



ALIOR
BANK

ALIOR BANK S.A.

Results presentation 1H 2013

**Sustainable development in
challenging environment**

August 8th, 2013

- **Without one-off insurance periodization Q2 net result 105 M PLN (+14 m PLN vs. Q1)**
- **On track to deliver >390 m PLN net in 2013**
- **Strong fundamental performance**

Loans	+1,8 bn PLN (+12% qoq)	
Deposits	+1,9 bn PLN (+11% Q0Q)	
# Of customers	+151 k	(vs +102k in Q1)
NII	+9%	(vs +4% Q1/Q4)
- **NIM flat in falling interest environment potential growth.**
- **Strong trading result**
- **Cleaned up uncertainties re: bancassurance – one-off net impact 25 m PLN**
- **Excellent cost control: only HR cost growth due to opening new business channels**
- **COR stable at 200 bps**

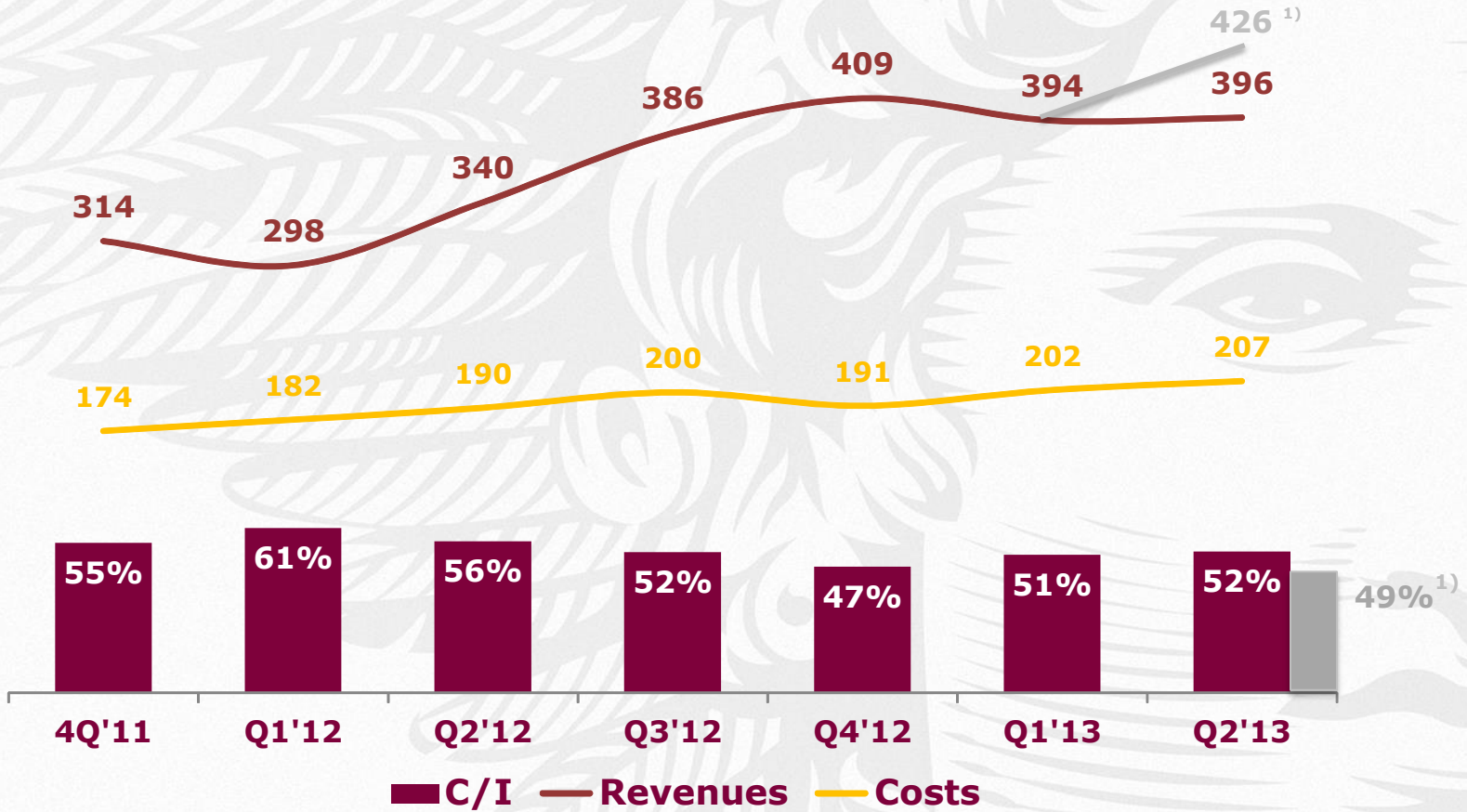
KEY FINANCIALS

M PLN	1H 2013	1H 2012	% (A-B)/B	Q2 2013	Q2 2012	% (A-B)/B
	A	B	C	D	E	F
Net interest income	418	326	28	218	174	25
Net fee and commission income	227	217	5	89	106	-16
Trading result & other	146	98	49	90	64	41
Operating income	791	641	23	396	343	16
General Administrative Expenses	-409	-371	10	-207	-190	9
Impairment losses	-166	-119	39	-88	-70	25
Gross profit	215	150	43	101	83	22
Net profit	172	133	29	81	79	2

M PLN	1H 2013	1H 2012	% (A-B)/B	2012	A-D	% (A-D)/D
Loans	17 654	12 297	44	14 535	3 119	21
Deposits	19 052	13 593	40	17 463	1 588	9
Total equity	2 382	1 364	75	2 246	136	6
Total assets	23 033	16 508	40	21 352	1 681	8

M PLN	1H 2013	1H 2012	A-B	Q2 2013	Q2 2012	D-E
ROE (%)	14,8	21,5	-6,7	14,8	21,5	-6,7
ROA (%)	1,5	1,7	-0,1	1,5	1,7	-0,1
C/I (%)	51,7	58,0	-6,2	52,3	55,4	-3,0
CoR (%)	2,0	2,1	-0,1	2,0	2,1	-0,1
L/D (%)	92,7	90,5	2,2	92,7	90,5	2,2
NPL ratio (%)	6,4	4,4	2,0	6,4	4,4	2,0
NPL coverage ratio (%)	57,2	67,8	-10,6	57,2	67,8	-10,6
Capital adequacy ratio (%)	14,4	12,1	2,4	14,4	12,1	2,4
Tier 1 (%)	12,5	9,2	3,3	12,5	9,2	3,3

LONG TERM C/I TARGET ON TRACK

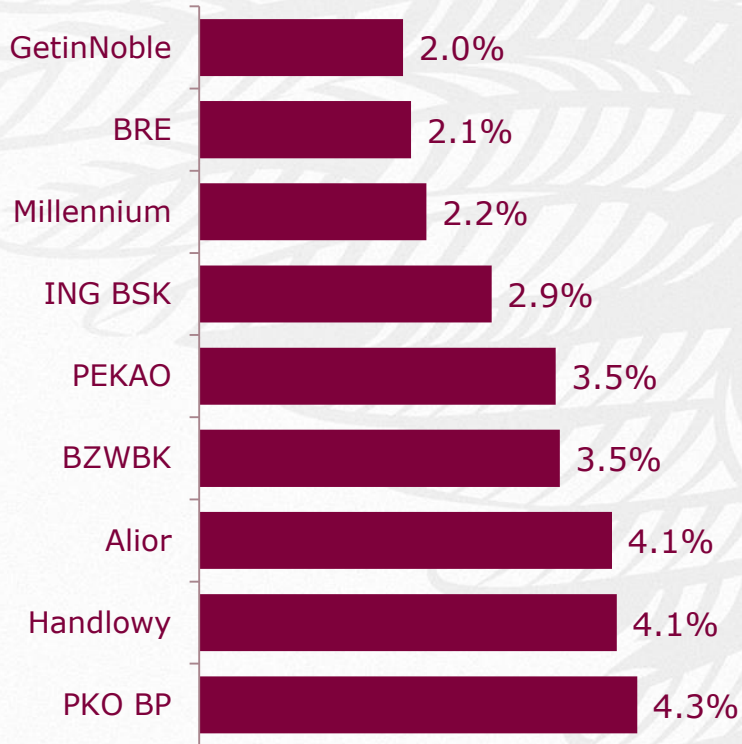


C/I target of <42% in 2016 is clearly within Alior's reach

¹⁾ Excluding one-off insurance fee periodization

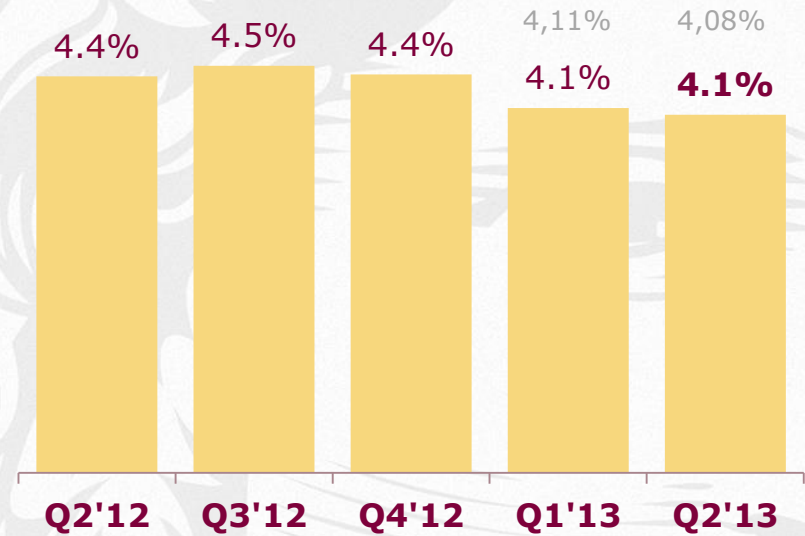
NIM – Q2 AT THE LEVEL OF Q1 WITH POSITIVE OUTLOOK

