



WITAMY

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ALIOR BANK

# Alior Bank S.A.

Presentation of results for 1H 2022



1. Operating activities

2. Financial results

3. Credit risk

4. Other issues



Operating activities

## Once again Alior Bank managed to achieve very good financial results

In 2Q 22 the revenues of the Alior Bank Group amounted to PLN 1.2 bn – these are the highest revenues in its entire history. In comparison to 2Q 21 the revenues increased by PLN 307 mn (+34%).

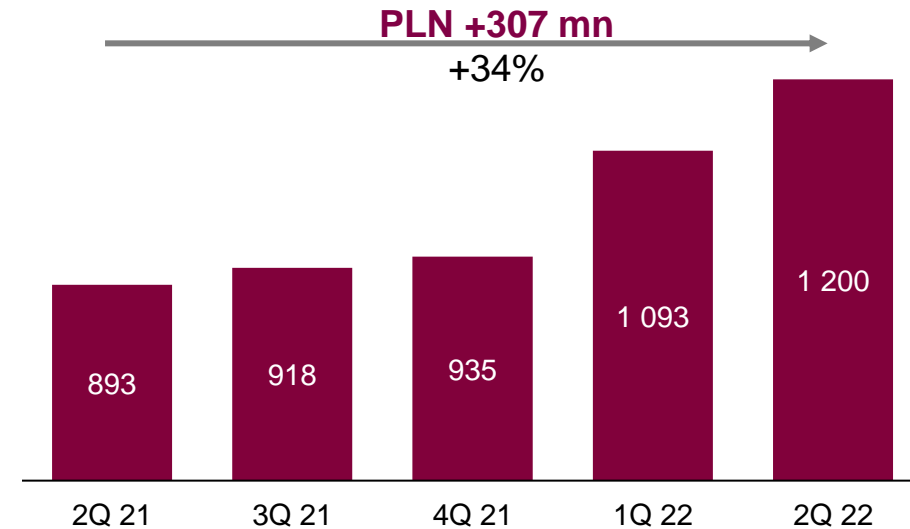
- interest income amounted to PLN 972 mn (+46% y/y)
- fee income amounted to PLN 221 mn (+20% y/y)

The net profit in 2Q 22 amounted to PLN 216 mn and was 75% higher than in 2Q 21.

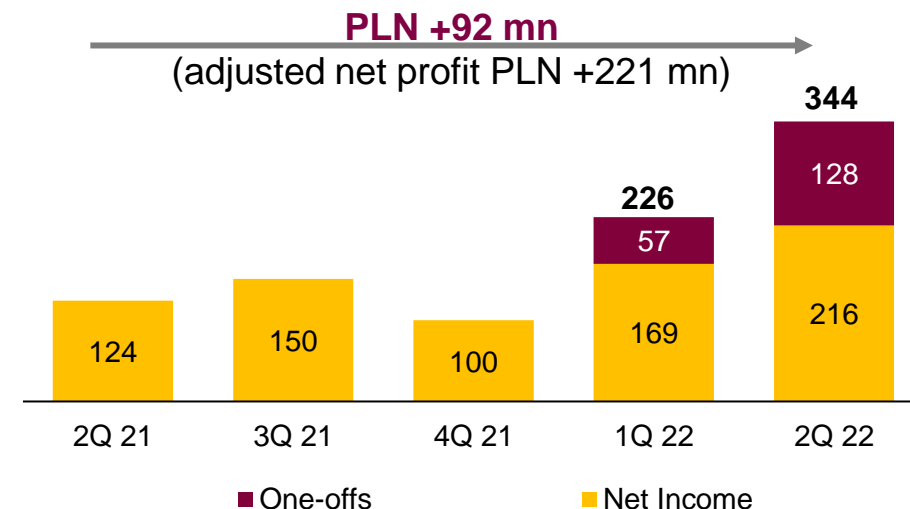
The net result of 2Q 22 was burdened by the cost of joining the Protection Scheme in the amount of PLN 195 mn, what was related to the lack of a contribution to the BFG deposit guarantee fund of PLN 30 mn. The total impact of these events on the Alior Bank Group's net profit in 2Q 22 was approximately PLN 128 mn.

Adjusted net profit in 2Q 22 was approximately PLN 344 mn, while adjusted net profit in 1H 22 was approximately PLN 570 mn.

Total revenues (PLN mn)

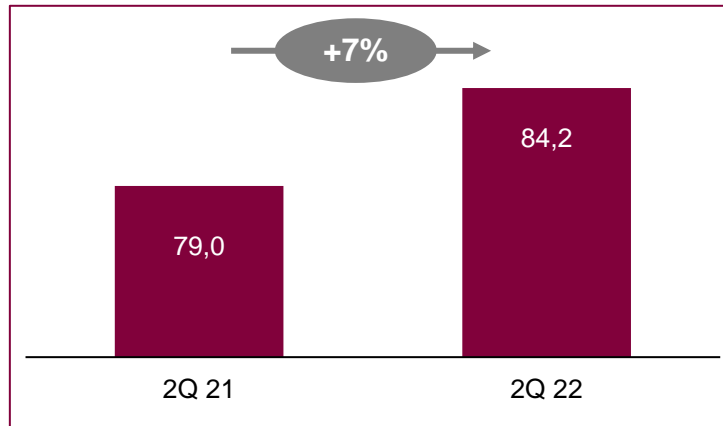


Net profit (PLN mn)

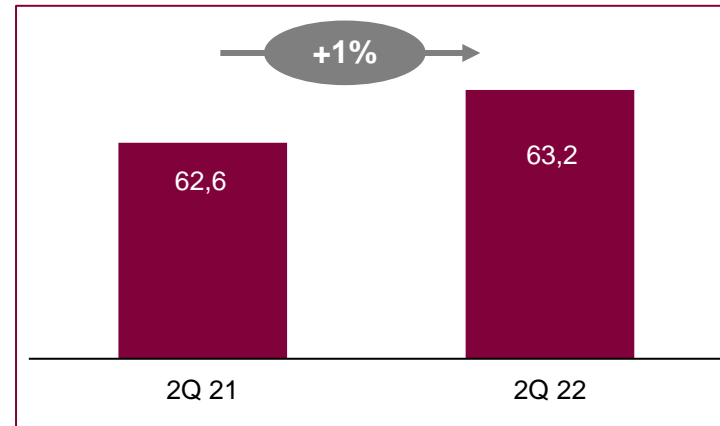


# Stable growth of the Bank, consistent improvement in efficiency

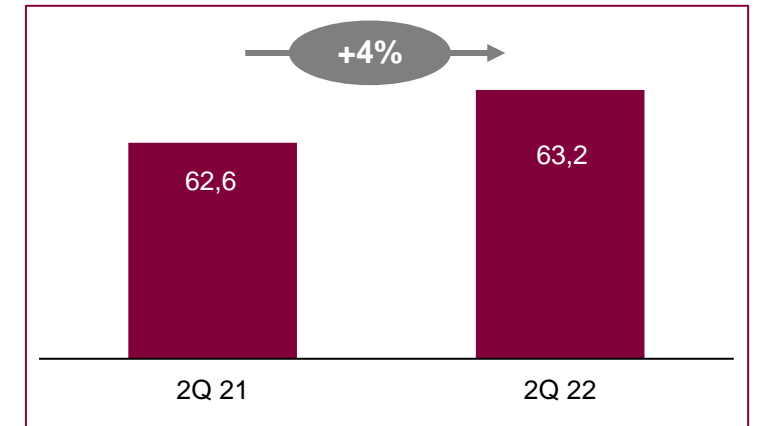
### Assets (PLN bn)



### Loan volume gross (PLN bn)



### Deposits volume\* (PLN bn)



**C/I 2Q 22**

**49,3%**  
+6,8 p.p. y/y

**ROE 2Q 22**

**15,9%**  
+8,3 p.p. y/y

**NIM 2Q 22**

**5,11%**  
+1,53 p.p. y/y

**TCR 2Q 22**

**13,99%**  
-0,96 p.p. y/y

**C/I 2Q 22  
(adj.)\*\***

**36,9%**  
+6,9 p.p. y/y

**ROE 2Q 22  
(adj.)\*\*\***

**25,0%**  
+17,5 p.p. y/y

**CoR 2Q 22**

**1,46%**  
-0,25 p.p. y/y

**NPL 2Q 22**

**10,70%**  
-2,27 p.p. y/y

\* Liabilities towards customers

\*\* Ratio calculated with an assumption of linear distribution of the contribution to the BFG resolution fund and 128 PLN mn of the impact of one-off events on total costs in 2Q 22

\*\*\* Ratio calculated with an assumption 128 PLN mn of the impact of one-off events on total costs in 2Q 22

## MOBILE DEPOSIT

Implementation of a Mobile Deposit for new users of the Alior Mobile Application with an attractive interest rate of 6% per annum and a popular deposit period - 3 months. A strictly mobile product.



## INSTALMENT AND MORTGAGE OFFER SIMULATOR

At the end of the second quarter Alior Bank made one of the most intuitive instalment and mortgage offer simulators on the market, available online. The simulator was prepared according to the Design Thinking methodology and preceded by in-depth usability studies.



## IMPLEMENTATION AND DEVELOPMENT OF AI TOOLS

In the second quarter, the percentage of calls handled, in an automated manner, by InfoNina exceeded 30%. The Bank's first bot making outbound calls was implemented. AI Platform Project won the top prize at Retail Banker International Global Awards in the Best Banking Use of AI category.



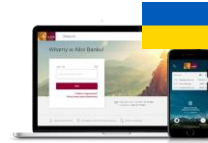
## NEW STORE IN ALIOR MOBILE

Personalisation of offers in mobile. Redesign of the offers tab in Alior Mobile, specification of personalised offers in the "Offer for you" tab and redesign of advertising placements on individual tabs in the app.



## DIGITAL SOLUTIONS FOR UKRAINE REFUGEES

Implementation of a basic payment account with service in digital channels for Ukrainian refugees without standard identity documents and provision of a 500+ benefit application for Ukrainian citizens.



## SELF - SERVICE

Expansion of the After-sales Module in online banking for all customer segments with further instructions. Number of cases that customers now have 24/7 access to: 33 for KI and 16 for KB in Alior Online, 19 for KB in BusinessPro.



## XIAOMI PAY AT ALIOR BANK

From June 2022. Alior Bank customers can use contactless payments with selected Xiaomi mobile devices. The offer is addressed to individual, business and currency exchange customers.



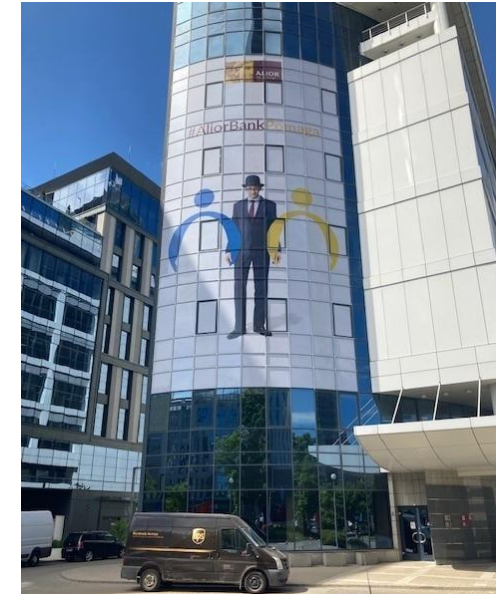
# Alior Bank supports Ukrainian citizens - socially and through an attractive product offer



## SOCIAL RESPONSIBILITY



- The 10 units available to local authorities (Podlaskie, Lubelskie, Małopolskie, Dolnośląskie, Mazowieckie, Warmińsko-Mazurskie, Zachodniopomorskie and Śląskie) have an area of 11,800 m<sup>2</sup>.
- Employee volunteering (e.g. at the Medyka and Korczowa border crossings).
- Donations (cardiac monitors for the hospital in Mostyska, vehicles from Alior Leasing for passenger transport and humanitarian aid, "Backpacks for Pupils").



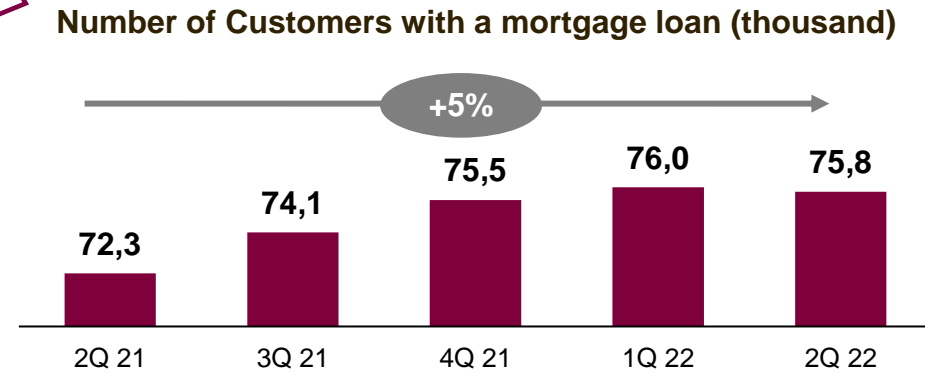
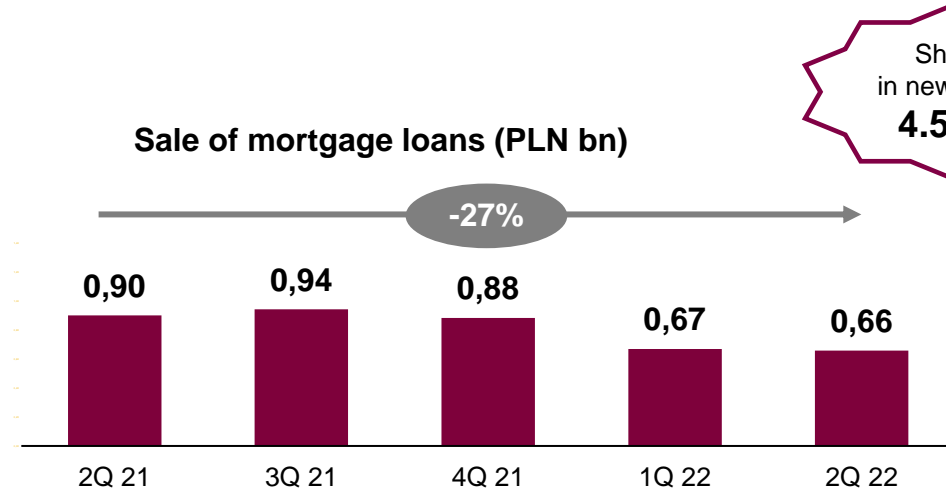
## Partnerships



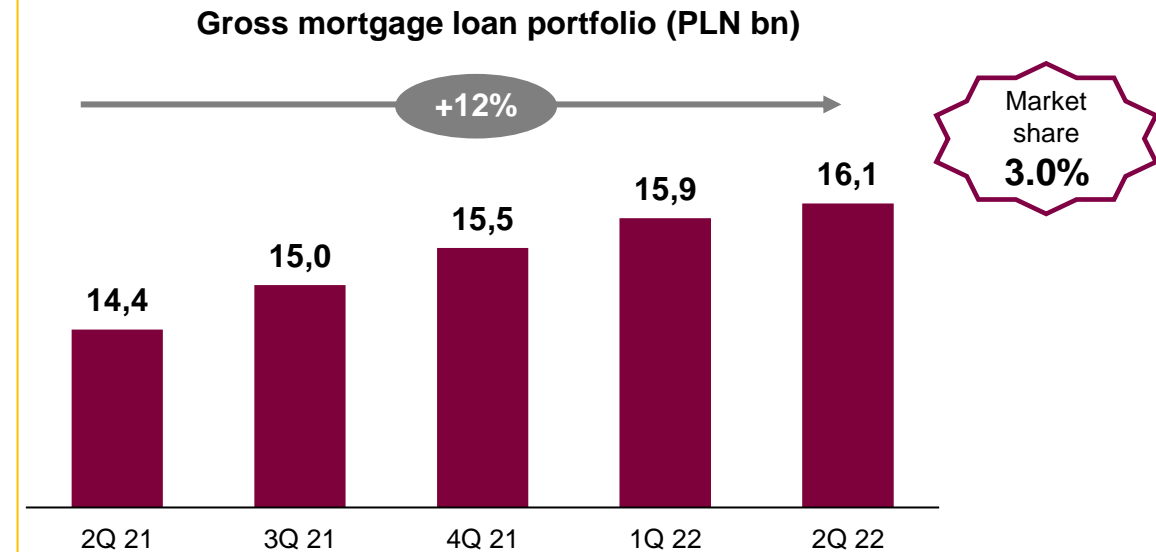
## Establishment of the Alior Bank Foundation

- Poland's largest refugee assistance centre in the former Alior Bank headquarter at 25a Towarowa Street in Warsaw.
- Comprehensive psychological, vocational, legal and educational support.
- Since 14 May, we have helped more than 10,000 refugees.

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



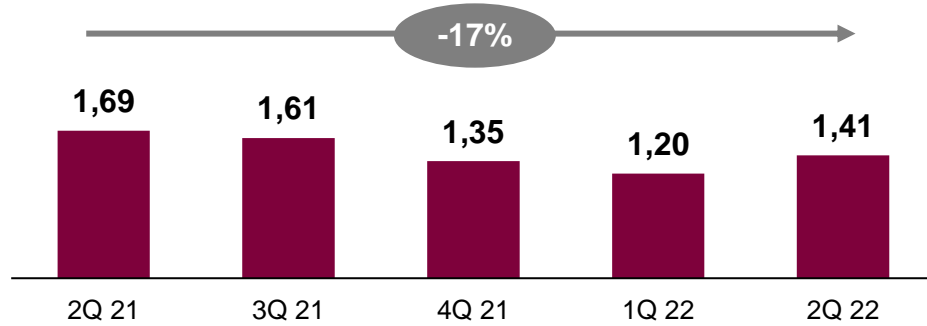
- In 2Q 22, the Bank focused on increasing the availability of its PLN mortgage loan offer, made the offer more attractive to customers of Poland's next major city after Warsaw, i.e. Cracow, and extended the loan term to 35 years.
- The Bank is also working to mitigate the impact of the macroeconomic situation - in line with the supervisory authority's expectations, it increased sales of mortgages at a periodically fixed rate to 17% in June this year.
- **On 14 July, the Bank made it possible for customers to apply for the "Housing without contribution" programme, which enables them to take out a home loan of up to 100% of the cost of purchasing a home.** This is the first operational launch of this programme on the Polish market.
- Despite the difficult situation on the real estate financing market in 2Q 22, (caused, among other things, by the outbreak of war in Ukraine and the Monetary Policy Council's decisions to increase NBP interest rates), the Bank increased its share of sales in April-May to 4.45% compared to 4% in 1Q 22.



