUSINESS SEGMENT

CAPITAL MARKETS SERVICES EUR 1,000	1-6/2022	1-6/2021	change %*	1-12/2021
Gross fee income from capital markets services	1,060	1,790	-40.8	2,963
Fee and commission expenses	-20	-125	-84.1	-253
NET FEE INCOME FROM CAPITAL MARKETS SERVICES	1,040	1,665	-37.6	2,710

* The percentage change has been calculated using the actual figures, the figures shown in the table are rounded

The growing uncertainty in the economy impaired the demand for capital markets services compared to the record-breaking level of 2021. The gross fees from United Bankers' capital markets services business decreased during the review period to EUR 1.1

million (EUR 1.8 million 1-6/2021) and the net fee income for the segment totalled to EUR 1.0 million (EUR 1.7 million). The EBITDA of the business segment declined during the review period to EUR 0.1 million (EUR 1.0 million).

PROFITABILITY OF THE CAPITAL MARKETS SERVICES BUSINESS SEGMENT

CAPITAL MARKETS SERVICES EUR 1,000	1-6/2022	1-6/2021	change %*	1-12/2021
REVENUE	1,005	1,994	-49.6	3,072
Fee and commission expenses	-20	-125	-84.1	-253
Administrative and other operating expenses	-851	-900	-5.4	-1,602
EBITDA	134	969	-86.2	1,218

* The percentage change has been calculated using the actual figures, the figures shown in the table are rounded

The operating environment in the capital markets shifted, becoming considerably more uncertain compared to 2021, when capital markets transactions along with mergers and acquisitions were carried out at a record-breaking pace. However, for UB Securities, providing capital markets services within the Group, the first half of the year was active, and it participated in, as well as carried out, numerous capital markets transactions, despite the challenging market environment. In March, UB Securities acted as the advisor for Herantis Pharma Plc in a directed share issue implemented as a private placement arrangement. Later in the spring, also a rights issue was carried out for Herantis Pharma. The rights issue was organised both in Finland and Sweden, because Herantis is listed on the Nasdaq First North Growth Market in both countries. A directed share issue in the form of a private placement arrangement was carried out for Optomed Plc, listed on the official list of the Helsinki Stock Exchange, with UB Securities acting as the lead arranger.

UB Securities is acting as the Certified Advisor for Arctic Minerals AB (publ) in the Nasdaq First North Growth Market in Sweden, as Herantis Pharma Plc's Certified Advisor in the Nasdaq First North Growth Market in Finland and Sweden, as well as the Certified Advisor for Solwers Plc and Aiforia Technologies Plc in the Nasdaq First North Growth Market in Finland.

As concerns the online corporate lending platform offered by UB Finance Ltd, in April the Board of Directors of UB Finance passed a resolution of no longer intermediating new loans via the service. United Bankers aims to wind down the non-profitable business operations of UB Finance once the existing loans and interest accrued have been paid out to the investors. The closure of the service will not have any material impact on the business of the Group or on its financial outlook.

BALANCE SHEET AND CAPITAL ADEQUACY

(comparison figures as at 31 December 2021)

The balance sheet total of the United Bankers Group as at 30 June 2022 amounted to EUR 64.3 million (EUR 78.2 million). The consolidated shareholders' equity amounted to EUR 40.9 million at the end of the review period (EUR 44.3 million). The cash assets of the Group amounted as at 30 June 2022 to EUR 9.9 million (EUR 14.3 million). The Group has at its disposal a credit line of EUR 3 million, which at the end of the review period remained undrawn. The Group has paid off a previously drawn down loan of EUR 2.0 million after the review period, on 13 July 2022.

Own funds requirement (IFR) of the United Bankers Group as at 30 June 2022 was determined based on fixed overhead costs. At the end of the review period, the capital adequacy of the Group was at a very good level.

The Group's common equity tier 1 capital (CET 1) as at 30 June 2022 amounted to EUR 13.9 million (EUR 12.7 million) and the Group's own funds relative to the required minimum own funds requirement amounted to 321.0 per cent (311.4 per cent). The Group's capital adequacy ratio was 25.7 per cent (24.9 per cent), which is clearly above the regulatory minimum requirement of 8 per cent. The Group management has set a minimum capital adequacy target level of 13 per cent. The Group's equity ratio as at 30 June 2022 amounted to 63.5 per cent (56.7 per cent).

Further information on the Group balance sheet and capital adequacy has been set forth in the tables section of the half-year financial report.



SUSTAINABILITY

The significance of sustainability within the financial services industry continues to grow. Investors' expectations, the long-term development of the operations, along with the proliferating regulation, are steering United Bankers' responsibility work. The company is committed to considering sustainability-related matters in its everyday work, both in portfolio management and in customer service. The sustainability aspect is a crucial factor also in the design and development of products and services.

SUSTAINABILITY FOCUS AREAS IN THE FIRST PART OF 2022

United Bankers' responsibility organisation was reinforced during the first part of 2022. A new Head of ESG commenced working for the Group in February. Additionally, an ESG analyst was recruited to join the responsibility team, who has started in the position in August. The composition of the United Bankers Sustainable Investment Steering Group was expanded and its role clarified, so as to ensure that the composition and sphere of operation of the steering group in future caters better to the development needs of the

responsibility of the organisation. Furthermore, the website describing the company's sustainable investment activities was renewed.

United Bankers devises an annual responsibility report of its investment activities. The annual Responsible Investment Report 2021 and the fund-specific responsibility reports were published in the spring of 2022. United Bankers also updated its Principles of Responsible Investment in May 2022. The updated principles contain the fundamental principles relating to the environment, society and good governance that steer the company's operations.

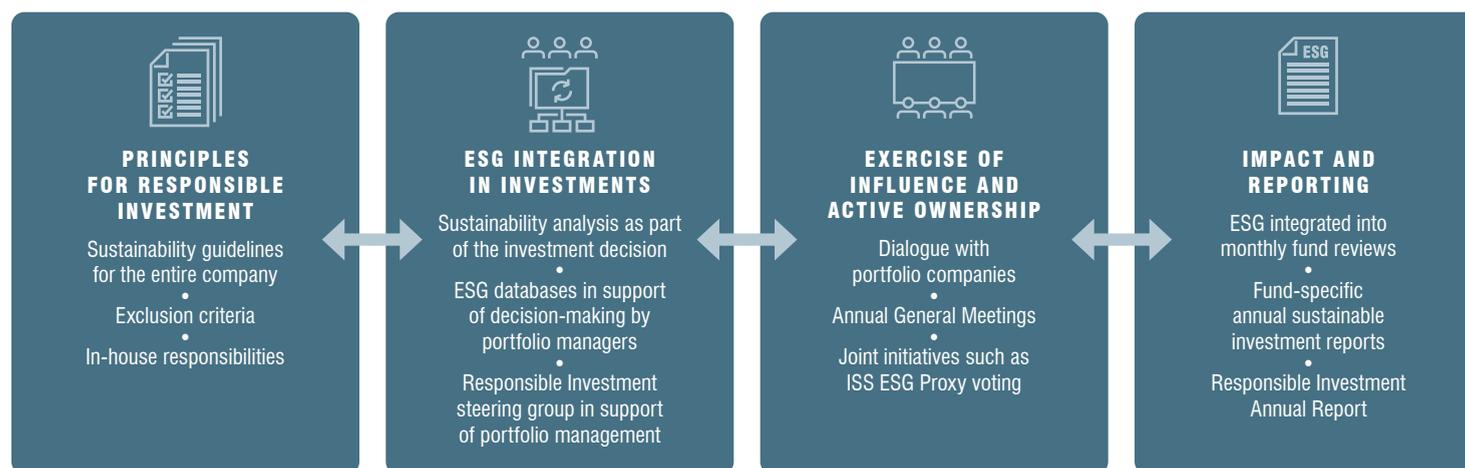
In June 2022, United Bankers published information concerning the responsibility classifications of its funds pursuant to the EU's Sustainable Finance Disclosure Regulation SFDR. 95 per cent of United Bankers' funds have been classified as green investment products under the SFDR (dark green in accordance with Article 9 of the SFDR or light green in accordance with Article 8 of the SFDR). Furthermore, 21 per cent of United Bankers' funds are committed to making investments that qualify as fully or partially sustainable investments under the EU taxonomy. This is a high result even in an international comparison.

