



ANNUAL REPORT

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# United Bankers Group

**A N N U A L R E P O R T 2 0 2 3**

United Bankers Plc

Annual Report 2023

[unitedbankers.com](https://www.unitedbankers.com)

United Bankers Group

Aleksanterinkatu 21 A, 00100 Helsinki, Finland

tel. +358 9 2538 0300

Investor Relations

[ir@unitedbankers.fi](mailto:ir@unitedbankers.fi)

tel. +358 9 2538 0323

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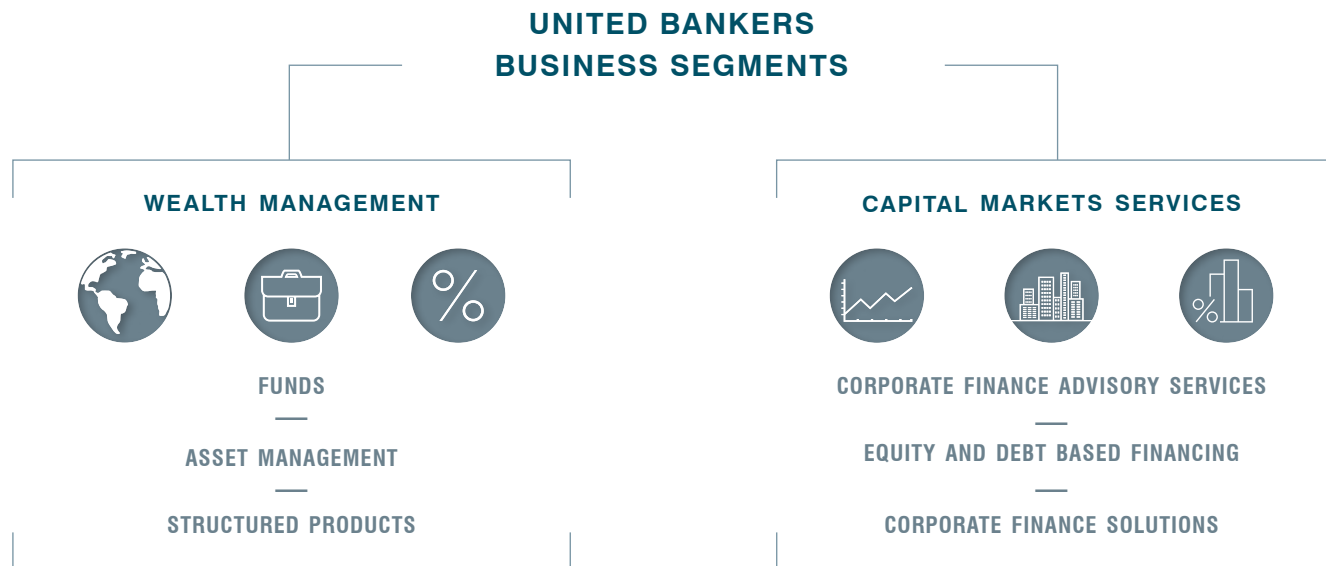
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# United Bankers in brief

United Bankers Plc is a Finnish asset management and investment market expert. United Bankers has two business areas, wealth management and capital markets services. In wealth management, the Group specialises in real asset investments including forest, real estate, and infrastructure funds. The majority of the income from operations is generated by wealth management segment, whose customers include individuals, companies and institutions. United Bankers' main market area is Finland, but the Group also actively offers its services in Sweden. Versatile real asset investment solutions have been the spearheads, as the company has expanded the distribution of its products to other Nordic countries and the Central European market in recent years. United Bankers' aim is to be the leading Nordic alternative asset manager and the most trusted partner to its clients.





FOUNDED  
**1986**

INVESTMENT PROFESSIONALS\*  
**~200**

ASSETS UNDER MANAGEMENT  
bn eur **4.6**

FUNDS  
**25**

**Listed on Nasdaq Helsinki Stock  
Exchange Ltd**



**Building wealth in a responsible way**

\*Total number of employees and tied agents



# CEO Patrick Anderson





The year 2023 was one of escalating and expanding wars around the world. Unfortunately, it seems that the conflicts and the spread of disinformation are here also to stay. Transitioning from one crisis to another has made it increasingly difficult to predict the operating environment every year.

It was a mixed year for the markets. The equity, fixed income and timberland markets performed very well, while the Finnish real estate and equity markets were much more subdued.






For the United Bankers Group, 2023 was the strongest year in terms of revenue and operating profit in the company's 37-year history and the fifth consecutive record-breaking year. Revenue increased by 7.4 per cent to EUR 52.1 million. Our adjusted operating profit increased by 2.2 per cent to EUR 16.9 million and profit for the financial period rose by 7.5 per cent to EUR 13.8 million. Net subscriptions to our funds were EUR 187 million in the positive and management fees increased by more than 12 per cent compared to the previous year. Our cost-to-income ratio deteriorated slightly to 0.67 (0.65 in 2022).

While it was a strong year in terms of the figures, in both absolute terms and relative to most of our competitors, it was also a mixed

On the other hand, the difficult year slowed down our total sales in general and the returns of our real estate funds to our clients were slightly negative in this period. The capital markets services segment did not live up to the previous year and also fell short of our targets due to the very quiet transaction market. Moreover, we were not spared from the effects of general inflationary pressures on our costs in the financial year just ended.

Despite our slower-than-normal growth, we were able to deliver on our strategy with excellent performance. In a nutshell, this meant simplifying our business and focusing on the launch of new core funds. During the year, we simplified our group structure through mergers and by consolidating authorisations, we decreased the



## **/// The work done in 2023 and the record profit provide an excellent basis for us to continue creating value for our clients and other stakeholders.**

year in terms of business. Our forest funds, our energy funds and our wealth management business delivered excellent returns to our clients. The forest, energy and private equity funds also attracted the majority of our net subscriptions in 2023, totalling around EUR 183 million. Our private equity fund UB Forest Industry Green Growth Fund I and UB Renewable Energy Fund (AIF), which invests in renewable energy development projects, will provide new momentum for our future growth, as their combined capital already reached around EUR 150 million in their launch year. Our forest fund family, which is so important to us, saw its capital grow by almost 20 per cent during the year. Activity around structured products was also much greater for the second year in a row, thanks to moderate market volatility and higher interest rates than in previous years.

number of our offices, we actively continued to wind down the business operations of UB Finance and improved both our internal processes and systems. At the time of writing, the biggest internal system reform in the company's history is now in its final stages. The work to improve efficiency will never be over, but in 2023 we progressed at a faster pace than usual in this area.

To accelerate our growth, we launched three new funds that operate at the core of our strategy. The new funds invest in forests, physical infrastructure (energy) and forest-related private equity. I firmly believe that physical infrastructure and private equity will grow alongside our existing pillars as new growth areas – complementing the existing areas and strengthening them with synergies. Through our fund selection, we want to play a stronger role in addressing global environmental challenges while delivering excellent



risk-adjusted returns to our clients. All our core funds are working on global solutions, and through them we can make a difference, which is significantly greater than our size, in the mitigation of climate change, for example. Megatrends provide us with tailwinds.

When you consider the objective data on our performance last year, it is clear that we are on the right track. In all the surveys we commissioned, the ratings and reviews of our clients, both institutional and private investors, clearly improved on the earlier ones. Our strong commitment to sustainability has made us one of the leading financial institutions in Finland, and this is now also the case in the eyes of our most demanding clients. In 2023, we drafted our climate roadmap, which centres around short- and long-term climate targets in accordance with the Science Based Targets initiative (SBTi). We are among the first in the Finnish financial sector to commit to setting these targets.

According to the Reputation&Trust survey, our company's reputation among investors clearly strengthened, even though the reputation of listed companies was otherwise generally on the decline. We have met hundreds of new institutional clients across Central and Northern Europe and have received very encouraging

feedback from them. Part of the feedback came in the form of subscriptions: a total net amount of around EUR 187 million in new fund capitals, mainly to funds at the core of our strategy. The number of our shareholders also increased by more than 30 per cent during the year and our share is the only one on the Helsinki Stock Exchange that has delivered a positive total return to its shareholders for six consecutive calendar years. So, on many fronts, we are moving in the right direction – gaining market share and building on an increasingly predictable business.

As the days get longer and spring approaches, I would like to thank our fantastic clients for their strong trust in us during this unusual year and our incredible UB team for their amazing team spirit yet again in the demanding operating environment. I would also like to thank our partners for their help, support and strong expertise. Together, we create first-class customer experiences for our clients. The work done in 2023 and the record profit provide an excellent basis for us to continue creating value for our clients and other stakeholders. Our fund family is now exceptionally strong and we are now more focused on fundraising than in previous years. Our goal is that an increasing share of this will start to come from international investors.

***Patrick Anderson – CEO, United Bankers Plc***



# Year 2023 in figures

REVENUE MEUR

**52.1**

GROWTH COMPARED  
TO THE PRECEDING YEAR

**+7.4%**

ADJUSTED OPERATING PROFIT MEUR

**16.9**

GROWTH COMPARED  
TO THE PRECEDING YEAR

**+2.2%**

PROFIT FOR THE FINANCIAL  
PERIOD MEUR

**13.8**

GROWTH COMPARED  
TO THE PRECEDING YEAR

**+7.5%**

EARNINGS PER SHARE EUR

**1.24**

GROWTH COMPARED  
TO THE PRECEDING YEAR

**+4.1%**



# Year 2023 in figures

NUMBER OF CLIENTS

**14,600**

OWNERSHIP OF THE UB SHARE BY  
PERSONNEL AND THE BOARD

**59%**

FUND FOREST HECTARES

**~165,000** ha

FUND REAL ESTATE AREA

**~415,000** m<sup>2</sup>



In recent years, United Bankers has invested significantly in developing its fund selection. On the following pages you will find stories about the company's strategically important funds.





Everything that is made from fossils  
today can be made from wood  
in the future



Photo: Paptic



Climate change is one of the biggest threats of our time to the environment, society and the economy. The consequences have been apparent for a long time, and the impacts are expected to become even greater as the climate warms and extreme weather events increase. Most global warming is the result of greenhouse gas emissions from human activities.

We will not be able to avoid climate change completely, but we will be able to mitigate it if we act now. Ways of mitigating climate change include saving energy, phasing out fossil fuels and using sustainable and renewable natural resources.



## Transformation of the forest industry

The forest industry is undergoing one of the greatest transformations in its history, and sustainability is one of the key themes. Many companies in the sector are investing in renewable energy sources and innovative products to reduce their environmental impact. Traditional products still have a place in the forest industry, but they have been joined by new products and innovative manufacturing methods. Examples include new products based on raw material side streams and products that complement traditional products based on pulp, paper and wood.

The use of forest industry side streams, such as lignin, wood chips, sawdust and hemicellulose, is associated with high potential for further processing, which means that no further logging is needed to achieve significant value-added. One half of a tree is made up of cellulose and the other half is lignin and hemicellulose.

se. However, the various fractions of trees are still under-utilised. When considered in global terms, forest industry fibres and agricultural fibres are renewable raw materials that are suitable for industrial use.

## UB FIGG as part of the solution

In just under a decade, United Bankers has evolved into a strong player in the forest sector and has become one of the largest managers of forest resources in Finland. This expertise has now been further extended to the forest industry through the UB Forest Industry Green Growth Fund I (UB FIGG).

UB FIGG is a private equity fund focused on the forest industry cluster. The fund invests in companies focusing on replacing materials based on plastics and other fossil-based materials, on increasing the added value and more efficient use of forest industry

UB FIGG fund is backed by strong expertise in forestry, bio-industry, finance and sustainability. Pictured from left Timo Ronkainen, Seela Sinisalo, David Walker, Sakari Saarela, Matti Lehtipuu, Ali Harlin, Erik von Ehrenheim and Sampsa Auvinen





and agricultural raw material side streams, and on expanding the use of these raw materials in various intermediate and end-use applications. Through its investments, the fund helps the forest and bio-based industries to create solutions to mitigate climate change.

UB FIGG is a growth fund that invests mainly in later stage start-ups, where there is a lower risk of losing capital. The fund helps to accelerate the industrial growth, scaling and commercialisation of the investee company. The amount invested per portfolio company is between EUR 5–30 million.

Matti Lehtipuu, Managing Partner of UB FIGG, describes the fund's investment philosophy: "We look for companies in the development stage that are no longer subject to significant technological risk. We fund the company's industrial scaling rather than its development work. The target company must have turnover that can be globally scaled and the company must already have an exit strategy. For UB FIGG, the exit must take place within the 10-year period of the fund. The company must have a team that we believe in – UB FIGG invests in the team as well as the business."

UB FIGG launched its investment activities in January 2023, having raised over EUR 100 million in investment commitments. The fund's investment activity is focused on Europe, especially the Nordic countries, where a lot of the innovation in the sector is taking place. Finland is a world leader in technological development in the forest industry, so it is natural that a fund implementing the chosen strategy was established in Finland.

## Unique concept

Investing in sustainable and resource-efficient forestry and bio-based industries means investing in companies or projects that are engaged in environmentally sustainable and resource-efficient operations. The investments consider the sustainable use of natural resources, environmental aspects and social and economic responsibility in the forest and bio-industry sector. The investments highlight the responsible use of natural resources and environmentally friendly production.

One of the themes of the UB FIGG fund is the degree of processing in the forest industry. "The fund's basic philosophy is to provide alternatives to fossil raw materials or products made from them and thereby have an impact on the mitigation of climate change. The further that forest or agricultural fibre is processed, the better," says Matti Lehtipuu. "The fundamental idea is to avoid using our valuable natural materials for producing energy or in other low value-added applications. Instead, they should be used to replace fossil raw materials in higher value-added applications, which are emerging at an accelerating pace due to the combined effects of technological development, regulation and consumer choice," continues Sakari Saarela, Partner in the fund.

What is also unique is that the fund does not only invest in Finland and the Nordic countries, as its rules allow it to invest globally, but with a focus on the Nordic countries and Europe, where most forest industry companies can be found and where there is the highest level of R&D activity. The largest number of growth companies developing new products are established in these geographic areas.

## Forest industry products will help slow climate change now and in the future

The forest and bio-based industries have a key role to play in preventing the global environmental crisis. Forests produce more than just wood, paper and packaging. There are numerous examples: lignin can replace graphite in batteries, fibre can replace both cotton and synthetic fibres in clothing, and cellulose can replace fossil-based chemicals. Wood can also replace steel in wind turbine towers, durable paper can replace plastic in bags and wood fibre can replace bathroom ceramics. Overall, the forest industry will generate tens of millions of tonnes of climate benefits through reduced emissions, products that reduce fossil emissions and enhanced forest growth.

The four themes of the UB FIGG fund are the need to reduce carbon dioxide content, the circular economy and its advancement, the replacement of fossil raw materials such as plastics, and resource efficiency, i.e. the efficient use of natural resources and increasing the degree of processing.

## World-class team

The team responsible for UB FIGG's portfolio management and investment activities are Matti Lehtipuu, Sakari Saarela, David Walker and Rainer Häggblom. They have a long history of working together and are experts in finance, forestry and biotech. In particular, their unique forest industry experience and network allows them to find the best decision-makers and advisors in the industry. Portfolio management is supported by a dedicated Advisory Board, which also has strong expertise in the forest and biochemical industries and extensive international M&A experience. The members of the Advisory Board are actively involved in the development of business operations in their specific areas of expertise.

The UB FIGG team has strong links with all major forest industry companies, young start-ups, research institutes and investors. The team also engages in close discussion with other impact investors and invests together with like-minded co-investors.

"We are very proud that we have been able to build a unique private equity fund and hire a world-class team to execute a strategy that we strongly believe in," says Matti Lehtipuu. "The UB FIGG team takes an active role in the investee companies. During the investment process, we brainstorm, refine the business plan and open doors to networks. In principle, the fund has a seat on the company's board, and after we have made the decision to invest, a member of the team participates in the board's work, providing the company with forest industry expertise and helping with any growing pains or, for example, validation of technology," Lehtipuu continues.

## Target companies developing innovative bio-based products

UB FIGG made its first three investments during the second half of 2023. German company traceless materials offers alternative materials to plastics and aims to provide a solution for the global problem of plastic pollution. Woodio is a Finnish eco-material and wood technology company that manufactures and sells a new alternative to ceramic and plastic sanitary ware. The third portfolio company is Paptic, another Finnish manufacturer of wood fibre-based packaging materials.

All portfolio companies promote the replacement of fossil raw materials with innovative bio-based products. "The fund's first three investments are good examples of forest and bio-based industry products that are genuinely new and replace plastics and ceramics with alternative manufacturing materials. Consumers are increasingly aware of what various products and services contain. EU regulation will also drive consumer behaviour. Many non-EU countries, for example in Asia and America, also follow EU regulation," says Sakari Saarela.

## Traceless materials is a green transition pioneer in its industry

With its innovative technology, bio-economy start-up traceless materials transforms agricultural industry plant side-streams into natural biomaterials that are home compostable, plastic-free and have a minimal ecological footprint. The materials can be used in the packaging industry, for example. The company's mission is to promote a renewable, climate-friendly economy and a future free of plastic pollution. The team at traceless focuses on solving precisely the challenges that are at the heart of the operations of the UB FIGG fund. These include, in particular, reducing the use of plastic in packaging and reducing greenhouse gas emissions.

Traceless' journey started with Dr Anne Lamp's strong commitment to environmental protection and passion for innovative solutions. Inspired by the plastics crisis, her academic background and volunteer work, Lamp came up with the idea of traceless® materials. The patented technology is based on natural polymers.

Photo: Traceless



It contains no harmful chemicals and has a minimal ecological footprint. Anne Lamp founded traceless materials in September 2020 together with Johanna Baare, who supplements the company's expertise in business and strategy development.

“UB FIGG’s investment provided us with the opportunity to build a new industrial production facility on a new scale. This is an important milestone for us on our journey towards our goal of creating a significant positive impact on the environment,” says Anne Lamp, CEO and founding partner of traceless. “UB FIGG has a crucial role in the future growth of the company. The team’s expertise in sustainable industries will support the progress of traceless® towards industrial-scale production. UB FIGG is our key partner and together we will strengthen our commitment to combating climate change and promoting bioeconomy innovations,” Lamp continues.

Traceless has faced many challenges along the way – scaling up production, ensuring material performance, meeting industry standards and navigating regulation. Determined R&D, building a pilot plant, hiring a multidisciplinary team and strategic partnerships were key to achieving the current level of the product.

The company’s vision is a future where the materials used by the population have a positive impact on the planet, and pollution and waste become a thing of the past. To achieve this goal, the company aims to replace traditional plastics on a large scale with its traceless® material. In addition to replacing conventional plastics, the company aims to promote circular economy solutions and global environmental goals.

## **Woodio develops high value-add design products from forest industry side streams**

Woodio’s story and the material innovation behind the company’s business idea came about when Petro Lahtinen and Antti Pärssinen, two chemistry researchers working at the University of Helsinki, came up with a crazy idea at a Christmas party to combine wood chips and polymers and find out what the combination would produce. This is how their innovation of a fully water and impact-resistant wood composite came about.



The construction sector is responsible for around 40 per cent of global carbon dioxide emissions. This is why there is a huge need for climate-friendly solutions in the sector. “Woodio has created the world’s first fully waterproof wood composite that offers a more ecological alternative to ceramic and solid surface materials with a large carbon footprint. Ceramics and solid surface materials are traditionally used for sanitary ware and kitchen fittings and other building interiors. Woodio’s material innovation has a positive impact on the reduction of carbon dioxide emissions in the construction sector,” says Terja Koskenoja, CEO of Woodio.

The financing round led by UB FIGG provided Woodio with the opportunity to significantly expand its business in Finland and start working towards international expansion. The company’s brand strategy has already led to high brand awareness in Finland, and the company is now starting to focus on international markets. “Woodio has created something completely new and unique in a traditional industry and has multiplied the added value produced by wood chips by over 100 times. The growth funding received provides an excellent foundation for taking Woodio’s biomaterial



Photo: Paptic

innovations towards global industrial success,” summarises Eerik Paasikivi, Chairman of Woodio’s Board of Directors.

Koskenoja, CEO of Woodio, outlines the company’s future prospects: “We can see the company being a strong international player in the future. We are now entering markets outside Finland, where we will first head to Scandinavia and Central Europe, but after that the possibilities are endless. We also have the potential to move beyond the sanitary ware category and extend our offer and solutions to interior design in general, both for private and commercial spaces. But our main vision is to combat climate change by replacing materials with a significant carbon footprint with our bio-based solutions.”

## **Paptic offers a sustainable alternative to packaging plastics**

Paptic is a growth company that provides solutions to the global plastic pollution problem and climate change crisis with a new flexible packaging material made from wood fibres. The patented Paptic® material is based 100 per cent on cellulose fibres and

it has strong protective properties. The material is renewable, recyclable, lightweight, durable and soft. Production of the material has continued since 2018 and deliveries have already been made to more than 50 countries. UB FIGG led the second part of the investment round in Paptic in late 2023. At the same time, UB FIGG purchased secondary shares from early-stage investors, making it the largest financial investor in Paptic.

“We are very pleased to have completed our investment in Paptic. We have been closely following the company’s progress and the success of Paptic’s team in developing new products, and the company’s partnership with leading global brands. This provides a solid foundation for continued success, and the additional investment will help accelerate the company’s growth,” says David Walker, Senior Partner of the UB FIGG.

Paptic considers UB FIGG to be an excellent partner. “During the investment process, it became clear that the UB FIGG team’s in-depth expertise in the pulp, paper and packaging industry and focused investment activities would add significant value to Paptic. We have a common interest in building the business to create a more sustainable future, and I look forward to continuing our successful cooperation,” says Tuomas Mustonen, CEO and founder of Paptic. “Now that the financing round is officially closed, we can focus on the next stages of our future growth. We have an ambitious goal to reach a turnover of EUR 100 million in 2026. The new capital raised during the past year puts us in a strong position to invest in our people, sales channels, technology and product development. Our growth is based on our ability to competitively serve international brand owners who are seeking sustainable alternatives to replace plastics in their packaging,” says Mustonen.

## **The ongoing industrial transition opens up opportunities for measurable growth**

The final size of UB FIGG will largely determine the life cycle of the fund. The target size of the fund is EUR 300 million. “Achieving this target makes us confident that the fund’s strategy is the right one and interesting. Ideally, this will lead to the growth of the fund family so that forest and bio-industry private equity funds become one of the cornerstones of United Bankers’ business,” says Managing Partner Matti Lehtipuu.



## **The three core areas of the fund's strategy are:**



**FIBRE-BASED PACKAGING AND HYGIENE PRODUCTS TO REPLACE PLASTICS, ALUMINIUM, FIBREGLASS AND STYROFOAM**



**BIOCHEMICALS AND BIOFUELS TO REPLACE FOSSIL-BASED PRODUCTS TO MINIMISE ENVIRONMENTAL IMPACT**



**CONSTRUCTION MATERIALS TO REPLACE STEEL AND CONCRETE, FOR EXAMPLE, TO REDUCE THE CARBON FOOTPRINT OF HOMES AND OFFICES**





# New energy for the fund selection





In 2023, United Bankers broke new ground in its fund operations by launching a fund that focuses on investing in renewable energy development projects and renewable energy power plants. The primary investment targets of the UB Renewable Energy Fund (AIF) are wind and solar power plants, but it can also invest in energy infrastructure and storage and the hydrogen industry. The fund is an Article 9 fund under the EU Sustainable Finance Disclosure Regulation (SFDR) and its assets are invested in sustainable investments with a climate objective. The fund can make investments throughout Europe, but the main focus is in Finland and other Nordic countries and the Baltics.





UB Renewable Energy Fund was opened to investors for the first time in August, and the fund's operations were launched in September. During the autumn, the fund raised a total of EUR 31.5 million in net subscriptions.

## Unique synergies

United Bankers is known for its real asset funds, which include funds investing in real estate, forestry and listed infrastructure companies. The CEO of United Bankers, Patrick Anderson, explains why the company decided to establish a fund investing in renewable energy: "The UB Renewable Energy Fund is an excellent addition to our fund selection focusing on real asset investments. We own forest properties in Finland and the Baltics covering a total area of around 165,000 hectares. This means we are a major landowner, and in terms of the development of wind power infrastructure, in particular, this provides a huge competitive advantage."

In the first months of operation in autumn 2023, UB Renewable Energy Fund already identified during the preliminary survey phase 23 potential areas for onshore wind power development on the land owned by United Bankers forest funds in Finland. Tapio Nuotio, Portfolio Manager, explains the synergies: "When the developer of a wind power project identifies a suitable area for a wind farm, they typically have to deal with several contracting parties. Ownership of the area's forest properties may be divided between several private forest owners, parties to an estate or jointly-owned forests. Our work is much easier as there is only one counterparty and, even better, one who knows us well. Wind power development projects take years, so it goes without saying that being able to save time in this way is also financially significant."

Working with United Bankers' sister funds on wind power – and solar power – projects is a win-win situation for all parties. "The land lease agreements are, of course, entirely on market terms. It is very important for us that the unit holders of both UB Renewable Energy Fund and of other funds benefit from these agreements.

For example, the land leases related to wind power projects can increase future returns for forest fund unit holders once construction begins." Solar power also offers opportunities for cooperation. We have also started mapping the potential of solar power. This work focuses on land areas with currently no forest growth or with no potential for growing commercial forest. On the other hand, we also see opportunities for cooperation with our real estate funds. For example, installing solar panels on the roofs of properties could provide renewable energy directly to the property users," says Tapio Nuotio.

The financial sector will play an ever greater role in addressing global environmental challenges in the future, including through financial steering. Patrick Anderson feels enthusiastic and proud about the opportunities offered by United Bankers' funds in the area of climate change mitigation. "All asset management companies can make a difference by only investing in responsibly operating companies, for example. In our own operations, we have wanted to go one step further. In recent years, a key theme in the development of our fund selection has been the way in which investors can increase their wealth as well as being able to play a role in supporting solutions for a more sustainable future. Today, our fund selection offers several solutions for global environmental challenges. Our forests are major carbon sinks, our private equity fund that invests in forest and bio-industry innovations is striving to solve the global plastics problem and our renewable energy fund is helping us to transition away from fossil fuels," says Patrick Anderson.

## Green transition creates huge opportunities

A key way of mitigating climate change is the electrification of societies at an accelerated pace. In the future, the vast majority of energy is expected to come from a variety of renewable energy sources, and demand for renewable energy is projected to multiply over the coming years and decades. UB Renewable Energy Fund is a fund whose potential relies heavily on the growing market created by the energy transition and the green transition.

“The green transition means an ecologically sustainable way for societies to function and grow so that production, consumption and energy use are in balance with the natural resources that are available to us. To achieve this, we need a circular economy and energy efficiency and we also need to replace energy produced with fossil raw materials with energy produced with renewable, or at least zero-emission, energy sources. The role of fossil fuels as an accelerator of climate change has finally been widely recognised worldwide. Therefore, the decision of the UN Climate Change Conference in Dubai in December 2023 to replace fossil fuels with renewable and zero-emission energy sources was very welcome,” says Staffan Söderholm, Portfolio Manager of the UB Renewable Energy Fund.

The planning and launch of the United Bankers renewable energy fund came at a time when the transition away from fossil fuels especially in electricity and heat generation was stepped up as a result of the geopolitical tensions caused by the war in Ukraine. European countries – with Finland firmly at the forefront – are committed to the green transition and the electrification of societies, which has boosted the construction of renewable energy production in an unprecedented way. Every country is striving to increase its energy self-sufficiency to make it as high as possible. Finland is already very close to achieving this target, and the main reason for this is the increase in its renewable energy production capacity in recent years.



UB Renewable Energy Fund’s portfolio managers Staffan Söderholm and Tapio Nuotio believe that the green transition and the electrification of societies offer significant opportunities for the fund




In 2023, a total of 212 new wind turbines, with a combined capacity of 1,280 megawatts, were installed in Finland. This figure was well below the peak figures of 2022, when as many as 437 wind turbines, with a combined capacity of 2,439 megawatts, were installed. Finland's wind power capacity has grown significantly in recent years, and had increased to 6,946 megawatts by the end of 2023. The decline in the number of completed projects in 2023 was partly due to the change in the interest rate environment, which had an impact on the cost of financing. According to Tapio Nuotio, this is, however, more of a respite than a reversal of the trend: "I believe that wind turbine investments will pick up again once the financial models of the projects match the current financing conditions."

Overall, the outlook for the demand for renewable energy still looks very promising as a result of the electrification of societies and industry and the emergence of new energy-intensive sectors." Global climate targets, and the EU's stringent emission targets, in particular, will also increase the need for production based on renewable sources of energy. Staffan Söderholm points out that profitability is ultimately the key aspect: "Technological development has been very rapid in recent years. The average capacity of new wind turbines manufactured in Finland has increased very rapidly. The average capacity of wind turbines installed in 2020 was 4.5 megawatts per wind turbine, in 2021 it was 4.8 megawatts and in 2022 it was 5.6 megawatts. Last year, the capacity had already risen to 6.0 megawatts. If we compare this to the average capacity of wind turbines installed ten years ago (2.6 MW), the capacity has more than doubled now. Another advantage of the renewable energy is that it is currently a very cost-effective way of generating electricity, and it is the only form of energy where significant amount of additional capacity can be built up in a relatively short space of time."

Finland's main grid is well managed and actively developed by Fingrid, the transmission operator, which means it's easier for additional renewable energy capacity to be built in Finland than in many other countries. Building onshore wind power, in particular, is very profitable in Finland. "Finland has a much more suitable topography for wind farms than mountainous alpine countries or

Norway, for example. The country's good road network that enables the transportation of wind turbine structures is another benefit from the perspective of wind power construction," says Tapio Nuotio.

Tapio Nuotio and Staffan Söderholm believe that Finland and other Nordic countries are more than just pioneers in the green transition, they could also support the rest of Europe in the electrification of societies and industry using zero-emission energy sources. The hydrogen industry could play a key role in this vision of the future. "Fluctuations in production, particularly related to weather conditions, are typical for renewable energy. Therefore, as the share of renewable energy increases, the need for energy storage to ensure flexibility will also be a priority. Hydrogen would provide an excellent solution here. Hydrogen can be used to store energy in molecules that can be used as an energy raw material on a very large scale and further processed into synthetic fuels, for example. Potential investments in the hydrogen industry could, over the long term, help the Nordic countries develop into an area that produces hydrogen, a zero-emission clean source of energy, for the rest of Europe," says Staffan Söderholm.

A photograph of four wind turbines standing on a ridge above a dense forest. The turbines are white with three blades each, set against a blue sky with light clouds. The forest below is lush and green, with a mix of deciduous and coniferous trees.

**UB Renewable Energy is a fund whose potential relies heavily on the growing market created by the energy transition and the green transition**



# Productive and vibrant forests need to be managed



Kari Kangas and Jyri Hietala enjoy spending time in the forest, but this time we met the forest experts in United Bankers' office



There has been considerable turbulence on the equity and fixed income markets in recent years. In this environment of strong market movements, timberland investments have offered their typically stable return that is independent of business cycles. The value creation of United Bankers' forest funds follows a long-term strategy that aims to achieve steady return for the fund's shareholders through logging income and increase in the value of the growing stock.





United Bankers' forest funds seek to achieve their return objectives primarily through a professional and efficient process of acquiring forest property. The aim of the funds is to maximise the value increase of the growing stock, which means acquiring forest properties that are in the development stage, where the stand grows from pulpwood to logs. Although a significant proportion of the returns from forest funds is based on successful acquisition of forest properties, management of these forest assets also requires a considerable amount of continuous work. Correctly timed and carefully executed management and logging is the best way to increase forest growth and returns. Well-timed and good forest management not only ensure that the forests are productive, but also that they are healthy and vibrant.

## Vibrant and productive forests

Kari Kangas and Jyri Hietala, the portfolio managers of UB Timberland Fund (AIF) and UB Nordic Forest Fund, describe their work as forest fund portfolio managers and explain how forest management activities carried out at different times of the year set the rhythm for the everyday life of the funds. As indicators of successful forest management, they mention financial aspects and aspects related to the health of the forests.

Nature is at rest during the winter, but there is no time for a forest fund portfolio manager to take time off to hibernate. Contracts related to roundwood sales and forest management keep portfolio

managers busy in the winter. "In late summer, we already receive forest management plans for our various forest holdings for the following year drawn up by people in the field. So, in the winter we already know where early clearing and seedling stand management will be needed. We have an excellent working relationship with our main partner, UPM, which develops long-term plans for the management of our forests. Five-year plans based on forest resource data are reviewed and measures are confirmed for the following year," says Jyri Hietala, CEO of UB Nordic Forest Management. "The long-term nature of forest management is also well illustrated by the fact that we already know how the volume of our growing stock will develop up to twenty years from now. Based on this, we can also successfully forecast future logging income," adds Kari Kangas, Portfolio Manager of the UB Timberland Fund.

In the spring, nature wakes up and the growing season begins. "In the forest, spring is a time of regeneration, soil preparation, planting and sowing. Logging can continue, depending on the freeze-thaw period. Seedling stand management is started in the spring and continues until autumn. Spruce can also be planted in the autumn, but this must not be too late, as the seedlings need time to take root to avoid compromising future growth," says Hietala. "Summer is the busiest time in the forest. That's when the loggers and the machines are at work – and the portfolio managers," adds Kangas. Preparations for the winter and planning for the following year start in the autumn.

United Bankers' selection of forest funds features four funds that invest directly in forest properties: Open-end UB Timberland Fund (AIF) and three UB Nordic Forest Funds for professional and institutional investors. UB Nordic Forest Fund II LP and UB Nordic Forest Fund III LP are closed-end funds. UB Nordic Forest Fund IV LP, which invests extensively in forest properties in countries around the Baltic Sea region, started operations in summer 2023.

## WINTER

- Agreements on roundwood sales and forest management measures for the coming year
- Winter logging – in stands marked for harvesting in winter, harvesting and transport is only possible when the ground is frozen
- Ash fertilisation



## SPRING

- Logging depending on the freeze-thaw period – trees can be harvested and transported during the freeze-thaw period in stands marked for harvesting in the freeze-thaw period
- Regeneration, soil preparation, sowing and planting
- Seedling stand management
- Ash fertilisation



## SUMMER

- Seedling stand management work continues
- Softwood log piles must be cleared from roadsides by Midsummer
- Summer logging – in stands marked for harvesting in the summer harvesting and transport is possible when the ground is no longer frozen
- Summer is the busiest time in the forest: machines and loggers at work
- Ash fertilisation and growth-enhancing fertilisation



## AUTUMN

- Seedling stand management work continues
- Summer logging continues and logging in stands marked for harvesting during the freeze-thaw period
- Autumn planting
- Preparations for the following year begin
- Ash fertilisation and growth-enhancing fertilisation

United Bankers' forest funds sell more than 450,000 cubic metres of timber each year, worth approximately EUR 20 million. United Bankers' forest funds have approximately 10,000 hectares of forest that is protected or under restricted forestry use. This helps to improve the biodiversity of the forest nature.

## A healthy and vibrant forest is productive

The most important thing in forest management is that the management measures are carried out at the right time. "Forest owners may sometimes fail to carry out management measures or they may do them too late. In particular, early clearing of seedling stands must be carried out at the right time and the management measures must be planned individually for each forest area. The forest owner will lose income if management measures are neglected. Delaying timely felling can also slow the increase in the value of the growing stock," says Hietala.

Both portfolio managers would like to emphasise that forest management methods are gentler today than they were in the past. Nowadays, not all trees are felled, even in clear felling: retention trees are left standing in the areas to protect biodiversity and thickets are left to protect game animals. In addition, logging to promote natural regeneration is carried out by leaving retention trees and seed trees in the area. "Of course, forests are always affected by human activities. In our funds' forest properties, we favour continuous cover forestry on certain types of land. However, the logging method is selected first and foremost based on scientific research and the individual characteristics of the forests. Burning has also been reintroduced as a measure to imitate a forest fire. Certain species of organisms and plants need this type of measure," says Kangas.

A key element of good forest management is knowing how the new seedling stand is going to be established even before the method

of regeneration felling has been decided. In addition to the health of the forest, a key indicator of successful forest management is the success of regeneration. "The tree species and the ground, i.e. the growth site, influence the selection of the regeneration method. In areas with lush soils, we prefer to plant mixed woodland, where spruce is planted and birch grows naturally. However, sowing or natural regeneration by leaving seed trees in logging operations are carried out in dry pine forests. The surface area of forest to be regenerated also has an impact. Natural regeneration can work very well especially on small areas," says Hietala.

"The timber market also influences the decision on what regeneration method is selected. Demand for softwood is expected to remain strong in the future, and the choice between spruce and pine is based more on the conditions of the growth site. On the other hand, there is now a real shortage of birch, partly due to the absence of Russian imports. Increasing the share of deciduous trees is otherwise becoming a mainstream method, and deciduous trees are no longer thinned during the thinning phase. This is one way to prepare for climate risks," adds Kangas.

Today, one of the most productive forest management practices is fertilisation. It can improve annual forest yields by as much as 10 percent. Ash fertilisation on peatlands is a combination of health- and growth-enhancing fertilisation and can be carried out in forests throughout the year. In addition, nitrogen fertilisers are also used to increase forest growth on mineral soils. However, fertilisation is no longer carried out in forests above a certain height, as there is a greater risk of wind damage in trees with thicker tree crowns.



## Working towards sustainable use of forests

Today, several objectives are combined with the sustainable management and use of forests, including securing the sufficiency of forest resources and biodiversity, and mitigating and adapting to climate change. Forests sequester a significant amount of carbon and they are a carbon sink and carbon storage. They therefore play a key role in mitigating climate change. On the other hand, forest assets and the forest industry are a key part of the foundation of the Finnish economy and are thus important cornerstones of Finnish society and economic well-being. Wood and wood fibre also play an important role in the search for alternatives to fossil raw materials. For example, demand for construction timber, sustainable packaging and wood-based textiles is constantly growing.

In Finland, the health of forests is well taken care of, and appropriate forest management is used to ensure the forests' vitality, productivity, biodiversity and ability to regenerate. When forests grow better, they also sequester more carbon. Management measures are important to prevent the depletion of forests. A healthy forest is more likely to remain a winner in the fight against diseases and pests. "A well-managed forest is not only healthier, but also more productive. The success of forest management can be measured by the number of cubic metres produced and the proportion of this that is made up of logs. The management measures focus on the highest quality tree specimens. This makes it possible to produce higher-value raw materials for industry, for example," says Hietala. Sustainable use of forests is also promoted through forest certification. The aim of certification is to ensure that the forest management is carried out on an economic, social and ecologically sustainable basis. This means that the biodiversity of forest ecosystems and the cultural and recreational values of forests are also preserved in commercial forests.

"Today, the acceptability of forestry and its environmental friendliness are a prerequisite for the acceptability of the industrial use of wood," says Kangas. Around 90 per cent of Finland's commercial forests are PEFC™-certified and around 10 per cent are FSC® (FSC C109750)-certified. United Bankers' forest funds now own

more than 145,000 hectares of forest land in Finland. In addition to certification, various nature management measures for commercial forests have long been used by United Bankers' funds. They also set their own goals to ensure biodiversity. "Currently, all of our forest properties in Finland are PEFC-certified and 80 per cent are FSC-certified. Our goal is the certification of all forests in Finland with both certificates. The certificates steer forest management and contain many criteria, also from the perspective of nature. On the other hand, they are important criteria in terms of quality and also have an impact on the selling price of wood," says Hietala.

Today, forest management measures seek to prevent risks caused by climate impacts. "A healthy and strong stand prevents wind or storm damage. Timely thinning is therefore essential to avoid damage. Trees must not be allowed to grow only in length and at the expense of thickness," says Kangas. "However, if damage occurs, the wood will not be wasted as we can always find a use for the wood. Our cooperation with UPM is important also in this respect. We have forest managers on each forest property, who ensure, above all, good and timely management, but who also report any damage. We also cooperate with hunting clubs. Naturally, the greatest benefits come from game management. This can help to avoid damage caused by elks, for example, but hunters also report other observations they have made in the field to us," adds Kangas.

Global warming has also increased insect damage. Spruce bark beetles have caused significant damage in Central Europe and Sweden in particular. United Bankers' forest funds have prepared for the risks posed by global warming by, for example, setting a longer-term goal of doubling the share of deciduous trees in their Finnish forests from the current level to around 20 per cent. "Increasing the share of deciduous trees is a key measure in our forests, to help prepare for insect damage. This is particularly important in spruce stands, but nowadays the aim is otherwise to avoid monoculture forests. A diverse tree stock improves soil characteristics and increases biodiversity," says Hietala.



## **The portfolio managers have their favourite seasons in the forest**

The forest fund portfolio managers enjoy spending time in the forest. In addition to their planned forest visits and audits, they both love to spend time in the forest during their leisure time. For the portfolio managers, the forest is particularly attractive in the spring and autumn. “Both spring and autumn are a time of change in the forest. Autumn is also a time for harvesting, and the forest smells

good in the autumn,” says Kari Kangas. Jyri Hietala says he enjoys spending time in the forest in the autumn picking wild mushrooms. They are both united – and amused – by their automatic habit of always considering forests from the perspective of forest management. “Forest fund portfolio managers always feel like they are at work when they are in a forest. It always reminds me of things that I need to do,” says Kari Kangas laughing at the occupational hazard of someone who works in forestry. When finally asked how much time Kari and Jyri spend in the forest, they both say, “too little!” at the same time.



**A well-managed forest is both healthier and more productive**



# Board of Directors



## **Johan Linder – Chairman of the Board**

Johan Linder has been a Chairman of the Board since 2010. He has also held management positions and acted as the Chairman of the Board in various United Bankers Group companies since 1987.

Linder has a Bachelor's degree in Law. He owns 36,529 UB shares.



## **Rasmus Finnilä**

Rasmus Finnilä has been a member of the Board since 2022. He was also a member of the Board from 2013 to 2020, and has been a Board member in various United Bankers Group companies since 2021. Since 1987, he has been working in the United Bankers Group as an asset manager. Finnilä has a Master's degree in Economics. He owns 1,103,320 UB shares through Jarafi Oy.



## **Rainer Häggblom**

Rainer Häggblom has been a member of the Board since 2014. Häggblom is a Chairman of the Board of Häggblom & Partners Ltd. Oy, The Forest Company Ltd, and Vision Hunters Ltd. Before his current duties, Häggblom has had a long career in the global forest industry, for example at Jaakko Pöyry Consulting and Vaahto Group Plc. Häggblom has a Master's degree in Agriculture and Forestry and a Master's degree in Economics. He owns a total of 106,906 UB shares personally and through Häggblom & Partners Ltd. Oy.



### **Lennart Robertsson**

Lennart Robertsson has been a member of the Board since 2017 and a Vice Chairman since 2018. Robertsson has an extensive experience in companies representing a wide range of industries, and has held a number of international positions. Robertsson has had a long career in ASSA ABLOY Group and Statoil. He currently acts as an advisor to entrepreneurs, owners, management teams, and boards on various strategic issues and corporate arrangements. He is also a Chairman or a member of the Board in several Swedish companies. He has a Bachelor's degree in Economics. He owns 2,910 UB shares through InterFagervik AB.



### **Tarja Pääkkönen**

Tarja Pääkkönen has been a member of the Board of since 2018. Pääkkönen has years of experience on the boards of both listed and growth companies. She is a partner in Boardman Ltd, and has a Doctorate in Technology with a thesis on business strategies and a Master's degree in Engineering. She owns 10,342 UB shares.



### **Eero Suomela**

Eero Suomela has been a member of the Board of since 2020. Eero Suomela is a full-time board professional. He has almost forty years of experience in auditing in various industries and more than thirty years of experience in management positions. Suomela has a Master's degree in Economics and is an authorised auditor. He owns a total of 10,000 UB shares personally and through EGS Sijoitus Oy.



# Management team



United Bankers' management team shares a common passion for the development of the company.  
Pictured from left to right are Jukka Rasku, Jarkko Saukkola, John Ojanperä, Patrick Anderson, Inka Noramaa, Jani Lehti and Timo Ronkainen.



## OVER A HUNDRED YEARS OF EXPERIENCE IN BUILDING UNITED BANKERS' SUCCESS

United Bankers management team is a well-integrated team, and committed to the development of the company. The members of the management team complement each other with their extensive knowledge, solid experience and personal strengths. The team has a very strong track record of successfully implementing the company's growth strategy in recent years. With new funds and the promotion of international sales, the success of United Bankers' business today relies on an increasingly broad basis.



### **Patrick Anderson**

CEO of United Bankers Plc, M.Sc. (Econ.). Employed by United Bankers since 2000.  
He owns a total of 601,232 UB shares through Bockholmen Invest Ab and Paadla AS.

### **Jani Lehti**

CEO of UB Asset Management Ltd, M.Sc. (Econ.).  
Employed by United Bankers since 1994.  
He owns 494,850 UB shares through J. Lehti & Co Oy.

### **Inka Noramaa**

Chief Communications Officer, M.Sc. (Econ.).  
Employed by United Bankers since 2000.  
She owns 85,575 UB shares.

### **John Ojanperä**

CEO of UB Fund Management Company Ltd, M.Sc. (Econ.).  
Employed by United Bankers since 2014.  
He owns 65,745 UB shares.

### **Jukka Rasku**

CEO of UB Brokerage Company Ltd, M.Sc. (Econ.).  
As of 1 January 2024 Head of UB Private.  
Employed by United Bankers since 2020. He owns 15,732 UB shares.

### **Timo Ronkainen**

Head of Institutional Asset Management, M.Sc. (Econ.).  
Employed by United Bankers since 2012. He owns a total of 245,355 UB shares personally and through Oy Ottiger Ab.

### **Jarkko Saukkola**

Chief Operating Officer, M.Sc. (Econ.).  
Employed by United Bankers since 2018.  
He owns 13,494 UB shares.



# Financial key figures

## CONSOLIDATED KEY FIGURES

Income statement and profitability, EUR 1,000	1-12/2023	1-12/2022	1-12/2021	1-12/2020	1-12/2019
Revenue, EUR 1,000	52 145	48 562	43 828	34 358	32 477
EBITDA, EUR 1,000	19 174	18 428	16 257	10 043	7 674
EBITDA, % of revenue	36.8%	37.9%	37.1%	29.2%	23.6%
Adjusted EBITDA	19 132	18 487	16 257	10 321	8 428
Adjusted EBITDA, % of revenue	36.7%	38.1%	37.1%	30.0%	26.0%
Operating profit, EUR 1,000	16 966	16 506	14 319	8 350	5 929
Operating profit, % of revenue	32.5%	34.0%	32.7%	24.3%	18.3%
Adjusted operating profit	16 923	16 565	14 419	8 627	6 683
Adjusted operating profit, % of revenue	32.5%	34.1%	32.9%	25.1%	20.6%
Profit for the period, EUR 1,000	13 837	12 871	11 210	6 523	4 415
Profit for the period, % of revenue	26.5%	26.5%	25.6%	19.0%	13.6%
Earnings per share, EUR	1.24	1.19	1.00	0.60	0.44
Earnings per share, EUR (diluted)	1.23	1.16	0.98	0.59	0.43
Cost-to-income ratio	0.67	0.65	0.66	0.74	0.80
Return on equity (ROE), %	27.8%	27.9%	26.9%	17.1%	13.1%
Return on assets (ROA), %	18.7%	17.2%	16.4%	10.8%	7.7%
Average number of shares	10 745 276	10 557 789	10 396 110	10 423 731	10 011 898
Average number of shares (diluted)	10 787 002	10 786 525	10 513 493	10 501 133	10 168 010



<b>Other key figures</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Distribution of funds per share, EUR	1.00**	0.90***	0.80	0.51	0.43
Distribution of funds per earnings, %	80.9%	75.8%	80.4%	85.3%	97.4%
Effective distribution of funds yield, %	6.9%	6.6%	5.6%	4.8%	4.9%
Price/Earnings Ratio, P/E	11.6	11.5	14.3	17.9	19.9
Equity per share, EUR	4.75	4.49	4.19	3.73	3.56
Share price at the end of the period, EUR	14.40	13.60	14.20	10.70	8.80
Market capitalisation, EUR 1,000	155 132	145 438	148 275	111 728	91 889
Equity ratio, %	67.7%	67.1%	56.7%	66.9%	59.5%
Capital adequacy ratio, %	24.1%	24.0%	24.9%	17.8%	22.9%
Personnel at the end of the period (FTE)*	160	148	137	129	135
Number of clients at the end of the period	14 600	14 400	14 100	15 700	15 950
Assets under management at the end of the period, MEUR	4 585	4 411	4 800	3 772	3 565
Number of shares at the end of the period (outstanding shares)	10 754 327	10 628 312	10 384 428	10 402 198	10 403 660

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

\*\* The Board of Directors' proposal concerning distribution of funds for the 2023 financial period: a dividend of EUR 0.50 and an equity repayment of EUR 0.50.

\*\*\* Distribution of funds for the 2022 financial period confirmed by the Annual General Meeting of Shareholders on 22 March 2023: A dividend of EUR 0.75 and an equity repayment of EUR 0.15.

<b>Reconciliation of adjusted key figures and items affecting comparability</b>	<b>1-12/ 2023</b>	<b>1-12/ 2022</b>	<b>1-12/ 2021</b>	<b>1-12/ 2020</b>	<b>1-12/ 2019</b>
Items affecting comparability					
Non-operative costs and earn-out payments on acquisitions	-42	59	-	39	390
Cost of listing on the Helsinki Stock Exchange	-	-	-	239	-
Payments on the discount of personnel issue according to IFRS 2	-	-	-	-	364
Write-down of goodwill (no impact on adjusted EBITDA)	-	-	100	-	-
<b>Total items affecting comparability</b>	<b>-42</b>	<b>59</b>	<b>100</b>	<b>278</b>	<b>754</b>
EBITDA	19 174	18 428	16 257	10 043	7 674
Adjusted EBITDA	19 132	18 487	16 257	10 321	8 428
Operating profit	16 966	16 506	14 319	8 350	5 929
Adjusted operating profit	16 923	16 565	14 419	8 627	6 683



## FORMULAS FOR CALCULATING KEY FIGURES

### IFRS key indicators

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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 indicators

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"><li>- impacts of corporate restructuring on financial performance</li><li>- operating income and losses related to corporate restructuring</li><li>- earn-out payments on acquisitions</li><li>- other non-operational items affecting comparability</li></ul>
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	=	$\frac{\text{Fee and commission expenses + interest expenses + administrative expenses + depreciation of tangible assets and amortisation of intangible assets (excl. amortisation of customer relationships + other operating expenses + impairment of other receivables)}}{\text{Operating income}}$
Distribution of funds per share	=	Dividends or equity repayment declared or proposed to be declared for the period



Distribution of funds per earnings	=	$\frac{\text{Distribution of funds per share}}{\text{Earnings per share}} \times 100$
Effective distribution of funds yield	=	$\frac{\text{Distribution of funds per share}}{\text{Closing price for the period}} \times 100$
Price/Earnings Ratio, P/E, %	=	$\frac{\text{Closing price for the period}}{\text{Earnings per share}} \times 100$
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

# Board of Directors' Report

**1.1.-31.12.2023**

## Group revenue and profit performance 2023

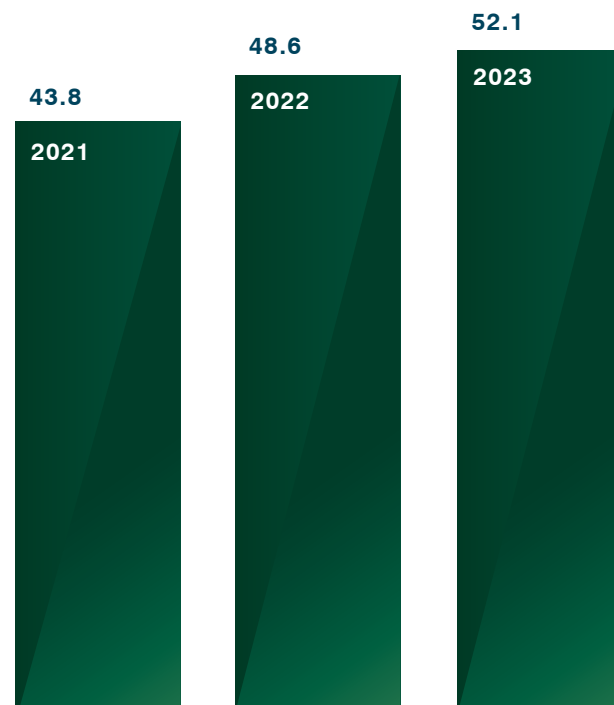
(comparison figures as at 31 December 2022)

In 2023, United Bankers' revenue and result reached another record high, despite the continuing challenges in the market environment, this time in the form of sharply rising interest rates, in particular. During the financial period, the revenue of the United Bankers Group (income from operations) increased to EUR 52.1 million (EUR 48.6 million), which was an increase of 7.4 per cent on the comparison period. The Group's adjusted EBITDA for the financial period increased by 3.5 per cent to EUR 19.1 million (EUR 18.5 million).

The positive revenue and profit performance was driven, above all, by the continued steady increase in fund management fees. However, the Group's relative profitability deteriorated slightly during the period, and the operating profit margin settled at 32.5 per cent (34.1 per cent). Profitability was burdened by investments aimed at building growth, such as new funds and promoting international sales. However, the growth targeted with these investments did not reach its full potential in 2023. The Group's adjusted operating profit increased by 2.2 per cent from the previous year to EUR 16.9 million (EUR 16.6 million) and operating profit by 2.8 per cent to EUR 17.0 million (EUR 16.5 million). Earnings per share amounted to EUR 1.24 (EUR 1.19). Return on equity decreased slightly but remained at the excellent level of 27.8 per cent (27.9 per cent).

United Bankers' wealth management segment continued to perform well during the financial period. The segment's revenue increased to EUR 50.6 million and EBITDA to EUR 20.0 million. A particularly positive development was that the share of recurring fee income of total fee income continued to rise. Fund management fees continued to grow steadily, rising by 12 per cent compared to the reference period. In addition to the growth in fund capital, the increase in management fees was also driven by the fact that the

capital was increasingly focused on more profitable funds. A significant share of the management fees and their increase during the financial year was generated by United Bankers' forest funds and the new UB Forest Industry Green Growth private equity fund. Total management fees generated by real estate funds also increased slightly, despite the challenging market conditions.



**REVENUE DEVELOPMENT**  
MEUR



By contrast, the amount of performance fees from funds decreased slightly from the comparison period. The decrease was mainly due to the weak performance of real estate funds, which did not generate any performance fees during the financial year. In previous financial years, real estate funds have generated a significant share of the performance fees. As a whole, the funds' performance fees remained at a relatively good level, however, as they were supported by the strong performance fees generated by the forest funds and the new UB Renewable Energy Fund.

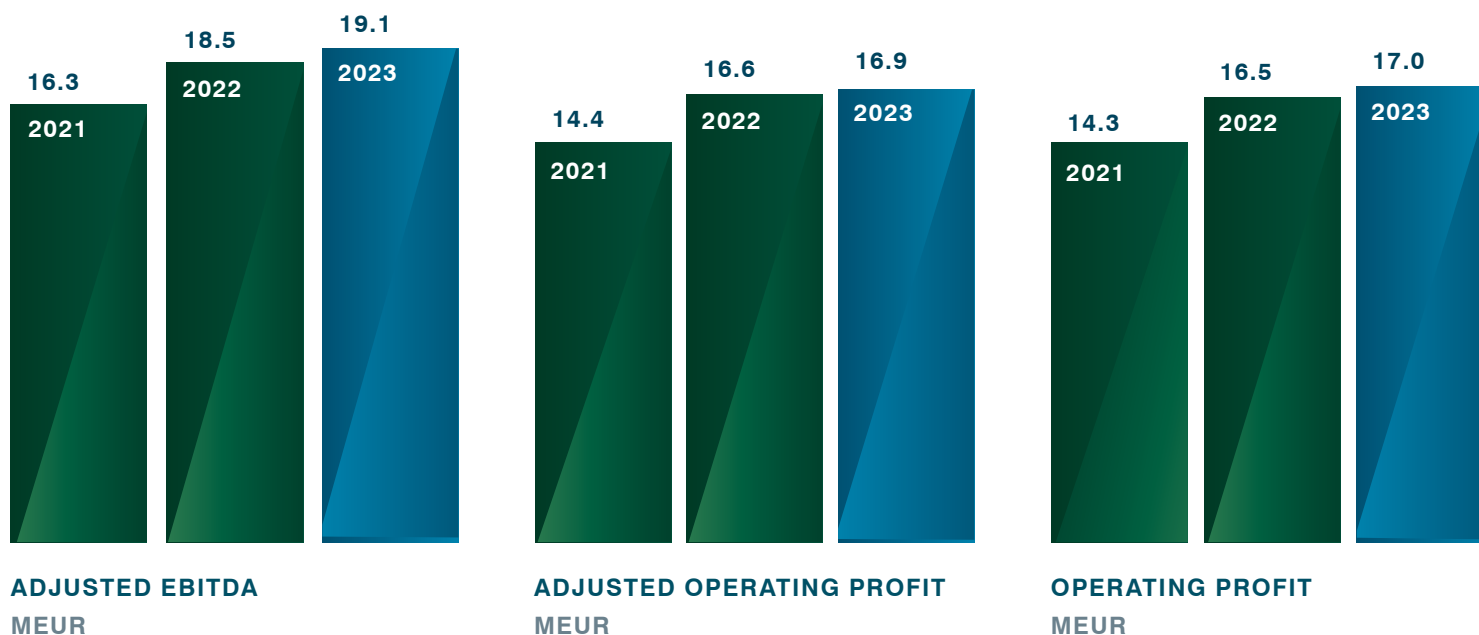
Overall, fund net fee income represented 86 per cent of net fee income in the wealth management segment and almost 85 per cent of all the net fee income in the Group. Income from asset management, which includes discretionary asset management, was close to the previous year's level. Sales of structured investment products grew and the fee income generated by these products rose significantly during the financial period.

The exceptionally low level of activity on the market in terms of mergers and acquisitions continued to weigh on the performance of the Group's capital markets services in 2023. The segment's revenue decreased from the comparison period to EUR 1.0 million and EBITDA remained at EUR -0.3 million.

Positive returns on the Group's own investments helped to increase the result for the financial period. In addition, the general rise in interest rates improved the interest margin on client assets, which also had a positive impact on the performance of the wealth management segment.

The segment-specific figures are presented in more detail in the following sections describing the development of the segments.

The Group's expenses increased from the previous financial period, but the pace of the increase in expenses levelled off. The





work involved in setting up new funds and promoting international sales contributed to costs in 2023. General cost inflation was also reflected in costs. Administrative costs including personnel and other administrative costs increased by 7.6 per cent to EUR 26.0 million (EUR 24.2 million). Total personnel expenses increased by 8.5 per cent to EUR 19.0 million (EUR 17.5 million) and other administrative expenses by 5.3 per cent to EUR 7.0 million (EUR 6.6 million). Depreciation, amortisation and impairment increased to EUR 2.2 million (EUR 1.9 million) as a result of higher IT investments and the refurbishment of the premises at United Bankers' headquarters in Helsinki. Overall, the Group's cost-to-income ratio deteriorated from the previous year to 0.67 (0.65).

The number of personnel in full-time equivalents increased by 8 per cent on the previous year and was 160 at the end of the year (148 employees). Of these, a total of 10 were temporary employees (6 employees). Recruitment of new employees was carried out to support the portfolio management and support functions of the new funds, to improve the customer experience and to support IT and systems development. The rise in personnel expenses is explained not only by the increase in the number of employees, but also by the salary increases implemented in the Group. As a result of the general trend in inflation, employees' salaries were increased across the board in the first half of 2023. In addition, a one-off 'inflation allowance' of EUR 1,000 was paid to all employees in January to help them cope with soaring costs in their daily life.

In the summer, United Bankers launched a project to reform and simplify the Group structure. The aim of the arrangement was to reduce the number of companies in the United Bankers Group and to consolidate operations requiring authorisations into two subsidiaries. The intra-group arrangements were implemented by mergers and a demerger of subsidiaries wholly owned by United Bankers, and they became effective at the turn of the year. For more information on the arrangement, see the section on Changes in Group structure. In connection with the arrangement, the Group's insurance business was centralised to Finland and UB Life's Luxembourg branch was closed. United Bankers also reduced the number of its offices.

The Group continued to develop its IT systems and digital services during the year. The aim is to complete the first phase of the largest system reform in the Group's history during the first half of 2024. The reform will significantly simplify the system infrastructure, enabling, among other things, more efficient operations and more agile development of digital services.

More information on the development of the Group's financial result is available in the attached Financial key figures of the Board of Directors' Report.

## Performance of assets under management

(comparison figures as at 31 December 2022)

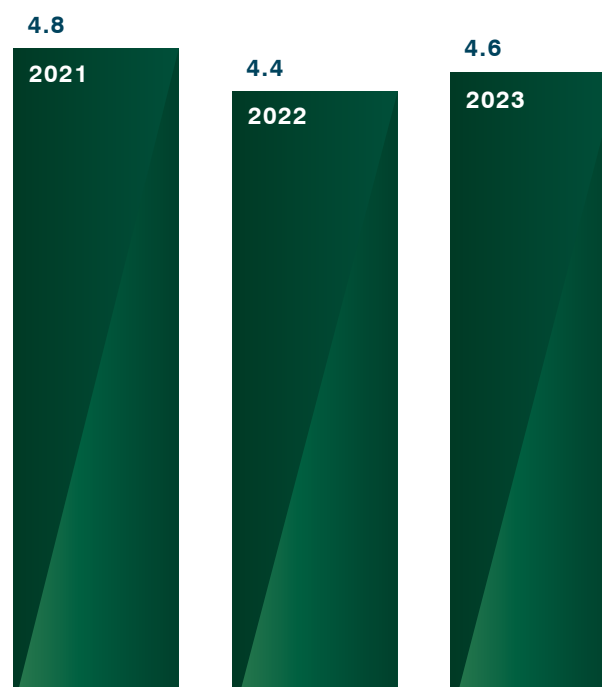
The company's assets under management increased to EUR 4.6 billion (EUR 4.4 billion) in the financial year, which was an increase of 3.9 per cent from the end of 2022. The growth in assets under management was supported by the largely positive performance of both asset management and funds. In addition, sales of funds and other asset management products and services remained positive. During the year, United Bankers managed to collect EUR 187 million in positive net subscriptions to its funds. This figure includes the investment commitments in general partnership (LP) funds that generate fees. Sales of discretionary asset management services and structured products increased year-on-year. Overall, however, total sales of wealth management services remained below target and the comparison period, ending up at EUR 501 million (EUR 514 million).