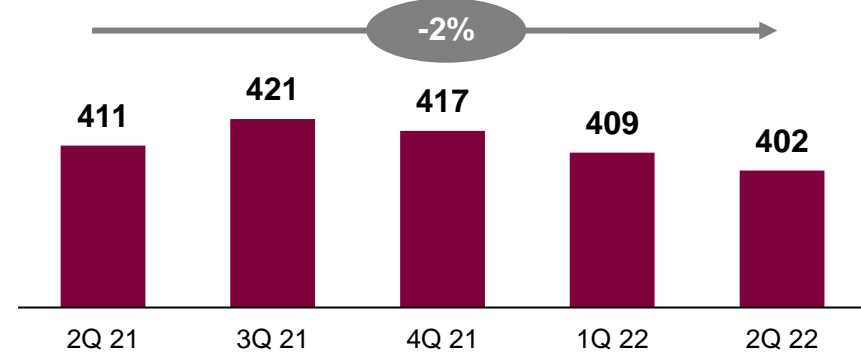
# Growth of the Bank's key products – cash loans\*



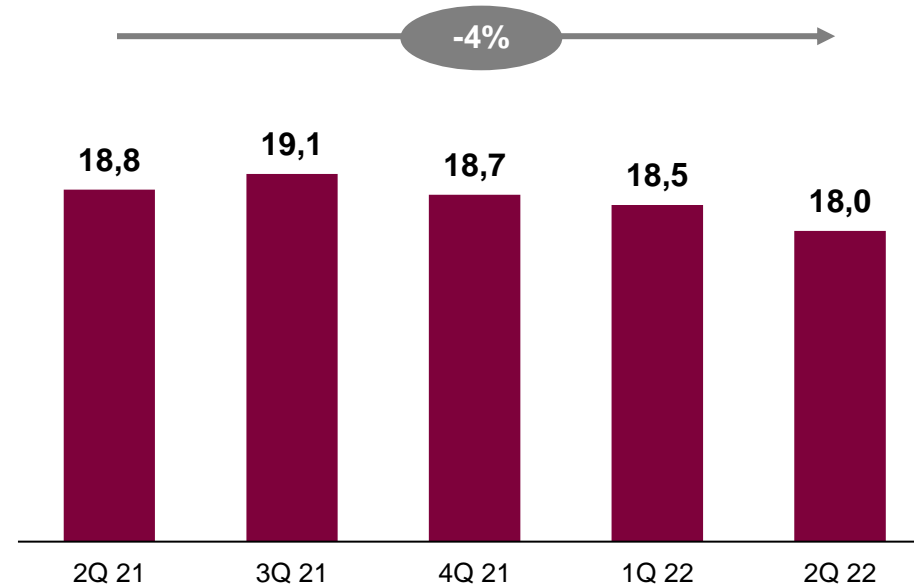
Sale of loans (PLN bn)



Number of Customers with a loan (thousand)



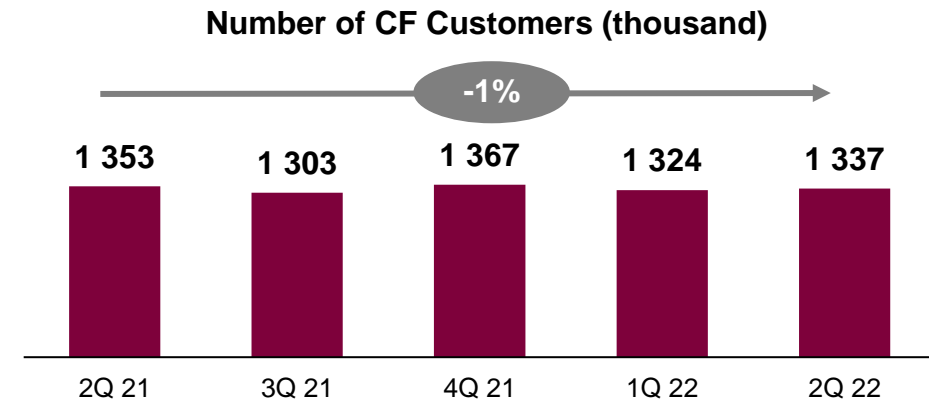
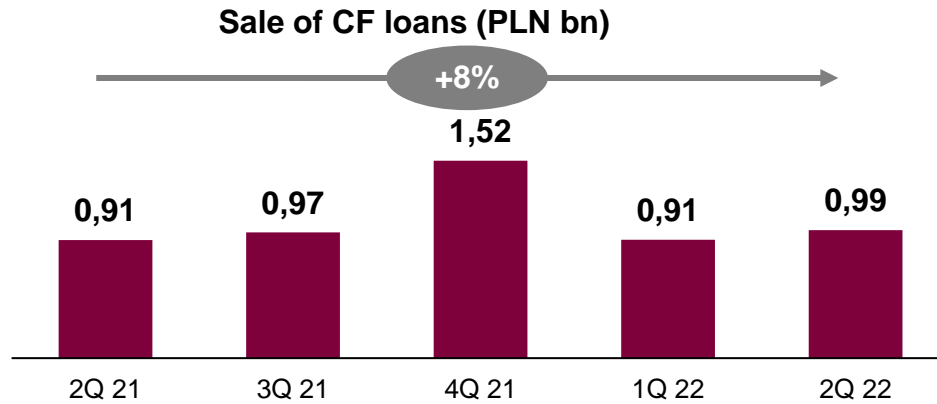
Gross consumer loan portfolio (PLN bn)



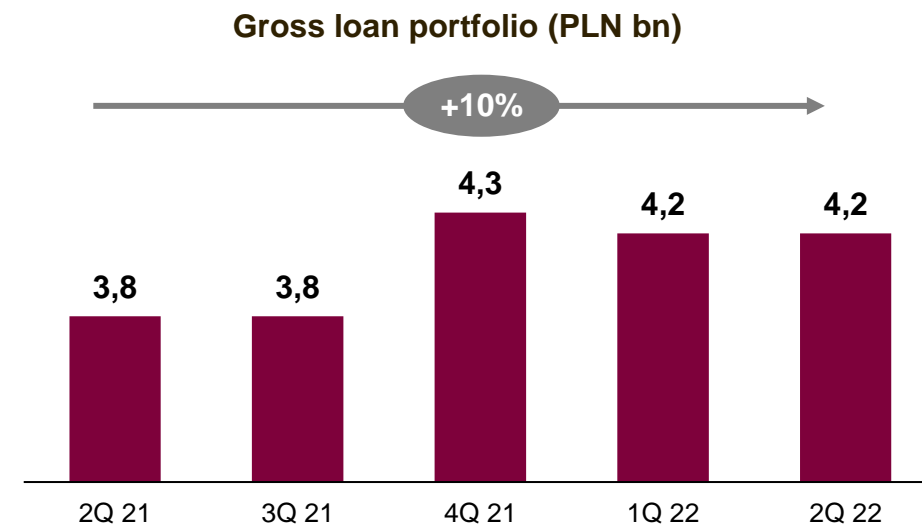
Market share  
**11.1%**

- In the area of unsecured loans, we are consistently developing a line of products, the parameters of which (particularly the price) take into account the Bank's knowledge of the past cooperation with the customer, its products and transactions.
- We are continuing our strategy of increasing the sale of the loan in remote channels, providing attractive offers such as "Weekend bargains" and "Cancellation".
- Due to changing interest rates, the offering of fixed-rate loans has been extended. The "Fixed Instalment Guarantee" offer was covered by a multi-channel marketing campaign on TV, online, radio, press and in the sales network. In June, fixed-rate products accounted for 64% of all new sales.
- The Bank continues to sell the cash loan implemented in 2021 based on the Clean Air Programme subsidy.

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

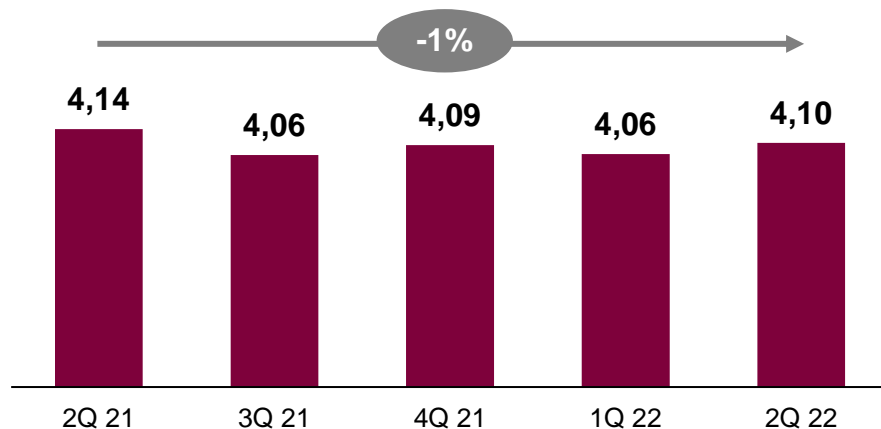


- Despite of high interest rates unfavourable to the consumer finance market and a reduction in photovoltaic financing resulting from a change in the settlement method, sales increased by PLN 74 mn quarter-on-quarter (+8%).
- The increase in sales is due, among other things, to growing sales in the online channel, where a number of changes were introduced in the first half of this year to streamline the process, including a new method of confirming identity, which was very well received by both customers and Business Partners.
- Together with our Partners, we continuously invest in direct integrations and their development, so that in a highly competitive market we increase both sales and our loan portfolio.

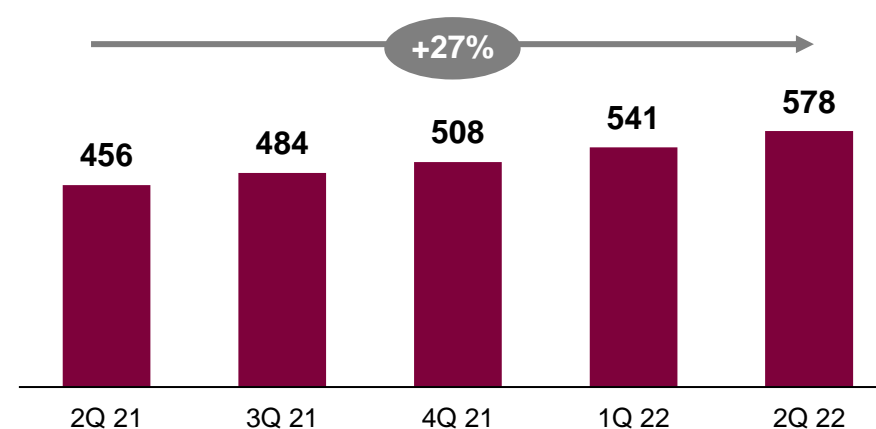


Market share  
**17.1%**

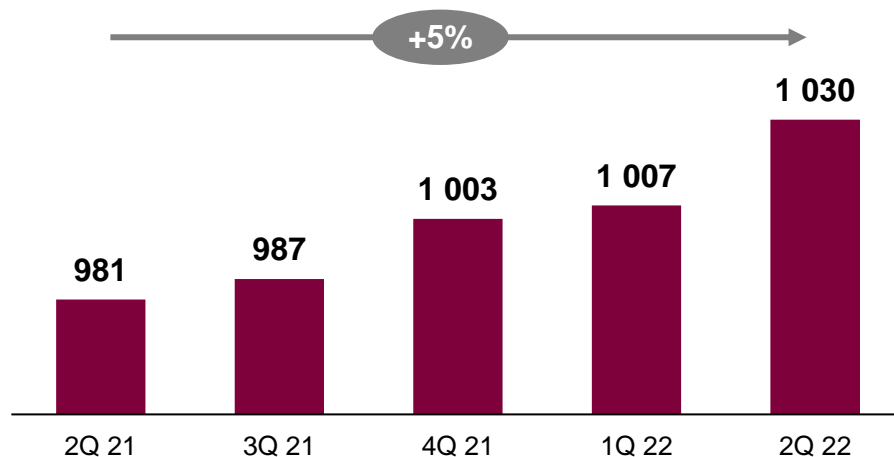
Number of Individual Customers\* (million)



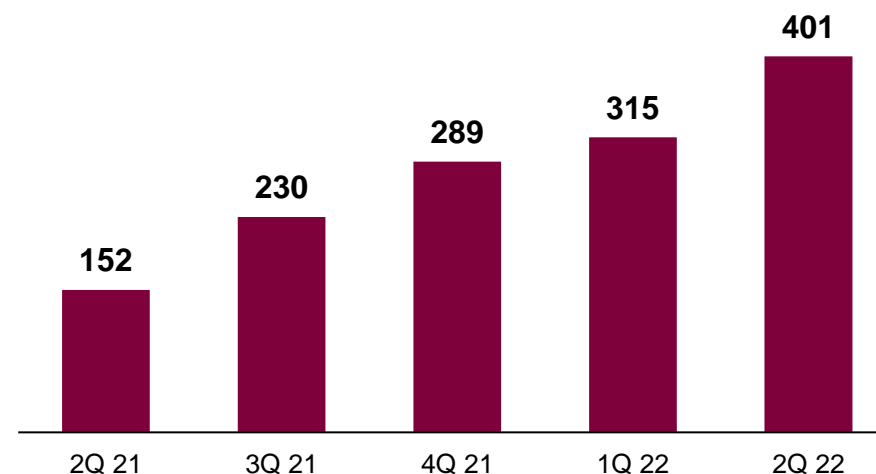
Number of accounts "Konto Jakże Osobiste" (thousand)



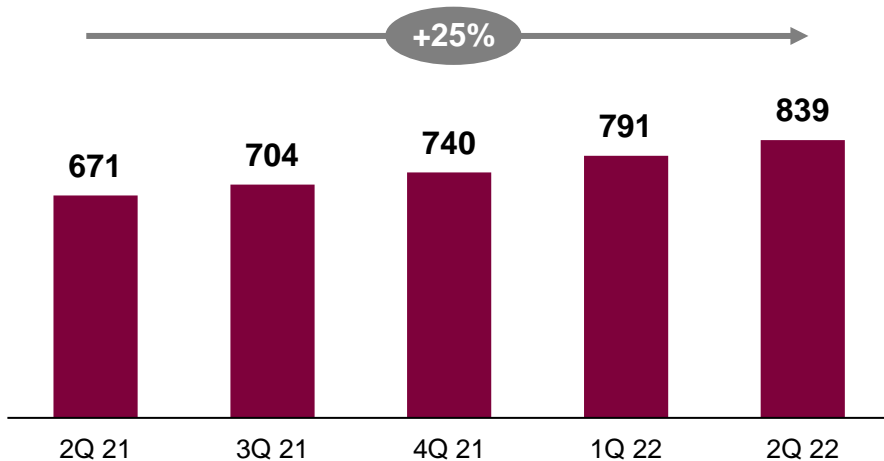
Number of Customers with systematic incomes (thousand)



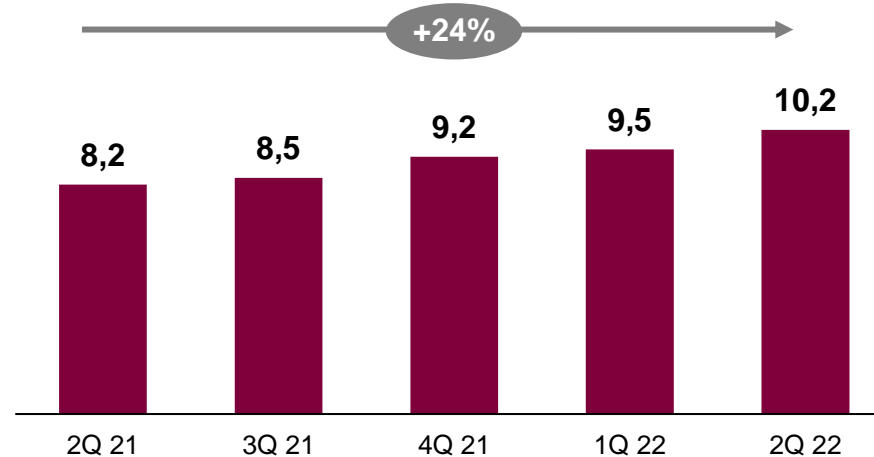
Number of motorway journeys and tickets paid in the Alior Mobile application (thousand)



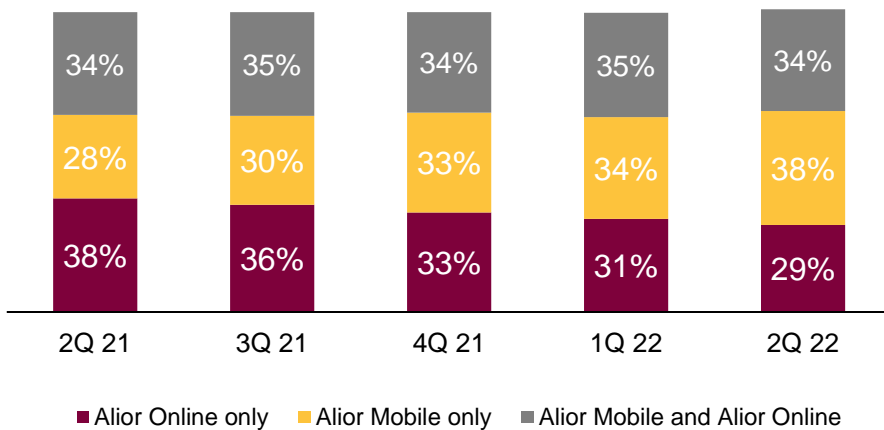
Users of Alior Bank mobile applications (thousand)



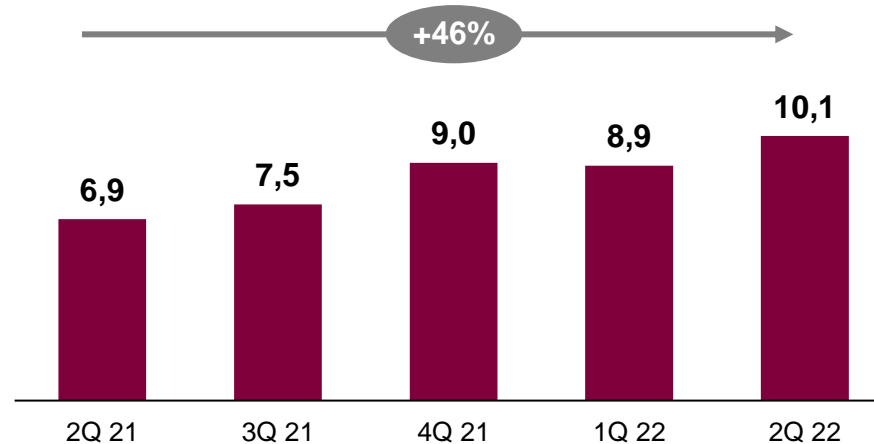
Number of wire transfers ordered in the Alior Mobile application (million)



Structure of Alior Online and Alior Mobile usage



Number of BLIK transactions (million)

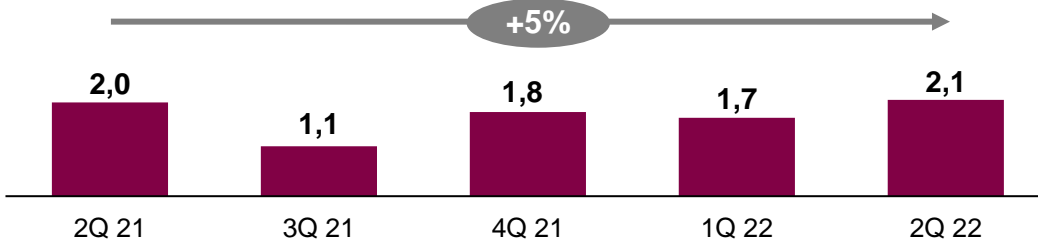


Increase in sales and effectiveness of the loan portfolio ...

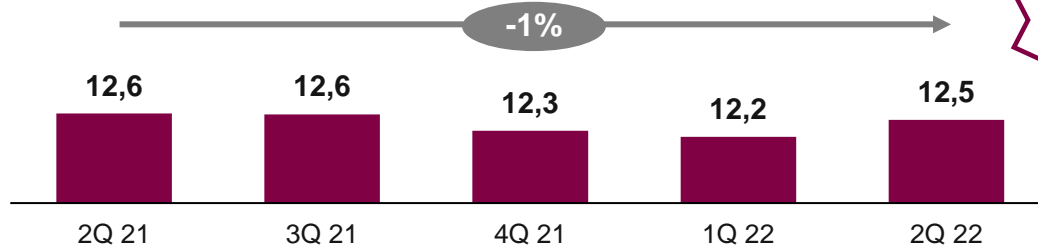


**Segment: Small / Medium / Large**

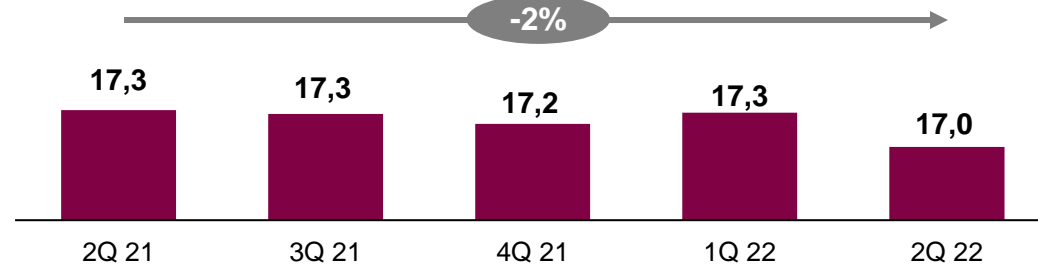
Total credit limit granted (PLN bn)



Asset balance (PLN bn)

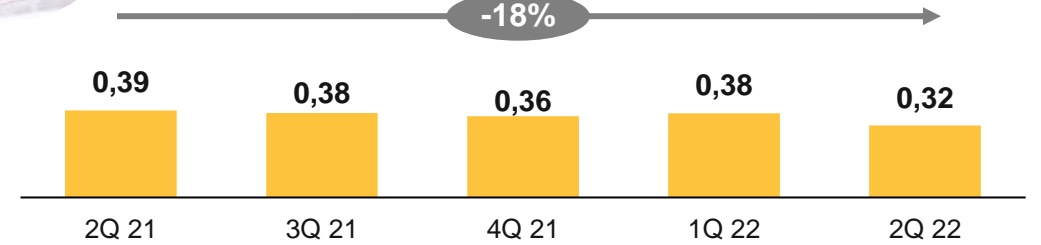


Number of customers holding an account (thousand)

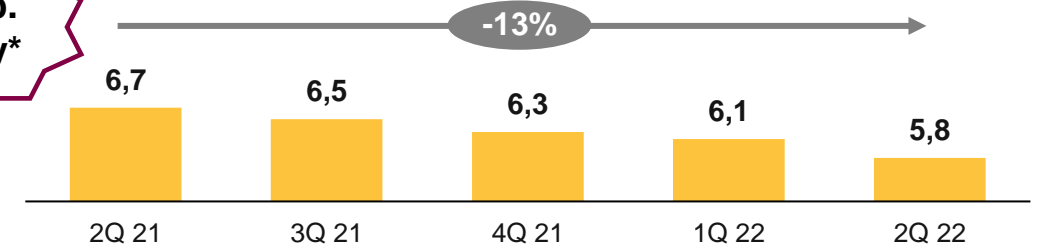


**Micro segment**

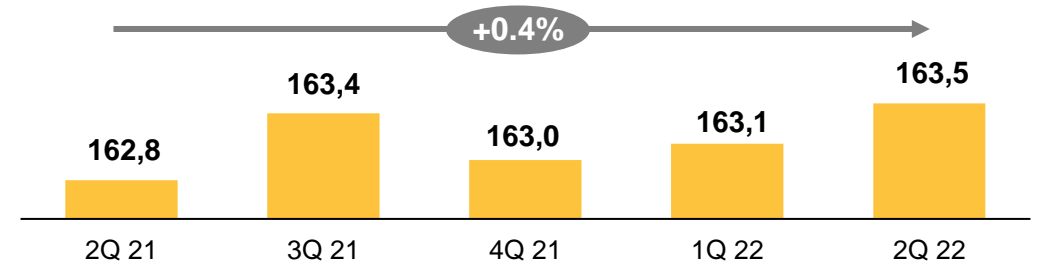
Total credit limit granted (PLN bn)



Asset balance (PLN bn)



Number of customers holding an account (thousand)



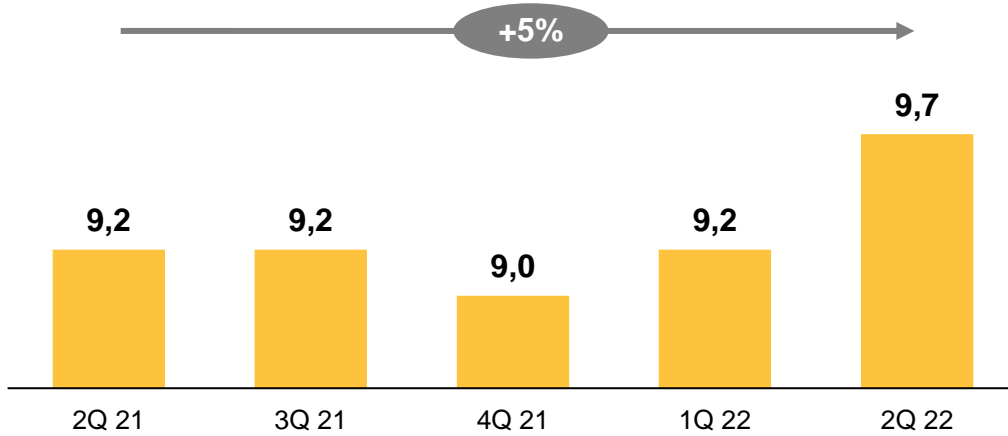
**-3.7 p.p. NPL y/y\***

The strategy of improving the quality of the loan portfolio has a positive impact on revenue growth, a decrease in the cost of risk and a reduction in the NPL ratio. It is accompanied by optimisation of the Customer base. We focus on building relationships with customers with a good risk profile and high product potential.