As of the beginning of August 2022, the regulation requires that customers' sustainability preferences are considered in investment advice. During the spring, United Bankers conducted a comprehensive examination both of its own products and of the portfolio of products it brokers, from the perspective of customers' sustainability preferences. Going forward, the company will find out in even

more detail the extent to which each client wishes to emphasize factors related to sustainability when choosing investment products. United Bankers also organised an extensive internal training session on the topic for its personnel in the spring of 2022.

Human rights and the materialisation of same play an integral part in social responsibility. During the first half of 2022, United Bankers commenced its active development work relating to human rights and renewed its operating processes so that in addition to the investment portfolio, human rights aspects are in future more systematically considered also in the other activities and in the business relations of the company. During the spring, United Bankers similarly continued its work to develop the assessment of the climate risks ensuing from its operations and portfolios, as well as commenced the determination of the strategic climate targets of the organisation.

United Bankers participates in promoting responsible investment in Finland and internationally. United Bankers' licensed subsidiaries UB Asset Management Ltd, UB Fund Management Company Ltd, UB Securities Ltd and UB Brokerage Ltd became members of Finance Finland in March 2022. In April 2022, United Bankers became a member of the Finnish Venture Capital Association. United Bankers participates actively in the general meetings of the companies owned by its funds. In spring 2022, United Bankers participated in 265 annual meetings via the ISS Proxy Voting service.



RESOLUTIONS OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of United Bankers Plc held on 23 March 2022 under exceptional arrangements, resolved upon the following matters:

Adoption of the financial statements, resolution on the use of the profit shown on the balance sheet and the payment of dividend

The Annual General Meeting of United Bankers Plc adopted the financial statements and resolved in accordance with the proposal of the Board of Directors that based on the balance sheet adopted for the financial period ended on 31 December 2021, a total dividend of EUR 0.80 per share be paid. The Annual General Meeting of Shareholders resolved the ordinary dividend to be EUR 0.70 per share and an anniversary dividend of EUR 0.10 per share to be paid in honour of United Bankers' 35th anniversary. The dividend was paid out on 1 April 2022 to shareholders who on the dividend record date 25 March 2022 were registered in the company's shareholders' register maintained by Euroclear Finland Ltd.

Discharge of the members of the Board of Directors and CEO from liability

The members of the Board of Directors and the CEO were discharged from liability for the financial period of 1 January – 31 December 2021.

Adoption of the Remuneration Report

The Annual General Meeting of Shareholders adopted the Remuneration Report for the Governing Bodies for the year 2021.

Number, election and remuneration of the members of the Board of Directors

The number of the members of the Board of Directors was confirmed to be seven (7). The following members were re-elected: Johan Linder, Antti Asunmaa, Rainer Häggblom, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela. Rasmus Finnilä was

elected as a new member of the Board of Directors. The term of office of the Board of Directors shall expire upon the adjournment of the next Annual General Meeting of Shareholders.

It was resolved to increase the remuneration of the members of the Board of Directors, so that the remuneration of the Chairman of the Board shall be EUR 35,000 (2017–2021: EUR 30,000) and of members of the Board of Directors not employed by the United Bankers Group shall be EUR 25,000 (2017–2021: EUR 20,000). The remuneration encompasses the entire term of office and committee work. Travel expenses shall be reimbursed in accordance with the company's travel policy. Remuneration shall not be paid to members of the Board of Directors employed by the United Bankers Group.

Election and remuneration of the auditor

Oy Tuokko Ltd, a firm of authorised public accountants, was re-elected as the auditor of the company for a period of office expiring at the adjournment of the next Annual General Meeting of Shareholders. Oy Tuokko Ltd has designated APA Janne Elo to act as the auditor with principal responsibility. It was resolved to pay the auditor a fee in accordance with an invoice approved by the company.

Board of Directors' authorisations concerning treasury shares and share issues

The Annual General Meeting of Shareholders authorised the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the company's own shares. The number of own shares to be repurchased and/or accepted as pledge shall not exceed 150,000 shares, which corresponds to approximately 1.44 per cent of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation. The authorisation shall remain in force until the adjournment of the next Annual General Meeting of Shareholders, however, latest until 30 June 2023 and it revokes the authorisation granted by the Annual General Meeting of Share-

holders on 19 March 2021 concerning the acquisition of treasury shares, to the extent it has not been acted upon.

The Annual General Meeting of Shareholders authorised the Board of Directors to decide on the issuance of shares and special rights entitling to shares pursuant to Chapter 10, Section 1 of the Companies Act in one or more lots. The number of shares to be issued based on the authorisation shall not exceed 700,000 shares, which on the day of the Annual General Meeting of Shareholders corresponds to approximately 6.70 per cent of all the shares in the company. The authorisation shall remain in force until the adjournment of the next Annual General Meeting of Shareholders, however latest until 30 June 2023. The authorisation revokes the authorisation granted by the Annual General Meeting of Shareholders on 31 March 2020 to resolve upon a share issue and the granting of special rights entitling to shares, to the extent it has not been acted upon.

The resolutions of the Annual General Meeting of Shareholders in their entirety are available for reading on [the company's website](#) »

Changes in Group Structure

On 16 March 2022 and 22 April 2022, United Bankers Plc's subsidiary providing asset management services, UB Asset Management Ltd, acquired an additional holding of a total of 28.1 per cent of its subsidiary UB Finnish Property Ltd. As a result of the arrangement, UB Asset Management's holding in UB Finnish Property increased to 79.1 per cent. The underlying reason for the arrangement is United Bankers' objective of simplifying its organizational structure.

As part of the arrangement, the Board of Directors of United Bankers Plc resolved to carry out a directed share issue to the vendors. In the directed share issue, the vendors subscribed for new shares in United Bankers Plc in the total amount of 252,046 shares. The subscription price of the shares was EUR 12.83. The acquisition of additional holdings in UB Finnish Property and the directed share issue to the vendors was communicated separately on 16 March 2022 and 22 April 2022.

