Alisa
BANK

Annual Report 2023

This pdf report has been published voluntarily and it is not an xHTML document compliant with the ESEF (European Single Electronic Format) regulation.

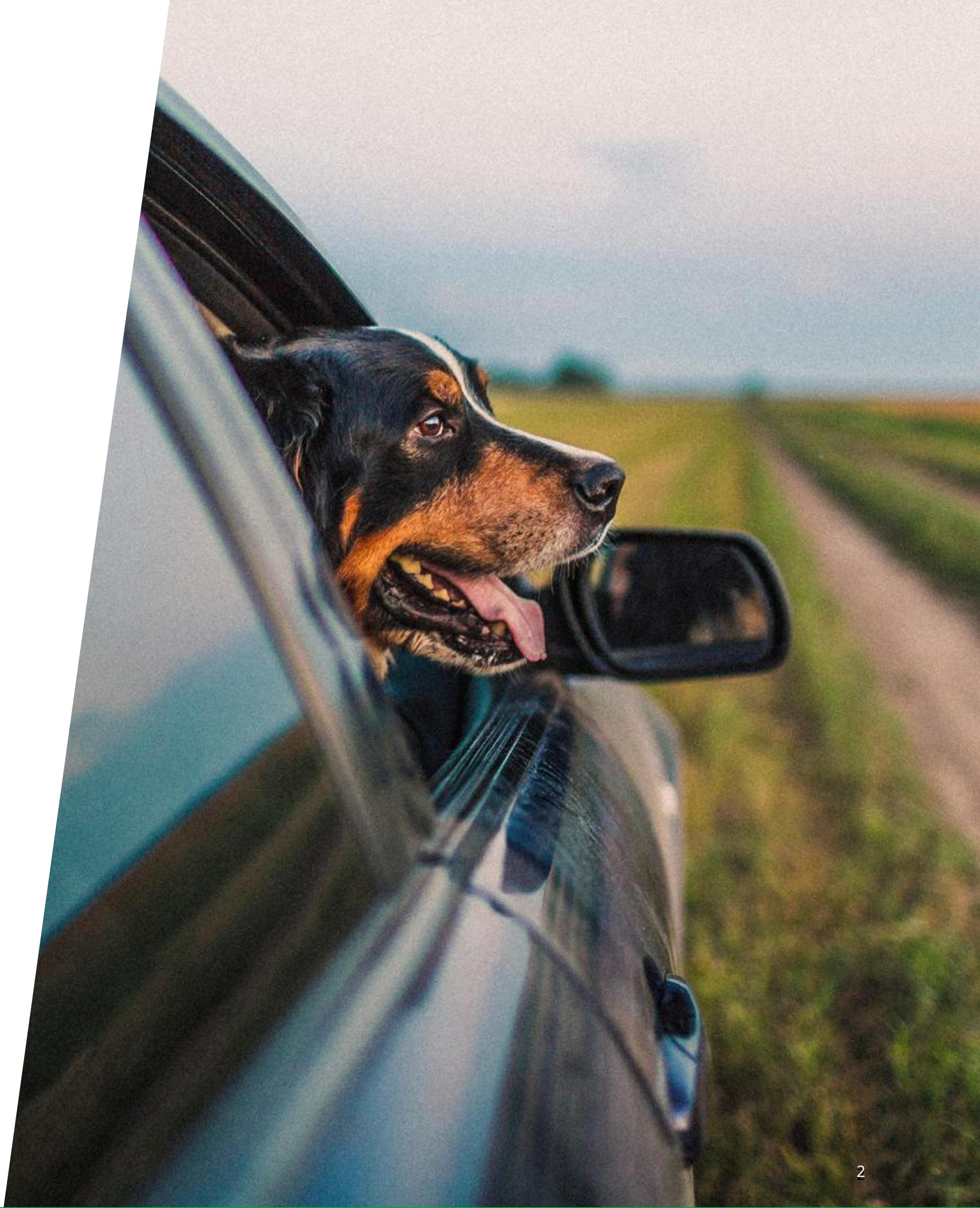
Contents

Alisa Bank in brief **3**
A digital bank 3
CEO's review 6
Highlights of 2023 8
Key figures 9

Board of Directors´ Report **10**
Business environment 12
Financial performance 12
Capital adequacy and risk management 13
General meeting, Board of Directors, CEO and auditor 17
Shares and shareholders 18
Group structure 19
Personnel and locations 19
Material events after the review period 19
Financial targets and outlook for 2024 20
Calculation of key figures **21**

Financial Statements **22**
Group's Financial Statements 22
Parent companys Financial Statements 63
Signatures of the Financial Statements 82
Auditor's Report 83

Governance **87**



ALISA BANK IN BRIEF

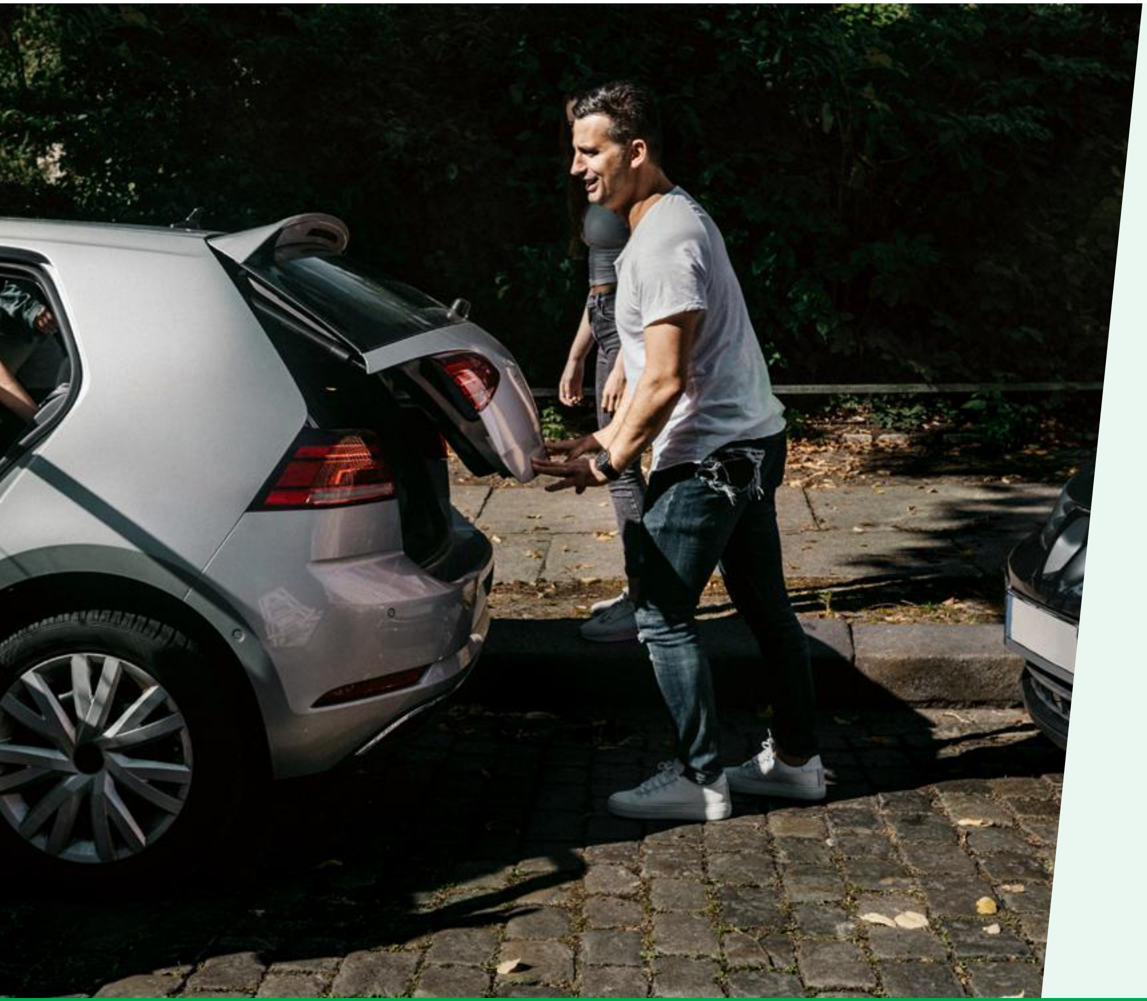
Alisa Bank is a Finnish digital bank for smoother everyday life

We help both personal and business customers manage their day-to-day finances, and we offer a competitive interest return on deposits. We take pride in providing our customers with an uncomplicated, clear and responsible service.

Our mission is to offer the smoothest everyday digital banking services on the market for individuals and SMEs. This means catering for the entire path, from becoming a customer to paying bills, applying for a loan and managing a loan. For the customer, banking at Alisa Bank is so fast and smooth that it is almost effortless.

Our vision is to be the bank that enables the smoothest everyday life for selected customer segments. In banking services, our focus is initially on the Finnish market, but in the next few years, our proven infrastructure and our know-how gained from lending in other markets will enable us to grow internationally.

Our strategy is based on four cornerstones, which give us a solid foundation to create a competitive advantage and grow our business:



Superior customer experience:
We combine easy-to-use digital services with personal customer service that is knowledgeable and easy to understand.

Profitable products for selected customer segments:
Our service selection is tailored especially for individuals who appreciate easy-to-use everyday basic banking services and flexible financing; for SMEs that need flexible banking and financial services; and for savers looking for safe and competitive interest income.

Operational efficiency:
With a digital operating model, modern IT systems and a targeted range of services, combined with efficient organization and competent personnel, we aim for high operational efficiency.

A financially solid, trustworthy Finnish bank:
We are a trustworthy Finnish bank with committed and strong anchor owners. At the core of our operations is responsibility in lending and clarity in our customer communication.

When implementing the strategy, we are guided by the values we have created together. We focus on solving real problems – so that our customers' everyday lives become smoother. We innovate with an open-minded approach. We take responsibility for serving our customers in the best possible way, and we expect each employee to do their part towards achieving our common goals. We value all customers equally, and we appreciate the contribution and expertise of everyone in the workplace. In this way, we create a strong company culture and a good team spirit, which enable us to take firm steps towards our vision.

CEO'S REVIEW

Profitable result achieved

Achieving a positive result in the completed fiscal year was a significant step in Alisa Bank's growth story. We grew stronger than the market in both personal and business financing as well as deposits.

The profit before non-recurring items and taxes for the 2023 financial year was EUR 0.8 million, and the profit before taxes was EUR 0.3 million. Due to the difficult economic situation, we did not manage to strengthen the company's equity according to our plans. This held back the growth of our loan portfolio in the second half of the year, as well as the tightening of our lending in certain industries. At the same time, we also wanted to maintain our strong capital adequacy level. Because of this, the second half's earnings, EUR 8.3 million, were slightly below the level of the first half and the profit before taxes in the second half was EUR -0.1 million.

Development of business

Our loan portfolio grew to EUR 173 million by the end of 2023 before reducing provisions for credit losses.

The growth of corporate customer business was limited by the challenging operating environment of SMEs and our caution in credit risk management in industries with increased credit risk. However, our loan portfolio for corporate financing increased by 31 percent to EUR 41 million in the fiscal year. The quality of the corporate loan portfolio remained good and stable in the second half of the year. Due to successful risk management, we avoided significant credit losses in the second half of the year in corporate lending. As the economic operating environment improves, we believe that our strong competitiveness will create a basis for our growth in the future as well.

In personal customers, our credit base remained unchanged at EUR 132 million. In the market, the demand for consumer financing continued to grow moderately, but our growth was limited by capital restrictions and our tightened credit policy. In the second half of the year, we invested especially in strengthening our profitability in consumer financing and succeeded in improving the net interest income despite the slight increase in financing costs.

At the end of December, our deposit base was EUR 269 million. The structure and sources of our deposit base diversified: the share of time deposits increased and we managed to increase the collection of deposit funds through our digital channels.

In November, we opened a savings account product on Europe's leading deposit comparison portal Raisin in Germany, and further in December we also opened this channel in the Netherlands. After the end of the financial year, our deposit base has strengthened strongly, reaching EUR 388 million at the end of January. As the interest rate rose, our financing costs increased somewhat, and at the end of the financial year, the average interest rate on the deposit portfolio was 2.7 percent. At the same time, the bank's interest margin on liquid assets clearly increased with the increase in liquid assets.

The number of active customers continued to grow and was 57,500 at the end of the year. Customer satisfaction also remained at a high level in the second half of the year (Net Promoter Score 45). We achieved the industry's top reviews (4.3/5) in app store reviews.

We continued to implement the cost-saving program, with which we aimed for significant savings in the bank's fixed costs. We have succeeded in cost savings and our operational efficiency developed positively during the review period, with the cost-to-income ratio in the review period being 68 percent. We will enter 2024 at a lower level of fixed costs compared to 2023.

In June, we started offering banking services (BaaS) integrated into financial management systems in cooperation with Talenom Plc. The services enable Talenom's business customers to have easy-to-use banking services integrated directly into the financial management software. At the beginning of the year, we also announced an online shopping payment solution for SMEs with Paytrail, Finland's largest payment intermediary. Both projects support our strategy in utilizing digital channels for new customer acquisition.

Market environment and risk position

During 2023, the general economic situation deteriorated significantly. Inflation and rising interest rates increased consumers' living costs considerably. At the same time, especially the strong contraction of the construction sector led to unprecedented levels of bankruptcies of SMEs.
We expect inflation and the weakening of consumers' purchasing power to subside and the operating conditions of SMEs to gradually strengthen during 2024. The interest rate is also expected to decline during 2024, which supports the recovery of the economic situation.

The bank's liquidity position is very strong, with liquid assets of EUR 135 million. The predicted drop in the interest rate creates challenges for increasing deposit assets and interest margin on deposits, but thanks to our diversified deposit base, we will also be able to generate a significant return on liquid deposit assets in the future.

The bank's solvency remained at a good level of 15.2 percent, however, falling short of the target of 16 percent.

Despite the challenging market environment, we were extremely successful in the bank's credit risk management. Credit losses fell to 2.9 percent of the loan portfolio.

Outlook for the future

Achieving a positive result in 2023 was a significant step in Alisa Bank's growth story. In the future, growth and improving profitability will require strengthening the bank's own capital and thereby increasing the credit base. We have actively promoted measures to strengthen the capital structure and we believe that we will be able to inform about these during the first half of 2024.

> *During 2024, our business will focus more on banking and financial services for SMEs.*

During 2024, our business will focus more on banking and financial services for SMEs. In proportion to the committed capital, invoice and working capital financing of SMEs is the most profitable business for the bank. We continue to invest in the development of BaaS services together with financial administration operators, which will significantly increase our customer potential in SMEs. In our development projects, we also focus on the development of smooth banking and financial services for SMEs. Our competitiveness in this customer segment is strong, and as the economic situation gradually improves, we believe that our growth will continue to be strong in corporate financing.

Despite the challenging operating environment, we look optimistically at the coming year. I thank our customers, staff and shareholders for the past year.

Teemu Nyholm
CEO

Highlights of 2023

January-February 2023

Alisa Bank's everyday banking services repertory improved when a credit card and payment transaction accounts were launched for customers.

March 2023

An e-commerce payment solution was launched for SMEs with Paytrail, Finland's largest payment broker.

April 2023

Fellow Bank's name changed to Alisa Bank. At the same time, revised versions of mobile and online banking were launched.

June 2023

The provision of banking services integrated into financial administration systems (BaaS) started in cooperation with Talenom Plc.

Autumn 2023

In the autumn, the company's board of directors started strategy work. Alisa Bank's strategy is planned to be more focused on banking and financial services for SMEs.

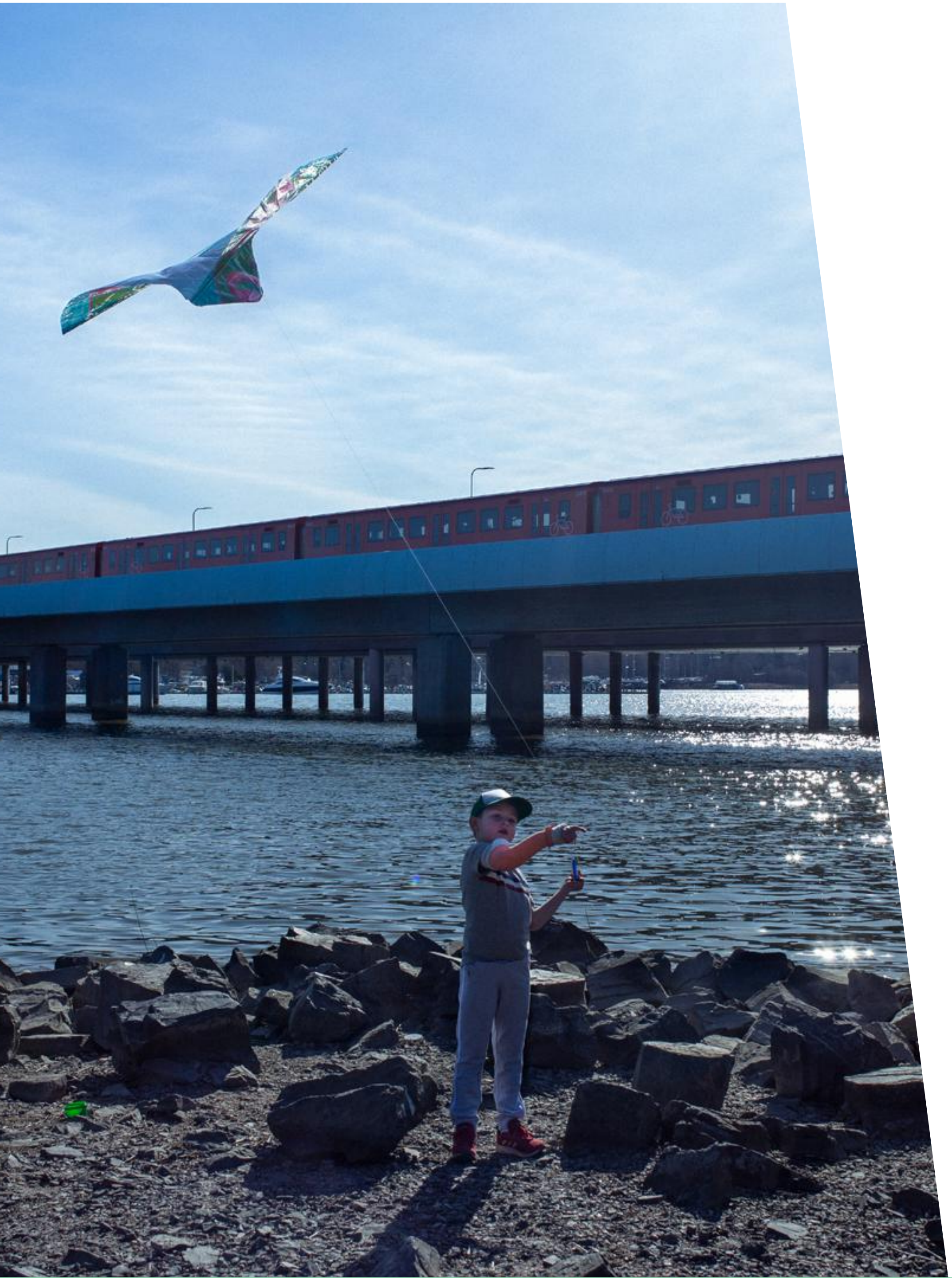
November-December 2023

We opened a savings account product on Europe's leading deposit comparison portal Raisin in Germany and the Netherlands.

Key figures at the end of 2023

Loan portfolio	Deposits	Capital adequacy ratio
173 million EUR	269 million EUR	15.2%

Active customers	Income	Net Promoter Score (NPS)
57 500	16.7 million EUR	45



Board of Directors' Report

Alisa Bank Plc ("Alisa Bank" or "the company") is a Finnish digital bank that makes everyday life easier. Alisa Bank serves private individuals and small and medium-sized enterprises, as well as savers seeking competitive interest income for their deposits.

2023 financial year in brief

- January-December profit before non-recurring items and taxes was EUR 0.8 million (-7.8). The profit before taxes was EUR 0.3 million (-9.7).
- Net interest income increased from last year and was EUR 14.8 million (9.1). Net interest income increased mainly due to the increase in market interest rates and the increase in the loan portfolio.
- Total operating income EUR 16.7 million increased clearly compared to the previous year (10.2).
- Realized and expected credit losses were at a moderate level and amounted to EUR -5.0 million (-8.3).
- Total capital ratio was 15.2 percent (16.8).
- The loan portfolio before reducing expected credit losses increased by 6 percentage to EUR 172.9 million (163.8) in the accounting period.
- Deposits increased by 9 percentage to EUR 268.9 million (246.8).
- The company changed its name from Fellow Bank Plc to Alisa Bank Plc on April 21, 2023.

CONSOLIDATED KEY FIGURES

EUR 1,000	2023	2022	2021
Net interest income	14,757	9,053	2,650
Net commission income and expenses	1,785	1,511	4,497
Total operating costs	-11,398	-11,601	-6,663
Realised and expected credit losses	-4,999	-8,321	-1,989
Profit before taxes	303	-9,684	-1,464
* Profit before non-recurring items and taxes	832	-7,750	-
* Cost to income ratio, %	68	113	93
Balance sheet total	312,841	291,661	22,418
* Return on equity (ROE), %	1.2	neg.	neg.
Capital adequacy ratio (TC), %	15.2	16.8	-
* Common Equity Tier 1 (CET1) capital ratio, %	12.0	12.6	-
Number of employees at end of period	78	78	66
* Earnings per share (EPS), euros	0.00	-0.14	-0.22
* Credit losses / loan portfolio, %	2.9	5.1	11.0

* The formulae for calculating the key figures and alternative key figures are presented in chapter The formulae of key figures.

Company's business

Alisa Bank is a Finnish digital bank for a smoother everyday life serving personal and business customers with their day-to-day finances, and offering a competitive interest return on deposits. Services are uncomplicated, clear and responsible.