Alior NIM in selected Polish Banks



2Q'13 – Alior, Millennium, BZ WBK, BRE
 1Q'13 – other banks

Alior NIM in selected periods

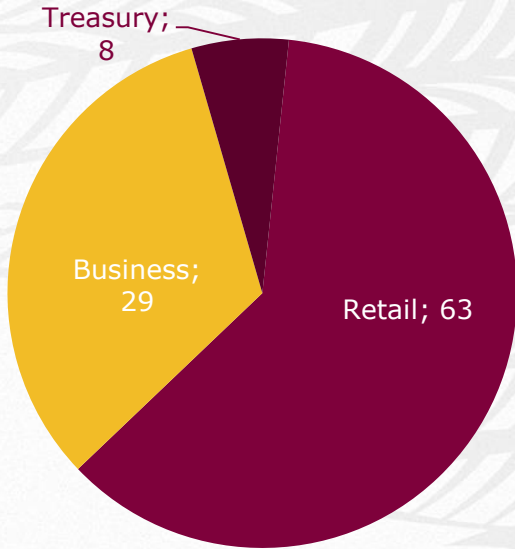


Considerable slowdown in NIM contraction in Q2 2013

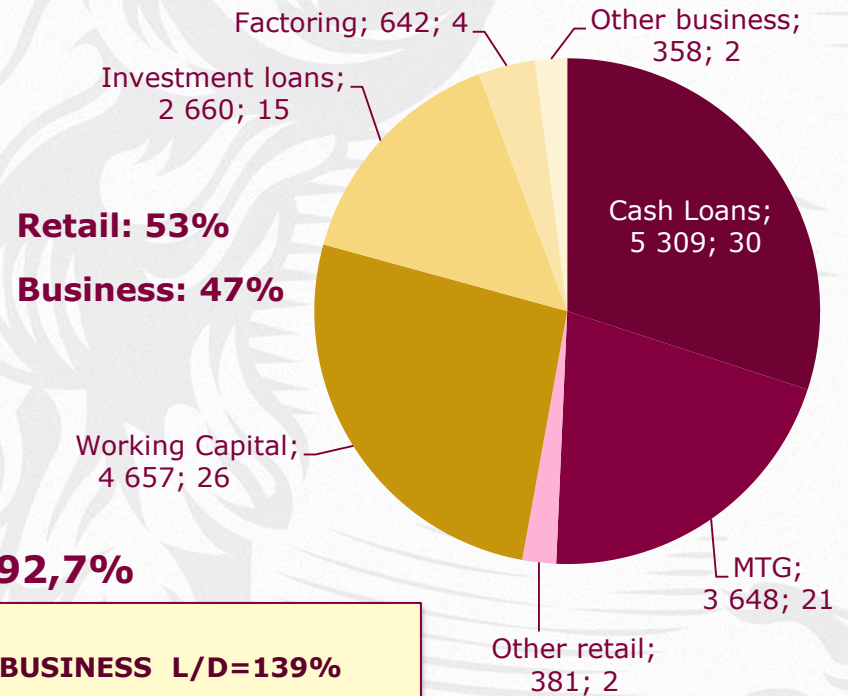
Negative impact of rate cuts still a factor.

FAVORABLE DEVELOPMENT OF LOAN BOOK AND DEPOSIT GATHERING

Revenue split (%)



Loan book split (m PLN; %)



m PLN

L/D = 92,7%

RETAIL L/D=71%

BUSINESS L/D=139%

Deposits 69%
Loans 53%

Deposits 31%
Loans 47%

13 073

8 941

4 132

Term, own banking securities, other

Current

9 337

5 981

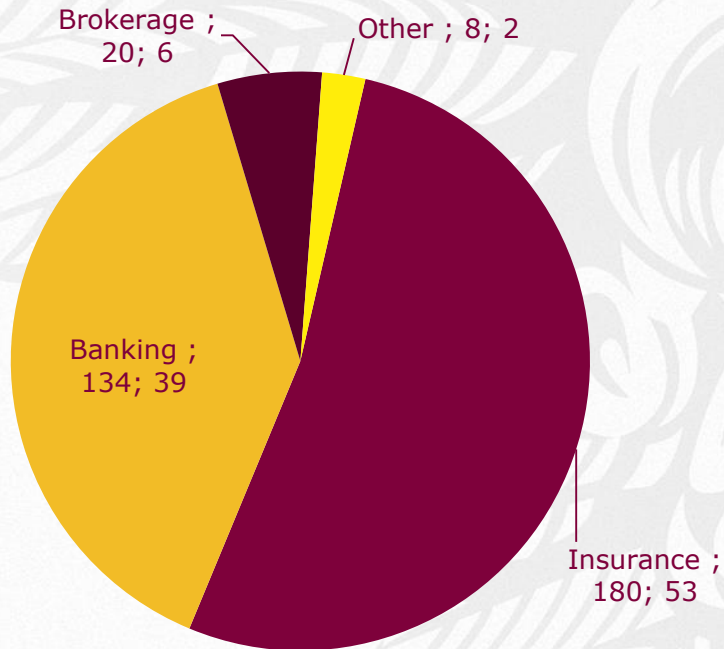
4 161

1 817

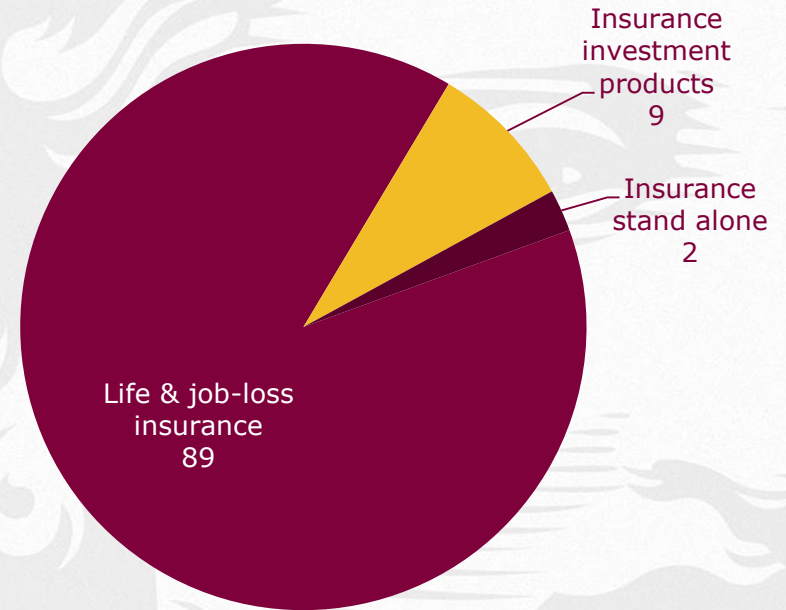
8 317

FEE INCOME PERFORMANCE CORRELATED WITH LOAN PRODUCTION

Fee income split in 1H 2013 (PLN m; %)



Insurance income split (%)

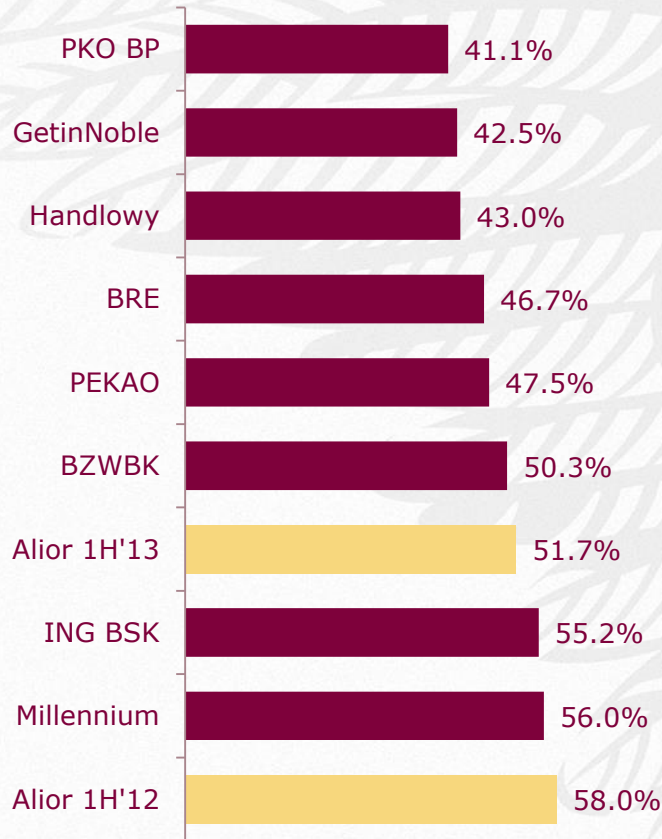


Bank remains committed to fulfill IAS 18 requirements concerning bancassurance accounting recognition.

