

WITAMY



ALIOR  
BANK

## Presentation of results for 1Q'23

CAFE

TA WODA

WYKORZYSTAJ SIĘ NA SUPRA, ALE JEŻLI NIE MASZ  
WŁASNEJ KAWY, WYKORZYSTAJ SIĘ NA SUPRA  
Z KAWY, WYKORZYSTAJ SIĘ NA SUPRA  
Z KAWY, WYKORZYSTAJ SIĘ NA SUPRA



1. Operating activities

2. Credit risk

3. Financial results

4. Other issues



# 1



Operating activities

## Another quarter with very good financial results – record levels of revenues and net profit

In 1Q'23 Alior Bank Group revenues amounted to PLN mn 1 330. This is a historic record for Alior Bank.

- interest income PLN mn 1 103 (+28% y/y)
- fees and commissions PLN mn 209 (+9% y/y)

Compared to 1Q'22 revenues increased by PLN mn 236 (+22%).

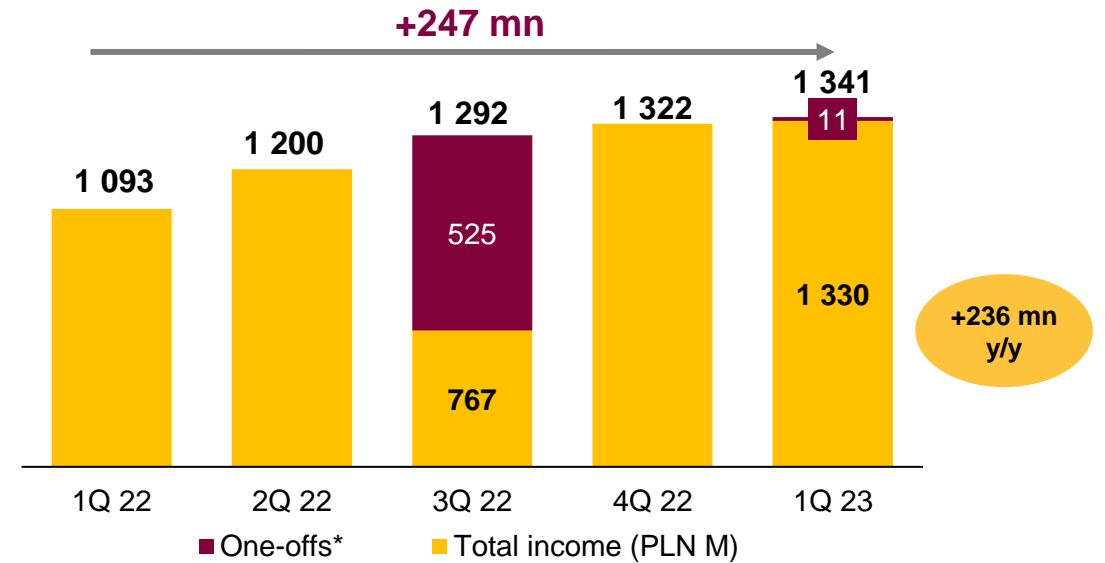
In 1Q'23 the Bank adjusted provisions for the credit moratoria by PLN mn 11 to a total amount of PLN mn 513 (75% participation by volume).

In 1Q'23 the Bank was additionally charged with a provision for contribution to the Borrower Support Fund for its compulsory restructuring fund amounting to PLN mn 57.5.

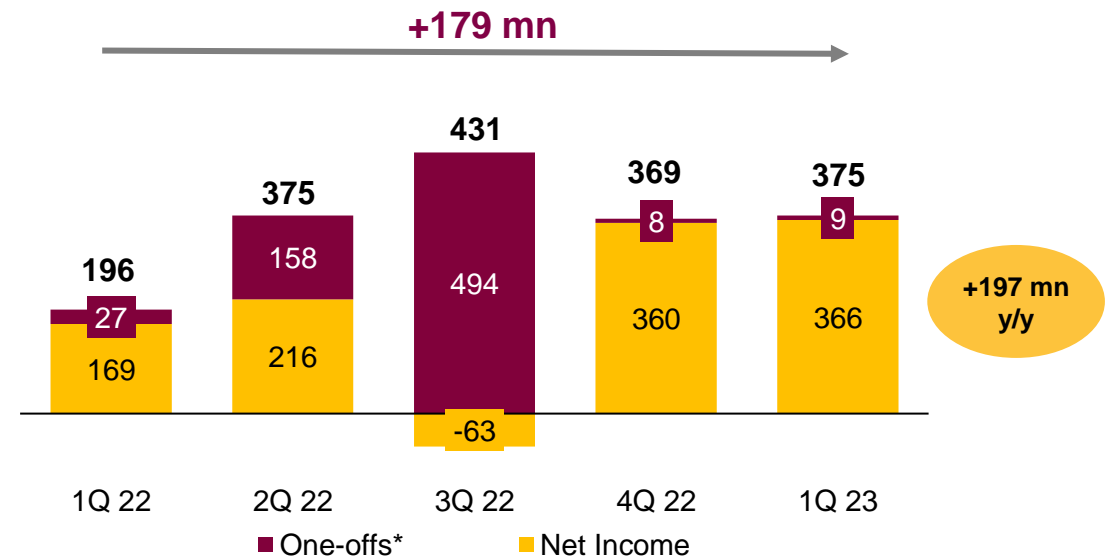
Net profit for 1Q'23 was PLN mn 366 and was PLN mn 197 (+116%) higher than in 1Q'22. This is a historic record for Alior Bank quarterly profit.

Net profit adjusted for credit moratoria provisions for 1Q'23 was PLN mn 375.

Total revenues (PLN mn)

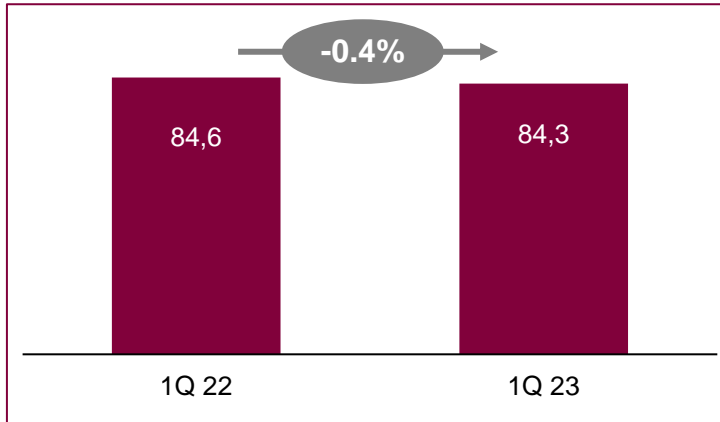


Net profit (PLN mn)

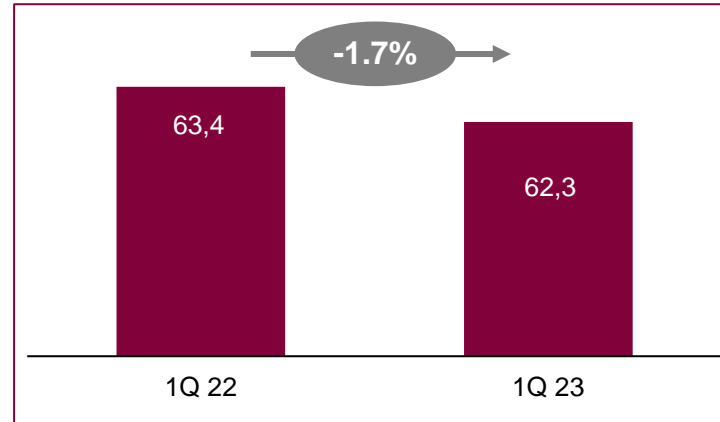


# A successful quarter for Alior Bank - noticeable improvement in efficiency, profitability and portfolio quality

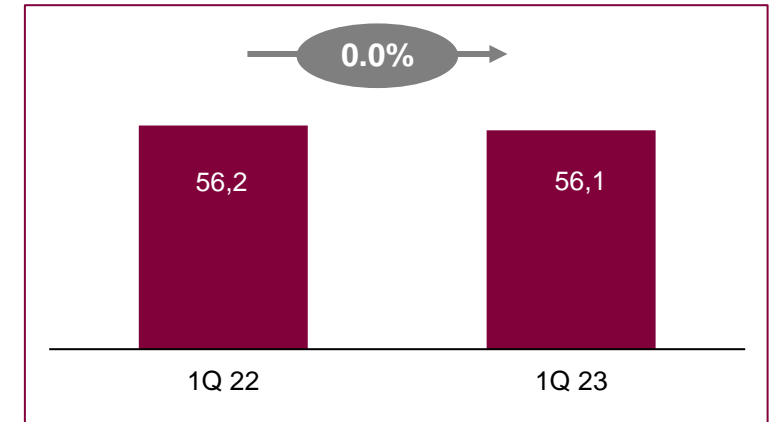
## Assets (PLN bn)



## Gross Loans (PLN bn)



## Gross Performing Loans\* (PLN bn)



**NIM 1Q'23**

**5.81%**  
+1.23 p.p. y/y

**COR 1Q'23**

**1.61%**  
+0.28 p.p. y/y

**C/I 1Q'23**

**38.1%**  
-7.0 p.p. y/y

**ROE 1Q'23**

**22.7%**  
+10.8 p.p. y/y

**TCR 1Q'23**

**15.36%**  
+0.80 p.p. y/y

**NPL 1Q'23**

**9.80%**  
-1.51 p.p. y/y

NEW CREDIT LIMIT

**3.1** PLN BN

REVENUES Y/Y

**+12%**

NPL Y/Y

**-3.2 P.P.**

### AUTOMATION OF PROCESSES



**Pilot of new credit system with analyst participation:**

- shortening processing times
- extraction of data from REGON, CEIDG, KRS
- automatic generation of clauses

### REWARDS AND DISTINCTIONS



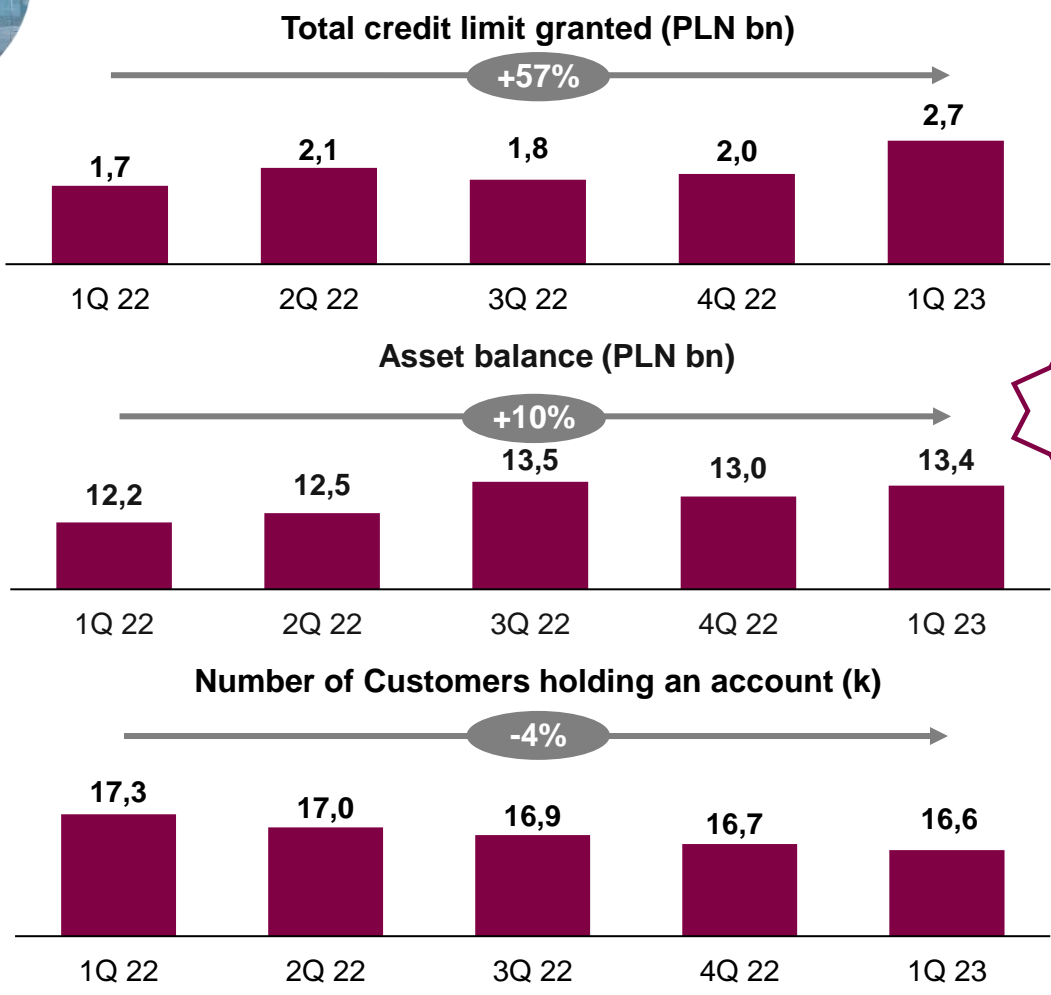
**II place in Polish Real Estate Developers Union ranking of banks – distinguished for:**

- swift decision time
- high organizational culture
- effective establishment of partnerships with developers

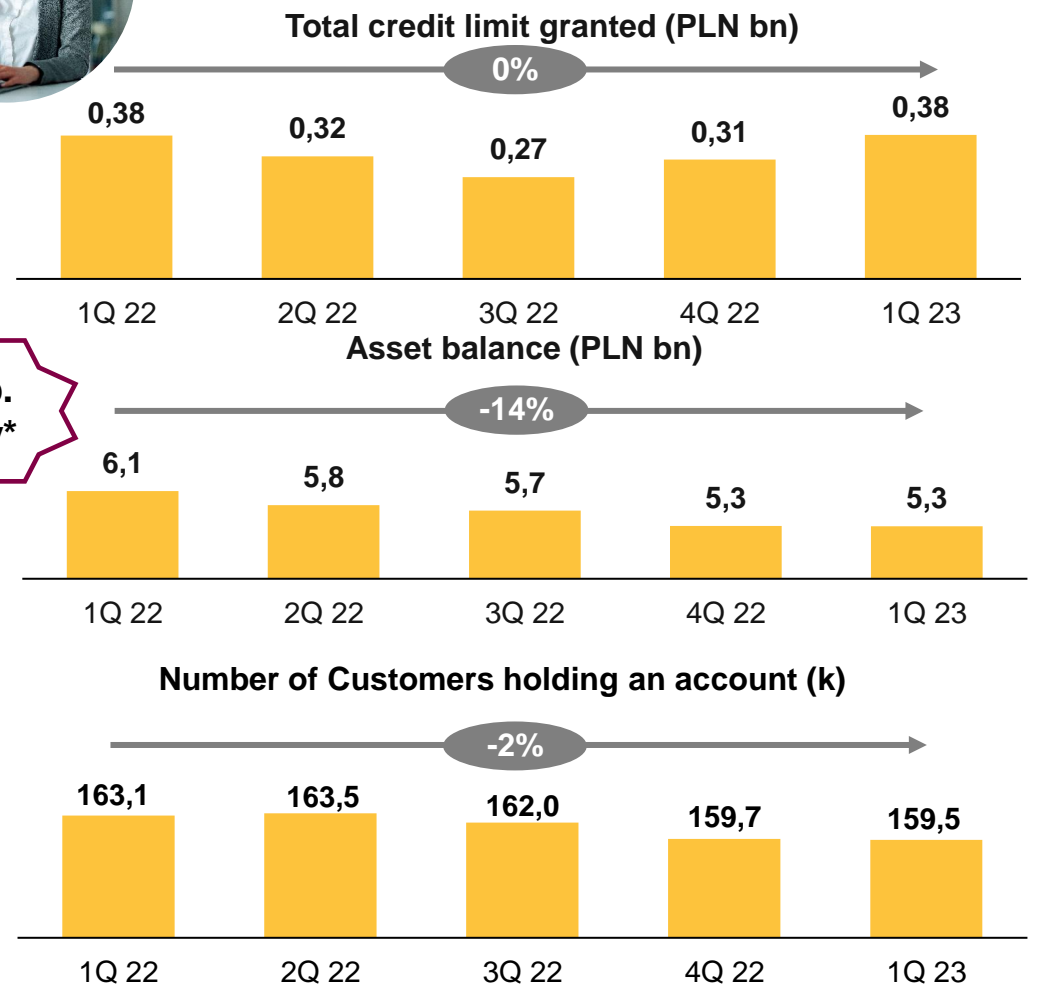
# Record sales of credit limits



## Segment: Small / Medium / Large



## Micro segment



**-3.2 p.p. NPL y/y\***

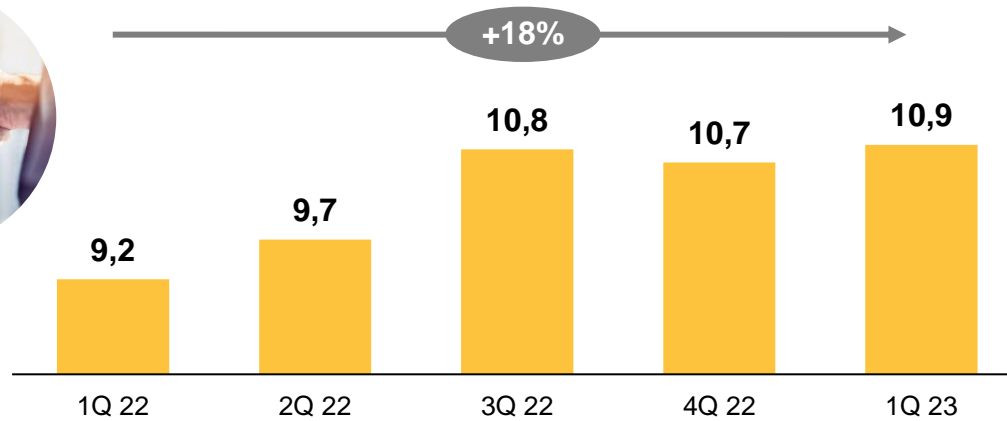
In 1Q'23 we achieved **record sales of loans – almost PLN bn 3.1**. This is the best result in 5 years. We are continuing a strategy to improve the quality of the loan portfolio, a decrease in the cost of risk, and a reduction in the NPL ratio.