UB Forest Industry Green Growth Fund I LP, a private equity fund investing in forest and bio-based industry innovations, which started operations in January, played the most significant role in raising new capital. The investment commitments accumulated by the fund during the financial year rose to almost EUR 110 million. UB Renewable Energy Fund (AIF), which invests in renewable energy projects and power plants, which started operations in August, also attracted investors and gained net subscriptions of EUR 31.5 million during the second half of the year. The positive turnaround in the fixed income markets was reflected in United Bankers' fixed income funds, which increased their capital significantly during the year. Interest in timberland investing also remained at a good level, even though subscriptions in forest funds declined from the highs of recent years. Demand for discretionary asset management services remained stable.

The market situation for real estate funds, on the other hand, was difficult. The wave of redemptions from Finnish real estate funds also hit United Bankers' real estate funds and net subscriptions remained clearly negative. Weak demand for real estate funds played a key role in the performance of the amount of assets under management, as during the zero interest rate environment of previous years, real estate funds were among United Bankers' most popular and fastest growing funds.

Of United Bankers' assets under management, a total of EUR 3.3 billion were invested in asset management services or funds generating recurring fee income. This represents 71 per cent of assets under management. EUR 2.9 billion (EUR 2.6 billion), or 63 per cent of the Group's assets under management, was invested in funds. EUR 1.9 billion of the above fund capital was invested in real asset investments (EUR 1.8 billion). They accounted for 41 per cent of the Group's assets under management and as much as 66 per cent of its total fund assets.

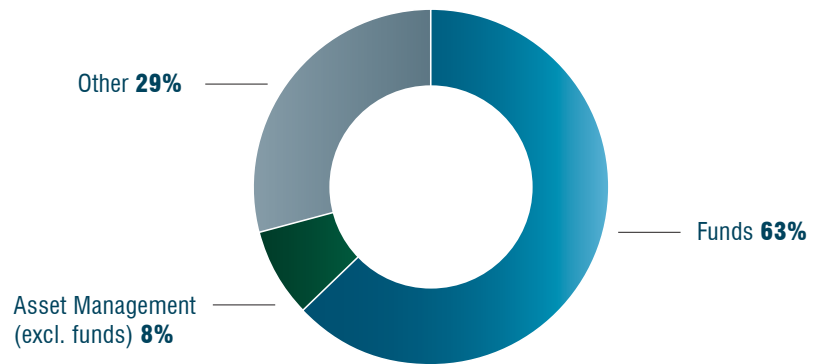
The number of United Bankers' clients increased slightly from the end of the previous financial year to 14,600 (14,400 clients). The company continued its work to develop client relationship management models. The aim is to further improve the customer experience while building long-term and profitable client relationships.



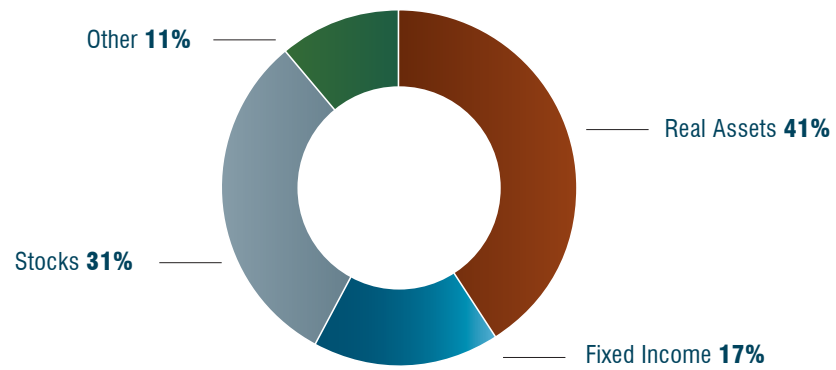
**DEVELOPMENT OF ASSETS UNDER MANAGEMENT**  
BN. EUR



**ASSETS UNDER MANAGEMENT  
EUR 4.6 BN.**



**ASSET CLASS BREAKDOWN**





## Operating environment

The main theme in the market in 2023 was the decisive action by central banks to bring inflation under control. Record policy rate hikes pushed short-term market rates to levels not seen in Europe or the USA for more than two decades. The rapid and sharp rise in interest rates increased fears of a significant slowdown in economic growth. Inflation was slowed markedly during the year, but economic growth still remained better than expected. In the US in particular, economic performance continued to be surprisingly strong, with GDP growth reaching 2.4 per cent. The favourable economic performance was driven not only by expansionary economic policy but also by a strong labour market. The employment situation has a key impact on consumer demand, and this had a significant impact on US economic growth, as private consumption accounts for around 70 per cent of the country's GDP.

Europe presented a mixed picture in terms of economic growth. In open, export-driven economies such as Germany, Finland and Sweden, economic growth even turned slightly negative in late 2023. At the same time, growth in the euro area as a whole remained positive on average, mainly thanks to favourable economic performance in southern Europe. However, GDP in Europe rose by only 0.5 per cent overall. In China, the growth boom that followed the COVID-19 pandemic eased. The problems in the property sector, which resurfaced in the summer, also played a key role in the economic slowdown. Over the year, China's GDP grew by 5.2 per cent.

Despite fluctuating market sentiment, 2023 offered good returns on average for both equity and fixed income investors. Global stock markets performed well on the whole, although there were differences between countries and sectors. Equity prices rose sharply during the year in both the US and Europe. The S&P 500 broad market index returned 24.2 per cent and the STOXX Europe 600 price index 12.7 per cent over the year. In 2023, there was huge interest in artificial intelligence, which boosted the performance of the technology sector in particular. Especially in the early part of the year, the price rises relied heavily on US tech giants' favourable share price performance. Indeed, the strong performance of both the S&P 500 price index and Nasdaq in 2023 is largely explained by the rapid rise of the share prices of the Big Seven tech firms.

Global stock markets failed to pull the Helsinki Stock Exchange into the uptrend, and despite a strong turnaround at the end of the year, the Finnish stock market remained well in the red, with the OMX Helsinki Cap price index at -5.0 per cent. This was due to the Helsinki Stock Exchange's strong focus on cyclical companies and the sluggish price performance of some of the largest companies. The marked slowdown in economic growth in the major export markets of Europe and China also contributed to the Helsinki Stock Exchange's sluggish performance.

The fixed income markets returned to normal in 2023, with both government and corporate bonds performing favourably after an exceptionally weak 2022. A significant part of the returns were generated towards the end of the year, as market interest rates started to decline in anticipation of the expected central bank rate cuts in 2024.

The rapid rise in interest rates also had a considerable impact on the Nordic real estate market, and transaction volumes remained very low. Although activity picked up slightly towards the end of the year, transaction volumes declined to EUR 20 billion, which made it the slowest year since the financial crisis. According to the statistics of KTI Finland, the volume of real estate transactions in Finland remained at EUR 2.6 billion, which is the lowest figure in ten years. The record rise in interest rates also resulted in higher yield requirements in the real estate market and as a consequence real estate market yields remained well in the red in general.

Despite the global economic and geopolitical turmoil, the operating environment remained stable for forest property investments in the target markets of United Bankers' forest funds. After several peak years, the forest industry product market started to decline, but activity in the timber market remained moderate throughout the year. Over the year as a whole, average timber prices in nominal terms strengthened in Finland compared to the previous year. In the Baltics, timber prices returned from the historical highs of the previous two years to prices closer to their longer-term average. Demand and prices for wood in the Baltic Sea region have been supported by the challenging situation in the timber market. The situation has been caused by the end of timber imports from Russia as a result of the war in Ukraine and the increase in demand for timber due to new forest industry investments. In



the forest property market, prices normalised during the year just ended, and yield requirements continued to rise moderately as interest rates increased.

Concerns about a slowing of economic growth, rising interest rates and weak equity markets in Finland affected demand for wealth management services and funds. According to Investment Research Finland's Mutual Fund Report, Finnish mutual funds received new fund capital of EUR 3.2 billion during the year. Without the uncertainties mentioned above, this figure could have been higher. Short-term bond funds and equity funds, in particular, attracted capital. By contrast, alternative investment funds, which have become more popular in recent years, lost capital. A strong wave of redemptions hit real estate funds in particular, as concerns about the development of the real estate market led many investors to redeem their assets. Net subscriptions in real estate funds registered in Finland were EUR 440 million negative, and fund capital fell from EUR 9.2 billion at the end of 2022 to EUR 8.2 billion at the end of 2023.

However, the total capital of funds managed by fund management companies registered in Finland increased by more than EUR 15 billion on the previous year, thanks to the generally rather favou-

able development of the equity and fixed income markets. At the end of the year, total fund capital had increased by almost 12 per cent on the previous year to EUR 149 billion.

Increased economic uncertainty, rising interest rates and valuation challenges also had a strong and widespread impact on corporate transactions and financing arrangements. In fact, demand for capital market services was very modest. For example, the Nordic IPO market was at a near standstill. Only one new company entered the main list of the Helsinki Stock Exchange during the year. In the other Nordic countries levels were also far below those of previous years.

In addition to the impacts of the economic and political environment, the modern world recognises that climate change and biodiversity loss may also pose risks to financial stability. Analysis and measurement of climate risks is already part of many companies' daily operations, but companies are also starting to understand the threat that biodiversity loss poses to economic activity. The investment and finance sector plays an important role in channeling finance to environmentally and socially sustainable companies and businesses.



## 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 and infrastructure, 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	1-12/2023	1-12/2022	change %*
<b>FUNDS</b>			
Management fees	25,894	23,100	12.1
Performance fees	13,637	14,438	-5.5
Subscription and redemption fees	1,253	1,504	-16.7
<b>Income from funds</b>	<b>40,784</b>	<b>39,041</b>	<b>4.5</b>
Fee and commission expenses	-3,234	-3,328	-2.8
<b>Net income from funds</b>	<b>37,550</b>	<b>35,712</b>	<b>5.1</b>
<b>ASSET MANAGEMENT</b>			
Income from asset management	5,153	5,365	-3.9
Fee and commission expenses	-1,262	-1,490	-15.3
<b>Net income from asset management</b>	<b>3,892</b>	<b>3,875</b>	<b>0.4</b>
<b>STRUCTURED PRODUCTS</b>			
Income from structured products	2,479	2,157	14.9
Fee and commission expenses	-308	-295	4.6
<b>Net income from structured products</b>	<b>2,171</b>	<b>1,862</b>	<b>16.6</b>
<b>TOTAL FEE INCOME FROM WEALTH MANAGEMENT</b>	<b>48,416</b>	<b>46,562</b>	<b>4.0</b>
<b>NET FEE INCOME FROM WEALTH MANAGEMENT</b>	<b>43,612</b>	<b>41,449</b>	<b>5.2</b>

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



The fee income generated by United Bankers' wealth management segment remained on a growth path, even though the operating environment, with its rapidly rising interest rates, created headwinds for the business. Fee income increased by 4.0 per cent compared to the comparison period and totalled EUR 48.4 million (EUR 46.6 million). In terms of business predictability, it was particularly important that fund management fees continued to grow steadily, and income from discretionary asset management also came close to the previous year's level. When viewed as a whole, income from funds increased, although there was a decline in funds' performance fees compared to the reference period. The combined net income from funds and asset management accounted for as much as 95 per cent of the net fee income from the wealth management segment and almost 94 per cent of the Group's net fee income.

Fund income increased to EUR 40.8 million (EUR 39.0 million), which is an increase of 4.5 per cent on the previous year. The difficult year for real estate funds was reflected in their performance fees, which declined by 5.5 per cent from the comparison period. Overall, however, the decline in performance fees remained moderate, as performance fees from forest funds continued to grow strongly. The UB Renewable Energy Fund, which started in August, also had a clear positive impact on performance fees. The funds' performance fees amounted to EUR 13.6 million (EUR 14.4 million) for the financial period. Management fees rose by 12.1 per cent to EUR 25.9 million (EUR 23.1 million). The growth in management fees was driven by both the stable performance of fund capital and the shift in focus towards more profitable funds.

#### PROFITABILITY OF THE WEALTH MANAGEMENT BUSINESS SEGMENT

WEALTH MANAGEMENT EUR 1,000	1-12/2023	1-12/2022	change %*
<b>REVENUE</b>	<b>50,579</b>	<b>46,831</b>	<b>8.0</b>
Fee and commission expenses	-4,804	-5,113	-6.0
Administrative and other operating expenses	-25,799	-22,177	16.3
<b>EBITDA</b>	<b>19,976</b>	<b>19,540</b>	<b>2.2</b>

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

Income from asset management, on the other hand, remained slightly lower than in the comparison period at EUR 5.2 million (EUR 5.4 million). The fall was mainly due to a clear decline in equity and bond brokerage volumes. Management fees for discretionary asset management remained at the level of the comparison period. Fee income from structured investment products continued to develop positively and increased by 14.9 per cent to EUR 2.5 million (EUR 2.2 million). Overall, net fee income from the wealth management segment increased by 5.2 per cent to EUR 43.6 million (EUR 41.4 million).

The expenses of the wealth management business segment increased on the comparison period. The aforementioned efforts to promote international sales and to launch new funds contributed to the increase in expenses. Administrative and other operating

expenses increased by 16.3 per cent to EUR 25.8 million (EUR 22.2 million). The wealth management business segment's EBITDA increased to EUR 20.0 million (EUR 19.5 million) in the financial period, increasing 2.2 per cent.

The rapid and sharp rise in interest rates and the uncertainty in the investment markets during the year reduced demand for the Group's investment services. Total sales of wealth management products and services fell short of the targets and ended up at EUR 501 million, down 2.7 per cent from the previous financial period (EUR 514 million). United Bankers' net fund subscriptions for the full year increased to EUR 186.5 million (EUR 48.1 million). The figure includes the investment commitments in general partnership (LP) funds that generate fees.



Despite investor uncertainty, demand for United Bankers' discretionary asset management services remained stable. Sales were partly supported by the favourable performance of the UB360 and Private Investment Office (PIO) asset management strategies. The asset management models of both services performed well also compared to competitors. During the year, asset management services raised over EUR 100 million in new capital.

In the wealth management business segment, United Bankers continued investments in the promotion of international sales. The main markets are German-speaking European countries, France and the Benelux countries, and fundraising is concentrated around funds in the forest sector in particular. United Bankers' unique expertise has attracted considerable interest among international investors, and the company's representatives met with a record number of foreign investors in 2023. In December, United Bankers signed a cooperation agreement with the French company *Préférence Conseil SAS* regarding the sale of its forest sector funds.

The largely favourable performance of international stock markets and fixed income markets supported the performance of United Bankers' equity and fixed income funds and asset management models. The performance of forest funds was also very strong in 2023. The best performing equity funds were UB American Equity Fund, which invests in US equity markets, with a return of 22.6 per cent, and UB Europe AI, which uses artificial intelligence to invest in European equity markets, with a return of 11.5 per cent. The returns of fixed income funds were also very high after a difficult year in 2022. For example, the return of UB High Yield, which invests in European corporate bonds, rose to 8.8 per cent in 2023. The performance of forest funds also continued to be strong, with the UB Timberland Fund (AIF) returning 10.3 per cent, the UB Nordic Forest Fund II LP returning 10.1 per cent (IRR) and the UB Nordic Forest Fund III LP 6.4 per cent (IRR). UB Nordic Forest Fund IV LP, which started operations in July, returned 17.8 per cent over a period of about six months. Real estate funds, on the other hand, were hit by rapidly rising interest rates and their values fell slightly in 2023. Despite this, United Bankers' real estate funds' performed rather well considering the general market developments. UB Finnish Properties (AIF) returned -2.1 per cent and UB Nordic Property Fund (AIF) returned -1.4 per cent. However, the values of

listed real estate funds (REIT), started to rise during 2023 and they offered mostly positive returns.

During the financial period, sales of structured investment products grew significantly on the previous year and the sales volume of structured products launched by United Bankers increased to EUR 54.7 million (EUR 44.8 million). The positive change in the market for structured products that started in 2022 carried over into 2023. The rise in general interest rates, brought about by higher inflation allowed structured investment products to be built on attractive terms. Towards the end of the year, both the interest rate and risk premiums started to decline, which slowed sales somewhat. As in the previous year, credit risk linked products remained the most important product group during the financial period. The rise in interest rates also made it possible to build capital-protected products on good terms after a break of several years. Sales of equity-based products continued to be stable, but the focus of structured investment sales was clearly on credit risk products.

## REAL ESTATE FUNDS

The rapid acceleration of inflation and the rapid rise in interest rates brought about headwinds for the Nordic real estate market, both in terms of lower transaction volumes and pressure on property prices. However, the performance of different real estate sectors and across the Nordic countries was uneven, which caused considerable differences in the returns of Finnish real estate funds.

The difficult market environment in Finland was reflected mainly in the housing market, although other types of properties were also affected. UB Nordic Property Fund does not invest in housing at all, and the housing market had a relatively limited impact on the performance of UB Finnish Properties. In the challenging environment, United Bankers' real estate funds were supported by their broad diversification across real estate sectors and, in the case of UB Nordic Property Fund, its diversification across the Nordic countries. Both UB Finnish Properties and UB Nordic Property Fund performed well in relation to their peer group.

Concerns about property values led investors to redeem their assets from Finnish real estate funds on a large scale. Capital was



also withdrawn from United Bankers' real estate funds. The combined redemptions from UB Nordic Property Fund and UB Finnish Properties during the year amounted to just over EUR 40 million. At the end of the year, the funds' capital had fallen to approximately EUR 675 million (EUR 718 million).

The strategy of the UB Nordic Property Fund is to invest in property assets with stable returns in the Nordic countries. In addition to geographical diversification, the fund offers broad diversification across various property segments. The investments include logistics and manufacturing properties, offices, store properties and plots. An excellent occupancy rate (98.5 per cent) and a high lease maturity (7.6 years) supported the fund's performance in the difficult market environment in 2023. The UB Nordic Property Fund acquired two new property complexes during the year. One of the properties is located in Norway and the other is a complex of two properties in Helsinki. The real estate portfolio also continued to be actively managed, which included the signing of several new leases for empty premises.

At the end of the year, UB Nordic Property Fund's total gross asset value (GAV) was approximately EUR 468 million and the total market value of properties amounted to EUR 534 million. The return generated by UB Nordic Property Fund in 2023 was slightly negative at -1.4 per cent (I series).

UB Finnish Properties invests in real estate assets in Finland that have stable return potential. Investments include plots, apartments, community properties, office space, logistics and warehousing properties and other suitable assets. The focus is on the capital region and growth centres. The occupancy rate (92 per cent) and lease maturity (5.4 years) of the fund were at a good level. The fund's housing project in Tampere, which was completed in December 2022, was fully rented out during the spring. In the autumn, the fund acquired a grocery store property in Oulu. The site is new and leased to Kesko Corporation under a long-term capital lease agreement. In December, the fund sold a portfolio of three day-care centre properties to a Nordic investor. A profit was realised for the fund from the completed transaction.

At the end of December, the total gross asset value (GAV) of UB Finnish Properties was EUR 208 million, and the fund's total mar-

ket value of properties amounted to EUR 199 million. The return generated by the fund in 2023 was slightly negative at -2.1 per cent (I series).

Both UB Nordic Property Fund and UB Finnish Properties are classified as light green investment products under Article 8 of the EU SFDR Regulation. During the year, the funds continued to promote the BREEAM sustainability certification of their properties. In the real estate funds' GRESB (Global Real Estate Sustainability Benchmark) ratings that were announced in the autumn both funds' scores had increased significantly compared to the previous year's assessment.

## FOREST FUNDS

For United Bankers 2023 was another significant year in terms of forest investment. In late June, United Bankers' UB Timberland Fund (AIF) acquired a large forest property from Taaleri. As a result of the acquisition, United Bankers became the third largest private forest owner in Finland through its funds. Forest holdings were also further increased in the Baltic markets. At the end of the year, the aggregate surface area of the properties owned by United Bankers' forest funds amounted to more than 165,000 hectares, of which approximately 146,000 hectares are in Finland and approximately 19,000 hectares in the Baltic countries.

United Bankers continued to strengthen its forest fund selection in early July by launching UB Nordic Forest Fund IV LP for professional investors. UB Nordic Forest Fund IV LP complements United Bankers' series of Nordic Forest Funds and will follow an investment strategy similar to those successfully implemented in other United Bankers' forest funds. However, compared with previous funds, UB Nordic Forest Fund IV aims to increase geographical diversification and invest more widely in forest estates in the Baltic Sea rim countries and certain other European countries. The fund can invest up to 20 per cent of its capital outside Europe. UB Nordic Forest Fund IV differs from the other Nordic Forest Funds in the sense that it is an evergreen fund, which is well-suited to the long-term nature of timberland investment.

The United Bankers' forest fund selection now features four funds investing directly in forest properties: UB Timberland Fund (AIF)



and UB Nordic Forest Fund II LP invest in forest properties in Finland, while UB Nordic Forest Fund III and IV LP invest in forest properties in the Baltic Sea region. UB Timberland Global Fund (AIF) invests globally in forests, forest industry and the further processing of forest industry end-products.

Despite the difficult economic situation in the forest industry, forest fund returns developed positively, supported by the positive trend in timber prices. The annual return of UB Timberland Fund (AIF) was 10.3 per cent (I series), of UB Nordic Forest Fund II 10.1 per cent (IRR) and of UB Nordic Forest Fund III 6.4 per cent (IRR). UB Nordic Forest Fund IV, which was launched in July, returned 17.8 per cent in roughly six months.

In recent years, forest investments have become a central diversification element in the investment portfolio, and investor interest in United Bankers' forest investment solutions remained high in 2023. The forest funds collected net subscriptions of EUR 42 million in 2023. At the close of the financial period, the total fund capital of United Bankers' five funds that invest in the forest sector, UB Timberland, UB Timberland Global Fund as well as UB Nordic Forest Fund II, III and IV LP, amounted to EUR 773 million (EUR 649 million on 31 December 2022). Forest funds have a material impact on United Bankers' business, and their impact on the result for the financial period was significant again. Both management and performance fees for forest funds clearly increased on the previous year.

The forests owned by United Bankers' funds act as carbon sinks, and in addition, during 2023, the funds promoted measures to improve forest biodiversity and continued private voluntary conservation of forests. Promoting biodiversity and protecting the environment are not incompatible with rational forestry practices that allow carbon sinks to grow.

In 2023, 100 per cent of the forest properties in Finland owned by United Bankers' forest funds were certified under the PEFC™ and 78 per cent under the FSC® (FSC C109750) certificate<sup>1</sup>. Outside Finland, 90 per cent of the forest properties were certified under the PEFC and 43 per cent under the FSC certificate. The forests' level of certification is relatively high in United Bankers' funds, as of all forests in Finland, a total of approximately 85 per cent are certified with the PEFC and about 10 per cent with the FSC certificate. Certification serves to demonstrate that the forest management is economically, socially and ecologically sustainable.

## GROWTH FROM NEW FUNDS

As a major forest owner, United Bankers wants to offer investors the opportunity to participate in the value chain of the wood processing industry and, above all, in growth projects that support the resource-efficient use of wood. At the end of January 2023, United Bankers launched UB Forest Industry Green Growth Fund I LP, a private equity fund for professional investors. The fund is globally unique in that it is a growth fund that focuses on the industrial use of wood and agro-fibres. In its first closing during the financial year, the fund raised investment commitments totalling almost EUR 110 million. The fund also made its first three investments in 2023.

The green transition has significantly increased demand for renewable energy in recent years. In 2023, United Bankers launched the UB Renewable Energy Fund, which invests in renewable energy development projects and power plants, with potential that relies heavily on the growing market created by the energy revolution and the green transition. There are significant synergies between UB Renewable Energy and United Bankers' other funds, as the fund's own development projects are mainly carried out in

<sup>1</sup> There are two major international certification schemes: FSC and PEFC. FSC is a system used by environmental and conservation organisations. PEFC is a scheme supported by forest owners' organisations and the forest industry. While there are no significant differences in the criteria used by the two schemes, FSC places a slightly greater emphasis on the environment and its protection.



areas owned by United Bankers forest funds. In the first months of operation in autumn 2023, UB Renewable Energy already identified during the preliminary survey phase 23 potential areas for onshore wind power development on the land owned by United Bankers forest funds in Finland.

This cooperation between funds will help to speed up the acquisition of land needed for wind and solar farms, for example, which will boost development activities and advance the appreciation of the fund's value and the launch of electricity sales. Forest fund investors also benefit from this, as the land leases related to wind

power projects will increase future returns for fund unit holders once construction begins. Collaboration has also been planned with United Bankers' real estate funds. Solar power plants can be installed on the roofs of the properties owned by these funds, which improves the properties' energy efficiency and makes them easier to rent out. All contracts between the funds are concluded on market terms.

During the autumn, the UB Renewable Energy Fund attracted a lot of interest among investors. The fund also had an excellent start in terms of performance. UB Renewable Energy's fund capital was EUR 39.6 million at the end of 2023.



## CAPITAL MARKETS SERVICES BUSINESS SEGMENT

United Bankers' capital markets services encompass the services of its subsidiaries UB Securities Ltd and UB Finance Ltd. Following the intra-group corporate arrangements at the turn of the year, UB Securities' capital markets services were transferred to a new company operating under the name UB Corporate Finance Ltd.

Variations between different financial periods are typical for the development of United Bankers' capital markets services business, as segment revenues are dependent on the success fees typically associated with assignments and their timing. For the year 2023, the activity of the capital markets services remained very low. The challenging operating environment was also reflected in United Bankers' capital markets services business, which saw a further decline in fees during the financial year. In 2023, the revenue of capital markets services remained clearly below from the previous year's level at EUR 1.0 million (EUR 1.7 million). Net fee income from capital markets services business segment amounted to EUR 0.7 million, (EUR 1.7 million), decreasing by 61.9 per cent compared to the preceding year. The EBITDA of capital markets services was negative for the financial period at EUR -0.3 million (EUR 0.2 million).

The number and value of Nordic M&A and capital markets transactions fell significantly during the year compared to the previous year. Increased economic uncertainty and rising interest rates weighed on overall demand for capital markets services during the year. During the financial period, UB Securities acted as the arranger in the direct share issue of Optomed Plc and as the lead arranger in the direct share issue of Herantis Pharma Plc.

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

New loans are no longer provided through UB Finance's online corporate lending platform, which is reported under the capital markets services segment. UB Finance's business is to be wind down when the last outstanding loans and their interest have been paid out to the investors. The closure of the service will not have a significant impact on the business of the United Bankers Group or its financial outlook.

### FEE INCOME FROM THE CAPITAL MARKETS SERVICES BUSINESS SEGMENT

CAPITAL MARKETS SERVICES EUR 1,000	1-12/2023	1-12/2022	change %*
Income from capital markets services	686	1,772	-61.3
Fee and commission expenses	-21	-27	-22.6
<b>NET FEE INCOME FROM CAPITAL MARKETS SERVICES</b>	<b>665</b>	<b>1,745</b>	<b>-61.9</b>

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

### PROFITABILITY OF THE CAPITAL MARKETS SERVICES BUSINESS SEGMENT

CAPITAL MARKETS SERVICES EUR 1,000	1-12/2023	1-12/2022	change %*
<b>REVENUE</b>	<b>1,012</b>	<b>1,745</b>	<b>-42.0</b>
Fee and commission expenses	-21	-27	-22.6
Administrative and other operating expenses	-1,302	-1,548	-15.9
<b>EBITDA</b>	<b>-310</b>	<b>170</b>	<b>-282.8</b>

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



## Balance sheet and capital adequacy

(comparison figures as at 31 December 2022)

The balance sheet total of the United Bankers Group as at 31 December 2023 amounted to EUR 76.1 million (EUR 71.6 million). The consolidated shareholders' equity amounted to EUR 51.6 million at the end of the review period (EUR 48.1 million). The cash assets of the Group as at 31 December 2023 amounted to EUR 9.4 million (EUR 9.5 million). The Group has at its disposal a credit line of EUR 7 million, which was undrawn at the end of the financial year.

Capital requirement of the United Bankers Group as at 31 December 2023 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 31 December 2023 amounted to EUR 15.6 million (EUR 13.0 million) and the Group's own funds relative to the required minimum capital requirement amounted to 301.6 per cent (299.5 per cent). The Group's capital adequacy ratio as at 31 December 2023 was 24.1 per cent (24.0 per cent). The Group management has set a minimum capital adequacy target level of 13 per cent. The Group's equity ratio as at 31 December 2023 amounted to 67.7 per cent (67.1 per cent).

More information on the balance sheet is available in the Group's Financial Statements and on the capital adequacy in the Capital adequacy section of the Annual Report.

## Resolutions of the Annual General Meeting of Shareholders

The Annual General Meeting of shareholders of United Bankers Plc held in Helsinki on 22 March 2023 resolved upon the following matters:

### **Adoption of the financial statements, resolution on the use of the profit shown on the balance sheet and resolution on the distribution of funds**

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 funds be distributed in the total amount of EUR 0.90 per share, so that a dividend of EUR 0.75 per share be paid out and an equity repayment of EUR 0.15 per share be paid out from the reserve of invested unrestricted equity. The record date for the dividend payment was 24 March 2023 and the payment date was 31 March 2023. The record date for the equity repayment was 22 September 2023 and the payment date was 29 September 2023.

### **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 2022.

### **Adoption of the Remuneration Report**

The Annual General Meeting adopted the Remuneration Report for the Governing Bodies for the year 2022.

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

The number of board members was confirmed at six (6). The composition of the Board of Directors was resolved to remain unchanged, so that all Board members Johan Linder, Rasmus Finnilä, Rainer Häggblom, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela were re-elected. The term of office of the Board of Directors shall expire upon the adjournment of the next Annual General Meeting of Shareholders.

The remuneration of the Board members remained unchanged. The Annual General Meeting confirmed the annual remuneration of the Chairman of the Board of Directors at EUR 35,000 and for the other members of the Board of Directors at EUR 25,000. Members of the Board of No remuneration shall be paid to a member of the Board of Directors who is employed by a company belonging to the United Bankers Group. The remuneration covers the entire



term and committee work. Travel expenses are reimbursed according to the travel policy of the company.

### **Election and remuneration of the auditor**

The auditing firm Oy Tuokko Ltd was re-elected as the auditor, with Janne Elo as the principal auditor. The auditor's fee will be paid according to the invoice approved by the Company.

### **Authorisation to resolve on the repurchase of the Company's own shares**

The Annual General Meeting authorised the Board of Directors to decide on the repurchase of a maximum of 150,000 own shares of the company with the company's unrestricted equity. The authorisation also includes the right to accept the company's own shares as pledge.

The authorisation is effective until the end of the next Annual General Meeting, however no longer than until 30 June 2024, and it revoked the authorisation granted by the previous Annual General Meeting to repurchase own shares to the extent that it had not been used.

### **Authorisation to resolve on the issuance of shares and special rights entitling to shares**

The Annual General Meeting authorised the Board of Directors decide on the issuance of a maximum of 700,000 new shares in the company, on the transfer of treasury shares held by the company and on the issue of special rights entitling to shares.

The issuance of shares and the granting of special rights entitling to shares may also take place in deviation from the shareholders' pre-emptive subscription rights (directed issue). The authorisation may be used, for example, to finance or carry out acquisitions or restructurings, to strengthen the company's balance sheet and financial position, to make investments or implement share-based incentive plans and/or for other purposes decided by the Board of Directors. The authorisation may also be used for an issue without consideration to the company itself.

The authorisation is effective until the end of the next Annual General Meeting, however no longer than until 30 June 2024, and it revoked the authorisation granted by the previous Annual General Meeting to decide on the issuance of shares and special rights entitling to shares to the extent that it had not been used.

### **Amendment of the Articles of Association with regard to the arrangements for general meetings**

The Annual General Meeting resolved to amend Section 9 of the Articles of Association in accordance with the proposal of the Board of Directors so that, in addition to the traditional General Meeting, the General Meeting may be organised both as a hybrid meeting using telecommunications and technical means, and as an entirely remote meeting without a physical meeting venue.

In all other respects, the Articles of Association remained unchanged.

### **Expiry of resolution of the Annual General Meeting regarding the ratio of fixed and variable remuneration**

The Annual General Meeting resolved that the resolution of the Annual General Meeting of 19 March 2021 regarding the maximum ratio of fixed and variable remuneration for remuneration recipients employed by the United Bankers Group shall expire in accordance with the proposal of the Board of Directors.

The resolution was based on a change in prudential regulation concerning investment firms. The previous regulatory requirement to the effect that the Annual General Meeting should resolve upon the maximum remuneration ratio is no longer applicable to the company and to the United Bankers Group. Consequently, the change in the regulation and the expiry of the validity of the resolution entail that the Board of Directors of the company has the power to resolve upon the ratio of variable and fixed remuneration for the personnel. The remuneration of governing bodies shall comply with the remuneration policy addressed at the Annual General Meeting.

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



## Changes in Group structure

On 19 June 2023, the boards of the subsidiaries of the United Bankers Group signed plans for the Group structure's rearrangements. The completion date of the Group arrangements was 31 December 2023.

The corporate arrangements were implemented by mergers and a demerger of subsidiaries wholly owned by United Bankers.

UB Securities Ltd demerged in accordance with the Finnish Companies Act in as a full demerger, in which the acquiring companies were UB Asset Management Ltd and a new United Bankers' wholly owned subsidiary company established in connection with the completion of the demerger. All licensed operations, including custodial services and payment services were transferred to UB Asset Management. The new company created by the demerger of UB Securities, UB Corporate Finance Ltd, will focus on Corporate Finance advisory services, i.e. advisory services in connection with mergers and acquisitions and Nasdaq Certified Adviser activities. The demerged company dissolved on the completion date.

Simultaneously, both of UB Brokerage Company Ltd and UB Life Ltd merged into UB Asset Management in separate transactions. UB Life was UB Brokerage Company's subsidiary and an insurance intermediary. The mergers were completed as sister and subsidiary company mergers in accordance with the Finnish Companies Act. As a result, the United Bankers Group's insurance business was concentrated to Finland, and the branch office of UB Life in Luxembourg was closed down.

## United Bankers' shares and share capital

United Bankers' share capital amounts to EUR 5,464,225.47. As at 31 December 2023, the total number of shares in the company amounted to 10,773,043. The number of shares increased during the review period by 79,088 shares as the company issued 79,088 new shares and 45,198 treasury shares held by the company in January as payment under the employee and tied agent matching share plans established in the fall of 2019 in connection with the employee and tied agent share issues. The shares issued under

the matching share plans were issued without consideration, and therefore, the share issues had no effect on the company's share capital.

Based on the authorisation granted by the Annual General Meeting 2022, United Bankers issued a total of 21,794 shares without consideration on 15 March 2023 to the company's management members belonging to the share-based incentive plan. During the year 2023 United Bankers repurchased a total of 20,065 own shares based on the authorisations granted by Annual General Meetings of 2022 and 2023. As at 31 December 2023, the company held a total of 18,716 own shares, corresponding to approximately 0.17 per cent of all the shares and votes in the company.

The closing price of the share of United Bankers Plc on 31 December 2023 was EUR 14.40 (EUR 13.60 as at 31 December 2022). The lowest closing price for the year was EUR 13.10 and the highest EUR 15.75. The total number of United Bankers' shares traded between the time period of 1 January – 31 December 2023 amounted to 586,276 shares (364,025 shares 1–12/2022). The aggregate market capitalisation of the shares as at 31 December 2023 amounted to EUR 155.1 million (EUR 145.4 million as at 31 December 2022).

## Shareholders

As at 31 December 2023, the company had a total of 1,790 shareholders (1,361 shareholders as at 31 December 2022). Number of shareholders increased by 31.5 per cent during the year. At the end of December 2023, 57.4 per cent of the shares were held by private companies (58.9 per cent as at 31 December 2022) and 30.3 per cent by households (29.2 per cent as at 31 December 2022). The remaining 12.3 per cent of the shares were held by foreigners, financial and insurance institutions, nominee-registered, public-sector organisations, 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 59 per cent of the company's shares.

More information is available in the Shares and shareholders section of the Annual Report on page 223.

**TEN LARGEST SHAREHOLDERS  
AS AT 31 DECEMBER 2023**

	<b>Shareholders</b>	<b>Shares</b>	<b>% of shares</b>
1	Oy Castor-Invest Ab	1,220,000	11.32
2	Amos Partners Oy	1,103,592	10.24
3	Jarafi Oy (Finnilä Rasmus)	1,103,320	10.24
4	Bockholmen Invest Ab (Anderson Patrick)	600,000	5.57
5	J. Lehti & Co Oy (Lehti Jani)	494,850	4.59
6	Olsio Tom Henrik Wilhelm	471,051	4.37
7	Jouhki Marina Sophia Helena	379,695	3.52
8	Linder Cassandra Marie	280,750	2.61
9	Linder Christoffer Magnus	280,750	2.61
10	Linder Corinne Sophie	280,750	2.61
	<b>Largest shareholders total</b>	<b>6,214,758</b>	<b>57.69</b>

**Management shareholding**

The members of the Board of Directors of United Bankers Plc owned a total of 1,270,007 United Bankers' shares, including shares held by their controlled entities, on 31 December 2023. This corresponds to 11.8 per cent of the total number of shares and votes in the company.

Patrick Anderson, CEO of United Bankers, owned 601,232 shares in the company as of 31 December 2023, representing 5.6 per cent of the total number of shares and votes. The other members of the Group's management team held a total of 920,751 shares, representing a total of 8.55 per cent of the shares and votes. Amounts include both shares held directly and through controlled entities.

<b>Board of Directors</b>	<b>Shares</b>	<b>% of shares</b>
Linder Johan, Chairman of the Board	36,529	0.34
Finnilä Rasmus, member of the Board	1,103,320	10.24
Hägglom Rainer, member of the Board	106,906	0.99
Pääkkönen Tarja, member of the Board	10,342	0.10
Robertsson Lennart, Vice Chairman of the Board	2,910	0.03
Suomela Eero, member of the Board	10,000	0.09
<b>Total</b>	<b>1,270,007</b>	<b>11.79</b>

<b>Management team</b>	<b>Shares</b>	<b>% of shares</b>
Anderson Patrick, CEO	601,232	5.58
Lehti Jani	494,850	4.59
Noramaa Inka	85,575	0.79
Ojanperä John	65,745	0.61
Rasku Jukka	15,732	0.15
Ronkainen Timo	245,355	2.28
Saukkola Jarkko	13,494	0.13
<b>Total</b>	<b>1,521,983</b>	<b>14.13</b>



## Share-based incentive plans

United Bankers Plc has adopted a share-based incentive plan for key persons on 24 June 2015. The purpose of the share-based incentive plan is to promote the Group's business strategy and commit key persons to the company. Share ownership creates a long-term interest for management in increasing the company's value, and provides competitive compensation. The program will enable the company meet regulatory requirements for management remuneration. At the same time, the program binds the long-term goals of the management and the company's other shareholders together.

On the financial period 2023, the share-based incentive plan consisted of three three-year earning periods, calendar years 2021–2023, 2022–2024 and 2023–2025. A potential reward for each earning period shall be paid out after the end of the relevant earning period.

The share-based incentive plan applied to seven key persons for the financial period.

Based on the authorisation granted by the Annual General Meeting, United Bankers issued a total of 21,794 shares without consideration on 15 March 2023 to the company's management members belonging to the share-based incentive plan. 15,607 shares were issued to the persons belonging to the share-based incentive plan based on the earning periods 2022 and 2020–2022. 2,294 shares were issued as deferred remuneration based on the earning period 2019–2021, 2,171 shares based on the earning period 2018–2020 and 1,722 shares based on the earning period 2017–2019. Shares issued in the directed share issue without consideration was based on the authorisation granted by the Annual General Meeting on 23 March 2022.

More information on the Group's share-based incentive plans is available in note 8 to the Financial Statements; Employee benefits and administrative expenses and note 29; Related party transactions, and on the Remuneration Policy and Remuneration Report, which are published as part of this Annual Report.

## Events after the review period

### United Bankers Plc's shareholders' proposals to the Annual General Meeting

United Bankers Plc's shareholders who represent approximately 40 per cent of all shares and votes in the company (31 December 2023) have on 2 February 2024 submitted a proposal to the Annual General Meeting to be held on 22 March 2024 concerning the number of members of the Board of Directors, the composition and the remuneration of the Board of Directors.

The shareholders proposed that the number of the Board members be confirmed seven (7). The shareholders proposed that all current Board members Johan Linder, Rasmus Finnilä, Rainer Häggblom, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela be re-elected, and that Elisabeth Dreijer von Sydow be elected as new member of the Board. All nominees have given their consent to the election.

In addition, the shareholders proposed that the remuneration of the Board members remain unchanged, so that the annual remuneration of the Chair of the Board of Directors be EUR 35,000 and that the annual remuneration of those Board members who are not employed by the United Bankers Group of companies be EUR 25,000.

## 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 environme-



nt and the evolving regulation on the company's business. The development 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.

Development in the financial markets and also in the real estate and timberland markets have the strongest impact on the company's business. Although the main risks of recession have recently subsided, there are still risks associated with the future development of the economy and investment markets. With inflation clearly slowing down, the market now expects central banks to

start gradually lowering their policy rates. If monetary policy easing is slower than expected, this could have a negative impact on economic growth and market developments, weakening demand for investment services. In 2023, rapidly rising interest rates put pressure on real estate prices. As a result of a possible postponement of interest rate cuts, real estate funds are still exposed to the risk that the market environment remains weak for them, which could lead to a prolonged period of modest demand and returns for funds. Development in the timberland market, through United Bankers' forest funds, also have a significant impact on United Bankers' performance. Forest farm prices and the timber market are expected to remain stable in the near future, but larger than expected changes could materially affect the performance fees from the forest funds.

Geopolitical risks are also elevated at the moment. Continued Russian military action in Ukraine may not cause major market volatility, but the potential escalation of the conflict in the Middle East will also increase risks in the economy. An escalation of the crisis could lead, inter alia, to a sharp rise in oil prices and destabilise markets.

More information on the Group's business risks and their management is available in the notes to the 2023 Financial Statements.



## Outlook

### MARKET ENVIRONMENT

Although market interest rates started to decline towards the end of 2023, they remain at levels that will continue to weigh on the growth prospects of the economy at least in the first half of 2024. As a result of the muted economic outlook for the first half of the year, global economic growth is expected to remain at 2.6 per cent for the year as a whole (3.0 per cent in 2023). In the US, for example, economic growth is expected to remain subdued in the first half of the year but to pick up towards the end of the year.

As economic growth has slowed, inflation has also continued to return towards normal levels. Accordingly, central banks are expected to start cutting policy rates in the spring or summer at the latest. Expectations of central banks' future interest rate cuts prompted an equity market rally towards the end of 2023. The turnaround in market interest rates also calmed the situation in the real estate market.

For investors, the greatest risk at the moment is that inflation will stop falling or start rising again. If, as a result of this, the central banks were to postpone their interest rate decisions or implement them at a slower pace than expected, it could have a negative impact on markets.

Geopolitical risks have also increased in recent months. Russia's war of aggression is expected to continue in Ukraine, and the protracted fighting may not necessarily cause major surprises in the markets. The more significant risks at the moment are related to the situation in the Middle East, where an escalation could have an impact on the economy and markets through a sharp rise in oil prices, for example.

### BUSINESS OUTLOOK

In 2023, United Bankers announced its long-term financial objectives and made a commitment to set science-based climate targets under the Science Based Targets initiative. The company's financial objectives include increasing its assets under management to above EUR 10 billion and increasing its adjusted operating profit

margin to above 40 per cent by 2028. Increasing sales in international markets is a key prerequisite for achieving the company's financial objectives. United Bankers is seeking growth not only in the Nordic countries but also in German-speaking Europe, France and the Benelux countries. The company will continue its efforts to promote international sales, but it goes without saying that success outside Finland will still require a lot of long-term work and resources.

United Bankers' climate targets and climate roadmap are part of its long-term sustainability objectives. These objectives will integrate the green transition more deeply into the core of United Bankers' business operations and investment solutions. Through its funds, the United Bankers Group aims to increase opportunities to invest in carbon sequestration and solutions that support the transition to a low-carbon, climate-resilient economy. United Bankers' financial objectives are therefore increasingly closely linked to the products and services it offers, which ensure long-term and sustainable value creation.

In fact, promoting sustainable investment has been one of the main themes in the development of the Group's fund selection in recent years. United Bankers' success will continue to be based on a portfolio of funds built around real asset investments and, above all, on its unique expertise in forests and the forest sector. The company's growth objectives in international markets also rely primarily on its expertise related to the value chain of the forest sector as a whole.

The UB Forest Industry Green Growth Fund I private equity fund, which was launched in 2023, is an excellent example of a new business that leverages United Bankers' expertise. The fund's investment activities got off to a good start during the year, and its unique investment strategy attracted investors not only in Finland but also in other European countries. The UB Forest Industry Green Growth Fund I will continue its fundraising activities in 2024, with the aim of raising a total of EUR 300 million in commitments. Through the fund, United Bankers wants to be involved in commercialising projects that promote the responsible use of wood while reducing the use of fossil raw materials.



In addition to the UB Forest Industry Green Growth Fund I, UB Nordic Forest Fund IV, which started its operations in July, is also one of the spearheads of the international offering. United Bankers' long-term goal is to develop UB Nordic Forest Fund IV into its largest forest fund in terms of capital. This goal is supported by the steady growth in the popularity of forest investment and the broader geographical diversification of the new fund. United Bankers' strong track record in forest investment in the Nordic and Baltic region has attracted considerable interest from international investors.

Real estate funds have been important pillars of United Bankers' business for many years. In 2023, however, the market environment was exceptionally difficult for these funds. The risks associated with market performance still exist for real estate funds if central banks postpone their decisions to cut interest rates. If interest rates stop falling or even start to rise again, the turnaround for the better in real estate investment could be delayed. As market rates started to decline at the end of last year, the real estate market now looks a little more stable than before, but a significant turnaround is not yet expected this year.

The positive development of United Bankers' business and profit in recent years shows that the company has implemented its growth strategy successfully. In addition to international expansion, the strategy has been driven by significant investments in the development of the fund selection. Thanks to the new funds, the success of United Bankers' business is now built on an even broader base. UB Forest Industry Green Growth Fund I, the company's first true private equity fund, and UB Renewable Energy, which uses the growth potential of renewable energy, will play an important role in United Bankers' future growth. Heading into 2024, United Bankers' business will be even more strongly focused on wealth management products and services that generate a steady cash flow, making the company's financial performance more predictable. In addition, the work done in recent years to strengthen the fund selection means that future growth will be built on an increasingly broad basis.

## Financial guidance for 2024

The company estimates its adjusted operating profit to increase from 2023 levels.

28 February 2024, Helsinki  
United Bankers Plc  
Board of Directors



# Sustainability at United Bankers

At United Bankers, sustainability is broadly defined as economic, social, and environmental responsibility. As a company, we want to take responsibility and support the sustainable development of the environment and society. This is reflected in our strategy, our

values and our operations. Sustainability is also a key part of the company's value creation as well as United Bankers' growth strategy.

## UNITED BANKERS' SUSTAINABILITY HIGHLIGHTS 2023

### Responsibility at the centre of operations

- United Bankers published its sustainability focus areas and described the related targets and indicators
- United Bankers' reputation clearly improved in the Reputation&Trust survey. The company succeeded in improving its reputation while the reputations of other listed companies were declining, on average
- Customer satisfaction improved to a very high level. The results improved among both retail and institutional clients

### Pursuing climate-resilient growth

- The company published its climate roadmap and committed to setting climate targets under the SBTi
- The carbon footprint of United Bankers' investment products decreased by 7 per cent and the company's total net emissions halved year-on-year

### Towards a sustainable society

- UB Forest Industry Green Growth Fund I LP, which invests in sustainable and resource-efficient forest and bio-based industries, was launched
- United Bankers launched UB Renewable Energy Fund, a new fund focusing on investment in wind and solar power plants
- United Bankers expanded its selection of forest funds and launched Nordic Forest Fund IV, a new fund investing in forests in the Baltic Sea rim countries
- According to the results of the UN PRI's assessment, very good progress was made in sustainability work
- Responsibility of investments promoted through active ownership (ISS Proxy Voting)

### Meaningful work and inspiring opportunities

- United Bankers receives Finland's Most Inspiring Workplaces 2023 award. The PeoplePower index, which measures personnel commitment, continued to develop in a positive direction
- Skills development targets were updated
- The incapacity for work percentage continued to fall and was at a very low level at 0.39 per cent (0.48% in 2022)
- Employer image was also at a good level, and according to the Reputation&Trust survey, it had improved on the previous year

### Transparency and reliability as cornerstones of administration and communication

- New ESG reports for funds and the UB 360 asset management model were introduced
- United Bankers' UNGP-compliant whistleblowing channel was opened
- United Bankers continued to report in line with the GRI Standards
- United Bankers strengthened responsible value chain management by implementing a Supplier Code of Conduct

The sustainability targets are visible in United Bankers' operations to an increasing extent, and the opportunities created by the green transition are now a significant factor in the development of the business operations. The company seeks to implement its growth strategy by operating in line with international climate targets. In 2023, as part of its own climate targets, United Bankers drew up a climate roadmap for the Group to define both its long- and short-term climate objectives to achieve the targets of the Paris Agreement. Progress in sustainability work is also measured in terms of responsible products and services, the company's reputation, customer satisfaction, achievement of equality, and the well-being and competence of employees, among other things.

The continuous development of responsible business operations in cooperation with stakeholders is a priority for United Bankers. The company's target is to promote client satisfaction, in particular, and the well-being and job satisfaction of its employees. United Bankers believes that responsibility is also a way to improve the profitability and competitiveness of its business and that by doing

the right thing and acting sustainably, the company can increase its positive impact on the environment and society. United Bankers wants to be worthy of the trust of all its stakeholders.

## Sustainability focus areas

In 2023, together with the Group's long-term financial objectives, United Bankers announced its sustainability focus areas, including the key targets and indicators related to them. The sustainability focus areas are based on the company's materiality analysis that was conducted in 2022 and they have been grouped as follows:

- Sustainable products and good stakeholder and client relations: United Bankers drives the transition to a sustainable economy and increases its clients' wealth sustainably
- Meaningful and inspiring work: United Bankers offers meaningful work and inspiring opportunities
- Reliable and transparent governance: United Bankers is transparent and accountable for its actions

**FIGURE 1: SUSTAINABILITY FOCUS AREAS**





## UNITED BANKERS' VALUES



United Bankers wants to take responsibility for society and the environment and contribute to the achievement of the Sustainable Development Goals. In practice, sustainability is reflected in client and stakeholder relations, responsible investment and the product range, employee well-being, and sound corporate governance. In addition, climate change, human rights, and biodiversity are relevant cross-cutting sustainability themes.

### Reporting principles

The Sustainability Report covers all United Bankers Group companies. The Sustainability Report is published once a year with the Annual Report. This report was published in February 2024 and it covers the period 1 January – 31 December 2023. The sustainability information has not been verified. The report uses the Global Reporting Initiative (GRI) Sustainability Reporting Standards as a reporting framework (with reference to -level). The GRI index can be found on page 135. There is no need for adjustments to be made to the 2022 Sustainability Report, which covers the period 1 January – 31 December 2022.



**For more information on sustainability at United Bankers, please contact:**

Seela Sinisalo, Head of ESG  
seela.sinisalo@unitedbankers.fi



# Responsibility at the centre of operations

## Targets and achievements 2023:

- United Bankers published its sustainability focus areas and described the related targets and indicators
- United Bankers' reputation clearly improved in the Reputation&Trust survey. The company succeeded in improving its reputation in an environment where the reputations of listed companies were, on average, in decline
- Customer satisfaction improved to a very high level. The results improved among both retail and institutional clients

## Sustainability principles and policies

Our clients and their goals and needs are at the core of our work at United Bankers. United Bankers operates in a economically, environmentally, and socially responsible manner, and promotes the implementation of corporate responsibility in its operations and investments. The company is guided by not only its values, but also by international commitments, best practices, and financial regulation. The key principles and commitments that guide United Bankers' sustainability are set out in the [Code of Conduct](#) and [Principles for Responsible Investment](#). We also require that the operations of our business partners, such as service providers and suppliers, comply with United Bankers' sustainability standards. The principles and requirements are set out in the [Supplier Code of Conduct](#) that was introduced in 2023.

The commitments contained in these principles are integrated into the company's governance system, policies and strategies and their implementation is regularly monitored. The way in which monitoring is carried out varies depending on the subject matter and the context in question. The key players in the monitoring process include the Sustainability Steering Group, the risk management and compliance functions, the company's executive management and ultimately, the company's Board of Directors (see Managing

and leading sustainability). As the Principles for Responsible Investment are central to United Bankers' investments and products, their implementation is described in more detail in the chapter Responsible investing.

## United Bankers' Code of Conduct

United Bankers' Code of Conduct guides all employees to act in accordance with shared values, guidelines and principles of operation. The aim of these is to strengthen mutual trust and open communication within the organisation. The Code of Conduct also supports the promotion of equality and non-discrimination, helps build the company's reputation and creates a secure and confidential framework for managing client and other stakeholder relationships.

At the same time, it aims to advance the external stakeholders' positive image of the company. The Code of Conduct sets out the company's values, business principles, guidelines and practices that help ensure responsible conduct and open interaction with stakeholders. It also guides sustainability management in the United Bankers value chain. More information on the value chain and related Code of Conduct can be found in the chapter Managing the responsibility of supply chains.



As a listed company, United Bankers complies with the Finnish Corporate Governance Code for listed companies, the rules of Nasdaq Helsinki and the applicable securities market legislation and the official regulations issued under it, which serve as a basis for open and transparent governance and communication.

## International commitments

Since 2012, United Bankers has been committed to the [UN Principles for Responsible Investment \(UN PRI\)](#). United Bankers continuously develops its activities in line with these principles and reports annually to the PRI organisation. United Bankers achieved excellent scores in the 2023 PRI assessment for its own operations and selected asset classes. United Bankers' official PRI [Transparency](#) and [Assessment report](#) was published in January 2024.

In 2023, United Bankers committed to setting climate targets for its operations in line with the international [Science Based Targets](#) initiative (SBTi). With these targets, United Bankers aims to achieve climate-resilient growth and net zero emissions in accordance with the [Paris Climate Change Agreement](#) by the end of 2050 at the latest. Climate targets based on SBTi will be set over the period from 2023 to 2025 and the actions needed to achieve them will be integrated into the company's operations and responsible investment processes. More information on climate targets can be found in the chapter Pursuing climate-resilient growth.

In 2022, United Bankers committed to respecting human rights in its operations in accordance with the [UN Guiding Principles on Business and Human Rights \(UNGPR\)](#). United Bankers exercises due diligence and avoids violating human rights in its operations and business relationships. This commitment covers the principles of fundamental rights as defined in the [UN Declaration of Human Rights](#) and the [International Labour Organisation \(ILO\) declaration](#). The integration of human rights considerations into responsible investing and the Group's activities as a whole were continued during 2023.

United Bankers' human rights commitments are integrated into the company's responsible investment processes, including due diligence and monitoring processes. More information on respon-

sible investment processes can be found in the chapter Responsible investing.

As of 2021, United Bankers has been committed to assessing the climate risks of its operations according to the international [Task Force on Climate-Related Financial Disclosures](#) (TCFD) guidelines. The climate risk assessment is part of the company's responsible investment processes, such as investment due diligence and monitoring, as well as its risk management guidelines and processes. More information on responsible investment processes can be found in the chapter Responsible investing and on risk management in the chapter Managing sustainability risks.

## Integrating sustainability principles into practice

The [Principles for Responsible Investment](#) bring together the key principles, commitments and practices that guide investment activities. Central to this is a commitment to due diligence in the selection and monitoring of investments and the selection of partners. The principles also include an assessment of sustainability risks and principal adverse impacts, as well as commitments on human rights and climate change, which are supplemented by United Bankers' climate roadmap that was published in 2023.

United Bankers is seeking to make the company's values, Code of Conduct and Principles for Responsible Investment a part of every employee's daily life by expanding on individual themes in the personnel magazine and by discussing their practical aspects at biannual personnel events. The Code of Conduct is part of the orientation of all new employees and regular training sessions are organised for all employees on its content and any potential updates. In late 2023, United Bankers introduced mandatory training on the Code of Conduct for all personnel that will be repeated every year. By the end of the year, 67 per cent of employees had completed it. In addition, a brief description of the Code of Conduct was provided to all personnel in the annual training related to sustainability at United Bankers. In 2023, 81 per cent of personnel completed this training. The Code of Conduct is communicated to other stakeholders as described in Table 2. In addition, the Code of Conduct is publicly available on the United Bankers [website](#).

## Promoting sustainability together with interest groups

In addition to its own activities, United Bankers' policy is to promote the sustainability of the financial sector as well as responsible investment through a range of advocacy organisations and initiatives. United Bankers has been a member of the Finnish Association for Responsible Investment (Finsif ry) since 2018. Finsif's mission is to promote sustainable investing in Finland. The company is a member of Finance Finland and is on its Sustainability Committee, which, among other things, comments on national and international EU regulation in the preparatory phase and promotes key sustainability issues in the financial sector. United Bankers is also a member of the Finnish Venture Capital Association and, among other things, is active in the association's legal working group.

## UN Sustainable Development Goals

United Bankers aims to contribute to the achievement of the UN Sustainable Development Goals. Among the SDGs, the most important for United Bankers are:

- **Goal 5: Gender equality**
- **Goal 7: Affordable and clean energy**
- **Goal 8: Decent work and economic growth**
- **Goal 9: Sustainable industry, innovation and infrastructure**
- **Goal 12: Responsible consumption and production**
- **Goal 13: Climate action**
- **Goal 15: Life on land**

These goals have been identified as key priorities based on United Bankers' activities and the focus areas of its core funds. Goals 7 and 9 were added to the list of key goals due to the launch of new funds investing in renewable energy and green innovations in the forest industry value chain in 2023. United Bankers seeks to especially contribute to the achievement of these goals both through its own activities and through the investment products it offers. The role of businesses and investors in achieving the SDGs is therefore crucial, and financial sector companies in particular have an outsized impact on bringing about change, as they manage significant amounts of capital and control the allocation of finance. United Bankers therefore seeks to take the SDGs into account also through the design of its product range and new products.

The Sustainable Development Goals (SDGs) aim to put global development on a path that safeguards human well-being and human rights, economic prosperity and social stability in an environmentally sustainable way. The SDGs are universal, although actions to promote them may vary from country to country and sector to sector. All the SDGs are closely interlinked: no one goal can be pursued at the expense of another.

## Defining focus areas

At United Bankers, sustainability is broadly defined as economic, social, and environmental responsibility. This includes both the company's own operations and its investment activities through its products and services. United Bankers published its sustainability focus areas in early 2023, together with the company's financial targets. The focus areas were specified through a materiality analysis in 2022.



**Why are companies important?** When the UN Sustainable Development Goals and Agenda 2030 were being prepared, it became abundantly clear that the objectives could not be achieved through official development cooperation alone. According to some estimates, the cost of achieving the SDGs is USD 4,000 billion. A major percentage of this money should come from the private sector - i.e., from companies and business operations. Yet it is obvious that companies are unable to solve all the problems related to sustainable development. Attaining the Sustainable Development Goals calls for cooperation between numerous sectors, and responsible businesses have an important role to play in this.



The aim is to ensure that sustainability work and targets meet stakeholder expectations and focus on topics that are material to the company. Each focus area has different targets and indicators, the progress of which is monitored in the company's sustainability reporting. The attainment of sustainability goals is also increasingly linked to the company's remuneration policy and practices. The materiality analysis is based on workshops held with United Bankers' management team and the Board, financial industry benchmarking, and comments and perspectives received from key stakeholders. United Bankers' ESG team and Sustainability Steering Group reviewed the results thematically to assess the relevance of environmental and social impacts in areas identified as important by stakeholders.

Issues relevant to United Bankers' sustainability have been grouped into clear themes. The materiality analysis and prioritisation of the topics took into account the importance of the issues

for stakeholders and for United Bankers' business, as well as the company's ability to develop the areas and thus the sustainability of its business. United Bankers' stable earnings performance, the sustainability of its investing activities and products and services, together with long-standing client and partner relationships and a thriving team, are issues that United Bankers has identified as particularly important in ensuring its competitiveness and creating long-term value for its stakeholders. The foundations of sustainability include customer privacy and data security, prevention of corruption and money laundering, sustainability risk management and transparent and sound corporate governance, all of which financial regulation has defined a clear framework for.

In the future, the sustainability focus areas and their specifications will be updated and developed in accordance with the new Corporate Sustainability Reporting Directive (CSRD), for example.

