

# Alior Bank SA

## Presentation of IQ 2021 Financial Performance

- 1 Key issues
- 2 Operations
- 3 Credit risk
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Key issues

In Q1 2021 – thanks to the sales growth, credit risk mitigation and responsible operating cost reduction Alior Bank once again generated very handsome financial performance



### Net profit at the level of PLN 108 M.

- In Q1 2021 ROE was at the level of 6.7%.
- Meanwhile in Q4 2021 C/I was at the level of 46.9% (39.8% excluding cost of BFG\*).
- Cost of Financing (CoF) was down from 1.02% in Q1 2020 to 0.22% in Q1 2021.



### Excellent sales of mortgage loans

In Q1 2021 the sales of mortgage loans was PLN 746 million in value terms, up by 58% y/y (at the same time the market was up by 8.1%). In Q1 2020 the Bank's Share of Market (SoM) was at the level of 4.2%.



### Bank's safe capital position.

TIER1 at the level of 13.14% and TCR at the level of 15.27%.

High surplus above regulatory minima:

- for TIER1 464 bps (PLN 2 236 million),
- for TCR 477 bps (PLN 2 299 million).



### High sales of hire purchase loans.

Despite tough market environment, in Q1 2021 the sales of hire purchase loans was up by 5% y/y and totalled PLN 0.98 billion.



### Excellent sales of lease products.

In Q1 2021 lease sales totalled PLN 717 million – up by 39% y/y and 5% q/q.



### Stable level of cost of risk (COR).

- In Q1 2021 COR was down by 18% y/y and totalled PLN 243 million compared to PLN 296 million in Q1 2020.
- In Q1 2021 COR remained at low level and was 1.59% against 1.93% in Q1 2020.

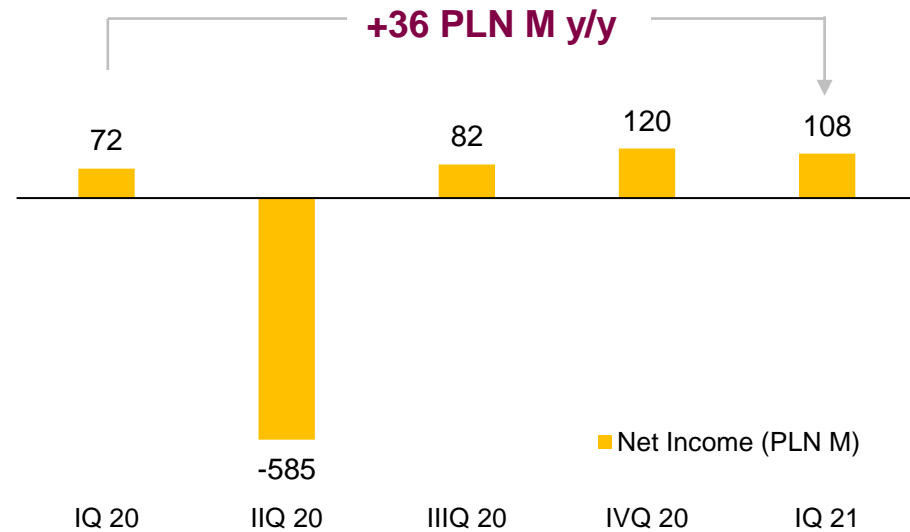


### Record-high value of assets managed by Alior Fund Management Company

In Q1 2021 net sales reached PLN 218 million in value terms, whereas the total value of funds under management by the Fund was up by 114% y/y, up to the level of PLN 1.35 billion.

# Q1 2021 - another quarter of good financial performance

Improvement of the net profit despite the Bank's external environment being worse than in the previous year



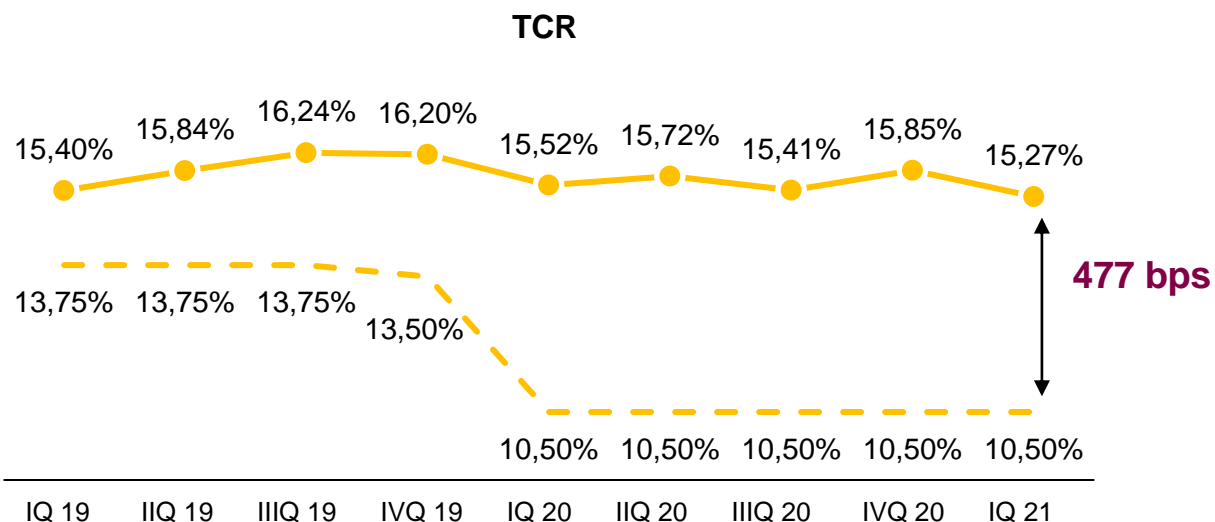
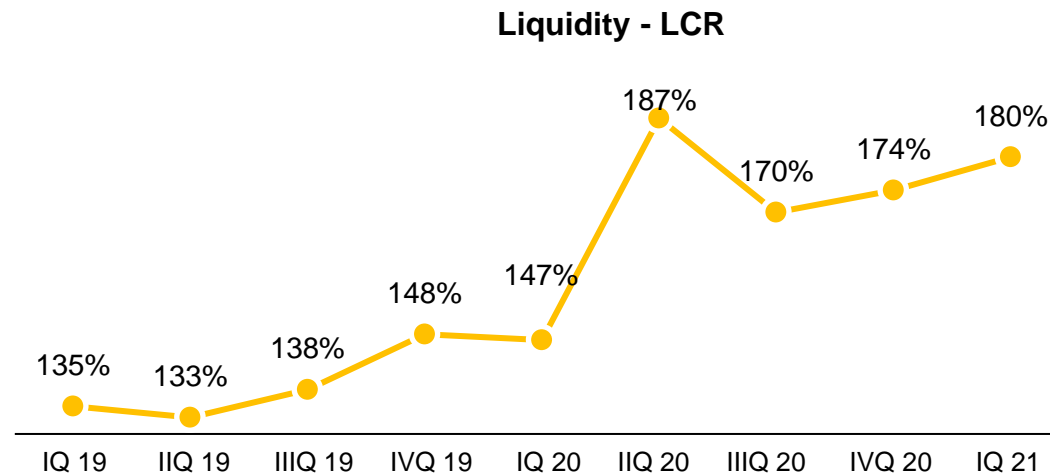
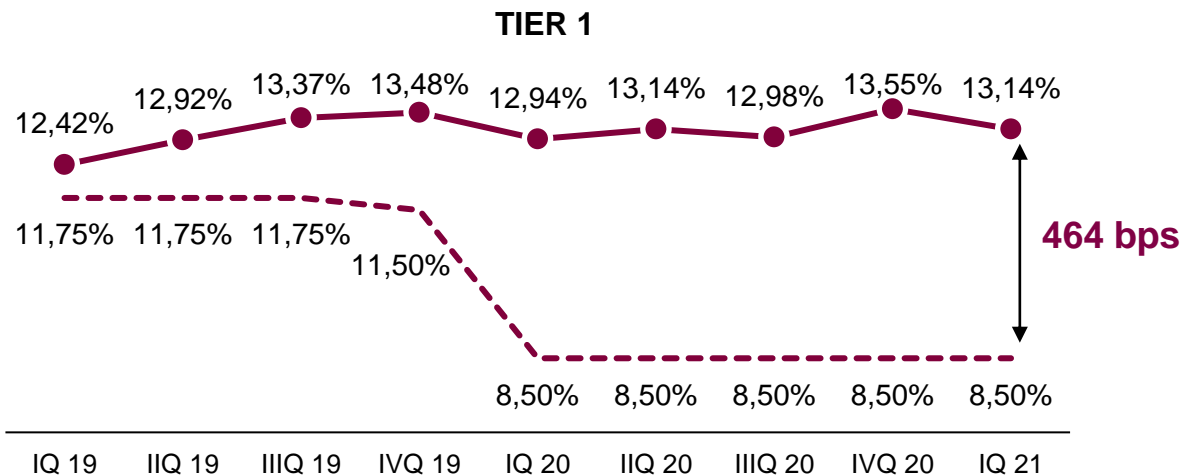
The increase in assets and the number of online Customers forms the basis that will allow the Bank to develop dynamically after the end of the Covid-19 pandemic

<b>Assets</b>	<b>79.9 bn</b> +4.4% y/y	<b>Online Customers*</b>	<b>630 thous.</b> +25% y/y
<b>Deposits</b>	<b>68.6 bn</b> +6.2% y/y	<b>Business Customers</b>	<b>243 thous.</b> +5.1% y/y
<b>Gross loans</b>	<b>62.1 bn</b> -0.2% y/y	<b>Retail Customers</b>	<b>4.18 M</b> -0.3% y/y

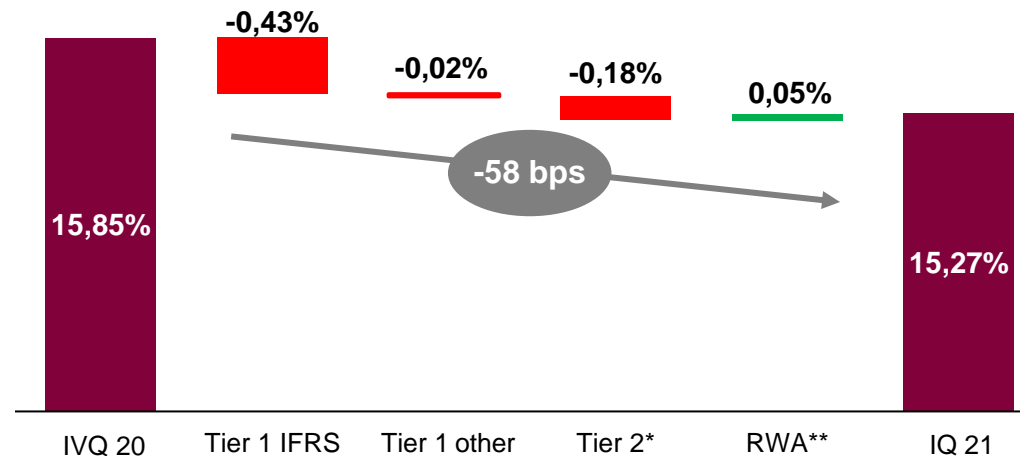
<b>Loans Business Customers</b>	<b>Cash loans**</b>	<b>Mortgage loans***</b>	<b>Consumer Finance</b>
<b>25.4 bn</b> -6.6% y/y	<b>18.9 bn</b> -6.9% y/y	<b>13.9 bn</b> +18.0% y/y	<b>3.9 bn</b> +31.0% y/y

# Bank's stable and safe position: significant capital and liquidity surpluses over regulatory minima

At the end of 1Q21 the levels of TIER1 and TCR capital ratios exceed significantly the regulatory minima, respectively by: 464 bps (2,236 PLN M) and by 477 bps (2,299 PLN M)



Decomposition of TCR ratio change in 1Q21



\* Change caused by depreciation of subordinated bonds

\*\* The change in the value of RWA (Risk Weighted Assets) driven by the loan portfolio composition change

## We successfully implement climate challenges

3.2  
thous.

new contracts  
in Q1 2021

PLN 94.2  
million

in volume terms  
of new sales  
in Q1 2021



**An agreement signed with the National Fund of Environmental Protection and Water Management under "Clean Air" Programme** – Customer's application for a grant for partial repayment of bank loan principal designated for replacement of old heat sources and purchase and installation of new ones, energy-efficiency improvement of single-family houses, purchase of photovoltaic.



**New Eco-format of branch offices** was designed with the aim to reduce resource consumption. The Bank's new branches are equipped with a range of recycled items and wood from fast-growing plants.



**Digitalization of HR processes** – completion of the digital signature implementation project at the Bank. → Within the HR team alone, over 7,000 pages of documents were produced in March, 82.99% of which were prepared electronically.

### CURRENTLY ON OFFER

- **ECO Installments** - hire purchase loan designed to finance the purchase of eco heat and energy generation systems.
- **Thermal efficiency improvement loan** - funding designated for the improvement of thermal efficiency of buildings.
- **EKOFIRMA (ECOBUSINESS)**- a loan for purchasing and installation of photovoltaic panels to generate energy by microsystem to meet own consumption.
- **Biznesmax (Businessmax) investment loan with guarantee for environmental projects** - financing for, among others, the goal related to the environmental innovation with eco effect in the following categories: closed cycle economy (waste-free technologies, selective waste collection), electromobility (including single track vehicles), renewable energy sources and energy storage.
- **ECO Loan - ECO CAR** - a loan to purchase an electric vehicle.
- **Own ECO M** - funding of the construction or purchase of a energy efficient real property in the primary market. To take advantage of the offer, you must submit a document qualifying your house/apartment as energy efficient.

### Co-operation with:



Ministerstwo  
Klimatu i Środowiska



Customers and the market appreciate Alior Bank for the service quality and the products and services offered



### Institution of the Year Award

Alior Bank was appreciated for the service quality in **as many as 6 categories** of quality ranking – „Best Bank for Business”, "Best outlet service", "Best remote accounting opening process", "Best service via remote channels", as well as "Best internet banking" and "Best mobile applicaion".



### Award granted by "Cashless Poland Foundation,"

Alior Bank was granted a statuette and the title of leader in the category "**Higher lead conversion rate**" by the Cashless Poland Foundation in 2020.



### Brokerage Account Ranking

Brokerage account offered by the Alior Bank Brokerage House was **ranked No. 1** in an annual competition organised by the Pulsu Biznesu daily editorial board.



### Golden Banker

In the 12th edition of the ranking organized by the editors of Bankier.pl and Puls Biznesu, Alior Bank received respectively – **first place** for „cash loan”, **second place** for "credit card" and **third place** for "personal account". The Bank was granted also a distinction in the cateogry „Safe Bank – Best Practices”.

## Implementation of the updated strategy "More than a bank" 2021-2022

		2020	IQ 21 realisation	2022 goal
Business volumes	Assets	PLN 78.6 bn	PLN 79.9 bn	PLN 89 bn
	No. of Retail Customers	4.2 M	4.2 M	4.5 M
	No. of Business Customers	239 thous.	243 thous.	278 thous.
Profitability	ROE	-4.7%	6.7%	>5%
	NIM	3.9%	3.7%	4%
	C/I	47.0%	46.9%	<46%
Risk and capital	COR	2.8%	1.6%	1.9%
	Tier I surplus	505 bps	464 bps	>280 bps
	NPL	14.5%	13.8%	11.8%
	COF	0.6%	0.2%	0.3%

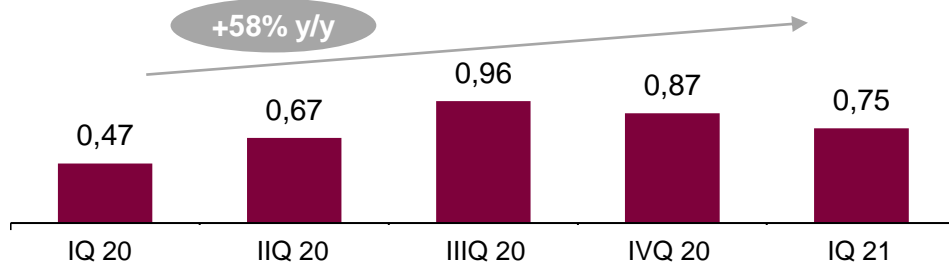


# Operations

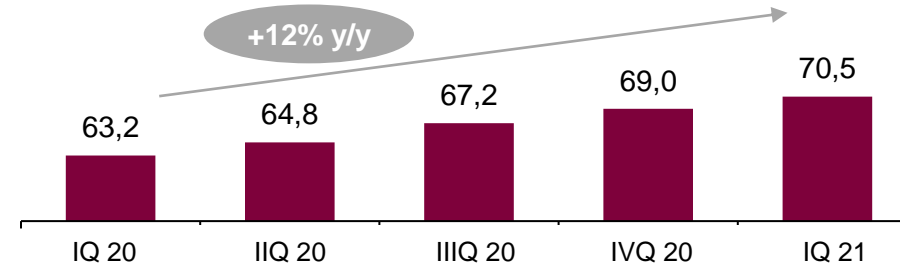
# Sales of Bank's key products and number of Customers



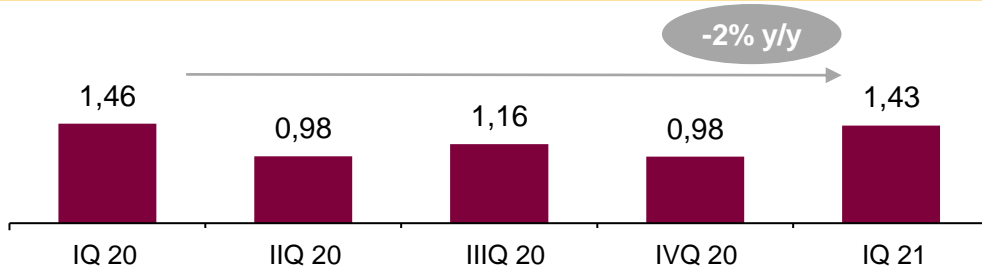
Sales of mortgage loans (bn PLN)



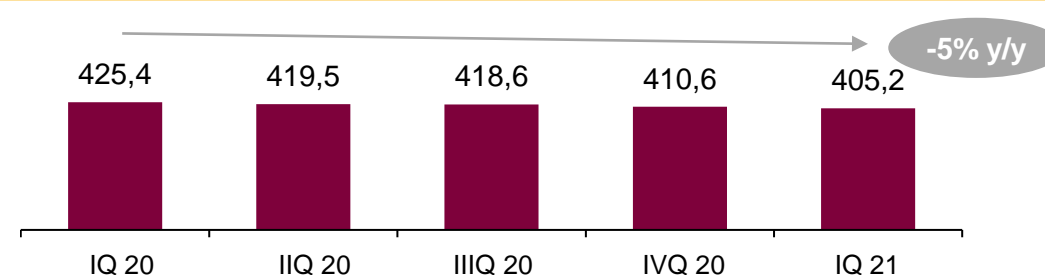
No. of Customers with mortgage loan ('000)



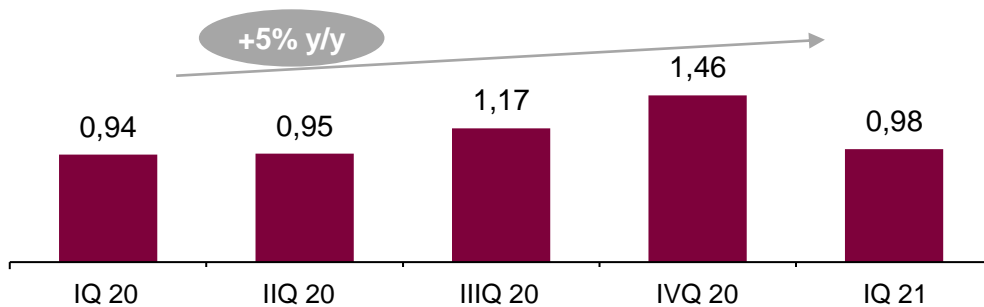
Loan sales (bn PLN)



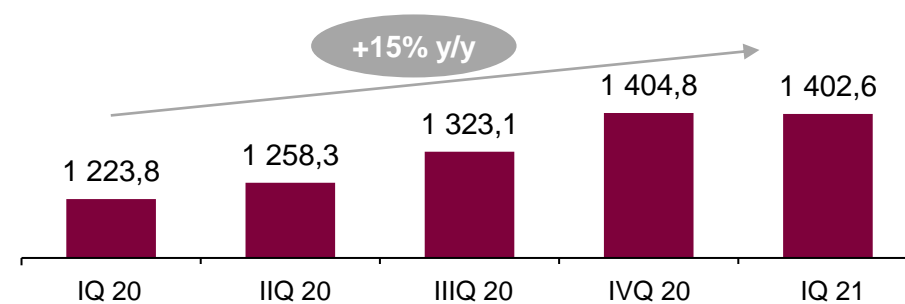
No. of Customers with the loan ('000)