\*NPL ratio of the business customer segment's loan portfolio decreased from 19.49% at the end of 1Q'22 to 16.27% at the end of 1Q'23

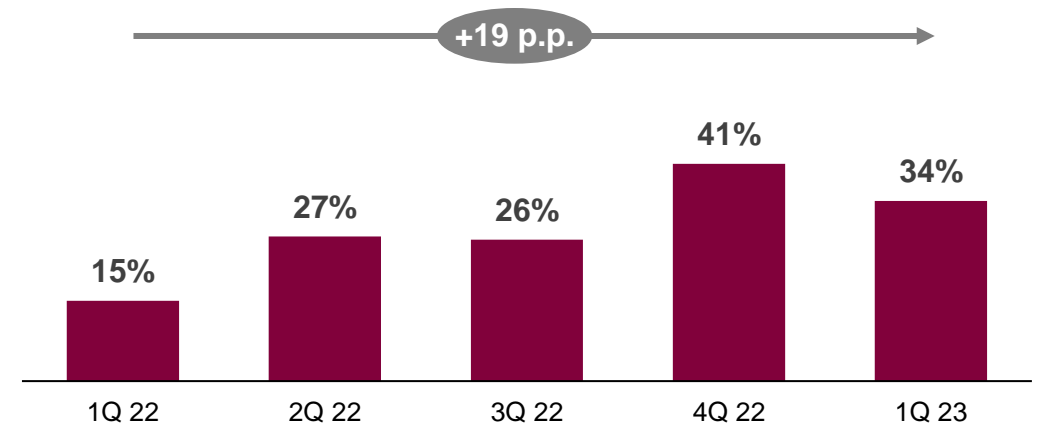
# Simultaneously we are improving the portfolio structure



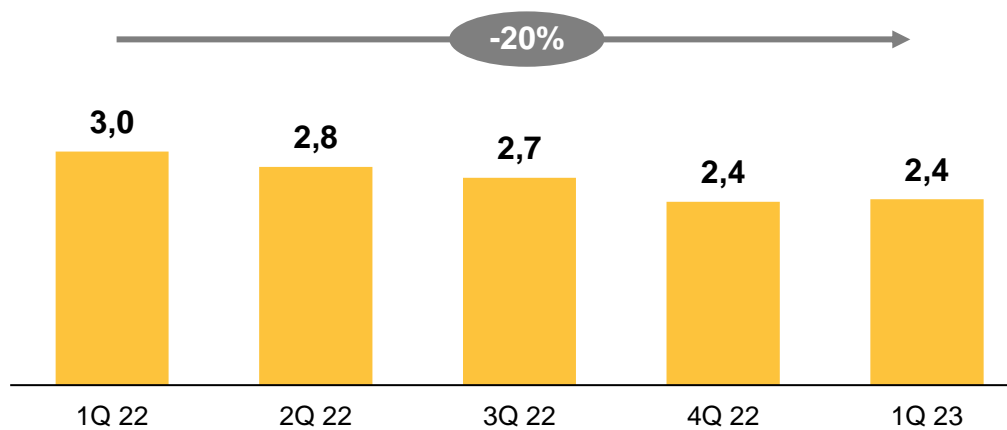
Balance of assets Small/Medium/Large in regular service (PLN bn)



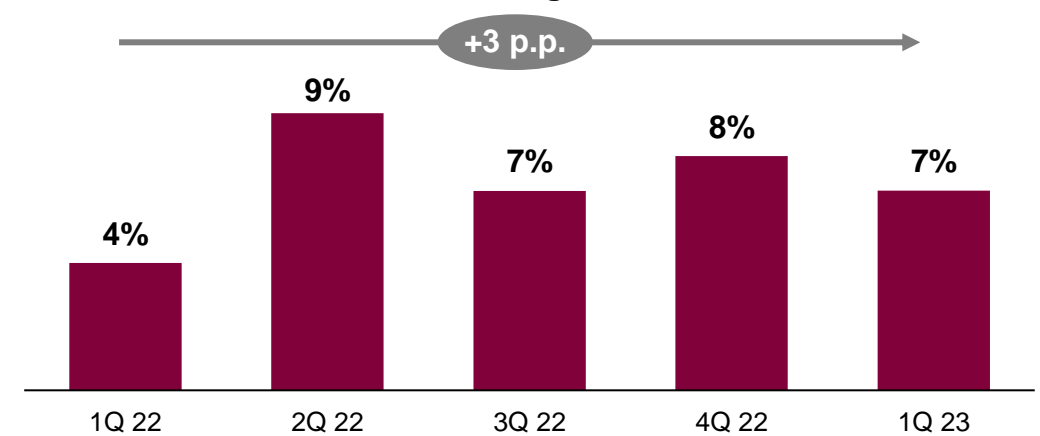
Share of new sales to preferred industries



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



Share of factoring in new sales



In the Business Customer segment, the effects of initiatives to improve the quality of the loan portfolio are visible. With assets in regular service of PLN 10 billion, the portfolio under restructuring and debt collection is shrinking.

Comparing 1Q'23 to 1Q'22 the share of new credit limits sold to preferred industries increased by 19 p.p. This is the effect of portfolio diversification initiatives and growth in sectors with low risk and high revenue potential.

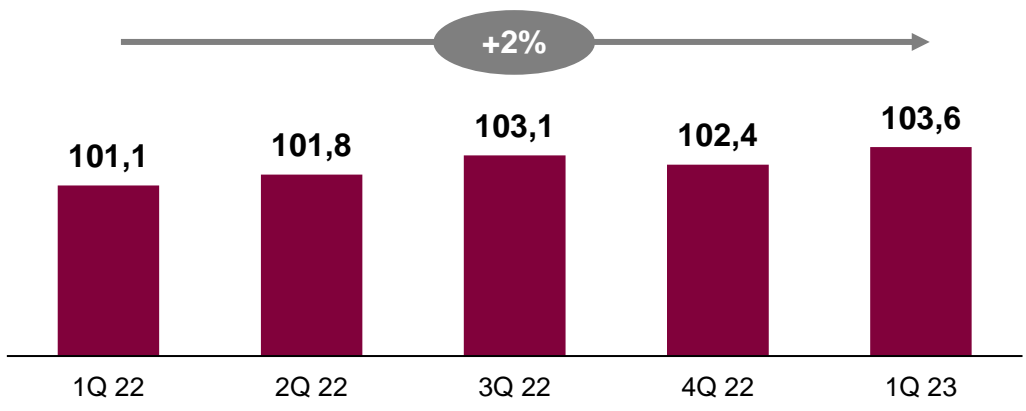


# Upward trend of key performance metrics

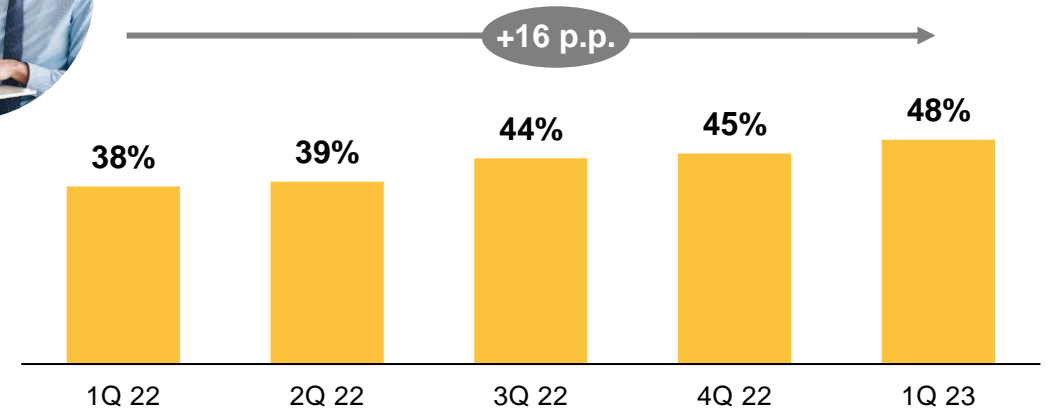
Segment: Micro / Small / Medium / Large



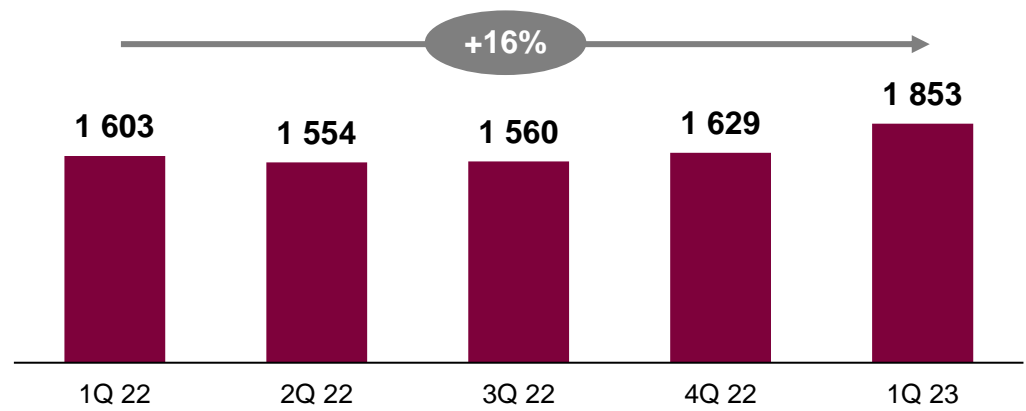
Number of active cards (k)



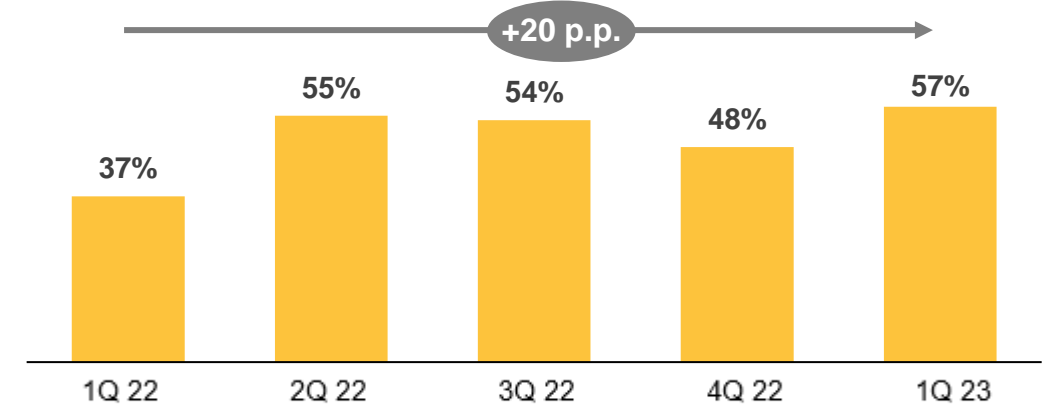
% of instructions received remotely



Number of Customers with BankConnect



Share of automated decisions in new sales (segment Small)



Due to the consistent policy of building relationships with companies, we are recording an increase in sales of transaction products, which positively impacts the result achieved by the Business Customer segment.

In the Small segment, the share of automatic processes y/y increased by 20 p.p. We expect further growth due to initiatives from the new strategy of the Bank.

# We are actively acquiring new customers

Special offer - 0% fee for loan decision

- 0% fee for loan approval
- credit decision – in **20 minutes** from loan application
- granted for **daily business, investment, and ecological**

KREDYT FIRMOWY

NIE PRZEŚPIJ OKAZJI DO ROZWOJU FIRMY

0% PROWIZJI ZA PRYZNANIE KREDYTU

20 MINUT

www.aliorbank.pl  
Alior Bank i Kredyt

KREDYT FIRMOWY

0% PROWIZJI ZA PRYZNANIE KREDYTU

- decyzja kredytowa w 20 min
- do 3 mln zł

## BUSINESS CUSTOMERS

Special offer - for customers with debit card Mastercard with Plus



**PLN 0 for insurance** -  
accident insurance  
and healthcare for 1  
insured

Offer lasts  
from 1.03 to 30.09.2023



**Cashback at fuel stations:**

- up to **PLN 200** monthly for new customers,
- up to **PLN 100** monthly for current customers

Offer lasts  
from 1.01 to 30.09.2023



**No monthly fee** for card usage

Offer lasts  
from 1.01 to 30.09.2023

Special offer – we halve costs

**Concerns refinancing loans for ongoing business needs granted by other banks:**

- margin lower by up to 50%
- 0% fee for credit approval
- loan up to PLN mn 1



LOAN SALES

**1.6** PLN BN  
(+33% y/y)

LOAN SALES IN REMOTE  
CHANNELS

**50%**

MOBILE USERS

**968** K  
(+22% y/y)

MOBILE TRANSFERS

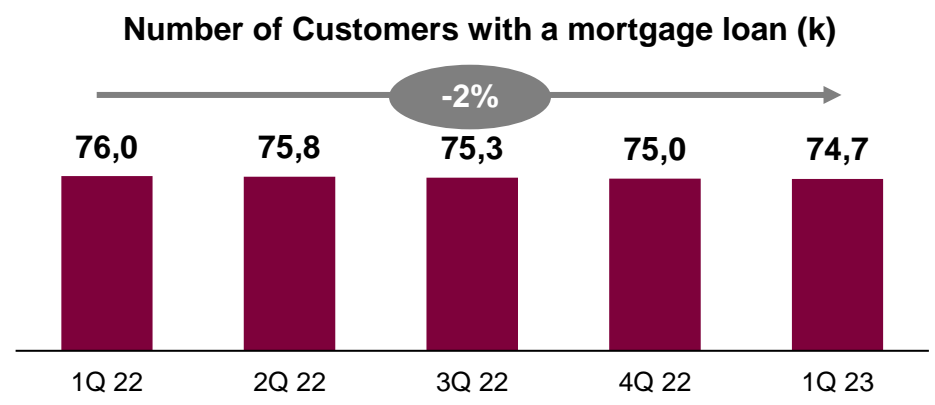
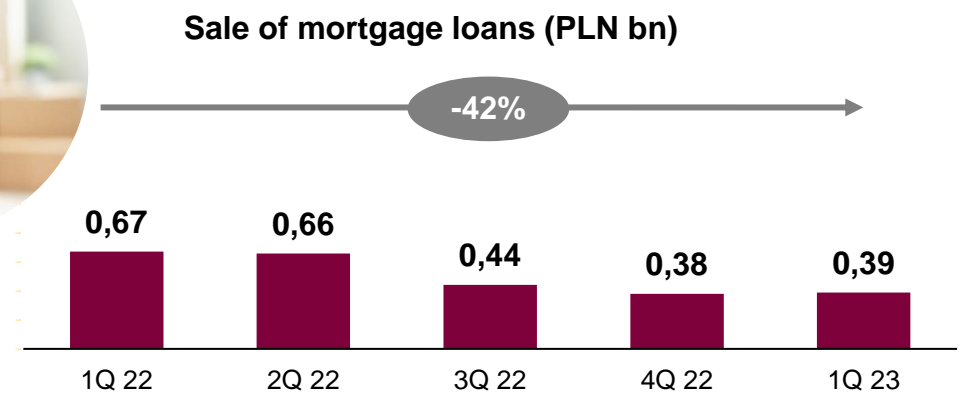
**11.5** MN  
(+21% y/y)



### REWARDS AND DISTINCTIONS

Alior Bank was a laureate of  
**World Leaders in Banking and Insurance**  
in the category  
**Most Innovative Bank.**

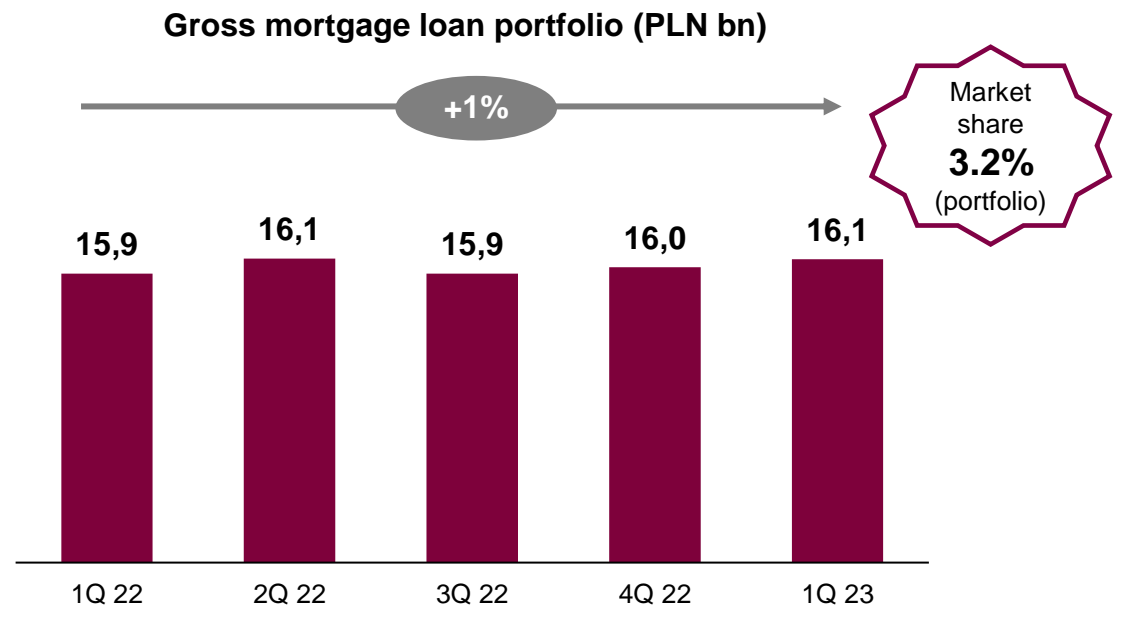
# Growth of the Bank's key products – mortgage loans\*



**New Customer-bank contact module – accessing credit simulators and offer with option of appointing contact with selected Bank branch**

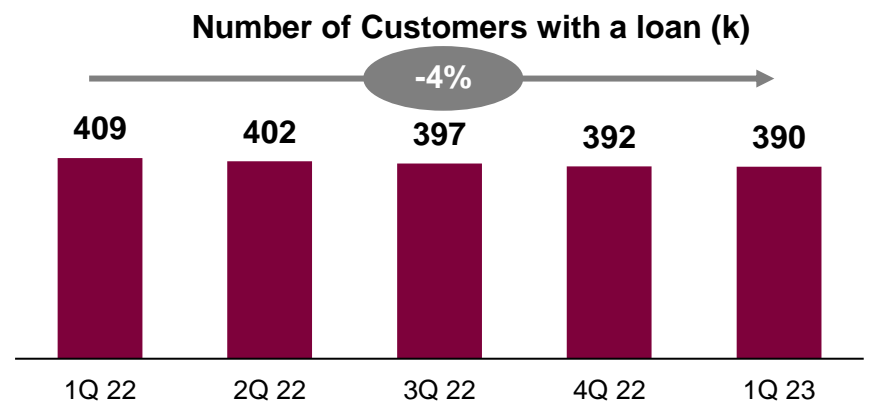
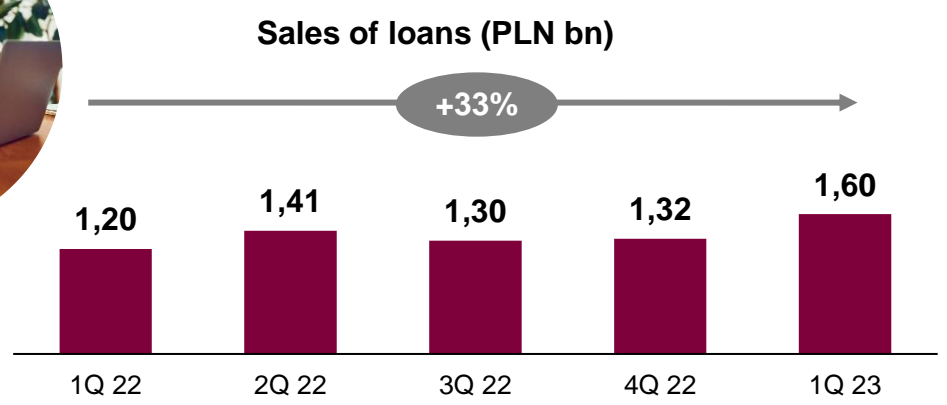
**Shortening offer with periodical fixed-rate from 7 to 5 years.**

**5.6%\*\*** Market share of sale of mortgage loans



\* Retail Customer – residential mortgage loans  
 \*\* January and February 23

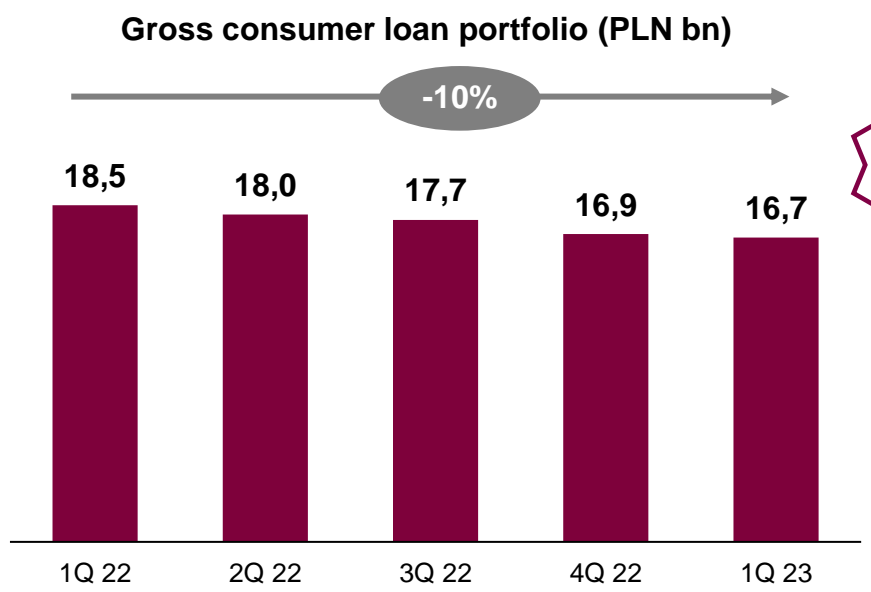
# Growth of the Bank's key products – cash loans\*