**TABLE 1:  
GROUPING BASED ON MATERIALITY ANALYSIS (PRIORITIES, KEY ISSUES, FOUNDATION)**

<p><b>FOCUS AREAS</b></p>	<ul style="list-style-type: none"> <li>• Stable earnings performance</li> <li>• Responsible investing and sustainable products</li> <li>• Long-term and trusting relationships with clients and partners</li> <li>• Open communication with stakeholders</li> <li>• A thriving team</li> </ul>	<p>The main areas of sustainability work that UB has identified as important to ensure its <b>future competitiveness</b> and to create value for its stakeholders in the long term.</p>
<p><b>IMPORTANT TOPICS</b></p>	<ul style="list-style-type: none"> <li>• Top-level expertise</li> <li>• Direct environmental impact</li> <li>• Fairness, equality, equity and diversity</li> <li>• Employer image and brand</li> </ul>	<p>Issues relevant to UB and its stakeholders that enable <b>more sustainable business</b>. These are partly determined by law.</p> <p>However, UB itself determines the extent to which it develops these areas of sustainability in order to be a sustainable business and to meet the expectations of its stakeholders now and in the future.</p>
<p><b>FOUNDATION</b></p>	<ul style="list-style-type: none"> <li>• Customer privacy and data security</li> <li>• Taxes and tax footprint</li> <li>• Prevention of corruption, bribery and money laundering</li> <li>• Sustainability risk management- Reliable and transparent governance (corporate governance code)</li> </ul>	<p>The areas that lay <b>the foundations for wealth management</b> and are directly linked to stakeholders' trust in UB and its business. These are <b>always managed in accordance with applicable legislation and regulatory requirements</b>.</p>



**TABLE 2:**

**SUSTAINABILITY PROGRAMME THEMES, OBJECTIVES, MEASURES AND RELATED PRINCIPLES OF OPERATION**

	<b>Impacts</b>	<b>Main policies and guidelines to manage impacts</b>	<b>Goals 2023</b>	<b>Measures and achievements 2023</b>
<b>We drive the transition to a sustainable economy and increase our clients' wealth sustainably</b>				
Sustainable products and services	Climate, social, human rights and biodiversity impacts of UB products	Principles for responsible investment  Guidelines on sustainability risk management  UB climate roadmap 2023	UB's climate roadmap and setting climate targets	UB's climate roadmap and its SBTi commitment will further refine the management of the climate impacts of UB's investments and its own operations
			Promoting investment activities in line with the UN Principles for Responsible Investment (UN PRI)	UB performed excellently in the areas of responsible investment management, strategy and verification (4/5 stars) and various asset classes (5/5 stars) in the first comparison under the new UN PRI framework
			Setting sustainability targets for forest funds and real estate funds	Sustainability targets for portfolio management of forest funds and real estate funds
Sustainable financial development of the company	The impact of UB's activities on the realisation of the green transition and the economic impact on investors, clients, employees and other stakeholders	Policies and guidelines for product development and sales	1) SFDR 8 and 9 products account for at least 50% of UB's assets under management  2) Sales of SFDR 8 and 9 products at least 50% of UB's sales (excluding external funds and bonds)	The vast majority of United Bankers' product sales were for SFDR 8 and 9 products
Client and stakeholder relations	Impacts for example on the financial situation of clients and investors, client experience and satisfaction with the quality of service, data protection and security	Client relationship management policies and guidelines  Policies and guidelines for managing stakeholder relations  Policies and guidelines on client data protection and security  Policies and guidelines on client feedback and the whistleblowing channel	We improve client satisfaction among both retail and institutional clients	Based on client satisfaction surveys (SFR and UB client satisfaction survey 2023), both client groups' satisfaction improved on the previous surveys

	Impacts	Main policies and guidelines to manage impacts	Goals 2023	Measures and achievements 2023
<b>We provide meaningful work and inspiring opportunities</b>				
Enthusiastic staff and a close-knit working community	Impact on workers' well-being, rights, skills and equality	Human resources policy and policies and guidelines on staff practices, including the equality plan and the workplace development plan  UB Code of Conduct	100% of performance reviews held	Performance reviews recorded for 62% of staff in 2023
			Employee survey: PeoplePower index at least at the 2022 level. With a score of "Good" (AA), UB is one of the most inspiring places to work in Finland	The overall result of the employee survey improved on the previous year and UB again received the Finland's Most Inspiring Workplaces award
Top-level expertise			Setting training objectives for personnel	Aiming for an annual average of 15 hours of training in expert positions
A diverse work community			Achieving equality objectives	UB achieved the equality objectives set for the Group
<b>We are transparent and accountable for our actions</b>				
Direct environmental and social impacts of UB's activities	Climate, social, human rights and biodiversity impacts of UB's activities	Policies and guidelines on procurement and supply chains  Supplier Code of Conduct in 2023	Setting UB climate targets for UB's own activities as part of the climate roadmap	UB's climate roadmap and its SBTi commitment will further refine the management of the climate impact of UB's investments and operations
Managing sustainability risks	Climate, social and human rights impacts of UB's products and activities	United Nations Principles for Responsible Investment (PRI)  Policies and guidelines on risk management and portfolio management, and in particular on sustainability risk management	Implementation of internal guidelines for human rights risk management in line with the UNGP principles, and for climate risk management in line with the TCFD	UNGP and TCFD policies better integrated into the Group's risk management framework
Reliable and transparent governance	Setting UB climate targets for UB's own activities as part of the climate roadmap	Policies and guidelines for the management of investments and client assets  Policies and guidelines on the prevention of money laundering, corruption and conflicts of interest  Policies and guidelines on reporting, accounting, taxation and financial management  Policies and guidelines on corporate governance  Policies and guidelines on data security and data protection	Creation of UB's Supplier Code of Conduct and its implementation in the company's supply chains  Cases of corruption, bribery or money laundering: no offences  Improving the company's reputation among investors	Supplier Code of Conduct implemented as part of the company's supply chain management  UB's reputation improved on the previous year to a good level in the Reputation&Trust survey

## Sustainability programme and impact monitoring

The management of United Bankers' responsibility areas and the related target setting is encapsulated in the company's sustainability programme, which is based on the results of the materiality analysis. The sustainability programme defines measures and short- and long-term objectives for developing the company's responsibility impact management. The management of material impacts is integrated into the company's corporate responsibility policies and guidelines. The methods and indicators for monitoring impacts are also defined in these internal process guidelines. The company's risk management and compliance functions contribute to ensuring that impact management processes are working properly.

The measures and targets contained in the sustainability programme aim to further develop the management of potential neg-

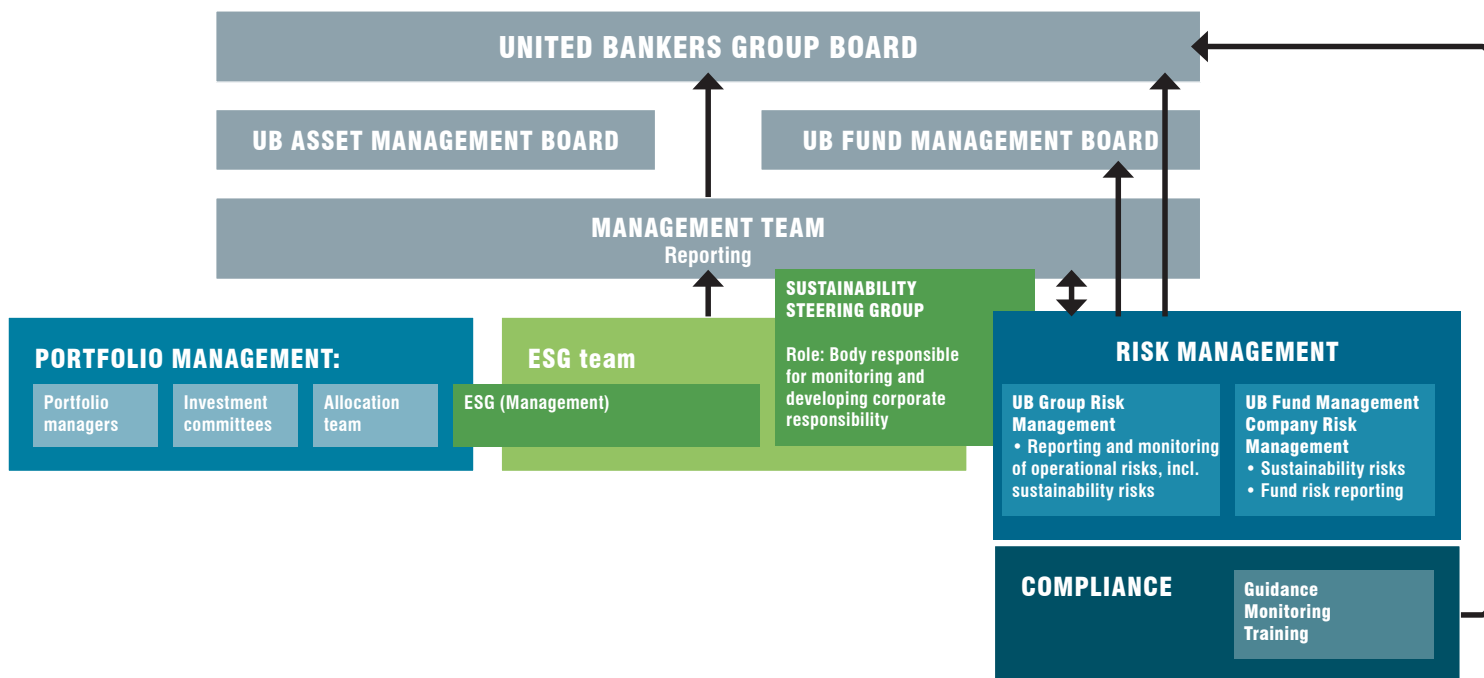
ative impacts and to promote positive impacts. The Sustainability Steering Group and the executive management ensure that the responsibility programme is updated annually. The company's Board of Directors approves the responsibility programme and monitors its implementation and progress in accordance with the Board's annual calendar.

## Managing and leading sustainability

Sustainability is a central part of United Bankers' operations and is integrated into many of the Group's activities. In addition to the United Bankers Board of Directors, subsidiaries' Boards and executive management, the United Bankers Group has a Sustainability Steering Group and an ESG team to organise and implement sustainability and responsible investment.

The Board of Directors of the parent company is responsible for the management and proper organisation of the United Bankers

**FIGURE 2:  
MANAGING AND LEADING SUSTAINABILITY**



Group. The Board of Directors decides on the organisation and methods of sustainability work within the Group and monitors sustainability activities, their results and the associated risks. The Board of Directors of United Bankers establishes the Group's sustainability principles and Principles for Responsible Investment, which ensure that activities comply with laws, regulations, guidelines and good international practices. Principles for Responsible Investment and the related internal guidelines also include due diligence processes for investment activities. As part of the organisation of sustainability, the Board of Directors also approves the sustainability objectives contained in the company's sustainability programme and monitors their implementation.

The Board of Directors of United Bankers also monitors and supervises the effectiveness, efficiency and procedures of internal control and audit and risk management and approves the policies on internal control and audit and risk management. This also includes overseeing due diligence processes related to other aspects of United Bankers' operations. Monitoring is carried out in accordance with the Board's annual calendar. The role and responsibilities of the Board of Directors are described in more detail in the chapter Corporate Governance Statement.

The executive management of the parent company (management team) and the CEOs of each Group company manage the day-to-day administration of the Group companies in accordance with the principles and guidelines set by the Board of Directors of the parent company. A person responsible for sustainability has been appointed to the management team, and the Head of ESG reports to this individual. In practice, the executive management ensures that the principles and regulations governing sustainability are integrated into the company's policies and processes. The executive management reports to the Board of Directors on sustainability issues in accordance with the Board's annual calendar.

To steer sustainability and responsible investment, United Bankers Group has a Sustainability Steering Group, chaired by the Head of ESG. The Steering Group reports to executive management. The Steering Group is responsible for developing and monitoring the sustainability of the business. Among other things, the Steering Group plans the company's sustainability programme and the setting of its targets. It is also responsible for providing guidance on the application of the Principles for Responsible Investment and

for preparing an update of the Principles for approval by the Board of Directors.

The ESG team acts as an expert team on sustainability issues, supporting portfolio management, business operations, and risk management on sustainability issues as well as develops the sustainability of operations. The ESG team reports to the Head of ESG.

## Managing sustainability risks

The sustainability risks of United Bankers' activities include both the sustainability risks related to investments and the sustainability risks of the Group's other activities. A significant part of United Bankers' sustainability risks relates to investments and their impacts and performance. During 2022, United Bankers updated the sustainability risk management principles for its investment products, updated the risk management policies for its investment products and clarified the sustainability risk management principles. In addition, the identification of human rights risks related to business relationships was integrated into the company's operations.

The Sustainability Steering Group monitors the sustainability risks of United Bankers' operations, identifies ways to manage them, provides guidance on managing sustainability risks in investments and improves the sustainability performance of its operations. The risk management function integrates sustainability risks into the Group's risk management.

In particular, United Bankers focuses its investments on identifying and managing the following liability risks:

- **Environmental, social and governance risks (so-called traditional ESG risks)**
- **Human rights risks**
- **Climate risks**

Especially human rights risks and climate risks are considered not only from an investment perspective but also from the perspective of the United Bankers Group, and are therefore separated into their own entities. This is because United Bankers is committed to operating in accordance with the principles of the UN Global Compact (UNGC) and reporting its climate risks in accordance with the TCFD.



## RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

### CLIMATE RISK ASSESSMENT ACCORDING TO THE TCFD FRAMEWORK

In recent years, the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#) has established itself as the world's leading standard for climate-related financial reporting. According to the TCFD, the direct and indirect business impacts of climate change are considered through four main elements: governance, strategy, risk management and metrics. Consistent and transparent climate reporting leads to better risk management, more informed investment decisions and more integration of climate issues into strategic management. In 2021, United Bankers committed to reporting on climate change risks and opportunities in line with the TCFD recommendations. United Bankers' first TCFD report will be published as part of the 2023 sustainability reporting.

#### GOVERNANCE

The risks and opportunities presented by climate change have a significant impact on United Bankers' investment activities and sustainability work. The Board of Directors and the management team of United Bankers have included the work to accelerate the mitigation of climate change and the green transition in the entire Group's focus areas for both strategic and humane reasons. At the Board level, climate issues are regularly addressed as part of the Group's broader sustainability work. The Board of Directors also approves the United Bankers Principles for Responsible Investment, which guide investment activities by defining responsible investment policies and practices. The Head of ESG of United Bankers is part of the extended management team that meets several times a year.

In addition to the Board of Directors and the management team, climate topics are discussed monthly in the Sustainability Steering Group, coordinated by the Head of ESG. The Steering Group includes people from the Management Team as well as from the legal, risk management, communication, and portfolio management functions. The Steering Group oversees the implementation of United Bankers' Principles for Responsible Investment in the Group's investment activities and determines how climate risks and opportunities are considered in investment decisions. Practical climate work is developed within the United Bankers ESG team to meet the needs of the Group as a whole. Climate-related development projects are drafted by the ESG team and taken through the Steering Group to the management team and the Board of Directors for discussion, thus deepening the dialogue between management, shareholders, and climate experts. Efforts are also being made to integrate climate targets into United Bankers' business through, among other things, United Bankers' products, climate targets and remuneration.

#### STRATEGY

Working to mitigate climate change is one of the focus areas of United Bankers' business. At United Bankers, the most significant climate risks and opportunities relate to investment activities, as the direct environmental impact of the Group's own operations is limited. In 2022, the majority (99.6%) of the Group's total carbon footprint was made up of the carbon footprint of the investments in the products offered by the group (Scope 3, Category 15). This highlights the importance of climate work in asset management.



United Bankers' process to identify climate-related risks and opportunities in the short, medium, and long term was launched in late 2022, with the aim of identifying the most significant climate factors in each asset class to ensure regular monitoring.

Climate risks and opportunities affect United Bankers' business, strategy, and budgeting in many ways. A [climate roadmap](#) to guide United Bankers' overall climate work was published in 2023. The climate roadmap aims to ensure that United Bankers' activities are in line with the Paris Agreement. In its climate roadmap, United Bankers commits to setting medium and long-term science-based climate targets for its operations, in line with the international Science Based Targets initiative (SBTi) and the objectives of the Paris Agreement. In addition, United Bankers commits to reducing greenhouse gas emissions from its investment portfolios and increasing their carbon sequestration so that it exceeds emissions by 2030 at the latest. The climate roadmap will be refined during 2024–2025 to define detailed climate targets for different asset types and business areas and the measures to achieve them, in line with the SBTi initiative.

Climate work at United Bankers focuses on the continuous development of investment products and their strategies to consider climate-related risks and opportunities. Climate metrics are reviewed throughout the investment period, from the investment decision to the sale of the investment. These metrics include the carbon intensity of the investment and the carbon risk of the investment as defined by the TCFD, which describes the investment's transition risk. In addition, United Bankers' Principles for Responsible Investment define climate-based exclusion criteria for activities such as thermal coal production, its use in energy generation, and oil

sands extraction. The climate-based exclusion was supplemented in 2023 with a policy for the oil and gas sector. Active engagement and voting on climate-related issues at shareholder meetings are also an important part of daily portfolio management. Climate opportunities are an important part of United Bankers' product development and investment strategy formulation.

A climate scenario analysis for United Bankers' investment products will be carried out in the timeframe and scope defined in the Group's climate roadmap. Climate scenario analysis and calculation methods are constantly evolving, and monitoring these developments is an integral part of the work of the United Bankers Sustainability Steering Group and the ESG team.

## RISK MANAGEMENT

According to the TCFD, climate risks are divided into two main categories according to their nature. Physical risks describe natural disasters and extreme weather events resulting from the progression of climate change, and are typically classified into acute (e.g. forest fires and floods) and chronic (e.g. sea level rise due to melting glaciers) risks based on time horizons. Transition risks describe the new market-based risks created by actions people and societies take towards a low-carbon lifestyle in terms of legislation, technology, markets, and reputational damage. Climate risks are often regional, i.e. different regions are exposed to different risks. Climate risk management is an integral part of United Bankers' sustainability risk management. In addition to United Bankers portfolio managers, the Sustainability Steering Group provides guidance and decides on certain sustainability risk management measures, including the interpretation of the United Bankers exclusion list,

as appropriate. Information and analysis concerning risks as well as the recommendations and decisions of the Steering Group are also shared with the Group Risk Management function. In addition, United Bankers seeks to contribute to the advancement of sustainable investing and the minimisation of sustainability risks through initiatives such as co-ownership initiatives, participation in general meetings, and direct corporate influence. The range of tools varies depending on the investment and the role of United Bankers.

Climate risks are identified and assessed as part of United Bankers' daily portfolio and risk management. Responsibilities are divided so that the risk analysis of individual investments is primarily the responsibility of portfolio management, while the management of the aggregate climate risk of United Bankers' products is the responsibility of the ESG team and the Sustainability Steering Group. The Risk management function integrates climate risks into the risk management of the Group as a whole. The Board of Directors is responsible for the direction of the company's climate strategy. The risk analysis utilises company-level data from several independent ESG data sources, including [Morningstar](#), [Sustainalytics](#) and [Bloomberg](#). In addition, United Bankers actively monitors the setting and achievement of climate targets through CDP and other similar databases.

For fixed income and equity funds, climate risk analysis centres around carbon intensity and carbon risk indicators, which allow portfolio managers and the ESG team to quickly understand the relative greenhouse gas emissions of a company and its exposure to transition risk. If the indicators indicate a high level of climate risk, the next step in the analysis is to examine the current status of and progress towards the company's science-based climate targets. The analysis will also include, where appropriate, a comparison of the climate risk of the investee within a relevant reference

group, as climate risks depend on the company's industry and geographical location. The physical climate risks of fixed income and equity funds are assessed and monitored on an annual basis using physical risk metrics developed by Impact Cubed, an analytics company. The physical climate risks of fixed income and equity funds are described in the table 4.

Carbon risk is a measure of transition risk developed by Sustainalytics. The carbon risk indicator shows the level of risk to the value of an investment caused by the transition to a low-carbon economy. The indicator also shows how vulnerable an asset is to changes originating from the fossil fuel phase-out and the green transition. Low carbon risk indicates good readiness, and high carbon risk indicates poor readiness concerning the reduction of fossil fuel use in business operations.

The climate risk analysis of real estate funds focuses on physical climate risks, unlike that of fixed income and equity funds. As United Bankers' real estate funds invest in all Nordic countries except Iceland, the average climate risks are significantly lower than in Central Europe and the Americas, for example. In terms of regional risks, some properties in coastal areas are at risk of flooding. In terms of climate risk, properties are categorised as low, medium, or high risk. United Bankers works to keep the climate risk of its property portfolios low. In the near future, the overall climate risks of the properties will be assessed by an external expert consultant. The GRESB international real estate sustainability assessment, which includes several climate risk indicators, will also be used to assess real estate investments.

In forest funds, the management of physical climate risks is strongly linked to the management of the fund's financial risks. The forest properties that forest funds invest in are directly exposed to both acute and chronic physical risks, while the timber and fibre mar-



kets can be affected by new regulatory risks such as biodiversity and renewable energy regulation. United Bankers aims to develop climate risk indicators suitable for forest funds.

## METRICS AND TARGETS

United Bankers' objective is to keep the climate risks of the entire Group at a level that does not result in significant negative impacts. Methodologies and metrics for assessing climate risk vary by asset class and some further development is required. United Bankers aims to proactively identify the climate risks that are relevant to its operations and to identify opportunities related to the green transition.

United Bankers aims to reduce the negative impacts of its investments, increase the positive impacts of its investments on society, the environment and good governance, and actively promote sustainable practices. The carbon footprint of the Group and its products was calculated for the second time in 2023. The calculation includes United Bankers' funds as well as discretionary asset management investment portfolios where United Bankers makes investment decisions on behalf of the client. More information on the company's carbon footprint can be found in the chapter Pursuing climate-resilient growth.

Comprehensive information on greenhouse gas emissions is essential for planning and targeting climate action. The carbon footprint calculation will be used annually to monitor the targets defined in United Bankers' climate roadmap and to manage the Group's comprehensive climate actions.

## CLIMATE CHANGE-RELATED OPPORTUNITIES

United Bankers wants to take responsibility for mitigating climate change and offer its clients climate-friendly solutions. United Bankers aims to make the most of the opportunities related to climate change in the development of the Group's business. The design of new products particularly takes climate considerations into account. Today, United Bankers' alternative investment funds and real asset funds in particular offer the opportunity to invest in building a sustainable society and advancing sustainable growth and innovation. Investing in United Bankers' fund makes it possible to invest in areas such as real estate, forests that mitigate climate change, or green innovations in the forest sector. The aim is that United Bankers' products will continue to offer clients even more opportunities to grow their wealth with the help of the green transition.

As an example of the evolution of its product range, United Bankers launched the new UB Renewable Energy Fund, which focuses on renewable energy and the green transition in the energy sector, in 2023. This fund offers investors the opportunity to benefit from the transition of the energy sector and the associated value creation. In summer 2023 United Bankers expanded its forest fund family with the new UB Nordic Forest Fund IV, which contributes to climate change mitigation through sustainable forestry by investing extensively in forests in the Baltic Sea region. In addition, the UB Forest Industry Green Growth Fund I, which was launched in 2022 and started investing activities in 2023, strengthens United Bankers' product range by focusing on green innovation in the forest and the bio-based industries. More information on United Bankers' products can be found in the chapter Towards the green transition with investments.

**TABLE 3:**  
**CLIMATE RISK INDICATORS OF DAILY VALUED EQUITY AND FIXED INCOME FUNDS**

Fund	Carbon Intensity <sup>1</sup> (tCO <sub>2</sub> e/USDm)	Morningstar Fund Category Average <sup>2</sup>	Carbon Risk <sup>3</sup>	Morningstar Fund Category Average <sup>2</sup>	Fossil Fuel Involvement <sup>4</sup>	Morningstar Fund Category Average <sup>2</sup>	Percent of AUM Covered <sup>5</sup>
UB Asia REIT Plus	131.1	96.7	10.7	8.2	0.0%	0.0%	80.9%
UB American Equity	128.9	80.5	8.4	7.4	0.1	5.8%	67.5%
UB Emerging Markets Infra	380.2	658.4	7.3	10.1	28.4%	47.1%	99.5%
UB Europe AI	111.8	104.7	7.5	7.1	8.9%	9.3%	98.9%
UB European REIT	60.2	74.1	7.1	6.3	0.0%	1.2%	93.2%
UB Global REIT	90.0	90.1	8.4	8.8	0.0%	0.6%	97.2%
UB High Yield	162.2	161.1	7.6	8.9	4.0%	11.2%	58.8%
UB Infra	329.1	658.4	5.7	10.1	48.1%	47.1%	95.6%
UB Fixed Income Plus	81.8	156.3	6.0	8.7	6.0%	10.9%	74.9%
UB Short-Term Bond	87.6	91.0	5.4	7.6	4.9%	6.7%	92.5%
UB Global	207.4	139.7	7.7	8.4	18.7%	8.2%	85.5%
UB Timberland Global	283.6	414.9	10.4	20.3	4.6%	38.4%	83.4%
UB North America REIT	86.7	76.3	9.8	9.1	0.0%	0.7%	99.3%
UB Smart	121.5	124.7	7.1	7.6	7.3%	8.8%	73.0%
UB Finland	117.7	99.7	8.3	8.1	12.1%	11.0%	67.4%
Asilo Argo (non-UCITS)	8.1	62.5	4.3	5.2	0.0%	3.9%	100.0%

<sup>1</sup> Carbon intensity describes the ratio of a company's greenhouse gas emissions (Scope 1 and Scope 2) to its revenues. Carbon intensity can be divided into the following categories: very low (0–15), low (15–70), medium (70–250), high (250–525), and very high (≥525). As there is no upper limit to the metric, very large greenhouse gas emissions can lead to a very high carbon intensity. The fund's carbon intensity is calculated as a weighted average of the carbon intensities of the fund's investments.

<sup>2</sup> Morningstar fund category is a peer group compiled of similar funds based on the instrument distribution, industry, and geographic weighting of the fund's investments. The peer group for each fund is stated in quarterly fund ESG reports available at [www.unitedbankers.com](http://www.unitedbankers.com).

<sup>3</sup> Carbon risk, a metric developed by Sustainalytics, illustrates the transition risk caused by climate change. According to the TCFD (Task Force on Climate-Related Financial Disclosures), transition risk refers to market-based risks related to legislation, technology, markets, and reputational harm driven by societal actions aiming for a low-carbon economy. Sustainalytics classifies carbon risk on a five-point numerical scale: negligible (0), low (0–10), medium (10–30), high (30–50), and severe (≥50).

<sup>4</sup> Fossil fuel involvement describes the extent to which the fund's investments are exposed to thermal coal mining and electricity production, oil and gas production and energy production, and oil and gas products and services.

<sup>5</sup> Percent of AUM covered illustrates the extent to which carbon emissions data is available for the fund's investments in the Morningstar Direct database. All carbon data available in the Morningstar Direct database is produced by Sustainalytics, an ESG analytics company. If the aggregated carbon data coverage of the fund is less than 67%, Morningstar Direct does not calculate the fund's total carbon figures.



**TABLE 4:**  
**EXPOSURE OF UNITED BANKERS' FIXED INCOME AND EQUITY FUNDS TO PHYSICAL CLIMATE RISKS**

Fund	Percentage of Economic Value of Facilities Exposed to					
	Floods	Drought	Wildfires	Cyclones	Heatwaves	Sea Level Rise
UB American Equity	19.0%	20.6%	5.5%	5.7%	9.1%	0.9%
UB Asia REIT Plus	13.0%	41.7%	1.3%	39.3%	12.6%	0.7%
UB Emerging Markets Infra	17.7%	13.7%	2.6%	21.4%	13.9%	0.2%
UB Europe AI	20.7%	16.5%	4.0%	6.2%	7.5%	0.3%
UB European REIT	24.6%	4.7%	1.3%	0.0%	0.2%	0.3%
UB Finland	16.0%	10.9%	1.9%	6.7%	5.3%	0.3%
UB Fixed Income	14.3%	14.1%	4.0%	5.9%	5.4%	0.1%
UB Global	17.8%	15.6%	2.3%	15.4%	9.0%	0.4%
UB Global REIT	26.5%	13.8%	4.5%	5.4%	6.0%	0.2%
UB High Yield	17.3%	13.2%	4.0%	6.3%	6.0%	3.5%
UB Infra	21.8%	20.0%	9.2%	2.0%	11.8%	0.1%
UB North America REIT	23.0%	18.7%	6.7%	4.0%	8.6%	0.1%
UB Short-Term Bond	23.0%	15.2%	3.3%	5.5%	4.8%	0.1%
UB Smart	15.7%	17.9%	4.1%	6.4%	7.4%	0.4%
UB Timberland Global	20.4%	14.7%	2.9%	10.3%	8.1%	0.3%
Asilo Argo (non-UCITS)	15.3%	35.4%	4.1%	11.0%	7.6%	0.1%

Source: Impact Cubed



## Stakeholder engagement

United Bankers' key stakeholders are clients, employees, shareholders, investors, public authorities, organisations and professional bodies, investees, partners and the media. Key stakeholders are defined as those whose views influence United Bankers' activities or who have a particular interest in the company and those who are particularly affected by United Bankers' activities.

An open and active dialogue with stakeholders provides a basis for understanding their views and needs, and helps United Bankers to identify which areas of its operations should be developed and how. It is also important to communicate with stakeholders concerning the company's goals, principles of operation and values, and changes in the business environment to build mutual understanding and trust.

During 2023, United Bankers sought to gauge its various stakeholders' opinions of the company. Client satisfaction and asset management service experience were studied through a survey by [Scandinavian Financial Research Ltd.](#) for institutional clients and with a customer satisfaction survey for retail and corporate clients. Continuous customer experience feedback is also collected on customer on-boarding and events, for example. In addition, the company surveyed its reputation and investor confidence by participating in the annual [Reputation&Trust survey](#). More information on the results of the survey can be found in the chapter Transparency and reliability as cornerstones of administration and communication. Personnel satisfaction and well-being are regularly surveyed, and a comprehensive annual employee survey is carried out with an external partner. In addition, United Bankers maintains an ongoing meaningful dialogue with its stakeholders (see Table 5).

Feedback from stakeholders is important to United Bankers, both for the development and for the monitoring of its operations. In particular, United Bankers' private bankers, portfolio managers, the ESG team and corporate communications actively interact with stakeholders and actively seek to answer questions on sustainability and provide advice on issues such as responsible investing or the company's operations. Feedback on sustainability from stakeholders is directed to the ESG team or the Sustainability Steering Group in order to improve performance based on the feedback.

## Whistleblowing channel

Feedback is important for United Bankers in terms of developing operations and monitoring. In accordance with financial sector regulation and the UN Guiding Principles on Business and Human Rights (UNGP), investment firms within the United Bankers Group have an appropriate whistleblowing channel in place, allowing Group employees and external parties to report suspected breaches of financial market rules and regulations and violations of human rights. The purpose of using the whistleblowing channel is to strengthen compliance with good governance and legislation and respect of human rights in the organisation's activities. In addition, the whistleblowing channel helps reveal misconduct and increases the transparency of the organisation. The whistleblowing channel is primarily intended for reporting suspected breaches of financial market rules and regulations and violations of human rights, but at United Bankers it can also be used more widely to report misconduct and other malpractice or accountability concerns.

All reports made through the channel are treated in strict confidence. At the United Bankers Group, it is also possible to submit a report completely anonymously using an electronic form. If the processing of a report reveals that a breach of provisions or regulations has occurred, corrective action will be taken as soon as possible. The nature of the corrective measures depends on the type of issue at stake. Through the channel, persons submitting reports can also engage in a completely anonymous exchange of messages with United Bankers about their report and provide feedback on the functioning of the whistleblowing channel.

The volume of whistleblowing reports filed through the whistleblowing channel and the subjects of the reports are reported annually to the Board of Directors. To improve the performance of the channel, United Bankers monitors the percentage of successfully processed reports, the time taken to process them and feedback from stakeholders on the performance of the whistleblowing channel. In 2023, one report on a personnel-related matter was received through the whistleblowing channel. The matter has been dealt with in accordance with internal processes.

**TABLE 5: UNITED BANKERS STRIVES TO MAINTAIN MEANINGFUL STAKEHOLDER DIALOGUE IN ALL AREAS OF THE COMPANY'S OPERATIONS AS DESCRIBED IN THE TABLE.**

Stakeholder group and expectations	Channels	Activities in 2023
<p><b>Clients</b></p> <ul style="list-style-type: none"> <li>Competitive and sustainable products and services</li> <li>Taking account of individual objectives and personalised service</li> <li>High level of expertise in services</li> <li>Trustworthiness and data protection</li> <li>Service channels and access to information needed</li> <li>Responsible behaviour</li> </ul>	<ul style="list-style-type: none"> <li>Customer feedback</li> <li>Website and social media channels</li> <li>Customer meetings, events and webinars</li> <li>Emails, newsletters and calls</li> </ul>	<ul style="list-style-type: none"> <li>Information on funds and asset management strategies in accordance with the Sustainable Finance Disclosure Regulation</li> <li>Developing internal processes to improve efficiency and customer service</li> <li>Commissioning SFR surveys of institutional investors</li> <li>Conducting customer satisfaction survey for private clients</li> <li>Organising webinars and customer events</li> <li>Opening the whistleblowing channel to the public</li> </ul>
<p><b>Employees</b></p> <ul style="list-style-type: none"> <li>Fair treatment and open communication</li> <li>Job stability and competitive salary</li> <li>Opportunities for professional development</li> <li>Health and well-being at work</li> </ul>	<ul style="list-style-type: none"> <li>Intranet and HR system</li> <li>Occupational health care</li> <li>Development discussions and training sessions</li> <li>Personnel survey and other internal surveys</li> <li>Staff meetings</li> <li>Personnel magazine UB:lainen</li> </ul>	<ul style="list-style-type: none"> <li>Developing employees' skills</li> <li>Increasing training of managers and developing interaction</li> <li>Conducting employee surveys</li> <li>Using employee surveys to develop operations</li> <li>Improving the recruitment process</li> </ul>
<p><b>Shareholders and investors</b></p> <ul style="list-style-type: none"> <li>Creating long-term value</li> <li>Performance development</li> <li>Favourable share price performance and good dividend yield</li> <li>Solvency</li> <li>Responsible behaviour</li> </ul>	<ul style="list-style-type: none"> <li>Financial statements, biannual reports, annual report</li> <li>Corporate Governance Statement</li> <li>Remuneration policy and report</li> <li>Stock exchange and press releases</li> <li>Annual General Meeting, investor, and portfolio manager meetings</li> <li>Website</li> </ul>	<ul style="list-style-type: none"> <li>Long-term business development to achieve stable profit performance</li> <li>Attending several investor events</li> <li>Taking economic, social and environmental responsibility into account in operations</li> <li>Continuing implementation of the growth strategy</li> <li>Participating in the Reputation&amp;Trust survey</li> </ul>
<p><b>Authorities</b></p> <ul style="list-style-type: none"> <li>Compliance with regulations</li> <li>Integrating sustainable finance regulation into business</li> <li>Open, transparent, and reliable reporting</li> <li>Continuous dialogue</li> </ul>	<ul style="list-style-type: none"> <li>Communication by telephone and electronically</li> <li>Participation in events and training</li> <li>Meetings with the authorities</li> </ul>	<ul style="list-style-type: none"> <li>Developing business operations to meet changes in the operating environment, taking into account legislation and regulation</li> <li>Open communication and continuous dialogue</li> </ul>
<p><b>NGOs and expert organisations</b></p> <ul style="list-style-type: none"> <li>Cooperation on sustainability issues</li> <li>Responsible behaviour</li> <li>Continuous dialogue and exchange of information</li> </ul>	<ul style="list-style-type: none"> <li>Website</li> <li>Contact by telephone and electronically</li> <li>Participation in meetings and training</li> </ul>	<ul style="list-style-type: none"> <li>Participating in the activities of industry associations such as FINSIF, the Finnish Venture Capital Association, Finance Finland</li> </ul>



**United Bankers' stakeholders also include the following organisations and associations, with which the company actively cooperates:**

- Finland's Sustainable Investment Forum (FINSIF ry)
- Finance Finland
- Finnish Venture Capital Association
- European Public Real Estate Association (EPRA)
- Global Listed Infrastructure Organisation (GLIO)
- UN Principles for Responsible Investment (UN PRI)
- Carbon Disclosure Project (CDP)
- Task Force for Climate-Related Disclosures (TCFD)
- Montreal Carbon Pledge
- Finnish Forest Association
- Science Based Targets initiative (SBTi)





# Pursuing climate-resilient growth

## Targets and achievements 2023:

- United Bankers published its climate roadmap and committed to setting climate targets under the Science Based Targets initiative (SBTi).
- The carbon footprint of United Bankers' investment products decreased by 7 per cent and the company's total net emissions halved year-on-year.

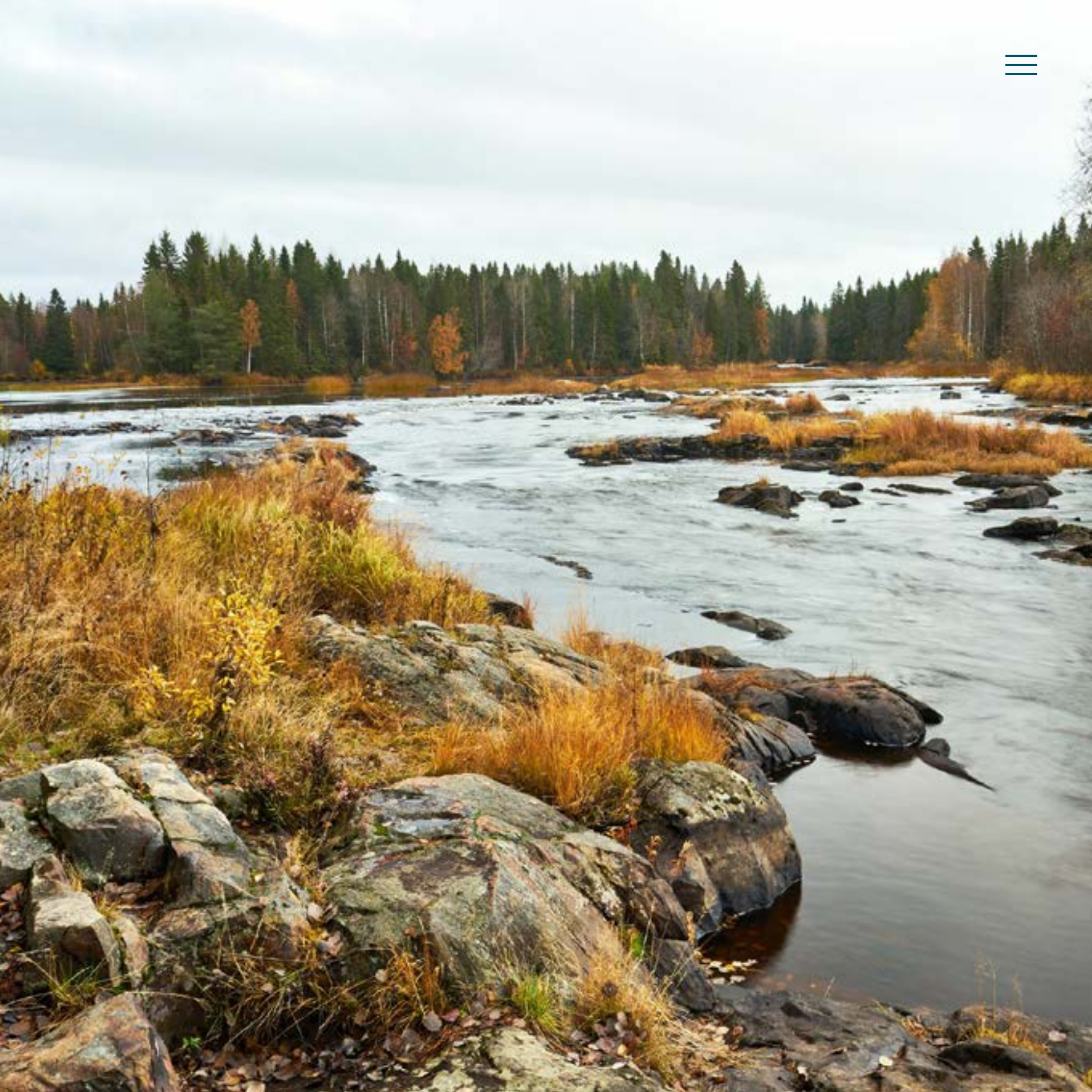
In 2023, it was a year of climate action, both globally and at United Bankers. Global climate targets and the work to mitigate climate change took a major step forward in December in Dubai, when the nations at the COP28 UN Climate Change Conference reached an agreement to transition away from fossil fuels. This is essential to ensure that it is still possible to achieve the key goal of global climate action – net zero emissions by 2050.

The objective of United Bankers' investment and wealth management activities is to attain the best possible return in a sustainable manner, both over the long- and short-term at the individual risk category selected by each client. The strong climate action of United Bankers' own business operations and investments support and safeguard long-term value creation. As a wealth manager, United Bankers' investment products are linked to all sectors of the economy and to global value chains.

The vast majority of the environmental and social impacts of United Bankers' operations take place through its investments. The only way to reduce climate risks and mitigate climate change is to bring about changes in the real economy. Therefore, the company wants to promote the achievement of real emissions reductions by offering its clients a selection of products that enable them to invest in carbon sequestration and the green transition. United Bankers believes that offering such investment opportunities is the key to increasing wealth sustainably.

The company is pursuing climate-resilient growth and seeks to implement its growth strategy while operating in line with international long-term climate targets. Over recent years, United Bankers has been focusing strongly on advancing its sustainability work. As part of this work, the company published its [Climate Roadmap](#) in October 2023. In line with this the company committed, as one of the first in the Finnish financial sector, to setting climate targets according to the [Science Based Targets](#) initiative (SBTi). The climate roadmap has been drawn up for the period 2023–2050.

United Bankers aims to exert positive influence on reducing the carbon footprint of its investments. The company's target is to invest in low-carbon and carbon sequestration solutions and to increase the carbon sequestration of its investments to exceed the greenhouse gas emissions of its investments by 2030. The company is also working on reducing the carbon footprint of its own operations. Over the longer term, the target is to achieve net zero emissions and net negativity by 2040–2050 at the latest. These actions aim to ensure that United Bankers' operations are in line with the goals of the Paris Agreement and that the company achieves its long-term Net Zero targets by 2040–2050 at the latest.





**TARGET 1:**

United Bankers is setting science-based climate targets for its activities, in line with the Science Based Targets initiative.

**TARGET 2:**

The carbon sequestration of United Bankers' investment portfolios will exceed the greenhouse gas emissions of investments by 2030.

United Bankers' climate roadmap 2023–2050			
BUILDING WEALTH IN A RESPONSIBLE WAY			
2023	2023–2025	Interim targets 2025–2030	2040–2050
<p>Commitment to setting interim short-term (2030) and a long-term Net Zero climate targets in accordance with the SBTi initiative</p> <p>Commitment to reducing greenhouse gas emissions from investments and increasing carbon sequestration so that the investments' carbon sequestration exceeds emissions by 2030.</p>	<p>Setting climate targets according to the SBTi. The targets apply to both United Bankers' own activities and investments (scope 1, scope 2 and scope 3).</p> <p>Preparation of detailed climate roadmaps for UB's funds and business areas</p>	<p>We grow the company's business in line with United Bankers' growth strategy and achieve the interim goals set for climate action under the SBTi.</p> <p>Carbon sequestration of our investments will exceed greenhouse gas emissions from our investments by 2030</p>	<p>Achieving UB's long-term Net Zero target</p>

In the coming years, United Bankers will focus, in line with its climate roadmap, on setting SBTi targets and developing asset class specific action plans and developing its business in line with the interim targets set for climate action in accordance with the SBTi. In addition to the reduction of greenhouse gas emissions, United Bankers also wants to take the carbon sequestration of its forest funds in particular into account in its climate targets. Other key climate actions included in the climate roadmap include, among other things, integrating climate work into the organisation's remuneration models, developing analysis and management of climate

risks, and increasing the amount of internal training on climate change.

The climate roadmap that was published in autumn 2023 is part of the continuum of United Bankers' climate action. United Bankers' carbon footprint was calculated for the first time in 2022 using 2021 data. The calculation was carried out according to the international GHG Protocol standard and the methodology developed by the Partnership for Carbon Accounting Financials (PCAF) for the financial industry.

**UNITED BANKERS' KEY CLIMATE ACTIONS OVER THE YEARS FROM 2012**

**2012**

- Signing of the UN PRI

**2019**

- UB's general climate targets incorporated into the Principles for Responsible Investment

**2020**

- Montreal Carbon Pledge
- UB support to the GDP initiative starts



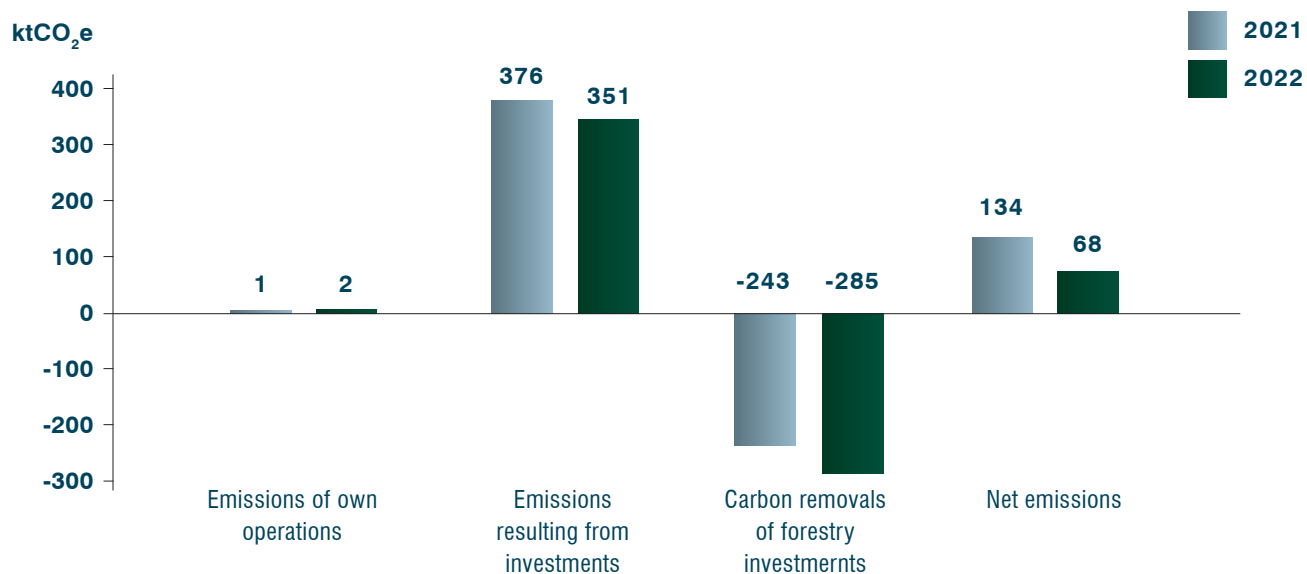
## Emissions from United Bankers' investments decreased by 7 per cent

United Bankers wants to take its responsibility in the mitigation of climate change and offer its clients climate-friendly solutions. Information on carbon emissions is key in planning and focusing climate action. Since 2021, the development of United Bankers' carbon footprint has been monitored according to the international GHG Protocol standard and the methodology developed by the

Partnership for Carbon Accounting Financials (PCAF) for the financial industry. **In 2022, emissions from United Bankers' investments decreased by 7 per cent from 2021. In addition, net emissions for United Bankers as a whole halved compared to the previous year.** In 2022, United Bankers' carbon footprint was 353 ktCO<sub>2</sub>e (Scope 1–3) and carbon intensity in relation to revenue was 31 tCO<sub>2</sub>e/MEUR (Scope 1–2) and 7,268 tCO<sub>2</sub>e/MEUR (Scope 1–3). The vast majority of the carbon footprint (99.6%) was made up of the carbon footprint of the investments in United Bankers' products.

**FIGURE 3:**  
**UNITED BANKERS' CARBON EMISSIONS AND CARBON REMOVALS IN FORESTRY INVESTMENTS (2021–2022)**

In addition to generating greenhouse gas emissions, the forest investments of United Bankers' investment portfolio also sequester carbon.



### UNITED BANKERS' KEY CLIMATE ACTIONS OVER THE YEARS FROM 2012

#### 2021

- Commitment to reporting climate risks in line with TCFD
- Calculation of forest funds' carbon balances starts

#### 2022

- Calculation of United Bankers carbon footprint according to PCAF accounting standard
- Climate risks included in annual reporting and sustainability reporting
- Tightening of the criteria for climate-based exclusions in investments
- Carbon neutrality target set for property funds (2035 carbon neutral for use-phase energy)

#### 2023

- Renewed ESG reporting for Article 8 funds and asset management, including metrics for carbon risk and carbon intensity
- United Bankers' climate roadmap 2023–2050



**TABLE 6:  
UNITED BANKERS' CARBON FOOTPRINT**

<b>Emissions source</b>	<b>Emissions 2022 (tCO<sub>2</sub>e)</b>	<b>Emissions 2023 (tCO<sub>2</sub>e)</b>
Scope 1	0.0	0.0
Scope 2 (Market-based)	33.7	36.9
Scope 3: Category 15 (Investments within United Bankers products)	351 426.5	Available Q4 2024
Scope 3: Others	1 482.1	1 490.1
<b>Total</b>	<b>352 942.3</b>	<b>Available Q4 2024</b>

The calculation includes United Bankers' funds as well as discretionary asset management investment portfolios, where United Bankers makes the investment decisions on behalf of the client. All (Scope 1–3) emissions are included in the calculation.

In 2022, the total carbon footprint of the investments included in United Bankers' products was 351 ktCO<sub>2</sub>e (Scope 3, Category 15) and the weighted carbon intensity (WACI, S1+S2+S3) was approximately 192 tCO<sub>2</sub>e per million euros invested. Though the investments made through United Bankers' products and services produce emissions, the product range also includes forest funds that sequester carbon. When both the carbon emissions and carbon sequestration of investments were taken into account, United Bankers' net carbon emissions amounted to 68 ktCO<sub>2</sub>e in 2022.

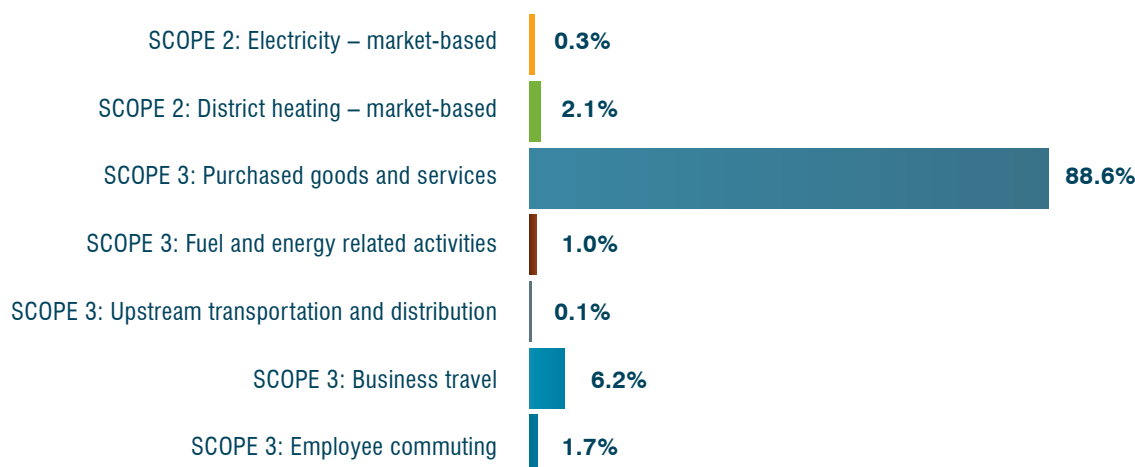
The emissions of United Bankers' investments are concentrated in funds that invest in more emissions-intensive sectors, such as infrastructure, fixed income and equity funds, with a large exposure to basic industries, transportation and aviation sector companies. Significant climate work by investments in these sectors takes time, as new technologies and investments, for example, are needed to reduce emissions. Among the investments, there are also sectors with significantly low emissions, such as forest investments, which account for 3 per cent of total emissions of

investments, even though they represent more than 30 per cent of the assets under management (AUM) included in the carbon calculation. Emissions from the real estate sector are also relatively low, with real estate accounting for 29 per cent of assets under management<sup>1</sup>, but only 6 per cent of emissions. In line with SBTi's recommendations, United Bankers aims to promote the green transition through its investments and product range, and to encourage its investees to reduce their emissions and set science-based climate targets for their operations.

Excluding United Bankers' investment products, the carbon footprint of the Group's other activities, such as maintenance of offices and business travel, totalled 1.5 ktCO<sub>2</sub>e in 2023 (2022: 1.5 ktCO<sub>2</sub>e), which is an increase of only 1 per cent compared to 2022. The Group's travel expenses fell by around a third compared to 2022, but the increase in the amount of business travel and the number of people working at the office after the pandemic increased emissions from business travel, commuting and purchasing activities.

<sup>1</sup>Based on current calculation standards, emissions from the real estate sector include the energy consumption of buildings during operation, but not the carbon emissions during construction or the embodied carbon. The operating model of United Bankers' real estate funds focuses mainly on renting real estate rather than new construction.

**FIGURE 4:**  
**UNITED BANKERS' CARBON FOOTPRINT (EXCL. INVESTMENTS), KTCO<sub>2</sub>E (2023)**



## Energy consumption

In 2023, the energy consumption of United Bankers' office premises was approximately 268 MWh, of which electricity consumption was approximately 153 MWh (57.1%) and heat and cooling consumption was approximately 115 MWh (42.9%). Total energy consumption decreased by about 5.7 per cent from 2022. The calculation is based on data from energy companies, and data from Statistics Finland, Motiva and Energiföretag on the average heat consumption of offices.

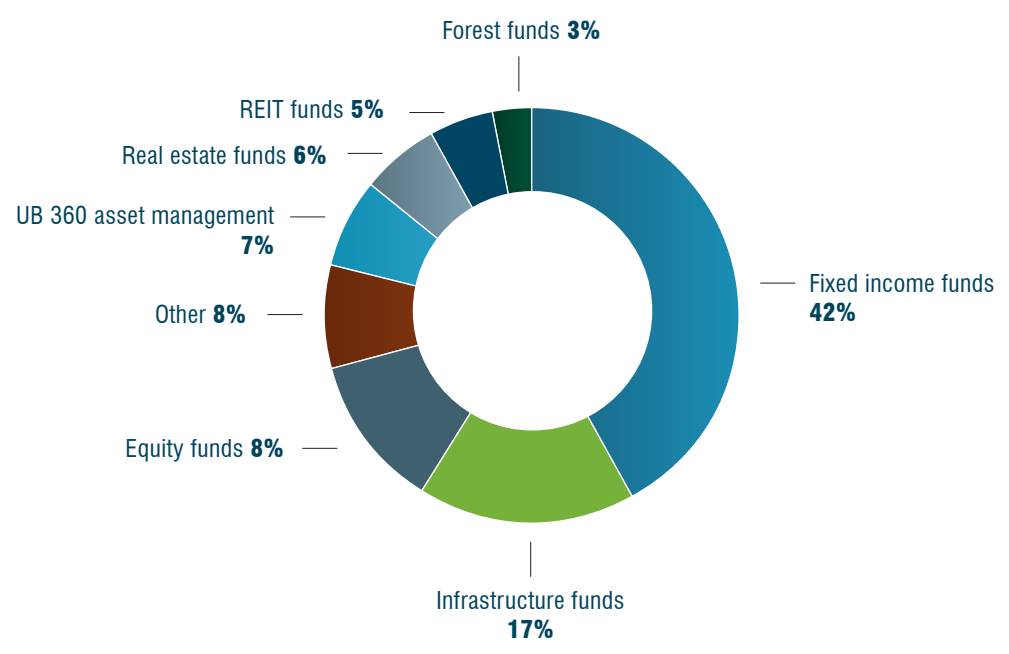
The electricity used in United Bankers' office buildings in Helsinki and Tampere is produced with 100 per cent renewable energy – with hydroelectricity in Helsinki and wind power in Tampere. The district cooling used in the offices is also produced entirely with renewable energy.

**TABLE 7:**  
**ENERGY CONSUMPTION OF UNITED BANKERS' OFFICE BUILDINGS (2021-2023)**

MWh	2021	2022	2023
Electricity consumption	156.8	165.9	153.1
Consumption of district heating and district cooling	118.5	118.5	115.1
Total energy consumption	275.3	284.4	268.2
Change from previous year (%)	N/A	3.3%	-5.7%



**FIGURE 5:  
BREAKDOWN OF UNITED BANKERS INVESTMENTS' (UB FUNDS,  
UB 360 ASSET MANAGEMENT AND PRIVATE INVESTMENT OFFICE)  
EMISSIONS BY INVESTMENT TYPE (2022)**





# Towards the green transition with investments

## Targets and achievements 2023:

- UB Forest Industry Green Growth Fund I LP, a private equity fund investing in sustainable and resource-efficient forest and bio-based industries, launched investment activities
- UB Renewable Energy Fund, a new fund focusing on investment in wind and solar power plants was launched
- United Bankers expanded its selection of forest funds and launched UB Nordic Forest Fund IV, a new fund investing in forests in the Baltic sea rim countries
- According to the results of the UN PRI's assessment, very good progress was made in sustainability work
- Responsibility of investments promoted through active ownership (ISS Proxy Voting)

Over the long-term in all its operations, United Bankers aims to reduce the negative impacts of its investments, increase the positive impact of its investments on the environment, society, and good governance, and promote sustainable practices. In its operations, United Bankers seeks to promote the achievement of the UN Sustainable Development Goals.

United Bankers aims to promote the goals of sustainable development by offering its clients investment products that contribute to achieving these. A significant part of the company's impact on society and the environment is realised through the investment products and services it offers. The positive impact of investments is generated by what the investees do and by how responsible and sustainable their operations are. United Bankers aims to promote the responsibility of investments by, among other things, taking into account sustainability risks and the impact of operations on the environment and society in its investment decisions. Currently, some of United Bankers' products have the aim of promoting certain sustainable development goals. Some of the products do not have an actual promotion goal in the product's investment strategy, but, where possible, information is available on how the product promotes different aspects of sustainable development.

United Bankers' diverse range of funds focusing on real assets mean that clients have a choice of a variety of solutions that are distinctive from mainstream offerings. The offering also includes investment products from carefully selected partners. In the selection of investees, all United Bankers' funds and UB 360 asset management solutions take into account the key sustainability risks of each industry and the key factors related to climate change mitigation and the changes this will bring. This is to ensure that the investments will continue to thrive in a world of green transition.

Climate change and the green transition are also creating challenges for the wealth management industry. As financial sector companies are able to steer the investments and financing that they manage, it means they have an outsized impact on addressing global environmental challenges. United Bankers aims to offer its clients opportunities to influence future developments and, at the same time, to increase their wealth with the help of the opportunities offered by the green transition. In particular, United Bankers' alternative investment funds and real asset funds offer the opportunity to invest in building a sustainable society, in renewable energy and in sustainable growth and innovation. Offering and developing a sustainable and responsible product range that is resilient to different business cycles is at the heart of United Bankers' business and growth strategy.



In 2023, United Bankers continued to focus its product range on green investment products. United Bankers' selection of 25 funds now only includes light green funds under Article 8 of the SFDR, and dark green funds under Article 9 of the SFDR, according to the classification under the EU Sustainable Finance Disclosure Regulation (SFDR). Twenty of the funds are light green under Article 8 of the SFDR, and promote sustainability factors among other characteristics. Five are dark green funds under Article 9 of the SFDR that make sustainable investments in forests and renewable energy.

An excellent example of the development of the product selection in 2023 is the renewable energy fund launched by the company. The primary investment targets of the UB Renewable Energy Fund, which utilises the growth opportunities created by the energy sector green transition, are wind and solar power plants, but it can also invest in energy infrastructure and storage and the hydrogen industry. The fund offers investors the opportunity to benefit from the energy sector's transition towards fossil-free energy production and the value creation that this will bring. UB Renewable Energy Fund is an Article 9 fund under SFDR and its assets are invested in sustainable investments that have a climate target.

In summer 2023, United Bankers expanded its forest fund offering by establishing the new UB Nordic Forest Fund IV, which aims to advance climate change mitigation through sustainable forestry by investing in forests in the Baltic Sea rim countries. Forests sequester carbon dioxide from the atmosphere and play a key role in achieving the climate targets of the Paris Agreement to reduce greenhouse gas emissions. It is an Article 9 fund under the SFDR, which aims to mitigate climate change.

The UB Forest Industry Green Growth Fund I, which was also launched in 2022 and started investing in 2023, also strengthens United Bankers' product range by focusing on innovation and green transition opportunities in the forest and bio-based industries. The fund invests in companies focusing on replacing materials based on plastics and other fossil-based materials, on increasing the added value and more efficient use of forest industry and agricultural raw material side streams, and on expanding the use of these raw materials in various intermediate and end-use applications. Through its investments, the fund is involved in helping the forest and bio-based industries to create solutions to mitigate climate change. The fund is committed to the international [Operating Principles for Impact Management \(OPIM\)](#) and reports on the environmental and climate impact of its investment activities.

FORESTRY AND FOREST INDUSTRY FUNDS					
UB Forest Industry Green Growth Fund SFDR 8	UB Timberland Global Fund SFDR 8	UB Nordic Forest Fund II SFDR 9	UB Nordic Forest Fund III SFDR 9	UB Nordic Forest Fund IV SFDR 9	UB Timberland Fund SFDR 9
REAL ESTATE FUNDS		REAL ESTATE EQUITY FUNDS			
UB Nordic Property SFDR 8	UB Finnish Properties SFDR 8	UB Asia REIT Plus SFDR 8	UB European REIT SFDR 8	UB Global REIT SFDR 8	UB North America REIT SFDR 8
INFRASTRUCTURE FUNDS			REGIONAL EQUITY FUNDS		
UB EM Infra SFDR 8	UB Infra SFDR 8	UB Renewable Energy Fund SFDR 9	UB Finland SFDR 8	UB Europe AI SFDR 8	UB American Equity SFDR 8
FIXED INCOME FUNDS			OTHER FUNDS		
UB High Yield SFDR 8	UB Fixed Income Plus SFDR 8	UB Short-Term Bond Fund SFDR 8	UB Smart SFDR 8	UB Global SFDR 8	Asilo Argo SFDR 8
					UB Corporate Lending Fund SFDR 8

The asset management strategies of the UB 360 asset management model (excl. bonds) are also light green investment products under Article 8 of the SFDR, which promote environmental and social characteristics. The UB 360 asset management model enables clients to increase their sustainability weighting according to their wishes by selecting the funds of their choice around their core portfolio. United Bankers' personalised wealth management solutions also offer the possibility to select environmentally and socially responsible investments as well as sustainable investments according to the client's preferences.