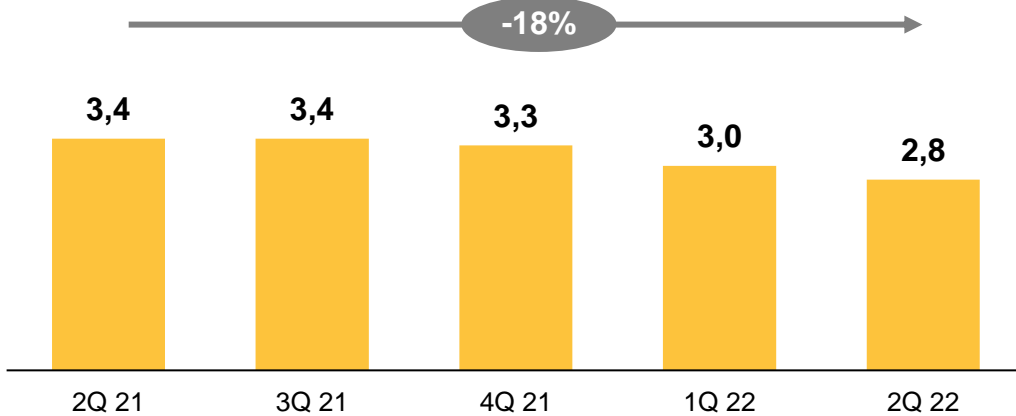
\*NPL ratio of the business customer segment's loan portfolio decreased from 22.12% at the end of 2Q 21 to 18.41% at the end of 2Q 22.

... simultaneous improvement of the portfolio composition and new sales ...

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

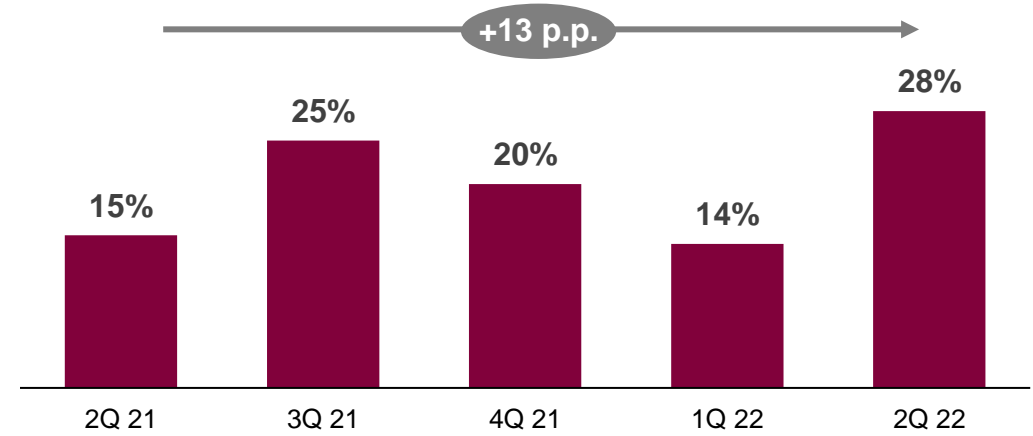


**Balance of assets Small/Medium/Large in collection\* (PLN bn)**



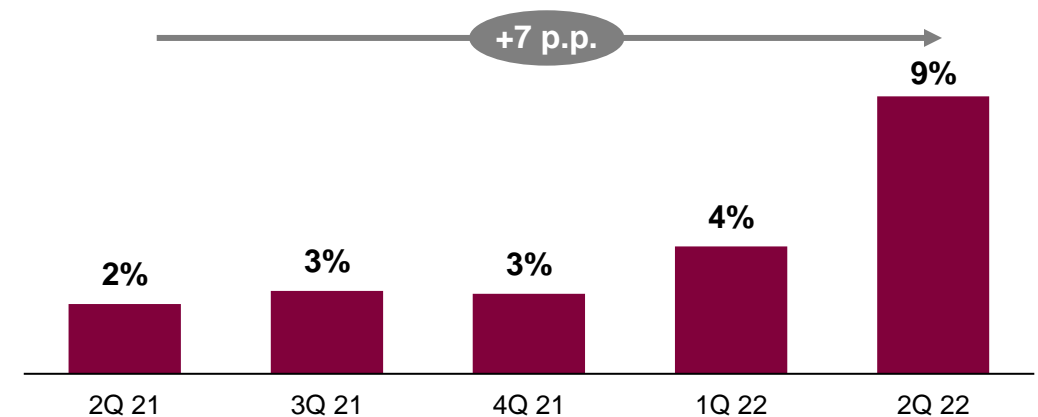
In the Business Customer segment, the effects of work to improve the quality of the loan portfolio are visible. Assets in regular servicing are increasing, while the portfolio in structuring or collection is decreasing.

**Share of new sales to preferred industries**



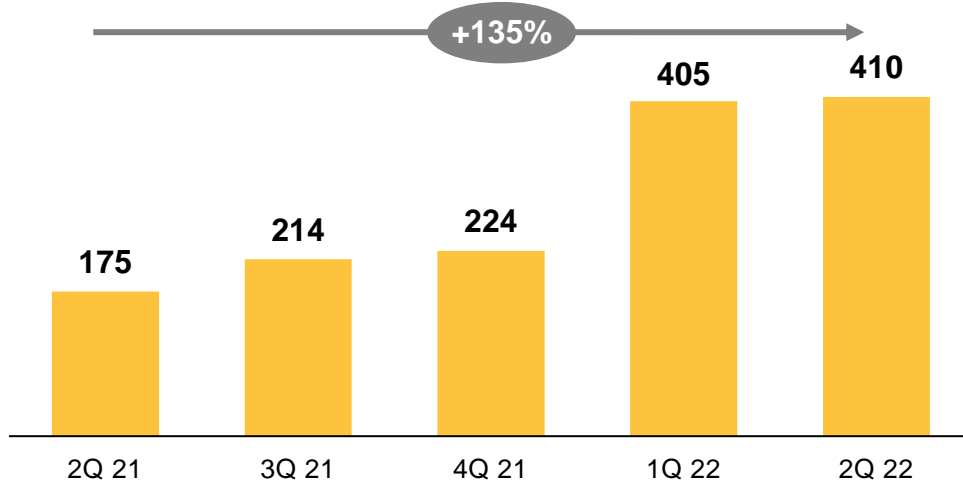
In 2Q 22, the share of new credit and factoring limits sold to preferred industries, in the SME and large company segments, reached 28%. The improvement in this ratio is the result of the Bank's efforts to diversify its portfolio and increase funding in industries with low risk and high revenue potential.

**Share of factoring in new sales**

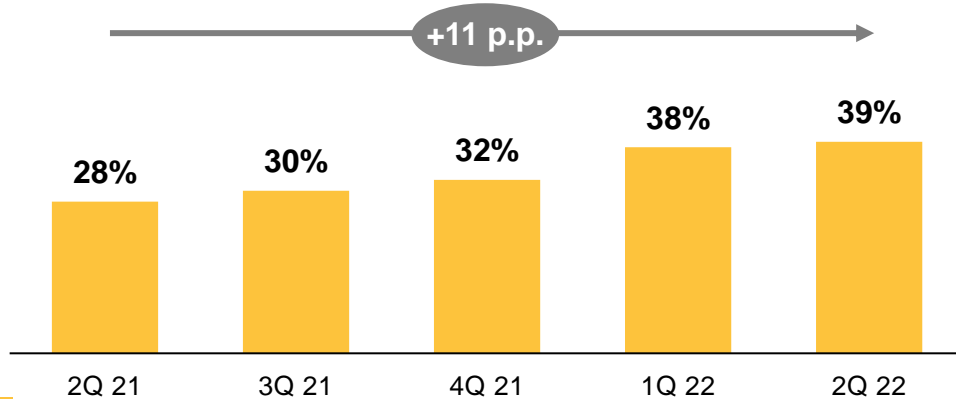


Remote service (Segments: Micro / Small / Medium / Large)

Sale of cards and auxiliary accounts in BusinessPro Banking

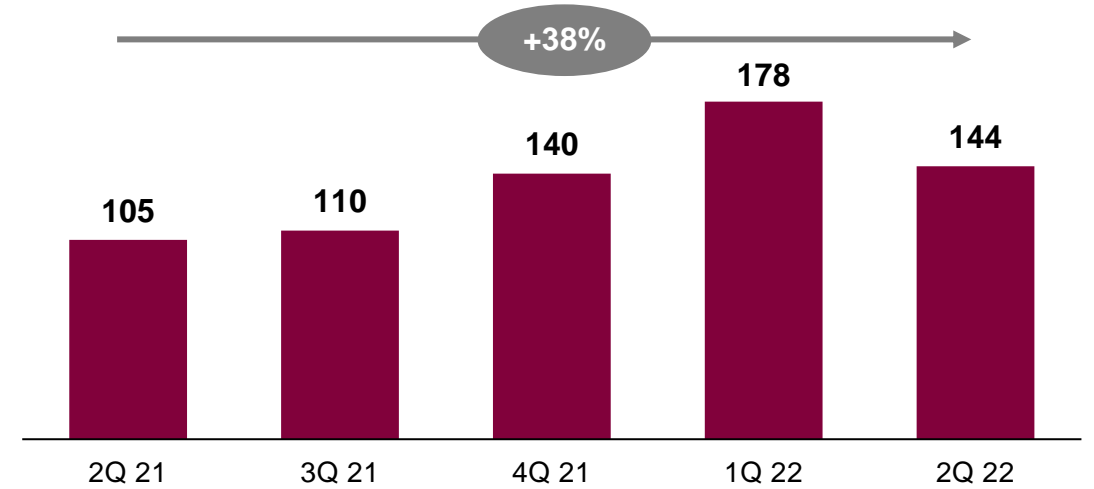


% of instructions received remotely



Automated decisions (Segments: Small / Medium / Large)

New sales in automated decisions (PLN million)



31%

39%

36%

37%

55%

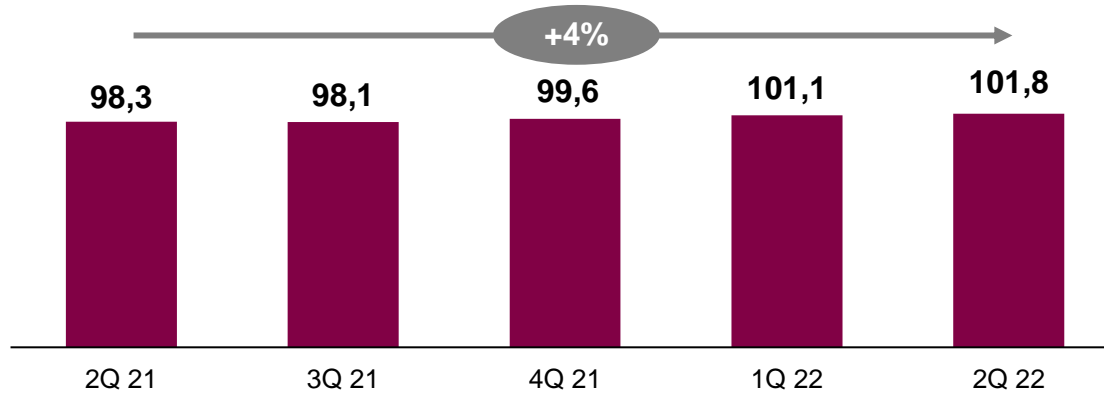
Share of automated decisions in the Small segment

Most important implementations in 2Q 22:

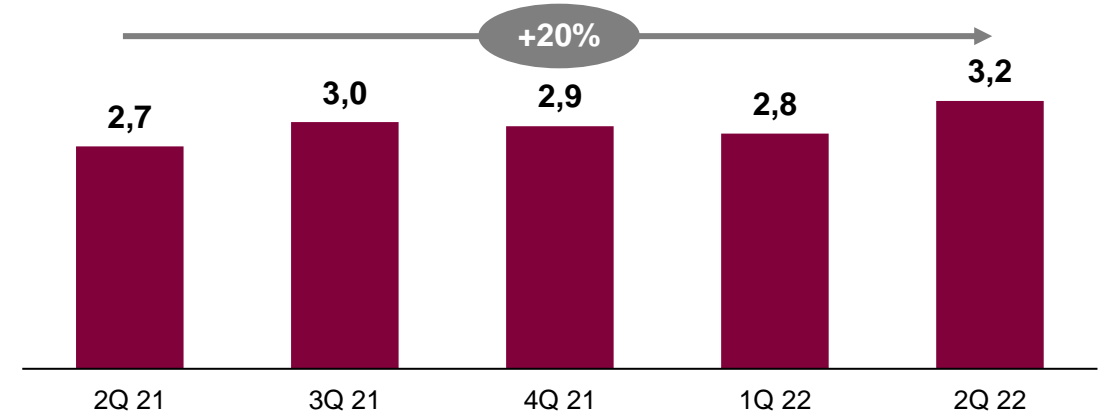
- Pre-approved without financial documents in an automated process - an offer for current Customers.
- Financing of customers who changed their form of accounting to flat-rate tax on registered income without deductible costs in 2022.

# Consequently, improved x-sell results and Customer transaction activity

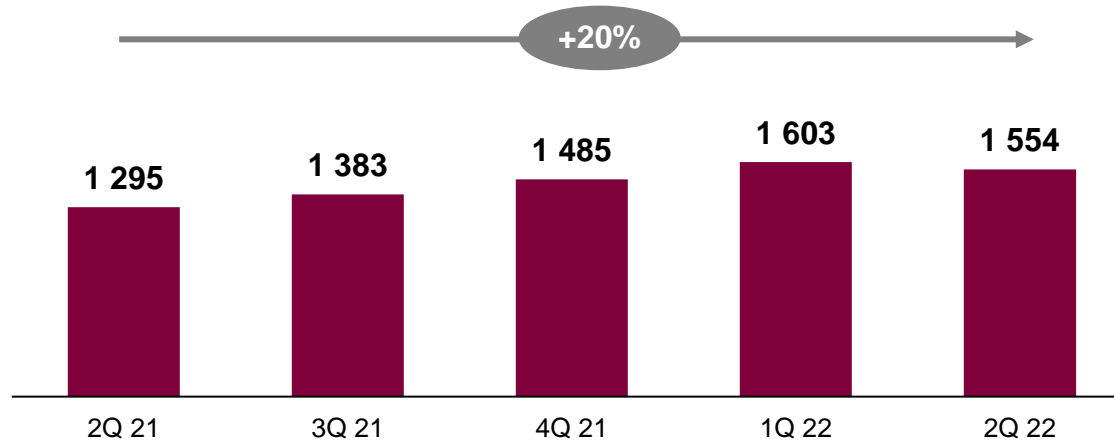
### Number of actively used cards (thousand)



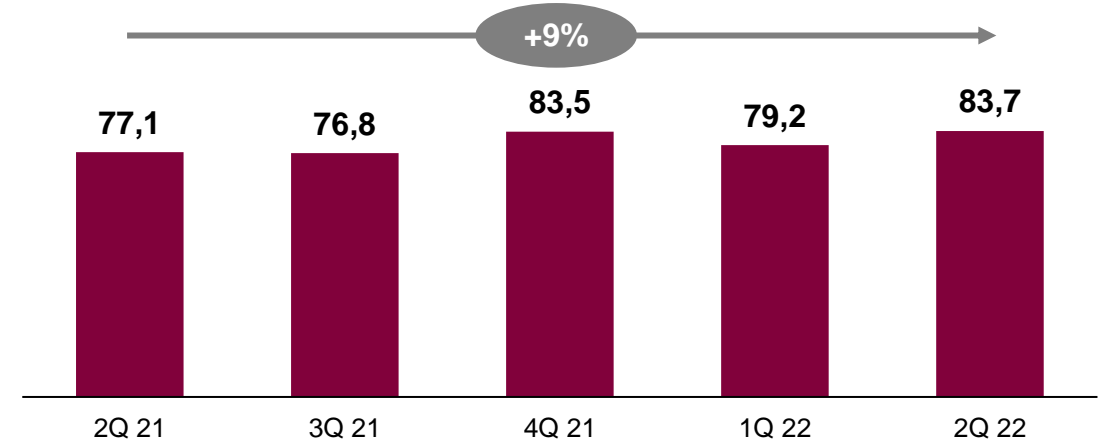
### Number of cashless transactions with payment cards (million)



### Number of Customers with BankConnect



### Volume of Clients' wire transfers (PLN bn)



Thanks to the consistent policy of building and consolidating relationships with Customers, Alior Bank is often treated as a bank with a main relationship.