**Record cash loan sales**  
Increase of 33% y/y and 21% q/q

Development of the online channel offer through offer personalization – new loan offer for mobile Customers

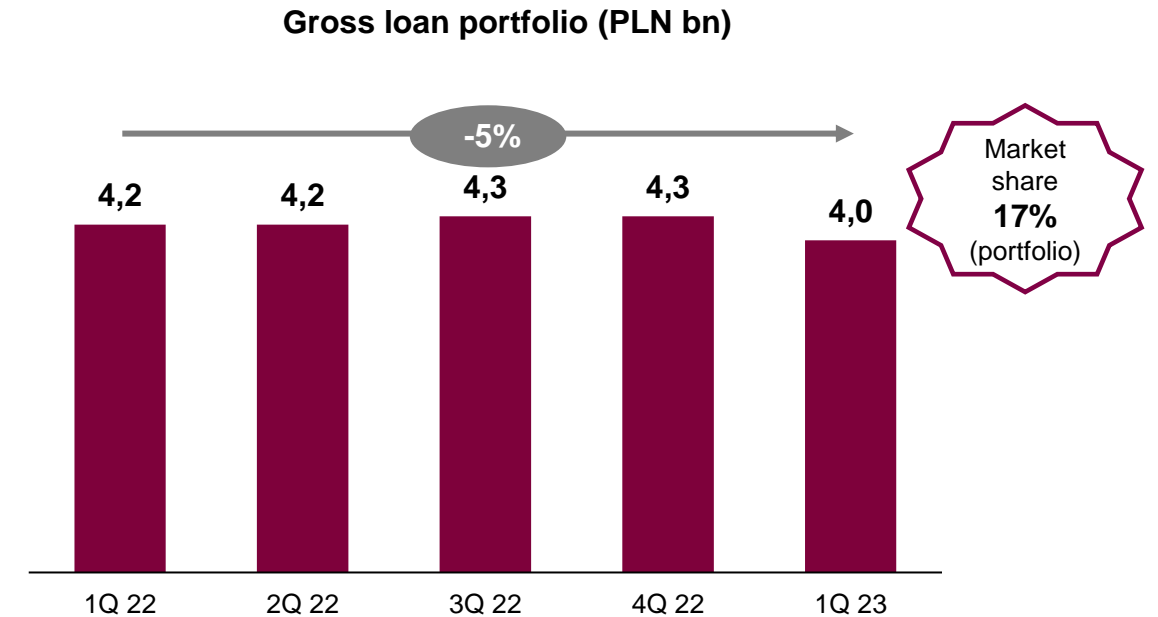
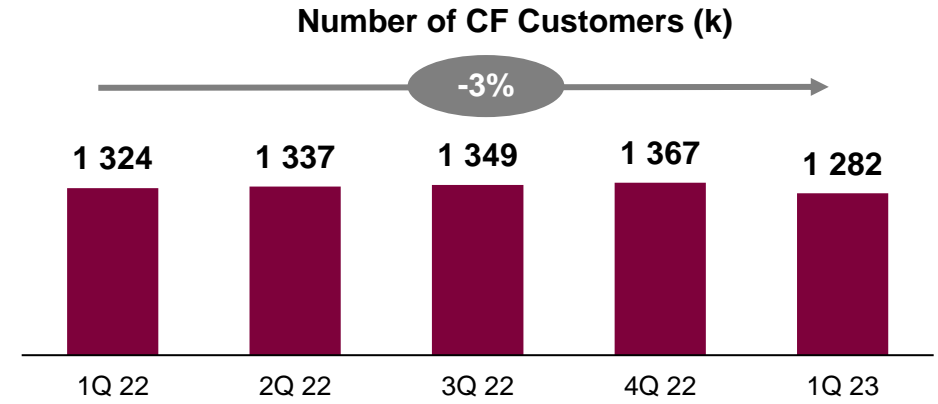
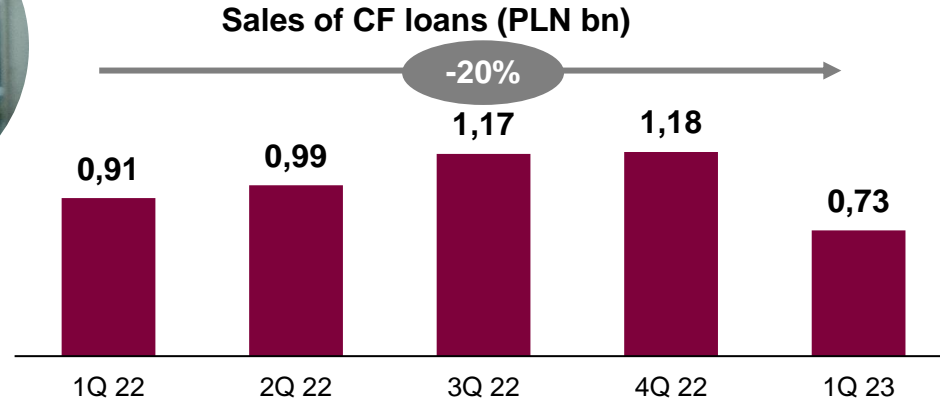
**50%\*\*** Share of contracts sold through remote channels



Market share **11.3%** (portfolio)

\* Retail Customer – consumer loans  
\*\* in 1Q'23

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



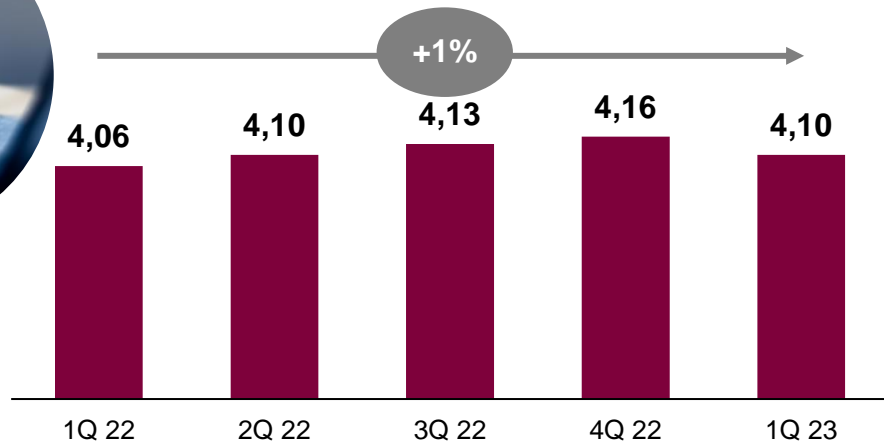
Introduction of changes in the loan process for Clean Air program installment loans. Income thresholds have been raised and the maximum subsidy was increased from PLN k 47 to 99

Popularization of the modern, fast, and safe identity verification process through SMS codes with additional Trading Partners

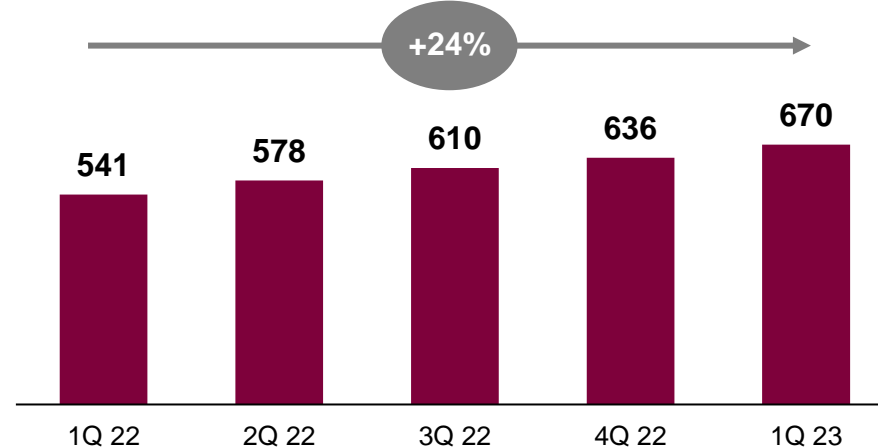
# Effective establishment of a lasting relationship with Customers



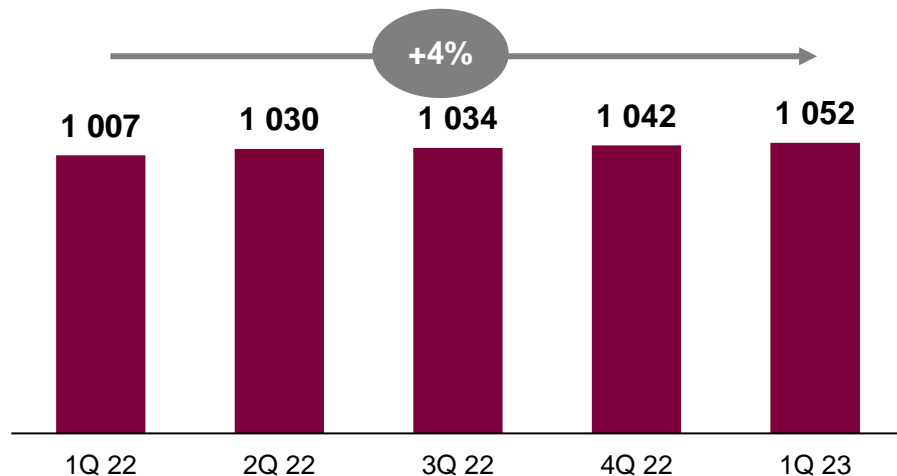
### Number of Individual Customers (mn)



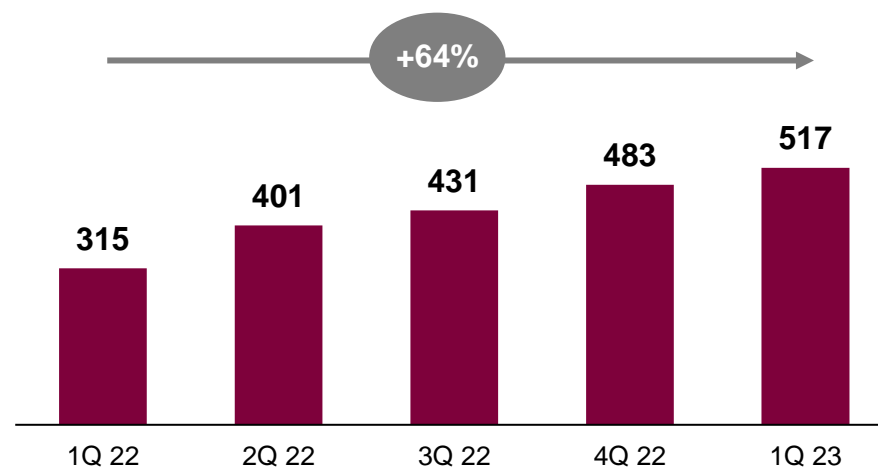
### Number of accounts "Konto Jakže Osobiste" (k)



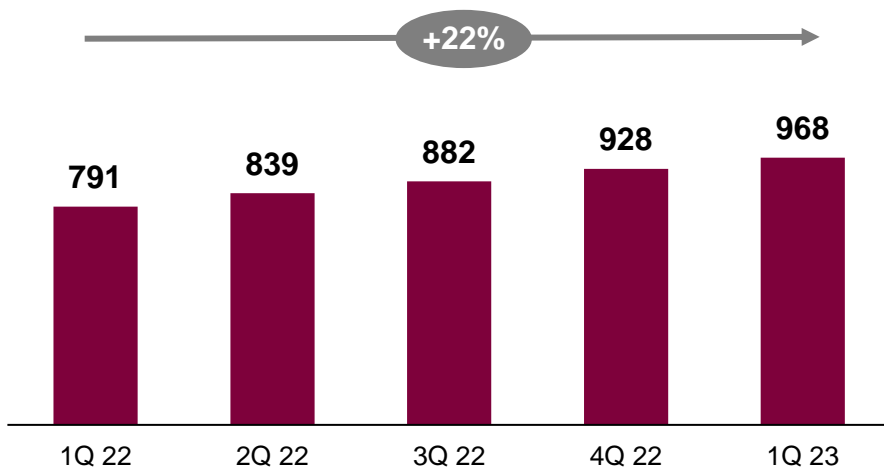
### Number of Customers with systematic account inflows (k)



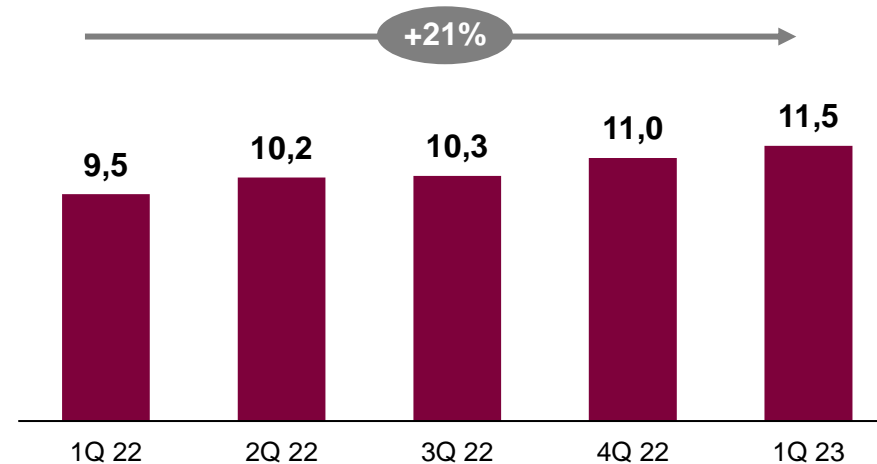
### Number of motorway journeys and tickets paid through the Alior Mobile application (k)



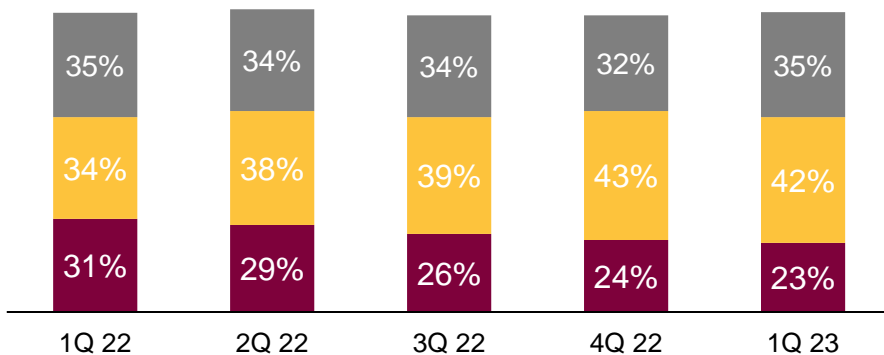
### Users of Alior Bank mobile applications (k)



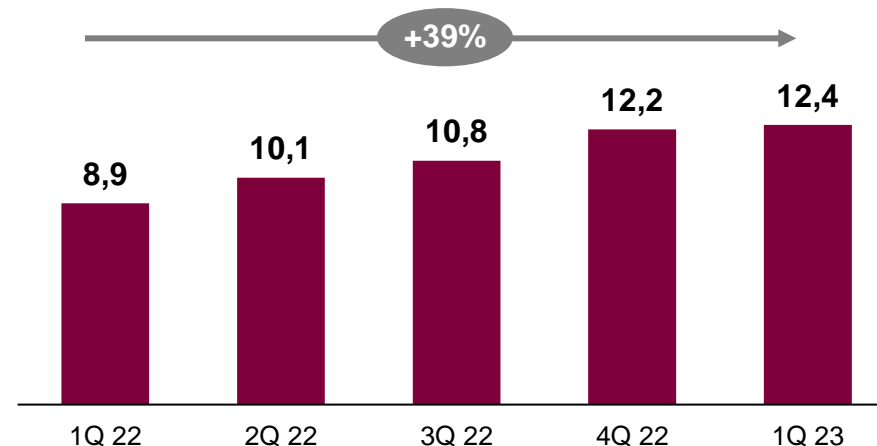
### Number of wire transfers initiated in the Alior Mobile application (mn)



### Structure of Alior Online and Alior Mobile usage



### Number of BLIK transactions (mn)



■ Alior Online Only   ■ Alior Mobile Only   ■ Alior Mobile and Alior Online



# We introduced comprehensive ESG management

## Current ESG actions

Disclosures from article 8 of EU Taxonomy	<b>For 2022</b>
Calculation of scopes 1 and 2 of carbon footprint including estimation of reduction tendencies	<b>Data since 2020</b>
Mapping ESG data collection processes required by CSRD	<b>Until Q4 2023</b>
Consideration for international standards concerning issuing loans connected to sustainable growth	<b>From Q1 2023</b>
Preparation of new products supporting energy transformation of enterprises	<b>From Q1 2023</b>
Alior TFI investment fund Odpowiedzialny („Responsible”) fulfilling requirements of article 8 of SFDR (light green product)	<b>From Q1 2023</b>



# Social Responsibility of Alior Bank

## Project „Ona” („She”)

- On March 8 we initiated a free of charge developmental-prophylactic program addressed to Alior Bank employees.
- Until now we completed: „**#JesteśWażna**” („YouAreImportant”) campaign on Women’s Day, **breathing relaxation workshops** and **prophylactic meeting with Rak’n’Roll Foundation**.



## Easter Package for a Senior

- Volunteers from Alior Bank packed 440 packages with food and cosmetics as part of „Easter Package for a Senior” initiative organized by **Caritas Polska**.



## Alior University

- Alior University (AU) was established in order to become a center of excellence and competence for bank employees.
- Partners of the initiative: **Economic University of Cracow, Faculty of Management of the University of Warsaw, and State Academy of Social Sciences in Przemysł**.



## Alior Bank supports citizens of Ukraine

### Beneficial offers:

- The offer for Ukrainian citizens was extended. No monthly commissions for accounts and debit cards.

### Help Center on Towarowa str.:

- During the first official visit of the Ukrainian presidential couple in Poland, **Ołena Zelenska** accompanied by **Agata Duda** visited the Help Center on Towarowa str.
- The following were also guest at Towarowa 25a Linda Thomas-Greenfield – US ambassador to the UN, Mark Brzezinski – US ambassador in Warsaw, dr Rashed Mustafa Sarwar – UNICEF Chief in Poland, and Priyanka Chopra – UNICEF ambassador

## IMPLEMENTING AND DEVELOPING AI TOOLS - INFONINA

Implementation of Infonina voicebot was a big success and significantly enhanced Customer service

- Since implementation 5 mn calls utilized Infonina
- The success rate in recognizing Customer's speech was 85%
- Infonina services over 100 information processes
- 45% of automated calls are calls, in which Infonina solved the Customer's problem completely or partially



## 5. Edition RBL\_START

- RBL\_START accelerator develops the competencies of startups.
- The prize from the 5. Edition was received by **Dreams Technology**, which enables construction of savings targets based on behavioristics and **Cashbene**, which connects online payments with a cashback system.



## Fintech Poland

- Alior Bank joined the Fintech Poland ecosystem.
- **FinTech Poland Foundation** is an independent think tank specializing in digital finance. Currently the ecosystem comprises of 40 entities.



# Clients and the market appreciate services and changes in Alior Bank



Alior Bank took **2. place** in the XVI edition of the **Bank Ranking** prepared by the **Polish Real Estate Developers Union**. The jury appreciated the bank's good market practices and partnership approach to investors.



Alior Bank's card with Ashe from League of Legends is nominated in **Payment cards – best design** category in **Golden Banker** contest.

## SPOTKANIE LIDERÓW

• BANKOWOŚĆ 2023 • UBEZPIECZENIA

Alior Bank was won **Leaders of World Banking** in **Best Bank** category.



In **Institution of the Year** contest the jury awarded Alior Bank in five categories:

- **Best service in remote channels,**
- **Best service in branches,**
- **Best internet banking,**
- **Best banking for businesses,**
- **Best remote onboarding process for accounts.**

Also 23 branches were awarded with: **Best bank branch in Poland.**



Alior Bank was nominated in the **Mobile Trends Awards** contest. Alior Mobile app is competing in the **Mobile Banking** category.



