



ALIOR
BANK

Presentation of results for 2023



1. Operating activities

2. Credit risk

3. Financial results

4. Other issues



1



Operating activities

Record results of Alior Bank. Achieves the ability to pay dividends.

In 2023 revenues amounted to PLN bn 5.63

- net interest income PLN bn 4.77 (+34% y/y)
- net fees and commissions PLN mn 838 (+5% y/y)

In 4Q'23 revenues amounted to PLN bn 1.53

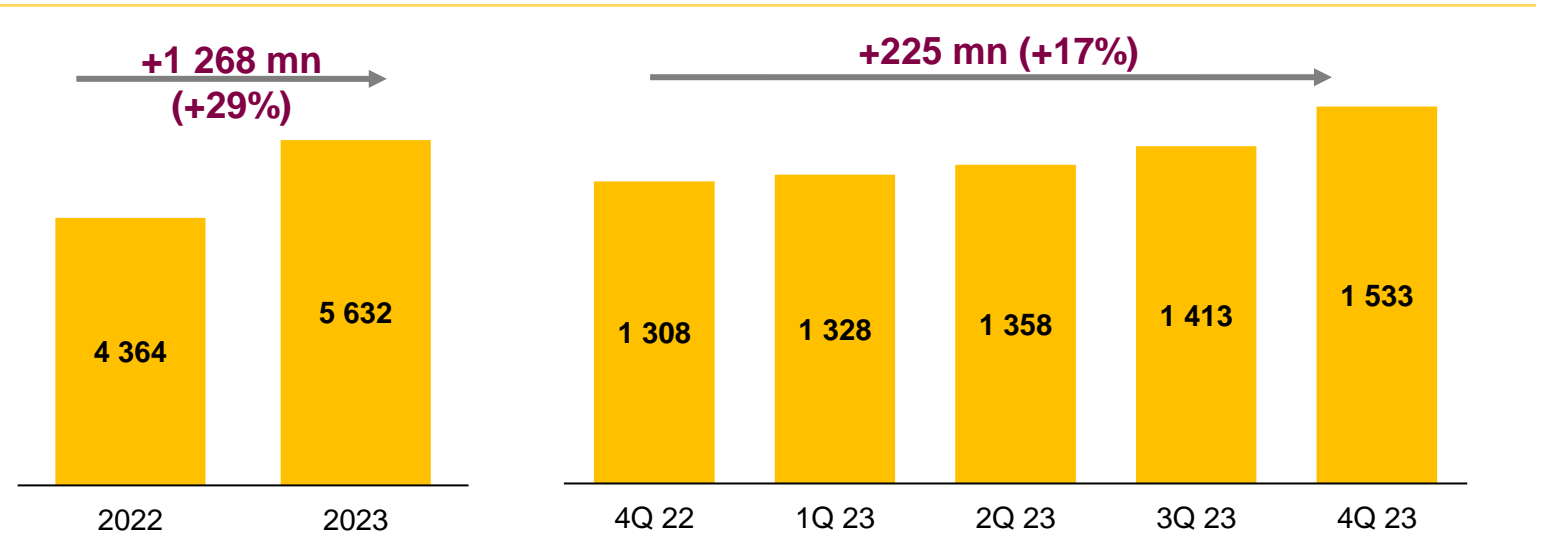
- net interest income PLN bn 1.29 (+13% y/y)
- net fees and commissions PLN mn 241 (+31% y/y)

Alior Bank's net profit in 2023 amounted to PLN bn 2.03 and increased by PLN bn 1.35 compared to the 2022 result.

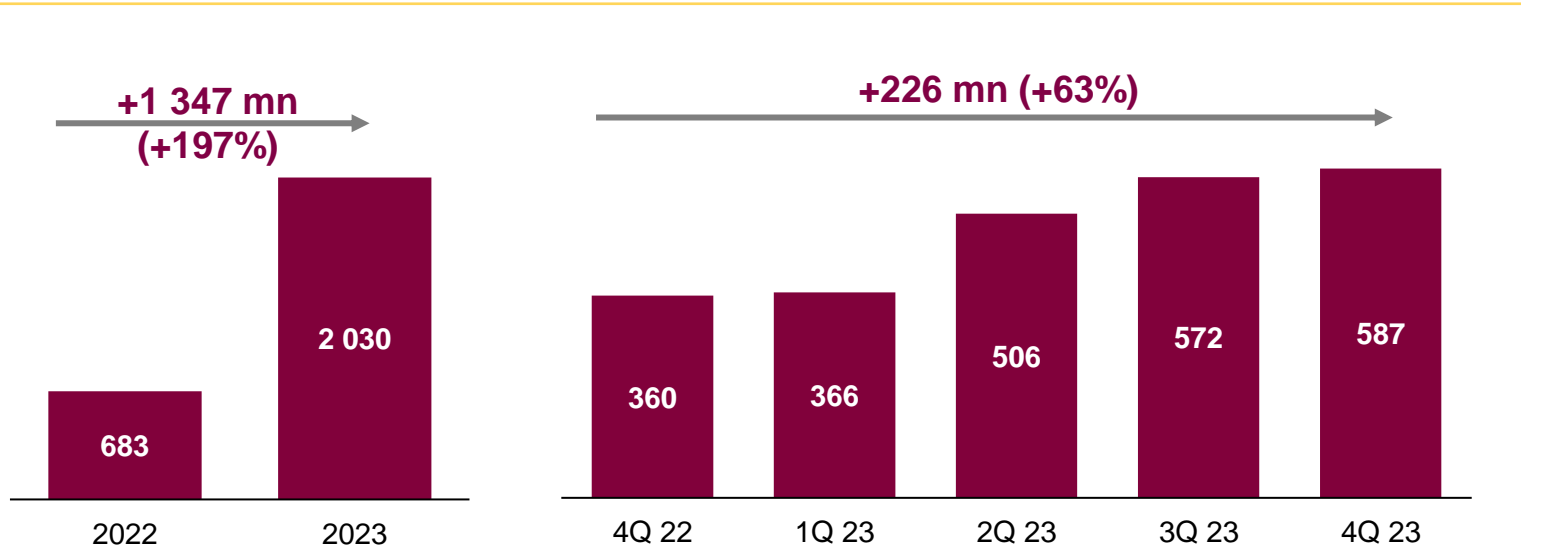
Net profit in 4Q'23 amounted to PLN mn 587 and increased by PLN mn 226 in comparison to 4Q'22.

The profit generated and the high capital surplus are the basis for the first dividend payment in the history of Alior Bank. **The Bank's Management Board intends to recommend the payment of a dividend in the amount around PLN mn 570.**

Total revenues (PLN mn)

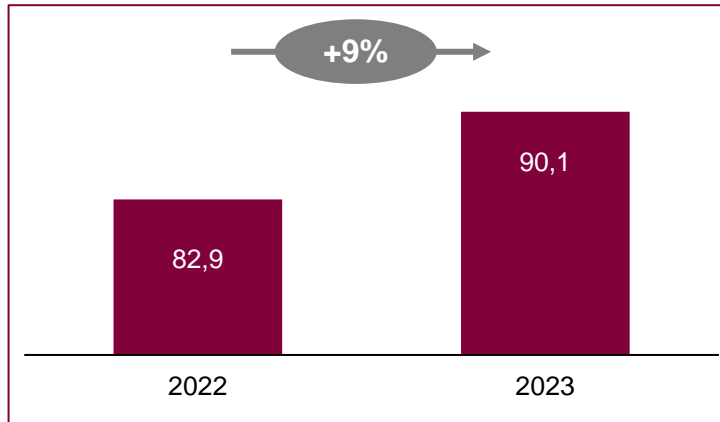


Net profit (PLN mn)

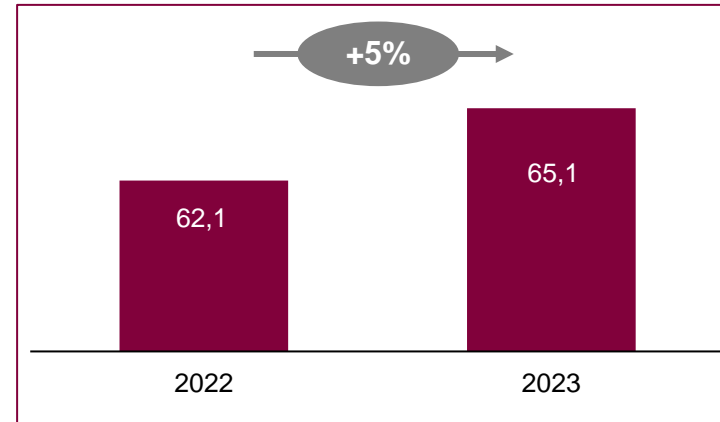


Record year for Alior Bank – improved profitability, quality, and quantity of loan portfolio

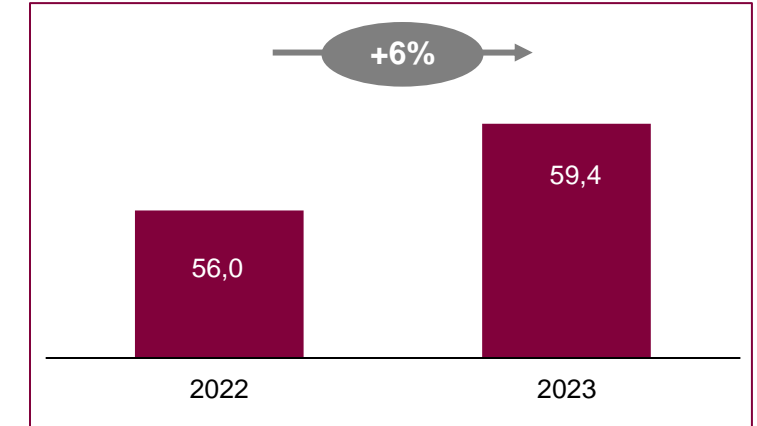
Assets (PLN bn)



Gross Loans (PLN bn)



Gross Performing Loans* (PLN bn)



C/I 4Q'23

36.6%

+2.8 p.p. y/y

NIM 4Q'23

6.22%

+0.30 p.p. y/y

ROE 4Q'23

26.1%

+1.5 p.p. y/y

COR 4Q'23

0.47%

-1.10 p.p. y/y

TCR 2023

17.83%

+3.64 p.p. y/y

C/I 2023

35.1%

-10.3 p.p. y/y

NIM 2023

5.89%

+1.25 p.p. y/y

ROE 2023

26.3%

+15.0 p.p. y/y

COR 2023

0.98%

-0.53 p.p. y/y

NPL 2023

8.58%

-1.23 p.p. y/y

Alior Pay

In 4Q'23, Alior Bank launched an innovative marketing campaign with a broad range of communication. We achieved a record increase in Alior Pay sales by nearly 40% compared to 3Q'23 and a high NPS - 80% promoters of the new service.