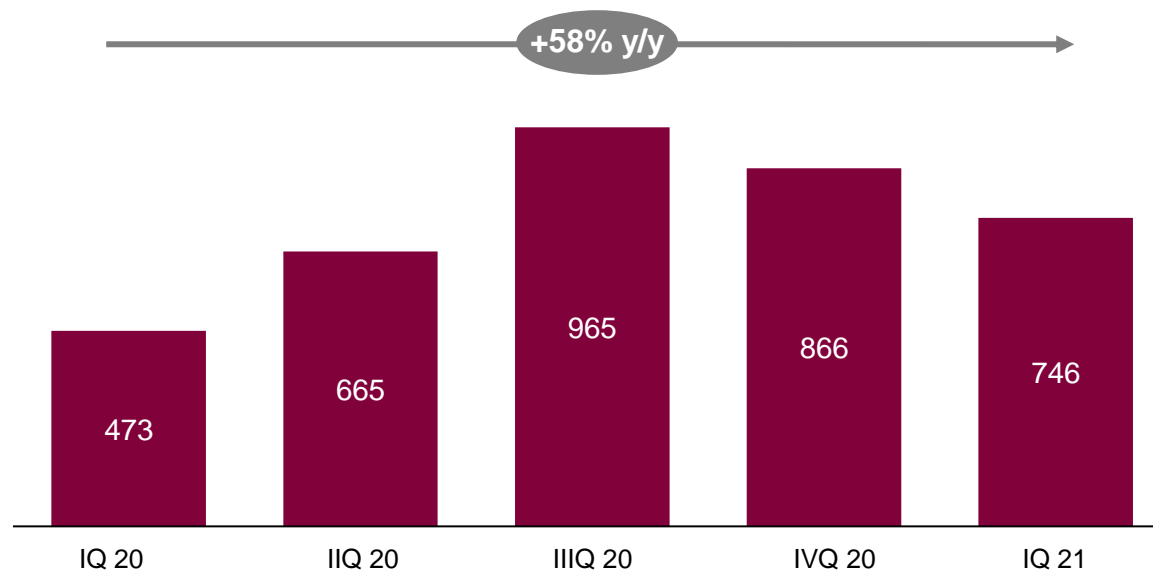
Sales of CF loans (bn PLN)



No. of Customers with CF products ('000)



### Sales of mortgage loans (PLN M)



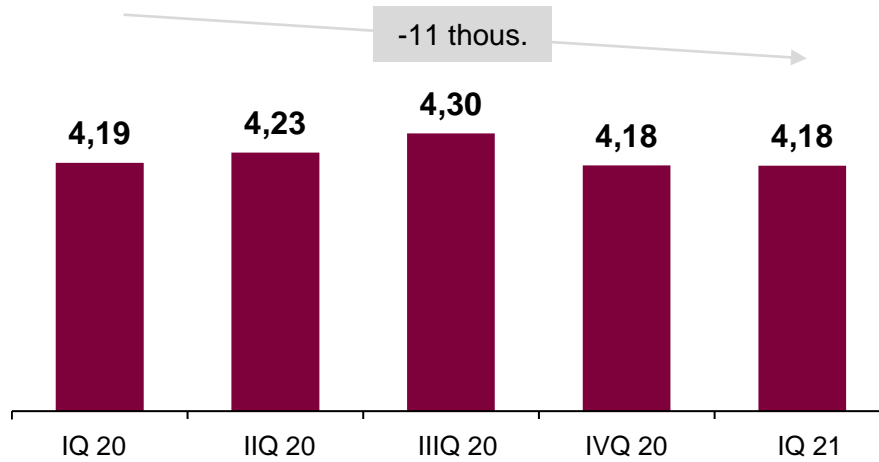
In Q1 2021 sales of mortgage loans was up by 58% compared to Q1 2020.



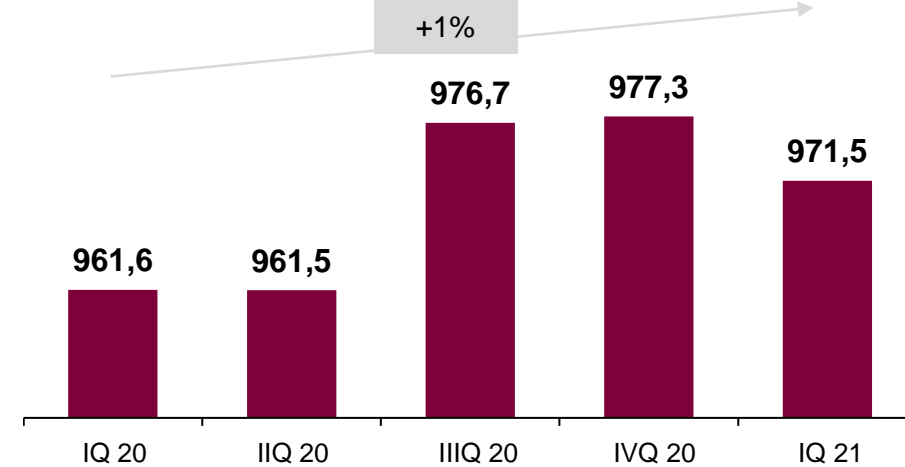
- Alior Bank consistently pursues its policy of maintaining the sales volume of mortgage loans.
- Mortgage loans are one of the pillars of the Alior Bank's Strategy in 2020 - 2022.

# Effective building of lasting customer relationships and the growing importance of digital channels

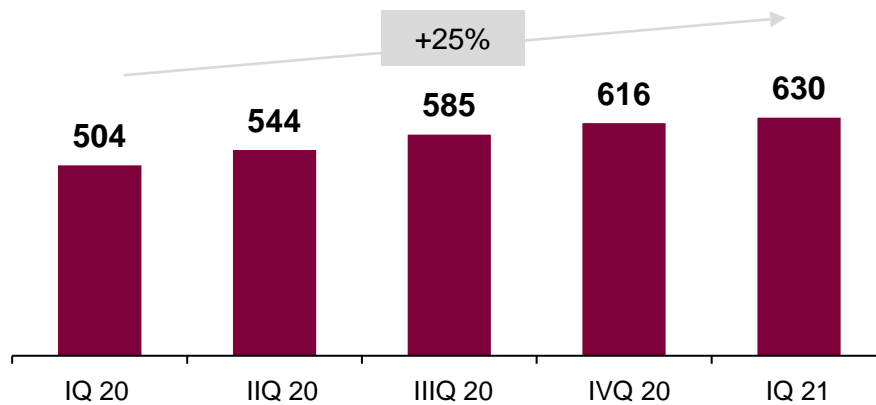
### Number of Retail Customers (M)



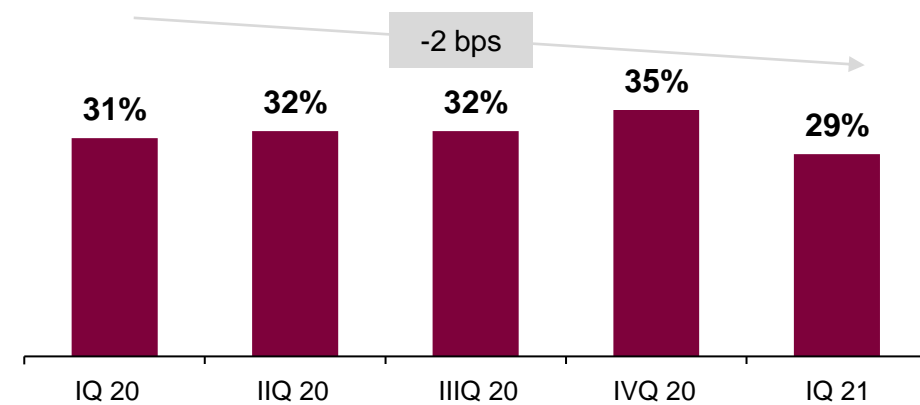
### Number of Customers with regular inflows ('000)



### Users of Alior Bank's mobile application ('000)




### Share of cash loan sales through online channels




AppStore Rating **4.6** out of 5

Google Rating **3.6** out of 5




**Framework agreement in KI distance sales**

The customers who use the credit offer via a distance process receive simultaneously access to digital channels (Alor Online and Alor Mobile).




**infoNina – new voice assistant**

An AI voice robot that answers questions of the customers calling hotline or connects with the right account manager.




**An option of assignment of ePIN via Alor Online**

An additional security functionality for online card transactions.




**Accidents, unemployment and fee reimbursement for borrowers insurance package** (available with loan agreement or consolidation loan).



**Multi-product feature**

A new process for combined applying for loan products and savings and checking account.

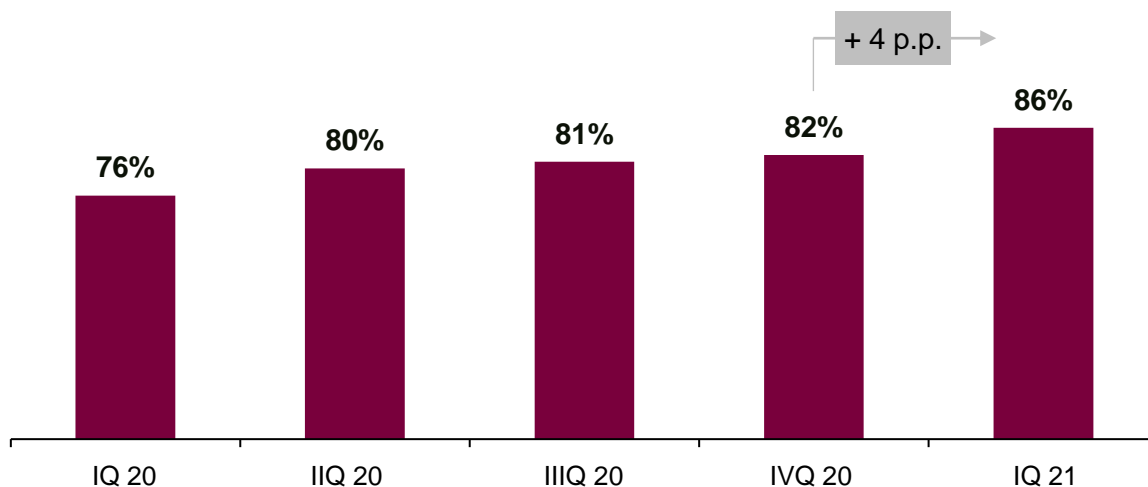


**Providing access to the tab "My Matters"**

An option to request certificates and opinions, lodging complaints and correspondence at one place without leaving home.

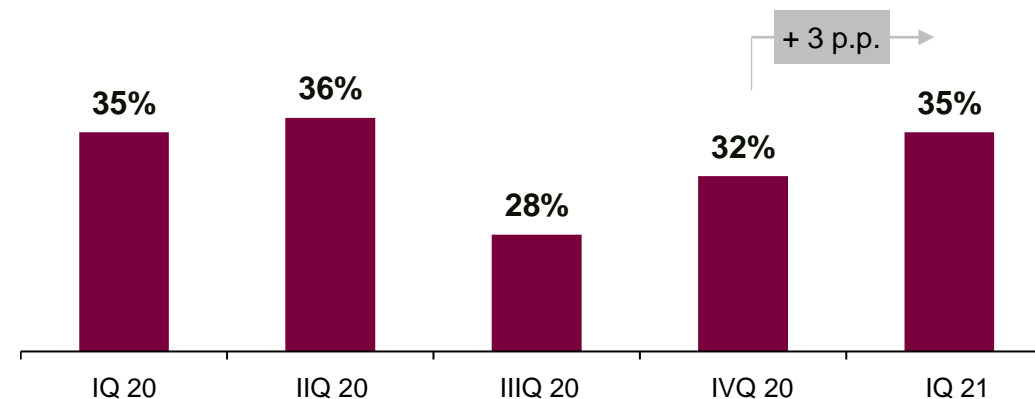
# Growing customer satisfaction of Alior Bank customers has an impact on building a lasting business relationship

### NPS distribution network



In Q1 2021 saw an increase of NPS in the group of Customers using own branches – the NPS rose by 4% q/q.

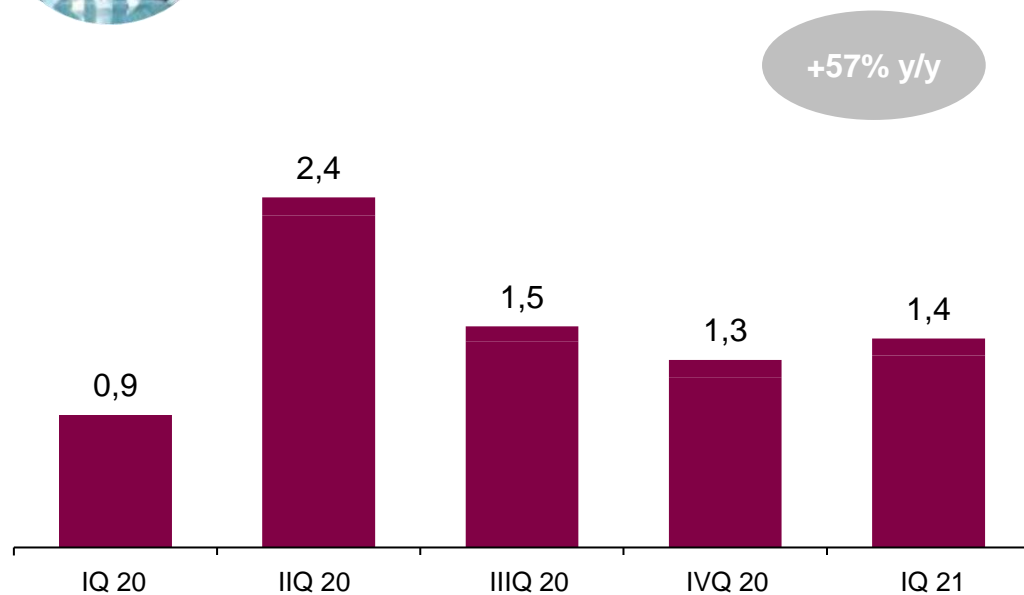
### Relationship NPS



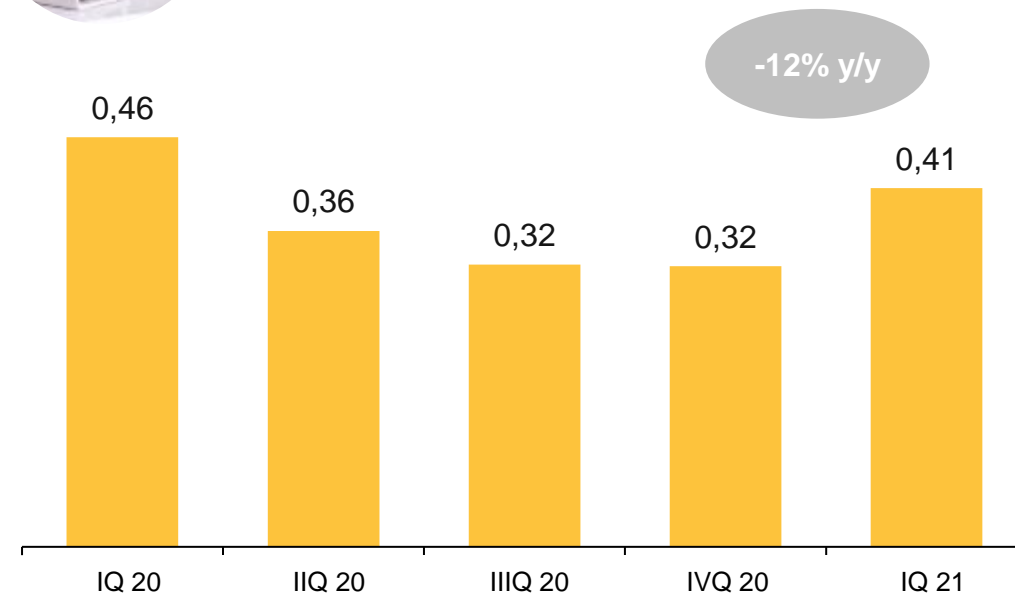
In Q1 2021 the NPS growth is a result of improved satisfaction with the Bank's products (checking and saving account, loan) and improved perception of the Bank's image.



**Total loan limit granted to Small/Medium/Large Customers (PLN bn)**

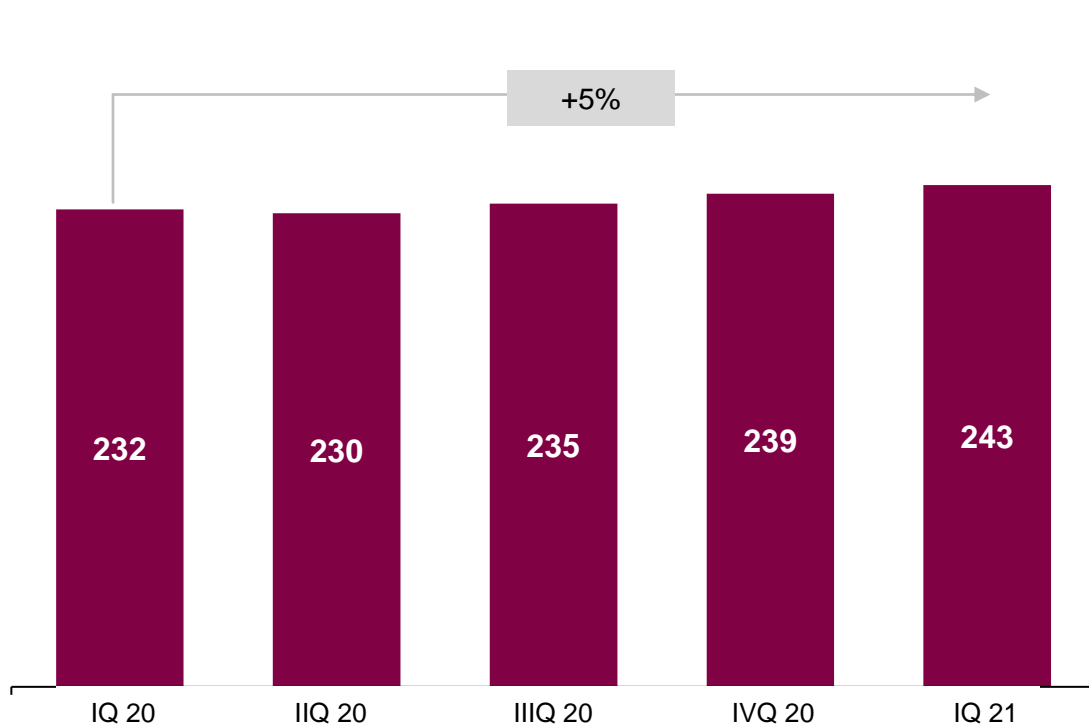


**Total loan limit granted to Micro Customers (PLN bn)**

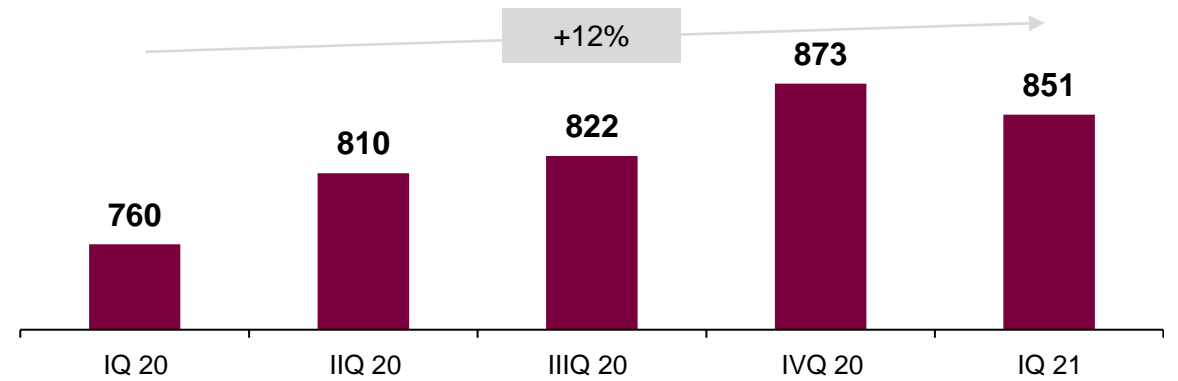


After declines caused by Covid-19 and adjustments tightening loan policies, there was a visible rebound in sales in the Business Customers segment.

