

ALISA BANK

Annual Report 2024



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

Alisa
BANK

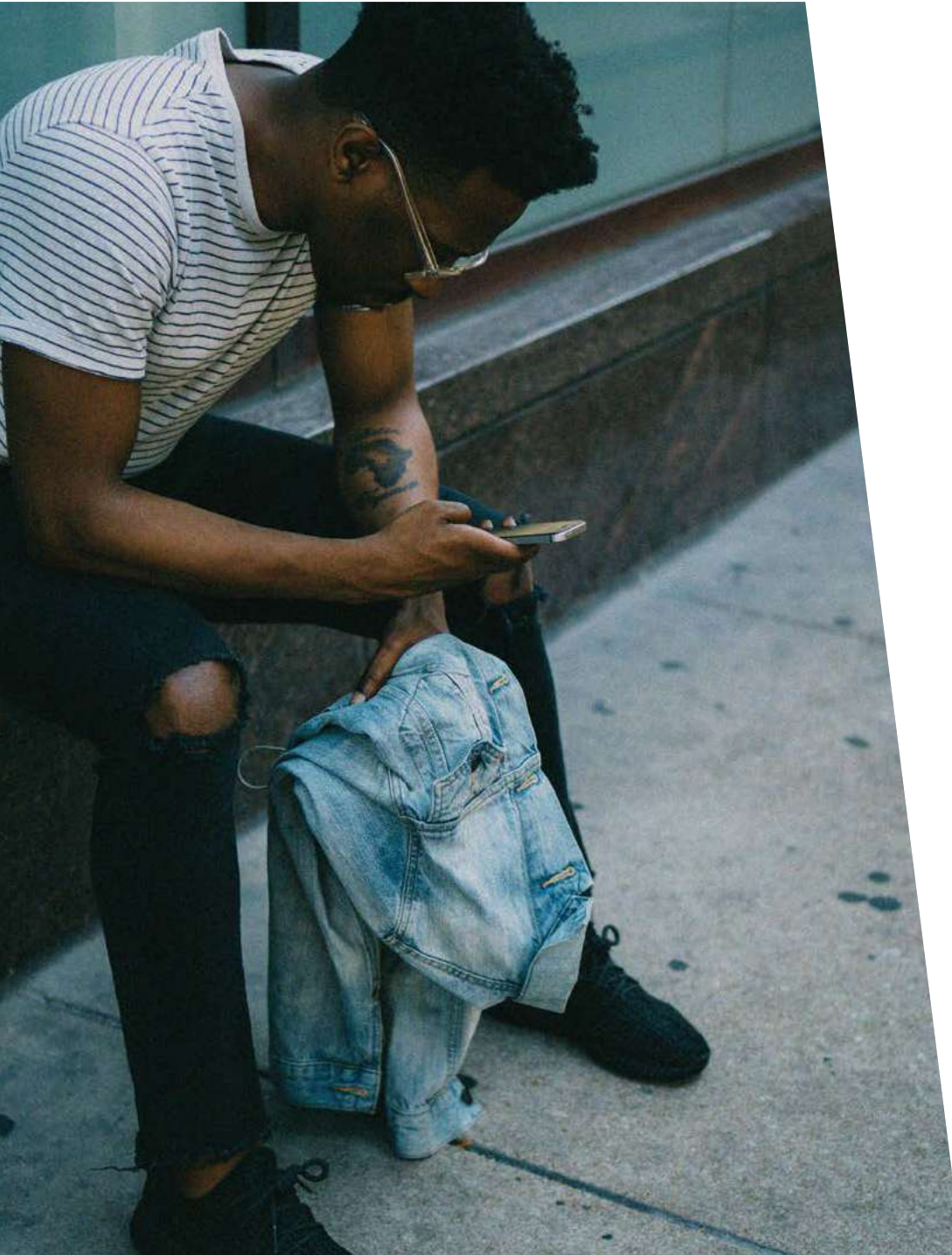




Contents

- Alisa Bank in brief 3**
 - A digital bank 5
 - CEO's review 6
 - Highlights of 2024 8
 - Key figures 9
- Board of Directors' Report 10**
 - Business environment 11
 - 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 2025 20
- Calculation of key figures 21**
- Financial Statements 22**
 - Group's Financial Statements 22
 - Parent company's Financial Statements 67
 - Signatures of the Financial Statements 86
 - Auditor's Report 87
 - Auditor's ESEF Assurance Report 91
- Governance 93**





▶ ALISA BANK IN BRIEF

Seamless banking services in digital channels

We serve SME customers, deposit customers seeking competitive interest returns on their deposits and partners. Together with our partners, we offer integrated banking services in the channels where customers carry out their daily business.



Alisa Bank's story began in 2022 when we combined Fellow Finance's digital finance expertise with Evli Bank's deposit banking operations. In 2024, we further strengthened our position by merging with the leader in invoice financing, PURO Finance.

For us, banking services mean smoothness and ease. We integrate banking into our customers' daily lives exactly where they are needed, leveraging digital channels and strong partnerships.

Our operations are guided by genuine values and the desire to solve our customers' real challenges. We innovate with an open-minded approach and take responsibility for serving our customers in the best possible way.

To us, every customer and colleague is important. When the working atmosphere is good and the culture is strong, we achieve more together.



Values

- *We solve real problems*
- *We innovate* • *We take responsibility*
- *We value everyone*



Partnerships at the Core of our BaaS Strategy

Our Banking-as-a-Service strategy is built on strong partnerships with financial software providers, banks and asset managers.

We offer banking services that can be integrated into our partners' solutions to meet customers' liquidity management and financing needs.

From Finland's strengths towards international growth

Strong positioning in Finland provides a foundation for international expansion. In European markets we pursue selective growth through partnerships, focusing particularly on invoice financing products.



Purpose


Producing seamless banking services in digital channels.

Strategic cornerstones

Partnerships
Technological capabilities
Responding to customer needs
Capital-efficient and profitable growth

Target customers

SME customers
Deposit customers
Partners

 CEO'S REVIEW

New strategy for the new year

The development direction in line with the renewed strategy, along with the combination with PURO Finance, reversed the bank's performance trend in the second half of the year. We estimate the positive development to continue in the current fiscal year.

For Alisa Bank, 2024 was a year of renewal filled with many changes. The combination with PURO Finance Ltd, completed in May, proved transformative. With the combination, the bank gained a new Board of Directors, Management Team and a strategy published later in the financial year. In the second half of the year, the focus of operations, in addition to the implementation of the new strategy, was on the technical and operational execution of the merger. At the same time, we were able to improve fundraising, create a foundation for more active risk-based pricing, and initiate discussions with new Banking-as-a-Service (BaaS) partners.

The weak state of the Finnish economy was reflected in the demand for both consumer and business financing. In particular, demand for our main product, invoice financing,

fell short of our August forecast, as B2B invoicing in our target group declined in the final months of the year. In addition to the challenging business environment, the end of the year saw a higher-than-expected amount of external expenses, and the expected credit loss from a single bankruptcy estate was specified. The focus of this year is on increasing sales and partnerships for products in line with our new strategy and on efficiency measures aimed at optimizing external expenses. The portfolio of consumer credits, which was previously a focus area, maintains a level of credit losses similar to the past financial year. A clearer decrease in credit losses is expected to come only in 2026, with the loan portfolio under the new strategy being materially less risky than before.

Due to the first half of the year, profit before non-recurring items and taxes was EUR -0.1 million, and profit before taxes EUR -1.3 million. The earnings improvement in the second half of the year was driven by both successful implementation of fund-raising and the increase in the risk-adjusted return on lending in line with the renewed strategy. Volume development in lending and certain external expenses correspondingly pushed the figures for the latter part of the year below the guidance we issued in connection with the half-year report.





Business development

The company's operating income increased by 2.0 percent to EUR 17.0 million (16.7) during the financial year, driven by a corresponding change in net interest income. The same trend in credit losses resulted in a corresponding 2.0 percent increase in the risk-adjusted return. The bank's profit before taxes fell to a EUR -1.3 million (-0.1) loss after the expense level exceeded the 2023 level by EUR 1.4 million.

Business performance in the past year was characterized by a weak market situation in Finland and, on the other hand, the merger of Alisa Bank and PURO Finance. The shift in operational focus towards SME lending, initiated in spring 2024, was strengthened by the merger with PURO and the renewed strategy published on September 30. The organizational and business changes following the merger were somewhat reflected in the development of non-recurring expenses towards the end of the year but at the same time sharpened operations ahead of 2025. The bank's BaaS operations strengthened in existing partnerships and opened numerous new discussions, the results of which are expected to be announced in early 2025. The flow of customer contacts generated by the partner model remained strong among corporate customers, but the weak market environment was reflected in lower-than-expected demand for customer-specific financing. The new risk-based pricing model implemented in December 2024 is expected to be reflected in demand recovery, especially in the lower-risk SME target groups. At the same time, the decline in the average interest rate of financing from 3.1% percent in June to 2.4 percent in December improved the profitability of financing activities.

After the one-off increase in the loan portfolio (62%) generated by the PURO merger, the volume development

of business financing was subdued in the second half of the year. Growth in the business financing loan portfolio for the full financial year was 16 percent. The corporate loan portfolio at the end of the financial year was EUR 48 million (41). The number of credit applications developed as targeted, but the challenging operating environment was reflected in weak credit quality and, thus, a low volume of granted financing. The granted financing focused on invoice financing, which kept the new sales portfolio low-risk. At the same time, we increased the risk-adjusted return on business financing, which was also supported by the success of own channels in deposit fundraising.

In personal customers, our loan portfolio decreased by 23 percent to EUR 102 million (132). The key reason for the drop was a strategic decision to abandon the use of comparison platforms and to emphasize new sales to the company's own customer base with a better risk profile. The decision materially improved the profitability of new sales, roughly doubling the risk-adjusted return from the level seen in summer 2024. The decision to focus on SME financing and growing the own deposit base, in line with the new strategy, reduces the emphasis on personal finance. The high credit loss ratio of the current personal finance portfolio will continue to negatively impact the company's earnings development throughout 2025.

Our deposits amounted to EUR 395 million (269) at the end of the period. During the year, the development of the structure of deposits was two-fold. During the first half of the year, we sought growth from the comparison portal Raisin while also exploring the market in different European countries. The deposit portfolio's peak level was reached in July 2024, after which we focused on growing our own deposit base and optimizing the price level of fundraising. The end result was a highly predictable portfolio development and better-than-

“ *The bank's Banking-as-a-Service (BaaS) operations strengthened both in existing partnerships and opened numerous new discussions.* ”

expected profitability of deposits, which in part supported the bank's earnings turnaround in the second half of 2024.

We had 68,000 (57,500) active customers at the end of December. Customer satisfaction increased a bit (Net Promoter Score 52) from an already strong level (46).

The long sought-after increase in the solvency ratio materialized in the second half of 2024, supported not only by the decrease in the loan portfolio but also by positive earnings development and a successful personnel issue. In the second half of the financial year, the bank's CET1 capital increased by EUR 1.2 million and total capital adequacy ratio was 17.6 percent (15.1).

A warm thank you to our staff and customers for the past year - you have been a key part of our turn.

Sampsa Laine
CEO



Highlights of 2024

April

We started our BaaS partnership with Accountor Finago.

June

We started offering deposit products in France and Austria in collaboration with Raisin.

September

We launched a new BaaS strategy focused on developing digital banking and financial services for SMEs.

Apple Pay payments were introduced to the market.

November

The merger with PURO Finance was completed and we did a small brand update to symbolize the merger.

An employee share offering was carried out. Half of our employees subscribed to the shares.

May

Alisa Bank and PURO Finance merged and PURO became a subsidiary of Alisa Bank.

As a result of the merger, a new board of directors was formed.

July

We launched support for Google Pay payments on our credit cards.

October

As a part of our BaaS partnership with Accountor Finago we launched Procountor Account for businesses.

We began distributing deposit products in Germany in collaboration with Check24.

A new business credit card was launched.

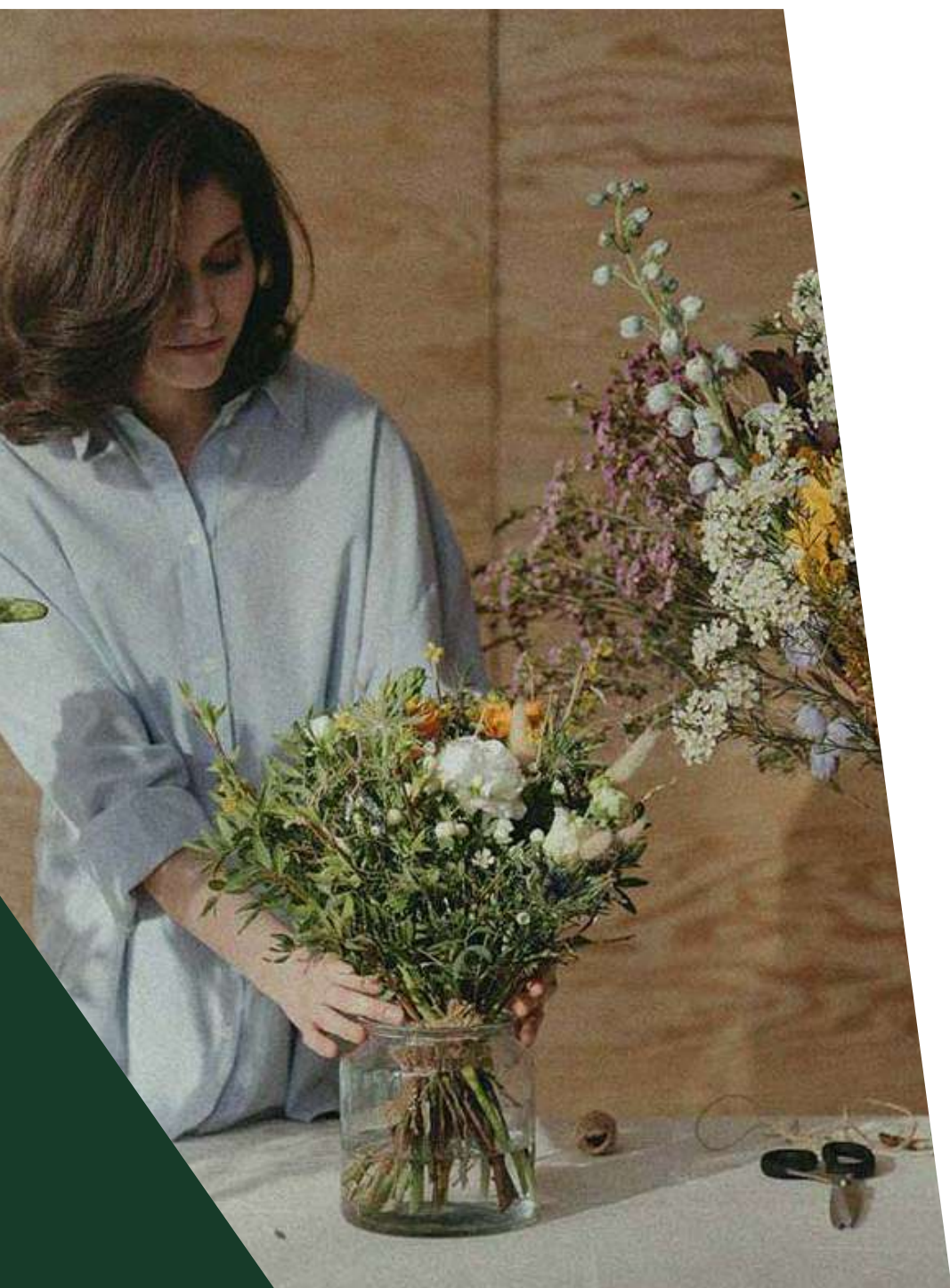
December

Sampsa Laine began in the role as our new CEO.