Alior Pay has been awarded in the E-Commerce Polska Awards competition in the Best Implementation in Electronic Banking 2023 category.



Bezpieczny
Kredyt 2%

In 4Q'23, Alior Bank achieved record-breaking results due to the government's *First Home Program*, financing nearly 5 thousand real estate transactions, that is 3 times more than in 3Q'23.

LOAN SALES

1.4 PLN BN
(+4% y/y)

MORTGAGE LOAN SALES

2.1 PLN BN
(+446% y/y)

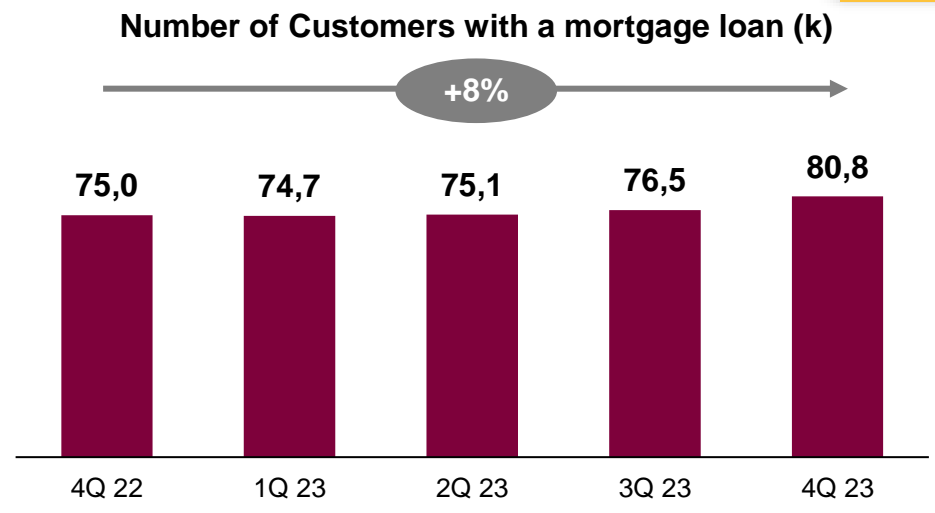
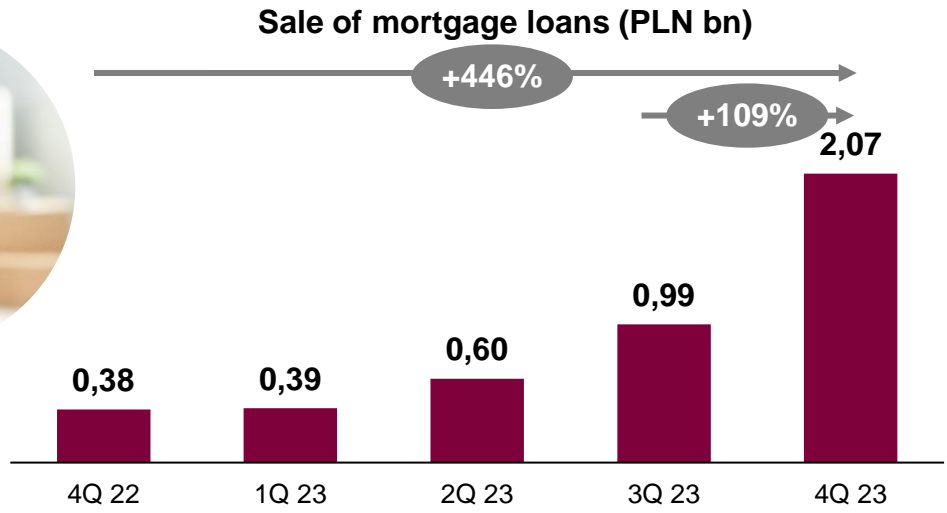
CONSUMER FINANCE SALES

1.9 PLN BN
(+62% y/y)

MOBILE USERS

1.1 MN
(+16% y/y)

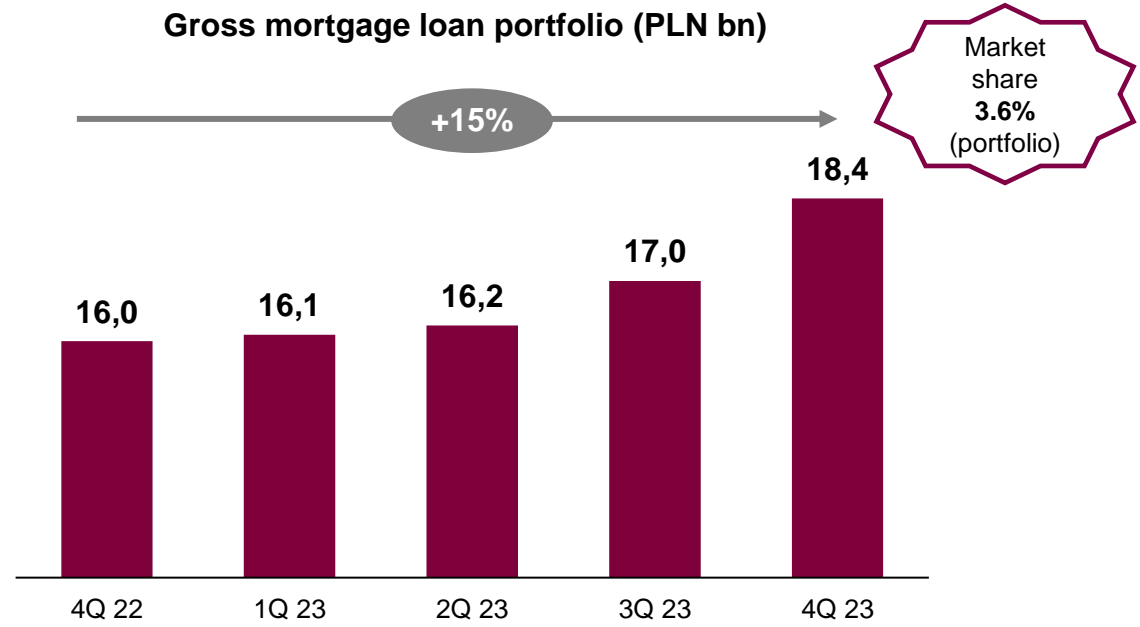
Growth of the Bank's key products – mortgage loans*



We achieved historical levels of sales of mortgage loans, exceeding PLN mn 770 in each of the last 2 months of 2023

7.6% Market share of new sales in 4Q'23

8.9% Market share of new sales in December 2023



* Retail Customer – residential mortgage loans



2% Safe Mortgage

In the last months of 2023, Alior Bank maintained a high level of interest in the offering and significantly increased the volumes of new sales.