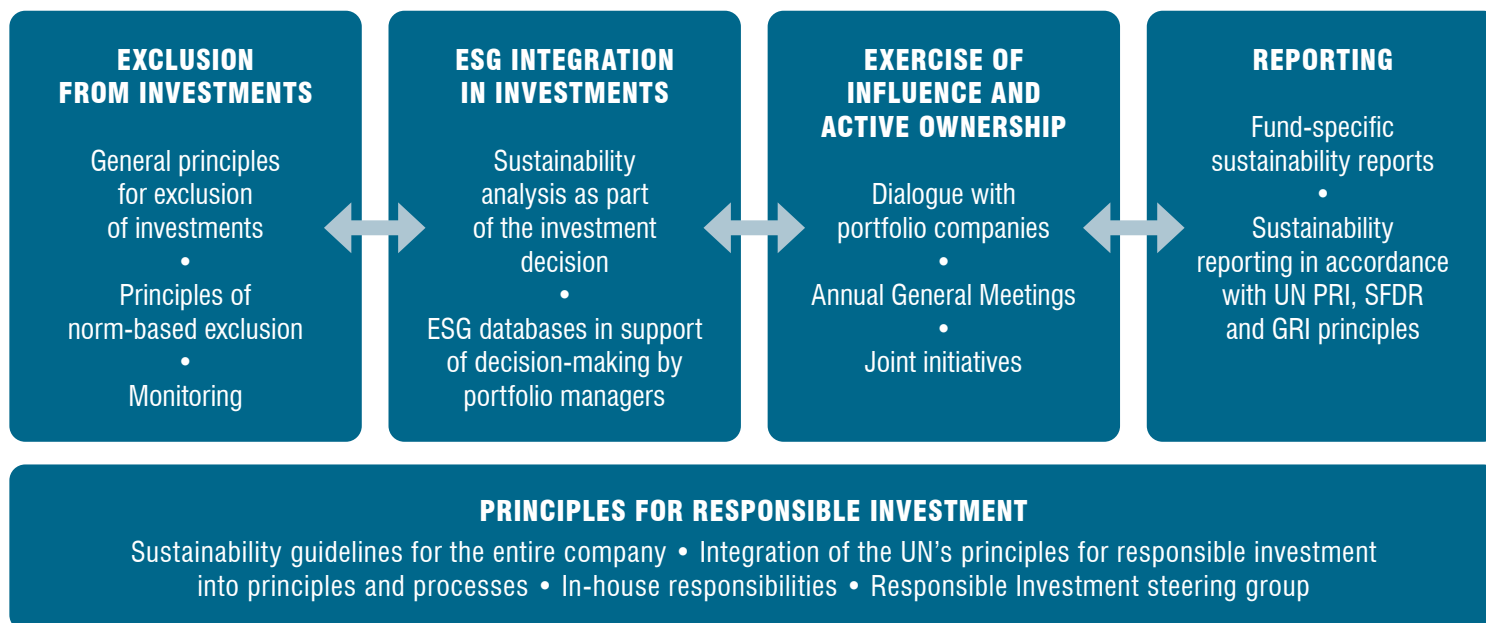
## Responsible investing

A responsible investor takes environmental, social and governance issues into account in investment activities. Responsible investment is at the heart of United Bankers' products and services. At United Bankers, we believe that considering sustainability issues alongside financial key figures improves our understanding of the investment and the risks and opportunities associated with

it. Consideration of these issues is also expected to improve the potential for investment returns.

United Bankers wants to offer its clients the opportunity to make sustainable and profitable investments and increase their wealth sustainably. The objective of investing is to achieve the best possible return at the risk level chosen by clients in a sustainable manner, both in the long and short term. As part of achieving this objective, investment decisions take into account how environmental and social responsibility and good governance are implemented in the investments.

At United Bankers, the consideration of sustainability, in other words, environmental, social and governance (ESG) issues, is an essential part of our investment and portfolio management activities as well as the design and development of our products and services. [United Bankers' Principles for Responsible Investment](#) guide the investment activities of the entire Group. They define the company's responsible investing policies.







## COMPLIANCE WITH THE UN PRINCIPLES FOR RESPONSIBLE INVESTMENT IN INTERNATIONAL COMPARISON

United Bankers signed the [UN Principles for Responsible Investment \(UN PRI\)](#) in 2012. In line with these principles, United Bankers, promotes sustainability objectives as an active owner of its investments, develops appropriate reporting on sustainability issues, and has integrated sustainability analysis into its investment processes. Responsible investment activities are reported annually to the UN PRI.

Each year, the UN PRI scores organisations that have signed up to the Principles on how they practice responsible investment and improve their responsible investment practices. In 2022, the assessment was carried out based on the UN PRI's reference framework that was revised in 2022, so it is not possible to compare the results with previous years.

In 2023, United Bankers achieved excellent results in the areas of responsible investment that are significant for the company. United Bankers received excellent scores in the sections on principles for responsible investment, governance and strategy, and verification procedures, scoring 4/5 stars in each of these sections. In addition, the UN PRI scores responsible investment practices in various asset classes. The scoring and comparison is based only on the volume of the organisations' business (assets under management) for the most significant investment activities, so some asset classes are excluded from the scoring due to the small proportion of assets under management. United Bankers received a full 5/5 stars across all scored asset classes. United Bankers' public UN PRI reports are also available on the organisation's [website](#).

<b>POLICY GOVERNANCE AND STRATEGY</b> .....	★ ★ ★ ★ ☆
<b>DIRECT - LISTED EQUITY - ACTIVE QUANTITATIVE</b> .....	★ ★ ★ ★ ★
<b>DIRECT - LISTED EQUITY - ACTIVE FUNDAMENTAL</b> .....	★ ★ ★ ★ ★
<b>DIRECT - REAL ESTATE</b> .....	★ ★ ★ ★ ★
<b>CONFIDENCE BUILDING MEASURES</b> .....	★ ★ ★ ★ ☆





### ESG INTEGRATION IN INVESTMENTS

The sustainability aspects of investments are analysed as part of investment decisions. Portfolio managers have access to ESG databases provided by Sustainalytics, Morningstar and Bloomberg. ESG databases provide portfolio managers with easy access to corporate responsibility information when making equity and fixed income investments. For example, portfolio managers can search for companies' sustainability scores (ESG score), sustainability risk information, information on the share of revenue generated by controversial activities, potential ESG violations, information on companies' carbon risks and emission reduction targets, and information on the main adverse impacts.

An investment-specific ESG analysis is part of all investments, including alternative funds. In these funds, ESG analysis and value creation are an integral part of the investment process and ESG analysis is integrated into the due diligence and investment processes and portfolio management of each fund. Approaches and data sources vary across asset classes and funds.



### ENGAGEMENT AND ACTIVE OWNERSHIP

As an owner and investor, United Bankers seeks to promote the sustainability aspects of its investments by paying attention to environmental, social and governance issues. The aim is to promote the development of the investees' sustainability in line with the principles of sustainable investing, climate principles and international best practices. The general guidelines on engagement are defined in the Ownership Policy of the Funds Managed by UB Asset Management Ltd and UB Fund Management Company Ltd. In particular, United Bankers focuses its engagement activities on the following issues:

- Specific issues such as climate change, human rights, energy efficiency, good governance, biodiversity and water bodies
- Breaches of norms and standards
- Investment-specific issues

The tools used by United Bankers include using voting rights at shareholder meetings through the ISS Proxy Voting service or participation in person, direct corporate engagement, participation in investor co-engagement, stakeholder engagement and public discourse.

United Bankers' fund offering focuses on funds investing in real assets. For example, in funds investing in Finnish and other Nordic real estate and forest funds, United Bankers is an active owner and promotes the sustainability of these investments with its partners through concrete actions in the direct management and administration of the funds' investments.

If United Bankers detects a violation of the principles of the UN Global Compact by a company in which it invests, the situation is analysed with the portfolio manager and discussed by the Sustainability Steering Group, which decides on further action. There are two options for further action: to initiate corrective action or to exclude the investee. The objective of the engagement measures is to change companies' procedures towards more responsible behaviour. For more information on United Bankers' human rights policies and processes, see the section on The UN's Guiding Principles on Business and Human Rights (UNGPs).





### EXCLUSION

Exclusion is one of the most concrete ways of implementing responsible investing. United Bankers will not invest or will exit from investments that it does not consider to be responsible. United Bankers has excluded certain industries from its investments on ethical grounds. During 2023, the revenue thresholds for exclusion were refined and a policy supporting the company's climate targets for investments in the oil and gas industry and a general policy for investments in the defence industry were added to the exclusion list.

Investment activities have a general exclusion list for all investments (excl. index-based products):

- Companies involved in the manufacture and sale of controversial weapons (landmines, cluster bombs, depleted uranium, biological and chemical weapons) and companies involved in the development and production of nuclear weapons.
- Tobacco, thermal coal production, weapons (except defence industry), gambling and adult entertainment. The revenue threshold is 5 per cent of revenue.

A company that violates the UN Global Compact principles may be excluded from investment by a decision of the Sustainability Steering Group. The Sustainability Steering Group can either take action to remedy the situation or exclude the investment.

In addition, United Bankers avoids investing in companies that generate 25 per cent or more of their revenue from the use of coal in energy production or from oil sands. United Bankers may waive this exclusion if the company has a clear plan to change its operations.

United Bankers will only make investments in the oil and gas industry if they pass a rigorous ESG analysis for the specific investment target, which takes into account, among other things, the investment target's climate goals and activities to promote the green transition.



### REPORTING

United Bankers' responsible investing is based on openness and transparency. Sustainability reporting consists of the Group's Sustainability Reports, as well as product-specific ESG reports that are published regularly.

From the beginning of 2023, United Bankers has published more comprehensive public ESG reports for all its equity and fixed income funds and UB 360 asset management (excl. UB 360 bonds), which allows anyone to monitor the sustainability of these investments. The ESG reports show, for example, the development of the investments' sustainability risks, the development of ESG ratings, Global Compact violations, carbon intensity and carbon risk as well as company-specific ESG data for the fifteen largest holdings.

In 2023, the sustainability reports published annually by alternative investment funds were expanded to cover a larger number of sustainability indicators. They also provide information on each fund's investment methodology and performance in terms of sustainability



## PROMOTING SUSTAINABILITY THROUGH ACTIVE OWNERSHIP

Investors play a key role in promoting sustainability, as funding and capital flows drive companies to act more sustainably. United Bankers promotes the sustainability development of its funds' investments internationally, both by voting at their AGMs and by participating in collaborative engagement initiatives with other investors.

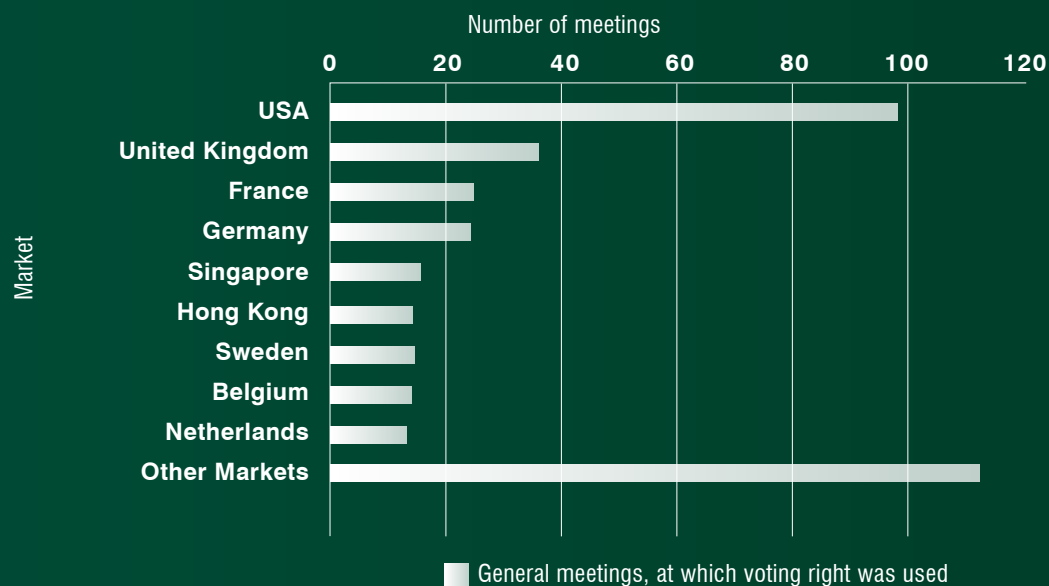
### Investor's voice is heard at general meetings

As of 2021, United Bankers' daily valued equity funds have been using the [Proxy Voting](#) service provided by ISS ESG, an Institutional Shareholder Services Inc. company. Through this service, United Bankers votes at the AGMs of its portfolio companies around the

world. United Bankers uses proxy voting to promote sustainability-related issues such as transparency, equality, climate change mitigation and setting climate targets in its portfolio companies.

Proxy voting experts analyse the companies in the United Bankers funds' portfolios and AGM materials and, based on this analysis, prepare voting decisions that promote sustainability and comply with the principles of the International Sustainability Proxy Voting Guidelines. United Bankers' portfolio managers can choose to amend the pre-formulated decisions or allow the voting to proceed according to the draft voting decisions. The service is available for investment objects domiciled outside of Finland. In 2023, United Bankers' funds exercised their voting rights through ISS Proxy Voting at a total of 380 AGMs. The majority of the votes focused on the North American and major European markets.

**FIGURE 6:**  
**GENERAL MEETINGS VOTED BY MARKET**



## UNITED BANKERS PROMOTES CLIMATE TARGETS AND BETTER ENVIRONMENTAL REPORTING IN THE CDP'S CAMPAIGNS

In 2023, United Bankers continued to support the CDP's Science-Based Targets climate initiative. The CDP campaign encourages companies to set emission reduction targets under the Science Based Targets initiative, which cover emissions across the company's entire value chain. These emission targets, aligned with the Paris Agreement, would limit the global average temperature increase to 1.5°C.

On behalf of United Bankers and other participating organisations, the CDP sent letters to more than 1,000 companies around the world. The companies targeted by the campaign are selected from a list compiled by the CDP and they are significant companies in terms of market value and greenhouse gas emissions. The group of companies targeted was heavily weighted towards Asia, the USA and Canada, as there is already a strong practice setting of climate targets in Europe. The companies generating high emissions targeted by the campaign have a combined market capitalisation of around USD 28 trillion and their combined scope 1 and scope 2 carbon emissions are 8.3 gigatonnes. This amount of emissions is equivalent to the combined annual emissions of the USA, Japan and the UK.

Of the companies targeted, 99 new companies joined the SBTi. The companies targeted by the campaign in 2023 in-

cluded JD.com, China's largest online retailer; Qantas, an Australian airline; BASF, the world's largest chemical company; Caterpillar, FedEx, General Electric and many more. Since the launch of the SBT campaign in 2020, CDP has successfully encouraged more than 470 influential companies to join the SBTi, either through approved targets or by committing to SBT targets.

United Bankers also continued its support for the CDP's Non-disclosure campaign, which encourages companies to report their greenhouse gas emissions and the environmental impact of their operations in a transparent manner. The campaign is carried out in cooperation with financial market operators who are CDP signatories and its aim is to contact companies that have not responded to requests to publish information on their impacts and activities related to climate change mitigation, forests and/or water in the CDP surveys. The aim of the campaign is to increase the amount and transparency of environmental data reported by companies. In 2023, a record 23,000+ companies reported their environmental data through the CDP. Of these, over 5,800 companies disclosed important data specifically as a result of requests made by investors. In this way, the amount of data reported through the initiative increased by more than 15 per cent compared to the previous year.





## Biodiversity

Protecting biodiversity is of paramount importance for United Bankers' operations. United Bankers aims to continuously increase its understanding of the impact of its activities on biodiversity and to contribute to finding ways to prevent biodiversity loss. Understanding the impacts and risks resulting from biodiversity loss on business is key to United Bankers' efforts to build a sustainable business.

The main impacts of United Bankers' activities on biodiversity arise through the investment products offered by the company. Methodologies for assessing the impact of investments on biodiversity and the related databases are currently undergoing continuous and rapid development worldwide. At United Bankers, we actively monitor the development of initiatives and practices related to biodiversity and seek to continuously improve operations on the basis of these.

The global ESG databases used to assess and monitor United Bankers' listed investments in 2023 contained only limited information on the impacts of the investments on biodiversity. So far, a comprehensive assessment of the direct and indirect impacts of the listed investments, such as habitat change and degradation and species loss, has therefore not been possible. The development of the databases will be actively monitored and the above-mentioned impacts will be assessed in the future where possible.

United Bankers' alternative investment funds include direct real estate funds investing in Finland and other Nordic countries. In 2023, the vast majority of these funds' investments were existing sites located in city or other urban areas with a land use plan. In the Nordic countries in particular, land use planning procedures have taken natural values into account for a long time, so the direct impacts, for example related to land use changes, of United Bankers' real estate fund investments on biodiversity are assessed to be relatively low. The indirect impacts of real estate funds on biodiversity have not yet been assessed.

The impacts on nature of the renewable energy fund established in 2023 will be assessed separately for each investment, for example

in the environmental impact assessment processes for new wind power projects. The fund aims to compensate for the significant impacts on nature caused by its activities within the framework of the voluntary compensation laid down in Finland's new Nature Conservation Act (9/2023).

## Investors benefit from diverse forests

The activities of United Bankers' forest funds are important from the perspective of biodiversity. Biodiversity is an essential requirement for the well-being and growth of forests, and therefore an important issue from the perspective of forest investors.

United Bankers' forest funds invest in sustainable forestry by investing directly or indirectly in forest property and/or forest industry companies' securities. The funds aim to contribute to climate change mitigation by sequestering atmospheric carbon dioxide in growing trees and forest soil. In 2023, through its funds, United Bankers became the third largest private forest owner in Finland. The total area of forests owned by the funds was 164,503 hectares, of which 145,589 hectares were in Finland and the rest in the Baltic countries. The UB Nordic Forest Fund IV, established in 2023, aims to promote biodiversity and sustainable forest management practices in the Baltic Sea region by increasing the area of private certified forest in its target countries, in addition to mitigating climate change.

United Bankers' funds' forest investments focus primarily on commercial forests, where forest management directly affects the forest habitat and its biodiversity in many ways. Biodiversity is a prerequisite for a forest's well-being. Together with partners responsible for the operational management of forest properties, United Bankers' forest fund team of forest managers and forestry experts continuously develops the funds' forest management from the perspectives of biodiversity, climate impact and economic viability. The impact and quality of forest management in United Bankers funds is monitored not only by the company itself, but also by external evaluators and authorities. The activities are developed through continuous evaluation, utilizing best practices in the forestry sector and conducting collaborative research projects with partners.

## SECURING BIODIVERSITY IN UNITED BANKERS' FOREST FUNDS

**Certification of forests with FSC and PEFC** – third-party certified sustainable forest management in line with international best practices and stricter biodiversity protection measures than usual



**Site-specific selection and planning of forest management methods** – the most appropriate methods and commercial forests' nature management measures for each site

**Promoting continuous cover growth on lush peatlands** – positively influences biodiversity, promotes the water balance of peatlands and reduces leaching, increases the overall carbon balance of forests in Finland



**Increasing proportion of deciduous trees** – a longer-term goal is to double the proportion of deciduous trees in the Finnish forests owned by funds from the current level to a total of 20 per cent, in order to promote biodiversity and climate resilience of forests

**Voluntary protection and restoration of particular natural value** – Cooperation with the authorities and other parties to identify sites for the establishment of private protected areas in areas of particular natural value





United Bankers' forest funds work to safeguard biodiversity in practical forest management in a number of ways. The funds' forest management follows the principles of sustainable forest management. Sustainable forest management is ensured through certification, which is also profitable for investors due to, among other things, the demand for and price trends of certified wood. The aim of United Bankers' forest funds is for all forest properties in Finland to be PEFC and FSC certified. Outside Finland, the funds require at least one of the two certificates. The FSC certification is particularly important for biodiversity, as in Finland, for example, it requires that at least 5 per cent of the certified forest area is excluded from economic use in order to safeguard biodiversity.

In 2023, 100 per cent of the forests owned by United Bankers' forest funds in Finland were certified under the PEFC certificate and 78 per cent under the FSC certificate. Outside Finland, 43 per cent of the forest properties were certified with the FSC certificate and 90 per cent with the PEFC certificate. The level of certification of forests in United Bankers' funds is relatively high, as a total of approximately 90 per cent of all forests in Finland are certified with the PEFC certificate and only 10 per cent with the FSC certificate. The high level of certification serves to demonstrate that the forest management is economically, socially and ecologically sustainable. At its best, certification also means that forest biodiversity is taken into account in forest management to a greater extent than is required by national regulations.

Forest management planning is done in United Bankers funds on a site-by-site basis. Forest management takes into account, among other factors, protected and/or endangered species and valuable habitats, and the aim is to reduce the impact of forest management on these factors in accordance with criteria set by

**TABLE 8:  
THREATENED SPECIES OBSERVED ON FOREST FUNDS' FOREST PROPERTIES IN FINLAND IN ACCORDANCE WITH THE INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) CLASSIFICATION**

Critically endangered	11
Endangered	13
Vulnerable	94
Near threatened	111
Least concern	17

*The Finnish Biodiversity Information Facility, 12 January 2024*

regulations and certificates. Observations of endangered species in forests have a concrete impact on, for example, the choice of forest management methods and the potential protection of the area. Table 8 summarises the status of sightings of endangered species in the Finnish forests of United Bankers' forest funds, based on the Finnish Biodiversity Information Facility's database.

In forest ecology, in addition to individual species, large areas are important. United Bankers' forest funds have also set longer-term goals to double the proportion of deciduous trees in their Finnish forests from the current level to a total of 20 per cent. By increasing the proportion of deciduous trees it is possible to promote biodiversity, while at the same time the wood production capacity of forests increases and their climate resilience improves. Increasing the proportion of deciduous trees in forests requires long-term

**TABLE 9:  
DEVELOPMENT OF THE HARDWOOD SHARE OF UNITED BANKERS FUNDS' FORESTS IN FINLAND**

	2020	2021	2022	2023
UB Timberland Fund (AIF)	12.3%	12.4%	12.5%	12.8%
UB Nordic Forest Fund II LP	9.1%	9.0%	12.3%	11.9%
UB Nordic Forest Fund III LP	11.1%	11.4%	14.9%	15.6%

**TABLE 10:  
PROTECTED SITES FOR UNITED BANKERS FOREST FUNDS**

	<b>Sites of strict protection, ha (FSC)</b>	<b>Sites subject to special treatment, ha (FSC)</b>
Finland	4282	4282
Estonia	570	0
Latvia	0	0
Lithuania	175	0
<b>Total</b>	<b>5027</b>	<b>4282</b>

work, and UB's forest funds have made good progress towards this goal (table 9). The funds have also had a policy of promoting continuous cover forestry on lush peatlands. Continuous cover forestry can also have a positive impact on biodiversity. In addition, the water balance of peatlands remains in a better condition, reducing leaching into the environment and improving the overall carbon balance of forests.

In 2023, the combined protected area of United Bankers' forest funds was 9,309 hectares. Of this, approximately 5,027 hectares have been excluded from economic use in accordance with the protection requirements of FSC certification. The protected areas include different types of sites protected under various regulations and criteria, such as the Forestry Act, the old forest protection programme, Natura, the grove protection programme, peatland protection programmes, other private forest protection or, for example, due to various species occurrences. Depending on the protection criterion, the relevant body has defined the protection criteria and monitors the implementation of the protection measures and the achievement of any conservation objectives.

United Bankers' forest funds are actively investing in the establishment of private protected areas to safeguard biodiversity. United Bankers' forestry experts work with the authorities to identify sites for the establishment of private protected areas in areas of particular natural value. In the course of their activities, the funds have established a number of private protected areas, including under the METSO conservation programme, the Helmi action programme and Natura 2000. Through voluntary protection, the funds aim to safeguard sites of high biodiversity values.

Where possible, the establishment of protected areas will seek to favour sites that are linked to other existing protected areas, so

that it is possible for the protection to create significant ecological habitats. For example, in 2023, 1.4 km of United Bankers' protected areas bordered the Salamajärvi National Park.

In United Bankers' forest funds, the protected areas include different types of old-growth forests and rare and endangered species. In 2023, United Bankers' forest funds had a total of 760 hectares of private protected areas. The ELY Centres are involved in the establishment and monitoring of private protected areas.

Ecological restoration of forests became a topic of public discussion in recent years. In 2022, voluntary ecological restoration measures were taken to restore a stream (Tasonjoki-Siltajoki) on the land of a United Bankers forest fund in Puolanka and planning is currently being carried out to establish a private protected area in the affected area. Before the restoration, the stream had been degraded due to, among other things, the effects of forest drainage resulting from ditches that had been created decades earlier and the aim of the restoration is to return the area to its natural state. It will only be possible to evaluate the success and final impact of the restoration measures implemented after a longer period of time. A United Bankers' forest fund was involved, among other things, in a bog restoration project in Pudasjärvi in 2023 where the planning work was completed in the autumn. In addition, one of United Bankers' forest funds joined the water protection project for the Hälvänjoki river organised by the Pro Puruvesi association. The project involves the creation of a wetland on a waterlogged field area on the fund's forest property located in Savonlinna.



**Biodiversity is an essential requirement for the well-being and growth of forests, and therefore an important issue from the perspective of forest investors.**



**TABLE 11:  
PRIVATE PROTECTED AREAS OF UNITED BANKERS' FOREST FUNDS, SITUATION 31.12.2023:**

<b>County</b>	<b>Surface area, ha</b>	<b>Year established</b>	<b>Protected natural values</b>
Kainuu	106.0	2021	Old rocky pine forest area, gorge
Tavastia Proper (Kanta-Häme)	11.4	2018	Old ridge forest area, bogs in natural state
Kainuu	71.3	2022	Natural bogs and streams
Northern Savonia (Pohjois-Savo)	0.1	2020	Deciduous coastal forest
Northern Savonia (Pohjois-Savo)	3.6	2020	Deciduous swamp zone, coastal forest
Central Finland (Keski-Suomi)	3.0	2022	Various types of swamp
Kainuu	33.0	2021	Old natural forest area, decaying wood
Kainuu	113.0	2021	Old pine forest and a natural swamp area
Central Ostrobothnia (Keski-Pohjanmaa)	320.7	2021	Natural forest area adjacent to the Salamajärvi National Park
Northern Ostrobothnia (Pohjois-Pohjanmaa)	57.0	2023	Natural swamp area
Northern Savonia (Pohjois-Savo)	4.7	2019	Mixed riverside forest
Kainuu	18.8	2022	Ancient natural spruce forest area, swamp
Northern Savonia (Pohjois-Savo)	15.0	2022	Old natural spruce forest area
<b>Total</b>	<b>757.6</b>		

## **METSO- AND HELMI-PROGRAMMES**

*METSO and Helmi are voluntary forest protection and restoration programmes for Finnish forest owners. Voluntary conservation safeguards forest habitats that are representative in terms of tree structure and species diversity. Through these programmes, the natural values of forests are protected and managed to ensure the conservation of biodiversity. The aim of the programme, which combines forest conservation and economic use, is to halt the decline of forest habitats and forest species and to establish a favourable trend in biodiversity.*



# Employees are our most important asset

## Targets and achievements 2023:

- United Bankers receives Finland's Most Inspiring Workplaces 2023 award. The PeoplePower index, which measures personnel commitment, continued to develop in a positive direction
- Skills development targets were updated
- The incapacity for work percentage continued to fall and was at a very low level at 0.39 per cent (0.48% in 2022)
- Employer image was also at a good level, and according to the Reputation&Trust survey, it had improved on the previous year

A thriving and committed workforce is United Bankers' most important asset. Therefore, the company wants to focus on well-being at work, job satisfaction and offering meaningful work. An inspiring and fair workplace is created by a culture of open and solution-oriented discussion, adherence to common rules, a willingness to help, and the flexibility and possibility to influence matters created by a low hierarchy.

Commitment to the company and its values, as well as adherence to the Code of Conduct, is central to building the company's success. Client orientation is a core value at United Bankers. A strong corporate culture and an enthusiastic work community play a significant role in the company's efforts to create first-class client experiences.

In the workplace, team spirit is the most important of United Bankers' values. Good team spirit and a positive working atmosphere are seen as important assets. At United Bankers, everyone is an important part of the team. The skills and work input of everyone is needed to achieve common goals. The company's enthusiastic and committed employees are focused on exceeding expectations and succeeding together.

## Working at United Bankers

At the end of 2023, the United Bankers Group employed 160 people (FTEs), which is an increase of 8 per cent compared to the end of the previous year. The increase in personnel was mainly related to the resourcing of the new funds and their support functions.

Of the total number of employees, 154 were permanent and 15 fixed-term employees. The majority of personnel worked in Finland. The offices in Sweden and Luxembourg employed two individuals each.

During the year, 26 new employees joined the Group's Finnish offices. Of these, 21 were men and 5 women. Of the new employees, 15 were aged under 30 and 11 were aged 30 to 50. Of the new employees, 10 were hired on a permanent basis and 16 on a fixed-term basis. A total of 14 people left the company during the year, of which 8 were permanent employees and 6 fixed-term employees.



Employees typically stay at United Bankers for a long time, and there is a relatively low turnover rate. During 2023, employee turnover was 3.9 per cent in Finland. There was no turnover in the other countries. The highest turnover was in the 30–50 age group.

At United Bankers, client relations are managed by tied agents as well as by employees. There were 31 tied agents on 31 December 2023. The company also uses external consultancy services, for example in IT and development projects. The average number of consultants in 2023 was 4. These people are not included in the company's other personnel data (FTE and personnel numbers). There were no changes in the number of persons not in an employment relationship at United Bankers during 2023.

United Bankers seeks to promote the reconciliation of work and family life in many ways. During 2023, five employees (3 women, 2 men) were eligible for parental leave, and all of them took parental leave. During the year, three people (1 woman, 2 men) returned to work from parental leave and continued their employment relationship normally (100% retention rate).

United Bankers complies with labour laws. The company is not an organised employer and does not have collective agreements in place. However, the company complies with the collective agreement for the financial sector, where applicable. All employees are covered by a written employment contract and, in the case of

management positions, by a management contract. Notice periods are in accordance with labour legislation and typically one or in some cases two months' notice is given by both parties. If an employee resigns, the length of the employment affects the notice period, which is 14 days for employees with 0–5 years of service and 1 month for employees with more than 5 years of service. Labour law is also respected, including in relation to any change negotiations.

In United Bankers' corporate culture work is carried out in close cooperation with employees. The HR organisation supports supervisors and management in all HR-related processes and issues. The personnel has also elected an employee representative to represent them in various employment matters and negotiations.

## Employee well-being and skills are important investments

United Bankers is committed to taking good care of the well-being of its employees. The company looks after its employees' well-being by providing high-quality and comprehensive occupational healthcare services for all its employees. All United Bankers' employees, including fixed-term employees, are covered by health insurance supplementing the statutory occupational health insurance. The insurance covers, among other things, specialist care,

**TABLE 12:  
BREAKDOWN BY TOTAL NUMBER OF PERSONNEL**

	<b>Total</b>	<b>Women</b>	<b>Men</b>
Number of employees	169	61	108
Permanent employees	154	57	97
Fixed-term employees	15	4	11
Zero-hours employees	0	0	0
Full-time employees	154	56	98
Part-time employees	15	5	10
Employee turnover in Finland (%)	3,9	1,7	5,2
Employee turnover in other countries (%)	0	0	0



including visits to medical specialists, occupational health psychologist endoscopy procedures, X-rays, and personal vaccinations. Well-being and coping at work are also supported through the exercise and culture benefit and various events on the themes of wellness and physical activity.

In addition to good health, opportunities to influence one's work-life balance also contribute to staying fit for work. Flexibility in working life is supported through, for example, distance working opportunities, flexible working hours and the possibility to work a shorter working week. United Bankers supports employees with families in their daily lives by, among other things, providing the opportunity for a childcare service for sick children.

During 2023, United Bankers' headquarters in Helsinki underwent an extensive renovation, which included further improvements to lighting and the ergonomics of workstations to support well-being at work. The employees' wishes regarding their work premises expressed in the 2022 employee survey were also extensively considered in the planning of the renovation.

## **Occupational health and safety, accidents at work and absences**

The Finnish Occupational Safety and Health Act governs United Bankers' occupational health and safety management, and efforts to maintain working capacity and occupational health and safety are considered to be very important in the company. All United Bankers employees are covered by occupational health and safety and the related employer obligations are implemented in the company's HR practices. In addition, the organisation of activities has considered the key risks related to office work and a professional organisation, so the focus of occupational health and safety activities is on management of psychosocial stress factors, working atmosphere and leadership. The Group's occupational health and safety activities cover the entire organisation and all its offices.

United Bankers' occupational healthcare services are provided by a major Finnish occupational healthcare partner. The occupational healthcare services of tied agents and consultants are provided by the employer. At United Bankers, the working capacity of employ-

ees is actively monitored together with occupational healthcare and support for working capacity is adjusted as needed. The work of United Bankers' personnel is mainly office-based and in part demanding professional work with a low risk of physical accidents. Employees work in office conditions and mainly at computer terminals.

According to the workplace survey for 2023, the main health risks are related to psychosocial stress factors, which pose a moderate risk to health. The work involves occasional peaks in activity, which require good self-management and organisational skills. The risk of accidents in office work is, however, considered to be low and the health impact is considered to be minor. The risk of accidents related to work travel is moderate, although the risk of road accidents may be slightly higher for those travelling by car. Among the physical factors, static work carried out on a computer terminal is likely to pose health risks. The associated health risks are low and can be further reduced by, for example, by taking breaks and with good ergonomics.

General safety at work is ensured, among other things, by the fact that at United Bankers, a description of safety issues is included in the induction materials provided to new employees. In addition, employees are required to familiarise themselves with the building's emergency plan and its updates for their specific office. Employees' first aid skills are maintained through regular training and United Bankers ensures that there is always enough employees who have completed first aid training.

United Bankers has a health and safety committee, which includes both employer and employee representatives. Employees select their representatives with a ballot. The tasks of the occupational health and safety committee include promoting occupational health and safety and developing working conditions and measures to maintain working capacity. The health and safety committee enables employees to participate in matters relating to safety and health at work and monitors matters relating to the safety and health of employees and, if necessary, proposes measures to improve these matters. The committee also discusses the occupational healthcare action plan and monitors its implementation. The occupational health and safety committee supports the rest of the work community in maintaining a positive working atmos-



phere and works closely with the occupational health provider to promote well-being at work with a focus on preventive action. The health and safety committee meets whenever necessary, but at least four times a year.

United Bankers also has an early support model to prevent, for example, long periods of sickness absence. Employees can propose matters to be discussed by the occupational health and safety committee if they wish by contacting the employee representative or a member of the committee. If the employee so wishes, the committee can discuss the matter entirely confidential. The occupational health and safety committee regularly informs employees about its activities and results. In addition, the company's guidelines and policies on occupational health and safety concerning employees are available to all on the company's intranet.

United Bankers has a very low rate of personnel sickness absence, which continued to fall in 2023 from the previous year. In particular, sickness absences due to respiratory diseases and musculoskeletal disorders decreased significantly. United Bankers employees had no work-related illnesses. Static loads on the neck and shoul-

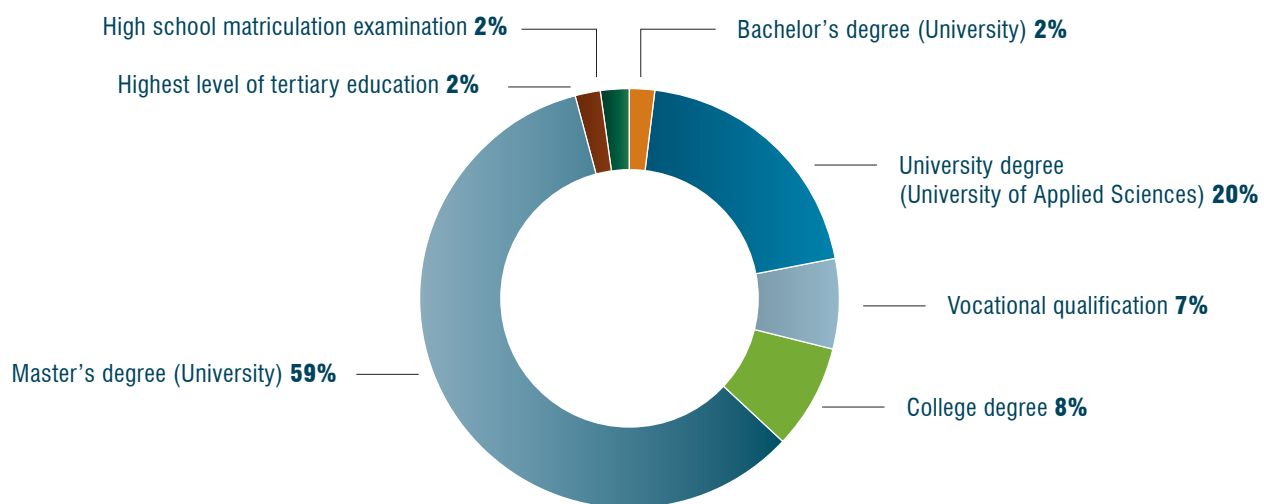
ders, upper limbs and lower back are known to be a particular stress factor. Remote work can pose challenges to good work ergonomics. In the office, most workstations are equipped with electrically adjustable desks and adjustable chairs. The majority of employees have more than one screen at their disposal.

One minor accident at work was reported in the Group in 2023. No accidents occurred during longer business trips. No work-related illnesses or deaths were reported during the year either. All United Bankers employees are included in the monitoring.

## Training and development

United Bankers is an organisation where the professional development of its personnel, as well as the sharing of knowledge, contribute to the sustainability of its operations. The employees' professional skills are maintained and developed through continuous training. United Bankers provides opportunities for all its employees to deepen, broaden and update their professional skills. In addition to training required by regulation, the company also

**FIGURE 7:  
DISTRIBUTION OF PERSONNEL EDUCATION**





provides its personnel with other training and opportunities to update and supplement skills in an employee-oriented manner.

In 2023, employees spent an average of 5.6 hours on training per year (10.7 hours for women and 2.8 hours for men) and 6.5 hours for people in management positions. New online training programmes for all employees and specific groups of employees were launched in 2023, including a programme on new financial sector regulation and responsibility. Managers were offered both internal coaching and an external study path based on the selected themes. In addition, employees participated in training courses organised by other bodies according to their individual needs regarding training. The company did not have any broader training programmes in place for its employees. In addition, the company had no training programmes related to change negotiations, as there were no change negotiations during the year.

The performance review process is used to regularly discuss not only the development of each employee's skills, but also motivation and job satisfaction. All United Bankers' full-time and part-time employees are subject to performance reviews. However, this obligation does not apply to persons on long periods of absence such as study leave or parental leave. According to the HR system, 62 per cent (80% women, 51% men, 44% managers) of employees participated in a performance review during 2023. The figure is

based on self-reporting by employees. The figure does not take into account employees who started in 2023.

## Equality and non-discrimination

At United Bankers, equality and non-discrimination are an important part of the daily life of a diverse and multilingual organisation. The Group is committed to promoting equality, diversity and equal treatment and preventing discrimination in all its forms. The aim is to achieve equality in compensation and rewarding and to provide equal career and skills development opportunities for all.

Equality is a fundamental right and its realisation is ensured in all aspects of the company's operations, in management and in the human resources policy. United Bankers' equality and non-discrimination plan covers all of United Bankers' operations in Finland and has been implemented as part of the company's occupational health and safety programme. The key objective of the equality and non-discrimination plan is to support the creation of a thriving work community.

In 2022, the Board of Directors of United Bankers set diversity targets for the Group, which are valid until 2024. The aim is to maintain and promote diversity, gender equality and non-discrimination in the work community. At the end of 2023, the targets set by the company had been met.

### UNITED BANKERS' DIVERSITY TARGETS:

- Both genders are represented in at least 1/3 of all specialists in the company
- Both genders represented in at least 1/3 of all supervisors
- The composition of the Board of Directors and the management team is always sufficiently representative of both genders (for more information on the objectives regarding the composition of the Board of Directors, see: page 201.)
- The objective is to increase the number of minority gender representatives on the Board by making recommendations to the largest shareholders, who will prepare a proposal for the composition of the Board of Directors to the Annual General Meeting. The composition of the Board of Directors should be in line with United Bankers' business and strategic needs and its members should have appropriate professional skills, education, experience, and knowledge of the industry.



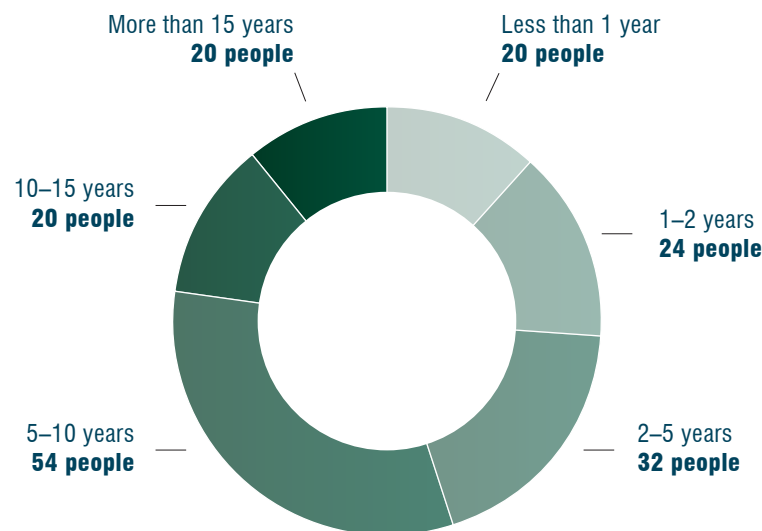
United Bankers aims to ensure that none of its employees experience harassment or other inappropriate treatment. The company has a policy for dealing with inappropriate treatment and harassment, under which every incident that comes to its attention is addressed. Harassment and inappropriate treatment can be reported through the company's whistleblowing channel. No incidents of discrimination were brought to the employer's attention and therefore no action was taken. In the 2023 employee survey, 99 per cent of respondents said they had not experienced discrimination during the year. One respondent reported experiencing discrimination, but according to the respondent, the situation had been resolved.

Recruiting new employees is a key element in achieving diversity objectives. United Bankers welcomes all applicants equally and selects talented people of all ages, with different skills, educational and cultural backgrounds, regardless of gender. Where the applicant pool allows, all genders should be represented in the final stage of the selection process. The most suitable person for the post will always be selected.

**TABLE 13:  
GENDER AND AGE GROUP DISTRIBUTION**

	<b>Women</b>	<b>Men</b>	<b>Age distribution</b>
<b>Board of Directors</b>	16.7% (1 person)	83.3% (5 people)	under 30 years 0% 30–50 years 0% over 50 years 100%
<b>Management team</b>	14% (1 person)	86% (6 people)	under 30 years 0% 30–50 years 57% over 50 years 43%
<b>Employees</b>	37% (60 people)	63% (101 people)	under 30 years 14% 30–50 years 48% over 50 years 38%

**FIGURE 8:  
EMPLOYMENT IN YEARS**





# A good workplace is now even better



United Bankers' HR team's Marika Pakkanen, Pia Varila and Elina Montonen and Event and Culture Specialist Rosanna Rouhiainen want to build an enthusiastic work community and nurture UB's strong team spirit



A thriving work community is an important asset for United Bankers. But good workplaces do not come out of nowhere: in order to build a strong corporate culture and create an enthusiastic work community a company must focus on creating community spirit, well-being, meaningful work and good leadership. In 2023, United Bankers received the Finland's Most Inspiring Workplaces award again.

Over recent years, United Bankers has been more systematically focusing on the employee experience to an increasing extent. The results of the Employee Survey continued to improve in 2023. Below, Pia Varila, the company's HR Director, and Elina Montonen, HR Partner, share their thoughts on what makes a good workplace.





## It is important to focus on well-being and job satisfaction

Pia Varila, HR Director at United Bankers, believes that workplaces with thriving and satisfied employees are united by certain characteristics. Good employers look after their employees, they are fair, offer meaningful work and are committed to supervisor work. “At United Bankers, managers and supervisors are approachable and interaction is easy. We have been focusing on providing feedback, and everyone can offer feedback and encouragement to others. A feeling of trust is also important. Employees are given responsibility and the chance to develop themselves. This increases the meaningfulness of the work,” says Pia Varila. “Employees feel that they are being listened to. You don’t have to be afraid of making mistakes at United Bankers. Creativity is stifled by playing it safe. People will give their best when they are allowed to be themselves. I also feel that a culture of leading by example is very evident at United Bankers,” says Elina Montonen.

In addition to psychological safety, employers are also legally obliged to ensure the health and safety of their employees. “We have focused on providing comprehensive occupational health care services, which includes specialist medical care. We also offer a wide range of employee benefits that employees feel are genuinely useful,” says Varila.

Other measures have also been taken with the aim of promoting well-being and job satisfaction. “We organise a relatively large number of different types of employee events where people can participate in the development of the company and its operations. We enjoy spending time together, both at work and outside work, doing various activities together, such as travelling and hobbies. A feeling of respect and acceptance is also important: being able to trust your supervisor, management and colleagues, and the knowledge that you can always be yourself at work,” says Montonen.

“I think the warm-hearted nature of our workplace came across very well in our campaign to promote the employer image last spring,” says Montonen. “Our strong corporate culture and team spirit also come across in the customer experience and the company’s reputation. This was apparent in the results of last year’s

reputation survey and the fact that we have been successful in our recruitment,” he continues.

## Shared set of values is a uniting factor

Creating a good work community is not the responsibility of HR or the management alone, as it is important to give everyone in the work community the opportunity to contribute to building the company culture. So, what makes United Bankers a good place to work? The interviewees had the same response: “the people!” Pia Varila and Elina Montonen both feel that United Bankers has a warm atmosphere and a relaxed culture. “Our organisation is a good size and people can easily get to know each other. A strong commitment to shared values is also strongly reflected in our way of working. Team spirit is very evident in the values among the employees in particular,” says Varila. “I think that a good atmosphere is also rooted in the basics, such as always greeting one another. We all feel like we belong to the UB family,” adds Montonen.

At United Bankers, everyone is valued as an individual. This doesn’t mean that we put people on pedestals, it means that we value colleagues and their work as part of one UB team. Everyone has an important role to play regardless of their place on the team. “We don’t have ivory towers. Our low hierarchy and culture of open discussion are reflected, for example, in the fact that everyone is easy to approach and development takes place together across team boundaries. We build success and celebrate achievements together,” Varila sums up. Employees’ strong desire to help their colleagues and a culture similar to that of a family business are also assets at United Bankers.

In the 2023 Employee Survey, United Bankers’ greatest strength was the employees’ trust in the senior management’s ability to make the right decisions. Respondents also felt that changes had been implemented successfully. According to the survey, employees felt that they had been consulted in decisions affecting them. “During 2023, we focused significantly on our premises in particular. There was a lot of praise for the suitability of our tools for work and the attractiveness of our premises. The fact that we listened carefully to the wishes of the employees in the development project was felt to be the most important matter,” says Varila.



Juuso Uski, Ville Ruija and Juhani Keinänen appreciate low hierarchy and open discussion culture





Pia Varila believes that as a company United Bankers is at a very interesting stage: “The company has grown rapidly in recent years and this has helped us to learn a lot. As the organisation has grown, we have been able to create new processes and practices together. Employees also have the opportunity to do a wide variety of tasks at United Bankers. This keeps the work meaningful.”

“In today’s uncertain operating environment, the stability of your employer and job security are very important factors. United Bankers has consistently developed its business and has achieved the success it deserves. The financial stability of the company is sure to provide confidence in the future,” says Elina Montonen. “The company’s product and service portfolio has been developed in a very interesting direction. Through our funds it is possible to genuinely promote good causes. I believe this also increases motivation and the feeling that you are doing meaningful work,” she continues.

## **United Bankers receives Finland’s Most Inspiring Workplaces award**

United Bankers’ annual Employee Survey made pleasant reading again as the overall result continued to rise nicely. The response rate fell slightly, but was still very good at 88 per cent.

Based on the survey, United Bankers received Finland’s Most Inspiring Workplaces award again. The positive trend continued in many areas, but it was particularly pleasing that the responses showed there had been a clear improvement in areas requiring development that had been highlighted in the previous survey. As in 2022, up to 94 per cent agreed that overall United Bankers is a very good place to work.

United Bankers’ PeoplePower Index score of AA, Good (76.3), increased slightly on the previous year (+0.7 points) and was well above the average for Finnish professional organisations (+4 points). The overall result was also 4.6 points higher than the average for the financial and insurance sector.

The results of the Employee Survey are based on assessments of four different areas – engagement, leadership, organisational performance and commitment. Only the score for commitment showed a slight decline. In all other areas, the results increased on the previous year. However, engagement, alongside leadership, was another strong area in the survey. The biggest increase was in the leadership index, where clear progress was seen especially in receiving feedback. In terms of leadership culture, all aspects were felt to be at a very high level.

Of the individual aspects, by far the greatest improvement on the previous year was in the suitability of the workspaces. There were also positive trends in employee consultation, tools for work and systems. There were declines in the scores for meaningfulness of work and motivation, but these changes were small.

The main strengths were company-level issues, such as the recent development of the company, successful implementation of changes and trust in the ability of senior management to make the right decisions. Areas requiring development were salary and remuneration, support for employees’ professional development, work tools and systems, and matters related to flow of information. UB employees provided many positive descriptions about their workplace. The company was described in particular as flexible, fair and evolving. Other frequently mentioned words were agile, supportive, innovative and trustworthy.



# Transparency and reliability as cornerstones of administration and communication

## Our goal

Sound corporate governance is one of the cornerstones of United Bankers' operations. United Bankers' activities are always based on good corporate governance, legislation, and regulatory guidelines. Our effective and accountable governance is based on a high level of expertise and continuous improvement.

United Bankers strives to communicate openly, transparently and equitably with all its stakeholders. The aim of communication is to build and maintain a positive corporate image of the Group and to give a true and fair view of the Group, its activities, objectives, strategy, and financial situation.

During 2023, United Bankers sought to increase interaction with its stakeholders and to identify their views, wishes and potential concerns. Examples of these include surveys of client satisfaction and investor confidence. During the year, United Bankers also made significant progress towards its climate targets. More information on the company's climate roadmap can be found in the chapter Pursuing climate-resilient growth.

## Responsible communications and marketing

United Bankers' sustainability approach is guided by the values that are important to the company: client orientation, agility, and team spirit. These values are visible in our everyday work and reflected in the way we communicate with our stakeholders. The company strives to build and maintain good stakeholder relations through open, constructive and positive communication and interaction.

As a listed company, United Bankers' external communication and investor communication focus on providing investors and the market with up-to-date and essential information about the company. Timely and accurate communication increases the confidence and interest of existing and potential investors in the company. One of the key objectives of listed companies' disclosure obligations is to ensure that all investors have equal, equitable, consistent and simultaneous access to information.

In its client relationships, United Bankers strives to build long-term partnerships based on trust. The aim is to create wealth and help

## Targets and achievements 2023:

- New ESG reports for funds and the UB 360 asset management model were introduced
- United Bankers' UNGP-compliant whistleblowing channel was opened
- United Bankers continued to report in line with the GRI Standards
- United Bankers strengthened responsible value chain management by implementing a Supplier Code of Conduct
- Client satisfaction rose to a very high level and the company's reputation among investors improved significantly



clients succeed and achieve their dreams. A high level of client satisfaction is built on the strong expertise of the company's employees and on high-quality products and services.

Marketing and client relation management are based on a client-oriented, honest, and long-term approach, as well as equal and fair treatment of clients. Clients will only be offered solutions that are justified and appropriate to their situation and objectives. This requires an understanding of each client's starting points, objectives, and needs. To achieve and maintain client confidence, communication about products and services will be provided in an understandable way that describes risks and opportunities in a balanced way. In Finland actual legislation sets clear limits on the form and scope of the information to be provided. In addition, United Bankers strives to be responsible in its communications and marketing by being transparent, professional, and clear.

United Bankers continued to develop its sustainability reporting in 2023. The company's Annual Report for 2022 was prepared for the first time in accordance with the Global Reporting Initiative (GRI) principles of international sustainability reporting standards and the reporting was also developed further for the 2023 report. At the beginning of 2023, the company introduced new product-specific reports for United Bankers' funds and UB 360 asset management. United Bankers also focused on the development of its website. The aim is to present the company's strategy and products more clearly and in a more client-oriented way both in Finland and on the international market. With the revised reports and website content, United Bankers wants to provide information on the company and its investment activities in a more transparent, comprehensive, and clear way.

During 2023, the company did not identify any non-compliance with marketing and communications regulations, nor did stakeholders or external parties report any issues with United Bankers' marketing.

## Stakeholder surveys play an important role in developing activities

United Bankers wants to invest in responsible client communication and dialogue. Consistent practices have been established for handling client feedback to ensure that each feedback is responded to in an appropriate manner and within a reasonable timeframe. Maintaining a high level of client satisfaction is important and client satisfaction is monitored through regular client satisfaction surveys conducted by external parties and through collecting continuous feedback on activities.

The client satisfaction survey carried out in 2023 shows that clients of United Bankers are very satisfied with the service they receive. Clients felt that matters were handled as agreed and that the service was professional and reliable. Clients also highlighted the personal nature of the service as a major strength. At the same time, clients felt that the electronic services offered by the company had developed very well. The company's NPS (net promoter score) rose from an already good level in the previous survey to a very high level.

In 2023, United Bankers participated again in the [Reputation&Trust survey](#) developed by research company [T-Media](#). The annual survey of listed companies examines the reputation of organisations and the level of trust they receive from their stakeholders in eight key dimensions in terms of reputation. United Bankers participates annually in this survey, which is widely commissioned for listed companies, in order to find out the investor stakeholder group's perception of the company, to set and advance goals related to reputation building and to pursue a strong reputation as a competitive advantage.

United Bankers' reputation rose to a good level this year from last year's moderate level. The company succeeded in clearly improving its reputation at a time when the general trend in the reputation of listed companies was on the decline. On a scale of 1 to 5, the average reputation score for the 79 listed companies measured in the survey fell to 3.53 from 3.56 the previous year. United Bankers' reputation score increased by 0.25 points to 3.58, outperforming the average score for all companies. The improvement in reputation is clear, as the survey's a margin of error is only 0.05 points.



# Building a reputation requires listening to stakeholders

T-Media's Elisa Runsas and United Bankers' Inka Noramaa believe that reputation is a valuable asset for companies





Reputation is one of the most important strategic assets of organisations and building it requires long-term and consistent work. Building and maintaining a good reputation also requires a broad commitment throughout an organisation, from employees to management and up to board level.





Reputation is simply a reflection of how different stakeholders feel about an organisation. United Bankers has also found it important to examine the reputation of the company among its stakeholders. In 2023, the company participated for the second time in the annual [Reputation&Trust survey](#) of listed companies, commissioned by research company [T-Media](#). The T-Media survey allows companies to measure their reputation and the level of trust they receive from their stakeholders. The survey model helps companies to measure, develop and maintain their reputation and trust. For United Bankers, the survey provides important information on the company's reputation ratings and helps it to develop its reputation as a key element of its strategy.

T-Media's Sales Lead Elisa Runsas and United Bankers' Chief Communications Officer Inka Noramaa discussed the importance of reputation and their thoughts on building good reputation.

## Building a reputation is long-term work

Building and managing reputation requires continuous work and a systematic approach. In other words, reputation building requires a strategic approach to all aspects of the company's activities. "In the old days, many companies thought that it was enough to have good finances and sell products. Today, it is understood that reputation building takes place in every aspect of the organisation's activities and in every encounter. Humanity is also important – you need to remember that everything you do is done for people. From a reputation point of view, that means doing the right thing in terms of people's values," says Elisa Runsas.

According to Elisa Runsas, reputable organisations are united by the fact that the importance of reputation is recognised, monitored and managed: "The work involved in building a reputation can be thought of as a marathon. There is no single path to a good reputation. Another characteristic of successful reputation building is that the objective is shared and common within the organisation. It is essential to build a reputation so that the company is as honest and responsible as it says it is, that things are done as agreed, that communication is open and that products meet client expectations." Inka Noramaa also stresses the importance of involving the whole organisation: "For us, commitment to reputation building

means in practice that the company's reputation is built in every role and always with a strong focus on our values. The company's reputation is built in all encounters and interactions with different stakeholders."

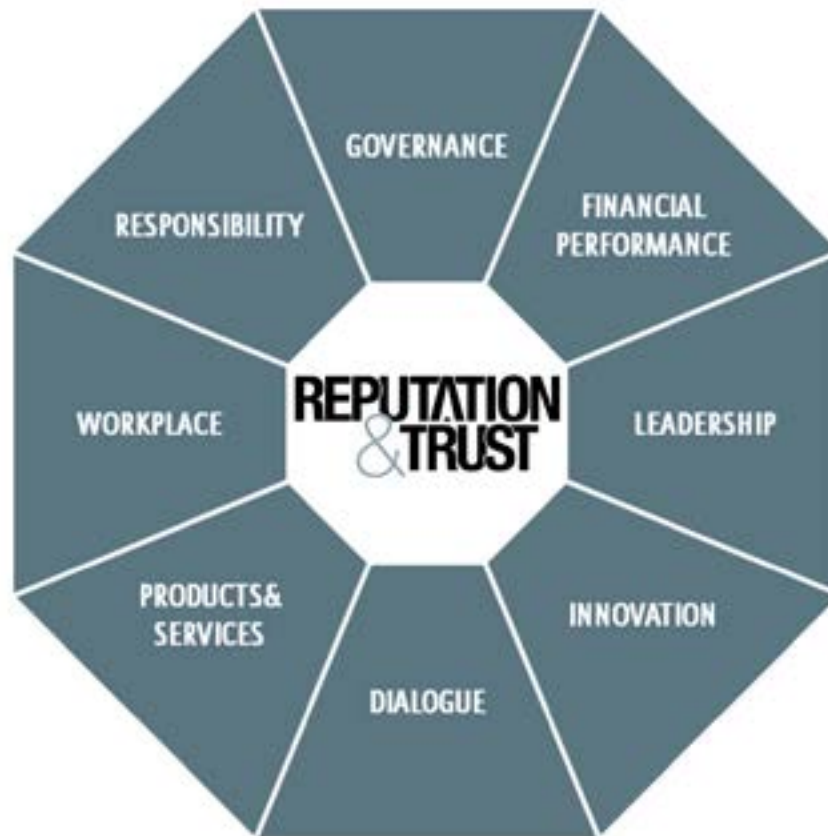
## United Bankers' reputation strengthened

The Reputation&Trust survey assesses organisations through eight key dimensions that also determine the level of stakeholder trust achieved by companies. In the 2023 survey, United Bankers' reputation with private investors improved significantly from the previous year's result. Investor confidence in the ability of the company's long-term management and financial performance emerged as strengths for United Bankers in the 2023 survey. The company's work to promote accountability and its commitment to a thriving and enthusiastic workplace also reinforced a positive image of the company.

"It was particularly gratifying to see that we managed to strengthen our reputation in all eight dimensions of reputation. For example, we have invested significantly in our sustainability work and in communicating it. We also highlighted the positive spirit in our work community in a campaign focused on building our employer brand," says Inka Noramaa.

## How can organisations develop their reputation?

In reputational work, the opportunity to build a reputation starts with recognising the importance of the work. "Building reputation simply starts with understanding how important reputation is. Measuring the current state of reputation is of course essential so that organisations can understand how their internal perception of their reputation may differ from the external stakeholders' perception. It helps to outline what steps are needed to close these gaps. Measurement is therefore a good first step to identify your organisation's strengths and areas for improvement," says Elisa Runsas and continues: "Reputation is definitely something that each company has the opportunity to influence. Measuring reputation and consulting stakeholders more widely are ways to identify the real expectations of stakeholders. It also makes it easier to focus



resources on the right things, for example to assess what to communicate and how to communicate it.”

Inka Noramaa, Chief Communications Officer at United Bankers, shares her own experience of strategic reputation work: “The results of the 2022 reputation survey made us realise that building a good reputation and developing a positive image requires long-term work and active and open communication. I have always felt that we have a strong culture of doing things right. The company’s management and personnel are strongly committed to business development. Doing things as agreed and having an impeccable reputation as a company are, however, not enough to achieve a good public image. Achieving a strong reputation requires continuous improvement, and the foundations must be in place in all areas. But it also requires a lot of active communication and interaction with stakeholders to ensure that the work we do is commu-

nicated to the outside world,” emphasises Inka Noramaa. Elisa Runsas also points out that it is crucial to ensure that the foundations of the areas that contribute to reputation are in place and that the organisation as a whole can withstand critical scrutiny. “Communication can only support what is true,” she underlines.

Overall, in building a reputation, Elisa Runsas emphasises the importance of an open and regular dialogue for genuinely identifying the practices that stakeholders consider right. All direct encounters are important. The experiences that emerge from them must reflect what the company wants to communicate about itself. “We all have a desire to be heard, and emotional experience is important. It’s good to remain humble in the face of these things. For companies, it means listening to their stakeholders genuinely. You can’t just think you know what your stakeholders’ expectations are of your company and then do what you think is the best,” says



Elisa Runsas. “On the other hand, even the seemingly small things make a difference, such as the way we speak to our stakeholders, i.e. what is our organisation’s tone of voice when communicating. For example, very formal customer communication can be perceived as distant, even cold,” she continues.

Inka Noramaa also highlights the importance of ordinary empathy skills. “Communication and interaction happens between people – even when we are talking about things as a company. At United Bankers, we have always wanted to be approachable and create a sense of humanity in an industry that is typically perceived as quite distant and hard. I hope we have succeeded in this,” ponders Inka Noramaa. “We have also taken active steps to improve job satisfaction and well-being at work. I believe that the positive and relaxed atmosphere in the work community is also strongly reflected in the customer experience,” she continues.

## Reputation creates opportunities for operations

In recent years, organisations’ reputational efforts have also been affected by the growing trend towards sustainability. “Today, companies are expected to take into account so-called ESG factors in their operations. This means, for example, that environmental aspects, care for employees, openness and transparency are emphasised in strategic planning and decision-making. They are also increasingly important reputational factors. It’s no longer what you do, but how you do it,” Elisa Runsas sums up.

Reputation determines a company’s chances of succeeding in implementing its own strategy. It reflects the level of support and trust that stakeholders have in the organisation. A positive attitude from stakeholders helps to generate interest in the products the company offers, to raise finance or attract investors, and to find good employees. “The level of reputation creates opportunities for operations but also sets limits,” summarises Elisa Runsas.