One-off impact of PLN 30 m reduction of insurance fee income in Q2 2013

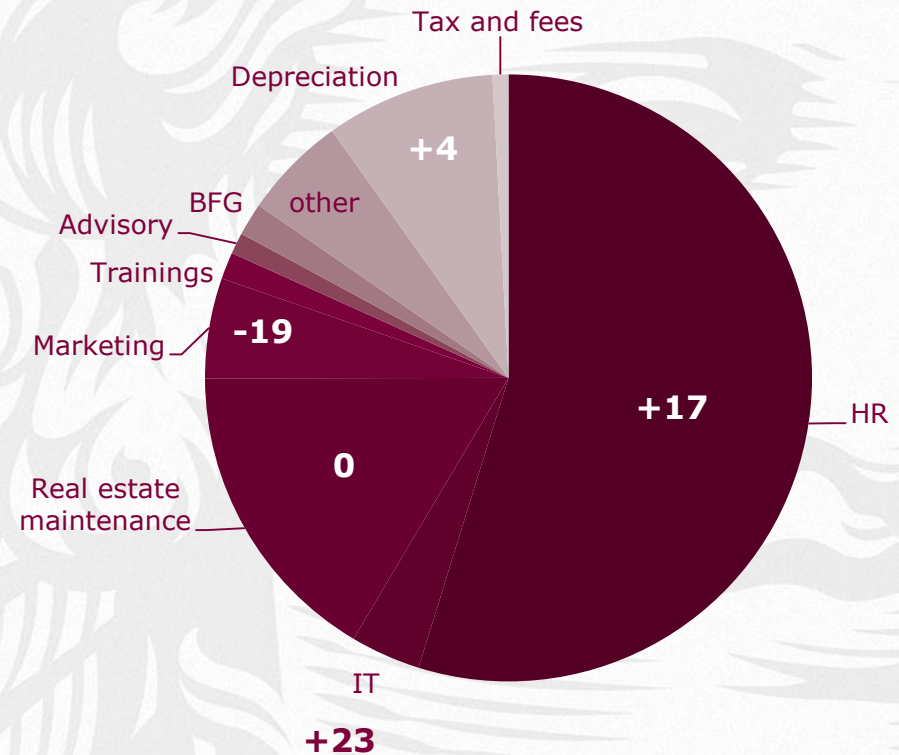
ALIOR REMAINS FOCUSED ON EFFECTIVE COST MGMT

C/I in selected Polish banks



2Q'13 – Millennium, BZ WBK, BRE
 1Q'13 – other banks

Split of 1H'13 General and Administrative Expenses growth y/y (in PLN m)

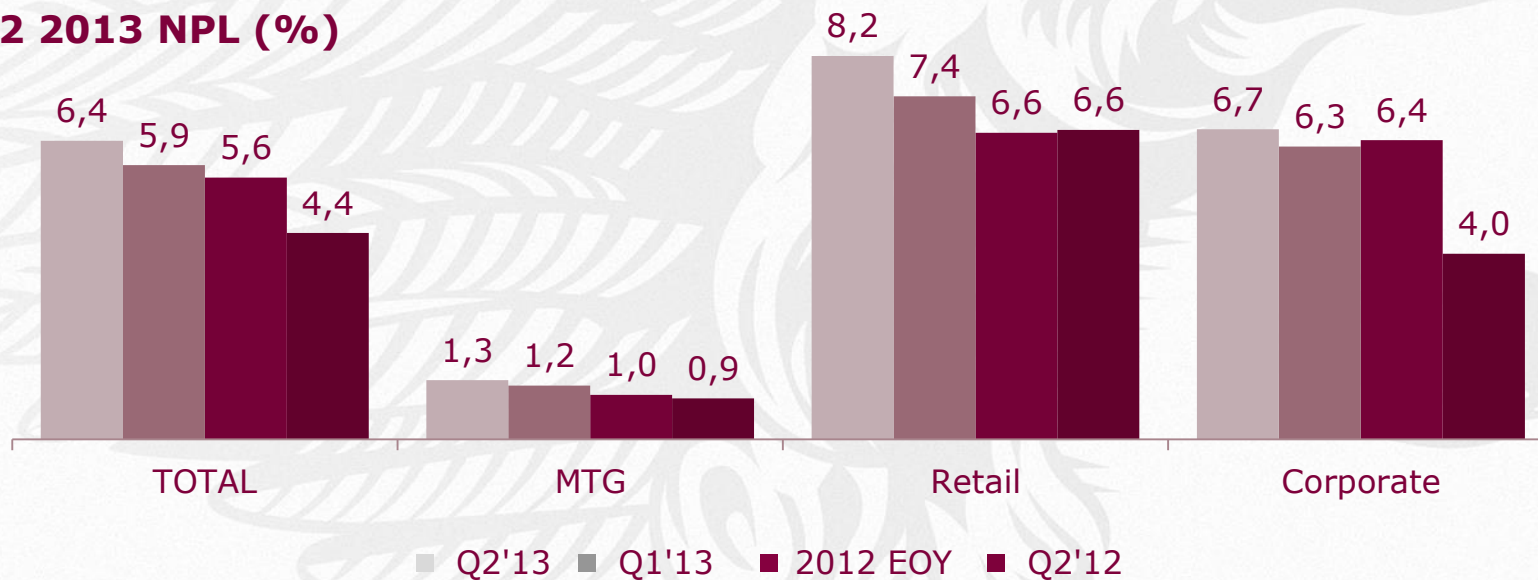


	Q2 vs Q1
HR	+10
Other	-5
Net	+5

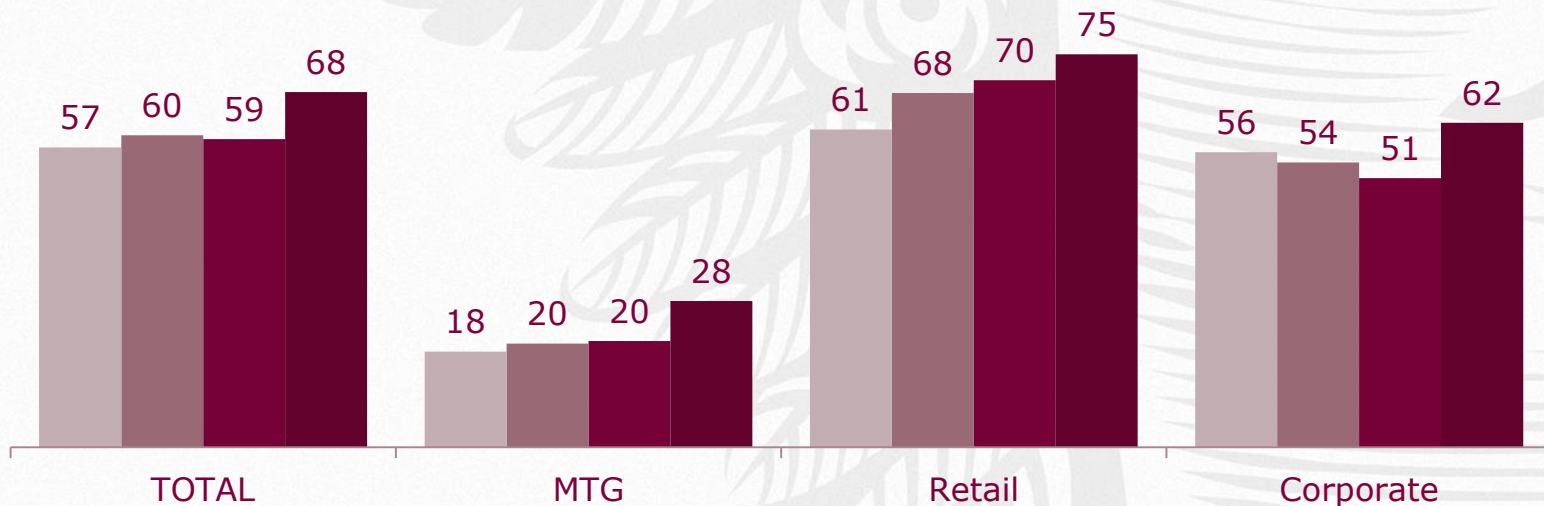


CREDIT RISK, EXCELLENT PORTFOLIO COLLECTION

Q2 2013 NPL (%)



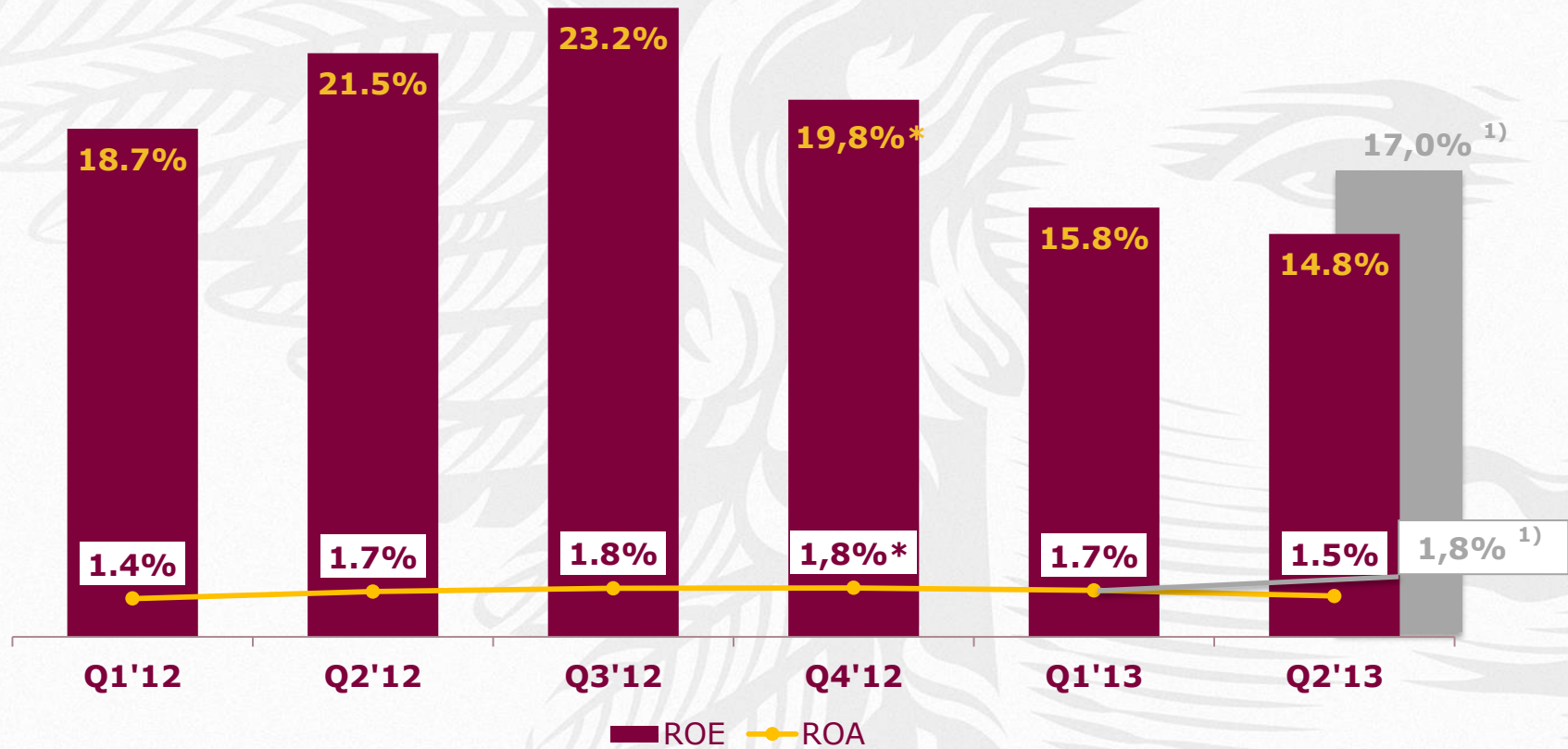
Q2 2013 coverage ratio (%)