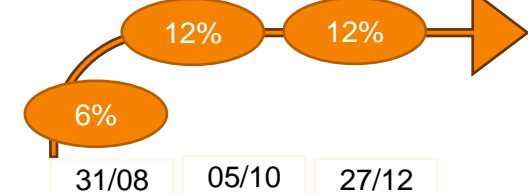
BK2% APPLICATIONS
SERVICED

>20k

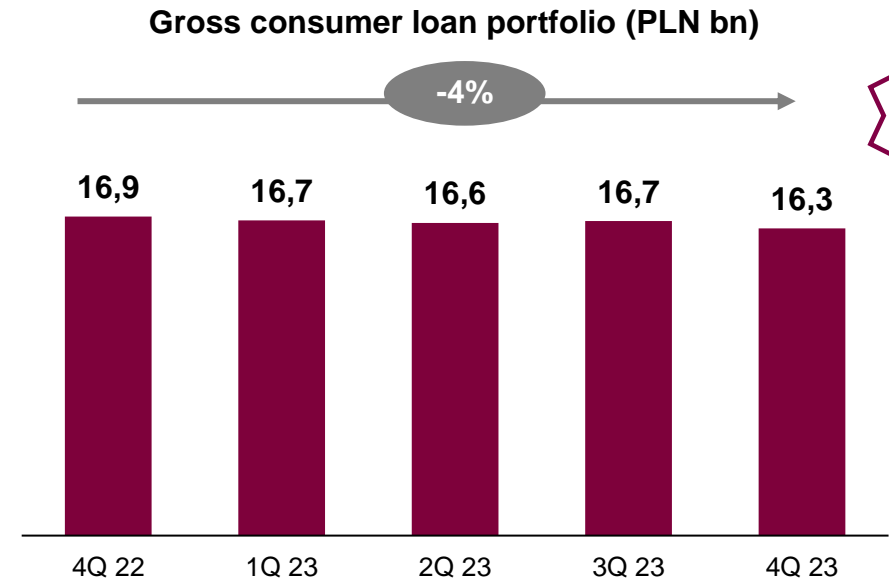
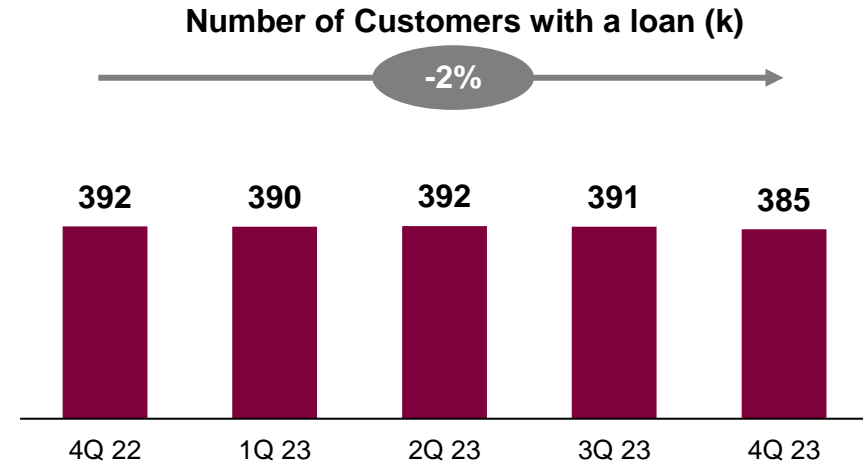
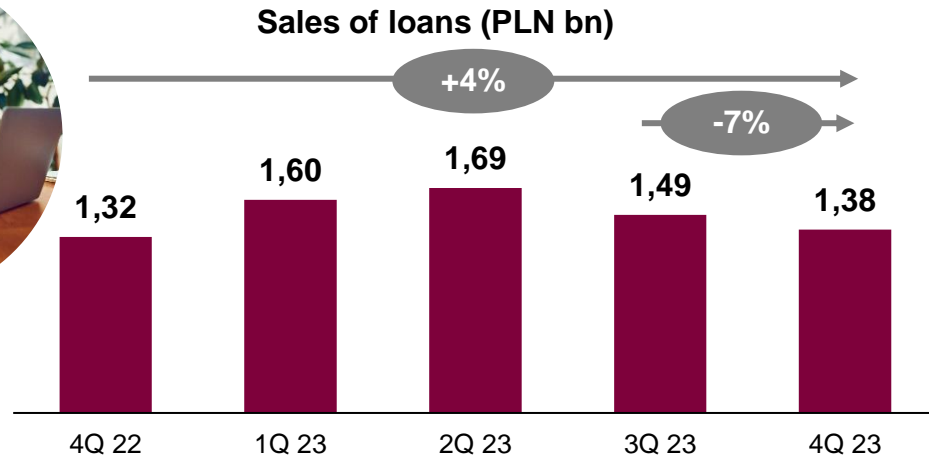
VOLUME OF POSITIVE
BK2% DECISIONS

>4 bn

SHARE OF BK2% IN
AGREEMENTS SIGNED*



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



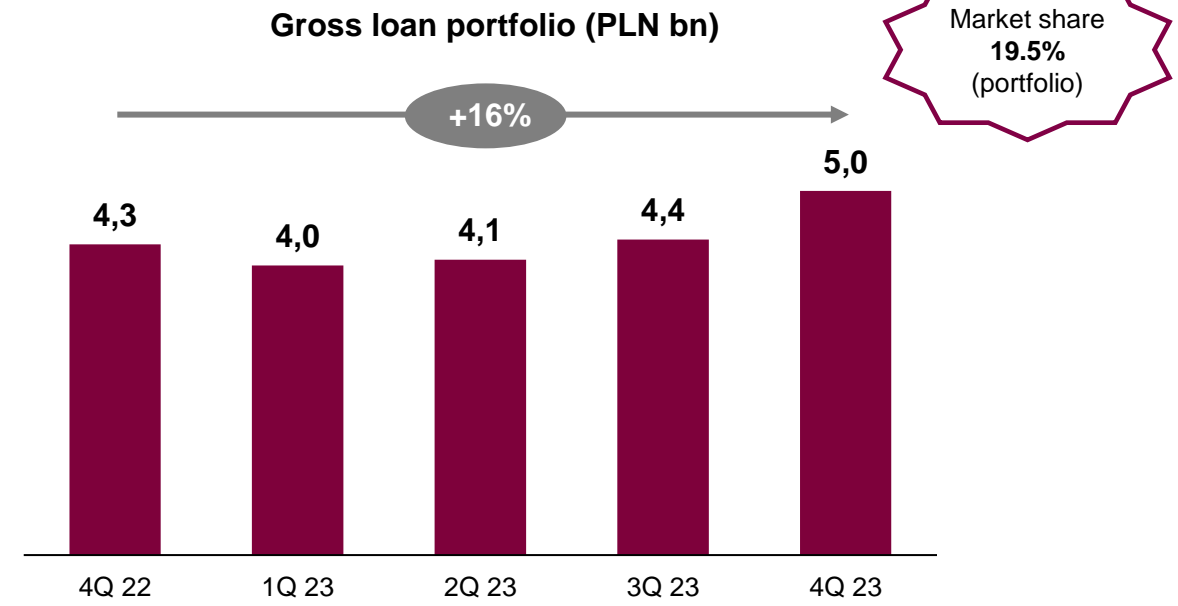
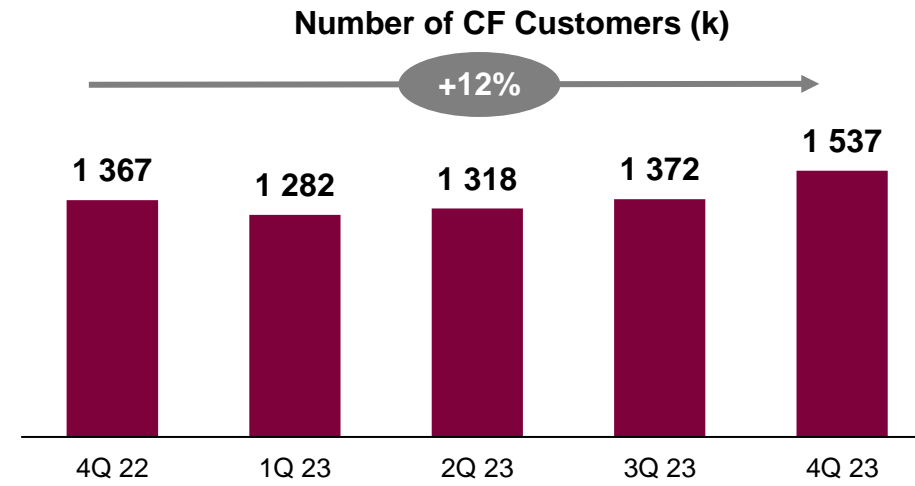
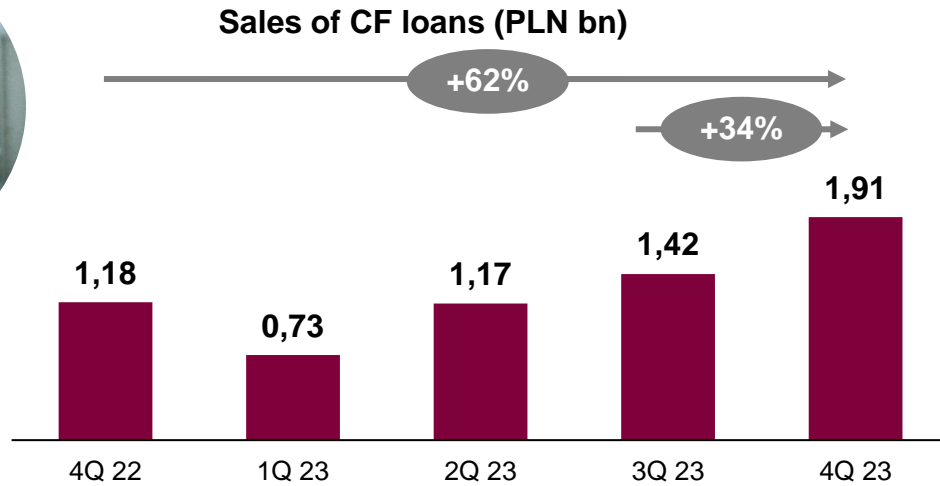
Market share **10.5%** (portfolio)

We are continuing our strategy of developing and increasing the share of sales in remote channels, which allowed us to achieve record-breaking results for Alior Bank in remote sales - a y/y increase of 34%

52% share of remote sales in 2023

Very good sales results of cash loan sales in 2023 – a y/y increase of over PLN bn 0.9 in gross volume

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



Record sales results in 4Q'23. Compared to last year, an increase of 62%, while quarter-on-quarter growth was 34%. Increased online sales continues to be the main driver of growth.

