



FELLOW FINANCE

Fellow Finance Plc

Half Year Financial Report

1 January – 30 June 2021

CEO Teemu Nyholm: We returned to a growth path with volume of intermediated loans, implementation of our strategy is progressing, and we will start building a new innovative digital banking business

During the first half of 2021, our volume of intermediated loans continued to grow steadily and recover from the recession caused by the 2020 corona pandemic. We exceeded the monthly volumes in intermediated loans which preceded the 2020 pandemic both in consumer and business financing at the end of the reporting period. As a result of the growth, our turnover grew in comparison to the second half-year period in 2020. The company's profit remained slightly negative. Profitability was, as expected, affected by investments in new personnel and implementation of new products in accordance with our strategy and the temporary interest rate ceiling for consumer loans enacted in Finland as a result of the corona pandemic.

Out of our business segments, business financing, in particular, continued a strong and steady growth. We also embarked on a good growth path within Finnish consumer financing. Our volumes in intermediated loans on the overseas markets continued to be modest but we progressed as planned with projects to relaunch on the Polish and German markets during 2021: the interest rate ceiling enacted in Poland as a result of the corona pandemic ended in June and in Germany, the project to relaunch operations with a new banking partner are progressing. In accordance with our strategy, we are focusing our overseas operations and running down operations in Sweden and the Czech Republic.

We implemented our renewed strategy, published at the end of year 2020, determinedly during the first half of the year. We launched our e-commerce payment solution in May and concluded significant cooperation agreements, which will enable us to offer our payment solutions in Finnish web stores to both consumers and businesses during autumn 2021. Our credit card project progressed as planned and we expect to be in a position to launch the card business during this year. We also launched a mobile application in August which will be a central service channel for our private customers going forward

On the loan investor side, we invested strongly in institutional investors and are pleased to acknowledge that we gained several significant institutional investors to our peer-to-peer and crowdfunding platform during the first half of the year. We also succeeded in our strategic goal to increase the share of lower risk credits of our volume of intermediated loans. Credit risk management continues to be the cornerstone of our operations and we managed to decrease credit losses pertaining to credits originated by our subsidiary Lainaamo Oy in comparison to year 2020. At the same time, we decreased our own balance sheet loan stock, which translated into reducing funding costs.

We announced the conclusion of a combination agreement with Evli Bank Plc following the end of the reporting period. As part of the arrangement, Evli Bank will separate its other business operations into a new company and Fellow Finance will merge with Evli Bank Plc which will continue the deposit banking operations. The company that will carry on the banking business will form Fellow Bank, which aims to launch a new digital, customer-oriented bank with solid capital adequacy in Finland, to serve both private and SME customers. The arrangement is intended to be completed and the banking business launched during the first half of 2022. We will set the business strategy for Fellow Bank in more detail, make preparations for the integration work with Evli Bank's current organisation and implement required projects for commencing the banking business during the second half of the year. We see a great opportunity within banking business to offer our broad customer base more comprehensive services, thereby further broaden our customer base as well as service offering and, above all, significantly improve the profitability and competitiveness of our company through reduced funding costs enabled by deposit funding.

We continued to invest in strengthening our human resources and will continue this through strengthened capabilities particularly within banking operations and risk management as part of the Evli Bank integration as well as new recruitments within business development, sales, and marketing.

We believe that the banking operations together with the investments in new products in accordance with our current strategy will provide conditions for significant growth in the coming years.

Financial goals and profit forecast for year 2021

In 2021, the interest rate pandemic will continue to be reflected in our business and will create uncertainty about the continuation of temporary regulation, thus making it more difficult to predict, especially in terms of the growth in funding provided by our loan investors. Despite the uncertainties, we expect our revenue in 2021 to grow compared to 2020. Our investment in new products in line with our strategy and thus in the growth and profitability of the coming years means that we anticipate that the result for 2021 will be somewhat unprofitable.