## Financial results

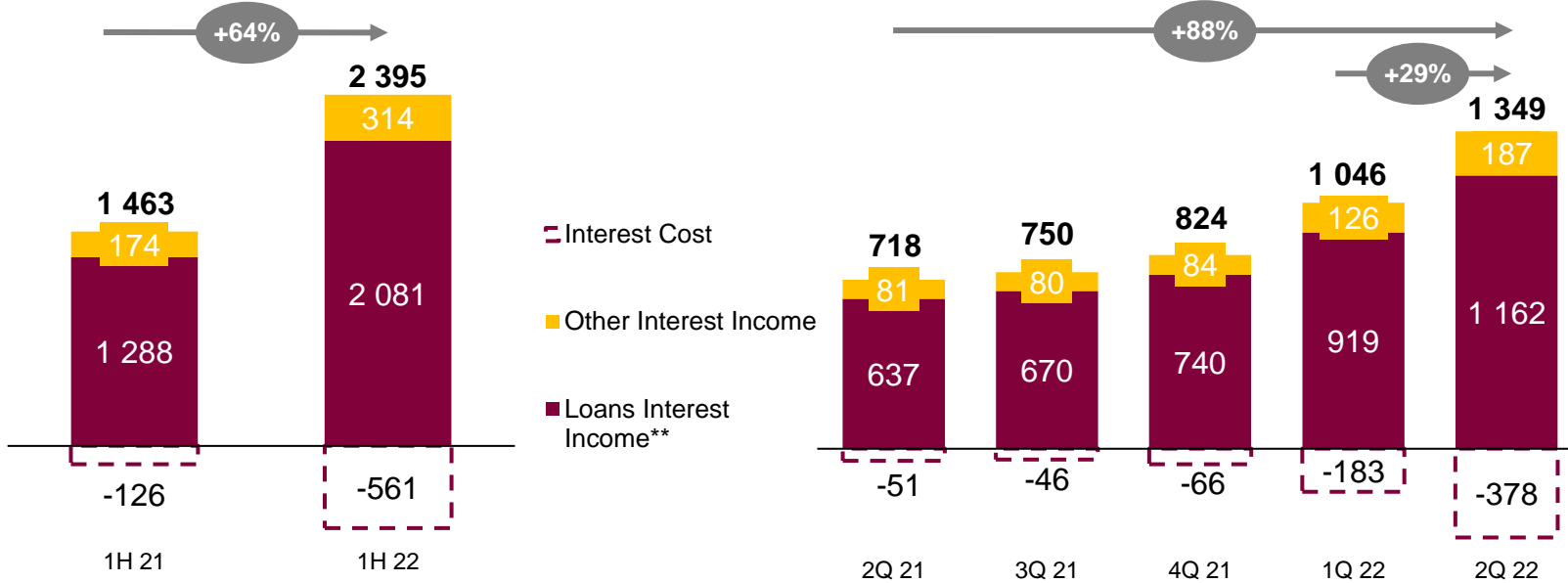
## Income statement

PLN mn	2Q 21	2Q 22	% y/y	y/y	1H 21	1H 22	% y/y	y/y
<b>Total Income</b>	<b>892,7</b>	<b>1 199,8</b>	<b>34%</b>	<b>307,1</b>	<b>1 784,1</b>	<b>2 293,0</b>	<b>29%</b>	<b>508,9</b>
Net interest income	666,7	971,8	46%	305,1	1 336,8	1 834,1	37%	497,3
Net fee and commission income	183,4	220,6	20%	37,2	361,1	411,3	14%	50,2
Other income	42,7	7,4	-83%	-35,2	86,1	47,6	-45%	-38,6
<b>Total costs</b>	<b>-703,4</b>	<b>-897,9</b>	<b>28%</b>	<b>-194,5</b>	<b>-1 423,9</b>	<b>-1 717,7</b>	<b>21%</b>	<b>-293,8</b>
General administrative expenses	-379,3	-591,4	56%	-212,1	-797,3	-1 084,5	36%	-287,2
Impairment of non-financial assets	-1,4	-9,3	566%	-7,9	-1,9	-40,2	-	-38,3
Net expected credit losses	-265,0	-229,9	-13%	35,0	-508,5	-438,5	-14%	70,0
Cost of fx mortgage legal risk	0,0	-1,2	-	-1,2	0,0	-24,4	-	-24,4
Banking tax	-57,7	-66,0	14%	-8,3	-116,3	-130,1	12%	-13,8
<b>Gross profit</b>	<b>189,3</b>	<b>301,9</b>	<b>59%</b>	<b>112,6</b>	<b>360,2</b>	<b>575,3</b>	<b>60%</b>	<b>215,1</b>
Income tax	-65,5	-85,7	31%	-20,2	-128,3	-189,9	48%	-61,6
<b>Net profit</b>	<b>123,8</b>	<b>216,2</b>	<b>75%</b>	<b>92,4</b>	<b>231,9</b>	<b>385,4</b>	<b>66%</b>	<b>153,5</b>
Net interest margin (NIM)	3,58%	5,11%	-	+1,53 p.p.	3,65%	4,86%	-	+1,21 p.p.
Cost of funding (CoF)	0,17%	1,02%	-	+0,85 p.p.	0,19%	0,77%	-	+0,58 p.p.
Cost of risk (CoR)	1,71%	1,46%	-	-0,25 p.p.	1,64%	1,39%	-	-0,25 p.p.
Cost / Income ratio (C/I)	42,5%	49,3%	-	+6,8 p.p.	44,7%	47,3%	-	+2,6 p.p.
Loan / Deposit ratio (L/D)	84,1%	82,4%	-	-1,7 p.p.	84,1%	82,4%	-	-1,7 p.p.
Return on equity (ROE)	7,6%	15,9%	-	+8,3 p.p.	7,1%	13,8%	-	+6,7 p.p.
Total Capital Ratio (TCR)	14,95%	13,99%	-	-0,96 p.p.	14,95%	13,99%	-	-0,96 p.p.

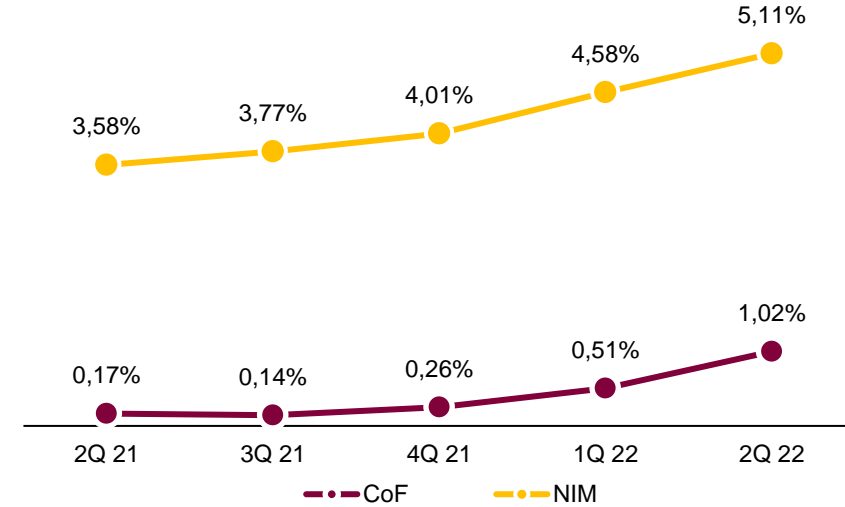
- In 2Q 22, the Bank's result was additionally burdened by the cost of joining the Protection Scheme in the amount of PLN 195 mn (impact on net result of PLN 158 mn). In connection with joining the Protection Scheme, the cost of the contribution to the BFG deposit guarantee fund of approximately PLN 30 mn was not recognised. The combined impact of the two aforementioned events on the Alior Bank Group's net profit in 2Q 22 was approximately PLN 128 mn.
- **The Alior Bank Group's net profit in 2Q 22, adjusted for the aforementioned events, amounted to approximately PLN 344 mn, while the adjusted ROE reached 25%.**

# The increase in market interest rates has a positive effect on the NII

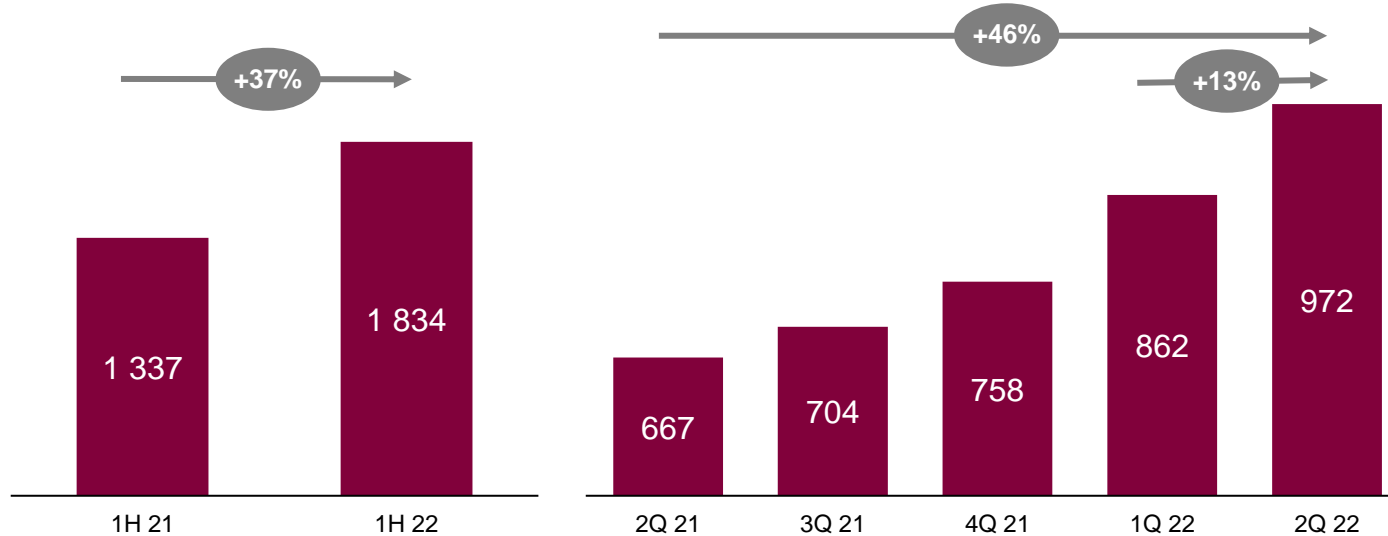
### Interest income and expenses (PLN mn)



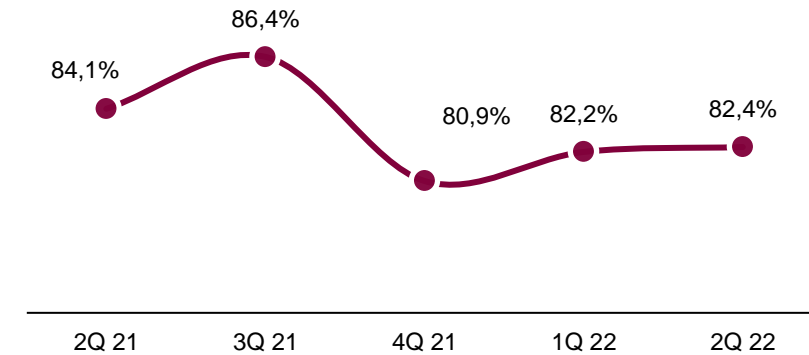
### Interest margin and financing cost\*



### Interest income (PLN mn)



### Loan / Deposit Ratio

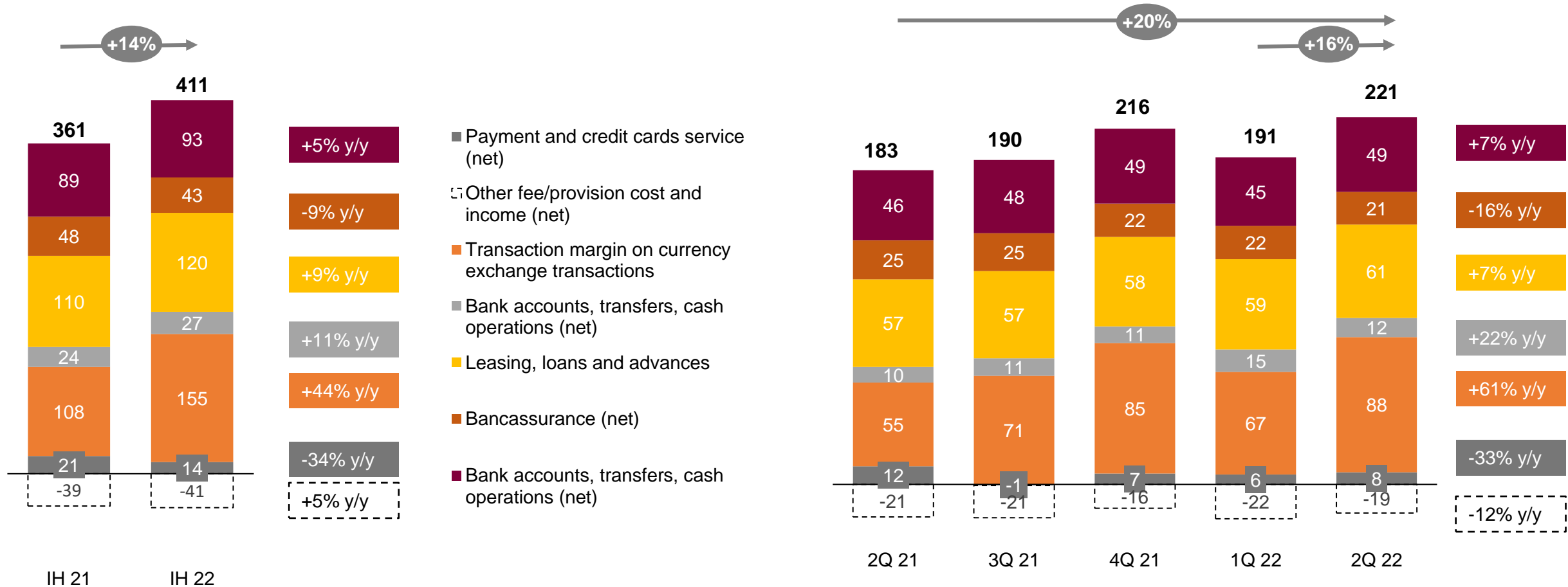


\*Managerial pattern, QTD

\*\*Interest income from loans, debt purchased and leasing

# Thanks to the increase in customer transactions, the Bank is improving its commission income

## Result on fees and commissions (PLN mn)

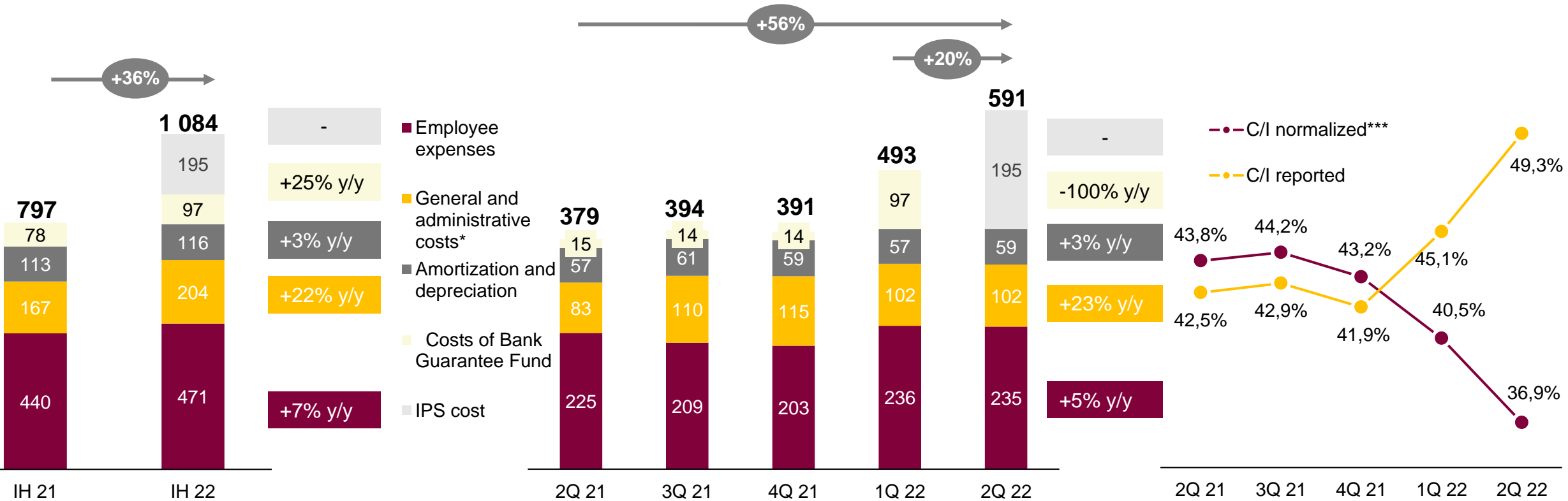


- 2Q 22 saw commission income amounting to PLN 221 mn and increasing by PLN 37 mn (+20%) compared to 2Q 21 – mainly due to higher commission on foreign exchange transactions, which increased by PLN 34 mn y/y (+61%).
- The 16% increase in net fee and commission income in 2Q 22 compared to 1Q 22 is mainly due to the fact that in 1Q 22 the fx result was understated due to the specific nature of the Bank's postings.
- In future quarters, we expect the fee income to increase in line with the balance sheet growth.

# Despite the growing pressure of increasing operating costs, the Bank is improving its efficiency

Operating costs (PLN mn)

C/I ratio\*\*



- Operating costs in 2Q 22, adjusted for the cost of joining the Protection Scheme of PLN 195 mn and the related absence of the cost of the BFG deposit guarantee fund contribution of PLN 30 mn, amounted to PLN 426 mn (+12% y/y)
- The y/y increase in employee costs in 2Q 22 amounted to PLN 10 mn (+5%) and was mainly due to an increase in the average salary level
- The main reason for the increase in general and administrative expenses in 2Q 22 was the increase in marketing costs by PLN 9 mn y/y
- In future quarters, the level of operating costs will be impacted by additional business development costs, the implementation of certain projects postponed during the Covid-19 pandemic, and the general inflationary increase of costs for the whole of 2022, the Group's operating costs are not expected to increase by more than PLN 190 mn y/y (excluding the increase in the resolution fund contribution, the Borrower Support Fund contribution, the Protection Scheme contribution cost and the related lack of contributions to the BFG deposit guarantee fund), with the final level of costs mainly determined by the level of inflation later in the year.

## Pursuit of the updated “More than a Bank” strategy 2021 – 2022

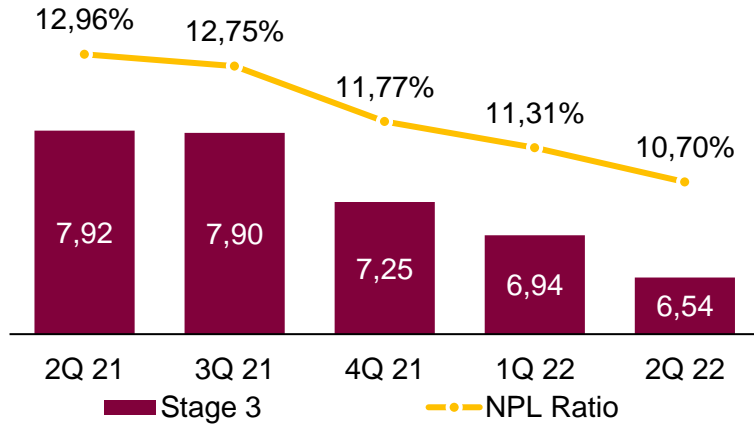
		2020	2021	1-2Q 2022	Goal 2022
Business volumes	Assets	PLN 78.6 bn	PLN 83.0 bn	PLN 84.2 bn	PLN 89.0 bn
	Number of Individual Customers	4.2 mn	4.1 mn	4.1 mn	4.5 mn
	Number of Business Customers	251 k	258 k	257 k	278 k
Profitability	ROE	-4.7%	7.7%	13.8%	>5%
	NIM	3.9%	3.7%	4.9%	4%
	C/I	46.9%	43.5%	38.6%*	<46%
Risk and capital	COR	2.8%	1.6%	1.4%	1.9%
	Tier 1 surplus	505 bps.	405 bps.	266 bps.	>280 bps.
	NPL	14.5%	11.8%	10.7%	11.8%
	COF	0.6%	0.2%	0.8%	0.3%



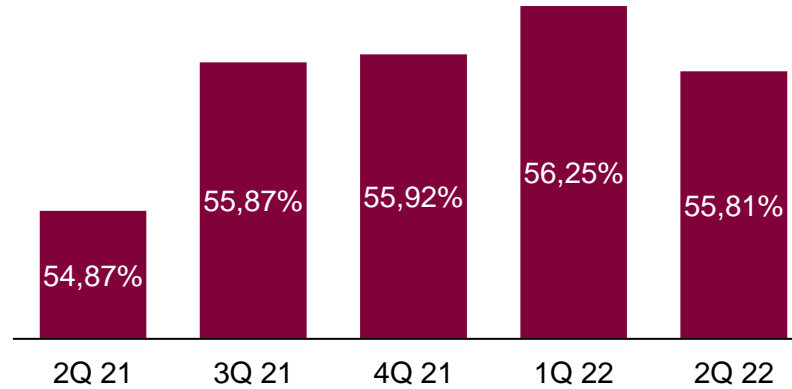
Credit risk

# Noticeable improvement in the quality of the loan portfolio accompanied by decreasing cost of risk

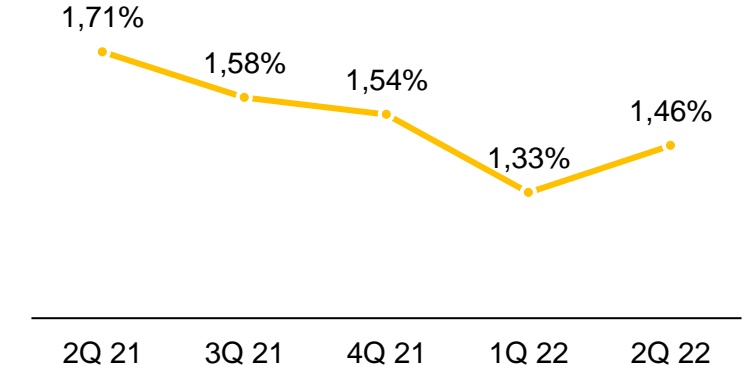
### Impaired loans (PLN bn)