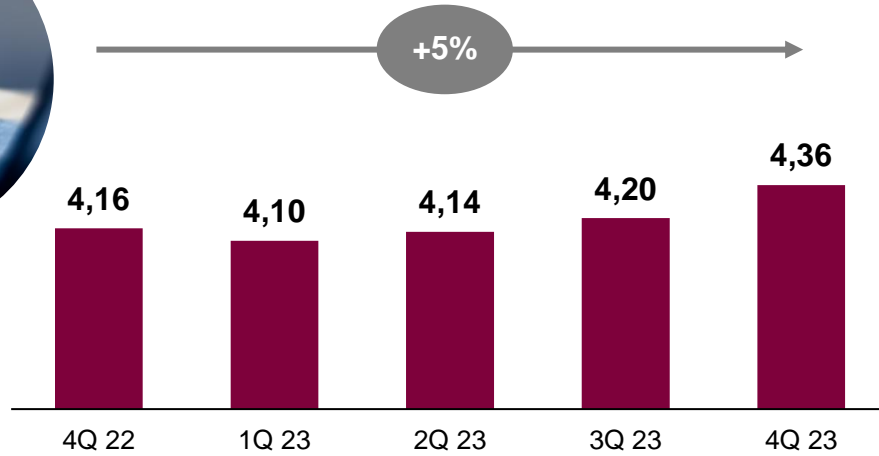
Direct integration with an additional partner, a significant one on the Polish installment loan market.

The bank's participation in numerous promotions organized together with partners typical for the Christmas and Black Friday period

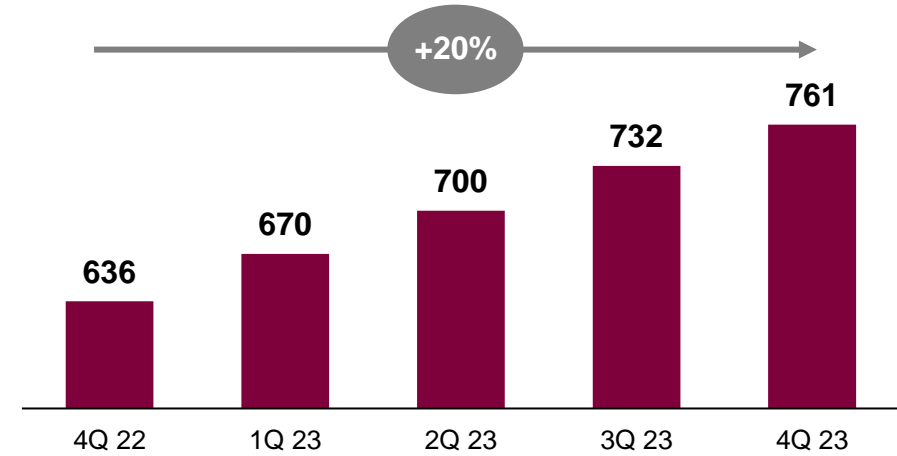
Effective establishment of a lasting relationship with Customers



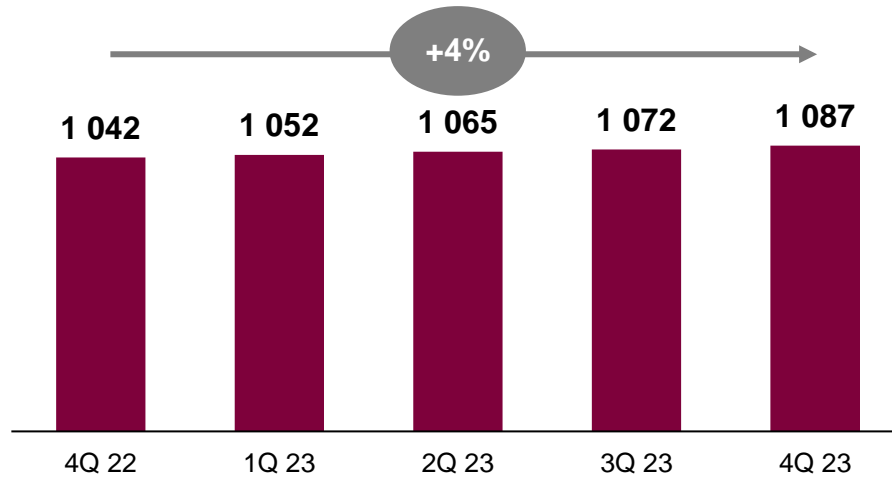
Number of Individual Customers (mn)



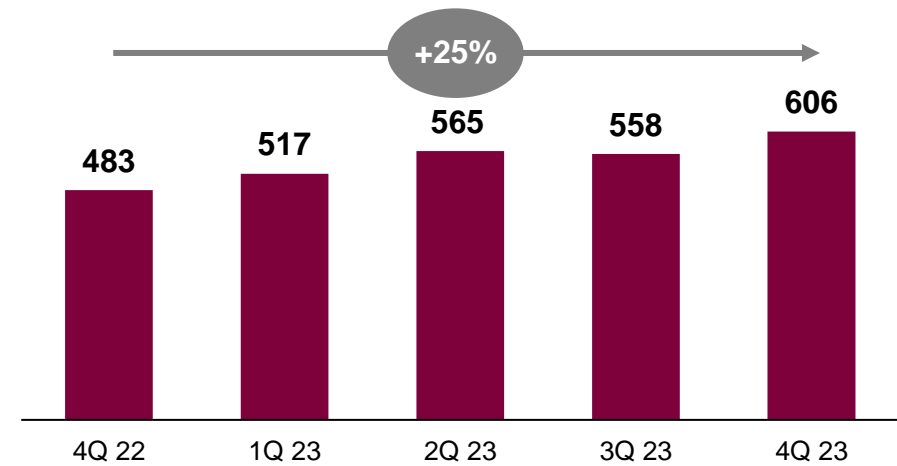
Number of accounts "Konto Jakže Osobiste" (k)



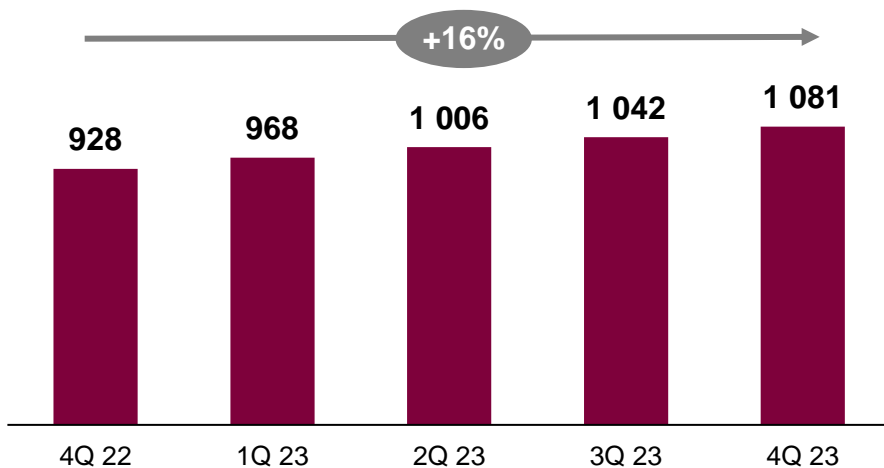
Number of Customers with systematic account inflows (k)



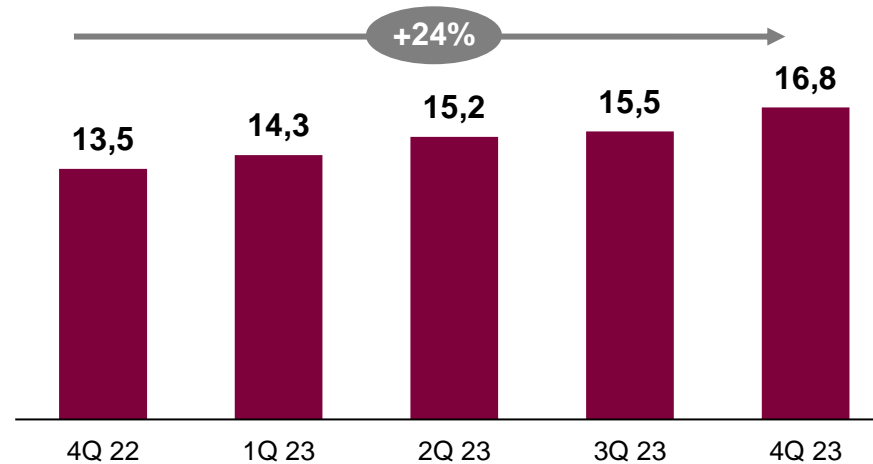
Number of motorway journeys and tickets paid through the Alior Mobile application (k)



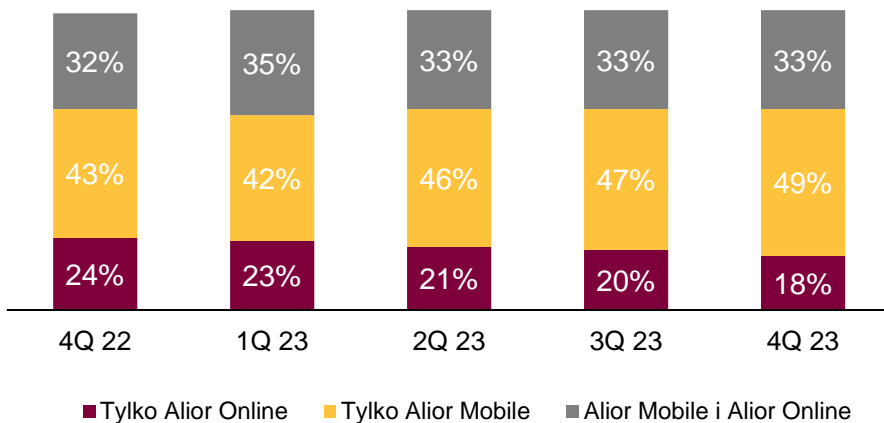
Users of Alior Bank mobile applications (k)