The overall reputational environment has been exceptionally challenging in recent years, and the reputation ratings of listed companies have generally been on the decline. Elisa Runsas sees this

phenomenon as being driven by a number of very unexpected events that the world has experienced in recent years: “People’s daily lives have been significantly affected by the COVID-19 pandemic, the war in Ukraine and, most recently, by high inflation and the rapid rise in interest rates. These events have also had an impact on the reputation of many companies through a change in public opinion. For example, as a result of the war in Ukraine, there was a strong perception that the legitimacy of corporate activity in Russia had ended. In such a situation, it was really difficult for companies to react quickly enough.” When business cannot adapt immediately to the changing situation, the importance of successful communication is highlighted. Elisa Runsas shares her tips on communication: “In a crisis, people need clarity and security. While change takes time, it is important to share information about what is going to be done. This requires truthfulness in communication and frankness from organisations.”

## Towards a stronger reputation

United Bankers’ own reputation in 2023 rose to a good level from a moderate level in the previous year. The company managed to improve its reputation significantly at a time when the general trend in the reputation of listed companies was on the decline. What makes the reputation rise special is precisely the challenging nature of the overall reputational environment.

“I think the most important thing in improving our image has been that we have genuinely tried to learn from the feedback we have received from our stakeholders and improve our operations based on that. We have also tried to increase transparency in our communication and have more dialogue with our stakeholders to reinforce a positive image of the company. I believe that the most important thing for a positive reputation development in the future is that the whole organisation works for it. Our personnel are strongly committed to our shared values. This puts us in a good position to succeed,” concludes Inka Noramaa.



**// At United Bankers, we have always wanted to be approachable and create a sense of humanity in an industry that is typically perceived as quite distant and hard. I hope we have succeeded in this.**



## Transparency and reliability as cornerstones of administration and communication

### **Client privacy and secure processing of personal data**

Investing in data protection and security is an absolute prerequisite for reliable and client-oriented business operations, the development of high-quality services and to ensure a positive client experience. The confidential processing of personal data is a key part of the company's business. United Bankers processes a wide range of personal data on a daily basis, which according to the register is used, for example, for client relationship management, marketing, stakeholder communication, risk management and personnel-related matters, among others. Personal data is processed in accordance with the EU General Data Protection Regulation (GDPR), national personal data legislation and specific financial sector regulations.

The company uses both administrative and technical measures to ensure that data and cyber security are in order. Data and cyber security is developed systematically in accordance with the data security strategy approved by the organisation's management, taking into account the ever-changing cyber threat environment. Data and cyber security are based on the data security policy approved by the Board. In addition to the data security policy, data processing is governed by the privacy policy approved by the Board of Directors. These are supplemented by various principles and other guidelines on data security and the processing of personal data.

Personnel skills in data protection and data security are maintained and developed through regular training and by improving their abilities to identify data security threats in their daily work. During 2023, 85 per cent of employees completed online training on data protection and 90 per cent completed online training on data security. The company also ensures that external processors are carefully selected and that they are aware of their responsibilities and obligations when processing personal data in their role as a partner.

During 2023, the company improved its data and cyber security by, among other things, improving the detection and response to potential data security events through the introduction of a Security Operations Centre (SOC) service provided by an international data security service provider. The partner monitors the company's data security-related logs and events on an ongoing basis, taking care of any follow-up action if necessary. In addition to detecting and responding to data security events, the service includes vulnerability detection and management, and ongoing data security training for personnel. Data protection was also promoted by developing personal data processing procedures.

In 2023, the company received six complaints concerning the processing of personal data and the protection of privacy, which the company found to be justified. The company detected in its operations or was made aware of by external processors a total of 16 incidents in 2023 which were classified as personal data breaches under the EU General Data Protection Regulation. This figure mainly included cases caused by human error, which did not pose a risk to the rights and freedoms of natural persons. One personal data breach was reported to the supervisory authority, but the breach was not posed a high risk to the data subject.

### **Preventing corruption, bribery and money laundering**

Financial crime is a global phenomenon, and United Bankers also has an important role to play in combating it. The fight against financial crime includes Know Your Customer (KYC) procedures as part of prevention of money laundering and terrorist financing, compliance with financial sanctions regulation and freezing orders, prevention of bribery and corruption, and prevention of tax avoidance. Unfortunately, there is always a risk of corruption, bribery and money laundering in the financial sector. Therefore United Bankers' stance is very clear and unambiguous: the company will not tolerate bribery, corruption and other unethical influence at any level in its operations. The company works actively to combat corruption and maintain and promote transparency.





United Bankers complies with Finnish legislation, which incorporates all key international anti-corruption instruments (including The United Nations Convention Against Corruption and The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions). United Bankers bears its share of responsibility for preventing money laundering and terrorist financing both in Finland and internationally. United Bankers is bound by domestic regulations on the prevention of money laundering and terrorist financing as well as EU sanctions. The company also complies with UN sanctions and OFAC sanctions imposed by the United States. The company carries out an annual risk assessment to identify and assess the risks of money laundering and terrorist financing.

Regulation on the prevention and detection of money laundering and terrorist financing applies to all United Bankers' business activities. Know your customer process is a key obligation of this regulation. It means that to detect unusual transactions, the company identifies and verifies the identity of the client and the person acting on behalf of the client and knows the nature and extent of the client and their activities. Before each new client relationship is opened, client information is reviewed in accordance with regulatory requirements and the company's own internal guidelines. In 2023, United Bankers reported no cases of corruption, bribery or money laundering related to its own activities. The company had no anti-competitive activities or violations of antitrust and monopoly laws.

Under no circumstances may United Bankers employees accept or give bribes or seek personal gain by exploiting their position or information, and must always act with integrity and transparency. In accordance with the principles regarding conflict of interests, employees must avoid transactions and situations that may give rise to conflicts of interest, for example with the company or its clients. The regulation also places restrictions on the payment and receipt of various payments and rewards, or incentives. These are intended to improve the quality of the service provided to the client but these must not lead to behaviour that is contrary to the client's interests either.

The United Bankers Code of Conduct guides the lawfulness and ethical conduct of the company's employees. For example, United

Bankers employees do not offer, solicit or accept inappropriate gifts, trips or payments. Guidelines for solicitation and acceptance of business gifts are set forth in the company's Code of Conduct. All United Bankers employees that are part of the client interface participate in annual training related to anti-money laundering and customer due diligence. In addition, in 2023, training on anti-money laundering, with a representative of the National Bureau of Investigation (NBI) as the expert, was organised for the company's Board members, management and certain key personnel. Annual training sessions are also organised on the identification of conflicts of interest and on the acceptance of gifts and hospitality. New annual training on the [Code of Conduct](#) for all employees was also launched in the second half of 2023, and 67 per cent of employees completed this before the end of the year.

## Managing the responsibility of supply chains

The environmental and social impacts of United Bankers' operations are implemented not only through its investment products, but also through the activities of its subcontractors and partners. In 2023, United Bankers introduced a [Supplier Code of Conduct](#), which sets out responsibility requirements for service providers and suppliers. The Supplier Code of Conduct is based on the [UN Global Compact Principles](#) and sets minimum standards for the sustainability of the supply chain in terms of human rights, labour rights, environment and anti-corruption. The Supplier Code of Conduct will be introduced gradually with new procurements and contractual relationships, so the work on its implementation will continue in the coming years.

## United Nations Guiding Principles on Business and Human Rights (UNGPR)

Respect for human rights is an essential part of corporate responsibility. At their best, companies can make a significant contribution to the realisation of human rights through their own actions and by requiring their partners to respect human rights. The [UN Guiding Principles on Business and Human Rights](#) state that companies should actively monitor the human rights impacts of their

operations and the human rights situation in their own operating environment.

The efforts to respect human rights, to identify the risks associated with them and to promote the realisation of human rights is embedded in several United Bankers processes. According to the guidelines on human rights risk management introduced in 2023, the aim is to continuously identify and manage human rights risks as part of investment in due diligence processes and monitoring, customer due diligence, anti-money laundering and anti-corruption processes, as well as part of the company's procurement and partner selection processes. The operations of the company's whistleblowing channel is also an integral part of these processes. For more information on how the channel works, see the chapter on whistleblowing.

For example, in the case of investments, the human rights perspective is monitored by tracking the UN Global Compact norm violations of investments through international ESG databases. In 2023, norm violations were found in less than one per cent of the investment portfolio, and these were found to relate to companies invested in by external funds, and the best way for United Bankers to engage with these companies is, for example, through collaborative engagement initiatives with other investors.

The effectiveness of the processes related to the identification of human rights risks and the risks identified are reported regularly to the company's management. In addition, the company's operating environment is regularly analysed from the perspective of human rights risks, and the company aims to continuously improve its processes and operations based on the findings.

As a responsible investor, United Bankers also promotes the realisation of human rights in its investments, for example by selecting investments that comply with human rights principles and by exercising its right as an investor to vote at general meetings (see also Promoting sustainability through active ownership). In addition, the company supports social projects that contribute to the realisation of human rights beyond United Bankers' immediate sphere of influence (see Corporate social responsibility projects).





## Tax and tax footprint

United Bankers is headquartered in Finland and in 2023 the company also had operations in Sweden and Luxembourg through its subsidiaries' branches. United Bankers pays its taxes in accordance with local legislation in each of the countries where it operates. Most of the Group's business is concentrated in Finland. Only less than 5 per cent of the Group's taxes are paid to Sweden, so the breakdown of taxes by countries is not detailed in the report. United Bankers is committed to operating in compliance with all its legal obligations, to providing all necessary information to the relevant tax authorities and to engaging in an open and transparent dialogue with them. United Bankers' Principles for Responsible Investment also separately describes the taxation of investments.

In 2023, United Bankers paid a total of EUR 13.4 million in taxes and tax-related payments.

## Earnings performance

United Bankers aims to grow the business, the bottom line, and the value of the company over the long term. Financial responsibility is the cornerstone of United Bankers' business. By ensuring the capital adequacy and profitability of its business, the company will continue to be able to operate in the future. Through financial stability, the company also aims to be a secure employer. Through carefully considered and long-term growth investments, the company aims to create added value for its owners and clients alike. United Bankers reports on its business and financial performance transparently and accurately so that stakeholders have a true and fair view of the Group's financial position and operating results. United Bankers' activities are always based on good corporate governance, legislation, and regulatory guidelines. Honesty and ethics are fundamental principles underpinning our operations.

United Bankers is implementing a growth strategy based on the following elements:

- **building long-term customer relationships and exceeding our customers' expectations**
- **being innovative in creating unique top-quality services and products**
- **strengthening our dedicated team of experts**
- **ensuring success by focusing on sustainability**
- **utilizing modern technology to further improve client experience and operational efficiency**
- **growing our business organically and through acquisitions**
- **concentrating on scalable and recurring revenue businesses**

A financially strong company can meet the needs of its clients, take responsibility for the environment, look after its personnel, and provide well-being for society.

In 2023, United Bankers Group's revenue (income from operations) increased by 7.4 per cent to EUR 52.1 million. United Bankers' dividend policy is to pay an annual dividend of at least 70 per cent of earnings per share or cash flow per share<sup>1</sup>. The company has been able to steadily increase its dividend in recent years. In accordance with a decision of the 2023 Annual General Meeting, the distribution of United Bankers' funds for 2022 was EUR 0.90 in total. Of this, EUR 0.75 was dividend and EUR 0.15 was equity repayment. The distribution of funds was 12.5 per cent higher than in the previous year. For more details on the development of the Group's financial results, see the Board of Directors' Report and Consolidated Financial Statements.

<sup>1</sup> On 17 February 2023, United Bankers published an updated dividend policy, according to which the company aims to distribute an annual dividend of at least 70 per cent of the earnings per share or cash flow per share, considering the company's financial situation and strategy.

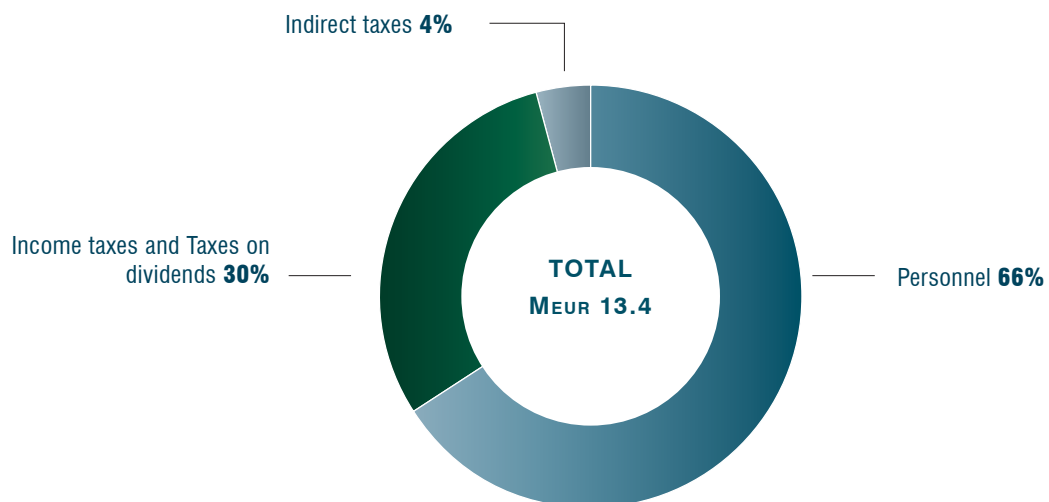


**TABLE 14:**  
**TAXES AND TAX-RELATED PAYMENTS**

**Tax table** EUR 1,000

<b>Personnel</b>	<b>2023</b>	<b>2022</b>
Withholding and tax-at-source	5 648	4 490
Pension contributions	2 600	2 274
Social security contributions	637	593
<b>Income taxes and Taxes on dividends</b>	<b>2023</b>	<b>2022</b>
Income taxes	3 129	3 635
Withholding and tax-at-source on dividends	894	607
<b>Indirect taxes</b>	<b>2023</b>	<b>2022</b>
Value added tax on sales	502	460

**FIGURE 9:**  
**TAX AND TAX FOOTPRINT**



**TABLE 15:**  
**UNITED BANKERS' GENERATED ADDED FINANCIAL VALUE**

<b>Generated added financial value for different stakeholders (EUR 1,000)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Revenue (customers)	52 145	48 562	43 828	34 358
Purchasing (suppliers of goods and services)	4 825	5 140	5 289	4 614
<b>Gross profit</b>	<b>47 320</b>	<b>43 422</b>	<b>38 539</b>	<b>29 744</b>
Wages and benefits (personnel)	19 007	17 514	16 254	13 966
Taxes (public sector)	3 129	3 635	3 109	1 826
Financial expenses (creditors)	1 314	170	136	137
Other expenses (operations and business development)	10 033	9 233	7 831	7 291
<b>Retained earnings</b>	<b>13 837</b>	<b>12 871</b>	<b>11 210</b>	<b>6 523</b>

<b>ECONOMIC VALUE GENERATED AND DISTRIBUTED</b>				
<b>Society income distribution, EUR 1,000</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Fee and commission income and expense, net	44 277	43 194	38 017	29 355
Net profit or loss on trading on securities and foreign currencies	712	-158	400	138
	74	77	20	17
Net interest income	916	120	-45	-69
Other operating income	28	20	10	166
<b>Total income</b>	<b>46 006</b>	<b>43 252</b>	<b>38 403</b>	<b>29 607</b>
Personnel expenses	15 771	14 647	13 780	12 213
Other administrative expenses	6 988	6 637	5 402	4 630
Depreciation, amortization and impairment	2 209	1 922	1 938	1 694
Other operating expenses	842	676	519	963
Impairment losses on liabilities and other receivables	-6	-1	-28	5
<b>Society</b>				
Income taxes	3 129	3 635	3 109	1 826
Social security costs	637	593	486	354
Pension expenses	2 600	2 274	1 988	1 400
Equity holders of the parent company	13 289	12 539	10 347	6 234
Non-controlling interest	548	332	864	289
<b>Distribution of income</b>	<b>46 006</b>	<b>43 252</b>	<b>38 403</b>	<b>29 607</b>



## CORPORATE SOCIAL RESPONSIBILITY PROJECTS

To take responsibility for the sustainable development of society and the environment, United Bankers has integrated sustainability into its strategy, operations and values. In addition, it recognises that corporate social responsibility extends beyond the Group's own sphere of activity to the wider society. Each year, United Bankers supports projects and initiatives related to sustainable development of society and the environment.

### **UNITED BANKERS CONTINUED TO SUPPORT UKRAINE THROUGH THE RED CROSS AND DIRECTLY**

United Bankers sought to alleviate the plight of Ukrainians as Russia's war of aggression continued for a second year. The donations made by the company were directed to the relief work of the Finnish Red Cross. Many employees of United Bankers also contributed personally to helping Ukraine, not only through financial donations but also by participating in projects through which medical supplies and an ambulance were delivered to Ukraine.

### **HELPING TO RELIEVE LONELINESS AMONG OLDER PERSONS BY SUPPORTING THE GUBBE ELDERLY CARE SERVICE**

In 2023, United Bankers continued to support the activities of the Gubbe elderly care service. Gubbe Sydänystävä Oy is a new type of non-medical service established in 2018 with the aim of helping older people to live happier and more active lives. Through Gub-

be older people receive help with household chores and regular companionship in their daily lives. In addition to older people, the service supports the employment of young people in meaningful part-time work.

### **OTHER ENVIRONMENTAL AND SOCIAL SUPPORT**

For the third year in a row, United Bankers supported children's journeys to school and back by supporting the Pieni kulkija ('Little walker') service. United Bankers employees distributed reflective vests with LED lights to first graders at the European School of Helsinki to improve safety on their way to and from school. At the same time, they explained to the young walkers why it is very important to use reflectors in the dark.

United Bankers supported Team Rynkeby's work to fight serious diseases in children in Finland. Team Rynkeby has been helping seriously ill children for more than 20 years – with the majority of donations going to children's cancer research.

The company has also supported the Baltic Sea Action Group's (BSAG) work to protect the Baltic Sea for many years. The 2023 Christmas gift funds were also directed to BSAG.



THE  
FINNISH  
RED CROSS



GUBBE  
ELDERLY  
CARE SERVICE



LITTLE  
WALKER



BALTIC SEA  
ACTION  
GROUP



## CARBON FOOTPRINT CALCULATION – METHODOLOGY, ASSUMPTIONS AND SOURCES

United Bankers' carbon footprint was calculated by Gaia Consulting in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition, 2004) and the GHG Protocol Corporate Value Chain standard (Scope 3) (2011). In addition, the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry (first edition, 2020) was used to calculate United Bankers' investment emissions (Scope 3, Category 15), as it provides more detailed guidance for calculating financed emissions. The carbon footprint of United Bankers' forest investment products was calculated by AFRY.

United Bankers has no Scope 1 emissions. Scope 2 emissions, i.e. purchased energy consumption data, were obtained for electricity and district cooling for the Helsinki office and electricity and district heating for the Tampere office. The consumption of the other offices was estimated on the basis of the known consumption of the previously mentioned offices (electricity) or on the basis of average consumption per square meter (district heating).

Where possible, primary data directly from service providers was used for the Scope 3 calculation. Where primary data were not available, emissions were estimated using, for example, national averages, public databases and consumption data.

The following categories were taken into account in the Scope 3 calculation:

1. Purchased goods and services
3. Upstream emissions from the energy used chain
4. Upstream transport and distribution
6. Work travel
7. Commuting to work
15. Investments

For category #5 (waste), no information was received from the waste management partner or lessor. However, waste emissions are estimated to be negligible.

### Scope 3, category 15, Investments

According to PCAF's calculation guidelines for financial institutions, portfolio issues are allocated to United Bankers based on the ratio of the amount remaining to the total value of the real estate at inception (commercial real estate), EVIC (listed companies or bonds), or equity to debt (private equity and bonds). The equations used to calculate financed emissions are available in the PCAF documents.

The carbon footprint of forest holdings was calculated using SIMO software. The software is based on domestic studies and follows IPCC guidelines. In addition to tree growth and harvesting, the calculation considers the soil carbon cycle, logging residues and the life cycle of wood products.



# GRI-index

Code	Indicator	Location in the report	Information
2-1	Organizational details	Notes to the consolidated financial statements - Note 1 p. 145	
2-2	Entities included in the organization's sustainability reporting	Reporting principles p. 66	
2-3	Reporting period, frequency and contact point	Reporting principles p. 66	
2-4	Restatements of information		No restatements of information from previous reporting period.
2-5	External assurance	Reporting principles p. 66	
2-6	Activities, value chain and other business relationships	United Bankers in brief p. 4 Board of Directors' report - Business segments p.49	
2-7	Employees	Working at United Bankers p. 106-107 Table 12: Breakdown by total number of personnel p. 107	Finland has a total of 165 employees, with 60 women and 105 men. Sweden has a total of 2 employees, both of whom are men. Luxembourg has a total of 2 employees, with 1 woman and 1 man. The Swedish and Luxembourg employees are permanent and full-time.
2-8	Workers who are not employees	Working at United Bankers p. 107	
2-9	Governance structure and composition	Managing and leading sustainability p. 73 Corporate governance statement 2023 – Governance structure p. 197-198 Corporate governance statement 2023 – Composition of the Board of Directors p. 199 Corporate governance statement 2023 – Committees of the Board of Directors p. 204	The Board and committees of United Bankers do not currently include any representatives from minority groups or stakeholders.
2-10	Nomination and selection of the highest governance body	Corporate governance statement 2023 – Composition of the Board of Directors p. 199 Corporate governance statement 2023 – Competence and independence requirements for the Board of Directors p. 201 Corporate governance statement 2023 – Principles concerning the diversity of the Board of Directors p. 201	The nomination and election process of the board does not include considerations from stakeholders other than shareholders.
2-11	Chair of the highest governance body	Corporate governance statement 2023 – CEO p. 205	
2-12	Role of the highest governance body in overseeing the management of impacts	Managing and leading sustainability p. 73	
2-13	Delegation of responsibility for managing impacts	Managing and leading sustainability p. 73-74	
2-14	Role of the highest governance body in sustainability reporting	Corporate governance statement 2023 – Duties of the board of directors p. 202	



Code	Indicator	Location in the report	Information
2-15	Conflicts of interest	Corporate governance statement 2023 – Principles concerning related-party transactions p. 209	
2-16	Communication of critical concerns	Whistleblowing channel p. 81	
2-18	Evaluation of the performance of the highest governance body	Corporate governance statement 2023 – Board's self-assessment p. 203	
2-19	Remuneration policies	Remuneration report 2023 – CEO's remuneration in 2023 p. 218-220	In accordance with the Securities Markets Act, the remuneration report covers only the compensation of the CEO and the board. The CEO does not receive a sign-on bonus.
2-20	Process to determine remuneration	Corporate governance statement 2023 – Remuneration committee p. 204 Remuneration policy for governing bodies - Grounds for determining variable remuneration p. 212-213 Remuneration report 2023 - Decision making related to the remuneration policy p. 211	An external (independent) consultant did not attend the meetings of the Remuneration Committee in 2023.
2-21	Annual compensation ratio		Ratio of the annual total compensation for the CEO to remuneration of an average United Bankers employee: 5,38:1 Ratio of the percentage increase in annual total compensation 2022-2023: 20.30:1
2-22	Statement on sustainable development strategy	CEO Patrick Anderson p. 6-9	
2-23	Policy commitments	Sustainability principles and policies p. 67-69	United Bankers does not pay attention to any particular stakeholder category.
2-24	Embedding policy commitments	Sustainability principles and policies p. 67-69	
2-25	Processes to remediate negative impacts	Whistleblowing channel p. 81	
2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing channel p. 81	
2-27	Compliance with laws and regulations		In 2023, there were no significant cases of breaches of laws or regulations.
2-28	Membership associations	Stakeholder engagement p. 81	
2-29	Approach to stakeholder engagement	Stakeholder engagement p. 81	
2-30	Collective bargaining agreements	Working at United Bankers p. 107	
3-1	Process to determine material topics	Defining focus areas p. 69-72	
3-2	List of material topics	Defining focus areas p. 69-72	
3-3	Management of material topics	Defining focus areas p. 69-72	
201-1	Direct economic value generated and distributed	United Bankers' generated added financial value p. 131	
201-2	Financial implications and other risks and opportunities due to climate change	Climate risk assessment according to the TCFD framework p. 75	
201-4	Financial assistance received from government		No financial assistance received from government in 2023. No government ownership.
205-1	Operations assessed for risks related to corruption	Preventing corruption, bribery and money laundering p. 125-127	



Code	Indicator	Location in the report	Information
205-2	Communication and training about anti-corruption policies and procedures	Preventing corruption, bribery and money laundering p. 125-127	Information is not available by employee category and region.
205-3	Confirmed incidents of corruption and actions taken	Preventing corruption, bribery and money laundering p. 125-127	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Preventing corruption, bribery and money laundering p. 125-127	
207-1	Approach to tax	Tax and tax footprint p. 129	
302-1	Energy consumption within the organisation	Energy consumption p. 89	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity p. 100-105	
304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity p. 100-105	Apart from the measurement of forest holdings in hectares, United Bankers has not assessed its direct and indirect effects on biodiversity with the level of accuracy mandated by the standard.
304-3	Habitats protected or restored	Biodiversity p. 100-105	United Bankers does not engage in cooperation with external entities for the purpose of conservation or restoration efforts that extend beyond the forest reserves of funds.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity p. 100-105	
305-1	Direct (Scope 1) GHG emissions	Emissions from United Bankers' investments decreased by 7 per cent p. 87-90 Carbon footprint calculation – methodology, assumptions and resources p. 134	The method employed for calculating emissions was based on the Global GHG Accounting & Reporting Standard for the Financial Industry developed by PCAF. The approach to accounting was based on operational control.
305-2	Energy indirect (Scope 2) GHG emissions	Emissions from United Bankers' investments decreased by 7 per cent p. 87-90 Carbon footprint calculation – methodology, assumptions and resources p. 134	The method employed for calculating emissions was based on the Global GHG Accounting & Reporting Standard for the Financial Industry developed by PCAF. The approach to accounting was based on operational control.
305-3	Other indirect (Scope 3) GHG emissions	Emissions from United Bankers' investments decreased by 7 per cent p. 87-90 Carbon footprint calculation – methodology, assumptions and resources p. 134	The method employed for calculating emissions was based on the Global GHG Accounting & Reporting Standard for the Financial Industry developed by PCAF. The approach to accounting was based on operational control.
305-4	GHG emissions intensity	Emissions from United Bankers' investments decreased by 7 per cent p. 87-90 Carbon footprint calculation – methodology, assumptions and resources p. 134	



Code	Indicator	Location in the report	Information
305-5	Reduction of GHG emissions	Emissions from United Bankers' investments decreased by 7 per cent p. 87-90 Carbon footprint calculation – methodology, assumptions and resources p. 134	
401-1	New employee hires and employee turnover	Working at United Bankers p. 107	The turnover rate was 1.7% for women and 5.2% for men in 2023.
401-3	Parental leave	Working at United Bankers p. 110	
402-1	Minimum notice periods regarding operational changes	Working at United Bankers p.107	
403-1	Occupational health and safety management system	Occupational health and safety, accidents at work and absences p. 108	
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety, accidents at work and absences p. 108	
403-5	Worker training on occupational health and safety	Employee well-being and skills are important investments p. 107-108	
403-6	Promotion of worker health	Employee well-being and skills are important investments p. 107-108	
403-8	Workers covered by an occupational health and safety management system	Employee well-being and skills are important investments p. 107-108	All employees are covered by the occupational health and safety management system.
403-9	Work-related injuries	Employee well-being and skills are important investments p. 107-108	
403-10	Work-related ill health	Employee well-being and skills are important investments p. 107-108	
404-1	Average hours of training per year per employee	Training and development p. 109-110	
404-2	Programs for upgrading employee skills and transition assistance programs	Training and development p. 109-110	
404-3	Percentage of employees receiving regular performance and career development reviews	Training and development p. 109-110	The data is not available by employee category.
405-1	Diversity of governance bodies and employees	Table 13: Gender and age group distribution p. 111	
406-1	Incidents of discrimination and corrective actions taken	Equality and non-discrimination p. 110-111	
415-1	Political contributions		No political contributions made in 2023.
417-3	Incidents of non-compliance concerning marketing communications	Responsible communications and marketing p. 117-118	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Client privacy and secure processing of personal data p. 125	



**UNITED BANKERS PLC**

# IFRS Consolidated Financial Statements

**for the financial year ending on 31 December 2023**



# Consolidated Financial Statements (IFRS)

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Note	1.1.-31.12.2023	1.1.-31.12.2022
Fee and commission income	3	49,102	48,334
Net gains or losses from trading in securities and foreign currencies	4	712	-158
Income from equity investments	5	74	77
Interest income	6	2,230	290
Other operating income	7	28	20
<b>Total revenue</b>		<b>52,145</b>	<b>48,562</b>
Fee and commission expenses	3	-4,825	-5,140
Interest expenses	6	-1,314	-170
Administrative expenses			
Personnel expenses	8	-19,007	-17,514
Other administrative expenses	8	-6,988	-6,637
Depreciation, amortisation and impairment of tangible and intangible assets	18,19,20	-2,209	-1,922
Other operating expenses	9	-842	-676
Expected credit losses on loans and other receivables	27	6	1
<b>Operating profit</b>		<b>16,966</b>	<b>16,506</b>
Income taxes	10	-3,129	-3,635
<b>Profit for the period</b>		<b>13,837</b>	<b>12,871</b>
<b>CONSOLIDATED COMPREHENSIVE INCOME</b>			
<b>Total comprehensive income attributable to</b>		<b>13,837</b>	<b>12,871</b>
Equity holders of parent company		13,289	12,539
Non-controlling interest		548	332
<b>Earnings per share for profit attributable to the equity holders of the company</b>			
Earnings per share, EUR		1.24	1.19
Earnings per share (diluted), EUR		1.23	1.16

Parent company has one class of shares.



## CONSOLIDATED BALANCE SHEET

EUR 1,000	Note	31.12.2023	31.12.2022
<b>ASSETS</b>			
Cash and equivalents	13	0	0
Claims on credit institutions	14	9,352	9,500
Claims on the public and public-sector entities	15	4	23
Debt securities	16	1,239	1,220
Shares and units	17	8,220	8,643
Goodwill	18	15,593	15,593
Other intangible assets	18	6,099	5,102
Tangible assets	19,20	2,898	2,672
Other assets	21	30,997	27,726
Accrued income and prepayments	22	1,716	1,086
Deferred tax assets	10	2	3
<b>Total assets</b>		<b>76,121</b>	<b>71,568</b>
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
Liabilities to credit institutions	23	-	-
Other liabilities	24	13,479	13,190
Accrued expenses and deferred income	25	8,055	7,831
Deferred tax liabilities	10	3,016	2,491
<b>Total liabilities</b>		<b>24,549</b>	<b>23,512</b>
<b>EQUITY</b>			
Share capital	26	5,464	5,464
Reserve for non-restricted equity		22,901	24,606
Retained earnings		22,761	17,628
Non-controlling interest		445	359
<b>Total equity</b>		<b>51,572</b>	<b>48,056</b>
<b>Total equity and liabilities</b>		<b>76,121</b>	<b>71,568</b>



## CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
<b>Cash flow from operating activities</b>		
Income received from sales	46,062	43,755
Other operating income received	28	20
Operating costs paid	-32,078	-29,310
<b>Cash flow from operating activities before finance costs and taxes</b>	<b>14,012</b>	<b>14,465</b>
Interest paid from operating activities	-1,269	-115
Interest received from operating activities	2,212	279
Income taxes paid	-1,984	-4,432
<b>Cash flow from operating activities (A)</b>	<b>12,970</b>	<b>10,197</b>
<b>Cash flow from investing activities</b>		
Acquisitions of tangible and intangible assets	-3,245	-2,321
Changes in claims on the public and public-sector entities	19	2
Investments in subsidiaries	-	-52
Dividends received from investments	74	77
Investments in financial assets	1,054	-647
<b>Cash flow from investing activities (B)</b>	<b>-2,098</b>	<b>-2,941</b>
<b>Cash flow from financing activities</b>		
Acquisition of treasury shares	-295	-337
Proceeds from share issues	-	9
Drawdown of loans	807	-
Repayment of loans	-807	-2,000
Repayment of lease liabilities	-581	-575
Dividends paid to non-controlling interests	-461	-861
Dividends paid to equity holders of parent company	-9,686	-8,313
<b>Cash flow from financing activities (C)</b>	<b>-11,024</b>	<b>-12,077</b>
<b>Net cash flows from operating, investing and financing activities (A+B+C)</b>	<b>-152</b>	<b>-4,821</b>
<b>Change in cash and cash equivalents</b>	<b>-152</b>	<b>-4,821</b>
Cash and cash equivalents at the beginning of the year	9,500	14,324
Effect of expected credit losses	4	-4
Cash and cash equivalents at the end of the year	9,352	9,500



## 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
<b>Equity, 1 Jan 2023</b>	<b>5,464</b>	<b>24,606</b>	<b>17,628</b>	<b>47,697</b>	<b>359</b>	<b>48,056</b>
<b>Comprehensive income</b>						
Profit for the period	-	-	13,289	13,289	548	13,837
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>13,289</b>	<b>13,289</b>	<b>548</b>	<b>13,837</b>
<b>Transactions with owners of the Group</b>						
Distribution of dividends and return of capital	-	-1,613	-8,073	-9,686	-461	-10,148
Acquisition of treasury shares	-	-91	-204	-295	-	-295
Share issue, related to corporate restructuring	-	-	-	-	-	-
Share issue, personnel and tied agents	-	-	-	-	-	-
Other changes	-	-	-23	-23	-	-23
Acquisition of non-controlling interests	-	-	-	-	-	-
Management incentive plan	-	-	145	145	-	145
<b>Total transactions with owners of the Group</b>	<b>-</b>	<b>-1,704</b>	<b>-8,156</b>	<b>-9,860</b>	<b>-461</b>	<b>-10,322</b>
<b>Equity, 31 Dec 2023</b>	<b>5,464</b>	<b>22,901</b>	<b>22,761</b>	<b>51,127</b>	<b>445</b>	<b>51,572</b>

EUR 1,000	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total	Non-controlling interest in capital	Total equity
<b>Equity, 1 Jan 2022</b>	<b>5,464</b>	<b>21,372</b>	<b>16,670</b>	<b>43,506</b>	<b>830</b>	<b>44,337</b>
<b>Comprehensive income</b>						
Profit for the period	-	-	12,539	12,539	332	12,871
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>12,539</b>	<b>12,539</b>	<b>332</b>	<b>12,871</b>
<b>Transactions with owners of the Group</b>						
Distribution of dividends and return of capital	-	-	-8,313	-8,313	-861	-9,174
Acquisition of treasury shares	-	-	-337	-337	-	-337
Share issue, related to corporate restructuring	-	3,234	-	3,234	-	3,234
Share issue, personnel and tied agents	-	-	242	242	-	242
Other changes	-	-	-34	-34	-	-34
Acquisition of non-controlling interests	-	-	-3,283	-3,283	58	-3,225
Management incentive plan	-	-	143	143	-	143
<b>Total transactions with owners of the Group</b>	<b>-</b>	<b>3,234</b>	<b>-11,582</b>	<b>-8,348</b>	<b>-803</b>	<b>-9,151</b>
<b>Equity, 31 Dec 2022</b>	<b>5,464</b>	<b>24,606</b>	<b>17,628</b>	<b>47,697</b>	<b>359</b>	<b>48,056</b>

# Notes to the consolidated financial statements

## 1 | BASIC INFORMATION ON THE COMPANY, GROUP STRUCTURE, ACCOUNTING PRINCIPLES AND INFORMATION ON ACQUISITIONS AND DISPOSALS

### 1.1 BASIC INFORMATION AND STRUCTURE


The United Bankers Plc Group (hereinafter, “United Bankers” or the “Group”) is a Finnish expert on wealth management and investment markets. The Group’s business segments include wealth management and capital markets services. In wealth management, the Group specialises in real asset investments.

The parent company of the Group, United Bankers Plc (hereinafter the “Company”) is a Finnish limited liability company, whose business ID is 2355443-6. The registered office of the Company is in Helsinki and the registered address Aleksanterinkatu 21 A, 00100 Helsinki, Finland. The Company has been listed on Nasdaq Helsinki since 18 June 2020.

These financial statements were adopted by the Board of Directors of United Bankers in their meeting of 28 February 2024. The Finnish Companies Act stipulates that shareholders of a company have the option of either adopting or rejecting the financial statements in the annual general meeting held after the publication of same. The annual general meeting also has the option of resolving to modify the financial statements.

### 1.2 ACCOUNTING PRINCIPLES

The consolidated financial statements were prepared in accordance with the applicable International Financial Reporting Standards (IFRS) as adopted by the European Union as in force on 31 December 2023. The International Financial Reporting Standards refer to the standards and interpretations issued on same, as approved for application within the EU pursuant to the procedure stipulated under the EU regulation (EY) N:o 1606/2022, as set forth in the Finnish Accounting Act and the regulations issued under same. United Bankers has applied the above-mentioned principles in all the financial periods (2022 and 2023) presented in the financial statements, unless otherwise stated below. The Group has not applied any new or modified standards or interpretations prior to the entry into force thereof.

The general accounting principles of the consolidated financial statements are presented below in this section. Information on discretionary decisions that the management has made while applying the accounting principles, with the greatest impact on the figures presented in the financial statements, as well as the presumptions of future development and estimations have been presented in section 1.5. Management Discretion. The accounting principles for each individual item in the financial statements along with the descriptions of discretionary management decisions and the use of estimations and presumptions have been presented in connection with each item in the financial statements and they are marked with the symbol .

The consolidated financial statements were prepared on the going concern basis. Thus, it is assumed that the Group possesses the necessary resources to continue

its operations and the management is committed to doing so, no less than for one year of the signing of the financial statements.

The consolidated financial statements have been prepared based on the original acquisition costs, except for items measured at fair value through profit or loss.

The financial period of the United Bankers Group is the calendar year. The figures in the consolidated financial statements are rounded mainly to thousands of euros. All the figures presented have been rounded and consequently the sum of individual figures may deviate from the sum presented. The key figures have been calculated using precise values.

The principle for the consolidated income statement: The IAS 1 Presentation of Financial Statements standard does not define the concept of operating profit. The Group has defined same as follows: operating profit is the net sum that arises when fee and commission expenses, interest expenses, administrative expenses, depreciation, amortisation, any impairment losses and other operating expenses are deducted from the total operating income.

The Group has no items classified as comprehensive income.

### 1.3 CONSOLIDATION PRINCIPLES

The consolidated financial statements include the parent company United Bankers Plc and all the subsidiaries, in which the parent Company has control at the end of reporting period. The parent Company has control, when it is exposed or is entitled to variable returns from its involvement in the company and has the ability to affect those returns through its power over the company. Any acquired subsidiaries are consolidated into the consolidated financial statements once the parent company has gained control of same. Any divested subsidiaries are consolidated until control ceases.

The Group’s intragroup transactions, receivables, liabilities, unrealised margins, and internal distribution of profits are eliminated in the preparation of the consolidated financial statements. The allocation of profit (loss) for the period to non-controlling interests is presented in the context of a comprehensive income statement. The portion of non-controlling interests in equity is presented as a separate item in the equity of the balance sheet.

Associated companies are companies in which the Group exerts significant influence. The Group has determined that significant influence primarily occurs when the Group holds 20 - 50 per cent of the voting power in a company, or the Group otherwise exercises significant influence but has no control. Associate companies are consolidated into the consolidated financial statements using the equity method. The portion of an associate company’s loss that exceeds the carrying amount of the



investment is not consolidated unless the Group is committed to the fulfilment of the obligations of the associate company. There were no consolidated associated companies within the Group in the financial periods of 2022 or 2023.



Presenting non-controlling interest in situations where there are separate contractual conditions requires management discretion. The management has exercised its discretion in presenting the non-controlling interest separately in the equity and in connection with the comprehensive income statement as concerns subsidiaries, in which United Bankers has the option or right to purchase the interests of non-controlling shareholders. At the time of reporting, non-controlling shareholders have the right to dividends and to the net assets of the companies.

Items included in the financial statements of group companies are valued using the currency of the economic environment in which the company primarily operates ("Operating Currency"). The consolidated financial statements are presented in euros, which is the operating and presentation currency of the parent Company.

Transactions in foreign currencies are converted into the local operating currency using the monthly average rates. Receivables and liabilities denominated in foreign currencies are converted into operating currencies at the exchange rates prevailing at the end of the reporting period. Exchange rate differences are recognised in the income statement item Net gains or losses from trading in securities and foreign currencies.

## Group structure

As at 31 December 2023, the United Bankers Group included the following companies:

Parent company	Ownership	Registered office		
United Bankers Plc		Helsinki		
			<b>Equity of the company 31.12.2023 EUR 1,000</b>	<b>Profit (loss) of the company 2023 EUR 1,000</b>
Subsidiaries (direct and indirect)	Ownership	Registered office		
UB Corporate Finance Oy*	100 %	Helsinki	242	-
UB Asset Management Ltd*	100 %	Helsinki	15,001	2,618
UB Fund Management Company Ltd	100 %	Helsinki	867	3
UB Nordic Forest Management Ltd	100 %	Helsinki	701	21
UB Yritysrahoitus Oy	90 %	Helsinki	-76	-123
UB Rahoitus Oy	100%	Helsinki	355	841
UB Meklarit Oy	100 %	Helsinki	4	0
UB Finnish Property Oy	79 %	Helsinki	867	864
UB Clean Energy Ltd	79 %	Helsinki	954	1,584
UB Nordic Forest Fund II Management Ltd	100 %	Helsinki	5	0
UB Nordic Forest Fund III Management Ltd	100 %	Helsinki	8	-
UB Nordic Forest Fund IV Management Ltd	100 %	Helsinki	15	10
UB Forest & Fibre Advisory Ltd	78 %	Helsinki	318	210
UB Forest & Fibre Management Ltd	78 %	Helsinki	100	0

\* UB Asset Management Ltd has a branch in Sweden. On 31 December 2023, intra-Group corporate arrangements were completed, in which UB Brokerage Company Ltd and UB Life Ltd merged into UB Asset Management Ltd. Consequently, the UB Life branch office located in Luxembourg was closed. Simultaneously with the mergers, UB Securities Ltd demerged to acquiring companies UB Asset Management Ltd and a new United Bankers' wholly owned limited liability company UB Corporate Finance Ltd.

## Structured funds

Interests held by the Group in structured entities not consolidated into the group financial statements comprise the private equity funds listed below. The subsidiaries of the Group act as general partners of the limited partnerships and as fund managers in the private equity funds. In these funds, the management company steers all significant operations and makes investment decisions in accordance with the fund bylaws The Group considers that it is not significantly exposed to the variable income of the funds. The funds are not consolidated into the group financial statements.

Group company	Fund	Description of fund	Investment of the Group EUR 1,000
UB Yritysrahoitus Oy	UB Yritysrahoitusrahasto I Ky	Private equity fund for corporate lending	1
UB Yritysrahoitus Oy	UB Yritysrahoitusrahasto I Feeder Ky	Private equity fund for corporate lending	1
UB Nordic Forest Management Ltd	UB Nordic Forest Fund II Ky	Private equity fund for forestry	507*
UB Nordic Forest Management Ltd	UB Nordic Forest Fund III Ky	Private equity fund for forestry	441*
UB Nordic Forest Fund II Management Ltd	UB Nordic Forest Fund II Syöttörahasto Ky	Private equity fund for forestry	1
UB Nordic Forest Fund III Management Ltd	UB Nordic Forest Fund III Syöttörahasto I Ky	Private equity fund for forestry	1
UB Nordic Forest Fund III Management Ltd	UB Nordic Forest Fund III Syöttörahasto II Ky	Private equity fund for forestry	1
UB Nordic Forest Fund III Management Ltd	UB Nordic Forest Fund III Syöttörahasto III Ky	Private equity fund for forestry	1
UB Nordic Forest Fund III Management Ltd	UB Nordic Forest Fund III Syöttörahasto IV Ky	Private equity fund for forestry	1
UB Nordic Forest Fund III Management Ltd	UB Nordic Forest Fund III Syöttörahasto V Ky	Private equity fund for forestry	1
UB Nordic Forest Fund IV Management Ltd	UB Nordic Forest Fund IV LP	Private equity fund for forestry	589*
UB Forest & Fibre Management Ltd	UB Forest Industry Green Growth Fund I LP	Private equity fund for forestry and bio-based industry	1,072*
UB Forest & Fibre Management Ltd	UB Forest Industry Green Growth Feeder Fund I LP	Private equity fund for forestry and bio-based industry	1

Management fees and other fees of the funds are recognised in the comprehensive income statement item Fees and commission income. The Group's investments to funds are recognised in the balance sheet item Shares and units. Group's risk of losses is limited to the carrying amount of the investment. \*NAV of group companies' investments.

## 1.4 CORPORATE ARRANGEMENTS

Acquired subsidiaries are consolidated into the consolidated financial statements using the acquisition method. The consideration provided and the identifiable assets and the accepted liabilities of the acquired company are valued at fair values at the time of the acquisition. The consideration provided includes any assets disposed of, liabilities incurred by the acquiring party towards the previous owners of the target of the acquisition as well as any issued equity-based interests. The consideration provided does not include transactions to be treated as not related to the acquisition, but, rather, these are recognised through profit or loss in connection with the acquisition.

Any contingent consideration (earnout) related to business combinations is valued at fair value at the time of the acquisition. It is classified either as a liability or equity. Contingent consideration classified as a liability is valued at fair value at the end date of each reporting period. The profit or loss incurred from same is recognised in profit or loss. Contingent compensation classified as equity is not revalued.

Expenses related to acquisitions, such as advisory fees, are recognised as an expense in the periods during which the costs are incurred and services received, excluding costs arising from the issuance of debt or equity securities.



### Assumptions and uncertainty factors related to estimations

The determination of fair values related to business combinations requires management discretion concerning the recognition and measurement at fair value of the consideration provided as well as of identifiable assets, liabilities and contingent liabilities. In business combinations in the financial year 2018, customer relationships have been identified as intangible assets separate from goodwill and have been recorded in the consolidated balance sheet. Goodwill and customer relationships are tested for impairment annually. Goodwill and customer relationships are tested for impairment yearly.

### Acquisitions during the 2022 and 2023 financial periods

In 2022, the Group acquired additional shares from non-controlling owners in the subsidiaries UB Rahoitus Oy and UB Finnish Property Oy. As the Group has already controlled the companies in the past, these acquisitions of additional shares have been recognised as internal equity arrangements. In 2023, the Group did not acquire additional shares from non-controlling interest holders.



## 1.5 MANAGEMENT DISCRETION

### The most important discretionary decisions made by the management and key uncertainty factors related to estimations and assumptions

The preparation of financial statements in accordance with the IFRS requires management to make discretionary decisions and to use estimations and assumptions that affect the amounts of assets and liabilities on the balance sheet date, the reporting of contingent assets and liabilities and the amounts of income and expenses during the reporting period. These estimations and assumptions are based on past experience and other justified factors, such as expectations of future events which the management of United Bankers believes to be reasonable in view of the circumstances on the end date of reporting period, and at the time such estimations and assumptions were made.

Albeit these assumptions are based on the best understanding of events and actions by United Bankers' management at the time of preparation of the financial statements, it is possible that the materialised situations may differ from these estimations. Estimates and assumptions are evaluated continuously and while preparing the financial statements. The Group may be compelled to adjust its assessments, if the circumstances upon which such assessments are based, change, or if United Bankers receives new information or it gains more experience. Any changes shall be recognised in accounting in the financial period during which the estimations or assumptions are adjusted.

## 2 | SEGMENT REPORTING

### 2.1 ACCOUNTING POLICY

A business segment is a part of the Group that carries on business operations from which the Group can accrue income and incur expenses, and for which separate financial information is available. Segment reporting follows the Group's accounting policies as per the segment division.

#### Wealth Management

The Group's Wealth Management business segment encompasses the management of funds, the Group's asset management products and services, sale of investment services and securities brokerage.

#### Capital Markets Services

The Group's Capital Markets Services business segment provides customers with listing services, borrowed and equity financing arrangements, loan-based financing solutions and on online crowd funding platform.

### Utilisation of the decisions and assessments based on management discretion

The discretionary decisions made by the management that the management has made in applying the accounting policies for the financial statements and that have the greatest impact on the presented figures, pertain to the following areas:

- Allocation of goodwill and determination of the level of testing (Notes 1 and 18)
- Treatment of fee and commission income (Note 3)
- Consolidation: Consolidation criteria for investment funds and treatment of non-controlling interests (Note 1)
- Leases: assessment of the duration of the lease period (Note 20)

The key uncertainty factors related to estimations and assessments presenting a significant risk of a material change in the carrying amounts of assets and liabilities during the following financial period, are the following:

- Impairment testing of goodwill (Note 18)
- Treatment of fee and commission income (Private equity funds in the form of limited partnerships) (Note 3)

### 1.6 NEW AND UPDATED STANDARDS FOR THE FOLLOWING FINANCIAL YEARS

No standard changes are expected for the following financial period that would have a material impact on the Group's accounting policies.

The highest operative decision-making body in the company evaluates the performance of the business segments regularly and makes decisions concerning the resources to be allocated to the segments. The highest operative decision-making body in the Group is the Group Board of Directors. The Board of Directors monitors the profitability (EBITDA) of the business segments. Segment-specific balance sheet information has not been presented as the Board of Directors do not monitor the balance sheet for each segment specifically. The presented business segment information is based on the internal reporting of the Group to the management and the segments only include external accounting items.

The other items include other income and expenses of the Group that are not reported as part of the reportable segments. The income consists of the own investments of the parent Company and other business income. The expenses comprise administrative expenses that have not been allocated to the business segments.

The primary operational area of the Group's business segments is Finland. The Group does not have customer relationships that would constitute in excess of 10 % of the total income of the Group. Also geographically, the proportion of the income from countries other than Finland does not exceed 10 %. The distribution of fee and commission income of the business segments has been described in Note 3. Net fee and commission income and assets under management.



## 2.2 REPORTABLE BUSINESS SEGMENTS

### 2023

EUR 1,000	Wealth management	Capital markets services	Other	Group total
Fee and commission income	48,416	686	-	49,102
Net gains or losses on trading in securities and foreign currencies	28	208	476	712
Income from equity investments	5	1	68	74
Interest income	2,104	116	10	2,230
From other segments	-	-	51	51
Other operating income	26	1	-0	28
<b>Total revenue</b>	<b>50,579</b>	<b>1,012</b>	<b>605</b>	<b>52,196</b>
Fee and commission expenses	-4,804	-21	-	-4,825
Interest expenses	-1,221	-0	-93	-1,314
To other segments	-	-51	-	-51
<b>Total</b>	<b>-6,025</b>	<b>-72</b>	<b>-93</b>	<b>-6,190</b>
<b>NET REVENUE</b>	<b>44,554</b>	<b>941</b>	<b>512</b>	<b>46,006</b>
Administrative expenses				
Personnel expenses	-17,636	-825	-546	-19,007
Other administrative expenses	-6,254	-306	-428	-6,988
Expected losses on other receivables	-	-	6	6
Other operating expenses	-688	-120	-34	-842
<b>Total expenses</b>	<b>-24,578</b>	<b>-1,251</b>	<b>-1,003</b>	<b>-26,832</b>
<b>EBITDA</b>	<b>19,976</b>	<b>-310</b>	<b>-491</b>	<b>19,174</b>
<b>Depreciation and amortisation</b>				<b>-2,209</b>
<b>Income taxes</b>				<b>-3,129</b>
<b>Profit for the period</b>				<b>13,837</b>



## 2022

EUR 1,000	Wealth management	Capital markets services	Other	Group total
Fee and commission income	46,562	1,772	-	48,334
Net gains or losses on trading in securities and foreign currencies	48	-108	-98	-158
Income from equity investments	2	1	74	77
Interest income	209	71	10	290
Other operating income	10	10	-0	20
<b>Total revenue</b>	<b>46,831</b>	<b>1,745</b>	<b>-13</b>	<b>48,562</b>
Fee and commission expenses	-5,113	-27	-	-5,140
Interest expenses	-70	-9	-91	-170
<b>Total</b>	<b>-5,183</b>	<b>-36</b>	<b>-91</b>	<b>-5,310</b>
<b>NET REVENUE</b>	<b>41,648</b>	<b>1,708</b>	<b>-104</b>	<b>43,252</b>
Administrative expenses				
Personnel expenses	-15,759	-1,125	-630	-17,514
Other administrative expenses	-5,745	-374	-518	-6,637
Expected losses on other receivables	-	-	1	1
Other operating expenses	-604	-40	-32	-676
<b>Total expenses</b>	<b>-22,107</b>	<b>-1,539</b>	<b>-1,179</b>	<b>-24,825</b>
<b>EBITDA</b>	<b>19,540</b>	<b>170</b>	<b>-1,283</b>	<b>18,428</b>
<b>Depreciation and amortisation</b>				<b>-1,922</b>
<b>Income taxes</b>				<b>-3,635</b>
<b>Profit for the period</b>				<b>12,871</b>

### 3 | NET FEE AND COMMISSION INCOME AND ASSETS UNDER MANAGEMENT

#### 3.1 ACCOUNTING POLICY

##### Revenue recognition

The United Bankers Group provides wealth management products and services, as well as services directed at the capital markets. Services are mainly recognised as income over time once the service has been passed on to a customer.

The Group recognises revenue so that it illustrates the passing on of the agreed services to a customer in an amount that illustrates the consideration the Group is expecting to be entitled to for the services. The evaluation of customer contracts and recognising of sales revenue is carried out through the application of a five-step model that determines the timing and the amount at which the revenue is recognised. The model involves the identification of the customer contract and of the contractual performance obligations, determination of transaction prices, allocation of the transaction prices to the performance obligations, and recognition of the revenue. Transaction prices are primarily fixed within the Group. Revenue over

time is recognised when the service is being carried out or after the service has been provided (one-off).

##### Wealth Management

The Wealth Management business segment encompasses the management of funds, the Group's asset management products and services, sale of investment services and securities brokerage.

The management fees received from managing the funds are based on the valuation of the funds and they are recognised monthly or quarterly, and typically invoiced from the funds during the following month. The fees are determined in accordance with the fund's assets or the original committed capital and the agreed fee percentage and recognised over time. Any one-time subscription fees charged in connection with fund subscriptions are recognised immediately, as are any one-time redemption fees charged when units are redeemed.

Performance fees from UCITS, AIFS and limited partnership private equity funds are only recognised as income based on the valuation calculations of the funds, once the final amount of fees can be reliably estimated, and when it is highly probable that no significant reversal in the amount of cumulative revenue recognised will be necessary.

As a rule, asset management fees are accrued quarterly and invoiced retrospectively, usually in the month following the calculation period. Fees based on the performance of the asset management customer portfolios are invoiced retrospectively, once the amount of fees can be estimated reliably. Any asset management opening fees are recognised when invoiced.

Transaction fees charged from asset management customers are recognised according to the trading day. So-called structuring fees pertaining to structured products are recognised according to the issue date.

As part of the wealth management services, the Group sells insurance policies of its partners. United Bankers never gains control over the transferred products or services of the partner, and so only the received insurance agent fees are recognised as revenue.

Fees from securities brokerage are recognised by trading day.

### Capital Markets Services

The Capital Markets Services business segment encompasses securities brokerage, listing services, equity and borrowed capital-based financing arrangements, loan-based financial solutions and an online crown funding platform.

The fixed fees from listing services and equity and borrowed capital-based financing arrangements are recognised when the service has been passed on and the right to the fee has emerged, typically on a monthly basis. Part of the compensation may be variable, such as success fees from corporate financing services that are recognised once the performance obligations of the transaction has been fulfilled or the outcome of the transaction can be reliably estimated.

Assets related to customer contracts of the Group encompass fee and other receivables that are presented separately. No recognised assets that meet the balance

sheet recognition criteria resulting from a receivable associated with a customer agreement have arisen. The Group avails itself of a practical tool and does not present the amount of transaction prices allocated to unfulfilled performance obligations of contracts, where the interval between the transfer of the agreed goods or services and payment by the customer is expected to be less than 12 months, or the recognised revenue from the customer is in line with the transferred value of the services to the customer.



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### Management discretionary items

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

United Bankers Group may obtain performance fees from limited partnership forest funds that it manages based on the return of the fund. The performance fee, which is based on fund agreements and belongs to the management company, will be realised and paid once the hurdle rate (IRR) has been achieved during the period determined in the fund agreement. The return exceeding the hurdle rate will be divided between the management company and investors according to the fund agreement (e.g. 20% / 80%). If the return from the fund remains below the hurdle rate, the management company receives no performance fee.

United Bankers Group recognises the performance fees from limited partnership forest funds as income only when the final amount of fees can be reliably estimated and it is highly probable that the conditions for receiving the fees will be met. The Group has thorough method of assessing performance fees and commissions. The assessment method takes into account, inter alia, an estimate of the future value of the private equity fund at the liquidation, the net value of future cashflows and probability of the liquidation timing. If the calculated performance fee or commission is estimated to be highly probable, it is recognised as income.

These funds have generated approximately EUR 3.0 million in performance fees for the financial year 2023 (EUR 6.0 million for the financial year 2022). The Group's other receivables include approximately EUR 13.4 million of the aforementioned performance fees amortised at 31 Dec 2023 (approximately EUR 10.4 million at 31 December 2022).

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### 3.2 BREAKDOWN OF FEE AND COMMISSION INCOME

Table below shows the breakdown of fee and commission income:

EUR 1,000	2023			2022		
	Wealth management	Capital markets services	Total	Wealth management	Capital markets services	Total
Funds						
Management fees	25,894	-	25,894	23,100	-	23,100
Performance fees	13,637	-	13,637	14,438	-	14,438
Subscription and redemption fees	1,253	-	1,253	1,504	-	1,504
Asset management	5,153	-	5,153	5,364	-	5,364
Structured products	2,479	-	2,479	2,157	-	2,157
Capital market services	-	686	686	-	1,772	1,772
<b>Total fee and commission income</b>	<b>48,416</b>	<b>686</b>	<b>49,102</b>	<b>46,562</b>	<b>1,772</b>	<b>48,334</b>

EUR 1,000	2023	%	2022	%
Recognised at one point in time	6,442	13.1 %	7,828	16.2 %
Recognised over time	42,660	86.9 %	40,506	83.8 %
<b>Total</b>	<b>49,102</b>	<b>100 %</b>	<b>48,334</b>	<b>100 %</b>

Expected credit losses on receivables have been described in Note 27. Group risks and managing same.

### 3.3 FEE AND COMMISSION EXPENSES

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

EUR 1,000	2023	2022
Fee and commission expenses		
Fees and commissions to agents	-3,799	-4,006
Fees and commissions to other distributors	-281	-515
Other fee and commission expense	-745	-620
<b>Total</b>	<b>-4,825</b>	<b>-5,140</b>

### 3.4 ASSETS UNDER MANAGEMENT

#### Development of assets under management

The Company's assets under management amounted to EUR 4.6 billion as at 31 December 2023 (EUR 4.4 bn as at 31 December 2022) and increased by approximately 3.9 per cent from the level at the end of previous year. A total of EUR 2.9 billion (EUR 2.6 bn) of United Bankers' assets under management were invested in funds, corresponding to 63 per cent of total of Group assets under management. A total of EUR 1.9 billion worth of the aforementioned fund capital was invested in real asset investments (EUR 1.8 bn), corresponding to approximately 41 per cent of the Group assets under management.

## 4 | NET GAINS OR LOSSES FROM TRADING IN SECURITIES AND FOREIGN CURRENCIES

Income statement item recognises sales profits and losses as well as changes in fair value from trading in securities. In addition, the net profit or loss from trading in foreign currencies recognises the exchange rate gains and losses of ordinary business.

<b>2023</b> <b>EUR 1,000</b>	<b>Sales profits and losses</b>	<b>Changes in fair value</b>	<b>Other items</b>	<b>Total</b>
Net profit or loss from trading in securities				
Debt securities	209	7	-	216
Shares and units	-34	531	-	497
Derivative contracts	-	-	-	-
<b>Total net profit or loss from trading in securities</b>	<b>175</b>	<b>538</b>	<b>-</b>	<b>713</b>
Net profit or loss from trading in foreign currencies			-1	-1
<b>Net profit or loss from trading in securities and foreign currencies</b>	<b>175</b>	<b>538</b>	<b>-1</b>	<b>712</b>

<b>2022</b> <b>EUR 1,000</b>	<b>Sales profits and losses</b>	<b>Changes in fair value</b>	<b>Other items</b>	<b>Total</b>
Net profit or loss from trading in securities				
Debt securities	-224	175	-	-49
Shares and units	-235	143	-	-92
Derivative contracts	-	-	-	-
<b>Total net profit or loss from trading in securities</b>	<b>-458</b>	<b>318</b>	<b>-</b>	<b>-141</b>
Net profit or loss from trading in foreign currencies	-	-	-17	-17
<b>Net profit or loss from trading in securities and foreign currencies</b>	<b>-458</b>	<b>318</b>	<b>-17</b>	<b>-158</b>

## 5 | INCOME FROM EQUITY INVESTMENTS

Income statement item recognises profit from units of private equity fund investments and dividend income from securities.

<b>EUR 1,000</b>	<b>2023</b>	<b>2022</b>
Dividend income from investments held for trading	1	1
Other income from equity investments	73	76
<b>Total</b>	<b>74</b>	<b>77</b>

## 6 | INTEREST INCOME AND EXPENSES

Interest income and expenses of financial assets and liabilities are recognised using the effective interest method.

## INTEREST INCOME

<b>EUR 1,000</b>	<b>2023</b>	<b>2022</b>
Interest income		
Claims on credit institutions	2,179	208
Claims on public and public-sector entities	1	1
Claims on debt securities	50	80
Other interest income	0	-
<b>Total</b>	<b>2,230</b>	<b>290</b>

## INTEREST EXPENSES

<b>EUR 1,000</b>	<b>2023</b>	<b>2022</b>
Interest expenses to client accounts	-1,217	-3
Interest expenses to credit institutions	-9	-74
Interest expenses on lease liabilities	-45	-55
Other interest expenses	-43	-38
<b>Total</b>	<b>-1,314</b>	<b>-170</b>

Accounting policy on financial assets and liabilities are presented in Note 12. Categories of financial assets and liabilities.

## 7 | OTHER OPERATING INCOME

Other operating income includes profits from other sources than ordinary business of United Bankers Group.