Furthermore, on 1 April 2022, United Bankers Plc's subsidiary UB Brokerage Company Ltd acquired an additional holding of

approximately 16.7 per cent in its subsidiary UB Finance Ltd. As a result of the arrangement, UB Brokerage's holding in UB Finance increased to 100 per cent.

United Bankers' Shares and Share Capital

United Bankers' share capital amounts to EUR 5,464,225.47. As at 30 June 2022, the total number of shares in the company amounted to 10,693,955. The number of shares increased during the review period by 252,046 shares as a result of a share issue directed to the sellers of UB Finnish Property. Based on the authorization granted by the Annual General Meeting 2020, United Bankers issued a total of 16,385 shares without consideration on 17 March 2022 to the company's management members belonging to the share-based incentive plan. During the first half of 2022 United Bankers repurchased a total of 17,120 own shares based on the authorizations granted by Annual General Meetings of 2021 and 2022. As at 30 June 2022, the company held a total of 58,216 own shares, corresponding to 0.54 per cent of all the shares and votes in the company.

The closing price of the share of United Bankers Plc on 30 June 2022 was EUR 13.50 (EUR 14.20 as at 31 December 2021). The total number of United Bankers' shares traded between the time period of 1 January – 30 June 2022 amounted to 245,587 shares (308,565 shares 1–6/2021). The aggregate market capitalization of the shares as at 30 June 2022 amounted to EUR 144.4 million (EUR 148.3 million as at 31 December 2021).

Shareholders

As at 30 June 2022, the company had a total of 1,325 shareholders (1,278 shareholders as at 31 December 2021). At the end of June 2022, 59.1 per cent of the shares were held by private companies (58.9 per cent as at 31 December 2021) and 29.0 per cent by households (29.4 per cent as at 31 December 2021). The remaining 11.9 per cent of the shares were held by foreigners, financial and insurance institutions, nominee-registered, public sector organizations, as well as non-profit organisations. At the end of the review period, United Bankers' personnel, members of the Board of Directors and tied agents owned a total of approximately 65 per cent of the company's shares.

LARGEST SHAREHOLDERS AS AT 30 JUNE 2022

	Shareholders	Shares	% of shares
1	Oy Castor-Invest Ab	1,200,000	11.22
2	Amos Partners Oy (Asunmaa Antti)	1,089,144	10.18
3	Jarafi Oy (Finnilä Rasmus)	1,078,541	10.09
4	Bockholmen Invest Ab (Anderson Patrick)	598,000	5.59
5	J. Lehti & Co Oy (Lehti Jani)	490,500	4.59
6	Olsio Tom	469,572	4.39
7	Biomerit Oy	428,707	4.01
8	Jouhki Marina	379,695	3.55
9	Linder Cassandra	280,750	2.63
10	Linder Christoffer	280,750	2.63
Largest shareholders total		6,295,659	58.87

Events After the Review Period

Pursuant to the permission granted by the Financial Supervisory Authority on 10 August 2022, the management of Visio Allocator Fund and Visio Compounder (UCITS) will be transferred from UB Fund Management Company Ltd to another fund company as of 1 October 2022. The transfer of the management is not anticipated to have any significant impact on the revenue or operating profit of the United Bankers Group during the current or next financial period.

Risk management and business risks

The fundamental risks of the United Bankers Group comprise: strategic risks pertaining to strategic choices, commissioning of new products and services and changes in the operating environment; operative risks, including procedural, process, systemic and information security risks, as well as financial risks, the most fundamental of which include market, liquidity, credit and foreign exchange risks.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS FOR THE NEAR FUTURE

The most important of the Group's risks relate to market development as well as the impacts of the external operating environment and the evolving regulation on the company's business. The devel-

opment of assets under management, having a focal effect on the results of the wealth management business segment, is contingent, inter alia, on the performance of the capital markets as well as of the real estate and forest estate market and the demand for investment services in general. The results performance is also impacted by the materialisation of the performance-linked fee income pegged to the success of the investment activities. Performance fees may vary considerably per financial and review period. Also the results of United Bankers' capital markets services are dependent on the success fees typically associated with assignments that may vary considerably over review periods, depending not only on the demand for services, but also on the timing of the transactions. The income from the Group's own investments consists of the change in value, as well as the capital gains or losses. The aforementioned profits are associated with fluctuations that may, in turn, impact the result.

The performance of the financial market, as well as of the real estate and forest estate market has the largest impact on the company's business. The most substantial risks in the economy and the development of the financial market in the near future include the extremely high inflation, as well as the rapid tightening of the monetary policy. It is feared that the increase in interest rates will serve to stagnate the prerequisites for economic growth. Furthermore, Russia's attack on Ukraine has increased uncertainty for the economic outlook of Europe and the entire world. The rise in energy prices in particular, but also in the prices of other raw materials, as well as various component availability problems related to supply chains, are slowing down the possibilities for the economy to recover after the coronavirus pandemic. The economic uncertainty and rising price levels are also decelerating the development of consumer demand and investments.

United Bankers has no direct investments in Russia, Belarus or Ukraine, nor does it have any funds investing in these countries. The Group has not marketed its products or services in those markets, and it is not dependent on any partners operating in such countries. Consequently, the impacts of the war in Ukraine as well as of the sanctions imposed on Russia and Belarus on the performance of assets under management and the company's results arise indirectly, primarily via the general market development.



OUTLOOK

MARKET ENVIRONMENT

The investment market outlook for the remainder of the year is currently associated with an exceptionally high level of uncertainty. The continuing inflationary pressure and the tightening monetary policy are casting dark shadows over the future outlook of the international economy. Additionally, the war in Ukraine and the uncertainty ensued from same are posing risks to the economic development, as consumer and corporate confidence is impaired.

The risk of the economy sliding into a recession is very real particularly in Europe. Energy imported from Russia is crucial for a multitude of European countries, and especially the German economy is essentially entirely dependent on natural gas from Russia. Should Russia act on its threats and discontinue gas supplies to Europe, it is highly likely that Europe will be facing an energy crisis. If the German economy were to fall into a recession, this would have a severe negative impact on the economic outlook in all of Europe. Fears of an impending recession are also elevated in the United States economy. However, the employment situation in the United States has remained excellent, supporting private consumption and, hence, reducing the risk of a recession.

Central banks must combat to contain a historically high inflation, while at the same time they are concerned about the fading economic growth ensuing from the interest rate hikes. This is also well illustrated by the development of long-term interest rates during the current year. Expectations of the tightening monetary policy of central banks caused the interest rates of long-term government bonds to soar in the first part of the year. As a result of mounting fears of a recession, the increase in interest rates, however, halted in the summer. A slowdown in economic growth typically reduces inflationary pressures, which was estimated to reduce the pressure within central banks to tighten their monetary policy. As concerns the current year, GDP growth is now expected to remain at 2.0 per cent in the United States, and next year, growth is anticipated to stagnate at 1.3 per cent. In the eurozone, GDP growth during the current year is expected to amount to 2.7 per cent and to remain as low as 1.1 per cent next year.