The strategy is based on four cornerstones: superior customer experience, operational efficiency, profitable products for selected customer segments, and financial solidity, domesticity and responsibility. The focus of Alisa Bank's strategy is the utilization of digital channels in new customer acquisition. In the 2023 financial year, the company's service selection included personal and SME customers lending as well as payment services and savings account products. The company's service selection is constantly being developed.

Key events in the financial year

The selection of digital services distribution channels have been developed during the financial period on a wide range of fronts:

- A credit card was launched for customers in January 2023, and payment transaction accounts in February.
- At the beginning of the year, an e-commerce payment solution for SMEs was announced with Finland's largest payment intermediary, Paytrail.
- In April, the bank's name changed to Alisa Bank. At the same time, renewed versions of the mobile and online bank were announced.
- In June, the provision of banking services integrated into financial management systems (BaaS) started in cooperation with Talenom Plc. The services enable Talenom's business customers to have easy-to-use banking services integrated directly into the financial management software.
- The selection of deposit products and digital channels diversified during the financial period.

The growth of the bank's balance sheet requires the strengthening of equity capital. Due to the unfavorable market situation, the measures aimed at strengthening the capital structure did not proceed according to the planned schedule during the financial period, which is why lending had to be limited, taking into account the bank's capital adequacy goal. The growth of the loan portfolio was also limited by caution in lending related to the weakened economic situation, especially for business customers.

At the end of 2022, the company launched a cost-saving program. In connection with the program, the company held change negotiations at the end of autumn, which included the entire personnel of the group's parent company in Finland. As a result of the change negotiations, 3 positions were terminated and 2 positions were reorganized. During the accounting period, operational efficiency developed positively, with the cost-income ratio at 68 percent.

In the fall, the company's Board of Directors started strategy work. The company's strategic focus is planned to be changed to focus on banking and financial services for SMEs. The strategy work will continue during spring 2024.

Business environment

The development of the Finnish economy has been weak, and inflation and rising interest rates have challenged economic growth.

Inflation and the rise in interest rates weakened towards the end of the year, but both consumers' and companies' confidence in the economy remained low. The year-on-year increase in consumer prices in Finland was 6.2 percent in 2023, with the ECB's long-term target being 2 percent. The number of bankruptcies in Finland increased in 2023 to a record for the entire 2000s. During 2023, the ECB raised all three key interest rates by 2.0 percentage points.

Economic development will continue to be weak in 2024 as well, but the slight recession is predicted to be short-lived. Due to economic uncertainty, the employment rate has remained fairly stable in Finland. The employment rate in 2023 was 73.6% and the unemployment rate was 7.2%. The impact of the recession is also mitigated by the strengthening of purchasing power that takes place at the same time due to last year's significant salary increases and the beginning of the fall in inflation. The market's inflation expectations are starting to approach the ECB's target. When inflation slows down, interest rates also fall.

In Finland, consumer loans were granted 2.5 percent more than the previous year and the growth of household deposits decreased to 2.7 percent from a year ago. With the increase in interest rates, deposit rates also saw an t increase after a gap of years.

Financial performance

Group's profit before non-recurring items and taxes was EUR 0.8 million (-7.8). The profit before taxes turned profitable and was EUR 0.3 million (-9.7), and the profit for the financial year was EUR 0.3 million (-10.6).

The group's income for the financial year - including net interest income, net fee income, net investment income and other operating income – increased to EUR 16.7 million (10.2).

Net interest income strengthened by 63.0 percent to EUR 14.8 million (9.1). Interest income accumulated for the financial year totaled EUR 20.1 million (11.1) and interest expenses EUR 5.3 million (2.0). The rise in interest rates and increase in loan portfolio has had a positive effect on the development of the bank's net interest income. Fee income and expenses increased from EUR 1.5 million in the comparison period of the previous year to EUR 1.8 million.

The total costs of the financial year, including depreciation and amortisation, decreased slightly to EUR 11.4 million (11.6).

Personnel expenses were EUR 5.5 million (5.4). Other administrative expenses - including office, IT, representation and marketing expenses as well as costs related to consulting – were EUR 4.5 million (4.5). Depreciation and write-downs were EUR 0.8 million (0.7) and other business expenses EUR 0.6 million (1.0).

A total of EUR 0.2 million of stability contribution was recorded in other operating expenses. In addition, the deposit guarantee fee of EUR 0.1 million assigned to the company was fully covered by refunds from the old deposit guarantee fund (VTS fund). The item other business expenses include authority fees and rent-related expenses.

Realised and expected credit losses amounted to EUR 5.0 million (8.3). The change in expected credit losses decreased compared to the comparison period and was EUR -1.7 million (4.4). Realised credit losses increased from EUR 3.9 million to EUR 6.7 million mainly due to the sale of the Polish business.

Balance sheet and financing

The total amount of the group's balance sheet increased to EUR 312.8 million (291.7) at the end the year.

Assets, EUR 312.8 million, mainly consisted of cash EUR 129.4 million and loans granted to customers (Claims on the public and public sector entities EUR 166.9 million). Intangible assets, EUR 8.2 million, include EUR 6.0 million goodwill generated in business acquisitions and EUR 2.2 million of capitalised product development costs. No need for a write-down was found in the goodwill impairment testing. During the period, EUR 0.7 million (0.8) of product development expenses related to the development of digital banking services were capitalised.

The group's liabilities, EUR 286.7 million, mainly consisted of liabilities to the public and public-sector entities (268.9).

The group's equity stood at EUR 26.2 million (26.0).

Risks and capital adequacy

Alisa Bank operates in a constantly changing market environment, which subjects the company to risks caused by changes in the business environment and the company's own operations. Risk-taking is managed with principles and limits approved by the company's Board of Directors. Alisa Bank has defined a capital adequacy management process the aim of which is to secure the adequacy of the company's risk tolerance in relation to all the material risks of its operations.

Risk management

Risk management refers to actions aimed at systematically surveying, identifying, analysing and preventing risks. The objective of risk management is to:

- ensure the sufficiency of our own assets in relation to risk positions;
- maintain the financial result and the variation in valuations within the set objectives and limits;
- price risks correctly to reach sustainable profitability.

The main areas of risk management are: credit risk, market risk including interest rate risk, liquidity risk and financial risk, and strategic and operational risks.

Principles and organisation

The company's Board of Directors has primary responsibility for the Group's risk management. The Board of Directors confirms the principles and responsibilities of risk management, the Group's risk limits and other general guidelines according to which the risk management and internal control are organised. The aim is to manage risks through risk assessments and measures carried out on the basis of the assessments, systematic follow-up, and analysis of the operating environment and the market.

The aim of the risk control function is to promote systematic and proactive risk management that allows the company's business to be developed in a safe manner. In the company's organisation the Risk control function operates directly under the supervision of the CEO and reports to the Board of Directors, CEO and other members of the management.

Alisa Bank's risk management strategy is based on the objective, business strategy, risk management policy and guidelines adopted by the Board of Directors for the company, and risk reporting on key business areas. Alisa Bank focuses on retail banking operations and offers selected banking and financial services to both personal and business customers through its own balance sheet and through its partners. The company does not have customer or investment risk concentrations that exceed its financial capacity.

The Board of Directors sets the level of risk appetite by approving risk strategies for each risk area and the necessary risk limits and monitoring thresholds. The implementation of the risk strategy is regularly monitored through the management and reporting of risk limits and monitoring thresholds, which are carried out independently of the business area. The company maintains its capital adequacy at a safe level. The company's capital adequacy and risk tolerance are strengthened by profitable business activities, and also by debt and equity instruments that increase own funds. The Board of Directors is kept regularly informed about the different risks of the company and their levels. The Board of Directors also approves the authorisations and framework for risk-taking by defining permissible risk limits for credit and market risks. Within the authorisations, the responsibility for day-to-day risk monitoring and control rests with the senior management. The risk reporting practices meet the requirements set for risk management, taking into account the nature and scope of the company's operations. Independent control functions have been established in the company to ensure effective and comprehensive internal control.

Independent functions:

- Risk control function
- Compliance function responsible for ensuring compliance with the regulations
- Internal Audit function.

Risk management, ensuring regulatory compliance and internal audit

The Risk Control function oversees daily business operations and compliance with the risk limits granted to the business units, as well as compliance with risk-taking policies and guidelines. The Risk Management function reports its observations to the Management Team and the company's Board of Directors. The independent Risk Management function is responsible for ensuring and monitoring that the company's risk management is adequate in relation to the nature, scope, diversity and risks of the company's business, and that all new and material risks not previously identified are brought within the scope of the risk management of the company's business areas.

The purpose of the Compliance function is to ensure compliance with regulations in the company by supporting the senior management and the business units in applying the provisions of the law, official regulations and internal guidelines. The Compliance function also participates in identifying, managing and reporting on any risks of insufficient compliance with regulations. The Risk Management and Compliance functions report directly to the CEO.

The Internal Audit assesses the functioning of the Group's internal control system, the appropriateness and efficiency of the functions and compliance with instructions. It does this by means of inspections that are based on the internal audit action plan adopted annually by the Board of the company.

Risk position

Alisa Bank's business risks mainly consist of credit risk as well as operational risks and market risk, which mainly consists of the interest rate risk of the bank's financial balance.

The most significant risks in the near term are related to the uncertainties of the financial operating environment, such as the development of interest rates and inflation, which weaken the purchasing power of households and challenge the profitability and willingness of SMEs to invest. Uncertainties can be reflected in Alisa Bank's business as an unfavourable development of volumes and credit losses. The company has no significant liabilities related to Russia. The effects of the Russian war of aggression on Alisa Bank's business are indirect.

During Alisa Bank's second year of operations, the growth of the credit portfolio decreased clearly compared to the previous year, and the relative credit risk position has remained stable. Alisa Bank's customers are both private and SME customers. After ending peer-to-peer and crowdfunding activities, thanks to improved competitiveness, the company has systematically targeted lending towards customers with a lower credit risk. Due to the distributed customer base, there are no individual significant customer risks. At the end of the financial year, the company had one exposure, where the loan amount exceeded 10 percent of Tier 1 own funds; the loan is secured by financed sales invoice receivables.. The loan portfolio before the reduction of credit loss reservations was EUR 172.9 million at the end of the financial year.

The amount of non-performing loans in the credit base has increased due to increased bankruptcies in corporate financing during the review period. At the end of the review period, the amount of non-performing loans was EUR 7.2 million (6.6). The NPL ratio, which describes non-performing receivables in relation to all loans and receivables, was 4.2 (4.0) percent at the end of the review period. At the end of the review period, there were EUR 0.4 million in non-performing forbearance loans, and EUR 0.7 million of healthy forbearance loans. Loan receivables with a payment delay of more than 30 days but less than 90 days were 3.5 (2.6) percent of the entire loan portfolio. The proportion of overdue payments of more than 90 days was 3.0 (3.6) percent. In the comparison period, most of the insolvent loans consisted of foreign loans.

Market risk mainly consists of the interest rate risk of the banking book and a minor currency risk. The interest rate risk of the financial balance mainly consists of the differences between the interest rate linkages and maturities of assets and liabilities. The company currently has less than a fifth of its loan base in longer fixed-rate loans, and the share is constantly decreasing. The new lending is mainly at floating rates and tied to the 3 month Euribor. Strong changes in market interest rates emphasize the importance of interest rate risk management. The company constantly monitors the development of the interest rate risk through, for example, the sensitivity analysis of changes in the current value of the balance sheet and net interest income. If the interest rate level were to rise by two percentage points, the economic value of the company's own funds would increase by 1.9 per cent due to the positive profit development If interest rates were to fall by two percentage points, the economic value of own funds would fall by 2.3 per cent. If interest rates were to rise by two percentage points, it would have an estimated annual positive impact on net interest income of approx. EUR 1.3 million. If interest rates were to fall by two percentage points, the estimated negative annual impact on net interest income would be approx. EUR -1.3 million.

Capital adequacy management

Alisa Bank has defined a capital adequacy management process the aim of which is to secure the adequacy of the company's risk tolerance in relation to all the material risks of its operations. In order to achieve this objective, Alisa Bank identifies and assesses all risks relevant to its operations and, based on these, calibrates its risk tolerance to correspond with Alisa Bank's overall risk position. The capital adequacy management process plays a key role in defining the company's overall risk position.

The internal capital requirements determined through the capital adequacy management process are based on the capital requirements of Pillar I of capital adequacy regulation and risks not included in Pillar I, such as the interest rate risk in the banking book and business risk. In its internal assessment process, the company estimates the amount of capital that is sufficient to cover also those unexpected losses that arise from risks not included in Pillar I.

The Board of Directors confirms the risk strategies and sets target levels for capital that cover all material risks arising from business operations and from changes in the external operating environment. The company's capital adequacy management is the responsibility of the Board of Directors, which also sets the risk limits for the company's operations. Every year, the Board of Directors reviews the risks related to the company's capital adequacy management, the capital plan and the limits set for the risks.

Capital adequacy and own funds

In the capital adequacy calculation Alisa Bank uses the Standardised Approach for the credit risk calculation and the basic indicator approach for operational risks.

Alisa Bank Group's total capital ratio was 15.2% and common equity tier 1 ratio were 12.0%, exceeding the total capital requirement for banks (10.5%). The banḱs total capital requirement consists of a minimum capital requirement (8.0%) in accordance with Pillar I and an additional capital requirement (2.5%) in accordance with the Act on Credit Institutions. The system risk buffer requirement of 1 percentage point set by the Financial Supervisory Authority will enter into force on April 1, 2024. The requirement was set for Finnish credit institutions in order to strengthen the risk-bearing capacity of the banking sector.

At the end of the review period, the group's capital structure was strong and consisted of core capital (CET 1) and secondary capital (Tier 2). The group's own funds (TC) were EUR 22.3 million: primary capital (T1) EUR 17.7 million was entirely common equity Tier 1 ratio (CET1) and secondary capital (T2) EUR 4.6 million consisted of debenture loan.

A binding requirement for a leverage ratio of 3% entered into force as part of the updated Capital Requirement Regulation on 28 June 2021. Alisa Banḱs leverage ratio was 5.8% at the end of the review period.

CAPITAL AND RISK POSITION

EUR 1,000	31 DEC 2023	31 DEC 2022
Common Tier 1 Capital before adjustments	25,856	28,281
Adjustments to Common Tier 1 Capital	-8,172	-10,582
Common Tier 1 Capital in total (CET1)	**17,684**	**17,700**
Additional Tier 1 Capital before adjustments	0	0
Adjustments to Tier 1 Capital	0	0
Additional Tier 1 Capital in total (AT1)	**0**	**0**
Total Capital (T1 = CET1 + AT1)	**17,684**	**17,700**
Tier 2 Capital before adjustments	6,100	6,100
Adjustments to Tier 2 Capital	-1,471	-250
Tier 2 Capital in total (T2)	**4,629**	**5,849**
Total risk weighted exposure amounts		
Credit and Counterparty risk	120,969	120,512
Market	853	756
Operational risk	25,138	19,198
Risk weighted exposures in total	**146,960**	**140,466**
Common Equity Tier 1 ratio (CET 1), %	**12.0%**	**12.6%**
Tier 1 ratio (T1), %	**12.0%**	**12.6%**
Total Capital Ratio (TC), %	**15.2%**	**16.8%**

LEVERAGE RATIO

EUR 1,000	31 DEC 2023	31 DEC 2022
Total Equity	17,684	17,700
Total Exposure Amount	305,649	283,819
Leverage ratio (LR), %	**5.8%**	**6.2%**

In the resolution plan, a minimum requirement for own funds and deductible liabilities (MREL requirement) has been set for the company, which consists of a requirement based on total risk, which is 8 percent, and a requirement based on the total amount of exposures used in the calculation of the minimum leverage ratio, which is 3 percent.

Liquidity Coverage Ratio and stable funding

Liquidity risk can be defined as a disparity in the balance of incoming and outgoing cash flows. The risk may materialise if the company is unable to meet its payment obligations as they fall due. The company's main liquidity risks arise from the maturity mismatch between borrowing and lending.

Sufficient liquidity is ensured by the limit set by the company's Board of Directors to the company's cash assets. The company prepares for the repayment of future debts by limiting new lending in the upcoming years as necessary, thereby ensuring its liquidity position. The company's liquidity remained stable and on a very good level during 2023.

The Group's Liquidity Coverage Ratio was 689% at the end of the review period, with the minimum requirement being 100%. Of its liquidity buffer, 100% consisted of Level 1 assets with a very high liquidity; the buffer consists of a deposit in Bank Of Finland.

Net stable funding ratio was 199.9% at the end of the reporting period, with the minimum requirement being 100%. The company has no issued bonds. The majority of fundraising consists of retail deposits, i.e. deposits from individuals and SMEs.

LCR AND NSFR

EUR 1,000	31 DEC 2023	31 DEC 2022
Liquidity		
LCR-ratio (3 months average) %	**613%**	**370%**
Total high quality liquid assets (3 months average)	132,397	129,607
Cash outflow (3 months average)	34,318	53,000
Cash inflow (3 months average)	12,475	17,729
Total net cash outflow (3 months)	21,843	35,271
Net Stable Funding		
Total available stable funding	267,461	240,656
Total required stable funding	133,830	127,778
NSFR-ratio %	**200%**	**188%**

General meeting, Board of Directors, CEO and auditor

The annual general meeting of Fellow Bank Plc (now Alisa Bank Plc) was held on April 20, 2023. General Meeting confirmed the financial statements and consolidated financial statements and granted the members of the Board of Directors, the CEO and the Deputy CEO a discharge from liability for the financial year 2022. The Annual General Meeting approved the remuneration report of the company's bodies for 2022 and decided to support the remuneration policy.

It was stated that according to the financial statements on 31 December 2022, the distributable assets of the parent company Fellow Bank Plc were EUR 3,176,807.99. The profit for the financial period was EUR 17,699,019.35, which consists of Evli Bank Plc's profit from January 1 to April 1, 2022 of EUR 25,010,929.33 and Fellow Bank Plc's loss of EUR 7,311,910.01 from April 2 to December 31, 2022. It was noted that the company's board had proposed to the general meeting that no dividend be paid for the financial year ending on December 31, 2022. The annual general meeting decided, in accordance with the board's proposal, that no dividend will be paid based on the financial statements to be confirmed for the financial year 2022.

Alisa Bank's board members were Markku Pohjola (CEO), Teuvo Salminen, Lea Keinänen, Kai Myllyneva, Jorma Pirinen and Tero Weckroth until 20 April 2023. At the annual general meeting on April 20, 2023, Lea Keinänen, Jorma Pirinen, Markku Pohjola, Teuvo Salminen and Tero Weckroth were re-elected as board members, and Sami Honkonen and Johanna Lamminen were elected as new members. The term of office of the board members ends at the end of the annual general meeting following the election. A total of seven (7) members were confirmed as the number of members of the board of directors.

Annual general meeting elected Markku Pohjola as chairman of the board and Teuvo Salminen as vice chairman of the board. Teemu Nyholm will continue as CEO and Juha Saari will act as deputy CEO.

The auditing firm KPMG Oy Ab was chosen as the auditor, with APA Tiia Kataja as the principal auditor. The auditor is paid according to a reasonable invoice approved by the company.

The Annual General Meeting decided to change sections 1, 3 and 10 of the Articles of Association to read as follows:
1 Company's business name and domicile
The company's business name is Alisa Bank Oyj, in Swedish Alisa Bank Abp and in English Alisa Bank Plc. The company is domiciled in Helsinki.

3 Board of Directors and Chairman of the Board
The company's Board of Directors shall consist of at least four (4) and at most eight (8) regular members whose term shall expire at the close of the Annual General Meeting that follows their election. The General Meeting that decides on the election of the Board of Directors elects the Chairman and Deputy Chairman of the Board of Directors.

10 Annual General Meeting
The Annual General Meeting shall be held annually on a date determined by the Board of Directors, and no later than six months after the end of the financial year. The Annual General Meeting shall decide on:

1. the adoption of the financial statements and consolidated financial statements
2. the use of the profit shown in the balance sheet
3. discharging the Board members, the CEO, and the Deputy CEO from liability
4. the number of members of the Board, their remuneration and their election
5. the appointment and fees of the auditor
6. the approval of remuneration policy, if necessary
7. the approval of the remuneration report
8. other matters to be discussed at the meeting according to the notice to the meeting.

The Board of Directors can also decide that the General Meeting is organized without a meeting place, so that the shareholders exercise their decision-making power during the meeting in full and up to date with the help of a data communication connection and a technical aid.

Shares and shareholders

Authorising the Board of Directors to decide on the purchase of treasury shares

It was resolved, in accordance with the proposal of the Board of Directors, that the Board of Directors is authorised to decide on the acquisition of a maximum of 4,416,609 own shares in one or more installments with the company's free equity capital. The number of shares corresponds to approximately 5 percent of the Company's shares. The shares are acquired in a public trading organized by Nasdaq Helsinki Oy, other than in proportion to the shareholders' holdings, at the market price at the time of acquisition. The authorisation is valid until the end of the next Annual General Meeting, but no later than 30 June 2024. The company's previous authorisation for the purchase of its own shares expired at the Annual General Meeting on 20 April 2023. The authorisation can be used, for example, to implement possible business acquisitions and incentive systems for key personnel or for other purposes decided by the Board. The shares acquired on the basis of the authorisation can otherwise be further transferred, kept by the company or cancelled. The Board can decide on all other conditions for acquiring own shares.

Authorisation of the Board to decide on issuing shares and option rights and other special rights entitling to shares

It was resolved, in accordance with the proposal of the Board of Directors, that the Board of Directors is authorised to decide on the issue of shares and the issue of special rights entitling to shares referred to in Chapter 10, Section 1 of the Limited Liability Companies Act in one or more installments, either against payment or without payment.