**No. of Business Customers – all segments**

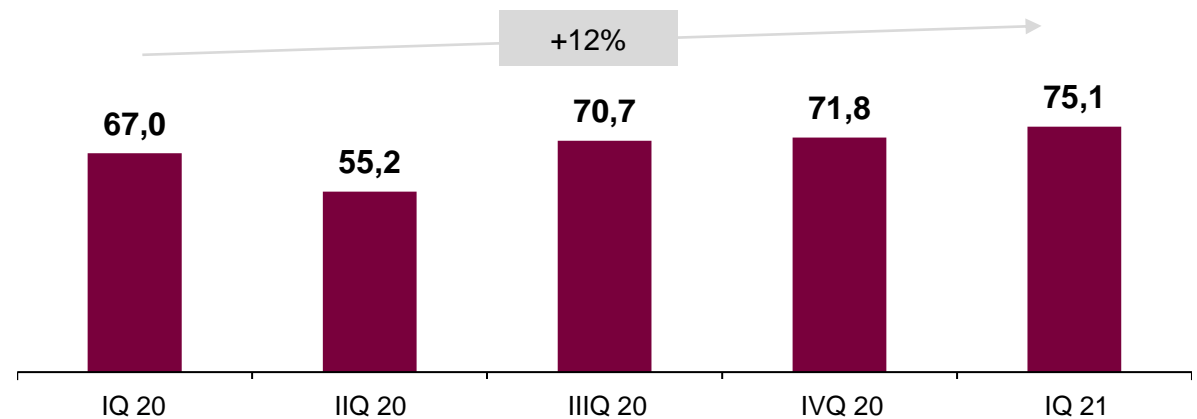


**No. of BankConnect Customers – Small/Medium/Large segment**



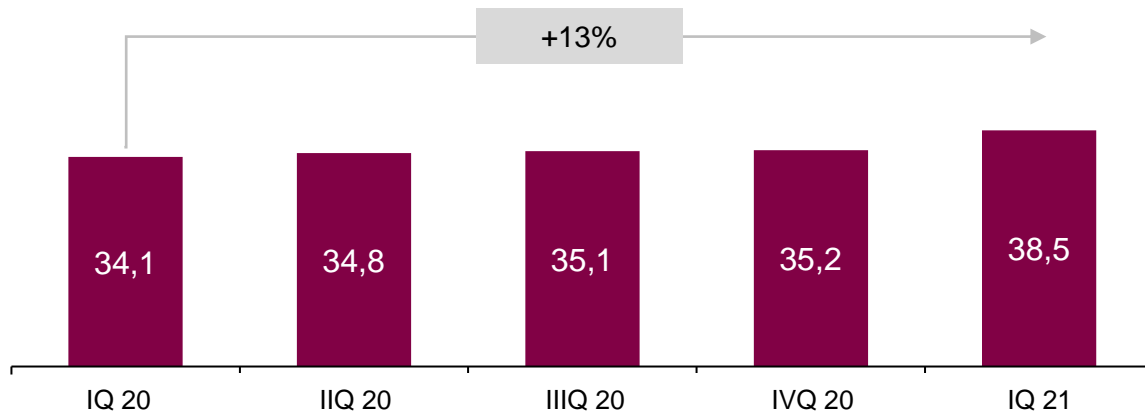
A significant growth in the number of Customers holding BankConnect product was observed. It supports the integration of the Customer's accounting systems with BusinessPro.

**No. of Micro Customers paying Social Insurance contributions/making tax payments ('000)**

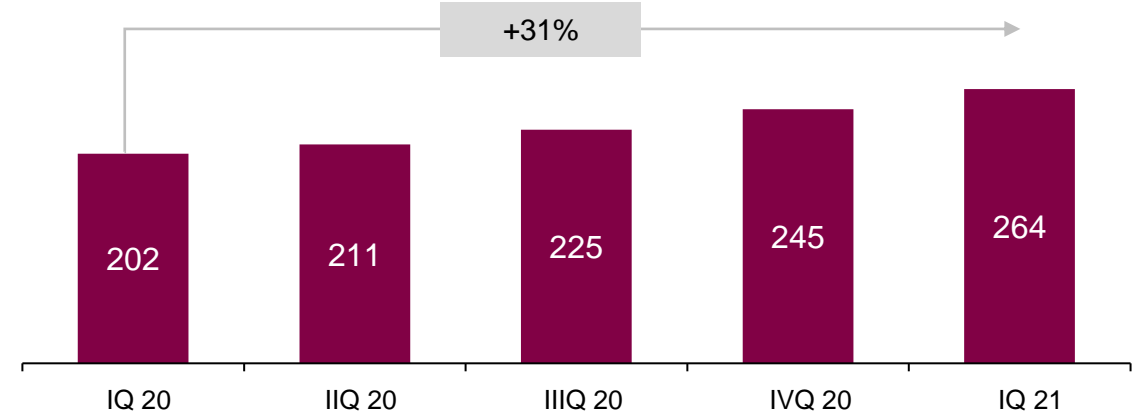


Alior Bank consistently maintains growth in the number of Business Customers.

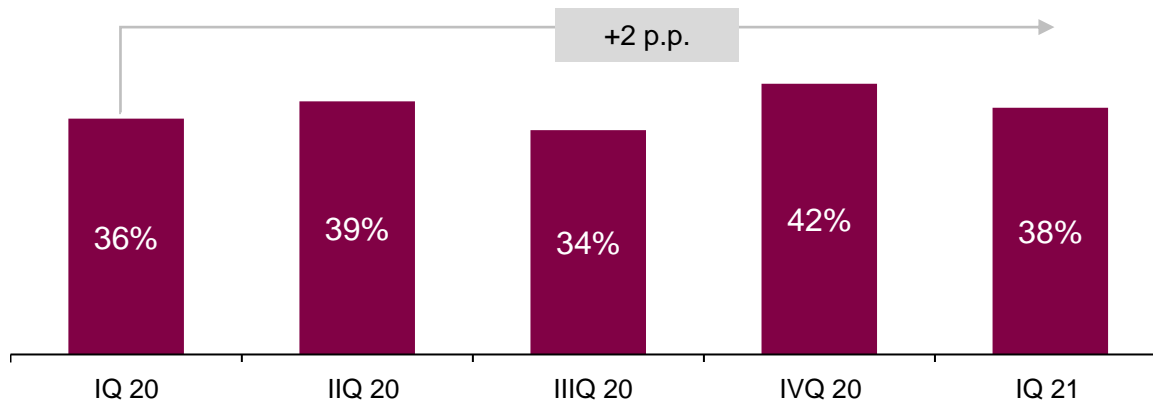
Number of Micro Customers actively using auxiliary accounts ('000)



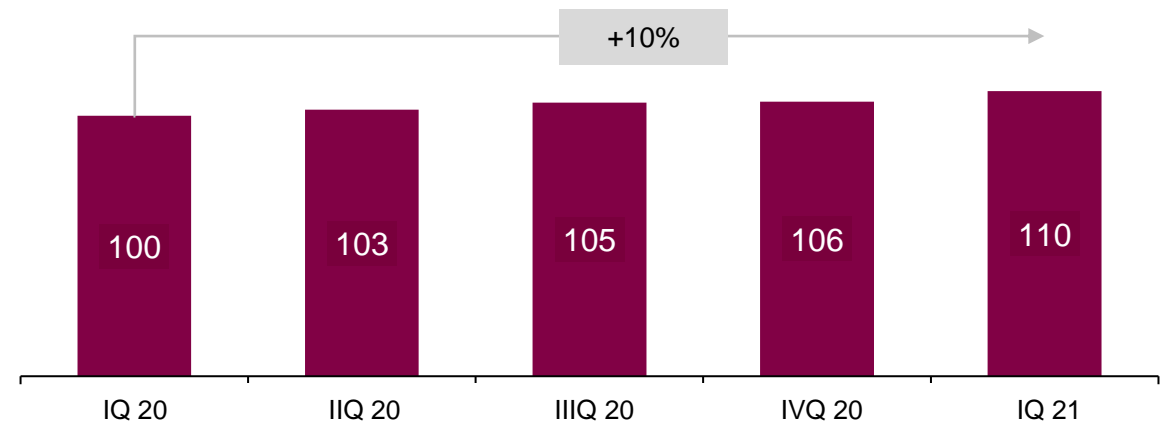
Number of instant transfers ('000)



Share of Micro Customers opening an online account



Number of payment cards of Micro Customers ('000)



# Alior Bank participates in public schemes and supports businessmen during the Covid-19 pandemic



- Alior Bank adjusted its offer to BGK's assistance plans and offered businessmen an increase of the availability of guarantees by changing the level of fees, effective term as well as an increase of the collateral amount. In addition, the Bank has introduced the possibility of refunding part of the loan interest under two guarantee programs (Agricultural Guarantee under the Agricultural Guarantee Fund, and Businessmax Guarantee under the FG POIR).
- By 30 June 2021, Alior Bank's customers could take advantage of the changed conditions for the extension of **de minimis guarantee**, **COSME guarantee**, **BiznesMax guarantee**, **Creative Europe guarantee**, **Agricultural Guarantee** and **guarantees from the Liquidity Guarantee Fund** for loans and factoring.
- **During the Covid-19 pandemic period (March 2020 - March 2021), we extended funding to 8,400 Customers, for the total amount of PLN 4.3 billion** secured with guarantees under terms and conditions implemented for the Covid-19 pandemic period for the total amount of **PLN 3.4 billion**.

## Applications for subsidies under the Financial Shield PFR 2.0 made available to Alior Bank Customers:

- **2.4 thous.** applications with positive decisions for the payment of grants between 15 January and 31 March.

## Payments to Alior Bank Customers:

- Total amount of grants paid reached almost **PLN 400 million**.

## Total market of payments under Polish Development Fund (PFR):

- **PLN 7 billion** of paid grants to more than **46 thousand** companies.
- The Alior Bank's share is **5.2%** in the number of applications and **5.7%** in the total payments.



## Applications for subsidies under the Financial Shield PFR 1.0:

- **16.8 thousand** applications with positive decisions for the payment of grants between 28 April 2020 and 31 July 2020.

## Payments to Alior Bank Customers:

- Total amount of grants paid reached almost **PLN 2.7 billion**.

## Total market of payments under PFR:

- **PLN 62 billion** of paid grants to more than **346 thousand** companies.
- The Alior Bank's share is **4.8%** in the number of applications and **4.3%** in the total payments.

# Alior Bank distributes public funds in the form of repayable instruments

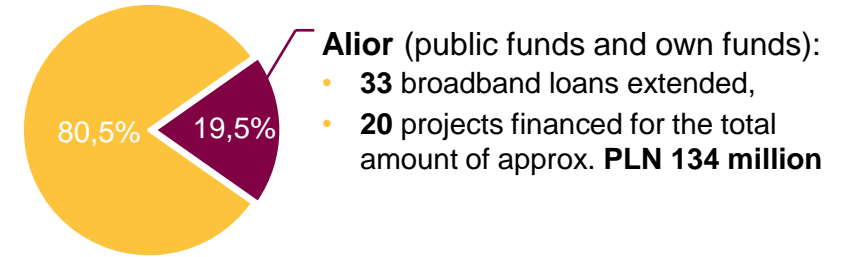
## Broadband Loan - preferential financing for broadband investment projects

From July 2017 to March 2021, Alior Bank, acting as a Financial Intermediary, under two Operational Agreements signed with BGK (Bank Gospodarstwa Krajowego), extended Broadband Loans to telecom companies under the Digital Poland Operational Program 2014-2020. The loans received part financing from the Programme and Alior Bank funds.

Project title: **Implementation of financial instruments under the priority axis "Universal Access to Fast Internet" of the Digital Poland Operational Programme 2014-2020.**



### Alior Bank's share in the Project execution between 2017 and 2021\*



**Alior** (public funds and own funds):

- **33** broadband loans extended,
- **20** projects financed for the total amount of approx. **PLN 134 million**

Other funds including other Financial Intermediaries

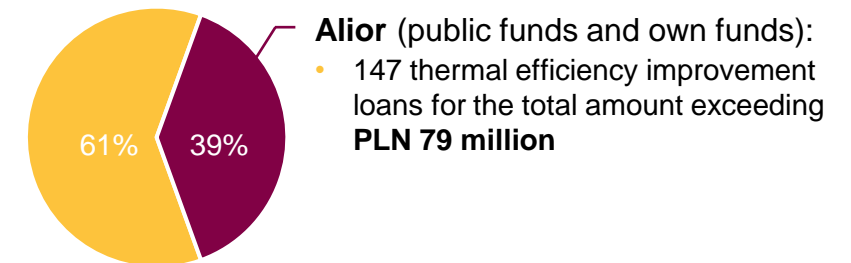
\* Share of Market based on own calculations

## Thermal efficiency improvement loan - an offer addressed to the housing sector

Since 2018 Alior Bank has been providing preferential loans for financing thermal efficiency improvement investment project to Housing Communities, Housing Cooperatives, Social Housing Associations and in selected provinces also to Local Government Units. The loans are partly financed by the Regional Operational Programmes for the following provinces: Dolnośląskie, Łódzkie, Małopolskie, Podlaskie and soon for: Pomorskie and Kujawsko-Pomorskie. Scheduled completion of the Programmes – 2023.



### Implementation status of the Programmes executed by Alior Bank



**Alior** (public funds and own funds):

- **147** thermal efficiency improvement loans for the total amount exceeding **PLN 79 million**

Other funds including other Financial Intermediaries



## Price promotion - 50%

The Bank has made available a price promotion - 50% loan origination fee for micro businesses (loan value under promotion up to PLN 1 million) and small businesses (loan under promotion up to PLN 3 million) in automated processes. It is possible to sign a loan agreement remotely or at a branch.

The loan is secured with BGK guarantee.



## Selfie-based business loan

The Bank has extended an option of fully remote transaction processing using the Autenti platform and the PHOTO ID identity verification method.

Micro and small businesses may be granted remotely maximum PLN 600 thousand in new funding.

## Feniks KB (*Phoenix BC*) pre-approved process for Business Customers

Implementation of a new, simplified and automated credit process with pre-approved creditworthiness for existing Business Customers handled by the new credit system in the Partner branch network.

The benefits of a new functionality are as follows:

- effective sales with precise limits for businessmen,
- lending process customized to the Customer needs,
- an option to apply for financing for various purposes.

In April 2021, the process was made available in our own branches.



We deepen relationships with the Business Customers based on new transactional products and services







NEW "Business Plan" account available effective from April 2021

Under the "Business Plan" account we offer free-of-charge:

- Opening and keeping of a current account and 2 auxiliary accounts - it is enough for the Customer to make 4 transactions with a debit card or a transfer to Social Insurance Institution (ZUS) or tax office in a given month,
- **BASIC Plan**, free-of-charge products and services for each holder.



- Issuance and taking advantage of 2 debit cards
- Cash withdrawals from ATMs at Alior Bank branches
- Online own transfers and to Social Insurance Institution/Tax Office
- Access for 2 users to the BusinessPro internet banking system
- Access to eFX Trader with attractive FX rates

<p><b>PLAN PLUS TRANSFERS</b></p> 	<p><b>PLAN PLUS CARDS</b></p> 	<p><b>PLAN PLUS ONLINE BANKING</b></p> 
<div style="border: 1px solid #ccc; border-radius: 10px; padding: 10px;">  <ul style="list-style-type: none"> <li>• For 60 online transfers per month (domestic transfers, SEPA wages)</li> <li>• For 60 text message with authorisations or notifications per month</li> </ul> </div>	<div style="border: 1px solid #ccc; border-radius: 10px; padding: 10px;">  <ul style="list-style-type: none"> <li>• For the issue and use of another 2 debit cards</li> <li>• For 2 withdrawals at third party ATM per month</li> <li>• For 1 deposit in the cash deposit machine per month</li> </ul> </div>	<div style="border: 1px solid #ccc; border-radius: 10px; padding: 10px;">  <ul style="list-style-type: none"> <li>• For access by another 2 users to BusinessPro internet banking system</li> <li>• For access to additional internet banking modules: import/export, cash management, affiliated groups</li> </ul> </div>



# Operations of key member companies of the Alior Bank Group

## Alior Leasing



In Q1 2021 Alior Leasing generated sales of **PLN 717 million (up by 39% compared to Q1 2020)**.

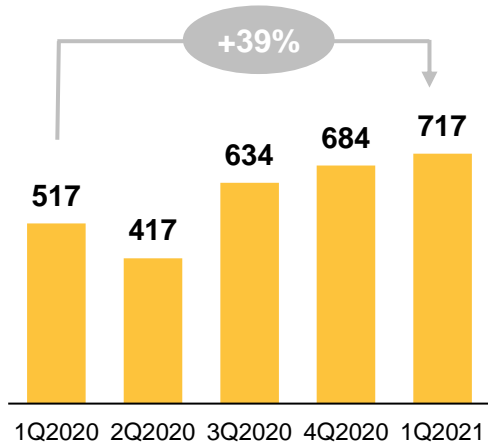
### LEASING

Since June 2020, we have been watching a trend of growing demand for Alior Leasing products.

#### At the end of Q1 21:

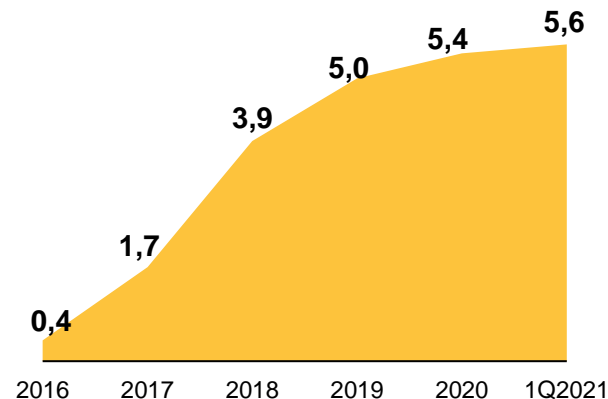
- the balance of lease receivables totalled **PLN 5.6 bn** and was up by PLN 0.1 bn compared to the end of Q1 2020;
- No. of Customers: **71.0 thous.** (+16,9 thous. compared to Q1 2020);
- No. of contracts: **95.5 thous.** (+12,4 thous. compared to Q1 2020).

Lease and loan sales (PLN M)



Source: Alior Leasing

Lease and loan portfolio (PLN bn)



Source: Alior Leasing

## Alior TFI

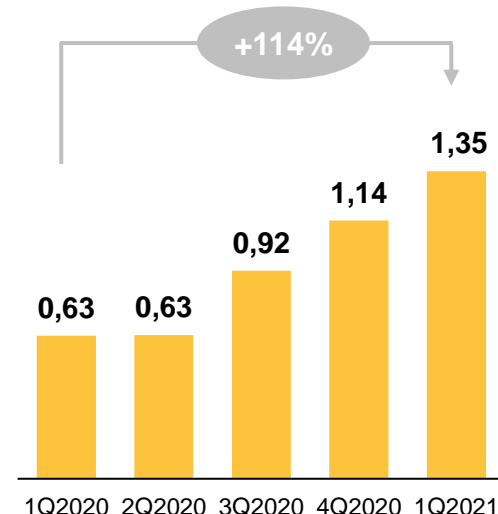


### TFI

In Q1 2021 Alior Investment Fund Company (TFI) maintained high level of net sales of the investment funds under its management, reaching sales of **PLN 218 million**.

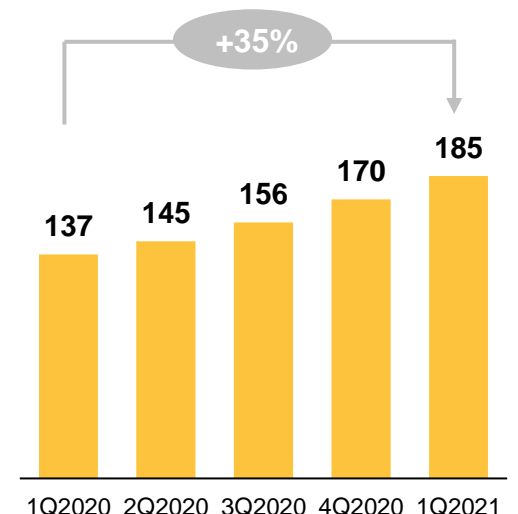
Alior TFI quickly recovered from the H1 2020 and made up for the losses caused by Covid-19 pandemic. By the end of Q1 2021 the assets under its management in the open-ended funds **were up by 114% y/y**.

