

- ▶ "eQ Online tarjoaa ja kehittää tehokkaita ja asiakaslähtöisiä arvopaperinvälityspalveluja vaativille ja itsenäisiä päätöksiä tekeville sijoittajille"
- ▶ "eQ Online provides and develops efficient and customer oriented brokerage services for demanding and self-directed investors"

► Toiminta-ajatus

Tarjoamme ja kehitämme tehokkaita ja asiakaslähtöisiä arvopaperinvälityspalveluja vaativille ja itsenäisesti päättöksiä tekeville sijoittajille.

► Strategia

Toimintamme ja menestyksemme perustuu asiakaslähtöisyyteen ja vahvaan teknologiseen osaamiseen. Keskitymme siihen, mitä asiakkaamme odottavat, eli nopeuteen, luotettavuuteen, turvallisuuteen ja läpinäkyvyyteen.

► Päämäärä

Päämäärämme on olla johtava yksityissijoittajien onlinevälittäjä Suomessa. Tässä asemassa voimme tuottaa arvoa asiakkaillemme ja muille sidosryhmillemme.

► Mission

We provide and develop efficient and customer oriented brokerage services for demanding and self-directed investors.

► Strategy

Our business and success are based on customer orientation and strong technological know-how. We focus on what our customers appreciate: speed, reliability, security and transparency.

► Goal

Our goal is to be the leading online broker for private investors in Finland. Through this position we can create value to our customers and other interest groups.

► Vuosi 2001 lyhyesti

► Year 2001 in brief

- Record month measured in number of trades in January
- Implementation of the new trading platform in March
- eQ Holding Oyj's merger to eQ Online Corporation in April
- Decision to exit Germany at the end of June
- Arvopaperi-magazine 6-7/01 survey on online brokers "For the most active traders, the survey recommends eQ Online-service, which provides the most diversified and professional tools"
- Start of international trading service in July
- Possibility to subscribe for various additional eQ Online services fast and easily for a customer defined period of time
- Cost cutting throughout the latter part of the year
- Excellent market shares on Helsinki Exchanges during the last quarter
- Ennätyksellinen tammikuu kauppohen määrällä mitattuna
- Kokonaan uuden kaupankäyntijärjestelmän käyttöönotto maaliskuussa
- eQ Holding Oyj:n fuusioiminen eQ Online Oyj:öön huhtikuussa
- Päätös Saksan toimintojen lopettamisesta kesäkuun lopulla
- Arvopaperi-lehden 6-7/01 online -välittäjien vertailu "Vertailutesti suosittelee kaikkein aktiivisimmille treidaajille eQ Online -palvelua, joka tarjoaa monipuolisimmat ja ammattimaisimmat välineet"
- Kansainvälisen kaupankäynnin aloitus heinäkuussa
- Asiakkaille mahdollisuus tilata erilaisia eQ Online -lisäpalveluja nopeasti ja helposti haluamalleen ajanjaksolle
- Koko toisen vuosipuoliskon kestänyt kustannusten sopeutus
- Viimeisen neljänneksen erittäin hyvät markkinaosuudet Helsingin Pörssissä

► Toimitusjohtajan katsaus

Pääomamarkkinat ja sijoituspalvelutoimiala ovat olleet vuosituuhannen vaihteesta lähtien poikkeuksellisen voimakkaan myllerryksen ja muutoksen kohteena. Helsingin Pörssin euroissa mitattu pörssivaihto supistui vuonna 2001 noin 10 % edellisestä vuodesta, mutta kauppatahtumia pörssissä oli kuitenkin saman verran kuin vuonna 2000. Näin kauppojen keskikoko pieneni 10 %. Merkittävin muutos Helsingin Pörssissä vuonna 2001 olikin nk. etävälittäjien esiinmarssi. Tätä nykyä etävälittäjiä eli ulkomailta käsin Helsingin Pörssissä operoivia arvopaperinvälittäjiä on lukumääräisesti enemmän kuin Suomesta käsin toimivia, ja esimerkiksi joulukuussa 2001 etävälittäjien yhteenlaskettu markkinaosuus Helsingin Pörssin euromääräisestä vaihdosta oli 39 %.

Tämä muutos ei kuitenkaan koskettanut pääasiassa yksityisiä arvopaperisijoittajia palvelevia välittäjiä, kuten eQ Onlinea. eQ Online on keskittynyt asiakaslähtöisten arvopaperinvälityspalveluiden tarjoamiseen vaativille sijoittajille. eQ Online toteutti noin 600 000 osakekauppatoimeksiantoa Helsingin Pörssissä vuonna 2001, ja eQ:n markkinaosuus oli 8,9 % kaupoista. Suomessa vain Nordea Securities toteutti enemmän toimeksiantoja kuin eQ. eQ Onlinen asema Suomen arvopaperimarkkinoilla on vankka.

Vuosi 2001 oli eQ Onlinen näkökulmasta kaksijakoinen. Yhtiön hallitus päätyi yhdessä johdon kanssa kesällä siihen, että Saksan toimintojen jatkamiselle ei löytynyt edellytyksiä. Koska kriittisen massan saavuttamiseen ei enää uskottu, ei jäänyt muuta mahdollisuutta, kuin lopettaa Saksan toiminnot. Tämä sinänsä kielteinen asia toteutettiin ripeästi ja alkuperäiseen arvioon nähden selvästi pienemmillä kuluilla. Maantieteellisestä laajentumisstrategiasta luopuminen johti siihen, että myös Suomen organisaatiota sopeutettiin vastaamaan uutta tilannetta. eQ:n toimintavuotta 2001 sävyttivät lisäksi kotimaisen asiakaskunnan kaupankäyntiaktiiviteetin vaimeneminen sekä nk. IPO-markkinan tyrehtyminen.

Toisaalta vuoden 2001 jälkimmäiselle puoliskolle olivat tunnusomaisia sekä taloudellisen tilanteen tasapainottaminen että asiakkaille tarjottavien online-palvelujen kehittäminen. Kulustaastöistä huolimatta julkistimme

► CEO's review

The capital markets and the investment services industry have been in exceptional turmoil since the new millennium. The euro volume in the Helsinki Exchanges decreased during year 2001 by 10% compared to the previous year, but the number of executed trades was the same as in 2000. Therefore the average size of trades decreased by 10%. The most significant change in the Helsinki Exchanges was the appearance of remote members. Today there are more remote members than local members in the Helsinki Exchanges and for example in December 2001 their share of the Helsinki Exchanges euro volume was 39%.

This change has not, however, affected the brokers serving mainly private investors, such as eQ Online. eQ Online focuses on providing customer oriented brokerage services to demanding and self-directed investors. eQ Online executed approximately 600 000 trades in the Helsinki Exchanges in 2001 and its market share of all trades was 8.9%. In Finland only Nordea Securities executed more trades than eQ. eQ Online's position in Finnish securities market is solid.

From eQ Online's point of view the year 2001 was twofold. In the summer the board together with the management came to the conclusion that there existed no other solution than the winding down of the German operations, since reaching the critical mass no longer seemed possible. This as such negative issue, was carried out swiftly and with significantly smaller costs than estimated. Abandoning the geographic expansion strategy led to the fact that also the organisation in Finland had to be streamlined to meet the new requirements. In addition to this, the operational year of 2001 was characterised by reduction of the trading activity of the domestic customers and by a lack of IPO-assignments.

On the other hand the latter part of the year was characterised by balancing the financial situation and developing the online-services. Regardless of costcutting we brought more new services to our customers than ever before in the history of eQ Online. Much emphasis will be put on development work also during year 2002.



The corner stones of eQ Online service are reliability, speed, security and transparency. Without compromising these qualities, we will further develop our current services and bring new services to our customers.

The winding down of the German operations and streamlining of personnel have been completed. This is an important part of increasing shareholder value – now all resources can be utilised for further development of the company. The future of the company looks very promising, in my mind.

Today eQ Online is stronger than ever before. In the future eQ will broaden its services from pure online-brokerage also to more traditional brokerage services. By doing this we extend our customer base from private investors to institutional investors as well. The adding of new international market places to the service will support this development. It is also likely that management of customer assets will be broadened, possibly in the form of banking.

I would like to take this opportunity to thank all eQ Online customers, our shareholders and especially our talented and professional employees for the past year 2001.

Jerker Molander
CEO

asiakkaillemme syksyn aikana enemmän uusia palveluja kuin koskaan aikaisemmin; tämä panostus jatkuu myös vuonna 2002.

eQ:n palvelun kulmakiviä ovat luotettavuus, nopeus, turvallisuus ja läpinäkyvyys. Näistä laatutekijöistä tinkimättä kehitämme edelleen nykypalveluitamme ja tuomme uusia palveluita asiakkaillemme.

Saksasta vetäytyminen ja henkilöstön sopeuttamistoimenpiteet on viety loppuun. Yhtiön omistaja-arvon lisäämisen kannalta tämä on tärkeä asia – nyt kaikki yhtiön resurssit voidaan valjastaa yhtiön edelleen kehittämiseen. Henkilökohtaisesti katson luottavaisesti yhtiön tulevaisuuteen.

eQ Online on tänään vahvempi kuin koskaan. Tulevaisuudessa eQ laajentaa palveluitaan puhtaasta online-arvopaperinvälityksestä myös perinteisemmän välitystoiminnan puolelle. Näin asiakaskuntamme laajenee yksityisasiakkaista myös instituutioasiakkaisiin. Yhteyden avaaminen uusille kansainvälisille markkina- paikoille tukee tätä kehitystä. On myös oletettavaa, että asiakasvarojen hallinnointi laajenee, mahdollisesti pankkitoiminnan muodossa.

Haluan lopuksi kiittää kaikkia eQ Onlinen asiakkaita, osakkeenomistajia ja erityisesti osaavaa ja ammattitaitoista henkilökuntaamme kuluneesta vuodesta 2001.

Jerker Molander
toimitusjohtaja



- ▶ Toimintaympäristö
 - ▶ **Operational Environment**

► Toimintaympäristö

Markkinat kokonaisuutena

Vuonna 2001 asiakasmäärän kasvu heikkeni tai tyrehtyi kaikilla merkittävillä markkinoilla ja samalla asiakkaiden aktiviteetti laski (vähemmän kauppvoja per asiakas). Lisäksi osakkeiden hintojen lasku jatkui, mikä pienensi edelleen keskikomissioita. Kaiken kaikkiaan online-välittäjien toimintaedellytykset olivat erittäin vaikeita.

Kotimaassaan kehittyneimmät toimijat tarjoavat yleensä yhteyden muillekin markkinoille, etupäässä USAn pörssiin.

Yhdysvalloissa ja Euroopassakin henkilökohtaisen asiakaspalvelun merkitys ja asiakkaan tapaaminen henkilökohtaisesti ovat nousseet tärkeiksi menestystekijöiksi.

Vuonna 2000 suuria tulo-odotuksia herättäneen mobiilipalvelun ei enää uskota lisäävän online-välittäjien tuottoja merkittävästi. Sen sijaan mobiilipalvelut ovat hyvä tuki peruspalvelulle ja ovat edelleen tärkeitä online-välityspalvelun ja edelläkävijyyden markkinoinnissa.

Tutkimukset ennustavat online-välityspalkkioissa olevan nousupainetta kovenevan hintakilpailun sijaan. Online-välittäjien on jatkossa myös monipuolistettava tulolähtetään voidakseen harjoittaa kannattavaa liiketoimintaa kaikissa suhdannetilanteissa.

Luotettavuus ja toiminnallisuus ovat jatkossakin online-välittäjien tärkeimmät valintakriteerit.

Suomi

Suomessa Helsingin Pörssin euromääräinen volyyymi laski 10 % edellisestä vuodesta, mutta kauppojen määrä pysyi kuitenkin aiemman vuoden tasolla. Keskimääräinen kaupakoko siis laski. Suomessa merkittävin kehityspiirre oli etävälittäjien määrän kasvu ja aseman selvä vahvistuminen vuoden aikana. Helsingin Pörssin eurovolyyymista välittäjien osuus oli loppuvuodesta jo yli kolmannes. Etävälittäjät palvelevat lähes poikkeuksetta ulkomaisia instituutiosijoittajia. Kotimaisia yksityissijoittajia palvelevien välittäjien kesken tilanne pysyi vuoden 2001 aikana lähes ennallaan. Suurin yksityissijoittajia palveleva välittäjä oli kauppojen

► Operational environment

Markets overall

In year 2001 the customer intake dropped or dried up completely in all significant markets. At the same time customers' trading activity (trades per customer) decreased. The decrease in listed companies' market values continued, which led to continuing drop in average commission. All in all, the conditions for online-brokerage business were very difficult.

Domestically the most sophisticated service providers offer access also to other markets, mainly to US stock exchanges.

In the United States and also in Europe the significance of personal customer service and meeting the customer face to face have become important success factors.

The mobile service, which created high revenue expectations in year 2000, is no longer expected to increase online-brokers income remarkably. Instead, mobile services support the core services and are still important in the marketing of online-brokerage services and strengthen the forerunner image.

Market studies suggest that instead of heavy price competition, there will be pressure to raise commissions. In the future, online-brokers will have to diversify their revenue sources in order to pursue profitable business regardless of the cyclic fluctuation of the economy.

Reliability and functionality remain as the most important criteria when choosing an online-broker.