The prolongation of the war in Ukraine is continuing to cause pressures of rising energy and raw material prices. Also the availability problems with various components are sustaining high inflation.

Currently, inflation is estimated to decelerate towards the end of the year, but to nevertheless remain high far into 2023. It is not until the projections for 2024 that inflation figures would appear to normalise in the United States and Europe to somewhere between 2–2.5 per cent.

Following the historically poor equity market performance in the first part of the year, stock prices have been markedly on the rise in July-August. One of the factors contributing to the rise is the fact that long-term interest rates have begun declining. On the other hand, the deteriorating economic outlook is causing pressure on companies' earnings estimates. To date, the markets have not to any notable extent priced the deterioration of the results development into the stock prices.

BUSINESS OUTLOOK

As a result of the general poor market development, the amount of the Group's managed assets decreased somewhat during the first part of 2022. However, an increasingly larger share of the assets invested in funds has shifted to United Bankers' funds with higher profitability, i.e., forest and real estate funds that exhibited a substantial increase in their capitals during the first part of the year. This, in turn, supports the development of the management fees to be generated by the funds. Estimating performance fees, on the other hand, is more difficult, albeit the return expectations of forest funds appear steady and the continuing high inflation is reflected positively in the return outlook of real estate and forest funds. Thanks to the markedly increased capitals of real estate and forest funds, the potential embedded in performance fees is nevertheless expanding.

Investor interest towards forest and real estate funds is expected to remain strong also going forward. Albeit the interest rate level has been on the rise, high inflation ensures that real interest rates remain at a sub-zero level. This increases interest towards real

asset investments. As concerns real estate funds, the general market activity supports the growth prerequisites of the funds. As to forest investments, popularity would similarly appear to continue strong both among domestic and international investors, but the scarcity in the supply of forest properties in Finland and in the vicinity limits possibilities of growing forest funds abreast with the demand.

The launch of the operations of the UB Forest Industry Green Growth Fund I LP private equity fund relying on the reform and innovations of the forest industry was postponed to the latter half of the current year. The fund has been extremely well received by institutional investors, and the company's management estimates that the launch of the fund's operations will have a positive impact on the results development already during the remainder of the year. United Bankers' versatile real asset investment solutions act as spearhead products also as the Group expands its sales to the international markets. The management estimates that also a considerable portion of the capitals of the UB Forest Industry Green Growth Fund will be raised from international investors versed in the forest industry.

Overall, United Bankers' strong financial performance in a highly challenging market environment is testament to the tenacity of real asset investment solutions also in exceptional market conditions, as well as to the successful implementation of strategy. The growth of the importance of the wealth management business and, in particular, fund business, in the Group's results development enhances the predictability of United Bankers' business operations also in the longer term. A substantial portion of United Bankers' fee income accrues from products and services generating recurring revenue. Growing revenues and improving profitability even further requires focusing on alternatives that are suited for the market conditions and stand apart from the competition. This entails an even heavier focus on real asset investment solutions, providing steady value development and good protection against inflation.

GUIDANCE FOR 2022

Albeit market outlook remains uncertain for the end of the year, the company reiterates its guidance concerning the operating profit announced in its Financial Statements Release on 18 February 2022. Supported by positive development at the beginning of the year the company estimates that its operating profit for 2022 will remain close to the level of 2021.

The financial statements release of the United Bankers Group for the financial period 2022 will be published on or about 17 February 2023 and will be available on the company's website under the "Investors" section at unitedbankers.fi.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Patrick Anderson, CEO, United Bankers Plc

E-mail: patrick.anderson@unitedbankers.fi

Telephone: +358 400 244 544, +358 9 25 380 236

Investor Relations: ir@unitedbankers.fi

DISTRIBUTION:

Nasdaq Helsinki

Main media

unitedbankers.fi

United Bankers in brief: United Bankers Plc is a Finnish expert on wealth management and investment markets, established in 1986. United Bankers Group's business segments include wealth management and capital markets services. In asset management, the Group specializes in real asset investments. United Bankers Plc is majority-owned by its key personnel and the Group employs 149 employees (FTE) and 31 agents (30 June 2022). In 2021, the United Bankers Group's revenue totalled EUR 43.8 million and its adjusted operating profit amounted to EUR 14.4 million. The Group's assets under management amount to approximately EUR 4.6 billion (30 June 2022). United Bankers Plc's shares are listed on Nasdaq Helsinki Ltd. The Group companies are subject to the Finnish Financial Supervisory Authority's supervision. For further information on United Bankers Group, please visit unitedbankers.fi.

HALF-YEAR FINANCIAL REPORT: TABLES AND NOTES

The figures in the tables have not been audited.

CONTENTS

Consolidated key figures	27
Formulas for calculating key figures	29
Consolidated statement of comprehensive income	30
Segment information	31
Consolidated balance sheet	34
Consolidated cash flow statement	35
Consolidated statement of changes in shareholders' equity	36
Capital adequacy	38
Notes	39
1. Accounting principles	39
2. Breakdown of fee and commission income	40
3. Intangible assets	41
4. Personnel expenses and employees	43
5. Related party transactions	44
6. Group structure	45



CONSOLIDATED KEY FIGURES

Income statement and profitability, EUR 1,000	1-6/2022	1-6/2021	1-12/2021
Revenue, EUR 1,000	23,357	21,044	43,828
EBITDA, EUR 1,000	8,392	7,255	16,257
EBITDA, % of revenue	35.9 %	34.5 %	37.1 %
Adjusted EBITDA	8,392	7,255	16,257
Adjusted EBITDA, % of revenue	35.9 %	34.5 %	37.1 %
Operating profit, EUR 1,000	7,434	6,287	14,319
Operating profit, % of revenue	31.8 %	29.9 %	32.7 %
Adjusted operating profit	7,434	6,387	14,419
Adjusted operating profit, % of revenue	31.8 %	30.3 %	32.9 %
Profit for the period, EUR 1,000	5,763	4,880	11,210
Profit for the period, % of revenue	24.7 %	23.2 %	25.6 %
Earnings per share, EUR	0.53	0.43	1.00
Earnings per share, EUR (diluted)	0.52	0.43	0.98
Cost-to-income ratio	0.67	0.69	0.66
Return on equity (ROE), %	28.4 %	18.9 %	26.9 %
Return on assets (ROA), %	17.0 %	12.0 %	16.4 %
Average number of shares	10,481,774	10,399,851	10,396,110
Average number of shares (diluted)	10,682,251	10,507,945	10,513,493



Other key figures	30.6.2022	30.6.2021	31.12.2021
Dividend per share, EUR			0.80
Equity per share, EUR	3.82	3.64	4.19
Share price at the end of the period, EUR	13.50	13.30	14.20
Market capitalisation, EUR 1,000	144,368	138,877	148,275
Equity ratio, %	63.5 %	59.8 %	56.7 %
Capital adequacy ratio, %	25.7 %	26.6 %	24.9 %
Personnel at the end of the period (FTE)*	149	137	137
Number of clients at the end of the period	14,200	13,600	14,100
Assets under management at the end of the period, MEUR	4,626	4,194	4,800
Number of shares at the end of the period (outstanding shares)	10,635,739	10,395,387	10,384,428