EUR 1,000	2023	2022
Other operating income	28	20
<b>Total</b>	<b>28</b>	<b>20</b>

The Group had no material sales profits in years 2023 and 2022.

## 8 | EMPLOYEE BENEFITS AND ADMINISTRATIVE EXPENSES

### 8.1 ACCOUNTING POLICY

Employee benefits include the following:

- short-term employee benefits
- post-employment benefits
- other long-term employee benefits
- termination benefits, as in compensations payable in connection with the termination of employment
- share-based payments

a) Short-term employee benefits include wages and salaries together with benefits in kind, annual vacations, and bonuses. These are recognised in the period that the work in question is carried out.

b) Post-employment benefits are paid to their receivers after the cessation of the employment. At United Bankers, these benefits consist of pensions. Retirement arrangements are handled by external pension companies. Retirement arrangements are classified as either a contribution plan or a benefit plan. A contribution plan refers to a retirement arrangement, where United Bankers pays fixed contributions into a fund, and it has no legal or actual obligation to affect any further payments if the fund lacks sufficient assets to pay all of pension benefits. Payments made into contribution plans are recognised in the income statement at the periods they relate to. Prepayments are recognised as receivables to the extent they will result in the decrease of future payments or a cash refund to be received.

The United Bankers Group does not have in place benefit-based pension arrangements.

c) Other long-term employee benefits comprise any employee benefits other than short-term, post-employment and termination benefits. These include, for instance, long-term paid leaves, such as sabbatical leave.

d) Termination benefits are not based on work performance, but, rather, the termination of employment. These benefits encompass compensations related to employment termination. Benefits related to employment termination ensue either from the decision of the Group to terminate the employment or an employee's decision to accept the benefits offered by United Bankers as compensation for the termination of employment. The benefits are recognised at the earliest of the following: when United Bankers can no longer withdraw its offer for the benefits, and when the Group

recognises the cost for reorganisation, in connection with which benefits related to the termination of employment are paid.

e) The Group has in place share-based incentive models where payments are made as equity instruments of the parent Company. Share-based arrangements are valued at fair value when they are granted, and the amount of the incentive is recognised in the income statement during the period when the right is acquired. Expenses are presented in the personnel expenses for employees and in other administrative expenses for tied agents in relation to directed share issues.

### 8.2 PERSONNEL EXPENSES

EUR 1,000	2023	2022
Salaries and fees	-15,771	-14,647
Social security costs		
Pension expenses (defined contribution plans)	-2,600	-2,274
Other social security costs	-637	-593
<b>Total</b>	<b>-19,007</b>	<b>-17,514</b>

Information on employee benefits of the key personnel of the Group's management is presented in Note 29. Related party transactions.

### 8.3 NUMBER OF PERSONNEL

Personnel in full-time equivalents (FTE)	2023	2022
Average number of personnel during the period	158	147
Number of personnel at the end of the period	160	148
	<b>2023</b>	<b>2022</b>
Average number of personnel during the period		
Permanent full-time personnel	143	132
Permanent part-time personnel	6	6
Fixed-term personnel	9	9
<b>Total</b>	<b>158</b>	<b>147</b>

## 8.4 SHARE-BASED INCENTIVE PLANS

### Share-based payments

#### Share-based incentive plan for key personnel

On 24 June 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 in an effort 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 value of the Company.

Key personnel incentive plan	2023–2025	2022–2024	2021–2023
Maximum share amount (pcs)*	54,721	49,345	57,217
End of earning period	31.12.2025	31.12.2024	31.12.2023
Earning targets	Employment and result	Employment and result	Employment and result
Fulfilment of earning targets	95 %	88 %	83 %
Share value on issue date	13.60 €	14.20 €	10.70 €

\*Includes also the part paid in cash

For financial year 2023, a total of EUR 817 thousand worth of expenses (EUR 586 thousand for financial year 2022) and a total of EUR 1,349 thousand (EUR 1,629 thousand as at 31 December 2022) worth of liabilities were recognized and accrued in relation to the key personnel incentive plan.

#### Personnel and tied agent share-based incentive plan

On 3 September 2019, United Bankers' Board of Directors resolved to carry out directed share issue for consideration to the Group's employees, management, and to the members of the company's Board of Directors as well as the Group's tied agents. A total of 400,000 new shares were subscribed for in the Employee Share Issue and in the Tied Agent Share Issue. The subscribed shares had no special earnings conditions and the subscribed shares enabled participation in an additional share matching plan. Shares given based on the additional share matching plan were valued at fair value on the issue date, with a deduction for an estimated amount of the dividends paid before the end of the vesting period. The share issues related to additional share matching plans were carried out on 24 January 2023 and the valuation of as at 31 December 2022 corresponded to the realised amount of the share issues.

For financial year 2023, no expenses (EUR 472 thousand for the financial year 2022) or liabilities (EUR 791 thousand as at 31 December 2022) have been recorded for the supplementary share plans.

During the financial period, the share-based incentive plan comprised three 3-year earning periods, calendar years 2021-2023, 2022-2024 and 2023-2025. 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. The plan encompasses seven to nine key employees in the company depending on the earning period. Bonuses under the share-based incentive plan are paid partially in company shares (approximately 25%) and partially in cash (approximately 75%).

## 8.5 ADMINISTRATIVE EXPENSES

EUR 1,000	2023	2022
Other personnel expenses	-469	-483
IT and communication expenses	-2,524	-2,313
Consulting and other services	-1,663	-1,524
Marketing and IR expenses	-891	-678
Sales and travel expenses	-889	-850
Other administrative expenses	-552	-789
<b>Total</b>	<b>-6,988</b>	<b>-6,637</b>

## 9 | OTHER OPERATING EXPENSES

The Group's other operating expenses include mainly lease expenses, property maintenance costs as well as fees to authorities and insurance expenses. Also any earnouts to non-controlling owners have been recognised in other operating expenses, in case they differ from the originally estimated amount.

### Breakdown of other operating expenses

EUR 1,000	2023	2022
Lease expenses	-187	-74
Property maintenance costs	-123	-182
Insurances	-117	-107
Fees to authorities	-375	-328
Earnouts	113	44
Other expenses	-153	-28
<b>Total</b>	<b>-842</b>	<b>-676</b>

### Fees to auditors

EUR 1,000	2023	2022
Statutory fees	-122	-114
Other fees	-21	-14
<b>Total</b>	<b>-143</b>	<b>-128</b>

## 10 | INCOME TAXES

### 10.1 ACCOUNTING POLICY

#### The tax expense in the income statement consists of:

- tax based on the taxable profit for the financial period, and
- changes in deferred tax liabilities and deferred tax assets.

Income taxes are recognised in profit or loss, except when they are directly related to items recognised in shareholders' equity or other items in comprehensive income. In this case, also income tax is recorded in the items in question.

Tax based on the taxable income for the period is calculated on the basis of taxable income determined by the tax laws and the current tax rate (or the rate effectively accepted by the date of the financial statements) of each of the countries in which United Bankers operates and generates taxable income. The tax is adjusted for any taxes related to previous financial periods. Non-income taxes are included in other operating expenses. The tax for the financial period is calculated using the tax rates (and laws) that are prescribed or practically approved by the date of the close of the reporting period.

The taxable profit differs from the result reported in the consolidated financial statements, because:

- income and expenses may be accounted for and taxed in different years, and/or
- certain income items are not taxable at all or certain expense items not deductible for tax purposes.

As a rule, deferred tax is recorded in accordance with the debt method:

- from the temporary differences between the carrying amounts and taxable values of assets and liabilities as at the date of the financial statements, and
- from unused tax losses and unused tax credits.

A deferred tax asset is recognised for deductible temporary differences only to the extent that it is probable that taxable income will arise in the future against which United Bankers can take advantage of the temporary difference. The amount of the deferred tax asset and the probability of its exploitation are reassessed at the end of each reporting period. A deduction is recognised from the carrying amount of a deferred tax asset if that tax benefit is no longer considered probable.

Deferred tax liability is usually recorded in the balance sheet in full. However, a deferred tax liability is not recognised if it is attributable to:

- the initial recognition of goodwill, or
- the initial recognition of an asset or liability, when it is not related to a business combination and the transaction at the time of its occurrence has no bearing on the accounting profit or taxable profit.

A deferred tax liability is recognised for investments in subsidiaries, except when United Bankers is able to determine the timing of the unwinding of the temporary difference, and the temporary difference is unlikely to unwind in the foreseeable future.

Deferred tax assets and liabilities are determined using the tax rates (and tax laws) that are likely to be in effect in the period in which the asset is realised or otherwise utilised or the liability is settled. The tax rate shall be the one in force on the date of the end of the reporting period or the rates for the year following the financial period, provided they have been effectively accepted by the date of the reporting period in the relevant countries.

### 10.2 TAXES BASED ON THE TAXABLE INCOME OF THE FINANCIAL YEAR

EUR 1,000	2023	2022
Taxes based on the taxable income of the financial year	-2,601	-2,497
Taxes for previous financial periods	-1	2
Change of deferred taxes	-526	-1,140
<b>Total</b>	<b>-3,129</b>	<b>-3,635</b>



### 10.3 RECONCILIATION CALCULATION BETWEEN THE TAXES ON INCOME STATEMENT AND THE INCOME TAXES CALCULATED BY THE TAX RATE APPLIED IN FINLAND

EUR 1,000	2023	2022
<b>Profit (loss) before income taxes</b>	16,966	16,506
Tax calculated by domestic tax rate (20 per cent)	3,393	3,301
Effect of foreign tax rates	-189	189
Effect of income not subject to tax	-36	-48
Effect of non-deductible expenses	104	158
Previous years' losses confirmed in taxation	-168	-
Unrecognised deferred tax assets on taxable losses	25	37
Taxes for previous financial periods	1	-2
<b>Taxes on income statement</b>	<b>3,129</b>	<b>3,635</b>

### 10.4 CHANGES IN DEFERRED TAX ASSETS AND LIABILITIES

#### 2023

EUR 1,000	1.1.2023	Recognised in profit and loss	Recognised in equity	31.12.2023
<b>Deferred tax assets</b>				
Expected credit losses	3	-1	-	2
<b>Total</b>	<b>3</b>	<b>-1</b>	<b>-</b>	<b>2</b>
<b>Deferred tax liabilities</b>				
Combination of businesses	370	-72	-	298
Changes in fair value of receivables and investments	2,115	598	-	2,713
Group eliminations	6	-0	-	5
<b>Total</b>	<b>2,491</b>	<b>525</b>	<b>-</b>	<b>3,016</b>

#### 2022

EUR 1,000	1.1.2022	Recognised in profit and loss	Recognised in equity	31.12.2022
<b>Deferred tax assets</b>				
Expected credit losses	3	-0	-	3
<b>Total</b>	<b>3</b>	<b>-0</b>	<b>-</b>	<b>3</b>
<b>Deferred tax liabilities</b>				
Combination of businesses	443	-72	-	370
Changes in fair value of receivables and investments	903	1,212	-	2,115
Group eliminations	5	1	-	6
<b>Total</b>	<b>1,350</b>	<b>1,141</b>	<b>-</b>	<b>2,491</b>

### 10.5 TAX LOSSES OF THE GROUP

EUR 1,000	31.12.2023	31.12.2022
Losses confirmed in taxation, unrecognised deferred tax asset	611	1,461
<b>Total</b>	<b>611</b>	<b>1,461</b>

## 11 | EARNINGS PER SHARE

### 11.1 ACCOUNTING POLICY

#### Earnings per share and diluted earnings per share

Earnings per share is calculated by dividing:

- the profit for the financial period belonging to the shareholders of the parent company
- by the weighted average number of shares outstanding during the financial period

The Company has only one class of shares.

For the purposes of calculating diluted earnings/loss per share, the weighted average number of shares is adjusted to take into account the weighted average of the matching shares that would have been issued assuming the dilutive effect of all potential ordinary shares. The Group's dilutive potential ordinary shares consist mainly of share-based incentives plans and corporate arrangements.

### 11.2 EARNINGS PER SHARE

EUR 1,000	2023	2022
Financial year profit attributable to equity holders of parent company	13,289	12,539
Weighted average number of shares outstanding during financial period (pcs)	10,745,276	10,557,789
<b>Undiluted earnings per share (EUR / share)</b>	<b>1.24</b>	<b>1.19</b>
Financial year profit attributable to equity holders of parent company	13,289	12,539
Weighted average number of shares outstanding during financial period adjusted by dilution (pcs)	10,787,002	10,786,525
<b>Diluted earnings per share (EUR / share)</b>	<b>1.23</b>	<b>1.16</b>

Changes in number of shares in financial periods 2022-2023 have been presented in Note 26. Equity.

### 12.1 FINANCIAL ASSETS

United Bankers classifies financial assets into the following categories:

- financial assets to be recognised at fair value through profit or loss
- financial assets to be recognised at amortised cost.

Financial assets are classified at the time of the initial acquisition based on the purpose of their acquisition. The classification is based on the objectives of the United Bankers' business model and the contractual cash flows of financial assets.

All purchases and sales of financial assets are recorded on the date of the transaction. Transaction costs are included in the initial carrying amount of financial assets in the case of an item that is not valued at fair value through profit or loss. Financial assets valued at fair value through profit or loss are recognised at fair value at their original recognition and transaction costs are recognised immediately in the income statement. The recognition of financial assets from the balance sheet occurs when the Group has lost its contractual right to cash flows or when it has transferred a significant part of the risks and income outside the Group.

#### Financial assets entered at amortised cost

The Group classifies as financial assets valued at amortised cost financial assets whose business model is designed to hold financial assets and to collect cash flows pertaining to same, consisting exclusively of capital and interest payments. At initial recognition, United Bankers recognises receivables valued at amortised cost at fair value. Receivables from credit institutions, the public and public corporations, as well as trade receivables, are recorded at amortised cost. The Group's receivables primarily consist of brokerage receivables related to the Group's and/or customers' securities transactions and fee receivables.

The Group recognises a deduction of expected credit losses from the financial assets recognised at amortised cost. The calculation of expected credit losses and the amounts recognised during the financial period are described in Note 27 Group risks and managing same. All realised credit losses are recognised in profit or loss. United Bankers has not recorded any significant actualised credit losses during the financial period.

#### Financial assets recognised at fair value through profit or loss

United Bankers classifies at fair value, through profit or loss, financial assets that are acquired for holding for trading or that it classifies at fair value at the time of initial recognition as being recognised in profit or loss. The Group classifies investments in equity instruments, such as investments in shares and participations and mutual fund units, as financial assets recognised at fair value through profit or loss. The Group classifies investments in bonds, commercial papers and other certificates of receivables at fair value to be recognised in profit or loss. The Group has classified private equity investments in limited partnerships, in which the Group acts as the general partner, into items recognised at fair value through profit or loss. Gains and losses, dividends, interest income, foreign exchange gains and losses, and capital

gains and losses arising from changes in fair value are recognised in profit or loss in the period in which they arise.

### 12.2 FINANCIAL LIABILITIES

United Bankers classifies financial liabilities into the following categories:

- financial liabilities valued at amortised cost, and
- financial liabilities valued at fair value through profit or loss.

In connection with the initial recognition, the Group recognises the financial liability at fair value. In the case of financial liabilities other than those recognised at fair value through profit or loss, transaction costs directly attributable to it are added to or deducted from the item. Financial liabilities valued at fair value through profit or loss are recognised at fair value at the time of initial recognition. Transaction costs are recognised as an expense immediately.

Financial liabilities are written off the balance sheet when the liability has ceased to exist, i.e., the Group's obligation has been fulfilled, cancelled or otherwise expired.

#### Financial liabilities at amortised cost

Financial liabilities classified at amortised cost are valued using the effective interest method. The financial liabilities recognised in the Group's amortised cost consist of liabilities to credit institutions, lease liabilities and trade payables. Financial debt is classified as short-term unless United Bankers has an unconditional right to postpone the settlement of the debt for at least 12 months from the date of the end of the reporting period. Trade payables are classified as current liabilities if they fall due within 12 months.

#### Financial liabilities entered at fair value through profit or loss

The Group has not classified financial liabilities at fair value to be valued in profit or loss. Additional purchase prices arising from the combination of businesses are valued at fair value through profit or loss.

### 12.3 VALUATION AT FAIR VALUE

The fair value of an asset or liability is the price that would be obtained from the sale of an asset or paid for the transfer of a liability between market participants in a normal transaction carried out on the valuation date. The fair value of a financial instrument is determined either by means of quotations from active markets or, in the absence of functioning markets, by using the Group's valuation methods. Fair values are classified as follows at the different levels of the fair values hierarchy:

- Level 1: Fair values are based on unadjusted price quotations published in an active market.
- Level 2: quoted prices other than those at level 1 that can be observed for the asset or liability in question, either directly (i.e., as price) or indirectly (i.e., derived from prices).



- Level 3: input data on an asset or liability that is not based on observable market data.

Level 1: the price source to be used may, for instance, be the stock exchange rate, actual trades or purchase quotations in the functioning market for certificates of receivables, and published NAV values for fund investments, for which subscriptions and redemptions are carried out.

Level 2: This level entails the classification of receivables in purchase quotations or valuation models when quotations or parameters of valuation models are available in markets that are not fully functional.

Level 3: This level includes investments in closed-end private equity funds and in open-end funds whose investments are not sufficiently liquid to be classified at level 1 or 2. Level 3 funds are valued at the NAV values reported by the management company. Unlisted shares are valued at acquisition cost unless there is an indication of impairment or no transactions have been carried out with the share. Some receivables are also classified in this category, if there are no quotations or price parameters of valuation models available in a sufficiently functioning market that would meet the level 2 criteria.

The carrying amount of financial assets and liabilities valued at amortised cost is deemed to correspond to the fair value.

## 12.4 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Classification of financial assets and liabilities is presented in the table below.

<b>2023</b> <b>EUR 1,000</b>	<b>Measured at amortised cost</b>	<b>Fair valued through profit and loss</b>	<b>Total carrying amount</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>							
Cash and cash equivalents	0	-	0	0	-	-	-
Claims on credit institutions	9,352	-	9,352	9,352	-	-	-
Claims on public and public-sector entities	4	-	4	4	-	-	-
Debt securities	-	1,239	1,239	1,239	-	449	790
Shares and units	-	8,220	8,220	8,220	3,068	-	5,152
Accounts receivable	7,848	-	7,848	7,848	-	-	-
<b>Total</b>	<b>17,204</b>	<b>9,459</b>	<b>26,663</b>	<b>26,663</b>	<b>3,068</b>	<b>449</b>	<b>5,942</b>
	<b>Valued at amortised cost</b>	<b>Fair valued through profit and loss</b>	<b>Total carrying amount</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial liabilities</b>							
Liabilities to credit institutions	-	-	-	-	-	-	-
Accounts payable and other short-term liabilities	11,344	-	11,344	11,344	-	-	-
Lease liabilities	1,896	-	1,896	1,896	-	-	-
Earnout liabilities	-	-	-	-	-	-	-
<b>Total</b>	<b>13,240</b>	<b>-</b>	<b>13,240</b>	<b>13,240</b>	<b>-</b>	<b>-</b>	<b>-</b>



<b>2022</b> <b>EUR 1,000</b>	<b>Measured at amortised cost</b>	<b>Fair valued through profit and loss</b>	<b>Total carrying amount</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>							
Cash and cash equivalents	0	-	0	0	-	-	-
Claims on credit institutions	9,500	-	9,500	9,500	-	-	-
Claims on public and public-sector entities	23	-	23	23	-	-	-
Debt securities	-	1,220	1,220	1,220	-	794	426
Shares and units	-	8,643	8,643	8,643	5,750	-	2,893
Accounts receivable	7,481	-	7,481	7,481	-	-	-
<b>Total</b>	<b>17,004</b>	<b>9,863</b>	<b>26,867</b>	<b>26,867</b>	<b>5,750</b>	<b>794</b>	<b>3,319</b>

<b>EUR 1,000</b>	<b>Valued at amortised cost</b>	<b>Fair valued through profit and loss</b>	<b>Total carrying amount</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial liabilities</b>							
Liabilities to credit institutions	-	-	-	-	-	-	-
Accounts payable and other short-term liabilities	10,624	-	10,624	10,624	-	-	-
Lease liabilities	2,245	-	2,245	2,245	-	-	-
Earnout liabilities	-	113	113	113	-	-	-
<b>Total</b>	<b>12,869</b>	<b>113</b>	<b>12,981</b>	<b>12,981</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the financial period no transfers took place between the levels of the fair value hierarchy.

### Breakdown of financial assets categorised in level 3

#### Recognised at fair value through profit and loss

<b>EUR 1,000</b>	<b>2023</b>	<b>2022</b>
<b>Financial assets</b>		
Debt securities	790	426
Private equity funds	2,626	1,913
AIFs	2,419	872
Unlisted shares and units	108	108
<b>Total</b>	<b>5,942</b>	<b>3,319</b>

### Reconciliation of financial assets categorised in level 3

<b>EUR 1,000</b>	<b>2023</b>	<b>2022</b>
<b>Opening balance, 1 Jan</b>	3,319	3,066
Purchases	12,730	11,580
Sales	-10,369	-11,942
Change in fair value - profit and loss	263	616
<b>Ending balance, 31 Dec</b>	<b>5,942</b>	<b>3,319</b>
Unrealised gains and losses through profit and loss (cumulative)	630	360



### 13 | CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group comprise cash on hand.

EUR 1,000	2023	2022
Cash and cash equivalents	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### 14 | CLAIMS ON CREDIT INSTITUTIONS

EUR 1,000	2023	2022
Repayable on demand		
From domestic credit institutions	6,740	6,359
From foreign credit institutions	2,613	3,146
Effect of expected credit losses	-1	-5
<b>Total repayable on demand</b>	<b>9,352</b>	<b>9,500</b>

Expected credit losses EUR 0.5 thousand (EUR 4.5 thousand) are deducted from claims on credit institutions. Accounting policy for expected credit losses is described in Note 27. Group risks and managing same.

### 16 | DEBT SECURITIES

Issued by other than public-sector entities			2023
EUR 1,000	Publicly quoted	Other	Total
Fair valued through profit and loss			
Bonds issued by banks	-	790	790
Other debt securities	-	449	449
of which classified as held for trading			
Bonds issued by banks	-	790	790
Other debt securities	-	449	449
<b>Total</b>	<b>-</b>	<b>1,239</b>	<b>1,239</b>

Issued by other than public-sector entities			2022
EUR 1,000	Publicly quoted	Other	Total
Fair valued through profit and loss			
Bonds issued by banks	-	426	426
Other debt securities	-	794	794
of which classified as held for trading			
Bonds issued by banks	-	426	426
Other debt securities	-	491	491
<b>Total</b>	<b>-</b>	<b>1,220</b>	<b>1,220</b>

## 17 | SHARES AND UNITS

EUR 1,000	Publicly quoted	Other	2023 Total
Valued at fair value through profit and loss			
Held for trading	3,068	2,418	5,486
Other shares and units	-	2,734	2,734
<b>Total</b>	<b>3,068</b>	<b>5,152</b>	<b>8,220</b>

EUR 1,000	Publicly quoted	Other	2022 Total
Valued at fair value through profit and loss			
Held for trading	96	-	96
Other shares and units	5,654	2,893	8,547
<b>Total</b>	<b>5,750</b>	<b>2,893</b>	<b>8,643</b>

Items in publicly quoted consist mainly investments to stock markets or open ended funds of the Group and other items are mainly investments to closed ended private equity funds or unlisted shares.

## 18 | INTANGIBLE ASSETS

### 18.1 ACCOUNTING POLICY

The intangible assets of the Group comprise the following items: goodwill, customer relationships and other intangible assets (IT programs).

#### Goodwill

Goodwill is the amount by which the consideration provided, the portion of non-controlling interests and the fair value of the interest previously owned in the object of the acquisition, combined, exceeds the fair value of the identifiable net assets. Goodwill reflects, inter alia, the expected future synergies from the acquisitions. Goodwill is not amortised, but, rather, it is tested for potential impairment annually and whenever there is an indication that the value may be impaired, see Note 18.3. Goodwill is measured at its initial cost less any impairment.

#### Other intangible assets

Intangible asset is capitalised in the balance sheet only if it is probable that the expected future economic benefit of the asset will flow to United Bankers and the cost of the asset can be reliably determined. An intangible asset with a limited useful life is initially capitalised in the balance sheet at its initial cost and depreciations are allocated on a systematic basis as an expense during the expected useful life. All the other costs are recognised as an expense, once incurred.

The useful economic life of customer relationships acquired in business combinations has been assessed as two to ten years. Depreciations are allocated as straight-line depreciation over the useful life.

The other intangible assets of the Group encompass primarily IT programs the economic useful life of which is five years. Depreciations are allocated as straight-line depreciation over the useful life.

United Bankers reviews the depreciation schedules and methods no less than at the end of each financial period. If the useful economic life of an asset differs from previous estimations, the depreciation schedule is adjusted accordingly. Changes can be attributable, for instance, to technological advances or changes in demand or in the competitive landscape.

#### Impairment of other intangible assets

At the end of each reporting period, the Group assesses whether there are indications that the value of an intangible asset other than goodwill has been impaired. If there are any indications, United Bankers will estimate the recoverable amount of that asset. Recoverable amount is the fair value of the asset less the sales cost or its higher value in use. An impairment loss is recognised in profit or loss when the carrying amount of an asset exceeds its recoverable amount. In connection with the recognition of the impairment, the Group remeasures the economic useful life of the tangible asset. The impairment is reversed, if the circumstances have changed and the recoverable amount of the asset has altered since the recognition of impairment. However, impairment is not reversed by more than what the carrying amount of the asset would be without recognising the impairment.

## Research and development costs

Research expenses are recognised as an expense in the income statement. Development costs are capitalised in the balance sheet as intangible assets once the development phase costs are reliably determinable, product finalisation is technically feasible, the Group is able to either utilise or sell the product, the Group is

able to demonstrate how the product will generate future economic benefits and the Group has both the intention and the resources to finalise the development work and either use the product or sell it. Previously recognised research expenses are not subsequently capitalised in the balance sheet. In relation to assets, depreciations are recognised once it is ready to be used. An asset that is not yet available for use, is tested for impairment annually.

## 18.2 INTANGIBLE ASSETS

	Goodwill		Customer relationships		Other intangible assets		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Acquisition cost</b>								
Opening balance, 1 Jan	15,593	15,593	4,009	4,009	7,447	5,387	11,456	9,395
Additions	-	-	-	-	2,391	2,061	2,391	2,061
Disposals	-	-	-	-	-	-	-	-
<b>Ending balance, 31 Dec</b>	<b>15,593</b>	<b>15,593</b>	<b>4,009</b>	<b>4,009</b>	<b>9,838</b>	<b>7,447</b>	<b>13,846</b>	<b>11,456</b>
<b>Accumulated depreciation and impairment</b>								
Opening balance, 1 Jan	-	-	-2,156	-1,794	-4,198	-3,322	-6,354	-5,116
Depreciation for the period	-	-	-362	-362	-1,031	-876	-1,393	-1,238
Impairments	-	-	-	-	-	-	-	-
<b>Ending balance, 31 Dec</b>	<b>-</b>	<b>-</b>	<b>-2,518</b>	<b>-2,156</b>	<b>-5,228</b>	<b>-4,198</b>	<b>-7,747</b>	<b>-6,354</b>
<b>Carrying amount, 1 Jan</b>	<b>15,593</b>	<b>15,593</b>	<b>1,852</b>	<b>2,214</b>	<b>3,249</b>	<b>2,065</b>	<b>5,102</b>	<b>4,279</b>
<b>Carrying amount, 31 Dec</b>	<b>15,593</b>	<b>15,593</b>	<b>1,490</b>	<b>1,852</b>	<b>4,609</b>	<b>3,249</b>	<b>6,099</b>	<b>5,102</b>

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.

## 18.3 IMPAIRMENT TESTING - GOODWILL

### Accounting policy

Goodwill is allocated for impairment testing to those cash flow generating units, or groups of cash flow generating units, that are expected to benefit from the synergies of the combination that generated the goodwill. The cash flow generating unit is the smallest identifiable group of assets of United Bankers that generates cash flows that are largely independent of the cash flows from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of cash flow generating unit exceeds the recoverable amount of the unit. The recoverable amount is the fair value of an asset or cash flow generating unit less the expenses attributable to the disposal, or value in use, depending on which one is greater. United Bankers defines the recoverable amount based on value in use. Future cash flows are based on assets under management in Wealth Management, which are affected inter alia by the market development. In Capital Markets services, future cash flows are significantly affected by the number of transactions and the related success fees. Estimates are based on the management views of the aforementioned. The impairment loss recognised for goodwill is not reversed.



### Assumptions and uncertainty factors related to estimations

At each reporting date, United Bankers' management assesses whether there are any indications of impairment in goodwill (or in any other intangible or tangible asset or right-of-use asset). Indications are assessed with indicators that consider economic performance, such as reporting by the Group management or monitoring of the economic environment and markets. Indications can include, inter alia:

- unexpected changes in the assumptions of the testing calculations
- changes in market conditions

In impairment testing, United Bankers has determined the recoverable amount of a cash generating unit based on value in use. The cashflow projections used in testing are based on approved forecasts of the management that cover a period of three years. The cashflows after the forecast period have been extrapolated by a growth rate of 3 per cent.

## Distribution of goodwill for segments

EUR 1,000	31.12.2023	31.12.2022
Wealth Management	15,093	15,093
Capital Market Services	500	500
<b>Total</b>	<b>15,593</b>	<b>15,593</b>

### Key variables in the determination of the value in use were the following:

- Cashflows have been expected to be allocated linearly during the year in the cashflow calculation.
- Investments have been accrued in the calculation by the level of the previous years increased by growth and known future investments. The demand for working capital is not expected to increase significantly.
- Discount rate: The discount rate has been determined based on the weighted average cost of capital (WACC). The pre-tax discount rate was 12.5 per cent (12.5 per cent) and the discount rate after taxes 10.0 per cent (10.0 per cent).
- Growth rate of cash flows during the forecast period: During the three-year forecast period, cash flows of Wealth Management business segment have been estimated to grow at a rate of approximately 6 per cent annually and Capital Markets Services business segment at a rate of approximately 3 per cent. Cashflows at terminal value after the forecast period have been extrapolated by 3 a per cent growth in both segments. The rate can be justified by the short three-year period employed in the calculation.

## 19 | TANGIBLE ASSETS

### 19.1 ACCOUNTING POLICY

The tangible assets acquired by the Group are initially measured at their cost. Initial cost includes those expenses that occur due to the acquisition of the asset, including installation expenses. After the initial recognition, a tangible asset is presented in the balance sheet at cost less accumulated depreciation and impairment. Conventional repair and maintenance costs are recognised as an expense in the financial period during which they have occurred.

The depreciable amount of tangible assets is entered as straight-line depreciation over the asset's useful economic lives that are the following:

- Office equipment and furniture: 5 or 8 years
- IT equipment: 5 years
- Other tangible assets (office renovation expenses): 5 years

The estimated economic lives and residual values are reviewed no less than at the end of each reporting period, and if they differ materially from the previous estimates, depreciation periods are adjusted accordingly. The recording of depreciations is ceased when the asset is recognised as being held for sale. The Group assesses at the end of each reporting period whether there are indications of any impairment

Impairment testing is carried out annually and the most recent impairment test was carried out of the situation as at 31 December 2023. Based on the impairment testing, the Group considers that no need for the impairment of goodwill has been identified.

### Sensitivity analysis



Calculations used in goodwill impairment testing require the management to make forward-looking assessments. Assessments of the management and the critical uncertainty factors associated with same relate to the defining of parameters concerning calculations of the recoverable amount. United Bankers' management has assessed the recoverable amount of the Wealth Management and Capital Markets Services business segments and assessed the key variables in the cashflow model. Based on a reasonable assessment, the relatively feasible change in any of the parameters would not result in the recognition of any material impairment losses.

In connection with goodwill testing, the sensitivity of cash flow models to changes in various parameters, for instance, changes in the discount rate or terminal value, has been assessed. For Wealth Management business segment, for instance, the discount rate could increase by 20 % or the terminal value decrease by 100 % and there would be no need for impairment. For Capital Markets Services business segment, the discount rate could increase by 1,5 % or the terminal value decrease by 20 % and there would be no need for impairment. The market value of the company as at 31 December 2023 was approximately EUR 155.1 million and the total balance sheet of the Group amounted to EUR 76.1 million.

in the value of the assets. In case such indications are detected, United Bankers estimates the future recoverable amount of the asset. Impairment is recognised when the carrying amount exceeds the recoverable amount.

Gains and losses incurred from disposals and retiring of tangible assets are calculated as the difference between the net gains received and carrying amount. Gains and losses on sales are recognised in Other operating income and Other operating expenses.

### Impairment of other tangible assets

The Group assesses at the end of each reporting period whether there are indications of the impairment of the value of an asset. If such indications are detected, United Bankers estimates the recoverable amount of the asset. The recoverable amount is the fair value of the asset less costs to sell or any higher value in use. Impairment is recognised in the income statement when the carrying amount of the asset exceeds its recoverable amount. At the recognition of impairment, the Group remeasures the economic useful life of the tangible asset. Impairment is reversed, if circumstances have changed and the recoverable amount of the asset has changed since the recognition of the impairment. However, impairment is not reversed by more than what the carrying amount of the asset would be without recognising the impairment.

## 19.2 TANGIBLE ASSETS

EUR 1,000	Office equipment, furniture and IT equipment		Office renovation expenses		Total	
	2023	2022	2023	2022	2023	2022
<b>Acquisition cost</b>						
Opening balance, 1 Jan	1,172	1,083	1,217	1,047	2,389	2,130
Additions	266	89	589	170	855	259
Disposals	-	-	-	-	-	-
<b>Ending balance, 31 Dec</b>	<b>1,438</b>	<b>1,172</b>	<b>1,807</b>	<b>1,217</b>	<b>3,244</b>	<b>2,389</b>
<b>Accumulated depreciation and impairment</b>						
Opening balance, 1 Jan	-856	-769	-1,049	-1,001	-1,906	-1,770
Depreciation for the period	-117	-88	-152	-49	-269	-136
<b>Ending balance, 31 Dec</b>	<b>-973</b>	<b>-856</b>	<b>-1,201</b>	<b>-1,049</b>	<b>-2,174</b>	<b>-1,906</b>
<b>Carrying amount, 1 Jan</b>	<b>315</b>	<b>314</b>	<b>168</b>	<b>46</b>	<b>483</b>	<b>360</b>
<b>Carrying amount, 31 Dec</b>	<b>464</b>	<b>315</b>	<b>605</b>	<b>168</b>	<b>1,070</b>	<b>483</b>
<b>Right-of-use assets</b>					<b>1,828</b>	<b>2,189</b>
<b>Total tangible assets</b>					<b>2,898</b>	<b>2,672</b>

Notes concerning the leased right-of-use assets of the Group have been presented in Note 20. Leases.

## 20 | LEASES

### 20.1 ACCOUNTING POLICY

The Group has leased mainly business premises, warehouses and employee apartments. As a rule, United Bankers recognises in its balance sheet all assets related to leases (right-of-use assets) and lease liabilities. Exceptions from this are short-term leases and leases for low-value assets, the accounting treatment of which is described below. At the time of the conclusion of the contract, the Group assesses whether the contract is a lease or whether it includes a lease. A contract is a lease or includes a lease if the agreement confers a right to control the use of an identified asset item for a fixed period against consideration.

United Bankers recognises the right-of-use asset and the lease liability at the inception of the contract. Right-of-use assets are initially measured at cost, which includes:

- the amount of the lease liability at the original valuation
- rents paid up to the commencement of the contract, less any incentives received in connection with the lease (e.g., months for which the lessor does not charge rent);
- any initial direct costs incurred by United Bankers, and
- an estimate of the costs incurred by United Bankers from restoring the item into its original state.

After the commencement of the contract, right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are adjusted for certain items arising from the remeasurement of the lease liability. Depreciation of right-of-use assets is recognised on a straight-line basis from the commencement of the contract, either over the useful life of the right-of-use asset or over the lease term. The estimated lease period for leases in force until further notice, pertaining to United Bankers' premises, is five years. If necessary, the right-of-use asset is tested for impairment and any impairment loss is recognised in profit or loss.

Initially, a lease liability is valued at the present value of lease payments that have not been paid at the inception of the lease. The Group applies the interest rate of United Bankers' additional credit as the discount rate. The leases included in the value of the lease liability consist of the following items:

- flat-rate charges, including de facto flat-rate charges,
- variable rents, which depend on the index or price level and are initially determined on the basis of the index or price level at the date of commencement of the contract;
- the amounts expected to be paid by the lessee on the basis of the residual value guarantees, and
- the strike price of a call option, if it is reasonably certain that United Bankers will exercise that option.



Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is reassessed when there has been a change in future lease payments due to a change in the index or price level, if the Group estimates that the expected residual value will change or if the Group changes its estimate of whether it intends to exercise a buy, extension or termination option. When a lease liability is reassessed in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or it is recognised in profit or loss if the carrying amount of the right-of-use asset had been reduced to zero.

United Bankers has decided not to recognise in the balance sheet right-of-use assets and lease liabilities that pertain to:

- short-term leases (with a maximum rental period of 12 months), and
- leases of low-value assets (the value of each such asset when new does not exceed approximately EUR 5,000).

These assets items consist of leases of business premises and employee apartments classified as short-term. The Group recognises the rental costs related to the aforementioned leases as expenses on a straight-line basis over the lease term.



## 20.2 SOLUTIONS BASED ON THE DISCRETION OF THE MANAGEMENT

The treatment of leases under IFRS 16 requires the use of management's estimates and assumptions, including factors related to the determination of the lease term, in the assessment of lease contracts in force until further notice and in determining the discount rate to be applied. The Group's most essential lease agreement for the head office is valid until further notice and can be terminated with less than 1 year's notice. Management has estimated that the Company will continue to operate in the said premises. The Group estimates the lease period at the time of reporting, unless amendments are made to the agreement for other reasons.

The Group reassessed the lease period on 31 December 2021 and stated that the Company will remain in the business premises for the foreseeable future. The lease liability was updated to correspond to the 5-year estimate and the carrying amount of the right-of-use asset was adjusted by the corresponding value at the end of the financial period 2021. The Group will next assess the lease period as the 5-year period draws to a close, unless amendments are made to the agreement for other reasons.

## 20.3 TANGIBLE ASSETS ACQUIRED BY LEASES

EUR 1,000	Business premises	
	2023	2022
Acquisition cost 1.1.	4,642	4,642
Additions / disposals / remeasurement	187	-
<b>Acquisition cost 31.12.</b>	<b>4,829</b>	<b>4,642</b>
Depreciation of the financial period	-547	-547
Accumulated depreciation 31.12.	-2,453	-1,906
<b>Carrying amount 31.12.</b>	<b>1,828</b>	<b>2,189</b>

Tangible assets acquired by leases are business premises and they are recognised on the row Tangible assets of the consolidated balance sheet. Carrying amount of the right-of-use asset was adjusted by the change of lease liability at the end of the financial period 31.12.2023.

## 20.4 LEASE LIABILITIES

EUR 1,000	2023	2022
Less than one year	613	536
Exceeding one year but less than five years	1,283	1,709
<b>Total</b>	<b>1,896</b>	<b>2,245</b>

Value of lease liability was remeasured as at 31.12.2023 to correspond realised index increased rents of fiscal year 2024. Discount rate used, the original interest rate of United Bankers' additional credit, was 2.0%. Lease liabilities are presented on the row Other liabilities of the consolidated balance sheet. Maturity analysis of lease liabilities has been presented in Note 27. Group risks and managing same.

## 20.5 ITEMS RECOGNISED THROUGH PROFIT AND LOSS

EUR 1,000	2023	2022
Lease expenses of short-term leases (included in items Other administrative expenses and Other operating expenses)	-187	-74
Depreciation of right-of-use assets by asset group (business premises) (included in item Depreciation, amortisation and impairment)	-547	-547
Lease interest expenses (included in item Interest expenses)	-45	-55

## 20.6 ITEMS RECOGNISED ON CASH FLOW STATEMENT

EUR 1,000	2023	2022
Total outgoing cash flow due to leases	-581	-575



## 21 | OTHER ASSETS

EUR 1,000	2023	2022
Accounts receivable of securities	170	325
Brokerage receivables of securities	7,150	6,925
Other assets	23,677	20,476
<b>Total</b>	<b>30,997</b>	<b>27,726</b>

Other assets include mainly fee receivables from funds, business partners and customers.

## 22 | ACCRUED INCOME AND PREPAYMENTS

EUR 1,000	2023	2022
Items due to interests	469	143
Tax receivables	418	202
Other accrued income and prepayments	830	741
<b>Total</b>	<b>1,716</b>	<b>1,086</b>

## 23 | LIABILITIES TO CREDIT INSTITUTIONS

EUR 1,000	2023	2022
Loans from financial institutions		
Other than payable on demand	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Group has at its disposal a credit line of EUR 7 million, which at the end of the financial period 2023 remained undrawn.

## 24 | OTHER LIABILITIES

EUR 1,000	2023	2022
Accounts payable of securities	0	34
Brokerage payables of securities	7,150	6,925
Lease liabilities	1,896	2,245
Earnout liabilities	-	113
Tax liabilities	239	174
Fee and commission liabilities	2,187	1,805
Other liabilities	2,007	1,895
<b>Total</b>	<b>13,479</b>	<b>13,190</b>

Other liabilities encompass mainly short-term accounts payable.

## 25 | ACCRUED EXPENSES AND DEFERRED INCOME

EUR 1,000	2023	2022
Items due to interests	1	1
Personnel related	6,837	7,260
Tax liabilities	1,217	569
<b>Total</b>	<b>8,055</b>	<b>7,831</b>

## 26.1 ACCOUNTING POLICY

The Group classifies its instruments based on their nature as equity or a financial liability:

- An equity instrument is any agreement that evidences entitlement to a portion of United Bankers' assets after all its liabilities have been deducted.
- Financial liability is an instrument that obligates United Bankers to hand over cash or cash equivalents, or the holder of which has the right to demand cash or cash equivalents from United Bankers.

## 26.2 SHARE CAPITAL AND SHARE CLASSES

### Accounting policy

Share capital encompasses the parent company's ordinary shares classified as shareholders' equity. Share subscription prices received in connection with share issues are recognised in share capital to the extent it has not been decided in the share issue resolution that the subscription price is to be recognised in the un-restricted equity fund. The transaction costs incurred from issues of new shares are recognised in equity as a deduction from received payments and adjusted by the tax effects.

The Company has only one class of shares.

The shares do not have any nominal value. All outstanding shares have been fully paid.

### Changes in share amount and equity of the Group

Below table describes the changes in pieces of the shares and corresponding changes in equity of the Group.

2023	Pieces	EUR 1,000	
		Share capital	Reserve for non-restricted equity
1 January 2023	10,693,955	5,464	24,606
Addition in financial year	79,088	-	-
Deduction in financial year	-	-	-1,704
<b>31 December 2023</b>	<b>10,773,043</b>	<b>5,464</b>	<b>22,901</b>

Total dividend of EUR 8,073 thousand and an equity repayment from reserve for non-restricted equity of EUR 1,631 thousand has been distributed in financial year 2023.

2022	Pieces	EUR 1,000	
		Share capital	Reserve for non-restricted equity
1 January 2022	10,441,909	5,438	21,372
Addition in financial year	252,046	-	3,234
Deduction in financial year	-	-	-
<b>31 December 2022</b>	<b>10,693,955</b>	<b>5,464</b>	<b>24,606</b>

Total dividend of EUR 8,308 thousand has been distributed in financial year 2022.



## 26.3 TREASURY SHARES

### Accounting policy

Compensation paid for the treasury shares and the immediate costs for the transactions, adjusted by tax effects, are deducted from equity until the shares are invalidated or they are re-issued. If the aforementioned treasury shares are subsequently sold onwards, or they are re-issued, the compensation received is recognised directly as equity, less any immediate transaction costs and tax effects.

The Company has acquired a total of 20,065 treasury shares for a total of EUR 295 thousand euros during the financial period 2023. At the end of the financial period, the Company held a total of 18,716 (65,643) treasury shares whose acquisition value amounted to EUR 277 thousand euros (868 thousand euros).

### Authorisations of the Board of Directors

#### Authorisations of the Board of Directors to resolve on the issuance of shares

The Annual General Meeting of Shareholders 22 March 2023 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 corresponded to approximately 6.49 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 2024. As at 31 December 2023, 700,000 shares have not been utilized of the authorization.

#### Authorisations of the Board of Directors to resolve on the repurchase of the Company's own shares

The Annual General Meeting of Shareholders 22 March 2023 authorized 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 on the day of the Annual General Meeting of Shareholders corresponded to approximately 1.39 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 2024. In year 2023, the Company utilized 10,000 shares of the authorisation, thus as at end of financial year, 140,000 shares have not been utilized of the authorization.

## 26.4 RESERVES

### Reserve for invested non-restricted equity

Reserve for invested non-restricted equity includes other equity investments and the subscription price of shares to the extent it is not entered in share capital.

### Retained earnings

Retained earnings are earnings cumulated from the previous financial periods that have not been transferred to other equity reserves or distributed as to the shareholders as dividends.

## 26.5 CAPITAL MANAGEMENT

The objective of the Group's capital management is to create an efficient capital structure that ensures normal operating conditions and growth possibilities for the Group, as well as to ensure capital adequacy in relation to the risks of the business. The management of United Bankers follows the credit and market risks of the positions, capital adequacy and liquidity as part of the balance sheet control. Further information on capital management is available in the Note 27. Group risks and managing of same and the Capital Adequacy section of the annual report.

Risk management refers to the identification, assessment, measurement, limitation, prevention and monitoring of risks arising from business operations and materially associated with same. Risk management aims to reduce the likelihood of unforeseen losses or reputational threats, to ensure the adequacy of own funds relative to risk positions and thus to contribute to ensuring the execution of the strategy and the objectives set. The aim is also to promote the financial security of customers. Internal control constitutes a part of management, administration and daily work. Internal control refers to all measures undertaken within the United Bankers Group to ensure the attainment of the set targets and business operations that are efficient, economical, reliable and as uninterrupted as possible.

### Organisation and roles of control activities

The Board of Directors of United Bankers Plc bears overall responsibility for organising internal control. The responsibilities of internal control and the tasks of the different parties involved can be described with the aid of three lines of defense. Each line of defense and each party in same plays their own part in the internal control system.

The first line of defense consists of business units. The heads of business units are responsible for the practical implementation of the day-to-day business operations and the related risk management. The business units participate in the identification and assessment of the risks of their own operations and in the implementation of related risk management measures. Internal control is part of every employee's daily job description.

The second line of defence consists of the risk management and compliance function. The task of the second line of defence is to monitor and support the first line of defence in internal control and risk anticipation, as well as in mitigating the impact of the risks that have materialised. In addition, the second line of defence maintains and develops internal control and risk management methods, proposes improvements to the principles of risk management and monitors the implementation of principles and methods. Material changes in the risk profile detected by the second line of defence are reported to the Board of Directors, the Audit Committee and the Executive Team.

The third line of defence comprised the internal audit. The internal auditor's task is to assess the status of the internal control of the business functions and of the second line of defence and to produce information and proposals for measures for the management and the Board of Directors to enhance the efficiency of business operations and monitoring. The United Bankers Group does not have its own separate internal audit function. In the United Bankers Group, the internal audit function is organised as an outsourced service, managed by a third-party reputable operator selected by the Company's Board of Directors. In 2023, KPMG Oy Ab was responsible for the internal audit. In addition to internal audit, the external audit operates in the third line of defence.

The Board of Directors of United Bankers Plc bears overall responsibility for arranging risk management. The Board of Directors defines the objectives of risk manage-

ment, the limits of risk-taking, responsibilities, indicators and control principles. The Board of Directors adopts the principles and plans steering risk management on an annual basis and oversees compliance with same. The Board of Directors regularly monitors the state of risk management and the development of key risks and has appointed an Audit Committee to assist the Board of Directors in ensuring that the United Bankers Group has in place an adequate internal control system encompassing its entire operations, to ensure the Company's risk management is arranged in a due manner and to monitor the financial reporting process.

United Bankers Group's independent risk management is the responsibility of the risk management function. The risk management function assists the management and business operations of the Group and its supervised subsidiaries in attaining their objectives by providing a systematic approach to the assessment and development of the effectiveness of risk management, control and, for instance, management and administrative processes. The task of the risk management function is to ensure and oversee that risk management is at a sufficient level relative to the quality, scope, diversity and risks of the business operations of the Group and the companies belonging to same. The risk management function oversees daily business operations and compliance with the set risk limits and principles for the assumption of risk. The risk management function reports its findings regularly to the executive management and the Board of Directors.

The Risk Management function coordinates an annual risk assessment of the Group's strategy and Group companies' operative business, with the aid of which risks threatening the set objectives and the business are identified, assessed, measured, and methods for managing the probability of risks are determined. Risks assessed as pertinent to the operations are recorded in the risk management plan and risk management measures are determined for same and the development of the risks are followed on a regular basis. The Group's risks and potential implications are also managed through insurances, the currentness of which is assessed annually.

The Compliance function ensures that United Bankers complies with the legislation and the guidelines and regulations issued by the authorities. The function ensures that the management and the Board of Directors are aware of any material changes in regulations and the possible impact of same on the Group and the companies belonging to same. Furthermore, it ensures that the procedures applied in customer relationships meet the requirements of the law and official regulations and that the requirement of the equal treatment of customers is met. Another key task of the Compliance function is to develop and maintain internal guidelines together with the business operations, to train personnel, to monitor compliance with the guidelines, and to identify, manage and report risks related to non-compliance. The Compliance function is steered by the Compliance Policy adopted by the Board of Directors and the Annual Action Plan. The Compliance function reports its findings to the executive management and the Board of Directors on a regular basis.

Internal audit constitutes independent objective assessment and assurance activity, the purpose of which is to audit the adequacy, effectiveness and efficiency of internal control in accordance with the annual plan. The activities of the internal audit serve to support the top and executive management, as well as the rest of the



organisation in achieving the Group's objectives and developing its operations. Internal Audit reports its audit findings to the Board of Directors. Further information on the organisation of risk management is available from the Annual Report, under the Corporate Governance Statement.

## 27.1 PRIMARY RISK AREAS

The United Bankers Group is exposed to the following risks:

- **Strategic risks:** risks of change in strategic choices, adoption of new products and services, and business environment
- **Operational risks:** procedural, processual, systemic, information security and data protection risks, as well as risks caused by a third-party
- **Financial risks:** market, liquidity, credit and foreign exchange risks

### 27.1.1 Strategic risks

Strategic risk arises from changes in the operating environment, slow response to changes in the operating environment or customer behaviour, the wrong choice of strategy, capability or change management in the implementation of the strategy, failure to manage partnerships or, for instance, to introduce new products and services. Identifying strategic risks and opportunities comprises an integral part of United Bankers Group's strategic planning and continuous business development. For instance, the strategy process, the annual risk assessment and product development process entails the assessment of strategic risks, identifying actions pertaining to the management of same, and assessing their potential impact on the United Bankers Group's overall risk position and the development of, inter alia, the capital requirement. Strategic risks have impact to the formation of profit, thus strategic risks are aimed to be overseen and managed.

The amount of assets under management has a direct impact upon the amount of fee and commission income received by the Group. The amount of assets under management is contingent upon new sales and the number of customers lost, the success of the investments made, as well as the performance of the market. The Group's fee income is partly dependent on the performance of the equity and fixed income markets. The success of the sale of asset management services, funds and structured products that are of material relevance for the Group's business are primarily dependent upon the level of general demand for investment services.

The Group's management strives through its actions to influence the manageability of operations and improve profitability through ensuring the efficient organisation of business operations, supervising development projects that are of crucial importance for the business, carrying out strategically and economically sound corporate acquisitions, as well as through making successful key recruitments and committing existing personnel. The Group's management can also partially influence new sales and the cost structure, for instance, by investing in the continuous development of products and services and by focusing on products and service concepts that generate steady cash flow. The Group's management cannot through its actions influence the general market performance or the state of the economy.

The Board of Directors and executive management of the United Bankers Group seek to identify and manage strategic business risks through proactive planning

based on estimates and forecasts of geopolitical and market development, the competitive landscape, partner status and customer needs assessment. The Board of Directors of United Bankers Group reviews the approved Group strategy and the related strategic risks on a regular basis.

### 27.1.2 Financial risks

Financial risk refers to the risk arising from the operating environment and any market changes occurring in same. Financial risks include market, liquidity and credit risks. Market risks include equity, interest rate and foreign exchange risks.

#### 27.1.2.1 Market risk

Market risk refers to the possibility of loss due to fluctuations in market prices. Categories of market risk include interest rate, foreign exchange and equity risk. Market risk also includes potential losses ensuing from changes in risk factors (e.g., volatility and correlations).

United Bankers Group's market risks consist of changes in the market prices of equity, fixed income, fund and other potential investments, as well as fluctuations in foreign exchange rates. The primary portion of the United Bankers Group's market risk arises from the price risk of trading books and strategic investments. Investments in the trading book comprise investments in stocks, bonds or structured investments that support brokerage. Investments in the trading book are short-term in nature. Strategic investments mainly comprise investments in own open funds or private equity funds in the form of limited partnerships. Market risks do not have a significant impact on United Bankers Plc's result under normal market conditions. The aforementioned market risks must not, under any circumstances, jeopardise continuity or profitability.

The Board of Directors of the United Bankers Group adopts the market risk strategy annually. The executive management is responsible for the practical implementation of the market risk strategy. Its management is in turn the responsibility of the risk management function. The Board of Directors has imposed limits, inter alia, on investments in securities issued by an individual issuer or on the volumes of trading stocks and strategic investments. The risk management function reports its findings to the executive management and the Board of Directors on a regular basis.

In capital adequacy calculation, the Group's market risk is measured from positions related to trading books. In accordance with the minimum capital adequacy calculation, the required amount of own funds is reserved to cover market risk. The minimum capital adequacy requirement is calculated for the position risk of the trading books as well as for the foreign exchange risk of the entire operation. Investments classified in the Group's trading book amounted to EUR 6.7 million as at 31 December 2023 (EUR 1.1 million as at 31 December 2022). The minimum own funds required for market risk amounted on 31 December 2023 to EUR 1.0 million (EUR 0.1 million as at 31 December 2022).

The market risk of strategic investments is monitored separately in the capital adequacy calculation. The Group's strategic investments as at 31 December 2023 amounted to EUR 2.7 million (EUR 8.6 million as at 31 December 2022), of which EUR 0.0 million (EUR 4.4 million as at 31 December 2022) were invested in fixed

income funds. The decrease in strategic investments was due to a reclassification, in which the Group will in the future classify mainly the long-term investments in private equity funds as strategic investments.

The exposure of investments to normal fluctuations in market prices has not been considered to pose a significant risk to the Group. In a simple sensitivity analysis, a 10 % price decrease for fixed income investments and a 20 % price decrease for other investments would have an impact of approximately EUR 0.5 million on the Group's result.

#### Minimum capital adequacy requirement for market risk

2023 EUR 1,000	Original exposure value	Risk-weighted exposure value
Trading book positions		
- equity instruments	5,486	10,972
- debt instruments	1,239	810
The currency risk of all operations	569	569
<b>Total exposure value</b>	<b>7,294</b>	<b>12,351</b>
Minimum capital adequacy requirement		988

2022 EUR 1,000	Original exposure value	Risk-weighted exposure value
Trading book positions		
- equity instruments	96	192
- debt instruments	916	653
The currency risk of all operations	620	620
<b>Total exposure value</b>	<b>1,632</b>	<b>1,465</b>
Minimum capital adequacy requirement		117

#### Items exposed to currency risk

The Group is exposed mainly to currencies of United States Dollar and Swedish Krona.

2023 EUR 1,000	USD	SEK
Securities on balance sheet	2	-
Bank accounts	14	516
<b>Total</b>	<b>15</b>	<b>516</b>

2022 EUR 1,000	USD	SEK
Bank accounts	32	573
<b>Total</b>	<b>32</b>	<b>573</b>

#### Sensitivity analysis of the changes in currency rates



Executive management of United Bankers Group foresees that as the Group's exposure to currency rates is insignificant, also the changes of currency rates are assessed to have insignificant effect to the financial statements of the Company.

#### 27.1.2.2 Liquidity risk

The Group's Board of Directors approves the liquidity risk strategy annually. The Group's executive management is responsible for the practical execution of the liquidity risk strategy, while the financial administration and risk management function are responsible for the management and oversight of the liquidity risk strategy. The financial management and risk management function report their findings to the executive management and the Board of Directors on a regular basis.

The liquidity risk is the risk of the companies in the United Bankers Group being unable able to carry on normal business activities or settle their payment obligations as they mature due to the scarcity of liquid assets. In the United Bankers Group, liquidity risk arises primarily from the market liquidity risk and/or an increase in the cost level.

The Group manages its liquidity risk through liquidity planning, assessment and reporting of the liquidity situation, as well as through a properly dimensioned liquidity reserve, continuity and contingency planning, and effective and continuous liquidity situation management. In terms of liquidity risk, the Group's risk appetite is conservative. In order to secure daily liquidity, the Group endeavours to keep the required amount of assets in cash and other liquid assets. In addition, the Group has at its disposal overdraft bank accounts.

Pursuant to the Investment Firm Regulation (IFR), investment firms must possess liquid assets in an amount of no less than one third of the capital requirement for fixed overheads calculated in accordance with IFR. The capital requirement of the United Bankers Group calculated on the basis fixed overhead costs is EUR 5.2 million and the liquidity requirement calculated on the basis of same amounts to EUR 1.7 million. As at 31 December 2023, the liquid assets of the United Bankers Group amounted to EUR 9.4 million.

Following table describes the maturity of financial assets.

### 31.12.2023

EUR 1,000	less than 3 months	3-12 months	1-5 years	over 5 years	Total
<b>Financial assets</b>					
Claims on credit institutions	9,352	-	-	-	9,352
Claims on public and public-sector entities	4	-	-	-	4
Debt securities	297	89	754	100	1,239
	9,653	89	754	100	10,596

### 31.12.2022

EUR 1,000	less than 3 months	3-12 months	1-5 years	over 5 years	Total
<b>Financial assets</b>					
Claims on credit institutions	9,500	-	-	-	9,500
Claims on public and public-sector entities	23	-	-	-	23
Debt securities	454	28	738	-	1,220
	9,977	28	738	-	10,743

Following table describes the maturity analysis of financial liabilities based on agreements. The information presented in the table are undiscounted and include both interest payments and capital returns.

### 31.12.2023

EUR 1,000	Cashflows on the basis of contracts					
	Total	less than 2 months	3-12 months	1-2 years	2-5 years	over 5 years
Liabilities to credit institutions	-	-	-	-	-	-
Lease liabilities	1,896	102	511	1,283	-	-
Brokerage payables of securities	7,150	7,150	-	-	-	-
Accounts payable and other liabilities	4,433	4,433	-	-	-	-
Future interest payments on debt	78	8	32	39	-	-
Guarantees on behalf of others	-	-	-	-	-	-
	<b>13,557</b>	<b>11,693</b>	<b>542</b>	<b>1,321</b>	-	-

### 31.12.2022

EUR 1,000	Cashflows on the basis of contracts					
	Total	less than 2 months	3-12 months	1-2 years	2-5 years	over 5 years
Liabilities to credit institutions	-	-	-	-	-	-
Lease liabilities	2,245	-	536	1,122	587	-
Brokerage payables of securities	6,925	6,925	-	-	-	-
Accounts payable and other liabilities	4,020	4,020	-	-	-	-
Future interest payments on debt	115	2	45	57	12	-
Guarantees on behalf of others	-	-	-	-	-	-
	<b>13,305</b>	<b>10,947</b>	<b>581</b>	<b>1,179</b>	<b>599</b>	-

The Group has at its disposal a credit line of EUR 7 million, which at the end of the financial period 2023 remained undrawn.

### 27.1.2.3 Credit risk

The Board of Directors of the Group adopts the credit risk strategy annually. The Group's executive management is responsible for the practical implementation of the credit risk strategy, while the financial administration and risk management function are responsible for the management and supervision of the credit risk strategy. The Group's financial administration monitors the credit risk related to receivables and any credit risk concentrations. The financial management and risk management function report their findings to the executive management and the Board of Directors on a regular basis.

Credit risk refers to the risk of a loss that would result from the contractual counterparties and customers of the companies belonging to the United Bankers Group being unable to meet their agreed obligations, and the collateral received not securing the receivables. Credit risk also includes country and settlement risks. Country risk is a credit risk associated with foreign receivables allocated by country. The settlement risk is a risk associated with the settlement process of losing a receivable that is the subject of the settlement process.

The Group manages its credit risk through, inter alia, lines of credit and margin requirements that are evaluated, for instance, on the basis of the market situation and the customer. In the management of clearing risk, the focus is on ensuring the suitability and reliability of counterparties, and the risk is mitigated by means of standard-form contracts and by centralising the settlements in reliable clearing centres.

#### Concentration risks

Concentration risk may consist, for instance, of customer risks and risk concentrations caused by circumstances ensuing, for instance, from the low number of counterparties or customers, the magnitude of any individual transaction or the dependence of operations on an individual product or service.

The Board of Directors of the Group has adopted the principles and monitoring limits concerning the concentration risk related to customers and the management thereof as part of the credit risk management principles. The United Bankers Group manages the concentration risk by, inter alia, limiting the exposure value of the concentration risk pertaining to an individual customer or a group of customers to 25 % of own funds. Payment transactions as part of financial management monitor the concentration risk pertaining to customers on a daily basis.

#### Expected credit losses

The Group calculates the Expected Credit Loss (ECL) from financial assets valued at amortised cost. The expected credit loss illustrates a probability-weighted estima-

tion of materialising credit risks. The expected loss deductible item is recognised for receivables from credit institutions and customer receivables, recognised in the balance sheet under "Other assets".

In relation to receivables from credit institutions, the amount of expected credit losses (ECL) is calculated using the formula:  $ECL = \text{liability} \times \text{probability of a credit event} \times \text{loss arising from the credit event} (\%)$ . The calculation is conducted using the credit institution-specific credit event probabilities available in the market, as well as the recovery rates of same. Where these values are not available in the market for a specific credit institution, the average of the values of the other credit institutions are utilised for same. A similar approach is also applied to fee receivables from funds and capital transactions.