Key figures at the end of 2024

Loan portfolio 149 million EUR	Deposits 395 million EUR	Income 17.0 million EUR	Capital Adequacy Ratio 17.6%
Active banking customers 68.000	Customer recommendation index (NPS) 52	Costs / Income 75%	Return on Equity -3.9%



Board of Directors' Report

Alisa Bank Plc ("Alisa Bank", "Alisa" or "the company") is a financial technology company that provides seamless banking services through digital channels. We serve SME customers, deposit customers seeking competitive interest returns on their deposits and partners. Together with our partners, we offer integrated banking services in the channels where customers carry out their daily business.



2024 financial year in brief

- Total operating income was close to the level of the comparison period, being EUR 17.0 million (16.7).
- Total operating expenses increased to EUR 12.8 million (11.4) due to the merger with PURO Finance.
- Realised and expected credit losses were EUR 5.5 million (5.4*).
- January-December profit before non-recurring items and taxes was EUR -0.1 million (0.4*). Profit before taxes was EUR -1.3 million (-0.1*).
- Total capital adequacy ratio increased by 17.6 percent (15.1*).
- Alisa Bank and PURO Finance Ltd. combined on May 15, 2024. Following this and the implementation of the renewed strategy, profit before non-recurring items and taxes for the second half of the year was a profit of 0.9 million euros (-0.0).
- Loan portfolio before reducing expected credit losses decreased to EUR 149.5 million (172.9). The corporate customer loan portfolio increased by EUR 47.6 million (41.1) and the loan portfolio of personal customers decreased to EUR 101.9 million (131.8).
- Deposits increased to EUR 394.6 million (268.9).
- Sampsa Laine started as the bank's new CEO on 1 December 2024.

CONSOLIDATED KEY FIGURES

EUR 1,000	2024	2023	2022
Net interest income	15,075	14,757	9,053
Net commission income and expenses	1,815	1,785	1,511
Total operating costs	-12,781	-11,398	-11,601
Realised and expected credit losses	-5,527	-5,443*	-8,321
Profit before taxes	-1,317	-140*	-9,684
**Profit before non-recurring items and taxes	-137	389*	-7,750
**Cost to income ratio, %	75	68	113
Balance sheet total	450,604	312,398*	291,661
**Return on equity (ROE), %	-3.9	-0.5*	neg.
**Capital adequacy ratio (TC), %	17.6	15.1*	16.8
**Common Equity Tier 1 (CET1) capital ratio, %	15.1	12.0	12.6
Number of employees at end of period	80	78	78
**Earnings per share (EPS), euros	-0.01	0.00	-0.14
**Credit losses / loan portfolio, %	3.7	3.2*	5.1

* Figures for the financial year 2023 adjusted for the ECL provision, see more details in note K2

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

Company's business

Alisa Bank is a financial technology company that provides seamless banking services through digital channels. We serve SME customers, deposit customers seeking competitive interest returns on their deposits and partners. Together with our partners, we offer integrated banking services in the channels where customers carry out their daily business. Alisa Bank Plc's shares are listed on the main list of Nasdaq Helsinki (ALISA), and it holds a license granted by the Financial Supervisory Authority.

The cornerstones of the revised strategy for the 2024 financial year are partnerships, technological capabilities, responding to customer needs and capital-efficient and profitable growth. Banking-as-a-Service (BaaS) strategy is based on both existing and new partnerships, such as with financial software providers, other banks, and asset managers. In the 2024 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 financial year 2024 was a year of strategic changes for Alisa Bank:

- In May, Alisa combined with PURO Finance Ltd. The combination supports Alisa's focus on digital banking and financial services for SMEs and enhances growth and profitability through synergies and partnerships. Following the combination, a new board was formed in the spring. In December, Sampsa Laine took over as the company's new CEO. Teemu Nyholm served as the CEO until April 7, 2024, and Juha Saari temporarily took over the CEO duties from April 8 to November 30, 2024.
- In the fall of 2024, the revised strategy for the merged entity was announced. In the spring, a collaboration was launched with Accountor Finago. The partnership includes offering Alisa's financing and account services within Accountor's financial management software.
- During the financial year, distribution channels for deposit products were expanded in France, Austria, and Germany.
- The company introduced Apple Pay and Google Pay support for credit cards and launched a new business credit card.
- In November, the company arranged a personnel share issue, which was nearly fully subscribed.
- During the financial year, Alisa simplified its group structure through mergers of three subsidiaries: Lainaamo Ltd, Mobify Invoices Ltd, and PURO Finance Ltd are now part of Alisa Bank Plc.

In the summer, as part of the integration work following the combination with PURO Finance, the company held change negotiations.



Business environment

In 2024, Finland's economy continued its slow recovery following the previous year's recession. Inflation slowed down, approaching the European Central Bank's (ECB) target of two percent. The average inflation in Finland for 2024 was 1.6%, with December's inflation at 0.7%. The inflation rate in the euro area for 2024 was 2.4%.

During 2024, the ECB lowered all three of its key interest rates by 1-1.35 percentage points. The decrease in interest rates also affected deposit rates, which began to decline during 2024. Despite the drop in interest rates, consumer and business confidence in the economy remained cautious. Private consumption decreased due to weak consumer confidence, and investments continued to decline significantly throughout 2024. The number of bankruptcies in Finland also continued to rise in 2024.

The employment rate for 2024 was 71.5%, and the unemployment rate was 8.9%. Unemployment increased compared to the previous year, and the number of long-term unemployed also grew.

In 2024, consumer credit granted in Finland increased by 3.5% compared to the previous year, and household deposits grew by 1.5% compared to the year before.

By the end of 2024, the economic outlook was cautiously positive, but challenges such as weak consumer confidence and public sector debt continue to overshadow economic development.

Financial performance

The development according to the renewed strategy, as well as the combination with PURO Finance, had a positive impact on the company's performance in the second half of the financial year. The relative profitability and financial position of the balance sheet also improved. However, the prolonged uncertainty in the operating environment and weak overall economic conditions slowed the targeted growth in corporate financing. Growth fell short of expectations due to a larger-than-anticipated decrease in the usage rate of leasing credit limits and a decline in overall financing demand. Additionally, the company's financial result was negatively impacted by non-recurring items due to the combination.

Group's result before non-recurring items and taxes was EUR -0.1 million (0.4*). The result before taxes was EUR -1.3 (-0.1*) million, and the loss for the year was EUR -1.2 million (-0.1*).

* Figures for the financial year 2023 adjusted for the ECL provision, see more details in note K2.

The group's income for the January-December, including net interest income, net fee income, net investment income and other operating income, remained near the level of 2023 totaling EUR 17.0 million (16.7).

Net interest income was EUR 15.1 million (14.8) during the accounting period. Interest income grew by 47 percent to EUR 29.5 million (20.1) and interest expenses were EUR 14.5 million (5.3). Interest income was increased by the favorable development of the relative return on the loan portfolio and the increase in returns on liquid assets. The increase in interest expenses consisted of both the increase in the deposit base and the increased financing costs due to the development of the general interest rate. Net fee income remained at the level of the comparison period at EUR 1.8 million (1.8).

The total costs of the review period, including depreciation and write-downs, increased slightly during the financial period to EUR 12.8 million (11.4). The expenses for the fiscal year 2024 included EUR 1.2 million (0.5) in non-recurring items, which mainly consisted of the merger with PURO Finance.

Personnel expenses increased to EUR 6.3 million (5.5) when PURO Finance's personnel transferred to Alisa Group. Other administrative expenses - including office, IT, representation and marketing expenses as well as costs related to consulting - were EUR 4.9 million (4.5). Depreciation and impairment were EUR 1.3 million (0.8) and other operating expenses were EUR 0.3 (0.6) million. Other operating expenses include, for example, official fees.

Realized and expected credit losses amounted to EUR 5.5 million (5.4*). The change in the expected credit losses in the income statement was EUR 0.6 million (1.3*). Realised credit losses decreased to EUR 6.2 million (6.7).

Balance sheet and financing

The total amount of the group's balance sheet was EUR 450.6 million (312.4*) at the end of year. Assets, EUR 450.6 million, mainly consisted mainly of cash EUR 279.4 million and loans granted to customers (claims on the public and public sector entities) EUR 143.7 million (166,4*).

The bank's key intangible assets are its personnel, IT systems, and strategic partnerships. Some of these assets are recorded on the balance sheet as goodwill and intangible assets. These resources play a central role in the implementation of the strategy. Intangible assets, EUR 16.5 million (8.2), include EUR 13.3 million (6.0) goodwill generated in business acquisitions and EUR 2.3 million (2.2) of capitalized product development costs and customer contracts



EUR 0.9 million (0.2). During the year, EUR 0.6 million (EUR 0.7 million) of product development expenses related to the development of digital banking services were capitalised.

The Group's liabilities EUR 413.9 million (286.7), mainly consisted of liabilities to the public and public-sector entities EUR 394.6 million (268.9). The deposit base grew by 46.8% (8.9%). The group's equity grew to EUR 36.7 million (25.7*). EUR 11,6 million of growth was due to the acquisition of PURO Finance Ltd. In addition, the fund of invested non-restricted equity grew at the end of the year by EUR 0.3 million through the personnel issue and by EUR 0.2 million through the directed issue to the new CEO.

Risks and capital adequacy

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. 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 management plays a key role in Alisa Bank's operations from the perspective of business management and managing changes in the operating environment. The main categories of risks are credit risk, operational risk, market risk and liquidity risk.

Risk management

Risk management refers to actions aimed at systematically surveying, identifying, analysing and preventing risks as a part of daily business management. The objective of risk management is to support the smooth implementation of strategy and income generation, ensure adequacy of own funds in relation to risk positions, and ensure the correct pricing of risks to achieve sustainable profitability. The main areas of risk management are: credit risk, market risk including interest rate risk, liquidity 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 company's Board of Directors has determined the level of risk that the company is willing to accept in order to achieve its strategic goals. The accepted level of risk is based on a risk appetite framework, on which the key principles and rules guiding risk-taking are also based. The objective is to ensure the adequacy of risk-bearing capacity in relation to all material risks. The risk taking is managed by principles and limits approved by the Board of Directors.

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. The company does not have customer or investment risk concentrations that exceed its financial bearing capacity, nor does the company take them in accordance with its strategy.

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 bearing capacity are strengthened by profitable business. 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 Management Team. 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 Control function reports its observations to the Management Team and the company's Board of Directors. The independent Risk Control 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 Management Team and the business units in applying the

* Figures for the financial year 2023 adjusted for the ECL provision, see more details in note K2.



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 Control 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 confirmed 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 future are related to uncertainties in the economic operating environment, such as the development of interest rates and inflation, which have weakened the purchasing power of households and are challenging the profitability and investment willingness of SMEs. Uncertainties can be reflected in Alisa Bank's business as an unfavourable development of volumes and credit losses.

During Alisa Bank's third year of operations, the credit portfolio decreased compared to the previous year, and the relative credit risk position remained stable. Alisa Bank's customers are both private and SME customers. 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 was 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 149,5 (172.9) million at the end of the financial year.

The amount of non-performing loans in the loan portfolio slightly decreased compared to previous year. At the end of the review period, the amount of non-performing loans was EUR 7.1 million (7,2). The NPL ratio, which describes non-performing receivables in relation to all loans and receivables, was 4.8 (4.2) percent at the end of the review period. At the end of the review period, there were EUR 1.5 million (0.4) in non-performing forbearance loans, and EUR 0.6 million (0.7) of performing forbearance loans. Loan receivables with a payment delay of more than 30 days but less than 90 days were 3.5 (3.5) percent of the entire loan portfolio. The proportion of overdue payments of more than 90 days was 3.1 (3.0) percent.

Market risk mainly consists of the interest rate risk of the banking book and a minor currency risk. The interest rate risk of the banking book mainly consists of the differences between the interest rates and maturities of assets and liabilities. The company currently has a tenth of its

loan portfolio in longer fixed-rate loans. 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 2.7 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 3.4 per cent. If interest rates were to rise by two percentage, it would have an estimated annual positive impact on net interest income by EUR 1.7 million, which is 8.5 per cent of CET 1 own funds. If interest rates were to fall by two percentage, the estimated negative annual impact on net interest income would be EUR -1.74 million, which is -8.6 per cent of CET 1 own funds.

Capital adequacy management

The aim of the capital adequacy management process is to secure an adequate amount of the capital in relation to all the material risks of its operations. To achieve this objective, Alisa Bank identifies and assesses all risks relevant to its operations and, based on these, calibrates its risk bearing capacity to correspond with the company'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 has primary responsibility for the capital adequacy management process. The company's Board of Directors approves general principles for organizing the capital adequacy management process.

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. Every year, the Board of Directors reviews the risks related to the company's capital adequacy management, the capital plan and defines limits 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.



The bank's 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. In order to strengthen the risk-bearing capacity of the banking sector, The Finnish Financial Supervisory Authority (FIN-FSA) imposed a systemic risk buffer requirement. The decision came into force for all Finnish banks on 1.4.2024. Requirement shall be covered by the Consolidated Common Equity. FIN-FSA imposed a discretionary additional capital requirement (pillar 2) P2R, for Alisa Bank based on the supervisor's assessment (SREP) on April 2024. The additional capital requirement is 2.25% and it comes in such a way that at least three quarters of the additional capital requirement must be primary capital, of which at least three quarters must be core capital (CET1) in accordance with the EU capital adequacy regulation. The discretionary additional capital requirement is valid from December 31, 2024, onwards, until December 31, 2027

Alisa Bank Group's capital adequacy ratio was 17,6%, exceeding the banks' total capital requirement (13,75%). The common equity Tier 1 ratio was 14,6%, exceeding common equity tier 1 requirement of 9,27% and Tier 1 capital requirement of 11,19%. At the end of the review period, the group's capital structure was strong and consisted of core capital (CET 1) and Tier 2 capital (Tier 2). The group's own funds (TC) were EUR 23,5 million: primary capital (T1) EUR 20,1 million was entirely common equity Tier 1 ratio (CET1) and Tier 2 capital (T2) EUR 3.4 million consisted of debenture loan. Alisa Bank's leverage ratio was 4,6% at the end of the review period.

There will be a change to the Capital Regulation, which entered into force at the beginning of 2025. Alisa Bank has estimated that, based on the figures as of 31 December 2024, the change will improve the bank's capital adequacy ratio.