*The number of personnel stated has been converted to full-time personnel

Reconciliation of adjusted key figures and items affecting comparability EUR 1,000

	1-6/2022	1-6/2021	1-12/2021
Items affecting comparability			
Write-down of goodwill (impact only on adjusted operating profit)	-	100	100
Total items affecting comparability	-	100	100
EBITDA	8,392	7,255	16,257
Adjusted EBITDA	8,392	7,255	16,257
Operating profit	7,434	6,287	14,319
Adjusted operating profit	7,434	6,387	14,419



FORMULAS FOR CALCULATING KEY FIGURES

IFRS key indicators

Revenue	=	Income arising in the course of entity's ordinary activities
Profit/loss for the period	=	Directly from the income statement
Earnings per share	=	$\frac{\text{Profit or loss for the period attributable to owners of the parent company}}{\text{Weighted average number of shares outstanding during the period}}$
Earnings per share (diluted)	=	$\frac{\text{Profit or loss for the period attributable to owners of the parent company}}{\text{Weighted average share issue adjusted number of shares outstanding during the period}}$

Alternative key figures

United Bankers Plc publishes other financial indicators in addition to those required by IFRS to describe the performance and financial position of its business. In addition to the key indicators derived directly from the income statement, United Bankers uses adjusted EBITDA and adjusted operating profit as key indicators in its reporting in order to provide a better picture of the performance of ongoing business and to improve comparability between reporting periods. Adjusted key figures are adjusted for items affecting comparability, such as the impacts of corporate restructuring on operating income and expenses, as well as certain material non-business items. United Bankers presents adjusted indicators as part of the published key indicators.

EBITDA	=	Operating profit/loss + depreciation of tangible assets and amortisation of intangible assets
Operating profit/loss	=	Revenue - fee and commission expenses - interest expenses - administrative expenses - depreciation, amortisation and impairment - other operating expenses
Adjusted EBITDA	=	EBITDA +/- items affecting comparability
Adjusted operating profit/loss	=	Operating profit/loss +/- items affecting comparability
Items affecting comparability		Material items that differ from continuing operations, such as: <ul style="list-style-type: none"> - impacts of corporate restructuring on financial performance - operating income and losses related to corporate restructuring - earn-out payments on acquisitions - other non-operational items affecting comparability
Return on equity (ROE), % (floating 12 months)	=	$\frac{\text{Operating profit/loss - taxes on income (floating 12 months)}}{\text{Equity + non-controlling interest (average of beginning and end of period)}} \times 100$
Return on assets (ROA), % (floating 12 months)	=	$\frac{\text{Operating profit/loss - taxes on income (floating 12 months)}}{\text{Total assets (average of beginning and end of period)}} \times 100$
Cost-to-income ratio	=	$\frac{\text{Fee and commission expenses + interest expenses + administrative expenses + depreciation of tangible assets and amortisation of intangible assets (excl. amortisation of customer relationships + other operating expenses + impairment of other receivables)}}{\text{Operating income}}$
Dividend per share	=	Dividends declared or proposed to be declared for the period
Equity per share	=	$\frac{\text{Equity}}{\text{Undiluted number of outstanding shares at the end of the period}}$
Equity ratio, %	=	$\frac{\text{Equity and non-controlling interest}}{\text{Total assets}} \times 100$
Capital adequacy ratio, %	=	$\frac{\text{Group CET1}}{\text{Total risk-weighted commitments}} \times 100$
Market capitalisation	=	Number of shares at the end of the period x closing price for the period



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	1-6/2022	1-6/2021	1-12/2021
Fee and commission income	23,561	20,583	43,306
Net gains or net losses on trading in securities and foreign currencies	-279	375	400
Income from equity investments	15	19	20
Interest income	54	63	91
Other operating income	6	4	10
Total revenue	23,357	21,044	43,828
Fee and commission expenses	-2,472	-2,779	-5,289
Interest expenses	-109	-95	-136
Administrative expenses			
Personnel expenses	-8,634	-8,183	-16,254
Other administrative expenses	-3,400	-2,449	-5,402
Depreciation, amortisation and impairment of tangible and intangible assets	-959	-968	-1,938
Other operating expenses	-353	-255	-519
Expected credit losses on loans and other receivables	4	-29	28
Operating profit	7,434	6,287	14,319
Income taxes	-1,671	-1,407	-3,109
Profit for the period	5,763	4,880	11,210
Total comprehensive income attributable to	5,763	4,880	11,210
Equity holders of parent company	5,576	4,495	10,347
Non-controlling interest	187	385	864



SEGMENT INFORMATION

1.1.-30.6.2022

EUR 1,000	Wealth management	Capital markets services	Other	Group total
REVENUE				
Fee and commission income	22,502	1,059	-	23,561
Interest income	23	21	10	54
Net profit or net loss on trading in securities and foreign currencies	4	-85	-198	-279
Income from equity investments	2	1	12	15
Other operating income	-3	9	0	6
TOTAL REVENUE	22,528	1,005	-176	23,357
Fee and commission expenses	-2,452	-20	-	-2,472
Interest expenses	-45	-9	-55	-109
Total	-2,497	-29	-55	-2,581
NET REVENUE	20,031	976	-231	20,776
Administrative expenses				
Personnel expenses	-7,494	-623	-517	-8,634
Other administrative expenses	-2,849	-195	-356	-3,400
Expected losses on other receivables	-	-	4	4
Other operating expenses	-314	-23	-16	-353
Total expenses	-10,657	-842	-885	-12,384
EBITDA	9,374	134	-1,116	8,392

**1.1.-30.6.2021**

EUR 1,000	Wealth management	Capital markets services	Other	Group total
REVENUE				
Fee and commission income	18,794	1,790	-	20,583
Interest income	28	34	2	63
Net profit or net loss on trading in securities and foreign currencies	-9	168	215	375
Income from equity investments	4	0	15	19
Other operating income	3	2	0	4
TOTAL REVENUE	18,819	1,994	232	21,044
Fee and commission expenses	-2,654	-125	-	-2,779
Interest expenses	-30	-35	-30	-95
Total	-2,684	-160	-30	-2,873
NET REVENUE	16,135	1,834	202	18,171
Administrative expenses				
Personnel expenses	-6,892	-716	-575	-8,183
Other administrative expenses	-2,146	-134	-169	-2,449
Expected losses on other receivables	-	-	-29	-29
Other operating expenses	-226	-15	-14	-255
Total expenses	-9,263	-865	-788	-10,916
EBITDA	6,872	969	-586	7,255

**1.1.-31.12.2021**

EUR 1,000	Wealth management	Capital markets services	Other	Group total
REVENUE				
Fee and commission income	40,342	2,963	-	43,306
Interest income	51	38	2	91
Net profit or net loss on trading in securities and foreign currencies	-1	66	336	400
Income from equity investments	4	0	16	20
Other operating income	5	5	-	10
TOTAL REVENUE	40,401	3,072	354	43,828
Fee and commission expenses	-5,036	-253	-	-5,289
Interest expenses	-61	-0	-75	-136
Total	-5,096	-253	-75	-5,424
NET REVENUE	35,305	2,819	280	38,403
Administrative expenses				
Personnel expenses	-13,947	-1,249	-1,058	-16,254
Other administrative expenses	-4,762	-322	-318	-5,402
Expected losses on other receivables	-	-	28	28
Other operating expenses	-429	-31	-59	-519
Total expenses	-19,138	-1,601	-1,407	-22,147
EBITDA	16,167	1,218	-1,128	16,257