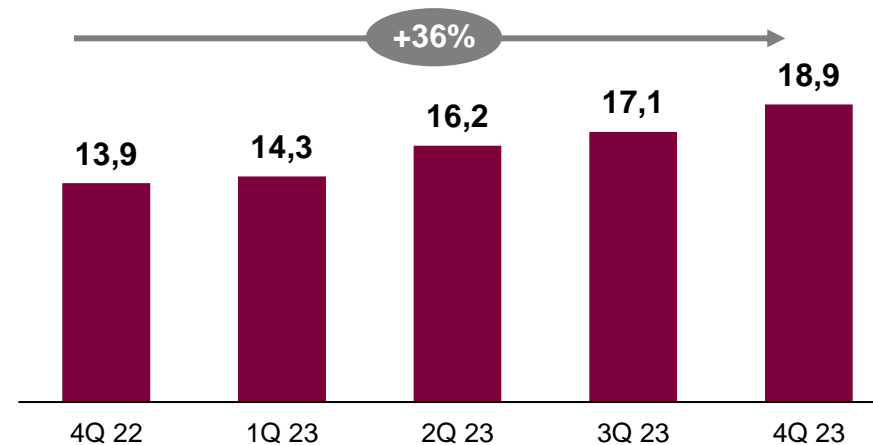
Number of wire transfers initiated in the Alior Mobile application (mn)



Structure of Alior Online and Alior Mobile usage



Number of BLIK transactions (mn)



NEW CREDIT LIMIT Y/Y

+21%

PLN bn 10.8 in 2023

REVENUE AFTER COST OF
RISK Y/Y

+6%

NPL Y/Y

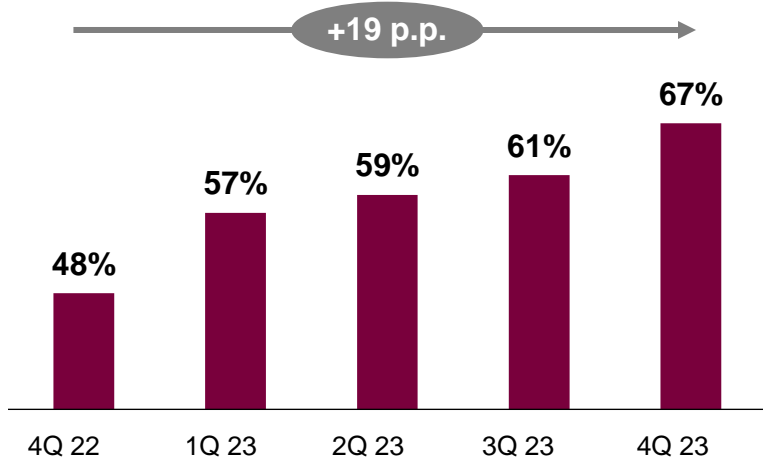
-1.5 p.p.

- **4.5% market share in sales (the highest in 3 years); 4.0% in 2022**
- **increase in market share in sales in all commitment ranges**
- we have a **7.7% market share** 7% in commitments up to PLN mn 5 for the self-employed („JDG”); 7.3% in 2022
- we have a **7.0% market share** in commitments of PLN mn 20-60; 6.0% in 2022

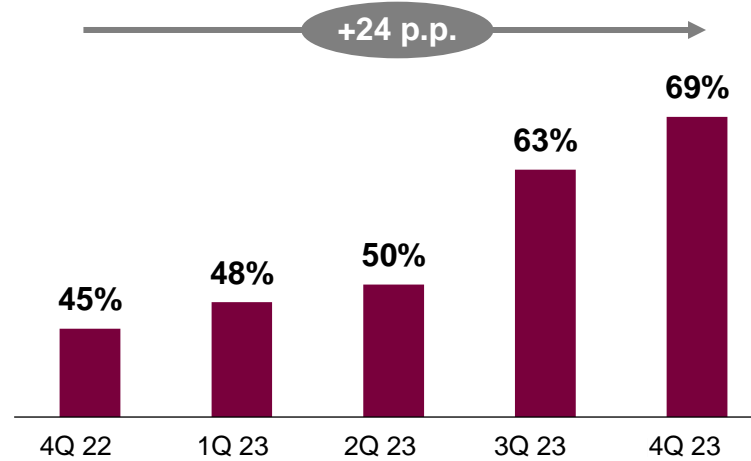
- **significantly above 7% market share** in sales in construction (sections F and L)
- **5% market share** in sales in trade (section G)
- **6% market share** in sales in energy (section D)

Upward trend in key efficiency indicators

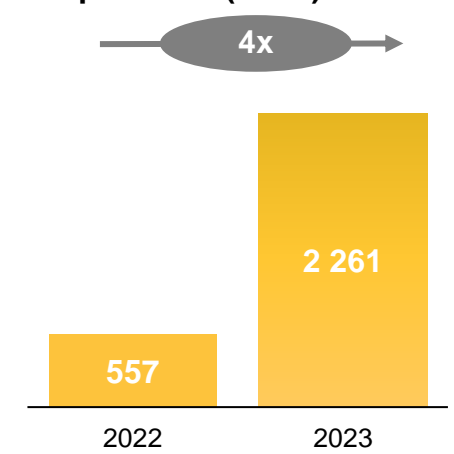
Share of automatic decisions in new sales (Small segment)



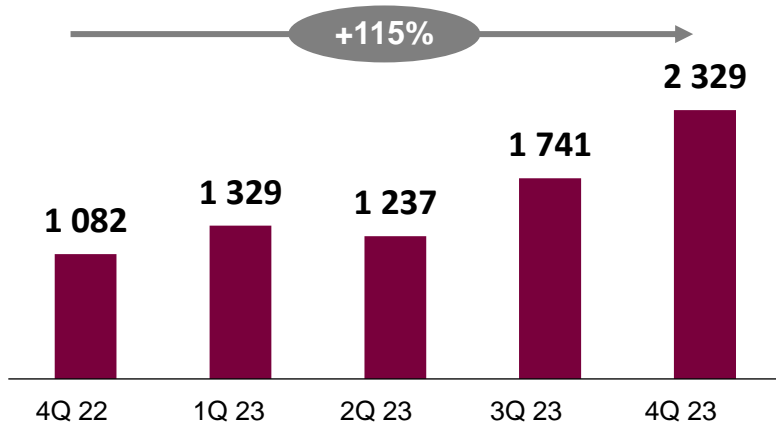
% of orders executed remotely



Sales of transaction products (units)



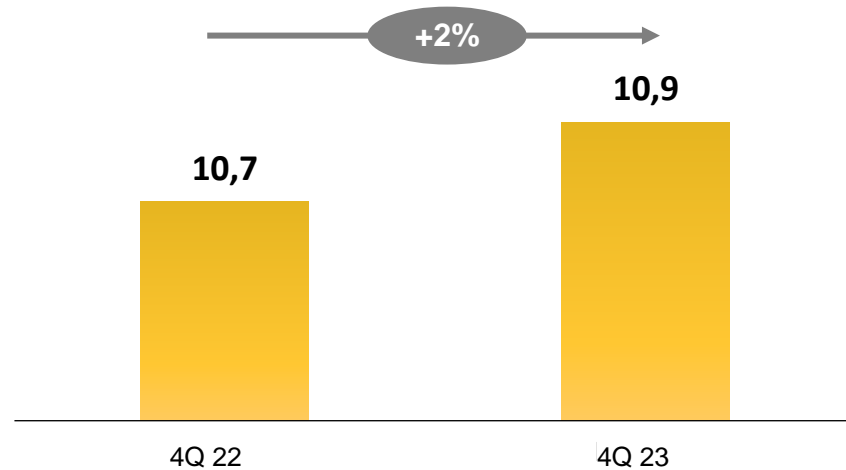
Dynamic growth in the sale of online accounts in the Micro segment (new, faster process)



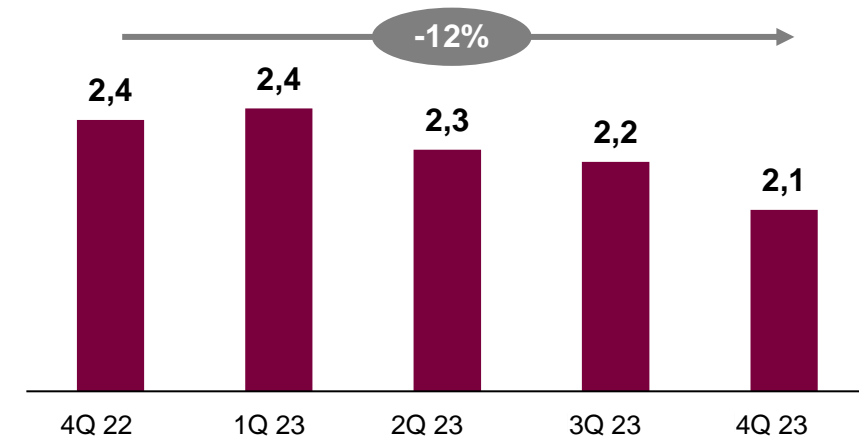
As a result of a consistent strategy of customer productization, we have recorded an almost **4-fold increase in the sales of transactional products.**