ALISA BANK TOTAL CAPITAL REQUIREMENT 31 DECEMBER 2024

Capital	Pillar I minimum capital requirement		Additional Capital Requirements				Total capital requirement	
	%	M€	Capital conservation buffer %	Systemic risk buffer %	Pillar 2 (SREP) capital requirement % M€		%	M€
CET1	4.50%	6.00	2.50%	1.00%	1.27%	1.69	9.27%	12.36
AT1	1.50%	2.00			0.42%	0.56	1.92%	2.56
T2	2.00%	2.67			0.56%	0.75	2.56%	3.41
Total	8.00%	10.67	2.50%	1.00%	2.25%	3.00	13.75%	18.34

CAPITAL AND RISK POSITION

EUR 1,000	31 DEC 2024	31 DEC 2023
Common Tier 1 Capital before adjustments	36,663	25,719
Adjustments to Common Tier 1 Capital	-16,534	-8,172
Common Tier 1 Capital in total (CET1)	20,128	17,546
Additional Tier 1 Capital in total (AT1)	0	0
Total Capital (T1 = CET1 + AT1)	20,128	17,546
Tier 2 Capital before adjustments	6,100	6,100
Adjustments to Tier 2 Capital	-2,694	-1,471
Tier 2 Capital in total (T2)	3,406	4,629
Total risk weighted exposure amounts		
Credit and Counterparty risk	105,182	120,547
Market	803	853
Operational risk	27,387	25,138
Risk weighted exposures in total	133,372	146,538
Common Equity Tier 1 ratio (CET 1), %	15.1	12.0
Tier 1 ratio (T1), %	15.1	12.0
Total Capital Ratio (TC), %	17.6	15.1

* Figures for the financial year 2023 adjusted for the ECL provision, see more details in note K2

LEVERAGE RATIO

EUR 1,000	31 DEC 2024	31 DEC 2023
Total Equity	20,128	17,546
Total Exposure Amount	435,042	305,205
Leverage ratio (LR), %	4.6	5.7



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 good level during 2024.

The Group's Liquidity Coverage Ratio was 897% 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 324% 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 2024	31 DEC 2023
Liquidity		
LCR-ratio (12 months average) %	901%	539%
Total high quality liquid assets (12 months average)	314,526	121,125
Cash outflow (12 months average)	51,600	36,804
Cash inflow (12 months average)	16,711	14,319
Total net cash outflow (12 months)	34,890	22,486
Net Stable Funding		
Total available stable funding	387,502	267,461
Total required stable funding	119,484	133,830
NSFR-ratio %	324.3	199.9%



General meeting, Board of Directors, CEO and auditor

The Annual General Meeting of Alisa Bank was held on March 20, 2024. The General Meeting approved the financial statements for the financial year 2023 and granted discharge from liability to the members of the Board of Directors, the CEO, and the Deputy CEO. In accordance with the proposal of the Board of Directors, the General Meeting decided that no dividend will be paid for the financial year 2023. The General Meeting also approved the company's remuneration report for its governing bodies for the year 2023.

The Extraordinary General Meeting of Alisa Bank Plc was held on May 3, 2024. The General Meeting decided to authorise the Board of Directors to decide on a directed share issue related to the acquisition of PURO Finance Ltd. The number of shares to be issued in the directed share issue may be up to a total of 58,878,721 shares. The Board of Directors decided on the directed issue, and the new shares (58,878,721 shares) were directed to the shareholders of PURO Finance Ltd prior to the acquisition, in proportion to the PURO Finance Ltd shares they had sold.

During the financial year 2024, the following persons have been members of the company's Board of Directors:

- Markku Pohjola (Chairman of the Board)
- Johanna Lamminen (Vice Chairman of the Board from 20 March 2024)
- Sami Honkonen
- Tero Weckroth
- Jukka Salonen from 15 May - 31 December 2024
- Sampsa Laine during 10 June - 30 November 2024
- Teuvo Salminen (Vice Chairman of the Board) during 1 January – 20 March 2024
- Lea Keinänen during 1 January – 15 May 2024
- Jorma Pirinen during 1 January – 15 May 2024

The company's long-time CEO Teemu Nyholm went on sick leave due to a sudden seizure on April 8, 2024 and announced on July 8, 2024 that he is no longer available for the position of CEO. During the period from April 8 to November 30, 2024, the CEO duties were carried out by Deputy CEO Juha Saari. Sampsa Laine has served as the company's CEO since December 1, 2024. Juha Saari continues to serve as Deputy CEO.

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



Shares and shareholders

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

According to Alisa Bank Plc's Annual General Meeting, 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 2025. 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. The company's previous authorisation for the purchase of its own shares expired at the Annual General Meeting on 20 March 2024.

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

According to Alisa Bank Plc's Annual General Meeting, 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 to be valid until the end of the next Annual General Meeting, but

no later than 30 June 2025. The previous authorisation of the Board ended with the Annual General Meeting on 20 March 2024.

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 150,031,563 at the end of December (88,332,182 shares 31 Dec 2023). The number of shares increased by 58,878,721 from 88,332,182 shares with the acquisition of PURO Finance Ltd on 15 May 2024. In addition to this, the number of shares increased at the end of the year by 1,738,152 shares due to directed share issue to the company's personnel and by 1,082,508 shares due to directed share issue to the new CEO.

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.

The closing price of Alisa Bank Plc share was EUR 0.167 on 30 December 2024, the last trading day of the review period. During January-December 2024 its lowest price was EUR 0.16, with the highest price being EUR 0.26. Alisa Bank's market value was EUR 25.1 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 2024.

	Total number of shares	% of all shares
1. Evli Plc	15,288,303	10.19
2. Taaleri Plc	15,288,303	10.19
3. Kempinvest Oy	13,392,003	8.93
4. Heikki Vaiste	8,247,384	5.50
5. Mininvest Oy	7,296,139	4.86
6. Oy Scripo Ab	5,500,000	3.67
7. TN Ventures Oy	5,497,354	3.66
8. Saxo Bank A/S	5,429,954	3.62
9. Oy Prandium Ab	4,754,100	3.17
10. Veikko Laine Oy	4,624,489	3.08



Group structure, personnel and locations

At the beginning of the accounting period, the parent company Alisa Bank Plc and its wholly owned subsidiaries Mobify Invoices Ltd, Lainaamo Ltd, Fellow Finance Estonia OÜ, Fellow Finance Deutschland GmbH, Fellow Finance Česko s.r.o. formed the group. In May 2024 PURO Finance Ltd and PURO Finance SPV 1 Ltd became 100 percent owned subsidiaries of Alisa Group.

The group's structure was simplified during the financial period. In spring 2024 Lainaamo Ltd was merged with Alisa Bank Plc and Fellow Finance Estonia ceased to operate. In November 2024 Mobify Invoices Ltd and PURO Finance Ltd were merged into the parent company. Lainaamo Ltd, Fellow Finance Estonia OÜ and Fellow Finance Česko s.r.o. had no active business during the financial year.

At the end of December 2024, the group employed 80 people (12/2023: 78). In Finland, 77 people (76) worked at the offices in Helsinki and Turku, and a total of 3 (2) 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.



Outlook for 2025

After a year of changes, Alisa Bank will implement the renewed strategy in the 2025 fiscal year and continue to develop BaaS partnerships. There are early positive signs in the general economic situation, although there is still uncertainty regarding the development of the operating environment. If the economic recovery continues, combined with the implementation of the bank's renewed strategy, it will support the bank's income growth during the current financial year. For the reasons mentioned above, and due to the impact of the annual cycle of invoice financing business, favorable development is expected to be emphasized in the second half of the year.

The profit for the second half of 2024 reflects the current financial state of the renewed Alisa. The profit before non-recurring items for 2025, is estimated to develop favorably compared with the current financial state.

Financial goals for the strategy period

Alisa Bank's board of directors has confirmed the following medium-term (2024-2027) targets for the company in line with its strategy:

- Income growth: An average annual income growth of 20 percent during the strategy period
- Profitability: Over 15 percent return on equity by the end of 2027
- Operational efficiency: A cost-to-income ratio of less than 50 percent by the end of 2027
- Capital adequacy: 16% capital ratio throughout the strategy period

The Board's suggestion for profit distribution and annual general meeting

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, 2024 totalled EUR 2,338,694.37. The Board of Directors proposes to the Annual General Meeting of Shareholders that no dividend will be distributed for the financial year 2024.

The company's annual general meeting will be held in Helsinki on March 20, 2025. The Financial Statements report will be available to the public in week 9.

Helsinki, 14 February 2025

Board of Directors
Alisa Bank Plc



Calculation of key ratios

IFRS key ratios

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

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

EU solvency regulation (CRR) key ratios

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

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

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

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

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

Alternative key ratios

Loan portfolio 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.

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

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

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

$$\text{Profit before non-recurring items and taxes} = \text{Profit before taxes +/- non-recurring items}^*$$

* 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	26
Consolidated cash flow statement	26

Notes to the consolidated financial statements

G1. Accounting principles for the consolidated financial statements	27
G2. Corrections to previously reported 2023 figures	36
G3. Business combinations	37
G4. Group's risk management	38
G5. Net interest income	46
G6. Fee and commission income and expenses	46
G7. Net income from securities and currency operations	47
G8. Other operating income	48
G9. Personnel expenses	49
G10. Other administrative expenses	53
G11. Depreciation and impairment losses	53
G12. Other operating expenses	53
G13. Realized and expected credit losses	54
G14. Income taxes	58

G15. Earnings per share	59
G16. Classes of financial assets and liabilities and fair value s.....	60
G17. Cash and cash equivalents	61
G18. Receivables from credit institutions	61
G19. Claims on public and public sector entities	61
G20. Intangible assets	62
G21. Tangible assets	63
G22. Other assets	64
G23. Accrued income and prepayments	64
G24. Tax assets and liabilities	64
G25. Liabilities to the public and public sector entities	64
G26. Subordinated liabilities	64
G27. Other liabilities	64
G28. Accrued expenses deferred income	64
G29. Equity	65
G30. Off-balance sheet items	65
G31. Collaterals received	65
G32. Corporate structure	65
G33. Related party transactions	66
G34. Significant events after the period	66



Consolidated income statement

EUR 1,000	Note	2024	2023 restated
Interest income		29,535	20,071
Interest expenses		-14,460	-5,314
Net interest income	G5	15,075	14,757
Fee income		2,981	3,180
Fee expenses		-1,166	-1,395
Net fee and commission income	G6	1,815	1,785
Net income from securities and currency operations	G7	-14	32
Other operating income	G8	115	126
Total income		16,991	16,701
Personnel and operating expenses			
Personnel expenses	G9	-6,304	-5,481
Other administrative expenses	G10	-4,908	-4,513
Depreciation and amortization	G11	-1,284	-831
Other operating expenses	G12	-285	-572
Total operating expenses		-12,781	-11,398
Realized and expected credit losses*	G13	-5,527	-5,443
Profit before taxes*		-1,317	-140
Income taxes	G14	113	3
Result for the year*		-1,204	-138
Result for the year attributable to			
Equity holders of parent company*		-1,204	-138

* ECL correction 2023, see page 36

Consolidated statement of comprehensive income

EUR 1,000	Note	2024	2023 restated
Result for the year*		-1,204	-138
Other comprehensive income/loss			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		0	-1
Other comprehensive income after taxes		0	-1
Comprehensive income, total*		-1,204	-139
Total comprehensive income attributable to			
Equity holders of parent company		-1,204	-139
Earnings per share	G15		
Earnings per share (EPS), basic, EUR		-0.01	0.00
Earnings per share (EPS), diluted, EUR		-0.01	0.00



Consolidated balance sheet

EUR 1,000	NOTE	2024	2023 restated	EUR 1,000	NOTE	2024	2023 restated
Assets				Liabilities			
Cash and equivalents	G17	279,361	129,364	Liabilities to the public and public sector entities	G25	394,639	268,864
Claims on credit institutions	G18	8,701	5,461	Subordinated liabilities	G26	6,218	6,210
Claims on the public and public sector entities*	G19	143,711	166,438	Other liabilities	G27	4,312	5,551
Intangible assets and goodwill	G20	16,517	8,169	Accrued expenses and deferred income	G28	8,618	6,054
Property, plant and equipment	G21	814	516	Deferred tax liabilities	G24, G14	155	0
Other assets	G22	865	1,857	Liabilities total		413,942	286,679
Accrued income and prepayments	G23	388	346	Equity	G29		
Income tax assets	G24	229	243	Equity attributable to equity holders of the parent			
Deferred tax assets	G24, G14	17	3	Share capital		18,289	18,289
Assets total*		450,604	312,398	Fund of invested non-restricted equity		31,985	19,917
				Translation difference		14	14
				Retained earnings*		-13,625	-12,501
				Equity attributable to equity holders of the parent*		36,663	25,719
				Liabilities and equity total*		450,604	312,398

* ECL correction 2023, see page 36



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 equity
Equity on 1 January 2024	18,289	19,917	14	-12,501	25,719
Result for the year	-	-	-	-1,204	-1,204
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-1,204	-1,204
Acquisition	-	11,599	-	-	11,599
Share issue	-	469	-	-	469
Other changes**	-	-	-	-5	-5
Share based payments	-	-	-	84	84
Equity on 31 December 2024	18,289	31,985	14	-13,625	36,663

** 2023 result of Fellow Finance Deutschland GmbH changed by -5 teur after the publication of the 2023 result due to the final closing of the accounts.

Attributable to the equity holders of the parent

EUR 1,000	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings/ restated	Total equity
Equity on 1 January 2023	18,286	19,917	17	-12,233	25,985
Result for the year*	-	-	-	-138	-138
Other comprehensive income	-	-	-1	-	-1
Total comprehensive income*	-	-	-1	-138	-139
Other changes***	3	-	-	-145	-142
Share based payments	-	-	-	15	15
Equity on 31 December 2023*	18,289	19,917	14	-12,501	25,719

** 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 Ltd 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).

* ECL correction 2023, see page 36



Consolidated cash flow statement

EUR 1,000	2024	2023 restated	EUR 1,000	2024	2023 restated
Cash flow from operating activities			Investing activities		
Profit (loss) for the period*	-1,204	-138	Investments in tangible assets	-23	-2
Adjustments for items not included in cash flow			Investments in intangible assets	-562	-744
Depreciation and impairment	1,284	684	Proceeds from sales of tangible assets	35	0
Credit losses*	5,418	5,803	Sales of subsidiaries	0	109
Income taxes	113	3	Acquisition of subsidiaries less acquired cash	2,106	0
Other adjustments	200	-101	Cash flow from investing activities	1,556	-637
Adjustments total*	7,016	6,389	Cash flow from financing activities		
Cash flows from operating activities before changes in operating assets and liabilities	5,812	6,252	Debt securities issued to the public	-5,230	0
Increase (-) or decrease (+) in operating assets			Liabilities to credit institutions	-13,573	0
Claims on the public and public sector entities	43,075	-17,586	Paid directed share issue	469	0
Other assets	973	-346	Repayments of lease liabilities	-331	-147
Increase (-) or decrease (+) in operating liabilities			Cash flow from financing activities	-18,666	-147
Liabilities to the public and public sector entities	125,775	22,055	Change in cash and cash equivalents	153,237	8,356
Other liabilities	-5,288	-1,235	Cash and cash equivalents at the beginning of period	134,825	126,469
Cash flow from operating activities	170,347	9,140	Cash and cash equivalents at the end of period	288,063	134,825
			Cash and equivalents are formed by the following items:		
			Cash and cash equivalents	279,361	129,364
			Claims on credit institutions	8,701	5,461
			Cash and cash equivalents at the end of period	288,063	134,825
			Notes for cash flow		
			Interest received	27,772	23,342
			Interest paid	-4,162	-3,136

* ECL correction 2023, see page 36



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. Our mission is to provide the market's seamless selected banking services through partnerships in the digital channels that customers use daily. Our target customers are small businesses, deposit customers, and partners.