Assets under management in Alior TFI's open-end investment funds (PLN bn)



Source: Alior TFI

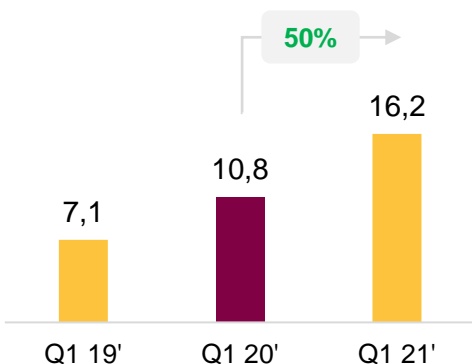
Assets under management in Alior TFI's non-dedicated investment funds\* (PLN bn)



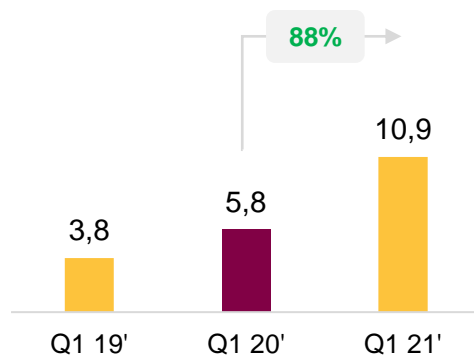
Source: Source: own analysis based on The Chamber of Funds and Assets Managers

# Excellent performance of the Brokerage House – in Q1 2021 revenues up by 50% y/y

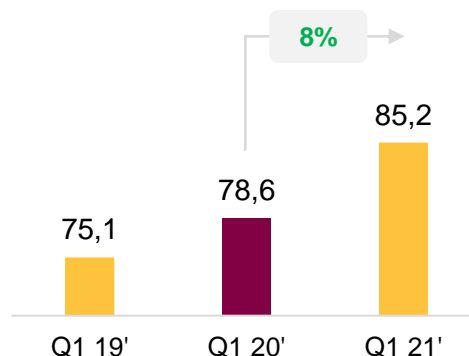
Brokerage House's fee income (revenues) [in PLN M]



Fees – brokerage account [PLN M]



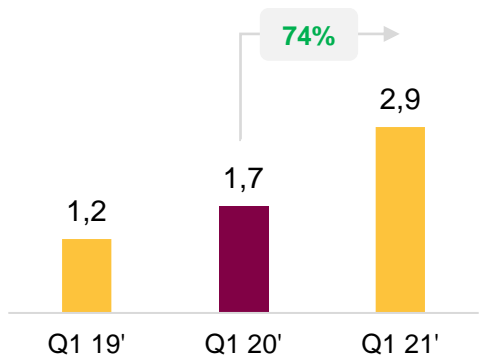
No. of brokerage accounts ['000 pcs.]



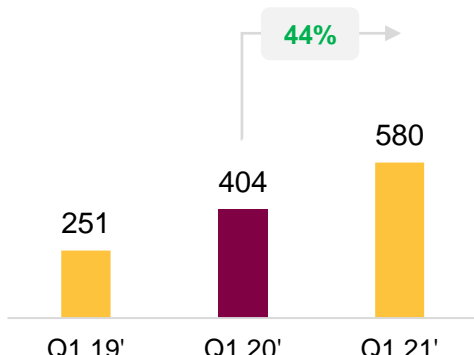
## Initiatives and achievements

- Implementation of another (next to Orlen in Portfolio) **loyalty programme for shareholders of UNIMOT S.A. company** (Unimot Club+).
- Making available a new application for trade monitoring – **Quotations 5 Pro** by Statica.
- In Q1 the Brokerage House acquired **1,6 thousand of new brokerage accounts** (80% of them were established via remote channels) and above 200 Alior Trader accounts. The equity traded volume was up by 136% y/y and the number of orders placed was up by 63%.
- New **investment certificates**, listed on the Warsaw Stock Exchnage (WSE) using the Autocall formula i reversible convertible notes swapped into equity with their physical delivery – for Private Banking Customers.
- In February the first subscription was launched **for the first series of Banking Securities** under Banking Security Issue Programme 2 endorsed by PFSA on 31 December 2020.
- Numerous **communication and educational initiatives** in Social Media, including follow-up of the educational cycle launched in Q4 2020 for the Customers on investing and risk.

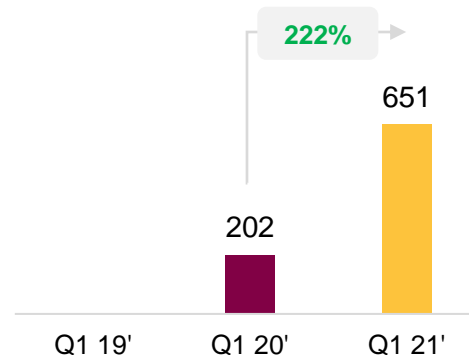
The value of investment fund assets – FIO [PLN BN]



Acquisition of investment funds – FIO [PLN M]



Assets - Investment Consulting Individual (chargeable) [mIn PLN]

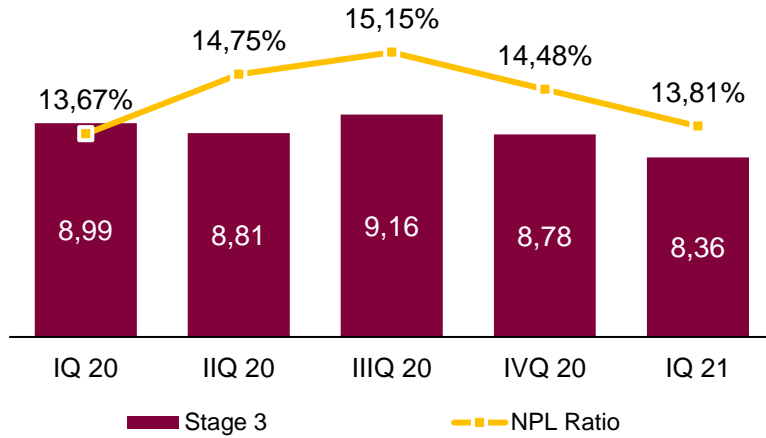




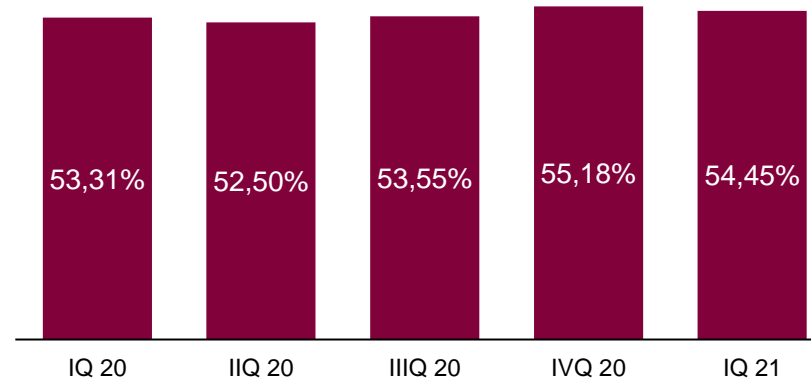
Credit Risk

# A decrease in the cost of risk and a noticeable improvement in the quality of the loan portfolio

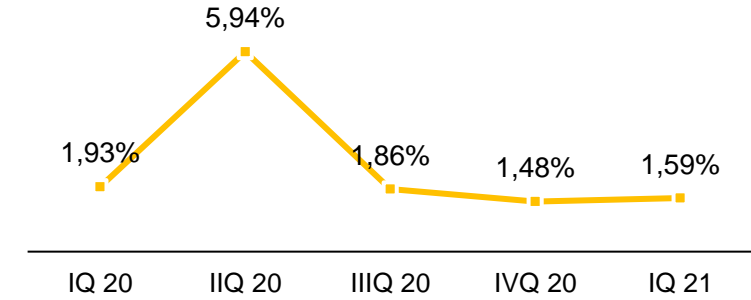
### Non-performing loans (PLN M)



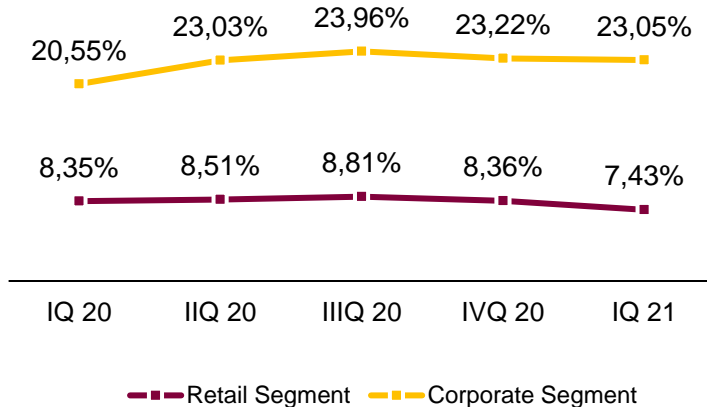
### NPL coverage ratio\*



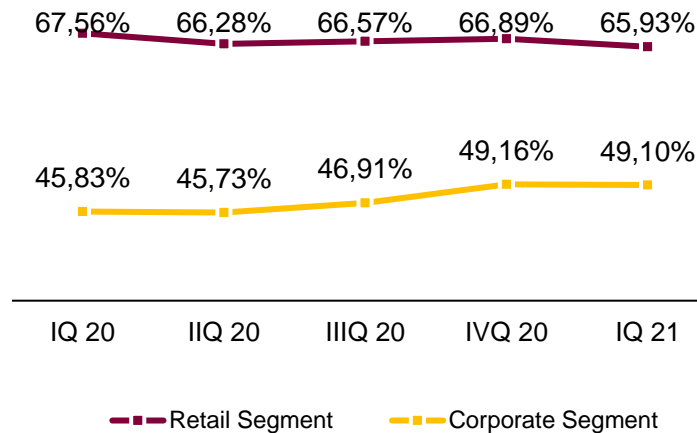
### Cost of Risk (COR%; QTD basis)



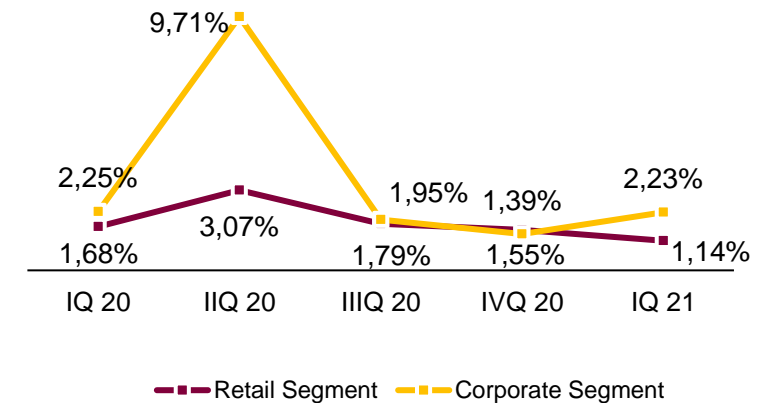
### Non-performing loans - Segments



### NPL coverage ratio\* - Segments

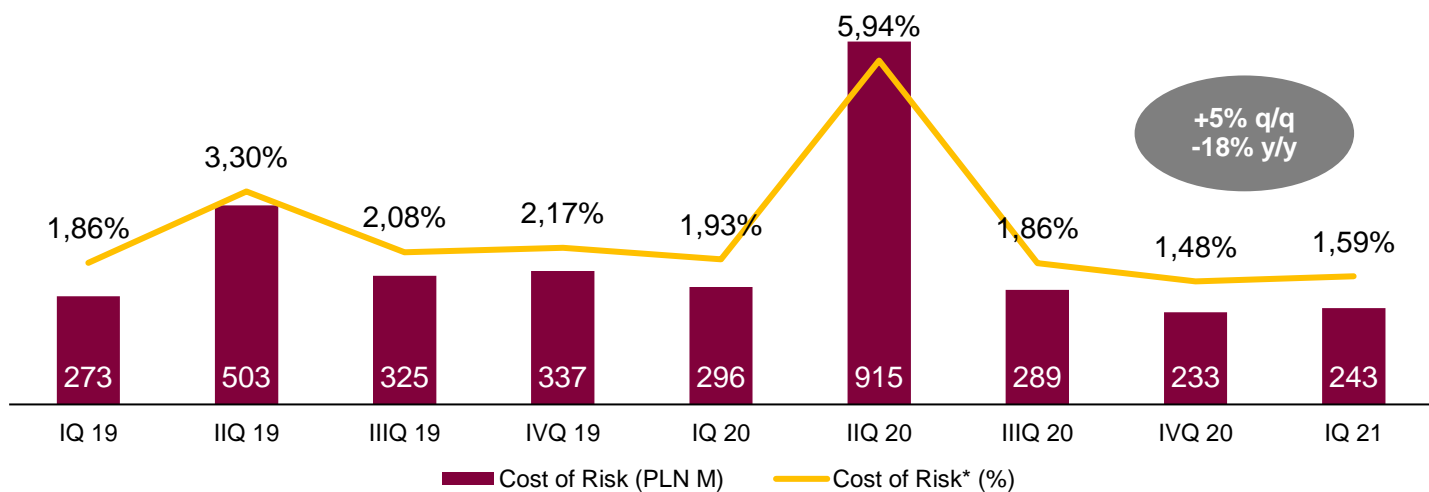


### Cost of Risk – Segments (COR%; QTD basis)



Change of the lending policy is starting to bring material results - visible decrease in the value of write-offs for expected credit losses in both segments y/y

### Cost of Risk - Alior Bank Group

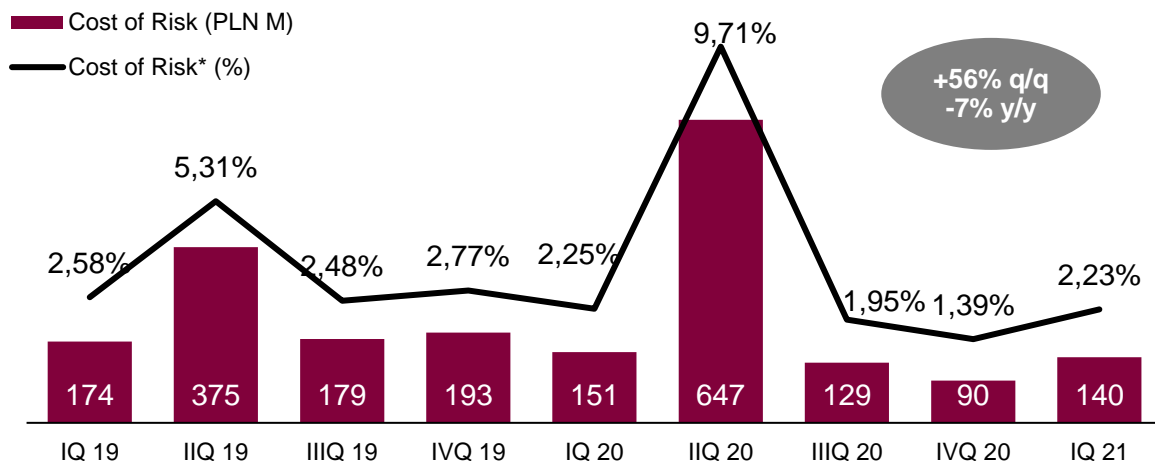


In Q1 2021 the Bank maintains a cost of risk below the long-term average.

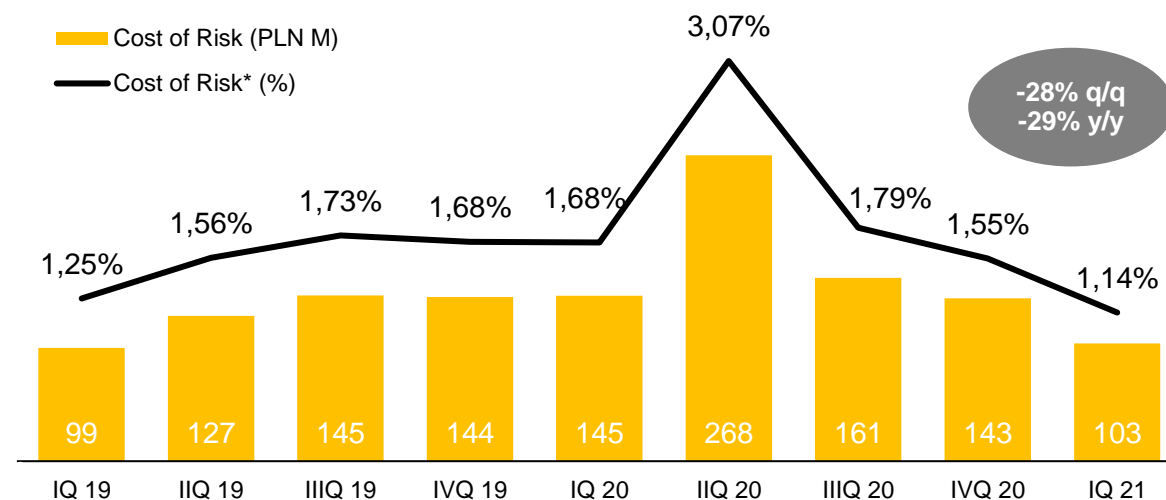
Despite the challenging macroeconomic environment, the Bank's loan portfolio remains resilient to the impact of the Covid-19 pandemic.

As a result of the Bank's actions taken in 2020 to manage its loan portfolio risk and due to the observed behavior of customers, the level of Cost of Risk (COR) should not exceed 2.2% in 2021.

### Corporate Segment - Cost of Risk (PLN M; %)

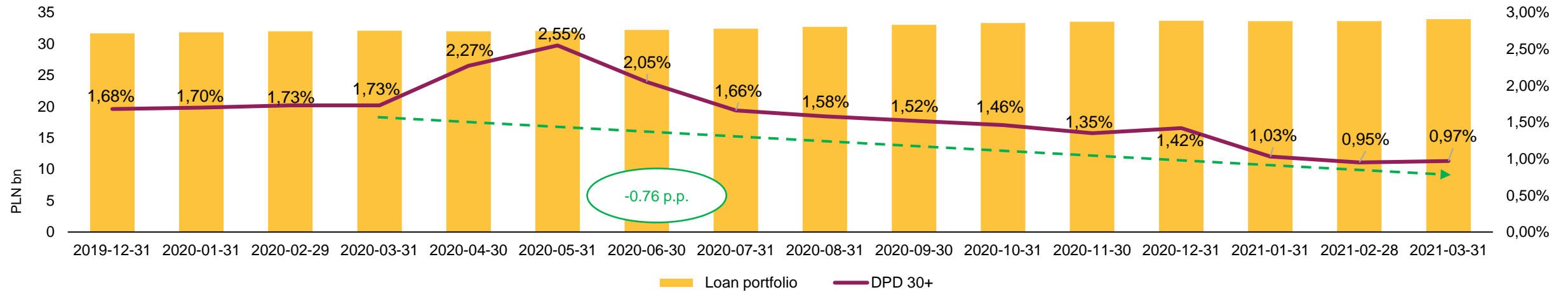


### Retail Segment - Cost of Risk (PLN M; %)

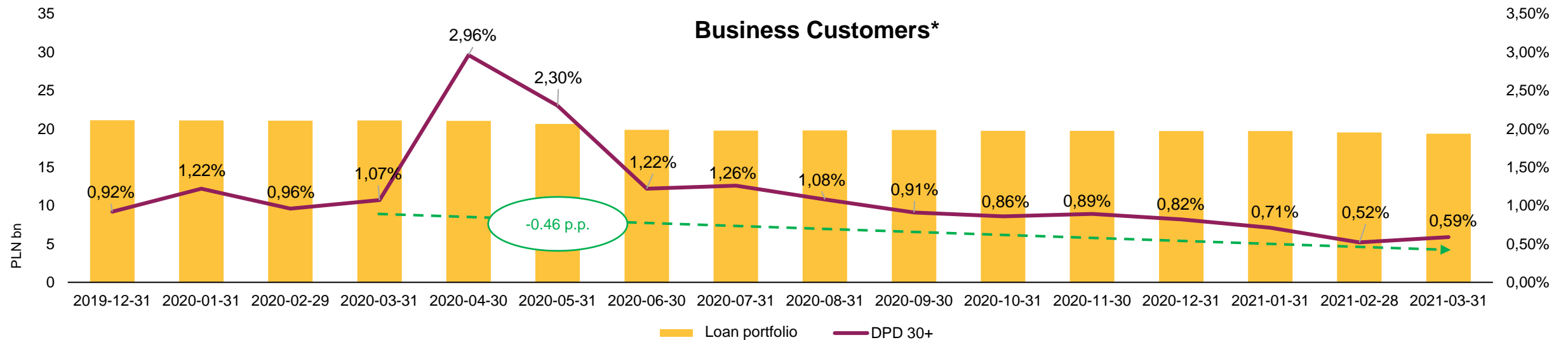


In the Covid-19 environment, the quality of the loan portfolio did not deteriorate

### Retail Customers\*



### Business Customers\*



After the period of DPD 30+ increase resulting from the Covid-19 situation, the Bank achieved a significant improvement in DPD ratios, which are now at a comparable or even lower (better) level than before the pandemic period.