Group structure

The Fellow Finance Group consists of the parent company Fellow Finance Plc and its wholly owned subsidiaries Lainaamo Oy, Fellow Finance Sp. z o.o., Fellow Finance Estonia OU, Fellow Finance Česko s.r.o and Fellow Finance Deutschland GmbH.

During the period under review, the company stopped issuing new peer and crowdfunding loans in the Swedish and Czech markets. However, the company will continue to manage its outstanding loan portfolio in that market. There were no significant changes in the group structure during the period under review.

Personnel and locations

At the end of June, the Group had 54 (48) employees. The number grew by 14 percent from the corresponding period of the previous year. 47 percent of the personnel worked in Finland and seven percent outside Finland.

Annual general meeting

Fellow Finance Plc's Annual General Meeting of Shareholders was held in Helsinki on 31st of March 2021. The Annual General Meeting approved the financial statements for 2020 and granted release from liability of the members of the Board of Directors (Kai Myllyneva, Harri Tilev, Teemu Nyholm, Esa Laurila and Jorma Alanne) and CEOs (Jouni Hintikka between 1 January – 30 June 2020 and Teemu Nyholm between 1 July – 31 December 2020).

The Annual General Meeting made a resolution not to pay a dividend and minority dividend for financial year 2020.

The Annual General Meeting decided to re-elect Kai Myllyneva (Chairman) and Harri Tilev to the Board of Directors and that Michael Schönach, Karri Haaparinne and Tero Weckroth were elected as new members to the Board of Directors. It was decided that the annual remuneration of 20 000 euros will be paid to the Chairman of the Board of Directors and 15 000 euros to the members of the Board of Directors.

The Annual General Meeting resolved to elect Timo Helle, APA, as the auditor of the company.

Shareholder resolutions regarding share issues and repurchase of won shares are addressed in the section "Share and shareholders".

The Board, CEO and Auditors

The Company's Board of Directors was formed during the half-year period by Kai Myllyneva as a chairman of the Board of Directors and Jorma Alanne, Harri Tilev ja Esa Laurila as board members until the Annual General Meeting 31st March 2021. The Annual General Meeting 31st March 2021 decided that the Board of Directors is formed by Kai Myllyneva as the chairman of the Board of Directors and Harri Tilev, Michael Schönach, Karri Haaparinne and Tero Weckroth as board members until next Annual General Meeting. During the half-year period the board met 10 times and the participation percentage was 100 percent except for one meeting where one board member could not

participate in the meeting. The company's Auditor is APA Timo Helle (Grant Thornton). The company's CEO in the reporting period has been Teemu Nyholm.

Shares and shareholders

The company's number of shares on 30th June 2021 was 7 173 625. The Company's share is listed on Nasdaq First North Growth Market Finland under the trading code FELLOW. The share capital of the Company was 125 000 euros in the end of the half-year period. Fellow Finance did not own shares at the end of the half-year period.

The closing price of the share on the last trading day of the half-year period 30th June 2021 was 3.50 euros. The lowest trading price for half-year period was 2.46 euros and the highest 3.69 euros. Fellow Finance market capitalization at the end of the financial year was 25.1 million euros and the company had 2 644 owners.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on the repurchase of the company's own shares in one or more tranches using the company's unrestricted equity as follows. The maximum number of shares to be repurchased is 100 000. The shares will be repurchased otherwise than in proportion to the holdings of the shareholders in public trading on the Nasdaq Helsinki Ltd at the market price at the time of acquisition. The authorization is valid until the end of the next Annual General Meeting, but no later than June 30, 2022. The previous Board authorization expired on March 31, 2021.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on the issue of shares and the granting of special rights to shares referred to in Chapter 10, paragraph 1 of the Companies Act in one or more tranches either against payment or without payment as follows. The total number of shares to be issued, including the shares to be acquired on the basis of special rights, may not exceed 400 000 shares. The Board of Directors may decide to issue either new shares or treasury shares held by the company. The proposed maximum number of authorizations corresponds to approximately 5.6% of the total number of shares in the company, as of the date of the notice of the annual general meeting. The authorization is valid until the end of the next Annual General Meeting, but no later than June 30, 2022. The previous Board authorization expired on March 31, 2021.