CONSOLIDATED BALANCE SHEET

EUR 1,000	30.6.2022	30.6.2021	31.12.2021
ASSETS			
Cash and equivalents	0	0	0
Claims on credit institutions	9,884	10,860	14,324
Claims on the public and public-sector entities	24	77	25
Debt securities	1,341	636	752
Shares and units	8,571	7,325	8,704
Goodwill	15,593	15,593	15,593
Other intangible assets	4,652	4,210	4,279
Tangible assets	2,795	1,172	3,096
Other assets	20,096	22,969	30,632
Accrued income and prepayments	1,390	1,039	754
Deferred tax assets	3	15	3
TOTAL ASSETS	64,349	63,896	78,163
EQUITY AND LIABILITIES			
LIABILITIES			
Liabilities to credit institutions	2,000	3,140	2,000
Other liabilities	13,440	14,142	22,204
Accrued expenses and deferred income	6,459	7,097	8,272
Deferred tax liabilities	1,578	1,277	1,350
Total liabilities	23,477	25,656	33,826
EQUITY			
Share capital	5,464	5,464	5,464
Reserve for invested non-restricted equity	24,606	21,372	21,372
Retained earnings	10,597	11,032	16,670
Non-controlling interest in capital	205	372	830
Total equity	40,873	38,240	44,337
Total liabilities and equity	64,349	63,896	78,163



CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021	1.1.-31.12.2021
Cash flow from operating activities			
Income received from sales	25,772	19,046	40,472
Other operating income received	6	4	10
Operating costs paid	-15,477	-12,337	-24,858
Cash flow from operating activities before finance costs and taxes	10,301	6,713	15,625
Interest paid from operating activities	-81	-85	-116
Interest received from operating activities	54	63	102
Income taxes paid	-2,921	-859	-2,525
Cash flow from operating activities (A)	7,352	5,832	13,086
Cash flow from investing activities			
Acquisitions of tangible and intangible assets	-1,031	-792	-1,494
Changes in claims on the public and public-sector entities	1	21	73
Investments in subsidiaries	-0	-	-117
Dividends received from investments	15	19	20
Investments in financial assets	-1,076	737	-745
Cash flow from investing activities (B)	-2,091	-15	-2,263
Cash flow from financing activities			
Acquisition of treasury shares	-238	-345	-495
Drawdown of loans	-	1,140	1,140
Repayment of loans	-	-	-1,140
Repayment of lease liabilities	-288	-255	-511
Dividends paid to non-controlling interests	-861	-303	-324
Dividends paid to equity holders of parent company	-8,313	-5,309	-5,309
Cash flow from financing activities (C)	-9,700	-5,073	-6,639
Net cash flows from operating, investing and financing activities (A+B+C)	-4,438	744	4,184
Change in cash and cash equivalents	-4,438	744	4,184
Cash and cash equivalents at the beginning of the year	14,324	10,124	10,124
Effect of expected credit losses	-2	-8	16
Cash and cash equivalents at the end of the period	9,884	10,860	14,324



CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total	Non-controlling interest in capital	Total equity
Equity, 1 Jan 2022	5,464	21,372	16,670	43,506	830	44,337
Comprehensive income						
Profit for the period	-	-	5,576	5,576	187	5,763
Total comprehensive income for the period	-	-	5,576	5,576	187	5,763
Transactions with owners of the Group						
Distribution of dividends and return of capital	-	-	-8,313	-8,313	-861	-9,174
Acquisition of treasury shares	-	-	-238	-238	-	-238
Share issue, related to corporate restructuring	-	3,234	-	3,234	-	3,234
Share issue, personnel and tied agents	-	-	128	128	-	128
Other changes	-	-	-13	-13	-	-13
Acquisition of non-controlling interests	-	-	-3,283	-3,283	49	-3,234
Management incentive plan	-	-	71	71	-	71
Total transactions with owners of the Group	-	3,234	-11,649	-8,415	-812	-9,227
Equity, 30 June 2022	5,464	24,606	10,597	40,667	205	40,873

EUR 1,000	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total	Non-controlling interest in capital	Total equity
Equity, 1 Jan 2021	5,438	21,372	11,987	38,797	291	39,087
Comprehensive income						
Profit for the period	-	-	4,495	4,495	385	4,880
Total comprehensive income for the period	-	-	4,495	4,495	385	4,880
Transactions with owners of the Group						
Distribution of dividends and return of capital	-	-	-5,309	-5,309	-303	-5,612
Acquisition of treasury shares	-	-	-345	-345	-	-345
Share issue, related to corporate restructuring	26	-	-	26	-	26
Share issue, personnel and tied agents	-	-	132	132	-	132
Other changes	-	-	5	5	-	5
Acquisition of non-controlling interests	-	-	-	-	-	-
Management incentive plan	-	-	66	66	-	66
Total transactions with owners of the Group	26	-	-5,451	-5,424	-303	-240
Equity, 30 June 2021	5,464	21,372	11,032	37,868	372	38,240



EUR 1,000	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total	Non-controlling interest in capital	Total equity
Equity, 1 Jan 2021	5,438	21,372	11,987	38,797	291	39,087
Comprehensive income						
Profit for the period	-	-	10,347	10,347	864	11,210
Total comprehensive income for the period	-	-	10,347	10,347	864	11,210
Transactions with owners of the Group						
Distribution of dividends and return of capital	-	-	-5,309	-5,309	-324	-5,633
Acquisition of treasury shares	-	-	-495	-495	-	-495
Share issue, related to corporate restructuring	26	-	-	26	-	26
Share issue, personnel and tied agents	-	-	260	260	-	260
Other changes	-	-	5	5	-	5
Acquisition of non-controlling interests	-	-	-258	-258	-	-258
Management incentive plan	-	-	134	134	-	134
Total transactions with owners of the Group	26	-	-5,663	-5,637	-324	-5,961
Equity, 31 Dec 2021	5,464	21,372	16,670	43,506	830	44,337



GROUP CAPITAL ADEQUACY

The new regulative framework (IFD/IFR) for investment firms came applicable on 26 June 2021. Regulation is applicable to the licensed investment firms of the group and for parent entity United Bankers Plc acting as the holding company of the group.

Regulation states the minimum requirement for own funds is determined through one of the following: permanent minimum requirement, fixed overheads requirement or K- factor requirement. K-factor requirement considers factors such as

assets under management, client assets safeguarded and administrated as well as daily trading flow and dealing to own account. The minimum requirement of investment firm for own funds is the most restrictive of the above-mentioned requirements. Own funds requirement of United Bankers group is calculated quarterly and the requirement for 30 June 2022 was determined by fixed overheads.