# Financial Performance

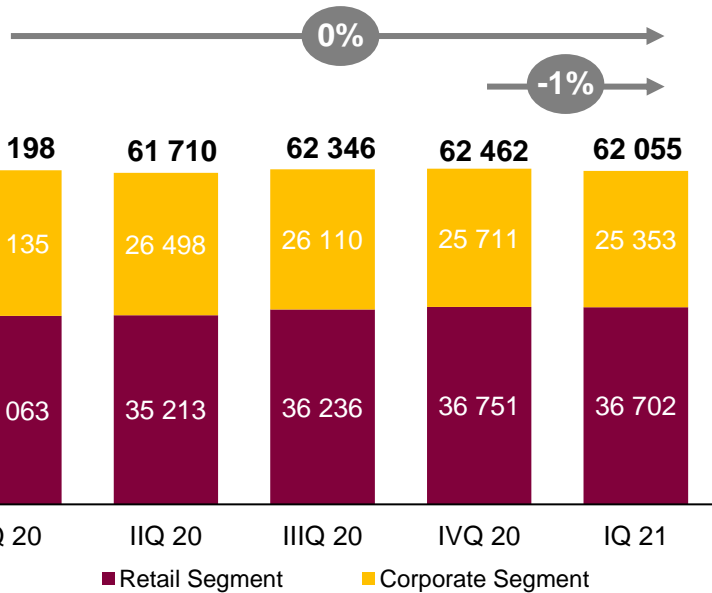
## Profit and Loss Account

<i>PLNm</i>	IQ 2020	IIQ 2020	IIIQ 2020	IVQ 2020	IQ 2021	% y/y	y/y
<b>Total Income</b>	<b>950,2</b>	<b>791,2</b>	<b>892,7</b>	<b>911,4</b>	<b>891,4</b>	<b>-6%</b>	<b>-58,8</b>
Net interest income	776,9	722,0	683,1	666,7	670,2	-14%	-106,7
Net fee and commission income	135,2	154,6	169,1	177,0	177,7	31%	42,5
Other income	38,1	-85,4	40,5	67,7	43,5	14%	5,3
<b>Total costs</b>	<b>-830,6</b>	<b>-1 435,8</b>	<b>-754,3</b>	<b>-731,3</b>	<b>-720,5</b>	<b>-13%</b>	<b>110,0</b>
General administrative expenses	-481,6	-395,0	-407,8	-380,5	-417,9	-13%	63,7
Impairment of non-financial assets	1,3	-69,9	-1,8	-62,4	-0,5	-	-1,8
Net expected credit losses	-296,2	-915,1	-289,3	-232,8	-243,5	-18%	52,7
Banking tax	-54,1	-55,8	-55,3	-55,6	-58,6	8%	-4,5
<b>Gross profit</b>	<b>119,6</b>	<b>-644,6</b>	<b>138,4</b>	<b>180,1</b>	<b>170,8</b>	<b>43%</b>	<b>51,2</b>
Income tax	-47,5	62,2	-47,7	-71,7	-62,8	32%	-15,2
Discontinued activity	0,0	-3,1	-8,9	11,9	0,0	-	0,0
<b>Net profit</b>	<b>72,1</b>	<b>-585,5</b>	<b>81,8</b>	<b>120,3</b>	<b>108,1</b>	<b>50%</b>	<b>36,0</b>
Net interest margin	4,34%	4,00%	3,71%	3,63%	3,67%	-	-0,67 p.p.
Cost of finance	1,02%	0,72%	0,44%	0,26%	0,22%	-	-0,80 p.p.
Cost of risk	1,93%	5,94%	1,86%	1,48%	1,59%	-	-0,34 p.p.
Cost / Income ratio	50,68%	49,92%	45,68%	41,74%	46,89%	-	-3,80 p.p.
Loan / Deposit ratio	87,45%	84,57%	85,01%	84,06%	82,00%	-	-5,45 p.p.
Return on equity (ROE)	4,29%	-35,77%	5,07%	7,35%	6,69%	-	+2,40 p.p.
Total Capital Ratio	15,52%	15,72%	15,41%	15,85%	15,27%	-	-0,25 p.p.

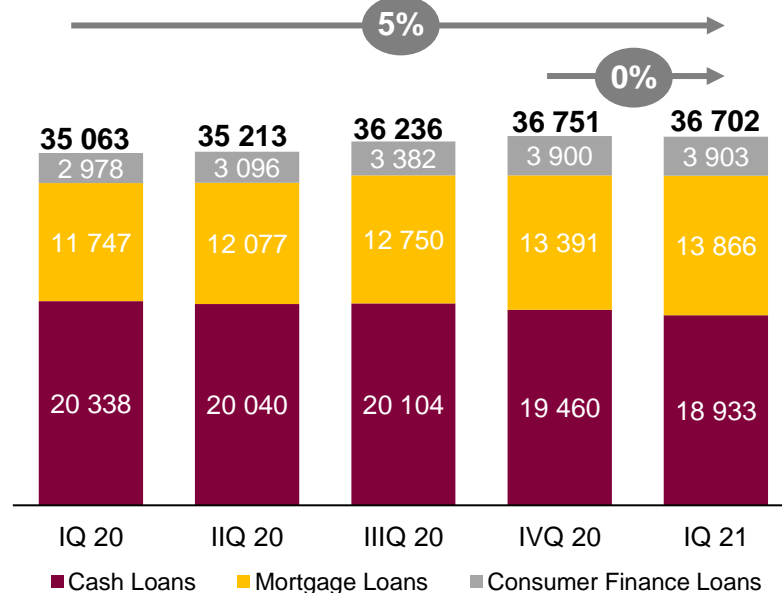
- **Year-on-year improvement in net income achieved through significantly lower operating expenses, lower Cost of Risk and strong growth in fee and charges income.**
- In Q1 2021 net interest income was negatively hit by a slightly increased scale of current fee reimbursements ("small CJEU") caused by consolidation of loans of the Bank's Customers.
- The growth of operating expenses compared to Q4 2020 is primarily due to the additional BFG contribution to the forced restructuring fund.
- We expect the upward trend in interest margin to continue in the consecutive quarters.

# Structure of the loan portfolio gross. The share of the Retail Segment is increasing.

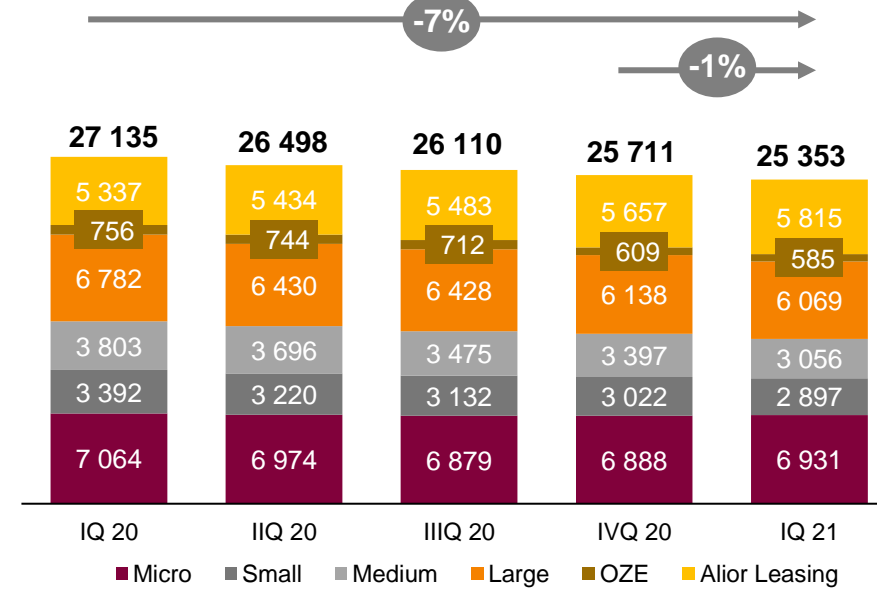
## Loan portfolio (PLN M)



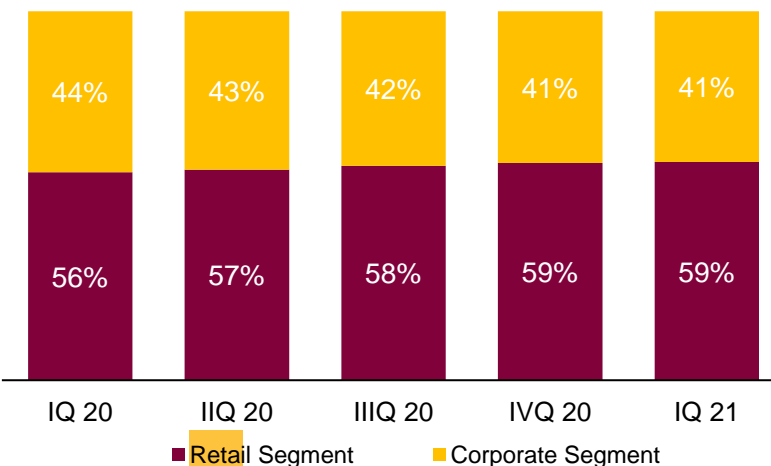
## Retail Segment (PLN M)



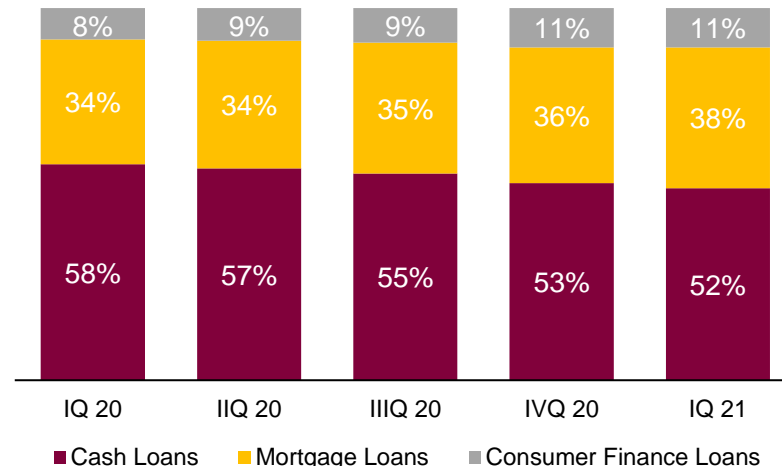
## Corporate Segment\* (PLN M)



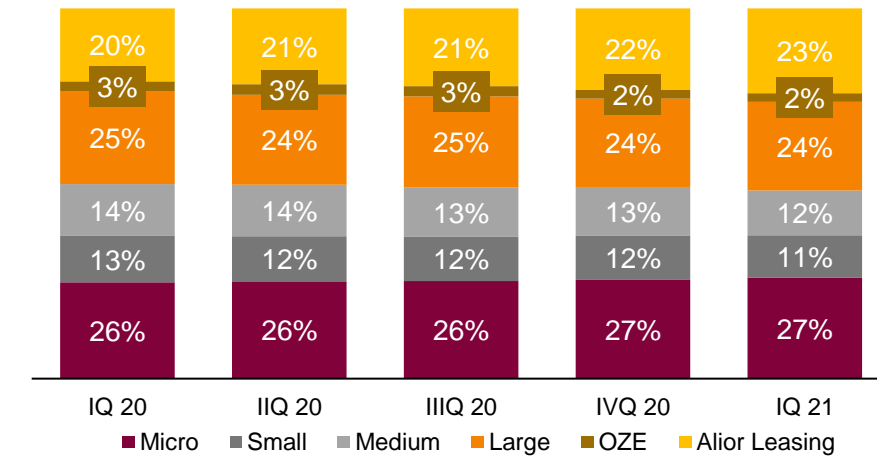
## Loan portfolio structure



## Retail Segment Structure

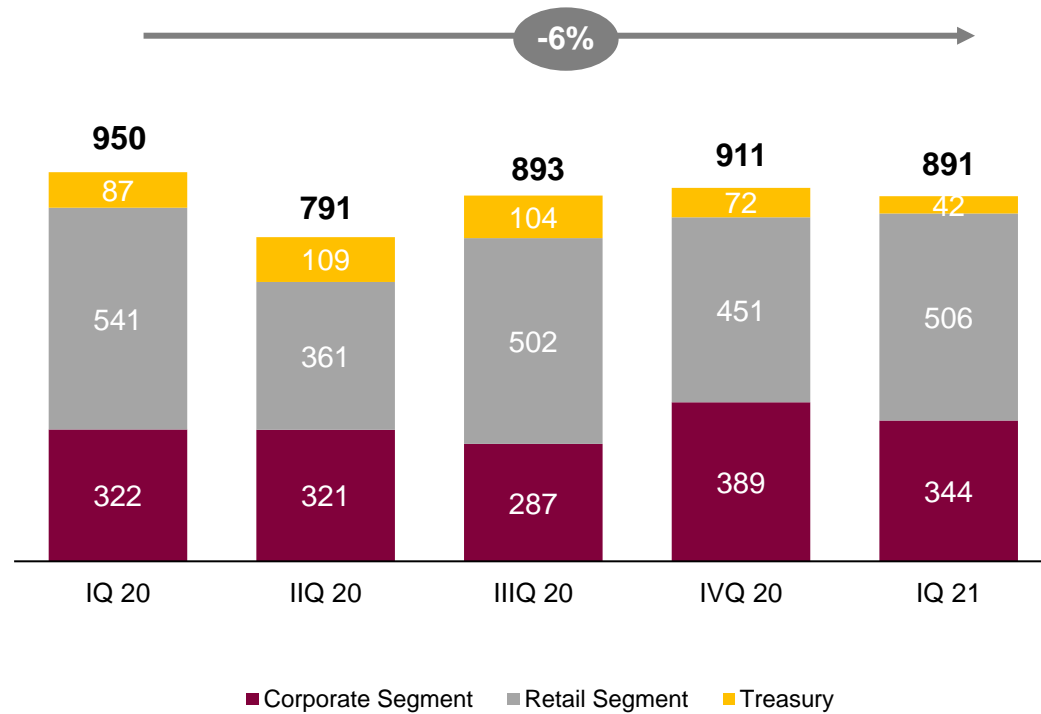


## Corporate Segment Structure\*

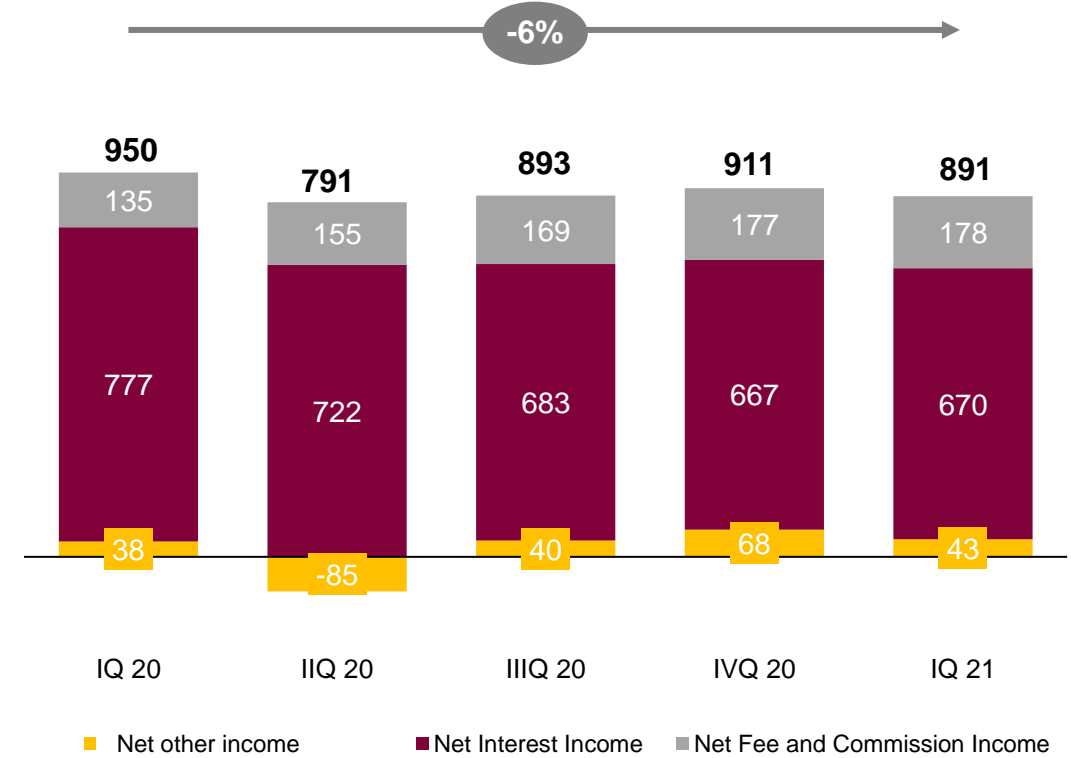


# Total Income (PLN M)

## Total Income split by Segments

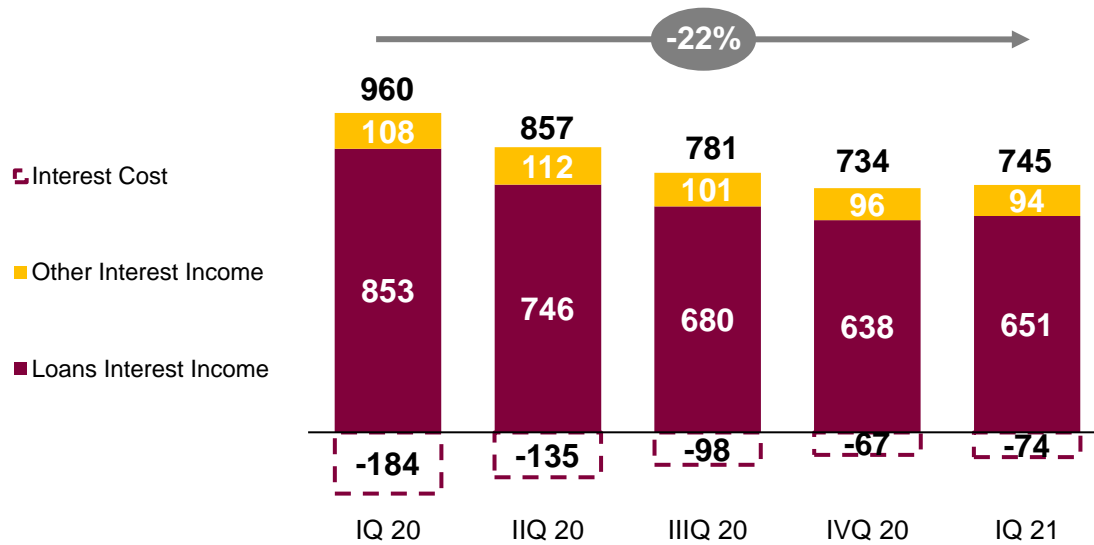


## Total Income split per main P&L lines

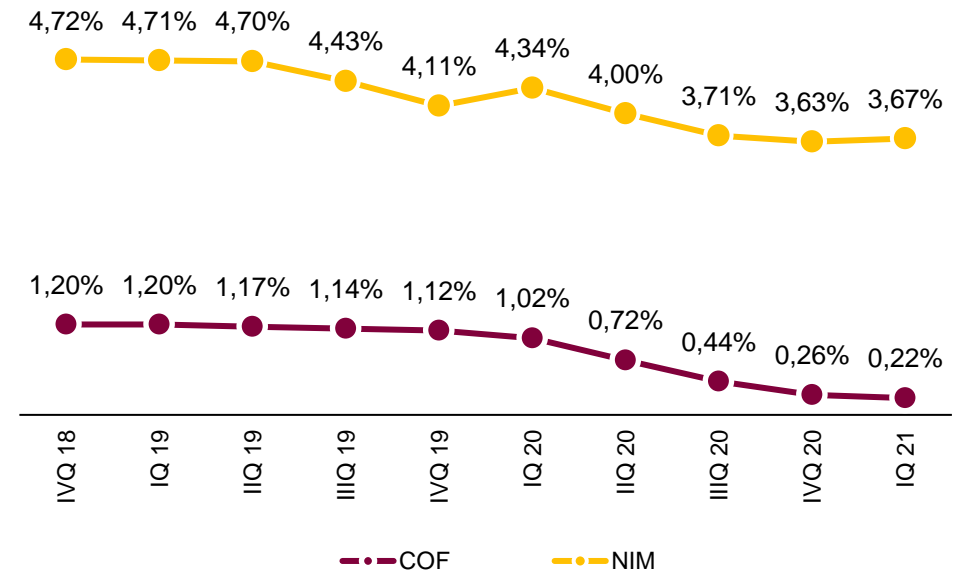


In IQ21 NIM has improved - the result of the Bank's actions aimed at neutralizing the negative impact of the interest rate cut in 2020

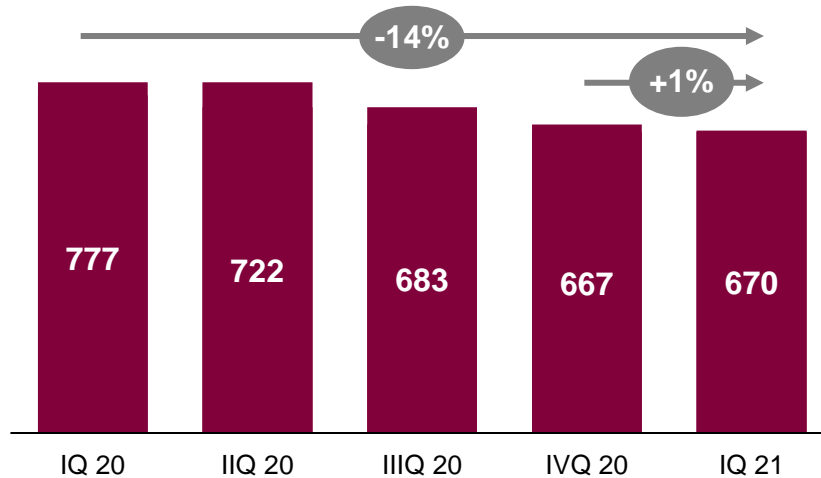
Interest Income and Cost (PLN M)