Alior Bank's FX product „Kantor Walutowy” was awarded for the third consecutive time with the **Client's Golden Laurel** in the **Banking FX products** category.



Alior Bank received the **Highest Quality HR certificate** in a ranking prepared by the **Polish Association for Personnel Management**



Alior Bank's **Brokerage account** took **2. place** in a **Money.pl** ranking.



INVEST CUFFS  
FUNDACJA

**FX and Brokerage** received nominations in the investment sector's contest **Invest Cuffs 2022.**

## Baltic Playground

- Alior Bank supported **Baltic Playground e-sport league**, organizer of international **League of Legends** competitions.
- The competitions include participants from Poland, Baltics, Ukraine, Georgia, and Israel.
- The competitions are open for everyone who wants to gain experience and advance to upper leagues.



## Geek Week

- Alior Bank supported an **event catering to fans of gaming, e-sport, and fantasy**. This time it was the **Geek Week** series of events.
- For the participants Alior Bank prepared a stall with gamer products and gadgets.



## Meet at Rift

- Alior Bank supported **Meet at Rift festival**, for fans of the universe created by **Riot Games**.
- Bank prepared a special zone for participants interested in gaming products, as well as prizes.



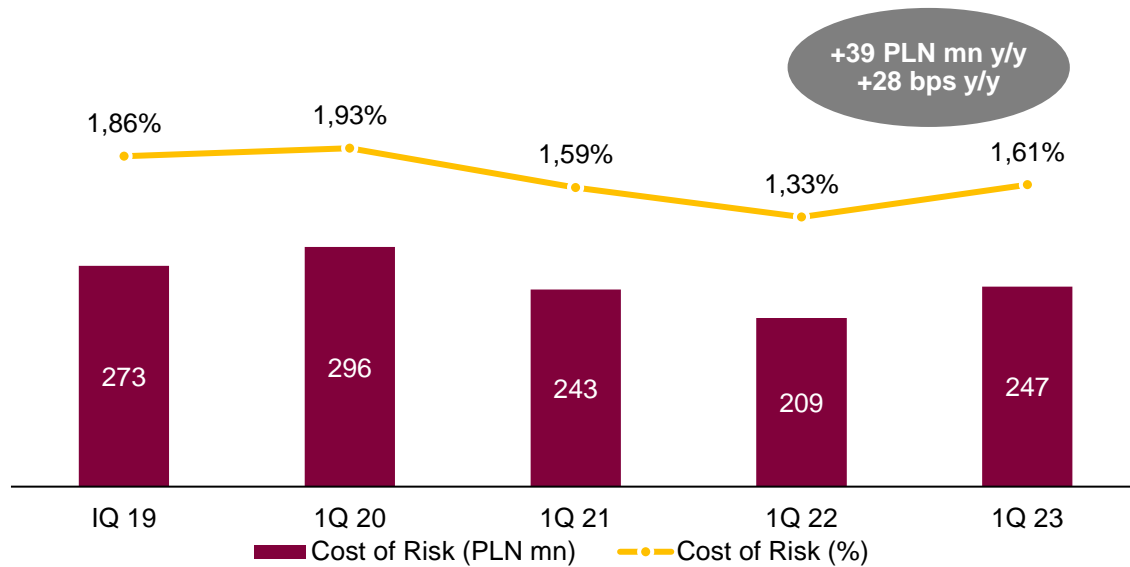
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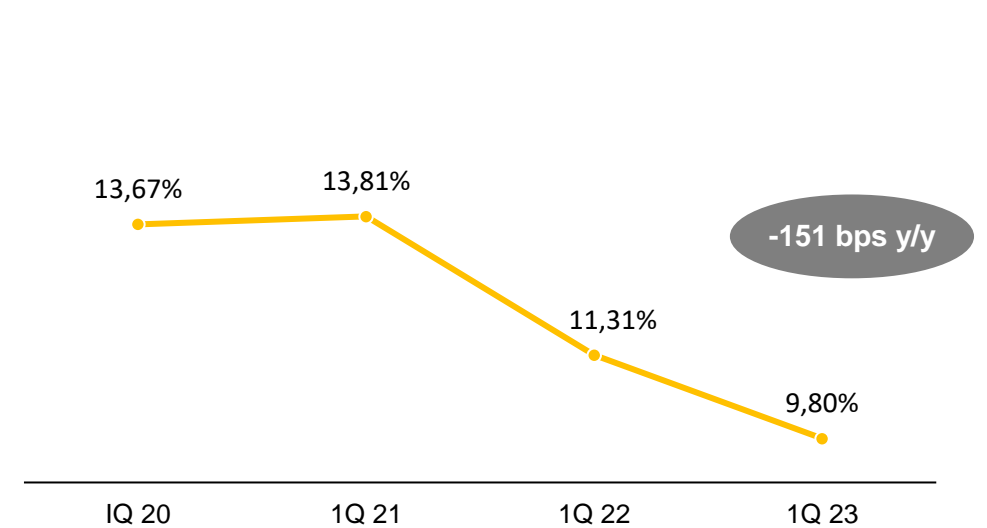
Credit risk

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

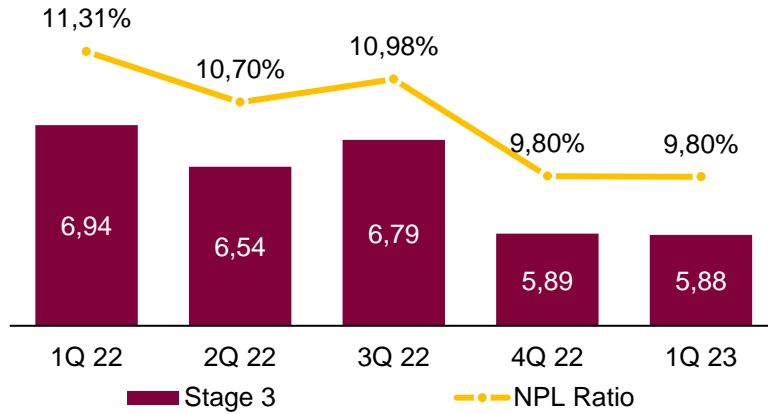


As a result of actions taken in 2020 and 2021 to manage the risk of the loan portfolio, despite the current macroeconomic environment, the level of Cost of Risk (CoR) in 1Q'23 was 1.61% i.e., concurrent with the Bank's medium-term expectations (<1.6% CoR in 2024).

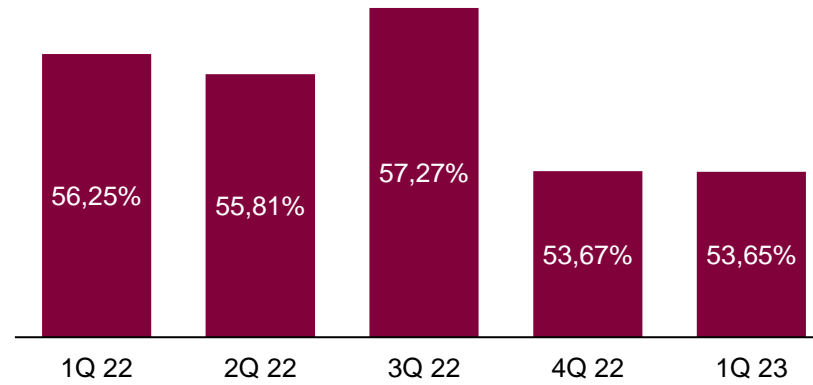
Currently, despite an increase in cost of risk by PLN mn 39 y/y in 1Q'23, we do not see a significant adverse impact of the macroeconomic environment on CoR. We expect that nonetheless the cost of risk of Alior Bank Group in the following quarters may temporarily slightly increase. CoR for the entire year of 2023 should not exceed 1.9%.

# The restructuring of the loan portfolio brings tangible results

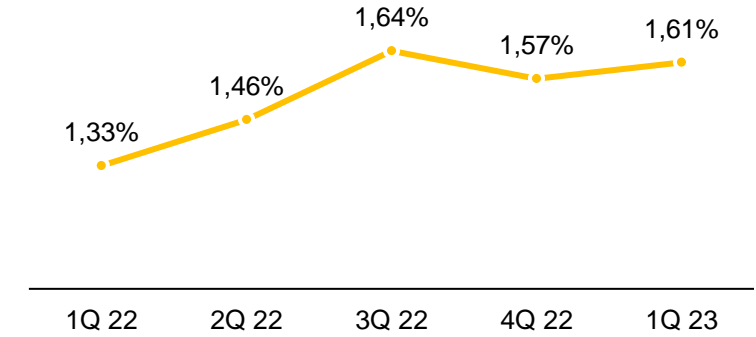
### Impaired loans (PLN bn)



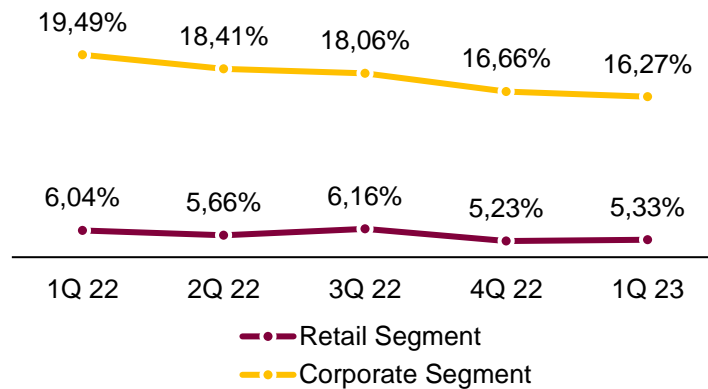
### NPL reserve coverage ratio\*



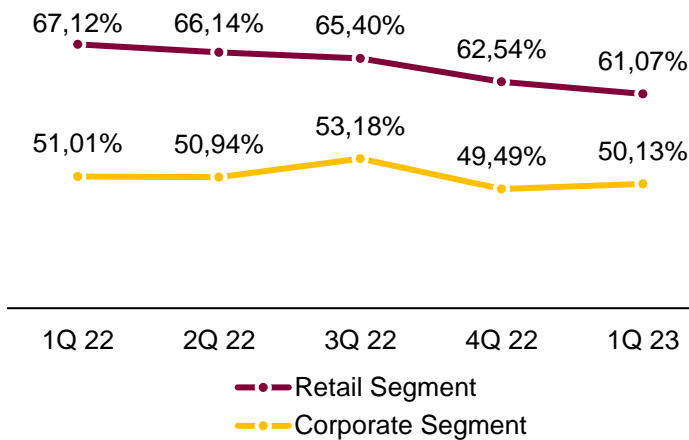
### Cost of Risk - CoR\*\*



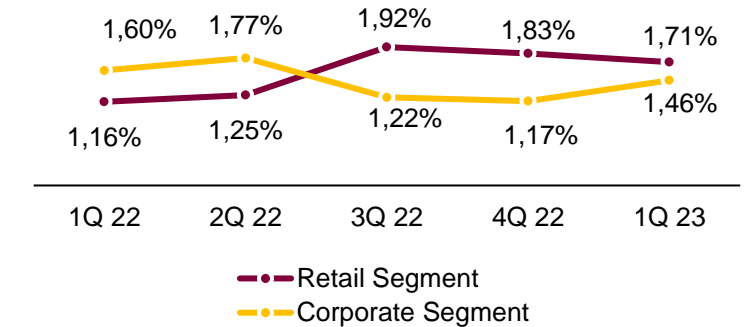
### Impaired loans – segments



### NPL provision coverage\* – segments



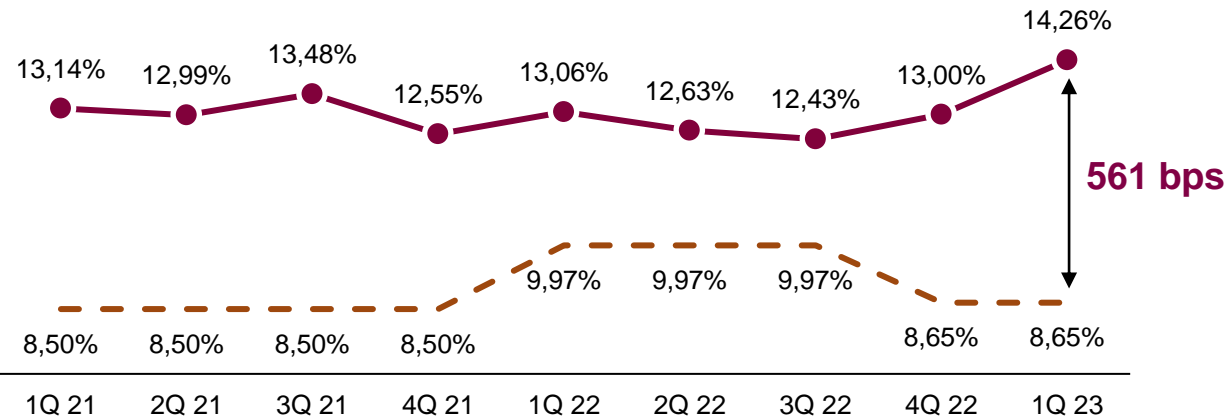
### CoR – segments\*\*





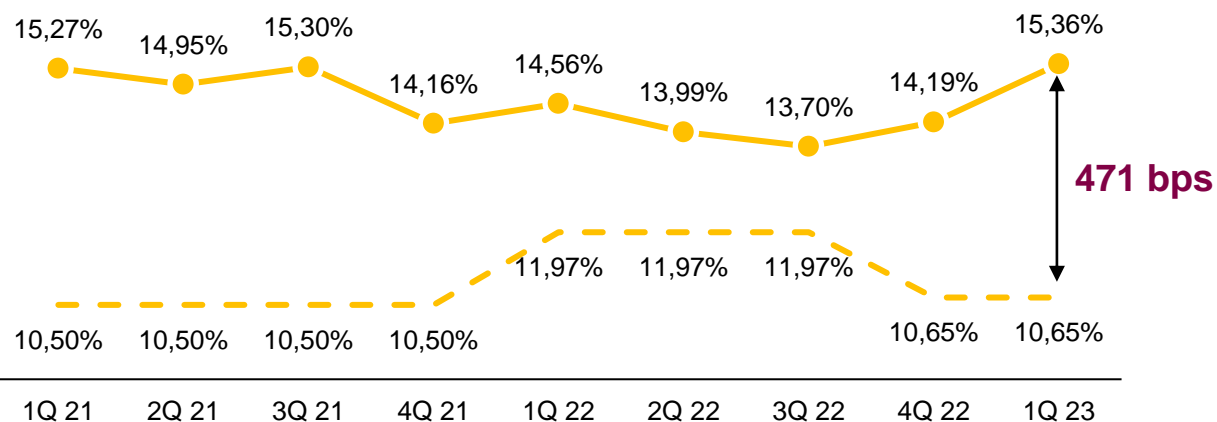
# Stable and secure position of the Bank: capital and liquidity surplus significantly above the regulatory minimum

### TIER I\*

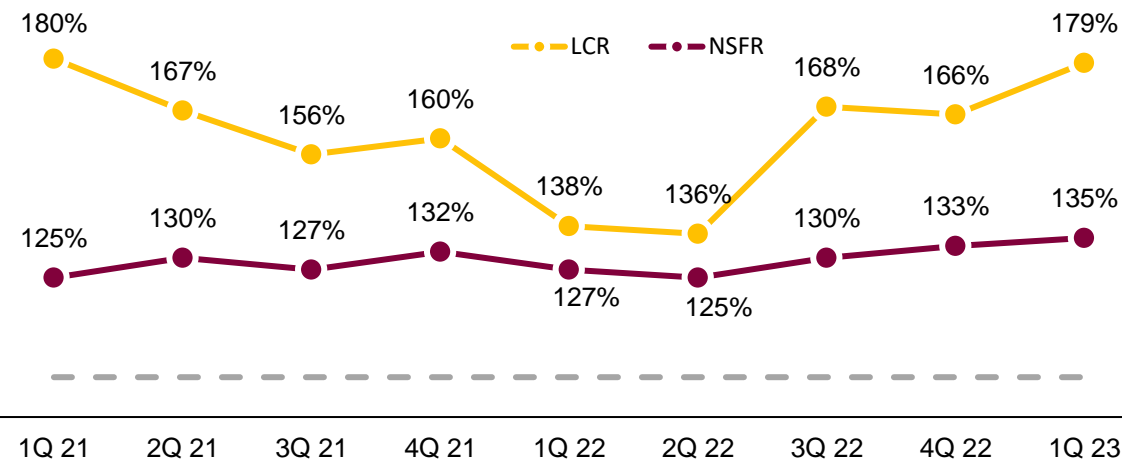


The levels of TIER I and TCR capital adequacy ratios as at the end of 1Q'23 significantly exceed the regulatory minimum by: 561 bps (2.6 PLN bn) and 471 bps (2.2 PLN bn)

### TCR\*



### Liquidity ratios: LCR, NSFR



3



Financial results

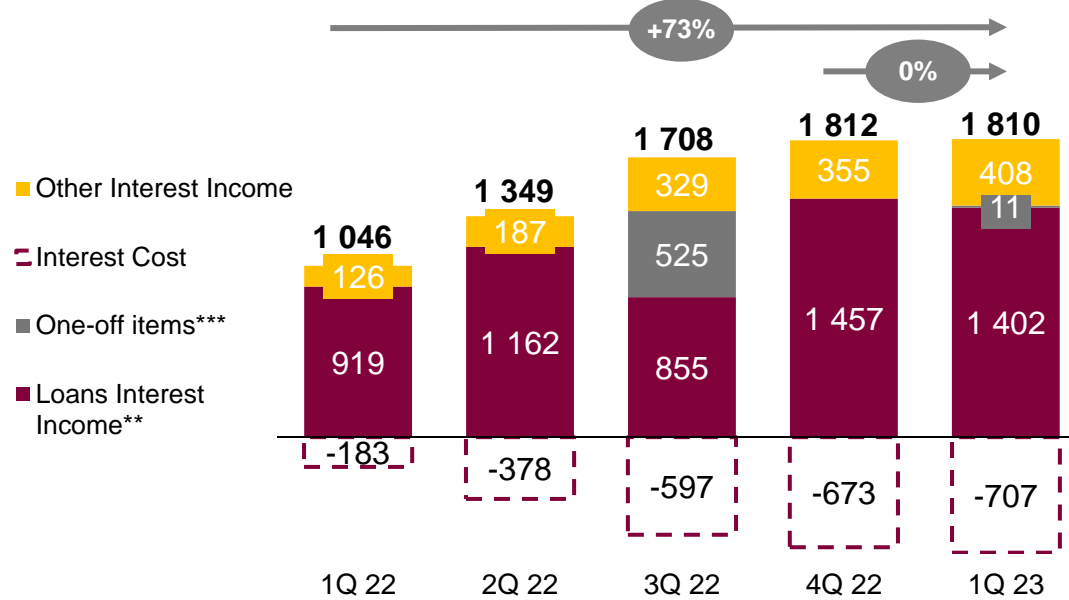
## Income statement

PLN mn	1Q 22	4Q 22	1Q 23	% y/y	y/y	% q/q	q/q
<b>Total Income</b>	<b>1 093,2</b>	<b>1 322,1</b>	<b>1 329,6</b>	<b>22%</b>	<b>236,4</b>	<b>1%</b>	<b>7,5</b>
Net interest income	862,4	1 139,1	1 103,1	28%	240,7	-3%	-36,0
Net fee and commission income	190,7	183,2	208,6	9%	17,9	14%	25,3
Other income	40,1	-0,2	18,0	-55%	-22,1	-	18,2
<b>Total costs</b>	<b>-819,8</b>	<b>-825,6</b>	<b>-820,7</b>	<b>0%</b>	<b>-0,9</b>	<b>-1%</b>	<b>4,9</b>
General administrative expenses	-493,0	-456,7	-506,9	3%	-13,8	11%	-50,2
Impairment of non-financial assets	-30,9	-11,2	-0,2	-99%	30,7	-98%	10,9
Net expected credit losses	-208,6	-248,5	-247,1	19%	-38,6	-1%	1,3
Cost of fx mortgage legal risk	-23,2	-43,6	-0,5	-98%	22,7	-99%	43,1
Banking tax	-64,1	-65,6	-66,0	3%	-1,9	1%	-0,3
<b>Gross profit</b>	<b>273,4</b>	<b>496,5</b>	<b>508,9</b>	<b>86%</b>	<b>235,5</b>	<b>3%</b>	<b>12,4</b>
Income tax	-104,2	-136,2	-143,1	37%	-38,9	5%	-6,9
<b>Net profit</b>	<b>169,2</b>	<b>360,3</b>	<b>365,8</b>	<b>116%</b>	<b>196,6</b>	<b>2%</b>	<b>5,5</b>
Net interest margin (NIM)	4,58%	5,92%	5,81%	-	+1,23 p.p.	-	-0,11 p.p.
Cost of funding (CoF)	0,51%	2,20%	2,44%	-	+1,92 p.p.	-	+0,24 p.p.
Cost of risk (CoR)	1,33%	1,57%	1,61%	-	+0,28 p.p.	-	+0,04 p.p.
Cost / Income ratio (C/I)	45,1%	34,5%	38,1%	-	-7 p.p.	-	+3,58 p.p.
Loan / Deposit ratio (L/D)	82,2%	81,4%	80,4%	-	-1,7 p.p.	-	-0,98 p.p.
Return on equity (ROE)	11,9%	24,6%	22,7%	-	+10,8 p.p.	-	-1,93 p.p.
Total Capital Ratio (TCR)	14,56%	14,19%	15,36%	-	+0,8 p.p.	-	+1,17 p.p.