The largest shareholders

Shareholder list is based on Euroclear Finland Oy's list of registered shareholders dated 30th June 2021.

Nr	Name	Stocks	(%)
1	TAALERI OYJ	1 847 163	25.75
2	TN VENTURES OY	830 843	11.58
3	OY T&T NORDCAP AB	656 436	9.15
4	OP-SUOMI MIKROYHTIÖT -ERIKOISSIJOITUSRAHASTO	298 174	4.16
5	OP-SUOMI PIENYHTIÖT	269 711	3.76
6	AVENSIS CAPITAL OY	165 000	2.30
7	VAKUUTUSOSAKEYHTIÖ HENKI-FENNIA	146 746	2.05
8	SIJOITUSRAHASTO SÄÄSTÖPANKKI PIENYHTIÖT	128 841	1.80
9	DB-MANAGER OY	95 429	1.33
10	SWISS LIFE (LUXEMBOURG) S.A.	82 306	1.15

Financial information 1 January – 30 June 2021

Tables section

Consolidated comprehensive income statement

EUR thousand	Note	1.1.-30.6.2021	1.1.-30.6.2020
Revenue	4		
Fee income		3 486	3 432
Interest income		2 011	2 376
Other operating income		41	0
Materials and services		-1 247	-1 397
Personnel expenses		-1 509	-1 183
Depreciation, amortisation and impairment		-249	-241
Impairment losses on financial assets	5	-1 104	-2 020
Other operating expenses		-861	-866
Operating profit		567	101
Financial income		48	12
Financial expenses		-460	-673
Result before taxes		156	-560
Income taxes		-85	102
Result for the year		71	-458
Other comprehensive income/loss			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences - foreign operations		4	-14
Other comprehensive income after taxes		4	-14
Comprehensive income, total		75	-472
Result for the year attributable to			
Equity holders of parent company		71	-458
Total comprehensive income attributable to			
Equity holders of parent company		75	-472
Earnings per share	6		
Earnings per share, basic		0,01	-0,06
Earnings per share, diluted		0,01	-0,06

Consolidated balance sheet

EUR thousand	Note	30.6.2021	31.12.2020
Assets			
Non-current assets			
Non-current loan receivables	7,8	11 068	14 255
Intangible assets		900	391
Tangible assets		339	414
Deferred tax assets		985	932
Total non-current assets		13 293	15 993
Current assets			
Current loan receivables	7,8	8 409	7 797
Trade and other receivables	7,8	623	674
Income tax receivables		126	0
Cash and cash equivalents		2 901	3 769
Total current assets		12 059	12 240
Total assets		25 352	28 232
Liabilities			
Non-current liabilities			
Liabilities to credit institutions	7,8	0	12 483
Lease liabilities		180	238
Total non-current liabilities		180	12 721
Current liabilities			
Liabilities to public	7,8	10 534	1 060
Trade and other payables		1 037	915
Lease liabilities		114	113
Income tax liabilities		147	242
Total current liabilities		11 833	2 329
Total liabilities		12 013	15 050
Equity			
Equity attributable to equity holders of the parent			
Share capital		125	125
Reserve for invested unrestricted equity		13 361	13 361
Retained earnings		-146	-303
Equity attributable to equity holders of the parent		13 340	13 182
Total equity		13 340	13 182
Total equity and liabilities		25 352	28 232

Statement of changes in equity

Attributable to the equity holders of the parent						
EUR thousand	Share capital	Fund for unrestricted equity	Translation differences	Retained earnings	Total	Total equity
Equity on 31.12.2019	125	13 361	2	-127	13 361	13 361
Result for the year				-458	-458	-458
Other comprehensive income			-14		-14	-14
Total comprehensive income	0	0	-14	-458	-472	-472
Share based payments				53	53	53
Equity on 31.12.2019	125	13 361	-12	-532	12 942	12 942

