

WITAJMY



ALIOR
BANK

Presentation of results for 1H'23

CAFE

TA WODA

WYKORZYSTAJ SIĘ NA SUPERA, ALE JEŻLI NIEBĄDZ
WŁAŚCIWIE SIĘ WYKORZYSTAJ, SIĘ WYKORZYSTAJ
Z WŁAŚCIWIE SIĘ WYKORZYSTAJ, SIĘ WYKORZYSTAJ
SIĘ WYKORZYSTAJ, SIĘ WYKORZYSTAJ, SIĘ WYKORZYSTAJ
SIĘ WYKORZYSTAJ, SIĘ WYKORZYSTAJ, SIĘ WYKORZYSTAJ



1. Operating activities

2. Credit risk

3. Financial results

4. Other issues



1



Operating activities

Record-breaking financial results in 2Q'23 are an optimistic indicator for the future

In the first half of 2023 revenues amounted to PLN bn 2.715

- net interest income PLN bn 2.264 (+23% y/y)
- net fees and commissions PLN mn 425 (+3% y/y)

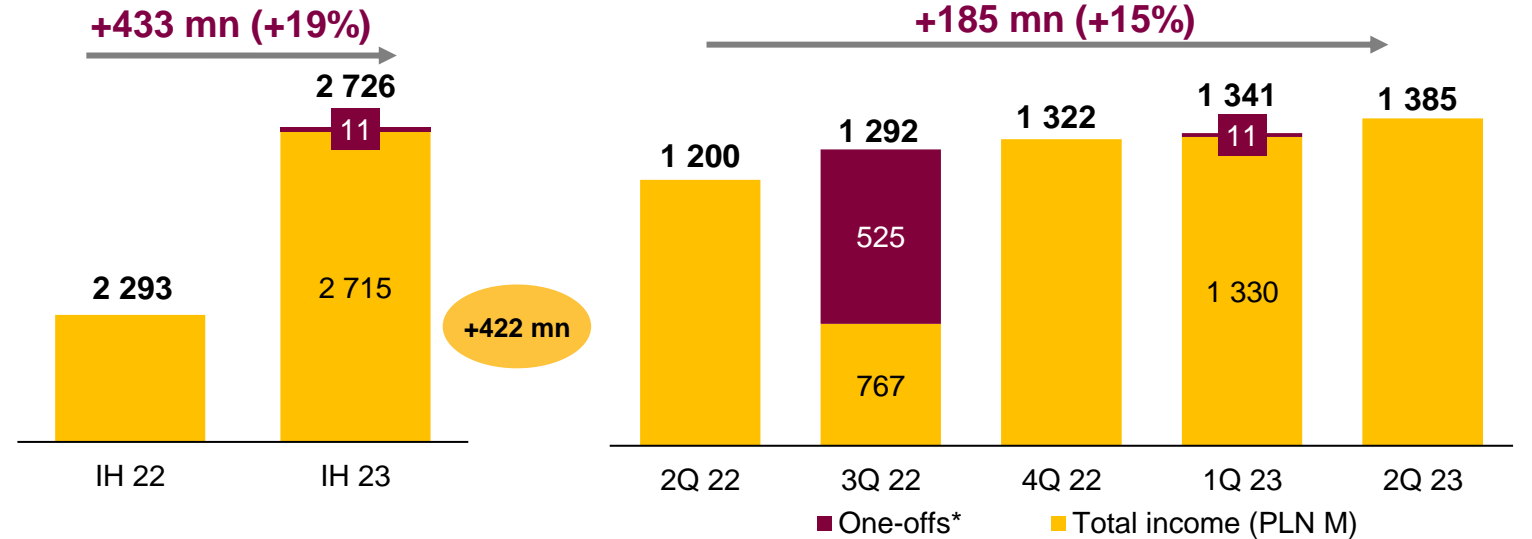
In 2Q'23 revenues amounted to PLN bn 1.385

- net interest income PLN bn 1.161 (+19% y/y)
- net fees and commissions PLN mn 216 (-2% y/y)

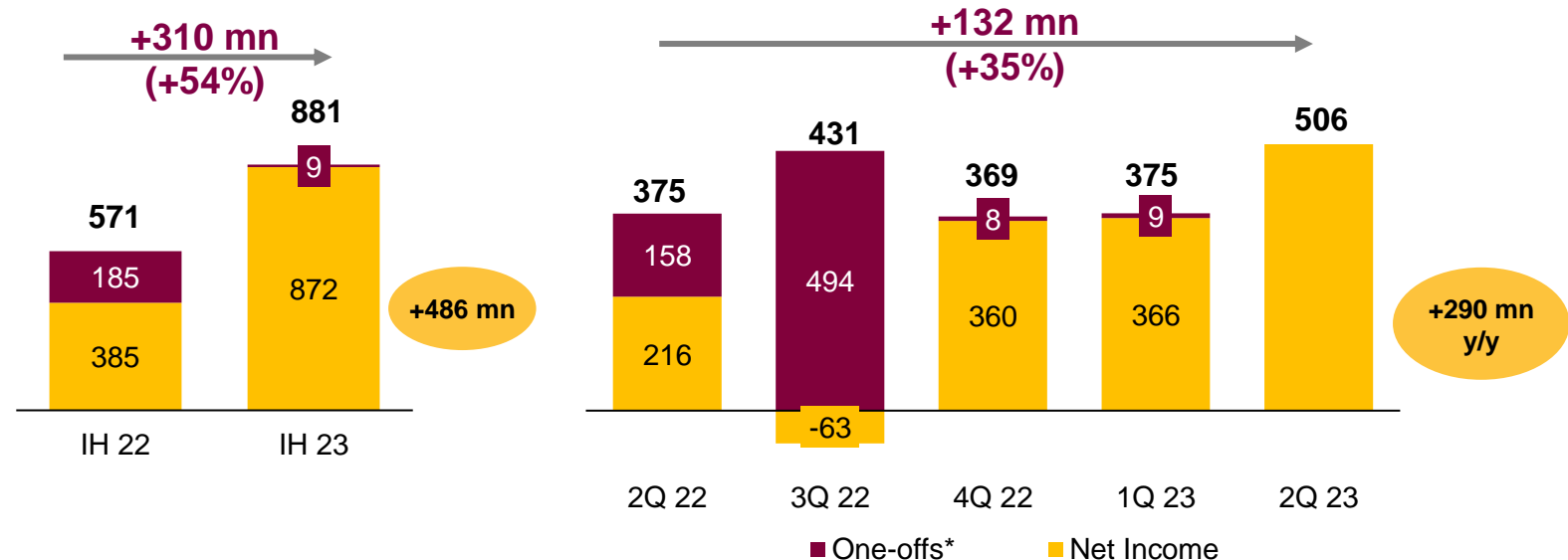
Net profit for the first half of 2023 amounted to PLN mn 872 and increased by PLN mn 486 compared to the first half of 2022.

Net profit in 2Q'23 amounted to PLN mn 506 mln PLN and increased by PLN mn 290 in comparison to 2Q'22.

Total revenues (PLN mn)

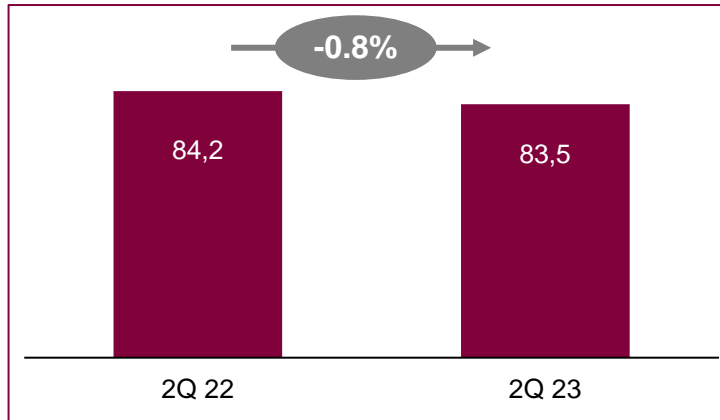


Net profit (PLN mn)

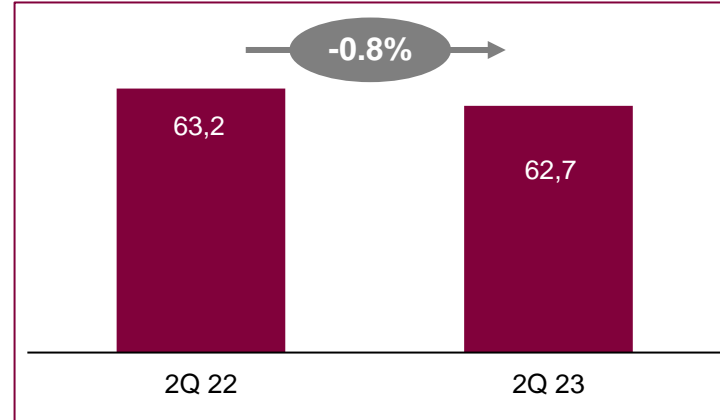


Another successful quarter for Alior Bank – improvement of efficiency, profitability, and quality of portfolio

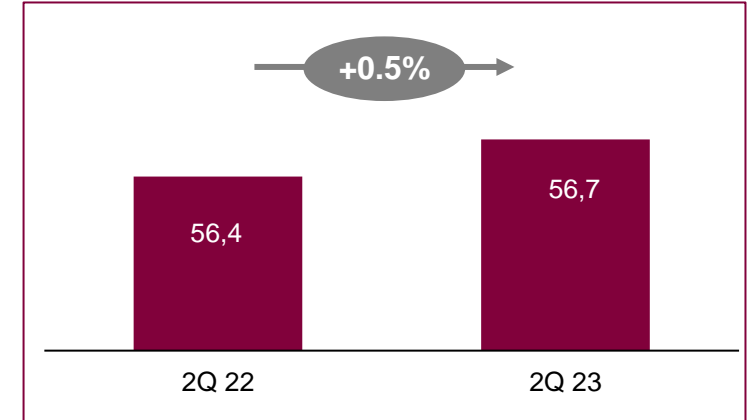
Assets (PLN bn)



Gross Loans (PLN bn)



Gross Performing Loans* (PLN bn)



C/I 2Q'23

35.3%

-13.9 p.p. y/y

ROE 2Q'23

27.8%

+11.9 p.p. y/y

COR 2Q'23

0.95%

-0.51 p.p. y/y

NPL 2Q'23

9.45%

-1.25 p.p. y/y

NIM 2Q'23

6.05%

+0.93 p.p. y/y

TCR 2Q'23

15.11%

+1.12 p.p. y/y

LOAN SALES

1.7 PLN BN
(+20% y/y)

MORTGAGE LOAN SALES

0.6 PLN BN
(-9% y/y)

CONSUMER FINANCE
SALES

1.2 PLN BN
(+18% y/y)

MOBILE USERS

1 MN
(+20% y/y)

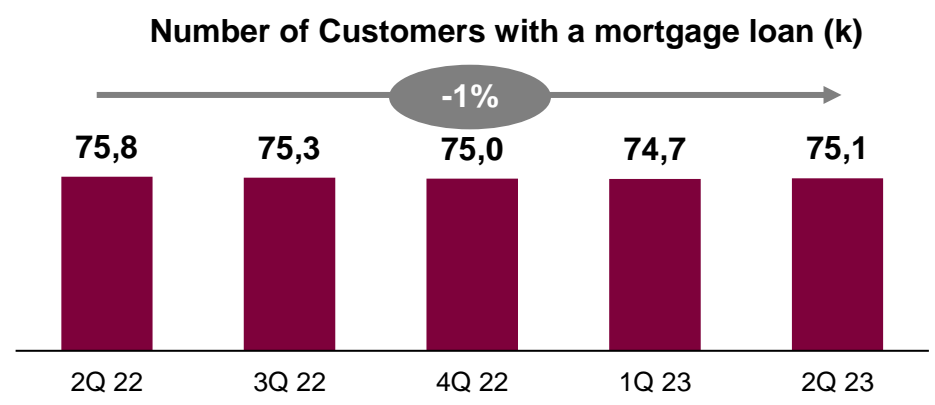
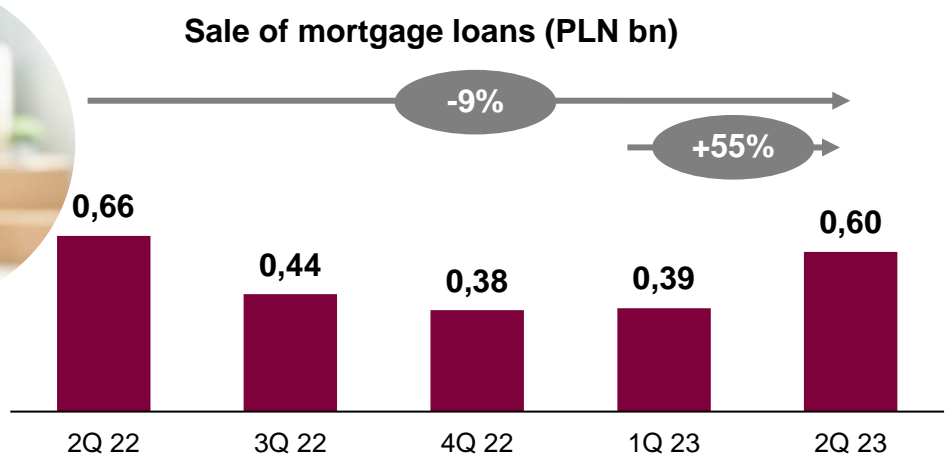


**I place in
Cash loans**

**II place in
Mortgage loans**

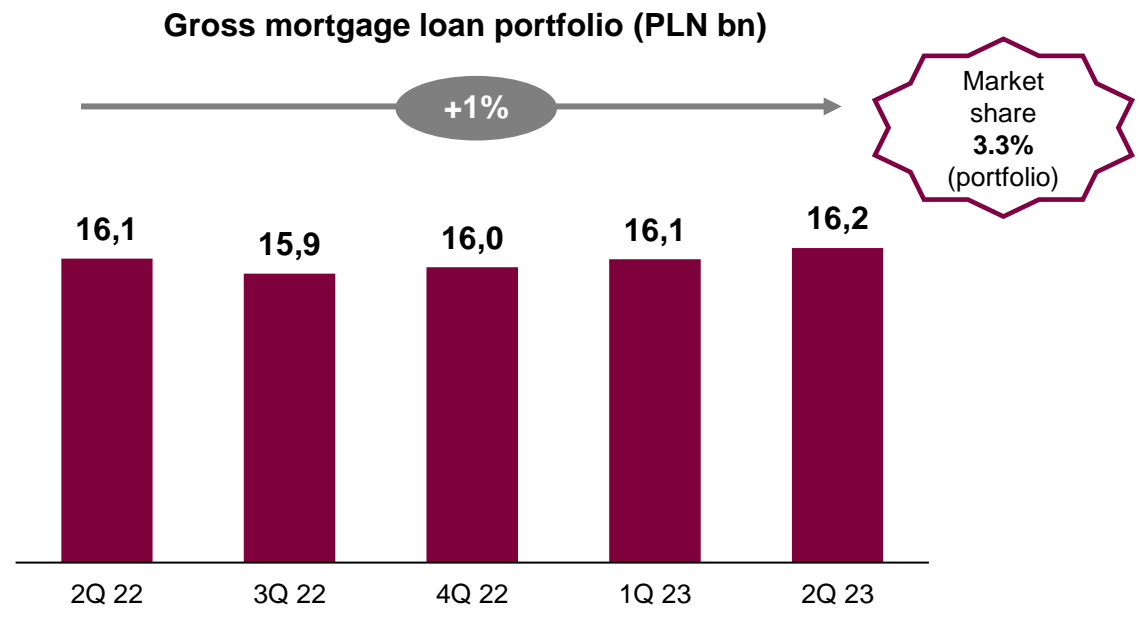
**II place in
Personal accounts**

Growth of the Bank's key products – mortgage loans*



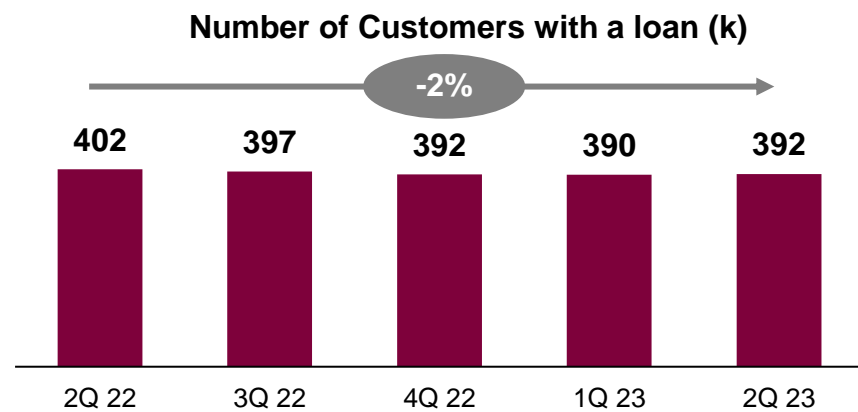
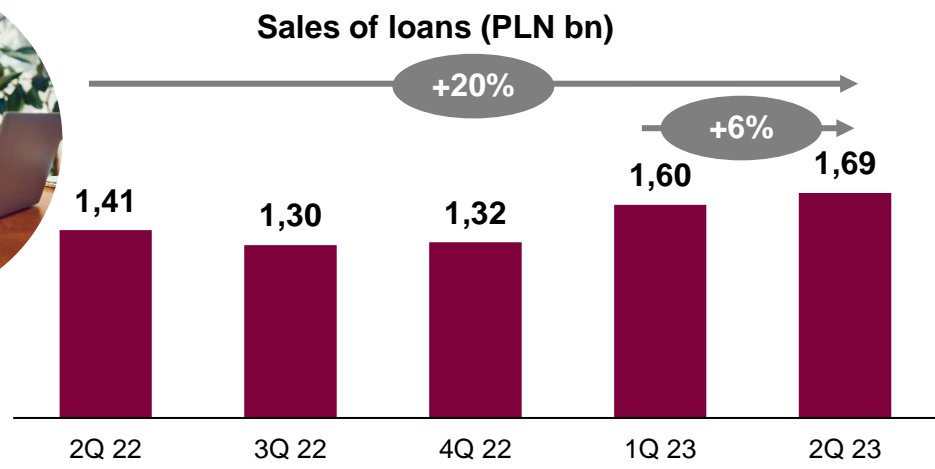
New and enhanced edition of our flagship offer promoting sales in large cities. „Own M in the big city”, available in 6 additional cities in Poland.