Finland

In Finland the euro volume in Helsinki Stock Exchange dropped 10% compared to year 2000, but the number of executed trades remained on the same level. Therefore the average trade size decreased. In Finland the most remarkable change was the increasing amount of remote members operating in the Helsinki Exchange. Remote members' position strengthened significantly

and their share of euro volume was more than one third at the end of year 2001. Remote brokers serve mostly foreign institutional investors. Among the domestic brokers serving private investors, the situation remained unchanged during year 2001. Measured in number of trades the biggest broker serving private investors was Nordea Securities and eQ Securities was second with 8.9% market share.

Trading hours were prolonged in April. Evening trading is now open until 9 pm. Evening trading serves mainly private investors, which can be seen in market shares. The market share of the brokers serving mainly private investors is by far biggest in evening trading. Measured in number of trades, during the last quarter of 2001 eQ Securities was the biggest broker in Helsinki Exchanges' evening trading.

Internationally well-known instrument, warrant, was brought for trading on Helsinki Exchanges in the beginning of 2001. During year 2001 eQ Securities was clearly the biggest broker in warrant trading, both in euro volume and in number of trades.

Competitive situation in the Finnish online-brokerage markets has frozen. There are only three online-brokers, which are not associated with traditional banks or insurance companies. This leads to an assumption that substantial consolidation will not be witnessed. On the other hand, it is presumable that traditional banks and insurance companies will continue online-brokerage as a part of their full-scale product portfolio.

The possible appearance of foreign competitors cannot be ruled out. A few years ago for example E*Trade from USA and E-Cortal from France notified on their intention to start providing services also in Finland. The small size of the Finnish market and fairly high sophistication limit the interest towards Finland and so far none of the foreign online-brokers have launched their service in Finland.

määrällä mitattuna Nordea Securities eQ Pankkiiriliikkeen ollessa toinen 8,9 %:n markkinaosuudella.

Kaupankäyntiaikoja pidennettiin Helsingin Pörssissä huhtikuusta alkaen. Iltakaupankäynti on nyt mahdollista klo 21 saakka. Iltakaupankäynti palvelee erityisesti piensijoittajia, mikä näkyy selvästi markkinaosuuksissakin. Pääasiassa yksityissijoittajia palvelevien välittäjien osuus iltakaupankäynnistä on selvästi suurin. Vuoden viimeisellä neljänneksellä eQ Pankkiiriliike oli iltakaupankäynnissä kauppojen määrällä mitattuna Helsingin Pörssin suurin välittäjä.

Kansainvälisesti jo pitkään tunnettu sijoitusinstrumentti warrantit tuotiin kaupankäynnin kohteeksi myös Helsingin Pörssiin vuoden 2001 alkupuolella. eQ Pankkiiriliike oli vuoden aikana selvästi suurin pörssivälittäjä warrantikaupassa sekä euromääräisellä volyymin avulla kauppojen määrällä mitattuna.

Kilpailutilanne Suomen online-välitysmarkkinoilla on jämähtänyt paikalleen. Markkinoilla toimii vain kolme perinteistä pankeista tai vakuutusyhtiöstä riippumattonta online-välittäjää. Tämä antaa olettaa, ettei merkittävää konsolidaatioaaltoa tulla näkemään. Toisaalta perinteisten pankkien ja vakuutusyhtiöiden (finanssitaratalojen) voi olettaa jatkavan online-välitystä osana täyden palvelun konseptiaan.

Ulkomaisten kilpailijoiden ilmaantumista Suomen markkinoille ei voi poissulkea. Muutama vuosi sitten esimerkiksi E*Trade USAsta ja E-Cortal Ranskasta ilmoittivat käynnistävänsä palvelunsa tarjoamisen myös Suomessa. Suomen markkinoiden pienuus ja melko korkea kehittyneisyys rajoittavat kuitenkin kiinnostusta Suomeen, eikä yksikään ulkoomainen toimija ole toistaiseksi käynnistänyt palveluaan Suomessa.



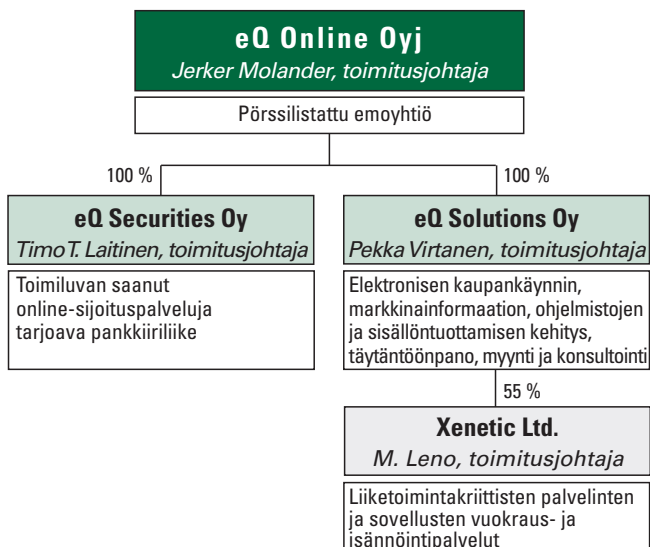
- ▶ Liiketoiminnan esittely
 - ▶ **Business operations**

► Liiketoiminnan esittely

Konsernirakenne

eQ Online -konserni muodostuu neljästä yhtiöstä. Helsingin Pörssin NM-listalla noteerattu eQ Online Oyj on emoyhtiö, joka ei itse harjoita liiketoimintaa. eQ Online Oyj omistaa täysin tytäryhtiöt eQ Pankkiiriliike Oy:n ja eQ Solutions Oy:n. eQ Pankkiiriliike, joka tuottaa valtaosan konsernin liikevaihdosta, harjoittaa arvopaperinvälitystä sijoituspalvelutoimiluvan nojalla. eQ Solutionsin toiminta kattaa elektroniseen kaupankäyntiin, markkina-informaatioon ja muuhun sisällöntuotantoon sekä informaation välitykseen soveltuvien tietokoneohjelmien suunnittelun, toteutuksen, myynnin ja konsultoinnin. Xenetic Oy, josta eQ Solutions omistaa 55 %, tarjoaa liiketoimintakriittisten palvelinten ja sovellusten vuokraus- ja isännöintipalveluja.

Konsernirakenteen yksinkertaistamiseksi eQ Solutions Oy on tarkoitus fuusioda eQ Online Oyj:öön vuoden 2002 aikana.



► Business operations

Structure of the group

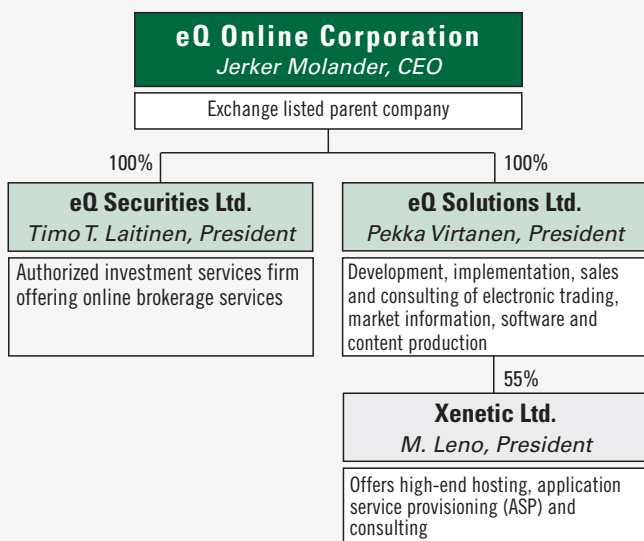
eQ Online group consists of four companies. The parent company, eQ Online Corporation, is listed on Helsinki Stock Exchange NM-list and does not carry on business activities. eQ Securities Ltd. and eQ Solutions Ltd. are 100% owned subsidiaries of eQ Online Corporation. eQ Securities offers brokerage services under Investment Services license and generates most of the group's revenues. Business operations of eQ Solutions cover development, implementation, sales and consulting of electronic trading, market information, software and content production. Xenetic Oy, of which eQ Solutions owns 55%, offers high-end hosting and application service provisioning.

In order to simplify the group structure, it is planned that eQ Solutions Ltd. will be merged into eQ Online Corporation during the year 2002.

Best online service in Finland

Online brokerage service is the core business of eQ Online group. Via eQ Online service, investors have a direct access to various market places. In 2001, eQ Online customers had direct access not only to Helsinki Exchanges, but also to U.S. markets NYSE, Nasdaq and Amex. In the beginning of 2002, Stockholm Stock Exchange has also been added to the service, and during spring service is expected to broaden with London Stock Exchange.

High quality market information and news service, and also the most comprehensive portfolio reporting in Finland, are vital add-on features to the brokerage service. Various tools for technical analysis and risk management support and speed up investment decisions. eQ Online customers can trade in all market places with one log-in and in one currency, euro, which is also the reporting currency.



The structure of eQ Online service is based on customers' wishes and development ideas, and its most important quality is reliability. Various benchmarking surveys ranked eQ Online service as the best online brokerage service in Finland in year 2001. The criteria of the surveys have not only been cost-effectiveness, but also the quality of the service and, most of all, its reliability.

In addition to online brokerage services, eQ also offers traditional phone brokerage services for customers less willing to use Internet for brokerage purposes. The use of phone brokerage increased remarkably towards the end of the year 2001.

To support brokerage operations, eQ offers a variety of services to listed and IPOing companies regarding issuing of securities and marketing of issues. eQ also takes care of share buy back routines on behalf of listed companies.

Suomen paras online-välityspalvelu

eQ Online -konsernin ydinliiketoiminnan muodostaa arvopapereiden online-välityspalvelu. eQ Online -palvelun kautta sijoittajat voivat tehdä suoria toimeksi-antoja eri markkinapaikoille. Vuonna 2001 eQ Online -asiakkailta oli suora yhteys Helsingin Pörssin lisäksi Yhdysvaltain markkinoilla NYSEen, Nasdaqiin ja AMEXiin. Vuodenvaihteen jälkeen palveluun on lisätty myös Tukholman pörssi ja myöhemmin keväällä palvelu laajentuneen Lontoon pörssillä.

Kaupankäyntiä tukemassa on erittäin korkeatasoinen markkinainformaatio- ja uutispalvelu sekä Suomen kattavin salkkuraportointi. Erilaiset teknisen analyysin ja riskienhallinnan välineet helpottavat ja nopeuttavat sijoituspäätösten tekemistä. eQ Online -asiakkaat voivat käydä kauppaa kaikilla markkinoilla samoilla asiakas-tunnuksilla ja samassa valuutassa, euroissa, joka on myös raportoinnin perusvaluutta.

eQ Online -palvelu on rakennettu asiakkaiden toiveiden ja kehitysehdotusten perusteella, ja sen tärkein ominaisuus on luotettavuus. eQ Online -palvelu on valittu useissa eri vertailuissa vuoden 2001 aikana parhaaksi online-välityspalveluksi Suomessa. Perusteena ei ole ollut ainoastaan kustannustehokkuus, vaan palvelun laatu ja etenkin sen luotettavuus.

Online-välityksen lisäksi eQ tarjoaa myös perinteistä osakevälitystä puhelimitse niille asiakkaille, jotka eivät halua käyttää sijoitustoiminnassaan Internetiä. Puhelinvälityksen suosio kasvoi vuoden 2001 lopulla merkittävästi.

Välitystoiminnan tukena eQ tarjoaa listautuville yhtiöille osakkeiden liikkeeseenlaskuun ja markkinointiin liittyviä merkintäpalveluja sekä listautuneille yrityksille omien osakkeiden ostopalveluja.

Asiakkaat

eQ Online-palvelu on tarkoitettu aktiivisille yksityissijoittajille, jotka tekevät itsenäisiä sijoituspäätöksiä. Palvelu tarjoaa laajalti erilaisia apuvälineitä sijoituspäätösten tueksi. Kustannuksiltaan edullinen eQ Online -palvelu sopii myös kaikille osakekauppaa tekeville sijoittajille sekä myös pelkästään markkinoiden seuraamisen välineeksi. eQ Online on hyvä työväline sekä yksityisille että institutiiosijoittajille.

Vuoden 2001 lopussa eQ Pankkiiriliikkeellä oli 23 578 asiakasta. Vaikeasta markkinatilanteesta huolimatta eQ Online sai vuoden 2001 aikana 2 391 uutta asiakasta.

Henkilökohtaiseen asiakaspalveluun on kiinnitetty erityisen paljon huomiota. Vuoden 2001 aikana palvelukonseptia muokattiin siten, että asiakas voi koota omaa aktiviteettiaan myötäilevän palvelukokonaisuuden. Osana tätä uudistusta puhelinkaupankäynnin välityspalkkioita laskettiin merkittävästi ja erilaisten lisäpalveluiden, kuten markkinainformaation tilaaminen myös lyhyille, yhdenkin päivän tilausjaksoille, tehtiin mahdolliseksi. Näin asiakkailta on mahdollisuus käyttää juuri heille tarpeellisia palveluita ja juuri silloin, kun he niitä tarvitsevat.

Uskomme, että asiakaslähtöinen palvelu ja vahva teknologiaosaaminen ovat tärkeimmät kilpailuvalttimme myös tulevaisuudessa.