Thanks to the new, faster account opening process, **we increased online account sales by 115% in 2023.**

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

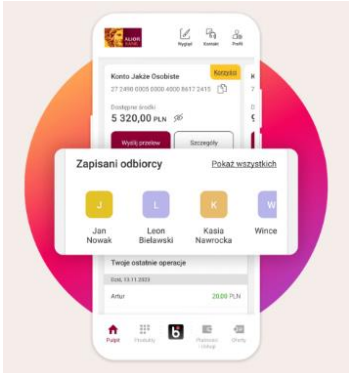


Balance of assets (Small/Medium/Large) in collection* (PLN bn)



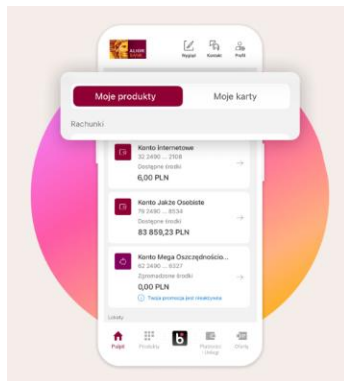
- **A 2% increase in the balance of Small/Medium/Large assets in regular servicing** with the abandonment of transactions with lower profitability and with a lower conversion rate of new sale
- **Systematic increase in portfolio quality: 12% y/y decrease in the balance of assets in debt collection***

New look and personalization of Alior Mobile



The mobile application has advanced to the next level of **personalization**, including new functionalities that respond to the needs of customers. This is the next stage of creating a new, modern mobile app. We already provide users with the **capability to decide which products will appear on the home screen and in what order**.

The second new feature is the „**Saved Recipients**” section, available directly on the home screen and in the "Payments and Services" tab. It enabled the quick execution of transactions to the indicated bank account. The option includes, among others, recipients of domestic transfers, tax transfers, and top-ups. A maximum of twenty recipients can be placed on the home screen, and more will be presented in the "Other Recipients" section.



Further changes have been made to the view of the "Products" tab, which has been divided into two tabs: **My Products** and **My Cards**. Products and cards are presented in the form of a list, divided into sections, without aggregation. Clicking on the tile of a given product takes the customer to its details.



BLIK for micro business customers

BLIK for the self-employed who use the Alior Mobile application. The service enables fast, convenient, and secure BLIK code payments on the Internet, POS terminals, and ATM withdrawals.



Chatbot in Alior Online – Sales module

In December, we completed work on extending the chatbot functionality in Alior Online. An information process has been added to the chat regarding applying for a new credit product for a logged in Customer. The process enables the Customer to talk about the purchase of a new credit product (cash loan, consolidation loan).



Testing the application of Open AI tools

As part of the AI Hackathon held in November, the Bank's business and technology teams tested, in a safe environment, the possibilities offered by Open AI technology and GPT chat in selected business processes. In December, in cooperation with Virbe, a virtual banker avatar was created, which, based on chat GPT, answered questions about the Bank's mobile app during Innovation Day – an internal event for the Bank's employees.

Trailblazing and first large-scale migration of Data Warehouses to the public cloud by a financial institution in Poland



IMPLEMENTATION OF THE STRATEGY

Alior Bank, in cooperation with its partners Teradata and Microsoft, **migrated its corporate Data Warehouse to the public cloud.** The implementation process took a record low time of 6 months.



This is the next step in the implementation of the strategy "**A bank for every day, a bank for the future**", one of the pillars of which is technological development.

INNOVATIVENESS

The migration of the Data Warehouse to the cloud is a key step in building a modern data environment and an ecosystem of applications supporting the **use of AI and machine learning techniques based on cloud solutions.**



The IT architecture model enables further, dynamic adoption of cloud computing services and monetization of the data processed in it.

EFFICIENCY AND COMPETITIVENESS

Analyzing customers' digital activities generates large amounts of data that require advanced computing power and tools available only in the public cloud.



Owing to the speed of information delivery and the readiness of the cloud infrastructure "**instantly**", the Bank can implement projects and introduce changes more efficiently and improve user satisfaction.

SCALABILITY

The use of the public cloud allows for **virtually unlimited scaling of data processing power and space**, enabling the launch of new initiatives in data processing and analytics without the need for long-term expansion of own server room infrastructure.



COST FLEXIBILITY

The use of the EPOD (Elastic Performance on Demand) billing model allows for **effective cost management** of system utilization in the cloud. Migration will also bring significant **savings** related to the maintenance of our own infrastructure.



The decision supports **ESG** policy – cloud providers use green energy, which contributes to sustainable growth.

SAFETY

By applying the most advanced security measures offered by Teradata and Microsoft, the bank's customers can be sure that their **data is secure.**



The bank gains **greater resilience of the system** due to the ability to use a backup data center located in another region in the event of a failure.

BLIK FOR BUSINESS CUSTOMERS

Alior Bank has made **BLIK available to the self-employed** who use the Alior Mobile app. They can pay with a BLIK code on the Internet, at POS terminals and make withdrawals from ATMs.



PLUSES OF PLUS CARD

Alior Bank will reimburse entrepreneurs **up to PLN 1 000 for purchases at petrol stations** paid for with a Plus card. Additionally, the bank will **pay the premium for one accident insurance and health care contract.**



BUSINESS IN POLISH

In the "**Business in Polish**" series, together with the editors of „**Puls Biznesu**”, Alior Bank presents the success stories of business customers. This is an integral part of the "Bank for every day, Bank for the future" strategy, which includes supporting entrepreneurship.



YOUTH ACCOUNT PROMOTION

The campaign focused on benefits for teenagers, such as **no card fees until the age of 18, free online transfers in the country and the possibility of receiving PLN 200 for purchases on Allegro.**



Social responsibility of Alior Bank

Financing of thermal modernization

- Alior Bank has introduced an investment loan for the renewable energy grant.
- The loan can be used for the purchase, installation, construction or modernization of a renewable energy source installation.



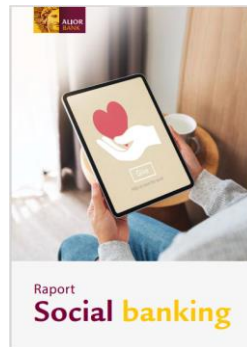
ONA („SHE”)

- A prophylactic and developmental initiative for women bankers.
- Among others the following were realized: social banking survey, workshop with Dominika Bettman, hygiene products for schools drive.



„Social Banking” Report

- Alior Bank conducted a survey of **customers on social banking**.
- In cooperation with Mastercard, the **bank has provided another form of support for those in need**. Points collected in the Priceless Moments program can be exchanged for financial support for the foundation.



Active with Alior

- A series of **sporting and cultural events** under the patronage of Alior Bank.
- In 4Q'23, among others the Independence Run and Nordic walking competition in Krosno were held.



Employee volunteer work

- Promotion and support of employees interested in volunteering activities.
- Examples of activities: sewing mascots for young hospital patients in cooperation with **Many Mornings**, the "Let's Go Together" campaign.



Selected activities in 4Q'23

Environment



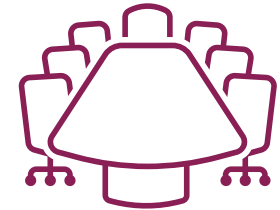
- We have prepared an operationalization of the 2023-2024 strategy in the ESG area
- We have made available IKE and IKZE accounts, connected to the tree planting campaign

Social



- We organized an ESG week – a series of meetings and workshops for our employees
- We have prepared the "Social Banking" report
- We were awarded the title of Top Employer 2023

Governance



- We joined the ESG Sustainalytics rating. In January 2024 we achieved a rating of 24.3.
- We have made ESG e-learning available to all bank employees
- We have set ESG goals for executives

External stakeholders appreciate the changes in Alior Bank



The title of **Top Employer Poland 2023** awarded by the Top Employers Institute.



The upgrade of the rating outlook to "Positive" by **Fitch Ratings Ltd.** confirms the Bank's very good standing.



The title of **Trustworthy Employer** for achievements in the field of employee policy, including in the field of creating an inclusive workplace, an interesting system of incentive benefits, and a sustainable approach to volunteering.



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



Distinction in the "**Visionary Employer**" category of the **Health Visionaries 2023** competition for activities supporting employees in the field of health and healthy lifestyle.



Friendly Workplace Certificate awarded by the **Employer Brand** portal for activities such as "Day for the U" and employee volunteer work.



Award in the "**Patron**" category in the **Guardian of Memory** competition for supporting patriotic and historical activity.



First place in the ranking of online FX by **Bankier.pl** for "Kantor Walutowy Alior Bank" product.