5.4%** Market share of new sales



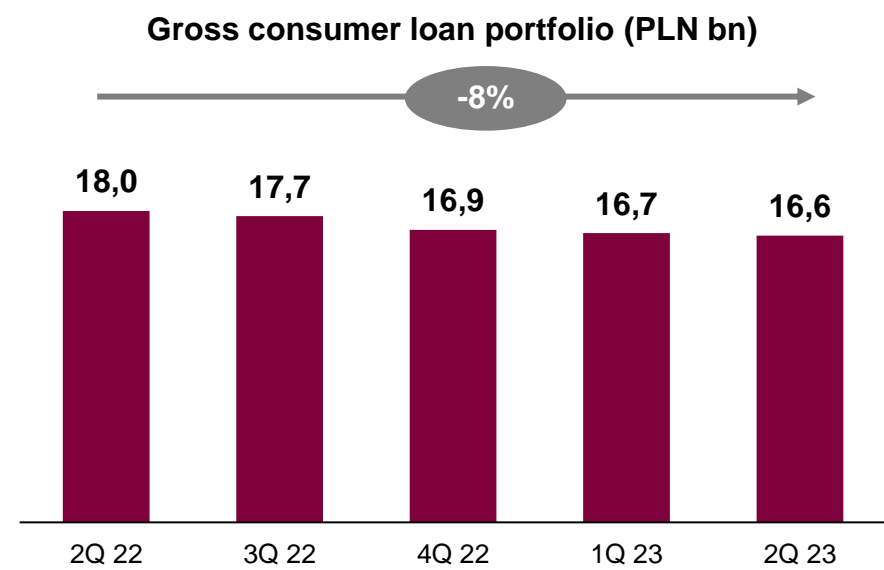
* Retail Customer – residential mortgage loans
** 2Q'23

Growth of the Bank's key products – cash loans*



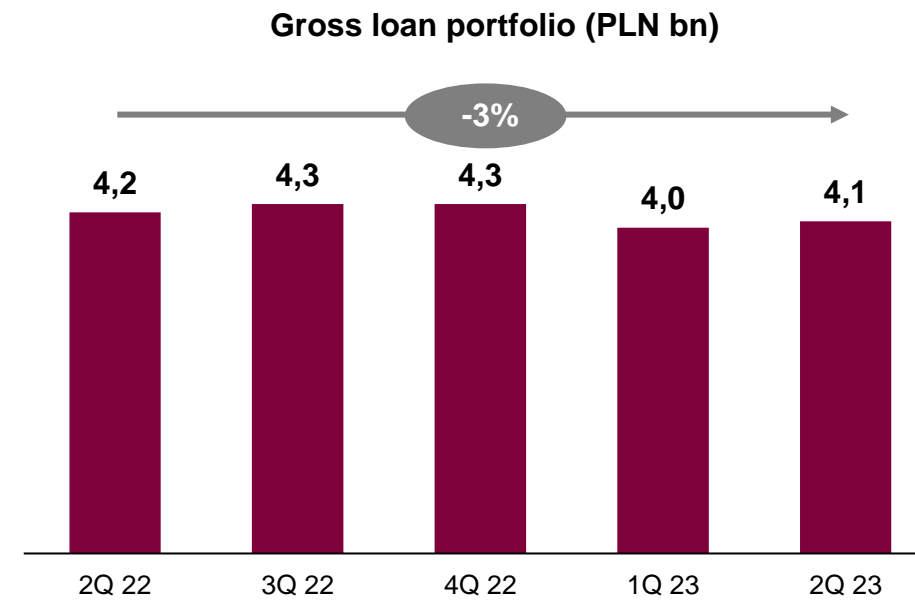
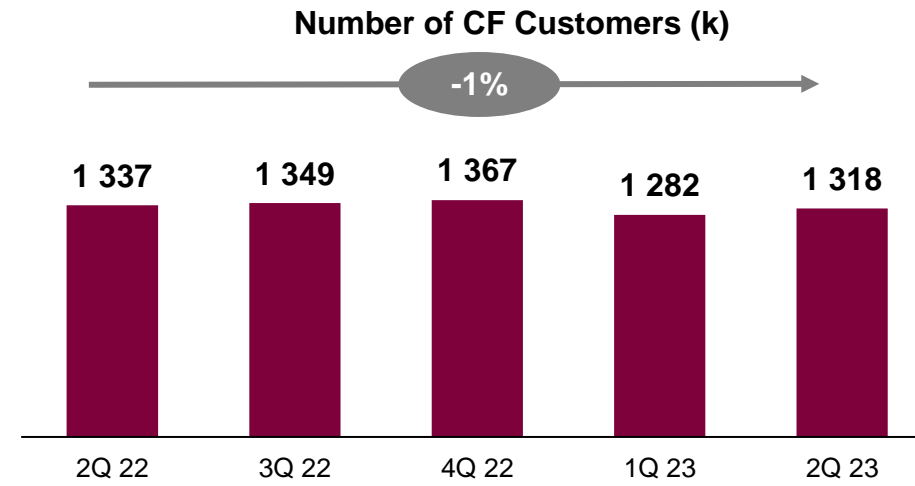
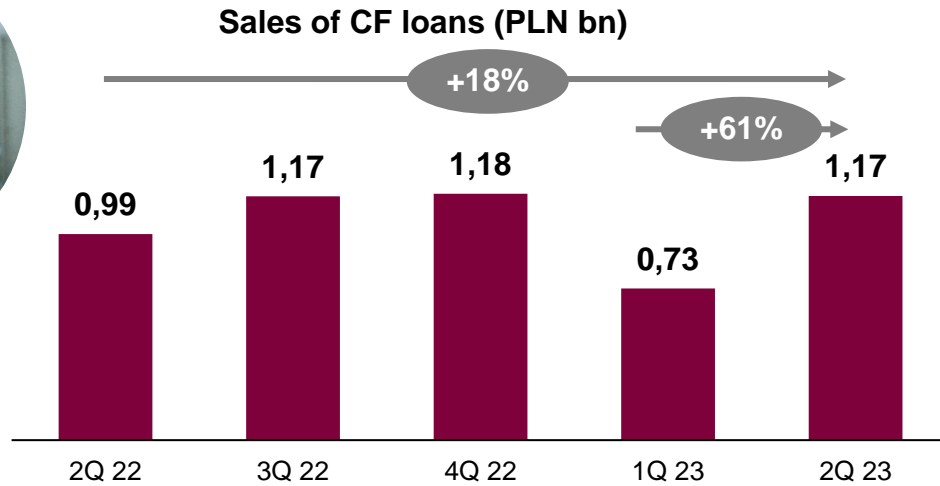
52% Share of remote sales**

Initiation of campaign promoting a new offer „Fixed installment loan”



Market share **11.0%** (portfolio)

Growth of the Bank's key products – Consumer Finance (CF) loans



Market share
17.1%
(portfolio)

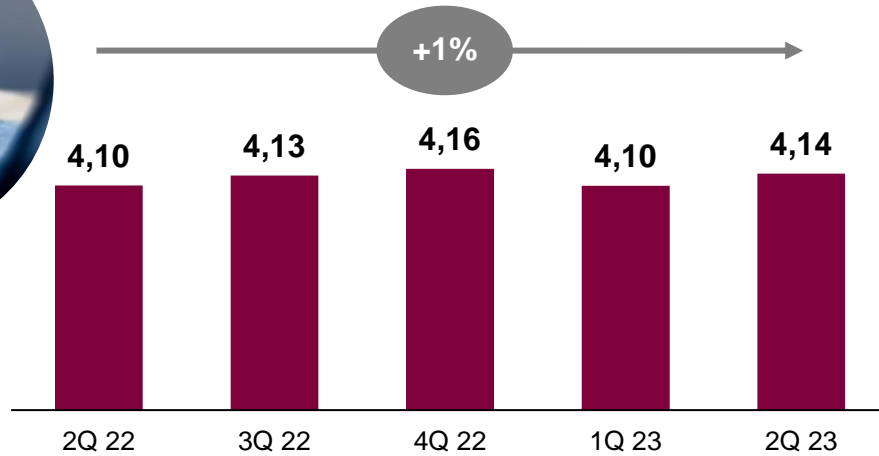
Very good sales in 2Q'23. Increase of 18% compared to the previous year and a 61% increase quarter to quarter. The main growth factor is an increase in online sales.

Providing Customers with an additional remote identity authentication method with PSD2, tied to an upgrade of the online process, UX modifications, and enhanced with new messaging addressed to the Customer.

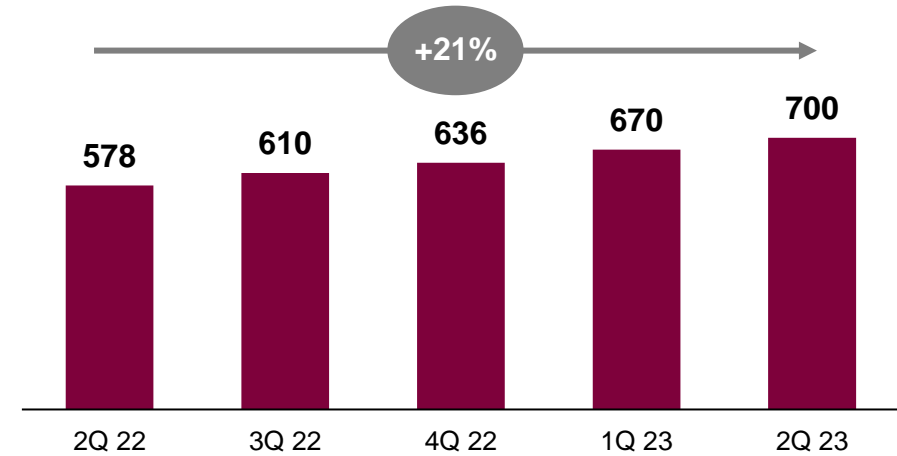
Effective establishment of a lasting relationship with Customers



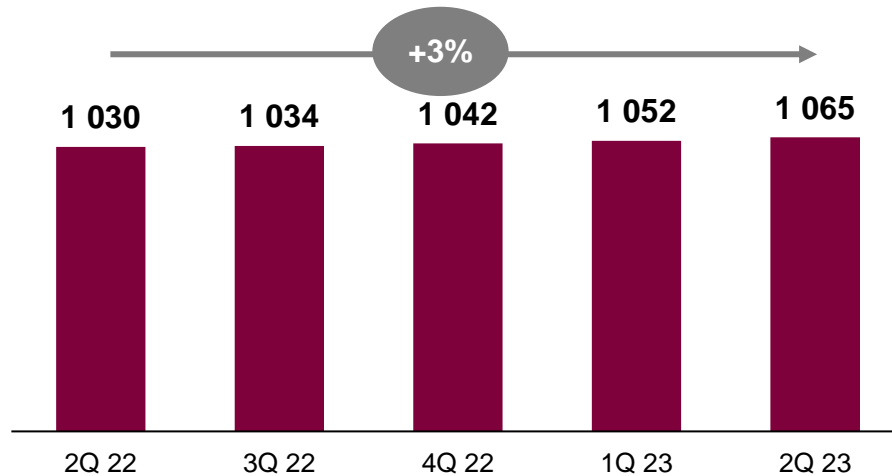
Number of Individual Customers (mn)



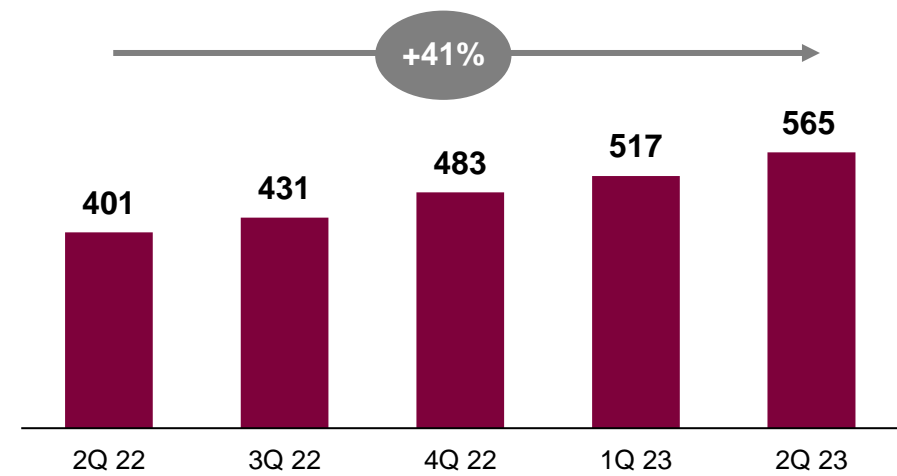
Number of accounts "Konto Jakże Osobiste" (k)



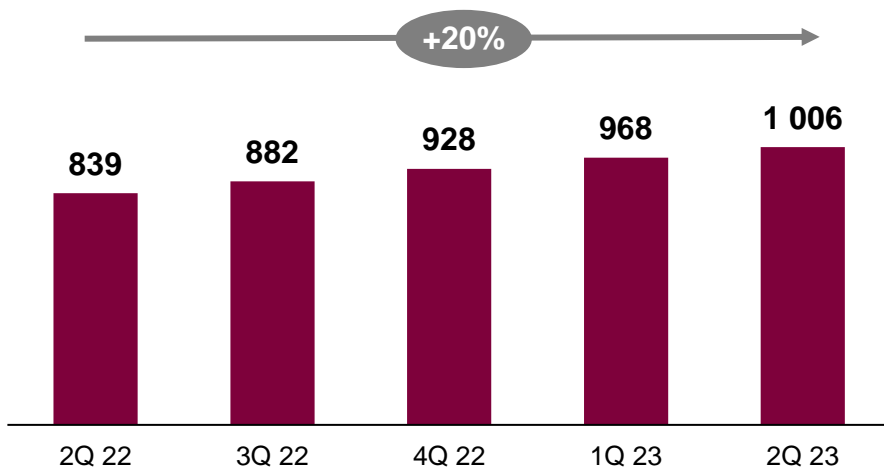
Number of Customers with systematic account inflows (k)



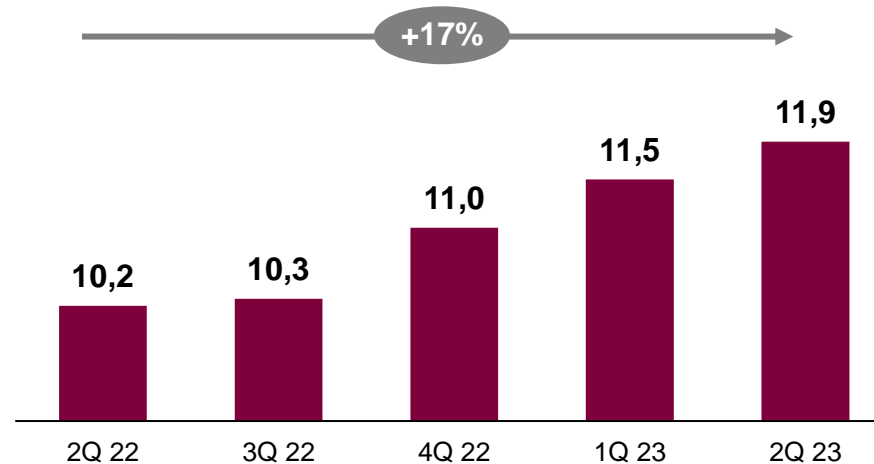
Number of motorway journeys and tickets paid through the Alior Mobile application (k)



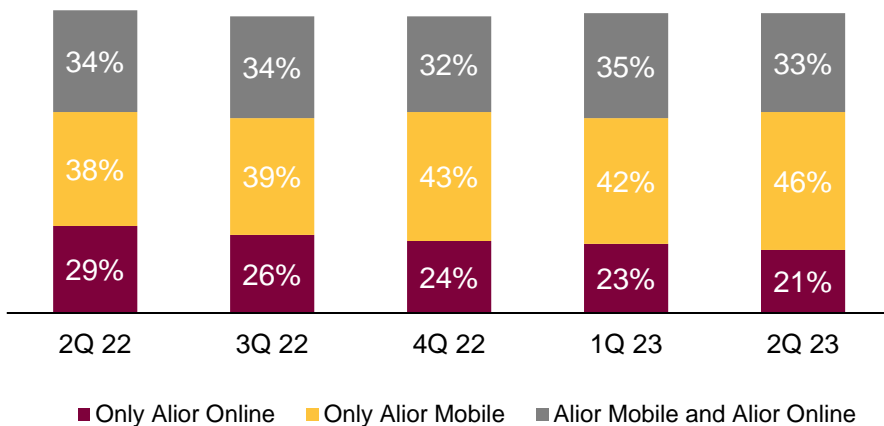
Users of Alior Bank mobile applications (k)



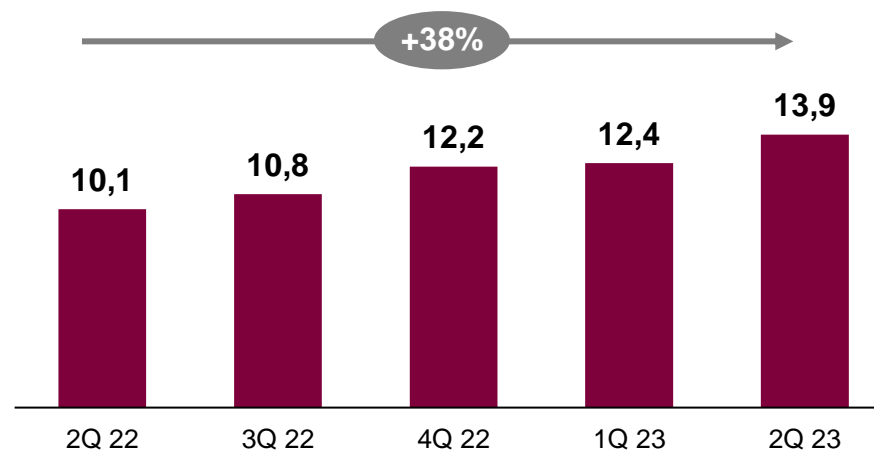
Number of wire transfers initiated in the Alior Mobile application (mn)



Structure of Alior Online and Alior Mobile usage



Number of BLIK transactions (mn)





2% Safe Mortgage

On the very first day of the program Alior Bank enabled Customers to file an application and draw a loan from the First Home Program.

CUSTOMER ACTIVITY ON
THE WEBSITE

x15

(increase relative to average daily
activity)

NUMBER OF OFFERS
ISSUED DAILY

x10

(increase from the
corresponding period in June)

NUMBER OF MONTHLY
APPLICATIONS TIL 30.07

+300%

(increase from the
corresponding period in June)



Program Pierwsze Mieszkanie

Home Savings Account

Special savings account, which encourages savings for housing needs with preferential conditions. In Alior Bank's offer since July 25, 2023.

NEW CREDIT LIMIT Y/Y

+31%

PLN bn 5.9 in 1-2Q'23

REVENUE AFTER COR Y/Y

+13%

NPL Y/Y

-2.3 p.p.

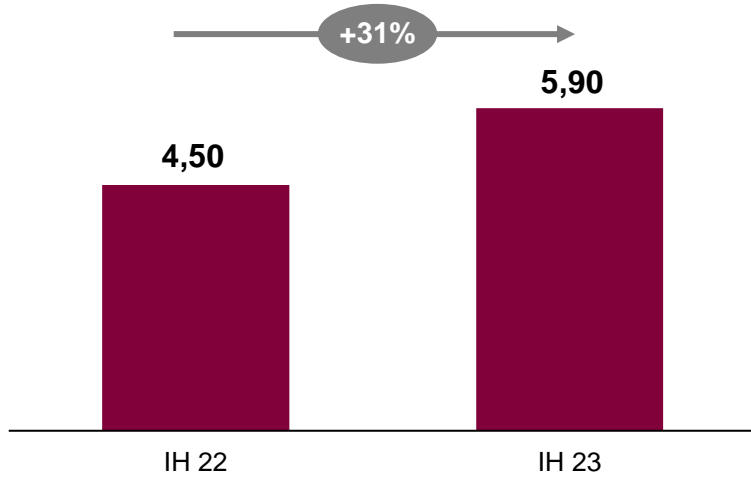
- We have **over 9%** market share in commitments up to PLN mn 5 for the self-employed („JDG”)
- **We are growing 3x the market in commitments up to PLN mn 20**
- We have **over 4%** market share in higher ranges (over PLN mn 20)

- **Over 5%** market share in construction (sections F and L)
- **Over 5%** market share in trading (section G)
- **Over 3%** market share in manufacturing (section C)
- **In manufacturing (section C) we are growing 2x the market**

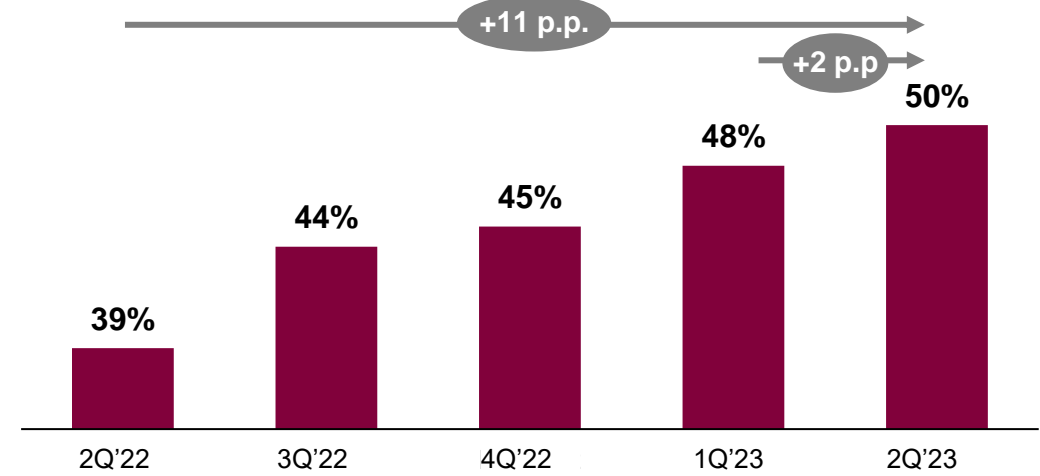
Rising trend in key efficiency indicators...