The number of shares to be issued, including shares obtained based on special rights, can be a maximum of 4,416,609 shares in total. The Board can decide to issue either new shares or transfer any of its own shares that may be in the company's possession. The maximum amount of authorization corresponds to about 5 % of all the company's shares, based on the situation on the day of the meeting notice. The authorisation entitles the Board to decide on all conditions for issuing shares and granting special rights entitling to shares, including the right to deviate from the shareholders' preemptive right. The authorisation is to be used, for example, to pay the purchase prices of business transactions, to pay the incentive fee according to the incentive system for key personnel, or for other purposes decided by the Board. The authorisation also includes the right to decide whether the subscription price of the share will be fully or partially entered into the invested unrestricted equity fund or as a share capital increase. The authorisation is valid until the end of the next Annual General Meeting, but no later than 30 June 2024. The previous authorisation of the Board ended with the Annual General Meeting on 20 April 2023.

Alisa Bank's shares

Shares of Alisa Bank Plc are listed on the main list of Nasdaq Helsinki under the trading symbol ALISA. The number of shares in the company was 88,332,182 at the end of December. The company's share capital stood at EUR 18.3 million at the end of December.

The number of shares held by Alisa Bank at the end of December was 14,081. Alisa Bank transferred without consideration 206,289 own shares held by the company to participants of the Restricted Share Plans 2018 and 2019 as reward in accordance with the plan terms during the reporting period. Restricted Share Plans 2018 and 2019 are incentive systems aimed at Evli Plćs personnel from the time of Evli Bank Plc. With the merger of Fellow Finance Plc and Evli Bank Plc, part of the remuneration will be paid in Alisa Bank Plćs shares.

The closing price of Alisa Bank Plc share was EUR 0.17 on 29 December 2023, the last trading day of the review period. During January-December 2023 its lowest price was EUR 0.17, with the highest price being EUR 0.41. Alisa Bank's market value was EUR 15.2 million at the end of the reporting period.

Ten largest shareholders

The shareholders' holding information is based on the list of shareholders maintained by Euroclear Finland Ltd on 31 December 2023.

		Total number of shares	% of all shares
1.	Evli Oyj	15,288,303	17.31
2.	Taaleri Oyj	15,288,303	17.31
3.	TN Ventures Oy	5,497,354	6.22
4.	Oy Prandium Ab	4,754,100	5.38
4.	Oy Scripo Ab	4,754,100	5.38
6.	Oy T&T Nordcap Ab	3,938,616	4.46
7.	OP Fin Small Cap	3,368,986	3.81
8.	Rausanne Oy	1,242,848	1.41
9.	Skandinaviska Enskilda Banken AB (publ) Hgin sivukonttori	1,043,056	1.18
10.	Bure Capital Oy	969,770	1.10

Group structure, personnel and locations

Alisa Bank Group consists of the parent company Alisa Bank Plc and its wholly owned subsidiaries Mobify Invoices Oy, Lainaamo Oy, Fellow Finance Estonia OU, Fellow Finance Česko s.r.o. and Fellow Finance Deutschland GmbH. There is no active business in Lainaamo Oy, Estonia and the Czech Republic.

The company Fellow Finance Sp. z o.o., which operated on the Polish market, was part of the group until May 30, after which the company was sold as a business transaction. In December, the Boards of Alisa Bank and Lainaamo approved the merger plan, according to which Lainaamo Oy plans to merge with the parent company by the end of April 2024. There is no active business in Lainaamo Oy.

At the end of December 2023, the group employed 78 people (78). In Finland, 76 people (65) worked at the offices in Helsinki and Turku, and a total of 2 (8) people in other operating countries.

Corporate governance and remuneration statement

Alisa Bank publishes the Corporate Governance Statement and the Remuneration Policy and Statement on its website at the same time as the Annual Report link.

Material events after the review period

There are no known events after the end of the accounting period that would require the presentation of additional information or that would significantly affect the company's financial position.

Financial targets and outlook for 2024

In 2023, we achieved a positive result, but due to the unfavorable market situation, the measures aimed at strengthening the capital structure did not proceed according to the targeted schedule during 2023.

The uncertainty of the operating environment and the company's capital structure continue to challenge the earnings development in 2024. Likewise, the expected decrease in interest rates will have a slightly weakening effect on the bank's result. In preparation for these, we have adjusted the company's cost structure during the second half of 2023.

We believe that we will be able to implement the actions to strengthen equity during the first half of 2024. If this happens, the total income will increase in 2024 compared to 2023, and the result before non-recurring items and taxes for the financial year 2024 is estimated to be profitable. However, the result for the first half of 2024 before one-off items and taxes is estimated to be slightly loss-making.

The target for the group's total capital ratio is 16 percent.

The Board's suggestion for distribution of proceeds

Alisa Bank focuses on profitable growth and business development within the framework of targeted capital adequacy. The company does not plan to distribute dividends in the short or medium term.

The parent company's distributable assets on December 31, 2023 totalled EUR 3,594,743.19. The Board of Directors proposes to the Annual General Meeting of Shareholders that no dividend will be distributed for the financial year 2023.

The company's annual general meeting will be held in Helsinki on March 20, 2024. The Financial Statements report will be available to the public in week 9.

Helsinki, 15 February 2024

Board of Directors
Alisa Bank Plc

Calculation of key ratios

IFRS key ratios

Earnings per share (EPS), undiluted, EUR = $\frac{\text{Profit for the year}}{\text{Share split-adjusted average number of outstanding shares during period}} \times 100$

Adjusted earnings per share (adjusted EPS), undiluted, EUR = $\frac{\text{Adjusted profit for the year}}{\text{Share split average number of outstanding shares during period}} \times 100$

EU solvency regulation (CRR) key ratios

Total capital (TC), % = $\frac{\text{Minimum liquidity buffer}}{\text{Net cash and collateral outflows within 30 days}} \times 100$

Total capital (TC), % = $\frac{\text{Own funds total (TC)}}{\text{Risk-weighted assets (RWA) total}} \times 100$

Common Equity Tier 1 (CET1) capital ratio, % = $\frac{\text{Common Equity Tier 1 (CET1) capital}}{\text{Risk-weighted assets (RWA) total}} \times 100$

Leverage ratio, % = $\frac{\text{Tier 1 (T1) capital}}{\text{Exposures total}} \times 100$

Net stable funding ratio (NSFR), % = $\frac{\text{Available amount of stable funding}}{\text{Required amount of stable funding}} \times 100$

Alternative key ratios

Loanportfolio

The gross book value of the loan portfolio, which is calculated by subtracting the expected credit losses from the claims on the public and public sector entities on the balance sheet.

Cost-income ratio, % = $\frac{\text{Operating expenses total}}{\text{Income total}} \times 100$

Return on equity (ROE), % = $\frac{\text{Profit for the year}}{\text{Equity (average)}} \times 100$

Share of impairment of receivables in the loan portfolio, % = $\frac{\text{Impairment of receivables (annualized)}}{\text{Loan portfolio at the end of the period}} \times 100$

Profit before non-recurring items and taxes = Profit before taxes +/- non-recurring items *

* Alisa Bank defines non-recurring income and expenses as non-recurring items. Nonrecurring items include, among other things
• termination and business restructuring costs
• one-off impairment of goodwill and assets (excl. credit losses on the loan portfolio)
• non-recurring capital gains and losses
• items with a profit impact from business acquisitions (excl. purchases and sales of loan receivables)

Consolidated financial statements

Consolidated income statement 23
Consolidated statement of comprehensive income 23
Consolidated balance sheet 24
Consolidated statement of changes in equity 25
Consolidated cash flow statement 26

Notes to the consolidated financial statements

G1. Accounting principles for the consolidated financial statements 27
G2. Group's risk management 36
G3. Net interest income 44
G4. Fee and commission income and expenses 44
G5. Net investment income 45
G6. Other operating income 46
G7. Personnel expenses 46
G8. Other administrative expenses 50
G9. Depreciation and impairment losses 50
G10. Other operating expenses 51
G11. Realized and expected credit losses 51
G12. Income taxes 55
G13. Earnings per share 56
G14. Classes of financial assets and liabilities and fair value s........ 57
G15. Cash and cash equivalents 57
G16. Receivables from credit institutions 57
G17. Claims on public and public sector entities 57
G18. Intangible assets 58
G19. Tangible assets 59
G20. Other assets 60
G21. Accrued income and prepayments 60
G22. Tax assets and liabilities 60
G23. Liabilities to the public and public sector entities 60
G24. Subordinated liabilities 60
G25. Other liabilities 60
G26. Accrued expenses deferred income 60
G27. Equity 61
G28. Off-balance sheet items 61
G29. Collaterals received 61
G30. Corporate structure 61
G31. Related party transactions 62
G32. Significant events after the period 62

Consolidated income statement

EUR 1,000	Note	2023	2022
Interest income		20,071	11,101
Interest expenses		-5,314	-2,048
Net interest income	G3	**14,757**	**9,053**
Fee income	G4	3,180	3,885
Fee expenses	G4	-1,395	-2,374
Net fee and commission income		**1,785**	**1,511**
Net income from investing activities	G5	32	-349
Other operating income	G6	126	24
Total income		**16,701**	**10,239**
Personnel and operating expenses			
Personnel expenses	G7	-5,481	-5,378
Other administrative expenses	G8	-4,513	-4,487
Depreciation and amortization	G9	-831	-691
Other operating expenses	G10	-572	-1,046
Total operating expenses		**-11,398**	**-11,601**
Realized and expected credit losses	G11	-4,999	-8,321
Profit before taxes		**303**	**-9,684**
Income taxes	G12	3	-901
Result for the year		**306**	**-10,585**
Result for the year attributable to			
Equity holders of parent company		306	-10,585

Consolidated statement of comprehensive income

EUR 1,000	Note	2023	2022
Result for the year		**306**	**-10,585**
Other comprehensive income/loss			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		-1	15
Other comprehensive income after taxes		-1	15
Comprehensive income, total		**304**	**-10,570**
Total comprehensive income attributable to			
Equity holders of parent company		304	-10,570
Earnings per share	G13		
Earnings per share (EPS), basic, EUR		0.00	-0.14
Earnings per share (EPS), diluted, EUR		0.00	-0.14

Consolidated balance sheet

EUR 1,000	NOTE	2023	2022
Assets			
Cash and equivalents	G15	129,364	118,028
Claims on credit institutions	G16	5,461	8,441
Claims on the public and public sector entities	G17	166,882	154,656
Intangible assets and goodwill	G18	8,169	8,157
Property, plant and equipment	G19	516	140
Other assets	G20	1,857	1,438
Accrued income and prepayments	G21	346	210
Income tax assets	G22	243	461
Deferred tax assets	G22	3	129
Assets total		**312,841**	**291,661**

EUR 1,000	NOTE	2023	2022
Liabilities			
Liabilities to the public and public sector entities	G23	268,864	246,810
Subordinated liabilities	G24	6,210	6,203
Other liabilities	G25	5,551	8,796
Accrued expenses and deferred income	G26	6,054	3,867
Liabilities total		**286,679**	**265,675**
Equity	G27		
Equity attributable to equity holders of the parent			
Share capital		18,289	18,286
Fund of invested non-restricted equity		19,917	19,917
Retained earnings		-12,044	-12,218
Equity attributable to equity holders of the parent		**26,162**	**25,985**
Liabilities and equity total		**312,841**	**291,661**

Consolidated statement of changes in equity

	Attributable to the equity holders of the parent					
EUR 1,000	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Total equity
Equity on 1.1.2023	**18,286**	**19,917**	**17**	**-12,233**	**25,985**	**25,985**
Result for the year				306	306	306
Other comprehensive income			-1		-1	-1
Total comprehensive income			**-1**	**306**	**304**	**304**
Other changes*	3			-145	-142	-142
Share based payments				15	15	15
Equity on 31.12.2023	**18,289**	**19,917**	**14**	**-12,058**	**26,162**	**26,162**

* In the 2023 financial statements, corrections have been made for the following items against the accumulated profits of 2023. The 2022 results of Fellow Finance Deutschland GmbH and Lainaamo Oy changed by a total of -18 thousand euros after the publication of the 2022 results due to the final closing of the accounts. The balance sheet was found to contain a deferred tax receivable 127 thousand euros from the time before Alisa Bank was formed, which cannot be utilized. There was 116 thousand euros left in the balance sheet from the old share-based incentive system, which should have been written off in 2022 at the latest. If the corrections had been made to the 2022 income statement, the 2022 result would have improved by a total of 16 thousand euros. The rest of the corrections would have been recorded against the accumulated profits of 2022. In other changes, there is also 101 thousand euros from the share reward systems that were dissolved in 2023. There is also an adjustment to the share capital of previous financial periods (3 thousand euros).

	Attributable to the equity holders of the parent					
EUR 1,000	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Total equity
Equity on 1.1.2022	**125**	**13,361**	**2**	**-1,699**	**11,790**	**11,790**
Result for the year				-10,585	-10,585	-10,585
Other comprehensive income			15		15	15
Total comprehensive income			**15**	**-10,585**	**-10,570**	**-10,570**
Reverse acquisition*	6,446	6,056			12,502	12,502
Share issue	11,715				11,715	11,715
Other changes**		500			500	500
Share based payments				51	51	51
Equity on 31.12.2022	**18,286**	**19,917**	**17**	**-12,233**	**25,985**	**25,985**

* The effect of the reverse acquisition consists of the amount of the fair value of the consideration for the acquisition, which takes into account the capital structure of the legal parent company, Fellow Bank Plc.
**Other changes from 2022 include the part of the purchase price paid in shares related to the acquisition of Mobify Invoices Oy, which is presented in the section Reserve for invested unrestricted equity.

Consolidated cash flow statement

EUR 1,000	2023	2022
Cash flow from operating activities		
Profit (loss) for the period	**306**	**-10,585**
Adjustments for items not included in cash flow		
Depreciation and impairment	684	572
Credit losses	5,360	7,488
Income taxes	3	901
Other adjustments	-101	0
Adjustments total	**5,946**	**8,961**
Cash flows from operating activities before changes in operating assets and liabilities	**6,252**	**-1,623**
Increase (-) or decrease (+) in operating assets		
Claims on the public and public sector entities	-17,586	-141,982
Other assets	-346	-444
Increase (-) or decrease (+) in operating liabilities		
Liabilities to the public and public sector entities	22,055	246,810
Other liabilities	-1,235	11,700
Cash flow from operating activities	**9,140**	**114,461**

EUR 1,000	2023	2022
Investing activities		
Investments in tangible assets	-2	-22
Investments in intangible assets	-744	-972
Sales of subsidiaries	109	0
Acquisitions of subsidiaries	0	-772
Cash flow from investing activities	**-637**	**-1,765**
Cash flow from financing activities		
Repayment of bond	0	-7,380
Issue of debenture loan	0	6,100
Paid directed share issue	0	11,715
Repayments of lease liabilities	-147	-119
Cash flow from financing activities	**-147**	**10,317**
Change in cash and cash equivalents	**8,356**	**123,012**
Cash and cash equivalents at the beginning of period	126,469	3,457
Cash and cash equivalents at the end of period	**134,825**	**126,469**
Cash and equivalents are formed by the following items:		
Cash and cash equivalents	129,364	118,028
Claims on credit institutions	5,461	8,441
Cash and cash equivalents at the end of period	**134,825**	**126,469**
Notes for cash flow		
Interest received	23,342	8,528
Interest paid	3,136	1,051

G1. Accounting principles for the consolidated financial statements

Basic information on the company

Alisa Bank Plc ("Alisa Bank") is a new Finnish digital bank that makes everyday life easier. The company changed its name from Fellow Pankki Oyj to Alisa Pankki Oyj on April 21, 2023. The new name better matches the company's vision to be the smoothest everyday digital bank for ordinary Finns and for small and medium-sized companies that need flexible financing.

The Alisa Bank Group consisted of the parent company Alisa Bank Plc and its wholly owned subsidiaries Mobify Invoices Oy, Lainaamo Ltd, Fellow Finance Sp. z o.o. (sold 30 May 2023), Fellow Finance Estonia OÜ, Fellow Finance Deutschland GmbH and Fellow Finance Česko s.r.o. In December, the boards of Alisa Bank and Lainaamo approved the merger plan, according to which Lainaamo plans to merge with the parent company by the end of April 2024. There is no active business in Lainaamo.

Alisa Bank has been authorised by the Financial Supervisory Authority to engage in credit institution operations. In Germany, it has a credit intermediation licence (Kreditvermittelungslizens). Its subsidiary Lainaamo Ltd is registered in the creditor register maintained by the Regional State Administrative Agency for Southern Finland. Alisa Bank Plc offers its services to Denmark across the border as enabled by its license for credit institution operations.

Alisa Bank Plc is listed on the main list of the Nasdaq Helsinki. Alisa Bank Plc's head office is located at Pursimiehenkatu 4 A, 00150 Helsinki, Finland. The company's home country is Finland and its domicile is Helsinki. The legal form of the company is a public limited company.

Copies of the Financial Statements and Interim Reports are available on the Bank's website www.alisapankki.fi.

Basis for preparation of the financial statements

The consolidated financial statements have been prepared in compliance with IFRS (International Financial Reporting Standards), approved for application in the EU, and IAS (International Accounting Standards) valid at the end of 2021, together with their respective SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations. The notes to the consolidated financial statements also include information required by Finnish accounting and limited liability company legislation and the supplementary requirements of authorities' requirements.

The consolidated financial statements have been prepared for a period of 12 months from 1 January to 31 December 2023. The accounting policies apply to 2023 and 2022. The comparative figures for 2022 presented in this financial statement are not fully comparable as a result of the changed business model resulting from the merger. The figures from January 1st to April 1st, 2022 are the figures of the Fellow Finance group, and in that case the business model and earning logic were different.

The figures of the consolidated financial statements are presented in thousands of euros unless otherwise indicated, and the figures are rounded to the nearest thousand, and therefore the sum of individual figures may deviate from the presented total sum. The consolidated financial statements are presented in euros, which is the operating and presentation currency of the Company and the Group.

New accounting principles

In the reporting period, deferred tax liabilities and deferred tax assets consisting of right-of-use assets are presented separately in the notes in accordance with IFRS 12 regulations. In addition, in accordance with IAS 1, the accounting principles present the essential principles from the company's own point of view and differences related to management's judgment and estimates are clarified in the standard. Otherwise, in the preparation of the financial information, the same preparation principles and calculation methods have been followed as in the preparation of the consolidated financial statements for the fiscal year ending on December 31, 2022.

Consolidation principles

In addition to the parent company, the consolidated financial statements include all the companies in which Alisa Bank Plc has control (subsidiaries). Alisa Bank Plc has control in a company if it is exposed to, or has rights to, the variable returns of an investee, and can affect the amount of returns it receives by using its power related to the investee. Control arises based on voting power.

The financial statements of subsidiaries are adjusted if necessary to correspond with the principles applied in the preparation of the consolidated financial statements.

Segment reporting

Alisa Bank has only one reportable operating segment. The reported segment covers the entire group and the segment figures are consistent with the figures of the Alisa Bank Group and the management's reporting.

Currencies and foreign Group companies

The consolidated financial statements are presented in euros, which is the operating l and presentation currency of the parent company. The importance of international operations to the group's financial position is minor. During the accounting period, the group had active business operations abroad in Germany, Denmark and Poland. Company in Poland was sold at the end of May.

In the consolidated financial statements, the income statements of foreign subsidiaries are converted into euros at the average rate of the financial year, and balance sheets are converted at the exchange rate of the balance sheet date. The difference in average exchange rates resulting from different exchange rates in the comprehensive income and balance sheet is recognised in other comprehensive income. The conversion differences arising from the consolidation of foreign subsidiaries and from post-acquisition cumulative changes in equity items are recognised in other comprehensive income.

Financial assets and liabilities

In connection with the initial recognition, the Group's financial assets and liabilities are measured and classified in accordance with IFRS 9 Financial Instruments.

Classification of financial assets

The Group's following financial assets measured at amortised costs:
- Cash and cash equivalents
- Claims on credit institutions
- Claims on the public and public sector entities

Alisa Bank has no financial assets to be recognized at fair value through comprehensive income or financial assets to be recognized at fair value through comprehensive income.

The classification and measurement of financial assets are based on the business model and an assessment of cash flow characteristics (SPPI test).

Assessment of business models

Alisa Bank has defined the business models it applies to financial instruments based on their intended purpose. The business model reflects how a group of financial instruments is managed in a business unit in order to meet financial objectives. The business model is not assessed on an individual instrument basis; instead, it is based on classes of financial assets grouped by the management. The business models defined by Alisa Bank depend on how well the company manages a financial asset class and whether the management intends to hold financial assets to collect cash flows, for trading, or both. According to the business model applied to financial assets by Alisa Bank, financial instruments are managed in order to collect contractual cash flows.

The solely payments of principal and interest (SPPI) test

The objective of the SPPI test is to evaluate the contractual cash flow characteristics of a cash asset, and to pass the SPPI test, cash flows must be solely payments of principal and interest. Alisa Bank assesses the contractual terms of financial assets in order to determine whether they pass the SPPI test.

If the contractual terms of the financial assets contain other terms that are not related to the primary loan arrangement and that do not consist only of principal payment and payment of interest on the remaining principal, the financial assets will be measured at fair value through profit or loss. If a financial asset does not pass the SPPI test, the agreement terms must cause a greater than minor exposure to risks or volatility in contractual cash flows. Alisa Bank's financial assets pass the SPPI test and their contractual terms meet the SPPI criteria.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if the item is held as part of a business model that aims to hold financial assets in order to collect contractual cash flows, and the cash flows are solely payments of principal and interest. Such items in Alisa Bank include loans to customers and purchased peer-to-peer loan portfolios.

Financial assets measured at amortised cost are initially recognised at fair value inclusive of expenses immediately caused by the acquisition, such as loan broker commissions. Fee income directly related to lending is charged only for a part of business loans. Their importance is minor and therefore they are not included in the fair value of the financial asset, but are recognized as commission income.

After initial recognition, the items are measured at amortised cost using the effective interest rate method. This refers to the interest rate at which the future payments that are expected to become payable or receivable during the financial instrument's expected exercise period are discounted at the financial instrument's net book value. The book value is adjusted by a credit loss provision using the expected credit loss measurement model (see next section on impairment of financial assets).