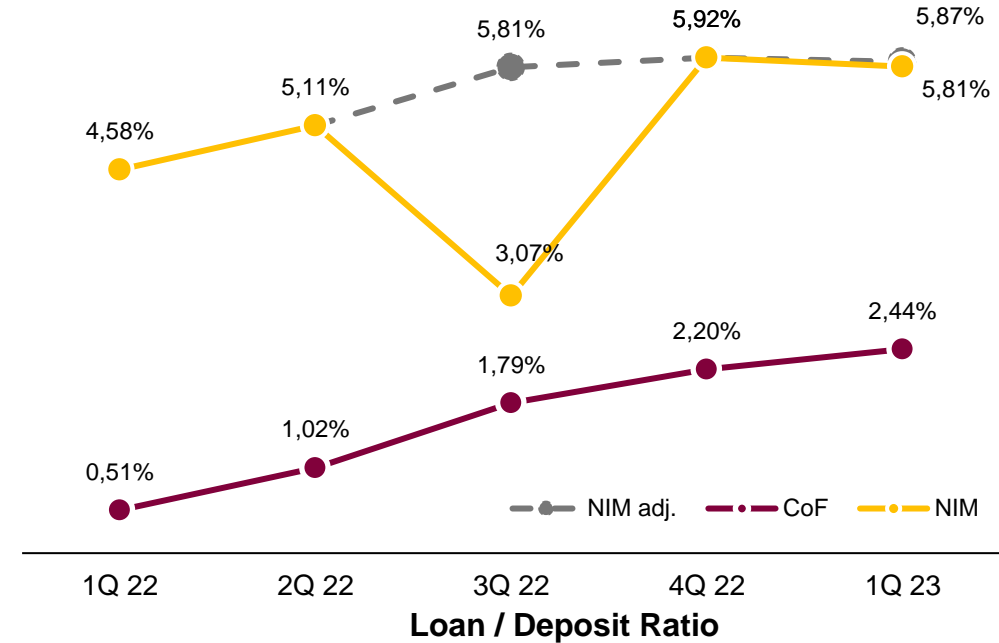
- In 1Q'23 the Bank adjusted provisions for the credit moratoria by PLN mn 11 to the total amount of PLN mn 513 (75% participation by volume)
- The 1Q'23 net profit adjusted for provisions for the credit moratoria amounted to around **PLN mn 375**.
- 1Q'23 NIM with the above-mentioned adjustment would be **5.87%**
- Adjusted ROE for 1Q'23 was **23.2%**, while adjusted C/I was **37.8%**

# NIM remains relatively stable at a high level

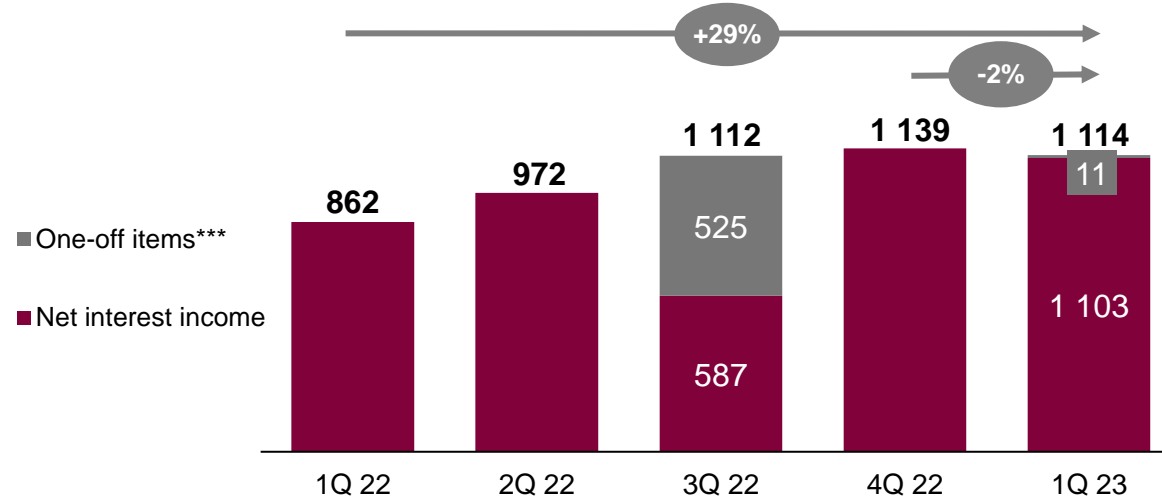
## Interest income and expenses (PLN mn)



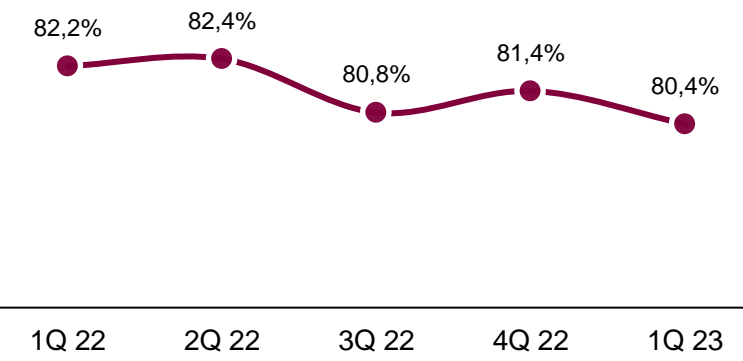
## Interest margin and financing cost\*



## Interest income (PLN mn)



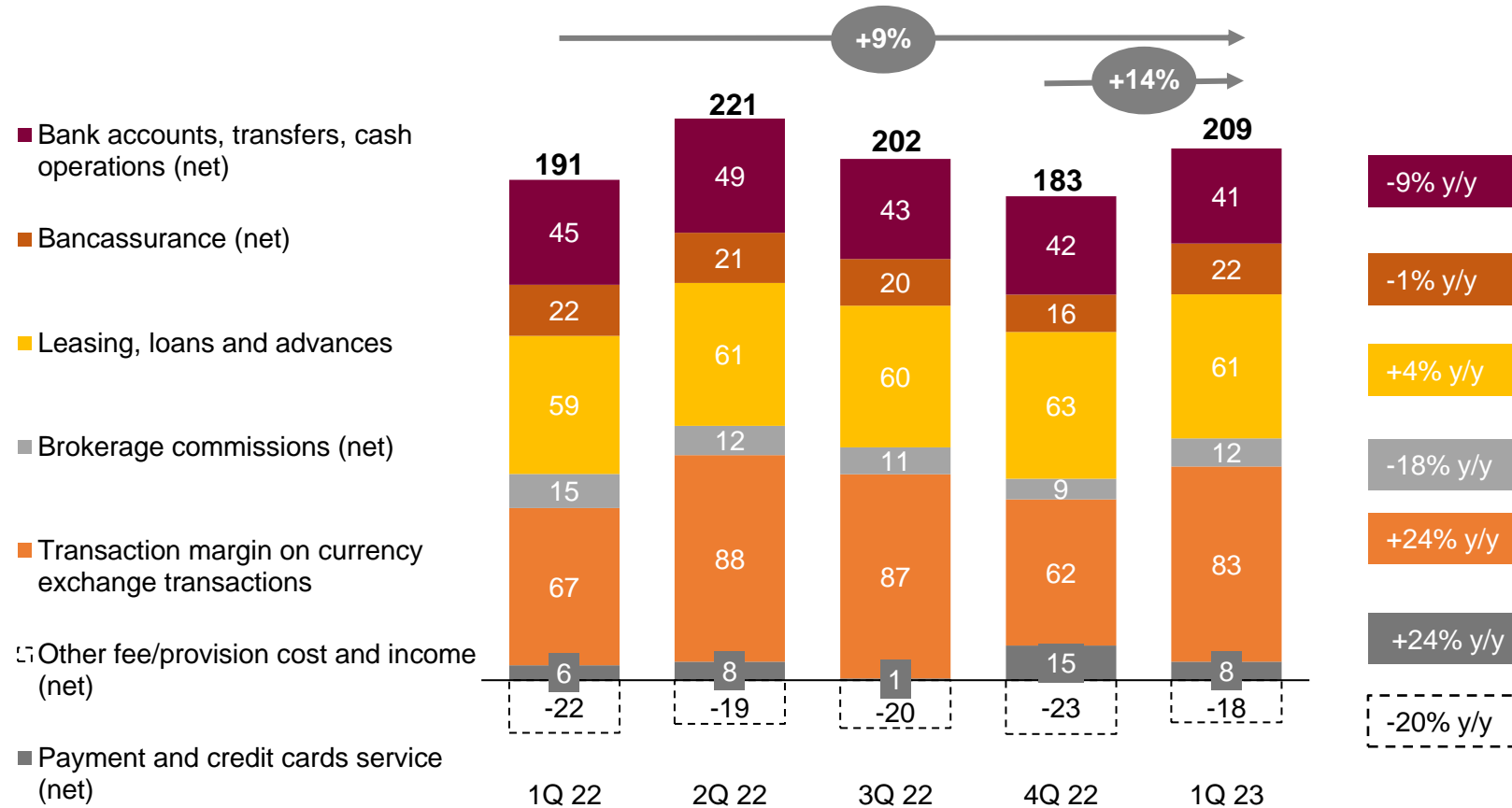
+28% y/y  
-3% q/q



\*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 improves fees and commissions income

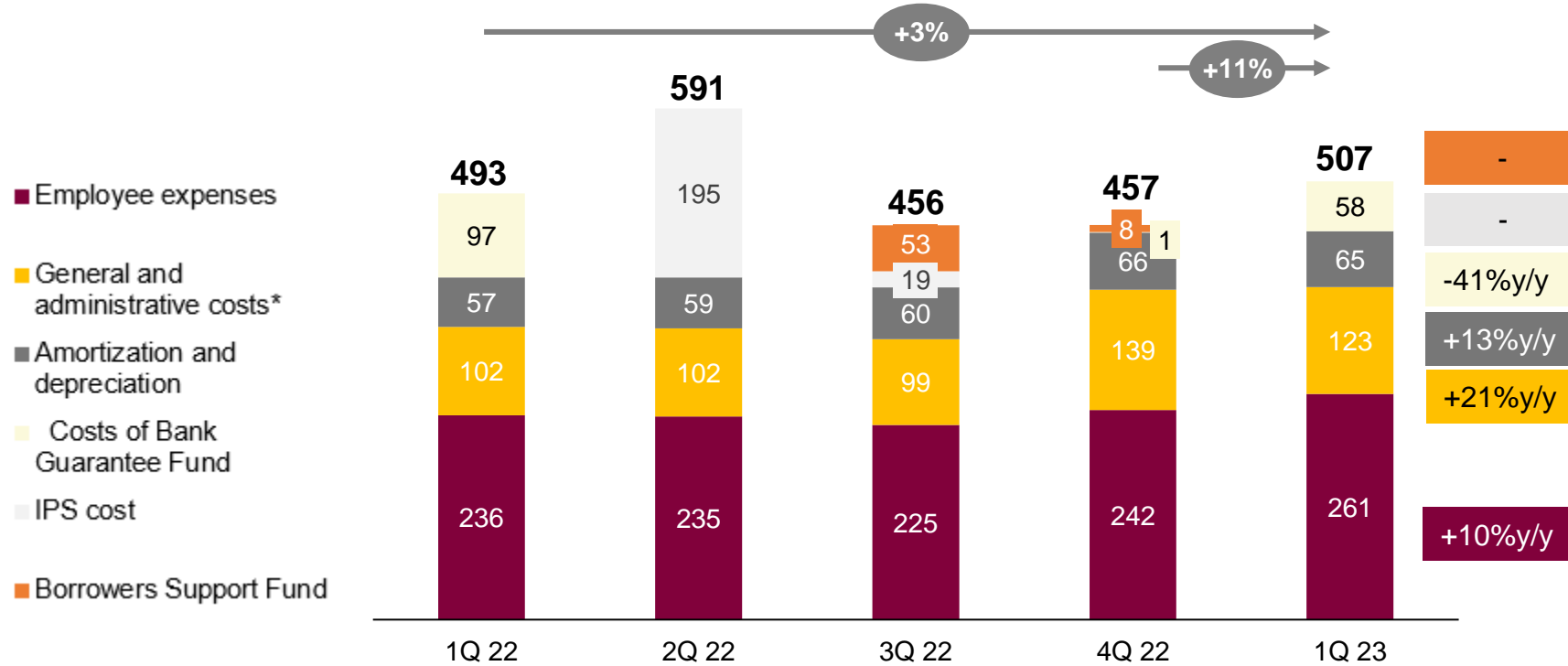
Fees and Commissions Income (PLN mn)



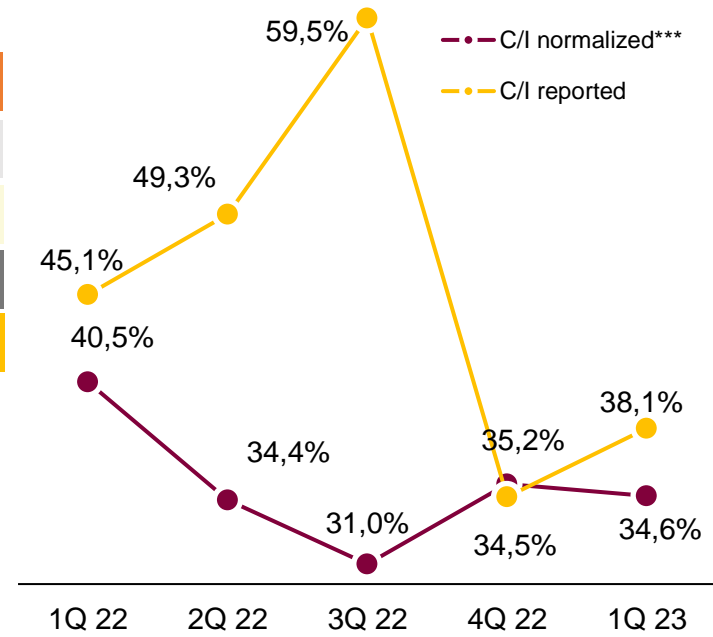
- In 1Q'23 fees and commissions income amounted to PLN mn 209 and increased by PLN mn 18 (9%) compared to 1Q'22 – mainly due to higher commissions on foreign exchange transactions, which increased by PLN mn 16 y/y (+24%)
- In 1Q'23 we observed close to 30% lower trading volumes on the WSE compared to 1Q'22, which contributed to smaller brokerage commissions (-18% y/y)

# The Bank is improving its operational efficiency, despite growing inflationary pressure on costs

Operating costs (PLN mn)



C/I ratio\*\*



- In 1Q'23 operating costs were encumbered by a PLN mn 57.5 contribution to the Borrower Support Fund for its compulsory restructuring fund
- The y/y increase in employee costs in 1Q'23 amounted to PLN mn 25 (+10% 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 1Q'23 by PLN mn 21 (+19%) y/y was, inter alia an increase in property rent and maintenance expenses by PLN mn 10, IT costs by PLN mn 4, training costs by PLN mn 3, and marketing costs by PLN mn 3
- 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	03.2023	2024
ROE	22.7%	>13%
C/I	38.1%	<45%
Equity		
Tier 1	14.3%	>13.5%
TCR	15.4%	>15%
Credit risk		
CoR	1.6%	<1.6%
NPL	9.8%	<10%





- Safe and stable capital position
- High NIM
- Innovation, digitization, high quality of services for Customers
- Improvement of performance by increasing 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



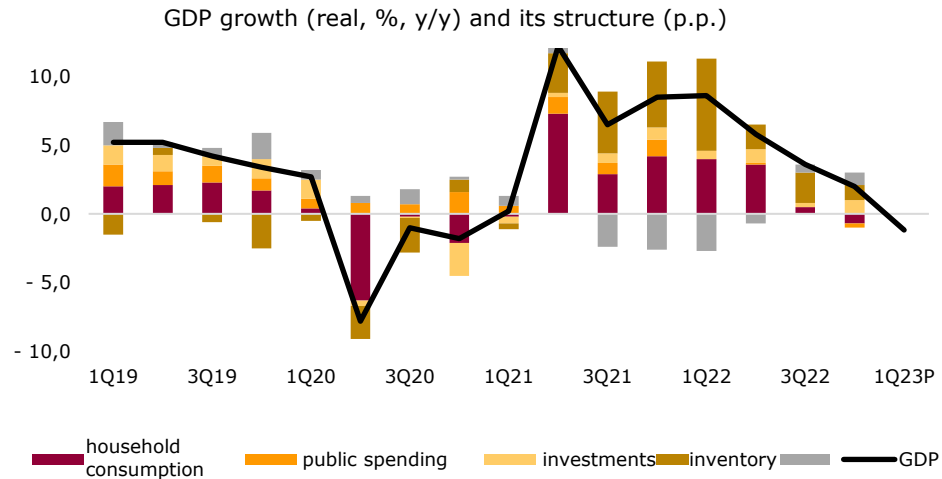
# 4



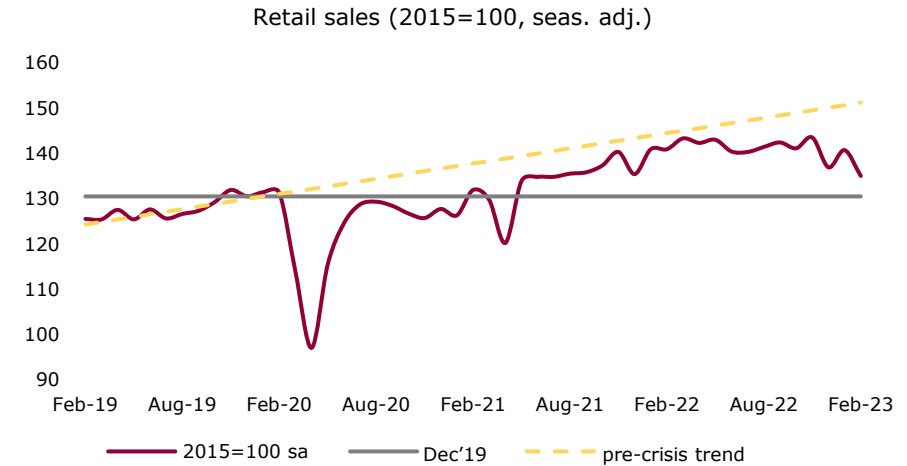
Other issues

# At the beginning of 2023 in the limelight, we see a drop in private consumption

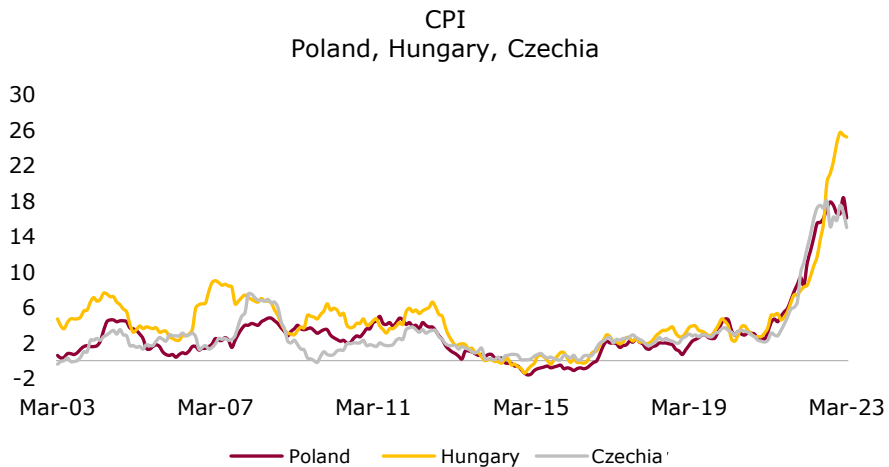
## We expect a significant decrease in GDP in 1Q'23...