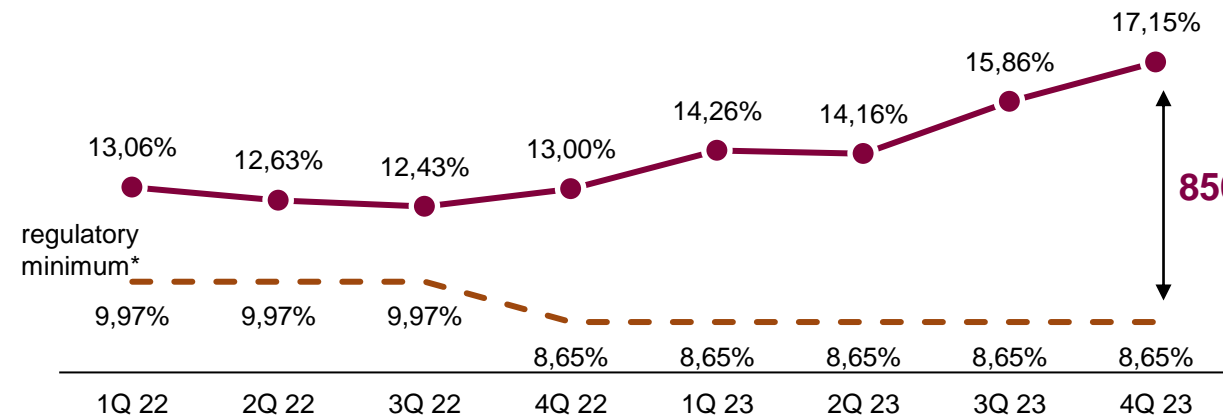
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Credit risk

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

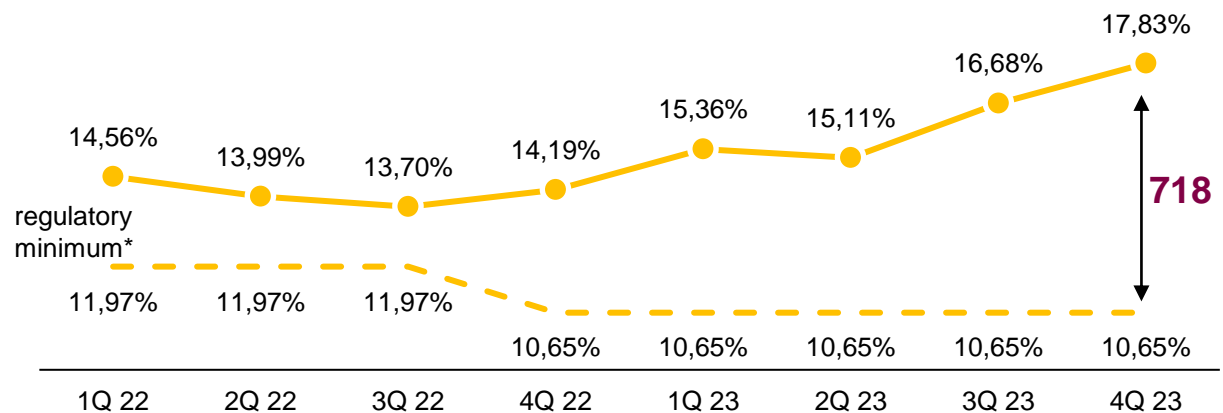
TIER I*



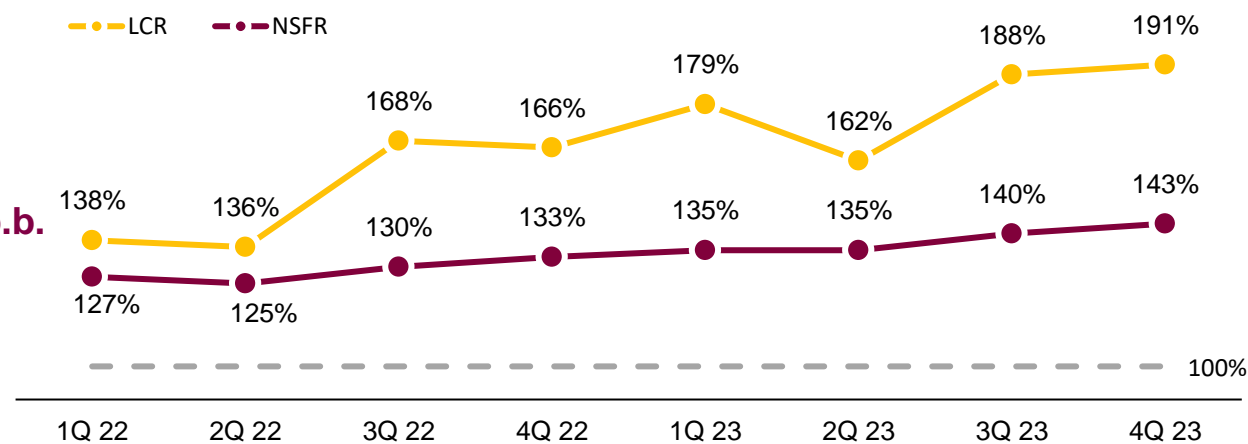
Very high TIER I and TCR capital ratios at the end of 2023, which significantly exceed regulatory minimums by 850 bps (PLN bn 4.2) and 718 bps (PLN bn 3.6), respectively.

On December 31, 2023, Alior Bank Group's consolidated MREL ratio was 20.51%.

TCR*

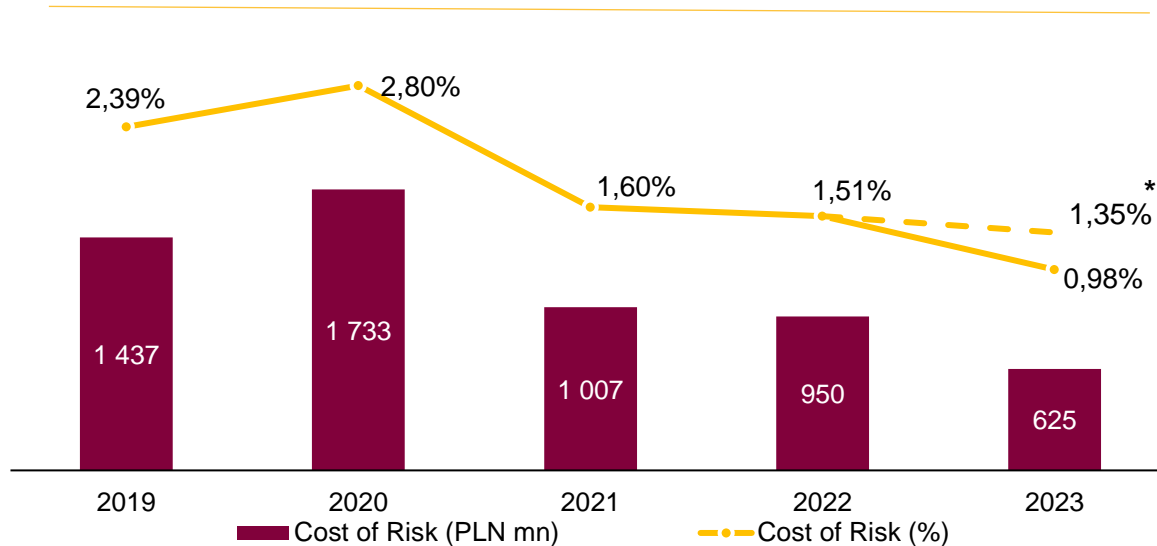


Liquidity ratios: LCR, NSFR

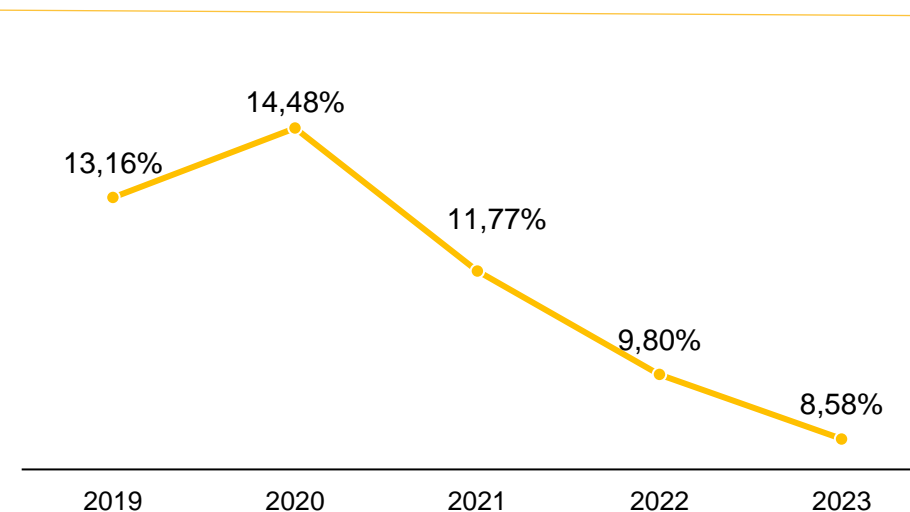


Alior Bank consistently increases portfolio quality and decreases cost of risk

Alior Bank Group – cost of risk



Alior Bank Group – NPL ratio



The transformation of the credit risk management strategy resulting in a significant increase in the resilience of the loan portfolio to a challenging macroeconomic environment and positive one-offs, led to the cost of risk (COR%) in 2023 amounting to 0.98%.

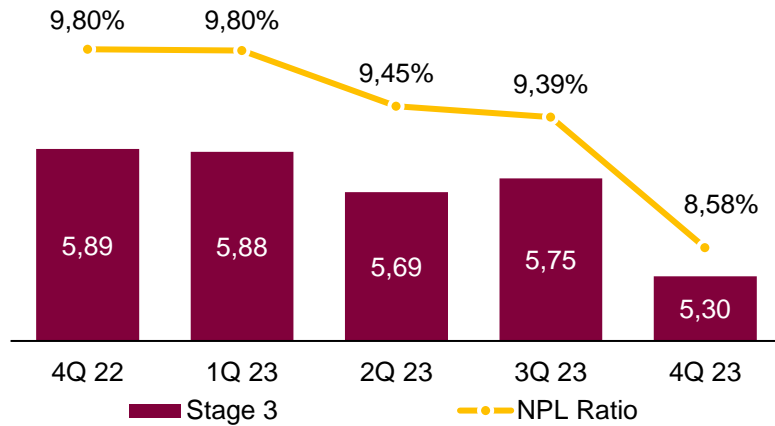
One-offs material to the cost of risk in 2023 include gains on the sale of the NPL portfolio, which amounted to PLN mn 114, and the effect of model recalibration resulting from improving macroeconomic forecasts and improved portfolio resilience to macroeconomic factors, which led to the release of impairment losses by PLN mn 119. The COR% without one-offs would be 1.35%.