Reclassification and derecognition of financial assets

Financial instruments are reclassified only if a business unit's business model changes substantially. Financial assets and liabilities are recorded according to the trading date. Previously recorded profits and losses are not modified retroactively.

A financial asset is derecognised from the balance sheet only when the contractual rights to the asset's cash flows cease to exist, the contract is terminated, or the asset is transferred to another party and the transfer fulfils the requirements of derecognition.

Financial assets and liabilities shall be offset and presented in net terms on the balance sheet only when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. There are no offset items in the consolidated balance sheet.

Classification of financial liabilities

The Group's following financial liabilities are classified and measured at amortised costs:

- Liabilities to the public and public sector entities
- Debt securities issued to the public
- Subordinated liabilities

The company has no financial assets to be recognized at fair value through comprehensive income.

Derecognition of financial liabilities

The Company must derecognise a financial liability or part of it from its balance sheet only if the liability has ceased to exist, in other words when the obligation specified in the contract is either discharged or cancelled or expires. Alisa Bank derecognises financial liabilities when the obligation specified in the contract is discharged.

Impairment of financial assets

The impairment model applied by the Company is based on calculating expected credit losses (ECL). In the Company, expected credit loss calculation is applied to financial assets measured at amortised cost, the most substantial part of which is loan receivables from customers. Impairments also concern off-balance sheet commitments, such as unused credit facilities related to overdraft facilities. A simplified impairment model is applied to accounts receivable.

The key components of the model based on expected losses are assessing substantial increases in credit risk, and the the main factors in calculation of expected credit loss. The calculation model used by the Company is based on the historically verified credit risk of loans by risk class, historically verified quantitative factors that correlate increases in credit risk, and estimates provided by a forward-looking macroeconomic model.

Expected credit losses (ECL) are calculated using the following formula with weighted probabilities: EAD (amount of exposure at the time of default when realisation of collateral is included) * PD (probability of default) * LGD (loss % of exposure). The ECL is an indicator of the Company's estimate of how much less cash flow it will receive on the loan than it should under the contract.

A three-stage model is used to determine credit losses. In the first stage, the likelihood that the debtor will experience payment issues within the following 12 months is estimated. Stage 1 includes items where credit risk is estimated not to have materially increased after initial recognition or the credit risk of the item is estimated to be low. If the debtor's credit risk has materially increased after initial recognition, expected credit loss is estimated for the entire duration of the contract (stage 2). Assets in stage 3 are assets with impaired value regarding which matters have already come to light that will have a negative impact on future cash flows, including the insolvency of the counterparty.

The interest income on financial assets is presented for gross principal for financial assets in stages 1 and 2, and for net principal, i.e., after provisions, for items in stage 3.

Evaluation of substantial increase in credit risk

A key component of the ECL model is the analysis of counterparties' credit risks and changes in credit risks that take place after a loan is granted. For individual loans, the Company monitors various quantitative factors, and macroeconomic trends that are estimated to be of significance in evaluating default risk. The most significant quantitative factor is the delay in payments. In addition, for business customers, e.g. information about the company's payment behavior and delays elsewhere than in Alisa Bank. In these estimates, factors that are accessible without unreasonable expenses and effort are generally considered. In the event of a substantial increase in credit risk, receivables are classified based on the increase in the risk level of the loan receivable to stages 2 and 3.

Characteristics of loans classified as stage 2

If a loan's credit risk has increased substantially since the loan was issued, the exposure's risk level is raised to stage 2. In stage 2, the expected credit loss of the exposure or loan is estimated for the entire exercise period. The following criteria indicate that credit risk has increased substantially:

- The payments on a receivable are delayed by more than 30 days, for non-technical reasons.
- Significant changes in the counterparty's financial position, such as a substantial deterioration of creditworthiness and financial status.
- Forbearance i.e. a concession or arrangement for liability granted by the bank, when the customer has or is likely to have repayment difficulties.
- Other characteristics that have a substantial impact on credit risk or the value of collateral.

Characteristics of loans classified as stage 3

Individual loans whose values have verifiably declined are recognised in stage 3. One or several events have come to light with respect to the counterparty that will have a negative impact on future cash flows. These can include one of the following, for example:

- Payments (repayment or interest) are delayed by more than 90 days.
- The debtor's bankruptcy or liquidation, or other significant financial difficulties.
- The debtor is declared non-performing. A forborn loan moves to stage 3 when the bank assesses the debtor as non-performing.

Evaluation of elevated credit risk and default

In the Company, the application of elevated credit risk and default criteria are primarily based on (in addition to the above-mentioned criteria) the delay in credit repayment, i.e., the number of days of delay. Technical past due situations are not considered in the evaluation of payment delay. A technical past due situation can be considered to have occurred if it results from an error or system error of the Company, including failure of the payment system, delay in allocation of the payment on the customer's account, or any other similar situation.

With respect to exposures, the Company applies the insolvency definition in relation to all the borrower's payment obligations, meaning that if there are defaults for one exposure, then all exposures to that debtor should be considered defaulted. The Company applies product-specific, euro-denominated thresholds to the volume of the default.

The debtor is classified as defaulted when the following conditions are met:

- More than 90 days have passed since the end of default status
- No default criteria are valid at the time of review
- In the case of forbearance, a recovery period of one year applies when the debtor returns to non-default status

In order to evaluate the elevated credit risk associated with larger loans (business financing), the Company regularly monitors other factors that can cause credit risk to increase in addition to delayed payment, including substantial changes in the company's financial position, delays in payment of purchase invoices, and changes in external credit ratings or changes in collateral situation. For these, the Company uses the monitoring services of credit information registers, which provide alerts on defaults and changes in credit rating of credit customers. The Company reviews the situation of the credit portfolio regularly (delayed payments, negative changes in creditworthiness, notified customer defaults, collateral shortfalls and setting of additional collateral), and updates the estimated increase in credit risk for these loans, if necessary.

Forbearance is always an indication of a significant increase in credit risk. Forbearance is a concession or arrangement for liability granted by the bank when the customer has or is likely to have repayment difficulties.

Calculation model for expected credit losses

Expected credit losses is an estimate, with weighted probabilities, of the difference between the following cash flows: contractual cash flows of the exposure – the cash flows that the bank expects to receive from a contract. The following formula is used to define the expected credit loss: ECL (expected credit loss) = PD (probability of default) * LGD (total loss when realisation of collateral is included) * EAD (amount of exposure at the time of default when realisation of collateral is included).

PD, LGD and EAD are evaluated separately for each contract and for each forthcoming year during the lifetime of each evaluated contract. These three components are multiplied together. The income received for each upcoming year (stages 2 and 3) or for only the first year (stage 1) is discounted at the time of reporting and added together. The discount rate applied in the ECL calculation is the effective interest rate of the repayment plan under the original contract.

Determining the probability of default

The probability of default (PD) is the likelihood that the borrower will default on its future obligations within the following 12 months. The probability is defined separately for the subsequent years during the lifetime of the loan. For stage 2 and 3 loans, the annual probability of default is considered for the entire lifetime of the loan, while for stage 1 loans, the probability is considered only for the first year.

For consumer loans and corporate loans, the starting point for the PD percentage is defined as the proportion of non-performing loans of the loans historically issued by the company in each risk category, taking account of the payment history and the amount of time that the loan has already been repaid at the time of reporting. The PD figures are updated every six months. A high overall number of issued loans allows the PD percentage to be evaluated reliably for each risk category.

In addition, in the PD evaluation of stage 2 loans, the debtor's increased likelihood of default at the time of reporting on the basis of the debtor's payment delay at the time, taking into account all the debtor's loans and any payment arrangements that have been agreed upon, is taken into account.

Amount of exposure at the time of default

The amount of exposure associated with a receivable at the time of default is defined as the unpaid principal of the receivable and the interest accrued at the time of reporting. A portion equivalent to the collateral coverage ratio of the collateral connected to the receivable is deducted from this value.

The collateral coverage ratios of the collateral of the receivable are estimated in accordance with separate guidelines on the measurement of collateral, and these are updated regularly. Receivables with collaterals in Alisa Bank exist mainly in corporate financing.

Furthermore, for credit facility-type receivables, an estimate of the portion of the debtor's unused credit facility that the debtor will draw down during the following year is added to the exposure associated with the receivable. These off-balance sheet exposures and the associated credit loss provision are calculated and reported separately.

Effects of macroeconomic developments on the probability of losses

The determination of the final PD percentage also takes into account the impact of a forward-looking macroeconomic model. In the applicable macroeconomic model, the key variable is the gross domestic production and the unemployment rate.The basis of future development estimate is the forecasts of the International Monetary Fund (IMF). The Company evaluates macroeconomic trends and forms three scenarios based on them: a basic, negative and positive scenario. The scenarios estimate the probability with which the macroeconomic variable that correlates with the default risk of the target market performs as expected in the future. The effects of the scenarios on the PD percentage based on risk class are weighted in accordance with the Company's view.

Definition of total loss in a default situation

Loss given default (LGD) determines the total loss in a payment default situation.

The most important variables that influence the calculation model with respect to LGD are the likely sale price of non-performing loans to collection agencies based on contracts that are in force with agencies, an evaluation of repayments of loans as a result of collection measures, and the payment delay on the loan at the time of reporting.

Application of the loss allowance model

The probability of losses from stage 1 loans is defined by risk category and adjusted by the weighting of the macroeconomic scenario model. The probability of losses and the overall expected loss given default are applied to the cash flow statement of the loans for the next 12 months, which is discounted to the present value.

In stage 2, the probabilities of credit losses are first determined by risk category, after which they are adjusted by the weighting of the macroeconomic scenario model, and by the coefficient reflecting the observed increase in default risk. The probability of losses and the overall expected loss given default are applied to the loans' discounted cash flow statement for the entire exercise period.

In stage 3, the loans' probability of loss is 100 per cent. The exercise periods of non-performing loans are evaluated and the cash flows, which are adjusted by the overall expected loss, are discounted to the present value.

The results produced by the calculation model are reported regularly in the Group's Management Team and Board of Directors. The Group's financial administration together with the Group risk management evaluates credit risks and maintains the calculation model.

Recognition of actual credit losses

A loan is recognised as an actual credit loss when it is likely that the corresponding amount will no longer be obtained. Generally, the credit losses of unsecured loans are recognised when the receivable falls due and the loan is terminated (generally when the payment delay exceeds 90 days), after which the receivable is sold to a collection agency. Alternatively, a credit loss can be recognised when the debtor is declared insolvent, for example due to filing an application for debt restructuring, or due to other circumstances on the basis of which the debtor is declared insolvent. The credit losses of secured receivables are recognised no earlier than when the collateral has been realised and allocated to the receivable. Even then, the final receivable is not necessarily recognised as a credit loss if a payment plan has been set up for it. Even though the receivable is recognised as a credit loss, the collection will still continue as post-collection. After the recognition of the credit loss of an individual loan, the loan in question is no longer included in the calculation of expected credit losses, and therefore, impairment recognition is no longer carried out on it.

Group income and expesese

The group's income consists of net interest income, net fee and commission income, net income from investing activities and other operating income.

Interest income and interest expenses

Interest income mainly consists of granted loans, liquidity reserve income and to a small extent from peer-to-peer lending business. Interest expenses consist of customer deposit interest and other fundraising interest.

Interest income and expenses arising from financial assets and liabilities are essentially recorded using the effective interest method. Fees that form a significant part of the effective interest rate on financial assets or liabilities, such as loan brokers commissions, are recognised using the effective interest method on the income statement under net interest income.

Commission income and expenses

Commission income mainly consists of granted loans. According to the nature of the service, the fees are recognised either over time or at one point in time, as a rule, on a performance basis, when control over the performance obligations of the services has been transferred to the customer.

Account management fees and the continuous commission for loans are recognised as income over time. In these services, the customer benefits from the service as it is produced. Fees for payment reminders are recognised as revenue at one time. A credit loss provision is applied to account management fees and fees for payment reminders because the receipt of these fees is subject to uncertainty.

The opening fee income, which is closely related to the loan granting transaction, is collected only in part of the corporate loans. Their importance is minor and therefore they are recognized as commission income when the loan is withdrawn.

Additionally, the company collects other fees for additional services used by the borrower, such as changes in the repayment plan. These are charged to the borrower, as a rule, for the loan when the borrower changes the payment program or is added to the next loan repayment bill as a separate fee.

Fee expenses consist of, among other things, from external data sources utilized in the lending and loan management process and from bank charges of customer reserve accounts in the peer-to-peer lending business.

Investment income

Recurring income from investments, valuation profit and losses and sales profit and losses are recorded as investment income. In addition, exchange rate income and expenses are recorded in this group.

Other operating income

Income that does not fall under the previous items is recognised as other operating income. Recurring other operative income for the bank consists of the service where the bank produces integrations of banking services with financial management systems.

Intangible and tangible assets

Intangible assets

Intangible assets mainly consist of internally created information systems, related development work and intangible assets related to customer relationships recorded in the balance sheet in connection with business acquisitions. Intangible assets are recognised in the balance sheet at cost if their acquisition cost can be reliably measured and if it is probable that the intangible asset will produce future economic benefits. Expenses that were recognised in accordance with the requirements of IAS 38 Intangible Assets with respect to the own work portion related to IT projects were capitalised under data systems.

Intangible assets are amortised on a straight line basis over their estimated useful economic lives. Amortisation periods of intangible assets is 3–5 years.

The Group evaluates the amortisation periods and amortisation methods at least at the end of each financial year. The amortisation is commenced when an asset is ready to be used. The unamortised acquisition cost of an asset is fully amortised in one single step if it is deemed that the intangible asset is no longer of benefit to the Group. If the benefit is deemed to have declined substantially in relation to the unamortised acquisition cost, then an impairment is recognised.

Separately acquired intangible assets are measured upon initial recognition in the accounts at acquisition cost. After the initial recognition, intangible assets are recognised at acquisition cost less accumulated amortisation and accumulated impairment losses. With the exception of capitalised development costs, internally generated intangible assets are not capitalised, and expenses related to them are reflected in profit or loss for the period in which the expenses were incurred.

Goodwill

The goodwill generated in business combinations is recorded in the amount by which the transferred consideration exceeds the fair value of the acquired net assets. Goodwill is tested annually and when an event or change in circumstances shows that the balance sheet value may not be recoverable. Depreciation according to the plan is not recorded on goodwill. For impairment testing, goodwill is allocated to cash-generating units, in the case of Alisa Bank, for the entire group. If for a cash-generating unit the amount of recorded goodwill exceeds the recoverable amount, the difference is recorded as a impairment.

Tangible assets

Tangible assets mainly consist of office furniture and, to a lesser extent, IT equipment. Tangible assets are measured at historical cost less accumulated depreciation and any impairment. Acquisition cost includes the costs that are directly caused by the acquisition of the tangible asset in question.

Tangible assets are depreciated using the straight-line method based on their estimated useful economic lives. The depreciation time for furniture is 4-5 years and 4 years for IT equipment. The estimated useful lives and residual values are checked at least on the end date of each financial year. If these differ substantially from previous estimates, the depreciation periods are changed accordingly. Depreciation is discontinued when an asset is classified as for sale.

Sales profits or losses arising from the retirement of fixed assets are calculated as the difference between the selling price and the book value and are recognised through profit or loss in other operating income or costs.

Impairment of tangible and intangible assets

In connection with the financial statements, the management reviews the impairment of tangible and intangible assets. Impairment tests require the management team's discretion and assessment of the asset's future financial benefit and useful life.

Right-of-use assets and lease liabilities

According to IFRS 16, a lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the inception of a contract and in situations in which the terms of a contract are amended, the Company evaluates whether the contract contains a lease. Alisa Bank assesses control of use on the basis of the following criteria in accordance with IFRS 16: the contract contains an identified asset in which substantially all the economic benefits from use of the identified asset are directed to Alisa Bank, and Alisa Bank has the right to direct the use of the asset.
The lease term begins at the starting time specified in the lease. The date of termination of the lease is the date of termination according to the lease. If the lease is of an indefinite duration, the date of termination is evaluated on a lease-by-lease basis. The evaluation is based on the Company's strategic situation and on costs that would arise if a leased asset were replaced by another asset.

IFRS 16 contains two exemptions that facilitate recognition and measurement. Alisa Bank has elected that leases with a term of 12 months or less and right-of-use assets of a value of no more than approximately EUR 5,000 are not recognised in the balance sheet. These short-term leases and right-of-use assets of low value are directly expensed during the lease term.

Right-of-use assets

Alisa Bank's leases that are capitalised in the balance sheet are based on the Company's leased premises and parking spaces. At the starting time of the lease, right-of-use assets are measured at acquisition cost, which is based on the original nominal value of the lease liability. After the original measurement of fixed assets, fixed assets are measured at original cost less accumulated depreciation and actual impairment. Right-of-use assets are depreciated during the lease term and the depreciation is recognised as expenses in the income statement under depreciation, amortisation and impairment.

Lease liabilities

At the starting time of the lease, the original bookkeeping value of the lease liability consists of the current value of leases payable during the lease term, discounted by the interest rate on Alisa Bank's additional credit. After the original nominal value of the lease liability is determined, lease liabilities are measured at the original nominal value less the principal portion of paid lease payments. The amount of the lease liability is reassessed if future lease payments change because of an index or price change, or as a result of an extension of the lease term, for example. If the amount of the lease liability is adjusted in conjunction with the reassessment, a corresponding adjustment will also be made to the right-of-use assets item. Interest expenses caused by the lease liability are recognised in the income statement under financial expenses.

Lease payments are discounted using the incremental borrowing rate because internal interest rates are not available. The Group's incremental borrowing rate is determined on the basis of received financing offers and market conditions and is reviewed annually. The business premises lease agreement does not include options to extend.

Income taxes

Income taxes comprise current and deferred tax.

The current tax for the period is recognised in the income statement. Current tax is calculated for the period in accordance with the regulations of each country on the basis of the enacted tax rate. The tax liabilities or receivables that are based on the taxable profit for the period are recognised for the amount that is expected to be paid to the tax authorities or to be received from them as credit. The amount is determined using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date in countries in which the Group operates and produces taxable income.

The Group will recognise a deferred tax asset for deductible temporary differences only to the extent that it is probable that taxable income will be produced in the future against which the Group can utilise the temporary difference. The amount of the deferred tax asset and the probability that the deferred taxes can be utilised are re-evaluated at the end of each reporting period.

Earnings per share

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. This is 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.

If the profit for the presented periods is negative, the earnings per share adjusted by the dilutive effect is the same as the undiluted earnings per share.

Employment benefits

Employee benefits consist of short-term employee benefits and benefits related to termination of employment. Short-term employment benefits such as salaries and fringe benefits, annual holidays and performance bonuses are expected to be paid in full within 12 months from the end of the accounting period during which the employees perform the relevant work. Benefits based on termination of employment consist of severance pay. Post-employment benefits are limited to defined contribution pension plans in connection with the statutory pension insurance, the costs of which are recorded as an expense of the accounting period in which payment applies.

Alisa Bank has a share-based incentive programs for the group's key personnel. Payments are partly share-based and partly as cash. The monetary contribution aims to cover the costs incurred by the key person from the remuneration taxes and tax-related payments. The benefits granted in the arrangement have been valued at the fair value at the time of their grant and recorded as an expense in the income statement for the period in which the employee has fulfilled the conditions. The amount to be recorded as an expense is based on an estimate of the number of the shares to which the right is expected to arise. The benefits are fully recorded as share-based program and the expense is carried forward over the entire period of the right. The expense is recognised under personnel expenses. On each reporting date, the Company revises its estimates on the amount of shares. The impact of the revision is recorded in income statement. The amount to be recorded as an expense will be adjusted later to correspond to the number of shares finally granted. The requirements of the IFRS 2 Share-based payments standard apply to the incentive system.

Equity

Equity consists of share capital, the invested unrestricted equity reserve, translation differences and retained earnings.

Matters requiring management judgement and estimation

The drawing up of financial statements in accordance with IFRS standards requires that certain accounting assessments are made. In addition, management must use its judgement. Judgement affects the choice of accounting policies and their application, the amount of assets, liabilities, income and expenses to be reported and the notes that must be presented. The management will exercise its judgement on the basis of estimates and assumptions that are based on earlier experience and the best view available to it on the balance sheet date concerning future performance. Estimates and decisions based on judgement are constantly monitored and they are based on actual performance and certain other factors such as expected future events that are reasonably anticipated to occur considering prevailing circumstances. Actual performance may deviate from estimates. The accounting of expected credit loss in accordance with IFRS 9 is based on internal models that contain an assumption of a change in credit risk and probability of default. Information focusing on the future is also taken into account, as well as an evaluation of the performance of macro variables in various scenarios, and of the probability of each scenario taking place. Furthermore, in the determination of expected credit losses, management judgement is observed in the evaluation of the credit loss provisions of individual corporate loans with overdue payments, while also taking into account the business area management's analysis of the collateral coverage of the security set for loans, of the progress and situation of collection processes, as well as its overall judgement of a debtor's ability to pay.

The values of intangible assets and goodwill are regularly tested for impairment. Impairment testing requires management's judgment and assessment of the assets' futures cash flows and background assumptions.Discretion has been applied in estimating the end dates of premise leases in order to recognise the leases in accordance with IFRS 16.

New and amended standards applicable in future financial years

On the balance sheet date, the company has no information regarding new standards or amendments that are not yet in force, and that are expected to significantly affect the Company's current or future reporting periods and foreseeable future business operations.

G2. Note on risk management

Alisa Bank focuses on retail banking operations and offers selected banking and financial services to both personal and business customers. Customer acquisition is based on both Alisa Bank's own and its partners digital channels. Risk management plays a key role in Alisa Bank's operations from the perspective of business management and managing changes in the operating environment. The primary risk categories are credit risk, operational risk, market risk and liquidity risk.

The Group's internal control, risks and risk management and the Pillar III disclosure requirements pursuant to Part 8 of EU Capital Requirements Regulation (575/2013), are set out in more detail in the Alisa Bank's Capital and Risk Management Report, which is published as a separate report in conjunction with the annual report.