BUSINESS CUSTOMERS

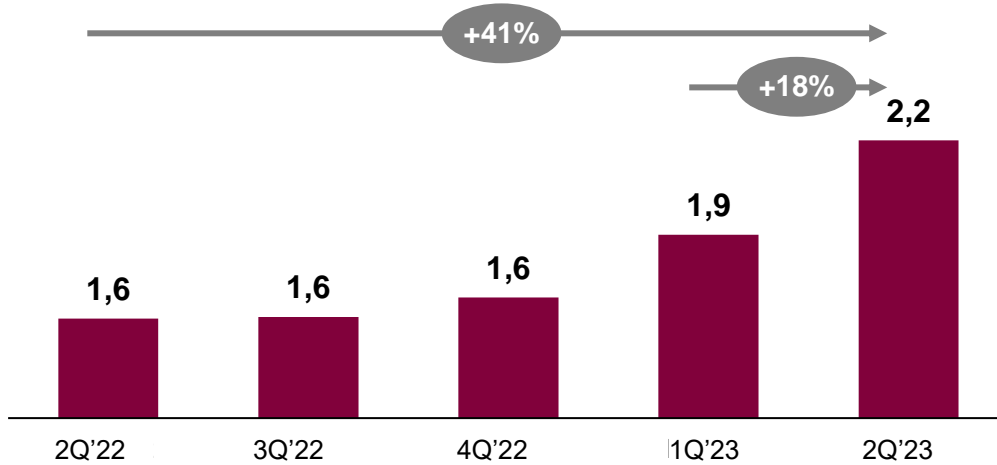
New credit limit (PLN bn)



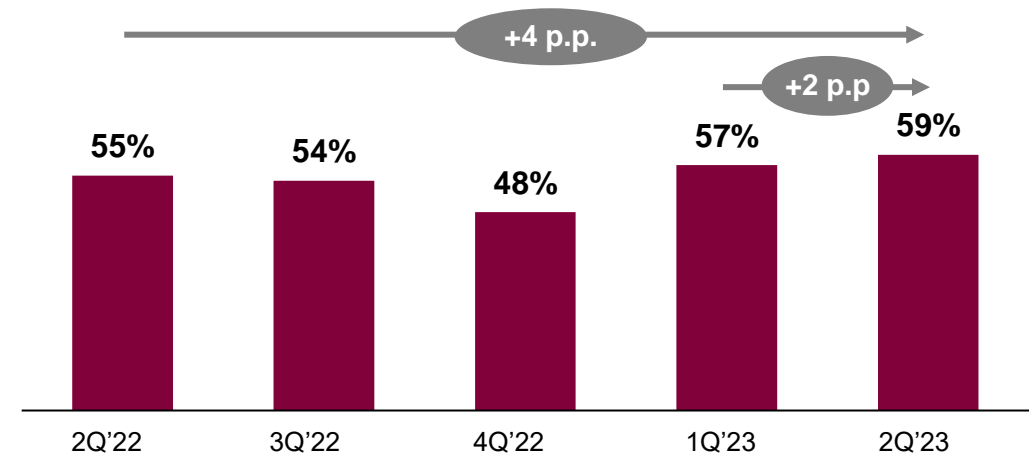
% of orders executed remotely



Customers with BankConnect (k)



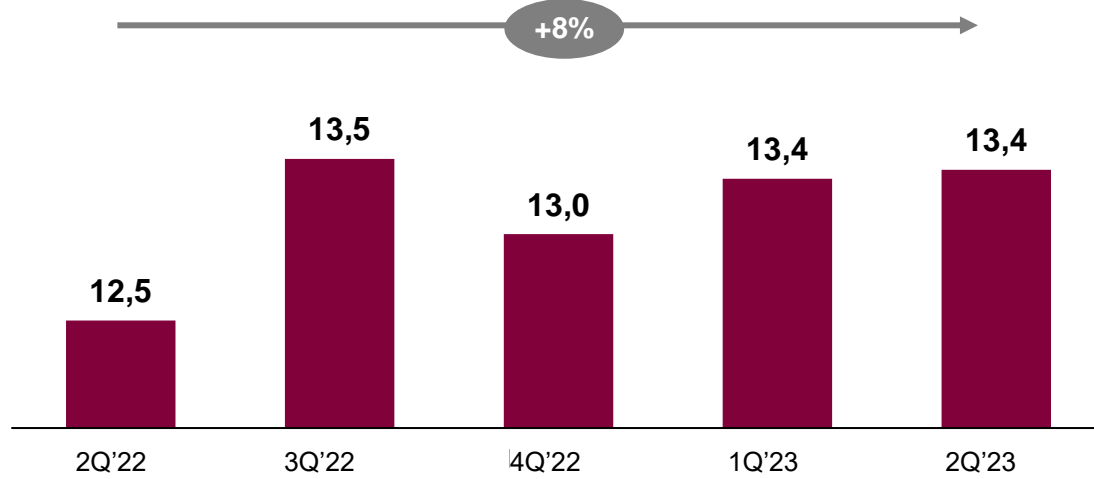
Share of automatic decisions in new sales (Small segment)



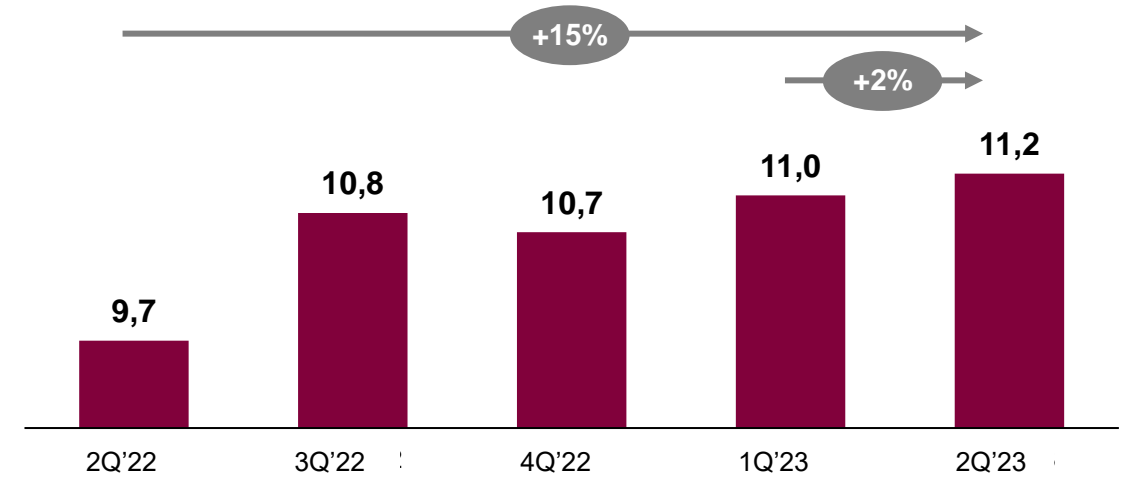
There is an increasing interest among Customers in the BankConnect service (enabling the integration of enterprise accounting systems with Alior Bank's online banking solutions). The increase in the number of Customers using this service is satisfies the strategy to cross-sell Customers.

...simultaneously we are improving the portfolio structure

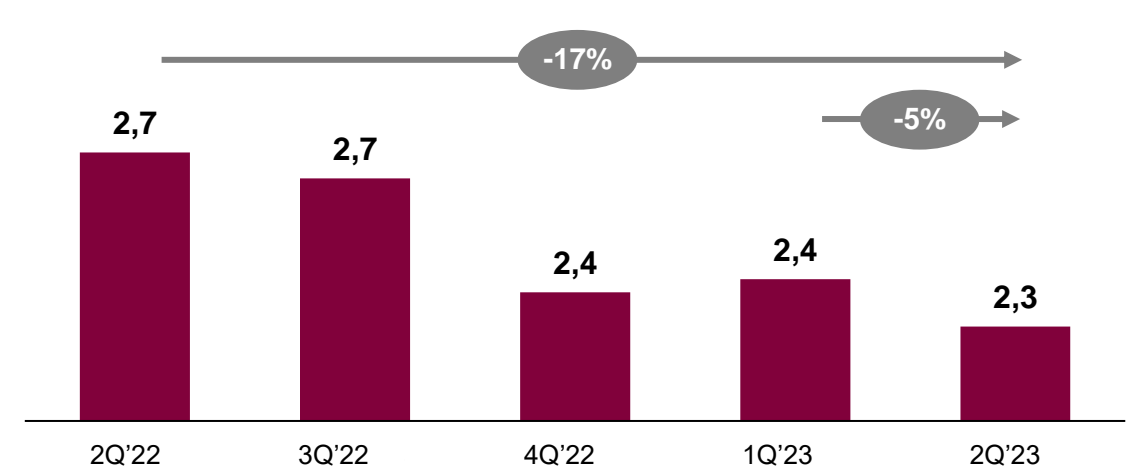
Total balance of assets Small/Medium/Large (PLN bn)



Balance of assets Small/Medium/Large in regular service (PLN bn)



Balance of assets Small/Medium/Large in collection* (PLN bn)



1. Systematic portfolio gain → **+8% y/y**
2. Significant increase in portfolio in regular service → **+15% y/y**
3. Systematic portfolio quality improvement, observed in the decrease of assets in collection* → **-17% y/y**

*Receivables serviced by the Restructuring and Debt Collection Department (restrictive definition of collection)



New refreshed mobile app home screen

A new, refreshed Alior Mobile home screen look was introduced. Not only the main product is visible, but also two additional products such as savings accounts. The tile of the main product needs to be shifted to the left to see more content.

A „Shortcut” widget was also added, where the most used functions can be selected such as telephone top-up or „My Bills” service.

Owing to the changes Customers can use the app with even more transparency and simplicity. This is a big step in the development of Alior Mobile in accordance with the strategy to build new and inclusive mobile banking.



Alior Pay – deferred payments

Within Alior Pay the Customer has been provided with access to information on limits and deferred transactions, as well as has been provided with additional functionalities for deferred and installment transactions.

Due to the changes the Customer may access the details of each transaction and see additional information, change the name, and account selected for automatic repayment of deferred payments or installments.

What's more, from the level of detailed transaction information, the Customer may spread the transaction into 11 installments – until now each transaction was automatically repaid after 30 days. The Customer has also gained the option to partially or completely repay the deferred transaction earlier.



Identity authentication through PSD2

A new PSD2 based identification method was implemented in our Identity Authentication Center („Centrum Identyfikacji Tożsamości”, „CIT”), owing to this the Customer may authenticate their identity by logging on to another bank. The new method is already applied in e-commerce installment processes and in opening accounts for self-employment businesses („JDG”).

Social responsibility of Alior Bank

ONA („SHE”)

- **Developmental-prophylactic program addressed to employees.**
- Completed: #JesteśWażna („YouAreImportant”) campaign, #JesteśWażny for Mother’s and Father’s Day



ChodźMY razem („Let’s walk together”)

- **Charity initiative addressed to employees.**
- Alior Bank Foundation supported Dr Clown Foundation with PLN k 60.



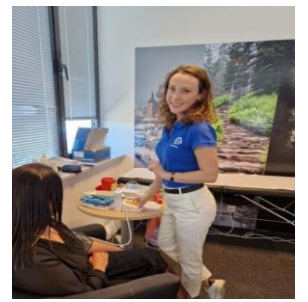
Alior University

- **HR initiative - educating IT specialists.** Will enable internships and employment in Alior Bank.
- Cooperation with State Academy of Social Sciences in Przemyśl. In the fall „Computer sciences in business” degree course starts.



Health Zone

- **Health initiatives for employees.**
- Cardiological examinations for over 250 people



Pink boxes

- **Within the ONA initiative we purchased pink boxes with hygienic articles for 164 branches and all headquarter buildings.**
- This is one of the first steps in providing comfort for female employees and customers.



Employee volunteer work

- **Supporting individuals interested in participating in charity**
- Cooperating with inter alia: Dr Clown Foundation, Academy of the Future, Exempt from Theory, Caritas Hospice of the Kielce Diocese in Miechów.



Active with Alior

- **Recreational and sporting events dedicated to employees, their families, and local communities.**
- Over a dozen initiatives organized mainly outside of major urban areas. Taking place from February to October 2023.



ALIOR PAY

Publication of **report summarizing insightful statistics and conclusions** concerning the behavior and preferences of Alior Pay users after the first quarter of operation.



„FIXED INSTALLMENT LOAN” CAMPAIGN

Advertisement **based on seeking a calling in life and choosing a way of life.** The Bank focuses on the volatility and fleetness of the world and the necessity to make snap decisions.



REMOTE POST-SALES SERVICE IN THE BUSINESS CUSTOMER SEGMENT

Committing a team for remote post-sales service of business customers. Customers gained the ability to **quickly and comfortably place orders** by telephone, e-mail, online banking



NEW DIGITAL BANKING FOR COMPANIES

Alior Business and Alior Business Mobile will replace internet banking BusinessPro, used mostly by small and medium enterprises and corporations. It is being developed with the cooperation of Comarch.



ECOLOGICAL LOAN WITH BGK INCENTIVE

Proposition for micro-companies and small and medium enterprises planning an upgrade in energy efficiency. Allows the receipt of a non-returnable eco-incentive from BGK for partial loan repayment.



Customers and the market appreciate Alior Bank



Upgrading rating to BB+ with stable perspective.
S&P appreciated: the Bank's resilience to macroeconomic changes; initiatives to lower risk and improve profitability, as well as the foundations behind the new strategy for growth.



Award **The Innovators 2023** in „**Top Innovations in Finance 2023 – AI**” category for voice assistant InfoNina.



Award **The Innovators 2023**: Department of Innovation and FinTech Partnerships one of the 25. best financial innovation labs in the world.



Award **The Digital Banker** in „**Best Mobile Banking App**” category for Alior Mobile app.



Three awards „**Golden Banker**” („**Cash loan**” - I place; „**Personal account**” - II place; „**Mortgage loan**” - II place).



Three awards **Techno Business Leader of Gazeta Bankowa**: „**Best Commercial Bank**”; „**Leader of TechnoBusiness**” (I place in „Banking” category); Alior Bank CEO **Banking Manager of the Year 2022**.



Three awards in **Currency Exchange Ranking** („**Best Currency Account**” - I place; „**Best Internet Currency Exchange**” - II place; „**Best Internet Currency Exchange for Businesses**” - III place).



Two awards **Polish Contact Center Awards** for „**Best Support Team**” and „**Customer Experience**”.



Award **Leaders of World Banking and Insurance** in „**Most Innovative Bank**” category.



Award **Cashless Fintech Evening** in „**Project Fintech**” category.



Third consecutive **Client's Golden Laurel** in „**Banking FX products**” category for Alior Bank's FX product „Kantor Walutowy”.

Selected activities in 2Q'23



We calculated our scope 1 and 2 carbon footprint

for 2022

We created a new product – eco-loan with BGK guarantee

2Q'23



We provided sustainable SLL financing

1-2Q'23

We are building our own photovoltaic installation at our Data Center in 2023



We developed Alior University and started „SHE” initiative

since 2022

We have established a diversity policy

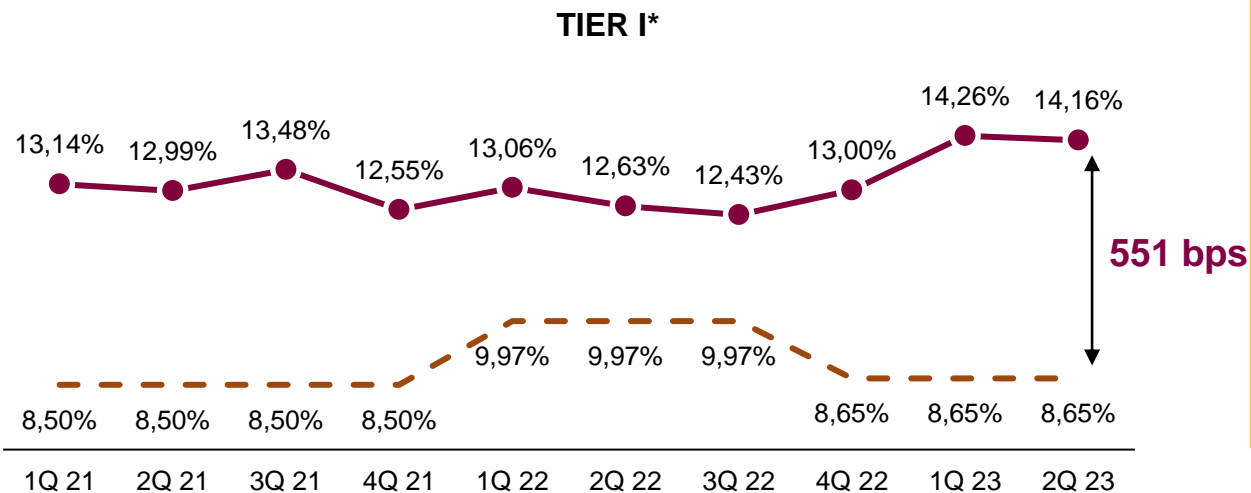
2Q'23

2



Credit risk

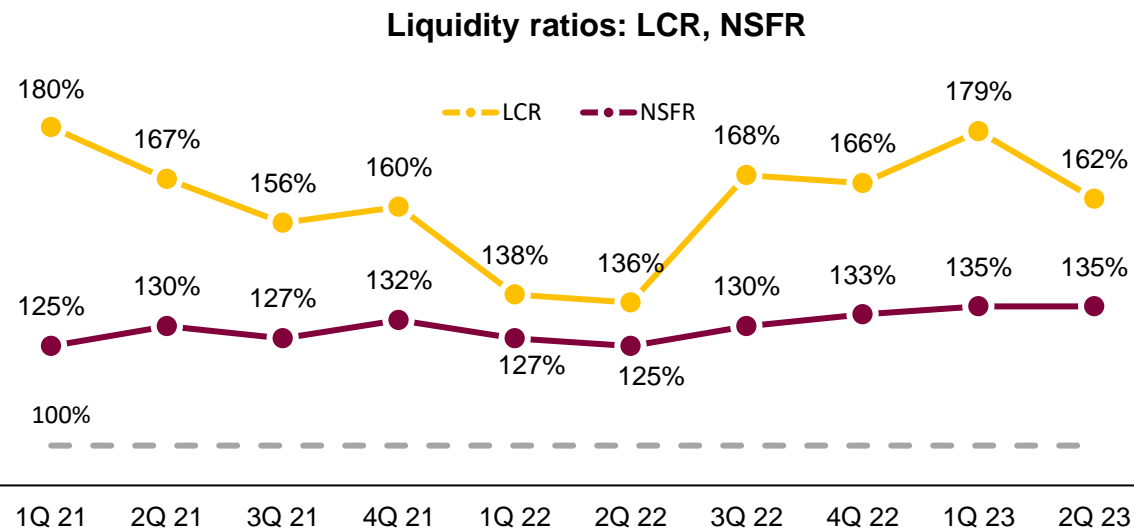
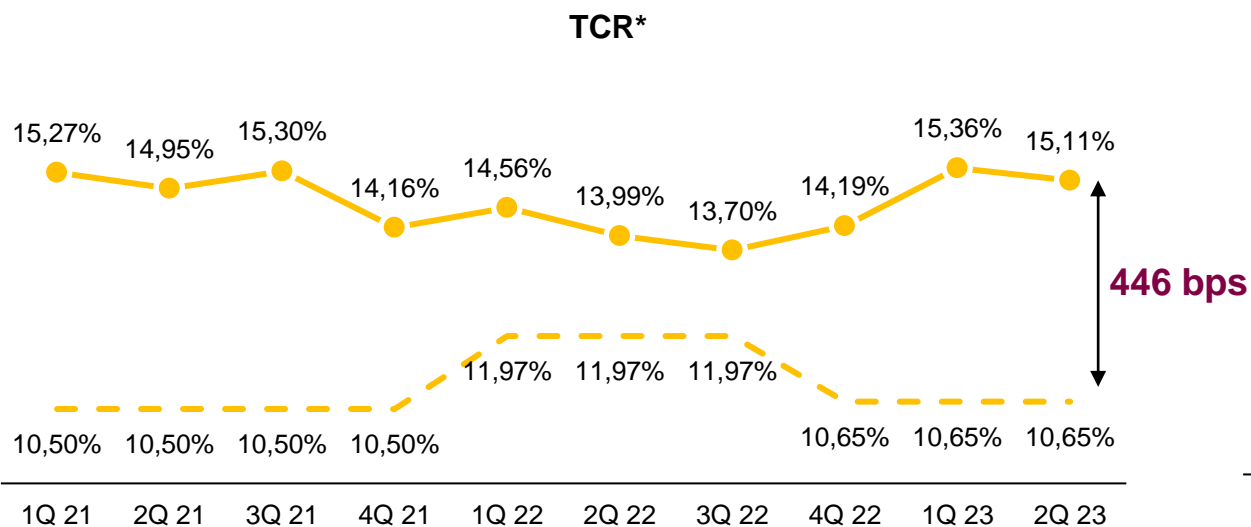
Stable and secure position of the Bank: capital and liquidity surplus significantly above the regulatory minimum



The levels of TIER I and TCR capital adequacy ratios as at the end of 2Q'23 significantly exceed the regulatory minimum by 551 bps (PLN bn 2.6) and 446 bps (PLN bn 2.1).