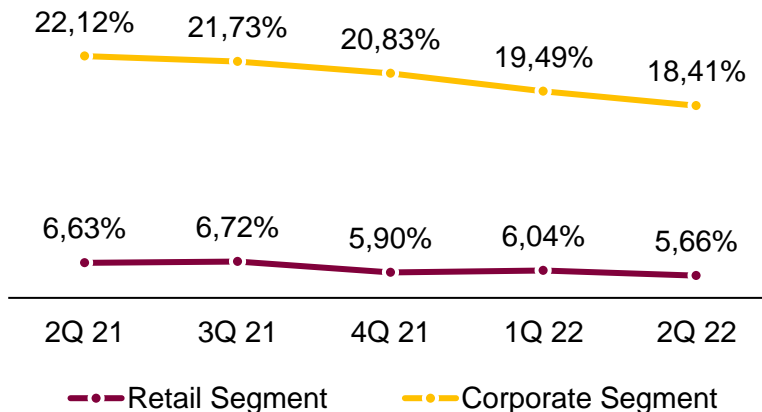
### NPL reserve coverage ratio\*



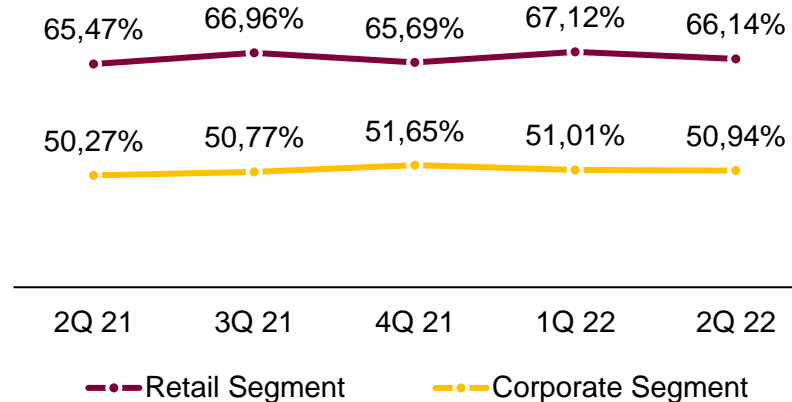
### Cost of Risk - CoR\*\*



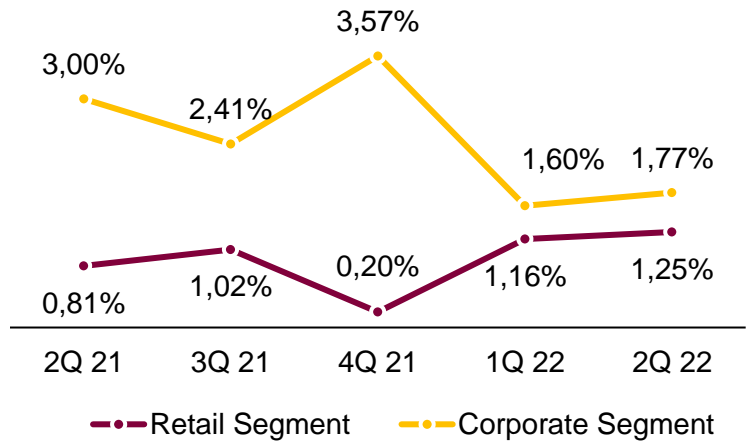
### Impaired loans – segments



### NPL provision coverage\* – segments

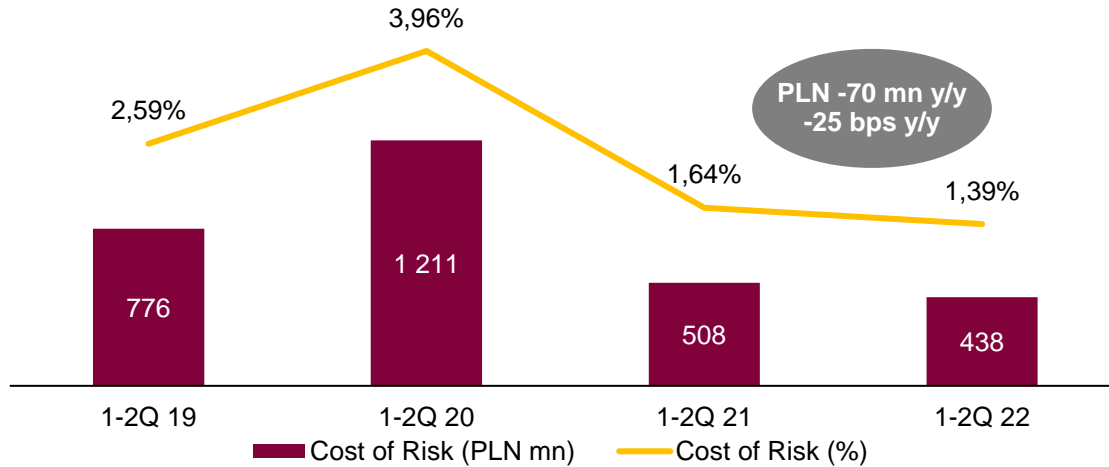


### CoR – segments\*\*



# The change in credit policy has enabled a sustained reduction in the cost of risk

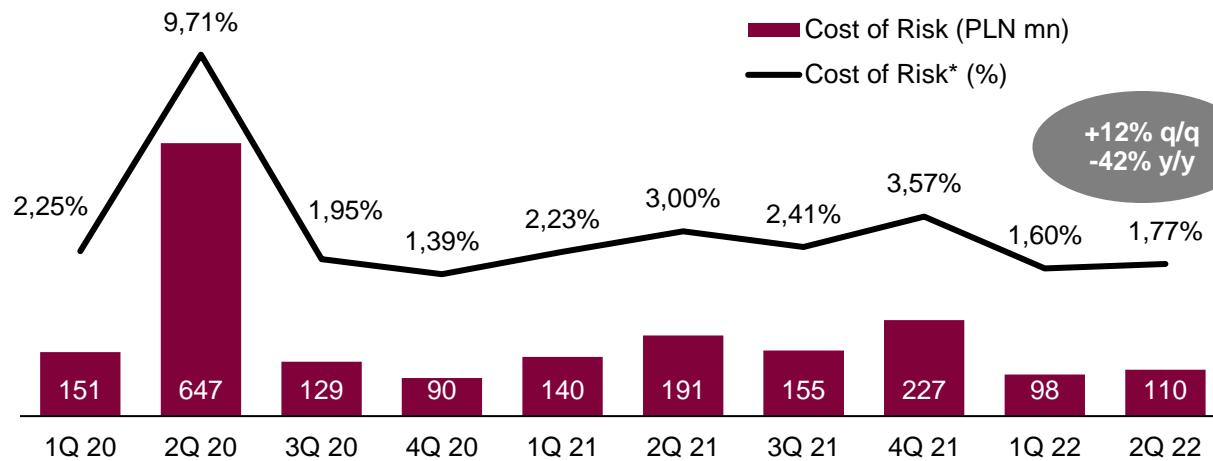
## Alior Bank Group – Cost of Risk



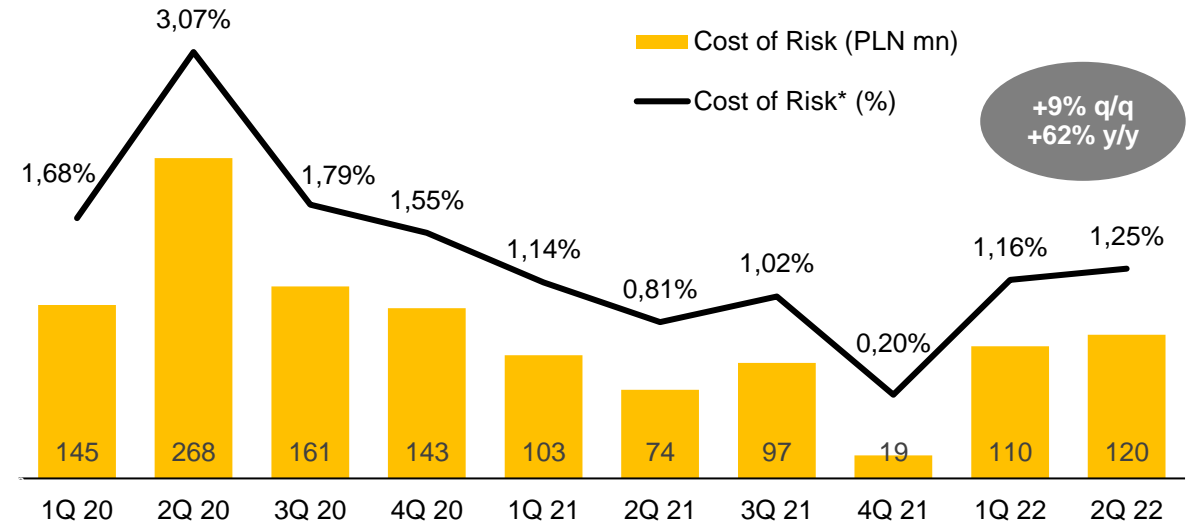
As a result of actions taken in 2020 and 2021 to manage the risk of the loan portfolio and due to the current customer behaviour, the level of Cost of Risk (CoR) in 2Q 22 was well below the Bank's medium-term strategic target (1.9%).

Currently, we do not see a significant negative impact of past interest rate hikes on the CoR level. However, we expect the costs of risk of Alior Bank Group in the second half of 2022 to be higher than in the first half of the year. The CoR for the full year 2022 should not deviate significantly from the level achieved in 2021, i.e. 1.6%. The level of the costs of risk in the second half of the year will depend mainly on the development of the macroeconomic situation and the current and expected behaviour of customers.

## Business Client Segment – Cost of Risk



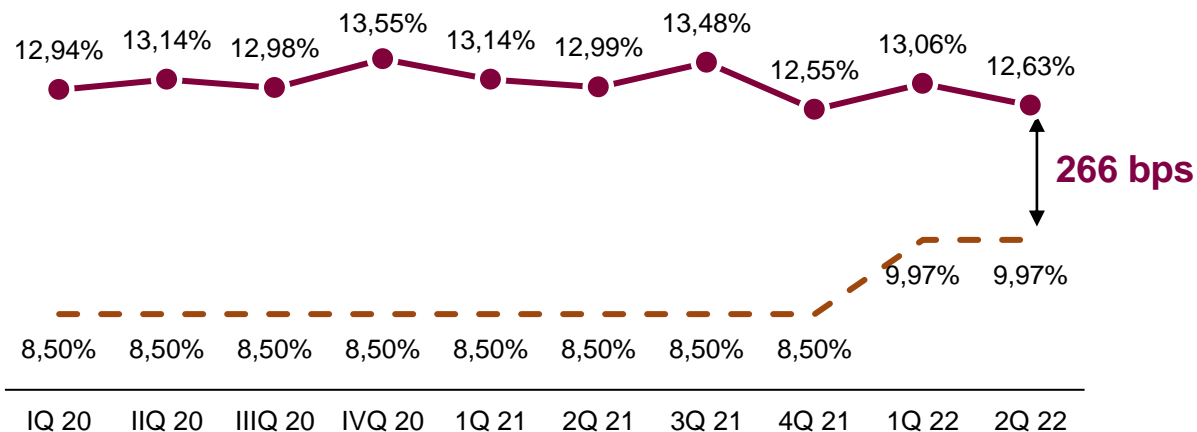
## Retail Client Segment – Cost of Risk



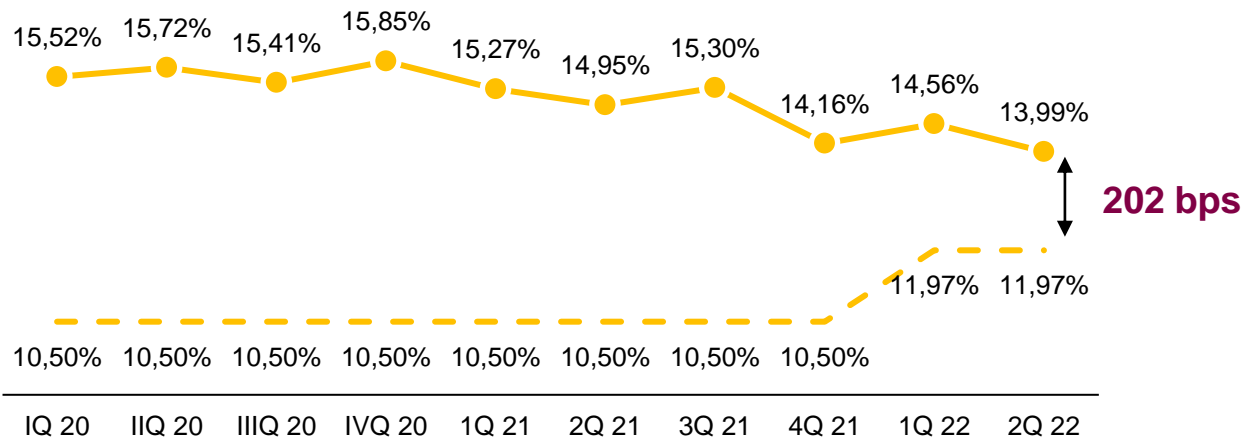
# Stable and secure position of the Bank: capital and liquidity surplus significantly above the regulatory minimum

The levels of TIER I and TCR capital adequacy ratios as at the end of 2Q 22 significantly exceed the regulatory minimum by: 266 bps (PLN 1.3 bn) and 202 bps (PLN 1.0 bn), respectively

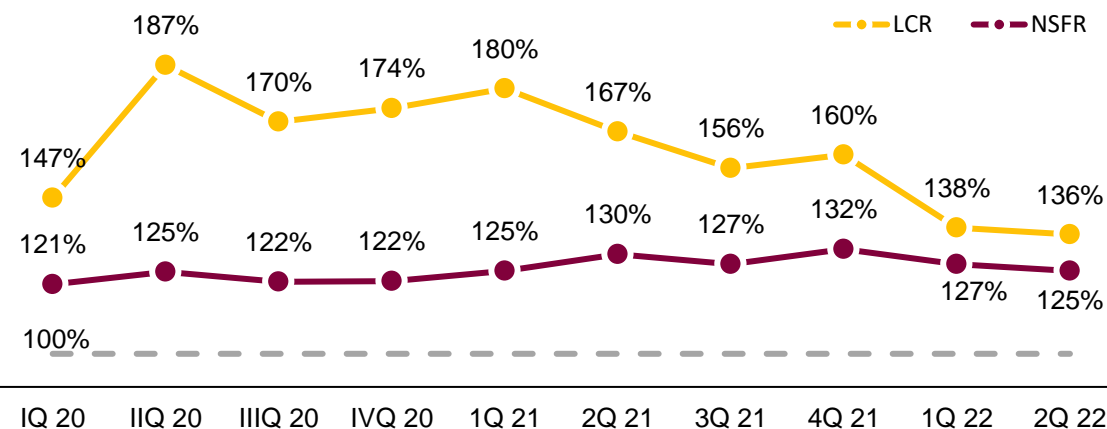
### TIER I



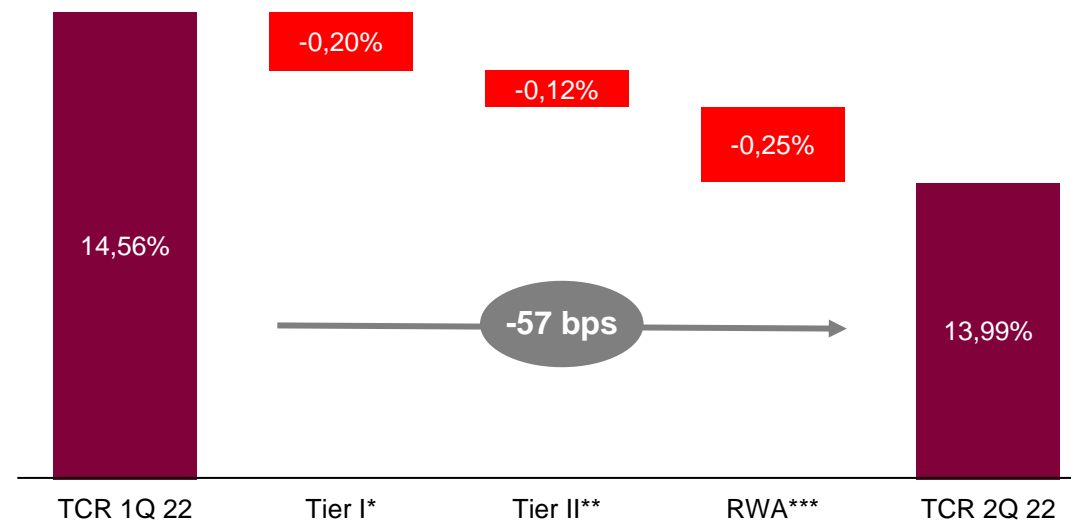
### TCR



### Liquidity ratios: LCR, NSFR



### Decomposition of change in TCR in 2Q 22



\*Change caused, for instance, by decrease in value of Treasury Bonds

\*\*Change due to depreciation of subordinated bonds

\*\*\*The change in RWA (Risk Weighted Assets) results from changes in the structure of the Bank's assets



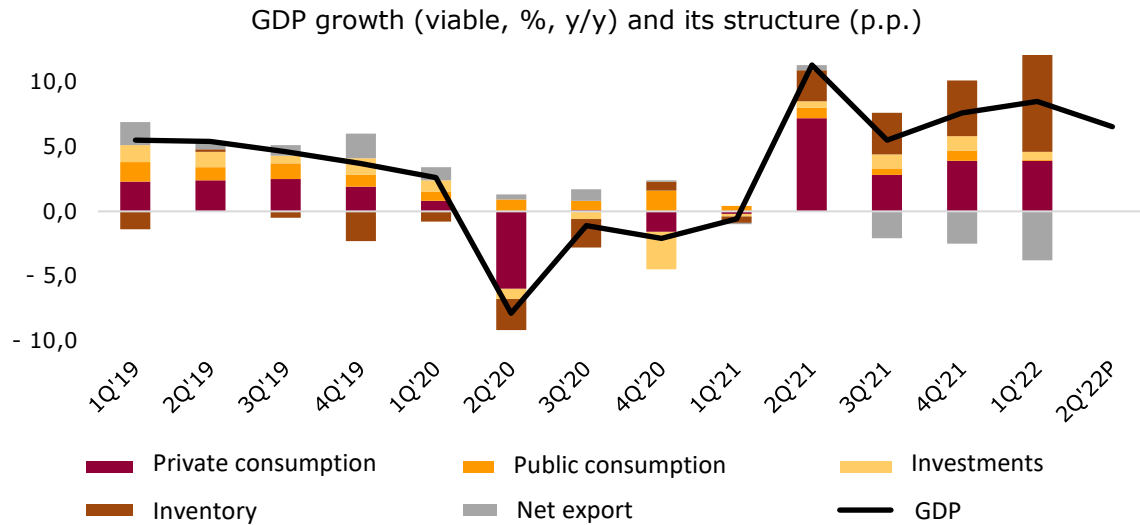
- Innovation, digitisation, high quality of services for Customers
- Improvement of performance by increasing revenue and reducing costs
- Improvement in the loan portfolio quality
- Growing share of housing loans in the portfolio
- Negligible share of CHF housing loans in the portfolio



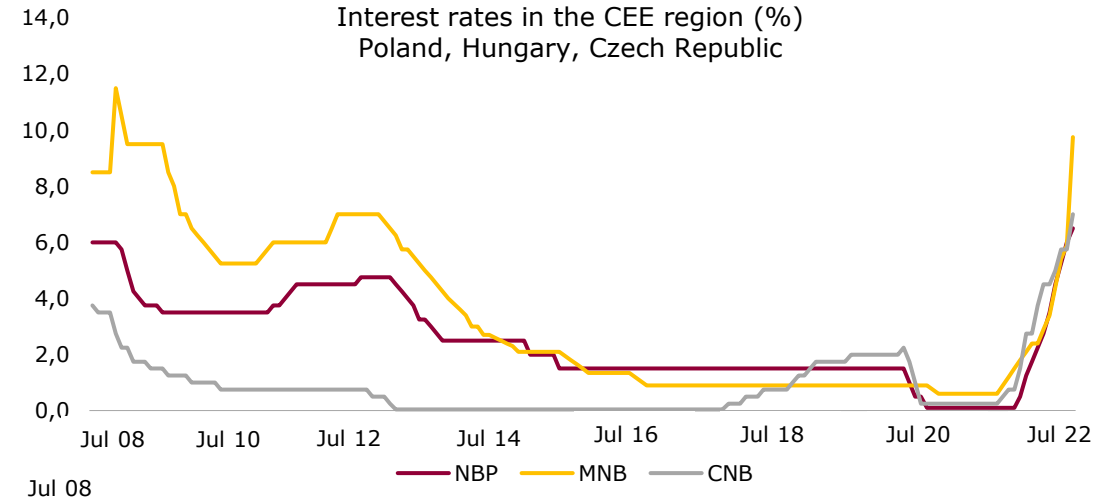
Other issues

# In 2Q 22 there are signs of a slowing recovery

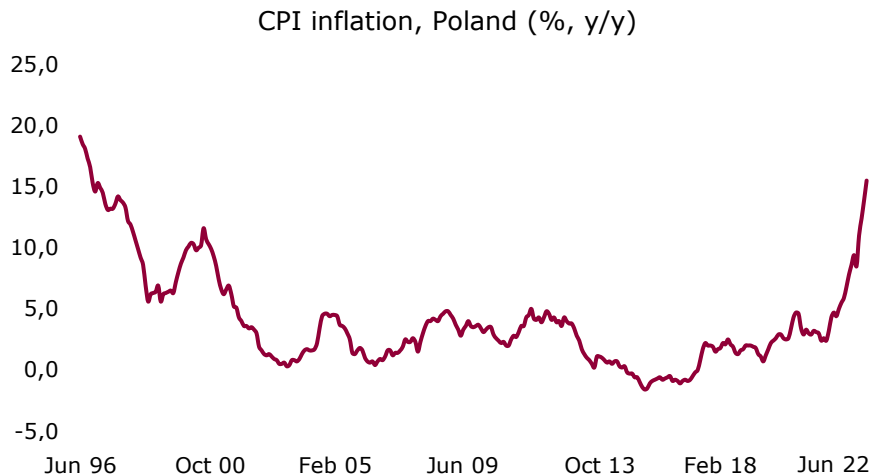
## 2Q GDP starts to lose momentum...