Attributable to the equity holders of the parent						
EUR thousand	Share capital	Fund for unrestricted equity	Translation differences	Retained earnings	Total	Total equity
Equity on 31.12.2019	125	13 361	-4	-300	13 182	13 182
Result for the year				71	71	71
Other comprehensive income			4		4	4
Total comprehensive income	0	0	4	71	75	75
Share based payments				83	83	83
Equity on 31.12.2019	125	13 361	0	-146	13 340	13 340

Consolidated cash flow statement

EUR thousand	1.1-30.6.2021	1.1-30.6.2020
Operating activities		
Result for the year	71	-458
Share based payments	83	53
Depreciation, amortisation and impairment	252	250
Financial income and expenses	411	653
Income taxes	85	-102
Cashflow before change in net working capital	901	396
Change in net working capital		
Change in trade and other receivables	-316	1 373
Change in trade and other payables	219	-406
Cash flow from operating activities before financial items and taxes	804	1 362
Interest paid	-452	-626
Direct taxes paid	-288	-35
Cash flow from operating activities before changes in receivables	64	701
Loans granted	-19 789	-17 777
Repayments of loan receivables	22 605	21 778
Cash flow from operating activities	2 880	4 702
Cash flow from investment activities		
Investments in tangible and intangible assets	-681	-68
Cash flow from investment activities	-681	-68
Cash flow from financing activities		
Repayments of lease liabilities	-60	-60
Repayments of current loans	-1 050	-4 500
Repayments of non-current loans	-1 957	0
Cash flow from financing activities	-3 067	-4 560
Change in cash and cash equivalents	-867	74
Cash and cash equivalents at the beginning of the financial year	3 769	3 922
Translation differences	-1	-36
Cash and cash equivalents at the end of the financial year	2 901	3 960
Change	-867	74

Notes to 1 January – 30 June 2021 Half-Year report

Note 1. Basic information

Fellow Finance Plc is a loan-based crowdfunding and peer-to-peer lending platform established in 2013. The Group's mission is to transform traditional financing and payments into direct transactions between people and businesses. Fellow Finance has intermediated consumer and business financing worth over EUR 695 million in Finland, Sweden, Denmark, Germany, Poland and the Czech Republic, serving over 900,000 customers.

Fellow Finance Group (hereinafter Fellow Finance or the Company) consists of the parent company Fellow Finance Plc and its wholly owned subsidiaries Lainaamo Oy, Fellow Finance Sp. z o.o., Fellow Finance Estonia OÜ ja Fellow Finance Česko s.r.o.

Fellow Finance Plc has a payment institution licence granted by the Finnish Financial Supervisory Authority to execute its operations. In Germany, it has a credit intermediation licence (Kreditvermittlungslizenz). Its subsidiary Lainaamo Oy is registered in the creditor register maintained by the Regional State Administrative Agency for Southern Finland. Fellow Finance Plc provides its services across borders in Sweden, Denmark and the Czech Republic as enabled by its payment institution licence.

Fellow Finance Plc is listed on Nasdaq First North Growth Market Finland.

Fellow Finance Plc's headquarters are located at Pursimiehenkatu 4 A, FI-00150 Helsinki, Finland.

Note 2. Accounting principles

This set of consolidated financial statements, which includes the consolidated financial statements for the financial years that ended on 31 December 2020 and 31 December 2019, has been prepared only for inclusion in a merger prospectus.

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The figures of the consolidated financial statements are presented in thousands of euros

The financial statements have been prepared in accordance with the same accounting principles, calculation methods and presentation as in the preparation of the consolidated financial statements for the financial year ended 31 December 2020. No new accounting policies have been introduced during the reporting period that would have a material effect on these half years financial information. The half-yearly information does not include all the notes presented in the consolidated financial statements for the financial year ended 31 December 2020 and the annual information must be read together with the consolidated financial statements.