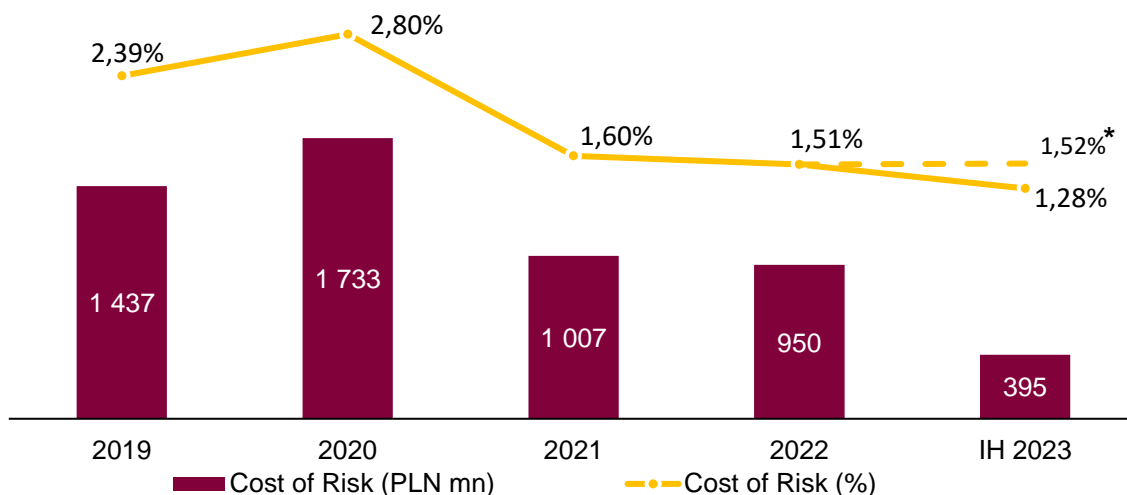
Including the 1H'23 result to capital will increase TCR by around 220 bps.

The SNP bond issuance in 2Q'23 (PLN mn 400, 3NC2, WIBOR6M + 3.1%) completely satisfies the Bank's MREL needs for the end of 2023.

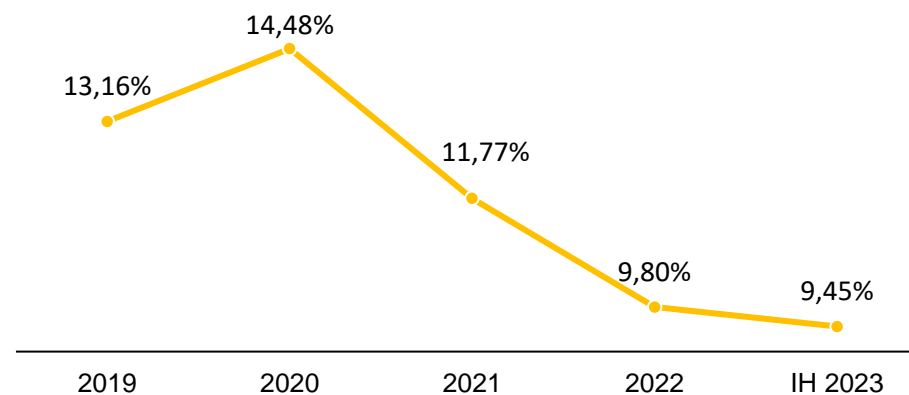


The change in the credit policy, accompanied by the effective implementation of the NPL reduction strategy, allowed for a sustained reduction in CoR and an improvement in the quality of the loan portfolio

Alior Bank Group – cost of risk



Alior Bank Group – NPL ratio



As a result of actions taken in 2020 and 2021 to manage the risk of the loan portfolio, despite the current macroeconomic environment, the level of Cost of Risk (CoR) in 2Q'23 was 0.95% i.e., significantly below the Bank's medium-term expectations (<1.6% CoR in 2024).

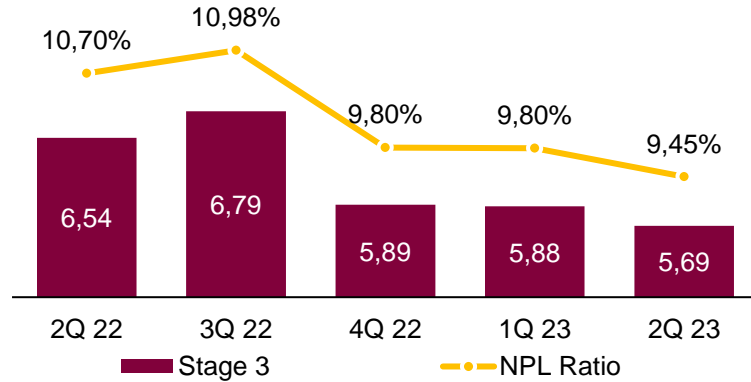
The lower CoR level in 2Q'23 was impacted by one-offs from current management of the Bank's credit portfolio structure, such as a sale of an NPL portfolio with a gain and higher than expected collections from the business customer portfolio. These actions led to a decrease in the net expected credit losses of around PLN mn 76 in 2Q'23.

Currently we do not observe a significant negative impact of the macroeconomic environment on the CoR level. We expect, that the cost of risk of Alior Bank Group in the second half of 2023 should not exceed 1.4%.

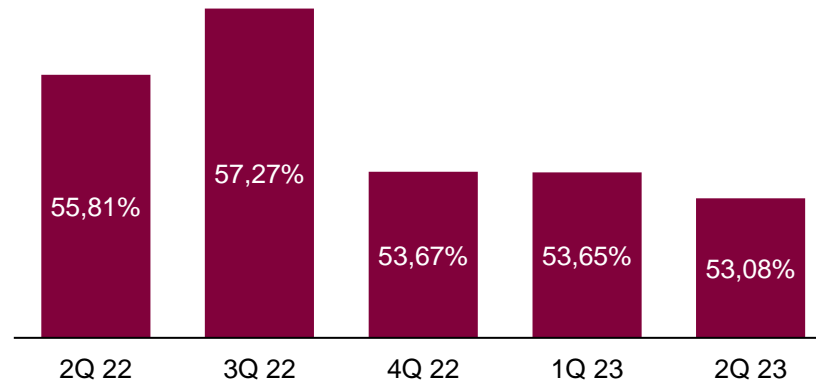
* CoR ratio excluding the positive effects of one-offs in 2Q'23 (higher than expected collections from business customers and gain on sale of NPL portfolio), in total PLN mn 76.

Changes in credit portfolio management have brought tangible results

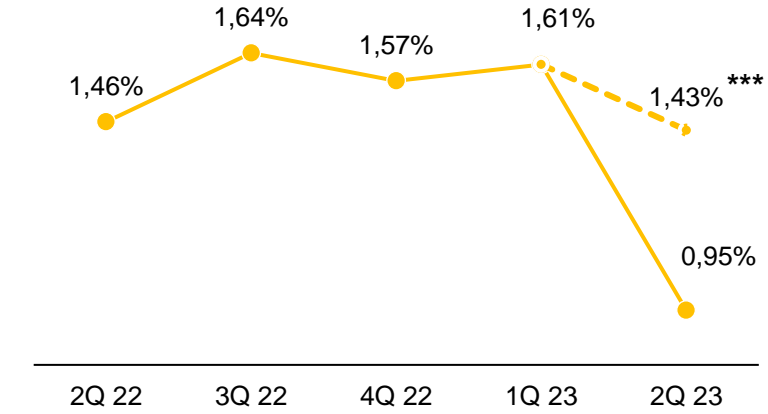
Impaired loans (PLN bn)



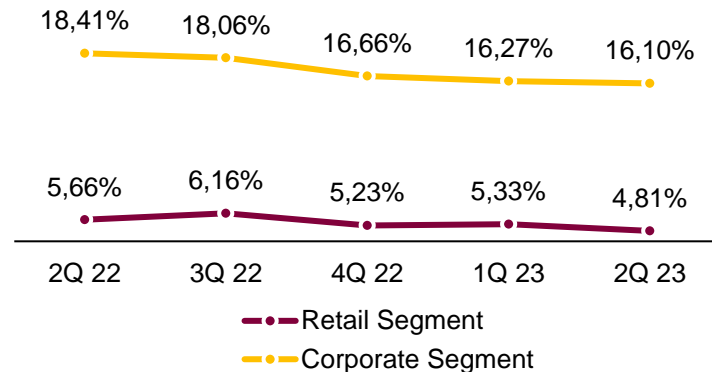
NPL reserve coverage ratio*



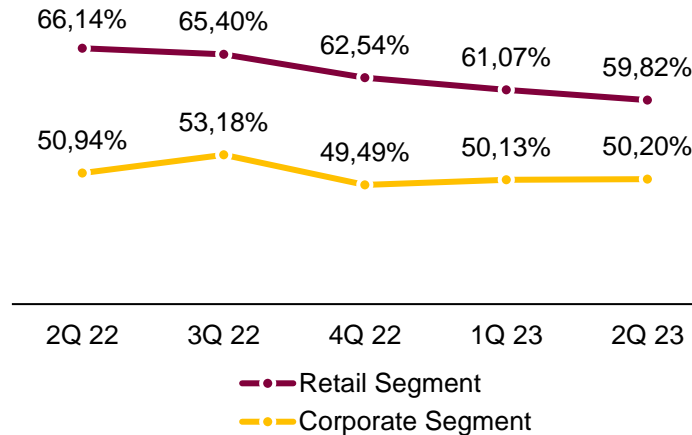
Cost of Risk - CoR**



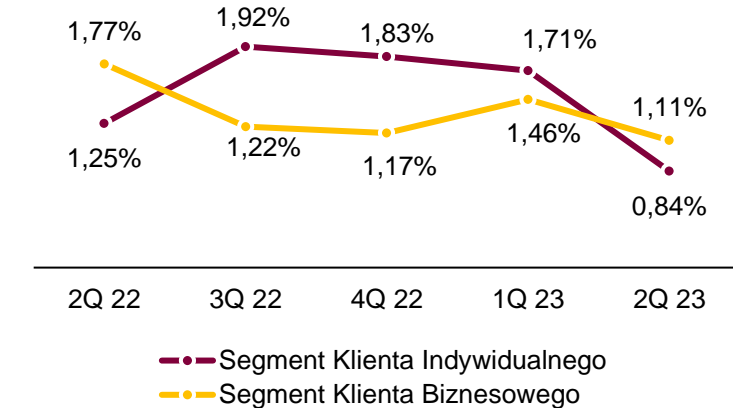
Impaired loans – segments



NPL provision coverage* – segments



CoR – segments**



In the Business Customer segment, the NPL provision coverage ratio is reduced due to the effect of the portfolio guaranteed by BGK, with a share of 26%. The Business Customer NPL portfolio without BGK guarantees has an NPL provision coverage ratio of 62.8% at the end of 2Q'23

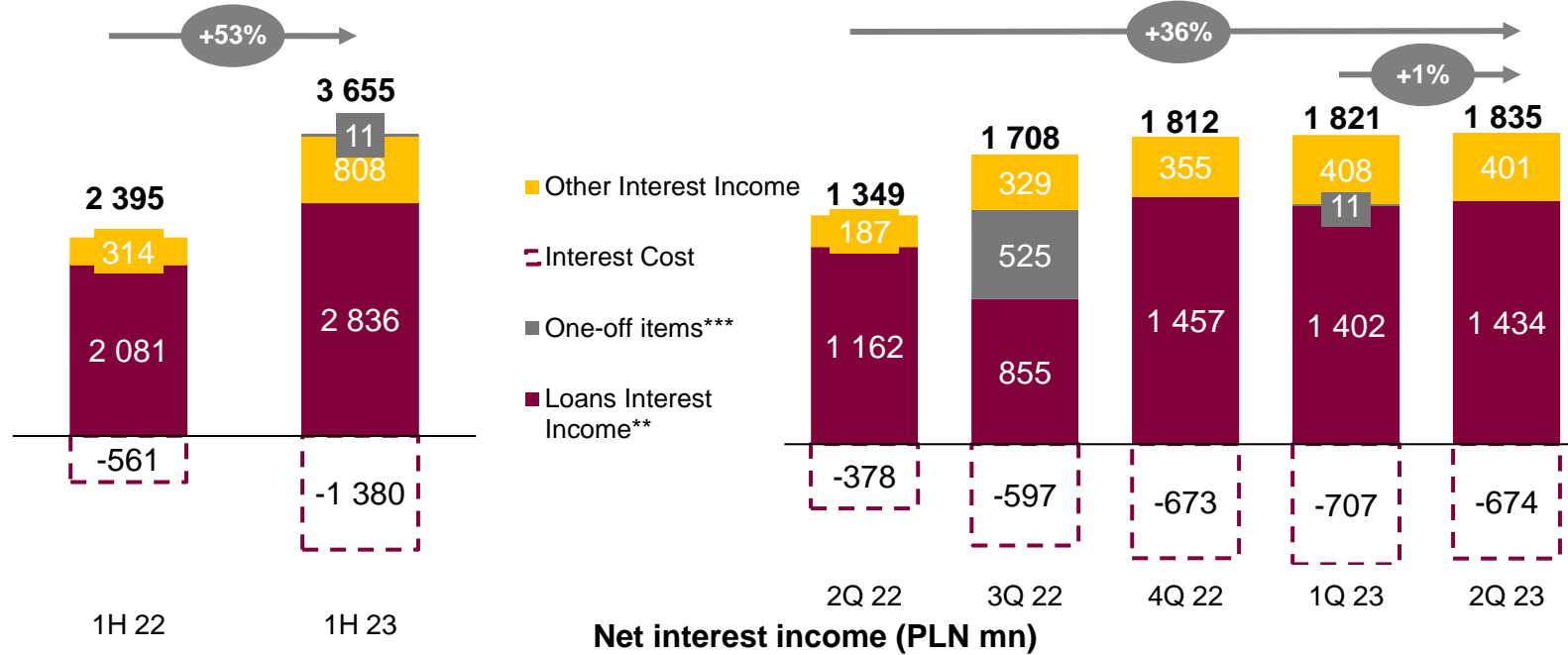
Income statement

PLN mn	2Q 22	2Q 23	% y/y	y/y	IH 22	IH 23	% y/y	y/y
Total Income	1 199,8	1 385,1	15%	185,3	2 293,0	2 714,7	18%	421,8
Net interest income	971,8	1 160,9	19%	189,1	1 834,1	2 263,9	23%	429,8
Net fee and commission income	220,6	216,2	-2%	-4,4	411,3	424,7	3%	13,4
Other income	7,4	8,1	9%	0,7	47,6	26,1	-45%	-21,5
Total costs	-897,9	-707,6	-21%	190,3	-1 717,7	-1 528,4	-11%	189,3
General administrative expenses	-591,4	-489,6	-17%	101,8	-1 084,5	-996,4	-8%	88,0
Impairment of non-financial assets	-9,3	-3,0	-68%	6,4	-40,2	-3,2	-92%	37,0
Net expected credit losses	-229,9	-147,7	-36%	82,3	-438,5	-394,8	-10%	43,7
Cost of fx mortgage legal risk	-1,2	-2,3	84%	-1,0	-24,4	-2,8	-89%	21,7
Banking tax	-66,0	-65,1	-1%	0,8	-130,1	-131,1	1%	-1,0
Gross profit	301,9	677,5	124%	375,6	575,3	1 186,4	106%	611,1
Income tax	-85,7	-171,4	100%	-85,8	-189,9	-314,5	66%	-124,6
Net profit	216,2	506,1	134%	289,9	385,4	871,9	126%	486,5
Net interest margin (NIM)	5,11%	6,05%	-	+0,93 p.p.	4,86%	5,91%	-	+1,05 p.p.
Cost of funding (CoF)	1,02%	2,31%	-	+1,29 p.p.	0,77%	2,39%	-	+1,62 p.p.
Cost of risk (CoR)	1,46%	0,95%	-	-0,51 p.p.	1,39%	1,28%	-	-0,12 p.p.
Cost / Income ratio (C/I)	49,3%	35,3%	-	-13,9 p.p.	47,3%	36,7%	-	-10,6 p.p.
Loan / Deposit ratio (L/D)	82,4%	82,6%	-	+0,2 p.p.	82,4%	82,6%	-	+0,2 p.p.
Return on equity (ROE)	15,9%	27,8%	-	+11,9 p.p.	13,8%	25,4%	-	+11,6 p.p.
Total Capital Ratio (TCR)	13,99%	15,11%	-	+1,12 p.p.	13,99%	15,11%	-	+1,12 p.p.