Tärkein kanava uusien palveluiden markkinoinnissa sekä uusien asiakkaiden hankinnassa olivat asiakastilaisuudet, joita järjestettiin vuoden 2001 aikana lähes kolmekymmentä. Ympäri maata, useilla eri paikkakunnilla järjestettyihin asiakastilaisuuksiin osallistui noin 1 400 asiakasta.

Sijoittajia tavattiin perinteiseen tapaan myös sijoitusalan messuilla eri puolilla maata; vuoden aikana eQ Online oli mukana yhdeksällä messuilla. Myös keväällä järjestetty sijoitusristeily osoittautui menestykseksi. Mukana laivalla oli monta sataa eQ:n asiakasta, ja laiva oli täynnä sijoittamisesta kiinnostuneita potentiaalisia asiakkaita.

Vuonna 2001 eQ:lla oli yksi suuri mainoskampanja. Loka-marraskuussa toteutettu kampanja onnistui yli odotusten ja lisäsi asiakashakemusten määrää merkittävästi loppuvuonna. Kampanjoista riippumatta paras mainosmiehemme on kuitenkin edelleen tyytyväinen asiakas.

Joulukuussa ilmestyi eQ Pankkiiriliikkeen ensimmäinen asiakaslehti, Meklari. Vaikka toimintamme pääpaino onkin Internet-palveluissa, oli tarpeen koota tieto lukuisista palvelumme uutuuksista yksin kansiin. Lehti sai erittäin lämpimän vastaanoton, ja sen toimittamista jatketaan vuonna 2002.

Customers

eQ Online service is built for self-directed and active private investors. The service offers a wide variety of different tools to support investment decisions. The fees of eQ Online service are very reasonable and therefore it is suitable for all investors and also for only monitoring the markets. eQ Online service is a good tool for both private and institutional investors.

At the end of the year 2001, eQ Securities had 23 578 customers. Regardless of difficult market conditions, eQ Online was able to attract 2 391 new customers during the year 2001.

Emphasis has been especially put on personal customer service. During the year 2001, the service concept was modified so that the customers can choose their own service portfolio that matches their trading activity. As a part of this improvement, the phone brokerage fees were lowered remarkably and the subscription of various services, such as market information, was enabled for a short period of time, even for 24h. This is how customers can use exactly the services they require and for exactly the time period they need. We believe that customer oriented service and our strong technological know-how are important competitive advantages also in the future.

The most important marketing channel of new products and in acquiring new customers are customer events. During the year 2001, eQ Online arranged nearly 30 customer events all around Finland. These events were attended by 1 400 customers.

Traditionally, investors were also met in many investment fairs around Finland. In 2001, eQ Online participated in nine investment fairs. In addition to fairs, an investment cruise was arranged for the first time in the spring of 2001, and it turned out to be a great success. On the cruise, there were hundreds of eQ Online customers and even more investment oriented potential customers.

In the year 2001, eQ carried out one large marketing campaign. The campaign took place between October and November, and it exceeded the expectations set for it and remarkably added to the number of customer applications towards the end of the year. However, regardless of campaigns, our best marketing man is still a satisfied customer.

eQ Securities' first customer magazine "Meklari" was published in December. Even though the focus of our operations is on the Internet, there was a clear need to put all recent enhancements of the service on paper. Magazine received a very warm welcome and we have made the decision to continue publishing it during the year 2002.

Significant events of 2001

Direct access to international markets was added to eQ Online service in July. Agreement with Goldman Sachs was signed in January, and it gives eQ Online the possibility to add even dozens of new markets to eQ Online service.

A new way to offer online services to eQ Securities' customers was introduced in August. Micro-payment system enables a very easy and cost-effective introduction of new features in eQ Online service. The basic idea is that the customer himself defines his service portfolio. Real-time market information, analysis or news, for example, can be subscribed for customer-requested period of time – and paid only for that period. The subscription is handled automatically and the customer can use the service immediately.

Vuoden 2001 merkittävimmät tapahtumat

eQ Online -palveluun liitettiin heinäkuussa mahdollisuus käydä kauppaa myös ulkomaisilla arvopapereilla. Tammi-kuussa solmittu yhteistyösopimus Goldman Sachsin kanssa sallii jopa useiden kymmenien markkinapaikkojen tuomisen eQ Online -asiakkaiden ulottuville.

Elokuussa eQ Pankkiiriliike otti käyttöön uuden tavan tarjota online-palveluja asiakkailleen. Micromaksu-pohjaisen järjestelmän avulla on erittäin helppoa lisätä uusia ominaisuuksia eQ Online -palveluun kustannus-
tehokkaasti. Järjestelmän perusajatus on, että asiakas määrittelee itse palvelukokonaisuutensa. Näin esim. reaaliaikaista markkinainformaatiota, analyysijä tai uutisia voi tilata haluamalleen ajanjaksolle – ja maksaa vain niistä. Palvelutilaus käsitellään täysin automaattisesti, ja asiakas saa palvelun käyttöönsä välittömästi tilauksen tehtyään.



Kaupankäynnin teknologia

Voimakkaan teknisen kehityksen vuosi

Hyvä Internet-palvelu edellyttää korkeatasoista ja luotettavaa teknologiaa. eQ:n koko kaupankäyntijärjestelmä uudistettiin maaliskuussa, ja uuden järjestelmäratkaisun päälle rakennettiin vuoden mittaan monia uusia palveluja. Näitä olivat mm. kaupankäynti Yhdysvaltain markkinapaikoilla, stop-toimeksiannot, streamer-tekniikka reaaliaikaisen markkinainformaation tarjoamiseksi sekä micromaksu -pohjainen lisäpalveluiden tilaus- ja toimitusjärjestelmä.

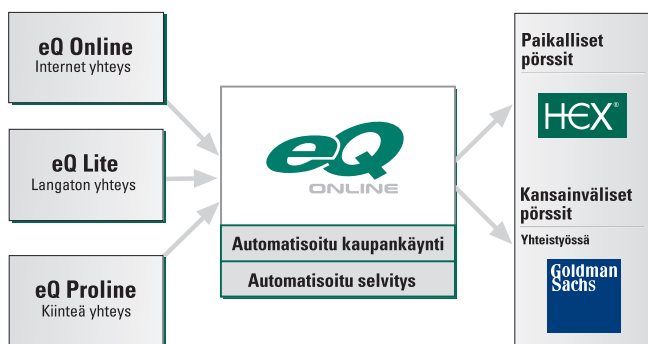
eQ:n keskeiset tietojärjestelmät muodostavat kaupankäyntikoneen, jota voi käyttää usealla eri päätelaitteella ja joka on puolestaan kytketty useille markkinoille. Palvelu on suunniteltu STP-periaatteella (Straight Through Processing), mikä tarkoittaa, että asiakkaan antama toimeksianto kulkee koko järjestelmän läpi täysin automaattisesti. Kun kauppa on syntynyt pörsissä, kaikki selvitykseen ja maksuliikenteeseen liittyvät työvaiheet tapahtuvat myös automaattisesti. Alla oleva kuva havainnollistaa järjestelmän yleisperiaatteita.

eQ:n kaupankäyntijärjestelmän rakentamisessa on otettu huomioon kriittisen palvelun vaatimukset. Järjestelmän suorituskykyä voi esim. kasvattaa lineaarisesti asiakasmäärän kasvaessa, kaikki laitekomponentit on vähintään kahdennettu ja järjestelmän ulkoiset yhteydet on turvattu käyttämällä useata tietoliikennetoimittajaa.

Tekniikan tekijät

Palvelumme takana on alansa ehdotonta huippua edustava monimutkainen järjestelmäkokonaisuus. Sitä suunnittelemassa ja toteuttamassa on ollut ammattilaisia kaikista konsernimme yhtiöistä.

Liiketoiminta- ja palveluideoita tutkii oma **liiketoiminnan kehitysyksikkömme**, joka on uusien ajatusten keihäänkärki. Uudet palvelut suunnittelee **kehitysryhmä**, tietotekniikkahankkeitemme sisäinen integraattori.



Technology of brokerage services

A year of strong technological development

Good Internet-service requires reliable high-quality technology. The whole trading platform of eQ Online was renewed in March. The new platform enabled the introduction of various new services during year 2001. These new services were, among others, direct access to U.S. markets, stop-orders, streamer-technology for real-time market information and micro-payment system for subscription and handling of add-on services.

eQ's core information systems together form a trading engine, which can be used with different terminals, and is connected to various market places. The service has been planned with STP-principle (Straight Through Processing), which means that an order placed by customer goes through the whole system fully automated. Once the trade has been executed on the stock exchange, all clearing and settlement related tasks are also handled automatically. The picture demonstrates the principle.

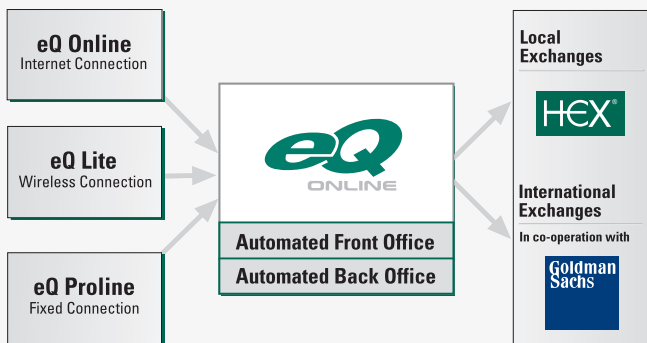
The requirements of a mission critical service have been taken into account when building eQ's trading platform. The system's capacity is scalable to match the increase of transactions and number of customers. All components are at least doubled and all external connections are secured by using several telecommunications operators.

People behind the technology

Representing the absolute top of online brokerage business, our service is based on a complicated integrity of IT systems. It has been designed and built by professionals from all group companies.

Business and service ideas are being researched by our own **business development unit**, which is the spearhead of new ideas. New services are planned and designed by **development group**, the internal integrator of our IT-projects. Development group is also steering our system projects and controlling the work of internal and external suppliers. Group is also in charge of testing and implementation support.

IT-department ensures the daily functionality of our systems. The department has also programming resources, which have produced solutions for both our core functions and to user interfaces. IT-department is also responsible for the implementation of systems. In addition internal and external IT-support is provided by IT-department.



eQ Solutions Ltd is the group's internal software company. International trading service and related market information are based on Order Management System (OMS) which has been developed by eQ Solutions. The system grew to be the core of our service during the year 2001 and the implementation of its all parts took place at the end of 2001 and in the beginning of 2002. OMS, for example, routes the orders to the right market place, takes care of commission and purchasing power calculation as well as currency calculation in non-euro markets.

Xenetic Oy is an ASP- and facilities management company. It administers the hardware used in eQ Online service and provides the secure communication lines needed. Xenetic specialises in demanding high quality solutions, which inter alia eQ Securities needs in its own 24*7 -service.

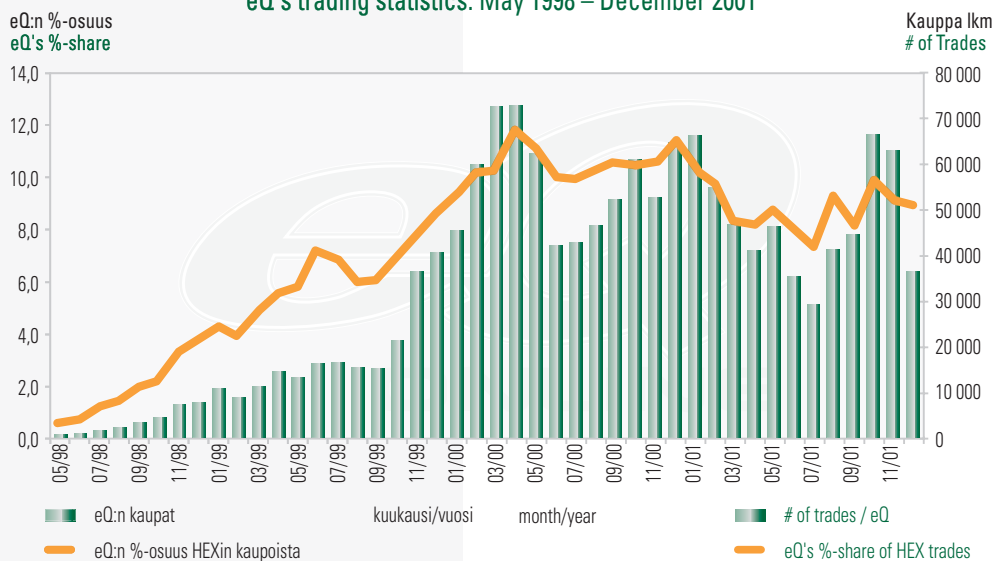
Kehitysryhmä ohjaa myös järjestelmähankkeitamme ja valvoo sisäisten ja ulkoisten toimittajien työtä. Ryhmä on lisäksi vastuussa toimitusten testaamisesta ja tuotantoonoton tukemisesta.