GROUP CAPITAL ADEQUACY, EUR 1,000

	IFR 30.6.2022	IFR 30.6.2021	IFR 31.12.2021
Equity	40,873	38,240	44,337
Common Equity Tier 1 (CET 1) before deductions	40,873	38,240	44,337
Deductions from CET 1			
Intangible assets	20,245	19,804	19,872
Unconfirmed profit for the period	5,576	4,495	10,347
Other deductions	1,158	387	1,433
Total deductions from CET 1	26,979	24,686	31,652
Common Equity Tier 1 (CET1)	13,894	13,554	12,685
Additional Tier 1 (AT1)	0	0	0
Tier 1 (T1 = CET1 + AT1)	13,894	13,554	12,685
Tier 2 (T2)	0	0	0
Total Capital (TC = T1 + T2)	13,894	13,554	12,685
Own funds requirement (IFR)			
Absolute minimum requirement	750	750	750
Fixed overheads requirement	4,328	4,073	4,073
K-factor requirement	1,068	1,233	1,010
Applicable requirement (most restrictive)	4,328	4,073	4,073
Common equity tier (CET1) / own funds requirement, %	321.0%	332.7%	311.4%
Tier 1 (T1) / own funds requirement, %	321.0%	332.7%	311.4%
Total capital (TC) / own funds requirement, %	321.0%	332.7%	311.4%
Risk-weighted items total - Total risk exposure	54,100	50,917	50,917
Common equity tier (CET1) / risk-weights, %	25.7%	26.6%	24.9%
Tier 1 (T1) / risk-weights, %	25.7%	26.6%	24.9%
Total capital (TC) / risk-weights, %	25.7%	26.6%	24.9%



NOTES

1. ACCOUNTING PRINCIPLES

The half-year financial report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union. The half-year financial report does not include all the financial tables included in the annual financial statements. Therefore, this half-year financial report should be read in conjunction with the company's financial statements for the year ended 31 December 2021. The accounting principles used are consistent with those used for the 2021 financial statements and the comparison period.

New standards, amendments and interpretations effective from future financial periods

No changes in standards are expected to have a material impact on the Group's accounting principles in the coming financial period.

The half-year financial report is unaudited.

2. BREAKDOWN OF FEE AND COMMISSION INCOME

Management discretionary items

IFRS 15 contains a restriction on revenue recognition that requires revenue to be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Performance fees from limited partnership private equity funds are only recognised as income when the final amount of fees and bonuses can be reliably estimated and it is highly probable that the conditions for receiving the fees will be met. These funds have generated approximately EUR 1.3 million in performance fees for the financial period 1.1.-30.6.2022 (no material performance fees occurred

for comparison period 1.1.-30.6.2021). The Group's other receivables include approximately EUR 5.7 million of the aforementioned performance fees accrued at 30 June 2022 (approximately EUR 4.4 million at 31 December 2021).

The company has a Board-approved method of assessing performance fees and commissions, which includes both quantitative and qualitative criteria. If a calculated performance fee or commission is estimated to be highly probable, it is recognised as income. Revenue recognition takes into account the risk of future reversal of revenue.

BREAKDOWN OF FEE AND COMMISSION INCOME

The table below shows the breakdown of fee and commission income:

EUR 1,000	1.1.-30.6.2022			1.1.-30.6.2021		
	Wealth management	Capital markets services	Total	Wealth management	Capital markets services	Total
Funds						
Management fees	11,218	-	11,218	9,148	-	9,148
Performance fees	6,924	-	6,924	4,753	-	4,753
Subscription and redemption fees	790	-	790	1,023	-	1,023
Asset management	2,738	-	2,738	3,088	-	3,088
Structured products	832	-	832	782	-	782
Capital markets services	-	1,059	1,059	-	1,790	1,790
Total fee and commission income	22,502	1,059	23,561	18,794	1,790	20,583

EUR 1,000	1.1.-31.12.2021		
	Wealth management	Capital markets services	Total
Funds			
Management fees	19,273	-	19,273
Performance fees	11,504	-	11,504
Subscription and redemption fees	1,883	-	1,883
Asset management	6,506	-	6,506
Structured products	1,177	-	1,177
Capital markets services	-	2,963	2,963
Total fee and commission income	40,342	2,963	43,306

EUR 1,000	1.1.-30.6.2022		1.1.-30.6.2021		1.1.-31.12.2021	
		%		%		%
Recognised at one point in time	3,983	16.9 %	5,143	25.0 %	9,464	21.9 %
Recognised over time	19,578	83.1 %	15,440	75.0 %	33,842	78.1 %
Total	23,561	100.0 %	20,583	100.0 %	43,306	100 %



FEE AND COMMISSION EXPENSES

The table below shows the breakdown of fee and commission expenses in the Group:

EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021	1.1.-31.12.2021
Fee and commission expenses			
Fees and commissions to agents	-1,913	-2,099	-3,900
Fees and commissions to other distributors	-265	-196	-980
Other fee and commission expense	-294	-483	-409
Total	-2,472	-2,779	-5,289

3. INTANGIBLE ASSETS

EUR 1,000	CUSTOMER RELATIONSHIPS		
	30.6.2022	30.6.2021	31.12.2021
Acquisition cost			
Opening balance, 1 Jan	4,009	4,009	4,009
Additions	-	-	-
Disposals	-	-	-
Ending balance, 30 Jun / 31 Dec	4,009	4,009	4,009
Accumulated depreciation and impairment			
Opening balance, 1 Jan	-1,794	-1,432	-1,432
Depreciation for the period	-181	-181	-362
Ending balance, 30 Jun / 31 Dec	-1,975	-1,613	-1,794
Carrying amount, 1 Jan	2,214	2,577	2,577
Carrying amount, 30 Jun / 31 Dec	2,033	2,396	2,214

Customer relationships have been recognised in connection with the acquisition of the wealth management business of Suomen Pankkiiriliike and KJK Capital. Other intangible assets are largely purchases related to IT systems.

EUR 1,000	OTHER INTANGIBLE ASSETS		
	30.6.2022	30.6.2021	31.12.2021
Acquisition cost			
Opening balance, 1 Jan	5,387	3,976	3,976
Additions	974	746	1,412
Disposals	-	-	-2
Ending balance, 30 Jun / 31 Dec	6,360	4,722	5,387
Accumulated depreciation and impairment			
Opening balance, 1 Jan	-3,322	-2,576	-2,576
Depreciation for the period	-420	-331	-746
Ending balance, 30 Jun / 31 Dec	-3,741	-2,907	-3,322
Carrying amount, 1 Jan	2,065	1,400	1,400
Carrying amount, 30 Jun / 31 Dec	2,619	1,815	2,065



	OTHER INTANGIBLE ASSETS TOTAL		
EUR 1,000	30.6.2022	30.6.2021	31.12.2021
Acquisition cost			
Opening balance, 1 Jan	9,395	7,985	7,985
Additions	974	746	1,412
Disposals	-	-	-2
Ending balance, 30 Jun / 31 Dec	10,369	8,731	9,395
Accumulated depreciation and impairment			
Opening balance, 1 Jan	-5,116	-4,008	-4,008
Depreciation for the period	-601	-512	-1,108
Ending balance, 30 Jun / 31 Dec	-5,716	-4,520	-5,116
Carrying amount, 1 Jan	4,279	3,977	3,977
Carrying amount, 30 Jun / 31 Dec	4,652	4,210	4,279