Fellow Finance Plc has only one reportable segment. The reported segment consists of the Group, and the segment figures are consistent with those of the Fellow Finance Group.

The preparation of half-yearly information requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. The significant accounting estimates and judgments made by management in preparing the half year information are similar to those applied in the consolidated financial statements for the year ended 31 December 2020.

Note 3. Changes in business

During the period under review, the company stopped issuing new peer and crowdfunding loans in the Swedish and Czech markets. However, the company will continue to manage its outstanding loan portfolio in that market. The downturn has not had a material effect on the figures for the period considered.

As a result of the Korona pandemic, the temporary interest rate cap set in Finland had a negative effect on interest income on the company's loans granted during the review period.

Note 4. Revenue

Interest income	1-6/2021	1-6/2020
Interest income on loans	2 011	2 376
Total	2 011	2 376
Fee income	1-6/2021	1-6/2020
Loan fees	3 486	3 432
Total	3 486	3 432
Timing of revenue recognition	1-6/2021	1-6/2020
Over time	415	478
At a point of time	3 070	2 954
Total	3 486	3 432

All fee income in accordance with IFRS 15 has been recognized in accordance with the date on which control of the performance obligations has been transferred to the customer. Revenue received by the Group from customers is recognized to the extent that the Group expects to be entitled to the services provided to the customer. Fees are recognized as income over time or at a point of time, depending on the nature of the service.

Note 5. Expected credit losses

Expected credit losses and impairment losses recognized during the period

Expected credit losses on receivables	1-6/2021	1-6/2020
Realized credit losses on loans granted during the financial year	26	26
Realized credit losses on loans granted before the beginning of the financial year	763	1 427
Total	789	1 452
Expected credit losses (ECL) change	314	567
Total	1 104	2 020

Both realized loan losses and expected loan losses decreased significantly compared to the comparison period due to the company's strategic shift to lower-risk customers and the relative decline in the loan portfolio for foreign operations. Expected credit losses consider both expected credit losses on receivables from customers and off-balance sheet commitments. The share of expected loan losses of EUR 763 thousand consisted of reductions recorded as final loan losses during the financial year, a loan loss provision of EUR 26 thousand was accrued on new loans granted during the year and the expected loan loss provision of loans in the balance sheet increased by EUR 263 thousand.

Exposure to credit risk by risk category

Credit risk arises from the liabilities of retail and corporate customers as well as off-balance sheet commitments. The risk exposure summary table shows the exposures and liabilities exposed to credit risk and the ECL provisions for them by impairment.

The following tables describe the amount of money that is exposed to credit risk without taking into account collateral or other credit enhancement arrangements. In the tables, the data are divided into credit risk categories. The probability of insolvency is highest in risk category 1 and lowest in category 5.

Exposure to credit risk by risk category (30.6.2021)	Stage 1	Stage 2	Stage 3	Total
Risk class 5	981	139		1 120
Risk class 4	5 836	200		6 037
Risk class 3	4 954	323		5 277
Risk class 2	4 343	459		4 802
Risk class 1	1 872	284		2 155
In default			4 704	4 704
Gross carrying amount	17 986	1 406	4 704	24 095
ECL-reservation	434	357	3 622	4 414
Net carrying amount	17 552	1 048	1 081	19 682

Exposure to credit risk by risk category (31.12.2020)	Stage 1	Stage 2	Stage 3	Total
Risk class 5	1 007	65		1 072
Risk class 4	6 914	233		7 147
Risk class 3	5 498	450		5 948
Risk class 2	4 832	494		5 325
Risk class 1	2 304	399		2 703
In default			4 381	4 381
Gross carrying amount	20 555	1 640	4 381	26 577
ECL-reservation	607	396	3 156	4 159
Net carrying amount	19 947	1 244	1 226	22 417

Reconciliation calculation of expected credit losses

The following tables describe the transfers and changes in expected credit losses during the review period. The tables show a reconciliation between the opening and closing balances of the loss deduction. Changes in risk parameters reduced the ECL provision by EUR 36 thousand compared to the baseline situation during the reporting period.

