

## Fairly decent first half

Alisa Bank's H1 profitability was slightly better than anticipated, with PTP at EUR 0.4m (Evli EUR 0.1m). Total income was below our expectations but lower expected and realized credit losses made up for the difference. Profits in H2 expected to increase from H1.

- Total income during H1/23 amounted to EUR 8.4m (Evli EUR 9.5m). Net interest income amounted to EUR 7.4m (Evli EUR 7.8m) and net fee and commission income to EUR 0.8m (Evli EUR 1.7m).
- In H1 the volume of funding in corporate financing increased 19% y/y, driven by invoice financing, while the credit portfolio in consumer customers remained at previous year levels.
- The loan portfolio (before expected credit losses) at the end of H1 amounted to EUR 170.3m (163.8m) and the deposits amounted to EUR 241.7m (246.8m).
- The pre-tax profit during H1 amounted to EUR 0.4m (Evli EUR 0.1m). Although the total income fell short of our estimates, the impairment of receivables was lower than expected at EUR -2.2m (Evli -3.7m). Total OPEX was quite in line with expectations.
- Earnings per share amounted to EUR 0.00 compared with our estimate of EUR 0.00.
- CET1 and the CET1 ratio amounted to EUR 17.7m and 12.0% and total capital ratio to 15.5%
- The cost / income ratio amounted to 69%.
- **Outlook for 2023:** The bank's profits in H2 are expected to increase from H1. The result before non-recurring items is estimated to be positive in 2023. Total capital adequacy target set at 16%. Aim to strengthen own capital during H2.

Rating	🟡 HOLD
Share price, EUR (Last trading day's closing price)	0.36
Target price, EUR	0.37
Latest change in recommendation	07-Jun-22
Latest report on company	16-Aug-23
Research paid by issuer:	YES
No. of shares outstanding, '000's	88,332
No. of shares fully diluted, '000's	88,332
Market cap, EURm	32
Free float, %	-
Exchange rate	0.000
Reuters code	ALISA.HE
Bloomberg code	ALISA FH
Average daily volume, EURm	-
Next interim report	18-Aug-23
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🟢 BUY 🟡 REDUCE 🔴 SELL

### PRE-REPORT KEY FIGURES

	Revenues EURm	Op. profit EURm	Net profit EURm	EPS EUR	P/E (x)	P/B (x)	Cost/income %	ROE %	Div. yield %	DPS EUR
2021	0	0	0	0.00	0.0	0.0	0.0	0.0	0.0	0.00
2022	10	-10	-9	-0.10	-3.6	1.1	113.1	-31.9	0.0	0.00
2023E	18	0	0	0.00	-390.8	1.1	61.7	-0.3	0.0	0.00
2024E	22	3	2	0.03	13.8	1.0	58.2	7.8	0.0	0.00
2025E	27	6	5	0.05	6.6	-11.3	51.4	34.6	0.0	0.00
Market cap, EURm			32	BV per share 2023E, EUR		0.3	CAGR EPS 2022-25, %			0.0
Equity 2023E, EURm			28	Loan losses 2023E, %		4.23	CAGR op. profit 2022-25, %			0.0
Total assets, 2023E, EURm			297	Tax rate 2023E, %		11.3	CAGR revenues 2022-25, %			39.0
Lending 2023E, EURm			173	Tier 1 ratio 2023E, %		12.4	CAGR DPS 2022-25, %			0.0
RWA 2023E, EURm			143	Capital ratio 2023E, %		16.7	PEG, P/E 23/CAGR			0.0

All the important disclosures can be found on the last pages of this report.

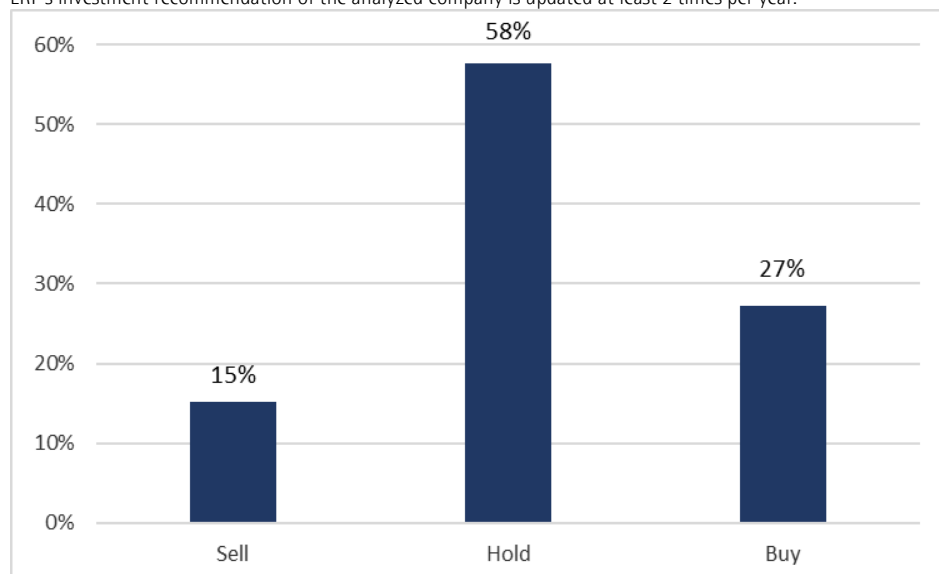
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Salokivi

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