## ... inter alia as a result of rapidly tightening monetary policy...



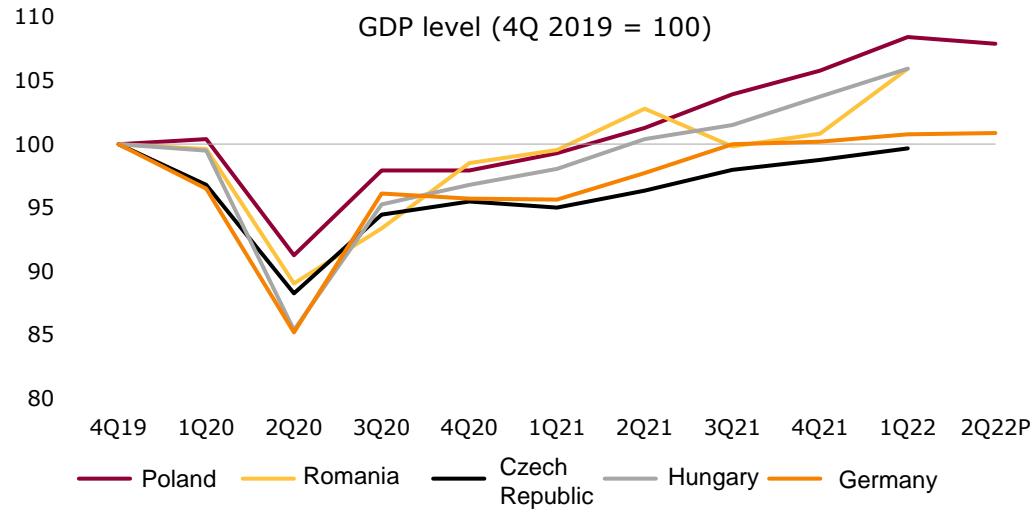
## ... in response to multi-year inflation records



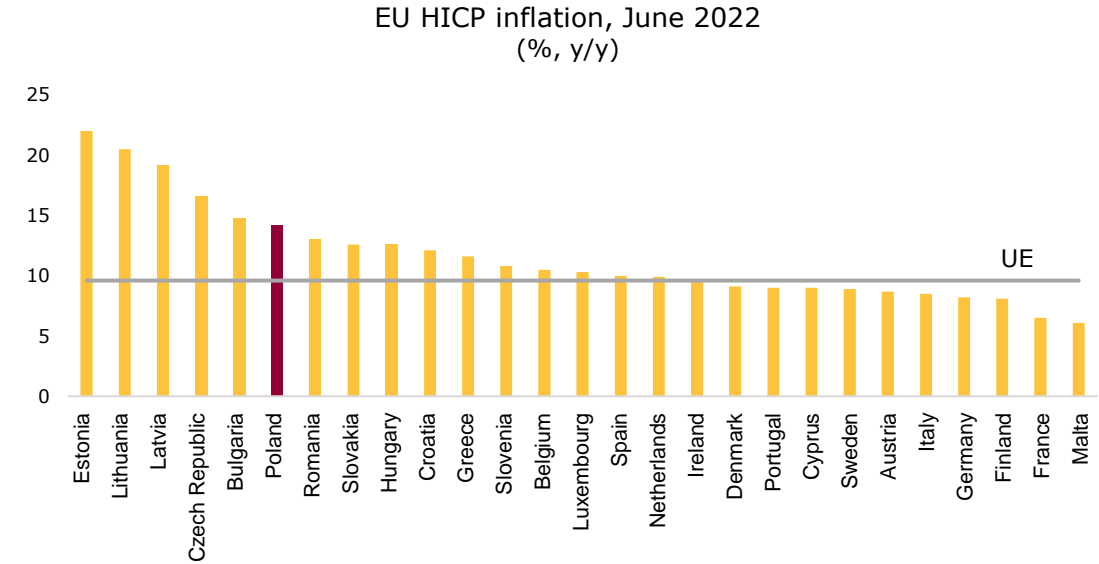
- The Polish economy entered 2022 with momentum, with GDP growth of 8.5% y/y in 1Q. A deceleration of the recovery was marked in 2Q, although in y/y terms GDP growth was still high (over 6% y/y)
- One of the main drivers of the Polish economy in 2021 was industry, supported by above-average global demand for durable goods at a time when consumption in the services area was reduced by pandemic austerity. In 2Q 22, however, there were strong signals that the sector was facing a slowdown, including strong declines in the PMI index of Polish industry.
- In 2Q 22, it is also notable that the dynamics of real wages in the corporate sector decreased to negative levels, which clearly reduces the consumption potential of Polish households. Since April of this year, retail sales data, despite additional demand from Ukrainian refugees, has seen a slowdown in past trends
- While wages are nominally growing at a double-digit rate, they are being increasingly depleted by inflation, rising to levels not seen since the second half of the 1990s. The outbreak of war in Ukraine has further exacerbated price pressures, particularly in the areas of food and energy carriers.
- In response, the National Bank of Poland continued to tighten monetary policy. The NBP's main rate at the beginning of July of this year was at 6.5%, its highest level since 2004.

# Still in the European vanguard

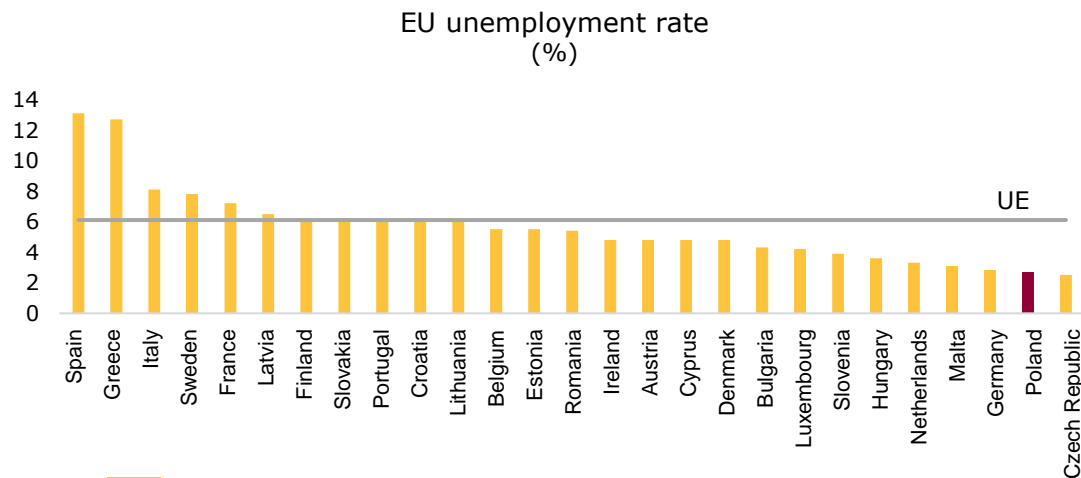
## Polish economy still in the vanguard of the EU...



## ...also in terms of price pressure...



## ... and the labour market situation

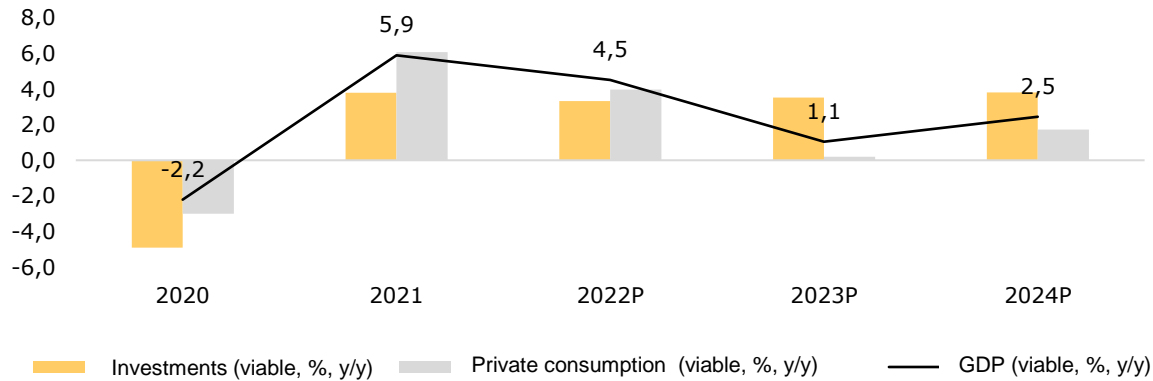


- The Polish economy in the first half of 2022 continued to stand out positively among CEE countries and even more so against the euro area. Poland's unemployment rate in June was one of the lowest in the EU
- In the euro area, the economic outlook has deteriorated significantly. High inflation, depleting household disposable income, has brought consumer sentiment to its lowest levels since the outbreak of the pandemic
- HICP inflation in the euro area hit new records in June, reaching 8.6% y/y. A key element of price pressure is the crisis in the energy sector which, in the event of a scenario where the EU is cut off from Russian gas supplies, threatens to collapse the post-pandemic recovery, especially in our main trading partner Germany
- Despite growing risks to the recovery, the ECB is compelled to tamper with inflation and tighten monetary policy. In July, the bank raised interest rates for the first time in more than a decade. At the same time, current forward guidance suggests that later this year the deposit rate will be positive for the first time since mid-2012.

# Cyclical trend will be dampened by inflation, higher interest rates and deterioration in the external environment

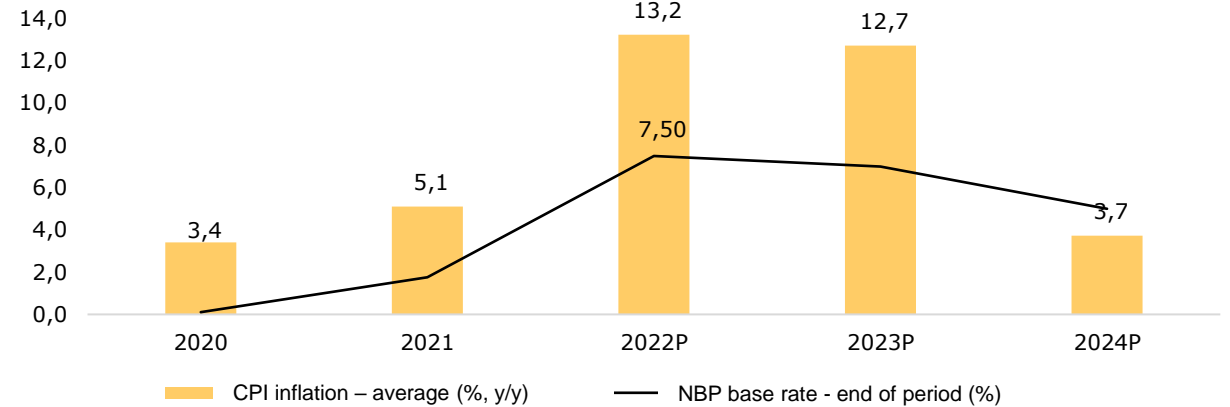
## Consumption is the driver of economic growth

GDP dynamics y/y with main components y/y in the years



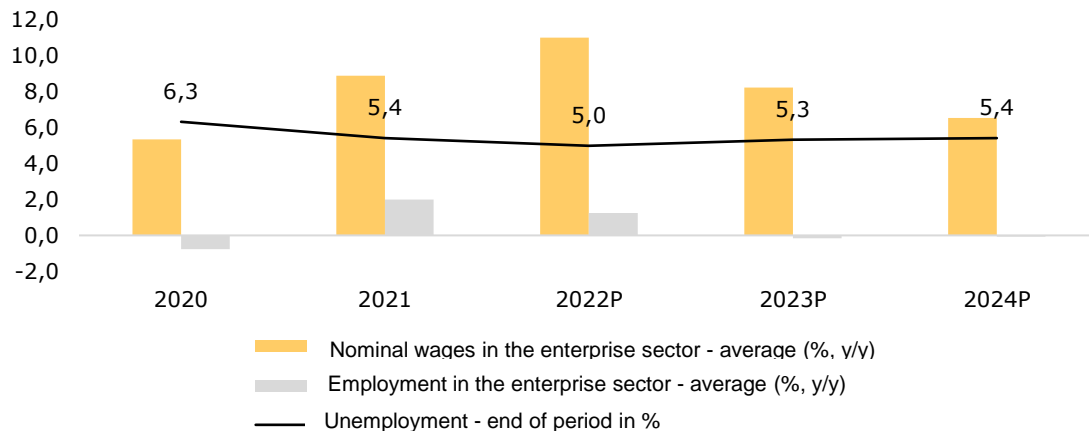
## Inflation will slow down only in 2024

y/y price index and MPC interest rate in the years



## The market is facing deceleration, but moderate

Wage and employment dynamics y/y and unemployment rate in the years

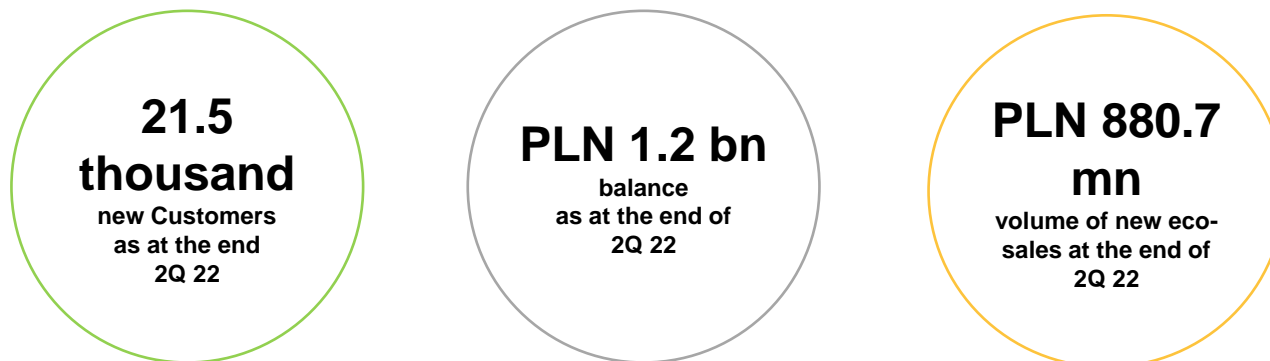


- The strong recovery of the domestic economy that we saw in 2021 and early 2022 has come to an end, not least as a result of the worsening outlook for the global economy, at a time of intensifying rivalry between global powers and the fight against high inflation in the “West”.
- We assume that the domestic economy will avoid a hard landing and that GDP will continue to record positive growth in the following years. Nevertheless, economic growth could slow down to around 1% in 2023 and, excluding 2020 (pandemic), will probably be the slowest since the eurozone crisis in the first years of the previous decade
- The main challenge in the macroeconomic environment is likely to remain high inflation. The prospect of it returning to levels acceptable to the NBP (1.5%-3.5%) is a distant time horizon, probably not until 2024-25.
- The coming quarters will be a difficult time for consumers, who will have to face rising living costs, also as a result of more expensive credit. The decline in internal and external demand will also be felt by companies, which will, among other things, result in a reduction in investment plans
- We assume that the MPC is already approaching the end of the interest rate hike cycle. This can be inferred, among other things, from NBP communications. Although a halt of the NBP’s main rate at the current level (6.5%) is not out of the question, we expect, inter alia due to external pressure (rate hikes by major central banks), that the NBP rate will still rise to around 7.5%.

# We have been successfully addressing climate-related challenges



We cooperate with:



Ministerstwo Klimatu i Środowiska



WORLD BANK GROUP

## ECO OFFER in 2Q 22

- Eco Loan
- #EKO category in the loyalty programme
- Eco-benefits to a credit card
- Clean Air Cash Loan
- Eco Instalments
- Eco-Purchasing Business Loan
- Thermal-insulation loan
- Clean Air Instalment Loan
- Financing renewable energy sources (RES) projects for professional energy producers

# Awards and prizes in 1H 2022 awarded to Alior Bank



## Celent Model Bank Awards 2022

in “**Customer Service**” category.

The jury recognised the organisation for the implementation of the InfoNina voicebot and speech analysis platform.



Main prize **Retail Banker International Global Awards** in the “**Best Banking Use of AI**” category.

The jury recognised voicebot InfoNina and the speech analysis platform.



First place in the category  
“**Small and medium commercial banks**”

10th edition of the competition

**Techno Biznes Lider Gazety Bankowej.**

## “Institution of the Year”

During the 7th edition of the competition, prizes were awarded in as many as **6** categories:



- “**Best service in remote channels**”,
- “**Best service in branches**”,
- “**Best Online Banking**”,
- “**Best Mobile App**”,
- “**Best Bank for Business**”,
- “**Best remote account opening process**”.

Moreover, 23 Branches were awarded the title of the “**Best Bank Branch in Poland**”.

**First place in the category of service at a branch** in the 8th edition of the “Institution of the Year” competition (examined how Polish banks serve Ukrainian citizens interested in a personal account).

In the 13th edition of the competition “**Golden Banker**” second places in 3 categories:



- “**Credit card**”,
- “**Cash loan**”,
- “**Personal account**”,

with distinction in the “**Safe Bank – Best Practices**” category.

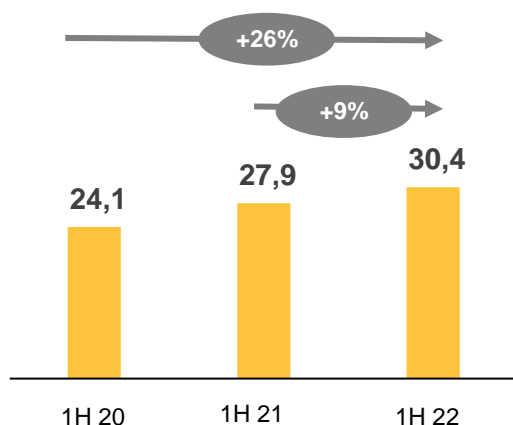
## Alior Bank's Brokerage House



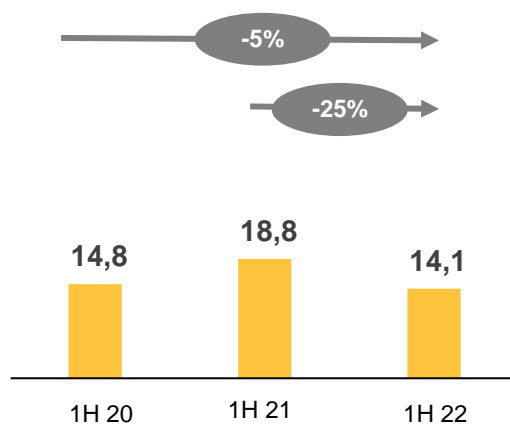
In the first half of 2022, inter alia, as a result of the war in Ukraine, especially in 1Q 22, we observed increased turnover on the WSE, and in 2Q 22 high volatility in the OTC market, which translated positively into the Brokerage Office's performance.

- The number of brokerage accounts exceeded **88 k** (+3% y/y)
- The number of Alior Trader accounts exceeded **7 k** (+9% y/y)
- Assets in Individual Investment Advisory at a level of **PLN 1 bn** (+28% y/y)
- Sale of structured products in 1H (gross) **PLN 371 mn** (+107% y/y)
- Sale of Investment Funds in 1H (gross) **PLN 250 mn** (-77% y/y)

Brokerage House Fees and commissions revenues (PLN mn)



Fees – Brokerage Account (PLN mn)



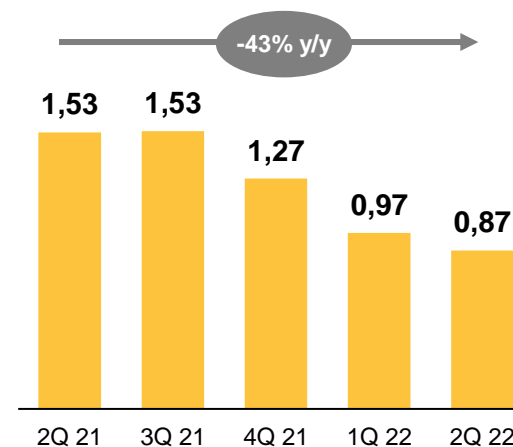
## Alior TFI



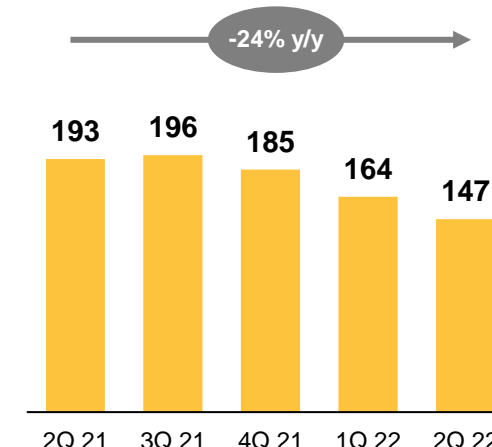
In 4Q 21 and 1H 22, as a consequence of rising interest rates, the market saw significant outflows from debt funds. This was also reflected in the flows into Alior TFI funds.

Due to the dominant share of debt funds in the assets under management, the outflows recorded by Alior TFI in the last 12 months were higher than in the entire TFI market. However, they were similar to outflows recorded in the debt funds market (-34% y/y). AuM TFI's decline in 2Q 22 was in line with the decline in the fund market at -10% q/q.