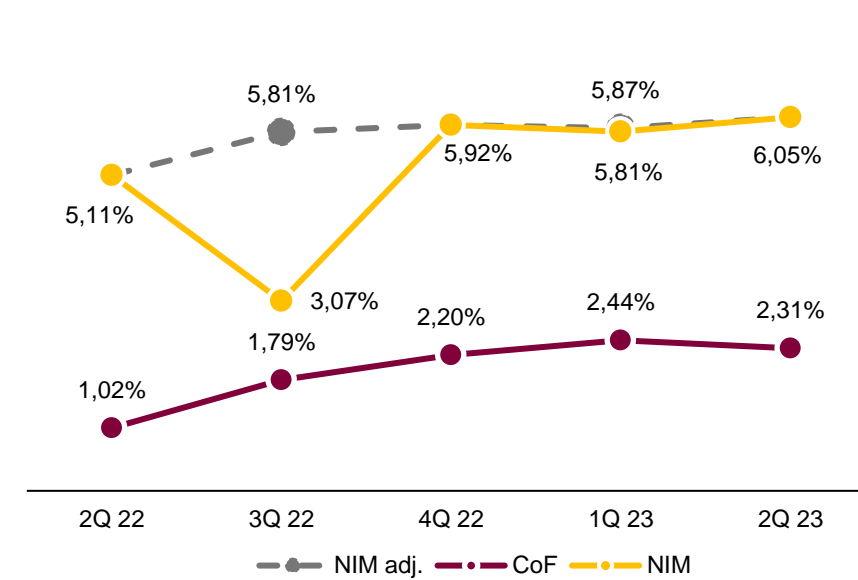
- In 2Q'23 Alior Bank achieved a record-breaking net profit of PLN mn 506
- 2Q'23 NIM was **6.05%** (an increase of 0.93 p.p. y/y). The improvement was mostly due to financing cost optimization (cost of deposits)
- In 2Q'23 ROE was **27.8%**, while C/I was **35.3%**

Due to a decrease in financing costs, NIM is improving

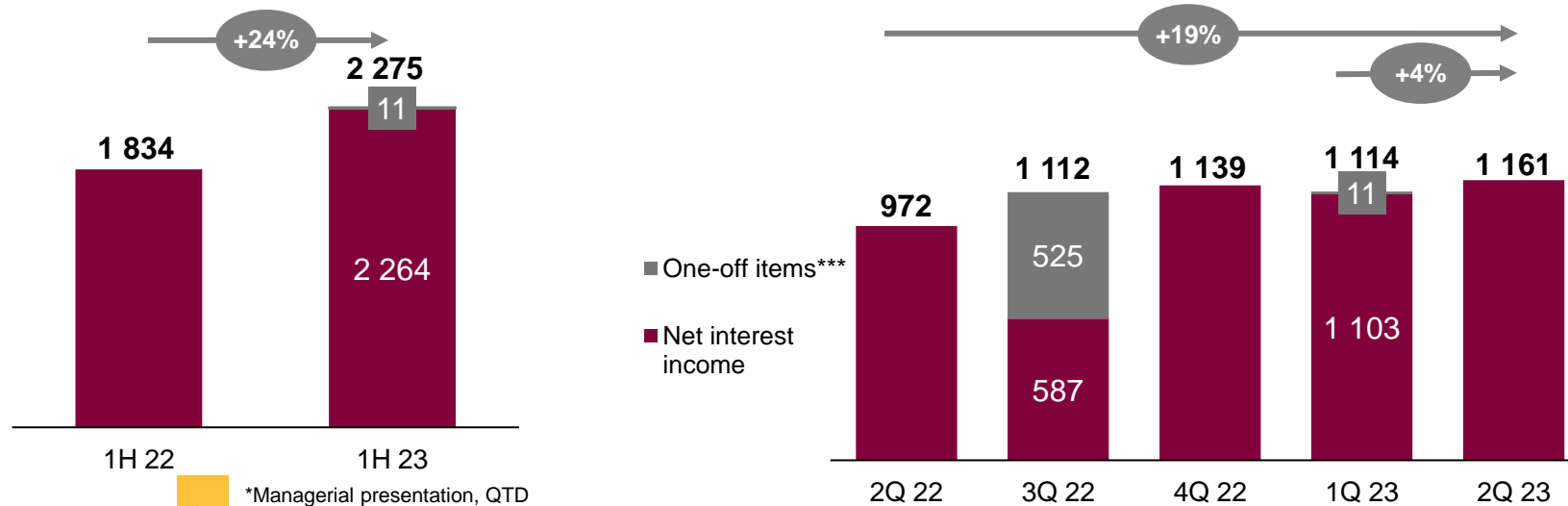
Interest income and expenses (PLN mn)



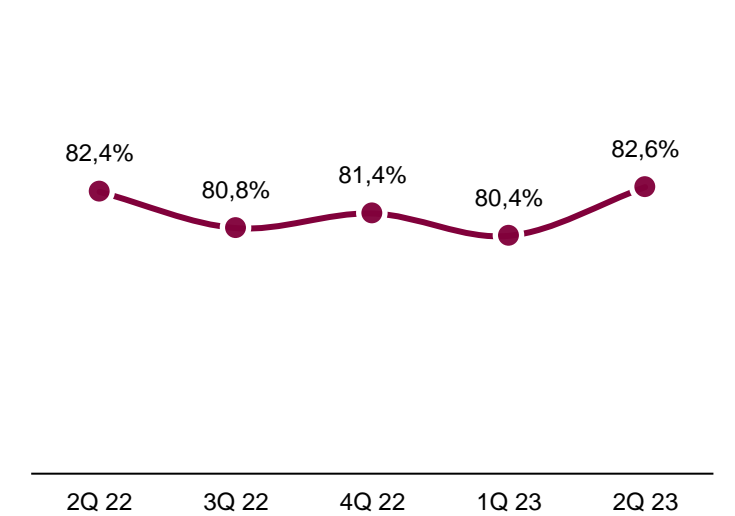
Interest margin and financing cost*



Net interest income (PLN mn)



Loan / Deposit Ratio



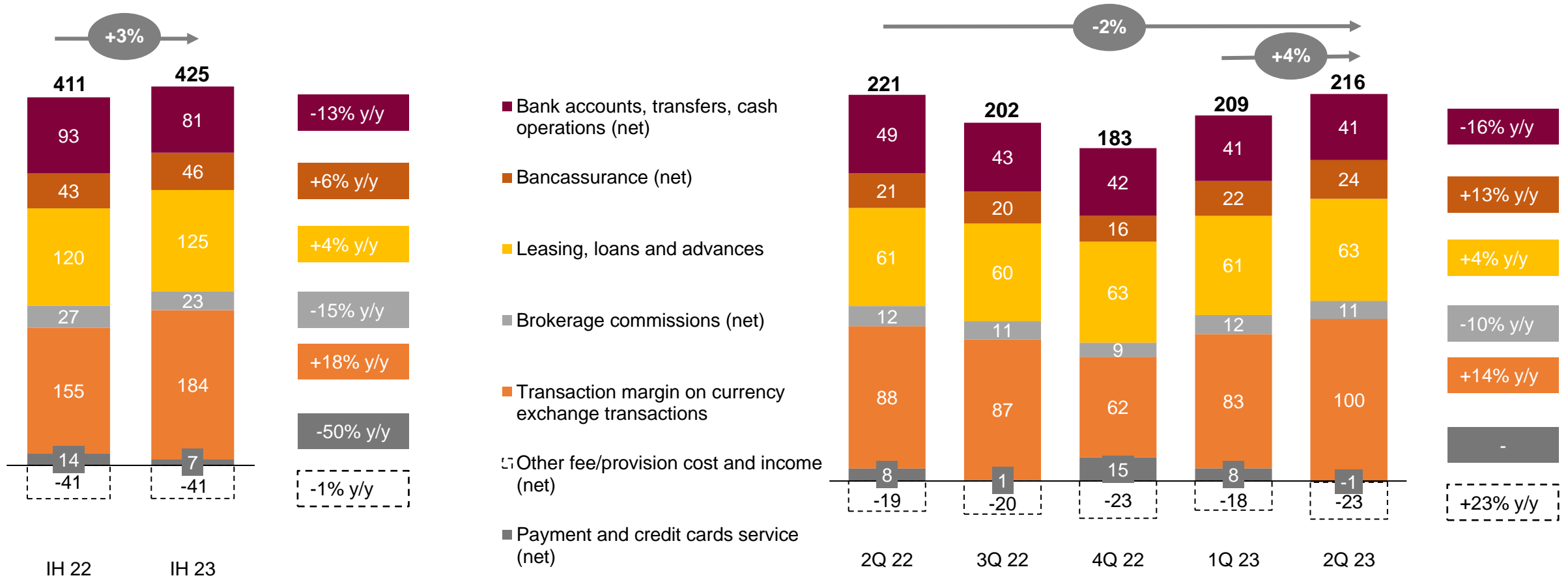
*Managerial presentation, QTD

**Interest income from loans, debt purchased and leasing

***One-offs in 3Q 22: PLN mn 502 for credit moratoria and PLN mn 23 for provision for the reimbursement for additional mortgage loan margins charged to Customers in the period until collateral was established; PLN mn 11 adjustment of credit moratoria provisions in 1Q'23

Alior Bank achieves stable net fees and commissions income

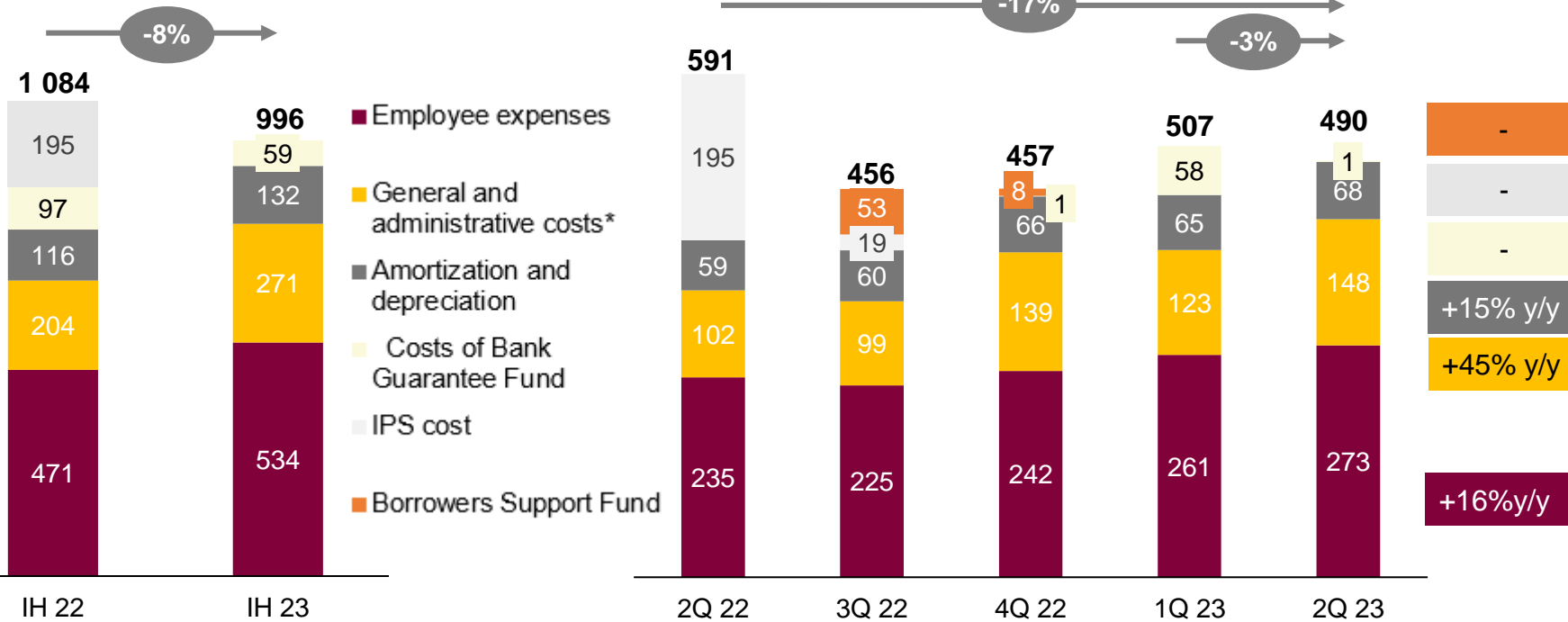
Net Fees and Commissions Income (PLN mn)



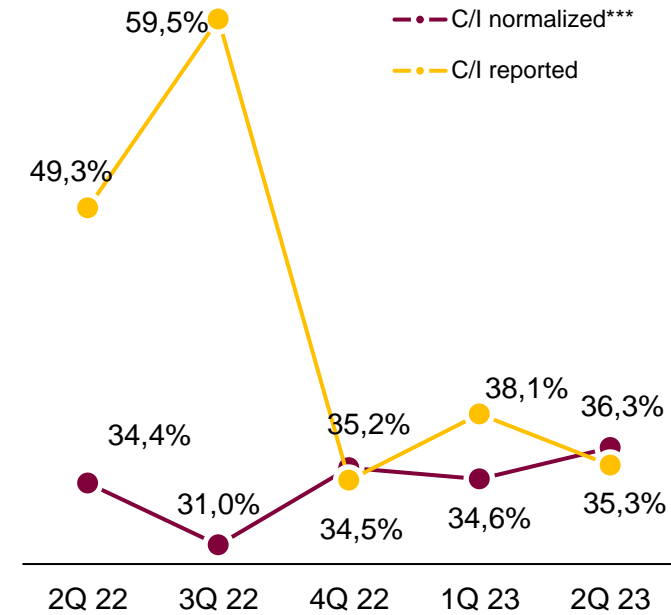
- Decrease in the net result from payment and credit cards services in 2Q'23 of PLN mn 9 y/y mainly due to the nature of settlements with payment operators (i.e., part of the result from card fees is presented in FX transactions results)
- Increase in the FX transaction result in 2Q'23 of PLN mn 12 y/y is a result of the nature of settling these transactions in Alior Bank (the result from FX transactions is divided between commissions and trading result) – in 2Q'23 most of the result was recognized in fees and commissions income
- Decrease in the fees from bank accounts, transfers, cash operations in 2Q'23 of PLN mn 8 y/y was due to changes in the law, which temporarily suspended the rendering of some services to Customers

The Bank is maintaining operational efficiency, despite growing inflationary pressure on costs

Operating costs (PLN mn)



C/I ratio**



- In 1H'23 operating costs were adjusted by a contribution to the Borrower Support Fund and IPS cost of PLN mn 937, an increase of 18% from the PLN mn 792 cost in 1H'22
- The y/y increase in employee costs in 2Q'23 amounted to PLN mn 38 (+16% y/y) and it was mainly due to an increase in the average salary level
- The main reason for the increase in general and administrative expenses in 2Q'23 by PLN mn 46 (+45%) y/y was, inter alia an increase in property rent and maintenance expenses by PLN mn 7, IT costs by PLN mn 6, and other general and administrative expenses by PLN mn 33 (caused inter alia by additional provisions for legal settlements)
- In future quarters, the general increase in prices in the economy will have a dominant impact on the increase in operating costs

*General management expenses include taxes and charges

**By quarter (QTD)

*** Ratio calculated assuming linear distribution of the contribution to the BFG compulsory restructuring fund, no cost of joining the Protection Scheme, no contribution to the Borrower Support Fund, and no impact on the revenues of the credit moratoria in 3Q'22 and 1Q'23 and provisions for the return of the additional margin on mortgage loans in 3Q'22

The main financial targets of the strategy „Your Bank of everyday life, your Bank for the future”

Profitability	6M 2023	2024
ROE	25.4%	>13%
C/I	36.7%	<45%
Equity		
Tier 1	14.2%	>13.5%
TCR	15.1%	>15%
Credit risk		
CoR	1.3%	<1.6%
NPL	9.5%	<10%





- Safe and stable capital position
- High NIM
- Innovation, digitization, high quality of services for Customers
- High performance due to an increase in revenue and cost optimization
- Improvement in the loan portfolio quality
- Consumer Finance market leader
- Growing share of housing loans in the portfolio
- Negligible share of CHF housing loans in the portfolio

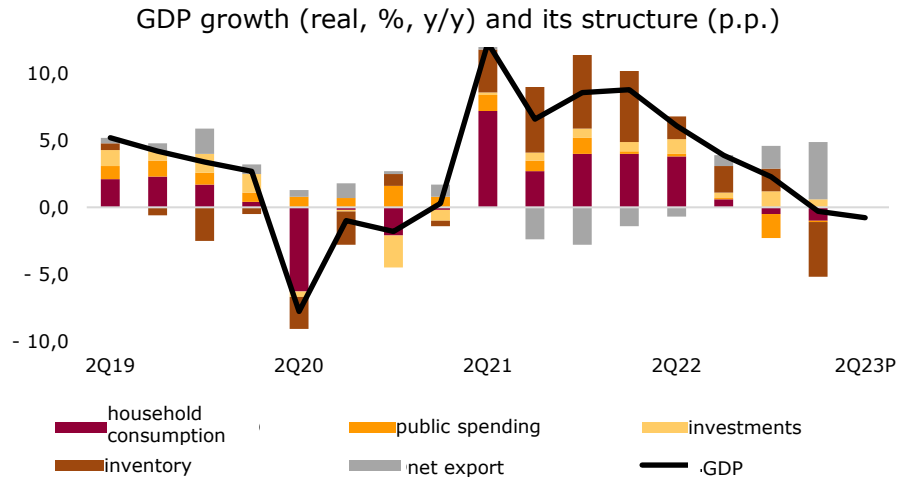
4



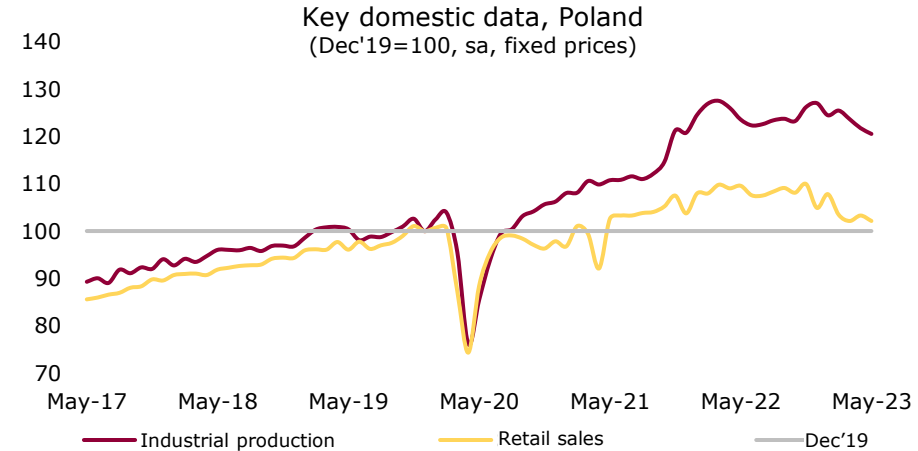
Other issues

The Polish economy is in a contraction phase, inflation is lower

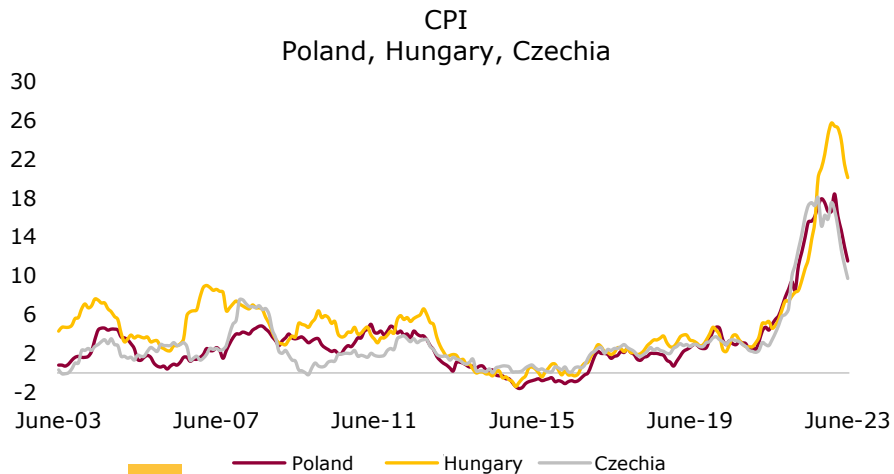
Second consecutive quarter of decreasing GDP