Market risk mgmt key assumptions

- **No proprietary trading**
- **No dependency on whole-sale funding**
- **All clients trades in FX and commodities are closed instantly**
- **Zero position in commodities**
- **Stress test on FX rates: Max loss = 250 t PLN**
- **Stress test on interest rate: +/- 100 bps: limit 60 m PLN**
- **Overall Risk: 10d VaR = 8 m PLN**

EFFECTIVE ASSET AND EQUITY UTILIZATION MAINTAINED



*NOT INCLUDING ONE-OFF IPO MGMT INCENTIVE EXPENSES

¹⁾ Excluding 25 m PLN net impact of insurance periodization

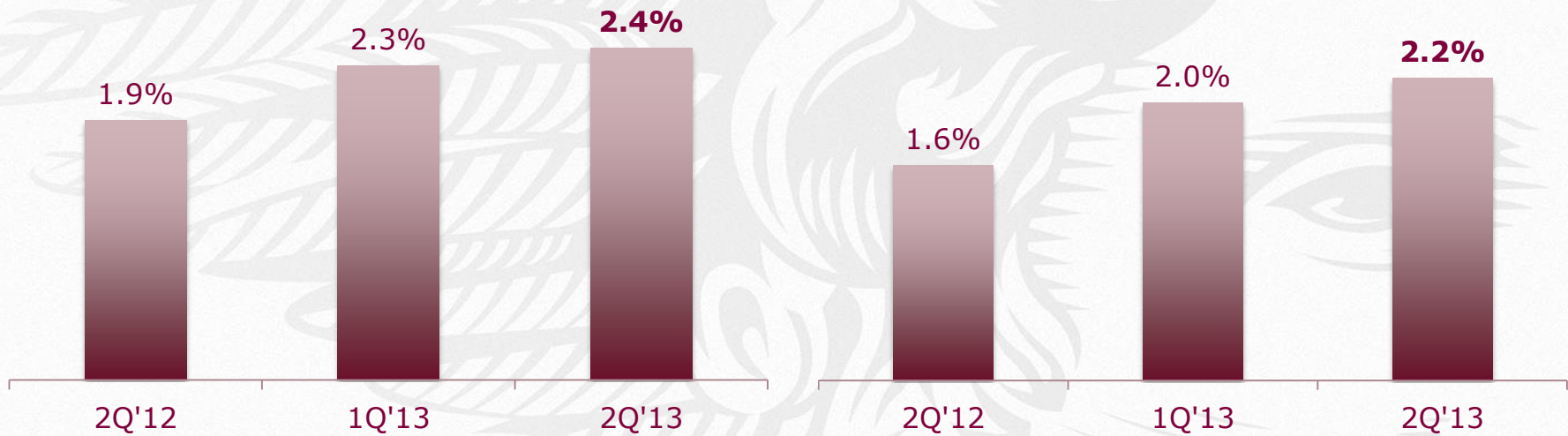


ALIOR'S GROWTH STRATEGY WORKS: INCREASING MARKET SHARE

Deposits

MARKET SHARE

Loans



Deposits

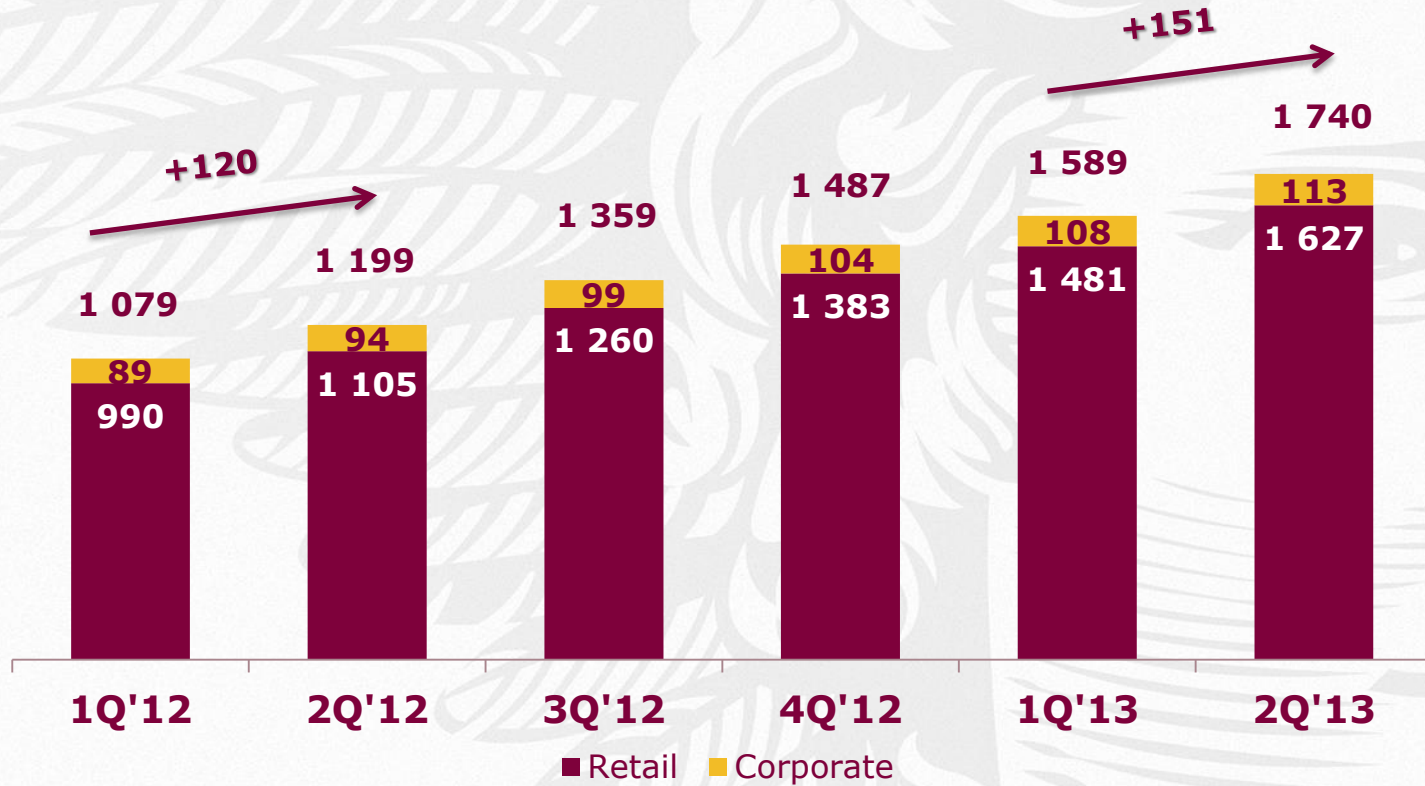
GROWTH

Loans

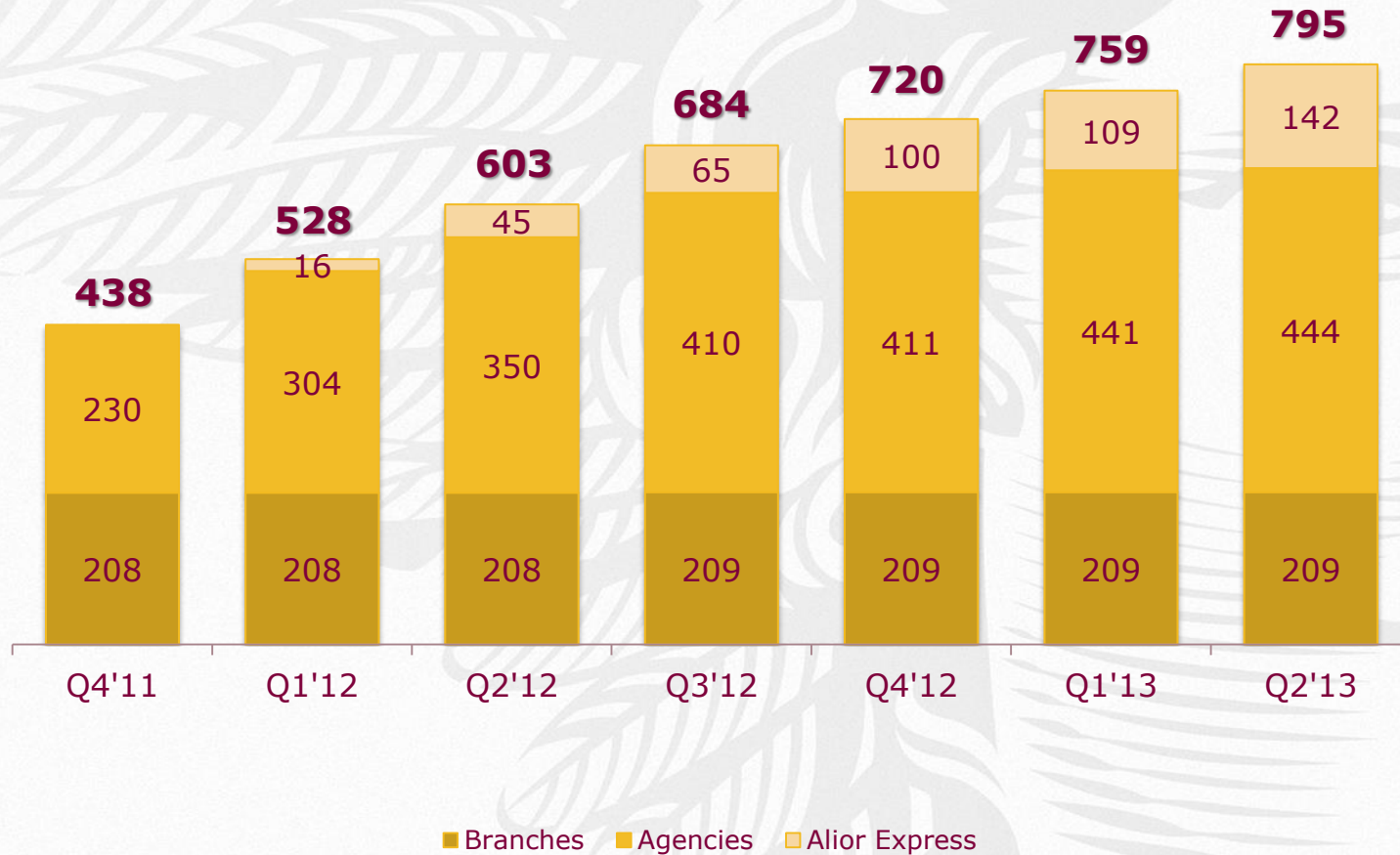
	Total		Retail		Corporate			Total		Retail		Corporate	
	ALIOR	Market	ALIOR	Market	ALIOR	Market		ALIOR	Market	ALIOR	Market	ALIOR	Market
JAN	-3,7%	-0,8%	-4,1%	1,2%	-2,7%	-6,0%	JAN	3,7%	0,2%	2,8%	0,2%	4,8%	0,3%
FEB	-2,2%	1,1%	-4,6%	1,3%	4,8%	0,6%	FEB	2,2%	0,1%	3,4%	0,1%	0,9%	0,1%
MAR	4,8%	1,1%	3,7%	0,7%	7,8%	2,0%	MAR	3,2%	0,4%	3,4%	0,5%	2,9%	0,4%
APR	1,7%	-0,1%	1,8%	-0,3%	1,3%	0,2%	APR	2,1%	-0,1%	2,5%	-0,1%	1,7%	-0,1%
MAY	5,6%	0,5%	5,3%	-0,4%	6,4%	3,0%	MAY	3,2%	1,2%	3,2%	1,3%	3,3%	1,0%
JUN	2,0%	0,9%	2,2%	0,8%	1,6%	1,0%	JUN	5,5%	1,1%	3,4%	0,7%	7,9%	1,8% ²



ALIOR RETAINS ITS' TOP POSITION IN CLIENT ACQUISITION



No of Alior outlets





- Consumer Finance – started in March 2012
 - Gaining a strong footprint in 613 locations of major retailers (e.g. Euro RTV AGD, Mediaexpert, Avans, Agata Meble)
 - Ever increasing presence online (Allegro, PayU, Neo24.pl)