The Alisa Bank Group has changed during the financial year. In the beginning of the financial year, the group consisted of the parent company Alisa Bank Plc and its wholly owned subsidiaries Mobify Invoices Ltd, Lainaamo Ltd, Fellow Finance Estonia OÜ, Fellow Finance Deutschland GmbH and Fellow Finance Česko s.r.o. and PURO Finance Ltd and PURO SPV Finance 1 Ltd from 15 May 2024 onwards. Lainaamo Ltd was merged to Alisa Bank Plc on 15 May 2024. Fellow Finance Estonia OÜ ceased to exist during spring 2024. Mobify Ltd and PURO Finance Ltd were merged to Alisa Bank Plc on 30 November 2024. There was no active business in Lainaamo Ltd, Fellow Finance Estonia OÜ and Fellow Finance Česko s.r.o.

Alisa Bank has been authorised by the Financial Supervisory Authority to engage in credit institution operations. In Germany, it has a credit intermediation licence (Kreditvermittlungslizenz). Alisa Bank Plc offers its services to Sweden and 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 Bulevardi 21 A, 00180 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. Business identity code is 0533755-0.

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 2024, 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 board of directors approved the financial statements and the annual report in its meeting on February 14, 2025, and they will be published by February 28, 2025, at the latest. According to the Finnish Companies Act, shareholders have the opportunity to approve or reject the financial statements at the general meeting held after their publication. The general meeting also has the possibility to decide on changes to the financial statements.

The consolidated financial statements have been prepared for a period of 12 months from 1 January to 31 December 2024. The figures for the financial year 2023 have been retroactively adjusted in accordance with the IAS 8 standard due to a system-technical calculation errors that occurred in June and December 2023.

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.

New accounting principles

During the period, no new standards have entered into force that would affect Alisa Bank's financial statements. In 2027, the new IFRS 18 Presentation and Disclosure in Financial Statements standard will enter into force, which will replace the IAS 1 standard and which will especially change the way the income statement is presented. Income and expenses are classified into operating, investment and financing categories, and the standard will also increase the key figures presented. 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, 2023.

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 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 Sweden.

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.

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 forboren 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.

SICR determination considers forbearance only after the forbearance measure has been granted. However, if a debtor has observed or anticipated financial difficulties, but no forbearance measures have been granted, this can still indicate unlikelihood to pay which in turn may trigger default and therefore transfer the debtor's exposures to stage 3.

Recovery from default to non-default is described below in the section Application of the credit loss calculation model.



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: $ECL \text{ (expected credit loss)} = PD \text{ (probability of default)} * LGD \text{ (total loss when realisation of collateral is included)} * EAD \text{ (amount of exposure at the time of default when realisation of collateral is included)}$.

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.

Stage 3 exposures are mostly defaulted exposures. Defaulted exposures stay in defaulted status for at least 90 days after the latest default-triggering event. After the probation period, the exposure can be cured to non-defaulted status, which will lead the exposure to recover to stage 1 in ECL calculus.

Stage determination ignores stages at past reporting dates. An exposure will recover to stage 1 if the requirements for SICR or stage 3 don't hold at the reporting date.

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 expense

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 and deposit comparison sites commissions, are recognised using the effective interest method on the income statement under net interest income. The calculation method was refined during the 2024 financial year in relation to the commissions of partners in deposits and sales invoice financing.

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.

Net income from securities and currency operations

Exchange rate income and expenses are recorded as net income from securities and currency operations. In addition, possible recurring income from investments, valuation profit and losses and sales profit and losses 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 3–10 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 an impairment. There is more information about goodwill testing in appendix G20.

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 or residual depreciation 25%. The depreciation time using the straight-line method 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 to the amount according to the original valuation 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 value of the lease liability is determined, lease liabilities are measured at the original 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.

Deferred tax assets and liabilities arising from lease agreements (right-of-use assets) are netted in the balance sheet. Deferred tax assets and liabilities netted in the balance sheet are shown separately in the notes on deferred taxes.



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, benefits related to termination of employment and post employment benefits. 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. The assets of the reserve for invested unrestricted equity are used to develop the company's operations, invest or cover losses.

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.

Related to business acquisitions, the fair value measurement of acquired assets and liabilities is based on estimates. As part of the acquisition process, the allocation of goodwill involves management judgment. The value of goodwill is tested regularly for impairment. Intangible assets are tested when there are indications of impairment. Impairment testing requires management's judgment and estimates of the future cash flows of the assets, along with underlying assumptions. Also, management judgement has been applied in estimating the end dates of premise leases in order to recognise the leases in accordance with IFRS 16.



G2. Corrections to previously reported 2023 figures

The figures for the financial year 2023 have been retroactively adjusted in accordance with the IAS 8 standard due to a system-technical calculation error that occurred in June and December 2023. The ECL provision was erroneously 443 thousand euros too small. Error was 258 thousand euros in December 2023 and 185 thousand euros in June 2023. Alisa Bank's result would have been 443 thousand euros lower than reported in the financial statements, i.e. the revised result for the fiscal year 2023 is -138 thousand euros instead of 306 thousand euros. In the income statement, the adjustment was made to the "impairment of receivables" line, and the adjustment affects the sum lines after that. In the balance sheet, the correction had a decreasing effect on the line "Claims on the public and public sector entities" and "result for the year". Corrections have also been made to the 2023 cash flow statement, statement of changes in equity, the notes and key figures that are affected by the above-mentioned accounts.

	Jan-Dec 2023 reported 2023	Jan-Dec 2023 correction	Jan-Dec 2023 restated
Realized and expected credit losses	-4,999	-443	-5,443
Profit before taxes	303	-443	-140
Result for the year	306	-443	-138
Earnings per share (EPS), basic, EUR	0.00	0.00	0.00
Earnings per share (EPS), diluted, EUR	0.00	0.00	0.00
Claims on the public and public sector entities	166,882	-443	166,438
Assets total	312,841	-443	312,398
Retained earnings	-12,044	-443	-12,487
Equity attributable to equity holders of the parent	26,162	-443	25,719
Liabilities and equity total	312,841	-443	312,398

	Jul-Dec 2023 reported 2023	Jul-Dec 2023 correction	Jul-Dec 2023 restated
Realized and expected credit losses	-2,765	-258	-3,023
Profit before taxes	-87	-258	-345
Result for the year	42	-258	-216
Earnings per share (EPS), basic, EUR	0.00	0.00	0.00
Earnings per share (EPS), diluted, EUR	0.00	0.00	0.00
Claims on the public and public sector entities	166,882	-443	166,438
Assets total	312,841	-443	312,398
Retained earnings	-12,044	-443	-12,487
Equity attributable to equity holders of the parent	26,162	-443	25,719
Liabilities and equity total	312,841	-443	312,398

	Jan-Jun 2023 reported 2023	Jan-Jun 2023 correction	Jan-Jun 2023 restated
Realized and expected credit losses	-2,235	-185	-2,420
Profit before taxes	390	-185	204
Result for the year	264	-185	79
Earnings per share (EPS), basic, EUR	0.00	0.00	0.00
Earnings per share (EPS), diluted, EUR	0.00	0.00	0.00
Claims on the public and public sector entities	165,250	-185	165,065
Assets total	287,527	-185	287,431
Retained earnings	-11,894	-185	-12,079
Equity attributable to equity holders of the parent	26,312	-185	26,126
Liabilities and equity total	287,527	-185	287,431



G3. Business combinations

Alisa Bank Plc and PURO Finance Ltd announced on 10 April 2024 that they had agreed on the combination of the companies through a share exchange whereby Alisa Bank acquires the entire share capital of PURO Finance from its previous owners. According to the share exchange agreement, Alisa Bank acquired PURO Finance from its previous shareholders for a purchase price consisting of 58,878,721 new issued Alisa Bank shares. The final transaction took place on May 15, 2024, when control passed to Alisa Bank Plc. PURO Finance specializes in factoring, i.e. invoice financing. Together with its partners, PURO offers a reliable and effortless accounts receivable financing service that combines customer invoicing, financing, credit insurance, collection and accounting. PURO Finance was merged with Alisa Bank Plc on November 2024.

The acquisition has been treated in the consolidated financial statements as a business combination using the acquisition cost method. EUR 0.9 million of the purchase price was allocated to customer contracts and EUR 7.3 million goodwill was generated. Goodwill reflects the synergies arising from the merger both on the income and expense side. The expected synergies on the revenue side are mainly based on cross-selling opportunities, a growing number of customers and improved competitiveness. Financial synergy is achieved when PURO Finance's debt financing is replaced by Alisa Bank's financing based mainly on deposit funds. Synergies on the cost side are expected to be achieved by cutting overlapping operational costs, making operations more efficient when the companies adopt the best practices of both parties, and through enhanced credit risk management as a reduction in the probability of credit losses. The valuation of customer contracts at the time of acquisition is based on PURO Finance's historical data on customer behavior.

In the targeted issue, Alisa's price per share was EUR 0.2, the number of new shares was 58,878,721 shares, so EUR 11,775,744 was the purchase price. The per-share price of EUR 0.2 was the closing price on May 15, 2024.

The pre combination operating income of PURO Finance from 1 January to 14 June 2024 was EUR 9.5 million. If the acquisition had already taken place at the beginning of 2024, the operating income of PURO Finance would have been included in the Alisa Group as such. Alisa Bank's income 2024 includes PURO Finance's income of approximately EUR 5.9 million.

The transaction costs of the acquisition were EUR 1.4 million. EUR 0.8 million of the transaction costs are booked in income statement as non-recurring items. Transaction costs are booked in other operating expenses or administrative expenses according to their nature. The rest of the costs are shown in equity as costs incurred from the issuance of shares and as costs recorded in PURO Finance's result before the combination.

The main differences between PURO Finance's balance sheet prepared in accordance with FAS accounting and fair values are related to the valuation of the credit portfolio. EUR -1.0 million impairment adjustment was applied to the credit base acquired in connection with the combination due to the decrease in value due to credit risk (POCI according to IFRS 9, purchased or originated credit impaired). That part of the credit portfolio in question has been valued at zero at the time of acquisition and is therefore not subject to an ECL provision. The fair value of the acquired credit portfolio at the time of acquisition was EUR 25.5 million. In addition, estimates based on historical data related to customer contracts have been used in the valuation of customer contracts identified as a new balance sheet item in the combination. The management's judgment is also related to the allocation of goodwill as part of the acquisition process. The fair values and acquisition price of the acquired net assets are presented in the table below.

EUR 1,000	Fair values of acquired assets and liabilities on 14 May 2024 (PURO Finance Group)
Assets	
Cash and equivalents	2,106
Claims on the public and public sector entities	26,778
Adjustment to the value of the loan portfolio	-1,012
Intangible assets and goodwill	1,403
Property, plant and equipment	56
Other assets	11
Accrued income and prepayments	11
Assets total	29,353
Liabilities	
Liabilities to credit institutions	13,573
Debt securities issued to the public	5,230
Other liabilities	5,562
Accrued expenses and deferred income	321
Deferred tax liabilities	177
Income tax receivables	40
Liabilities total	24,902
Acquired net assets	4,451
Acquisition consideration (58,878,721 shares)	11,776
Goodwill	7,325



G4. 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 main 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

Risk management refers to activities aimed at identifying, analysing and preventing risks. The aim is to support the smooth implementation of Alisa Bank's strategy and revenue generation.

The company's Board of Directors has a primary responsibility for the Group's risk management. The company's Board of Directors has determined the level of risk that the company is willing to accept in order to achieve its strategic goals. The accepted level of risk is based on a risk appetite framework, on which the key principles and rules guiding risk-taking are also based. The objective is to ensure the adequacy of risk-bearing capacity in relation to all material risks. The Board of Directors confirms the risk management principles and responsibilities according to which risk management and internal control are organised.

The company's risk management is to ensure that the company's major risks are identified, evaluated, and measured. Risks are monitored and managed as part of the day-to-day management of the business areas. Risks are managed through risk assessments, measures taken based on assessment and systematic monitoring. 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 Control function
- Compliance function responsible for ensuring compliance with the rules
- Internal audit function

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, the CEO and other members of the Management Team.

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 Management Team 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, sizes its risk-bearing capacity to correspond to its 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 Capital regulation and risks outside of the Pillar 1, such as the interest rate risk of the banking book and the business risks.

Alisa Bank continuously monitors that its own funds are 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 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.

More detailed information on the Group's capital adequacy is available in the Board of Directors' Report and in the Pillar 3 report in accordance with the EU Capital Requirements Regulation in the Capital and Risk Management publication. It comprehensively addresses risk position and risk management principles of Alisa Bank.

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 third year of operations, the credit portfolio decreased compared to the previous year, and the relative credit risk position remained stable. Alisa Bank's customers are both private and SME customers.

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. The goal of the credit risk management is to limit the impact of risks arising from customer exposures on earnings and capital adequacy to an acceptable level. Alisa Bank applies the standardised approach for calculating capital requirement for credit risk.

Alisa Bank identifies defaulted customers based on the debtor's substantial payment delays, in accordance with the calculation of the days past due or on the basis of the debtor's unlikeliness 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.

At the end of the review period, the amount of non-performing loans was EUR 7.1 million (7.2). The NPL ratio, which describes non-performing receivables in relation to all loans and receivables, was 4.8 (4.2) percent at the end of the review period. The main drivers of

the amount of non-performing loans in the credit portfolio are bankruptcies in business financing and foreign loans in personal loans. At the end of the review period, there were EUR 1.5 (0.4) million in non-performing forbearance loans, and EUR 0.6 (0.7) million of performing forbearance loans.

Loan receivables with a payment delay of more than 30 days but less than 90 days were 3.5 (3.5) percent of the entire loan portfolio. The proportion of overdue payments of more than 90 days was 3.0 (3.6) percent. 28% of Alisa Bank's non-performing loans consist of foreign consumer loans, 23% of business loans and 50% of domestic consumer loans.

The share of business customers' loans with payment delays has decreased during the review period, especially in the sales invoice financing portfolio. With the renewal of the sales invoice system, credit risk management becomes more transparent, and the control of the credit portfolio will be more predictable. The Bank's business customers mainly consist of small and medium-sized enterprises, whose profitability may, however, continue to be affected by the weakened economic situation. The company monitors the development of the credit risk of the loan portfolio through the number of payment delays and applications for changes to the payment plan and also via changes in credit risk classes.

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.

The number of personal customers' payment delays has stayed stable but the relative share of overdue loans has increased due to decreased size of private customers loan portfolio during the reporting period. In lending to personal 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.



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, which utilizes external credit rating data. Monitoring is continuous and can lead to a transfer from one risk class to another. Risk class 0 is a new risk class.

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.
- Risk class 0: Defaulted consumer and business customers, and customers of risk classes 1 or 2 with over 30/60-days payment delays.

LOANPORTFOLIO BY RISKCLASSES

EUR 1,000	31 DEC 2024	31 DEC 2023
Riskclass 5	35,264	39,092
Riskclass 4	52,278	76,912
Riskclass 3	28,572	36,895
Riskclass 2	16,546	13,513
Riskclass 1	6,973	6,454
Riskclass 0	9,855	0
Loanportfolio	149,488	172,866

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 is 10 percent of Tier 1 own funds; the loan is secured by financed sales invoice receivables. The ten largest connected customers group accounted for 8,7 percent of the total loan portfolio. Of the financing granted to companies, the largest industries are wholesale and retail, transport and storage and manufacturing. 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 DECEMBER 2024

EUR 1,000	Amount of credit	More than 90 days past due
Private individuals Finland	96,393	2,028
Companies and entities Finland	46,871	1,151
Public sector entities	680	0
Private individuals EU countries	5,523	1,802
Companies and entities EU countries	21	0
Total	149,488	4,981



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 DECEMBER 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

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 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.