## ... with indications of a substantial weakening of consumption...



## ... but without considerable impact on inflation

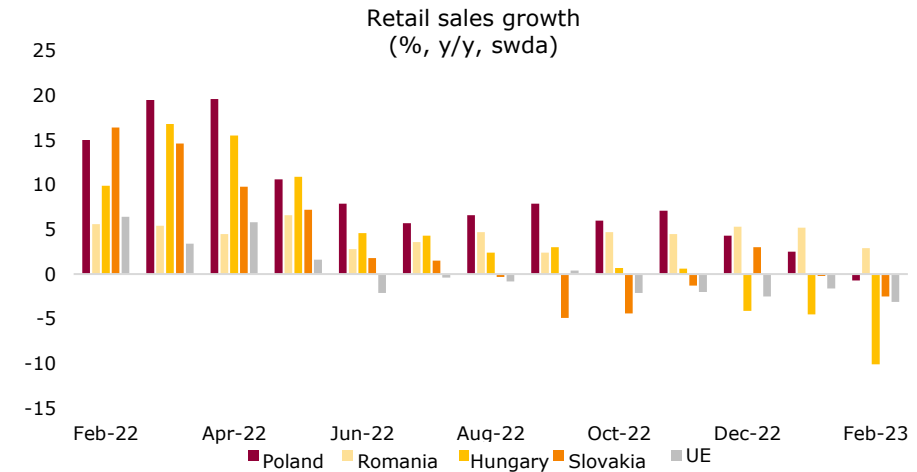
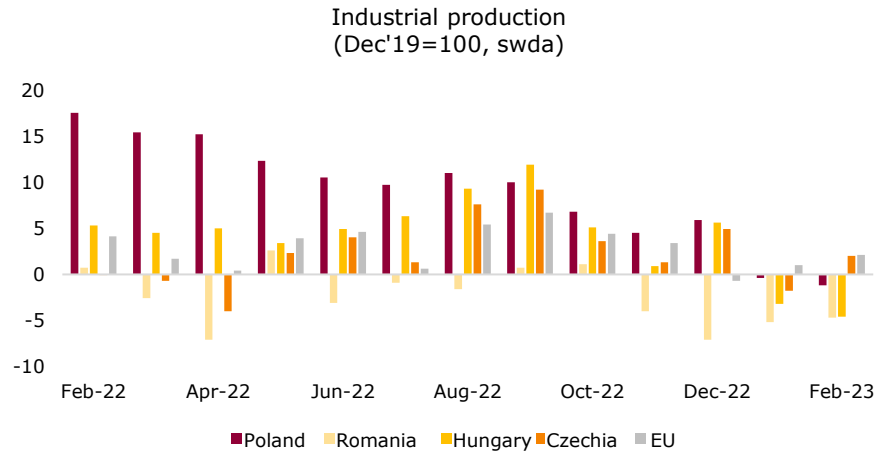


- In 1Q'23 we observed further deceleration of domestic market conditions. Consumer demand measured by retail sales diverged from long-term trends. Industrial production, as a reaction to weakening internal and external demand, has reached levels close to the previous year's.
- We estimate, that in 1Q'23 Polish GDP decreased by around 1.2% y/y compared to an increase of 2.0% y/y in the previous quarter. Excluding 2020, a time of extraordinary pandemic conditions, this was the largest decrease in first quarter Polish GDP after EU accession.
- In 1Q'23 inflation remained a key factor influencing market conditions. Annual inflation in February has most likely peaked in the current inflationary episode (18.4% y/y) and in March had decreased to 16.1% y/y. Lower inflation may be spurred on by external factors such as a decrease in commodity prices and relieving pressure on supply chains.
- The annual change in nominal wages and salaries in the enterprise sector for 1Q'23 remained two-digit for the fifth consecutive quarter. Simultaneously the change in real wages and salaries in the enterprise sector was negative for the third consecutive quarter, which negatively impacts consumption of households.
- During 1Q'23 the National Bank of Poland did not change monetary policy. The main rate remained at 6.75%, as set in September 2022. The Monetary Policy Council ceased the rate-hike cycle realistically, but not formally.

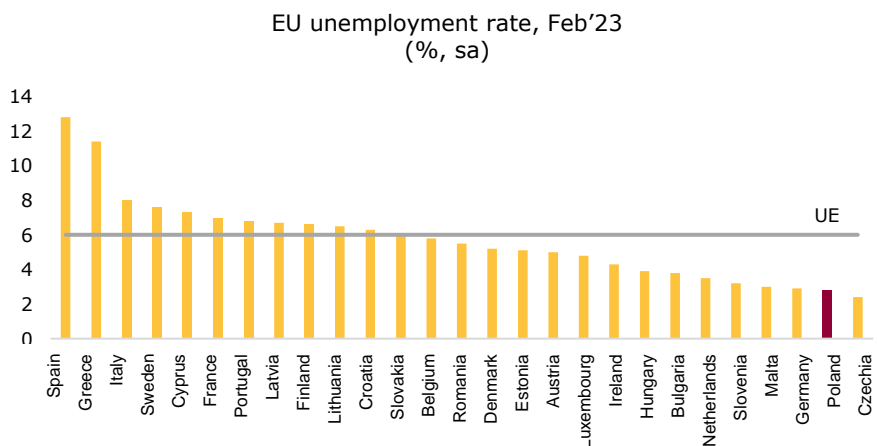
# The domestic market situation also remains under the pressure of global contraction, including in the EU

## Polish industry is stalling...

## ... with decelerating domestic and global consumption...



## ... although the situation on the job market is still favorable

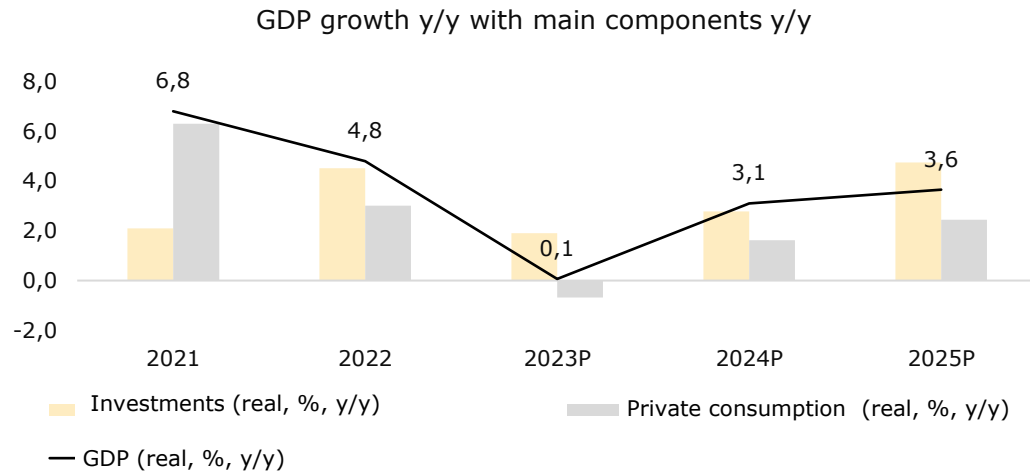


Source: Bloomberg

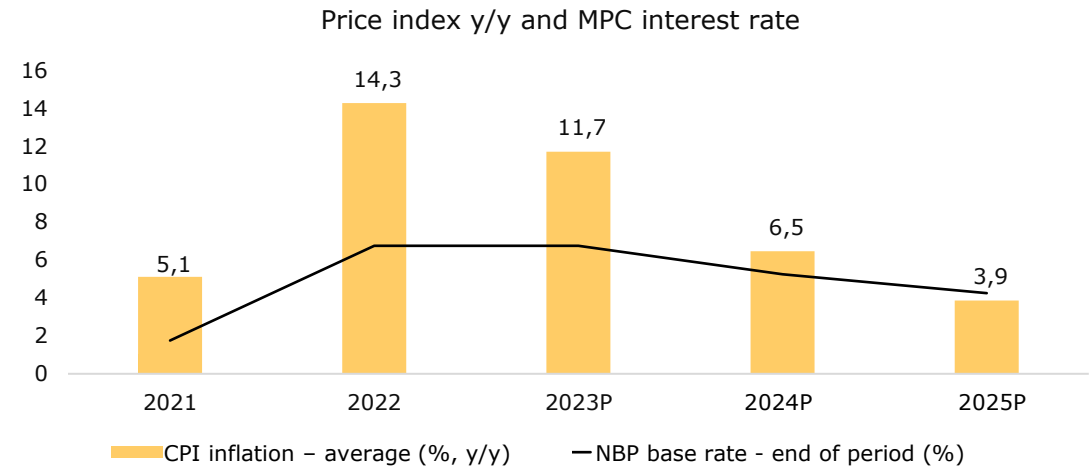
- The Polish market situation in 1Q'23 has ceased to be favorable compared to EU or CEE countries.
- Polish industrial production yoy has decreased, while lessened pressure on supply chains and better performance of the automotive sector supported a modest increase of the EU industry at the beginning of the year.
- Weakening domestic consumer demand is becoming more apparent, following tendencies observed in Europe, where inflation is also a problem, which negatively impacts disposable income.
- Despite weakening demand on the job market, deterioration is not yet observable. Readjustments are made through real wages and not demand for work. In the EU, a constantly positive situation in the services sector is one of the contributing factors. In Poland it can be noted that inter alia employer concerns about pressure on the supply of labor is a contributing factor.
- Continuing low unemployment is one of the sources of concern contributing to cementing pressures on wages and prices. Although consumer inflation in Poland in March was the lowest since August of last year and in the Euro zone since February of last year - in both cases this is mainly due to energy prices.

# Economic growth will reappear in the second half of 2023

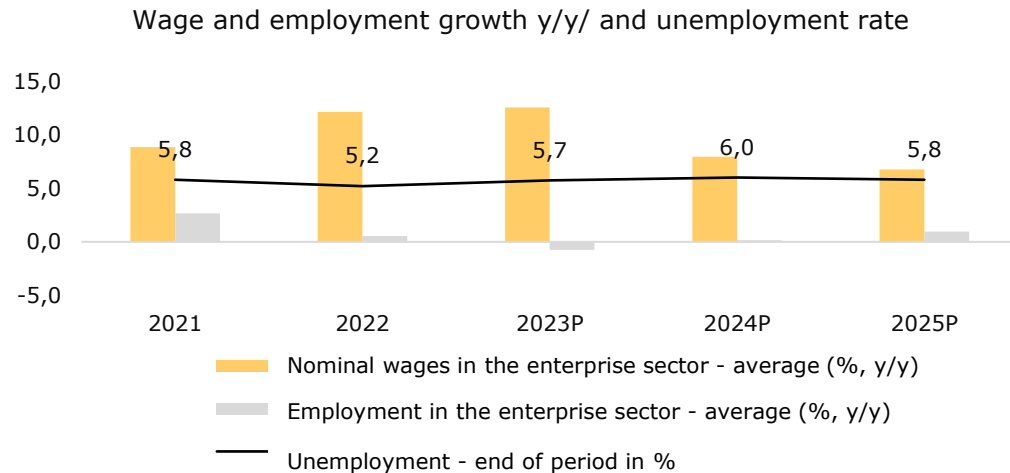
## Insignificant GDP growth this year



## Inflation will decrease but from a high basis



## The job market will slightly deteriorate



- This year the Polish economy will be under pressure from weakening external and internal demand, along with the appearance of negative consequences of the inflationary crisis in developed nations and a tightening of monetary policy in the country as well as in key economic partners (USA, Eurozone). Negative consequences of the war between Russia and Ukraine will still be felt, including elevated energy prices.
- In the first half of 2023 we expect a negative change in domestic GDP, mainly due to deteriorating consumer demand. In the second half of the year GDP should begin to rebound accompanied by somewhat less burdensome inflation. In following years, the market situation should improve, inter alia due to improving conditions of consumers and a resurgence in investments (i.e., deployment of EU funds).
- On the job market we will see some adjustments to weakening market conditions. We expect a modest increase in unemployment in 2023 and 2024. Employers will be wary of reductions having considered inter alia the tight situation with the supply of labor.
- High inflation will remain the main problem. Bringing inflation down to the NBP target (1.5-3.5%) is a significant challenge. We expect that CPI will remain outside the target in this year and the next.
- We assume that the Monetary Policy Council will leave rates at an unchanged level (the main NBP rate at 6.75%) during the entire year 2023. We expect the first rate cuts in 2024.

## One-offs affecting reported results of Alior Bank Group

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

# Alior Bank's investment services

## Alior Bank's Brokerage House



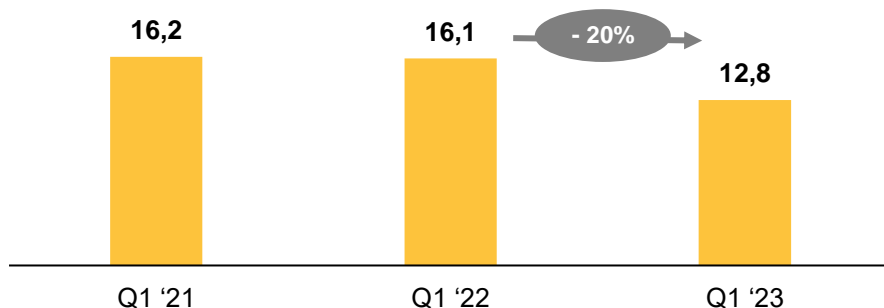
In 1Q'23 we observed WSE trading around 30% smaller than in 1Q'22, which corresponded to a weaker commission result. We have recorded 50% growth in sales volume of structured products and investment funds.

### Basic operating information for 1Q'23:

- The number of brokerage accounts exceeded **89.1 k** (+2.4% y/y)
- The number of Alior Trader accounts exceeded **7.5 k** (+13% y/y)
- Assets in Individual Advisory **PLN bn 1.14** (+13% y/y)
- Sales of Structured Products (gross) **PLN mn 341** (+54% y/y)
- Sales of Investment Funds (gross) **PLN mn 227** (+58% y/y)

II place in **Best Brokerage Account 2023** ranking prepared by Puls Biznesu magazine and Money.pl portal.

Brokerage House Fees and Commissions revenues (PLN mn)



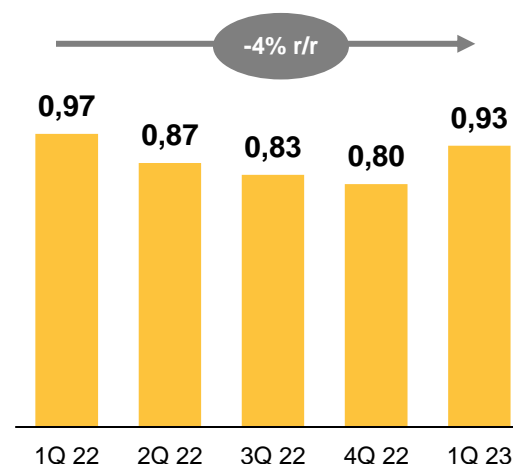
## Alior TFI



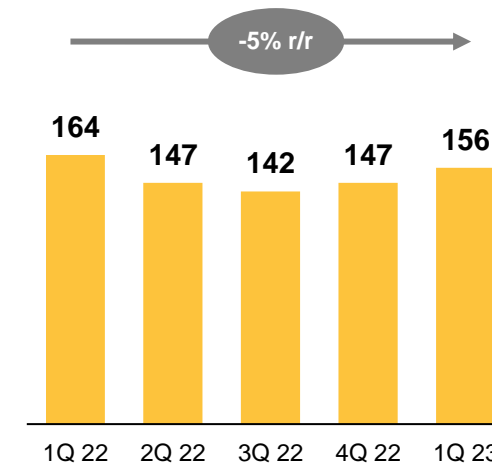
In 1Q'23 Alior TFI is rapidly rebuilding its AUM. Net inflows amounted to PLN 111 mn. The largest inflows were recorded in the newest funds: „Ostrożny” and „Odpowiedzialny”. Gross sales in 1Q'23 increased 312% q/q.

Looking at the past year the change in AUM of Alior TFI was similar to the change in the Polish funds market. This is mostly due to the improved performance in the past quarter. In 1Q'23 Alior TFI AUM grew 17% q/q, while the market increased by 6% and the more appropriately compared in terms of asset profile short-term bond funds market increased by 8%.