Household consumption still weak



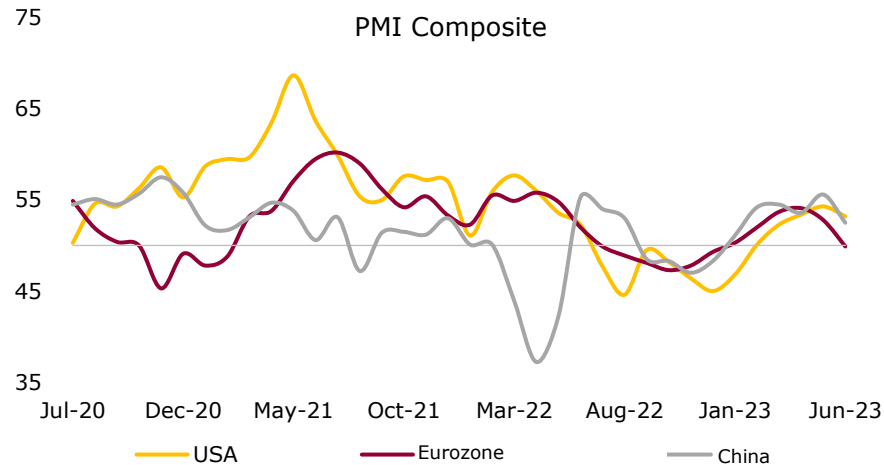
Inflation significantly down



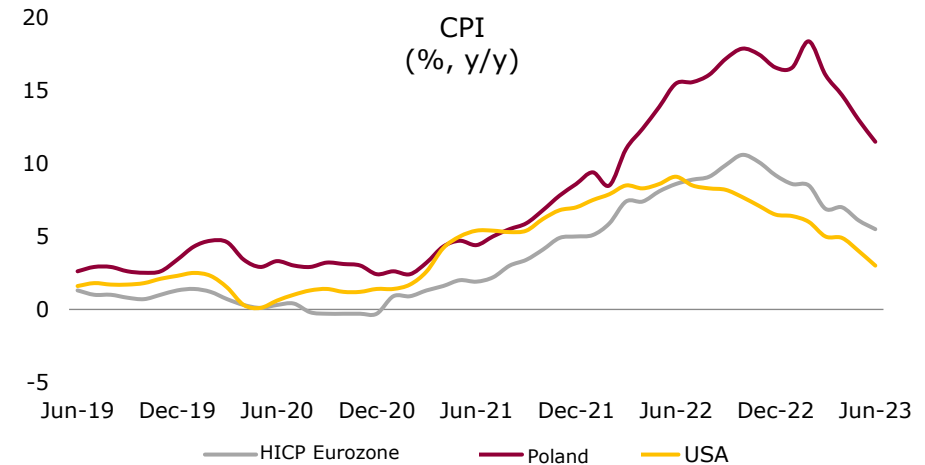
- In 2Q'23 the domestic market conditions were still weak.
- GDP change in 1H'23 was negative according to our estimates.
- Consumer demand for goods was still under pressure, which also reduced the domestic industrial production potential. The condition of the domestic industry was supported, as in 1Q'23, by the ongoing rebound in the global automotive market and enduring investment demand.
- 2Q'23 was the moment of a significant reversal of inflation tendencies. Consumer inflation peaked in February 2023 at 18.4% y/y. Decreases in following months led to a CPI of 11.5% y/y in June 2023.
- A decelerating change in prices was caused mainly by external factors, primarily the energy component and impacted the CEE region. Base inflation (without energy and food), also slightly decreased, from a peak of 12.3% y/y in March 2023 to 11.1% y/y in June 2023.
- The job market remained in good condition. Wage changes y/y sustained double digit growth. The unemployment rate in June 2023 was 5%, compared to 5.2% in June 2022.
- In 2Q'23 the Monetary Policy Council maintained interest rates at the current level (main rate of 6.75%).

Trends in Poland in line with global trends

Largest economies losing momentum...

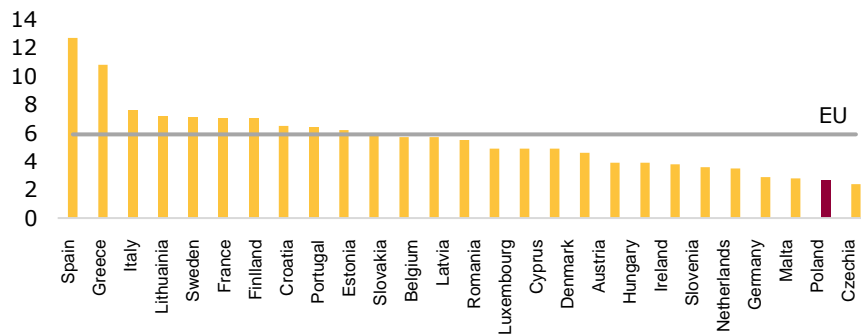


...which supports deceleration of inflation from the global perspective



Low unemployment an inflation risk in the long-term

EU unemployment rate, May'23 (% sa)

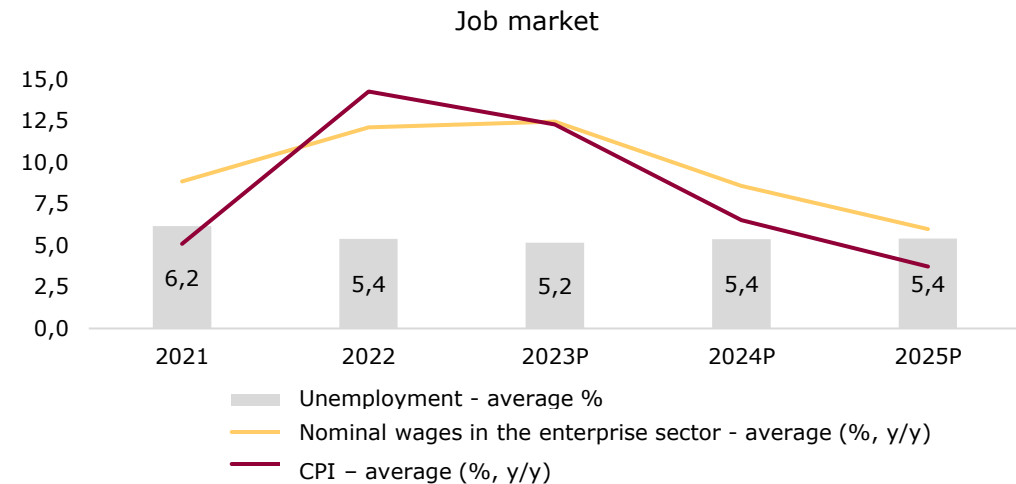
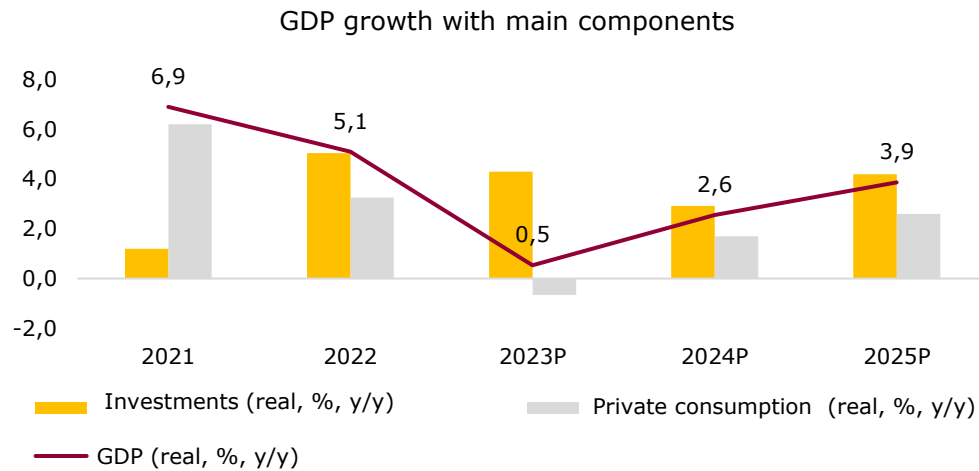


- The beginning of the year was tied to a global resurgence in the services sector and weaker performance of industry. In 2Q'23 a deterioration in service sector indices was noticeable, which indicates a cooling of the global economy.
- The tendency of rapidly decelerating consumer inflation appeared not only in Poland, but also in major western economies. In the current phase inflation is decreasing mainly due to cheaper energy and food, as well as relieving pressure on supply chains.
- In the USA CPI decreased from a peak of 9.1% y/y in June 2022 to 3% y/y in June 2023. In the Eurozone HICP peaked in October 2022 at 10.6% y/y, but in June 2023 was just 5.5% y/y.
- In the USA as well as the Eurozone the unemployment rate remains at a historically low level.
- Due to a „tight” job market the Fed and EBC maintain a conservative outlook on monetary policy, having considered high pressure on wages. Both central banks are signaling the possibility of further rate hikes.
- Compared to the EU Poland is distinguished by a low unemployment rate.

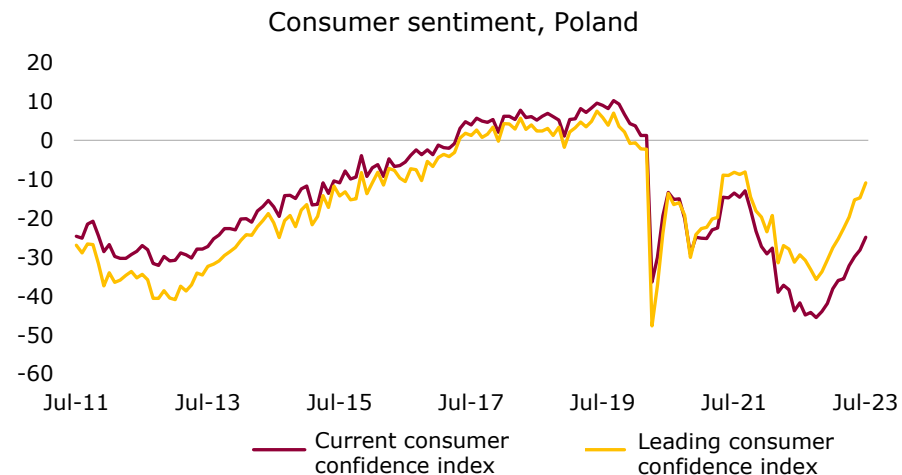
First signals of an incoming economic rebound

In 2023 GDP will increase due to a better second half of the year

An increase in real wages will strengthen consumers



Consumer sentiment is rapidly improving



- After the decrease in Polish GDP in the first half of 2023 we expect a rebound in the second half. All in all, 2023 GDP will increase by 0.5%.
- Private consumption should be a catalyst for the rebound, supported by a strong job market and decelerating inflation, which will lead to a positive real wage change in the second half of the year and in following years.
- Along with decelerating inflation, as well as diminishing shock after the invasion of Ukraine by Russia and a sustained favorable condition of the job market, we are observing a strong rebound in household sentiment. This element also supports the thesis of an incoming improvement in consumption.
- Investment demand has a remarkable impact on the economic situation. It remains strong and should support the economy this year and the following years. As for now Poland is a beneficiary of global supply chain revisions, exacerbated by the pandemic and war in Ukraine.
- Simultaneously a strong job market generates risk of extending the timeline to reach the CPI target (2.5%) set by the Polish Central Bank.
- The Monetary Policy Council perceives current inflationary tendencies (rapid deceleration of CPI in 2Q'23) as a positive sign and rate cuts, still in this year, are becoming more likely. Nonetheless a strong job market is restricting leeway for a quick loosening of monetary policy.

One-offs affecting reported results of Alior Bank Group

2022 (PLN mn)		Impact on gross profit		Impact on net profit	
1Q	Non-financial assets write-off related to the operations of Bank's branch in Romania	-31	-31	-27	-27
2Q	Joining the Protection Scheme (IPS)	-195	-195	-158	-158
3Q	Provision for cost of credit moratoria (69% participation)	-502		-407	
	Provision for refund of additional margin related to the mortgage loans	-23	-597	-19	-494
	Additional payment to the Protection Scheme (IPS)	-19		-15	
	Borrowers Support Fund contribution	-53		-53	
4Q	Borrowers Support Fund contribution	-8	-8	-8	-8
TOTAL 2022			-832		-688
2023 (PLN mn)		Impact on gross profit		Impact on net profit	
1Q	Provision for cost of credit moratoria (75% participation)	-11	-11	-9	-9
2Q		0	0	0	0
TOTAL 2023			-11		-9

Alior Bank's investment services

Alior Bank's Brokerage House

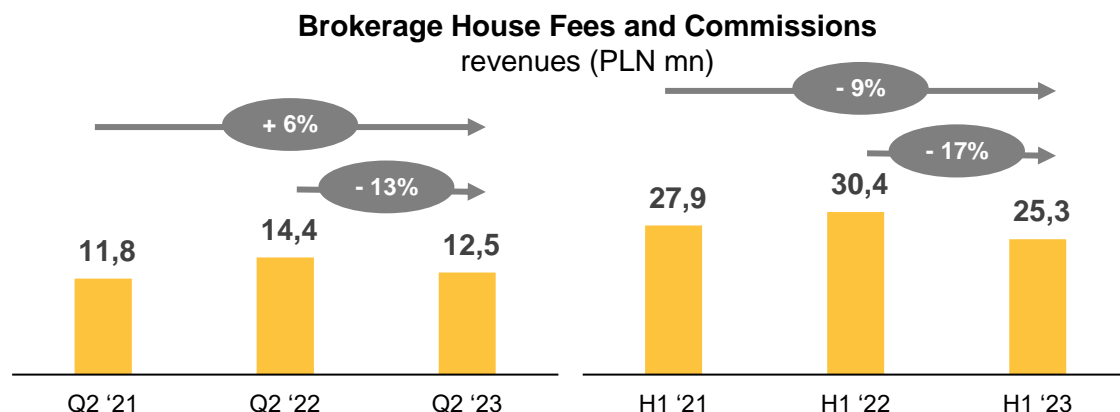


In 1H'23 we observed WSE trading around 15% smaller than in the same period of the previous year, which corresponded to a weaker commissions result. We achieved record sales of investment funds and very good results of structured products and advisory services.

Basic operating information for 1H'23:

- The number of brokerage accounts exceeded **89.3 k** (+1.3% y/y)
- The number of Alior Trader accounts exceeded **7.6 k** (+9.4% y/y)
- Assets in Individual Advisory **PLN bn 1.26** (+23% y/y)
- Sales of Structured Products (gross) **PLN mn 552** (+48% y/y)
- Sales of Investment Funds (gross) **PLN mn 655** (+163% y/y)

I in w Grand Test of Brokerage Houses 2023 → **Speed and simplicity in opening an online brokerage account** [Bankier.pl | 06.2023]



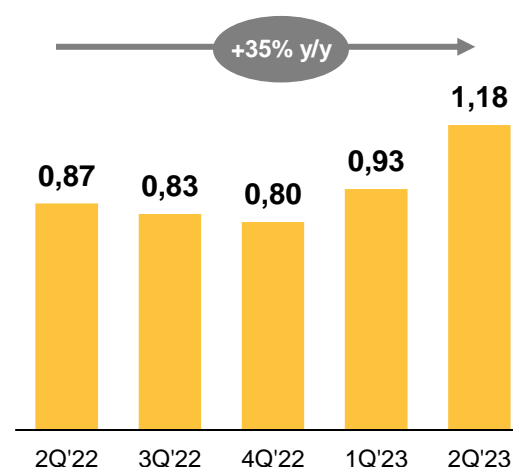
Alior TFI



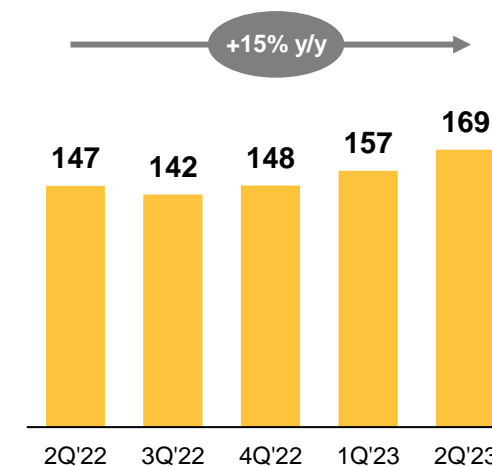
In 2Q'23 Alior TFI rebuilt its AUM and is nearing its level from the end of 2021. Net inflows in 2Q'23 amounted to PLN mn 224. The largest inflows were to low-risk profile funds: „Ostrożny” and „Konserwatywny”. Gross sales in 2Q'23 increased 376% y/y.

From the perspective of the past 12-months Alior TFI's change in AUM is over twice that of the market. This is mostly the result of a substantial increase in sales in the past two quarters. Since the beginning of 2023 Alior TFI's assets increased by 46%, while the market increased just 15% in the same period and the more appropriately compared in terms of asset profile short-term bond funds market increased by 20%.

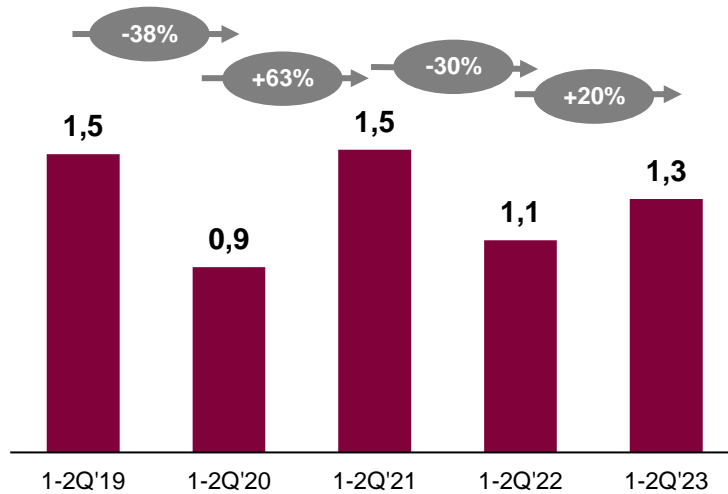
Assets under management in Alior TFI open funds (PLN bn)



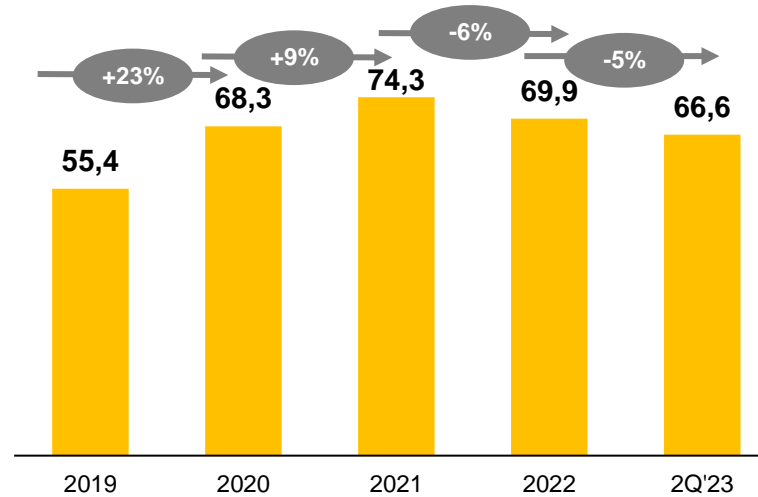
Assets under management in non-dedicated funds* in Poland (PLN bn)



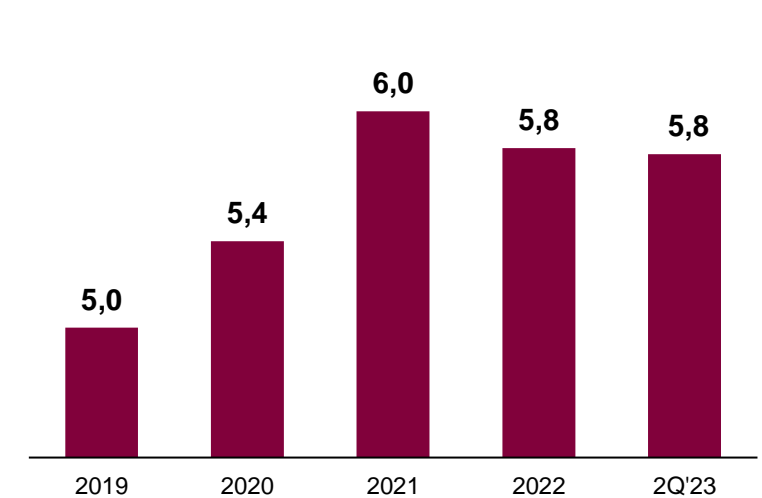
Sale of lease and loans (PLN bn)