IT-osasto huolehtii järjestelmiemme päivittäisestä toiminnasta. Yksikössä on lisäksi omaa ohjelmointivoimaa, joka on tuottanut ratkaisuja sekä järjestelmiemme ydin-toimintoihin että käyttöliittymiin. IT-osasto on myös vastuussa järjestelmien tuotantoonotosta. Yksikkö toimii IT-tukena sekä palvelumme asiakkaille että omille työntekijöillemme.

eQ Solutions Oy on konsernin sisäinen ohjelmistoyritys. Kansainvälinen kaupankäyntipalvelu ja siihen liittyvä markkinainformaatio perustuvat eQ Solutionsissa kehitettyyn Order Management Systemiin (OMS). Järjestelmä kasvoi vuoden 2001 aikana koko palvelumme ytimeksi, ja sen kaikkien osien käyttöönotto sijoittui vuodenvaihteen 2001 ja 2002 molemmin puolin. OMS hoitaa mm. toimeksiantojen reitityksen oikealle markkinapaikalle, komission ja ostovoiman reaaliaikaisen laskennan ja euroalueen ulkopuolisilla markkinoilla tarvittavan valuuttakäsittelyn.

Xenetic Oy on ASP- ja facilities management -yritys. Se hallinnoi eQ Online -palvelussa käytettävää laitteistoa ja toimittaa tarvittavat varmennetut tietoliikenneyhteydet. Xenetic on erikoistunut vaativiin korkean käytettävyyden ratkaisuihin, joita myös eQ Pankkiiriliike tarvitsee omassa 24*7-palvelussaan.

eQ:n kaupankäyntitilasto: toukokuu 1998 – joulukuu 2001
eQ's trading statistics: May 1998 – December 2001



► Henkilöstö

eQ Online on asiantuntijaorganisaatio, jonka toiminnan ja menestyksen edellytys on motivoitunut, ammattitaitoinen ja asiakaspalveluhenkinen henkilöstö.

eQ Online tarjoaa työntekijöilleen avoimen ja vapaan työilmapiirin, jonka vastineena työnantaja saa palvelukseensa sitoutunutta ja innostunutta henkilökuntaa. Luovuuden ja innovoinnin tukeminen on erityisen tärkeää eQ Onlinen kaltaisessa yrityksessä, jossa koko palvelun on rakentanut yrityksen oma henkilöstö.

Yhtiön arvot kannattavuus, laatu, luovuus ja arvostus näkyvät myös henkilöstön toiminnassa ja johtamisessa. Vuonna 2000 aloitettuja henkilöstön kehityskeskusteluja jatkettiin vuonna 2001. Tulokset kootaan jokaisen keskustelukierroksen jälkeen ja huomioidaan osaltaan yrityksen toimintaa suunniteltaessa.

Henkilöstön keski-ikä konsernissa vuoden 2001 aikana oli 32 vuotta ja keskimääräinen työsuhteen kesto eQ:ssa oli 2 vuotta ja 1 kuukausi. Tämä saattaa tuntua lyhyeltä ajalta, mutta monet nykyiset työntekijät ovat olleet mukana yrityksessä lähes sen perustamisesta lähtien.

Yhtiön sisäinen tiedotus tapahtuu säännöllisissä henkilöstöpalaverissa ja Intranetissa, jossa myös julkaistaan eQ Magazine -henkilöstölehti.

Kaikki konsernin työntekijät kuuluvat laajan työterveyshuollon piiriin ja ovat oikeutettuja vapaaehtoiisiin, säännöllisiin työterveystarkastuksiin. Yhtiö tukee henkilöstön urheiluharrastuksia mm. tarjoamalla kuntosalien ja liikuntahallien ilmaisen käytön kaikille työntekijöilleen.

Konsernin henkilöstö pieneni merkittävästi vuoden 2001 aikana. Yhtiön koko Saksan toimintojen henkilökunta irtisanottiin toiminnan päättyessä. Myös Suomessa henkilöstön koko pienentyi vuoden aikana. Syksyllä läpikäyty YT-neuvotteluprosessi oli raskas, mutta se saatiin onnistuneesti päätökseen. Vuoden 2001 lopussa konsernin palveluksessa oli 70 työntekijää.

Kannustinjärjestelmänä konsernissa on kattava tulospalkkio- ja optiojärjestelmä, jonka piiriin kuuluu koko henkilöstö. eQ Online Oyj:llä on tällä hetkellä kaksi optio-ohjelmaa. Jokainen optio oikeuttaa merkitsemään yhden eQ Online Oyj:n osakkeen. Organisaation pie-

► Personnel

eQ Online is a professional organisation. The base of its business and success is a motivated, skilled and customer oriented personnel.

eQ Online provides its employees an open and independent working environment and in return attracts committed and enthusiastic staff. Supporting the creativeness and innovativeness is especially important in a company such as eQ Online, where the entire service has been built by its own employees.

The company values – profitability, quality, creativeness and appreciation – are present in daily work and management. The performance evaluations, which were started in 2000, were continued during 2001. Results from these discussions are gathered after each round of discussions, and they are taken into account when planning company's future operations.

The average age of employees during the year 2001 was 32 years, and the average duration of an employment relationship was 2 years and 1 month. This might seem as a short time, but most of the current employees have been with the company since it was founded.

Internal communication takes place in regular staff meetings and over the Intranet, where the company's personnel forum eQ Magazine is also published.

A wide occupational health service is provided to the whole personnel, including regular voluntary check-ups. Company also supports sport activities, for example by offering subsidized use of gyms and other sport centers for all staff members.

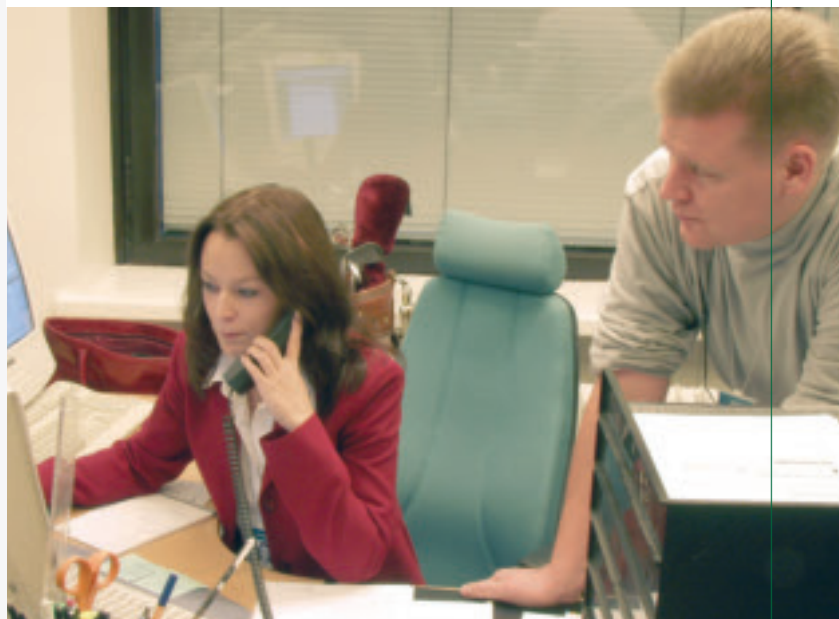
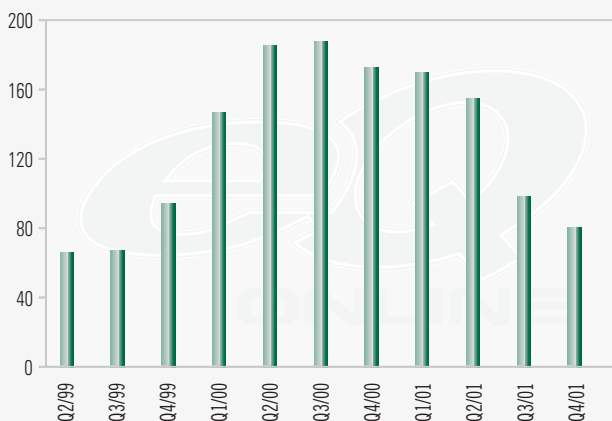
The number of employees dropped remarkably during the year 2001. The personnel in Germany was laid off as the German branch was closed. In Finland, the number of employees also dropped. The personnel negotiations carried out in autumn were difficult, but the process was taken to a successful end. At the end of the year 2001 the group had 70 employees.

The incentive program covers all employees, and it consists of bonuses and option programs. eQ Online has currently two option programs. Each option entitles to subscribe for one share of eQ Online Corporation. When

the organisation became smaller, the board reduced the option programs in September. After the annulment, a total of 1 926 728 options (maximum dilution effect 7.5%) may be granted. By the end of the year 2001, 1 330 759 options (maximum dilution effect 5.2%) of the total have been granted and 398 759 of the granted options are exercisable (maximum dilution effect 1.5%).

nenntuhtu yhtiön hallitus supisti optio-ohjelmia syyskuussa. Mitätöinnin jälkeen optio-ohjelmien nojalla voidaan antaa yhteensä 1 926 728 optiota (maksimi laimennusvaikutus 7,5 %). Näistä oli vuoden 2001 loppuun mennessä jaettu 1 330 759 optiota (maksimi laimennusvaikutus 5,2 %), joista 398 759:lla on osakemerkintäaika käynnissä (maksimi laimennusvaikutus 1,5 %).

Henkilömäärän kehitys vuosineljänneksittäin 1999 - 2001
Development in personnel quarterly 1999 - 2001



► Hallinto ja johto

Hallitus

Georg Ehrnrooth, s. 1966

Puheenjohtaja 29.1.2002 lähtien,
jäsen vuodesta 2000

Georg Ehrnrooth on toiminut lukuisissa luottamus-
tehtävissä, kuten Finvest Oyj:n hallituksen jäsenenä,
Seligson & Co ACM varainhoito Oy:n hallituksen jäse-
nenä ja Vestcap Oyj:n hallituksen puheenjohtajana.
Tällä hetkellä Ehrnrooth on Advium Partners Oy:n,
Holiday Club Finland Oy:n, Evox-Rifa Oyj:n, sekä
Suomen Arvopaperimedit Oy:n hallituksen jäsen.
Omistaa 12 510 yhtiön osaketta. Lisäksi Georg
Ehrnrooth käyttää yhdessä veljiensä Carl Gustaf
Ehrnroothin ja Henrik Ehrnroothin kanssa määräysval-
taa Fennogens S.A.:ssa, joka omistaa 9 177 878 yhtiön
osaketta.

Jerker Molander, s. 1955

Jäsen vuodesta 2000, puheenjohtaja 4/2001–1/2002
VT, MBA, MA

Ennen siirtymistään eQ Online Oyj:n palvelukseen,
Jerker Molander on toiminut Jaakko Pöyry Oyj:n
päälakimiehenä, Metro-Auto Oy:n toimitusjohtajana,
Dayton Vaaka Oy:n toimitusjohtajana sekä Finvest Oyj:n
toimitusjohtajana. Tällä hetkellä Molander on hallituk-
sen puheenjohtaja Evox-Rifa Oyj:ssä ja Dayton Vaaka
Oy:ssä sekä hallituksen jäsen Metro-Auto Oy:ssä ja
Nixu Oy:ssä.

Omistaa 40 000 yhtiön osaketta

Peter Seligson, s. 1964

Jäsen vuodesta 2000
Liiketalouden lisensiaatti

Peter Seligson oli yksi eQ Pankkiiriliike Oy:n perustaja-
jäsenistä vuonna 1997. Nykyään hän toimii Menire
Advisors Oy:n, Menire Oyj:n ja 2M Invest Finlandin toi-
mitusjohtajana. Hän on Seligson & Co Rahastoyhtiön ja
Terra Nova Group Oyj:n hallitusten puheenjohtaja ja
hallituksen jäsenenä Seligson & Co Oyj:ssä, Ahlström
Oyj:ssä ja Endero Oyj:ssä. Omistaa 1 315 100 yhtiön
osaketta

► Administration and management

Board

Georg Ehrnrooth, born 1966

Chairman since Jan 29, 2002,
member since year 2000

Georg Ehrnrooth has acted in various positions of trust,
such as member of board of Finvest Oyj and Seligson &
Co ACM varainhoito Oy and as chairman of board of
Vestcap Oyj. At the moment, Ehrnrooth is a board
member of Advium Partners Oy, Holiday Club Finland
Oy, Evox-Rifa Oyj and Suomen Arvopaperimedit Oy.

Owns 12 510 company shares. In addition, together
with his brothers Carl Gustaf Ehrnrooth and Henrik
Ehrnrooth, Georg Ehrnrooth indirectly holds a controlling
interest in Fennogens S.A., which holds 9 177 878
shares of eQ Online Corporation.

Jerker Molander, born 1955

Member since 2000, chairman April 2001 – Jan 2002
LL.M., MBA, MA

Prior to joining eQ Online Corporation, Molander has
acted as chief legal counsel in Jaakko Pöyry Oyj, CEO of
Metro-Auto Oy, CEO of Dayton Vaaka Oy and CEO of
Finvest Oyj. At the moment, Molander is the chairman of
board of Evox-Rifa Oyj and Dayton Vaaka Oy, and a
board member of Metro-Auto Oy and Nixu Oy.

Owns 40 000 company shares

Peter Seligson, born 1964

Member since 2000
Lic. Oec.

Seligson was one of the founders of eQ Securities in
1997. Today he acts as CEO of Menire Advisors Oy,
Menire Oyj and 2M Invest Finland. He is the chairman of
board of Seligson & Co Rahastoyhtiö and Terra Nova
Group Oyj, and a board member of Seligson & Co Oyj,
Ahlström Oyj and Endero Oyj.