	GOODWILL		
EUR 1,000	30.6.2022	30.6.2021	31.12.2021
Acquisition cost			
Opening balance, 1 Jan	15,593	15,693	15,693
Additions	-	-	-
Disposals	-	-100	-100
Ending balance, 30 Jun / 31 Dec	15,593	15,593	15,593
Accumulated depreciation and impairment			
Opening balance, 1 Jan	-	-	-
Depreciation for the period	-	-	-
Ending balance, 30 Jun / 31 Dec	-	-	-
Carrying amount, 1 Jan	15,593	15,693	15,693
Carrying amount, 30 Jun / 31 Dec	15,593	15,593	15,593

Impairment testing is carried out annually in the second half of the year. However, at each reporting date, an assessment is made as to whether there are any indications of impairment. According to the assessment made on 30 June 2022, there are no indications of impairment for the segments and no separate impairment test has been carried out for the situation on 30 June 2022. Group has also assessed the previous and possible future effects of Ukraine war, and concluded that these

do not present such significant negative effects to group's business, financial situation or future cashflows that there would be indications of impairment for the situation on 30 June 2022. The most recent impairment test was performed on 31 December 2021.

BREAKDOWN OF GOODWILL BY SEGMENT

EUR 1,000	30.6.2022	30.6.2021	31.12.2021
Wealth management	15,093	15,093	15,093
Capital markets services	500	500	500
Total	15,593	15,593	15,593

4. PERSONNEL EXPENSES AND EMPLOYEES

PERSONNEL EXPENSES

EUR 1,000	30.6.2022	30.6.2021	31.12.2021
Salaries and fees	-7,236	-6,938	-13,780
Social security costs			
Pension expenses (defined contribution plans)	-1,085	-1,018	-1,988
Other social security costs	-313	-228	-486
Total	-8,634	-8,184	-16,254

NUMBER OF PERSONNEL

Personnel in full-time equivalents (FTE)

	30.6.2022	30.6.2021	31.12.2021
Average number of personnel during the period (FTE)	144	132	134
Number of personnel at the end of the period (FTE)	149	137	137
	30.6.2022	30.6.2021	31.12.2021
Average number of personnel during the period			
Permanent full-time personnel	130	118	119
Permanent part-time personnel	5	5	6
Fixed-term personnel	9	9	9
Total	144	132	134

SHARE-BASED INCENTIVE PLANS

Share-based payments

Share-based incentive plan for key personnel

In 2015, United Bankers Plc introduced a share-based incentive plan for key personnel. The purpose of the incentive plan is to support the Group's business strategy, to align the objectives of owners and key employees to increase the value of the company in the long term, to retain key employees and to provide them with a competitive remuneration system based on the earning of company shares and the development of the company's value.

During the financial period, the share-based incentive plan comprised three 3-year earning periods, calendar years 2020-2022, 2021-2023 and 2022-2024, and one 1-year earning period, calendar year 2022. The company's Board of Directors decides on the earning criteria and targets of the incentive plan at the beginning of the earning period. The bonuses paid under the plan are based on the achievement of the qualitative and financial targets set by the Board of Directors for the Group and the individual targets set for each key employee. The bonus, if any, for each earning period is paid after the end of the earning period in one to four instalments over a period of approximately three years. The plan covers 8-9 key employees

in the company. Bonuses under the share-based incentive plan are paid partly in company shares (approximately 25%) and partly in cash (approximately 75%).

In March 2022, United Bankers Plc granted a total of 16,385 of its own shares to key employees covered by the share-based incentive plan for management. Based on the share-based incentive plan, cash bonuses of EUR 0.7 million were paid to key employees during the reporting period.

Share-based incentive plan for personnel and tied agents

The company has supplementary share issue plans for the personnel and tied agents. More details can be found in the 2021 financial statements, and there have been no material changes to the system since then. For the half-year financial period, expenses of EUR 0.3 million have been recorded for the supplementary share plans.

5. RELATED PARTY TRANSACTIONS

The information below should be read in conjunction with the more detailed information provided in the 2021 financial statements. There have been no material changes in the remuneration, the incentive plans or the personnel issue affecting the Board of Directors, the CEO or the management during the half-year financial period, and there have been no significant or unusual transactions with related parties. In March 2022, United Bankers Plc granted 16,385 of its own shares as part of the share-based incentive plan for management to the key employees covered by the plan.

United Bankers Plc or companies controlled by persons related to its Group company, i.e. Taito Capital Oy, Konnun Tuulikallio Oy, Suomen Varainhoitopalvelut Oy and Quantum Capital Oy have concluded tied agent agreements and/or insurance agency agreements with Group companies belonging to the Group. The Group companies return commission income to the agents related to the distribution of investment products.

In addition, United Bankers Plc, its Group companies or funds managed by the Group companies procure consulting services from Häggblom & Partners Ltd Oy, a company controlled by a person related to the Company.

In addition to the services mentioned above, persons related to the Group or companies controlled by them have carried out other transactions with United Bankers Plc, its Group companies or funds managed by Group companies. The transactions have included, for example, other services or products sold to the Group and transactions involving the assets of funds managed by Group companies.

All transactions with the Group are on the same terms as transactions with unrelated parties, and the Group has separate internal processes in place for the approval of related party transactions. The table below shows the transactions with related parties during the financial period and the comparative period that are not eliminated in the consolidated financials or that are paid for by funds managed by the Group company.

Transactions with related parties, EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021	1.1-31.12.2021
Tied agent fees	186	383	708
Consultation fees	48	-	67
Other transactions	-	-	51
Loans extended	-	-	-
Total	234	383	825
of which with funds managed by the Group	48	-	67



6. GROUP STRUCTURE

As of 30 June 2022, the United Bankers Group included the following companies:

Parent company	Ownership	Registered office
United Bankers Plc		Helsinki
Subsidiaries (direct and indirect)	Ownership	Registered office
UB Securities Ltd	100 %	Helsinki
UB Asset Management Ltd*	100 %	Helsinki
UB Fund Management Company Ltd	100 %	Helsinki
UB Nordic Forest Management Ltd	100 %	Helsinki
UB Brokerage Company Ltd	100 %	Helsinki
UB Yritysrahoitus Oy	90 %	Helsinki
UB Life Oy*	100 %	Helsinki
UB Finance Ltd	100%	Helsinki
UB Meklarit Oy	100 %	Helsinki
UB Finnish Property Oy	79,1 %	Helsinki
UB Asuntorahasto Management Oy	100 %	Helsinki
UB Nordic Forest Fund I Management Ltd	100 %	Helsinki
UB Nordic Forest Fund II Management Ltd	100 %	Helsinki
UB Nordic Forest Fund III Management Ltd	100 %	Helsinki
UB Forest & Fibre Advisory Ltd	84,9 %	Helsinki
UB Forest & Fibre Management Ltd	84,9 %	Helsinki

* UB Asset Management Ltd has a branch in Sweden, and UB Life Oy has a branch in Luxembourg.