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 forboren exposure moves to stage 3 when the bank assesses the debtor as non-performing.

If the customer has clear indications of unlikeliness to pay, 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 DECEMBER 2024**

EUR 1,000	Stage 1	Stage 2	Stage 3	Total loan receivables
Risk class 5	34,915	335	13	35,264
Risk class 4	50,794	1,462	22	52,278
Risk class 3	27,285	1,197	90	28,572
Risk class 2	15,345	1,190	12	16,546
Risk class 1	6,435	441	97	6,973
Risk class 0	1,806	1,145	6,904	9,855
Loan portfolio	136,579	5,771	7,138	149,488
Expected credit losses	-1,053	-515	-4,209	-5,776
Claims on the public and public sector entities	135,526	5,256	2,929	143,711

EXPOSURE TO CREDITRISK BY RISK CLASS 31 DECEMBER 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	*-530	*-4,428	*-6,427
Claims on the public and public sector entities	159,075	*5,084	*2,280	*166,439

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.

* ECL correction 2023, see page 36

4. Liquidity risk

Liquidity risk can be defined as a mismatch 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 funding for the short and long term, and that the sources of funding are sufficiently diversified. The bank has sought 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 during 2023, in French and Austria 2024, in addition we opened a savings account product in the Check24 portal in Germany. The share of these accounts in the total deposit base was 51% at the end of the financial year. More than 89 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 funding, divided into long-term funding 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, planning 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 funding 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, monitoring of balance sheet and cash flows and internal calculation models.

The required level of liquidity is determined by the limits set by the company's Board of Directors for the liquid 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 funding 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 if necessary, thus ensuring its liquidity position. The company's liquidity remained stable during 2024. Alisa Bank has no derivative exposures or collateral requirements.



Breakdown of financial assets and liabilities according to maturity

31 DEC 2024 EUR 1,000	less than 3 months	3-12 months	1-5 years	5-10 years	yli 10 years	Total
Assets						
Cash and cash equivalents	279,361					279,361
Claims on credit institutions	8,701					8,701
Claims on the public and public sector entities	42,911	20,363	62,029	15,428	2,981	143,711
Liabilities						
Liabilities to the public and public sector entities	355,340	19,313	19,986			394,639
Lease liabilities	99	305	450			854
Debenture loans		118	6,100			6,218
Off-balance sheet commitments	4,861					4,861

31 DEC 2023 EUR 1,000	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			268,864
Lease liabilities	40	122	342			503
Debenture loans	110		6,100			6,210
Off-balance sheet commitments	5,647					5,647

Liquidity risk is measured by a liquidity buffer coverage ratio (LCR) and a minimum long-term funding requirement (net stable funding ratio, NSFR). In addition, the development of aforementioned liquidity indicators, such as the amount of deposits, the cost of funding and maturity spread, is monitored. The Group's liquidity coverage ratio (LCR) was at good level, and was 897% at the end of 2024. The net stable funding ratio (NSFR) was 324% at the end of 2024. The company's internal risk limit for the LCR and NSFR indicators is 130%. The regulatory 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.

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 2024 were: DKK (Danish krone) EUR 0.89 million and SEK (Swedish krona) EUR 0.35 million. A fall of -10% in the exchange rates would cause a valuation loss of EUR 0.12 million.

The exchange rate of the above currencies 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 in the banking book arises from differences in the interest rates and maturities of assets and liabilities when market interest rate change. The changes in market interest rates affect the fair value of the on and off-balance sheet items (net present value risk) and the net interest income (net interest income risk). 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's goal is to balance the interest rates of receivables and liabilities and to reduce unforeseen fluctuations in the net interest income. The pricing of borrowing and lending is a key factor in the development of the company's net interest income and risk. The company currently has longer (over 1 y) fixed-rate loans for ten per cent of its loan portfolio. New lending is mainly with variable interest rates and tied to the 3-month Euribor.

**INTEREST RATE FIXING PERIODS 31 DECEMBER 2024**

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	288,063					288,063
Claims on the public		88,150	3,453	38,096	14,012	143,711
Laibilities						
Liabilities to the public, current and savings accounts	336,257					336,257
Liabilities to the public, term deposits				37,722	19,986	57,708
Debenture loans				118	6,100	6,218

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 31.12.2024, 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 2.7 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 3.4 per cent. If interest rates were to rise by two percentage, it would have an estimated annual positive impact on net interest income of approx. EUR 1.70 million, which is 8.5 per cent of CET 1 own funds. If interest rates were to fall by two percentage, the estimated negative annual impact on net interest income would be approx. EUR -1.74 million, which is 8.6 per cent of CET 1 own funds. 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 DEC 2024
All rates rise by 200 b.p.	551
All rate decline by 200 b.p.	-678
Short term rates decline by 250 b.p. and long-term rates decline by 100 b.p.	-318
Short term rates rise by 250 b.p. and long-term rates decline by 100 b.p.	344
Short term rates rise by 250 b.p.	483
Short term rates decline by 250 b.p.	-91

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 risk mean a direct or indirect 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. Operational risks are therefore related to management and information systems, operational processes, personnel and various external factors and threats. The costs of realized operational risks during the review period were minor in relation to the own funds requirement reserved for them.

The Board of Directors annually confirms the operational risk management principles and the risk appetite framework, of which operational risk is one part. In operational risk management, the company's main objective is to ensure business continuity and regulatory compliance in the short and long term and as well manage reputational risk. Business continuity and disruption management are part of ICT risk management and are key factors of operational risk management. ICT risk management takes into account the new EU financial sector DORA-regulation (Digital Operational Resilience Act) that will enter into force in 2025. Operational risk management supports the implementation of company values and strategy throughout the business operation.

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 control unit. At least annually, the company's management team receives the risk assessments of the business units and a report on the materialised risks, which are used to compile a separate risk matrix 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 Finnish digital bank, Alisa Bank is part of the Finnish financial sector. The banking and financial operations plays an important role in building the economic and social stability of society, as well as taking into account climate and environmental issues. During the review period, Alisa Bank has started the preparation for CSRD-regulatory reporting.

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 plan or other necessary flexibility for loan repayment.



Notes

G5. NET INTEREST INCOME

EUR 1,000	2024	2023
Interest income		
Receivables from credit institutions	11,628	4,067
Claims on the public and public sector entities	17,907	16,004
Total interest income using the effective interest method	29,535	20,071
Interest expenses		
Liabilities to the public and public sector entities	-13,892	-4,803
Debt securities issued to the public	-496	-495
Other interest expenses	-72	-16
Interest expenses, total	-14,460	-5,314
Net interest income	15,075	14,757

G6. FEE AND COMMISSION INCOME AND EXPENSES

EUR 1,000	2024	2023
Fee and commission income		
Lending	2,336	2,014
Peer to peer lending	449	951
BaaS income	122	0
Other fee and commission income	74	215
Fee and commission income, total	2,981	3,180
Fee and commission expenses	2024	2023
Lending	-43	-176
Other fee and commission expenses	-1 122	-1,219
Fee and commission expenses, total	-1,166	-1,395
Timing of revenue recognition	2024	2023
At a point of time	888	918
Over time	2,093	2,263
Total	2,981	3,180

The method of calculating the effective interest was refined during the 2024 fiscal year in relation to the commissions of partners in deposits and sales invoice financing, and it had an effect of EUR 1.3 million between interest expenses and commission expenses in 2024. Interest expenses increased and commission expenses decreased.



G7. NET INCOME FROM INVESTING ACTIVITIES	2024	2023
Exchange rate gains and losses	-14	32
Net investment income, total	-14	32

			2024
	Gains and losses on sales	Changes in fair value	Total
Exchange rate gains and losses	-14	0	-14
Net investment income, total	-14	0	-14

			2023
	Gains and losses on sales	Changes in fair value	Total
Exchange rate gains and losses	32	0	32
Net investment income, total	32	0	32

**G8. OTHER OPERATING INCOME**

EUR 1,000	2024	2023
Sales of subsidiary	0	115
Other income	115	11
Other operating income total	115	126

Other income includes e.g. fixed asset sales and marketing commissions.

G9. PERSONNEL EXPENSES

EUR 1,000	2024	2023
Salaries and fees	-5,834	-5,271
Pension expenses	-823	-689
Other social security costs	-31	-115
Share based payments	-84	-15
Capitalization of personnel costs	467	609
Personnel expenses total	-6,304	-5,481

The capitalization of personnel costs includes the share of own work from the costs capitalized in the information systems, including side costs.

Number of personnel, average

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

Board fees	2024	2023
Markku Pohjola Alisa Bank Plc, Chairman of the Board, beginning 2 April 2022	-60	-75
Johanna Lamminen Alisa Bank Plc, Member of the Board beginning 20 April 2023	-48	-39
Alisa Bank Plc, Member of the Board, vice chairman of the Board beginning 20 March 2024		
Jukka Salonen Alisa Bank Plc, Member of the Board beginning 3 May 2024	-33	
Alisa Bank Plc, Member of the Board, until 31 December 2024		
Sampsa Laine Alisa Bank Plc, Member of the Board beginning 10 June 2024	-21	
Alisa Bank Plc, Member of the Board, until 30 November 2024		
Tero Weckroth Fellow Finance Plc, Member of the Board, until 1 April 2022	-38	-49
Alisa Bank Plc, Member of the Board beginning 2 April 2022		
Sami Honkonen Alisa Bank Plc, Member of the Board beginning 20 April 2023	-38	-39
Lea Keinänen Alisa Bank Plc, Member of the Board beginning 2 April 2022	-6	-49
Alisa Bank Plc, Member of the Board, until 15 May 2024		
Kai Myllyneva Fellow Finance Plc, Chairman of the Board until 1 April 2023		-10
Alisa Bank Plc, Member of the Board beginning 2 April 2022 until 20 April 2023		
Jorma Pirinen Alisa Bank Plc, Member of the Board beginning 2 April 2022	-6	-49
Alisa Bank Plc, Member of the Board until, 15 May 2024		
Teuvo Salminen Alisa Bank Plc, Member of the Board, vice-chairman of the Board beginning 2 April 2022		-60
Alisa Bank Plc, Member of the Board, vice-chairman of the Board, until 20 March 2024		
Board fees total	-250	-369
CEO salaries and fees	2024	2023
Salaries and fees	-187	-183
Options	-2	
CEO salaries and fees total	-189	-183
Executive group salaries and fees	2024	2023
Salaries and other short-term employment benefits	-873	-911
Options	-13	
Executive group salaries and fees total	-886	-911



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 Bank Plc has three 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. Other share bonus systems were launched in 2023 and 2024. 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 ended 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 Bank 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 Bank Plc 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 Bank Plc 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 Bank Plc 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.

PSP 2024-2026

The Performance Share Plan 2024–2028 consists of one (1) two and a half (2,5) year and two (2) three (3) year performance periods, concerning the financial years 2024–2026, 2025–2027 and 2026–2028 respectively. The Board of Directors will resolve annually on the details of a performance period. In the plan, the target group has an opportunity to earn Alisa Bank Plc's shares based on performance. The performance criterion of the first performance period's 2024–2026 measurement period H2/2024 is tied to profit before non-recurring items and taxes in H2/2024. The Board of Directors will set performance criteria for the measurement periods 2025 and 2026 later. The target group of the performance period 2024–2026 consists of approximately 10 key employees, including the members of the Management Team and the interim CEO. The potential rewards from each performance period will be paid after the end of the performance period within approximately four (4) years in five (5) instalments, in accordance with the financial sector legislation. Before payment, the rewards may be reduced based on risk adjustments. The payment of each reward instalment is followed by a one-year (1) retention period, during which the participant cannot dispose of the shares paid as a reward.

The value of the rewards to be paid on the basis of the first performance period corresponds to a maximum total of 1 472 109 shares of Alisa Bank Plc (including the proportion to be paid in cash), which corresponds to approximately EUR 249 000 calculated based on the volume weighted average price of Alisa Bank Plc's share on 7 August 2024. The potential



rewards will be paid partly in Alisa Bank Plc's shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to the key employee. As a rule, no reward will be paid if the key employee's employment or director contract terminates before the reward payment.

The Management Team member must hold 50 per cent of the received shares, until the value of the Management Team member's total shareholding in Alisa Bank Plc equals to 50 per cent of their annual base salary for the calendar year preceding the payment of the reward. Correspondingly, the CEO must hold 50 per cent of the received shares, until the value of the CEO's total shareholding in Alisa Bank Plc equals to 100 per cent of the CEO's annual base salary for the preceding calendar year. Such number of shares must be held for as long as the membership in the Management Team or the position as the CEO continues.

The Personnel Share Issue - EEP

The Board of Directors of Alisa Bank Plc resolved to arrange a directed share issue to the company's personnel and launch a related matching share plan on 24 October 2024. In the personnel share issue, a total of 1,738,152 shares were subscribed. The subscription price was 0.1660 euros per share. The share subscription price is based on the trade volume weighted average price of the company share on Nasdaq Helsinki Ltd during the period from 1 September 2024 to 30 September 2024 and on a discount of ten (10) per cent thereof. The share subscription period ran from 25 October 2024 to 15 November 2024. The total subscription price of the shares is EUR 288,533.22.

In the matching share plan, the persons who subscribed for shares in the personnel share issue have the opportunity to receive matching shares gratuitously after a matching period of approximately three years.

The rewards from the plan will be paid after the matching period that ends in 2027. The potential matching shares of the identified risk takers, however, will be paid in a deferred manner in accordance with the financial sector legislation.

The rewards will be paid partly in Alisa Bank Plc's shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to the employee.