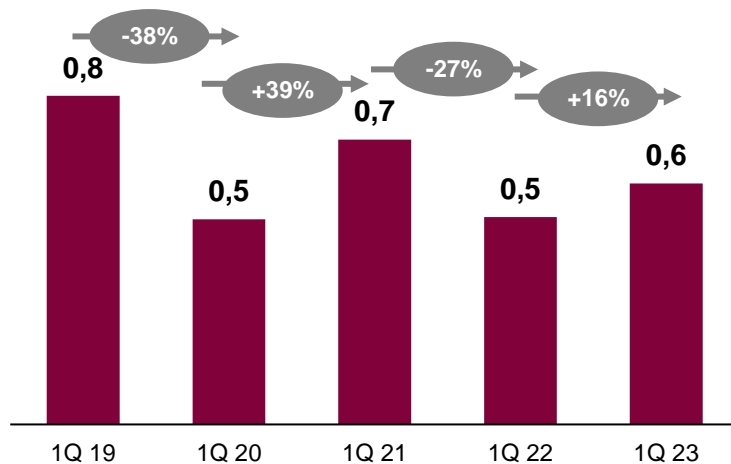
Assets under management in Alior TFI open funds (PLN bn)



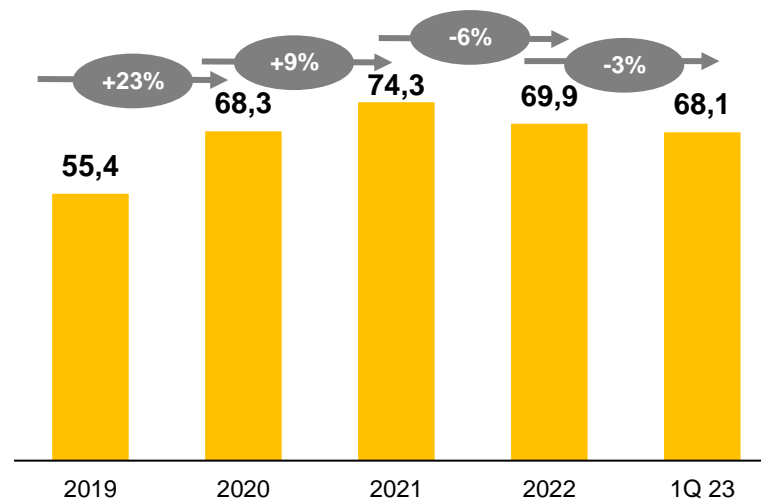
Assets under management in non-dedicated funds\* in Poland (PLN bn)



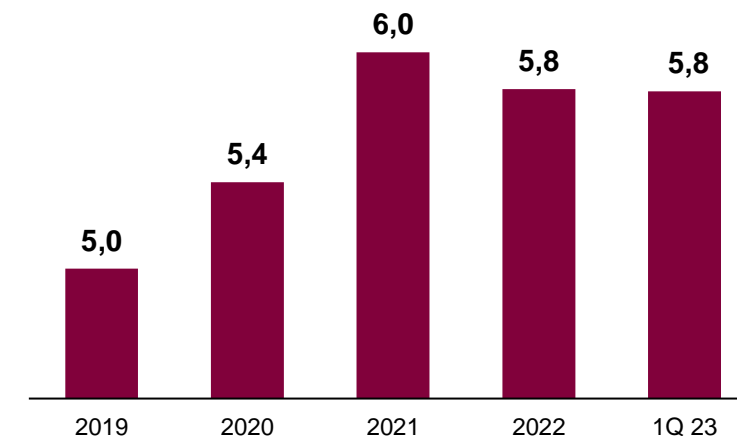
### Sale of lease and loans (PLN bn)



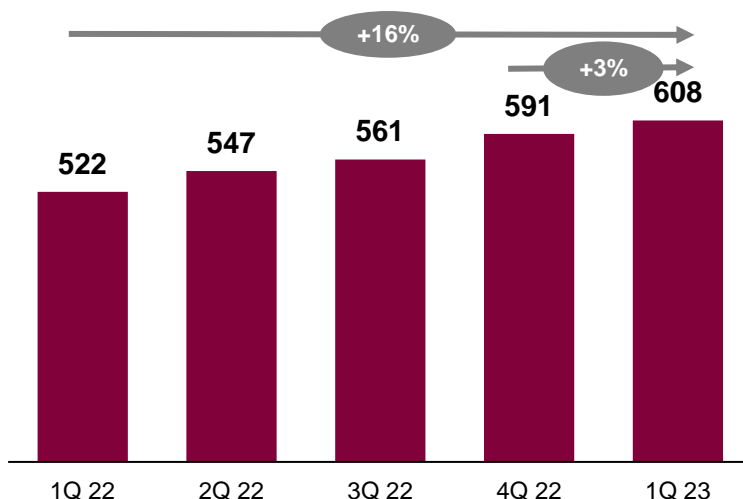
### Number of customers (k)



### Lease portfolio and loans (PLN bn)



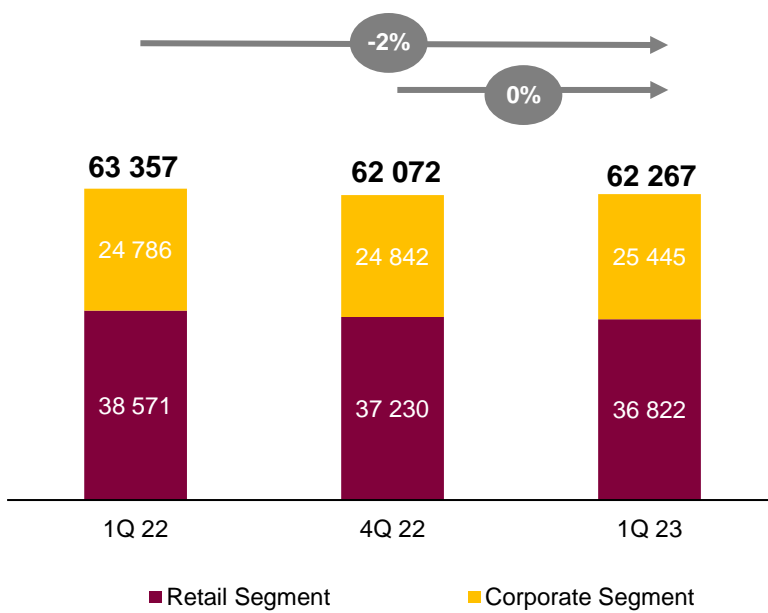
### Quarterly sale of leases and loans (PLN mn)



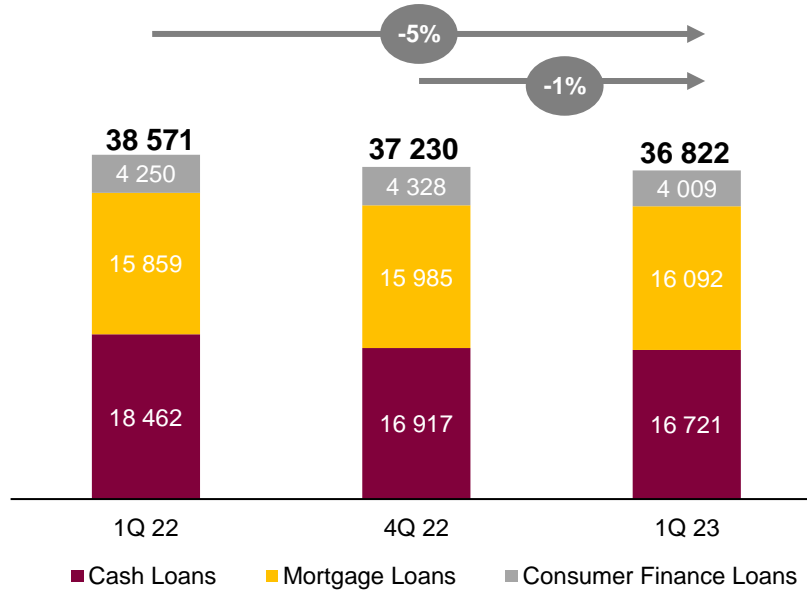
- Alior Leasing's lease and loan portfolio remains at PLN 5.8 bn at the end of 1Q'23, similar to the value at the end of 2022.
- In 1Q'23 Alior Leasing sales amounted to **PLN 608 mn (+3% q/q)**
- Quarterly sales of lease and loans is consequently improving from quarter to quarter. In 1Q'23 sales was 16% higher than in 1Q'22.
- The number of agreements concluded by Alior Leasing at the end of 1Q'23 amounted to **98,1 thousand (-8% y/y)**
- The structure of financing granted was dominated by light vehicles (43%) and heavy vehicles (43%), the share of machinery and equipment was at 14%.
- In 1Q'23 Alior Leasing introduced a new strategy for 2023-2025. The strategy includes seeking greater synergies within Alior Bank Group, introduction of a universal product offer, development of own sales channels, continuing initiatives in digitization and automatization, focus will be on increasing sales of machinery and equipment.

# Gross structure of the loan portfolio (PLN mn)

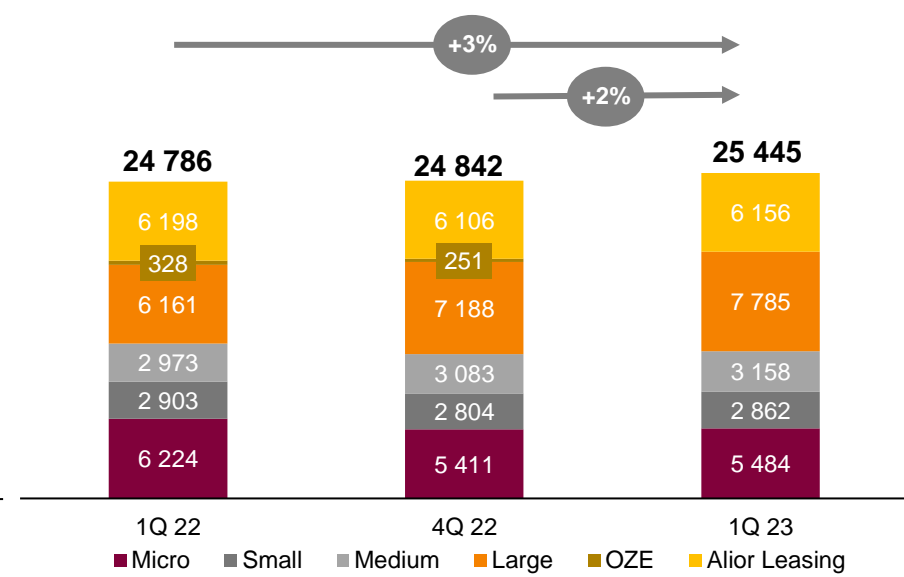
## Loan portfolio in total



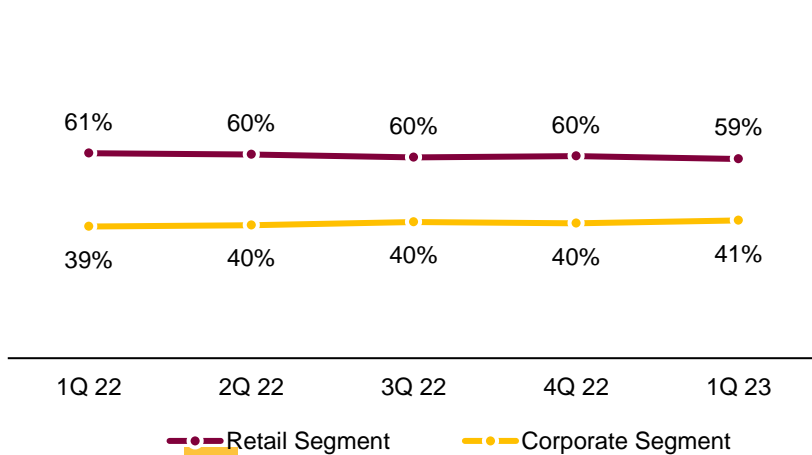
## Retail Customer Segment



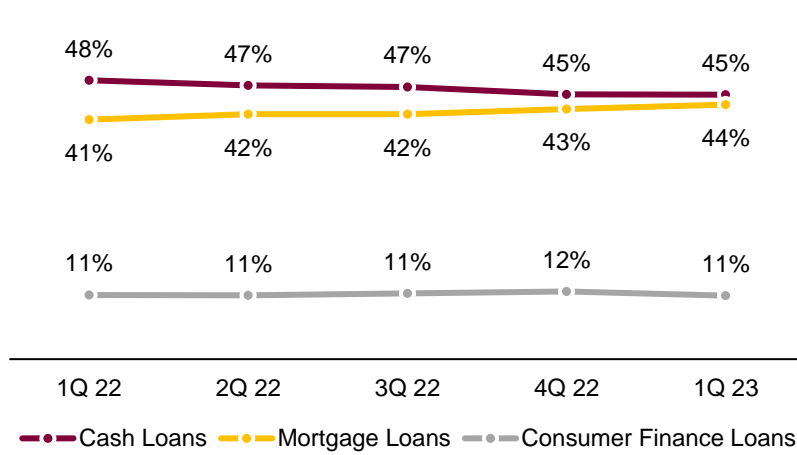
## Business Customer Segment\*



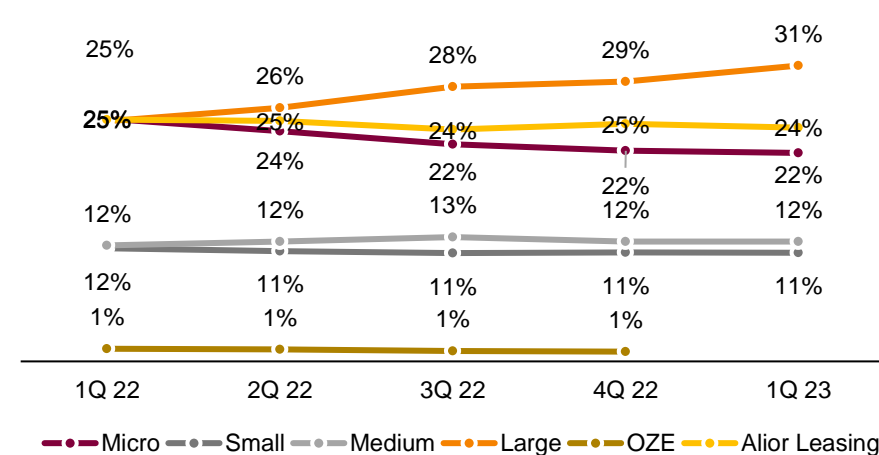
## Loan portfolio structure in total



## Structure of the Retail Customer segment



## Structure of the Business Customer segment\*

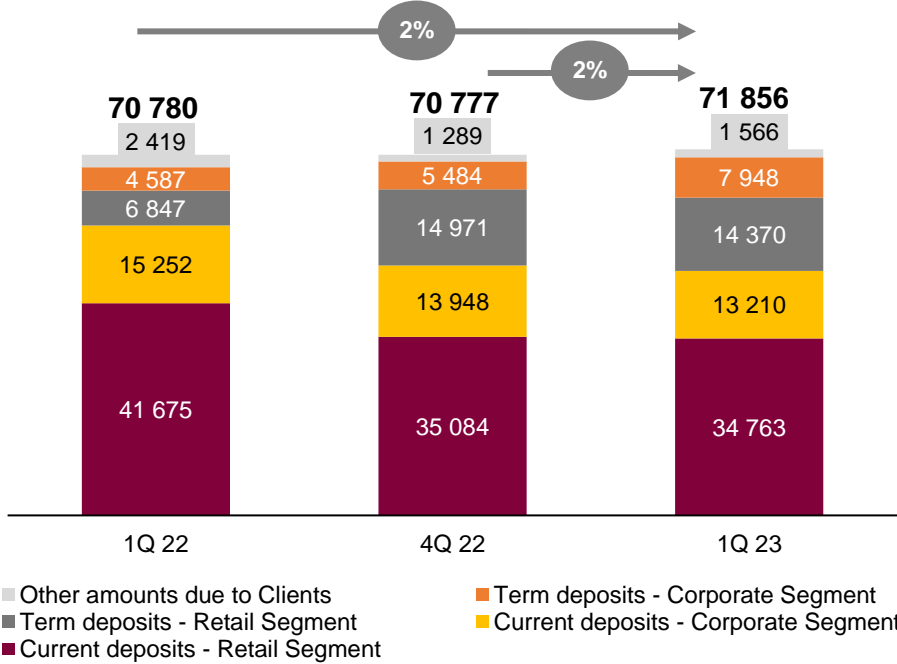


\*Managerial presentation; since 1Q'23 the Bank ceased reporting the renewable energy (OZE) segment

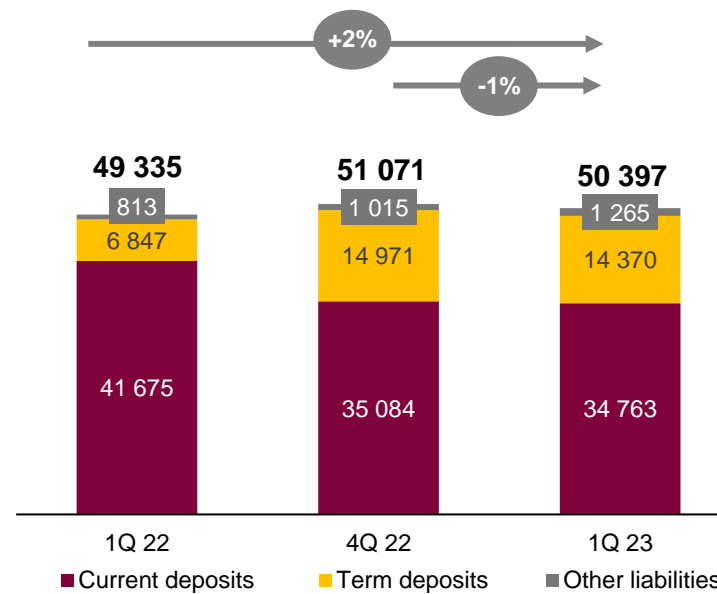


# The Bank adjusts its deposit portfolio to the current market situation (PLN mn)

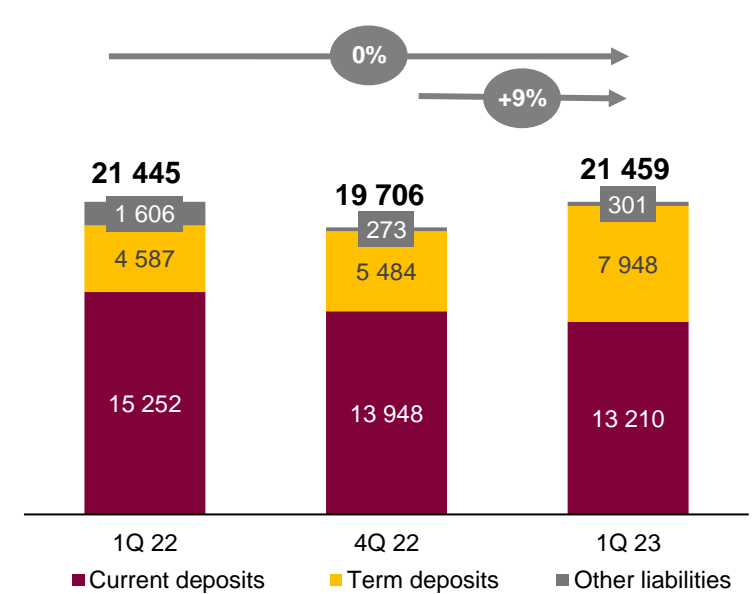
## Structure of net liabilities to Customers



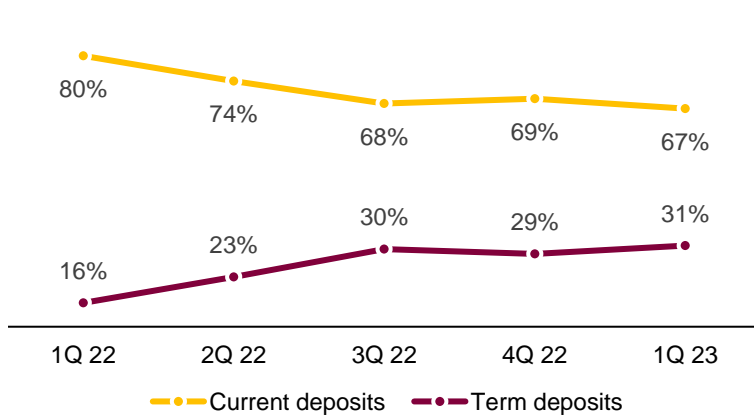
## Net liabilities structure - Retail Segment



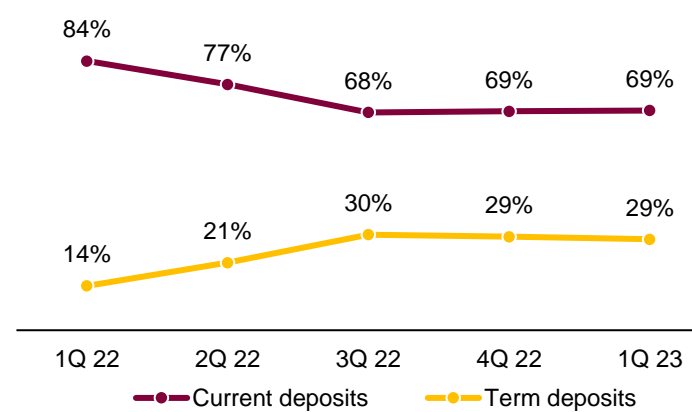
## Net liabilities structure - Business Segment



