

Loan volume pick-up needed

Alisa Bank's H2 was in line with our expectations on profitability while growth was more constrained than anticipated by loan volume declines in H2. Earnings are seen to increase notably in 2025, but the volume outlook remains on the cautionary side.

Weaker than anticipated income but adj. PTP as expected

Alisa Bank's H2 financials were fairly in line with our expectations. The main deviation was in net interest income (EUR 8.3m/8.8m act./Evli) and subsequently total income (EUR 9.3m/9.8m act./Evli). Lending volume development was unfavourable during the second half of 2024, leading to notable declines from H1. OPEX development was as expected (EUR 6.4m/6.3m act./Evli) and with a downward trend on expected and realized credit losses the adj. PTP of EUR 0.9m was in line with our estimate (Evli EUR 0.9m).

Good potential in 2025 but short-term outlook still cautious

Alisa Bank expects that its operating result will continue to develop positively during 2025, which should be interpreted as compared with H2/24, although not explicitly stated. Decreased interest expenses will be a key driver on a still fairly conservative growth outlook. 2025 will be all about getting volume growth back on track. Success within partnerships, both new and existing ones, should pave the way for growth pick-up during the latter half. The company announced a new partnership with provide business financing services to Administer's (leading financial management services provider) over 4,000 clients. Furthermore, the company is again looking at expansion abroad. With these initiatives, we expect to see growth in total income in 2025, and profitability to remain on par with H2/24 levels and subsequently increase clearly y/y due to the weak H1/24. We have lowered our 2025 PTP estimate to EUR 1.7m (2.4m) following weaker growth anticipations. With the scalability potential earnings could well improve further towards H2 should market conditions support more rapid growth in loan volumes, but the short-term outlook is still fairly cautious.

REDUCE with a target price of EUR 0.18

In light of the still uncertain near-term outlook and mixed estimate revisions (adj. PTP: 25e -30%, 26e +20%) we retain our TP of EUR 0.18 and REDUCE-rating. Valuation upside would in our view require better loan volume development, signs of which will be important heading into 2025.

KEY FIGURES

| | Revenues EURm | Op. profit EURm | Net profit EUR m | EPS EUR | P/E (x) | P/B (x) | Cost/income % | ROE % | Div. yield % | DPS EUR |
|-------|------------------|--------------------|---------------------|------------|------------|------------|------------------|----------|-----------------|------------|
| 2023 | 17 | 0 | 0 | 0.00 | 83.9 | 0.6 | 68.3% | 0.7% | | |
| 2024 | 17 | -1 | -1 | -0.01 | -17.7 | 0.7 | 75.2% | -3.8% | | |
| 2025E | 19 | 2 | 1 | 0.01 | 19.8 | 0.8 | 66.8% | 3.6% | | |
| 2026E | 22 | 3 | 3 | 0.02 | 10.9 | 0.7 | 63.3% | 6.7% | | |
| 2027E | 24 | 4 | 3 | 0.02 | 8.8 | 0.7 | 61.9% | 7.8% | | |

| | | | | | |
|---------------------------|-----|-------------------------|--------|----------------------------|--------|
| Market cap, EURm | 29 | BV per share 2025E, EUR | 0.3 | CAGR EPS 2024-27, % | 0.0 % |
| Equity 2025E, EURm | 38 | Loan losses 2025, % | 2.59 % | CAGR op. profit 2024-27, % | 0.0 % |
| Total assets, 2025E, EURm | 427 | Tax rate 2025E, % | 19.6 % | CAGR revenues 2024-27, % | 12.0 % |
| Lending 2025E, EURm | 178 | Tier 1 ratio 2025E, % | 13.5 % | CAGR DPS 2024-27, % | 0.0 |
| RWA 2025E, EURm | 159 | Capital ratio 2025E, % | 15.7 % | PEG, P/E 25/CAGR | 0.0 |

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

Rating ■ Reduce



| | |
|--|---------------------------|
| Share price, EUR (Last trading day's closing price) | 0.19 |
| Target price, EUR | 0.18 |
| Latest change in recommendation | 12-Feb-25 |
| Latest report on company | 12-Feb-25 |
| Research paid by issuer: | YES |
| No. of shares outstanding, '000's | 138 338 |
| No. of shares fully diluted, '000's | 138 338 |
| Market cap, EURm | 29 |
| Free float, % | - |
| Exchange rate | 0.0 |
| Reuters code | ALISA.HE |
| Bloomberg code | ALISA FH |
| Average daily volume, EUR | - |
| Next interim report | 12-Aug-25 |
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+++ BUY + ACCUMULATE ■ REDUCE ■■■ SELL