2024

PLAN	2022A	2022B	PSP 2023	PSP 2024-2026	EEP 2024
TYPE	SAR	SAR	Share	Share	Share
Instrument	2022A	2022B	PSP 2023	PSP 2024-2026	EEP 2024
Maximum number of shares	646,925	2,500,000	2,000,000	1,760,178	1,738,152
Grant date	4 July 2022	4 July 2022	17 January 2023	8 August 2024	21 November 2024
Beginning of earning period	1 April 2022	1 April 2022	1 January 2023	1 January 2024	21 November 2024
End of earning period	31 March 2024	31 March 2024	31 December 2023	31 December 2026	31 December 2027
Vesting date	30 April 2025	30 April 2025	30 June 2025	30 June 2027	30 June 2028
	30 April 2026	30 April 2026	30 June 2026	30 June 2028	30 June 2029
			30 June 2027	30 June 2029	30 June 2030
			30 June 2028	30 June 2030	30 June 2031
			30 June 2029	30 June 2031	30 June 2032
Vesting conditions	Share price increase	Share price increase	Profit, Strategic projects, NPS, personal performance	H2/2024 result, 2025 & 2026 TBA	Ownership, employment until the moment of payment
	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	7.5	7.6
Remaining contractual life, yrs	0.0	0.0	0.0	6.5	7.5
Number of persons at the end of reporting year	0	0	0	10	40
Payment method	Cash & Equity	Cash & Equity	Cash & Equity	Cash & Equity	Cash & Equity
Changes during period	2022A	2022B	PSP 2023	PSP 2024-2026	EEP 2024
Outstanding in the beginning of the period	646,925	1,991,865	1,700,000		
Reserve in the beginning of the period	3,076	508,135	300,000		
Changes during period					
Granted				1,560,178	1,738,152
Forfeited	646,925	1,991,865	1,700,000		
Outstanding at the end of the period				1,560,178	1,738,152
Reserved at the end of period				200,000	

2023

	2022A	2022B	PSP 2023
	SAR	SAR	Share
	2022A	2022B	PSP 2023
Maximum number of shares	646,925	2,533,701	2,000,000
Grant date	4 July 2022	4 July 2022	17 January 2023
Beginning of earning period	1 April 2022	1 April 2022	1 January 2023
End of earning period	31 March 2024	31 March 2024	31 December 2023
Vesting date	30 April 2025	30 April 2025	30 June 2025
	30 April 2026	30 April 2026	30 June 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
	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
Remaining contractual life, yrs	2.3	2.3	5.5
Number of persons at the end of reporting year	5	8	9
Payment method	Cash & Equity	Cash & Equity	Cash & Equity
Changes during period	2022A	2022B	PSP 2023
Outstanding in the beginning of the period	646,925	2,204,323	
Reserve in the beginning of the period			
Changes during period			
Granted			1,980,000
Forfeited		212,456	280,000
Outstanding at the end of the period	646,925	1,991,865	1,700,000
Reserved at the end of period		541,836	300,000

**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	2024	2023
Share price at grant, €	0.18	0.38
Share price at reporting period end, €	0.17	0.17
Risk-free rate, %	0%	0%
Expected dividends, €	0	0
Fair Value, €	370,372	0
Effect of share-based Incentives on the result and financial position during period	2024	2023
Expenses for the financial year, share-based payments, 1,000 €	84	15
Expenses for the financial year, share-based payments, equity-settled, 1,000 €	84	101
Liabilities arising from share-based payments 31 Dec., 1,000€	0	0

Future cash payment to be paid to the tax authorities from share-based payments, estimated at the end of period 188,126 euros.

**G10. OTHER ADMINISTRATIVE EXPENSES**

EUR 1,000	2024	2023
Office expenses	-490	-383
IT and infosystems	-1,615	-1,926
Business expenses	-4	-7
Travel expenses	-19	-19
Car costs	-55	-41
Other HR related expenses	-207	-123
Marketing expenses	-213	-129
Banking and custodian expenses	-610	-112
External services	-1,698	-1,764
Other expenses	0	-9
Other administrative expenses total	-4,908	-4,513

Fees paid to the audit firm

	2024	2023
Audit	-169	-163
Assignments referred to in section 1 subsection 1 section 2 of the Audit Act	-14	-3
Other services		-22
Fees paid to the audit firm total	-183	-189

G11. DEPRECIATION AND IMPAIRMENT LOSSES

	2024	2023
Intangible assets	-942	-675
Tangible assets	-11	-9
Right to use assets	-331	-147
Depreciation and impairment total	-1,284	-831

Activations related to foreign operations and unrealized development projects, 26 thousand euros, was written down in the group in 2024.

G12. OTHER OPERATING EXPENSES

EUR 1,000	2024	2023
Authorities expenses	-32	-271
Rent expenses	-23	-76
Other operating expenses	-231	-226
Other operating expenses total	-285	-572

**G13. REALIZED AND EXPECTED CREDIT LOSSES**

EUR 1,000	2024	2023
Realized credit losses on receivables		
Realized credit losses on loans granted during the financial year	-267	-320
Realized credit losses on loans granted before the beginning of the financial year	-5,906	-6,402
Realized credit losses on receivables total	-6,173	-6,722
Expected credit losses change*	646	1,279
Realized and expected credit losses total*	-5,527	-5,443

The change in the expected credit loss reservation with an impact on profit was a positive 0.6 million euros (1.3*). This change resulted from both the decrease in the loan portfolio for individual customers and the recognition of final credit losses on corporate loans. In the comparison period, the release of the ECL provision was influenced by the sale of the Polish loan portfolio and the relative decrease in the share of the old peer-to-peer loan portfolio within the total portfolio.

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 was an increase of about EUR 0.3 million (2023: a decrease of 0.5): A Change concerning the handling of defaulted customers increased ECL provision by EUR 0.1 million. The price change in the sales contract for overdue receivables has the effect of increasing the provision by EUR 0.1 million. During the financial year, there were also minor increases in the ECL provision due to updates in macroeconomic parameters and changes in the handling of personal guarantees.

The provision for expected credit losses in the financial statements on December 31, 2024 includes a total of EUR 0.3 million (0.9) 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.

* ECL correction 2023, see page 36



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 January 2024	160,543	5,614	6,708	172,866
Transfers from stage 1 to stage 2	-4,841	4,225	0	-616
Transfers from stage 1 to stage 3	-3,267	0	2,678	-588
Transfers from stage 2 to stage 1	905	-1,153	0	-248
Transfers from stage 2 to stage 3	0	-680	533	-148
Transfers from stage 3 to stage 1	35	0	-43	-8
Transfers from stage 3 to stage 2	0	44	-51	-7
Increases due to origination and acquisition	353,076	1,167	1,230	355,474
Decreases due to derecognition	-362,975	-994	-637	-364,605
Decreases in the allowance account due to write-offs	-6,897	-2,452	-3,281	-12,630
Loan receivables from customers 31 December 2024	136,579	5,771	7,138	149,488

	Stage 1	Stage 2	Stage 3	Total
Loan receivables from customers 1 January 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 December 2023	160,543	5,614	6,708	172,866



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 January 2024	1,469	530	4,428	6,427
Transfers from stage 1 to stage 2	-72	385	0	313
Transfers from stage 1 to stage 3	-139	0	1,439	1,300
Transfers from stage 2 to stage 1	13	-54	0	-42
Transfers from stage 2 to stage 3	0	-73	283	210
Transfers from stage 3 to stage 1	1	0	-36	-35
Transfers from stage 3 to stage 2	0	2	-17	-14
Increases due to origination and acquisition	712	26	340	1,078
Changes in credit risk	-156	76	92	12
Decreases due to derecognition	-683	-26	-438	-1,146
Decreases in the allowance account due to write-offs	-91	-353	-1,883	-2,326
ECL-reservation 31 December 2024	1,053	515	4,209	5,776

	Stage 1	Stage 2	Stage 3	Total
ECL- reservation 1 January 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 credit risk	-348	*-394	*819	*77
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 December 2023	1,469	*530	*4,428	*6,427

* ECL correction 2023, see page 36



Macroeconomic model assumptions used in the ECL calculation

The following table presents the company's 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.

MACROECONOMIC DEVELOPMENT SCENARIOS		Scenario weightings	Unemployment %				
			2025	2026	2027	2028	2029
Positive	20,00%	6.1	6.0	5.9	5.9	5.8	
Basic scenario (IMF)	60.00%	7.4	7.3	7.3	7.2	7.1	
Negative	20.00%	9.1	8.9	8.9	8.8	8.7	

MACROECONOMIC DEVELOPMENT SCENARIOS		Scenario weightings	Gross domestic product %				
			2025	2026	2027	2028	2029
Positive	20.00%	3.1	3.2	2.9	2.8	2.8	
Basic scenario	60.00%	1.9	1.9	1.7	1.6	1.5	
Negative	20.00%	0.6	0.7	0.4	0.3	0.3	

In its negative scenario the Company has anticipated a situation in which the weak macroeconomic development will significantly impact the growth of GDP in the coming years. 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	2024	2023
Positive	5,906	5,692
Basic scenario	5,984	5,715
Negative	6,067	5,738

**G14. INCOME TAXES**

EUR 1,000	2024	2023
Income taxes	42	1
Change in deferred tax receivable	36	2
Taxes for previous period	35	0
Income taxes total	113	3
Tax rate reconciliation		
	2024	2023
Result before taxes	-1,317	-140
Tax calculated at parent's tax rate of 20%	263	28
Effect on different tax rates in foreign subsidiaries	7	1
Non-deductible expenses	-7	-2
Change in deferred taxes from previous financial periods	0	2
Unrecognized deferred tax assets for losses	-227	0
Benefit from previously unrecorded deferred tax assets	0	-28
Adjustment to PURO Finance Ltd's tax	77	0
Other tax items	1	2
Taxes on income statement	113	3

DEFERRED TAX RECEIVABLES AND LIABILITIES

EUR 1,000	1 Jan 2024	Recognised in profit or loss	Booked to retained earnings	31 Dec 2024
Leases	3	14	0	17
Deferred tax receivables total	3	0	0	17
Customer contracts	0	22	177	155
Deferred tax liabilities total	0	22	177	155
	1 Jan 2023	Recognised in profit or loss	Booked to retained earnings	31 Dec 2023
Leases	2	1	0	3
Share-based payments	78	0	-78	0
Other adjustments	51	0	-51	0
Deferred tax receivables total	129	1	-129	3
Right-of-use assets and liabilities			31 Dec 2023	
Deferred tax assets of right-of-use assets		171	101	
Deferred tax liabilities of right-of-use liabilities		154	22	
Deferred tax net, right-of-use assets and liabilities		17	79	

**G15. EARNINGS PER SHARE**

EUR 1,000	2024	2023
Profit attributable to the shareholders of the parent*	-1 204	-138
Weighted average number of the shares	125,321,333	88,332,182
Share and option rights for share-based incentive programs	3,298,330	4,338,789
Earnings per share, basic	-0.01	0.00
Earnings per share, diluted**	-0.01	0.00

** 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.

* ECL correction 2023, see page 36

**G16. CLASSES OF FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUES**

EUR 1,000		31 DEC 2024		
	Amortised cost	Total	Measured at fair value	Value hierarchies
Assets				
Cash and cash equivalents	279,361	279,361	279,361	1
Claims on credit institutions	8,701	8,701	8,701	1
Claims on the public and public sector entities	143,711	143,711	150,529	2
Total	431,774	431,774	438,591	
Liabilities				
Liabilities to the public and public sector entities	394,639	394,639	394,970	2
Subordinated liabilities	6,218	6,218	6,007	2
Total	400,857	400,857	400,977	
31 DEC 2023				
	Amortised cost	Total	Measured at fair value	Value hierarchies
Assets				
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*	166,438	166,438	166,438	2
Total*	301,263	301,263	301,263	
Liabilities				
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	

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.

Valuation of the Fair Value of Financial Instruments

The determination of the fair value of financial instruments has been clarified for the fiscal year 2024. The comparative period information has not been retrospectively adjusted. For cash and cash equivalents and claims on credit institutions, the fair value corresponds to the nominal value. Claims on the public and public sector entities include granted loans, for which the fair value is determined by discounting the expected future contract-based cash flows at the market interest rates at the reporting date, less expected credit losses.

The fair value of deposits included in liabilities to the public and public sector entities is determined by discounting the future cash flows at the market interest rates at the reporting date. For subordinated liabilities, the discount rate reflects the margin corresponding to the instrument's priority position.

* ECL correction 2023, see page 36

**G17. CASH AND CASH EQUIVALENTS**

EUR 1,000	31 DEC 2024	31 DEC 2023
Current account in the Bank of Finland	279,361	129,364
Cash and cash equivalents total	279,361	129,364

G18. RECEIVABLES FROM CREDIT INSTITUTIONS

EUR 1,000	31 DEC 2024	31 DEC 2023
Repayable on demand	4,701	2,861
Minimum reserve deposit to Bank of Finland	4,000	2,600
Receivables from credit institutions total	8,701	5,461

G19. CLAIMS ON THE PUBLIC AND PUBLIC SECTOR ENTITIES

EUR 1,000	31 DEC 2024	31 DEC 2023
Enterprises and public sector entities*	45,859	38,617
Public sector entities	680	1,122
Households*	93,427	121,256
Foreigners	3,746	5,444
Claims on the public and public sector entities total*	143,711	166,438

* ECL correction 2023, see page 36

**G20. INTANGIBLE ASSETS**

EUR 1,000	2024				Total
	Goodwill	Development of IT software	Customer relationships	Other intangible assets	
Acquisition cost at 1 Jan	5,957	4,674	240	0	10,871
Increases	7,325	562	884		8,771
Fro acquisitions		521			521
Acquisition cost before depreciations	13,282	5,756	1,124	0	20,162
Accumulated depreciation 1 Jan	0	-2,631	-72	0	-2,703
Depreciation		-783	-159		-942
Accumulated depreciation 31 Dec	0	-3,414	-231	0	-3,645
Acquisition cost at 31 Dec	13,282	5,756	1,124	0	20,162
Accumulated depreciation 31 Dec	0	-3,414	-231	0	-3,645
Book value 31 Dec	13,282	2,341	894	0	16,517

EUR 1,000	2023				Total
	Acquisition cost at 1 Jan	5,957	3,866	240	
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 Jan	0	-1,913	-24	-91	-2,027
Depreciation	0	-627	-48	0	-675
Transfers between items		-91		91	0
Accumulated depreciation 31 Dec	0	-2,631	-72	0	-2,702
Acquisition cost at 31 Dec	5,957	4,674	240	0	10,871
Accumulated depreciation 31 Dec	0	-2,631	-72	0	-2,702
Book value 31 Dec	5,957	2,042	168	0	8,169

Goodwill	31 Dec 2024	31 Dec 2023
Merger of Evli Bank Plc's banking business and Fellow Finance Plc	5,338	5,338
Acquisition of Mobify Invoices Ltd	619	619
Acquisition of PURO Finance Ltd	7,325	
Total	13,282	5,957



Goodwill impairment test

The amount of goodwill at the end of 2024 was EUR 13.3 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, 5 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 2024 was 9.3 (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 results show that the recoverable amount exceeds the carrying value, and therefore, Alisa Bank has no need to impair goodwill. The sensitivity analysis tested the impact of key variables on the test result. Key variables include the business's performance, discount rate, and the growth assumption after the three-year forecast period. Based on the sensitivity analysis, the recoverable amount does not change in a way that would create a need for impairment.

G21. TANGIBLE ASSETS

EUR 1,000	2024	
	Machinery and equipment	Right-of-use property
Acquisition cost at 1 Jan	311	1,010
Increases	23	899
From acquisitions	11	
Decrease		-294
Acquisition cost before depreciations	346	1,615
Accumulated depreciation 1 Jan	-290	-515
Depreciation	-11	-331
Accumulated depreciation 31 Dec	-301	-846
Acquisition cost at 31 Dec	346	1,615
Accumulated depreciation 31 Dec	-301	-846
Tangible assets total, 31 Dec	46	768
	2024	
	EUR 1,000	
Acquisition cost at 1 Jan	300	460
Increases	11	550
Acquisition cost before depreciations	311	1,010
Accumulated depreciation 1 Jan	-272	-349
Depreciation	-9	-147
Other changes	-9	-19
Accumulated depreciation 31 Dec	-290	-515
Acquisition cost at 31 Dec	311	1,010
Accumulated depreciation 31 Dec	-290	-515
Tangible assets total, 31 Dec	22	495
	31 DEC 2024	31 DEC 2023
Lease liabilities		
Long-term lease liabilities	450	342
Short-term lease liabilities	404	161
Lease liabilities, total	854	503

**G22. OTHER ASSETS**

EUR 1,000	31 DEC 2024	31 DEC 2023
Commission receivables	330	1,857
Other assets	535	0
Other assets total	865	1,857

G23. ACCRUED INCOME AND PREPAYMENTS

EUR 1,000	31 DEC 2024	31 DEC 2023
Interest receivables	4	5
Prepayments	215	294
Others	168	47
Accrued income and prepayments total	388	346

G24. TAX ASSETS AND LIABILITIES

EUR 1,000	31 DEC 2024	31 DEC 2023
Tax assets		
Deferred tax assets	17	3
Current income tax receivables	229	243
Tax liabilities		
Deferred tax liabilities	155	
Tax assets and liabilities, net	91	246

G25. LIABILITIES TO THE PUBLIC AND PUBLIC SECTOR ENTITIES

EUR 1,000	31 DEC 2024	31 DEC 2023
Deposits	394,639	268,864
Liabilities to the public and public sector entities total	394,639	268,864

G26. SUBORDINATED LIABILITIES

EUR 1,000	31 DEC 2024	31 DEC 2023
Debentures	6,218	6,210
Subordinated liabilities total	6,218	6,210

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.