 - Consumer Finance portfolio: PLN 263,6 M (Q2 2013)



- Alior Bank Express mini branches
 - 142 new mini branches as of Q2 2013.
 - Deposits: 209,2 M (Q2 2013)
 - Loans: 166,2 M (Q2 2013)
 - Plans to reach 200 outlets in 2013
 - 51 ths clients (Q2 2013)



- Alior Sync: a Virtual Bank – launched mid June 2012
 - Cutting edge technology recognized world wide (BAI and London Technology award)
 - 252 k new clients as of Q2 2013.
 - Deposits: 538 M (Q2 2013)
 - Loans: 94,9 M (Q2 2013)

Sustainable growth

- Positive development of risk-adjusted return of non-collateralized portion of loan portfolio
- Symptoms of macro improvement should result in acceleration of SME and micro demand for banking products
- Exponential growth of Consumer Finance (white label installment) gives basis for this business line to be meaningful contributor in the near future

Deposit gathering

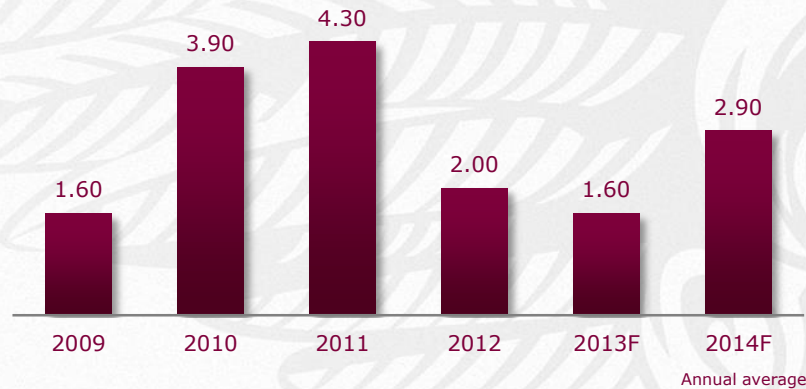
- Alior maintains its commitment to self-financing of organic growth
- Ability to attract deposits ensuring reasonable cost of funding remains unchallenged
- Due to dynamic loan growth L/D in 2013 may increase but not above 100%

Regulator & shareholder structure

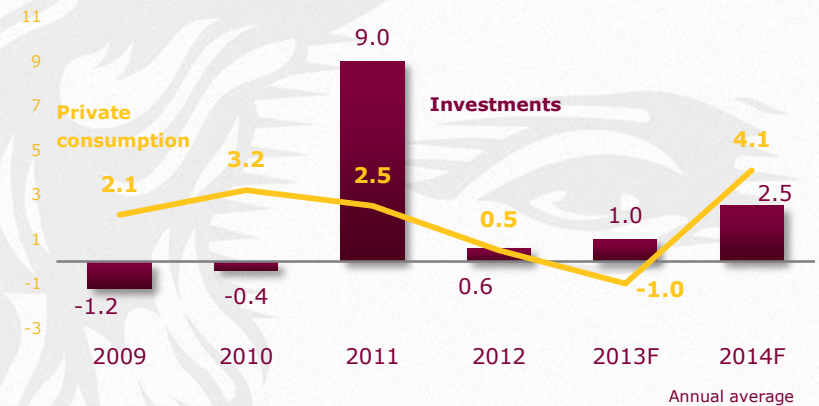
- Some regulatory initiatives may have a negative impact on sector performance (i.e. increased contribution to Bank Guarantee Fund)
- Still no clarification concerning sale of 34% by main shareholder.

BACK UP

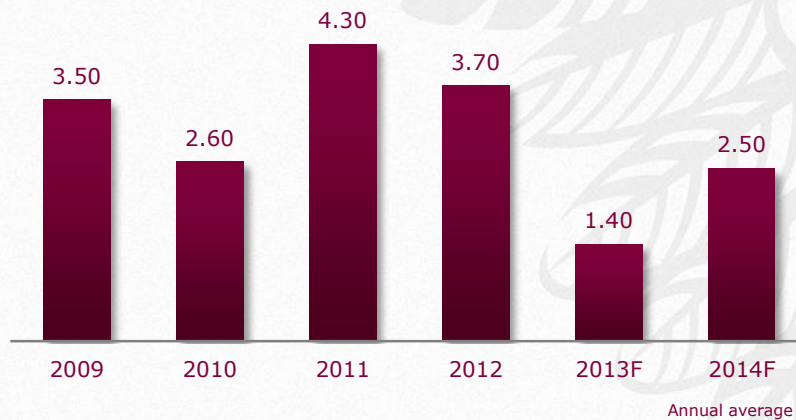
GDP growth (% yoy)



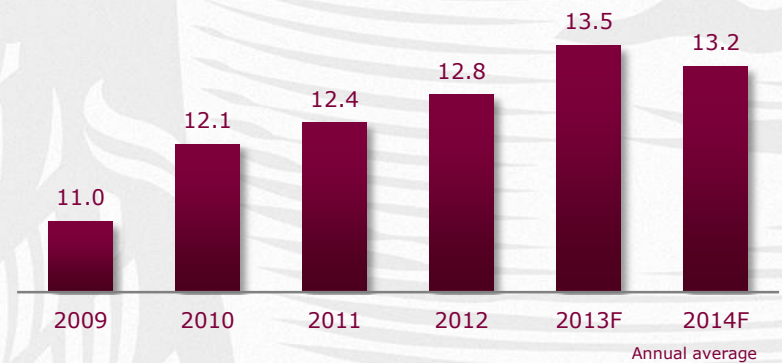
Investments and private consumption (% yoy)