Owns 1 315 100 company shares



Jari Puhakka
Hallituksen jäsen
Member of Board



Jerker Molander
Hallituksen jäsen
Member of Board



Georg Ehrnrooth
Hallituksen puheenjohtaja
Chairman of Board



Peter Seligson
Hallituksen jäsen
Member of Board

*Kuvasta puuttuu Roberto Paganoni
Missing from the picture Robert Paganoni*

Jari Puhakka, born 1962
Member since 2001
MBA

Puhakka has acted as vice president of business development in F-Secure Corporation, as chairman of board of F-Secure Corporation and as CEO of Digia Oy. Today he acts as CEO of Takamäki Oy.

Holds no company shares

Roberto Paganoni, born 1961
Member since 2000
Ph. D. Business, Dipl. Ing.

Paganoni has served in various duties at McKinsey & Company until 1997, after which he joined LGT (Liechtenstein Global Trust). Today he acts as CEO of LGT Capital Partners.

Holds no company shares

General meeting

The annual general meeting of eQ Online Corporation takes place yearly in the spring. The annual general meeting of 2002 will be held on March 26, 2002. The annual general meeting affirms the annual accounts, decides on discharging board from liability, decides on distribution of dividend and elects board members and auditors.

Jari Puhakka, s. 1962
Jäsen vuodesta 2001
MBA

Jari Puhakka on toiminut F-Secure Oyj:n liiketoiminnan kehityksestä vastaavana johtajana, F-Secure Oyj:n hallituksen puheenjohtajana, Digia Oy:n toimitusjohtajana ja toimii nykyään Takamäki Oy:n toimitusjohtajana. Ei omista yhtiön osakkeita

Roberto Paganoni, s. 1961
Jäsen vuodesta 2000
Ph. D. Business, diplomi-insinööri

Paganoni on toiminut useissa eri tehtävissä McKinsey & Companyllä, jonka jälkeen vuodesta 1997 alkaen LGT:n (Liechtenstein Global Trust) palveluksessa. Nykyään LGT Capital Partnersin toimitusjohtaja. Ei omista yhtiön osakkeita

Yhtiökokous

eQ Online Oyj:n varsinainen yhtiökokous pidetään vuosittain keväällä. Vuoden 2002 yhtiökokous pidetään 26.3.2002. Yhtiökokous vahvistaa tilinpäätöksen, päättää vastuuvapauden myöntämisestä, päättää osingonjaosta ja valitsee hallituksen jäsenet ja tilintarkastajat.

Hallitus

Varsinainen yhtiökokous valitsee hallitukseen 4–8 jäsentä. Hallitus valitsee keskuudestaan puheenjohtajan. Hallituksen jäsenten toimikausi päättyy vaalia ensiksi seuraavan varsinaisen yhtiökokouksen päättyessä. Hallitus huolehtii emoyhtiön hallinnosta ja toiminnan asianmukaisesta järjestämisestä. eQ Online Oyj:n hallitus kokoontui 17 kertaa vuoden 2001 aikana.

Toimitusjohtaja

Hallitus nimittää yhtiön toimitusjohtajan. Toimitusjohtaja saattaa emon eli omistusyhteisön hallituksen päätettäväksi operatiivisen johtajan kanssa sopimansa työnjaon puitteissa:

- asiat, joista laki tai viranomaiset edellyttävät hallituksen päätöstä, kuten pörssitiedotteet
- merkittävät muutokset toimintapuitteissa
- riskienhallintapolitiikan ja riskienseurannan vuosittain
- ehdotukset työnantajajärjestäytymisestä
- konsernirakenteen
- yhtiöryhmän vuosibudjetin ml. investoinnit
- strategian ja merkittävät projektit
- merkittävät investoinnit budjetin ulkopuolelta
- merkittävät sopimukset
- sijoituspolitiikan ja sen toteuttamisen organisoinnin
- sisäisen valvonnan toimintamallin
- riskien valvonnan organisoinnin
- henkilökunnan palkitsemisjärjestelmän ja henkilöstöpolitiikan suuntaviivat
- emoyhtiön toimitusjohtajan sijaisena toimivan operatiivisen johtajan valinnan ja palkkauksen
- konsernin johtoryhmän nimeämisen ja palkkauksen
- tytäryhtiöiden hallitusten jäsenten ja toimitusjohtajien valinnan ja palkkauksen

Vuoden 2001 kesäkuun loppuun asti eQ Online Oyj:n toimitusjohtajana toimi Petri Rutanen. Yhtiön hallituksen päätöksellä yrityksen toiminnoista vastasi tämän jälkeen hallituksen puheenjohtaja Jerker Molander. Toimitusjohtajan sijainen on eQ Pankkiiriliike Oy:n toimitusjohtaja Timo T. Laitinen. Tammikuussa 2002 yhtiön hallitus nimesi Jerker Molanderin eQ Online Oyj:n toimitusjohtajaksi.

Board

The annual general meeting elects 4–8 members to the board. The board elects the chairman among its members. The term of board members ends when the next annual general meeting is held and new members are elected. The board controls the administration of the parent company and of the appropriate arrangement of business activities. The board of eQ Online Corporation had 17 meetings in the year 2001.

Managing director (CEO)

The board appoints the managing director. The managing director brings, together with the chief operating officer, the following issues for the board to decide on:

- Issues, which are by law or authorities required to be decided by the board, such as stock exchange releases
- Remarkable changes in the operative framework
- Risk management policy and risk control systems yearly
- Proposals regarding membership in employer associations
- Group structure
- Group budget including investments yearly
- Strategy and significant projects
- Significant investments outside the budget
- Significant agreements
- Investment policy and the organising of its execution
- Operating framework of internal control
- Organisation of risk control
- Employee incentive schemes and guidelines for employee policy
- Employment of managing director's deputy, chief operating officer
- Employment terms of the management group
- Electing of subsidiaries' board members and managing directors

Until the end of June 2001, Petri Rutanen acted as managing director of eQ Online Corporation. After his resignation, according to the decision by board, the chairman of board, Jerker Molander, was responsible for daily operations of the company. Managing director's deputy is Timo T. Laitinen, the managing director of eQ Securities Ltd. In January 2002, the board appointed Jerker Molander as managing director of eQ Online Corporation.

Management group

There are ten members in the management group. Management group meets regularly every week.

Members are:

Jerker Molander, managing director of eQ Online Corporation
Timo T. Laitinen, managing director of eQ Securities Ltd.
Juha Korhonen, director, customer operations
Pekka Virtanen, chief technology officer
Kimmo Matikainen, head of front-office
Mervi Vehmas, group controller
Åsa Nyberg, head of back-office
Mari Marsio, chief legal counsel
Satu Norhomaa, head of corporate relations
Vesa Viitanen, head of IT

Members of management group own 782 360 company shares.

Duties of the management group are:

- Prepare a proposal for the board for group strategy
- Co-ordinate the group's joint actions
- Prioritise the group's strategic projects
- Prepare a proposal for the annual operating plan and budget
- Handle the issues to be presented to the board

Salaries and fees

The general meeting decides on the salaries and fees paid to the members of the board. The board decides on the salaries and fees paid to the top management of the group.

Salaries and fees paid to the members of board and managing director of the group during the year 2001 were EUR 968 771.

Johtoryhmä

Konsernin johtoryhmään kuuluu 10 jäsentä. Johtoryhmä kokoontuu säännöllisesti kerran viikossa.

Johtoryhmään kuuluu:

Jerker Molander, eQ Online Oyj:n toimitusjohtaja
Timo T. Laitinen, eQ Pankkiiriliike Oy:n toimitusjohtaja
Juha Korhonen, johtaja, asiakasliiketoiminnot
Pekka Virtanen, teknologiajohtaja
Kimmo Matikainen, front-office-päällikkö
Mervi Vehmas, konsernikontrolleri
Åsa Nyberg, back-office-päällikkö
Mari Marsio, päälakimies
Satu Norhomaa, viestintäpäällikkö
Vesa Viitanen, IT-päällikkö

Johtoryhmän jäsenet omistavat yhteensä 782 360 yhtiön osaketta.

Konsernin johtoryhmän tehtävänä on:

- laatia hallitukselle ehdotus konsernin strategiaksi
- koordinoida konsernin yhteiset toiminnot
- priorisoida konsernin strategiset hankkeet
- laatia ehdotus toimintasuunnitelmaksi ja budjetiksi
- käsitellä konsernin hallitukselle esiteltävät asiat

Palkat ja palkkiot

Yhtiökokous päättää hallituksen jäsenten palkkioista. Ylimmän johdon palkoista ja palkkioista päättää hallitus.

Toimitusjohtajalle ja hallituksen jäsenille maksettiin vuoden 2001 aikana 968 771 euroa palkkoja ja muita palkkioita luontaisetuineen.



► Tietoja osakkeenomistajille

Yhtiökokous

eQ Online Oyj:n varsinainen yhtiökokous pidetään 26.3.2002 klo 10.00 eQ Online Oyj:n tiloissa, osoitteessa Mannerheiminaukio 1 A, 4.krs. Helsinki.
Ilmoittautuminen 22.3.2002 klo 16.00 mennessä Satu Norhomaa postitse osoitteeseen eQ Online Oyj, Mannerheiminaukio 1 A, 00100 Helsinki tai faxitse numeroon (09) 6817 8463 tai sähköpostitse osoitteeseen ir@eQonline.fi tai puhelimitse numeroon (09) 6817 8417.

Taloudellisen tiedon julkistamisajankohdat vuonna 2002

29.1.2002 tilinpäätöstiedote vuodelta 2001
23.4.2002 osavuositarkastus tammi–maaliskuu 2002
18.7.2002 osavuositarkastus tammi–kesäkuu 2002
17.10.2002 osavuositarkastus tammi–syyskuu 2002
28.1.2003 tilinpäätöstiedote vuodelta 2002

Osinko

eQ Online Oyj:n hallitus esittää, että tilikaudelta 2001 ei jaeta osinkoa.

Yhteystiedot

eQ Online Oyj
Mannerheiminaukio 1 A, 00100 Helsinki
Puh. (09) 6817 81
Fax. (09) 6817 8463
www.eQonline.fi
etunimi.sukunimi@eQonline.fi

Toimitusjohtaja
Jerker Molander
Puh. (09) 6817 8438

Talous- ja rahoitusjohtaja
Timo T. Laitinen
Puh. (09) 6817 8601

Sijoittajasuhteet
Satu Norhomaa
Puh. (09) 6817 8417

► Information for shareholders

Annual general meeting

The annual general meeting of eQ Online Corporation will take place on March 26th 2002 at 10.00. The meeting will be held in eQ Online's office, address Mannerheiminaukio 1 A, 4th floor, Helsinki. Registration should be made by 16.00 on March 22nd and addressed to Ms. Satu Norhomaa. By mail to address eQ Online Oyj, Mannerheiminaukio 1A, 00100 Helsinki, Finland or by fax to number +358 9 6817 8463 or by e-mail to ir@eQonline.fi or by phone to number +358 9 6817 8417

Publication dates for financial information in 2002

Jan 29 2002	Annual Accounts of 2001
Apr 23 2002	Interim Report January–March 2002
Jul 18 2002	Interim Report January–June 2002
Oct 17 2002	Interim Report January–September 2002
Jan 28 2003	Annual Accounts of 2002

Dividend

The Board of eQ Online Corporation proposes that no dividend will be distributed for the fiscal year 2001.

Contact information

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eQ ONLINE CORPORATION

Financial Statement

1.1.-31.12.2001

(translation from Finnish language original)

Report of the board of eQ Online Corporation

(Translation from Finnish language original)

Customers of eQ Securities in Finland executed a total of 571 160 trades during the year 2001 (686 090 including German figures). This compares to 673 174 trades in 2000 (849 315 including German figures). The number of executed trades in Finland decreased by 15.2% in the year 2001.

In 2001 eQ customers in Finland executed on average 24 trades/customer (27 including German annualised figures). The trading activity compared to year 2000 (40 trades/customer in Finland) dropped by 40% due to poor market conditions.

As in year 2000 eQ did very well in benchmarking surveys. In a survey conducted by Arvopaperi-magazine in June edition eQ Online service was once again recommended as best service for active online-investors.

The number of customers at the end of the year 2001 was 23 578, which represents a decrease of 0.8% compared to December 2000 figures(excluding German figures). eQ Securities gained 2 391 new accounts in the year 2001 compared to 14 085 in the previous year (excluding German figures). During the year 2001 the average number of customer accounts was 23 672 (25 129 including German figures). This compares to 16 989 in year 2000.

The entire trading platform was upgraded in March. The new system has enabled the introduction of numerous new products during year 2001 and this development continues. One of the most important changes in the new trading platform was the introduction of a customer account, which has increased group's interest income significantly.

In June, the board decided to wind down the operations in Germany. The decision to exit Germany was made after it seemed highly unlikely that profitability could be achieved in current market conditions. Reducing costs to the level of revenues without endangering the service level significantly was not a path to profitability. On the other hand, the likelihood of increasing the commission income many fold was considered all too small in current market conditions.

At the end of May Xenetic Oy became a subsidiary of eQ Solutions Ltd, eQ Online Corporation's wholly owned subsidiary. Xenetic Oy has accordingly since then been included in the group accounts.

As one of the most important changes in the product offering, eQ Securities launched its international trading service in July. The trading service offered in co-operations with Goldman Sachs International and gives eQ Online customers direct access to international markets. The service was started with U.S. markets i.e., Nyse, Nasdaq and Amex, and has been broadened with Swedish markets in the beginning of March 2002. The co-operation with Goldman Sachs International enables eQ Securities to add many new European markets to the system.