G27. OTHER LIABILITIES

EUR 1,000	31 DEC 2024	31 DEC 2023
Lease liabilities	854	503
Personnel related	0	3
Accounts payable	517	544
Liabilities on peer-to-peer loans to investors	1,341	1,780
Other liabilities	1,600	2,722
Other liabilities total	4,312	5,551

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

G28. ACCRUED EXPENSES AND DEFERRED INCOME

EUR 1,000	31 DEC 2024	31 DEC 2023
Interest payable	4,835	3,126
Personnel related	1,231	1,022
Accrued expenses	2,551	1,906
Accrued expenses and prepayments total	8,618	6,054

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.

**G29. EQUITY**

EUR 1,000	31 DEC 2024	31 DEC 2023
Restricted equity		
Share capital 1 Jan	18,289	18,286
Other changes		3
Share capital 31 Dec	18,289	18,289
Total restricted equity	18,289	18,289
Unrestricted equity		
Reserve for invested unrestricted equity	31,985	19,917
Retained earnings	-12,408	-12,350
Result for the year*	-1,204	-138
Total unrestricted equity *	18,373	7,429
Total equity*	36,663	25,719

Reserve for invested unrestricted equity grew by EUR 12.1 million during the accounting period. 11,599 thousand euros of growth was due to the acquisition of PURO Finance Ltd. In addition, the reserve for invested unrestricted equity grew at the end of the year by 289 thousand euros through the personnel issue and by 180 thousand euros through the directed issue to the new CEO.

Alisa Bank's share has no nominal value. The company held 14,081 own shares at the end of the financial year.

Number of shares in Alisa Bank Plc

1 January 2024		88,332,182
additions		
15 May 2024	acquisition of PURO Finance Ltd	58,878,721
9 December 2024	share issue to personnel	1,738,152
13 December 2024	share issue to new CEO	1,082,508
31 December 2024		150,031,563

* ECL correction 2023, see page 36

G30. OFF-BALANCE SHEET ITEMS

EUR 1,000	31 DEC 2024	31 DEC 2023
Unused credit facilities	4,861	5,647
Total	4,861	5,647

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 68 thousand (EUR 41 thousand).

G31. COLLATERALS RECEIVED

EUR 1,000	31 DEC 2024	31 DEC 2023
Real estate collateral	3,406	1,962
Guarantees received	6,699	9,391
Other	4,674	11,417
Collaterals received total	14,779	22,770

G32. GROUP STRUCTURE

Subsidiaries consolidated into the group		31 DEC 2024	31 DEC 2023
Subsidiaries	Domestic	Group ownership	Group ownership
Lainaamo Ltd	Finland	merged to Alisa Bank Plc	100.0 %
Mobify Invoices Ltd	Finland	merged to Alisa Bank Plc	100.0 %
PURO Finance SPV 1 Ltd	Finland	100.0%	0,0%
Fellow Finance Estonia Oü	Estonia	ceased operations	100.0 %
Fellow Finance Česko s.r.o	Czech Republic	100.0%	100.0 %
Fellow Finance Deutschland GmbH	Germany	100.0%	100.0 %



G33. 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 reporting period, business transactions with related parties, board and executive team members, mainly consisted of Alisa Bank's deposit liabilities, debenture loans and related interest. In addition, in connection with the combination with PURO Finance, share subscription loans granted to some of PURO Finance's personnel were transferred to Alisa Bank Group, of which the share granted to related parties is shown in the table below.

RELATED PARTY TRANSACTIONS

EUR 1,000	31 DEC 2024	31 DEC 2023
Receivables	83	0
Liabilities	345	509
Expenses	21	16
Total	448	525

Appendix K9 presents the information regarding the remuneration of the management. Appendix K32 shows the group structure and appendix K1 explains the changes in the group structure.

G34. 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	68	P20. Tangible assets	82
Parent company's balance sheet	69	P21. Other assets	83
Parent company's statement of cash flow	70	P22. Accrued income and prepayments	83
Parent company's notes		P23. Tax assets and liabilities	83
P1. Parent Company's accounting policies	71	P24. Liabilities to the public and public sector entities	83
P2. Net interest income	72	P25. Other liabilities	83
P3. Fee and commission income and expenses	72	P26. Accrued expenses deferred income.....	83
P4. Net investment income	73	P27. Subordinated liabilities	83
P5. Other operating income	73	P28. Equity	84
P6. Personnel expenses	74	P29. Assets pledged as collateral	85
P7. Other administrative expenses	74	P30. Off-balance sheet commitments	85
P8. Depreciation and impairment losses	74		
P9. Other operating expenses	74		
P10. Realized and expected credit losses	75		
P11. Income taxes	75		
P12. Classes of financial assets and liabilities and fair values	76		
P13. Maturities of financial assets and liabilities	78		
P14. Assets and liabilities in domestic and foreign currencies.....	79		
P15. Cash and cash equivalents	79		
P16. Claims on credit institutions	80		
P17. Claims on public and public sector entities	80		
P18. Shares and participations in companies belonging to the group	80		
P19. Intangible assets.....	81		



Parent company income statement

EUR 1,000	NOTE	2024	2023
Interest income		29,615	20,077
Interest expenses		-14,368	-5,302
Net interest income	P2	15,247	14,775
Fee and commission income	P3	2,902	3,172
Fee and commission expenses	P3	-1,106	-1,393
Net investment income	P4	-15	34
Other operating income	P5	119	168
Total operating income		17,147	16,756
Operating expenses			
Personnel expenses	P6	-5,962	-5,246
Other administrative expenses	P7	-4,479	-4,700
Depreciation and amortization on tangible and intangible assets	P8	-787	-591
Other operating expenses	P9	-11,708	-569
Realized and expected credit losses *	P10	-5,640	-5,567
Operating profit *		-11,429	82
Profit before taxes *		-11,429	82
Income taxes	P11	0	0
Profit (loss) for the financial year *		-11,429	82

* ECL correction 2023, see page 36



Parent company balance sheet

EUR 1,000	NOTE	2024	2023	EUR 1,000	NOTE	2024	2023
Assets				Liabilities			
Cash and equivalents	P15	279,361	129,364	Liabilities to the public and public sector entities	P24	394,639	268,864
Claims on credit institutions	P16	8,600	4,022	Other liabilities	P25	4,325	5,041
Claims on the public and public sector entities *	P17	144,011	166,738	Accrued expenses and deferred income	P26	8,617	6,031
Shares and participation in companies belonging to the Group	P18	924	5,028	Subordinated liabilities	P27	6,218	6,210
Intangible assets	P19	2,345	2,068	Liabilities total		413,799	286,146
Property, plant and equipment	P20	46	22	Equity	P28		
Other assets	P21	870	1,857	Share capital		18,289	18,289
Accrued income and prepayments	P22	385	315	Fund of invested non-restricted equity		23,343	12,452
Income tax assets	P23	229	243	Retained earnings		-7,230	-7,312
Assets total *		436,772	309,657	Profit (loss) for financial year *		-11,429	82
				Equity total *		22,973	23,511
				Liabilities and equity total *		436,772	309,657

* ECL correction 2023, see page 36



Parent company cash flow statement

EUR 1,000	2024	2023	EUR 1,000	2024	2023
Cash flow from operating activities			Investing activities		
Profit (loss) for the period *	-11,429	82	Investments in tangible assets	-23	-2
Adjustments for items not included in cash flow			Investments in intangible assets	-508	-744
Depreciation and impairment	787	591	Sales of tangible assets	35	0
Credit losses *	5,531	5,927	Sales of subsidiaries	0	109
Loss from merger	11,427	0	Cash flow from investing activities	-496	-637
Other adjustments	-10	-109	Cash flow from financing activities		
Adjustments total *	17,735	6,410	Paid directed share issue	911	0
Cash flows from operating before changes in operating assets and liabilities *	6,306	6,492	Cash flow from financing activities	911	0
Increase (-) or decrease (+) in operating assets			Change in cash and cash equivalents	154,576	8,010
Claims on the public and public sector entities	17,972	-17,586	Cash and cash equivalents at the beginning of period	133,386	125,375
Other assets	2,574	-906	Cash and cash equivalents at the end of period	287,962	133,386
Increase (-) or decrease (+) in operating liabilities			Cash and equivalents are formed by the following items:		
Liabilities to the public and public sector entities	125,775	22,055	Cash and equivalents	279,361	129,364
Other liabilities	1,534	-1,408	Claims on credit institutions	8,600	4,022
Cash flow from operating activities *	154,160	8,647	Cash and cash equivalents at the end of period	287,962	133,386

* ECL correction 2023, see page 36



P1. Accounting principles for the Parent Company

Company's basic information

Alisa Bank Plc ("company") domicile is in Helsinki and registered address is Bulevardi 21 A, 00180 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.

Alisa Bank has share-based incentive schemes. According to IFRS, the fair value is amortized as an expense in the income statement during the period of creation and the counterpart is recorded in equity. In the FAS financial statement, an expense is only recorded at the time of payment and only for the portion paid in cash.

In the group, tax deductible temporary differences are calculated as deferred tax assets up to the amount that it is likely that the group can utilize the temporary difference. Deferred tax assets and liabilities are not recorded in the parent company.

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	2024	2023
Interest income		
Interest income from other loans and claims		
Claims on credit institutions	11,628	4,070
Claims on the public and public sector entities	13,101	16,001
From companies belonging to the same group	4,885	6
Interest income Total	29,615	20,077
Interest expenses		
Interest expenses from other borrowing		
Liabilities to the public and public sector entities and credit institutions	-13,869	-4,803
Subordinated liabilities	-496	-495
Other interest expenses	-2	-4
Interest expenses total	-14,368	-5,302
Net interest income	15,247	14,775

P3. FEE AND COMMISSION INCOME AND EXPENSES

EUR 1,000	2024	2023
Fee and commission income		
Credit related fees and commissions	2,228	2,011
Peer to peer lending	449	951
Insurance brokerage	30	72
BaaS - Banking-as-a-Service fees	122	0
Form companies belonging to the same group	3	0
Other fee and commission income	70	138
Fee and commission income total	2,902	3,172
Fee and commission expenses		
Lending	0	-176
Other fee and commission expenses	-1,106	-1,216
Fee and commission expenses total	-1,106	-1,393

**P4. NET INVESTMENT INCOME**

EUR 1,000	2024	2023
Net income from foreign exchange operations	-15	34
Net investment income total	-15	34

2024

Net investment income from securities transactions by instrument	Gains and losses on sales	Changes in fair value	Total
Net income from foreign exchange operations	-15	0	-15
Net investment income total	-15	0	-15

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 investment income total	34	0	34

P5. OTHER OPERATING INCOME

EUR 1,000	2024	2023
From companies belonging to the same group	11	30
Other income	108	138
Other operating income total	119	168

**P6. PERSONNEL EXPENSES**

EUR 1,000	2024	2023
Wages and salaries	-5,611	-5,073
Other social security costs	-42	-91
Pension expenses	-775	-692
Activation of personnel costs	467	609
Personnel expenses total	-5,962	-5,246

The activation of personnel costs includes the share of own work from the costs activated in the information systems, including social costs.

Number of personnel, average	2024	2023
Number of personnel during the period, average	80	77
Number of personnel at the end of the period	78	76

P7. OTHER ADMINISTRATIVE EXPENSES

EUR 1,000	2024	2023
Office expenses	-471	-282
Office expenses, from companies belonging to the same group	-556	-444
IT and infosystems	-1,484	-1,891
Business expenses	-4	-7
Travel expenses	-45	-36
Car expenses	-4	-3
Other HR related expenses	-208	-123
Marketing expenses	-201	-129
Banking and custodian expenses	-479	-84
External services	-1,027	-1,701
Other expenses	0	-1
Other administrative expenses total	-4,479	-4,700

FEEES PAID TO THE AUDIT FIRM

EUR 1,000	2024	2023
Audit	-148	-163
Assignments referred to in section 1 subsection 1 section 2 of the Audit Act	-14	-3
Other services		-22
Fees paid to the audit firm total	-162	-189

P8. DEPRECIATION AND IMPAIRMENT LOSSES

EUR 1,000	2024	2023
Intangible assets	-778	-583
Tangible assets	-9	-9
Depreciation, amortization and impairment losses total	-787	-591

During the accounting period, the group had EUR 0.1 million in write-downs related to the ending business operations in Germany and an unrealized IT project

P9. OTHER OPERATING EXPENSES

EUR 1,000	2024	2023
Authorities expenses	-32	-270
Rent expenses	-207	-169
Loss from merger	-11,427	0
Other operating expenses	-43	-130
Other operating expenses total	-11,708	-569

**P10. REALISED AND EXPECTED CREDIT LOSSES**

EUR 1,000	2024	2023
Realized credit losses on receivables		
Realized credit losses on loans granted during the financial year	-267	-320
Realized credit losses on loans granted before the beginning of the financial year	-6,019	-6,527
Realised and expected credit losses and impairment losses	-6,286	-6,847
Expected credit losses (ECL) change *	646	1,279
Impairment of receivables total *	-5,640	-5,567

The profit-impacting change in the provision for expected credit losses was 0.6 million euros (1.3*) improving the result. The change resulted from both the reduction in the credit base of personal customers and the effect of recording final credit losses on business loans. In the comparison period, the discharge of the ECL reserve was affected by the sale of the Polish credit portfolio and the reduction of the relative share of the old peer-to-peer loan portfolio compared to the total portfolio.

The effects of the development of the ECL calculation model applied by the company and changes in discretionary parameters on the amount of the credit loss provision were approximately EUR 0.3 million increasing the ECL provision in the financial period (2023: decreasing it by EUR 0.5 million): The change in insolvency processing increased the ECL provision by EUR 0.1 million. The price change of the sales contract for overdue receivables had an effect of EUR -0.1 million, increasing the provision. In the accounting period, the update of the macroeconomic parameters and the change in the processing of the personal guarantee also had minor effects on the ECL reserve, increasing it.

* ECL correction 2023, see page 36

The provision for expected credit losses in the financial statements on December 31, 2024, includes a total of EUR 0.3 million (0.9) increases in provisions at the management's discretion. Discretionary reserves are allocated to individual contracts and concern loans granted to business customers.