1. Organisation of risk management

The company's Board of Directors has primary responsibility for the Group's risk management. The Board of Directors confirms the principles and responsibilities of risk management, the Group's risk limits and other general guidelines according to which the risk management and internal control are organised.

The company's risk management is responsible for ensuring that the company's major risks are identified, evaluated, and measured and that risks are monitored and managed as part of the day-to-day management of the business areas. The company's Board of Directors regularly assesses the company's risk management strategy, risk tolerance and approach to risk-taking. The aim is to manage risks through risk assessments and measures, systematic follow-up, and analysis of the operating environment and the market. Functions that are independent of the business areas have been organised in a way that ensures efficient and comprehensive risk management and internal control as follows:

- Risk Management function
- Compliance function responsible for ensuring compliance with the rules
- Internal audit function

The aim of the Risk Management function is to promote systematic and proactive risk management that allows the company's business to be developed in a safe manner. In the company's organisation the Risk Management function operates directly under the supervision of the CEO and reports to the Board of Directors, the CEO and other members of the senior management.

The company's risk management is founded on the "three lines of defence" model:

1. The first line of defence consists of the business units. The managers of the business units are responsible for ensuring that risk management is at a sufficient level in each respective unit.
2. The second line of defence consists of the Risk Control and Compliance functions. The Risk Control function oversees compliance with the risk limits granted to the business units, as well as compliance with risk-taking policies and guidelines. The Risk Control function reports its observations to the Credit and Risk Committee, the Management Team and the company's Board of Directors. The Compliance function is responsible for ensuring compliance with regulations in all of the company's operations by supporting the senior management and the business units in applying the provisions of the law, official regulations and internal guidelines, and in identifying, managing and reporting on any risks of insufficient compliance with the rules.
3. The third line of defence is the internal audit. The internal audit assesses the functioning of the Group's internal control system, the appropriateness and efficiency of the functions and compliance with guidelines. It does this by means of audits that are based on the internal audit action plan adopted annually by the Board of the company.

2. Managing capital adequacy and own funds

The objective of Alisa Bank's capital adequacy management is to secure the sufficiency of the company's capital in relation to all material risks of its operations. In order to achieve this goal, the company identifies and evaluates all risks relevant to its operations and, based on these, measures its risk-bearing capacity to match the overall risk position. Capital adequacy management process plays a key role in defining the overall risk position. The capital adequacy management process is based on the capital requirements according to Pillar I of the solvency regulation and risks outside of the Pillar 1, such as the interest rate risk of the financial balance and the business risks.

Alisa Bank continuously monitors that its equity is sufficient to cover the material risks affecting the company. Capital adequacy and all material risks are monitored by means of monthly reports in the Board of Directors and the Management Team, and weekly reports to the Credit and Risk Committee. The company's Board of Directors has confirmed a target of at least 16 per cent for the overall capital adequacy ratio. The aim is to ensure the sufficiency of capital also during downturns.

The total capital requirement for banks consists of a minimum capital requirement of 8.0% in accordance with Pillar I and an additional fixed capital requirement of 2.5% in accordance with Act on the Credit Institutions. Alisa Bank Group's capital adequacy ratio was 15.2% and the common equity Tier 1 ratio was 12.0%, exceeding the banks' total capital requirement (10.5%).

More detailed information on the Group's capital adequacy is available in the Board of Directors' Report and in the Capital and Risk Management Report.

3. Credit risk

The credit risk of the company's operations mostly stems from lending to its customers. Credit risk is defined as the risk of loss resulting from loan customers and other counterparties not being able to meet their contractual obligations, and from issued collateral not covering Alisa Bank's receivables.

During Alisa Bank's second year of operations, the growth of the credit portfolio decreased clearly compared to the previous year, and the relative credit risk position has remained stable. Alisa Bank's customers are both private and SME customers. After ending peer-to-peer and crowdfunding business, the company has systematically focused lending on customers with lower credit risk, in accordance with the risk appetite set by the Board of Directors.

Alisa Bank has procedures and guidelines in place for identifying, measuring, managing, and monitoring credit risk. The company's credit risk management is based on the risk appetite specified in the risk management policy confirmed by the company's Board of Directors. In addition, the company's market- and product-specific risk policies specify the minimum criteria that the debtors must meet before a credit can be granted. Alisa Bank applies the standardised approach for calculating credit risk in capital adequacy.

Alisa Bank applies a definition of default in accordance with the EBA/GL/2016/07 guidelines. The definition is applied at the debtor level. Default is identified on the basis of the debtor's substantial payment delays, in accordance with the calculation of the days of delay or on the basis of the debtor's unlikeness to pay back. When the credit is overdue for more than 90 days or the debtor is considered default, the loan is placed in stage three in the ECL calculation. However, not all ECL stage three loans are necessarily default. Default means that the debtor's overdue loan obligation exceeds both the absolute and relative thresholds and is overdue for 90 consecutive days.

The amount of non-performing loans in the credit base has increased due to increased bankruptcies in corporate financing during the review period. At the end of the review period, the amount of non-performing loans was EUR 7.2 million (6.6). The NPL ratio, which describes non-performing receivables in relation to all loans and receivables, was 4.2 (4.0) percent at the end of the review period. At the end of the review period, there were EUR 0.4 million in non-performing forbearance loans, and EUR 0.7 million of healthy forbearance loans.

Loan receivables with a payment delay of more than 30 days but less than 90 days were 3.5 (2.6) percent of the entire loan portfolio. The proportion of overdue payments of more than 90 days was 3.0 (3.6) percent. In the comparison period, most of the insolvent loans consisted of foreign loans. 22% of Alisa Bank's non-performing loans consist of foreign consumer loans, 28% of business loans and 50% of domestic consumer loans.

In lending to consumer customers, the company applies statistical credit risk assessment methods (credit risk models) for assessing the expected default risk. The credit risk models assess the debtor's estimated default risk based on which the company assigns the debtors one of the five internal risk classes. In addition, the company always assesses the debtor's ability to pay back based on confirmed monthly income, loan expenses and assessment on the other expenses of the debtor's household.

In lending to businesses, the company assesses the debtor's credit risk by means of a careful credit analysis process specified in credit policies. The company uses information collected from external sources when evaluating the creditworthiness and ability to pay of business customers. Loans to business customers are monitored throughout the entire life cycle of the loan agreement. If significant changes are detected in the customer's financial situation, the customership will be taken for more detailed monitoring.

Distribution by risk class

The company classifies all customers into risk classes based on the information available on the counterparty. The classification is based on the bank's internal assessment and external credit rating data. Monitoring is continuous and can lead to a transfer from one risk class to another.

The risk categories in use are defined as follows:

- Risk class 5: Consumer and business customers are included in low risk items.
- Risk class 4: Consumer and business customers are included in moderate risk items.
- Risk class 3: Consumer and business customers are included in increased risk items.
- Risk class 2: Consumer and business customers are included in the second-highest risk items.
- Risk class 1: The highest risk items include consumer and business customers and insolvent customers. Other clients are classified on the basis of the bank's internal risk class assessment.

LOANPORTFOLIO BY RISKCLASSES

EUR 1,000	31.12.2023	31.12.2022
Riskclass 5	39,092	34,592
Riskclass 4	76,912	69,316
Riskclass 3	36,895	45,486
Riskclass 2	13,513	9,649
Riskclass 1	6,454	4,750
Loanportfolio	**172,866**	**163,793**

Risk concentrations

Risk concentrations arise or may arise, for example, when the credit portfolio contains large amounts of loans and other liabilities directly towards:

- single customer or counterparty
- group of connected customers
- single business industry
- against limited amount of collaterals
- within same maturity
- within same product

Risk concentrations are managed at Alisa Bank with the help of set limits, and these are monitored actively as part of the management's risk report. Alisa Bank's loan portfolio is focused on personal customers, mainly consisting of smaller loan amounts; the maximum loan amount for personal customers according to the credit granting policy is 30,000 euros. With a distributed customer base, the significance of individual large customer risks is minor. At the end of the financial year, the company had one exposure, where the loan amount exceeded 10 percent of Tier 1 own funds; the loan is secured by financed sales invoice receivables. The ten largest loans accounted for 8 percent of the total loan portfolio. Of the financing granted to companies, the largest industries are industry, construction and transport and storage. Most of the business loan portfolio is sales invoice financing. Geographically, the responsibilities are divided in Alisa Bank as follows:

EXPOSURE AND HOME COUNTRY 31.12.2023

EUR 1,000	Amount of credit	More than 90 days past due
Private individuals Finland	124,498	2,071
Companies and entities Finland	39,942	1,596
Public sector entities	1,122	0
Private individuals EU countries	7,304	1,424
Companies and entities EU countries	0	0
Total	**172,866**	**5,091**

Alisa Bank has active business in foreign markets, in the German and Danish markets. The operations and loan portfolio in Poland were divested in the summer of 2023, which significantly reduced overdue foreign receivables.

EXPOSURE AND HOME COUNTRY 31.12.2022

EUR 1,000	Amount of credit	More than 90 days past due
Private individuals Finland	126,393	1,060
Companies and entities Finland	30,993	781
Private individuals EU countries	6,130	4,500
Companies and entities EU countries	277	239
Total	**163,793**	**6,580**

Loans with payment delays and changes to repayment schedule

An operating model for monitoring the loans of customers with payment delays is outlined in the company's credit policy guidelines. Overdue loans refer to commitments for which repayment of the loan capital is overdue by more than 15 days.

In the event of payment delays by consumer customers, the company aims to assist customers to prevent financial difficulties. Consumer customers may be offered payment holidays and changes to the repayment schedule.

In lending to businesses, the aim is to find solutions well before the customer's possible financial difficulties affect their ability to repay the loan. Lending is guided by a policy on credit risk management and credit risk strategy.

The company regularly monitors overdue loans and reports them to the company's management and Board of Directors. Such loan receivables are also monitored if the customer has significant financial difficulties in fulfilling the repayment. The purpose of monitoring is to detect overdue loans or loans that become problem loans as early as possible.

Collaterals and guarantees

Loans granted by Alisa Bank to personal customers are almost always unsecured. The credit risk of business lending is managed using collateral and guarantees. Guarantees are applied to exposures in order to secure repayment. In business lending, risk is often hedged by agreeing on a personal guarantee with the customer. The key features of the practices and processes for the assessment and management of eligible collateral are set out in the business lending credit policy guidelines. The collateral received is presented in the group's note G29.

Credit risk assessment in the calculation of expected credit losses

The calculation of expected credit losses, i.e. the ECL calculation (Expected Credit Loss) is applied in the company to financial assets valued at amortized cost, of which the most significant item is loans receivable from customers. The calculation of expected credit losses is carried out monthly at the loan level. In the ECL calculation, the expected credit loss is calculated for each loan on a monthly basis based on the probability of default (PD) and the amount of loss caused by default (LGD).

When assessing whether the credit risk related to loan receivables has increased significantly, the change in the risk of defaults occurring during the expected validity period of the financial asset is examined. When making this assessment, the risk of default on the financial asset on the reporting date and the risk of default on the financial asset at the time the loan is granted are compared. A significant increase in credit risk leads to the transfer of the loan from stage 1 to stage 2. A significant increase in credit risk can be caused, for example, by a delay in payments by the borrower for more than 30 days, for reasons other than technical reasons, or changes in the counterparty's financial position, such as a substantial deterioration of creditworthiness and financial position.

Loans are recorded to stage 3 if the credit risk has significantly and provably increased. If there are one or more events that have occurred on the customer side, that will affect future cash flows negatively. These events can be for example:

- Payments (amortization or interest) have been delayed for more than 90 days
- Bankruptcy or liquidation of the debtor, or other significant financial difficulties
- Customer is defaulted. A forborn loan moves to stage 3 when the bank assesses the debtor as non-performing.

If the customer has clear indications of uncertainty about repayment, the credit can be transferred directly from stage 1 to stage 3 on a discretionary basis.
The following tables present the company's loan portfolio by market and customer segment and by risk class. Risk class 5 represents the lowest default risk, risk class 1 the highest.

EXPOSURE TO CREDITRISK BY RISK CLASS 31.12.2023

EUR 1,000	Stage 1	Stage 2	Stage 3	Total loan receivables
Risk class 5	36,805	420	1,867	39,092
Risk class 4	72,528	2,443	1,942	76,912
Risk class 3	33,459	1,708	1,728	36,895
Risk class 2	12,213	606	693	13,513
Risk class 1	5,538	438	478	6,454
Loan portfolio	**160,543**	**5,614**	**6,708**	**172,866**
Expected credit losses	-1,469	-444	-4,071	-5,984
Claims on the public and public sector entities	**159,075**	**5,170**	**2,637**	**166,882**

EXPOSURE TO CREDITRISK BY RISK CLASS 31.12.2022

EUR 1,000	Stage 1	Stage 2	Stage 3	Total loan receivables
Risk class 5	33,823	109	660	34,592
Risk class 4	65,375	1,614	2,327	69,316
Risk class 3	41,864	1,672	1,950	45,486
Risk class 2	7,168	591	1,890	9,649
Risk class 1	2,816	261	1,673	4,750
Loan portfolio	**151,045**	**4,248**	**8,500**	**163,793**
Expected credit losses	-1,825	-1,673	-5,639	-9,137
Claims on the public and public sector entities	**149,221**	**2,575**	**2,861**	**154,656**

The calculation of expected credit losses is described in further detail in note G1 to the financial statements, Accounting policies of the consolidated financial statements. More information on the distribution of the credit loss provision and of the different stages of credit risks is provided in note G11, Impairment of receivables.

4. Liquidity risk

Liquidity risk can be defined as a lack of balance in incoming and outgoing cash flows. The risk may materialise if the company is unable to meet its payment obligations as they fall due. The company's main liquidity risks arise from the maturity mismatch between borrowing and lending.

Alisa Bank's liquidity risk management is based on its ability to gain enough competitively priced money for the short and long term, and that the sources of funding are sufficiently diversified. The bank has tried to diversify deposit channels to reduce concentration risks; the bank opened a savings account product on Europe's leading deposit comparison portal Raisin in Germany and in the Netherlands. The share of these accounts in the total deposit base was 18% at the end of the financial year. More than 85 percent of the deposit base was covered by deposit protection.

An important part of managing liquidity risk is planning a liquidity position for both the short and long term. The company's long-term liquidity management is primarily done as part of strategic planning and budgeting. Estimated loan volumes, allocated to loans of different maturities, are the basis for the required level of financing, divided into long-term financing and stable deposit base, as well as the amount of equity capital. Liquidity management also includes liquidity reserve management. This ensures that the company has sufficient liquid securities available to cover the needs of its various businesses. Furthermore, establishing a liquidity reserve will prepare for market downturns and possible legislative changes. The company's liquidity reserve target is to cover at least the projected net outflows in a stressed scenario in which deposits flow out, and new financing is not available.

The table at the next page presents the company's contractual payments for financial assets and liabilities. The cash flows include capital and contractual interest. Liquidity risk management is supported by active risk management, balance sheet and cash flow monitoring and internal calculation models. In order to be able to manage its outgoing cash flows, it is crucial that the company continuously manages its liquidity situation.

Sufficient liquidity is ensured by the limit set by the company's Board of Directors to the company's cash assets. Liquidity adequacy is monitored and managed with the help of indicators such as: maturity differences between assets and liabilities, deposit concentrations. deposit outflow, LCR and NSFR ratios, and increase in financing costs. Liquidity indicators are monitored continuously and reported at least monthly to the management team and the Board of Directors as part of risk reporting. The company prepares for the repayment of future debts by limiting new lending in the upcoming years as necessary, thereby ensuring its liquidity position. The company's liquidity remained stable during 2023.

Alisa Bank has no derivative exposures or collateral requirements.

Breakdown of financial assets and liabilities according to maturity

31.12.2023	less than 3 months	3-12 months	1-5 years	5-10 years	yli 10 years	Total
Assets						
Cash and cash equivalents	129,364					**129,364**
Claims on credit institutions	5,461					**5,461**
Claims on the public and public sector entities	29,730	5,576	72,982	47,535	17,042	**172,866**
Liabilities						
Liabilities to the public and public sector entities	204,192	47,406	17,267	0	0	**268,864**
Lease liabilities	40	122	342			**503**
Debenture loans	110		6,100			**6,210**
Off-balance sheet commitments	5,647					**5,647**

31.12.2022	less than 3 months	3-12 months	1-5 years	5-10 years	yli 10 years	Total
Assets						
Cash and cash equivalents	118,028					**118,028**
Claims on credit institutions	8,441					**8,441**
Claims on the public and public sector entities	34,233	7,044	61,683	46,831	14,002	**163,793**
Liabilities						
Liabilities to the public and public sector entities	197,863	19,335	31,059	0	0	**248,257**
Lease liabilities	111					**111**
Debenture loans	103		6,100			**6,203**
Off-balance sheet commitments	1,455					**1,455**

Liquidity risk is measured by a liquidity buffer adequacy ratio (liquidity coverage ratio, LCR) and a minimum long-term funding requirement (net stable funding ratio, NSFR). The Group's liquidity coverage ratio (LCR) was at a very good level, and was 689% at the end of 2023. The net stable funding ratio (NSFR) was 199,9% at the end of 2023. The company's internal risk limit for the LCR and NSFR indicators is 130%. The statutory limit is 100%. Over the past year, the LCR and NSFR indicators have followed a steady and predictable trend.

5. Market risk

Market risk consists of interest rate risk in the banking book and foreign exchange risk. The banking book consists of on- and off-balance-sheet items related to lending and borrowing, as well as a liquidity reserve.

Alisa Bank does not trade in shares or other securities for trading purposes. No sensitivity analysis of the equity price risk has been presented as it does not have any effect on the Group's financial position.

Currency risks are maintained at a moderate level to prevent exchange rate fluctuations from causing significant financial losses. The largest currency positions on 31 December 2023 were: SEK (Swedish krona) EUR 0,26 million and DKK (Danish krone) EUR 1,4 million. A fall of -10% in the exchange rates would cause a valuation loss of EUR 0,17 million.

The exchange rate of the currencies above correlates closely with the exchange rate of the euro, which reduces the risk. Altogether 99% of the net loan portfolio was in euros. Other items in the balance sheet do not cause material exchange rate risks to the company.

Interest rate risk

The company's interest rate risk is caused by differences in the interest rate linkages and maturities of assets and liabilities. In addition, market interest rates affect the market prices of securities in the portfolio. At the end of the financial year, the company has no securities in the investment portfolio whose valuation could be affected by changes in market interest rates.

The company aims to balance the interest rate durations of receivables and payables and to reduce unforeseen fluctuations in the interest margin. The pricing of borrowing and lending is a key issue for the development of the company's interest margin. The company currently has longer (over 1 y) fixed-rate loans for less than a fifth of its loan portfolio, and the share is constantly decreasing. New lending is mainly with variable interest rates and tied to the 3-month Euribor.

INTEREST RATE FIXING PERIODS 31.12.2023

EUR 1,000	Overnight/ no fixing	3 M Euribor	6-12 M Euribor	Fixed rate, maturity under 12 months	Fixed rate, maturity over 12 months	Total
Receivables						
Claims on credit institutions and central banks	134,825	-	-	-	-	**134,825**
Claims on the public	-	107,368	6,298	27,705	25,511	**166,882**
Laibilities						
Liabilities to the public, current and savings accounts	168,767	-	-	-	-	**168,767**
Liabilities to the public, term deposits	-	-	-	82,831	17,267	**100,097**
Debenture loans	-	-	-	-	6,210	**6,210**

The amount of interest rate risk is regularly reported to the management team and the Board of Directors. Interest rate risk is monitored and measured regularly by means of interest rate risk limits set by the Board of Directors and by assessing the effects of interest rate shocks on the economic value of the bank's equity and net interest income. In the situation at the end of the financial year on 31.12.2023, the sensitivity of the interest rate risk relative to own funds was as follows: If the interest rate level were to rise by two percentage points, the economic value of the company's own funds would increase by 1.9 per cent due to the positive profit development. If interest rates were to fall by two percentage points, the economic value of own funds would fall by 2.3 per cent. If interest rates were to rise by two percentage points, it would have an estimated annual positive impact on net interest income of approx. EUR 1.3 million. If interest rates were to fall by two percentage points, the estimated negative annual impact on net interest income would be approx. -1.3 million euros. The next table shows the standard scenarios determined by the European Banking Authority (EBA) on interest rate risk change sensitivities, on the economic value of equity.

INTEREST RATE SENSITIVITY ANALYSIS

EUR 1,000	31.12.2023
All rates rise by 200 b.p.	430
All rate decline by 200 b.p.	-507
Short term rates decline by 250 b.p. and long-term rates decline by 100 b.p.	-390
Short term rates rase by 250 b.p. and long-term rates decline by 100 b.p.	338
Short term rates rase by 250 b.p	421
Short term rates decline by 250 b.p	12

A more detailed discussion on the disclosure requirements for interest rate risk (Pillar III) is available in the Group's Capital and Risk Management Report.

6. Operational risk

Operational risks mean a direct or indirect danger of financial loss that is caused by insufficient or failed internal processes, systems, personnel or external factors. Operational risks also include legal risks and compliance and data security risks.

The Board of Directors adopts the principles for the management of operational risks on an annual basis. In operational risk management, the company's main objective is to manage reputational risk and ensure business continuity and regulatory compliance in the short and long term. Operational risk management ensures that the company's values and strategy are implemented throughout the business operations. Operational risk management covers all material risks related to the business.

Operational risk management is applied in all the business units of the company by identifying, measuring, monitoring, and assessing the operational risks associated with each unit. Business units also assess the likelihood of risks and their impacts if they materialise. The company-wide process enables management to assess the potential loss arising from operational risk in the event of a risk materialising.

As part of its operational risk management, the company aims to reduce the likelihood of operational risk events through internal guidelines and staff training. Each employee is responsible for managing operational risk in their own duties. Any operational risks that have materialised are reported to the management of the business unit.