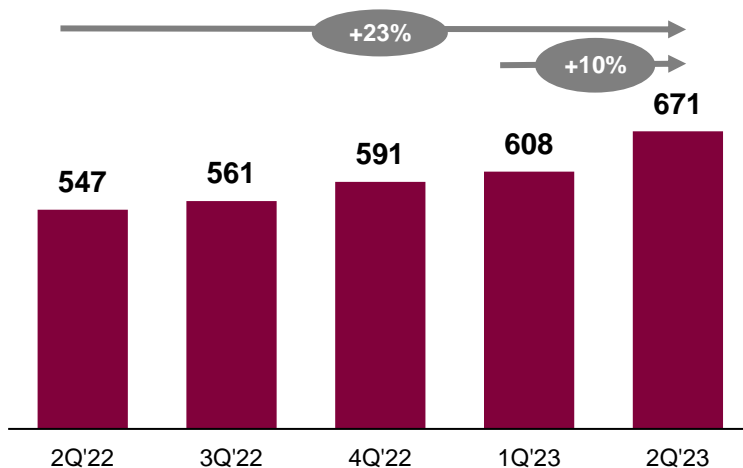
Number of customers (k)



Lease portfolio and loans (PLN bn)



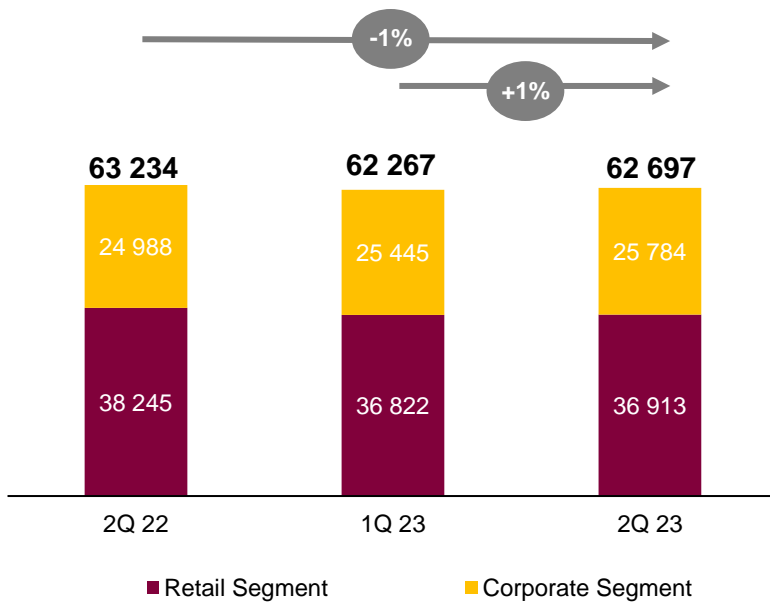
Quarterly sale of leases and loans (PLN mn)



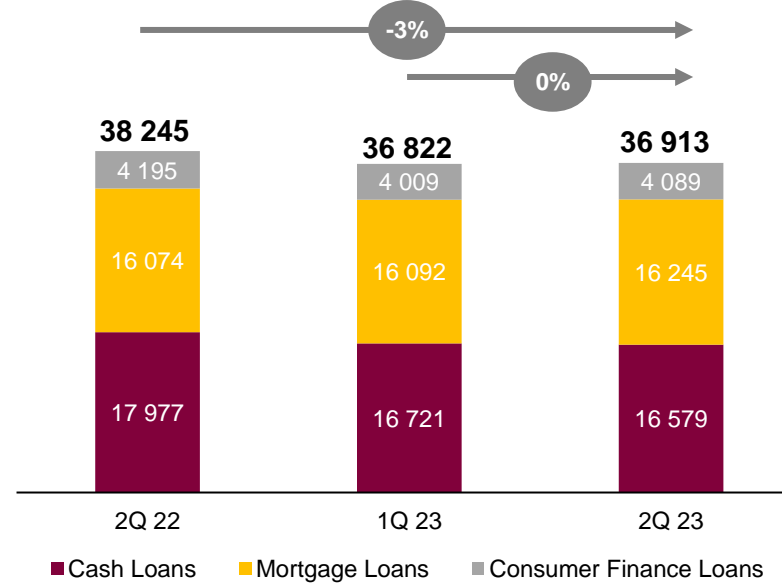
- Alior Leasing's lease and loan portfolio remains at PLN 5.8 bn at the end of 2Q'23, stable since the end of 2022.
- In 2Q'23, Alior Leasing sales amounted to PLN 671 mn (+23% y/y).
- Quarterly sales of lease and loans is consequently improving from quarter to quarter. In 2Q'23 sales was 23% higher than in 2Q'22.
- The number of agreements concluded by Alior Leasing at the end of 2Q'23 amounted to 96.6 thousand (-7% y/y).
- In 2Q'23, the structure of financing granted was dominated by light vehicles (45%). The share of heavy vehicles was 38%, and machinery and equipment was 17%.
- Alior Leasing is implementing a new (introduced in the previous quarter) strategy, whose pillar and goal is a fundamental change in the business model and growth in new markets, which will guarantee lower sensitivity of sales and results to economic cycles.

Gross structure of the loan portfolio

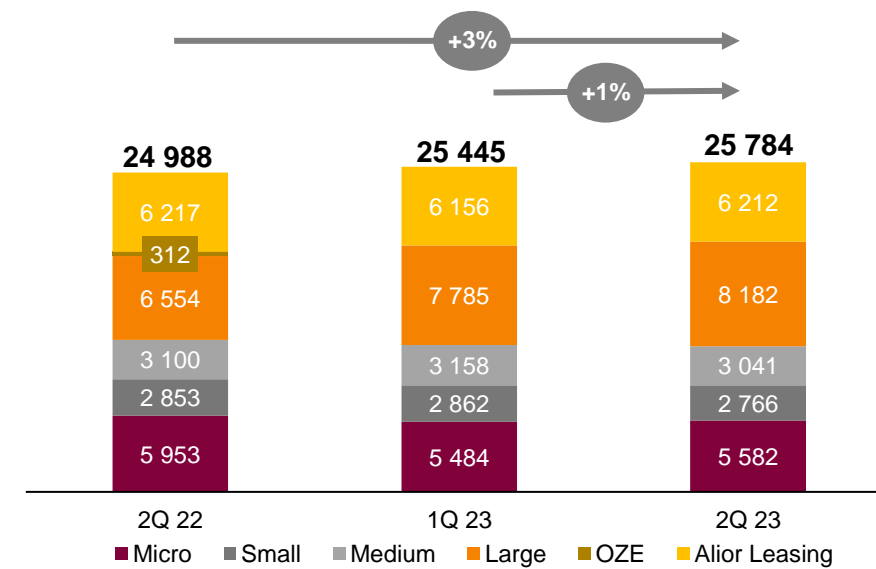
Loan portfolio in total (PLN mn)



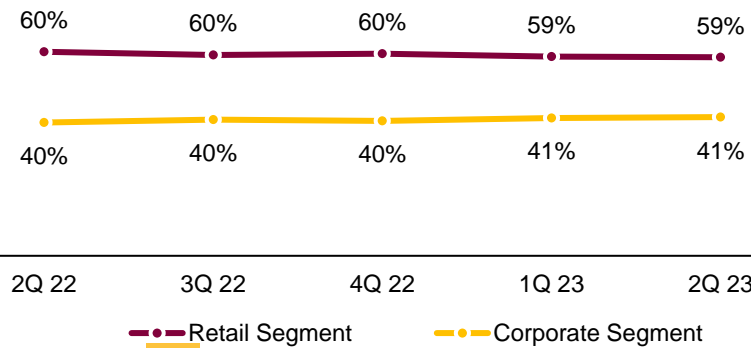
Retail Customer Segment (PLN mn)



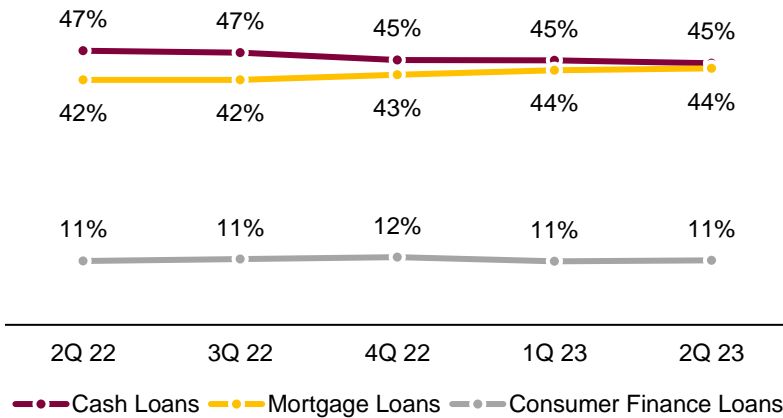
Business Customer Segment* (PLN mn)



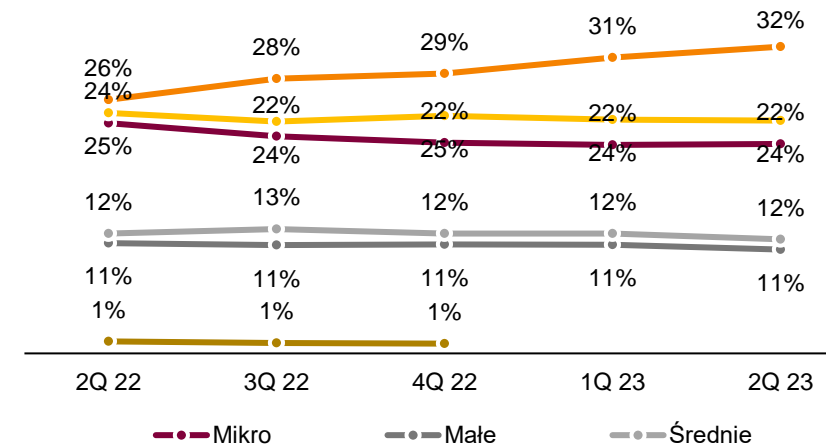
Loan portfolio structure in total



Structure of the Retail Customer segment



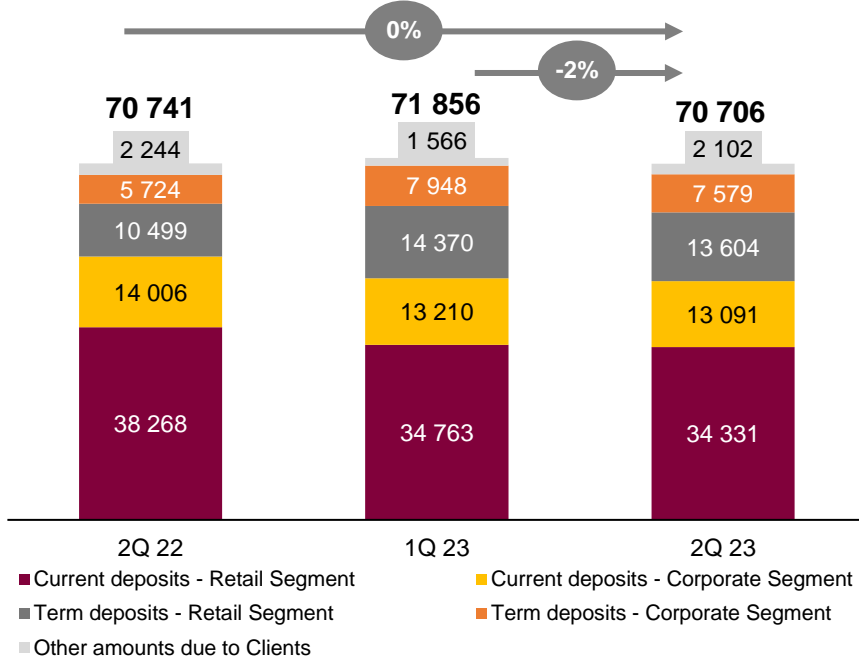
Structure of the Business Customer segment*



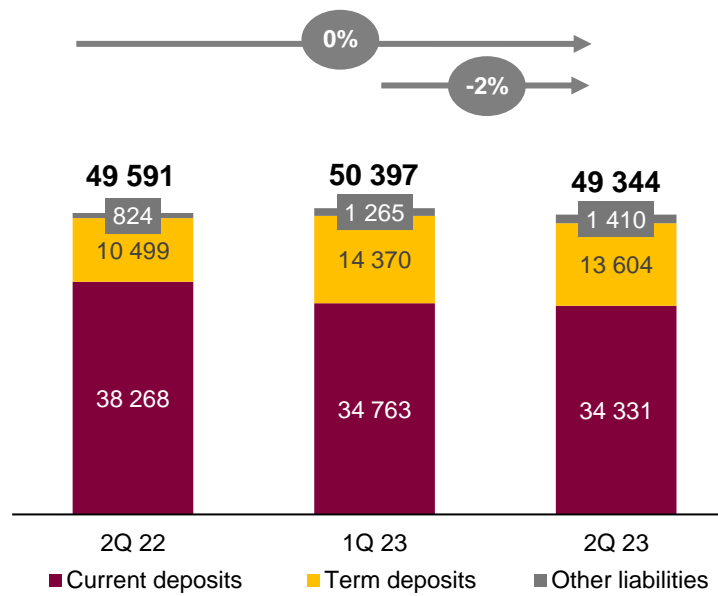
*Managerial presentation; since 1Q'23 the Bank ceased reporting the renewable energy (OZE) segment

The Bank adjusts its deposit portfolio to the current market situation (PLN mn)

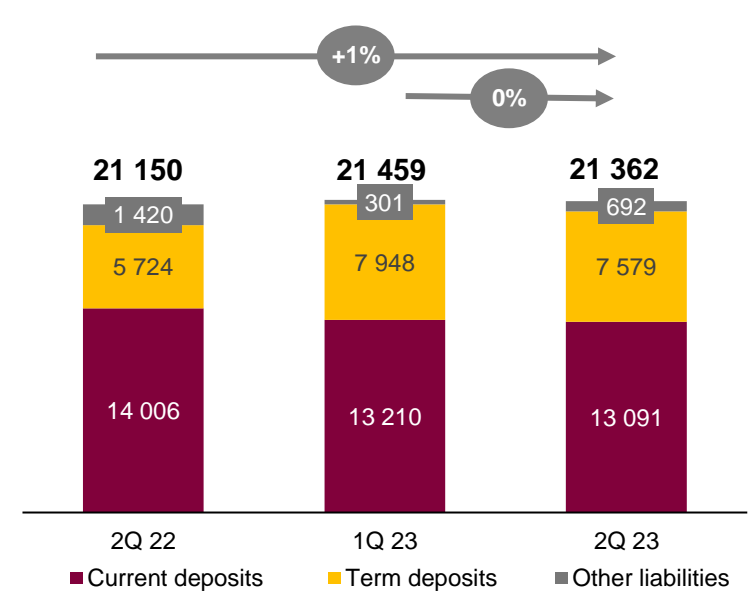
Structure of net liabilities to Customers



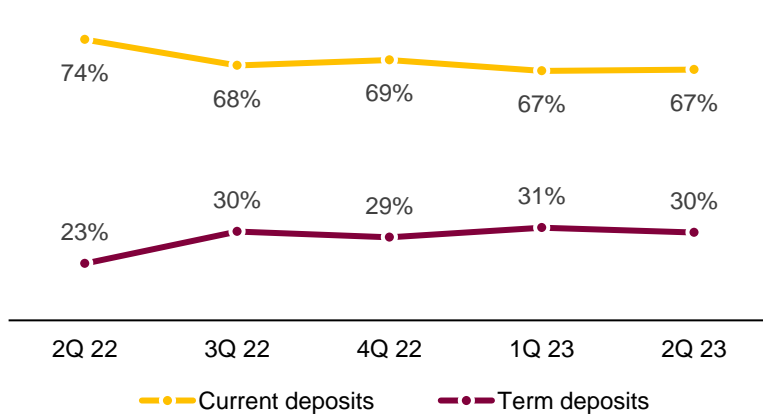
Net liabilities structure - Retail Segment



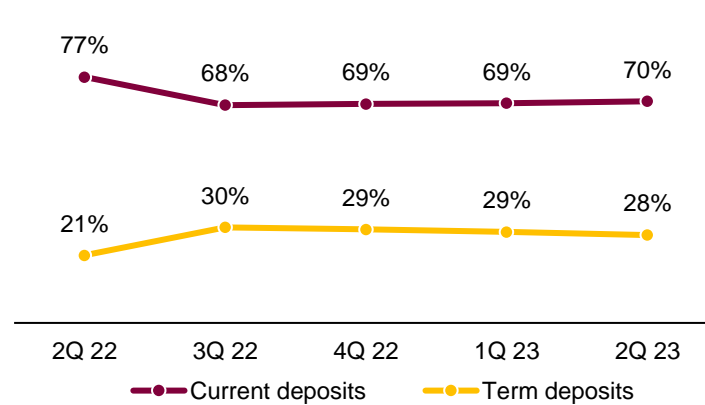
Net liabilities structure - Business Segment



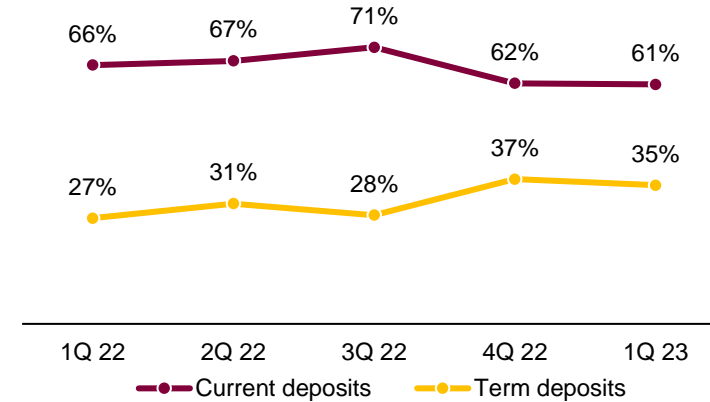
Structure of main liabilities



Structure of main liabilities - Retail Segment



Structure of main liabilities - Business Segment

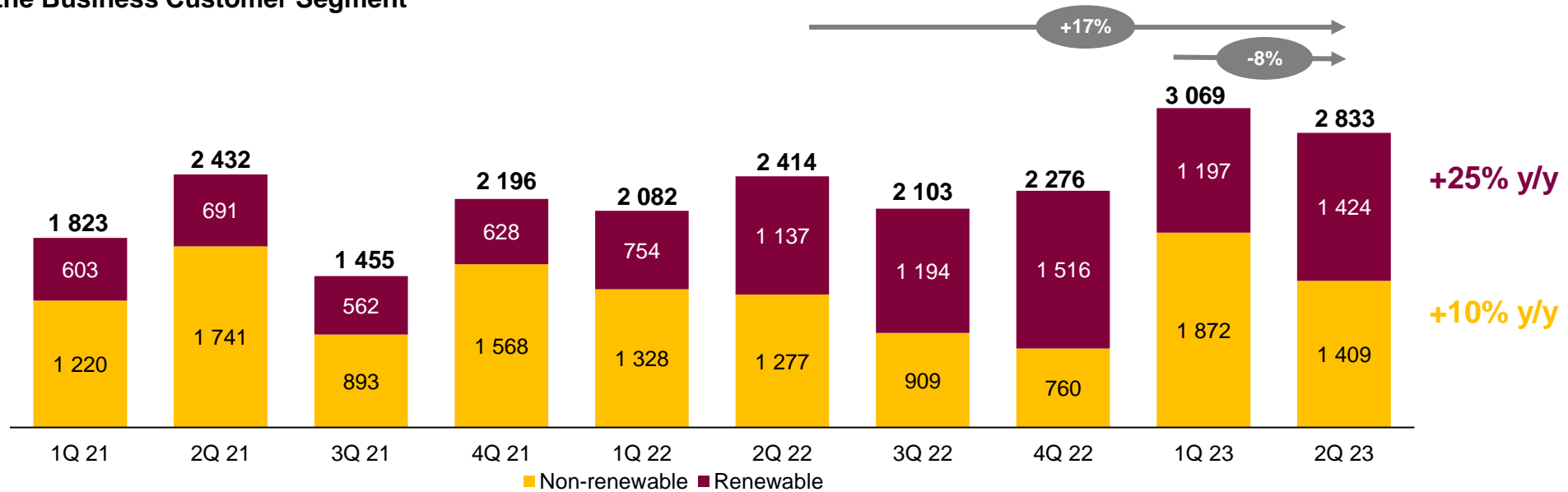


Consolidated statement of the financial standing of the Alior Bank Group (PLN mn)