A completely new way to offer eQ customers additional services online with self-service principal was launched in August. A unique micro-payment system gives eQ Securities an easy and extremely cost efficient way to introduce new features in the service and it is expected to attract new customers. This new feature enables eQ customers to subscribe online for services such as real-time market information from desired market place, analysis or news for a user-requested period of time. Once the customer has subscribed for the service, the subscription is automatically processed and the service delivered instantly.

Abandoning the geographic expansion strategy led to the fact that also the organisation in Finland had to be streamlined to meet the new requirements.

Due to adjusting costs, the number of employees in the group (eQ Online Corporation, eQ Securites Ltd., eQ Solutions Ltd. and Xenetic Oy) dropped to 70 at the end of the year and decreased the cost base significantly. As a result the last quarter of year 2001 was cash flow positive for the whole group.

At the end of year 2001 eQ Online Corporation made an EUR 24 million write-down on the shares of eQ Securities Ltd.

Investments

Year 2001 investments totalled EUR 4.8 million (EUR 8.3 million in 2000). Of this EUR 4.3 million was used for the new trading platform in Finland.

Financial situation of eQ Online Corporation

Total income for year 2001 was EUR 13 673 020.50.

The loss for financial year was EUR 16 590 850.38. The loss includes EUR 8.5 million one-time bookings due to the winding down of the German operations and the write-down of the software related to Finland's old trading platform. Due to the significant cost-cutting during the latter part of the year, the fourth quarter of 2001 was cash flow positive for the whole group.

The total amount of balance was EUR 44.3 million at the end of year 2001. Company's equity capital was EUR 39.9 million. At the end of December the group equity ratio was 90.0% (84.6% in 2000).

At the same time the group cash and equivalents totalled EUR 33.9 million, of which EUR 4.5 million was deposited as collateral for clearing and settlement purposes. The cash position improved slightly towards the end of the year 2001.

Board

Five members served on the board of eQ Online Corporation in year 2001: Jerker Molander, chairman until 29 Jan 2002, Georg Ehrnrooth, chairman since 29 Jan 2002, Peter Seligson, Jari Puhakka and Roberto Paganoni.

CEO

Petri Rutanen acted as chief executive officer until his resignation at the end of June. Jerker Molander has acted as chief executive officer since Jan 29, 2002. Timo Laitinen acts as a deputy CEO.

Auditors

The company's auditor was KPMG Wideri Oy Ab, represented by Sixten Nyman, authorized public accountant, as the auditor with principal responsibility.

Changes in the structure of the group in year 2001

The extraordinary meeting of shareholders of eQ Holding Oyj approved on Dec 22, 2000 the proposal of the Board of directors dated 10 Nov 2000 to merge the company into eQ Online Corporation. The extraordinary shareholders' meeting of eQ Online Corporation approved on Dec 22, 2000 the proposal of the Board of directors dated 10 Nov 2000 to merge eQ Holding Oyj into the company. The merger took place on April 12, 2001.

Xenetic Oy became a group company in June 2001, when eQ Solutions', a wholly owned subsidiary of eQ Online Corporation, holding in Xenetic Oy exceeded 50% of the shares and share capital. At the end of year 2001 eQ group owned 54,98% of Xenetic's shares and share capital.

The entire holding in Entirem was sold to Terra Nova Group Plc in December 2001.

The proposal of the board for the use of profit

According to the December 31, 2001 group balance sheet, the accrued losses of the group amounted to EUR 30 224 802.46, and the accrued losses of the parent company to EUR 18 297 231.49. The loss of the parent company for the fiscal year 2001 was EUR 24 007 739.76.

The board proposes that no dividend will be distributed for the fiscal year 2001.

Significant events after the end of the report period and outlook

No significant events have taken place after the end of year 2001.

Market conditions for the remaining year 2002 are extremely difficult to foresee, since there are very contradictory signals coming from the markets. The Board of eQ Online Corporation expects the market conditions to remain uncertain.

Remote members have strengthened share of trades executed on Helsinki Exchanges. This has weakened the market share of domestic brokers. The remote members serve mainly foreign institutional investors, and the strengthening of their position has not affected eQ Securities' position, as eQ serves mainly domestic private investors.

Regardless of the market conditions, the Board believes that the group has good preconditions to reach a cash flow positive operating result for the whole year 2002.

eQ continues to diversify its revenue streams and aims to reduce the impact of market conditions to its operations. The most remarkable step is the today made decision to apply for a banking licence.

CONSOLIDATED INCOME STATEMENT (EUR)	1.1. - 31.12.2001	1.1. - 31.12.2000
Commission income	11 051 080.65	15 531 964.92
Net income from securities transactions and foreign exchange dealing		
Net income from securities transactions	91 657.56	204 518.36
Income from equity investments		
Other undertakings	127.46	41.66
Interest income	2 267 203.50	1 357 587.72
Other operating income	<u>262 951.33</u>	<u>0.00</u>
Net income from investment services	13 673 020.50	17 094 112.66
Commission expenses	-2 573 524.26	-3 143 260.16
Interest expenses	-474 481.71	-80 835.27
Administrative expenses		
Staff costs		
Salaries and fees	-5 710 583.74	-7 297 129.42
Staff-related costs		
Pension costs	-700 477.85	-1 053 046.04
Other staff-related costs	<u>-628 870.31</u>	<u>-631 973.39</u>
Other administrative expenses	<u>-6 494 129.40</u>	<u>-17 151 839.50</u>
Administrative expenses total	-13 534 061.30	-26 133 988.35
Depreciation and write-downs on tangible and intangible assets	-5 078 539.62	-3 236 857.92
Other operating expenses	-1 514 450.14	-1 455 650.08
Loan and guarantee losses	-34 297.45	-390 343.00
Share of loss of companies included in the consolidated accounts using the equity method	<u>-569 542.29</u>	<u>-384 329.35</u>
Net operating loss	-10 105 876.27	-17 731 151.47
Extraordinary items		
Extraordinary income	97 643.27	1 573 142.05
Extraordinary expenses	<u>-6 523 942.04</u>	<u>0.00</u>
Loss before appropriations and taxes	-16 532 175.04	-16 158 009.42
Appropriations		
Change in fund for general banking risks	-42 000.00	-305 000.00
Income taxes		
Taxes for the financial year and previous financial years	-86 332.29	-490.00
Changes in imputed taxes due	<u>8 776.11</u>	<u>6 855.74</u>
Share of loss for the financial year attributable to minority interests	<u>60 880.84</u>	<u>176 698.29</u>
Loss for the financial year	<u><u>-16 590 850.38</u></u>	<u><u>-16 279 945.39</u></u>

**CONSOLIDATED BALANCE SHEET
(EUR)****31.12.2001****31.12.2000****ASSETS**

Liquid assets		15 682,94		18 965,81
Claims on credit institutions		13 394 462,72		12 138 400,63
Claims on the public and public sector entities		0,00		303 234,08
Debt securities				
On public sector entities	3 704 440,00		5 122 260,00	
Other	<u>0,00</u>	3 704 440,00	<u>14 554 138,62</u>	19 676 398,62
Shares and participations		16 871 074,11		9 035 718,70
Participating interests		0,00		1 097 306,12
Intangible assets				
Other long-term expenditure		4 569 563,11		6 947 139,80
Tangible assets				
Other tangible assets		3 447 978,21		5 373 652,75
Other assets		1 724 886,66		10 894 100,23
Accrued income and prepayments		582 527,02		526 111,54
		<u>44 310 614,77</u>		<u>66 011 028,28</u>

LIABILITIES**LIABILITIES**

Liabilities to credit institutions		1 159 276,51		0,00
Liabilities to the public and public sector entities		332 066,81		0,00
Other liabilities		613 554,21		8 174 663,41
Accrued expenses and deferred income		1 316 140,36		1 672 855,84
Compulsory provisions				
Other provisions		684 113,00		0,00
Appropriations				
Fund for general banking risks		347 000,00		305 000,00
Imputed taxes due		<u>0,00</u>		<u>8 776,11</u>
		4 452 150,89		10 161 295,36

EQUITY CAPITAL

Share capital		4 390 570,28		4 395 335,04
Share premium account		63 346 746,50		62 746 266,49
Other restricted reserves				
Reserve fund		2 106 222,56		2 106 222,56
Subordinated loans		239 727,00		5 886 577,41
Loss brought forward		-13 633 952,08		-3 004 723,19
Loss for the financial year		<u>-16 590 850,38</u>		<u>-16 279 945,39</u>
		39 858 463,88		55 849 732,92

INCOME STATEMENT, PARENT COMPANY (EUR)	1.1. - 31.12.2001		1.1. - 31.12.2000	
Net income from securities transactions and foreign exchange dealing				
Net income from securities transactions		307 390.02		355 107.69
Interest income		<u>1 057 105.29</u>		<u>1 236 022.37</u>
Net income from investment services		1 364 495.31		1 591 130.06
Commission expenses		-1188.92		-67.28
Interest expenses		-120 760.68		-154 429.86
Administrative expenses				
Staff costs				
Salaries and fees		-370 879.29		-59 000.00
Staff-related costs				
Pension costs	-57 463.48		0.00	
Other staff-related costs	<u>-28 161.34</u>	-85 624.82	<u>0.00</u>	0.00
Other administrative expenses		<u>-491 511.32</u>		<u>-290 064.15</u>
Administrative expenses total		-948 015.43		-349 064.15
Other operating expenses		-22 590.04		-22 210.63
Write-downs on securities held as financial fixed assets		<u>-24 000 000.00</u>		<u>0.00</u>
Net operating profit/loss		-23 728 059.76		1 065 358.14
Extraordinary items				
Extraordinary income	0.00		1 496 990.31	
Extraordinary expenses	<u>-279 680.00</u>	<u>-279 680.00</u>	<u>-2 375 000.00</u>	<u>-878 009.69</u>
Profit/loss for the financial year		<u><u>-24 007 739.76</u></u>		<u><u>187 348.45</u></u>

**BALANCE SHEET, PARENT COMPANY
(EUR)****31.12.2001****31.12.2000****ASSETS**

Liquid assets		532.80		0.00
Claims on credit institutions		12 159 313.19		1 874 050.01
Claims on the public and public sector entities		5 970 367.72		6 548 778.93
Debt securities				
On public sector entities	3 704 440.00		1 241 760.00	
Other	<u>0.00</u>	3 704 440.00	<u>14 554 138.62</u>	15 795 898.62
Shares and participations		16 755 956.11		9 020 846.10
Shares and participations in group undertakings		10 250 414.02		29 204 776.23
Other assets		5 182.29		4 008.55
Accrued income and prepayments		<u>80 530.86</u>		<u>38 587.95</u>
		<u>48 926 736.99</u>		<u>62 486 946.39</u>

LIABILITIES**LIABILITIES**

Liabilities to the public and public sector entities		6 157 541.68		1 995 577.05
Other liabilities		22 715.16		6 036.54
Accrued expenses and deferred income		<u>82 461.36</u>		<u>60 006.00</u>
		6 262 718.20		2 061 619.59

EQUITY CAPITAL

Share capital		4 390 570.28		4 395 335.04
Share premium account		54 464 457.44		53 863 977.43
Other restricted reserves				
Reserve fund		2 106 222.56		2 106 222.56
Profit/loss brought forward		5 710 508.27		-127 556.68
Profit/loss for the financial year		<u>-24 007 739.76</u>		<u>187 348.45</u>
		42 664 018.79		60 425 326.80
		<u>48 926 736.99</u>		<u>62 486 946.39</u>

OFF-BALANCE SHEET COMMITMENTS**GROUP****2001****2000**

Undelivered securities transactions			
Purchases from brokers		18 027 029.92	23 383 777.51
Liabilities to customers		29 812 204.45	30 248 682.63

CONSOLIDATED CASH FLOW STATEMENT

1.1. - 31.12.2001

1.1. - 31.12.2000

Cash flow from operating activities

Net operating loss	-10 105 876.27	-17 731 151.47
Correction items	3 846 475.72	3 288 293.71
Changes in working capital	2 809 507.81	-6 919 057.82
Taxes paid	-140 216.33	-490.00
Cash flow from operating activities	-3 590 109.07	-21 362 405.58

Cash flow from investing activities

Investments in tangible and intangible assets	-3 514 793.46	-8 325 497.48
Proceeds from investments in tangible and intangible assets	109 152.24	530 365.58
Investments in other equity investments	-31 309.36	-48 069.29
Proceeds from other equity investments	105 773.18	5 425 117.96
Sold subsidiaries	0.00	1 573 142.05
Bought associated companies	-171 720.37	-1 511 102.37
Cash flow from investing activities	-3 502 897.77	-2 356 043.55

Cash flow from financing activities

Share issue	0.00	54 763 259.25
Merger	367 480.94	0.00
Withdrawal of short-term loans	1 159 276.51	0.00
Cash flow from financing activities	1 526 757.45	54 763 259.25

Change in liquid funds

Liquid funds at Jan. 1.	35 732 351.16	4 687 541.04
Liquid funds at Dec. 31.	30 166 101.77	35 732 351.16

Changes in working capital

Change in short-term receivables	9 742 252.60	-7 830 203.77
Change in current assets	1 330 351.43	-3 745 834.75
Change in short-term liabilities	-8 263 096.22	4 656 980.70
	2 809 507.81	-6 919 057.82