	Stage 1	Stage 2	Stage 3	Total
ECL-reservation 1.1.2020	607	396	3 156	4 159
Transfers from stage 1 to stage 2	-40	236		196
Transfers from stage 1 to stage 3	-12		194	182
Transfers from stage 2 to stage 1	5	-58		-53
Transfers from stage 2 to stage 3		-124	279	155
Transfers from stage 3 to stage 1	0		-12	-12
Transfers from stage 3 to stage 2		4	-10	-6
Decreases due to derecognition	-308	5	298	-4
Increases due to origination and acquisition	197	49	20	267
Decrease in the allowance account due to write-offs	-17	-151	-302	-470
ECL-reservation 31.12.2020	434	357	3 622	4 414

	Stage 1	Stage 2	Stage 3	Total
ECL-reservation 1.1.2020	1 039	611	947	2 597
Transfers from stage 1 to stage 2	-59	222		163
Transfers from stage 1 to stage 3	-143		1 324	1 180
Transfers from stage 2 to stage 1	4	-52		-48
Transfers from stage 2 to stage 3		-98	245	148
Transfers from stage 3 to stage 1	0		-9	-9
Transfers from stage 3 to stage 2		1	-2	-2
Decreases due to derecognition	-566	-17	284	-299
Increases due to origination and acquisition	427	149	628	1 204
Decrease in the allowance account due to write-offs	-95	-419	-261	-775
ECL-reservation 31.12.2020	607	396	3 156	4 159

Note 6. Earnings per share

	1-6/2021	1-6/2020
Earnings per share, undiluted	71	-458
Profit attributable to the share holders of the parent		
Weighted average number of the shares during the period	7 173 625	7 173 625
Number of the shares during the period	7 173 625	7 173 625
Share and option rights for share-based incentive programs	483 740	-
Earnings per share, basic	0,01	-0,06
Earnings per share, diluted	0,01	-0,06

* The share-based payment plans will not have a dilutive effect in the financial year 2020, as the company's result is negative.

The undiluted earnings per share are calculated by dividing the profit for the financial year attributable to the parent Company's shareholders by the average number of outstanding shares during the period.

When calculating the diluted earnings per share, the figures used in the calculation of the undiluted earnings per share are adjusted in order to take account of the after-tax impact of any items recognised through profit or loss in relation to ordinary shares, and also the weighted average number of the ordinary shares that would have also been outstanding if all dilutive potential ordinary shares had been converted into shares.

Note 7: Classes of financial assets and liabilities and fair values

Assets	30.6.2021			
	Amortised cost	Total	Measured at fair value	Value hierarchies
Non-current loan receivables	11 068	11 068	11 068	3
Current loan receivables	8 409	8 409	8 409	3
Trade receivables	53	53	53	3
Receivables from customer accounts	413	413	413	3
Cash and cash equivalents	2 901	2 901	2 901	3
Total	22 845	22 845	22 845	

Liabilities	Measured at fair			
	Amortised cost	Total	value	Value hierarchies
Current liabilities to public	10 534	10 534	10 534	3
Lease liabilities	294	294		
Trade payables	539	539	539	3
Total	11 368	11 368	11 074	

Assets	31.12.2020			
	Amortised cost	Total	Measured at fair value	Value hierarchies
Non-current loan receivables	14 255	14 255	14 255	3
Current loan receivables	7 797	7 797	7 797	3
Trade receivables	76	76	76	3
Receivables from customer accounts	341	341	341	3
Cash and cash equivalents	3 769	3 769	3 769	3
Total	26 238	26 238	26 238	

Liabilities	Measured at fair			
	Amortised cost	Total	value	Value hierarchies
Non-current liabilities to public	12 483	12 483	12 483	3
Lease liabilities	351	351		
Trade payables	270	270	12 721	3
Current liabilities to public	1 060	1 060	1 060	3
Total	14 164	14 164	26 263	

During the period under review, the company repurchased a bond with a total profit of EUR 43 thousand.