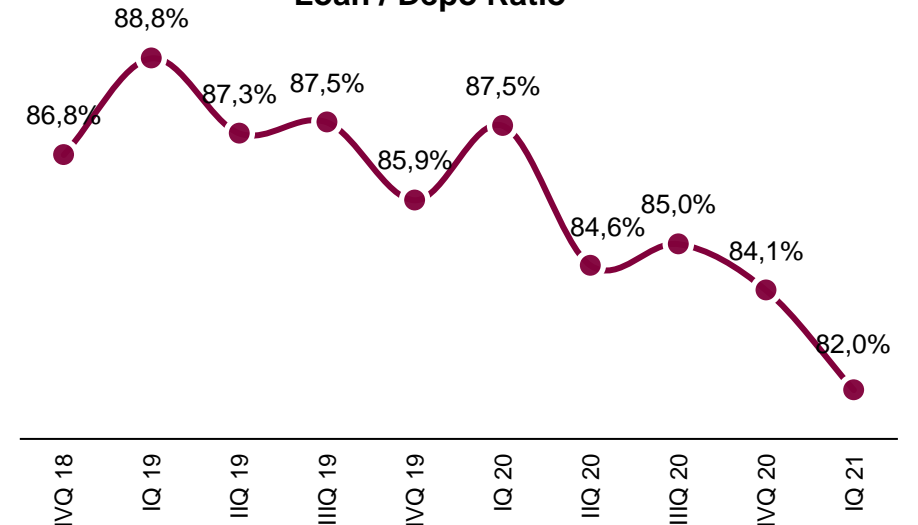
Net Interest Margin and Cost of Finance\*



Net Interest Income (PLN M)

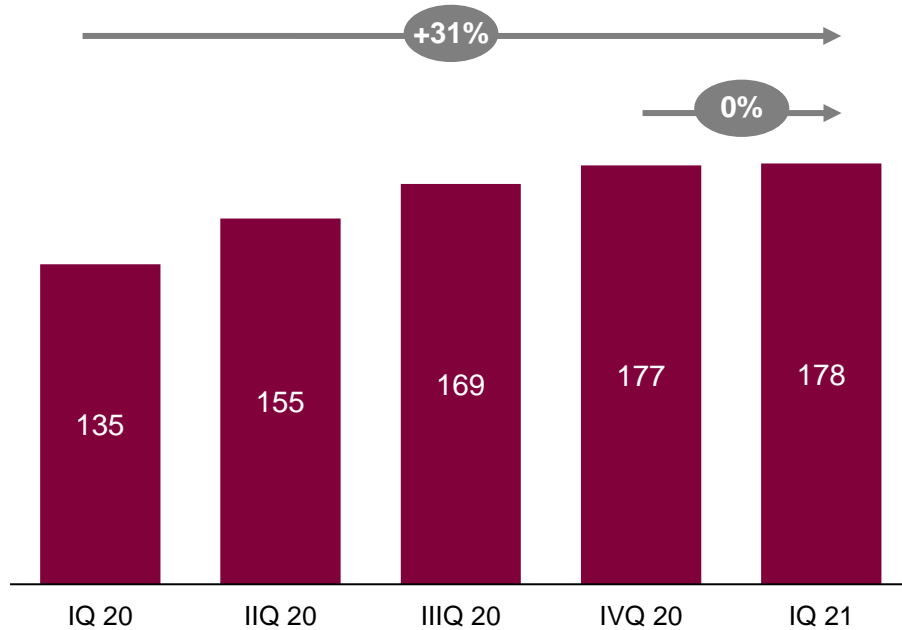


Loan / Depo Ratio



# As a result of actions taken in 2020, Fee and Commission Net Income continued to improve in IQ21

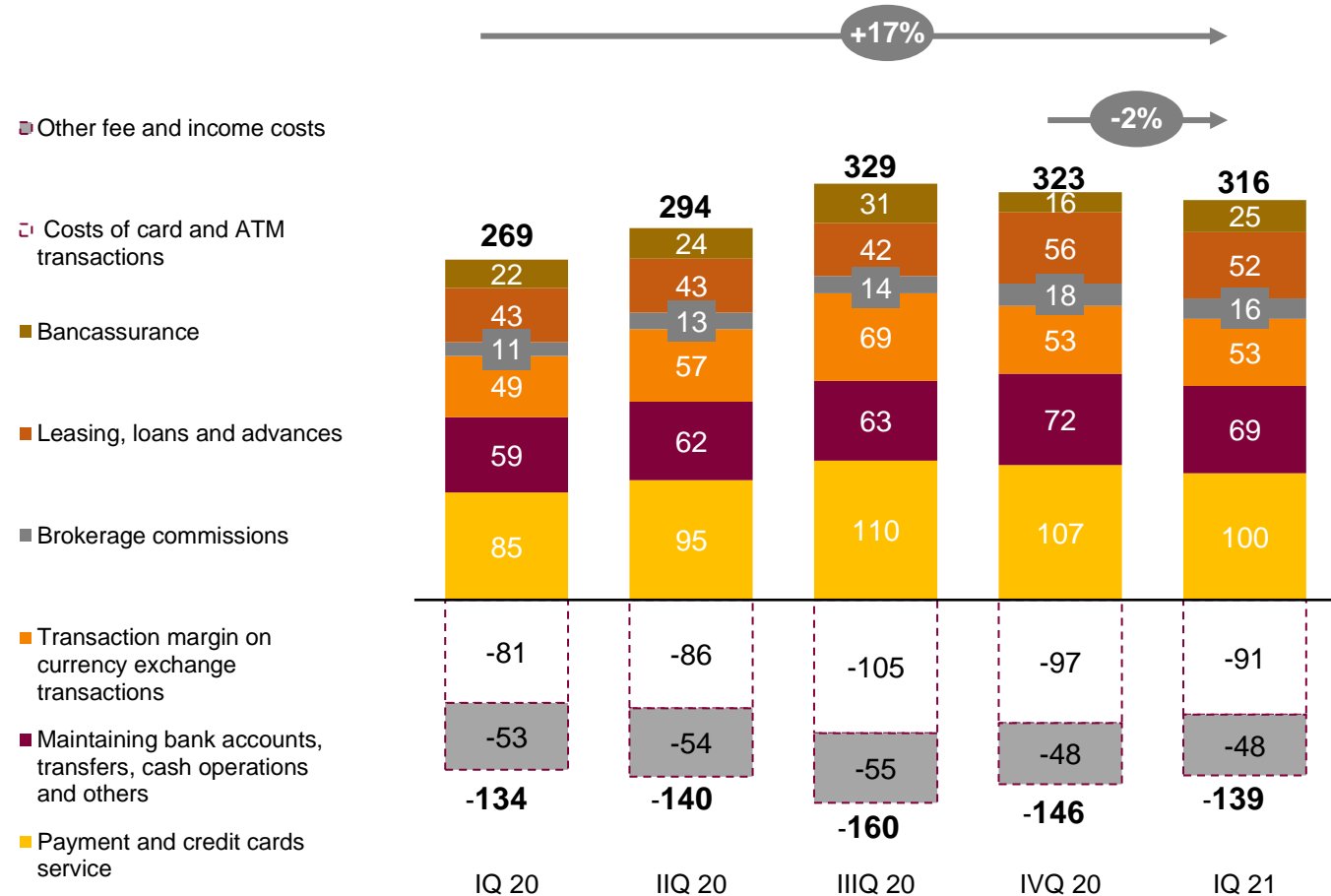
## Fee and Commission Net Income quarterly (PLN M)



In Q1 2021 Net fee and charges income totalled PLN 178 million i.e. up by PLN 43 million (by 31%) compared to Q1 2020 mainly due to higher fees and charges:

- for keeping accounts, making transfers and deposits,
- on extended loans and lease transactions,
- on brokerage activities, and
- on payment cards.

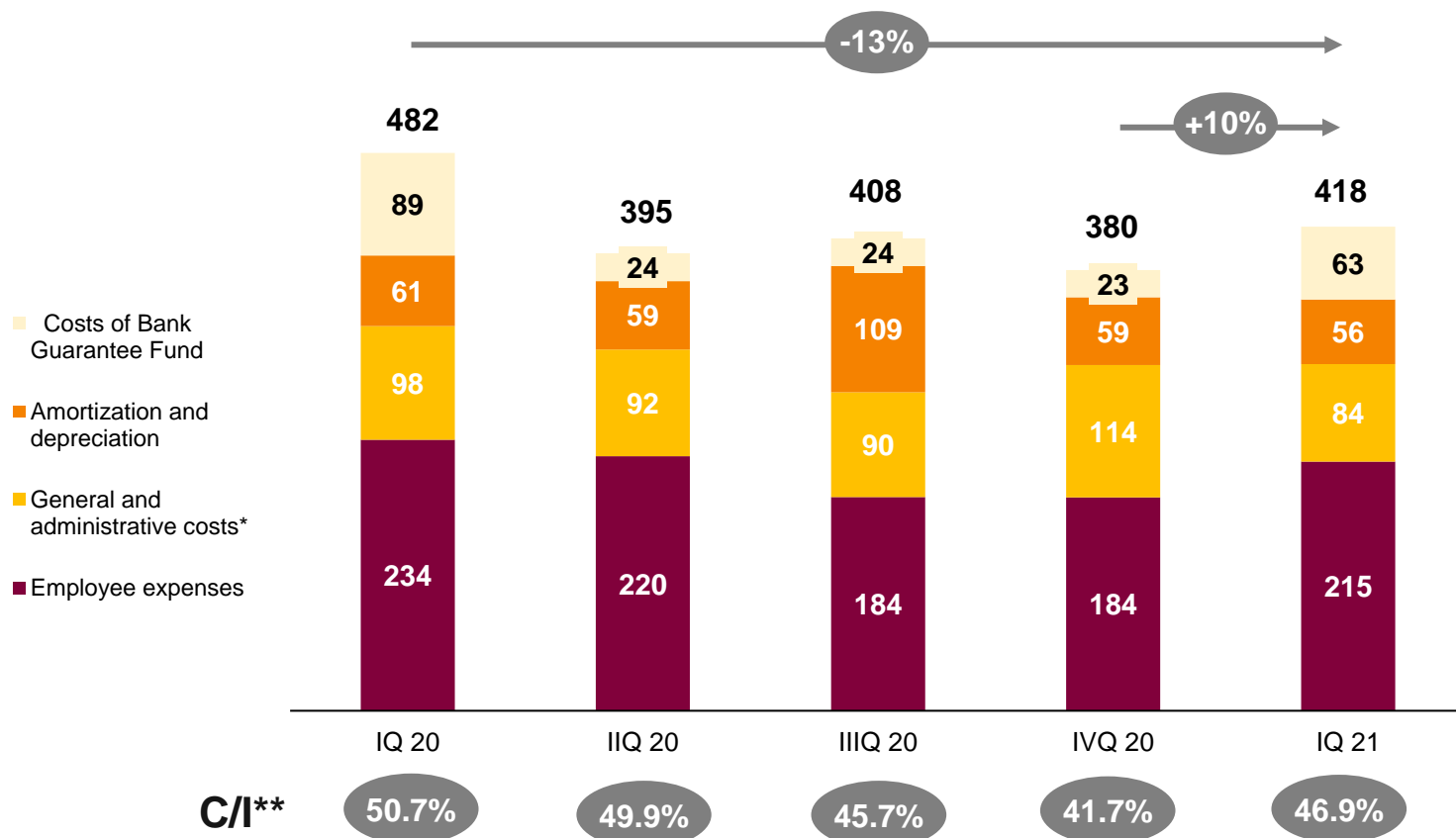
## Fee and Commission Income and Cost (PLN M)



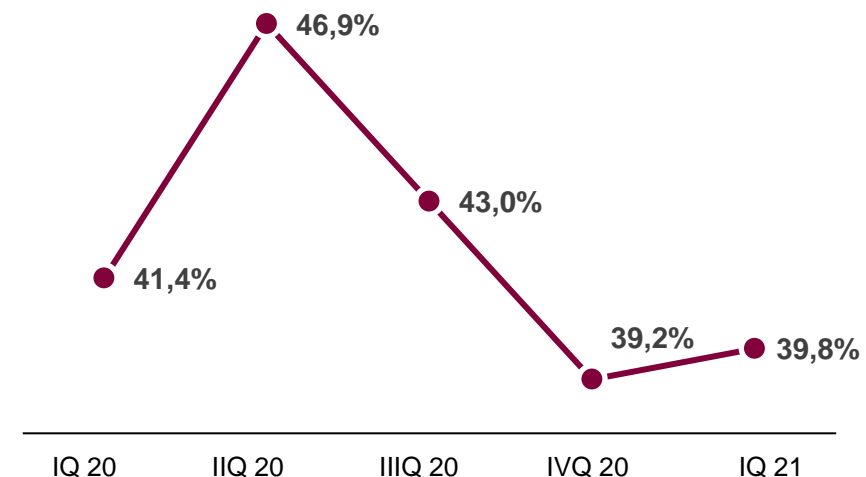
- Other fee and income costs
- Costs of card and ATM transactions
- Bancassurance
- Leasing, loans and advances
- Brokerage commissions
- Transaction margin on currency exchange transactions
- Maintaining bank accounts, transfers, cash operations and others
- Payment and credit cards service

# Visible efficiency improvement – comparing to IQ20 all major cost categories has decreased

## Operating expenses quarterly (PLN M)



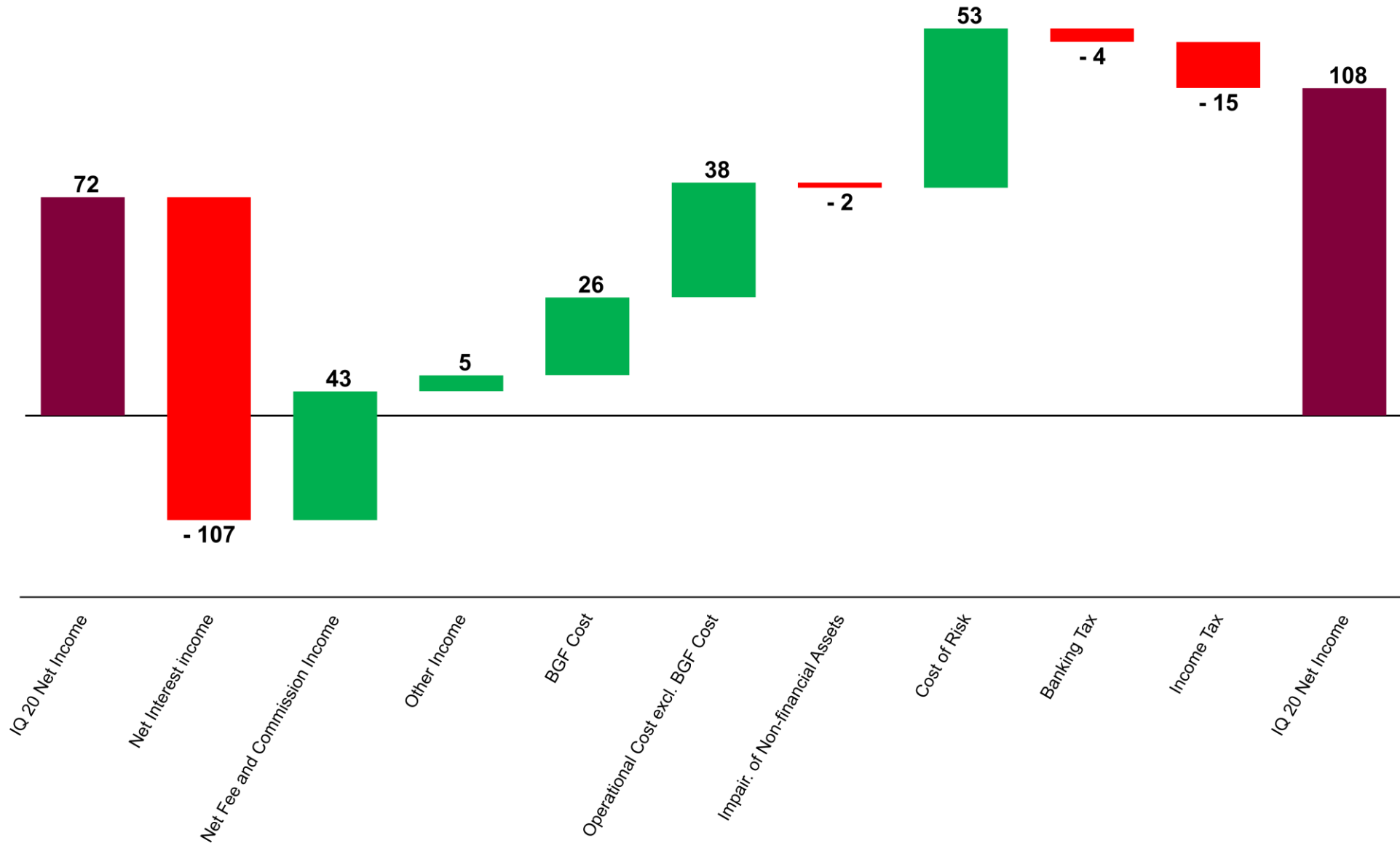
## C/I\*\* ratio adjusted for BGF charge



In Q1 2021 BFG costs were down by 29% y/y at PLN 62.9 M, including a PLN 48.4 M contribution to the fund for the forced restructuring of banks.

In Q1 2020 BFG costs totalled PLN 88.6 M, including a PLN 48.4 M contribution to the fund for the forced restructuring of banks.

# Determinants of Net Income change y/y (PLN M)





Thank you for your  
attention

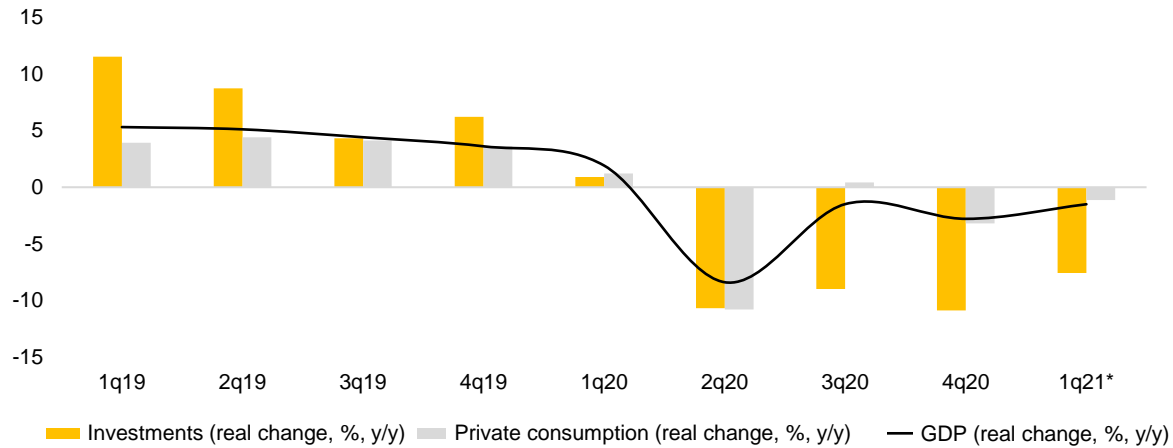


Other information

# Polish economy in 2021

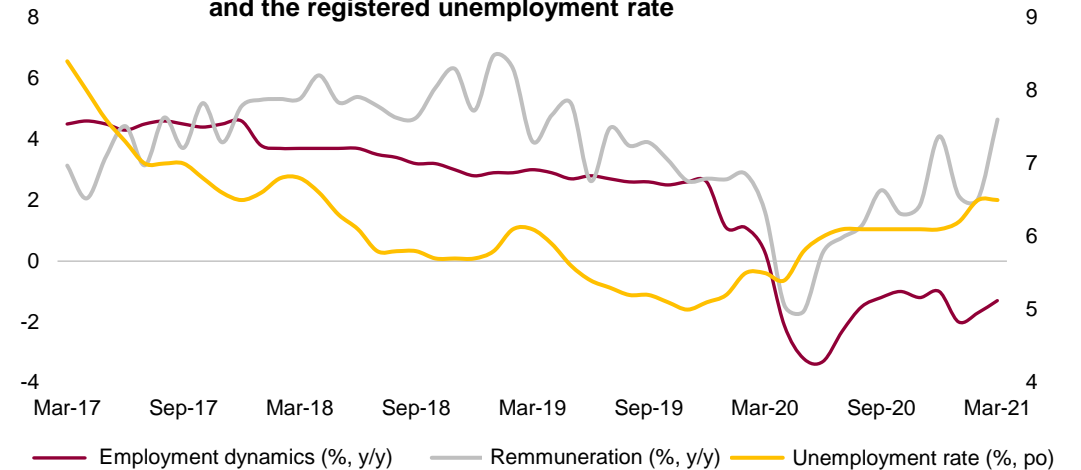
In Q1 2021 the economy was still hit by the pandemic...