| Alisa Bank | 2023 | H1/'24 | H2/'24 | 2024 | H1/'25E | H2/'25E | 2025E | 2026E | 2027E |
|------------------------------|-------|--------|--------|-------|---------|---------|-------|-------|-------|
| Total income | 16.7 | 7.7 | 9.3 | 17.0 | 9.4 | 10.0 | 19.4 | 22.1 | 23.9 |
| <i>growth %</i> | 62.8% | -8.5% | 12.0% | 1.7% | 22.8% | 7.2% | 14% | 13% | 8% |
| Net interest income | 14.8 | 7.2 | 8.3 | 15.5 | 8.4 | 8.8 | 17.2 | 19.6 | 21.3 |
| Net fee income | 1.8 | 0.4 | 1.0 | 1.4 | 1.0 | 1.2 | 2.1 | 2.3 | 2.5 |
| Other operating income | 0.2 | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| Personnel expenses | -5.5 | -3.0 | -3.3 | -6.3 | -3.2 | -3.5 | -6.7 | -7.2 | -7.8 |
| Other administrative expens | -4.5 | -2.7 | -2.2 | -4.9 | -2.2 | -2.4 | -4.6 | -4.8 | -5.1 |
| Depreciation and amortizatic | -0.8 | -0.6 | -0.6 | -1.3 | -0.6 | -0.6 | -1.3 | -1.4 | -1.4 |
| Other operating expenses | -0.6 | -0.1 | -0.2 | -0.3 | -0.2 | -0.2 | -0.4 | -0.5 | -0.5 |
| Total operating expenses | -11.4 | -6.4 | -6.4 | -12.8 | -6.2 | -6.7 | -13.0 | -14.0 | -14.8 |
| Impairment of receivables | -5.0 | -3.2 | -2.3 | -5.5 | -2.6 | -2.2 | -4.8 | -4.8 | -5.0 |
| Pre-tax profit | 0.3 | -2.0 | 0.7 | -1.3 | 0.6 | 1.1 | 1.7 | 3.3 | 4.1 |
| -Excl. one-offs | | -1.0 | 0.9 | -0.1 | | | | | |
| Income taxes | 0.0 | 0.0 | 0.1 | 0.1 | -0.1 | -0.2 | -0.3 | -0.7 | -0.8 |
| Net earnings | 0.3 | -2.0 | 0.8 | -1.2 | 0.5 | 0.9 | 1.3 | 2.6 | 3.3 |

Source: Alisa Bank, Evli Research estimates

INTERIM FIGURES

| EVLI ESTIMATES, EURm | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4 | 2024 | 2025Q1E | 2025Q2E | 2025Q3E | 2025Q4E | 2025E | 2026E | 2027E |
|-------------------------------------|--------|--------|--------|--------|------|---------|---------|---------|---------|-------|-------|-------|
| Net interest income | | 7 | | 8 | 15 | | 21 | | | 17 | 20 | 21 |
| Net commission income | | 0 | | 1 | 1 | | 3 | | | 2 | 2 | 3 |
| Trading/items at fair value | | 0 | | 0 | 0 | | 0 | | | 0 | 0 | 0 |
| Other income | | | | | | | | | | | | |
| Total income | | 8 | | 9 | 17 | | 24 | | | 19 | 22 | 24 |
| Total costs | | -6 | | -6 | -13 | | -15 | | | -13 | -14 | -15 |
| Profit before loan losses | | 1 | | 3 | 4 | | 9 | | | 6 | 8 | 9 |
| Loan losses | | -3 | | -2 | -6 | | -5 | | | -5 | -5 | -5 |
| Operating profit | | -2 | | 1 | -1 | | 4 | | | 2 | 3 | 4 |
| Taxes | | 0 | | 0 | 0 | | -1 | | | 0 | -1 | -1 |
| Minorities | | | | | | | | | | | | |
| Net profit | | -2 | | 1 | -1 | | 3 | | | 1 | 3 | 3 |
| EPS | | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 | 0.0 | 0.0 |
| EPS adjusted (diluted no of shares) | | | | | | | | | | | | |
| Dividend per share | | | | | | | | | | | | |