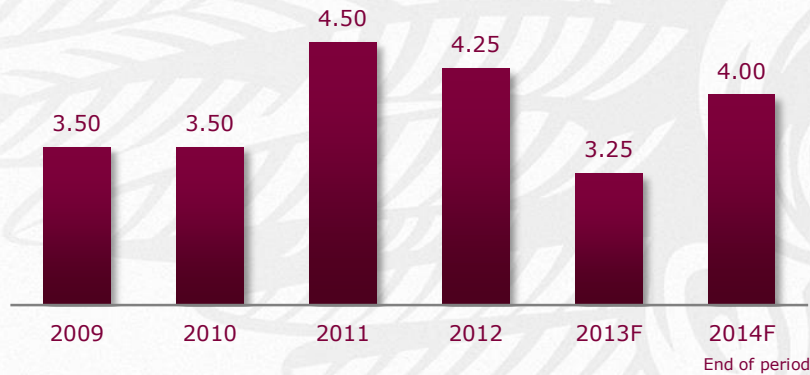
Inflation (CPI % yoy)



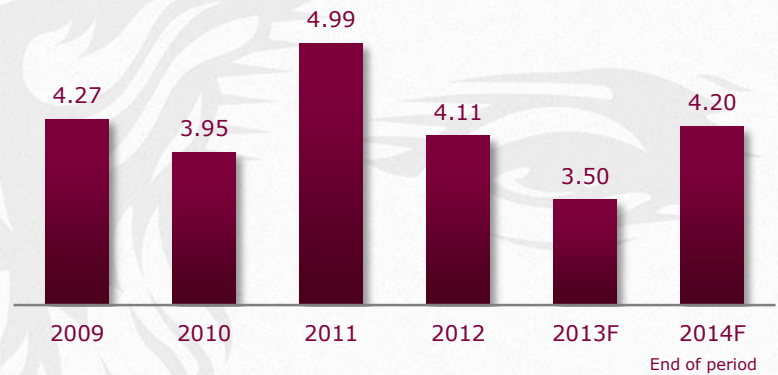
Unemployment rate (%)



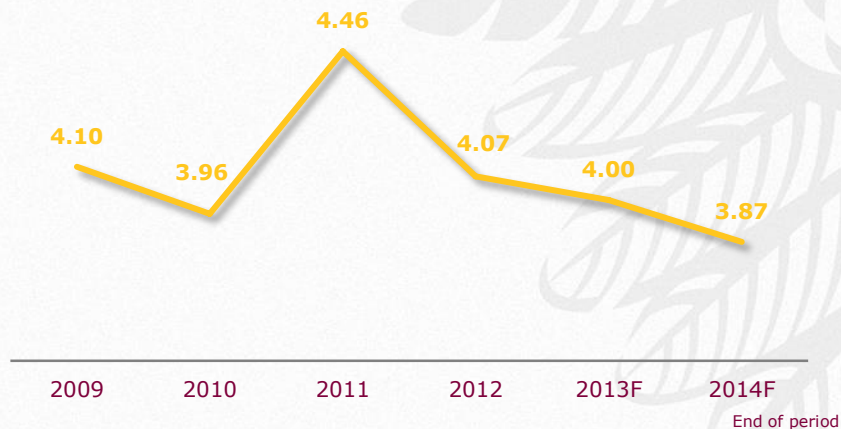
NBP referance rate (%)



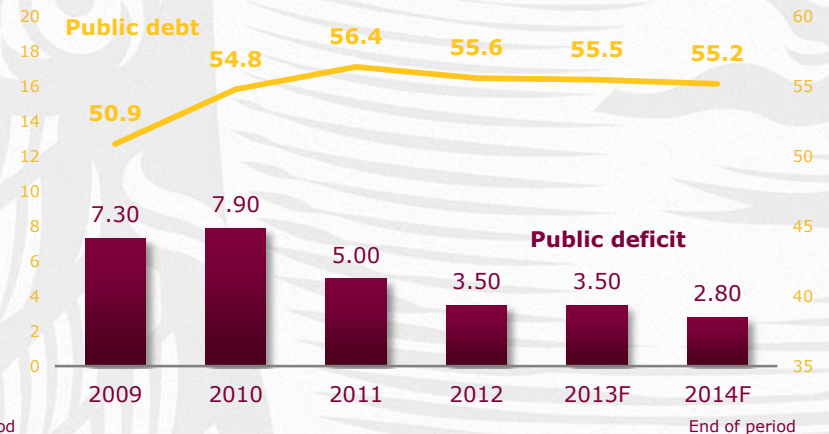
WIBOR 3M (%)



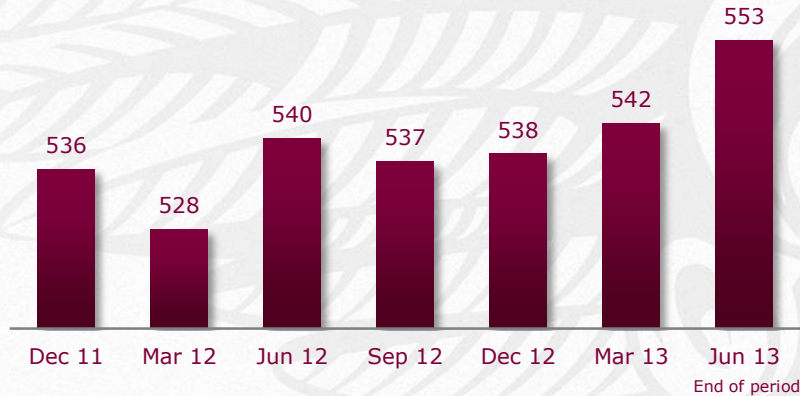
FX rate (EUR/PLN)



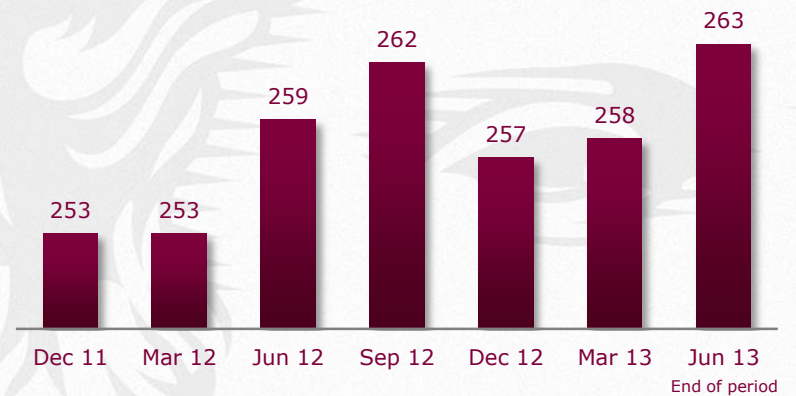
Fiscal policy (% of GDP)



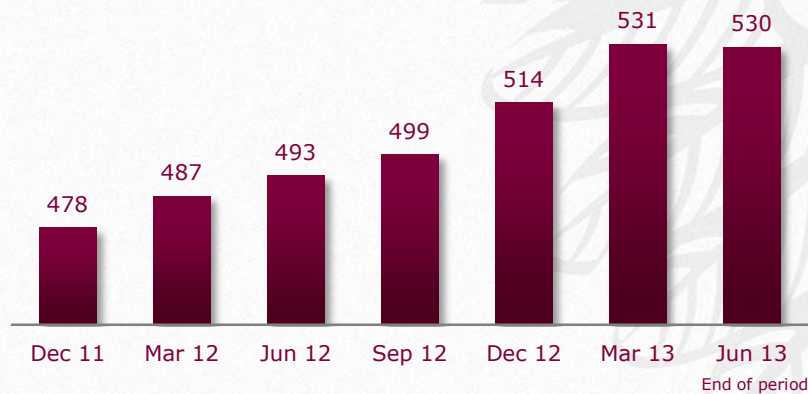
Loans to households (bln PLN)



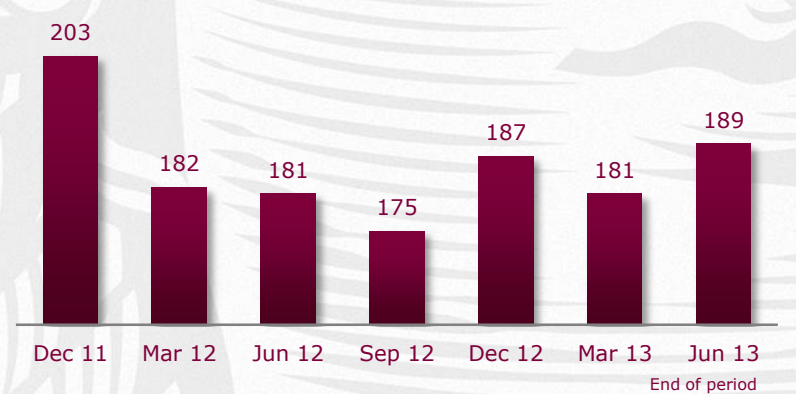
Loans to corporations (bln PLN)



Deposits from households (bln PLN)



Deposits from corporations (bln PLN)



INCOME STATEMENT SNAPSHOT

	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013
Interest income	221	347	494	161	352	576	851	270	310	340	364	355	347
Interest expense	-87	-132	-189	-60	-132	-219	-356	-118	-139	-146	-171	-155	-130
Net interest income	134	215	306	100	221	357	495	152	171	195	193	200	218
Dividend									0	0	0	0	5
Fee and commission income	96	164	240	91	187	306	472	149	151	163	203	193	149
Fee and commission expense	-39	-56	-81	-29	-53	-94	-132	-38	-46	-47	-68	-55	-60
Net fee and commission income	57	108	159	62	134	212	340	112	106	116	136	138	89
Trading result	36	64	95	31	63	106	142	33	48	50	51	49	78
Net gain (Realized) on other financial instruments	12	15	15	1	4	5	17	0	3	14	6	1	6
Other operating income	7	7	11	2	5	9	14	5	17	16	31	21	4
Other operating costs	-3	-5	-7	-2	-4	-8	-14	-4	-5	-4	-8	-15	1
Net other operating income	4	2	4	1	1	1	1	1	13	11	23	6	6
General administrative expenses	-298	-433	-561	-143	-287	-465	-640	-182	-190	-200	-350	-202	-207
Impairment losses	-56	-102	-141	-39	-82	-133	-189	-49	-67	-76	-90	-79	-88
Gross profit (loss)	-111	-131	-123	12	54	82	166	67	83	111	-31	114	101
Income tax	5	17	19	-8	-17	-18	-14	-13	-3	-21	-18	-23	-20
Net profit (loss)	-106	-114	-104	5	37	64	152	54	79	90	-49	91	81