The Company has classified fair values on the basis of the fair value hierarchy as follows:

Level 1: The fair values of financial instruments (such as publicly quoted derivatives and shares) traded on the active market are based on market prices quoted at the end of the reporting period. The quoted market price of financial assets is the current bid price, and the quoted market price of financial liabilities is the ask price. The Company's bonds belong to level 1.

Level 2: For financial instruments not traded on the active market, the fair value is determined using the measurement method. These methods use as much observable market information as possible and rely as little as possible on company-specific assessments. If all the significant input data required to determine the fair value of an instrument are observable, the instrument is classified as level 2. The Company does not currently have any level 2 instruments.

Level 3: If one or several pieces of significant input data are not based on observable market data, the instrument is classified as level 3. These include all of the Company's loan receivables, as the Company has exercised significant judgement in determining their fair value.

Note 8. Breakdown of financial assets and liabilities according to maturity

The table below shows the contractual payments of the company's financial assets and liabilities. Cash flows include capital and contractual interest.

	30.6.2021					Total
	under 3 months	3-12 months	1-5 years	5-10 years	Over 10 years	
Assets						
Loan receivables	7 819	6 505	12 344	2 420	37	29 125
Trade receivables	53					53
Receivables from customer accounts	413					413
Cash and cash equivalents	2 901					2 901
Liabilities						
Liabilities to public	636	10 619				11 255
Lease liabilities	29	116	149			294
Trade payables	539					539
Off-balance sheet commitments	417					417
	31.12.2020					Total
	under 3 months	3-12 months	1-5 years	5-10 years	Over 10 years	
Assets						
Loan receivables	8 763	9 189	11 350	2 465	41	31 808
Trade receivables	76					76
Receivables from customer accounts	341					341
Cash and cash equivalents	3 769					3 769
Liabilities						
Liabilities to public	396	1 462	12 829			14 687
Lease liabilities	30	90	240			359
Trade payables	270					270
Off-balance sheet commitments	365					365

Note 9: Off-balance sheet items

	30.6.2021	31.12.2020
Unused credit facilities	417	365
Total	417	365

Off-balance sheet commitments are loans granted to customers that have not been drawn down by the customer. The expected credit loss on off-balance sheet items is EUR 11 thousand (EUR 12 thousand).

Note 10. Related party disclosures

During the period under review, Fellow Finance had no sales, purchases, receivables, or payables from related parties. Salaries and fees paid to the Group's Board of Directors and Management Team are disclosed annually in connection with the Annual report.

Note 11. Essential events after the reporting period

After the end of the reporting period, the company concluded a combination agreement with Evli Bank Plc in July. The combination agreement sets out an arrangement by which Evli Bank will demerge through a partial demerger into a new asset management group and a company that will carry on Evli Bank's banking services and into which Fellow Finance will merge. The company that will carry on the banking business will form Fellow Bank, which aims to launch a new digital, customer-oriented bank with solid capital adequacy in Finland, to serve both private and SME customers. The arrangement is intended to be completed during the first half of year 2022. The implementation of the arrangement is conditional upon, among others, authority approvals and approvals of Fellow Finances' and Evli Bank's shareholders.

Evli Bank Plc ("Evli") has 30th September 2021 signed the demerger plan based on the combination agreement announced by Evli and Fellow Finance Plc ("Fellow Finance") on 14 July 2021. In addition, Evli and Fellow Finance have signed the merger plan based on the combination agreement. An application will be made for the admission to trading of the shares of the parent company of the group continuing Evli's asset management business on the official list of Nasdaq Helsinki.

The Extraordinary General Meetings of shareholders of the companies are intended to be convened to consider the resolutions required to carry out the arrangement by the end of 2021. The arrangement is intended to be carried out in full during the first half of 2022.