CASHFLOW STATEMENT. PARENT COMPANY

	1.1. - 31.12.2001	1.1. - 31.12.2000
<u>Cash flow from operating activities</u>		
Net operating loss	-23 728 059.76	1 065 358.14
Correction items	24 111 046.97	-35 081.96
Changes in working capital	8 095 501.05	-6 381 533.33
Taxes paid	-53 884.04	0.00
Cash flow from operating activities	8 424 604.22	-5 351 257.15
<u>Cash flow from investing activities</u>		
Investments in other equity investments	-5 045 637.79	-25 276 255.08
Proceeds from other equity investments	0.00	3 178 751.88
Cash flow from investing activities	-5 045 637.79	-22 097 503.20
<u>Cash flow from financing activities</u>		
Share issue	0.00	54 763 259.25
Merger	367 480.94	0.00
Group contributions	-279 680.00	-2 375 000.00
Cash flow from financing activities	87 800.94	52 388 259.25
<u>Change in liquid funds</u>	3 466 767.37	24 939 498.90
Liquid funds at Jan. 1.	25 449 034.73	509 535.83
Liquid funds at Dec. 31.	28 915 802.10	25 449 034.73
<u>Changes in working capital</u>		
Change in short-term receivables	6 464 137.58	-5 969 065.54
Change in current assets	-2 456 932.00	124 088.85
Change in short-term liabilities	4 088 295.47	-536 556.64
	8 095 501.05	-6 381 533.33

NOTES TO THE FINANCIAL STATEMENTS

Accounting principles

The annual accounts have been prepared in accordance with the regulations of the Finnish Financial Supervision Authority 203.13 and 203.14 on the annual accounts and consolidated accounts of investment firms. Accounting principles have not changed since the previous accounting year. All Group companies have been consolidated according to same principles. The consolidation has been prepared using acquisition cost method. Internal share holdings, transactions, internal receivables and liabilities have been eliminated. The goodwill related to the acquisition of Xenetic Oy, EUR 248.786,66, has been written off. The associated companies are consolidated in accordance with the equity method.

Security transactions and related revenue

The company derives commission related to retail customer transactions in equity securities. Such commissions are recorded as income on a trade date basis, but receivables and liabilities for unsettled securities transactions are reported as off-balance sheet commitments.

Taxes

The Consolidated Financial Statements include direct taxes, which are based on the taxable income of the Group according to Finnish tax regulation. Deferred tax liability is calculated on depreciation difference. Fund for general banking risks included in appropriations has not been entered as deferred tax liability and shareholders' equity. Deferred tax assets have not been recorded on the Company's tax loss carryforwards.

Pensions

The Group's pension obligations are arranged according to Finnish and German regulations. The pension liabilities are covered by insurance.

Classification of assets items into current assets and financial fixed assets

Current assets are securities that are held for trading purposes. Securities that are intended to yield income during more than one financial year are held as financial fixed assets.

Valuation of receivables and liabilities

Receivables and liabilities are shown at their book value.

Valuation of securities held as current assets

Securities held as current assets are entered in the annual accounts in accordance with FIFO method at their market value on the balance sheet date. Investment funds not held for trading purposes are entered in the annual accounts at the lower of purchase price or market value on the balance sheet date.

Valuation of securities held as financial fixed assets

Securities held as financial fixed assets are entered in the annual accounts at their purchase price excluding eQ Securities shares eQ Online holds. eQ Online has entered EUR 24.000.000,00 write-down on eQ Securities shares.

Valuation of intangible and tangible assets and depreciation principles

Intangible and tangible assets are capitalized at their acquisition costs. Allowance for depreciation according to plan is made on straight-line basis over the useful economics lives of assets. The depreciation periods are: other long-term expenditure 4 years, machinery and equipment 4 - 5 years.

Items denominated in foreign currency

Items denominated in foreign currency are translated into euros at the average rate quoted by the European Central Bank

Notes to the income statements

	2001	2000
1) Net income from securities transactions		
GROUP		
Net income from transactions in debt securities	-176 700.00	-66 889.95
Net income from transactions in shares and participations	268 357.56	271 408.31
PARENT COMPANY		
Net income from transactions in debt securities	-46 200.00	-10 188.00
Net income from transactions in shares and participations	353 590.02	365 295.69
2) Total values of securities held as current assets purchased or sold during the financial year		
GROUP		
Debt securities		
Purchased	124 149 589.89	58 918 063.95
Sold	139 863 095.61	39 256 528.28
Shares and participations		
Purchased	45 024 742.34	55 777 852.03
Sold	37 461 699.24	48 437 932.44
PARENT COMPANY		
Debt securities		
Purchased	124 149 589.89	52 438 969.81
Sold	136 113 095.61	36 714 636.09
Shares and participations		
Purchased	41 594 037.04	50 920 481.94
Sold	34 212 517.05	43 630 780.38
3) Breakdown of other operating income and expenses		
GROUP		
Other operating income		
Other income	262 951.33	0.00
Other operating expenses		
Rent expenses	1 261 091.86	1 171 814.11
Other expenses	253 358.28	283 835.97
PARENT COMPANY		
Other operating expenses		
Other expenses	22 590.04	22 210.63
4) Depreciation and write-downs on tangible and intangible assets		
GROUP		
Depreciation according to plan	4 059 014.37	3 118 321.88
Write-downs	1 019 525.25	118 536.04

5) Extraordinary items	2001	2000
GROUP		
Extraordinary income		
Negative consolidation difference	0.00	9 262.81
Capital gain on sale of fixed assets	0.00	1 563 879.24
Other extraordinary income	97 643.27	0.00
Extraordinary expenses		
Winding down costs of eQ Online Frankfurt Branch	6 254 424.14	0.00
Capital loss on sale of fixed assets	269 517.90	0.00
PARENT COMPANY		
Extraordinary income		
Capital gain on sale of fixed assets	0.00	1 496 990.31
Extraordinary expenses		
Group contribution given	279 680.00	2 375 000.00
6) Appropriations		
GROUP		
Change in fund for general banking risks	42 000.00	305 000.00
7) Changes in compulsory provisions		
GROUP		
Estimated remaining winding down costs of eQ Online Frankfurt Branch are included in compulsory provisions.		
8) Combined income and expense items in income statement		
Not applicable		
9) Net income by the operations and geographical markets		
GROUP		
Brokerage		
Finland	11 130 910.00	13 315 768.01
Germany	958 916.47	1 659 031.65
Managing of securities issues. Finland	34 767.71	540 406.61
Investment of liquid assets. Finland	1 285 474.99	1 578 906.39
Other income. Finland	262 951.33	0.00
PARENT COMPANY		
Investment of liquid assets. Finland	1 364 495.31	1 591 130.06

Notes to the balance sheets

10) Subordinated claims

Not applicable

11) Debt securities by type of asset,
broken down into quoted and other securities

GROUP	2001		2000	
	Quoted companies	Other companies	Quoted companies	Other companies
Debt securities held as current assets	3 704 440.00	0.00	19 676 398.62	0.00
Certificates if deposit	0.00		14 554 138.62	
Other bonds	3 704 440.00		5 122 260.00	
PARENT COMPANY	Quoted companies	Other companies	Quoted companies	Other companies
Debt securities held as current assets	3 704 440.00	0.00	15 795 898.62	0.00
Certificates if deposit	0.00		14 554 138.62	
Other bonds	3 704 440.00		1 241 760.00	

12) Shares and participations by type of asset,
broken down into quoted and other shares and
participations

GROUP	Quoted companies	Other companies	Quoted companies	Other companies
Securities held as current assets	16 871 074.11	0.00	9 035 718.70	0.00
Other securities	0.00	0.00	0.00	1 097 306.12
Total book values of shares and participations	16 871 074.11		10 133 024.82	
Differences between the market value and the lower book value of securities held as current assets	21 135.84		1 467.12	
Differences between the market value and the lower vook value of securities held as financial fixed assets	0.00		0.00	
PARENT COMPANY	Quoted companies	Other companies	Quoted companies	Other companies
Securities held as current assets	16 755 956.11	0.00	9 020 846.10	0.00
Total book values of shares and participations	16 755 956.11		9 020 846.10	
Differences between the market value and the lower book value of securities held as current assets	21 135.84		1 467.12	

13) Increases and decreases in shares and participations held
as financial fixed assets and in tangible assets

GROUP	2001	2000
Shares and participations in participating interests		
Purchase price at the beginning of the financial year	1 097 306.12	0.00
+ increases during the financial year	222 176.74	1 511 102.37
- decreases during the financial year	-749 940.57	-29 466.90
- share of loss of associated companies	-569 542.29	-384 329.35
Book value at the end of the financial year	0.00	1 097 306.12
Tangible assets		
Purchase price at the beginning of the financial year	7 385 315.13	4 553 039.73
+ increases during the financial year	1 112 833.35	2 975 566.26
- decreases during the financial year	-63 753.55	-143 290.86
- planned depreciation during the financial year	-1 593 133.34	-1 503 324.70
- write-downs during the financial year	-1 381 621.00	0.00
- accumulated depreciation at the beginning of the financial year	-2 011 662.38	-508 337.68
Book value at the end of the financial year	3 447 978.21	5 373 652.75
PARENT COMPANY		
Shares and participations in group undertakings		
Purchase price at the beginning of the financial year	29 204 776.23	5 363 379.62
+ increases during the financial year	5 045 637.79	25 523 158.14
- decreases during the financial year	0.00	-1 681 761.53
- write-downs during the financial year	-24 000 000.00	0.00
Book value at the end of the financial year	10 250 414.02	29 204 776.23

14) Intangible assets

GROUP	2001	2000
Other long-term expenditure	4 569 563.11	6 947 139.80

15) Tangible assets

Not applicable

16) Own retained shares

Not applicable

	2001	2000
17) Other assets		
GROUP		
Security trading receivables	1 470 042.40	9 943 176.85
Other	254 844.26	950 923.38
PARENT COMPANY		
Security trading receivables	0.00	1 653.92
Other	5 182.29	2 354.63
18) Combined assets items in balance sheet		
Not applicable		
19) Differences between the nominal value and the lower book value of liabilities		
Not applicable		
20) Other liabilities		
GROUP		
Other	613 554.21	8 174 663.41
PARENT COMPANY		
Other	22 715.16	6 036.54
21) Compulsory provisions		
GROUP		
Estimated remaining winding down costs of eQ Online Frankfurt Branch.	684 113.00	0.00
22) Subordinated liabilities		
GROUP		
See note 28		
PARENT COMPANY		
Not applicable		

23) Increases and decreases in equity capital during the financial year

	2001	2000
GROUP		
Share capital		
Book value at the beginning of the financial year	4 395 335.04	3 211 884.83
+ increases for the financial year	2 040 185.30	1 466 840.21
- decreases for the financial year	-2 044 950.06	-283 390.00
Book value at the end of the financial year	4 390 570.28	4 395 335.04
Share premium account		
Book value at the beginning of the financial year	62 746 266.49	4 204 698.16
+ merger	16 798 612.52	0.00
+ increases for the financial year	2 044 950.06	58 839 264.18
- decreases for the financial year	-18 243 082.57	-297 695.85
Book value at the end of the financial year	63 346 746.50	62 746 266.49
Reserve fund		
Book value at the beginning of the financial year	2 106 222.56	2 143 487.85
- decreases for the financial year	0.00	-37 265.29
Book value at the end of the financial year	2 106 222.56	2 106 222.56
Capital loans		
Book value at the beginning of the financial year	5 886 577.41	5 886 577.41
+ increases for the financial year	239 727.00	0.00
- decreases for the financial year	-5 886 577.41	0.00
Book value at the end of the financial year	239 727.00	5 886 577.41
PARENT COMPANY		
Share capital		
Book value at the beginning of the financial year	4 395 335.04	3 211 884.83
+ increases for the financial year	2 040 185.30	1 466 840.21
- decreases for the financial year	-2 044 950.06	-283 390.00
Book value at the end of the financial year	4 390 570.28	4 395 335.04
Share premium account		
Book value at the beginning of the financial year	53 863 977.43	0.00
+ merger	16 798 612.52	0.00
+ increases for the financial year	2 044 950.06	53 863 977.43
- decreases for the financial year	-18 243 082.57	0.00
Book value at the end of the financial year	54 464 457.44	53 863 977.43
Reserve fund		
Book value at the beginning of the financial year	2 106 222.56	2 143 487.85
- decreases for the financial year	0.00	-37 265.29
Book value at the end of the financial year	2 106 222.56	2 106 222.56

24) Share capital by types of shares

The parent company has 25.826.884 shares, all of the same series

25) Non-distributable items included in equity

GROUP

Group companies do not have distributable assets

26) Share issues, issues of options and convertible bonds

PARENT COMPANY

eQ Online Corporation has currently two option plans.

The annual general meeting of shareholders resolved on 15 February 2000 to issue warrants in deviation from the pre-emptive right of shareholders to the management, key personnel and a subsidiary of the company representing not more than 1 082 000 shares or maximum increase in share capital of EUR 183 940.

Each warrant entitles the holder to subscribe for one share. The warrants are exercisable from 29 February 2000 through 30 June 2006. The exercise price is EUR 2.05 per share. To date, 1 082 000 warrants under this plan have been granted and a total of 459 912 shares have been issued pursuant to warrants exercised.