BALANCE SHEET SNAPSHOT

	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013
Cash and balances with Central Bank	239	327	476	397	372	347	449	582	592	702	1 030	729	722
Financial assets held for trading	78	109	118	142	157	382	312	187	205	174	174	215	265
Financial assets available for sale	1 746	2 350	2 422	2 562	2 214	3 301	2 907	2 113	2 345	2 328	4 321	3 259	3 447
Receivables from customers	3 848	4 744	5 532	6 579	7 804	9 055	10 135	11 267	12 297	13 537	14 535	15 887	17 654
Receivables from banks	141	74	242	110	185	271	1 106	247	433	380	414	138	170
Tangible fixed assets	194	198	216	210	204	200	212	214	217	233	215	208	207
Intangible assets	89	93	109	109	112	119	123	139	137	123	158	158	167
Non-current asset held for sale								0	0	0	62	62	62
Current income tax receivables	67	78	81	74	64	62	72	55	63	58	79	63	55
Current	0	0	0	0	0	0	0	0	3	0	0	4	4
Deferred	67	78	81	74	64	62	72	55	60	58	79	59	51
Shareholdings in subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	119	140	116	126	173	189	168	207	219	270	365	350	282
TOTAL ASSETS	6 523	8 114	9 312	10 310	11 285	13 926	15 484	15 009	16 508	17 806	21 352	21 068	23 033
Financial liabilities held for trading	30	115	119	126	137	290	244	141	167	128	129	146	157
Financial liabilities measured at amortised cost	5 229	6 739	7 929	8 818	9 766	12 201	13 603	12 859	14 182	15 427	18 092	17 643	19 591
Provisions	56	37	48	54	21	35	33	39	11	13	13	9	5
Income tax liabilities							0	0	0	8	31	0	3
Current							0	0	0	8	31	0	3
Subordinated loans							44	344	353	344	351	344	352
Other liabilities	234	256	241	334	346	360	448	443	431	436	490	594	531
Liabilities, total	5 550	7 147	8 336	9 332	10 269	12 886	14 327	13 826	15 144	16 355	19 106	18 737	20 650
Equity	973	967	976	978	1 016	1 039	1 112	1 183	1 364	1 451	2 246	2 331	2 382
Share capital	500	500	500	500	500	500	500	500	513	513	636	636	636
Supplementary capital	596	596	596	596	503	503	503	627	715	715	1 277	1 277	1 435
Other capital	6	8	6	3	7	3	-13	3	3	-1	11	167	170
Revaluation reserve	6	7	8	9	11	12	13	14	15	16	163	2	-32
Undistributed result from previous years	-29	-29	-31	-135	-42	-42	-42	-14	-14	-14	-14	160	2
Current year's profit/loss	-106	-114	-104	5	37	64	152	54	133	223	174	91	172
TOTAL LIABILITIES	6 523	8 114	9 312	10 310	11 285	13 926	15 484	15 009	16 508	17 806	21 352	21 068	23 033

EFFECTIVE UTILIZATION OF CURRENT INFRASTRUCTURE REFLECTED IN FLAT COST DEVELOPMENT

in PLN m	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12*	Q1'13	Q2'13
HR costs	-83	-101	-91	-96	-97	-107	-117
NHR costs, including inter alia:	-76	-64	-78	-83	-75	-74	-70
IT costs	-5	-6	-7	-7	-8	-8	-8
rent / building maintenance	-33	-32	-35	-35	-33	-36	-31
marketing costs	-21	-10	-17	-21	-14	-10	-12
training costs	-2	-2	-2	-2	-4	-3	-3
advisory services costs	-2	-3	-2	-4	-2	1	-5
Banking Guarantee Fund costs	-1	-2	-2	-2	-2	-4	-4
leasing costs of tangible and intangible assets	-2	-2	-2	-2	-2	-2	-1
telecommunication costs	-4	-2	-4	-3	-4	-3	-3
Depreciation	-14	-15	-20	-18	-19	-18	-19
Taxes and fees	-1	-1	-1	-3	0	-2	-1
TOTAL COSTS	-174	-182	-190	-200	-191	-202	-207

*excluding IPO expenses

TRADING RESULT

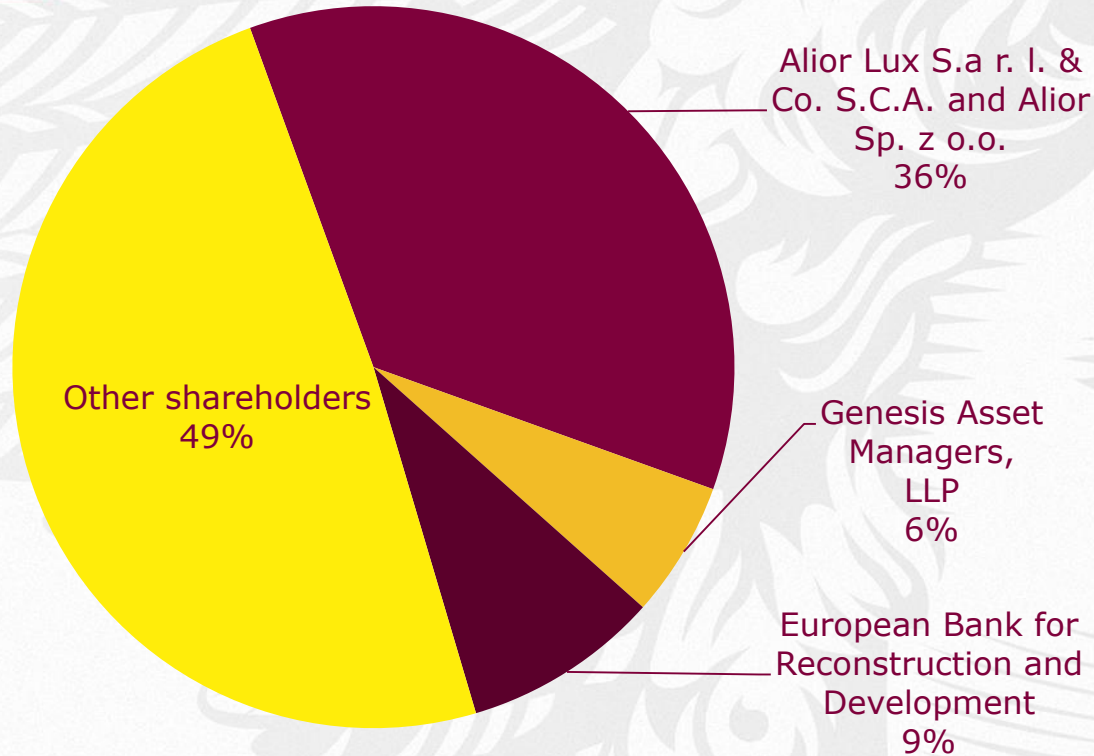
	1H 2013	1H 2012	1H'13 / 1H'12
FX transactions result	70	56	25%
Interest rate transaction result	54	24	127%
Other financial instruments result	3	1	118%
Trading result	127	81	57%

FX transactions: forex, FX swap and CIRS with capital exchange, FX forward, currency options, revaluation of assets and liabilities.

Interest rate transactions: interest rate swaps, FRA and net interest Income on CIRS transactions and the result of interest rate options

Other financial instruments: trading equity securities, commodity derivatives, options on stock indices, baskets of indices and commodities

SHAREHOLDING STRUCTURE



105 managers of Alior Bank hold via LuxCo82 indirectly 2 008 435 shares and will receive 1 299 909 shares latest by June 2014.