GDP dynamics with the major constituents



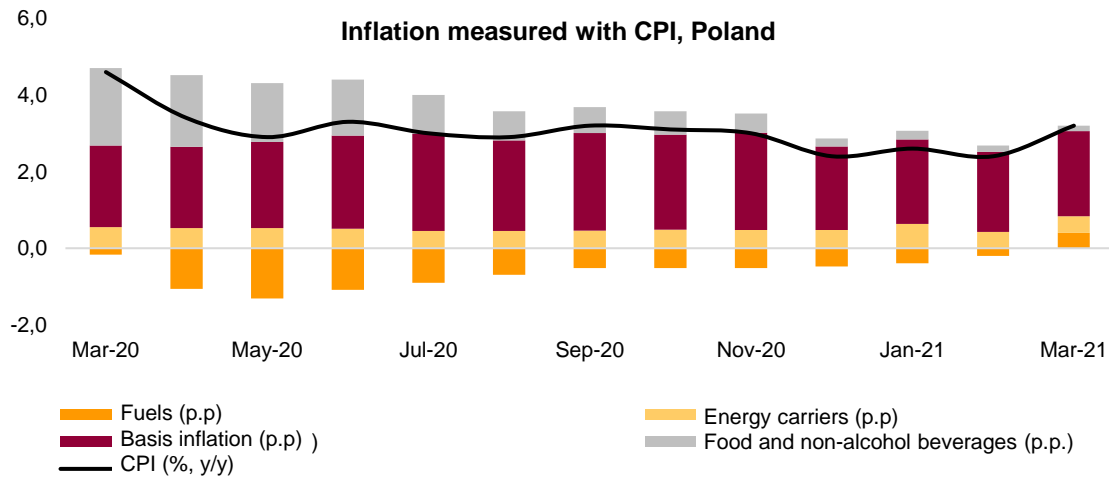
... but with a relatively good situation in the labour market ...

Wage and employment growth in the enterprise sector and the registered unemployment rate



... which boosts inflationary pressure

Inflation measured with CPI, Poland

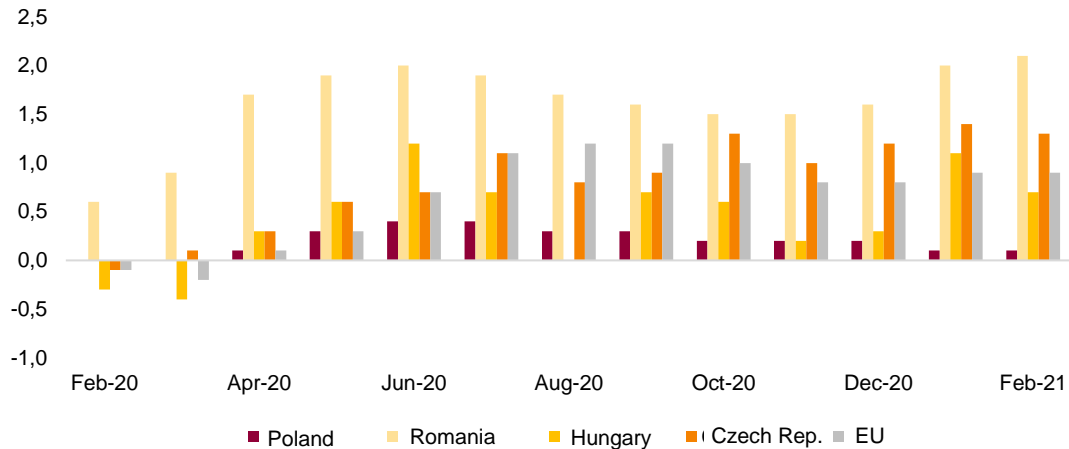


- In Q1 2021 the Polish economy was hit by the Covid-19 pandemic, including the restrictions that had been implemented,
- restrictions in social interactions meant that, similarly to Q4 2020, consumer demand was hampered,
- the uncertainty associated with a pandemic, the need for cost discipline with limited revenue, or the harsh winter in the construction sector also reduced investment demand,
- the labor market, however, remained stable, thanks in large part to the shielding function of the Crisis Shield....
- ...which at the same time, next to, among others, high raw material prices, is one of the drivers of growing inflationary pressure. Continued positive growth of wages and salaries in real terms, increased household savings make it easier to pass on the costs of products and services to the end consumer,
- For the Monetary Policy Council (MPC), however, the priority remains to support the economy, so interest rates are kept low.

# Compared to Europe, however, Poland still stands out positively

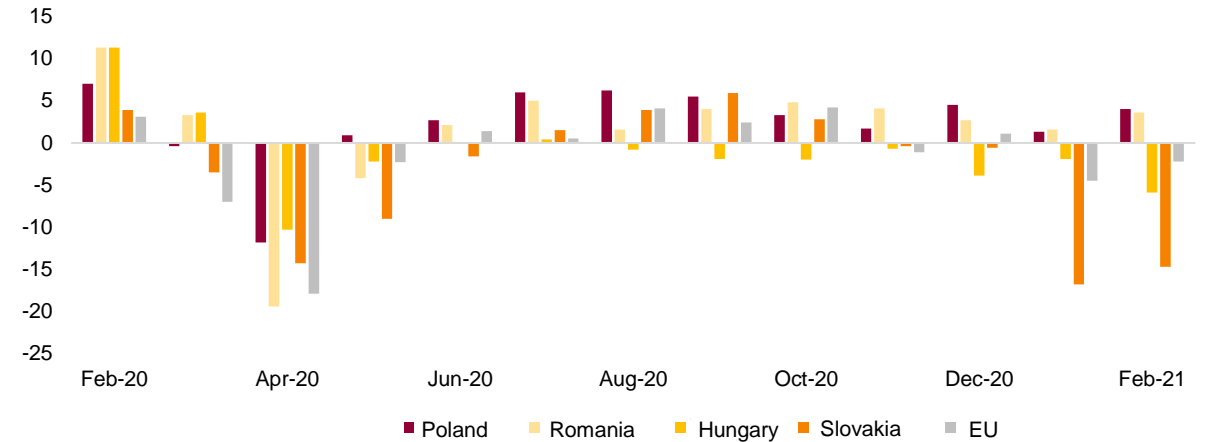
## Stable labour market

Change of unemployment rate since Jan. 2020  
(pp, according to Eurostat)



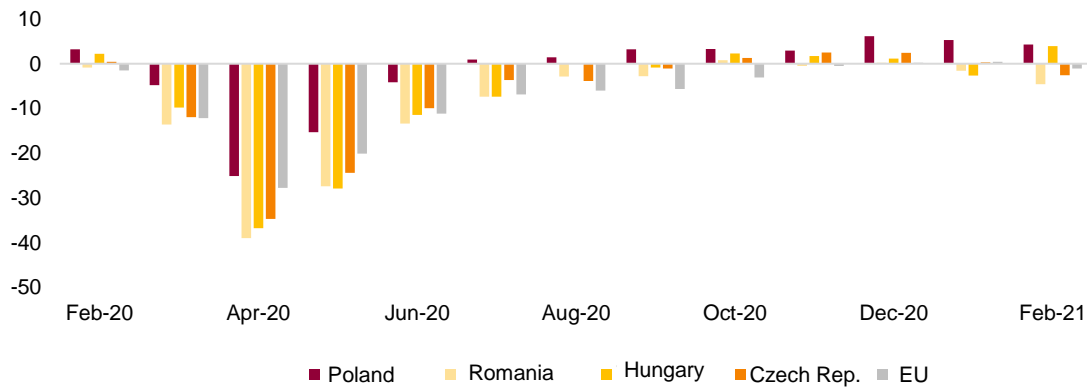
## Consumption demand is moderately limited

Retail sales growth rate  
(%, y/y, wda)



## Industry is still an asset of the domestic economy

Industrial output growth rate  
(%, y/y, wda)

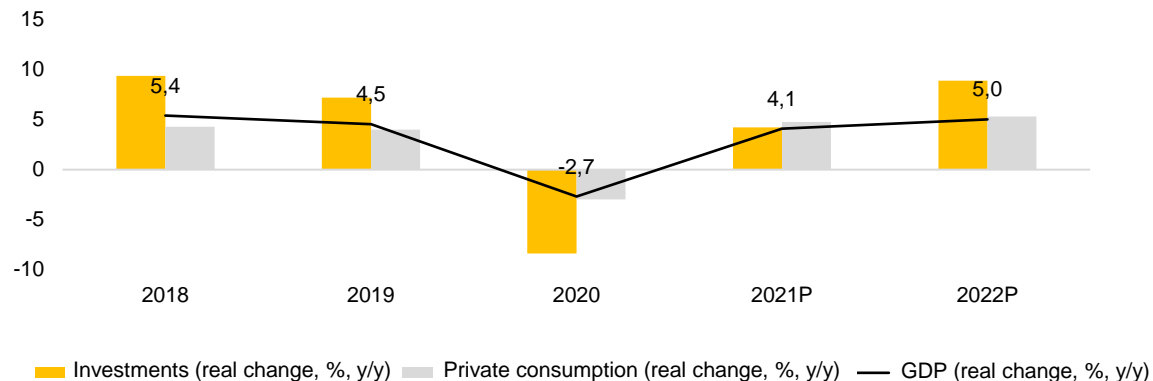


- Compared to both the EU and the CEE countries, in Q1 2021 Poland stood out positively in terms of the main economic indicators, just as it did throughout most of 2020,
- job losses measured with the change of unemployment rate since the onset of crisis, in Poland in Q1 2020, was still lower than in other countries of the region and in the entire EU...
- ...which provided support to consumer demand, which both at home and in the EU remained constrained by epidemic restrictions and uncertain future,
- a material aspect of economic upturn in Poland still was the nature of ongoing crisis, which supports more consumption and goods manufacturing at the expense of e.g. touristic services,
- this element also provided significant support for domestic manufacturing, which continued to benefit from elevated demand in Q1 2021 thanks to considerable sector diversification.

# Good Prospects for 2021

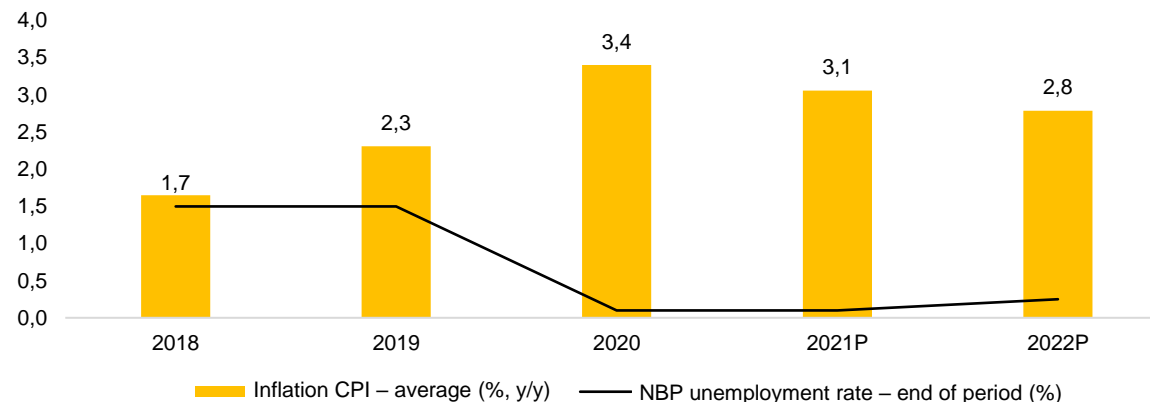
## 2021 with a solid GDP growth

GDP dynamics with the major constituents



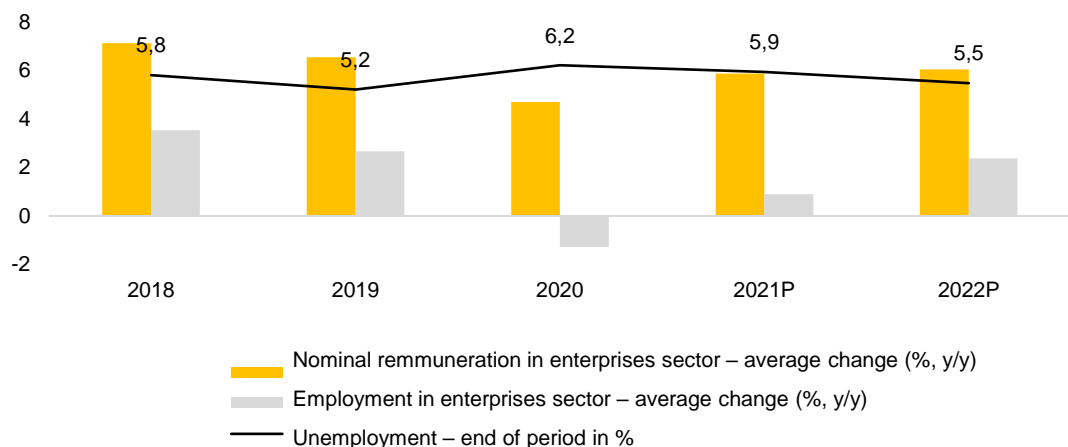
## Inflation at an elevated level

Consumer inflation and MPC interest rate



## Improvement of labour market

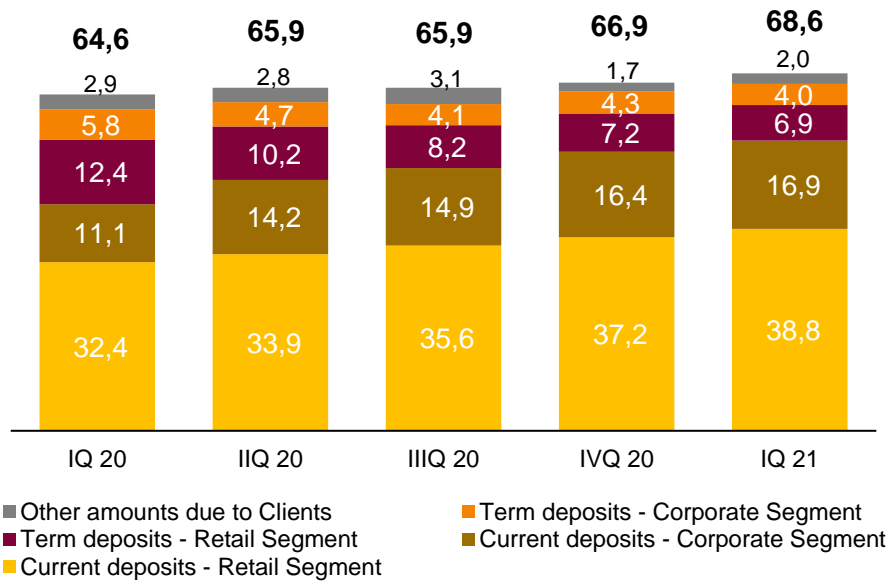
Wage and employment dynamics in the enterprise sector and unemployment rate



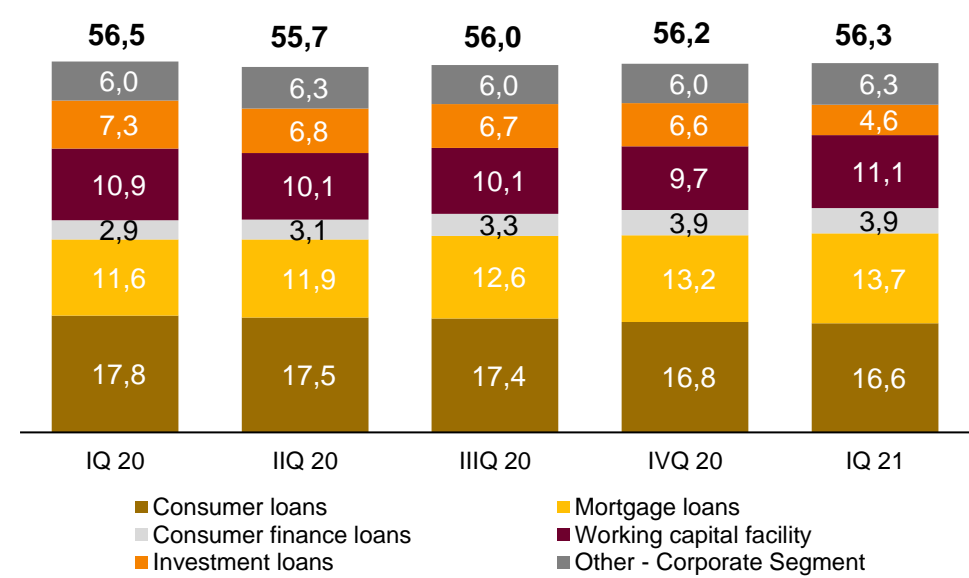
- In 2021, economic growth should exceed 4% y/y mainly due to reviving consumer activity after a period of pandemic restrictions, supported by an improving labor market.
- In Q1 2021 was still burdened by pandemic restrictions, these , will also have a significant impact on Q2 2021.
- As the vaccination campaign progresses and with virus transmission slowing down in late spring, we expect a gradual unblocking of the economy that should gain momentum in H2 2021, supporting a recovery in private consumption.
- The investments will respond with a delay. We expect to see a more vivid recovery in private investments only in late 2021.
- The recovery will be accompanied by an enhanced inflationary pressure, with the following main drivers: high commodity prices, uneven global and local recovery in terms of sectors and geography and, in the case of Poland, a risk of passing the crisis costs on the consumers, with a relatively good situation in the domestic labour market.
- The Monetary Policy Council (MPC) treats the support for the economy as a priority and is unlikely to change rates throughout 2021.

# Loans & Deposits

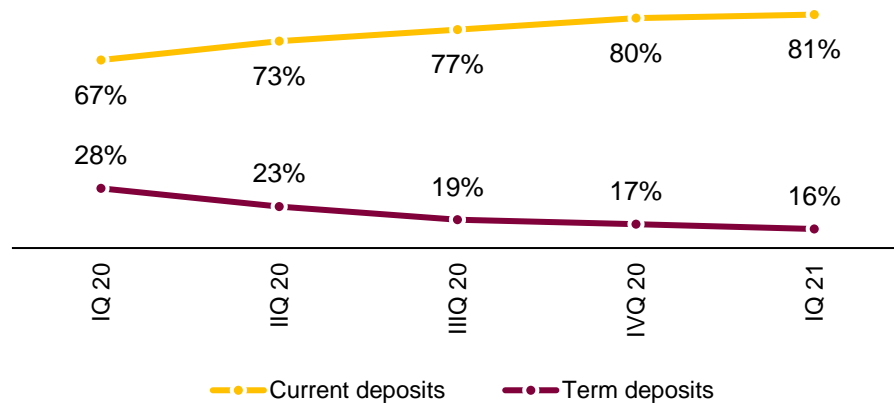
## Structure of liabilities to Customers net (PLN bn)



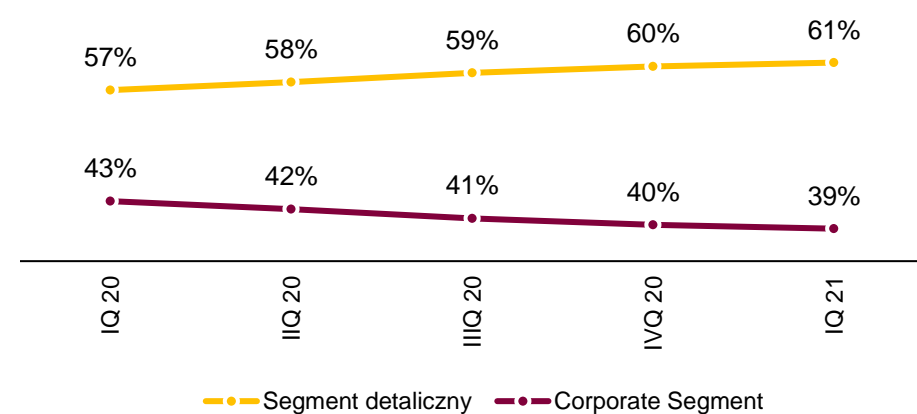
## Loans and advances to Customers net (PLN bn)