The Group applies a simplified procedure for determining expected credit losses for customer receivables recognised at amortised cost (excl. receivables related to fund and capital transactions). In this case, the expected credit losses are recorded in an amount that reflects the expected credit loss over the entire term of validity. The calculation employs a reserve matrix based on historical data on previously realised credit losses in the Group and the Group's assessment of future financial conditions.

The Group recognises receivables that are delayed in excess of 90 days as credit losses.

#### Reconciliation of Expected Credit Losses (ECL)

EUR 1,000	2023	2022
Carrying amount, 1 Jan	15	16
ECL on claims on credit institutions, change	-4	4
ECL on claims on clients, change	-2	-5
<b>Carrying amount, 31 Dec</b>	<b>9</b>	<b>15</b>

#### Impairment losses on other receivables in the financial period

Changes in expected credit losses and materialised credit losses are recognised on profit and loss item "Expected credit losses on loans and other receivables". Below table describes the change of impairment losses in other receivables in the financial period.

EUR 1,000	2023	2022
ECL on claims on credit institutions	4	-4
ECL on claims on clients	2	5
Materialised credit losses	-	-
<b>Total</b>	<b>6</b>	<b>1</b>



## Items exposed to credit risk and credit loss allowance

<b>2023 EUR 1,000</b>	<b>Gross value</b>	<b>Credit loss percentage</b>	<b>Deduction for loss</b>
Claims on credit institutions	9,353	0.01 %	1
Claims on clients			
Fund and capital markets receivables	9,285	0.01 %	0
Brokerage business (not due) 0,1%	7,150	0.10 %	7
Matured brokerage receivables	-	-	-
Total	7,150		7
Short-term accounts receivable (not due), 0,1%	966	0.10 %	1
Matured	-	-	-
Total	966		1
<b>Total</b>	<b>26,754</b>		<b>9</b>
<b>2022 EUR 1,000</b>	<b>Gross value</b>	<b>Credit loss percentage</b>	<b>Deduction for loss</b>
Claims on credit institutions	9,504	0.05 %	5
Claims on clients			
Fund and capital markets receivables	8,991	0.03 %	3
Brokerage business (not due) 0,1%	6,925	0.10 %	7
Matured brokerage receivables	-	-	-
Total	6,925	0.10 %	7
Short-term accounts receivable (not due), 0,1%	463	0.10 %	0
Matured	-	-	-
Total	463		0
<b>Total</b>	<b>25,882</b>		<b>15</b>

### 27.1.3 Operational risks

Operational risk refers to the direct or indirect risk of financial loss caused by inadequate or failed internal processes, personnel, systems or external factors. Typically, operational risks include procedural, process, system and information security risks, as well as risks caused by third-party. Operational risk can manifest itself, for instance, in the form of a loss or deterioration of reputation or trust.

The management of operational risks is viewed in the United Bankers Group as one of the most crucial elements of risk management. The Board of Directors of the United Bankers Group adopts the principles of operational risk management on an annual basis. A group-wide operational risk management procedure process has been devised for the identification, assessment, control and reporting of operational risks. The Group's various functions are responsible for identifying and managing operational risks in their own segment, relating, for instance, to products, services, persons, processes, business partners and systems, and report their findings to the

risk management function and function's supervisor through notification platform. The significance of the identified risks is assessed, inter alia, on the basis of their financial impact and the likelihood of their materialisation. The risk management function reports on supervisory findings, measures taken, and overall operative risk area development to the executive management and the Board of Directors on a regular basis. Reporting of losses caused by operational disruptions and errors, as well as by operational risks, to the authorities is carried out in accordance with the set requirements.

The point of departure for operational risk management is to prevent the materialisation of risks and to mitigate the damage caused by risks. Operational risk management includes, inter alia, ensuring the functionality of daily work processes and systems and adequate controls, monitoring compliance with regulations and internal guidelines, training personnel and ensuring the sufficiency of training and expertise, arranging for information security, oversight of outsourced functions and ascertaining the functionality of the approval process for new products and servic-



es. In an effort to minimise materialised risks, the Group has also prepared for the risks and materialisation of same, for instance through insurance arrangements.

Procedural risk is part of operational risk. The objective of the Compliance function is to ensure that all subsidiaries of the United Bankers Group comply with laws, government guidelines and regulations, market self-regulation and internal policies and guidelines. The Compliance function also monitors and ensures that appropriate and ethically acceptable principles and practices are abided by in customer relationships. In addition to financial and reputational loss, the materialisation of a procedural risk can also entail other adverse implications, such as sanctions. The responsibility for regulatory compliance and oversight of compliance lies with senior and executive management as well as all supervisors. Each person employed by the United Bankers Group is responsible for their part for complying with the regulations and internal guidelines. Procedural risk is managed through monitoring the development of legislation, instructing, training and consulting the organisation on compliance with regulatory procedures, and overseeing compliance of the procedures of the organisation with the regulations.

Data protection and security risks comprise a part of the operational risk. The operations of the United Bankers Group are heavily reliant on the exploitation of information technology and traffic. The key objective of all operations within the Group is the efficient, error-free and secure processing of data in various formats. The aim is to ensure the confidentiality, correctness and usability of data at all stages of operations. The Board of Directors assesses the level and adequacy of data protection and security and adopts policies governing same on an annual basis. United Bankers Group has appointed an Information Security Officer and a Data Protection Officer, who are, for their part, responsible for developing, directing, monitoring and maintaining the related guidelines for information security and data protection in co-operation with business units, as well as for reporting to the management.

Also risks caused by third-party are considered as operational risks, which may be related to operations of external service, external system or other external business partner. United Bankers – Group has guidelines for the principles to be followed, when its business operations are transferred to external parties of the Group. The guideline ensures that outsourced operations' operational risks management and control are arranged according to FSA regulations. In addition, United Bankers Group

follows process for identifying counterparties to ensure, inter alia, the reliability, data protection and uninterrupted operations of the used third-party service providers.

The capital requirement for operational risks constitutes part of the capital requirement imposed upon investment firms, as stipulated for in the Investment Firm Regulation. The own funds requirement of the United Bankers Group calculated on the basis of fixed overhead costs amounted to EUR 5.2 million and the Group's own funds amounted to EUR 15.6 million as at 31 December 2023.

## **27.2 CONTINUITY MANAGEMENT**

United Bankers Group has implemented a continuity management process, in which continuity threats to business are identified and evaluated on a regular basis. The process also ensures business continuity in possible disruptions through preparations and practices. The objective of continuity plan is to ensure the level of operations and customer service, safety of personnel and clients, trust of stakeholders, tangible and intangible assets and to comply with regulation. In addition to the continuity plans to each core business, the requisite recovery plans have been devised for the systems, along with a recovery plan setting forth the measures for ensuring business continuity in the event of a deterioration in the financial position of the United Bankers Group.

## **27.3 CAPITAL ADEQUACY MANAGEMENT**

The United Bankers Group is subject to the following external capital requirements: the EU Capital Requirements Directive for Investment Firms (EU 2019/3034 IFD) and the Capital Requirements Regulation (EU 2019/2033 IFR) and, where applicable, the EU Capital Requirements Directive (CRD IV) and the Capital Requirements Regulation (EU 575/2013 CRR).

The Board of Directors of United Bankers Plc has set a minimum target requirement for the solvency of the Group at 13 per cent. As at 31 December 2023, the capital adequacy ratio of the Group amounted to 24.1 per cent. Further details concerning the capital adequacy and capital adequacy management of the Group are available in the capital adequacy section of the Annual Report published by United Bankers.

## 28 | OFF BALANCE SHEET ITEMS AND COMMITMENTS

### Contingent assets and contingent liabilities

Contingent liability is recognised, when:

- United Bankers has a potential obligation that has arisen on account of previous events and the existence of which is not ascertained until in connection with a future event that is beyond United Bankers' control
- United Bankers has an existing obligation that has arisen on account of previous events, but the materialisation of the payment obligation is improbable, or
- United Bankers is unable to estimate the amount of the existing obligation with sufficient reliability.

Contingent liabilities are not recognised in the balance sheet, but, rather, they are presented as a Note, unless the materialisation of the payment obligation is highly improbable.

A contingent asset is recognised, when:

- The economic benefit inuring to the benefit of United Bankers is probable but not practically certain, and
- It is dependent on an event that is beyond United Bankers' control

Contingent assets are presented in the notes. If the materialisation of an income item is practically certain, it is recognised in accounting.

As at the date of the financial statements, United Bankers does not have any contingent liabilities or contingent assets.

### Given commitments

EUR 1,000	2023	2022
On own behalf		
Investment commitments	4,705	-
On behalf of others		
Bank loan guarantees	1,440	-
<b>Total</b>	<b>6,145</b>	<b>-</b>

## 29 | RELATED PARTY TRANSACTIONS

### 29.1 ACCOUNTING POLICY

Related parties of the Group's parent company United Bankers Plc include the following:

- its subsidiaries
- Board of Directors, CEO and management team of the Group as key personnel belonging to the management of the Group
- Entities in which the aforementioned persons exercise control, joint control, or significant influence
- close family members of the above-mentioned persons

Related party transactions include transactions with related parties that are not eliminated in the consolidated financial statements or that are paid for by funds managed by same.

### 29.2 EMPLOYEE BENEFITS OF KEY PERSONNEL BELONGING TO THE MANAGEMENT

The amounts presented in the following tables correspond to the expenses recognised in the relevant financial years. Salaries include benefits in kind, if any. Share-based payments have been recognised through the fees recognised from management share-based incentive models. A portion of the compensation has been delayed and the final value of same is determined subsequently in connection with the confirmation of the remuneration and payments.

The management and the Board of Directors of the Company had the possibility of participating in the personnel share issue in spring 2019, where personnel and members of the Board of Directors were offered the possibility of subscribing for shares of the Company at a 10 per cent discount from the market price. Shares subscribed for in the personnel and tied agent share issue conferred rights to additional shares paid on 24th January 2023. The number of shares subscribed for and the additional shares that the management and the Board of Directors received are presented below.

### CEO

EUR 1,000	2023	2022
Salaries and other short-term employee benefits	177	178
Pensions (contribution plan)	63	49
Share-based payments	157	139
<b>Total</b>	<b>397</b>	<b>366</b>

Subscribed shares in personnel share issue in 2019, pcs.	6,116
Gross remuneration received in share matching plan, shares, pcs.	3,058

## Board of Directors

Members of the Board of Directors who are not employed by the Group have been paid remuneration for their work pursuant to the resolution of the AGM. Members of the Board of Directors who are employed by the Group are not compensated for their BoD work as their salary expenses are considered to be related to the operational business, rather than to the work of the Board of Directors. Furthermore, one Board member has been compensated for their work as a Board member on the Board of Directors of the subsidiaries of the Group.

EUR 1,000	2023	2022
Remuneration for BoD work to external BoD members and Chairman	135	149
Remuneration paid by group subsidiaries	4	66
Subscribed shares in personnel share issue in 2019, pcs.	23,584	
Gross remuneration received in share matching plan, shares, pcs.	11,792	

## Key personnel in management

EUR 1,000	2023	2022
Salaries and other short-term employee benefits	874	865
Pensions (contribution plan)	159	162
Share-based payments	581	452
<b>Total</b>	<b>1,615</b>	<b>1,479</b>
Subscribed shares in personnel share issue in 2019, pcs.	30,669	
Gross remuneration received in share matching plan, shares, pcs.	15,335	

## 29.3 OTHER RELATED PARTY TRANSACTIONS AND OPEN BALANCES

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, the Group has given secondary bank guarantees to retain key personnel.

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.

United Bankers Plc has granted 21,794 of its own shares as part of the share-based incentive plan for management to the key employees covered by the plan.

## Transactions with related parties

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Tied agent fees	578	685
Consultation fees	184	110
Other transactions	20	12
Loans extended	-	-
<b>Total</b>	<b>781</b>	<b>807</b>
of which with funds managed by the Group	58	15

In the year 2022, the Group has acquired additional shares from non-controlling interest holders in the subsidiaries UB Finnish Property Oy and UB Rahoitus Oy. As the Group has had control of the company already previously, these additional acquisitions have been recognised as internal equity arrangements. In the year 2023, the Group did not acquire additional shares from non-controlling interest holders.



# Parent Company's financial statements

## INCOME STATEMENT 1.1.2023–31.12.2023

EUR 1,000	Note	1.1.-31.12.2023	1.1.-31.12.2022
Fee and commission income		-	-
Net gains or losses from trading in securities and foreign currencies	2.1		
Net income from trading in securities		476	-98
Income from equity investments	2.2		
From group companies		1,100	-
From other equity investments		68	74
Interest Income	2.3	61	10
Other operating income	2.4	7,005	6,032
<b>INCOME FROM INVESTMENT SERVICES ACTIVITIES</b>		<b>8,710</b>	<b>6,019</b>
Fee expenses		-	-
Interest expenses	2.3	-48	-35
Administrative expenses			
Personnel expenses	2.5		
Salaries and remuneration		-3,826	-2,891
Social security expenses			
Pension expenses		-691	-526
Other social security expenses		-152	-171
Other administrative expenses	2.6	-2,913	-2,943
Depreciation, amortization and impairment of tangible and intangible assets	2.7	-1,239	-949
Other operating expenses	2.8	-918	-865
<b>OPERATING PROFIT (LOSS)</b>		<b>-1,077</b>	<b>-2,362</b>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>		<b>-1,077</b>	<b>-2,362</b>
Appropriations	2.9	11,533	11,771
Income taxes	2.10	-1,891	-1,888
<b>PROFIT (LOSS) FOR THE FINANCIAL PERIOD</b>		<b>8,565</b>	<b>7,521</b>



<b>ASSETS, EUR 1,000</b>	<b>Note</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Cash and equivalents		0	0
Claims on credit institutions	3.1		
Repayable on demand		988	450
Claims on the public and public-sector entities	3.2	699	513
Debt securities	3.3		
From other than public-sector entities		-	304
Shares and units	3.4	7,616	8,087
Shares and units in group companies	3.4	28,811	28,811
Intangible assets	3.5/3.7	5,116	3,270
Tangible assets	3.6/3.7		
Other tangible assets		408	247
Other assets	3.8/3.14/3.15/3.16	355	1,298
Accrued income and prepayments	3.9	480	461
<b>TOTAL ASSETS</b>		<b>44,473</b>	<b>43,442</b>
<b>LIABILITIES AND EQUITY, EUR 1,000</b>	<b>Note</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>LIABILITIES</b>			
Liabilities to credit institutions	3.10/3.14/3.15	-	-
Liabilities to public and public-sector entities	3.11/3.14/3.15	4,089	1,651
Other liabilities	3.12/3.14/3.15		
Other liabilities		615	639
Accrued expenses and deferred income	3.13	2,277	2,260
<b>LIABILITIES TOTAL</b>		<b>6,981</b>	<b>4,550</b>
<b>APPROPRIATIONS</b>			
Depreciation difference		17	-
<b>EQUITY</b>	<b>3.17</b>		
Share capital		5,464	5,464
Unrestricted reserves			
Reserve for non-restricted equity		23,446	25,150
Retained earnings (loss)		-	757
Profit (loss) for the financial period		8,565	7,521
<b>TOTAL EQUITY</b>		<b>37,475</b>	<b>38,892</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>44,473</b>	<b>43,442</b>



## PARENT COMPANY CASH FLOW STATEMENT

EUR 1,000	31.12.2023	31.12.2022
<b>Cash flow from operating activities</b>		
Income received from sales	-34	-45
Other operating income received	7,005	6,032
Operating costs paid	-8,525	-7,469
<b>Cash flow from operating activities before finance costs and taxes</b>	<b>-1,554</b>	<b>-1,482</b>
Interest and finance costs paid from operating activities	-48	-35
Interest received from operating activities	61	10
Income taxes paid	-1,892	-3,038
<b>Cash flow from operating activities</b>	<b>-3,432</b>	<b>-4,545</b>
<b>Cash flow from investing activities</b>		
Acquisitions of tangible and intangible assets	-3,245	-2,270
Changes in claims on the public and public-sector entities	-186	-142
Investments in financial assets	1,257	140
Dividends received from investments	1,168	74
<b>Cash flow from investing activities</b>	<b>-1,006</b>	<b>-2,198</b>
<b>Cash flow from financing activities</b>		
Change of loans	2,438	-350
Acquisition of treasury shares	-295	-337
Received group contributions	12,521	14,600
Dividends paid	-9,686	-8,313
<b>Cash flow from financing activities</b>	<b>4,977</b>	<b>5,601</b>
<b>Change in cash and cash equivalents</b>	<b>538</b>	<b>-1,142</b>
<b>Change in cash and cash equivalents</b>	<b>538</b>	<b>-1,142</b>
Cash and cash equivalents at the beginning of the year	450	1,591
Cash and cash equivalents at the end of the year	988	450

# Notes to the Parent Company

## 1 | NOTES ON THE PREPARATION OF THE FINANCIAL STATEMENTS

### Notes on the preparation of the financial statements

The financial statements have been prepared in accordance with the Act on Credit Institutions, the Decree of the Ministry of Finance on the Financial Statements and Consolidated Financial Statements of Credit Institutions and Investment Services Companies, and the Regulation and Guideline 2/2016 of the Financial Supervisory Authority's Compendium of Regulations: Financial Sector Accounting, Financial Statements and Annual Report.

### Valuation principles of financial assets and liabilities

The Company's investments are valued in fair value through profit and loss. Loans and other receivables are valued at cost, less possible impairment loss. Financial liabilities are valued at fair value. Shares and units in group companies are valued at cost.

### Intangible and tangible assets

Intangible and tangible assets are valued at cost, less depreciation as planned and impairment. Depreciation periods are calculated straight-line over the estimated economic useful life.

Depreciation periods based on estimated useful life are as follows:

Intangible assets

- IT programs 5 years
- Office renovation 5 years

Tangible assets

- IT equipment 5 years
- Office equipment and furniture 5 or 8 years

### Transactions in foreign currencies

Transactions in foreign currencies are converted into euro using the transaction date rates. Receivables and liabilities denominated in foreign currencies are converted into euro at the exchange rates prevailing at the end of the reporting period.

Exchange gains and losses related to ordinary business are recognized in net gains or losses from trading in foreign currencies.

Company had no positions in foreign currencies at the end of financial periods.

### Principles followed in recognizing interest income and expense

Interest income and expense are recognized on accrual basis.

### Principles followed in recognizing and presenting leases

Expenses related to leases are recognized on accrual basis for the rental period and presented in other operating expenses.

### Presenting and rounding of figures

**The figures in the financial statements are rounded to thousands of euros.**

All the figures presented in the tables have been rounded and consequently the sum of individual figures may deviate from the sum presented.

Amount of EUR 0,0 corresponds that the absolute value is less than EUR 500. If the value of an item is EUR 0, it is presented as an empty cell.

## 2 | NOTES TO INCOME STATEMENT ITEMS OF PARENT COMPANY

### 2.1 Net gains or losses from trading in securities and foreign currencies

EUR 1,000

Year 2023	Sales profits and losses	Changes in fair value	Total
From debt securities	9	0	9
From shares and units	0	467	467
<b>Total</b>	<b>9</b>	<b>467</b>	<b>476</b>
Year 2022	Sales profits and losses	Changes in fair value	Total
From debt securities	0	-11	-11
From shares and units	-30	-57	-87
<b>Total</b>	<b>-30</b>	<b>-68</b>	<b>-98</b>



## 2.2 Income from equity investments

	2023	2022
Income from equity investments	68	74
Dividend income from group companies	1,100	-
<b>Total</b>	<b>1,168</b>	<b>74</b>

## 2.3 Breakdown of interest income and expenses on the basis of balance sheet items

Interest income	2023	2022
Receivables from the public and public corporations	55	0
Debt securities	7	10
Other interest income	0	0
<b>Total</b>	<b>61</b>	<b>11</b>

Interest expenses	2023	2022
Liabilities to credit institutions	-42	-26
Other interest expenses	-6	-9
<b>Total</b>	<b>-48</b>	<b>-35</b>

## 2.4 Other operating income

	2023	2022
Management fee income from group companies	7,005	6,032
Other operating income	-0	-0
<b>Total</b>	<b>7,005</b>	<b>6,032</b>

## 2.5 Personnel expenses

	2023	2022
Salaries and fees	-3,826	-2,891
Pension expenses	-691	-526
Other social security costs	-152	-171
<b>Total</b>	<b>-4,669</b>	<b>-3,588</b>

Personnel in full-time equivalents (FTE)	45	39
Personnel at the end of financial period (FTE)	47	40

## 2.6 Other administrative expenses

	2023	2022
Other personnel expenses	-187	-288
IT and communication expenses	-1,558	-1,296
Consulting and other services	-376	-771
Other administrative expenses	-792	-588
<b>Total</b>	<b>-2,913</b>	<b>-2,943</b>

## 2.7 Depreciation, amortization and impairment of tangible and intangible assets

	2023	2022
Depreciation as planned	-1,239	-949

## 2.8 Other operating expenses

	2023	2022
Lease expenses	-566	-514
Property maintenance costs	-107	-124
Insurances and fees to authorities	-247	-226
Other expenses	2	-2
<b>Total</b>	<b>-918</b>	<b>-865</b>

## 2.9 Appropriations

	2023	2022
Received group contributions		
UB Asset Management Ltd	8,545	8,300
UB Fund Management Company Ltd	480	620
UB Securities Ltd	-	350
UB Nordic Forest Management Ltd	1,650	1,351
UB Brokerage Company Ltd	875	1,120
UB Life Oy	-	30
Total	11,550	11,771
Change of depreciation difference	-17	-
<b>Total</b>	<b>11,533</b>	<b>11,771</b>

## 2.10 Income taxes

	2023	2022
Income taxes from profit of the financial period	-1,887	-1,888
Income taxes from previous financial period	-4	-0
<b>Total</b>	<b>-1,891</b>	<b>-1,888</b>

## Information concerning business segments and geographical markets

The Company has decided not to divide its business segments in its capital adequacy reporting and financial statements. The only registered office of the Company is located in Finland.

### 3 | NOTES TO BALANCE SHEET ITEMS OF PARENT COMPANY (FAS)

#### 3.1 Claims on credit institutions

All repayable on demand	2023	2022
Claims from domestic credit institutions	988	450
<b>Total</b>	<b>988</b>	<b>450</b>

#### 3.2 Claims on the public and public-sector entities

	2023	2022
Convertible bonds	-	-
Receivables from group companies	699	513
<b>Total</b>	<b>699</b>	<b>513</b>

#### 3.3 Debt securities

##### Debt securities 2023

Issued by other than public corporations	Publicly quoted	Other	Total
<b>Financial assets entered at fair value through profit and loss</b>	-	-	-
Bonds issued by banks	-	-	-
Other debt securities	-	-	-

##### Debt securities 2022

Issued by other than public corporations	Publicly quoted	Other	Total
<b>Financial assets entered at fair value through profit and loss</b>	-	304	304
Bonds issued by banks	-	-	-
Other debt securities	-	304	304

#### 3.4 Shares and units

##### Shares and units 2023

	Publicly quoted	Other	Total
Financial assets entered at fair value through profit and loss	2,949	4,667	7,616
Shares and units in group companies	-	28,811	28,811

##### Shares and units 2022

	Publicly quoted	Other	Total
Financial assets entered at fair value through profit and loss	5,628	2,459	8,087
Shares and units in group companies	-	28,811	28,811



### 3.5 Intangible assets

	2023	2022
IT expenses	4,510	3,102
Office renovation expenses	605	168
<b>Total</b>	<b>5,116</b>	<b>3,270</b>

### 3.6 Tangible assets

	2023	2022
Machinery and equipment	408	247

### 3.7 Intangible and tangible assets

	2023	2022
Other intangible assets		
Acquisition cost, 1 Jan	8,211	5,980
Additions	2,980	2,231
Acquisition cost, 31 Dec	11,191	8,211
Accumulated depreciation and impairment, 1 Jan	-4,942	-4,069
Depreciation for the period	-1,133	-873
Accumulated depreciation and impairment, 31 Dec	-6,075	-4,942
<b>Carrying amount, 31 Dec</b>	<b>5,116</b>	<b>3,269</b>

Other tangible assets		
Acquisition cost, 1 Jan	900	862
Additions	266	38
Acquisition cost, 31 Dec	1,166	900
Accumulated depreciation and impairment, 1 Jan	-653	-576
Depreciation for the period	-105	-76
Accumulated depreciation and impairment, 31 Dec	-758	-653
<b>Carrying amount, 31 Dec</b>	<b>408</b>	<b>247</b>

### 3.8 Other assets

	2023	2022
Receivables from group companies	353	1,292
Other assets	2	6
<b>Total</b>	<b>355</b>	<b>1,298</b>

### 3.9 Accrued income and prepayments

	2023	2022
Items due to interests	-	8
Other accrued income and prepayments	480	453
<b>Total</b>	<b>480</b>	<b>461</b>

### 3.10 Liabilities to credit institutions and central banks

Repayable on demand	2023	2022
to credit institutions	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 3.11 Liabilities to public and public-sector entities

Repayable on demand	2023	2022
to group companies	4,089	1,651
<b>Total</b>	<b>4,089</b>	<b>1,651</b>

### 3.12 Other liabilities

	2023	2022
Tax liabilities	172	127
Other short-term liabilities	443	512
<b>Total</b>	<b>615</b>	<b>639</b>

### 3.13 Accrued expenses and deferred income

	2023	2022
Items due to interest	1	1
Personnel related	1,889	1,871
Tax liabilities	387	388
<b>Total</b>	<b>2,277</b>	<b>2,260</b>

### 3.14 Fair values and carrying amounts of financial assets and liabilities

	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	0	0	0	0
Claims on credit institutions	988	988	450	450
Claims on public and public-sector entities	699	699	513	513
Debt securities	-	-	304	304
Shares and units	7,616	7,616	8,087	8,087
Shares and units in group companies	28,811	28,811	28,811	28,811
<b>Total</b>	<b>38,114</b>	<b>38,114</b>	<b>38,165</b>	<b>38,165</b>
<b>Financial liabilities</b>				
Liabilities to credit institutions	-	-	-	-
Liabilities to public and public-sector entities	4,089	4,089	1,651	1,651
<b>Total</b>	<b>4,089</b>	<b>4,089</b>	<b>1,651</b>	<b>1,651</b>

### 3.15. Maturity of financial assets and financial liabilities

#### 31.12.2023

EUR 1,000	less than 3 months	3-12 months	1-5 years	over 5 years	Total
<b>Financial assets</b>					
Claims on credit institutions	988	-	-	-	988
Claims on public and public-sector entities	-	188	511	-	699
Debt securities	-	-	-	-	-
	988	188	511	-	1,687

#### 31.12.2022

EUR 1,000	less than 3 months	3-12 months	1-5 years	over 5 years	Total
<b>Financial assets</b>					
Claims on credit institutions	450	-	-	-	450
Claims on public and public-sector entities	-	0	513	-	513
Debt securities	-	-	304	-	304
	450	0	817	-	1,267

#### 31.12.2023

EUR 1,000	Cashflows on the basis of contracts				Total
	less than 3 months	3-12 months	1-5 years	over 5 years	
<b>Non-derivative financial liabilities</b>					
Liabilities to credit institutions	-	-	-	-	-
Liabilities to public and public-sector entities	-	4,089	-	-	4,089
	-	4,089	-	-	4,089

#### 31.12.2022

EUR 1,000	Cashflows on the basis of contracts				Total
	less than 3 months	3-12 months	1-5 years	over 5 years	
<b>Non-derivative financial liabilities</b>					
Liabilities to credit institutions	-	-	-	-	-
Liabilities to public and public-sector entities	-	1,651	-	-	1,651
	-	1,651	-	-	1,651



### 3.16 Financial instruments measured at fair value on balance sheet

#### 31.12.2023

	Level 1	Level 2	Level 3	Total
Debt securities	-	-	-	-
Shares and units	2,949	-	4,667	7,616
Shares and units in group companies			28,811	28,811
<b>Total</b>	<b>2,949</b>	<b>-</b>	<b>33,478</b>	<b>36,427</b>

Unrealised profit and loss (cumulative)

446

#### 31.12.2022

	Level 1	Level 2	Level 3	Total
Debt securities	-	304	-	304
Shares and units	5,628	-	2,459	8,087
Shares and units in group companies	-	-	28,811	28,811
<b>Total</b>	<b>5,628</b>	<b>304</b>	<b>31,270</b>	<b>37,202</b>

Unrealised profit and loss (cumulative)

194

#### Hierarchy levels

Level 1: Fair values are based on unadjusted price quotations published in an active market.

Level 2: Quoted prices other than those at level 1 that can be observed for the asset or liability in question, either directly (i.e., as price) or indirectly (i.e., derived from prices).

Level 3: Input data on an asset or liability that is not based on observable market data.

#### 3.17 Equity

	2023	2022
Share capital, 1 Jan	5,464	5,464
Addition of share capital	-	-
Share capital, 31 Dec	5,464	5,464
<b>Reserve for non-restricted equity, 1 Jan</b>	<b>25,150</b>	<b>21,916</b>
Share issues	-	3,234
Distribution of funds	-1,613	-
Acquisition of treasury shares	-91	-
<b>Reserve for non-restricted equity, 31 Dec</b>	<b>23,446</b>	<b>25,150</b>
<b>Retained earnings, 1 Jan</b>	<b>8,277</b>	<b>9,407</b>
Distribution of dividend	-8,073	-8,313
Acquisition of treasury shares	-204	-337
<b>Retained earnings, 31 Dec</b>	<b>-</b>	<b>757</b>
Profit (loss) for the period	8,565	7,521
<b>Equity, 31 Dec</b>	<b>37,475</b>	<b>38,892</b>

Information on shares and share capital has been presented in Note 26. of Consolidated Financial Statements.



## 4 | NOTES TO GUARANTEES AND COMMITMENTS

### 4.1 Guarantees provided

EUR 1,000

On behalf of others	2023	2022
Bank loan guarantees	940	-

### 4.2 Pension commitments

The pension security of the personnel has been arranged in accordance with the statutory pension insurance scheme.

### 4.3 Leasing and rental liabilities

	2023	2022
Lease Oy Julius Tallberg Ab, commitment within one year	428	426

### 4.4 Other off balance sheet items

	2023	2022
Investment commitments	4,626	-

## 5 | OTHER NOTES

### 5.1 Fees to auditors

EUR 1,000

	2023	2022
Statutory fees	41	33
Other fees	5	9

## Board of Directors' proposal concerning distribution of funds

United Bankers Plc's result for the financial period 1 January – 31 December 2023 amounted to EUR 8,565,224.08. The company's distributable assets as at 31 December 2023 were EUR 32.0 million, of which the appropriations of retained earnings are EUR 8.6 million and the distributable funds in the reserve of invested unrestricted equity fund are EUR 23.4 million.

The Board of Directors proposes to the Annual General Meeting of Shareholders that based on the balance sheet adopted for the financial period ended on 31 December 2023, a total dividend of EUR 0.50 per share be paid and an equity repayment of EUR 0.50 per share be paid from the reserve of invested unrestricted equity fund. The total dividend distribution in accordance with the proposal, calculated at the number of shares outstanding at the date of the financial statements, amounts to EUR 5,377,163.50 and the total equity repayment, calculated at the number of shares outstanding at the date of the financial statements, amounts to EUR 5,377,163.50. No dividend or equity repayment shall be payable on treasury shares held by the company.

The Board of Directors proposes that the distribution of funds would be paid in two instalments so that the dividend would be paid in April and the equity repayment in October. The dividend shall be paid to a shareholder who is registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the record date for dividend payment, 26 March 2024. The dividend is proposed to be paid out on 4 April 2024. The equity repayment shall be paid to a shareholder who is registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the record date for equity repayment, 27 September 2024. The equity repayment is proposed to be paid out on 4 October 2024. The Board of Directors proposes it be authorised, if necessary, to decide on a new equity repayment record date and payment date, if the rules of Euroclear Finland Ltd or the regulations concerning the Finnish book-entry system change or otherwise require it.

No material changes have taken place in the company's financial position since the end of the financial year. The proposed dividend distribution and equity repayment do not, according to the Board of Directors, endanger the solvency of the company.



# Signatures of the financial statements and the report of the Board of Directors

In Helsinki, on 28 February 2024

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Johan Linder  
Chairman

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Patrick Anderson  
CEO

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Tarja Pääkkönen

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Rasmus Finnilä

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Rainer Häggblom

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Lennart Robertsson

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Eero Suomela

## **AUDITOR'S NOTE**

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A report on the audit performed has been issued today.

In Helsinki, on 28 February 2024

Oy Tuokko Ltd

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Janne Elo, APA

# Auditor's report

(Translation of the Finnish Original)



## To the Annual General Meeting of United Bankers Oyj

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of United Bankers Oyj (company code 2355443-6) for the year ended 31.12.2023. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements where statement of comprehensive income shows a profit of 13,837 million euros give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements where parent company's income statement shows a profit of 8,565 million euros give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

#### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 9 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

## KEY AUDIT MATTER

## HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

*Revenue recognition of fee income (accounting principles and notes to the consolidated financial statements 3.2, pp. 152)*

- Assets managed by the United Bankers entitle the group to charge management fees and success fees and other fees on the basis of agreements with customers and partners. The fees may vary considerably from year to year.
- Fee income is calculated based on contractual and other data using both automatic systems and manual methods. This means that there is some amount of risk associated with the correctness of the calculations.
- The management fees and success fees of funds in the consolidated financial statements amounted to 39,5 million euros.
- Commissions from managed assets, structured investments and capital market services amounted to 8,3 million euros in the consolidated financial statements.
- Revenue recognition is a key audit matter as fee income forms a considerable proportion of the consolidated income statement and there is risk associated with the correctness of the calculations.
- We have studied the business processes concerning commission income and assessed the control environment.
- Our auditing procedures also include the comparison of the subledger and main accounts, substantive testing of commission income, and auditing the correctness of the timing and amounts of revenue recognised.
- As to the funds, we have audited the calculation methods of management fees and success fees and compared the applicable calculation parameters with individual fund agreements or fund rules.
- As to the capital market services, structured investments and capital market services based on the agreements we have audited the timing and amounts of revenue recognised.
- We have assessed the sufficiency of notes related to consolidated fee income in relation to the requirements of the IFRS 15 standard.

*Valuation of goodwill (accounting principles and notes to the consolidated financial statements 18.3, pp. 164-165)*

- United Bankers group has previously expanded its operations through acquisitions, resulting in a goodwill of 15,6 million euros. Goodwill represents 20% of the Group's total assets and 30% of the Group's equity.
- Goodwill is valued on the basis of management estimate about the value in use calculations of the cash generating units. The assumptions applied to determine the value in use include among others net sales growth, Group profitability and the discount rate applied on net cash flows.
- Valuation of goodwill was determined to be a key audit matter because the assessment process is judgmental and because of the significance of goodwill to the consolidated financial statements.
- We have evaluated the methodologies, impairment calculations and underlying assumptions applied by the management in the impairment testing. We have also compared the principles used for impairment testing to the requirements of the IAS 36 Impairment of assets standard.
- We have assessed the key assumptions in the calculations, such as net sales growth, operational profitability and discount rate in relation to the Group budget, external data sources and our own views of appropriate assumptions.
- We have audited the technical correctness of the calculations and assessed the historical accuracy of managements' estimation.
- We have also assessed the sufficiency of the disclosures related to goodwill. Moreover, we have assessed the adequacy of disclosures about the sensitivity of the impairment assessment.



There are no significant risks of material misstatement referred to in EU regulation No 537/241, point (c) of Article 10(2) relating to the consolidated financial statements or the parent company's financial statements.

### **Responsibilities of the Board of Directors and the Managing Director for the Financial Statements**

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## **OTHER REPORTING REQUIREMENTS**

### **Information about the audit assignment**

Oy Tuokko Ltd has acted for 22 consecutive years, since 2002, as the auditor chosen by the annual general meeting. United Bankers Oyj became a public interest entity on 18th of June 2020. Authorised Public Accountant Janne Elo has been the company's auditor since 2011.

### **Other Information**

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 28 February 2024

Oy Tuokko Ltd  
Audit Firm

Janne Elo  
Authorised Public Accountant (KHT)

# Capital adequacy management

Capital adequacy management comprises a part of the management and decision-making of the United Bankers Group at both the strategic and operational levels and, hence, constitutes a component of the reliable management of same. The objective of the capital adequacy management process is to safeguard the risk-bearing capacity of the United Bankers Group in relation to all material operational risks and thus to ensure the long-term continuity of operations. The adopted premise is that the amount, quality and allocation of own funds in the United Bankers Group must at all times be sufficient to cover the material risks encountered by the Group.

The Board of Directors of the United Bankers Group bears overall responsibility for capital adequacy management. The Board of Directors annually adopts and assesses the principles concerning capital adequacy management and the process as well as the disclosure of capital adequacy information. In order to safeguard its capital adequacy, the United Bankers Group sets risk-based capital targets and devises a capital plan for attaining such targets, submitted to the Group's Board of Directors for approval. The objective of internal control and risk management is to support the management of the Group by ensuring that the operations of the Group do not entail the assumption of risks so high as to pose a material risk to the capital adequacy or liquidity of the companies belonging to the Group.

The practical responsibility for capital adequacy management lies primarily with the financial administration and executive management of the Group. The capital adequacy management process is an element consisting of a business and capital strategy. Capital adequacy management is based on the Group's business plan, budget and capital plan, which are updated annually. The United Bankers Group strives towards proactive capital planning. The Group assesses and maintains the quantity, quality and allocation of the requisite internal capital. The amount must be sufficient to cover the risks to which the United Bankers Group is or may be ex-

posed. The Group undergoes an annual risk assessment coordinated by the risk management function, aimed to identify, assess, measure and mitigate risks, the materialisation of which would jeopardise the attainment of the Group's objectives and have an adverse effect, for instance, on the amount of capital. The capital plans contain defined targets for the capital adequacy level, along with the key risks and the methods for managing same.

The premise for measuring and assessing the risk-based capital needs of the United Bankers Group in capital adequacy management are the results produced by the Pillar 1 calculation methods. United Bankers assesses the minimum capital requirement on the basis of the results produced by the Pillar 1 calculation methods and expands the analysis by including such dimensions of said risks that are excluded from the scope of the Pillar 1 calculation (the so-called Pillar 2 elements). The total capital adequacy ratio of the United Bankers Group has been set at a minimum target level of 13%, which is being monitored. The executive management and financial administration monitor to ensure the capital adequacy management corresponds to the defined risk profile and capital adequacy targets. The financial administration reports any monitoring findings to the executive management and the Board of Directors on a regular basis. An audit firm conducts an annual assessment of the Group's capital adequacy management.

## **The capital adequacy of the Group**

The capital adequacy framework for investment firms (IFD/IFR) applies to the licensed investment firms within the Group and to the parent company United Bankers Plc as a holding entity. Pursuant to the regulation, the capital requirement of the United Bankers Group as at 31 December 2023 was determined on the basis of fixed overheads. At the end of the review period, the adequacy of the Group was at a very good level. The Group's Common Equity Tier 1 capital (CET 1) as at 31 December 2023 amounted to EUR 15.6 million (EUR 13.0 million) and the ratio of the Group's



own funds to the required minimum capital requirement amounted to 301.6 per cent (299.5 per cent). As at 31 December 2023, the Group's capital adequacy ratio calculated on the basis of the capital requirement under the IFR regulation amounted to 24.1 per

cent (24.0 per cent). The Group management has set a minimum capital adequacy target level of 13 per cent. As at 31 December 2023, the Group's equity ratio amounted to 67.7 per cent (67.1 per cent as at 31 December 2022).

## GROUP CAPITAL ADEQUACY

EUR 1,000	IFR 31.12.2023	IFR 31.12.2022
Equity	51,572	48,056
Common Equity Tier 1 (CET 1) before deductions	51,572	48,056
Deductions from CET 1		
Intangible assets	21,692	20,696
Unconfirmed profit for the period	13,289	12,539
Other deductions	963	1,860
Total deductions from CET 1	35,944	35,095
<b>Common Equity Tier 1 (CET1)</b>	<b>15,627</b>	<b>12,961</b>
Additional Tier 1 (AT1)	-	-
<b>Tier 1 (T1 = CET1 + AT1)</b>	<b>15,627</b>	<b>12,961</b>
Tier 2 (T2)	-	-
<b>Total Capital (TC = T1 + T2)</b>	<b>15,627</b>	<b>12,961</b>
<b>Own funds requirement (IFR)</b>		
Absolute minimum requirement	750	1,100
Fixed overheads requirement	5,181	4,328
K-factor requirement	1,931	1,056
<b>Applicable requirement (most restrictive)</b>	<b>5,181</b>	<b>4,328</b>
Common equity tier (CET1) / own funds requirement, %	301.6 %	299.5%
Tier 1 (T1) / own funds requirement, %	301.6 %	299.5%
Total capital (TC) / own funds requirement, %	301.6 %	299.5%
<b>Risk-weighted items total - Total risk exposure</b>	<b>64,758</b>	<b>54,100</b>
<b>Common equity tier (CET1) / risk-weights, %</b>	<b>24.1%</b>	<b>24.0%</b>
Tier 1 (T1) / risk-weights, %	24.1%	24.0%
Total capital (TC) / risk-weights, %	24.1%	24.0%



# United Bankers Plc

## Corporate governance statement 2023

### 1. Introduction

United Bankers Plc (hereinafter "United Bankers" or "Company") is a Finnish public limited liability company, whose shares are publicly traded on the official list of Nasdaq Helsinki Ltd ("Helsinki Stock Exchange") under the ticker symbol UNITED.

United Bankers complies with all of the recommendations in the Corporate Governance Code for Finnish Listed Companies issued by the Finnish Securities Market Association on 1 January 2020 (the "CG Code"). The CG Code is available from the website of the Finnish Securities Market Association at [www.cgfinland.fi](http://www.cgfinland.fi).

United Bankers' Corporate Governance Statement ("CG Statement") regarding the financial year 2023 has been devised according to the CG Code. United Bankers presents the CG Statement as a separate report from the Board of Directors' annual report and the official financial statements. The CG Statement, along with the Company's Financial Statements, Board of Directors' Report, and Audit Report, as well as all other documents required by the Corporate Governance Code, are available on United Bankers' website at [unitedbankers.fi](http://unitedbankers.fi).

United Bankers' corporate governance is based on its Articles of Association, the Companies Act, the Securities Market Act, the Market Abuse Regulation (MAR), regulations and guidelines issued by the Finnish Financial Supervisory Authority, as well as the rules and insider guidelines of Helsinki Stock Exchange. In

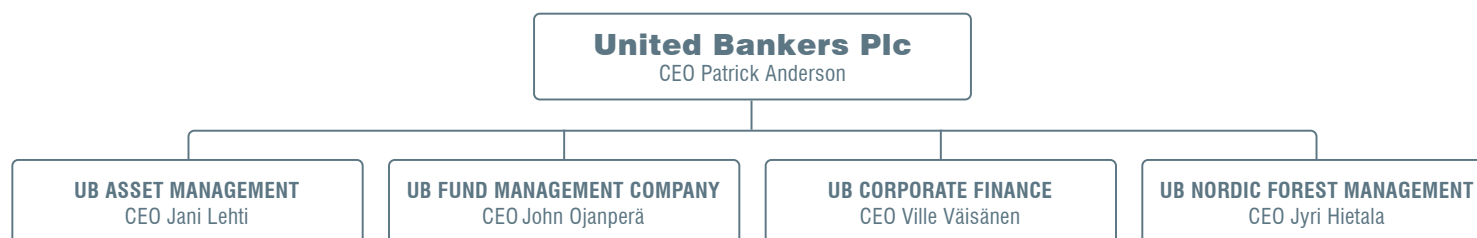
addition, in its capacity as an entity owning an investment services company and a fund management company, the Company is obligated to abide by financial industry regulation. Consequently, corporate governance of the Company entails also complying with the Act on Investment Services, Act on Credit Institutions to the extent applicable, the provisions of the Act on Mutual Funds and Act on Alternative Investment Fund Managers, as well as the guidelines issued by the European Banking Authority (EBA) and the European Securities Market Authority (ESMA).

In addition, United Bankers' decision-making, governance, and operations are guided by the Company's values and its internal Code of Conduct. For United Bankers, responsibility means economic, social, and environmental responsibility. As a company, United Bankers wants to take ownership and support the sustainable development of the environment and society. This is reflected in the Company's strategy, values, and actions. Responsibility is also a key part of our value creation and United Bankers' growth strategy.

### 2. Descriptions concerning corporate governance

#### 2.1 Governance structure

In addition to the parent company United Bankers, acting as the holding company, the United Bankers Group encompasses four subsidiaries fully owned by the Company: UB Asset Management Ltd, UB Fund Management Company Ltd, UB Corporate



Group structure as of 31 December 2023



Finance Ltd, and UB Nordic Forest Management Ltd, the two first-mentioned of which constitute licensed companies subject to the supervision of the Finnish Financial Supervisory Authority. In addition, the United Bankers Group includes the subsidiaries of the aforementioned subsidiaries (hereinafter, all of the aforementioned companies, along with their subsidiaries, jointly referred to as "United Bankers Group").

The administration, management, and oversight of United Bankers is divided between the General Meeting of Shareholders, the Board of Directors and the CEO as described below. In the operative management of the Company, the CEO is assisted by the other members of the Company's Management, consisting of the directors of the various business segments of the United Bankers Group, as well as of the directors of different Group functions. The Management Team manages matters relating to the entire Group. The Management Team assists the CEO in the adoption and implementation of Group-level operating principles and procedures. The CEO acts as the Chairman of the Management Team.

The planning, strategic management, steering, and risk management of the operations of the United Bankers Group have been centralised within the group's parent company United Bankers. The Board of Directors of the parent company also addresses certain more far-reaching and substantial matters of the subsidiaries in its meetings, as well as exercises ownership control in all its subsidiaries. The Board of Directors of the parent company addresses matters from the group's perspective and at a more general level than the Boards of the subsidiaries.

In United Bankers' each subsidiary, executive power is vested not only with the parent company, but also with the own Board of Directors and CEO of each subsidiary. The Boards of the subsidiaries have, when applicable, adopted the intra-group guidelines, governance and steering systems, processes, and mechanisms affirmed by the Board of Directors or the CEO of the parent company as binding upon the subsidiaries to ensure the organisation of effective and dependable corporate governance. Regardless of group-level decision-making, licensed companies within the Group are responsible for completing the tasks assigned to them under the legislation and authority regulations.

During the financial year 2023, United Bankers executed an intra-group restructuring with the purpose of simplifying the group structure. The restructuring was carried out as mergers and demergers of United Bankers' wholly owned subsidiaries. UB Securities Ltd demerged in accordance with the Finnish Companies Act in a full demerger, in which the acquiring companies were UB Asset Management Ltd and a new United Bankers' wholly owned subsidiary UB Corporate Finance Ltd, established in connection with the completion of the demerger. UB Securities Ltd ceased to exist on the execution date of the demerger, and UB Asset Management Ltd acquired all licensed operations, including safekeeping of financial instruments. The new UB Corporate Finance Ltd carries out Corporate Finance advisory services, i.e., advisory services regarding mergers and acquisitions and Nasdaq Certified Adviser activities. Simultaneously but as separate arrangements, both of UB Brokerage Company Ltd and its insurance intermediary and subsidiary UB Life Ltd merged into UB Asset Management Ltd. The execution date of the arrangements was 31 December 2023. Additionally, UB Life's Luxembourg branch was closed down.

## **2.2 General Meeting of Shareholders**

The General Meeting constitutes United Bankers' highest decision-making body, where shareholders of the Company participate in the steering and supervision of the Company. At the General Meeting, each United Bankers share confers one (1) vote. By attending the General Meeting either in person or via a proxy, shareholders may exercise their right to speak and vote and to participate in the decision-making in matters related to the Company. The Board of Directors may decide that the shareholders may also attend the General Meeting in a manner whereby shareholders exercise their decision-making powers by using telecommunications and technical means before or during the General Meeting.

The matters to be addressed at the General Meeting have been determined in the Companies Act and in United Bankers' Articles of Association. In addition to the matters determined by legislation and the Articles of Association, the General Meeting discusses any matter presented to the meeting by the Board of Directors. Pursuant to the Companies Act, the shareholders have the right to have a matter falling under the competence of the General

Meeting discussed at the meeting. The Company announces annually on its website, on 31 December at latest, the date by which shareholders must submit to the Company's Board of Directors any matter they wish the subsequent Annual General Meeting of Shareholders to discuss.

Notice of the General Meeting is published on the Company's website and by means of a stock exchange release at earliest of two months and at latest of three weeks prior to the General Meeting, however, no less than nine days prior to the date of record of the General Meeting. Documents to be presented at the General Meeting and resolution proposals of the Board of Directors to the General Meeting are made available for review on the United Bankers' website at latest of three weeks prior to the General Meeting.

To ensure the interaction between the shareholders and the Company's governing bodies, as well as the shareholders' right to pose questions, the Chairman of the Board of Directors, members of the Board of Directors, and the CEO are, as a rule, present at the General Meeting. In addition, a nominee for the Board of Directors must be present at the General Meeting resolving upon their election. Furthermore, the auditor of the Company is present at the Annual General Meeting of Shareholders.

In 2023, the Annual General Meeting of Shareholders was held in Helsinki on 22 March 2023. The Board of Directors decided that the company's shareholders may also exercise their voting rights by voting in advance. Shareholders who were registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the record date of the Annual General Meeting had the possibility to follow the Annual General Meeting via a webcast. A total of 51 shareholders were represented at the General Meeting, having voted in advance or attending the General Meeting either in person or by a proxy. Approximately 50 per cent of the votes conferred by all the shares were represented at the meeting. The shareholders did not submit any counterproposals or pose any questions.

In addition, Johan Linder, Chairman of the Board of Directors and Board Members Rasmus Finnilä, Rainer Häggblom, Tarja Pääkkönen and Eero Suomela, CEO Patrick Anderson, Jarmo Henriksen, Attorney at Law, Nina Rosenlew, General Counsel and the

Company's principal auditor, Oy Tuokko Ltd, represented by the company's principal auditor were also present at the Annual General Meeting. Also members of the company's management team and other staff as well as representatives of Innovatics Oy, the company's registration and voting service provider for the AGM were present at the meeting.

An Extraordinary General Meeting of Shareholders is convened when deemed expedient by the Board of Directors. In addition, the auditor and shareholders representing more than ten per cent of the Company's shares, have the right to require the convening of an Extraordinary General Meeting to process a matter they have brought forth. No Extraordinary General Meetings were convened in 2023.

## **2.3 Board of Directors**

### **2.3.1 Composition of the Board of Directors**

The General Meeting elects the members of the Board of Directors. The names of the candidates are stated in the notice of the General Meeting.

Pursuant to the Articles of Association, the Board of Directors must consist of no less than four and no more than eight ordinary members. The Board of Directors elects their Chairman and Vice Chairman from among its members. Members of the Board of Directors are elected for a term ending at the adjournment of the first Annual General Meeting of Shareholders following the election. The General Meeting resolves upon the remuneration payable to the members of the Board of Directors.

The Company's Articles of Association do not contain any provisions regarding the order in which the members of the Board of Directors are to be appointed. The proposal to the Annual General Meeting of Shareholders as to the number of members of the Board of Directors as well as composition and remuneration of the Board of Directors is submitted by the major shareholders of the Company.

The Company discloses the following personal and ownership information concerning the members of the Board of Directors:



name, year of birth, year of commencement of Board membership, education, nationality, principal occupation, as well as the number of Company shares owned by them and/or their controlled corporations. Additionally, according to the CG Code, any dependency on the Company or the major shareholders of the Company, as well as grounds on which the member of the Board of Directors is not considered independent, are stated. The criteria are available on the Company's website at [unitedbankers.fi](http://unitedbankers.fi).

The Company's major shareholders are responsible for all proposals concerning the number of Board of Directors as well as Board composition and remuneration. Evaluation of the knowledge,

skills, and experience of the members of the Board of Directors is conducted in accordance with the financial industry regulation, both concerning new members and on a regular basis, all members of the Board of Directors. In addition, the board nominations seek to foster diversity within the Board of Directors.

On 22 March 2023, the Annual General Meeting of Shareholders confirmed the number of the members of the Board of Directors at six and re-elected the following members to United Bankers' Board of Directors:

Board Member	Born	Member since	Education	Nationality	Main occupation	Number of shares held in United Bankers 31 Dec 2023*
Johan Linder, Chairman since 2010	1959	2010	LL.M	Finnish	United Bankers Plc, Chairman of the Board, Oy Karl Fazer Ab, Board member	36,529
Lennart Robertsson, Vice Chairman since 2018	1959	2017	BSc (Econ and Bus Admin)	Swedish	United Bankers Plc, Vice Chairman of the Board; InterFagervik AB, founder, Chairman of the Board	2,910
Rainer Häggblom	1956	2014	MSc (Agriculture and Forestry), MSc (Econ and Bus Admin)	Finnish	Häggblom & Partners Ltd. Oy, Chairman of the Board	106,906
Tarja Pääkkönen	1962	2018	MSc (Tech), Lic.Sc.(Tech) D.Sc. (Tech, Strategies)	Finnish	Boardman Oy, Partner	10,342
Eero Suomela	1953	2020	MSc (Econ and Bus Admin)	Finnish	Board professional	10,000
Rasmus Finnilä	1960	2022 (a member also during 2013-2020)	MSc (Econ and Bus Admin)	Finnish	Asset Manager, UB Asset Management Ltd	1,103,320
						<b>Total 1,270,007</b>

\*) Number of Company shares held by the Board members and their controlled corporations at the end of the financial period on 31 December 2023.

The Board of Directors elected Johan Linder as its Chairman and Lennart Robertsson as its Vice Chairman. Nina Rosenlew, General Counsel, acted as the secretary to the Board of Directors.

The members of the Board of Directors are not a part of the operative management of the company.

### **2.3.2 Competence and independence requirements for the Board of Directors**

A person to be elected as a member of the Board of Directors must possess both the competence and the sufficient time to carry out the task. In addition to the CG Code, independence and competence requirements for Board members have been stipulated in the Act on Investment Services, in the regulations and guidelines issued by the Financial Supervisory Authority as well as in other regulation and guidelines applicable to the financial industry.

The Company facilitates the working of the Board through providing members of the Board of Directors with sufficient information concerning the operations of the Company and of the United Bankers Group. A member of United Bankers' Board of Directors must submit to the Board of Directors and to the Company adequate information in order to have the assessment of their competence and independence carried out, as well as communicate any changes in such details. The Board of Directors conducts an assessment of the independence of its members and announces the outcome of the assessment on the Company's website. The assessment of independence also considers the comparable circumstances of private persons or legal entities belonging to the member's circle of related parties. Companies belonging to the same corporate group as the company are equated with the company.

United Bankers' Board of Directors consists both of experts in the industry the Company operates in, and of representatives of the Company's major shareholders. Based on the member-specific overall assessment conducted by the Board of Directors in accordance with the CG Code, four of the members of the Board of Directors are independent of the Company: Johan Linder, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela. Johan Linder has been a continuous member of the Board of Directors for more than ten years, but according to the Board's overall assessment, it has not compromised his independence nor are there any other factors or matters that would compromise his independence. According to the assessment of the Board of Directors, five of the members of the Board of Directors are independent of the Company's major shareholders: Johan Linder, Rainer Häggblom, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela. Four of

the members of the Board of Directors are independent both of the Company and of the Company's major shareholders: Johan Linder, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela.

### **2.3.3 Principles concerning the diversity of the Board of Directors**

United Bankers' Board of Directors seeks to promote the diversity of the composition of the Board of Directors. The principles concerning diversity of the Board of Directors are included in the Company's Fit & Proper as well as suitability principles, which are considered in the working of the Board of Directors, and in the planning of the composition of the Board. The diversity of the Board of Directors is examined from a variety of aspects. Pertinent factors include, for instance, that the experience and educational backgrounds of the members are mutually complimentary, ensuring that a variety of skillsets are represented on the Board, the varying age and gender allocation of members, different backgrounds of the members in terms of board work or other leadership experience, as well as the personal attributes of the members. Diversity encourages open discourse between the members and facilitates the decision-making of the members of the Board of Directors. The materialisation of diversity and progress towards the attainment of the diversity objectives are assessed in the annual self-assessment of the Board of Directors.

The Company has been implementing the diversity requirements in the composition of the Board of Directors. At the close of the 2023 financial period, members of the Board of Directors represented experience from a variety of executive and board positions, expertise on the capital markets and business life and possessed mutually complimentary educational backgrounds, skillsets, and experience. All of the members of United Bankers' Board of Directors possess university degrees, representing economic sciences, law, agriculture and forestry as well as engineering sciences. The longest term of office of the Board members had lasted for thirteen (13) years, and the shortest two years, with the median being five and a half (5.5) years. The median figure of the years of birth of the members of the Board of Directors was 1959, and the age difference between the youngest and oldest member was 9 years.

In selecting the Board of Directors, the objective is to ensure a composition that is as diverse as possible. Both genders must be represented at the Board of Directors. The representation of both genders on the Board of Directors is considered a factor complementing diversity. The General Meeting elected five (5) male members and one (1) female members to the Board of Directors.

#### **2.3.4 Duties of the Board of Directors**

United Bankers' Board of Directors is entrusted with the overall responsibility for the steering and oversight of the Company and the Group and for ensuring that the Company's corporate governance, operations as well as the supervision of its accounting and asset management activities are duly organised. The Board of Directors discusses and adopts the Company strategy, as well as the principles and procedures regarding the organisation, accounting, and oversight of asset management. The Board of Directors has devised written Rules of Procedure for its operations, setting forth its fundamental duties and meeting practices.

The duties of the Board of Directors include, inter alia:

- Adopting the strategy and vision for the different business areas of the Company and of the United Bankers Group, as well as overseeing the execution of the strategy
- Adopting the Company's commercial and financial objectives, as well as the strategic plans of the Group and its business segments and monitoring the development of the operative business functions of the group companies, changes in the operating environment and the attainment of the set targets
- Adopting the organisational structure and values of the Company and of the United Bankers Group
- Ensuring that the supervision of accounting and asset management is duly arranged as well as seeing to the proper arrangement of corporate governance and operations
- Adopting internal governance and steering principles as well as monitoring the appropriateness thereof
- Based on the proposal of the Audit Committee, adopting all internal guidelines, principles and policies required under the regulation and subject to Board approval
- Based on the proposal of the Audit Committee, adopting the Company's Corporate Governance Statement
- Adopt the ESG principles and ESG report of the United Bankers group of companies
- Resolving upon the establishment and composition of Board committees
- Adopting the Rules of Procedure of the Board of Directors and its committees and the Management Team and assessing that their content is appropriate and up-to-date
- Resolving upon matters of substantial financial significance or in terms of principle, reorganisations, establishment, modification or discontinuation of business functions, investments, mergers and acquisitions, as well as divestments
- Resolving upon matters pertaining to the Company's shares and other financial instruments, as well as on other related measures
- Approving material agreements, transactions, and other arrangements between the related parties of the United Bankers Group and the group companies
- Regularly processing reporting concerning the Company's financial standing, including capital adequacy and liquidity management, the operating results of the Company and of the United Bankers Group as well as the development of sales and personnel
- Monitoring the financial statements and other financial reporting and reliability of such reporting
- Approving the Company's financial statements and half-year reports as well as financial results releases
- Assessing the independence and competence of the members of the Board of Directors annually and overseeing that the members of the Board of Directors satisfy the independence requirements
- Assessing its own performance as a self-assessment once a year at the end of the period of office, also including an assessment of committee work
- Assessing and providing feedback to the CEO on their performance on an annual basis
- Appointing and dismissing the CEO, resolving upon the terms and conditions of the CEO's service agreement as well as, based on the proposal of the CEO, appointing members of the Company's Management Team

- Monitoring the expediency of the CEO's actions as well as supervising and steering the operative management of the Company
- Approving and proposing the remuneration policy to the General Meeting
- Processing and approving, based on a proposal by the Remuneration Committee, the principles of the United Bankers' remuneration systems
- Approving and presenting the remuneration report to the General Meeting, approving other information concerning remuneration
- Monitoring and supervising the efficiency, functioning, and procedures of internal control as well as risk and capital adequacy management, as well as approving the operating principles of internal control and internal audit, and risk and capital adequacy management
- Overseeing that the applicable laws and authority regulations are adhered to within the United Bankers Group and that the competent authorities are duly reported to
- Approving and overseeing the Company's and the United Bankers Group's overall risk strategy, processing the report on risk management, the compliance function as well as on the risks actualised
- Convening the Annual General Meeting of Shareholders and submitting proposals to it, determining the Company's dividend policy, and making a proposal to the Annual General Meeting of Shareholders on dividend distribution
- Confirming the objectives in the United Bankers Group's personnel plan
- Processing pending and threatened legal and administrative processes that may have a material effect on the financial standing of the Company

United Bankers' Board of Directors addresses matters of its wholly-owned subsidiaries at a general level in its meetings, to the extent such matters have material financial relevance or are far-reaching in their effects or are significant in terms of principle. The actual resolutions are, however, passed at the Board meetings of each subsidiary.

It is the obligation of the Board of Directors to promote the interests of the Company and of all its shareholders. The Board of Directors assesses its operations and working methods annually and refines its operation based on the outcome of the assessment.

### 2.3.5 Attendance at meetings of the Board of Directors

United Bankers' Board of Directors convenes in accordance with a pre-confirmed meeting schedule, as a rule once per month and no less than ten times per year. Where necessary, or owing to the urgency of matters, the Board of Directors may also convene more often than this or pass resolutions without convening a meeting. During the financial period of 2023, the Board of Directors convened a total of fifteen times.

#### Attendance of members of the Board of Directors at meetings in 2023:

<b>Board member</b>	<b>Meetings</b>
Johan Linder, Chairman	14/15
Lennart Robertsson, Vice Chairman	15/15
Rasmus Finnilä	15/15
Rainer Häggblom	14/15
Tarja Pääkkönen	15/15
Eero Suomela	14/15

### 2.3.6 Board's self-assessment

The Board of Directors assesses its performance and operating methods on an annual basis. The assessment is usually conducted in the form of a self-assessment and the results are addressed and discussed at the December meeting of the Board of Directors. Board members evaluate the performance of the Board of Directors in their duties and responsibilities set forth above, the composition and structure of the Board of Directors, working culture, efficiency of Board meetings, as well as the performance of individual members of the Board of Directors. Furthermore, members of the Board of Directors evaluate the performance and working methods of the Chairman of the Board of Directors and of the committees. Any identified areas for improvement are considered when planning the work of the Board of Directors.