| INCOME STATEMENT, EURm | 2020 | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---------------------------------|------|------|------|---------|---------|---------|-------|-------|
| Net interest income | | | 9 | 15 | 15 | 17 | 20 | 21 |
| Net commission income | | | 2 | 2 | 1 | 2 | 2 | 3 |
| Trading/items at fair value | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other income | | | | | | | | |
| Total income | | | 10 | 17 | 17 | 19 | 22 | 24 |
| Income growth (%) | | | | 62.0% | 2.5% | 14.5% | 13.4% | 8.3% |
| Total costs | | | -12 | -11 | -13 | -13 | -14 | -15 |
| Costs growth (%) | | | | -1.7% | 12.2% | 1.6% | 7.6% | 5.9% |
| Profit before loan losses | | | -1 | 5 | 4 | 6 | 8 | 9 |
| Loan losses | | | -8 | -5 | -6 | -5 | -5 | -5 |
| Operating profit | | | -10 | 0 | -1 | 2 | 3 | 4 |
| Operating profit growth | | | | -101.8% | -845.8% | -226.2% | 98.5% | 23.8% |
| Taxes | | | 1 | 0 | 0 | 0 | -1 | -1 |
| Minorities | | | | | | | | |
| Net profit | | | -9 | 0 | -1 | 1 | 3 | 3 |
| BALANCE SHEET, EURm | | | | | | | | |
| Assets | | | | | | | | |
| Lending to credit institutions | | | 126 | 134 | 288 | 230 | 251 | 254 |
| Lending to the public | | | 155 | 169 | 144 | 178 | 190 | 210 |
| Growth (%) | | | | 9.3% | -15.0% | 23.9% | 6.7% | 10.5% |
| Interest-bearing securities | | | | | | | | |
| Other assets | | | 2 | 2 | 1 | 1 | 1 | 1 |
| Total Assets | | | 292 | 314 | 451 | 427 | 460 | 483 |
| Growth (%) | | | | 7.6% | 43.6% | -5.2% | 7.6% | 5.1% |
| Liabilities | | | | | | | | |
| Deposits by credit institutions | | | | | | | | |
| Deposits from the public | | | 247 | 269 | 395 | 370 | 400 | 420 |
| Growth (%) | | | | 9.0% | 46.8% | -6.2% | 8.1% | 5.0% |
| Debt securities in issue | | | | | | | | |
| Subordinated loans | | | 6 | 6 | 6 | 6 | 6 | 6 |
| Other liabilities | | | 13 | 13 | 13 | 13 | 13 | 13 |
| Shareholder's equity | | | 26 | 26 | 37 | 38 | 41 | 44 |
| Total liabilities and equity | | | 292 | 314 | 451 | 427 | 460 | 483 |

| KEY FIGURES | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|----------------------|------|------|------|------|-------|-------|-------|
| M-cap | | 32 | 15 | 25 | 29 | 29 | 29 |
| Total assets | | 292 | 314 | 451 | 427 | 460 | 483 |
| Total income | | 10 | 17 | 17 | 19 | 22 | 24 |
| Total costs | | -12 | -11 | -13 | -13 | -14 | -15 |
| Operating profit | | -10 | 0 | -1 | 2 | 3 | 4 |
| Net profit | | -9 | 0 | -1 | 1 | 3 | 3 |
| Equity | | 26 | 26 | 37 | 38 | 41 | 44 |
| Tier 1 capital | | 18 | 18 | 20 | 21 | 24 | 27 |
| Risk-weighted assets | | 140 | 147 | 133 | 159 | 170 | 185 |
| Loans | | 155 | 169 | 144 | 178 | 190 | 210 |

| Valuation multiples | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---------------------|------|------|------|-------|-------|-------|-------|
| P/E | | -3.5 | 83.9 | -17.7 | 19.8 | 10.9 | 8.8 |
| P/E, adj. | | -3.6 | 83.9 | -17.7 | 19.8 | 10.9 | 8.8 |
| P/B | | 1.2 | 0.6 | 0.7 | 0.8 | 0.7 | 0.7 |
| Dividend yield, % | | | | | | | |
| Target P/E | | | | | | | |
| Target P/B | | | | | | | |

| Per share measures | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|----------------------------|------|--------|--------|---------|---------|---------|---------|
| Number of shares | | 87 745 | 88 332 | 128 055 | 138 338 | 150 032 | 150 032 |
| Number of shares (diluted) | | 87 745 | 88 332 | 128 055 | 138 338 | 150 032 | 150 032 |
| EPS | | -0.10 | 0.00 | -0.01 | 0.01 | 0.02 | 0.02 |
| EPS, adj. | | -0.10 | 0.00 | -0.01 | 0.01 | 0.02 | 0.02 |
| Book value share | | 0.29 | 0.30 | 0.24 | 0.25 | 0.27 | 0.29 |
| Dividend per share | | | | | | | |
| Dividend payout ratio % | | | | | | | |