## Structure of major net liabilities to Customers by type

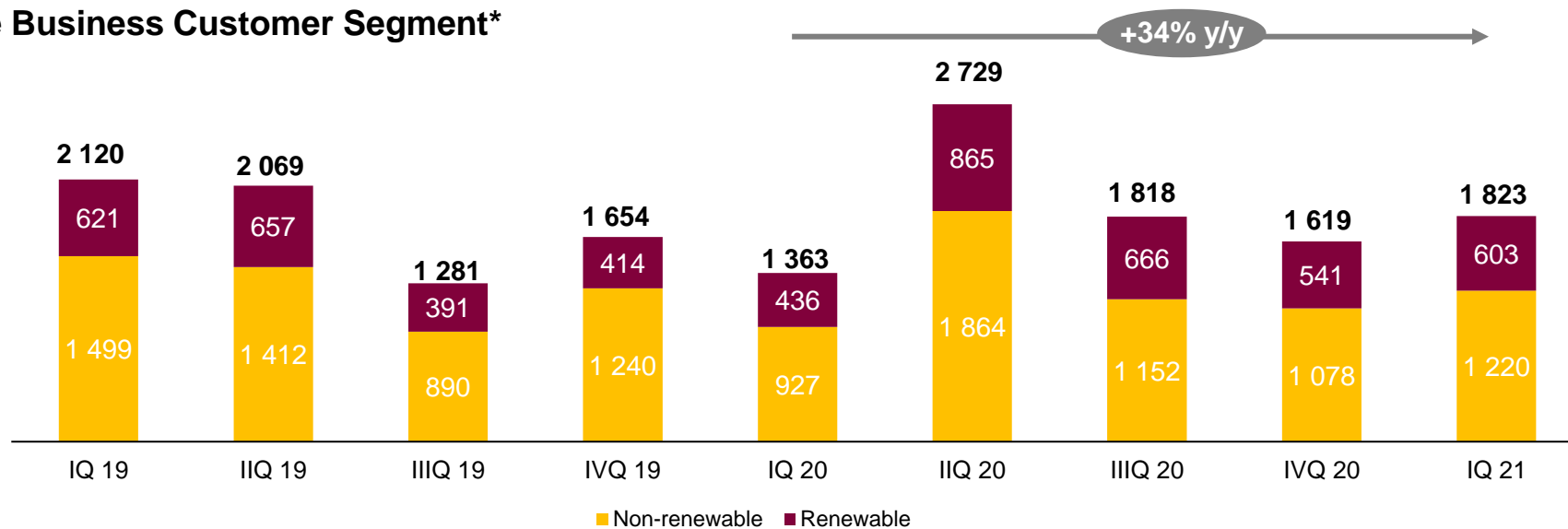


## Segment structure of loans and advances to Customers net

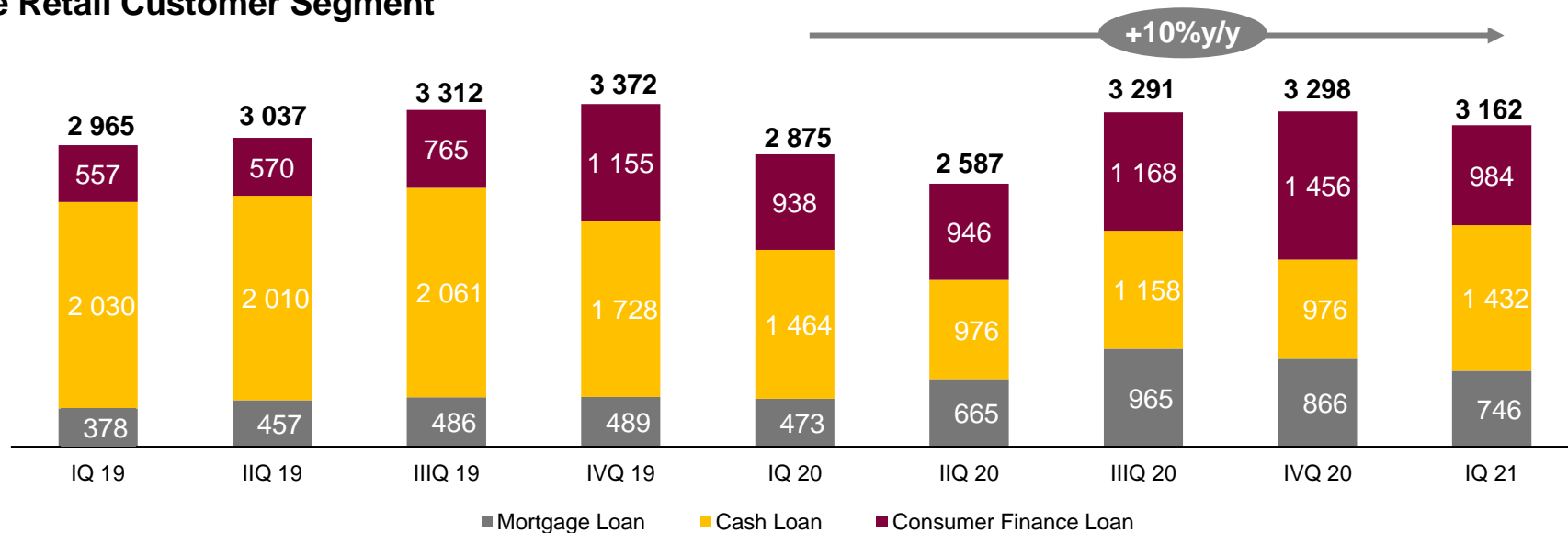


# New sales of credits and loans (PLN M)

## Sales in the Business Customer Segment\*



## Sales in the Retail Customer Segment



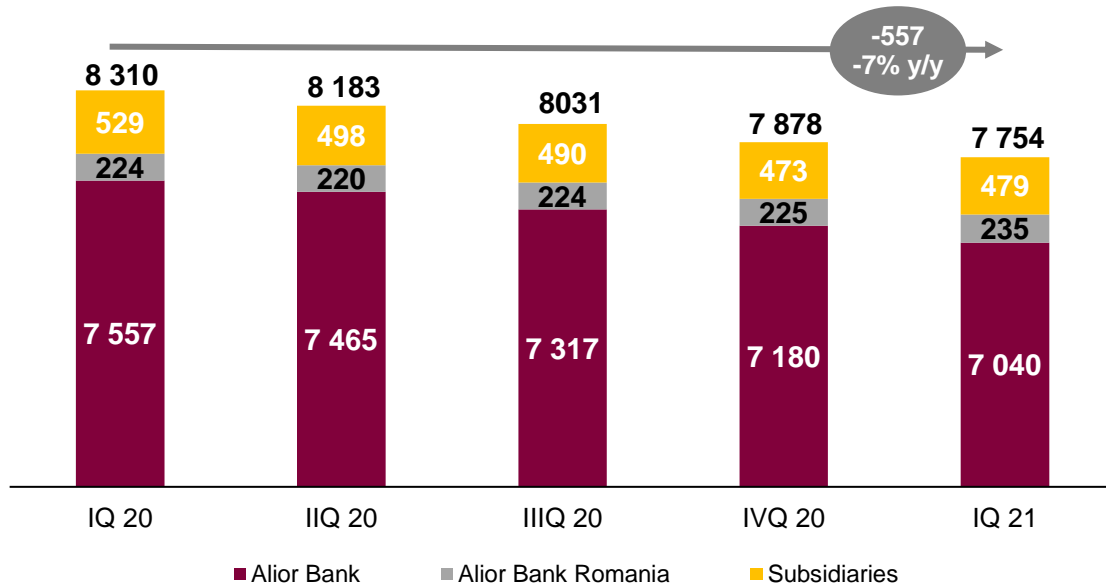
\*Limit on new sales (new sales + limit increases) for the customers in the Micro / Small / Medium / Large segments

## Consolidated Statement of Financial Position (PLN M)

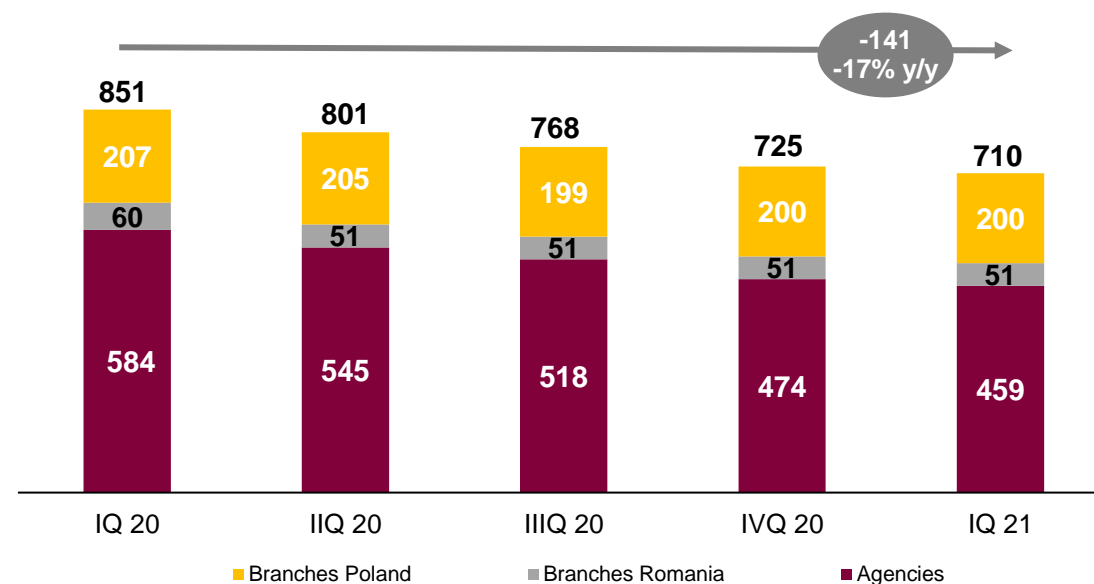
	IQ 2020	IIQ 2020	IIIQ 2020	IVQ 2020	IQ 2021	% q/q	q/q	% y/y	y/y
<b>Total assets</b>	<b>76 512,2</b>	<b>77 671,9</b>	<b>77 717,3</b>	<b>78 642,0</b>	<b>79 880,6</b>	<b>1,6%</b>	<b>1 238,6</b>	<b>4,4%</b>	<b>3 368,4</b>
Cash and cash equivalents	1 960,9	1 128,5	1 636,9	2 459,9	2 163,6	-12,0%	-296,3	10,3%	202,6
Amounts due from banks	276,1	290,5	330,5	508,4	400,5	-21,2%	-107,9	45,0%	124,4
Investment financial assets	14 197,5	16 756,8	15 062,1	15 744,7	17 367,3	10,3%	1 622,6	22,3%	3 169,8
Derivative hedging instruments	292,9	379,7	367,0	335,0	217,7	-35,0%	-117,3	-25,7%	-75,3
Loans and advances to customers	56 518,1	55 703,5	55 995,9	56 215,4	56 272,6	0,1%	57,2	-0,4%	-245,5
Assets pledged as collateral	338,4	383,9	1 270,6	446,5	558,9	25,2%	112,4	65,1%	220,5
Property, plant and equipment	741,5	713,3	700,1	702,4	693,7	-1,2%	-8,7	-6,4%	-47,8
Intangible assets	577,9	507,7	461,4	425,1	420,6	-1,1%	-4,5	-27,2%	-157,3
Investments in associates	5,3	5,3	5,3	5,3	0,0	-	-5,3	-	-5,3
Asset held for sale	0,1	139,8	140,2	0,0	0,0	-	0,0	-74,5%	-0,1
Income tax asset	1 139,4	1 223,4	1 222,5	1 218,3	1 232,3	1,1%	14,0	8,1%	92,9
Other assets	464,0	439,4	524,8	581,1	553,6	-4,7%	-27,5	19,3%	89,7
<b>Total liabilities and equity</b>	<b>69 689,9</b>	<b>71 304,6</b>	<b>71 251,7</b>	<b>72 082,4</b>	<b>73 334,5</b>	<b>1,7%</b>	<b>1 252,1</b>	<b>5,2%</b>	<b>3 644,6</b>
Amounts due to banks	940,0	967,4	1 063,2	912,4	827,3	-9,3%	-85,1	-12,0%	-112,7
Amounts due to customers	64 596,0	65 865,4	65 868,1	66 875,9	68 621,7	2,6%	1 745,8	6,2%	4 025,7
Financial liabilities	431,8	516,4	493,3	501,9	256,6	-48,9%	-245,3	-40,6%	-175,2
Derivative hedging instruments	77,5	89,7	88,8	86,2	137,7	59,8%	51,5	77,5%	60,1
Provisions	257,1	402,7	356,7	336,6	310,8	-7,7%	-25,8	20,9%	53,7
Other liabilities	1 572,9	1 503,1	1 408,3	1 569,9	1 572,2	0,2%	2,4	0,0%	-0,6
Liabilities held for sale	0,0	165,1	172,3	0,0	0,0	-	0,0	-	0,0
Income tax liabilities	10,2	1,4	1,9	6,7	3,1	-53,8%	-3,6	-69,6%	-7,1
Subordinated loans	1 804,5	1 793,3	1 798,9	1 793,0	1 605,1	-10,5%	-187,8	-11,0%	-199,3
<b>Equity</b>	<b>6 822,3</b>	<b>6 367,4</b>	<b>6 465,7</b>	<b>6 559,6</b>	<b>6 546,1</b>	<b>-0,2%</b>	<b>-13,5</b>	<b>-4,0%</b>	<b>-276,2</b>
Share capital	1 305,5	1 305,5	1 305,5	1 305,5	1 305,5	0,0%	0,0	0,0%	0,0
Supplementary capital	5 393,4	5 399,6	5 399,6	5 399,6	5 399,6	0,0%	0,0	0,1%	6,3
Revaluation reserve	68,0	220,7	237,6	217,3	93,9	-56,8%	-123,4	38,2%	26,0
Other reserves	166,9	166,9	166,9	161,8	161,8	0,0%	0,0	-3,0%	-5,1
Foreign currency translation differences	-0,6	-0,2	-0,5	-1,6	-0,2	-89,4%	1,4	-72,6%	0,5
Accumulated losses	-184,0	-211,8	-211,8	-211,8	-522,7	146,7%	-310,8	184,1%	-338,7
Profit for the period	73,2	-513,4	-431,6	-311,2	108,1	-	419,3	47,6%	34,9
<b>Total liabilities and equity</b>	<b>76 512,2</b>	<b>77 671,9</b>	<b>77 717,3</b>	<b>78 642,0</b>	<b>79 880,6</b>	<b>1,6%</b>	<b>1 238,6</b>	<b>4,4%</b>	<b>3 368,4</b>

# Additional information

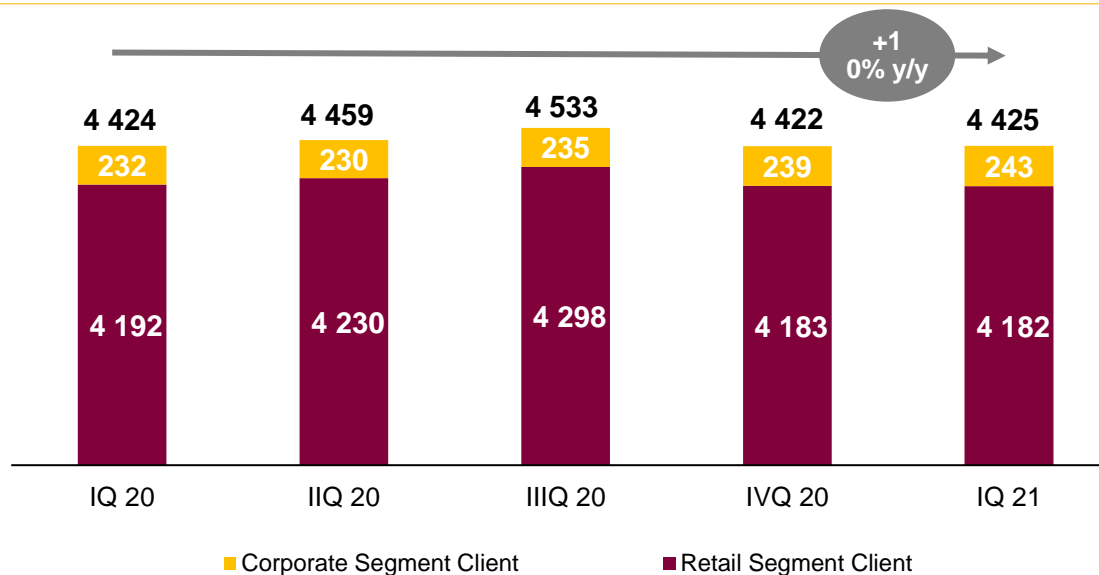
## Headcount (FTEs)



## Alior Bank branches

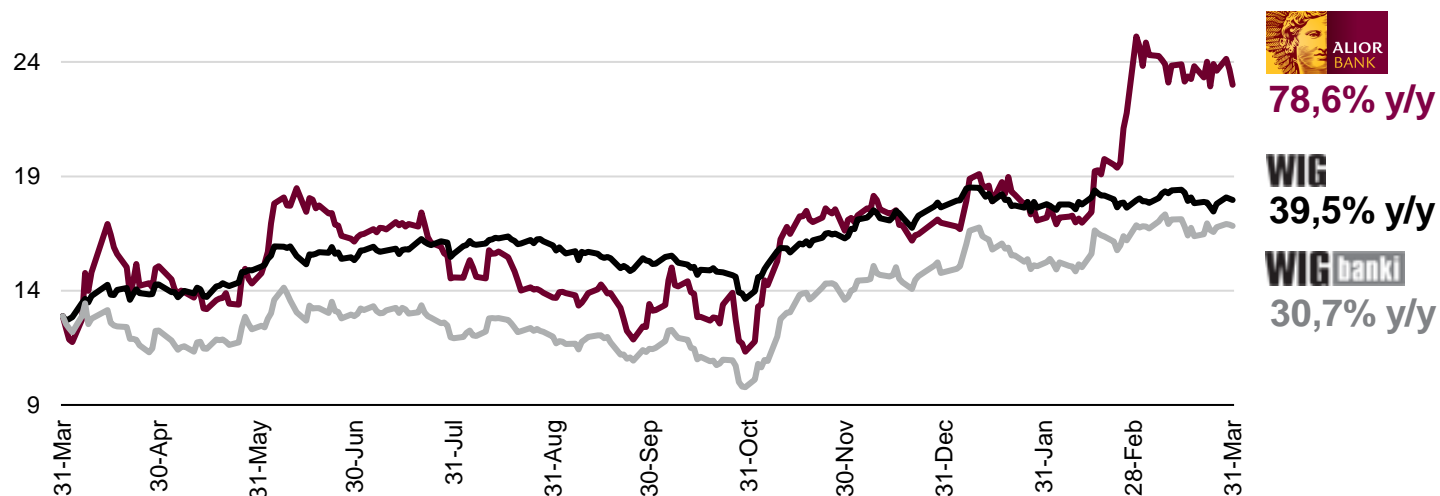


## No. of customers ['000]



# Alior Bank Group – share performance, shareholding structure, ratings

## Alior Bank share price performance at the background of WSE indices (comparable data for last 12M)



Price of shares in Alior Bank: **23.0 zł**  
(31 March 2021)  
Market Value: **3.0 mld zł**  
Free float: **1.6 mld zł**  
P/BV: **0.46x**

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

### Fitch Rating:

- long-term: BB
- short-term: B
- prospect: negative

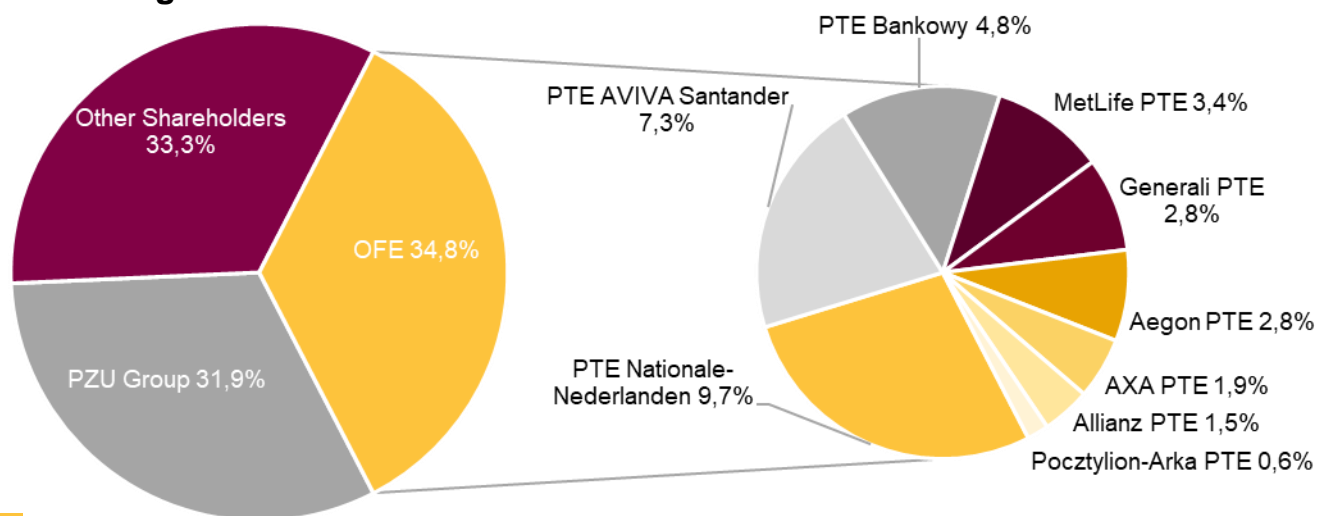
### S&P Rating:

- long-term: BB
- short-term: B
- prospect: negative

Alior Bank S.A. shares are included in the following WSE indices:

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

## Shareholding structure\*





Should you have any questions or queries do not hesitate to send them at:

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### More information:

<https://www.aliorbank.pl/en/investor-relations/investor-relations.html>



### Next events:

- IH 2021 results – 4th August 2021
- 3Q 2021 results – 27 October 2021

## Disclaimer

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