New products, services and suppliers of outsourced services are separately approved through the company's formalised approval process before they are introduced. The approval process ensures that the risks associated with new products and services are appropriately identified and assessed. The same approval process will also apply when existing products are developed.

Operational risks are monitored, managed, and reported in the company's risk management. At least annually, the company's management receives the risk assessments of the business units and a report on the materialised risks, which are used to compile a separate report to the Board of Directors. The process created will enable the Board of Directors to gain an overview of the operational risks faced by the business and their potential impact on the company.

7. Responsibility

As a new Finnish digital bank, Alisa Bank is part of the Finnish financial sector. The financial sector plays an important role in building the economic and social stability of society, as well as taking into account climate and environmental issues in banking and financial operations.

Alisa Bank has high standards when conducting its business. Alisa Bank requires its business units and personnel to have a good understanding of compliance with applicable laws, regulations and standards in all markets and jurisdictions and strictly follows them, in which Alisa Bank operates.

For Alisa Bank, the well-being and commitment of the personnel are in a key position. We measure employee satisfaction regularly and actively make improvements based on the results. Our work community is equal, we do not accept discrimination in any form. We are committed to promoting equality and non-discrimination in all activities.

Customer satisfaction is in a key position, and Alisa Bank strives to communicate clearly and understandable to its customers. In personal and business customer lending, the aim is to find suitable solutions together with customers in the event of financial difficulties. Alisa Bank aims to ensure that customers' ability to pay is maintained by offering changes to the payment program or other necessary flexibility for loan repayment.

Notes to the income statement

G3. NET INTEREST INCOME

EUR 1,000	2023	2022
Interest income		
Receivables from credit institutions	4,067	480
Claims on the public and public sector entities	16,004	10,622
Total interest income using the effective interest method	**20,071**	**11,101**
Interest expenses		
Liabilities to credit institutions	0	-219
Liabilities to the public and public sector entities	-4,803	-1,520
Debt securities issued to the public	-495	-283
Other interest expenses	-16	-25
Interest expenses, total	**-5,314**	**-2,048**
Net interest income	**14,757**	**9,053**

G4. FEE AND COMMISSION INCOME AND EXPENSES

EUR 1,000	2023	2022
Fee and commission income		
Lending	2,014	1,615
Peer to peer lending	951	2,161
Other fee and commission income	215	108
Fee and commission income, total	**3,180**	**3,885**
Fee and commission expenses	**2023**	**2022**
Lending	-1,266	-1,024
Peer to peer lending	0	-1,108
Other fee and commission expenses	-129	-242
Fee and commission expenses, total	**-1,395**	**-2,374**
Timing of revenue recognition	**2023**	**2022**
At a point of time	918	1,062
Over time	2,263	2,822
Total	**3,180**	**3,885**

G5. NET INVESTMENT INCOME	2023	2022
Financial assets at fair value through profit or loss	0	-118
Exchange rate gains and losses	32	-232
Net investment income, total	**32**	**-349**

			2023
Net investment income from securities transactions by instrument	**Gains and losses on sales**	**Changes in fair value**	**Total**
Shares and derivative contracts	0	0	0
Net income from securities transactions, total	**0**	**0**	**0**
Exchange rate gains and losses	32	0	32
Net investemt income, total	**32**	**0**	**32**

			2022
Net investment income from securities transactions by instrument	**Gains and losses on sales**	**Changes in fair value**	**Total**
Shares and derivative contracts	-118	0	-118
Net income from securities transactions, total	**-118**	**0**	**-118**
Exchange rate gains and losses	-232	0	-232
Net investment income, total	**-349**	**0**	**-349**

G6. OTHER OPERATING INCOME

EUR 1,000	2023	2022
Sales of subsidiary	115	0
Other income	11	24
Other operating income total	**126**	**24**

G7. PERSONNEL EXPENSES

EUR 1,000	2023	2022
Salaries and fees	-5,271	-4,791
Pension expenses	-689	-624
Other social security costs	-115	-235
Share based payments	-15	-51
Activation of personnel costs	609	323
Personnel expenses total	**-5,481**	**-5,378**

Number of personnel, average		
Number of personnel during the period, average	81	80

Board fees	2023	2022
Markku Pohjola	-75	-40
Alisa Bank Plc, Chairman of the Board, beginning 2 April 2022		
Karri Haaparinne	0	-8
Fellow Finance Plc, Member of the Board until 1 April 2022		
Lea Keinänen	-49	-27
Alisa Bank Plc, Member of the Board beginning 2 April 2022		
Kai Myllyneva	-10	-37
Fellow Finance Plc, Member of the Board until 1 April 2022		
Alisa Bank Plc, Member of the Board beginning 2 April 2022 until 20 April 2023		
Jorma Pirinen	-49	-29
Alisa Bank Plc, Member of the Board beginning 2 April 2022		
Teuvo Salminen	-60	-32
Alisa Bank Plc, Member of the Board, vice-chairman of the Board beginning 2 April 2022		
Michael Schönach	0	-8
Fellow Finance Plc, Member of the Board, until 1 April 2022		
Harri Tilev	0	-8
Fellow Finance Plc, Member of the Board until 1 April 2022		
Tero Weckroth	-49	-35
Fellow Finance Plc, Member of the Board until 1 April 2022		
Alisa Bank Plc, Member of the Board beginning 2 April 2022		
Sami Honkonen	-39	
Alisa Bank Plc, Member of the Board beginning 20 April 2023		
Johanna Lamminen	-39	
Alisa Bank Plc, Member of the Board beginning 20 April 2023		
Board fees total	**-369**	**-223**

CEO salaries and fees	2023	2022
Salaries and fees	-183	-125
CEO salaries and fees total	**-183**	**-125**

Executive group salaries and fees	2023	2022
Salaries and other short-term employment benefits	-911	-573
Share based payments		-33
Executive group salaries and fees total	**-911**	**-606**

The group's management team was not paid post-employment benefits, recommended in connection with termination or other long-term benefits during the accounting period.

Share-based incentive system

Alisa Pankki Plc has two share-based incentive schemes for the group's key employees, to which the group has applied the requirements of the IFRS 2 Share-based payments standard during the accounting period. The share bonus system introduced in 2022 replaces the option programs that were in use before the merger. Another share bonus system was launched in 2023. The purpose is to combine the goals of the owners, management and personnel to increase the company's value in the long term, as well as to commit participants to the company and offer them competitive incentive systems based on earning and accumulating company shares, which support Alisa Bank's strategy.

2022A & 2022B

The valuation-based share bonus system 2022 has one earning period that started on July 4, 2022 and ends on March 31, 2024. Its target group includes approximately 14 key personnel, including members of the management team. In the system, it is possible for the target group to earn a share bonus based on the increase in the value of Alisa Pankki Plc's shares. One share unit entitles one share to an increase in value. The share units are divided into classes 2022A (approx. 650,000 units) and 2022B (approx. 2,500,000 units). The increase in the value of the share is measured from the starting level of 1.27 euros (2022A) and 0.63 euros (2022B).

The increase in the value of the share units will be converted into Alisa Bank shares after the end of the earning period, and any bonuses will be paid deferred after the end of the earning period in two equal installments, in April 2025 and April 2026, in accordance with the legislation on the financial sector. The payment of bonus installments is followed by a one-year waiting period, during which the key person cannot hand over the shares paid as a bonus. The rewards are paid partly in Alisa Pankki Oyj shares and partly in cash. The monetary shares of the rewards cover the taxes and statutory social insurance contributions incurred by the participants. If the participant's employment or management contract ends before the bonus is paid, the bonus is generally not paid.

PSP 2023

On January 17, 2023, the company's board decided on a new share-based incentive system for the group's key personnel. This performance-based share bonus system has three earning periods covering the fiscal years 2023, 2024-2025 and 2025-2026. It is possible for the target group to earn Alisa Pankki Oyj shares based on performance. The board decides the system's earning criteria and their goals at the beginning of the earning period. According to the financial sector legislation, the possible rewards of the system are paid on a delayed basis, so that the rewards are paid to the participants after the end of the earning period within about four or five years in five installments. The payment of bonus installments is followed by a one-year waiting period, during which the key person cannot hand over the shares paid as a bonus. In the 2023 earning period, the rewards were based on the group's 2023 result, the implementation of strategic projects, customer satisfaction (NPS) and set personal goals. The value of the bonuses paid for the earning period 2023 can correspond to a total of no more than 2,000,000 Alisa Pankki Oyj shares, including a possible share to be paid in cash. In the earning period 2023, the target group included approximately 11 key personnel, including the CEO and other members of the management team.

A member of the management team must own at least 50 percent of the net number of paid shares, until the value of his share ownership in the company in total corresponds to 50 percent of the value of his gross annual salary. Correspondingly, the managing director must own at least 50 percent of the net number of shares paid, until the value of his share ownership in the company in total corresponds to the value of his gross annual salary. These amounts of shares must be owned as long as the person's membership in the management team or position as CEO continues.

	2023			2022	
PLAN	**2022A**	**2022B**	**PSP 2023**	**2022A**	**2022B**
TYPE	SAR	SAR	Share	SAR	SAR
Instrument	**2022A**	**2022B**	**PSP 2023**	**2022A**	**2022B**
Maximum number of shares	646,925	2,533,701	2,000,000	646,925	2,533,701
Grant date	4 July 2022	4 July 2022	17 January 2023	4 July 2022	4 July 2022
Beginning of earning period	1 April 2022	1 April 2022	1 January 2023	1 April 2022	1 April 2022
End of earning period	31 March 2024	31 March 2024	31 December 2023	31 March 2024	31 March 2024
Vesting date	30 April 2025	30 April 2025	30 June 2025	30 April 2025	30 April 2025
	30 April 2026	30 April 2026	30 June 2026	30 April 2026	30 April 2026
			30 June 2027		
			30 June 2028		
			30 June 2029		
Vesting conditions	Share price increase	Share price increase	Profit, Strategic projects, NPS, Employee personal performance	Share price increase	Share price increase
	Employment until the end of vesting date	Employment until the end of vesting date	Employment until the end of vesting date	Employment until the end of vesting date	Employment until the end of vesting date
Maximum contractual life, yrs	4.1	4.1	6.5	4.1	4.1
Remaining contractual life, yrs	2.3	2.3	5.5	3.3	3.3
Number of persons at the end of reporting year	5	8	9	5	10
Payment method	Cash & Equity	Cash & Equity	Cash & Equity	Cash & Equity	Cash & Equity

Changes during period	**2022A**	**2022B**	**PSP 2023**	**2022A**	**2022B**
Outstanding in the beginning of the period	646,925	2,204,323		0	0
Changes during period					
Granted			1,980,000	646,925	2,533,701
Forfeited	0	212,456	280,000	0	329,378
Outstanding at the end of the period	646,925	1,991,865	1,700,000	646,925	2,204,323
Reserved at the end of period		541,836	300,000	0	329,378

FAIR VALUE DETERMINATION

The fair value of share based incentives have been determined at grant date and the fair value is expensed until vesting. The pricing of the share based incentives granted during the period was determined by the following inputs and had the following effect:

Valuation parameters for instruments granted during period	2023	2022
Share price at grant, €	0.38	0.42
Share price at reporting period end, €	0.17	0.36
Risk-free rate, %	0 %	0 %
Expected dividends, €	0	0
Fair Value, €	0	0

Effect of share-based Incentives on the result and financial position during period	2023	2022
Expenses for the financial year, share-based payments, 1000 €	15	-51
Expenses for the financial year, share-based payments, equity-settled, 1 000 €	101	27
Liabilities arising from share-based payments 31.12., €	0	0

The accruals of the old 2018 and 2019 programs erroneously on the balance sheet and the correction of the accruals of the 2022 B program were written off the balance sheet against retained earnings. The combined effect of these was 116 teuros.

G8. OTHER ADMINSTRATIVE EXPENSES

EUR 1,000	2023	2022
Office expenses	-383	-208
IT and infosystems	-1,926	-1,464
Business expenses	-7	-21
Travel expenses	-19	-18
Car costs	-41	-11
Other HR related expenses	-123	-215
Marketing expenses	-129	-131
Banking and custodian expenses	-112	-75
External services	-1,764	-2,339
Other expenses	-9	-3
Other administrative expenses total	**-4,513**	**-4,487**

Fees paid to the audit firm	2023	2022
Audit	-163	-156
Assignments referred to in section 1 subsection 1 section 2 of the Audit Act	-3	-70
Other services	-22	-11
Fees paid to the audit firm total	**-189**	**-237**

G9. DEPRECIATION AND IMPAIRMENT LOSSES	2023	2022
Intangible assets	-675	-541
Tangible assets	-9	-32
Right to use assets	-147	-119
Depreciation and impairment total	**-831**	**-691**

G9. DEPRECIATION AND IMPAIRMENT LOSSES	2023	2022

The group has not recorded any depreciation of fixed assets realized during the accounting period.

Authorities expenses	-271	-369
Rent expenses	-76	-108
Other operating expenses	-226	-568

G10. OTHER OPERATING EXPENSES

EUR 1,000	2023	2022
Other operating expenses total	**-572**	**-1,046**

G11. REALIZED AND EXPECTED CREDIT LOSSES

EUR 1,000	2023	2022
Realized credit losses on receivables		
Realized credit losses on loans granted during the financial year	-320	-377
Realized credit losses on loans granted before the beginning of the financial year	-6,402	-3,562
Realized credit losses on receivables total	**-6,722**	**-3,939**
Expected credit losses change	1,723	-4,382
Realized and expected credit losses total	**-4,999**	**-8,321**

The change in expected credit losses decreased from the comparison period, due to the stabilization of the growth of the loan portfolio, selling Poland's loan portfolio and the reduction of the relative share of the old peer-to-peer loan portfolio. The amount of Poland's credit portfolio at the end of 2022 was EUR 3.4 million, of which EUR 3.2 million had been recorded as a loan loss provision.

The effects of the development of the ECL calculation model applied by the company and discretionary parameter changes on the amount of the credit loss provision in the financial period were about EUR 0.5 million, reducing the ECL provision: PD coefficients were updated based on more recent historical data, which reduced the ECL provision by EUR 0.2 million. The price change in the sales contract for overdue receivables has the effect of reducing the provision by EUR 0.3 million. During the accounting period, macroeconomic parameters were also updated and their weight in the calculation was increased, which slightly increased the ECL reserve. At the beginning of the 2024 financial year, the company has introduced the spread effect of insolvency for stage 3 loans in the ECL calculation model. In the 2023 financial statements, the effect of the model change has been taken into account as an estimate that increases the ECL reserve by EUR 0.03 million.

In the accounting period, a discretionary provision of EUR 0.5 million for the corporate credit base was recorded under expected credit losses.

The provision for expected credit losses in the financial statements on December 31, 2023 includes a total of EUR 0.9 million in increases in provisions at the management's discretion. Discretionary provisions are allocated to individual contracts and concern loans granted to corporate customers.

Expected credit losses include both receivables from customers and off-balance sheet commitments.

Transition of loan receivables in stages

The following reconciliations describe transitions and changes in expected credit losses per financial instrument category during the financial year.

	Stage 1	Stage 2	Stage 3	Total
Loan receivables from customers 1.1.2023	152,965	4,248	6,580	163,793
Transfers from stage 1 to stage 2	-6,105	5,366	0	-739
Transfers from stage 1 to stage 3	-4,145	0	3,976	-169
Transfers from stage 2 to stage 1	944	-1,148	0	-204
Transfers from stage 2 to stage 3	0	-560	508	-52
Transfers from stage 3 to stage 1	24	0	-31	-7
Transfers from stage 3 to stage 2	0	13	-14	-1
Increases due to origination and acquisition	354,939	165	237	355,341
Decreases due to derecognition	-331,022	-119	-2,262	-333,403
Decreases in the allowance account due to write-offs	-7,056	-2,351	-2,288	-11,694
Loan receivables from customers 31.12.2023	**160,543**	**5,614**	**6,708**	**172,866**

	Stage 1	Stage 2	Stage 3	Total
Loan receivables from customers 1.1.2022	12,032	874	5,211	18,118
Transfers from stage 1 to stage 2	-4,987	4,524	0	-462
Transfers from stage 1 to stage 3	-1,353	0	1,257	-97
Transfers from stage 2 to stage 1	1,018	-1,165	0	-148
Transfers from stage 2 to stage 3	0	-298	280	-18
Transfers from stage 3 to stage 1	65	0	-77	-12
Transfers from stage 3 to stage 2	0	9	-11	-2
Increases due to origination and acquisition	359,254	3,007	1,666	363,926
Decreases due to derecognition	-209,943	-1,117	-288	-211,349
Decreases in the allowance account due to write-offs	-3,119	-1,586	-1,458	-6,163
Loan receivables from customers 31.12.2022	**152,965**	**4,248**	**6,580**	**163,793**

Reconciliation 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.

	Stage 1	Stage 2	Stage 3	Total
ECL- reservation 1.1.2023	1,825	1,673	5,639	9,137
Transfers from stage 1 to stage 2	-84	789	0	705
Transfers from stage 1 to stage 3	-642	0	1,998	1,356
Transfers from stage 2 to stage 1	5	-113	0	-109
Transfers from stage 2 to stage 3	0	-109	233	125
Transfers from stage 3 to stage 1	0	0	-15	-14
Transfers from stage 3 to stage 2	0	2	-6	-4
Increases due to origination and acquisition	2,917	25	268	3,210
Changes in the ECL calculation model	0	0	0	0
Changes in credit risk	-348	-480	462	-366
Decreases in the allowance account due to write-offs	-1,530	-105	-2,864	-4,499
Decreases due to derecognition	-673	-1,236	-1,646	-3,555
ECL-reservation 31.12.2023	**1,469**	**444**	**4,071**	**5,984**

	Stage 1	Stage 2	Stage 3	Total
ECL- reservation 1.1.2022	347	200	4,160	4,708
Transfers from stage 1 to stage 2	-139	905		767
Transfers from stage 1 to stage 3	-146		827	681
Transfers from stage 2 to stage 1	9	-169		-160
Transfers from stage 2 to stage 3		-86	185	99
Transfers from stage 3 to stage 1	0		-51	-50
Transfers from stage 3 to stage 2		1	-7	-7
Increases due to origination and acquisition	3,108	668	1,304	5,080
Changes in credit risk	76	195	312	583
Changes in the ECL calculation model	-409	373	495	458
Decreases due to derecognition	-960	-7	-477	-1,444
Decreases in the allowance account due to write-offs	-63	-406	-1,110	-1,579
ECL-reservation 31.12.2022	**1,825**	**1,673**	**5,639**	**9,137**

Macroeconomic model assumptions used in the ECL calculation

The following table presents the companýs reporting period and comparison period macroeconomic model scenarios applied in the Company's ECL calculation, and the probabilities observed in the scenario weightings. The macroeconomic model applied by the Company is based on the trend in the gross domestic product rate.

		GROSS DOMESTIC PRODUCT %				
MACROECONOMIC DEVELOPMENT SCENARIOS	SCENARIO WEIGHTINGS	2023	2024	2025	2026	2027
Positive	20.00 %	1.1	2.3	2.6	2.8	2.9
Basic scenario (TEM)	**60.00 %**	**-0.1**	**1.0**	**1.3**	**1.5**	**1.6**
Negative	20.00 %	-1.4	-0.2	0.1	0.3	0.4

In its negative scenario the Company has anticipated a situation in which the war in Ukraine is still having a significantly negative impact on macroeconomic performance during 2024 and 2025, also reflecting the gross domestic product rate. However, the Company anticipates that the likelihood of this development is relatively small.

SENSITIVITY ANALYSIS OF EXPECTED CREDIT LOSSES

The table presents the sensitivity analysis of the ECL credit loss provision based on different scenarios.

EXPECTED CREDIT LOSSES IN DIFFERENT SCENARIOS	2023	2022
Positive	5,692	9,105
Basic scenario	**5,715**	**9,137**
Negative	5,738	9,170

G12. INCOME TAXES

EUR 1,000	2023	2022
Income taxes	1	-13
Deferred tax receivables	2	-888
Taxes for previous period	0	0
Income taxes total	**3**	**-901**

Tax rate reconciliation	2023	2022
Result before taxes	303	-9,684
Tax calculated at parent's tax rate of 20%	-61	1,937
Effect on different tax rates in foreign subsidiaries	1	-51
Non-deductible expenses	-2	-11
Change in deferred taxes from previous financial periods	2	-925
Unrecognized deferred tax assets for losses	0	-1,937
Benefit from previously unrecorded deferred tax assets	61	0
Other tax items	2	86
Taxes on income statement	**3**	**-901**

DEFERRED TAX REVEIVABLES

EUR 1,000	1.1.2023	Recognised in profit or loss	Booked to retained earnings	31.12.2023
Leases	2	1		3
Share-based payments	78		-78	0
Other adjustments	51		-51	0
Deferred tax receivables total	**129**	**1**	**-129**	**3**

	1.1.2022	Recognised in profit or loss	31.12.2022
Leases	1	1	2
Share-based payments	68	10	78
Expected credit losses	925	-925	0
Other adjustments	38	13	51
Deferred taxreceivables total	**1,032**	**-901**	**129**

	31.12.2023	31.12.2022
Deferred tax assets of right-of-use assets	101	99
Deferred tax liabilities of right-of-use liabilities	22	22

G13. EARNINGS PER SHARE

EUR 1,000	2023	2022
Profit attributable to the shareholders of the parent	306	-10,585
Weighted avarage number of the shares*	88,332,182	77,009,574
Share and option rights for share-based incentive programs	4,338,789	2,851,248
Earnings per share, basic		
Earnings per share, diluted	**0.00**	**-0.14**
Earnings per share, basic		
Earnings per share, diluted**	**0.00**	**-0.14**

* The weighted average of the following numbers of shares has been calculated in earnings per share:
1) The number of shares in Fellow Finance at the time of the merger multiplied by the exchange ratio (6), and
2) The number of Fellow Bank's outstanding shares at the time of reporting.
The EPS of the comparison period has been adjusted accordingly.