Following lock-up periods has been introduced:

Lock-up ended Jan 2013	30% for Non-Board Members
Lock-up ending Sep 2013	30% for Board Members
Lock-up ending Dec 2013	70% of Non-Board Members
Lock-up ending Dec 2014	70% of Board Members

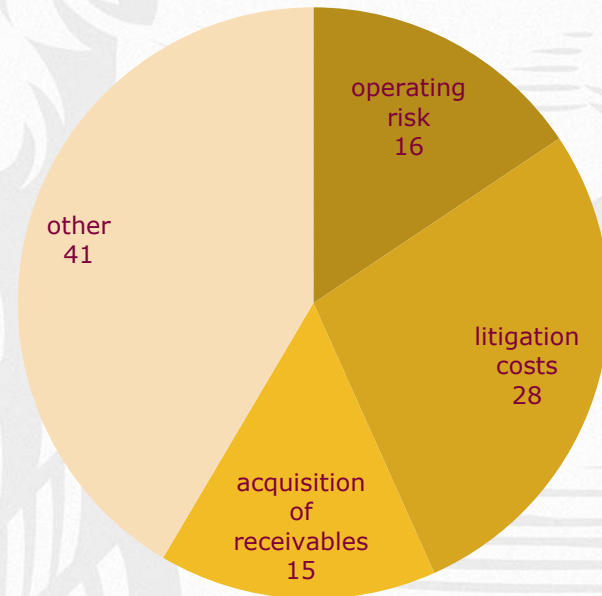
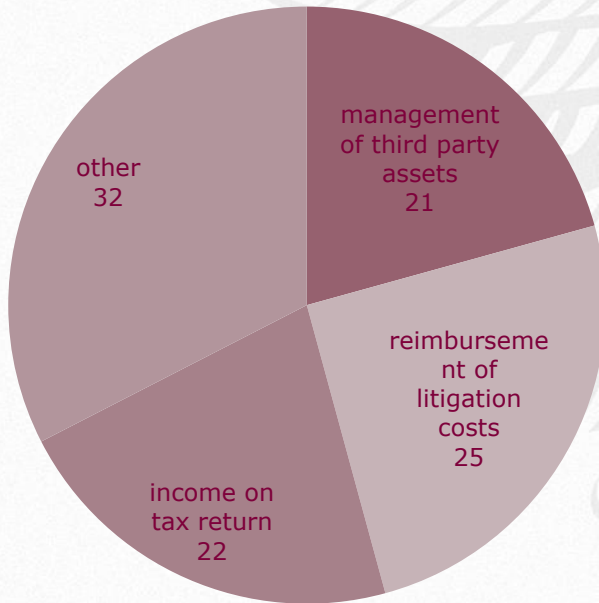
NET OTHER OPERATING INCOME

	1H 2013	1H 2012	1H'13 / 1H'12
Other operating income	22	25	11%
Other operating expenses	-9	-13	49%
Net other operating income	13	12	-14%

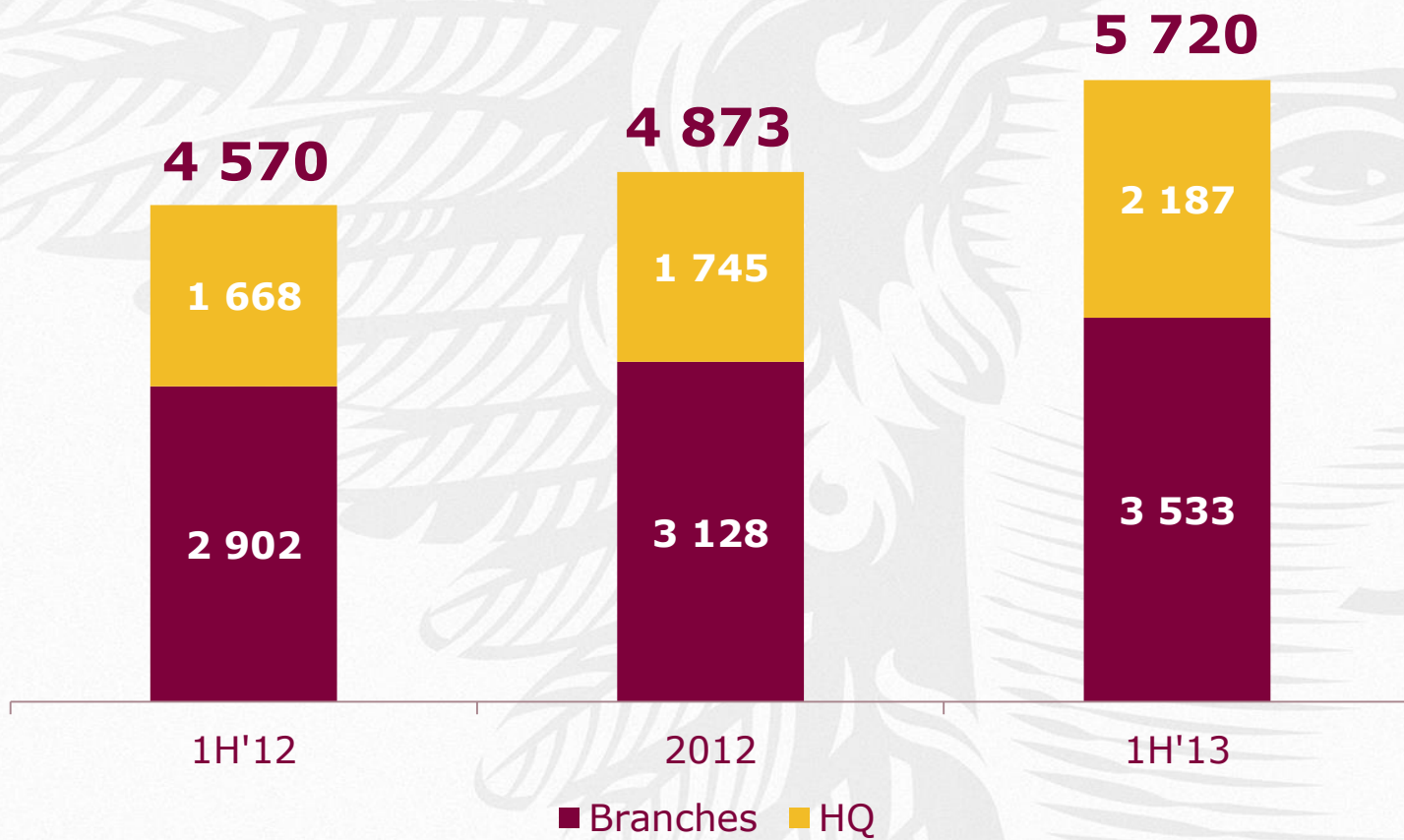
Income (%)

1H 2013 Structure

Expenses (%)



EMPLOYEES



1. OFEs' „bonds part“ liquidation

The amount of financial means which OFE can't invest in shares will be transferred from OFE to sub accounts in ZUS.

2. „Voluntary“

Each participant of the system can decide (regarding the capital part of the system) whether to keep it in Open Pension Fund or to transfer it to ZUS.

3. „Voluntary +“

Similar to 2. Each participant can decide (regarding the capital part of the system) whether to keep it in Open Pension Fund or in ZUS. Additional premium will have to be paid by the participant who will decide to keep the capital part in Open Pension Fund.

ADVANTAGES AND DISADVANTAGES OF EACH CONCEPT

	„Bonds Part“ liquidation	Voluntary	Voluntary +
Advantages (government's view)	<p>1) OFEs become real investment funds competing on the market with one another,</p> <p>2) The amount of financial means brought to real economy is not decreased (it is growing moderately and than it stabilises),</p> <p>3) Guarantee of the minimal pension.</p>	<p>1) It is expected that OFE will be chosen by the participants who are familiar with capital markets above the average – stronger pressure on better quality of OFEs' investment policy,</p> <p>2) Guarantee of the minimal pension.</p>	<p>1) The same as in case of Voluntary,</p> <p>2) Additional premium would allow to increase saving and investments and consequently GDP.</p>
Disadvantages	<p>1) Quick transformation of OFEs into aggressive investment funds is problematic,</p> <p>1) Rapid increase of OFEs' activity risk hardly accepted by its participants,</p> <p>2) Increase of shares supply - actions taken by OFE aiming at portfolios structure change – risk diversification.</p>	<p>1) See „Bonds Part“ liquidation case,</p> <p>2) Further decrease of OFEs strength (26% of citizens are OFEs supporters) as a one of the main players on WSE providing funds to the primary and secondary market,</p> <p>2) Supply pressure both on bonds and shares (including the most important - WIG20 companies) markets,</p> <p>3) Decrease of liquidity – outflow of foreign investors – already nervous reactions of investors,</p> <p>4) Significant transfer of assets to ZUS rises concerns on its shares investment policy issue, both in the area of investment strategy and governance.</p>	<p>1) See „Voluntary“ case,</p> <p>2) Necessity of paying additional premium can even lead to OFEs' liquidation and complete marginalisation of both WSE primary and secondary market.</p>

CONCERNS

Investors are uncertain about the fate of listed companies which are held in the OFE portfolios.

Nationalization of the significant numbers of quoted companies – ZUS is not perceived as an institution prepared to manage such a portfolio of shares – dangerous lack of competences.

Significant influence of clerks on the management processes can lead to slowing down of the decision making process.

In selected cases ZUS can obtain more than 50% stake. Can you be truly passive investor holding more than 50% stake?

Marginalization of the primary market – threat that ZUS can takeover selected private companies.

PLANS / ASSUMPTIONS

The transfer of assets to ZUS will not mean so called automatic sell-off of shares, the shares can be sell gradually, not cheaper than the transfer price.

ZUS will handle to manage a bigger portfolio of shares - it already governs Demographic Reserve Fund.

The shares can be managed by the Demographic Reserve Fund itself, which is passive in nature and sells the shares not affecting their price.

The voting rights from the shares held by ZUS can by transferred to the governing bodies hired to manage these companies – management fee is the open issue.

Government can establish National Open Pension Fund, who could act more actively and could compete equally with private funds.

VS

Please direct all inquiries to:

relacje.inwestorskie@alior.pl

+48 22 417 3860

IR unit head: Piotr Bystrzanowski

piotr.bystrzanowski@alior.pl



DISCLAIMER

This document has been prepared by Alior Bank S.A. (the "Bank") solely for use at the Presentation. Any forward looking statements concerning future economic and financial performance of the Company contained in this Presentation are based on Financial Statement of the Bank for Q1 2013.

Bank does not accept any responsibility for using any such information.

The distribution of this document in certain jurisdictions may be restricted by law. This document may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any securities or other financial instruments of the Bank in any jurisdiction in which such offer or invitation would be unlawful. Persons in possession of this document are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Information given in this presentation should not be considered as an explicit or implicit statement or the provision of any type submitted by the Bank or persons acting on behalf of the Bank.

Furthermore, neither the Bank nor persons acting on behalf of the Bank are under any terms of liability for any damage, which may arise, as a result of negligence or other reasons, in connection with the use of this Presentation or any information contained therein, nor for injury, which may arise in another way in connection with the information forming part of this Presentation.