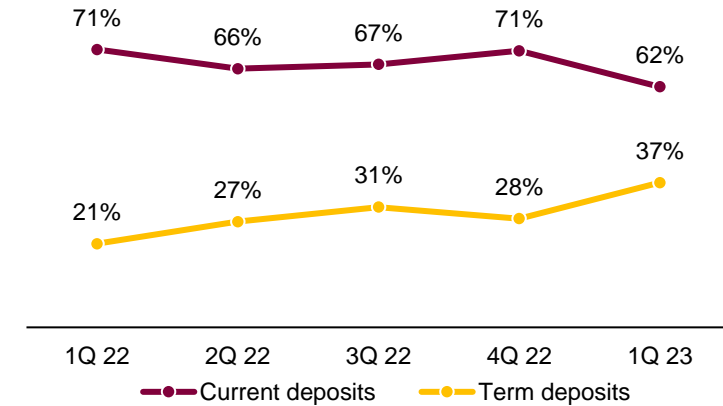
## Structure of main liabilities



## Structure of main liabilities - Retail Segment



## Structure of main liabilities - Business Segment

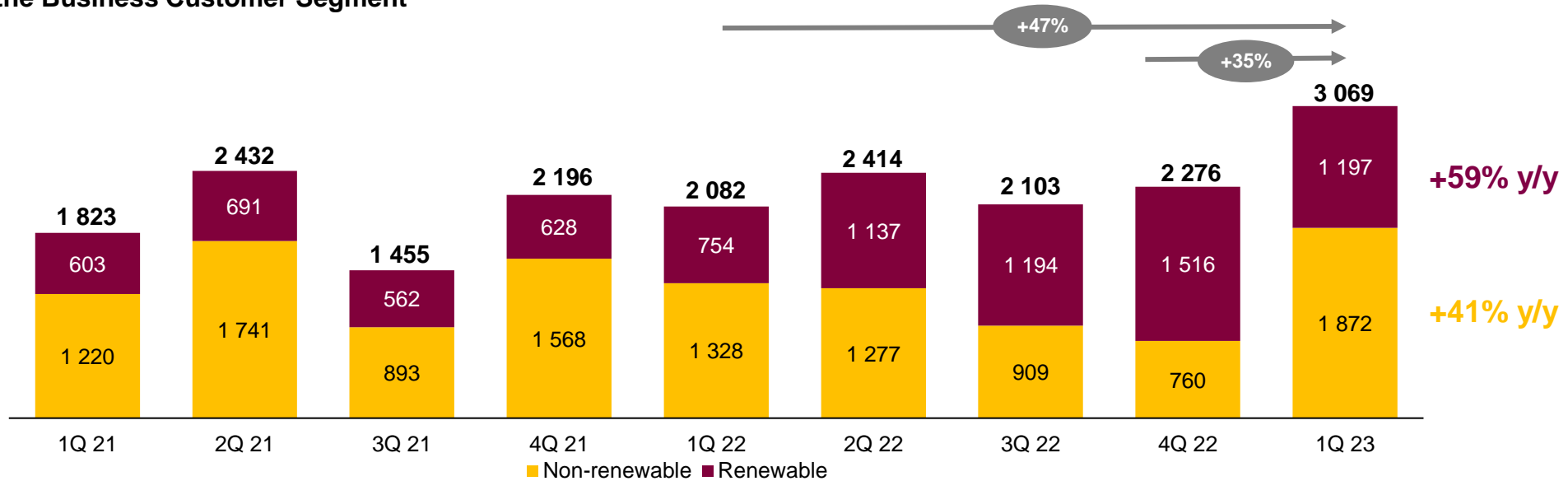


## Consolidated statement of the financial standing of the Alior Bank Group (PLN mn)

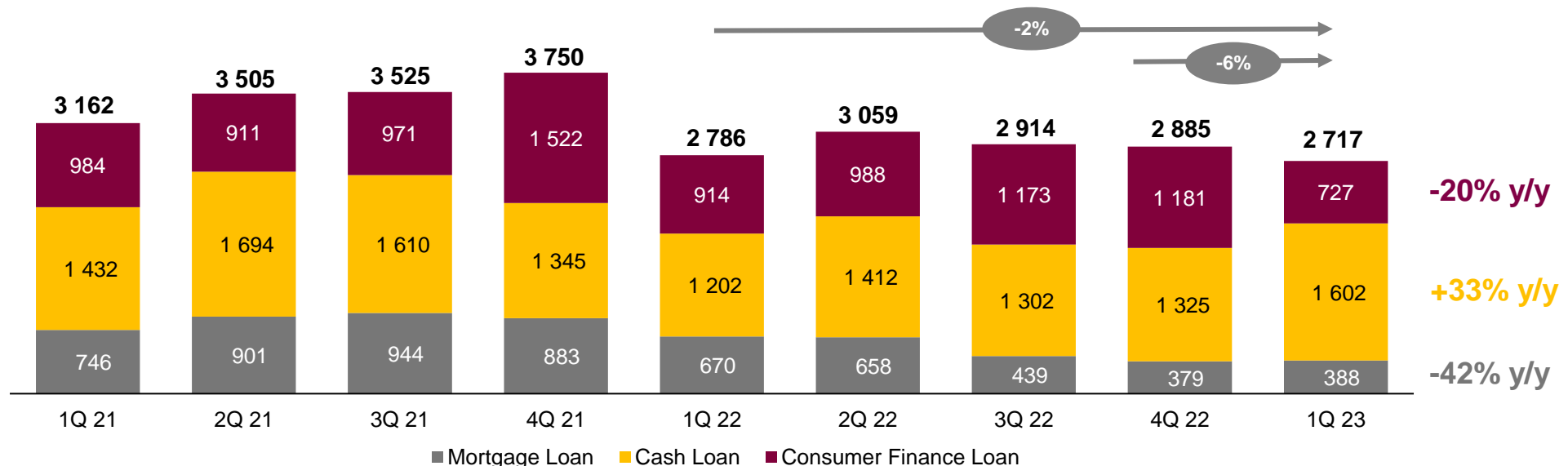
	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	% q/q	q/q	% y/y	y/y
<b>Total assets</b>	<b>84 649,7</b>	<b>84 223,5</b>	<b>84 070,7</b>	<b>82 877,2</b>	<b>84 325,2</b>	<b>2%</b>	<b>1 448,0</b>	<b>0%</b>	<b>-324,5</b>
Cash and cash equivalents	4 989,9	4 940,2	5 428,9	2 584,1	4 578,0	77%	1 993,9	-8%	-411,8
Amounts due from banks	2 244,6	2 874,2	2 605,8	2 373,7	1 766,6	-26%	-607,1	-21%	-478,0
Investment financial assets	12 325,1	12 571,2	14 035,3	17 015,1	16 815,4	-1%	-199,7	36%	4 490,3
Derivative hedging instruments	76,2	108,1	107,8	178,1	248,1	39%	70,0	226%	171,9
Loans and advances to customers	58 150,6	58 271,8	58 453,7	57 609,9	57 799,5	0%	189,6	-1%	-351,1
Assets pledged as collateral	3 752,9	2 140,5	240,2	41,0	47,5	16%	6,5	-99%	-3 705,4
Property, plant and equipment	746,9	723,6	722,8	744,4	723,5	-3%	-21,0	-3%	-23,4
Intangible assets	395,7	389,4	391,2	391,1	390,4	0%	-0,6	-1%	-5,3
Asset held for sale	0,0	0,0	0,0	1,6	0,0	-100%	-1,6	-	0,0
Income tax asset	1 411,0	1 523,6	1 503,3	1 417,2	1 290,0	-9%	-127,2	-9%	-121,0
Other assets	556,8	680,9	581,7	521,0	666,2	28%	145,2	20%	109,3
<b>Total liabilities and equity</b>	<b>79 070,0</b>	<b>78 902,4</b>	<b>78 624,9</b>	<b>76 707,3</b>	<b>77 416,7</b>	<b>1%</b>	<b>709,4</b>	<b>-2%</b>	<b>-1 653,4</b>
Amounts due to banks	2 687,4	1 755,7	294,0	270,4	303,9	12%	33,4	-89%	-2 383,5
Amounts due to customers	70 779,7	70 741,1	72 363,0	70 776,8	71 856,2	2%	1 079,4	2%	1 076,5
Financial liabilities	374,1	448,0	386,5	256,0	290,2	13%	34,2	-22%	-83,9
Derivative hedging instruments	1 674,2	2 265,3	2 091,1	1 678,9	1 384,0	-18%	-294,9	-17%	-290,1
Provisions	288,6	265,9	258,7	267,9	204,0	-24%	-63,9	-29%	-84,6
Other liabilities	1 886,5	2 139,4	1 913,9	2 044,2	2 110,4	3%	66,1	12%	223,8
Income tax liabilities	71,8	127,6	146,4	249,1	92,0	-63%	-157,1	28%	20,2
Subordinated loans	1 307,7	1 159,4	1 171,3	1 163,9	1 176,0	1%	12,1	-10%	-131,7
<b>Equity</b>	<b>5 579,7</b>	<b>5 321,0</b>	<b>5 445,7</b>	<b>6 169,9</b>	<b>6 908,5</b>	<b>12%</b>	<b>738,6</b>	<b>24%</b>	<b>1 328,8</b>
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	5 403,8	5 406,9	5 407,1	5 407,1	5 407,1	0%	0,0	0%	3,3
Revaluation reserve	-1 415,4	-1 890,0	-1 701,4	-1 339,4	-966,0	-28%	373,5	-32%	449,5
Other reserves	161,8	161,8	161,8	161,8	161,8	0%	0,0	0%	0,0
Foreign currency translation differences	0,0	-0,2	-1,6	0,3	0,0	-86%	-0,2	77%	0,0
Accumulated losses	-45,3	-48,3	-48,5	-48,5	634,2	-	682,7	-	679,5
Profit for the period	169,2	385,4	322,8	683,1	365,8	-46%	-317,3	116%	196,6
<b>Total liabilities and equity</b>	<b>84 649,7</b>	<b>84 223,5</b>	<b>84 070,7</b>	<b>82 877,2</b>	<b>84 325,2</b>	<b>2%</b>	<b>1 448,0</b>	<b>0%</b>	<b>-324,5</b>

# New sale of loans (PLN mn)

## Sales in the Business Customer Segment\*



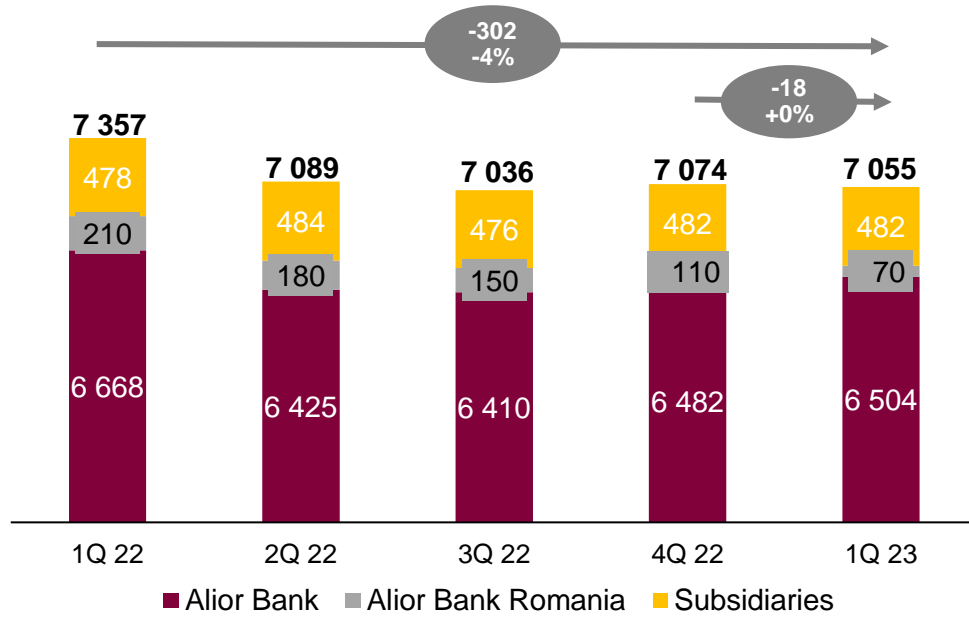
## Sales in the Retail Customer Segment



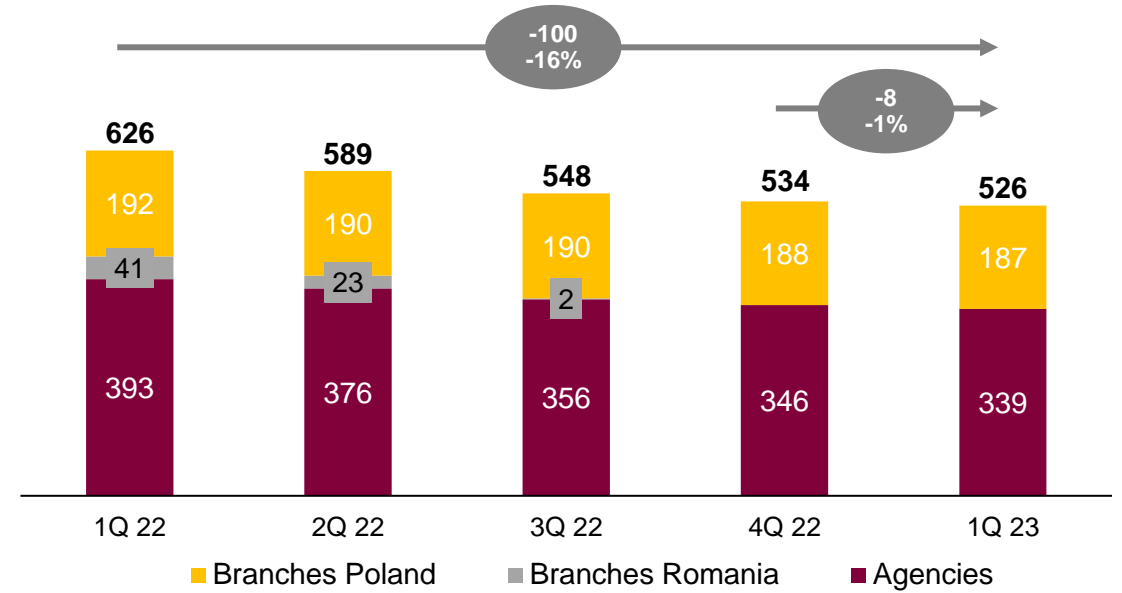
\*New sales limit (new sales + increases) for Customers in the Micro- / Small- / Medium- / Large-Sized categories

# Additional information

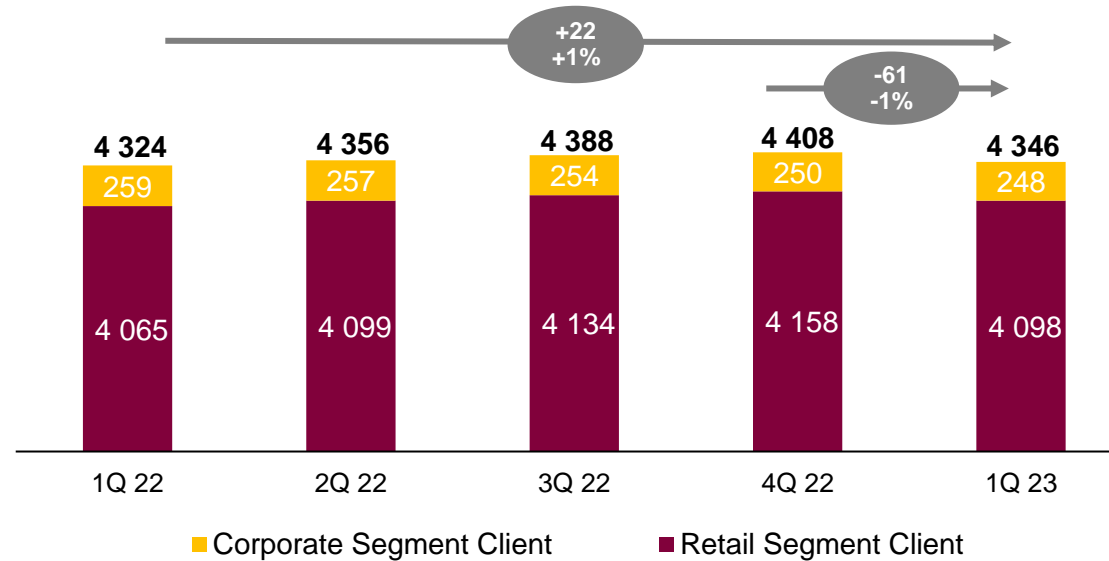
## Employment (FTEs)



## Alior Bank's branches

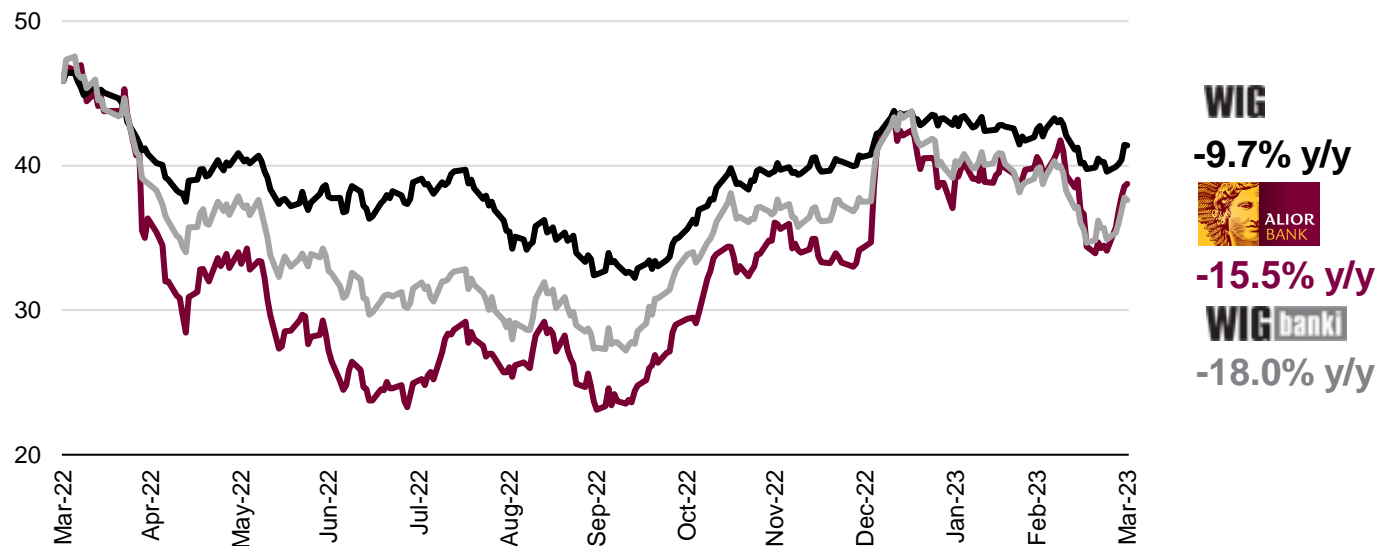


## Number of customers (k)



# 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 38.75**  
(data as at March 31, 2023)  
Capitalization: **PLN bn 5.1**  
Value of shares in free trade: **PLN bn 2.2**  
P/BV<sup>\*\*</sup>: **0,7x**  
P/E<sup>\*\*\*</sup>: **5,8x**

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

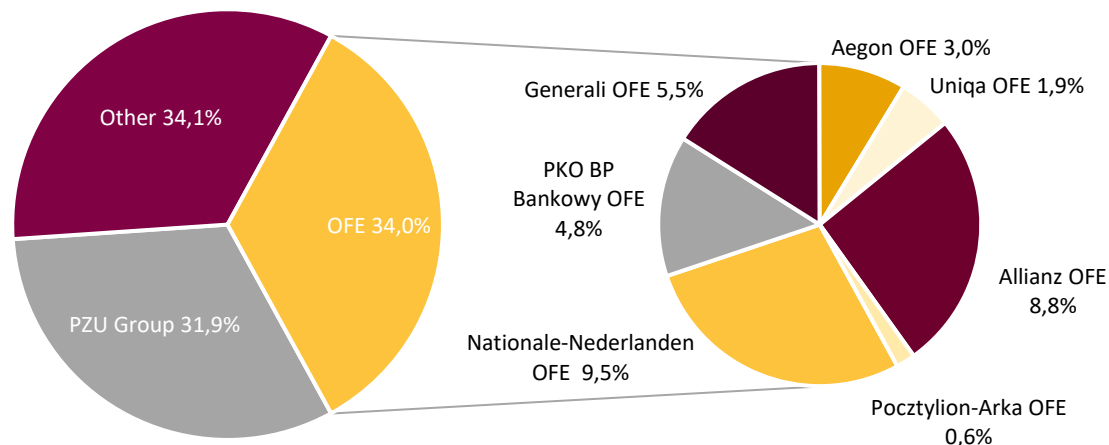
**Rating Fitch:**  
long-term: BB  
short-term: B  
outlook: stable

**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 March 31, 2023

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

## Contact data

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**Investor Relations and Subsidiaries  
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02-232 Warsaw  
Poland



## More information



[Website](#)



[Facebook fanpage](#)



[Twitter profile](#)



[Youtube channel](#)



## Following events:

- 1H 23 – August 2, 2023
- 3Q 23 – October 26, 2023

## Disclaimer

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