** Share-based incentive plans have no diluting effect when the company's result is loss-making.

The undiluted earnings per share are calculated by dividing the profit for the financial period 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.

G14. CLASSES OF FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUES

EUR 1,000			31.12.2023	
Assets	Amortised cost	Total	Measured at fair value	Value hierarchies
Cash and cash equivalents	129,364	129,364	129,364	1
Claims on credit institutions	5,461	5,461	5,461	1
Claims on the public and public sector entities	166,882	166,882	166,882	2
Total	**301,707**	**301,707**	**301,707**	

Liabilities	Amortised cost	Total	Measured at fair value	Value hierarchies
Liabilities to the public and public sector entities	268,864	268,864	268,864	2
Subordinated liabilities	6,210	6,210	6,210	2
Total	**275,074**	**275,074**	**275,074**	

Claims on the public and public sector entities mainly consist of variable-rate contracts with relatively short maturities. The fair value therefore does not differ substantially from the amortized acquisition cost.

			31.12.2022	
Assets	Amortised cost	Total	Measured at fair value	Value hierarchies
Cash and cash equivalents	118,028	118,028	118,028	1
Claims on credit institutions	8,441	8,441	8,441	1
Claims on the public and public sector entities	154,656	154,656	154,656	2
Total	**281,125**	**281,125**	**281,125**	

Liabilities	Amortised cost	Total	Measured at fair value	Value hierarchies
Liabilities to the public and public sector entities	246,810	246,810	246,810	2
Subordinated liabilities	6,203	6,203	6,203	2
Total	**253,013**	**253,013**	**253,013**	

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.
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.
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.

G15.CASH AND CASH EQUIVALENTS

EUR 1,000	31.12.2023	31.12.2022
Current account in the Bank of Finland	129,364	118,028
Cash and cash equivalents total	**129,364**	**118,028**

G16. RECEIVABLES FROM CREDIT INSTITUTIONS

EUR 1,000	31.12.2023	31.12.2022
Repayable on demand	2,861	5,941
Minimum reserve deposit to Bank of Finland	2,600	2,500
Receivables from credit institutions total	**5,461**	**8,441**

G17. CLAIMS ON THE PUBLIC AND PUBLIC SECTOR ENTITIES

EUR 1,000	31.12.2023	31.12.20212
Enterprises and public sector entities	38,640	30,253
Public sector entities	1,122	
Households	121,676	122,449
Foreigners	5,444	1,954
Claims on the public and public sector entities total	**166,882**	**154,656**

G18. INTANGIBLE ASSETS 2023

EUR 1,000	Goodwill	Development of IT software	Customer relationships	Other intangible assets	Total
Acquisition cost at 1.1.	5,957	3,866	240	121	10,184
Transfers between items		121		-121	0
Increases	0	687		0	687
Acquisition cost before depreciations	5,957	4,674	240	0	10,871
Accumulated depreciation 1.1.	0	-1,913	-24	-91	-2,027
Depreciation	0	-627	-48	0	-675
Transfern between items		-91		91	0
Accumulated depreciation 31.12.	0	-2,631	-72	0	-2,702
Acquisition cost at 31.12.	5,957	4,674	240	0	10,871
Accumulated depreciation 31.12.	0	-2,631	-72	0	-2,702
Book value 31.12.	**5,957**	**2,042**	**168**	**0**	**8,169**

INTANGIBLE ASSETS 2022	Goodwill	Development of IT software	Customer relationships	Other intangible assets	Total
Acquisition cost at 1.1.	0	2,773	0	121	2,894
Increases	0	913	0	0	913
Acquisitions	5,957	180	240	0	6,377
Acquisition cost before depreciations	5,957	3,866	240	121	10,184
Accumulated depreciation 1.1.	0	-1,399	0	-91	-1,490
Depreciation	0	-517	-24	0	-541
Accumulated depreciation 31.12.	0	-1,913	-24	-91	-2,027
Acquisition cost at 31.12.	5,957	3,866	240	121	10,184
Accumulated depreciation 31.12.	0	-1,913	-24	-91	-2,027
Book value 31.12.	**5,957**	**1,953**	**216**	**30**	**8,157**

Goodwill	**31.12.2023**	**31.12.2022**
Merger of Evli Pankki Oyj's banking business and Fellow Finance Oyj	5,338	5,338
Acquisition of Mobify Invoices Oy	619	619
Total	**5,957**	**5,957**

Goodwill impairment test

The amount of goodwill at the end of 2023 was EUR 6.0 million (6.0) for the Alisa Bank group. An impairment test is performed annually, or whenever there are indications of impairment, for a cash-generating unit to which goodwill has been assigned. In goodwill impairment testing, the book value of the cash-generating unit is compared to the recoverable amount of the business in question.

The forecast period of the recoverable cash flow is five years in total. The forecasts are based on three-year financial forecasts approved by the bank's board. In determining cash flows after this, 3 percent growth assumptions have been used, which are estimated to be below the industry's long-term growth rate. Cash flows that extend beyond the five-year forecast period have been determined using the terminal value method. The terminal value growth assumption is 2 percent, which corresponds to the European Central Bank's long-term inflation target. The cash flows are discounted to the present at a discount rate that reflects the group's cost of capital before taxes. The cash flows are discounted to the present with a discount rate that reflects the capital cost of the cash generating unit before taxes. The discount rate on 31 December 2023 was 9.4 percent. The discount rate takes into account the risk-free rate, country and industry risk, as well as the bank's volatility and size.

The test result shows that the recoverable amount exceeds the book value by 3 million euros, and Alisa Bank therefore has no need to write down the goodwill. In the sensitivity analysis, the effect of the most important variables on the test result was tested. The key variables are the business profit, the discount rate and the growth assumption after the three-year forecast period. In terms of business profit development, the sensitivity analysis stated that a 0.5 percentage point increase in credit losses in relation to the loan portfolio would cause the need to write down goodwill. The annual relative share of loan portfolio credit losses used in cash flow forecasts is 3.6-4 percent.

In 2022, Alisa Bank's recoverable amount in impairment testing was determined based on Alisa Bank's market value at the time of the financial statements. The method was changed because the cash flow varies from moment to moment based on the market value more sensitively than when testing with the cash flow model.

G19. TANGIBLE ASSETS 2023

EUR 1,000	Machinery and equipment	Right-of-use property
Acquisition cost at 1.1.	300	460
Increases	11	550
Acquisition cost before depreciations	311	1,010
Accumulated depreciation 1.1.	-272	-349
Depreciation	-9	-147
Other changes	-9	-19
Accumulated depreciation 31.12.	-290	-515
Acquisition cost at 31.12.	311	1,010
Accumulated depreciation 31.12.	-290	-515
Tangible assets total, 31.12.	**22**	**495**

G19. TANGIBLE ASSETS 2022

EUR 1,000	Machinery and equipment	Right-of-use property
Acquisition cost at 1.1.	278	460
Increases	22	0
Acquisition cost before depreciations	300	460
Accumulated depreciation 1.1.	-240	-230
Depreciation	-32	-119
Accumulated depreciation 31.12.	-272	-349
Acquisition cost at 31.12.	300	460
Accumulated depreciation 31.12.	-272	-349
Tangible assets total, 31.12.	**28**	**111**

Lease liabilities	**31.12.2023**	**31.12.2022**
Long-term lease liabilities	342	114
Short-term lease liabilities	161	122
Lease liabilities, total	**503**	**236**

G20. OTHER ASSETS

EUR 1,000	31.12.2023	31.12.2022
Receivables on payment transfers	9	179
Commission receivables	1,848	1,255
Other assets	0	183
Other assets total	**1,857**	**1,438**

G21. ACCRUED INCOME AND PREPAYMENTS

EUR 1,000	31.12.2023	31.12.2022
Interest receivables	5	1
Prepayments	294	39
Others	47	171
Accrued income and prepayments total	**346**	**210**

G22. TAX ASSETS AND LIABILITIES

EUR 1,000	31.12.2023	31.12.2022
Tax assets		
Deferred tax assets	3	129
Current income tax receivables	243	461
Tax assets and liabilities total	**246**	**590**

G23. LIABILITIES TO THE PUBLIC AND PUBLIC SECTOR ENTITIES

EUR 1,000	31.12.2023	31.12.2022
Deposits	268,864	246,810
Liabilities to the public and public sector entities total	**268,864**	**246,810**

G24. SUBORDINATED LIABILITIES

EUR 1,000	31.12.2023	31.12.2022
Debentures	6,210	6,203
Subordinated liabilities total	**6,210**	**6,203**

The debenture loan is an instrument with a lower priority than Alisa Bank's other commitments, which belongs to the secondary capital referred to in the solvency regulations applicable to Alisa Bank. The loan term of the debenture loan is five years and it matures on October 17, 2027. The fixed annual interest rate of the debenture loan is 8 percent.

G25. OTHER LIABILITIES

EUR 1,000	31.12.2023	31.12.2022
Lease liabilities	503	111
Personnel related	3	7
Accounts payable	544	360
Liabilities on peer-to-peer loans to investors	1,780	5,684
Other liabilities	2,722	2,635
Other liabilities total	**5,551**	**8,796**

Liabilities to peer-to-peer loan investors decreased due to their maturity and sale.

G26. ACCRUED EXPENSES AND DEFERRED INCOME

EUR 1,000	31.12.2023	31.12.2022
Interest payable	3,126	1,447
Tax payable	0	4
Personnel related	1,022	857
Accrued expenses	1,,906	1,559
Accrued expenses and prepayments total	**6,054**	**3,867**

Other accrued liabilities consist of usual expense provisions and purchased credit base from the related periodization, which is discharged when the loan portfolio is removed from the balance sheet.

G27. EQUITY

EUR 1,000	31.12.2023	31.12.2022
Restricted equity		
Share capital 1.1.	18,286	125
Reverse acquisition	0	6,446
Share issue	0	11,715
Other changes	3	0
Share capital 31.12.	18,289	18,286
Total restricted equity	**18,289**	**18,286**
Unrestricted equity		
Reserve for invested unrestricted equity	19,917	19,917
Retained earnings	-12,350	-1,636
Result for the year	306	-10 585
Total unrestricted equity	**7,873**	**7,698**
Total equity	**26,162**	**25,985**

G28. OFF-BALANCE SHEET ITEMS

EUR 1,000	31.12.2023	31.12.2022
Unused credit facilities	5,647	1,455
Total	**5,647**	**1,455**

Off-balance sheet commitments are overdraft facilities granted to customers that the customer has not withdrawn. The expected credit loss on off-balance sheet items is EUR 41 thousand (EUR 36 thousand).

G29. COLLATERALS RECEIVED

EUR 1,000	31.12.2023	31.12.2022
Real estate collateral	1,962	4,419
Guarantees received	9,391	238
Other	11,417	15,839
Collaterals received total	**22,770**	**20,496**

G30. GROUP STRUCTURE

Subsidiaries consolidated into the group		31.12.2023	31.12.2022
Subsidiaries	**Domestic**	**Group ownership**	**Group ownership**
Lainaamo Ltd	Finland	100.0 %	100.0 %
Mobify Invoices Ltd	Finland	100.0 %	100.0 %
Fellow Finance Estonia Oü	Estonia	100.0 %	100.0 %
Fellow Finance Česko s.r.o	Czech Republic	100.0 %	100.0 %
Fellow Finance Polska Sp. z o.o.	Poland	0.0 %	100.0 %
Fellow Finance Deutschland GmbH	Germany	100.0 %	100.0 %

G31. RELATED PARTY TRANSACTIONS

Related party refers to key persons in a leading position in Alisa Bank and their family members, subsidiaries and companies in which a key person in a leading position has control or joint control. The key persons are the members of the board, the CEO and the CEO's deputy, and the rest of the management team.

During the review period, business transactions with related parties consisted of Alisa Bank's deposit liabilities, debenture loans and related interest.

RELATED PARTY TRANSACTIONS

EUR 1,000	31.12.2023	31.12.2022
Liabilites	509	* 716
Expenses	16	0
Total	**525**	**716**

* Related party investments in the debenture loan issued by Alisa Bank have been added to the comparative information.

G32. SIGNIFICANT EVENTS AFTER THE PERIOD

There are no known events after the end of the accounting period that would require the presentation of additional information or that would significantly affect the company's financial position.

Parent company´s Financial Statements

Parent company's income statement 64
Parent company's balance sheet 65
Parent company's statement of cash flow 66

Parent company's notes
P1. Parent Company's accounting policies 67
P2. Net interest income 68
P3. Fee and commission income and expenses 68
P4. Net investment income 69
P5. Other operating income 69
P6. Personnel expenses 70
P7. Other administrative expenses 70
P8. Depreciation and impairment losses 70
P9. Other operating expenses 70
P10. Realized and expected credit losses 71
P11. Income taxes 71
P12. Classes of financial assets and liabilities and fair values 72
P13. Maturities of financial assets and liabilities 74
P14. Assets and liabilities in domestic and foreign currencies 75
P15. Cash and cash equivalents 75
P16. Claims on credit institutions 76
P17. Claims on public and public sector entities 76
P18. Shares and participations in associates and joint ventures 76
P19. Intangible assets 77
P20. Tangible assets 78
P21. Other assets 79
P22. Accrued income and prepayments 79
P23. Tax assets and liabilities 79
P24. Liabilities to the public and public sector entities 79
P25. Other liabilities 79
P26. Accrued expenses deferred income 79
P27. Subordinated liabilities 79
P28. Equity 80
P29. Assets pledged as collateral 81
P30. Off-balance sheet commitments 81

Parent company income statement

EUR 1,000	NOTE	2023	2022
Interest income		20,077	11,154
Interest expenses		-5,302	-2,640
Net interest income	P2	**14,775**	**8,514**
Fee and commission income	P3	3,172	14,442
Fee and commission expenses	P3	-1,393	-2,471
Net investment income	P4	34	21,597
Other operating income	P5	168	740
Total operating income		**16,756**	**42,822**
Operating expenses			
Personnel expenses	P6	-5,246	-7,382
Other administrative expenses	P7	-4,700	-6,838
Depreciation and amortization on tangible and intangible assets	P8	-591	-1,077
Other operating expenses	P9	-569	-1,802
Realized and expected credit losses	P10	-5,124	-8,011
Operating profit		**525**	**17,710**
Profit before taxes		**525**	**17,710**
Income taxes	P11	0	-11
Profit (loss) for the financial year		**525**	**17,699**

Parent company balance sheet

EUR 1,000	NOTE	2023	2022
Assets			
Cash and equivalents	P15	129,364	118,028
Claims on credit institutions	P16	4,022	7,347
Claims on the public and public sector entities	P17	167,182	155,080
Shares and participation in associates and joint ventures	P18	5,028	5,028
Intangible assets	P19	2,068	1,964
Property, plant and equipment	P20	22	29
Other assets	P21	1,857	1,092
Accrued income and prepayments	P22	315	193
Income tax assets	P23	243	224
Assets total		**310,101**	**288,985**

EUR 1,000	NOTE	2023	2022
Liabilities			
Liabilities to the public and public sector entities	P24	268,864	246,810
Other liabilities	P25	5,041	8,751
Accrued expenses and deferred income	P26	6,031	3,791
Subordinated liabilities	P27	6,210	6,203
Liabilities total		**286,146**	**265,555**
Equity	P28		
Share capital		18,289	18,289
Fund of invested non-restricted equity		12,452	12,577
Retained earnings		-7,312	-25,011
Profit (loss) for financial year		525	17,699
Equity total		**23,955**	**23,430**
Liabilities and equity total		**310,101**	**288,985**

Parent company cash flow statement

EUR 1,000	2023	2022
Cash flow from operating activities		
Profit (loss) for the period	**525**	**17,699**
Adjustments for items not included in cash flow		
Depreciation and impairment	591	1,077
Credit losses	5,484	8,011
Income taxes	0	11
Other adjustments	-109	0
Adjustments total	**5,967**	**9,100**
Cash flows from operating before changes in operating assets and liabilities	**6,492**	**26,799**
Increase (-) or decrease (+) in operating assets		
Claims on the public and public sector entities	-17,586	34,186
Other assets	-906	-179
Increase (-) or decrease (+) in operating liabilities		
Liabilities to the public and public sector entities	22,055	-72,126
Other liabilities	-1,408	-105
Cash flow from operating activities	**8,647**	**-11,424**

EUR 1,000	2023	2022
Investing activities		
Investments in tangible assets	-2	-22
Investments in intangible assets	-744	-526
Sales of subsidiaries	109	0
Acquisitions of subsidiaries	0	-772
Cash flow from investing activities	**-637**	**-1,319**
Cash flow from financing activities		
Repayment of bond	0	-7,380
Issue of debenture loan	0	6,100
Dividends paid to companys shareholders	0	-25,229
Paid directed share issue	0	11,715
Cash flow from financing activities	**0**	**-14,794**
Change in cash and cash equivalents	**8,010**	**-27,537**
Cash and cash equivalents at the beginning of period	125,375	385,161
Effects on business arragement	0	-232,249
Cash and cash equivalents at the end of period	**133,386**	**125,375**
Cash and equivalents are formed by the following items:		
Cash and equivalents	129,364	118,028
Claims on credit institutions	4,022	7,347
Cash and cash equivalents at the end of period	**133,386**	**125,375**

P1. Accounting principles for the Parent Company

Company's basic information

Alisa Bank Plc ("company") domicile is in Helsinki and registered address is Pursimiehenkatu 4 A, 00150 Helsinki.

The parent company's financial statements have been prepared and presented in accordance with the provisions of Act on Credit Institutions, the Decree of the Ministry of Finance on financial statements and Regulations and Guidelines 2/2016 of the Finnish Financial Supervisory Authority on accounting, financial statements and management reports for the financial sector. In addition, the Accounting Act and the Limited Liability Companies Act are complied with regulations regarding financial statements.

Differences in accounting principles compared to the group

Leases of property, plant and equipment in which substantially all the company's risks and rewards of ownership are classified as finance leases. In financial statement, leases payable under these contracts are treated as rental expenses. Moreover, an asset acquired under a finance lease is not included in the balance sheet.

In other respects, the principles for preparing the company's separate financial statements correspond to the principles of Alisa Group.

Notes to the income statement

P2. NET INTEREST INCOME

EUR 1,000	2023	2022
Interest income		
Interest income from other loans and claims		
Claims on credit institutions	4,070	352
Claims on the public and public sector entities	16,001	10,520
From companies belonging to the same group	6	283
Interest income Total	**20,077**	**11,154**
Interest expenses		
Interest expenses from other borrowing		
Liabilities to the public and public sector entities and credit institutions	-4,803	-2,421
Debt securities issued to the public	0	-106
Subordinated liabilities	-495	-103
Other interest expenses	-4	-10
Interest expenses total	**-5,302**	**-2,640**
Net interest income	**14,775**	**8,514**

P3. FEE AND COMMISSION INCOME AND EXPENSES

EUR 1,000	2023	2022
Fee and commission income		
Credit related fees and commissions	2,011	831
Peer to peer lending	951	1,225
Insurance brokerage	72	47
Securities issue	0	12,264
Other fee and commission income	138	75
Fee and commission income total	**3,172**	**14,442**
Fee and commission expenses		
Lending	-176	-865
Peer to peer lending	0	-158
Trading fees paid to stock exchanges	0	-480
Other fee and commission expenses	-1,216	-968
Fee and commission expenses total	**-1,393**	**-2,471**

P4. NET INVESTMENT INCOME

EUR 1,000	2023	2022
Financial assets held for trading	0	25
Financial assets at fair value through profit or loss	0	21,915
Net income from foreign exchange operations	34	-343
Net investment income total	**34**	**21,597**

			2023
Net investment income from securities transactions by instrument	**Gains and losses on sales**	**Changes in fair value**	**Total**
Net income from foreign exchange operations	34	0	34
Net investemt income total	**34**	**0**	**34**

			2022
Net investment income from securities transactions by instrument	**Gains and losses on sales**	**Changes in fair value**	**Total**
Shares and derivative contracts	22,218	-255	21,963
Net income from foreign exchange operations	-366	0	-366
Net investemt income total	**21,852**	**-255**	**21,597**

P5. OTHER OPERATING INCOME

EUR 1,000	2023	2022
From companies belonging to the same group	30	708
Other income	138	32
Other operating income total	**168**	**740**

P6. PERSONNEL EXPENSES

EUR 1,000	2023	2022
Wages and salaries	-5,073	-7,006
Other social security costs	-91	-194
Pension expenses	-692	-505
Activation of personnel costs	609	323
Personnel expenses total	**-5,246**	**-7,382**

Number of personnel, average	2023	2022
Number of personnel during the period, average	77	74
Number of personnel at the end of the period	76	66

P7. OTHER ADMINSTRATIVE EXPENSES

EUR 1,000	2023	2022
Office expenses	-282	-424
Office expenseses, from companies belonging to the same group	-444	-321
IT and infosystems	-1,891	-2,736
Business expenses	-7	-118
Travel expenses	-36	-63
Car expenses	-3	-1
Other HR related expenses	-123	-258
Marketing expenses	-129	-435
Banking and custodian expenses	-84	-141
External services	-1,701	-2,341
Other expenses	-1	0
Other administrative expenses total	**-4,700**	**-6,838**

FEES PAID TO THE AUDIT FIRM

EUR 1,000	2023	2022
Audit	-163	-156
Assignments referred to in section 1 subsection 1 section 2 of the Audit Act	-3	-11
Other services	-22	-70
Fees paid to the audit firm total	**-189**	**-237**

P8. DEPRECIATION AND IMPAIRMENT LOSSES

EUR 1,000	2023	2022
Intangible assets	-583	-1,014
Tangible assets	-9	-63
Depreciation, amortization and impairment losses total	**-591**	**-1,077**

The group has not experienced any depreciation of fixed assets realized during the accounting period.

