

Quite well in line with expectations

Alisa Bank's H2 profitability was slightly below our expectations, with PTP at EUR -0.1m (Evli EUR 0.1m). H2 overall was quite well in line with our expectations on income and OPEX.

- Total income during H2/23 amounted to EUR 8.3m (Evli EUR 8.2m). Net interest income amounted to EUR 7.3m (Evli EUR 7.2m) and net fee and commission income to EUR 0.9m (Evli EUR 1.0m).
- During 2023 the credit base for corporate financing in corporate financing increased by 31% y/y, while the credit base in consumer customers remained at previous year levels.
- The loan portfolio (before expected credit losses) at the end of H2 amounted to EUR 172.9m (163.8m) and the deposit base amounted to EUR 268.9m (246.8m). After the reporting period Alisa Bank's deposit base grew to EUR 388m.
- The pre-tax profit during H2 amounted to EUR -0.1m (Evli EUR 0.1m). Total OPEX amounted to EUR 5.7m (Evli EUR 5.7m). The main deviation came from the impairment of receivables (EUR -2.8m/-2.4m act./Evli).
- 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 15.2%
- The cost / income ratio amounted to 68%.
- **Outlook for 2024:** The bank's total income, should the actions to strengthen the company's equity capital during H1 be achieved, is expected to increase in 2024 compared with 2023. The result for H1/2024 before one-offs and taxes is expected to be slightly loss-making.
- **Dividend proposal:** Alisa Bank's BoD proposes that no dividend be paid for FY 2023 (Evli EUR 0.00)

| Rating | SELL |
|---|--------------------------|
| Share price, EUR (Last trading day's closing price) | 0.20 |
| Target price, EUR | 0.2 |
| Latest change in recommendation | 26-Oct-23 |
| Latest report on company | 26-Oct-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 | 18 |
| Free float, % | - |
| Exchange rate | - |
| Reuters code | ALISA.HE |
| Bloomberg code | ALISA FH |
| Average daily volume, EURm | - |
| Next interim report | - |
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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 | 1.2 | 113.1 | -34.7 | 0.0 | 0.00 |
| 2023E | 16 | 0 | 0 | 0.00 | 82.2 | 0.7 | 69.1 | 0.8 | 0.0 | 0.00 |
| 2024E | 17 | 0 | 0 | 0.00 | -241.5 | 0.7 | 69.3 | -0.3 | 0.0 | 0.00 |
| 2025E | 20 | 2 | 1 | 0.02 | 13.2 | 0.6 | 62.0 | 4.9 | 0.0 | 0.00 |

| | | | | | |
|---------------------------|-----|-------------------------|------|----------------------------|------|
| Market cap, EURm | 18 | BV per share 2023E, EUR | 0.3 | CAGR EPS 2022-25, % | 0.0 |
| Equity 2023E, EURm | 26 | Loan losses 2023E, % | 2.83 | CAGR op. profit 2022-25, % | 0.0 |
| Total assets, 2023E, EURm | 295 | Tax rate 2023E, % | 40.7 | CAGR revenues 2022-25, % | 25.4 |
| Lending 2023E, EURm | 163 | Tier 1 ratio 2023E, % | 13.1 | CAGR DPS 2022-25, % | 0.0 |
| RWA 2023E, EURm | 135 | Capital ratio 2023E, % | 17.6 | PEG, P/E 23/CAGR | 0.0 |

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

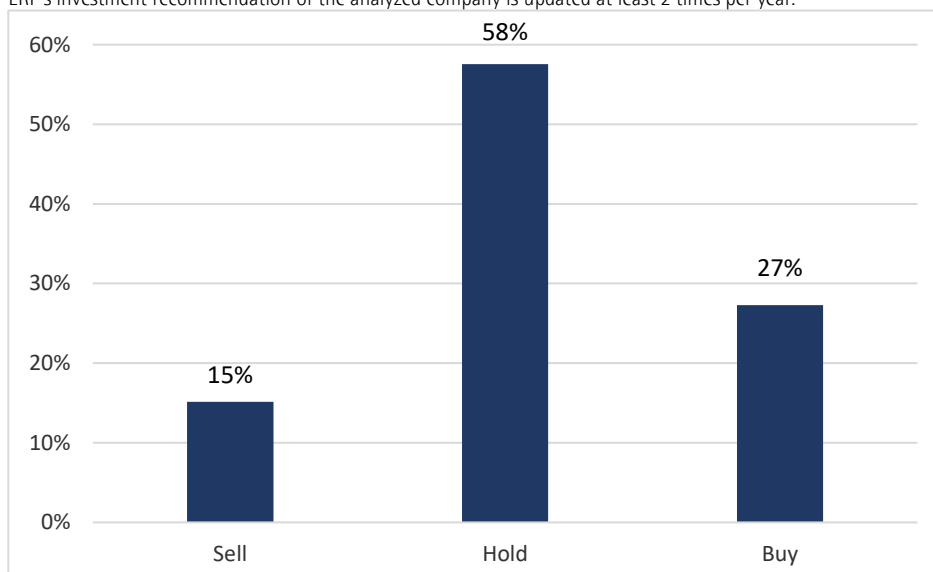
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Investment recommendations are defined as follows:

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

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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.

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