On 18 September 2001 the board decided to annul 213 360 warrants due to diminished organisation.

If all the issued warrants are exercised, the share capital may rise on ground of this option plan maximum EUR 147668.80 corresponding to 868 640 shares.

The extraordinary meeting of shareholders of eQ Online resolved on 22 March to establish a new warrant plan for employees and management of eQ online Group. A total of 3 000 000 warrants may be issued to the employees designated by the board of directors entitling them to subscribe for maximum of 3 000 000 shares of eQ Online. Each warrant entitles the holder to subscribe for one share. eQ Online grants warrants under this plan in half yearly tranches starting in the first half of 2000 and ending in the second half of 2002. The warrants will have an exercise price that is based upon the average trading price of the shares during the ten business days preceding the day when the warrants were issued first time for the employees during the respective half year period. In addition, eQ Online has the right to issue warrants under this warrant plan with an exercise price based on the final offering price of the company's shares in the offering. The subscription period for the shares commences after one year from the last trading day of the respective half-year period and ends one year after the commencement of the subscription period. To date all 3 000 000 warrants under this plan have been issued.

On 18 September 2001 the board decided to annul 1 475 000 warrants due to diminished organisation.

If all the issued warrants will be exercised, the share capital may rise on ground of this option plan maximum EUR 259 250.00 corresponding to 1 525 000 shares. To date no warrants have been exercised based on this option program.

On the basis on these two option plans may be issued total 1.926.728 warrants (maximum dilution 7.5 %).

Until the end of December 2001 total 1 330 759 warrants of these had been issued (maximum dilution 5.2 %), from which 398 759 are exercisable at the moment (maximum dilution 1.5 %).

27) Issues of securities subject to public trade

Ownership structure by number of shares owned

Number of share pcs.	Owners pcs.	% of owners	Number of shares total	%
1 - 1.000	8 668	89.46	1 986 654	7.69
1.001 - 10.000	935	9.65	2 380 731	9.22
10.001 - 100.000	71	0.73	2 099 007	8.13
100.001 - 1.000.000	9	0.09	3 120 717	12.08
1.000.001 - 10.000.000	<u>6</u>	0.06	<u>16 239 775</u>	62.88
	9 689		25 826 884	

Ownership structure by type of shareholder

	Number of shares	% of shares and votes
Companies	2 298 227	8.90
Financial institutions and insurance companies	5 417 632	20.98
General government	250 840	0.97
Foundations and non-profit associations	50 140	0.19
Private persons	10 697 657	41.42
Foreign countries and in administrative register	7 112 388	27.54

Major shareholders

	Number of shares	% of shares and votes
Fennogens Investments SA	6 984 807	27.05
Seligson Peter	1 315 100	5.09
Rutanen Petri	1 294 989	5.01
Uggla Christian	1 293 966	5.01
Oldenburg Anders	852 889	3.30
Procurator Oy	735 550	2.85
Veikko Laine Oy	373 400	1.45
Korhonen Juha	305 780	1.18
Virtanen Pekka	196 744	0.76
Keskinäinen Eläkevakuutusyhtiö Tapiola	186 500	0.72
In the administrative register in total	5 367 113	20.78
Others	<u>6 920 046</u>	<u>26.79</u>
	25 826 884	100.00

28) Subordinated loan

GROUP

The subsidiary Xenetic Oy has subordinated loan amounting to EUR 239.727,00. The loan is interest free. The loan can be repaid at the earliest after 1st December 2005.

29) Combined items under liabilities

Not applicable

30) Assets and liabilities denominated in EUR and other currencies	2001		2000	
	EUR	Other currency	EUR	Other currency
GROUP				
Claims on credit institutions	13 368 205.54	26 257.18	12 061 033.86	77 366.77
Claims on the public and public sector entities	0.00	0.00	303 234.08	0.00
Debt securities	3 704 440.00	0.00	19 676 398.62	0.00
Other assets	27 211 712.05	0.00	33 892 994.95	0.00
Liabilities to credit institutions	1 159 276.51	0.00	0.00	0.00
Liabilities to the public and public sector entities	332 066.81	0.00	0.00	0.00
Other liabilities	2 960 807.57	0.00	10 161 295.36	0.00
PARENT COMPANY				
Claims on credit institutions	12 159 313.19	0.00	1 874 050.01	0.00
Claims on the public and public sector entities	5 970 367.72	0.00	6 548 778.93	0.00
Debt securities	3 704 440.00	0.00	15 795 898.62	0.00
Other assets	27 092 616.08	0.00	38 268 218.83	0.00
Liabilities to the public and public sector entities	6 157 541.68	0.00	1 995 577.05	0.00
Other liabilities	105 176.52	0.00	66 042.54	0.00
31) Income taxes				
GROUP				
Income taxes from ordinary business		86 332.29		490.00
Deferred tax liabilities and receivables have not been entered in the balance sheet.				

	2001	2000
32) Commitments		
GROUP		
Guarantees and pledges	4 534 375.64	5 546 391.38
PARENT COMPANY		
Guarantees and pledges on behalf of Group companies	3 848 660.32	1 241 760.00
33) Pension commitments		
GROUP		
Statutory pension cover of employees in Finland is arranged by Varma-Sampo and in Germany Bundesanstalt für Angestellte and Versorgungswerk für Anwälte.		
34) Leasing commitments		
GROUP		
Leasing payments during the following financial year	485 006.00	104 509.06
Leasing payments during subsequent years	615 866.13	112 786.95
PARENT COMPANY		
Leasing payments during the following financial year	14 770.51	0.00
35) Off-balance sheet commitments		
GROUP		
Guarantees and pledges		
On behalf of Group companies	616 565.17	163 613.21
On behalf of associated companies	0.00	504 563.77
PARENT COMPANY		
Guarantees and pledges		
On behalf of Group companies	452 951.96	0.00
On behalf of associated companies	0.00	504 563.77
36) Derivatives commitments		
Not applicable		
37) Other contingent liabilities and commitments		
GROUP		
Long term rental liabilities of group companies	9 036 302.04	13 305 410.75
Other contingent liabilities and commitments	0.00	441 123.84

38) Employees	2001	2000
GROUP		
Average number of employees during the financial year		
Full time		
In Finland	89	101
In Germany	42	58
Part time		
In Finland	9	18
In Germany	5	4
Number of employees at the end of the financial year		
Full time		
In Finland	69	94
In Germany	0	69
Part time		
In Finland	4	19
In Germany	0	8
PARENT COMPANY		
Average number of employees during the financial year		
Full time		
	3	0
Number of employees at the end of the financial year		
Full time		
	3	0
Salaries and fees		
GROUP		
Salaries, fees, pension costs and other staff-related costs of the members of the board of directors and the managing directors and their deputies		
	968 779.27	469 359.65
PARENT COMPANY		
Salaries, fees, pension costs and other staff-related costs of the members of the board of directors and the managing directors and their deputies		
	407 955.13	0.00
Total ownership and voting rights of shares		
PARENT COMPANY		
Total ownership and voting rights owned by the members of the board of directors and the members of the supervisory board and managing director and his deputy %		
	5.38	7.77

	2001	2000
39) Shares and participations in other companies held as financial fixed assets		
PARENT COMPANY		
1) eQ Securities Ltd, Helsinki, Securities trading		
2) parent company ownership. %	100.00	100.00
3) total book value of owned shares	9 386 604.18	28 340 966.39
4) equity capital according to the latest annual accounts	15 127 997.83	24 288 073.92
5) loss in current annual statements	-14 205 713.88	-11 616 511.36
1) eQ Solutions Ltd. Helsinki. Investment and development company		
2) parent company ownership. %	100.00	100.00
3) total book value of owned shares	863 809.84	863 809.84
4) equity capital according to the latest annual accounts	-135 195.88	703 951.49
5) profit/loss in current annual statements	-839 147.37	612.05
40) Asset management services		
Companies do not offer asset management services		
41) Investment firm belonging to the Group		
eQ Online Corporation, Helsinki		
The copies of the annual accounts are available in Mannerheiminaukio 1 A, 00100 Helsinki		
Interest and dividend income from Group companies	242 091.37	402 703.87
Interest expenses paid to Group companies	120 298.17	148 290.14
Claims on Group companies		
Claims on the public and public sector entities	5 970 367.72	6 548 778.93
Liabilities to Group companies		
Liabilities to the public and public sector entities	6 157 541.68	1 995 577.05
42) Depreciation		
Depreciation according to plan		
GROUP		
Other long-term expenditures	283 129.96	295 544.04
Machinery and equipment	1 626 227.93	1 503 324.70
Software	2 149 656.48	1 319 453.14
Total	4 059 014.37	3 118 321.88

Depreciation difference of the Group was EUR 0.00. Changes in deferred tax liabilities EUR 8 776.11 is presented in the income statement. Fund for general banking risks included in appropriations has not been entered as deferred tax liability and shareholders' equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the parent company eQ Online Corporation and the subsidiaries eQ Securities Ltd (100%), eQ Solutions Ltd (100%) and Xenetic Ltd (54.98%). The domiciles of companies is Helsinki

43) All subsidiaries are included in the consolidated accounts

44) Entirem Ltd and Xenetic Ltd, associated companies of eQ Solutions Ltd, are included from 1st January 2001 to 31 May 2001 in the consolidated accounts using the equity method.

45 - 49) Not applicable

50) The goodwill related to the acquisition of Xenetic Oy, EUR 248 786.66, has been written off.

51 - 54) Not applicable

KEY FINANCIAL INDICATORS

GROUP	2001	2000	1999	1998	1997
Net income from investment services, eur million	13.7	17.1	7.9	3.1	0.4
Net operating profit/loss, eur million	-10.1	-17.7	-3.5	-0.1	0.1
Loss before appropriations and taxes, eur million	-16.5	-16.2	-3.5	-0.1	-0.1
Return on equity, %	-21.3	-51.8	-41.9	-3.2	-0.2
Return on assets, %	-18.5	-42.3	-27.8	-2.2	-0.2
Equity ratio, %	90.0	84.6	70.8	56.1	95.2
Earnings to operating costs	0.6	0.5	0.7	1.0	1.2
Earnings per share, eur	-0.40	-0.74	-0.16		
Equity per share, eur	1.54	1.93	0.33		
Price/earnings, %	-4.3	-1.6			
The lowest price in public trading, eur	0.86	1.09			
The highest price in public trading, eur	1.93	12.00			
The average price during the financial year, eur	1.23	5.82			
Market capitalization, eur million	43.9	31.3			
Total number of shares traded during the financial year	12 824 306	9 490 419			
Number of shares traded during the period divided by the average number of shares during the financial year, %	49.7	36.7			
Weighted average of the adjusted total number of shares during the financial year	25 834 640	24 089 699			
Adjusted number of shares at year's end	25 826 884	25 854 912			

KEY FINANCIAL INDICATORS

PARENT COMPANY	2001	2000	1999	1998	1997
Net income from investment services, eur million	1.4	1.6	-0.1	0.3	0.3
Net operating profit/loss, eur million	-23.7	1.1	-0.2	0.2	0.3
Profit/loss before appropriations and taxes, eur million	-24.0	0.2	-0.2	0.0	0.1
Return on equity, %	-46.0	3.2	-3.9	3.3	4.5
Return on assets, %	-42.6	3.0	-2.6	2.3	3.1
Equity ratio, %	87.2	96.7	66.8	70.3	69.7
Earnings to operating costs	1.2	3.0	-0.4	2.3	5.7

The principles of calculating financial indicators

Return on equity, %

$$\frac{(\text{net operating profit/loss} - \text{taxes}) \times 100}{\text{equity capital} + \text{minority interest} + \text{voluntary provisions} + \text{depreciation difference less deferred taxes due}}$$

(average of the figures for the beginning and the end of the year)

Return on assets, %

$$\frac{(\text{net operating profit/loss} - \text{taxes}) \times 100}{\text{average balance sheet total}}$$

(average of the figures for the beginning and the end of the year)

Equity ratio, %

$$\frac{(\text{equity capital} + \text{minority interest} + \text{voluntary provisions} + \text{depreciation difference less deferred taxes due}) \times 100}{\text{balance sheet total}}$$

Earnings to operating costs

$$\frac{\text{net income from investment services}}{\text{commission expenses} + \text{interest expenses} + \text{administrative expenses} + \text{depreciation} + \text{other operating expenses}}$$

Earnings per share

$$\frac{\text{net operating profit/loss} + \text{minority interest} - \text{taxes}}{\text{adjusted average number of shares during the financial year}}$$

Equity per share

$$\frac{\text{equity capital} + \text{minority interest}}{\text{adjusted average number of shares on balance sheet date}}$$

Price/earnings, %

$$\frac{\text{adjusted closing price for the financial year}}{\text{earnings per share}}$$

Market capitalization

total number of shares x closing price for the financial year

AUDITORS' REPORT

(translation from Finnish language original)

to the shareholders of eQ Online Corporation

We have audited the accounting, the financial statements and the administration of eQ Online Corporation for the year ended 31 December 2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on those financial statements and on the company's administration.

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

In our opinion the financial statements, showing a loss of 24 007 739.76 euro for the parent company, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal made by the Board of Directors on how to deal with the loss is in compliance with the Finnish Companies Act.

Helsinki, 12 March 2002

KPMG WIDERI OY AB

Sixten Nyman
Authorized Public Accountant