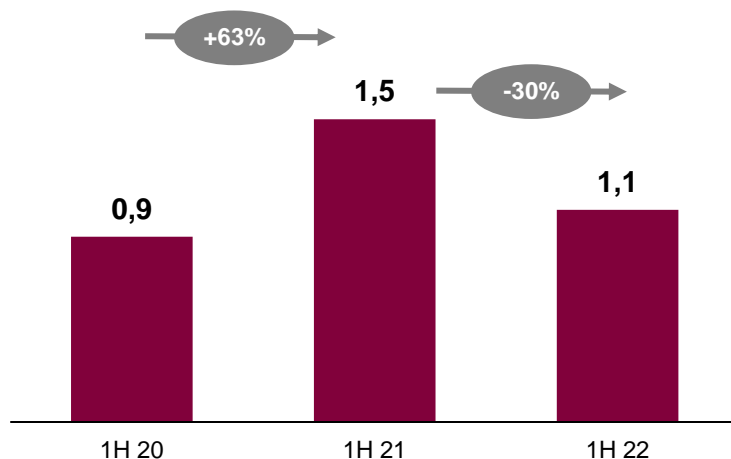
Assets under management in Alior TFI open funds (PLN bn)



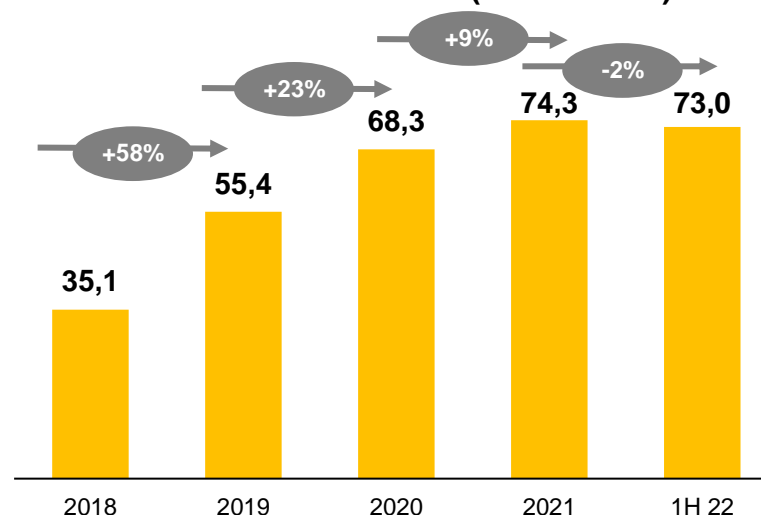
Assets under management in non-dedicated funds\* in Poland (PLN bn)



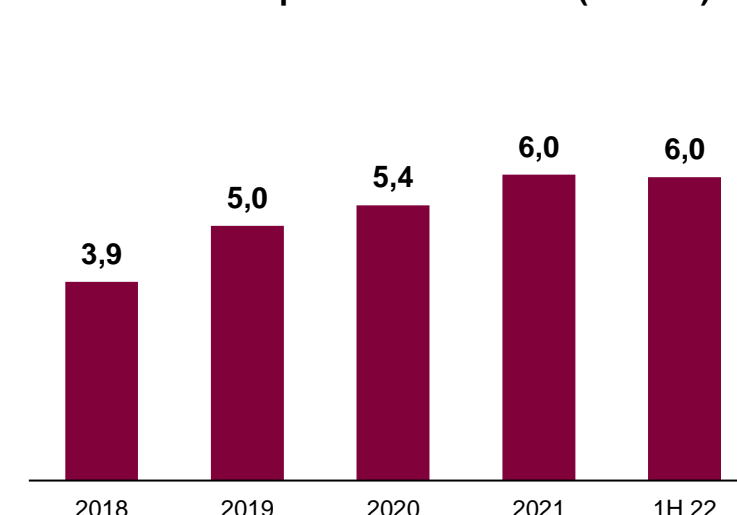
### Sale of lease and loans (PLN bn)



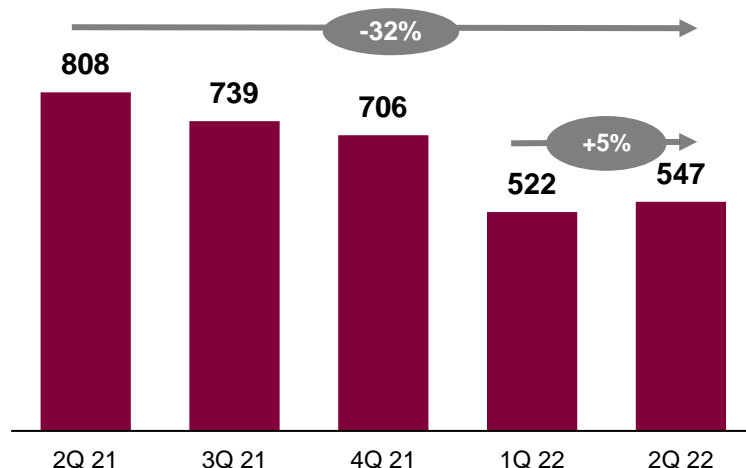
### Number of customers (in thousand)



### Lease portfolio and loans (PLN bn)



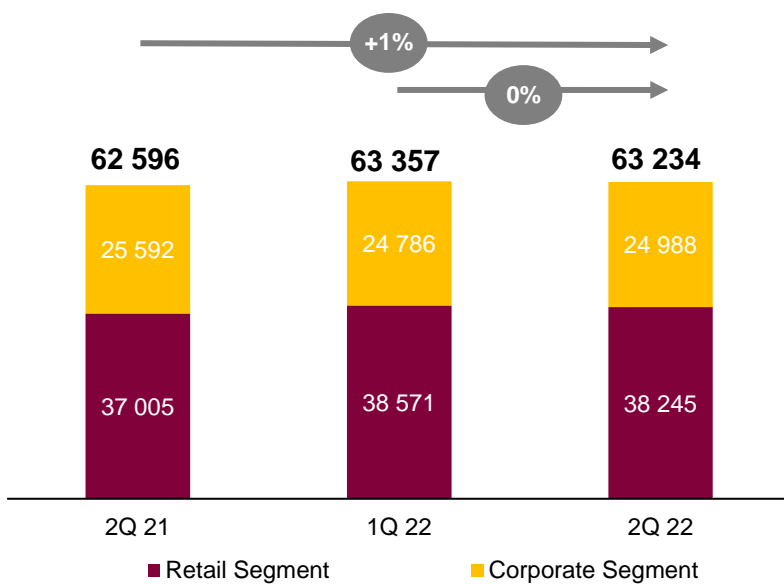
### Quarterly sale of leases and loans (PLN mn)



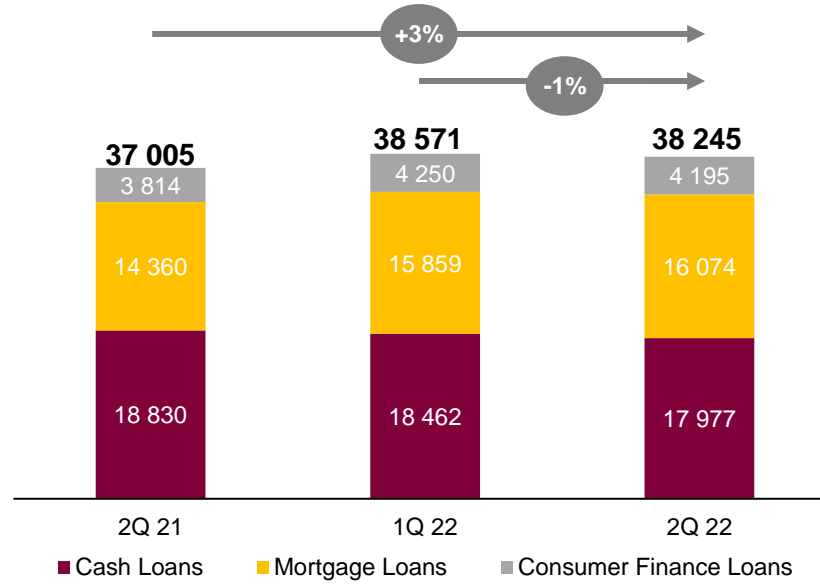
- Portfolio of leases and loans granted by Alior Leasing remains after 1H 22 at PLN 6 bn
- Number of agreements concluded by Alior Leasing at the end of 1H 2022 amounted to **104 k (+1% y/y)**
- In 2Q 22 Alior Leasing sales amounted to **PLN 547 mn**
- The drop in sales in 2Q 22 is caused, inter alia, by: (I) reduced availability of vehicles, (II) higher market interest rates, (III) reluctance of customers to take on additional liabilities caused by the conflict in Ukraine
- The structure of financing granted was dominated by light vehicles (49%) and heavy vehicles (39%), the share of machinery and equipment was at 12%
- In 2Q 22, Alior Leasing achieved a 2.5% market share in the financing of movables, including a 4.3% share in the financing of vehicles over 3.5t. At the end of 2Q 22, Alior Leasing's leasing portfolio accounted for 3.6% of total leased assets.
- In 2Q 22 Alior Leasing continued to implement the adopted strategic initiatives, such as automatic credit decisioning (based on the decision engine) and optimised sales processes (e.g. implementation of electronic signature) and post-sales processes

# Gross structure of the loan portfolio – noticeable increase in the share of housing loans (PLN mn)

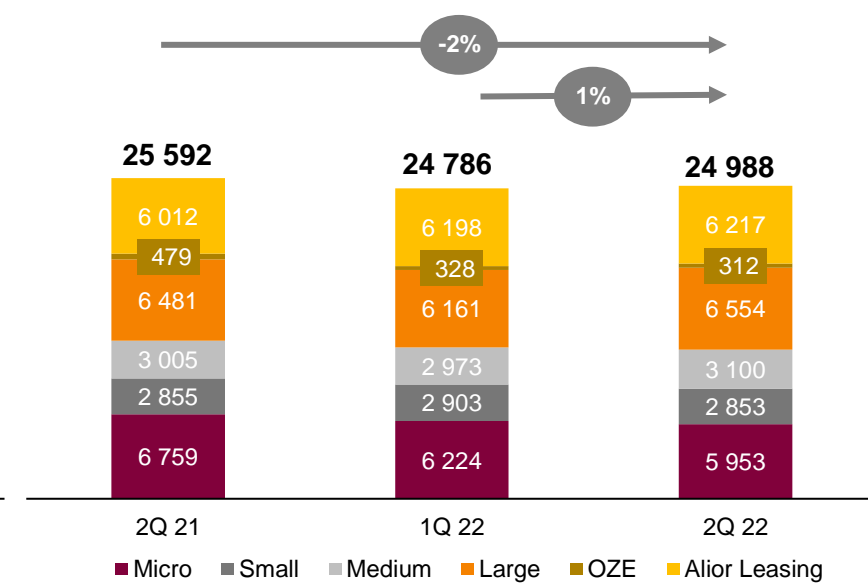
## Loan portfolio in total



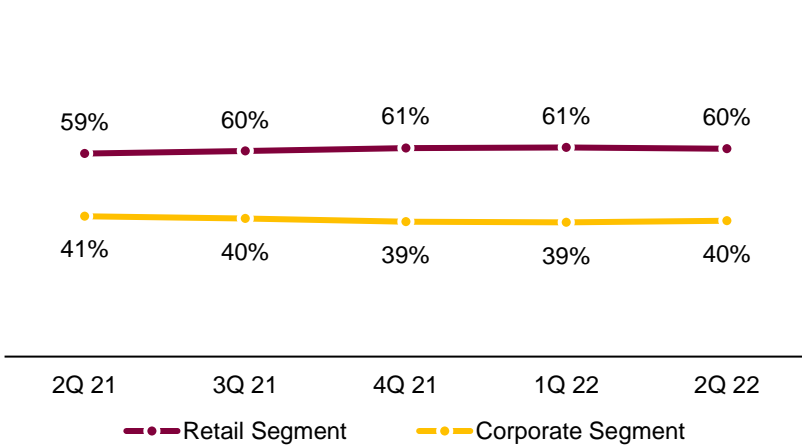
## Retail Customer Segment



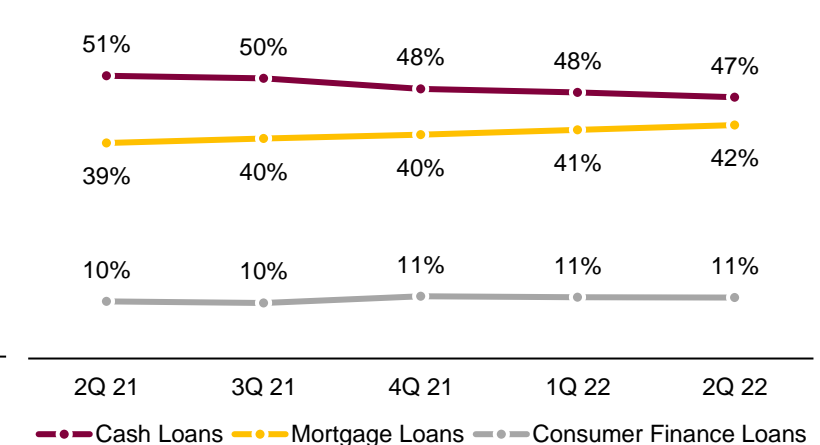
## Business Customer Segment\*



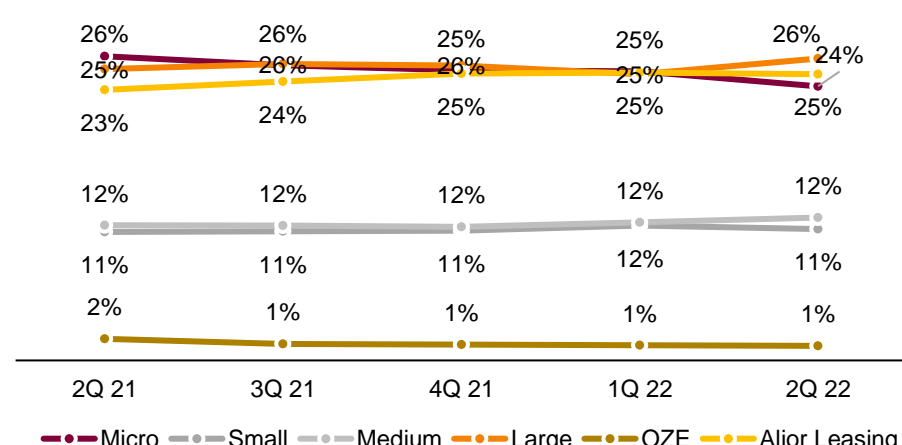
## Loan portfolio structure in total



## Structure of the Retail Customer segment



## Structure of the Business Customer segment\*



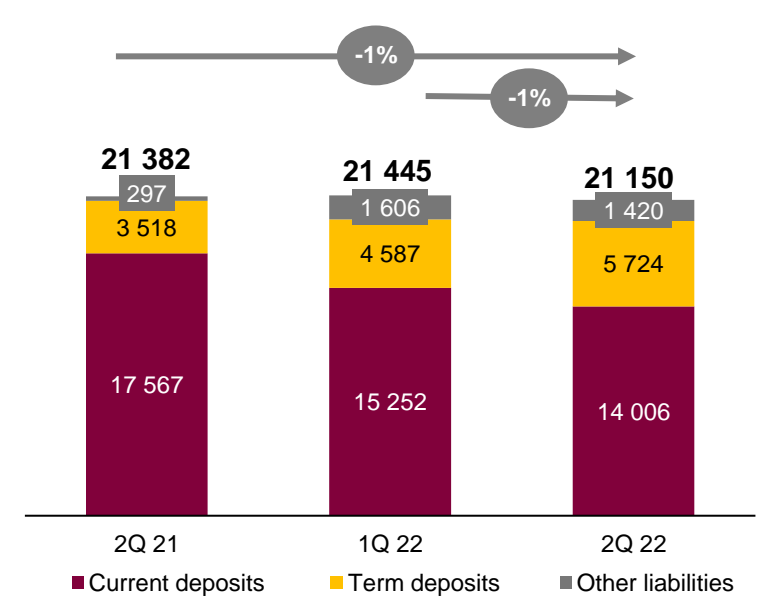
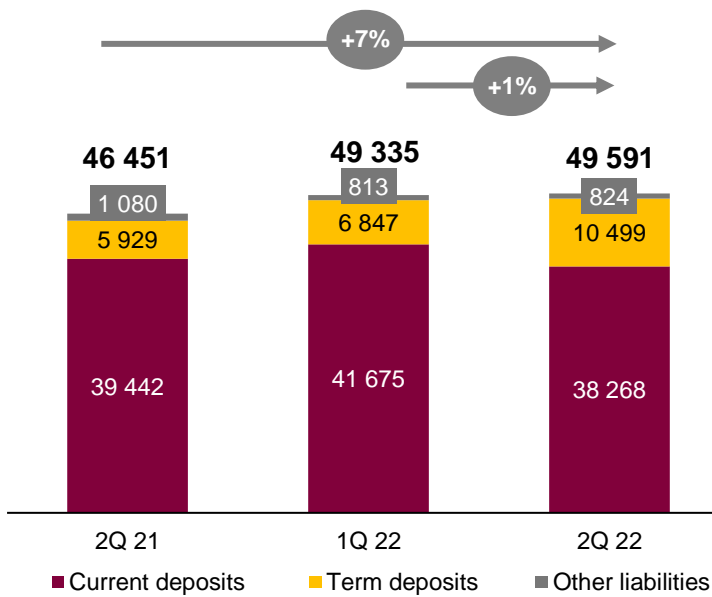
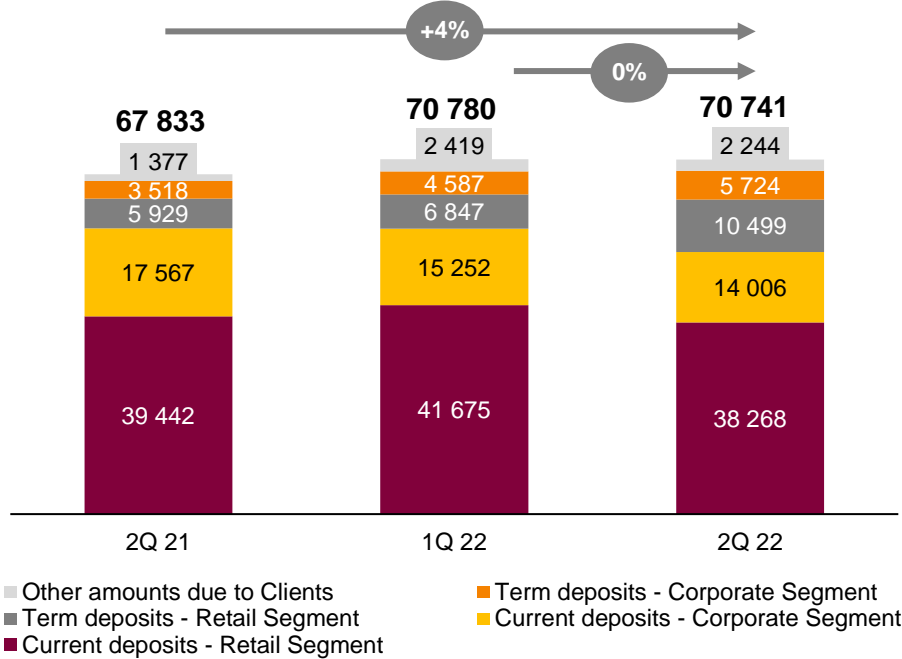
\*Managerial pattern.