| Financial ratios | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|------------------------------|------|--------|-------|-------|-------|-------|-------|
| ROE, % | | -34.7% | 0.7% | -3.8% | 3.6% | 6.7% | 7.8% |
| Adjusted ROE, % | | -33.5% | 0.7% | -3.8% | 3.6% | 6.7% | 7.8% |
| ROA, % | | -6.2% | 0.1% | -0.3% | 0.3% | 0.6% | 0.7% |
| Net interest margin, % | | 2.3% | 3.4% | 2.9% | 3.1% | 3.3% | 3.4% |
| Cost/income, % | | 113.1% | 68.3% | 75.2% | 66.8% | 63.3% | 61.9% |
| Loan losses/lending, % | | 10.76% | 3.00% | 3.47% | 2.59% | 2.82% | 2.78% |
| Tier 1 ratio, % | | 12.6% | 12.0% | 15.0% | 13.5% | 14.1% | 14.8% |
| Capital ratio, % | | 15.9% | 15.2% | 17.6% | 15.7% | 16.1% | 16.6% |
| Equity/assets, % | | 8.9% | 8.3% | 8.1% | 8.9% | 8.8% | 9.1% |
| Loans/assets, % | | 53.0% | 53.9% | 31.9% | 41.7% | 41.3% | 43.5% |
| Tax rate, % | | 7.0% | -1.1% | 8.6% | 19.6% | 20.0% | 20.0% |
| Number of employees, average | | | | | | | |
| Income per employee, EUR | | | | | | | |
| Op. profit per employee, EUR | | | | | | | |

COMPANY DESCRIPTION:**INVESTMENT CASE:**

| OWNERSHIP STRUCTURE | SHARES | EURm | % |
|----------------------|-------------|--------|--------|
| Evli Oyj | 14 373 318 | 2.985 | 10.4 % |
| Taaleri Oyj | 14 373 318 | 2.985 | 10.4 % |
| Kempinvest Oy | 12 588 758 | 2.615 | 9.1 % |
| Vaiste Heikki Tapani | 7 746 928 | 1.609 | 5.6 % |
| Mininvest Oy | 6 861 565 | 1.425 | 5.0 % |
| Oy Scripo Ab | 5 173 841 | 1.075 | 3.7 % |
| TN Ventures Oy | 5 160 008 | 1.072 | 3.7 % |
| Oy Prandium Ab | 4 468 317 | 0.928 | 3.2 % |
| Veikko Laine Oy | 4 343 813 | 0.902 | 3.1 % |
| Kajala Jani Markus | 3 873 464 | 0.804 | 2.8 % |
| Ten largest | 78 963 332 | 16.400 | 57.1 % |
| Residual | 59 374 671 | 12.331 | 42.9 % |
| Total | 150 031 563 | 28.731 | 100% |

EARNINGS CALENDAR**OTHER EVENTS****COMPANY MISCELLANEOUS**

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CFO: Kukka Lehtimäki
IR:

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Important Disclosures

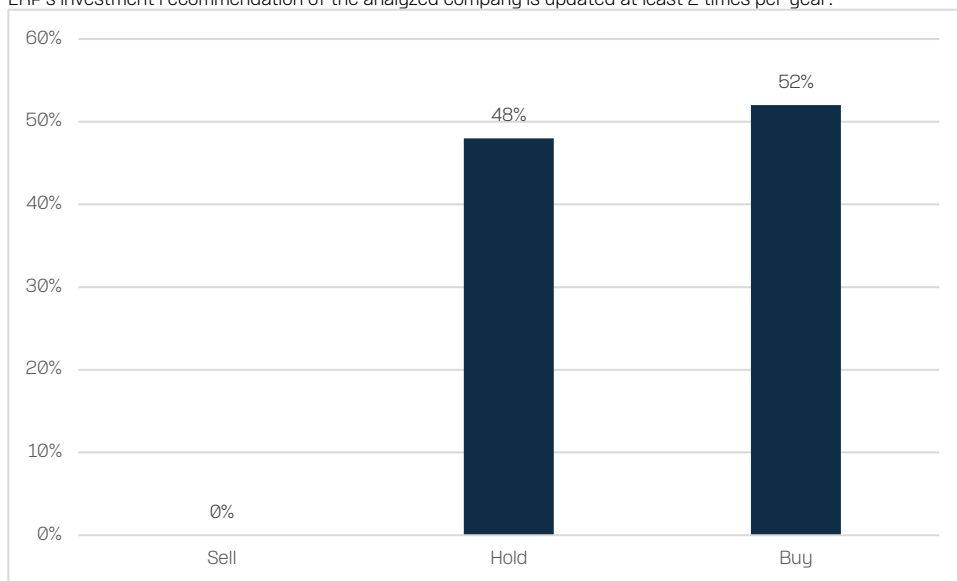
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| | |
|--------------------------------------|----------------|
| Target price compared to share price | Recommendation |
| < -10 % | SELL |
| -10 – 0 % | RECUDE |
| 0 – (+10) % | ACCUMULATE |
| > 10 % | BUY |

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

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