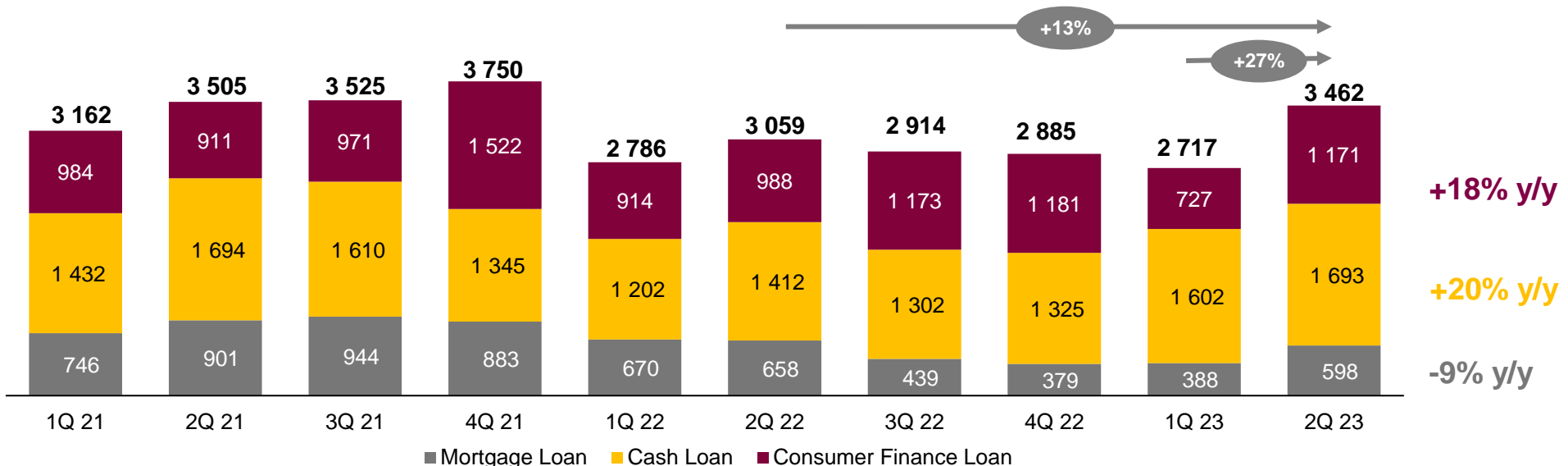
	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23	% q/q	q/q	% y/y	y/y
Total assets	84 223,5	84 070,7	82 877,2	84 325,2	83 527,5	-1%	-797,7	-1%	-696,0
Cash and cash equivalents	4 940,2	5 428,9	2 584,1	4 578,0	3 167,6	-31%	-1 410,4	-36%	-1 772,6
Amounts due from banks	2 874,2	2 605,8	2 373,7	1 766,6	1 452,8	-18%	-313,8	-49%	-1 421,4
Investment financial assets	12 571,2	14 035,3	17 015,1	16 815,4	17 203,7	2%	388,4	37%	4 632,6
Derivative hedging instruments	108,1	107,8	178,1	248,1	260,5	5%	12,4	141%	152,4
Loans and advances to customers	58 271,8	58 453,7	57 609,9	57 799,5	58 390,2	1%	590,7	0%	118,4
Assets pledged as collateral	2 140,5	240,2	41,0	47,5	46,5	-2%	-1,0	-98%	-2 093,9
Property, plant and equipment	723,6	722,8	744,4	723,5	712,9	-1%	-10,6	-1%	-10,7
Intangible assets	389,4	391,2	391,1	390,4	388,4	-1%	-2,1	0%	-1,0
Asset held for sale	0,0	0,0	1,6	0,0	0,0	-	0,0	-	0,0
Income tax asset	1 523,6	1 503,3	1 417,2	1 290,0	1 188,9	-8%	-101,1	-22%	-334,6
Other assets	680,9	581,7	521,0	666,2	715,9	7%	49,8	5%	35,0
Total liabilities and equity	78 902,4	78 624,9	76 707,3	77 416,7	75 842,1	-2%	-1 574,6	-4%	-3 060,3
Amounts due to banks	1 755,7	294,0	270,4	303,9	229,9	-24%	-73,9	-87%	-1 525,8
Amounts due to customers	70 741,1	72 363,0	70 776,8	71 856,2	70 706,4	-2%	-1 149,8	0%	-34,7
Financial liabilities	448,0	386,5	256,0	290,2	252,0	-13%	-38,3	-44%	-196,1
Derivative hedging instruments	2 265,3	2 091,1	1 678,9	1 384,0	1 084,0	-22%	-300,1	-52%	-1 181,3
Provisions	265,9	258,7	267,9	204,0	228,9	12%	24,8	-14%	-37,0
Other liabilities	2 139,4	1 913,9	2 044,2	2 110,4	2 017,0	-4%	-93,3	-6%	-122,4
Income tax liabilities	127,6	146,4	249,1	92,0	161,2	75%	69,2	26%	33,6
Subordinated loans	1 159,4	1 171,3	1 163,9	1 176,0	1 162,7	-1%	-13,3	0%	3,3
Equity	5 321,0	5 445,7	6 169,9	6 908,5	7 685,4	11%	776,9	44%	2 364,4
Share capital	1 305,5	1 305,5	1 305,5	1 305,5	1 305,5	0%	0,0	0%	0,0
Supplementary capital	5 406,9	5 407,1	5 407,1	5 407,1	6 026,3	11%	619,2	11%	619,5
Revaluation reserve	-1 890,0	-1 701,4	-1 339,4	-966,0	-696,5	-28%	269,5	-63%	1 193,5
Other reserves	161,8	161,8	161,8	161,8	161,8	0%	0,0	0%	0,0
Foreign currency translation differences	-0,2	-1,6	0,3	0,0	1,4	3408%	1,3	-682%	1,6
Accumulated losses	-48,3	-48,5	-48,5	634,2	15,0	-98%	-619,2	-	63,3
Profit for the period	385,4	322,8	683,1	365,8	871,9	138%	506,1	126%	486,5
Total liabilities and equity	84 223,5	84 070,7	82 877,2	84 325,2	83 527,5	-1%	-797,7	-1%	-696,0

New sale of loans (PLN mn)

Sales in the Business Customer Segment*



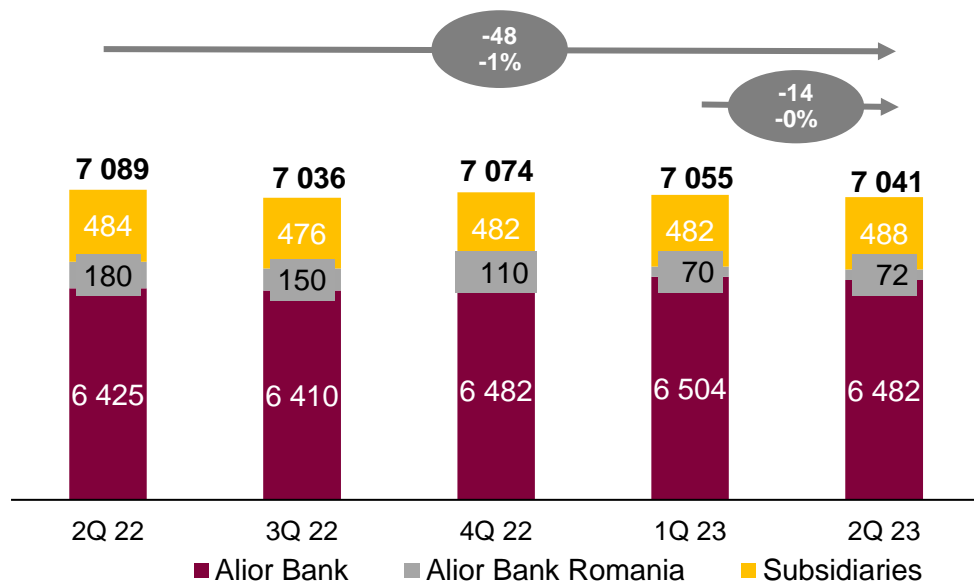
Sales in the Retail Customer Segment



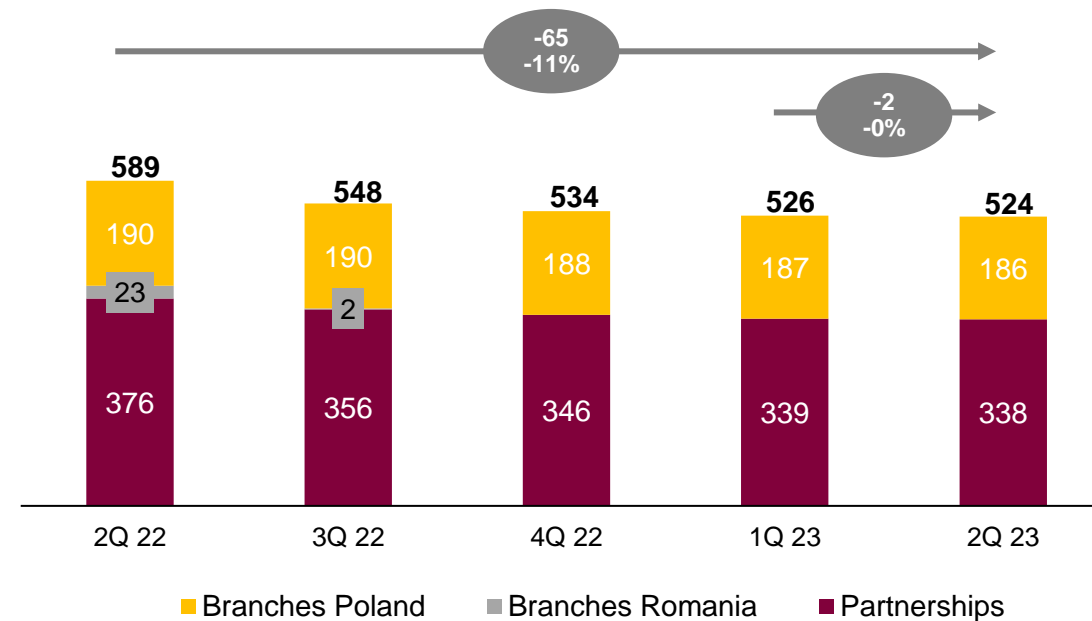
*New sales limit (new sales + increases) for Customers in the Micro- / Small- / Medium- / Large-Sized categories

Additional information

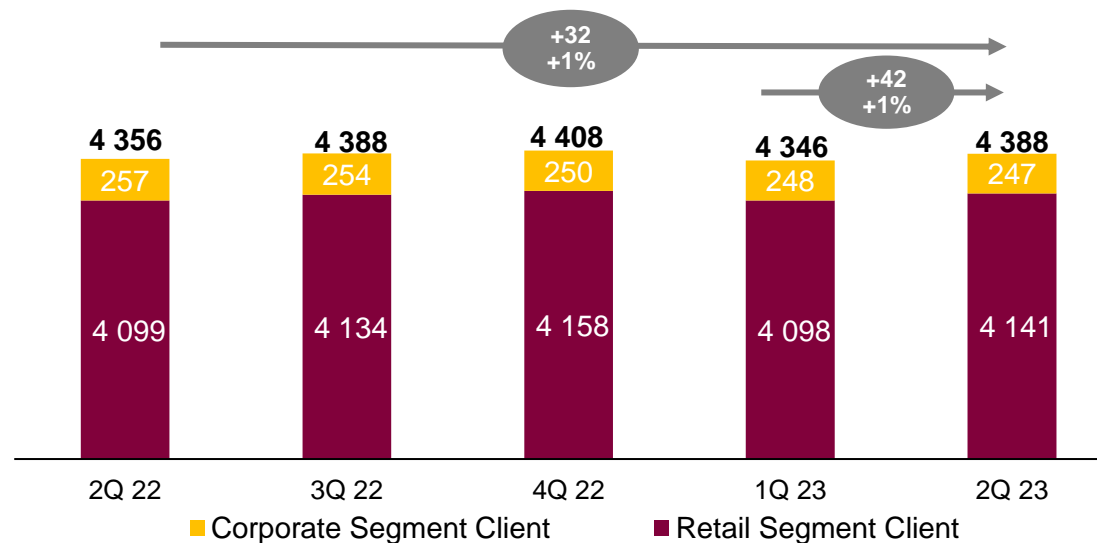
Employment (FTEs)



Alior Bank's branches

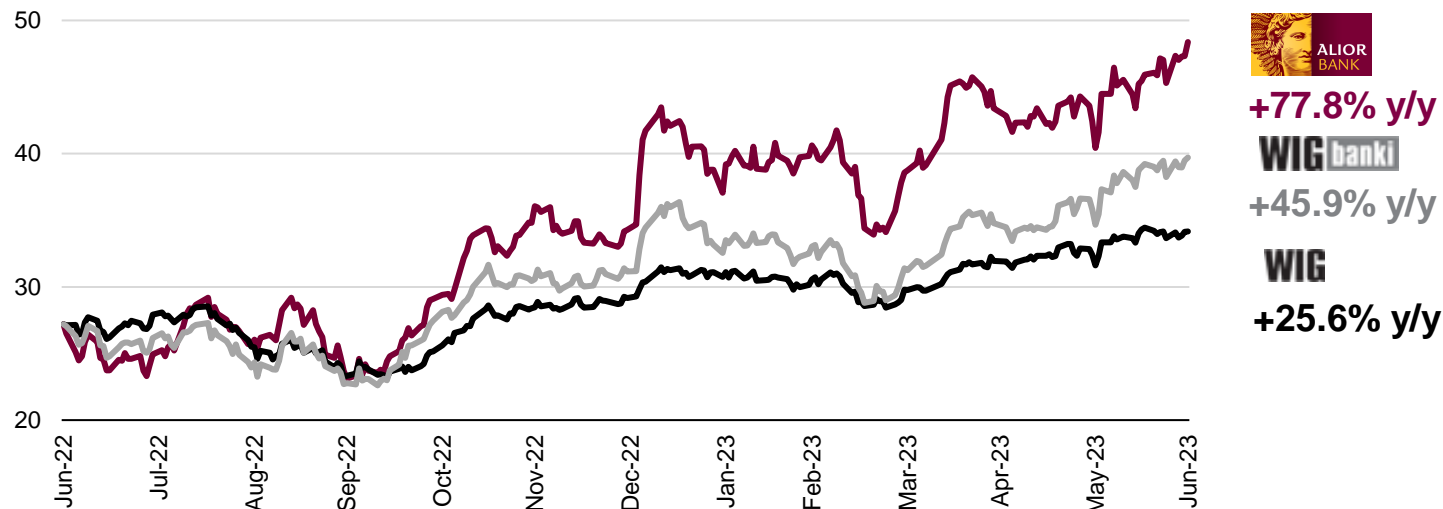


Number of customers (k)



Alior Bank S.A. - quotations, shareholding structure, ratings

Alior Bank's share price compared to WSE indices (comparable data for 12 months)



Alior Bank share price : **PLN 48.36**
 (data as at June 30, 2023)
 Capitalization: **PLN bn 6.3**
 Value of shares in free trade : **PLN bn 2.8**
 P/BV**: **0,8x**
 P/E***: **5,4x**

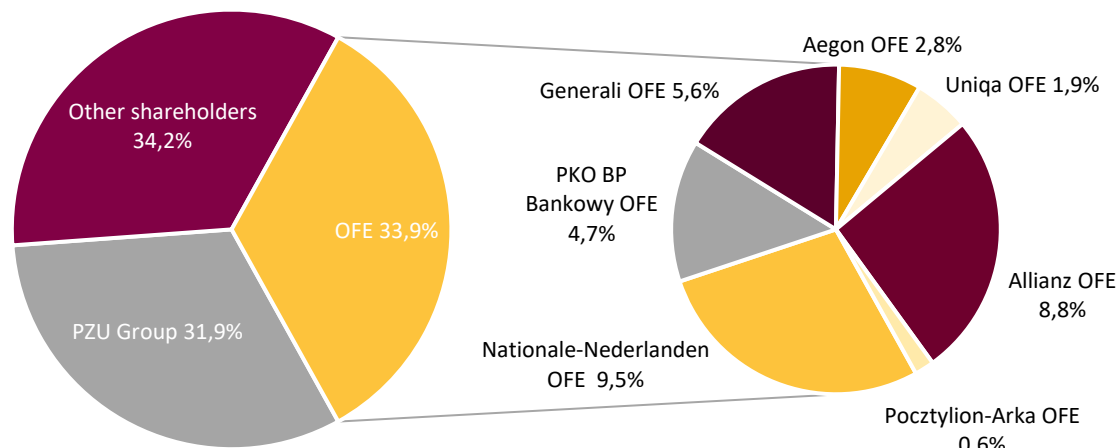
ISIN code: PLALIOR00045
GPW: ALR
Bloomberg: ALR PW
Reuters: ALRR.WA

Rating Fitch:
 long-term: BB
 short-term: B
 outlook: stable
Rating S&P:
 long-term: BB+
 short-term: B
 outlook: stable

Alior Bank's shares are part of the following stock indices:

- WIG
- WIG-BANKI
- WIG20
- WIG20TR
- WIG.MS-FIN
- WIG-Poland
- WIG-ESG
- CEEplus
- WIG140
- WIGFIN

Shareholding structure*



*Based on public announcements and the annual structure of OFE [Open Pension Fund] assets as at December 31, 2022

**Equity on June 30, 2023

***Reported net profit for 3-4Q'22 and 1-2Q'23

Contact data

Investor Relations and Subsidiaries Supervision Department



e-mail: ir@alior.pl



Address details

Alior Bank S.A.
**Investor Relations and Subsidiaries
Supervision Department**
ul. Łopuszańska 38D
02-232 Warsaw
Poland



More information



[Website](#)



[Facebook fanpage](#)



[Twitter profile](#)



[Youtube channel](#)



Following events:

- 3Q 23 – October 26, 2023

Disclaimer

This data has been prepared by Alior Bank S.A. (“Bank”, “Company”) solely for the purpose of the Presentation. Any and all data that may constitute a projection for the Company’s future economic and financial results, contained in this presentation, has been prepared based on the Report of the Bank’s Capital Group for 1H’23. The Bank shall bear no liability for the use of the information presented.

The distribution of this document in certain countries may be restricted by law. This document must not be used for, in connection with nor must it constitute an offer to sell or acquire any securities or other financial instruments of the Bank in any jurisdiction in which such an offer would be unlawful.

Each and every person in possession of this document must inform each other and observe the above restrictions. Any failure to comply with these restrictions may constitute a violation of the law. The information contained in this presentation should be treated neither as open nor hidden statements nor as statements provided by the Bank or persons acting on behalf thereof.

Moreover, neither the Bank nor persons acting on behalf thereof shall bear any liability for any damages that may arise as a result of negligence or for other reasons in connection with the use of this Presentation or any information contained therein, or for damages that may arise otherwise in connection with the information contained in this Presentation.