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

## Structure of net liabilities to Customers

## Net liabilities structure - Retail Segment

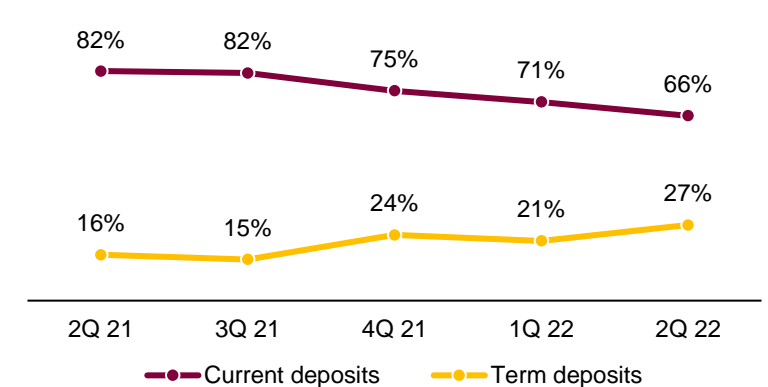
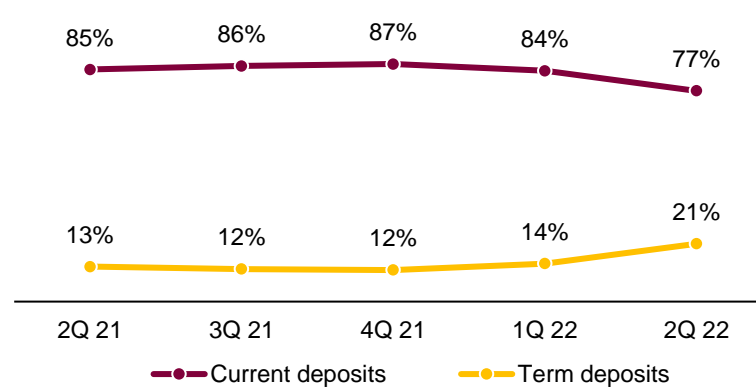
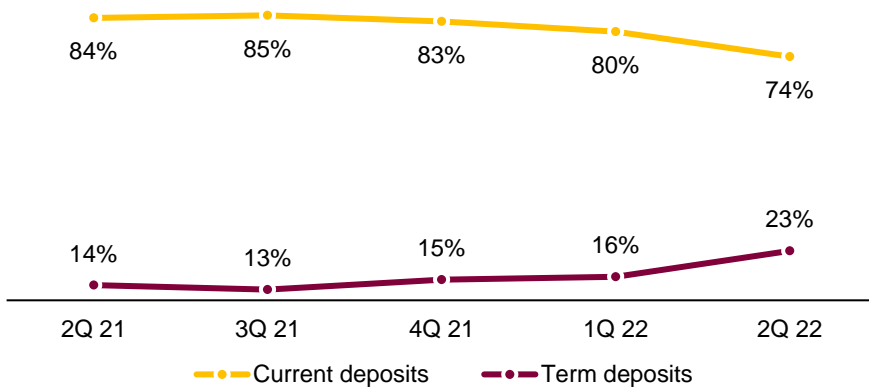
## Net liabilities structure - Business Segment



## Main liabilities structure

## Structure of main liabilities - Retail Segment

## Structure of main liabilities - Business Segment

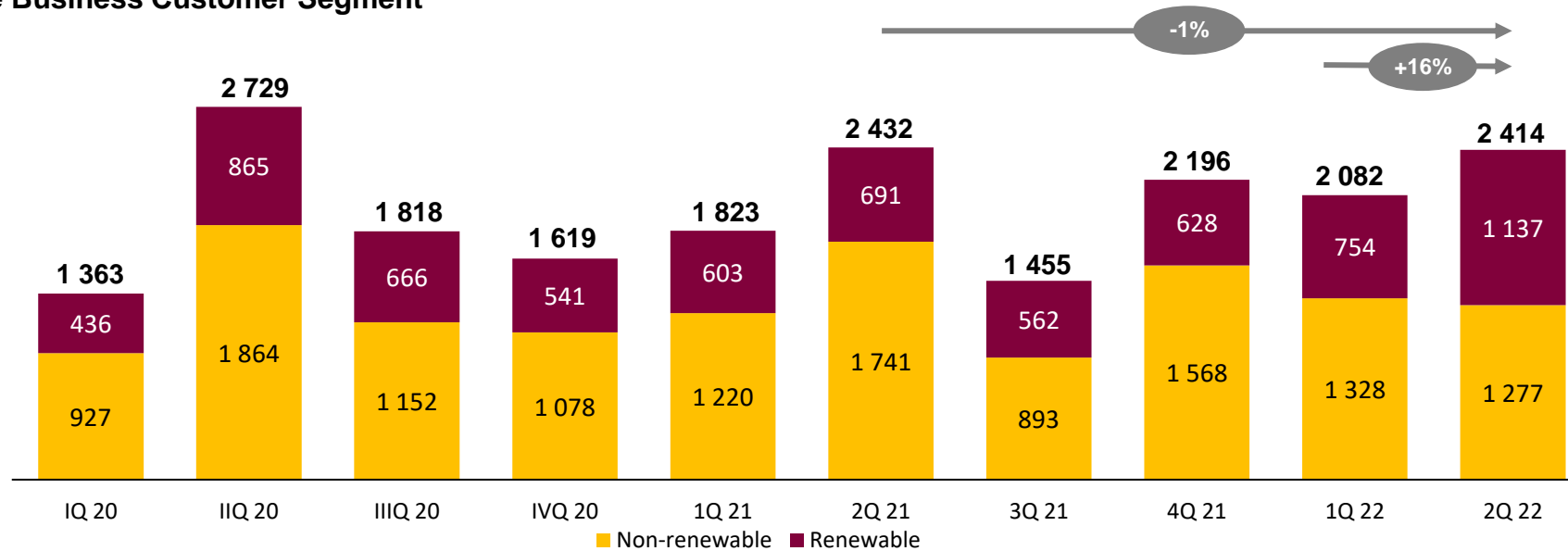


## Consolidated statement of the financial standing of the Alior Bank Group (PLN mn)

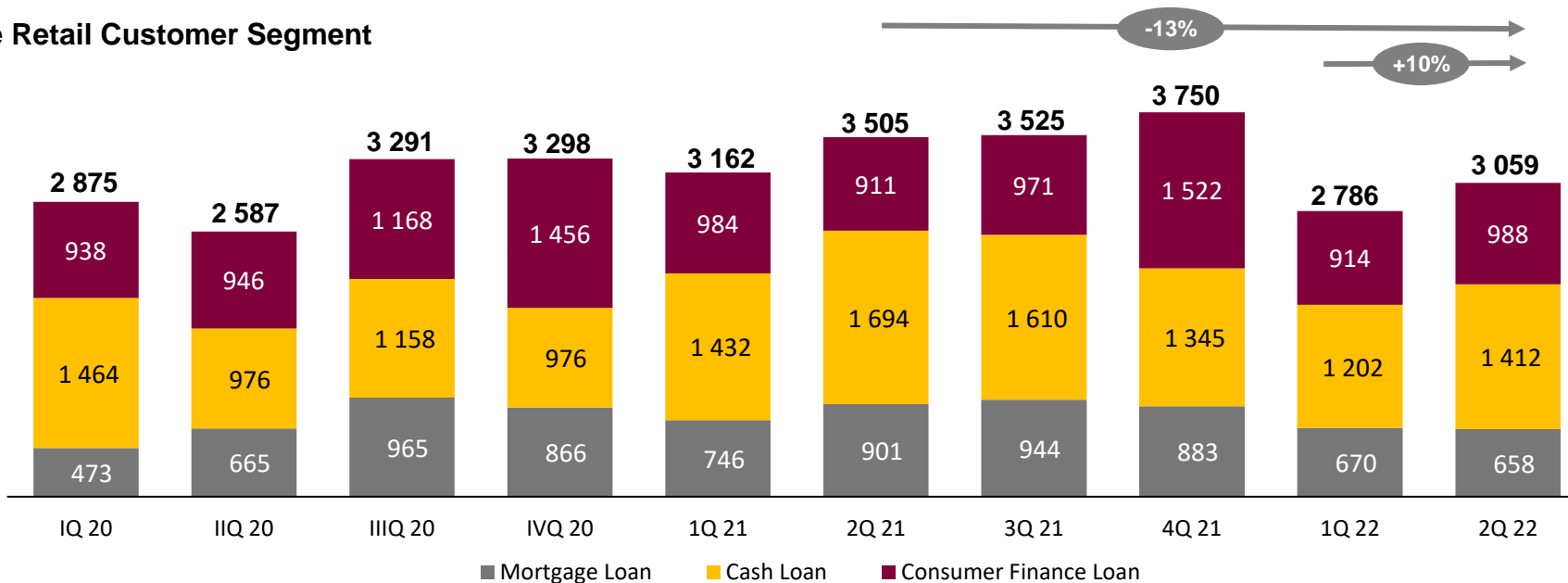
	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	% q/q	q/q	% y/y	y/y
<b>Total assets</b>	<b>79 035,1</b>	<b>78 201,9</b>	<b>83 048,4</b>	<b>84 649,7</b>	<b>84 223,5</b>	<b>-1%</b>	<b>-426,3</b>	<b>7%</b>	<b>5 188,4</b>
Cash and cash equivalents	1 566,4	1 645,3	3 763,4	4 989,9	4 940,2	-1%	-49,6	215%	3 373,9
Amounts due from banks	607,3	629,0	1 689,8	2 244,6	2 874,2	28%	629,6	373%	2 266,9
Investment financial assets	16 507,8	14 472,5	16 099,7	12 325,1	12 571,2	2%	246,1	-24%	-3 936,7
Derivative hedging instruments	175,1	131,9	38,8	76,2	108,1	42%	32,0	-38%	-66,9
Loans and advances to customers	57 028,4	57 833,3	58 228,2	58 150,6	58 271,8	0%	121,2	2%	1 243,4
Assets pledged as collateral	130,9	602,1	130,9	3 752,9	2 140,5	-43%	-1 612,4	1535%	2 009,6
Property, plant and equipment	709,3	734,0	755,2	746,9	723,6	-3%	-23,3	2%	14,3
Intangible assets	418,0	422,6	426,6	395,7	389,4	-2%	-6,3	-7%	-28,6
Asset held for sale	0,0	1,7	0,0	0,0	0,0	-	0,0	-	0,0
Income tax asset	1 241,6	1 176,3	1 302,3	1 411,0	1 523,6	8%	112,6	23%	281,9
Other assets	650,3	553,3	613,5	556,8	680,9	22%	124,1	5%	30,6
<b>Total liabilities and equity</b>	<b>72 452,9</b>	<b>71 601,3</b>	<b>77 129,2</b>	<b>79 070,0</b>	<b>78 902,4</b>	<b>0%</b>	<b>-167,6</b>	<b>9%</b>	<b>6 449,5</b>
Amounts due to banks	717,9	617,6	529,6	2 687,4	1 755,7	-35%	-931,7	145%	1 037,8
Amounts due to customers	67 832,8	66 953,9	72 005,7	70 779,7	70 741,1	0%	-38,6	4%	2 908,3
Financial liabilities	183,8	132,6	188,1	374,1	448,0	20%	73,9	144%	264,3
Derivative hedging instruments	169,3	256,8	1 082,0	1 674,2	2 265,3	35%	591,1	1238%	2 096,0
Provisions	283,6	285,5	290,2	288,6	265,9	-8%	-22,7	-6%	-17,7
Other liabilities	1 732,8	1 801,4	1 649,5	1 886,5	2 139,4	13%	252,9	23%	406,6
Income tax liabilities	3,5	17,6	36,6	71,8	127,6	78%	55,8	3588%	124,1
Subordinated loans	1 529,2	1 536,1	1 347,4	1 307,7	1 159,4	-11%	-148,3	-24%	-369,8
<b>Equity</b>	<b>6 582,2</b>	<b>6 600,7</b>	<b>5 919,2</b>	<b>5 579,7</b>	<b>5 321,0</b>	<b>-5%</b>	<b>-258,7</b>	<b>-19%</b>	<b>-1 261,2</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	5 403,7	5 403,7	5 403,8	5 403,8	5 406,9	0%	3,0	0%	3,2
Revaluation reserve	6,0	-125,2	-906,7	-1 415,4	-1 890,0	34%	-474,6	-	-1 896,0
Other reserves	161,8	161,8	161,8	161,8	161,8	0%	0,0	0%	0,0
Foreign currency translation differences	0,3	-0,4	0,0	0,0	-0,2	-	-0,3	-	-0,5
Accumulated losses	-527,0	-527,0	-527,2	-45,3	-48,3	7%	-3,0	-91%	478,7
Profit for the period	231,9	382,3	481,9	169,2	385,4	128%	216,2	66%	153,5
<b>Total liabilities and equity</b>	<b>79 035,1</b>	<b>78 201,9</b>	<b>83 048,4</b>	<b>84 649,7</b>	<b>84 223,5</b>	<b>-1%</b>	<b>-426,3</b>	<b>7%</b>	<b>5 188,4</b>

# New sale of loans (PLN mn)

## Sales in the Business Customer Segment\*



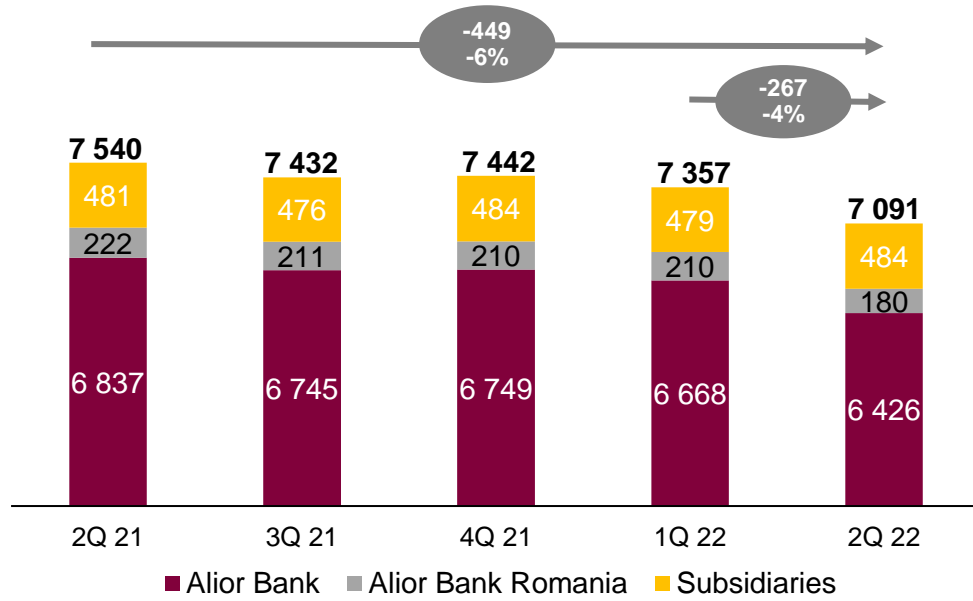
## Sales in the Retail Customer Segment



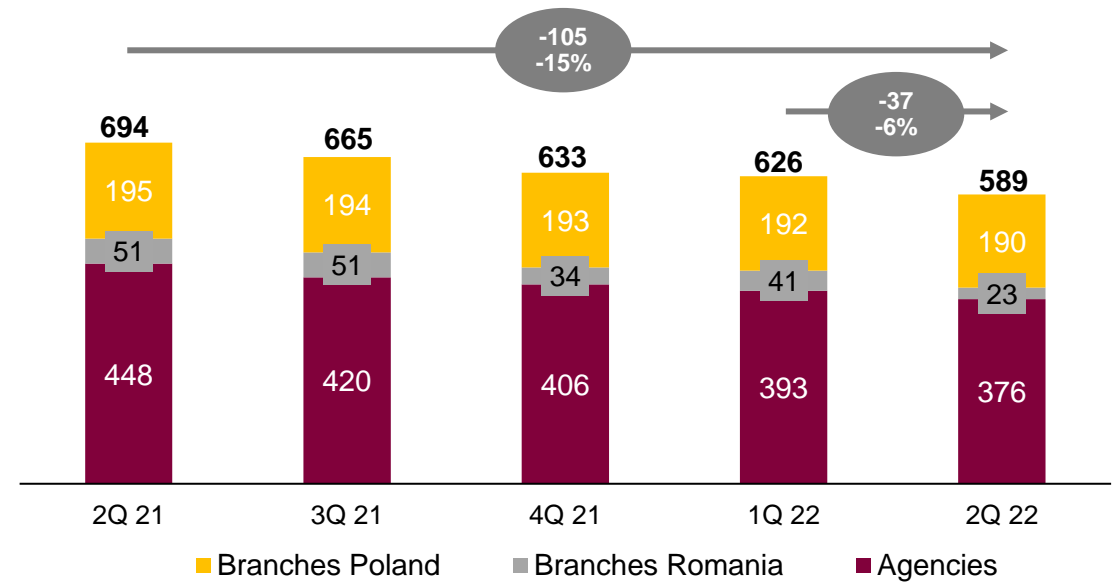
\*New sales limit (new sales + increases) for Customers in the Micro- / Small- / Medium- / Large-Sized categories

# Additional information

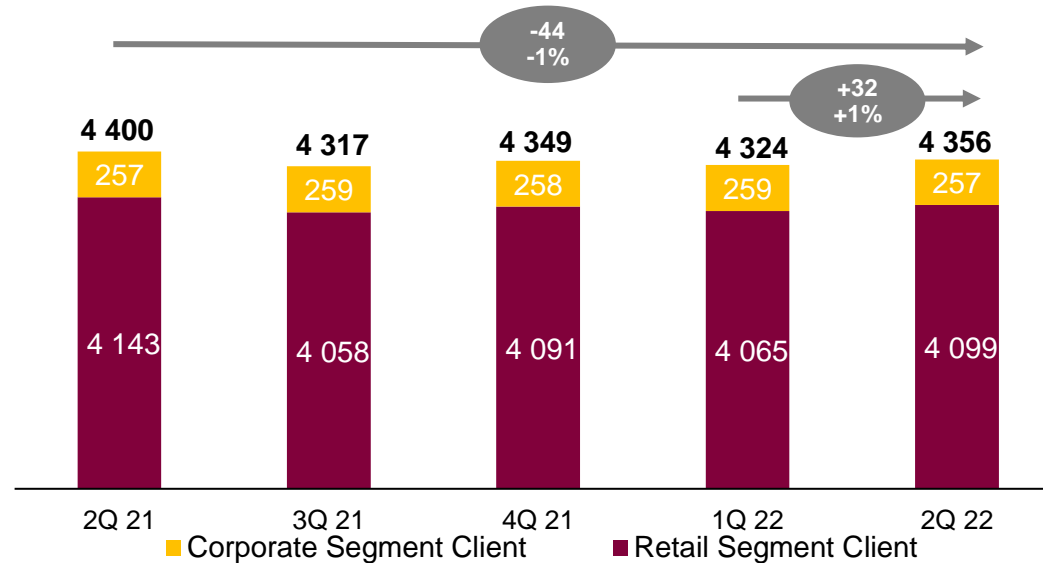
## Employment (FTEs)



## Alior Bank's branches

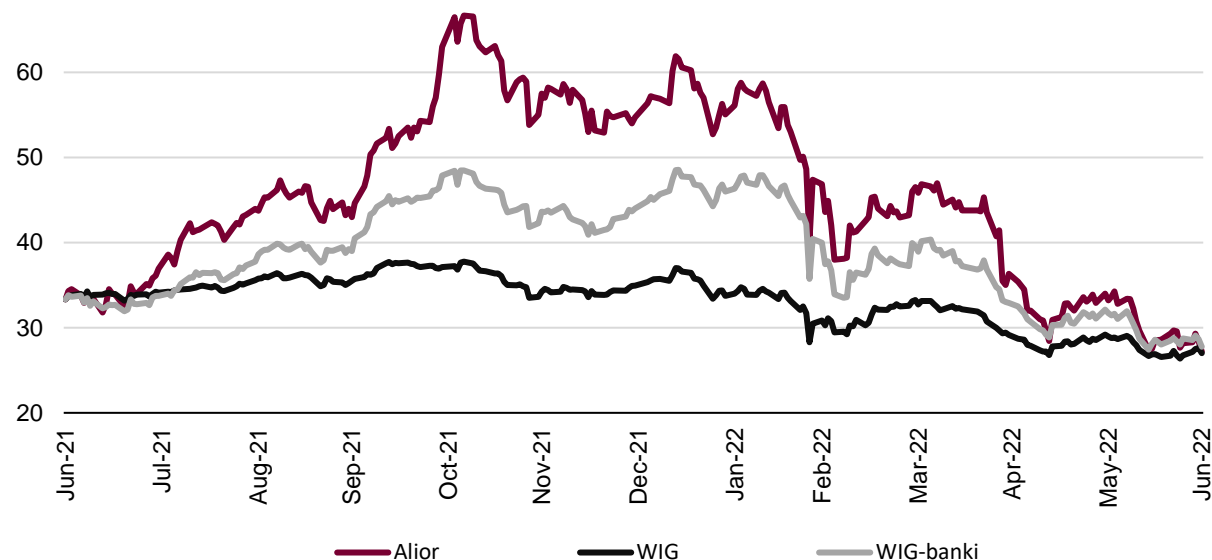


## Number of customers (thousand)



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

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



**-18.4% y/y**

**WIG banki**

**-16.7% y/y**

**WIG**

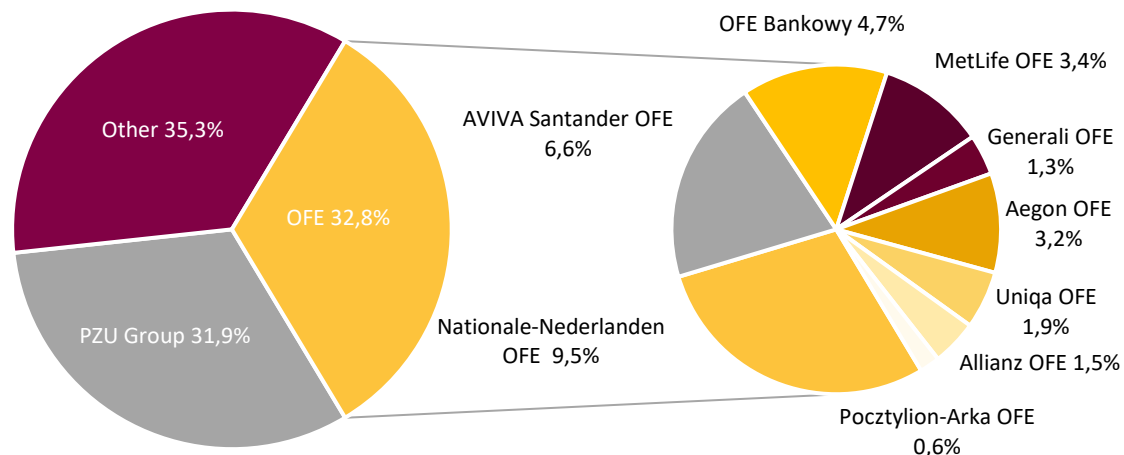
**-18.9% y/y**

Alior Bank share price : **27.20 PLN**  
 (data as at June 30, 2022)  
 Capitalisation : **3.6 PLN bn**  
 Value of shares in free trade : **1.8 PLN bn**  
 P/BV<sup>\*\*</sup>: **0.7x**  
 P/E<sup>\*\*\*</sup>: **5.6x**

**ISIN code:** PLALIOR00045  
**WSE:** 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

Shareholding structure\*



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

- WIG
- WIG-BANKI
- mWIG40
- mWIG40TR
- WIG.MS-FIN
- WIG30
- WIG30TR
- WIG-Poland
- WIG-ESG
- CEEplus

\*Based on the annual structure of OFE [Open Pension Fund] assets as at December 30, 2021

\*\*Equity for 2Q 22

\*\*\*Net profit for 2H 21 and 1H 22



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## More information



[Website](#)



[Facebook fanpage](#)



[Twitter profile](#)



[Youtube channel](#)



## Following events:

- 3Q 2022 results – November 4, 2022

## Disclaimer

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