## 2.4 Committees of the Board of Directors

### 2.4.1 General

United Bankers' Board of Directors has established an Audit Committee and a Remuneration Committee for the purposes of preparing matters under its responsibility, reporting on their work to the Board of Directors on a regular basis.

The Board of Directors appoints the members of each committee and their chairmen from among its members each year at the organizational meeting of the Board of Directors following the Annual General Meeting. Each committee shall consist of at least three members. The committees are not vested with any independent decision-making power, but, rather, the Board of Directors passes resolutions based on their preparatory work.

### 2.4.2 Audit Committee

The Audit Committee is tasked with assisting United Bankers' Board of Directors in ensuring that the United Bankers Group has in place an adequate internal monitoring system encompassing its entire operations, seeing to it that the Company's risk management has been appropriately arranged and monitoring the reporting process pertaining to the financial statements. Further duties of the Audit Committee include, inter alia:

- monitoring and assessing the correctness of the Company's financial reporting, as well as the reliability of such reporting, and monitoring the content and scope of the statutory audit of the financial statements and of the consolidated financial statements;
- overseeing the annual accounts reporting process and issuing recommendations with the intention of ensuring the reliability of the reporting process;
- overseeing the formulation of the Company's accounting practices;
- monitoring that the Company's operations and internal control has been organised in a manner required by the applicable laws, regulations, as well as by good management and governance practices; and

- preparing the proposal to be submitted to the Annual General Meeting of Shareholders concerning the selection and remuneration of the auditors.

A minimum of two members of the Audit Committee must be independent of United Bankers and a minimum of one member must be independent of United Bankers' major shareholders. No less than one member of the Audit Committee must be an independent person with expertise in accounting or auditing.

The members of United Bankers' Audit Committee in 2023 and the attendance at meetings per each member is indicated in the following table.

<b>Audit Committee member</b>	<b>Attendance in meetings</b>
Eero Suomela, Chairman	7/7
Rainer Häggblom	7/7
Johan Linder	6/7

### 2.4.3 Remuneration Committee

The Remuneration Committee assists the Board of Directors in preparing matters pertaining to the general remuneration principles and the remuneration and the succession of the CEO and senior management. The Remuneration Committee also prepares matters regarding the remuneration of the heads of control functions. Furthermore, tasks of the committee include assisting the Board of Directors with preparing matters pertaining to the remuneration of the personnel, as well as in the regular assessment of the functioning of the remuneration system and supervision of its compliance.

The majority of the members of the Remuneration Committee must be independent of United Bankers. The members of the Remuneration Committee in 2023 and the attendance at meetings per each member is indicated in the following table.

<b>Remuneration Committee member</b>	<b>Meetings</b>
Johan Linder, Chairman	4/4
Tarja Pääkkönen	4/4
Lennart Robertsson	4/4

## 2.5 CEO

Patrick Anderson (born 1979), MSc (Economics and Business Administration), has acted as the CEO of United Bankers since 2010.

The CEO executes and oversees United Bankers' day-to-day business operations and administration in accordance with the resolutions of the Board of Directors, and guidelines issued by the Board of Directors. The CEO ensures that the United Bankers Group's accounts are kept in accordance with the legislation and that financial management and asset management has been arranged reliably. The CEO further ensures that the risk management, compliance function, and internal audit of the United Bankers Group have been organised in an expedient manner and in accordance with the principles and guidelines adopted by the Board of Directors.

The CEO is appointed by United Bankers' Board of Directors. The CEO is only permitted to undertake actions that are unusual and far-reaching considering the scope and nature of the Company's activities when authorised to do so by the Board of Directors. The CEO shall not be elected to act as the Chairman of the Board of Directors or, as a rule, as a member of the Board of Directors.

The ownership in the Company held by the CEO and his controlled corporations as at the close of the financial period, on 31 December 2023:

CEO	Shares	Type of book-entry securities
Patrick Anderson	601,232	Share

In addition to the CEO of the parent company, United Bankers, each of the subsidiaries in the United Bankers Group have a CEO of their own. The CEO of each of the subsidiaries in the United Bankers Group primarily reports to the Board of Directors of the subsidiary in question, as well as to the CEO and Management Team of the parent company. The CEOs of the subsidiaries also report to United Bankers' Board of Directors when necessary.

## 2.6 Other management

The task of the United Bankers' Management Team is to assist the CEO of United Bankers in the operational management of the United Bankers group in accordance with the objectives set by the Board of Directors. The Management Team, inter alia, processes and prepares matters related to the business strategy and the internal guidelines of the United Bankers Group. The Management Team convenes regularly on a monthly basis, usually once a week. The Management Team is not an actual governing body under company law, but it has de facto a significant position within the organisation of the Company's management.

The members of the United Bankers' Management Team, as well as their years of birth, education, area of responsibility, year of commencement of Management Team membership, as well as the number of shares in the Company held by them and/or their controlled corporations have been set forth below.

- Patrick Anderson (b. 1979), MSc (Economics and Business Administration), CEO of United Bankers, Chairman of the Management Team 2010-
- Jani Lehti (b. 1966), MSc (Economics and Business Administration), CEO of UB Asset Management Ltd 2005-, member of the Management Team 2012-
- Inka Noramaa (b. 1975), MSc (Economics and Business Administration), Director of Investor Relations and Communications, member of the Management Team 2018-
- John Ojanperä (b. 1981), MSc (Economics and Business Administration), CEO of UB Fund Management Company Ltd, member of the Management Team 2016-
- Timo Ronkainen (b. 1965), MSc (Economics and Business Administration), Director of Institutional Asset Management at UB Asset Management Ltd, member of the Management Team 2012-
- Jarkko Saukkola (b. 1968), MSc (Economics and Business Administration), COO of United Bankers, member of the Management Team 2018-
- Jukka Rasku (b. 1979), MSc (Economics and Business Administration), Director of Private Asset Management at UB Asset Management Ltd, CEO of UB Brokerage Ltd 2020-2023, member of the Management Team 2020-



John Ojanperä acts as the secretary for the Management Team. As a main rule, in 2023, the Management Team convened on a weekly basis.

The Company ownership held by members of the Management Team and their controlled corporations at the end of the financial period on 31 December 2023:

<b>Management Team member</b>	<b>Pcs</b>	<b>Book-entry securities category</b>
Patrick Anderson, CEO	601,232	Share
Jani Lehti	494,850	Share
Inka Noramaa	85,575	Share
John Ojanperä	65,745	Share
Jukka Rasku	15,732	Share
Timo Ronkainen	245,355	Share
Jarkko Saukkola	13,494	Share

The Company's Board of Directors resolves upon the terms and conditions of the service and employment relationships of the CEO and members of the Group's Management Team as well as other compensation. Further details concerning remuneration are available from United Bankers' website at [unitedbankers.fi](https://unitedbankers.fi).

### **3. Internal control, risk management and other control procedures**

#### **3.1 General description of internal control**

With the assistance of the Audit Committee, United Bankers' Board of Directors is responsible for the evaluation and monitoring of internal control and risk management systems. Internal control and risk management encompasses all the functions of the United Bankers Group. The objective of the risk management of the United Bankers Group is to seek to systematically identify, assess, process, and prevent risks resulting from the business operations of the Group that may either in the short or in the long term have a negative impact on the business of the United Bankers Group or its revenue formation, or compromise its operations as mandated by regulation.

The Board of Directors confirms the principles of risk management, internal control, internal audit and the compliance function, liabilities, Group risk limits, and other general guidelines in accordance with which the internal control, risk management, compliance function, and internal audit are organised. The CEO is responsible for the implementation of the principles affirmed by the Board of Directors within the organisation of the United Bankers Group.

The internal control and risk management of the United Bankers Group are built on the principle of three lines of defence:

#### **3.1.1 Business segments – First line of defence**

Risk management is part of internal control. Consequently, the Group's subsidiaries and business segments, as the first line of defence, are responsible for the identification of risks, risk management measures, as well as the construction of the internal control processes and knowhow. The Boards of Directors and management of the Group's subsidiaries, as well as the directors of the business segments are responsible for ensuring that risk management and internal control is at an adequate level in the said functions through ascertaining the appropriate safeguards as well as processes for identifying, assessing and management of risks.

#### **3.1.2 Risk management and compliance – Second line of defence**

The parent company risk management and compliance functions independent of the business of the United Bankers Group comprise the second line of defence in risk management and internal control. The risk management and compliance functions maintain and develop internal control and risk management methods, propose improvements to risk management principles and devise internal guidelines and processes. They additionally support, maintain, and monitor the actualisation of risk management and internal control, the deployment of methods and principles as well as the legality of governance and of the business.

The risk management functions support the management and business functions of the United Bankers Group and of its subsidiaries subject to supervision by providing a systematic approach to the evaluation and development of the risk management, over-



sight, and administrative processes. The task of the risk management function is to ensure and monitor that the risk management is at an adequate level relative to the quality, scope, diversity, and risks of the business of the companies within the United Bankers Group. The risk management function oversees the day-to-day business, as well as compliance with the risk limits designated for the business segments and the risk exposure principles and guidelines. The risk management function reports to the Board of Directors on a biannual basis and to the Management Team on a quarterly basis.

The compliance function is responsible for overseeing compliance with the regulation within the operations of the United Bankers Group as well as supports management and the business segments in the application of legislation, authority regulations and internal guidelines. The compliance function develops and oversees compliance with due procedure in customer relationships as well as the materialisation of the ethical principles within the United Bankers Group. The compliance function reports its observations regularly to United Bankers' Board of Directors or the Audit Committee and to the Management Team. Furthermore, the compliance function reports its findings to the Board of Directors biannually.

### **3.1.3 Internal audit – Third line of defence**

The third line of defence consists of internal audit, independent of the business functions and providing support for the Board of Directors and senior management. The Board of Directors of the parent company of the United Bankers Group approves the internal audit action plan annually, upon the internal audit's presentation. The task of the internal audit is, through targeted audits, to assess the functioning, expediency, and effectiveness of the United Bankers Group's internal oversight system objectively and systematically, as well as compliance with internal guidelines and their development. A separate audit report is devised of each audit. The audit report includes the findings of the internal audit, as well as recommendations for remedial action.

The United Bankers Group does not have a separate internal audit function of its own. The operation of internal audit in the United Bankers Group has been arranged as an outsourced service, op-

erated by a reputable external operator selected by the Company's Board of Directors. In 2023, internal audit was entrusted to KPMG Oy Ab.

### **3.3 Financial reporting process**

Oversight of the financial reporting of the United Bankers group is the responsibility of the parent company's Board of Directors. The Board of Directors oversees the financial reporting with the assistance of the Audit Committee. Furthermore, the tasks of the Audit Committee include the regular assessment of the risk and capital adequacy management, as well as financial audit monitoring.

United Bankers' CEO and CFO are tasked with ensuring that the accounting and financial reporting complies with law, the applicable accounting policies, and the guidelines issued by United Bankers' Board of Directors. The accounting and financial reporting of the United Bankers Group has been centralised within the financial administration of the parent company. United Bankers' financial administration is centrally responsible for external calculation and reporting to the Board of Directors and the Management Team. United Bankers' financial administration is also responsible for the monitoring and reporting of the performance of each business segment. The Board of Directors, the Audit Committee, CEO, and the Management Team are responsible for the monitoring and thereby ensure the efficiency of internal controls.

United Bankers' consolidated financial statements for 2023 were devised in accordance with the International Financial Reporting Standards (IFRS). Alongside the IFRS standards, the preparation of the United Bankers Group's financial statements is subject to legislation, regulations, and guidelines applicable to investment services companies and fund management companies. In addition to its annual accounts, the United Bankers Group also devises a half-year report published every six months in accordance with the IAS 34 standard. The guidelines and calculation principles regarding financial reporting are applied in all the group companies.

### **3.4 Capital adequacy management**

The capital adequacy management of the Company comprises part of the financial management and administration of the United

Bankers Group both on strategic and operative level. The objective of capital adequacy management is to ensure the group's risk tolerance, as well as the non-disrupted business continuity also in the case of any unexpected events. The assessment of capital adequacy is based upon the identification, measurement, and assessment of risks. Capital adequacy management and proactive capital planning serves to ensure that the United Bankers Group's own funds are sufficient to cover the material risks encountered by the Group and the business operations. The adequacy of the capital buffer is tested through stress tests.

#### **4. Audit**

At the Annual General Meeting of Shareholders, the shareholders annually elect an auditor for the Company that must be an audit firm certified by the Finland Chamber of Commerce. The proposal prepared by the Company's Board of Directors as to the auditor is announced in the notice of the General Meeting. United Bankers' Annual General Meeting of Shareholders held on 22 March 2023 elected Oy Tuokko Ltd as the Company's auditor, with the responsible auditor being Authorised Public Accountant Janne Elo.

The auditors verify that the financial statements of the United Bankers Group are prepared in accordance with the applicable legislation and guidance and present a true and fair view of the financial performance and financial position of the Group to the shareholders and other stakeholders. As part of the annual audit assignment, the auditors of the United Bankers Group audit the books and administration of the Group parent company and its subsidiaries. The requirements of internal control are considered in the audit plans of the auditors. The auditors submit an annual audit report to United Bankers' Annual General Meeting of Shareholders. Additionally, the auditors report to the Board of Directors the key items in the audit plan, as well as provide a written audit report concerning the entire corporate group in connection with each half-year report and annual accounts.

The total fees paid to the auditors in 2023 amounted to EUR 142,655. The audit fee amounted to EUR 122,013. Fees unrelated to the audit amounted to EUR 20,642. The other fees primarily consist of legal and tax advisory services.

#### **5. Main procedures relating to insider administration**

The United Bankers Group adheres to the insider and trading guidelines adopted by the parent company's Board of Directors. United Bankers has in place an insider administration organisation determined by the Board of Directors, including the person in charge of insider matters and their deputy, as well as the compliance function. Insider administration is responsible for establishing, maintaining and updating insider registers, maintains the register of persons of the management subject to the disclosure obligation and of their related parties, verifies the details of those considered as insiders on a regular basis, is responsible for granting trading permissions, oversees the compliance with insider regulations and provides information of the closed periods relating to trading with the Company's share.

The Company has determined that the persons obligated to disclose their transactions with United Bankers' share and other financial instruments include United Bankers' Board members, CEO, other members of the Management Team, the CFO and Finance Manager, as well as their related parties.

The Company maintains a list of the management members subject to the disclosure obligation and of their related parties. The statutory information concerning the persons role in the management, their related parties as well as their controlled corporations and corporations which they have influence over is maintained in the register. A register of the members of the management subject to the disclosure obligation and their related parties does not constitute an insider register.

United Bankers publishes information concerning a transaction effected by a member of the management or one of their related parties immediately, or latest within two (2) working days of receiving a notification concerning the transaction.

United Bankers maintains project-specific insider registers of persons having access to insider information, as required under the insider regulation. Each person included on an insider register is notified in writing of their inclusion on the list, together with the obligations and sanctions relating thereto. Persons possessing inside



information are not allowed to engage in trade with the securities of the relevant company. Persons entered on a project-specific insider register are also notified in writing of the termination of the insider project and related obligations.

Furthermore, United Bankers maintains a supplementary section of the insider register consisting of permanent insiders, identifying persons with a continuous access to insider information in the Company. These registers are not public.

Pursuant to the internal trading permission procedure of the United Bankers Group, members of the Boards of Directors of the Group companies, as well as persons employed by the United Bankers Group and its tied agents, as well as legally incompetent persons for whom such persons act as guardians, along with controlled corporations of such persons, must also request a written permission from the person responsible for insider matters to trading with United Bankers' shares or other financial instruments prior to carrying out such transaction. The aforementioned persons and instances must also not engage in shorting of United Bankers' shares or other financial instruments.

United Bankers adheres to a 30-day closed period, ending in the publication of a half-year report or a financial statements release. During the closed period, the aforementioned persons and instances are not allowed to trade with United Bankers' shares or other financial instruments.

## **6. Principles concerning related-party transactions**

United Bankers assesses and monitors transactions carried out with its related parties and ensures that any conflicts of interest are duly considered in the Company's decision-making. The Company's Board of Directors has determined the instances considered as related parties of the Company, with United Bankers' CEO, together with the financial administration, being responsible for compiling, maintaining, and updating the register of related

Transactions between the Company and its related parties are acceptable when they contribute to the purpose of the Company's operations and to the Company's interests and when there is a sound business reason. Related-party transactions must be carried out in compliance with the general principles of the Finnish Companies Act, such as the limited liability company's purpose of generating profit, the principles of equal treatment of shareholders as well as the obligation of the Company's management to promote the Company's interests by acting diligently.

The Company's Board of Directors has determined and adopted the principles for monitoring and evaluating United Bankers' related-party transactions. The Board of Director's Audit Committee monitors and evaluates whether the agreements and other legal acts concluded between the Company and its related parties fall under the scope of the Company's customary operations and satisfy the arm's length principle. The Audit Committee also evaluates potential conflicts of interest regarding potential related-party transactions and submits recommendations to the Board of Directors for appropriate measures in order to execute such transactions. Should the contemplated transaction deviate from the customary business of the Company or in case its execution would not apply the arm's length principle or be in accordance with customary market practices, the transaction shall be cancelled or submitted to the Board of Directors for approval.

The Company's CEO, financial administration, and risk management function of the group administration monitor related-party transactions as part of the Company's normal reporting and oversight practices.

Material transactions between United Bankers and its related parties are reported in the notes of United Bankers' consolidated financial statements. Pursuant to the Securities Market Act, material related-party transactions that are not part of the customary business operations or that are not executed on customary commercial terms, are also published as stock exchange releases.



# United Bankers Plc

## Remuneration policy for the governing bodies

Valid as of 18 December 2023

### 1. Introduction

This Remuneration Policy for Governing Bodies has been approved by the Board of Directors of United Bankers Plc (“United Bankers” or the “Company”). The Remuneration Policy for Governing Bodies determines the general principles and decision-making procedures applicable to the remuneration of the Board of Directors and the CEO of United Bankers.

The Remuneration Policy for Governing Bodies will be presented at the 2024 Annual General Meeting (AGM) for an advisory shareholder resolution.

The Remuneration Policy for Governing Bodies is submitted to the AGM at minimum of every four years, and whenever any material amendments have been made. The Company publishes an annual remuneration report for governing bodies, setting forth in detail the remuneration paid to the members of the Board of Directors and the CEO for each year. The remuneration report is submitted to the AGM for the purposes of advisory shareholder resolution.

The Remuneration Policy for Governing Bodies has been developed in accordance with the Finnish Limited Liability Companies Act, the Corporate Governance Code published by the Finnish Securities Market Association in 2020 (the “Corporate Governance Code”), and other applicable regulation. Furthermore, remuneration of the governing bodies is carried out in accordance with the specific regulation pertaining to the financial industry, as applicable.

For the purposes of guidance regarding the remuneration of the management and the personnel of the United Bankers Group, the Company’s Board of Directors has also adopted separate principles concerning the remuneration of the personnel of Unit-

ed Bankers. These separate principles are in line with those set forth in this Remuneration Policy. The CEO of United Bankers is subject to the same remuneration principles and practices as the personnel of United Bankers. However, the remuneration of the CEO includes certain elements that reflect the responsibilities and requirements of the CEO.

The Remuneration Policy for Governing Bodies as well as the remuneration principles pertaining to the entire United Bankers Group personnel seek to promote a motivational remuneration culture and the personnel’s commitment to the Company.

Partially performance-based remuneration practices steer and incentivise personnel to implement the strategy and objectives adopted by the Company’s Board of Directors from time to time. The Company’s objectives include the long-term development of business operations, profits, profitability, and competitiveness, acting in accordance with the Company’s values and CSR principles, cost-effectiveness, and the ensuring of adequate financial stability, as well as the creation of shareholder value in the long term. One of the objectives of the remuneration policy is also to attract skilled management into the Company through competitive remuneration.

Remuneration must not result in a conflict of interest between a person receiving remuneration and the benefits of a customer of United Bankers. Also, it must not encourage excessive risk-taking that would result in a conflict of interest with United Bankers, its risk profile, applicable rules of the funds managed by United Bankers or with the benefit of its customers. Furthermore, remuneration must always ensure and attend to the materialisation of comprehensive and efficient risk management.

All stipulations of this Remuneration Policy set out below concerning the CEO shall also apply to any deputy CEO.

## **2. Decision-making related to the remuneration policy**

The Company's Board of Directors drafts the Company's Remuneration Policy for Governing Bodies. The Remuneration Policy for Governing Bodies is enclosed to the notice of the General Meeting of Shareholders or published by the means of a separate stock exchange release, in accordance with the Finnish Limited Liability Companies Act and the Finnish Securities Market Act.

The Board of Directors' Remuneration Committee prepares the Remuneration Policy, any amendments to it and the decisions of the Board of Directors on remuneration. To avoid any conflicts of interest, members of the Remuneration Committee must be independent of the Company and its major shareholders. The Remuneration Committee may appoint external experts to its assistance in the preparation of remuneration matters.

The Remuneration Policy for Governing Bodies is submitted to the General Meeting of Shareholders for advisory decision-making a minimum of once every four years unless an amended remuneration policy is submitted to the General Meeting of Shareholders prior to such submission. The Board of Directors may implement amendments of a technical nature to the Remuneration Policy for Governing Bodies, for instance due to reasons of legislative, regulatory, taxing, or administrative nature, without submitting the amended remuneration policy to the General Meeting of Shareholders. However, no material amendments can be made to the Remuneration Policy for Governing Bodies without submitting the amended policy to the General Meeting of Shareholders.

The Company seeks to develop its remuneration systems regularly. The Remuneration Committee of the Company's Board of Directors assesses the appropriateness of this Remuneration Policy for Governing Bodies at minimum of once per year, as well as monitors its actualisation.

## **3. Board of Directors' remuneration and decision-making**

The United Bankers' General Meeting of Shareholders decides on the remuneration of members of the Board of Directors essentially based on a proposal of the Company's major shareholders. The Company's major shareholders propose to the General Meeting of Shareholders the number of the members of the Board of Directors, the nominees as the members of the Board of Directors, and their remuneration. When preparing the proposal, the shareholders must consider the Remuneration Policy for Governing Bodies in their decision-making, submitted to the General Meeting of Shareholders and valid from time to time.

The remuneration of the members of the Board of Directors has been designed to attract and retain board members who possess the requisite skills, industry expertise, and experience to oversee the implementation of the Company's strategy, and who emphasise the creation of long-term shareholder value.

The remuneration of the members of the Board of Directors may consist of one or more components. The members of the Board of Directors may be eligible for compensation in the form of meeting fees, annual or monthly fees, or a combination of the aforementioned. The members of the Board of Directors are not primarily in an employment relationship with the Company and have not entered into a service contract with the Company. The Company may refrain from paying fees to a member of the Board of Directors, if, for instance, they are in an employment or service relationship with the Company or another company in the United Bankers Group. The travel costs of the members of the Board of Directors may be compensated in accordance with the Company's cost reimbursement policy.

The remuneration of the members of the Board of Directors may be paid in cash or entirely or partially in shares based on a resolution of the General Meeting of Shareholders. Such shares used as remuneration may be subject to transfer restrictions. The General Meeting of Shareholders may also decide upon other forms of remuneration and the basis for their determination.

Resolutions of the General Meeting of Shareholders concerning the remuneration of members of the Board of Directors are published by the means of a stock exchange release together with any other resolutions passed at the General Meeting of Shareholders.

## **4. CEO's remuneration**

### **4.1 Decision-making**

The Board of Directors appoints the Company's CEO and resolves upon their remuneration, benefits, and terms of service.

The Remuneration Committee prepares a proposal concerning the remuneration of the CEO and their annual overall compensation in accordance with the Remuneration Policy for Governing Bodies in force from time to time, taking also into account the applicable regulation in force from time to time, as well as the general remuneration principles of the United Bankers Group.

To avoid any conflicts of interest, the CEO cannot be a member of the Remuneration Committee or any other committee of the Board of Directors and must not participate in the decision-making concerning their own remuneration. The Board of Directors and the Remuneration Committee may appoint external experts to assist them in the preparation of remuneration matters.

The Remuneration Committee assesses the remuneration of the CEO annually or periodically as agreed in the CEO agreement and submits a proposal to the Board of Directors to amend the remuneration, where necessary.

### **4.2 Components of remuneration and their proportional percentages**

The overall remuneration of the CEO consists of a fixed salary and a variable remuneration.

The determination of the level of the CEO's fixed salary concerns the CEO's professional competence, educational background, expertise, and professional experience, as well as organisational responsibility and the general compensation level in corresponding positions. The purpose of the base salary is to attract a competent

person and to commit such person to managing the Company. The proportion of the fixed salary of the overall compensation must be sufficiently high to avoid dependency on the variable remuneration and potentially excessive risk-taking. Alongside their fixed salary, the CEO may also receive benefits in kind.

The components of the CEO's fixed and variable remuneration must be proportionate in relation to the objectives of the remuneration considering the Company's business strategy, objectives, and the Company's and United Bankers Group's long-term interests. The variable remuneration shall depend on performance considering the targets set forth, the overall consideration of the Board of Directors, as well as on the development of the Company's share value. The amount of the CEO's variable remuneration and its relative proportion compared to the fixed salary must, additionally, be implemented in alignment with this policy and the United Bankers Group's general remuneration principles and the financial industry regulation in force from time to time.

The proportion of the variable remuneration of the CEO may not exceed 200 per cent of the total fixed remuneration.

### **4.3 Grounds for determining variable remuneration**

The purpose of the variable remuneration is aligning the interests of the CEO with those of the Company's shareholders through the financial performance of the United Bankers Group, or the development of the Company's share price.

The Company's CEO may be eligible for the share incentive scheme of the key personnel of United Bankers Group. Variable remuneration may be determined based on the attainment of the quantitative or qualitative targets set by the Board of Directors, or the development of the Company's share price. Quantitative targets may include, for instance, the financial performance of the Company or the United Bankers Group. Qualitative targets may include, for instance, the attainment of the Company's strategic targets set for the vesting period, targets related to the development of the Company's operations, sustainability-related targets, compliance with operational principles, guidelines and regulation or other qualitative criteria, as well as an assessment of the CEO's personal performance.

Remuneration schemes relating to the variable remuneration of the CEO must contain a vesting period, the duration of which must not be less than one (1) year. A vesting period refers to the period for which the fulfilment of pre-determined criteria is evaluated. The Board of Directors sets the targets, indicators, and the weightings used as a basis for the variable remuneration, along with the duration of each vesting period. Upon the expiration of the vesting period, the Board of Directors determines the final amount of variable remuneration by assessing the extent to which the set targets have been reached. Payments based on the remuneration scheme concerning the CEO's variable remuneration are paid out in accordance with the terms and conditions of the remuneration scheme after the expiration of the vesting period.

The Board of Directors may resolve to pay the variable remuneration in part or in full in shares in United Bankers Plc, cash, option rights, other equity-based rights, securities, benefits in kind or in other benefits. Payment of the remuneration in the form of shares in United Bankers Plc may be carried out within the confines of a given share issuance authorisation by the General Meeting of Shareholders to the Board of Directors.

In equity-based remuneration, shares or equity-based financial instruments may, subject to the resolution of the Board of Directors, be subject to a certain commitment period. The Board of Directors may resolve upon transfer restrictions pertaining to the Company shares held by the CEO.

The payment of the variable remuneration must at the time of making the assessment be justified considering the CEO's performance and the results and financial standing of the Company and of its group of companies, evaluated as a whole. The amounts and payment of the variable remuneration payable to the CEO must take into account, at the very least at the time of making the assessment, the known and estimated future risks, the requisite financial liquidity as well as the operating environment of the Company and the United Bankers Group. The aggregate amount of remuneration payable within the United Bankers Group must never be so high as to restrict the recapitalisation of the Company and its group of companies or jeopardise its financial solvency.

#### **4.4 Other key terms applicable to the service term**

The CEO agreement contains written stipulations concerning notice of termination period, non-competition, and severance payment. The terms and conditions as well as the amounts follow customary notice periods and severance payments of CEO agreements. The payment of any compensation regarding a premature termination of the CEO agreement must not result in a manner that would reward a failure in the performance of the CEO.

The CEO is covered by the statutory pension benefits system. Additionally, the CEO may be granted other potential reasonable benefits in accordance with market practice to ensure the commitment of a competent CEO to the development of the Company.

The Company's Board of Directors may resolve upon other terms and conditions of the CEO's service agreement, such as additional pension rights and the principles and objectives pertaining to ownership of shares.

#### **4.5 Potential periodicity and claw-back of remuneration**

The Company's Board of Directors may resolve on refraining from the payment of the CEO's variable remuneration either in full or in part through reducing the variable remuneration. Furthermore, the Board of Directors may resolve on the payment of the remuneration in several instalments. The variable remuneration may be denied in part or in full, or the payment of the remuneration may be deferred to a later date that is more appropriate for the Company, if such payment could jeopardise the solvency of the Company or its group of companies, or if the payment could otherwise result in an adverse or unreasonable outcome for the Company or the United Bankers Group.

The Board of Directors may refrain from paying variable remuneration in part or in full, or it may claw already paid variable remuneration back as unjust enrichment in part or in full in the event that the CEO has acted contrary to the Company's or the United Bankers Group's internal guidelines and operational principles, applicable regulation or contributed to such conduct by omission, or if such claw-back is justified considering the overall financial situation of the Company or of the United Bankers Group.



## **5. Temporary deviation from the remuneration policy**

In principle, the remuneration of the Company's governing bodies must be based on the remuneration policy adopted by the General Meeting of Shareholders. The remuneration of the Board of Directors or the CEO set forth in this Remuneration Policy for the Governing Bodies of United Bankers may be temporarily deviated from in certain exceptional situations to ensure the Company's long-term interests. The deviation may apply to the entire remuneration policy or a part thereof to the extent required by the exceptional situation at hand.

Exceptional situations where the Remuneration Policy for Governing Bodies may be deviated from are as follows:

- change of the CEO,
- appointment of a temporary CEO,
- appointment of a substitute CEO,
- considerable changes in the strategy of the United Bankers Group,
- material changes in the structure, organisation, or ownership of the United Bankers Group, such as a corporate acquisition, merger or demerger, public tender offer or sale of assets pertaining to a significant portion of the business operations of the Company or of the United Bankers Group,
- a material change in the financial position, strategy, or governing structure of the United Bankers Group,
- changes in the applicable legislation or in other regulation or authority guidelines or changes in taxation,
- other weighty and justified cause to adjust the CEO's remuneration,
- other exceptional circumstances due to which such a deviation may be necessary for ensuring the long-term interests and sustainable development of the United Bankers Group as a whole.

Under the above-mentioned exceptional circumstances, it is deemed to be in the long-term interest of the Company and of its shareholders that the Company's Board of Directors has the authority to resolve upon the CEO's remuneration regardless of the agreement in place concerning the remuneration of the CEO. Deviations from the Remuneration Policy for Governing Bodies are subject to a resolution of the Board of Directors.

If the deviation from the Remuneration Policy for Governing Bodies is estimated to continue other than temporarily, the Remuneration Committee of the Company's Board of Directors must prepare a new Remuneration Policy for Governing Bodies for the Board of Directors that shall be processed at the subsequent Annual General Meeting of Shareholders. Any temporary deviation is reported in an annual Remuneration Report which is processed at the Company's next Annual General Meeting of Shareholders.



# United Bankers Plc

## Remuneration report 2023

### General

This Remuneration Report sets forth the remuneration of the Board of Directors and of the Chief Executive Officer of United Bankers Plc ("United Bankers" or the "Company") for the 2023 financial period. The Remuneration Report is based on the requirements set out in the Companies Act, the Securities Market Act, the Government Decree on the Remuneration Policy and Remuneration Report of the Issuer of Shares as well as the recommendations of the Corporate Governance Code 2020 published by the Finnish Securities Market Association. The Remuneration Report also describes the Company's financial performance in the past five years, so that the remuneration of the Board of Directors and the CEO can be reviewed accordingly.

The Remuneration Committee of United Bankers' Board of Directors has reviewed this Remuneration Report and the Board of Directors has approved it to be presented and adopted by shareholders at United Bankers' Annual General Meeting 2024. The Annual General Meeting's resolution on the Remuneration Report is advisory.

The company's auditor has confirmed that the information required by the above-mentioned Government Decree have been presented in this Remuneration Report.

### Remuneration principles

This Remuneration Report is based on the remuneration policy for the governing bodies of United Bankers (the "Remuneration Policy"), which has been reviewed at the Company's Annual General Meeting on 19 March 2021. The Remuneration Policy shall be presented to the Annual General Meeting in every four years unless the Board of Directors decides to revise or alter the Remuneration Policy prior to that. A revised Remuneration Policy shall

be presented to the Annual General Meeting 2024 for an advisory resolution.

The remuneration of the members of the Board of Directors and the CEO in the financial year 2023 adhered to the Company's effective Remuneration Policy. No temporary deviations from the Remuneration Policy were made during the financial year 2023, nor did the Board of Directors discover any circumstances or activities causing a need to apply the terms concerning the reduction, revocation, or claw-back of the CEO's variable remuneration.

The Remuneration Policy seeks to promote a motivating remuneration culture and commitment to the Company. Together with the other key personnel, the CEO is part of a share incentive plan (the "Share Incentive Plan"), intended to support the Company's business strategy and align the objectives of the shareholders and key personnel in order to maximise the long-term value of the Company. The objective is also to commit the key personnel to the Company and to offer a competitive incentive scheme that is based on earning the Company's shares and the development of their value.

The CEO's partially performance-based remuneration aligns the Company's financial performance with the CEO's remuneration, and the targets set out in the Share Incentive Plan are directly connected to the performance of United Bankers' business operations. The CEO's share ownership ensures coherence between the interests of the shareholders and the CEO.

In 2023, the remuneration of the governing bodies has supported to United Bankers' business strategy. The Remuneration Committee and the Board of Directors have evaluated the CEO's remuneration for the year of 2023 to ensure a competitive and fair overall remuneration as compared to competitors and other market operators.



## The development of United Bankers' financial performance and remuneration

United Bankers' financial performance during the past five years has been positive and the Company's revenue and profit have been on the rise. The cost-to-income ratio weakened slightly due to growth-related investments in 2023, but the Company's turnover and profit rose to a record-breaking level despite the continued weak development of the market in general.

The Company has set four key indicators that it considers to best describe its performance. These indicators include revenue, assets under management, adjusted EBITDA, and cost-to-income ratio. The Company has been able to provide its shareholders steady returns, as illustrated by the development of the Company's share price as well as the development of distribution of funds per share.

The table below illustrates the development of the Company's financial indicators for 2019-2023:

Indicator	2019 IFRS	2020 IFRS	2021 IFRS	2022 IFRS	2023 IFRS
Revenue of the United Bankers Group, million EUR	32.5	34.4	43.8	48.6	52.1
Assets Under Management, billion EUR	3.6	3.8	4.8	4.4	4.6
Adjusted EBITDA, million EUR	8.4	10.3	16.3	18.5	19.1
Cost-to-Income Ratio	0.80	0.74	0.66	0.65	0.67
Year-End Share Price, EUR	8.80	10.70	14.20	13.60	14.40
Distribution of funds, EUR/share	0.43	0.51	0.80	0.90	1.00 <sup>1)</sup>

1) Board of Directors' proposal of distribution of funds (a dividend of EUR 0.50 per share and an equity repayment of EUR 0.50, EUR 1.00 per share in total) to the Annual General Meeting to be held on 22 March 2024.

The table below shows a comparison of the development of the remuneration of the Board of Directors, the CEO, and the average of an employee of the United Bankers group in 2019-2023:

Remuneration, EUR	2019	2020	2021	2022	2023
Chairman of the Board	30 000	30 000	30 000	33 990	35 240
Other Board members	20 000	20 000	20 000	23 750	25 000
CEO	163 566	262 286	325 474	381 469	510 040
Employee of the United Bankers Group, on average*	82 026	91 217	98 423	93 380	94 932

\* The average salary development of an employee of the United Bankers group is based upon personnel expenses, without social security costs, divided by the average number of personnel during the year.



According to the Remuneration Policy, the remuneration of the CEO is partially based upon the attainment of the targets set out in advance regarding the development of the Company's operating results as well as strategic and other quantitative or qualitative targets. United Bankers' actualised performance is therefore reflected in the long-term performance-based incentives paid to the CEO.

## Board remuneration

United Bankers' Annual General Meeting resolves upon the remuneration of the members of the Board of Directors based on the proposal by shareholders. Remuneration in 2023 was paid ac-

ording to the resolutions passed in the Annual General Meetings of 2022 and 2023. In 2023 the total remuneration paid to the members of the Board of Directors totalled EUR 135 240.

The fixed annual remuneration of the Chairman of the Board of Directors amounted to EUR 35 000 and other members, who were not employed by the United Bankers group, were paid annual remuneration in the amount of EUR 25 000. The remuneration was paid in cash. The annual remuneration paid to the members of the Board of Directors also covered committee work. Members of the Board of Directors employed by the United Bankers group, were not paid for their work in the Board of Directors as per the resolution of the General Meeting.<sup>1</sup>

Board remuneration paid by United Bankers between 1 January and 31 December 2023:

Board member	Annual remuneration for Board work/EUR (incl. benefits-in-kind)*
Johan Linder (Chairman of the Board)	35 240
Lennart Robertsson (Vice Chairman of the Board)	25 000
Rainer Häggblom	25 000
Tarja Pääkkönen	25 000
Eero Suomela	25 000
Rasmus Finnilä**	0

\* No additional meeting or committee fee was paid

\*\* Employed by a company belonging to the United Bankers group. According to the resolution passed by the Annual General Meeting, no separate fee for the work in the Board of Directors shall be paid.

A part of the members of the Board of Directors participated in United Bankers' Employee Share Issue against consideration, which took place in September 2019. The Employee Share Issue was accompanied by an Employee Matching Share Plan, consummated on 24 January 2023. The participants of the Matching Share

Issue that met the conditions of the Matching Share Plan received the Company's shares in a directed share issue without consideration in deviation from the shareholders' pre-emptive subscription right. Approximately 50 per cent of the total remuneration paid under the Employee Matching Share Plan were paid in cash to cover

<sup>1</sup> The United Bankers group procured consultancy services from Häggblom & Partners Ltd Oy and Vision Hunter Oy, the controlled corporation of a member of the Board of Directors, Rainer Häggblom, in the total amount of EUR 165 115.98 in 2023. Rainer Häggblom was paid Board remuneration and meeting fees by other United Bankers' group companies in the total amount of EUR 4 000.00 in 2023. Board member, Rasmus Finnilä, who is in an employment relationship with UB Asset Management Ltd, was paid during the period between 23 March and 31 December 2023, a total of EUR 77 872.00 as salary and other benefits. The salaries or remuneration paid to Board members that are also in an employment, service, or tied agent relationship to United Bankers group companies adhered to the customary employment, service, and tied agency agreement practices and remuneration principles of the United Bankers group.



taxes and tax-related costs arising from the remuneration. According to the terms of the Employee Share Issue, the management of the group, including the CEOs and the members of the Board

of Directors were able to subscribe the Company's shares in the Employee Share Issue and in the Matching Share Issue along with the employees of the United Bankers group.

The below table indicates the remuneration paid for the member of the Board of Directors in 2023 who participated in the Matching Share Plan of the Employee Share Issue.

Board Member	Accrued amount of matching shares/pcs	Amount of shares/pcs	Remuneration paid in cash/EUR	Value of remuneration paid in shares/EUR	Total value of the benefit/EUR
Johan Linder (Chairman of the Board)	3 058	1 529	20 565.05	20 565.05	41 130.10
Rainer Häggblom	2 125	1 062	14 297.35	14 283.90	28 581.25
Tarja Pääkkönen	3 051	1 525	20 524.70	20 511.25	41 035.95
Rasmus Finnilä	3 558	1 779	23 927.55	23 927.55	47 855.10

## CEO's remuneration

The remuneration paid to United Bankers' CEO Patrick Anderson in 2023 and 2022:

Remuneration	2023 EUR	Fee structure %*	2022 EUR	Fee structure %*
<b>Fixed annual fee (including holiday pay and benefits in kind)</b>	177 097.60	34.7	177 774.72	46.6
<b>Total of fees based on the share incentive plan's earning period, paid in cash **</b>	215 540.97	42.3	150 289.97	39.4
<b>Total of fees based on the share incentive plan's earning period, paid in shares **</b>	76 271.94	15.0	53 404.41	14.0
<b>Matching Share Issue in 2023 of the 2019 Employee Share Issue</b>	41 130.10	8.1	-	-
<b>Total</b>	510 040.61	100.0	381 469.47	100.0

\* The remuneration structure reflects the relation of the fixed annual remuneration and the cash and equity performance-based bonuses under the share incentive plan in relation to total remuneration.

\*\* Includes remuneration paid under the share incentive plan for the earning period ending in the previous year and remuneration paid under the Share Incentive Plan from prior performance periods that were deferred in accordance with applicable financial industry regulations in force at time.



Remuneration of United Bankers' CEO Patrick Anderson between 1 January and 31 December 2023 and the key terms of his CEO agreement:

<b>Remuneration element</b>	<b>Summary of the Remuneration Policy</b>	<b>Application in 2023</b>
<b>Fixed remuneration</b>	The determination of the level of the CEO's fixed remuneration is based on the CEO's professional competence, educational background, expertise, and professional experience, as well as organizational responsibility and the general compensation level in corresponding positions.	CEO's fixed annual remuneration in 2023 was EUR 177 097.60 in total (including holiday pay and benefits in kind).
<b>Long-term incentive plan</b>	<p>The purpose of the long-term incentive plan is to align the interests of the CEO with those of the Company's shareholders through the financial performance of the United Bankers group, or the development of the Company's share price.</p> <p>The long-term incentive plan may be determined based on the attainment of the quantitative or qualitative targets set out by the Board of Directors, or the development of the Company's share price.</p>	<p>Based on the earnings period 2020-2022 of the Share Incentive Plan, the CEO received a total of 2 709 shares in the Company in 2023, at the price of EUR 14.73 per share, which was the volume weighted average price of United Bankers' share on 14 March 2023. The total value of the shares at the above-mentioned average price amounted to EUR 51 392.97. Additionally, based on the earnings period 2020-2022 of the Share Incentive Plan, the CEO was paid a total of EUR 154 164.18 in cash.</p> <p>Proportion of remuneration deferred from prior earnings periods pursuant to financial industry regulation paid out in 2023 totaled to EUR 86 255.76. A total of EUR 96 573.30 of deferred remuneration from previous earnings periods remains to be paid out, which shall be paid in total in 2024.</p>
<b>Ratio of the variable and fixed remuneration</b>	<p>The proportion of the fixed salary of the overall compensation must be sufficiently high to avoid dependency on the variable remuneration and potentially excessive risk-taking.</p> <p>The ratio of the fixed and long-term remuneration must be proportional, taking into consideration the Company's long-term interest. The amount of long-term remuneration depends also on the targets set out by the Board of Directors. The amount of the CEO's variable remuneration and its proportional percentage compared to the fixed remuneration must, additionally, adhere the maximum limits imposed by the financial industry regulation in force from time to time.</p>	In 2023, the ratio of the long-term incentive and fixed remuneration paid was 164.8%, including deferred remuneration from other earnings periods of the Share Incentive Plan.
<b>Earning criteria of the long-term incentive plan</b>	Long-term incentive plan may be determined based on the attainment of the quantitative or qualitative targets set by the Board of Directors, or the development of the Company's share price.	Remuneration paid out in 2023 based on the earnings period 2020-2022 of the Share Incentive Plan, was based 100 % on the performance targets based on the operational EBITDA as well as the qualitative assessment of the CEO's performance. According to the Board of Directors' assessment, the success rate of United Bankers group's financial targets was 100%.
<b>Matching Share Issue in 2023 of the 2019 Employee Share Issue</b>	The Company's Board of Directors may resolve upon other terms and conditions of the CEO's service agreement. Under the terms of the Employee Share Issue and its Matching Share Issue, the CEO was also able to participate in the share issue.	The CEO's additional share remuneration amounted to 3 058 shares of United Bankers Plc in the 2023 Matching Share Issue. A total of 1 529 shares were issued, and the remuneration paid in cash was EUR 20 565.05. The value of the shares was EUR 20 565.05, and the total value of the benefit was EUR 41 130.10.



Remuneration element	Summary of the Remuneration Policy	Application in 2023
<b>Pension</b>	The CEO is covered by the statutory pension benefits system.	The CEO is not covered by any additional pension scheme.
<b>Other benefits</b>	The CEO may be granted other potential reasonable benefits in accordance with market practice to ensure the commitment of a competent CEO to the development of the Company.	The Company offers the CEO a phone benefit.
<b>Termination of the CEO's service term</b>	The CEO agreement contains written stipulations concerning notice period of termination, non-competition obligation, and severance payment.	<p>The CEO's notice period of termination is four months.</p> <p>In case the Company terminates the CEO agreement, or the agreement is terminated upon the mutual agreement of the Company and the CEO, the Company shall carry out a severance payment to the CEO that is equivalent to a six (6) month's fixed remuneration prior to the termination. The severance payment shall not be carried out in case the Company terminates the contract on the grounds that would warrant the termination or annulment of an employment contract in accordance with the Employment Contracts Act.</p> <p>Should the CEO's service relationship end prior to the payment of the remuneration under the Share Incentive Plan, as a rule, the remuneration would not be paid out.</p>

## Long-term incentive plan

United Bankers' Share Incentive Plan is a long-term incentive plan, with a purpose to support the United Bankers's business strategy and to commit key personnel to the Company. Share ownership creates a long-term incentive for the management to maximise the Company's long-term value and the possibility for competitive earnings. The Share Incentive Plan consists of three-year earnings periods, and the remuneration from each period fall due the following year of the expiry of such earnings period. The Company's Board of Directors resolves upon the earning criteria and the set targets in the beginning of each earnings period.

The remuneration paid out in 2023 was based on the attainment of the financial targets of the group as well as the individual targets set out to the CEO during 2020-2022. In the earnings period 2020-2022 the earning criteria were met so that the CEO's remuneration according to the long-term incentive plan was realised by 100% of the maximum remuneration. In 2023, CEO Patrick Anderson received EUR 205 557.15 as an incentive regarding the earnings period 2020-2022.

During the term of the service relationship, the CEO or their controlled entity is not allowed to sell the shares obtained by them via the Share Incentive Plan, to the extent the value of such shares in the Company falls short of the amount of the CEO's fixed gross annual remuneration.

## Right to performance bonuses not fallen due

In 2023 the CEO was a part of three three-year earnings periods of the Share Incentive Plan regarding the periods 2021-2023, 2022-2024 as well as 2023-2025. Remuneration of the Share Incentive Plan become due and payable after each earnings period.

The CEO of United Bankers is entitled to remuneration under the Share Incentive Plan, which earnings period has terminated between 1 January and 31 December 2023, and which falls due after the financial year 2023. In the earnings period 2021-2023 of the Share Incentive Plan, according to which the remuneration falls due in 2024 the targets set out by the Board of Directors are emphasized according to the below table.



## Earnings period 2021-2023

The framework for the CEO's earnings period 2021-2023 was based on the annual financial, sustainability, and qualitative targets set out by the Board of Directors. The target weights for the earnings period and the average attainment during the earnings period are illustrated below:

Target	Weight	Indicator	Estimated average attainment during 2021-2023
<b>Financial targets of the United Bankers group</b>	70%	Positive development of the company's operating EBITDA towards the target level cumulatively in each year under review.	100%
<b>Sustainability targets of the United Bankers group</b>	20%	Sustainability targets consisted of the following criteria: Meeting the target levels of Principles for Responsible Investment (50 %), Scandinavian Financial Research (15 %), employee satisfaction (15 %) and the attainment of other ESG targets (20 %).	73%
<b>The adherence to the internal guidelines and principles of the United Bankers group as well as generating high value services and products</b>	10%	The targets were related, inter alia, to the fund management operations, investment funds, internationalization, simplification of the group structure and its operations as well as human resources.	92%

The Board of Directors confirms the final amount of the remuneration payable according to the information indicated in the table above separately after this Remuneration Report has been published, and it will therefore be included in its entirety in the subsequent Remuneration Report regarding the financial year 2024.

## Earnings periods 2022-2024 and 2023-2025

In the ongoing years of the Share Incentive Plans of 2022-2024 and 2023-2025, applicable to the CEO, the targets set out by the Board of Directors shall be emphasized according to the table below. The Board of Directors confirms the final amount of the remuneration payable separately after the termination of each plan, and therefore they will be included in the Remuneration Reports in the subsequent years.



The framework of the CEO's earnings period 2022-2024 is indicated in the table below:

<b>Target</b>	<b>Emphasis</b>	<b>Additional information</b>
Financial targets of the United Bankers group	70%	The financial targets set by the Board of Directors of United Bankers, the achievement of which is measured by the group's adjusted EBITDA over a period of three years.
Sustainability targets of the United Bankers	20%	Sustainability targets have been set out, among others, to the following criteria for the period of three years: execution of the United Bankers' sustainability strategy, adherence to the Principles for Responsible Investment, results of the study conducted by the Scandinavian Financial Research Ltd (SFR), personnel's satisfaction measured by personnel research as well as the attainment of qualitative ESG objectives, including good governance.
Essential qualitative criteria of the United Bankers group	10%	Adherence to the internal guidelines and principles of the United Bankers group as well as generating high-value services and products.

The framework of the CEO's earnings period 2023-2025 is indicated in the table below:

<b>Target</b>	<b>Emphasis</b>	<b>Additional information</b>
Financial targets of the United Bankers group	70%	The financial targets set by the Board of Directors of United Bankers, the achievement of which is measured by the group's adjusted EBITDA over a period of three years.
Sustainability targets of the United Bankers group	20%	Sustainability targets have been set out, among others, to the following criteria for the period of three years: execution of the United Bankers' sustainability strategy, adherence to the Principles for Responsible Investment, results of the study conducted by the Scandinavian Financial Research Ltd (SFR), personnel's satisfaction measured by personnel research as well as the attainment of qualitative ESG objectives, including good governance.
Qualitative objectives set out in the annual business plans	10%	Adherence to the internal guidelines and principles of the United Bankers group as well as generating high-value services and products.



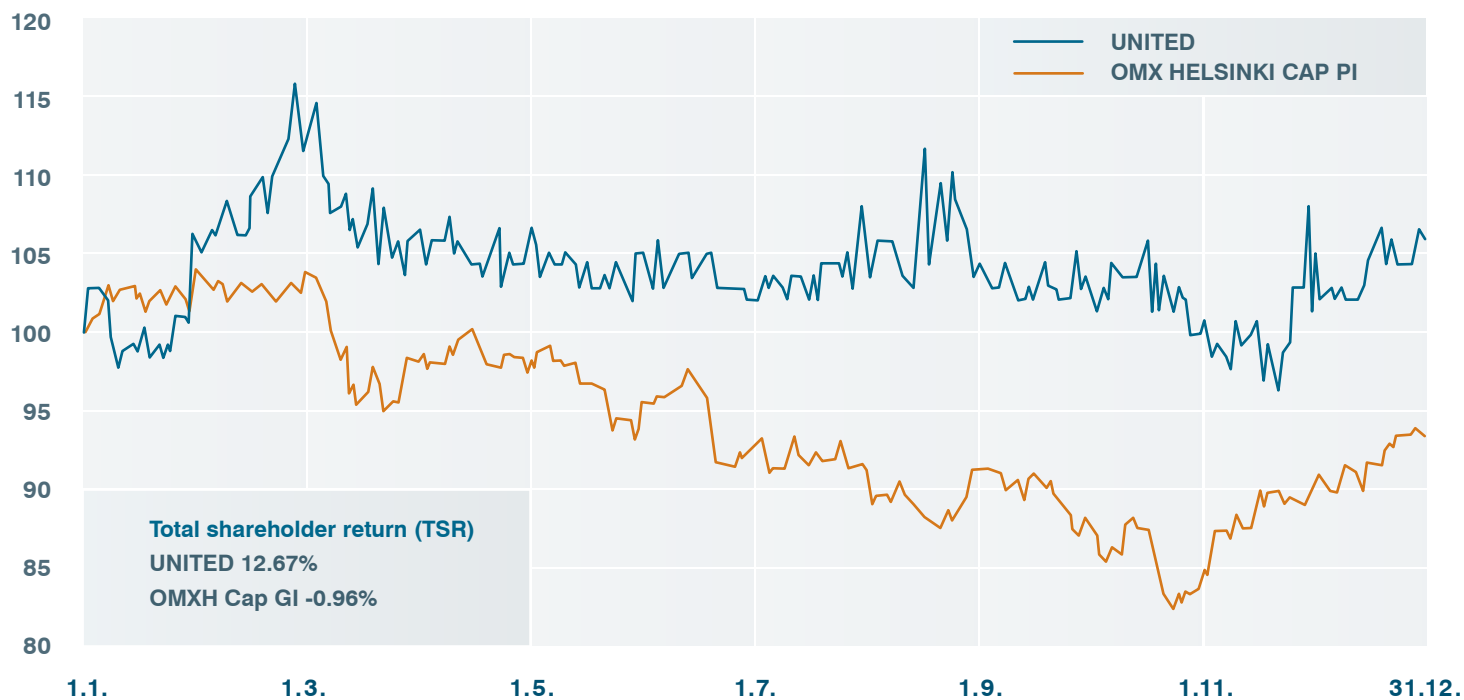
# Shares and shareholders

## THE LARGEST SHAREHOLDERS 31.12.2023

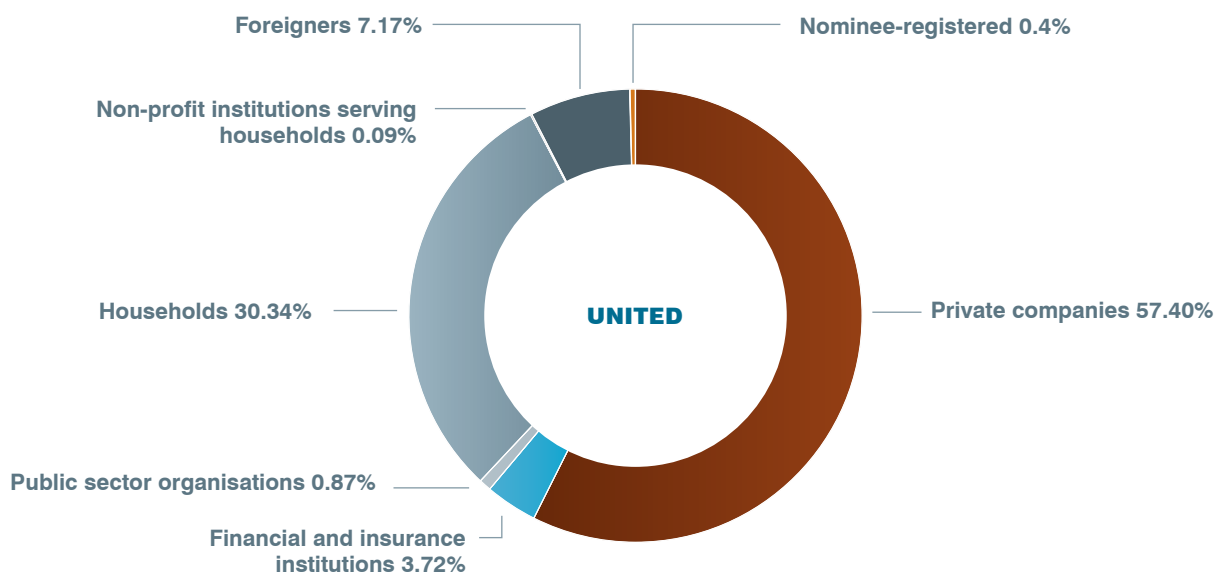
Shareholders	Shares	% of shares and votes
Oy Castor-Invest Ab	1,220,000	11.32
Amos Partners Oy	1,103,592	10.24
Jarafi Oy (Finnilä Rasmus)	1,103,320	10.24
Bockholmen Invest Ab (Anderson Patrick)	600,000	5.57
J. Lehti & Co Oy (Lehti Jani)	494,850	4.59
Olsio Tom Henrik Wilhelm	471,051	4.37
Jouhki Marina Sophia Helena	379,695	3.52
Linder Cassandra Marie	280,750	2.61
Linder Christoffer Magnus	280,750	2.61
Linder Corinne Sophie	280,750	2.61
Oy Ottiger Ab (Ronkainen Timo)	210,000	1.95
Cartelle Oy	205,680	1.91
Konnun Tuulikallio Oy	192,565	1.79
Viapori Kapital Oy	184,243	1.71
Quantum Capital Oy	184,102	1.71
Winberg Peter Vilhelm	108,431	1.01
Hägglom & Partners Ltd. Oy (Hägglom Rainer)	101,594	0.94
Jordan Kari Alpo Erik	100,000	0.93
LähiTapiola Mutual Life Insurance Company	97,300	0.9
RK-Invest Oy Ltd	91,000	0.84
<b>20 largest shareholders total</b>	<b>7,689,673</b>	<b>71.38</b>
Nominee registered	0	0.00
Others	3,083,370	28.62
<b>Total</b>	<b>10,773,043</b>	<b>100</b>



## UNITED BANKERS PLC'S SHARE PRICE DEVELOPMENT 2023



## SHAREHOLDING BY SECTOR



# Information to investors

## Basic share information

United Bankers Plc's shares are listed on Nasdaq Helsinki Stock Exchange Ltd. United Bankers has one series of shares, each share of which entitles the holder to one vote at the company's General Meeting. All shares carry equal rights in the distribution of the company's assets. United Bankers' trading code is UNITED.

United Bankers Plc's shares have been entered into the book-entry system on 31 March 2014. Shares are kept for account holders registered in the book-entry system, such as also the managers of the nominee-registered shares. The book-entry securities system is maintained by Euroclear Finland Ltd.

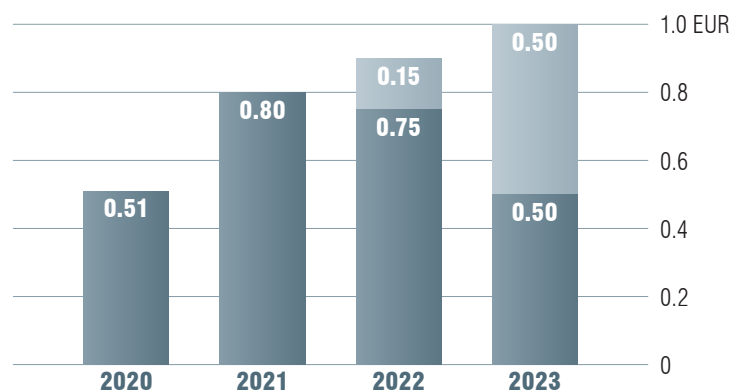
United Bankers' share capital on 31 December 2023 amounted to EUR 5,464,225.47. The total number of fully paid and issued shares in the company in accordance with the applicable regulation amounted to 10,773,043. The shares of the company have no nominal value and the Articles of Association do not include any provisions regarding the maximum or minimum amount of shares or share capital. The company has not issued stock options or other securities that could be exchanged or converted into shares of the company. The company held a total of 18,716 of its own shares on 31 December 2023.

## Distribution of funds

The company's dividend policy is to distribute at least 70 per cent of the earnings per share or cash flow per share as dividends, considering the company's financial situation and strategy .

The Board of Directors proposes to the Annual General Meeting of Shareholders that based on the balance sheet adopted for the financial period which ended on 31 December 2023, a total dividend of EUR 0.50 per share to be paid and an equity repayment of EUR 0.50 per share to be paid from the reserve of invested unrestricted equity fund.

The Board of Directors proposes that the distribution of funds would be paid in two instalments so that the dividend would be paid in April 2024 and the equity repayment in October 2024. The Board of Directors has further resolved that distribution of funds shall continue to be paid in two instalments. The dividend shall be paid to a shareholder who is registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the record date for dividend payment, 26 March 2024. The dividend is proposed to be paid out on 4 April 2024. The equity repayment shall be paid to a shareholder who is registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the record date for equity repayment, 27 September 2024. The equity repayment is proposed to be paid out on 4 October 2024. The Board of Directors proposes to be authorised, if necessary, to decide on a new equity repayment record date and payment date, if the rules of Euroclear Finland Ltd or the regulations concerning the Finnish book-entry system change or otherwise require it.



## DISTRIBUTION/SHARE EUR

The Board of Directors' proposal concerning distribution of funds for the 2023 financial period: a dividend of EUR 0.50 and an equity repayment of EUR 0.50.



## Information on the general meeting 2024

United Bankers Plc's Annual General Meeting will be held on Friday 22 March 2024 at 13.00 EET in Helsinki.

## IR calendar 2024

In 2024, in addition to the Financial Statements Bulletin, United Bankers will publish a Half-Year Financial Report for the period of 1 January through 30 June 2024 on or about 23 August 2024.

Releases are published both in Finnish and English. After publication, the releases are also accessible on the company's website at [unitedbankers.fi](https://unitedbankers.fi). United Bankers' stock exchange and press releases, annual reports, half-year financial reports and financial statements are also available on the company's website. In addition, the company's releases can be subscribed to via the website.

## Investor contacts

### Patrick Anderson, CEO

Email: [patrick.anderson@unitedbankers.fi](mailto:patrick.anderson@unitedbankers.fi)

Telephone: +358 400 244 544

### Katri Nieminen, CFO

Email: [katri.nieminen@unitedbankers.fi](mailto:katri.nieminen@unitedbankers.fi)

Telephone: +358 50 564 4787

### Inka Noramaa, Chief Communications Officer

Email: [inka.noramaa@unitedbankers.fi](mailto:inka.noramaa@unitedbankers.fi)

Telephone: +358 40 576 4202

### Marjo Åström, Investor Relations Manager

Email: [marjo.astrom@unitedbankers.fi](mailto:marjo.astrom@unitedbankers.fi)

Telephone: +358 40 507 6546

### Investor Relations

[ir@unitedbankers.fi](mailto:ir@unitedbankers.fi)

## Analysts following the company

### Sauli Vilén, Inderes

Telephone: +358 44 025 8908