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

P11. INCOME TAXES

EUR 1,000	2024	2023
Other direct taxes	0	0
Income taxes total	0	0



Notes to balance sheet

P12. CLASSES OF FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUES

EUR 1,000		31 DEC 2024		
	Amortised cost	Total	Measured at fair value	Value hierarchies
Assets				
Cash and cash equivalents	279,361	279,361	279,364	1
Claims on credit institutions	8,600	8,600	8,600	1
Claims on the public and public sector entities	144,011	144,011	150,843	2
Other assets	870	870	870	
Total	432,843	432,843	439,677	
Liabilities				
Liabilities to the public and public sector entities	394,639	394,639	394,970	2
Subordinated liabilities	6,218	6,218	7,153	2
Non-financial liabilities	4,325	4,325	4,325	
Total	405,182	405,182	406,448	

EUR 1,000		31 DEC 2023		
	Amortised cost	Total	Measured at fair value	Value hierarchies
Assets				
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 *	166,738	166,738	166,738	2
Other assets	1,857	1,857	1,857	
Total *	301,981	301,981	301,981	
Liabilities				
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	

* ECL correction 2023, see page 36



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**

EUR 1,000	2024						2023					
	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	279,361					279,361	129,364					129,364
Claims on credit institutions	8,600					8,600	4,022					4,022
Claims on the public and public sector entities *	43,210	20,363	62,029	15,428	2,981	144,011	29,287	5,576	73,282	47,535	17,042	172,722
Liabilities												
Financial liabilities at amortized cost												
Liabilities to public	355,340	19,313	19,986			394,639	204,192	47,406	17,267			268,864
Subordinated liabilities	118		6,100			6,218	110		6,100			6,210
Off-balance sheet commitments	4,861					4,861	5,647					5,647

* ECL correction 2023, see page 36

**P14. ASSETS AND LIABILITIES DENOMINATED IN DOMESTIC AND FOREIGN CURRENCY**

EUR 1,000	2024			2023		
	Domestic currency	Foreign currency	Total	Domestic currency	Foreign currency	Total
Assets						
Financial assets at amortized cost						
Cash and cash equivalents	279,361		279,361	129,364		129,364
Claims on credit institutions	8,496	104	8,600	4,020	1	4,022
Claims on the public and public sector entities *	142 905	1 106	144,011	165 091	1 648	166,738
Other asset items	3,875		3,8575	4,505		4,505
Total *	434 637	1 211	435,848	302 980	1 649	304,629
Liabilities						
Financial liabilities at amortized cost						
Liabilities to the public and public sector entities	394,639		394,639	268,864		268,864
Subordinated liabilities	6,218		6,218	6,210		6,210
Other liabilities items	12,936	6	12,942	11,056	16	11,072
Total	413,793	6	413,799	286,130	16	286,146

P15. CASH AND CASH EQUIVALENTS

EUR 1,000	31 DEC 2024	31 DEC 2023
Balances with central banks	279,361	129,364
Cash and cash equivalents total	279,361	129,364

* ECL correction 2023, see page 36

**P16. RECEIVABLES FROM CREDIT INSTITUTIONS**

EUR 1,000	31 DEC 2024	31 DEC 2023
Repayable on demand	4,600	1,422
Other than repayable on demand	4,000	2,600
Receivables from credit institutions total	8,600	4,022

P17. CLAIMS ON THE PUBLIC AND PUBLIC SECTOR ENTITIES

EUR 1,000	31 DEC 2024	31 DEC 2023
Other than repayable on demand		
Enterprises and housing associations *	30,575	20,937
Public sector entities	680	1,122
Households *	108,710	138,936
Foreign countries	4,046	5,744
Other than repayable on demand total *	144,011	166,738
Claims on the public and public sector entities total *	144,011	166,738

P18. SHARES AND PARTICIPATION IN COMPANIES BELONGING TO THE GROUP

EUR 1,000	2024	2023
At the beginning of the period	5,028	5,028
Effects on business arrangement	-16,471	0
Write-downs	-25	0
Additions	12,392	0
At the end of the period	924	5,028

* ECL correction 2023, see page 36

**P19. INTANGIBLE ASSETS**

EUR 1,000	2024	
	Development of IT software	Total
Acquisition cost at 1 Jan	5,239	5,239
Increases	508	508
Increases from mergers	546	546
Acquisition cost before depreciations	6,293	6,293
Accumulated depreciation 1 Jan	-3,170	-3,170
Depreciation	-672	-672
Write-downs related to German operations	-94	-94
Write-down related to IT-project	-12	-12
Accumulated depreciation 31 Dec	-3,948	-3,948
Acquisition cost at 31 Dec	6,293	6,293
Accumulated depreciation 31 Dec	-3,948	-3,948
Book value 31 Dec	2,345	2,345

EUR 1,000	2023	
	Acquisition cost at 1 Jan	4,551
Increases	688	688
Acquisition cost before depreciations	5,239	5,239
Accumulated depreciation 1 Jan	-2,587	-2,587
Depreciation	-583	-583
Accumulated depreciation 31 Dec	-3,170	-3,170
Acquisition cost at 31 Dec	5,239	5,239
Accumulated depreciation 31 Dec	-3,170	-3,170
Book value 31 Dec	2,068	2,068

**P20. TANGIBLE ASSETS**

EUR 1,000	2024		
	Machinery and equipment	Other tangible assets	Total
Acquisition cost at 1 Jan	273	0	273
Increases	34	0	34
Acquisition cost before depreciations	307	0	307
Accumulated depreciation 1 Jan	-252	0	-252
Depreciation	-9	0	-9
Accumulated depreciation 31 Dec	-261	0	-261
Acquisition cost at 31 Dec	307	0	307
Accumulated depreciation 31 Dec	-261	0	-261
Book value 31 Dec	46	0	46

EUR 1,000	2023		
	Machinery and equipment	Other tangible assets	Total
Acquisition cost at 1 Jan	272	7	279
Increases	2	0	2
Acquisition cost before depreciations	273	7	280
Accumulated depreciation 1 Jan	-243	-7	-250
Depreciation	-9	0	-9
Accumulated depreciation 31 Dec	-252	-7	-259
Acquisition cost at 31 Dec	273	7	280
Accumulated depreciation 31 Dec	-252	-7	-259
Book value 31 Dec	22	0	22

**P21. OTHER ASSETS**

EUR 1,000	31 DEC 2024	31 DEC 2023
Commission receivables	330	1,848
Other receivables	540	9
Other assets total	870	1,857

P22. ACCRUED INCOME AND PREPAYMENTS

EUR 1,000	31 DEC 2024	31 DEC 2023
Interest	4	5
Staff-related	58	47
Other items	323	264
Accrued income and prepayments total	385	315

P23. TAX ASSETS AND LIABILITIES

EUR 1,000	31 DEC 2024	31 DEC 2023
Income tax assets	229	243
Tax assets and liabilities total	229	243

P24. LIABILITIES TO THE PUBLIC AND PUBLIC SECTOR ENTITIES

EUR 1,000	31 DEC 2024	31 DEC 2023
Liabilities to public		
Repayable on demand	394,639	268,864
Liabilities to the public and public sector entities total	394,639	268,864

P25. OTHER LIABILITIES

EUR 1,000	31 DEC 2024	31 DEC 2023
Other short-term liabilities	4,151	4,885
VAT and withholding tax payable	175	156
Other liabilities total	4,325	5,041

P26. ACCRUED EXPENSES AND DEFERRED INCOME

EUR 1,000	31 DEC 2024	31 DEC 2023
Personnel related	1,231	1,022
Interest expenses	4,835	3,126
Other accrued expenses	2,550	1,882
Accrued expenses and deferred income total	8,617	6,031

P27. SUBORDINATED LIABILITIES

EUR 1,000	31 DEC 2024	31 DEC 2023
Debentures	6,218	6,210
Subordinated liabilities total	6,218	6,210

**P28. EQUITY**

EUR 1,000	31 DEC 2024	31 DEC 2023
Restricted equity		
Share capital 1 Jan	18,289	18,289
Share capital 31 Dec	18,289	18,289
Total restricted equity	18,289	18,289
Unrestricted equity		
Fund of invested non-restricted equity 1 Jan	12,452	12,452
Acquisition	10,422	0
Share issue	469	0
Fund of invested non-restricted equity 31 Dec	23,343	12,452
Retained earnings 1 Jan	-7,230	-7,312
Result for the year *	-11,429	82
Retained earnings 31 Dec *	-18,659	-7,230
Total unrestricted equity *	4,684	5,222
Total equity *	22,973	23,511

P28. EQUITY

EUR 1,000	31 DEC 2024	31 DEC 2023
Calculation of distributable equity		
Retained earnings 1 Jan	-7,230	-7,312
Result for the year *	-11,429	82
Reserve for invested unrestricted equity	23,343	12,452
Capitalized development expenditure	-2,345	-2,071
Total *	2,339	3,151
Share capital of the company	31 DEC 2024	31 DEC 2023
The company's shares are quoted on the Nasdaq Helsinki under the trading code ALISA.		
No. of shares (ALISA)	150.031.563	88.332.182
Total	150.031.563	88.332.182

Each share carries one vote at a General Meeting of Shareholders

Own shares held by the credit institution

On December 31, 2024 the company hold a total of 14.081 own shares.

* ECL correction 2023, see page 36

**P29. ASSETS PLEDGED AS COLLATERAL**

EUR 1,000

	2024			2023		
	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
ASSETS						
Cash and cash equivalents	0	279,361	275,360	0	129,364	126,864
Claims on credit institutions	0	8,600	8,600	0	4,022	4,022
Claims on the public and public sector entities *	0	144,011	0	0	166,738	
Total *	0	431,973	283,960	0	300,124	130,886

P30. OFF-BALANCE SHEET COMMITMENTS

	2024	2023
Unused credit facilities, given to clients	4,861	5,647
Total	4,861	5,647

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

* ECL correction 2023, see page 36



Signatures on the Financial Statements and the Annual Report

The financial statement prepared in compliance with the applicable financial statement regulations gives a true and fair view of the assets, liabilities, financial position and profit or loss of both the company and the entire group of companies included in its consolidated financial statements. The annual report contains a truthful view of the business development and performance of the company and of the companies included in its consolidated financial statements on the one hand, as well as a description of the most significant risks and uncertainties and the rest of the company's condition.

Helsinki, February 14, 2025

Markku Pohjola
Chairman of the Board

Johanna Lamminen
Deputy Chairman of the Board

Sampsa Laine
CEO

Sami Honkonen

Jukka Salonen

Tero Weckroth

Auditor's Note

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

Helsinki, February 14, 2025

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, 2024. 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 Audit Committee and to 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. We have not provided any non-audit services to the bank.

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.

We have not identified key audit matters relating to the parent company's financial statements.



THE KEY AUDIT MATTER

HOW THE MATTER WAS ADDRESSED
IN THE AUDIT**Claims on the public and public sector entities – measurement
(notes G13 and G19 to the consolidated financial statements)**

Claims on the public and public sector entities, totalling EUR 144 million, is a significant item on the Alisa Bank's balance sheet representing 32 % 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 accounting methods used for measurement 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 (ECL) 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.

**Acquisition of PURO Finance Ltd (Accounting principles for the consolidated
financial statements and note G3 to the consolidated financial statements)**

Alisa Bank Plc acquired the entire share capital of PURO Finance Ltd on 15 May 2024. The purchase consideration amounted to EUR 11.8 million, consisting of new shares issued by Alisa Bank.

The acquisition has been accounted for in accordance with IFRS 3 Business Combinations in Alisa Bank's consolidated financial statements.

The identifiable assets and liabilities acquired are measured at fair value at the acquisition date, which requires management estimates. Based on the acquisition calculation, EUR 0.9 million of the acquired assets were allocated to customer contracts, resulting in goodwill of EUR 7.3 million. In addition, the acquired credit portfolio was subject to an impairment adjustment of EUR 1.0 million in accordance with IFRS 9.

The accounting treatment of the acquisition of PURO Finance Ltd's share capital is addressed as a key audit matter because of the material impact of the acquisition on the Group's financial statements, and the valuation techniques involved, and estimates made by management in determining the fair value of the net assets acquired.

We gained an understanding of the share purchase agreement and other documentation related to the acquisition of PURO Finance Ltd.

We assessed the valuation techniques used and the estimates made by management in Alisa Bank's identification of the assets and liabilities acquired and determination of their fair values. We tested the appropriateness and mathematical accuracy of the valuation techniques and compared the inputs used with the terms and conditions of the share purchase agreement.

We assessed the accounting policy for the acquisition calculation and the correctness of the calculation formulas.

KPMG's valuation and IFRS specialists were involved in the audit.

Furthermore, we considered the appropriateness of the accounting policy and the notes to the financial statements in respect of the business combination.



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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 2 years.

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 compliance with the applicable provisions.

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 compliance with the applicable provisions.

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, 14 February 2025

KPMG Oy Ab

Tiia Kataja

Authorised Public Accountant, KHT



Independent auditor's report on the ESEF financial statements of Alisa Bank Plc

To the Board of Directors of Alisa Bank Plc

We have performed a reasonable assurance engagement on the financial statements 743700VK1NB8HRGTQH74-2024-12-31-0-en.zip of Alisa Bank Plc (Business ID 0533755-0) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2024.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of the Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements.

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 ESEF financial statements in accordance with the requirements of the Commission's regulatory technical standard.

Auditor's independence and quality management

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

The auditor applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's regulatory technical standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.



The nature, timing and extent of the selected procedures depend on the auditor's judgment. This includes an assessment of the risk of a material deviation due to fraud or error from the requirements of the Commission's regulatory technical standard.

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

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Alisa Bank Plc 743700VK1NB8HRGTQH74-2024-12-31-0-en.zip for the financial year ended 31.12.2024 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of Alisa Bank Plc for the financial year ended 31.12.2024 has been expressed in our auditor's report dated 14.2.2025. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki 27 February 2025

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 at the end of 2024:



Markku Pohjola

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



Johanna Lamminen

Vice Chairman of the Board
b. 1966
D.Sc. (Tech.) and MBA



Sami Honkonen

b. 1983
B.Sc.



Jukka Salonen

b. 1959
D.Sc (Econ) and M.Sc. (Tech.)



Tero Weckroth

b. 1971
Licensed pharmacist and MBA

Changes in the composition of the Board of Directors during the 2024 financial year are described in the Board of Directors' Report.



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 Johanna Lamminen, members Sami Honkonen and Jukka Salonen.

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 at the end of year: chairman Markku Pohjola and member Tero Weckroth.

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)
- Peter Ramsay
- Mika Laine
- Antti Kemppi
- 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. Sampsa Laine served as CEO at the end of 2024.



The members of the Management Team at the end of 2024:



Sampsa Laine

b. 1969

CEO

M.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.)



Junno Roine

b. 1976

Director, Business Customers

Bachelor of Business Administration,
MBA



Juha Saari

b. 1979

Director, Personal Customers;
Deputy CEO

Secondary-school graduate



Essi Salmela

b. 1989

Chief Risk Officer

M.Sc. (Econ. & Bus. Adm.)



Katja Vähäsilta

b. 1969

General Counsel

LL.M, Trained on the Bench



Juho Väinölä

b. 1982

Director, Strategic Projects and Analytics

M.Sc (Econ. & Bus. Adm.)

Alisa

BANK

Alisa Bank Plc

Bulevardi 21 A
00180 Helsinki

Tel. +358 20 380 101
www.alisabank.com



www.linkedin.com/company/alisa-pankki/



<https://x.com/AlisaPankkiFi>