P9. OTHER OPERATING EXPENSES

EUR 1,000	2023	2022
Authorities expenses	-270	-390
Rent expenses	-169	-580
Other operating expenses	-130	-832
Other operating expenses total	**-569**	**-1,802**

P10. REALISED AND EXPECTED CREDIT LOSSES

EUR 1,000	2023	2022
Realized credit losses on receivables		
Realized credit losses on loans granted during the financial year	-320	-377
Realized credit losses on loans granted before the beginning of the financial year	-6,527	-3,242
Realised and expected credit losses and impairment losses	**-6,847**	**-3,619**
Expected credit losses (ECL) change	1,723	-4,392
Impairment of receivables total	**-5,124**	**-8,011**

The change in expected credit losses decreased from the comparison period, due to the stabilization of the growth of the loan portfolio, selling Poland's loan portfolio and the reduction of the relative share of the old peer-to-peer loan portfolio. The amount of Poland's credit portfolio at the end of 2022 was EUR 3.4 million, of which EUR 3.2 million had been recorded as a loan loss provision.

The effects of the development of the ECL calculation model applied by the company and discretionary parameter changes on the amount of the credit loss provision in the financial period were about EUR 0.5 million, reducing the ECL provision: PD coefficients were updated based on more recent historical data, which reduced the ECL provision by EUR 0.2 million. The price change in the sales contract for overdue receivables has the effect of reducing the provision by EUR 0.3 million. During the accounting period, macroeconomic parameters were also updated and their weight in the calculation was increased, which slightly increased the ECL reserve. At the beginning of the 2024 financial year, the company has introduced the spread effect of insolvency for stage 3 loans in the ECL calculation model. In the 2023 financial statements, the effect of the model change has been taken into account as an estimate that increases the ECL reserve by EUR 0.03 million.

In the accounting period, a discretionary provision of EUR 0.5 million for the corporate credit base was recorded under expected credit losses.

The provision for expected credit losses in the financial statements on December 31, 2023 includes a total of EUR 0.9 million in increases in provisions at the management's discretion. Discretionary provisions are allocated to individual contracts and concern loans granted to corporate customers.

Expected credit losses include both receivables from customers and off-balance sheet commitments.

P11. INCOME TAXES

EUR 1,000	2023	2022
Other direct taxes	0	-11
Income taxes total	**0**	**-11**

Notes to balance sheet

P12. CLASSES OF FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUES

EUR 1,000 — 31.12.2023

Assets	Amortised cost	Total	Measured at fair value	Value hierarchies
Cash and cash equivalents	129,364	129,364	129,364	1
Claims on credit institutions	4,022	4,022	4,022	1
Claims on the public and public sector entities	167,182	167,182	167,182	2
Other assets	1,857	1,857	1,857	
Total	**302,424**	**302,424**	**302,424**	

Liabilities	Amortised cost	Total	Measured at fair value	Value hierarchies
Liabilities to the public and public sector entities	268,864	268,864	268,864	2
Subordinated liabilities	6,210	6,210	6,210	2
Non-financial liabilities	5,041	5,041	5,041	
Total	**280,115**	**280,115**	**280,115**	

EUR 1,000 — 31.12.2022

Assets	Amortised cost	Total	Measured at fair value	Value hierarchies
Cash and cash equivalents	118,028	118,028	118,028	1
Claims on credit institutions	7,347	7,347	7,347	1
Claims on the public and public sector entities	155,080	155,080	155,080	2
Other assets	1,092	1,092	1,092	
Total	**281,548**	**281,548**	**281,548**	

Liabilities	Amortised cost	Total	Measured at fair value	Value hierarchies
Liabilities to the public and public sector entities	246,810	246,810	246,810	2
Subordinated liabilities	6,203	6,203	6,203	2
Non-financial liabilities	8,751	8,751	8,751	
Total	**261,764**	**261,764**	**261,764**	

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.

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.

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.

P13. MATURITIES OF FINANCIAL ASSETS AND LIABILITIES

	2023						2022					
EUR 1,000	**Less than 3 months**	**3-12 months**	**1-5 years**	**5-10 years**	**Over 10 years**	**Total**	**Less than 3 months**	**3-12 months**	**1-5 years**	**5-10 years**	**Over 10 years**	**Total**
Assets												
Financial liabilities at amortized cost												
Cash and cash equivalents	129,364					**129,364**	118,028					**118,028**
Claims on credit institutions	4,022					**4,022**	7,347					**7,347**
Claims on the public and public sector entities	29,730	5,576	73,282	47,535	17,042	**173,166**	34,233	7,044	61,683	46,831	14,002	**163,793**
Liabilities												
Financial liabilities at amortized cost												
Liabilities to public	204,192	47,406	17,267			**268,864**	197,863	19,335	31,059			**248,257**
Subordinated liabilities	110		6,100			**6,210**	103		6,100			**6,203**
Off-balance sheet commitments	5,647					**5,647**	1,455					**1,455**

P14. ASSETS AND LIABILITIES DENOMINATED IN DOMESTIC AND FOREIGN CURRENCY

	2023			2022		
EUR 1,000	**Domestic currency**	**Foreign currency**	**Total**	**Domestic currency**	**Foreign currency**	**Total**
Assets						
Financial assets at amortized cost						
Cash and cash equivalents	129,364		**129,364**	118,028		**118,028**
Claims on credit institutions	4,020	1	**4,022**	7,346	1	**7,347**
Claims on the public and public sector entities	167,182		**167,182**	155,080		**155,080**
Other asset items	4,505		**4,505**	3,501		**3,501**
Total	**305,071**	**1**	**305,072**	**283,956**	**1**	**283,957**
Liabilities						
Financial liabilities at amortized cost						
Liabilities to the public and public sector entities	219,045	49,819	**268,864**	246,810		**246,810**
Subordinated liabilities	6,210		**6,210**	6,203		**6,203**
Other liabilities items	11,056	16	**11,072**	12,520	23	**12,543**
Total	**236,311**	**49,835**	**286,146**	**265,533**	**23**	**265,555**

P15. CASH AND CASH EQUIVALENTS

EUR 1,000	**31.12.2023**	**31.12.2022**
Balances with central banks	129,364	118,028
Cash and cash equivalents total	**129,364**	**118,028**

P16. RECEIVABLES FROM CREDIT INSTITUTIONS

EUR 1,000	31.12.2023	31.12.2022
Repayable on demand	1,422	4,847
Other than repayable on demand	2,600	2,500
Receivables from credit institutions total	**4,022**	**7,347**

P17. CLAIMS ON THE PUBLIC AND PUBLIC SECTOR ENTITIES

EUR 1,000	31.12.2023	31.12.2022
Other than repayable on demand		
Enterprises and housing associations	20,960	23,693
Public sector entities	1,122	0
Households	139,356	129,433
Foreign countries	5,744	1,954
Other than repayable on demand total	**167,182**	**155,080**
Claims on the public and public sector entities total	**167,182**	**155,080**

P18. SHARES AND PARTICIPATION IN ASSOCIATES AND JOINT VENTURES

EUR 1,000	2023	2022
At the beginning of the period	0	5,354
Effects on business arrangement	0	-5,354
At the end of the period	**0**	**0**
Shares and participations in companies belonging to the Group		
At the beginning of the period	5,028	18,465
Effects on business arrangement	0	-14,679
Write-downs	0	-49
Additions	0	1,292
At the end of the period	**5,028**	**5,028**

P19. INTANGIBLE ASSETS

EUR 1,000	Goodwill	Leasehold improvements FAS	Development of IT software	Other intangible assets	Total
			2023		
Acquisition cost at 1.1.	0	0	4,551	0	**4,551**
Increases	0	0	688	0	**688**
Acquisition cost before depreciations	0	0	5,239	0	**5,239**
Accumulated depreciation 1.1.	0	0	-2,587	0	**-2,587**
Depreciation	0	0	-583	0	**-583**
Accumulated depreciation 31.12.	0	0	-3,170	0	**-3,170**
Acquisition cost at 31.12.	0	0	5,239	0	**5,239**
Accumulated depreciation 31.12.	0	0	-3,170	0	**-3,170**
Book value 31.12.	**0**	**0**	**2,068**	**0**	2,068

EUR 1,000			2022		
Acquisition cost at 1.1.	1,168	1,401	21,536	2,331	**26,436**
Increases	0	0	526	0	**526**
Effects on business arragement	-1,168	-1,401	-17,510	-2,331	**-22,411**
Acquisition cost before depreciations	0	0	4,551	0	**4,551**
Accumulated depreciation 1.1.	-760	-1,390	-17,734	-2,096	**-21,980**
Depreciation	-60	-11	-388	-53	**-511**
Effects on business arragement	760	1,390	15,535	2,096	**19,781**
Accumulated depreciation 31.12.	-60	-11	-2,587	-53	**-2,711**
Acquisition cost at 31.12.	0	0	4,551	0	**4,551**
Accumulated depreciation 31.12.	-60	-11	-2,587	-53	**-2,711**
Book value 31.12.	**0**	**0**	**1,964**	**0**	1,964

P20. TANGIBLE ASSETS

	2023		
EUR 1,000	**Machinery and equipment**	**Other tangible assets**	**Total**
Acquisition cost at 1.1.	272	7	**279**
Increases	2	0	**2**
Acquisition cost before depreciations	273	7	**280**
Accumulated depreciation 1.1.	-243	-7	**-250**
Depreciation	-9	0	**-9**
Accumulated depreciation 31.12.	-252	-7	**-259**
Acquisition cost at 31.12.	273	7	**280**
Accumulated depreciation 31.12.	-252	-7	**-259**
Book value 31.12.	**22**	**0**	22

EUR 1,000		2022	
Acquisition cost at 1.1.	1,668	601	**2,269**
Increases	22	0	**22**
Effects on business arragement	-1,419	-594	**-2,013**
Acquisition cost before depreciations	272	7	**279**
Accumulated depreciation 1.1.	-1,323	0	**-1,323**
Depreciation	-19	0	**-19**
Effects on business arragement	1,099	-7	**1,092**
Accumulated depreciation 31.12.	-243	-7	**-250**
Acquisition cost at 31.12.	272	7	**279**
Accumulated depreciation 31.12.	-243	-7	**-250**
Book value 31.12.	**29**	**0**	29

P21. OTHER ASSETS

EUR 1,000	31.12.2023	31.12.2022
Commission receivables	1,848	910
Other receivables	9	182
Other assets total	**1,857**	**1,092**

P22. ACCRUED INCOME AND PREPAYMENTS

EUR 1,000	31.12.2023	31.12.2022
Interest	5	6
Staff-related	47	39
Other items	264	148
Accrued income and prepayments total	**315**	**193**

P23. TAX ASSETS AND LIABILITIES

EUR 1,000	31.12.2023	31.12.2022
Income tax assets	243	224
Tax assets and liabilities total	**243**	**224**

P24. LIABILITIES TO THE PUBLIC AND PUBLIC SECTOR ENTITIES

EUR 1,000	31.12.2023	31.12.2022
Liabilities to public		
Repayable on demand	268,864	246,810
Liabilities to the public and public sector entities total	**268,864**	**246,810**

P25. OTHER LIABILITIES

EUR 1,000	31.12.2023	31.12.2022
Other short-term liabilities	4,885	8,582
VAT payable	156	169
Other liabilities total	**5,041**	**8,751**

P26. ACCRUED EXPENSES AND DEFERRED INCOME

EUR 1,000	31.12.2023	31.12.2022
Personnel related	1,022	820
Interest expenses	3,126	1,447
Other accrued expenses	1,882	1,525
Accrued expenses and deferred income total	**6,031**	**3,791**

P27. SUBORDINATED LIABILITIES

EUR 1,000	31.12.2023	31.12.2022
Debentures	6,210	6,203
Subordinated liabilities total	**6,210**	**6,203**

P28. EQUITY

EUR 1,000	31.12.2023	31.12.2022
Restricted equity		
Share capital 1.1.	18,289	30,194
Merger of Fellow Finance Plc	0	125
Effects on business arragement	0	-23,745
Directed share issue	0	11,715
Share capital 31.12.	**18,289**	**18,289**
Share premium fund 1.1.	0	1,839
Effects on business arragement	0	-1,839
Share premium fund 31.12.	**0**	**0**
Total restricted equity	**18,289**	**18,289**
Unrestricted equity		
Fund of invested non-restricted equity 1.1.	12,452	23,285
Effect of partial demerger	0	-23,285
Directed share issue	0	500
Merger of Fellow Finance Plc	0	11,952
Fund of invested non-restricted equity 31.12.	**12,452**	**12,452**
Retained earnings 1.1.	-7,312	28,025
Effect of partial demerger	0	-27,807
Dividends	0	-25,229
Result for the year	525	17,699
Retained earnings 31.12.	**-6,787**	**-7,312**
Total unrestricted equity	**5,666**	**5,141**
Total equity	**23,955**	**23,430**

P28. EQUITY

EUR 1,000	31.12.2023	31.12.2022
Calculation of distributable equity		
Retained earnings 1.1.	-7,312	28,025
Effect of partial demerger	0	-27,807
Dividends	0	-25,229
Result for the year	525	17,699
Reserve for invested unrestricted equity	12,452	12,452
Capitalized development expenditure	-2,071	-1,964
Total	**3,595**	**3,301**

Share capital of the company	**31.12.2023**	**31.12.2022**
The company's shares are quoted on the Nasdag Helsinki under the trading code ALISA.		
No. of shares (ALISA)	88.332.182	88.332.182
Total	**88.332.182**	**88.332.182**

Each share carries one vote at a General Meeting of Shareholders

Own shares held by the credit institution

On December 31, 2023 the company hold a total of 14.081 own shares.

P29. ASSETS PLEDGED AS COLLATERAL

EUR 1,000	2023			2022		
ASSETS	Fair value of encumbered assets	Fair value of unencumbered assets	of which usable as collateral	Fair value of encumbered assets	Fair value of unencumbered assets	of which usable as collateral
Cash and cash equivalents		129,364	126,864		118,028	115,566
Claims on credit institutions		4,022	4,022		7,347	7,347
Claims on the public and public sector entities		167,182			155,080	
Total	**0**	**300,567**	**130,886**	**0**	**280,456**	**122,913**

P30. OFF-BALANCE SHEET COMMITMENTS	2023	2022
Unused credit facilities, given to clients	**5,647**	**1,455**
Total	**5,647**	**1,455**

Off-balance sheet commitments are overdraft facilities granted to customers that the customer has not withdrawn.

Signatures on the Financial Statements and the Annual Report

Helsinki, February 15, 2024

Markku Pohjola
Chairman of the Board

Teuvo Salminen
Deputy Chairman of the Board

Lea Keinänen

Jorma Pirinen

Tero Weckroth

Sami Honkonen

Johanna Lamminen

Auditor's Note

Based on the auditing an audit report has been issued today.

Helsinki, February 15, 2024

KPMG Oy
Authorised Public Accountants

Tiia Kataja
Authorised Public Accountant (KHT)

Auditor's Report

(This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding)

To the Annual General Meeting of Alisa Bank Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alisa Bank Plc (business identity code 0533755-0) for the year ended 31 December 2023. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note G8 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Claims on the public and public sector entities – measurement (notes G11 and G17 to the consolidated financial statements)	
Claims on the public and public sector entities, totalling EUR 167 million, is a significant item on the Alisa Bank's balance sheet representing 53% of the total assets. Calculation of expected credit losses (ECL) in accordance with IFRS 9 Financial Instruments is based on the impairment models applied by Alisa Bank and expert estimates. This involves estimates, assumptions, and management judgements, especially in respect of determining the probability of expected credit losses as well as significant increases in credit risk. Developments in the economic environment and related uncertainties may increase credit risk, which can realise in higher impairment loss on claims. The elements of accounting for expected credit losses are updated and defined, based on materialised credit risk developments, improvements of the accounting process as well as on regulations and changes therein. Due to the significance of the carrying amount involved, complexity of the purposes and management judgement involved, measurement of claims is addressed as a key audit matter.	We obtained an understanding of Alisa Bank's lending process, credit risk management and calculation of expected credit losses. We evaluated compliance with the lending instructions and assessed credit risk management as well as the principles and controls over recognition of claims. We assessed the methods and the key assumptions used for calculating expected credit losses as well as tested the controls related to the calculation process and credit risk models for expected credit losses. The focus areas in our audit included the replication of the ECL provisioning under the impairment model and the basis for recording overlays relying on management judgements and estimates. Our IFRS and financial instruments specialists were involved in the audit. Furthermore, we considered the appropriateness of the notes provided in respect of claims and expected credit losses.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 20 April 2023, and our appointment represents a total period of uninterrupted engagement of 1 year.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 15 February 2024

KPMG Oy Ab

Tiia Kataja
Authorised Public Accountant, KHT

Governance

In addition to legislation and other regulations, Alisa Bank's operations and administration are guided by the Articles of Association and the company's values and internal operating principles. Alisa Bank also complies with the Corporate Governance Code 2020. The code can be viewed on the internet at www.cgfinland.fi/en.

General Meeting

Alisa Bank's highest decision-making power is exercised by the shareholders at the General Meeting. General Meetings are held at least once a year. In addition to the General Meeting, Alisa Bank's corporate governance model consists of the Board of Directors and the CEO. The Group's Management Team assists the CEO in the operative management of the company.

Board of Directors

The Board of Directors is responsible for Alisa Bank's administration and appropriate organisation of operations. The Board of Directors has overall authority to decide on all matters related to the company's administration and other matters which, under the law or the Articles of Association, do not belong to the General Meeting or the CEO.

The Board of Directors meets regularly at least six times per year. If necessary, the Board of Directors can meet more often. The Board of Directors is quorate when more than half of the members are present. The Board of Directors is elected by the General Meeting.

In accordance with the Articles of Association, the company's Board of Directors shall consist of at least four (4) and at most eight (8) regular members whose term shall expire at the close of the Annual General Meeting that follows their election.

Alisa Bank Plc's Corporate Governance Statement can be found on the company's website, www.alisabank.com

The company's Board of Directors includes the following persons:

Markku Pohjola
Chairman of the Board
b. 1948
B.Sc. (Econ.)

Teuvo Salminen
Deputy Chairman of the Board
b. 1954
M.Sc. (Econ.)

Sami Honkonen
from 20.4.2023
b. 1983
Bachelor of Science (B.Sc.)

Lea Keinänen
b. 1966
graduate in business and marketing and MBA

Johanna Lamminen
from 20.4.2023
b. 1966
Doctor of Science (Tech.) and MBA

Jorma Pirinen
b. 1959
graduate in business and marketing and MBA

Tero Weckroth
b. 1971
Licensed pharmacist and MBA

The Board's committees

Audit Committee

The Audit Committee is responsible for assisting the Board of Directors in ensuring that the company has an adequate internal control system covering all operations and that the company's risk management has been arranged appropriately, and it also monitors the financial statements reporting process.

The Audit Committee comprises chairman Teuvo Salminen, members Sami Honkonen, Johanna Lamminen and Tero Weckroth.

Personnel Committee

The Personnel Committee, which also acts as the Compensation Committee, is responsible for assisting the company's Board in the preparation of matters related to the terms of employment and remuneration of management and employees. The Personnel Committee monitors and assesses the company's wellbeing at work, personnel satisfaction and development.

The Personnel Committee comprises chairman Markku Pohjola, Lea Keinänen and Jorma Pirinen.

Shareholders' Nomination Board

Alisa Bank Plc's Shareholders' Nomination Board prepares proposals regarding the election and remuneration of the members of the Board for the Annual General Meeting. In accordance with the charter of the Shareholders' Nomination Board, each of the four largest shareholders of the company shall appoint a member to the Shareholders' Nomination Board. The shareholders who are entitled to appoint a member are determined annually on the basis of the company's shareholder register maintained by Euroclear Finland Oy on the last working day of August each year.

Composition of the Nomination Committee:

- Maunu Lehtimäki (Chairman), who was appointed by Evli Plc with 15,288,303 shares
- Karri Haaparinne, who was appointed by Taaleri Plc with 15,288,303 shares
- Henrik Andersin, who was appointed by Oy Scripo Ab with 4,754,100 shares
- Harri Tilev, who was appointed by Oy T&T Nordcap Ab with 3,938,616 shares
- In addition, Markku Pohjola, the Chairman of the Board of Alisa Bank, serves as an expert in the Nomination Committee without being a member.

CEO and Management Team

The CEO is responsible for the day-to-day management of the company in accordance with the Limited Liability Companies Act and the instructions, orders and authorisations issued by the Board. The CEO also ensures that the company's accounting practices are in compliance with the law and that the company's financial management has been arranged in a reliable manner.

The Board of Directors shall appoint the CEO and shall decide on the remuneration of the CEO and the other terms and conditions of the CEO's service contract.

The Management Team assists the CEO in the operational management. Teemu Nyholm was the CEO in 2023 (b. 1975, M.Sc. (Tech.) and B.Sc. (Econ. & Bus. Adm.).

The members of the Management Team:

Teemu Nyholm
b. 1975
CEO
M.Sc. (Tech.) and
B.Sc. (Econ. & Bus. Adm.)

Antoni Airikkala
b. 1985
Director, Funding and liquidity
M.Soc.Sc.

Kukka Lehtimäki
b. 1988
CFO
M.Sc. (Econ. & Bus. Adm.)
Parental leave 3.3.2023 - 30.9.2023
Christina Wallenius, interim CFO 3.3.2023 - 30.9.2023

Juha Saari
b. 1979
Director, Personal Customers;
Deputy CEO
Secondary-school graduate

Essi Salmela
b. 1989
Chief Risk Officer
M.Sc. (Econ. & Bus. Adm.).
15.2.2023 -
Parental leave 18.8.2023 -
Kristian Nybergh interim Chief Risk Officer
19.8.2023 -

Miikka Silvonen
b. 1989
Director, Business Customers
M.Sc. (Econ. & Bus. Adm.)

Piia Vuoti
b. 1977
General Counsel
LL.M., Trained on the bench

Alisa BANK

Alisa Bank Plc
Pursimiehenkatu 4 A
00150 Helsinki

P. +358 20 380 101
alisabank.com

linkedin.com/company/alisa-pankki

twitter.com/AlisaPankkiFi