The Bank carried out, most likely the first sale in Poland, of its corporate NPL portfolio on the European market, the transaction was partially settled in 2023 and partly in 1Q'24. The portfolio sold included contracts with a total debt value of PLN bn 2.1, and the gross value of the assets sold amounted to PLN mn 327.

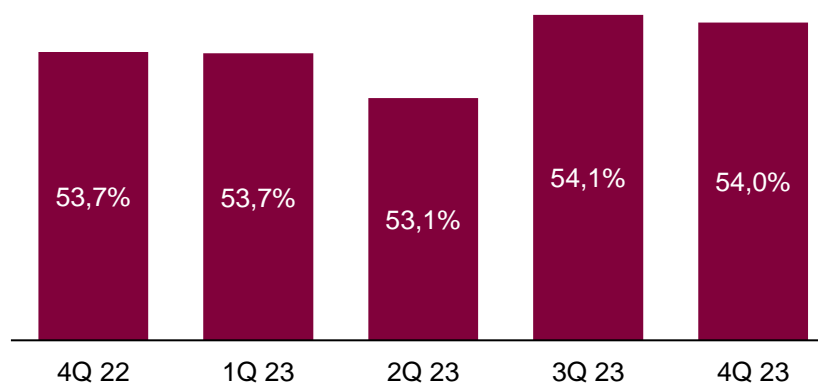
Currently, we do not identify any risks that would have a material negative impact on the COR% level. We expect that Alior Bank Group's cost of risk in 2024 will be around 1%.

Changes in credit portfolio management have brought tangible results

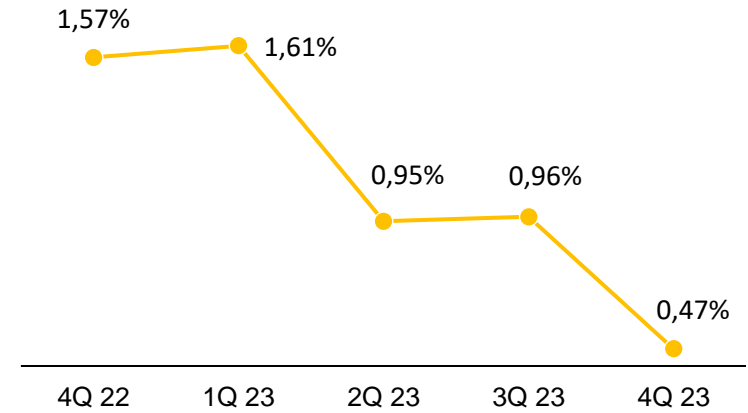
Impaired loans (PLN bn)



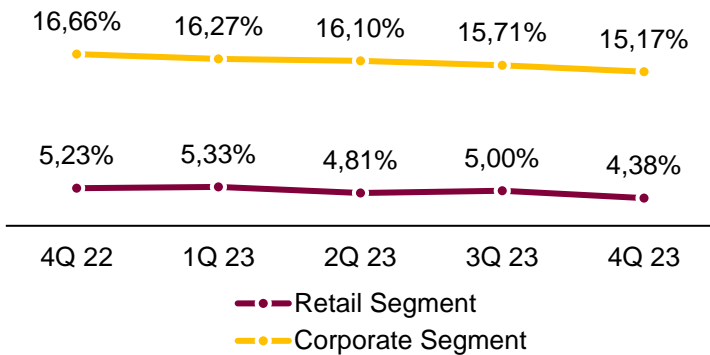
NPL reserve coverage ratio*



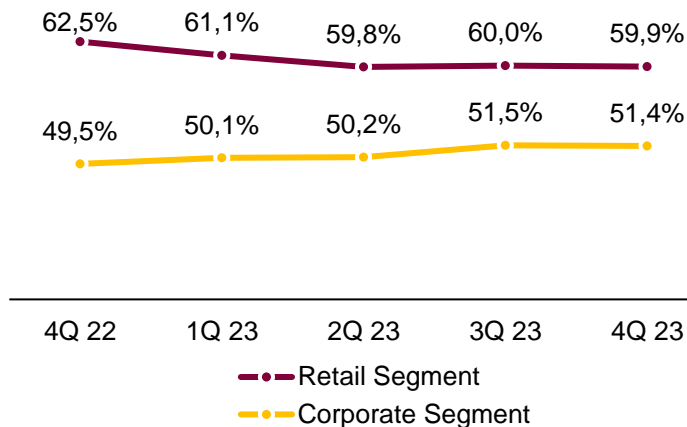
Cost of Risk - CoR**



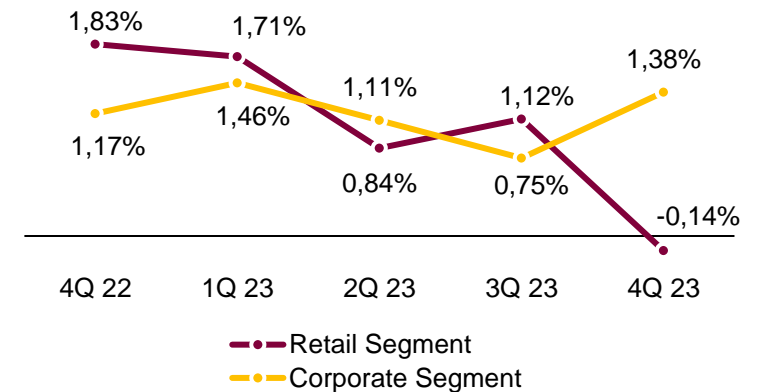
Impaired loans – segments



NPL provision coverage* – segments



CoR – segments**



3



Financial results

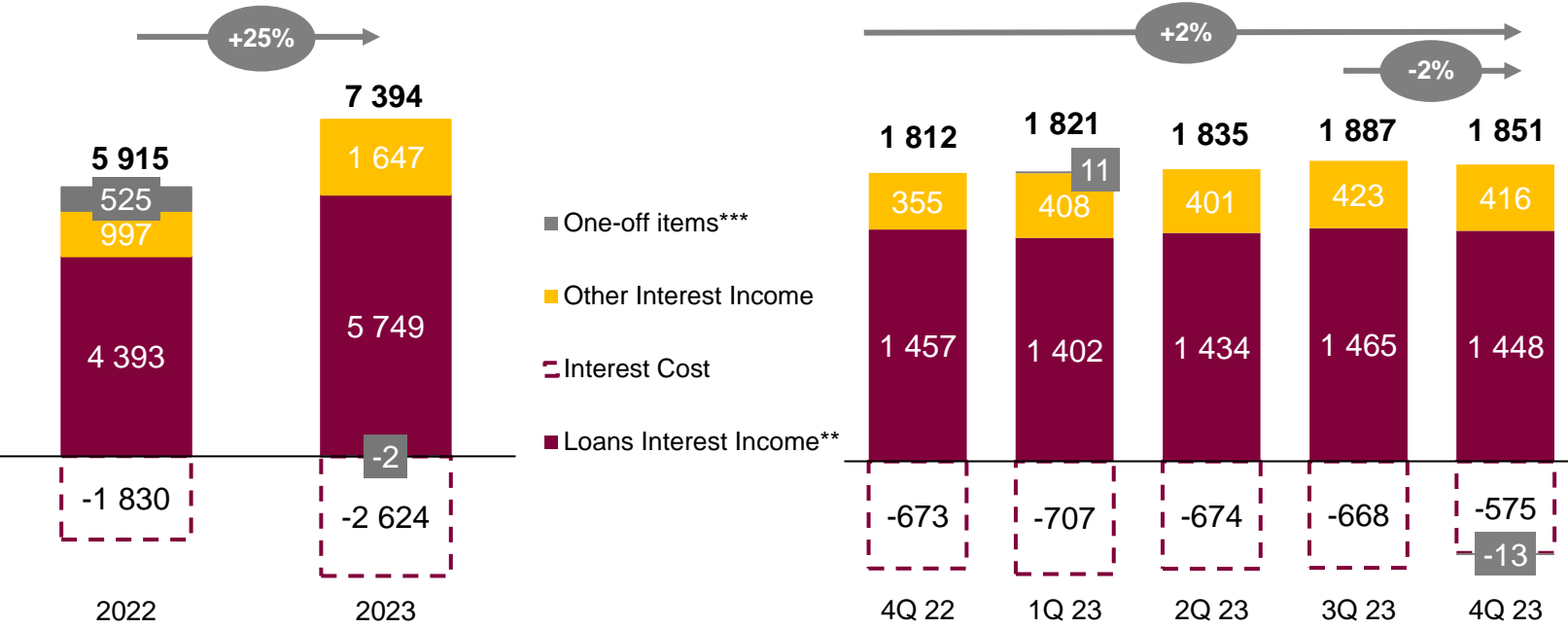
Income statement

PLN mn	4Q 22	4Q 23	% y/y	y/y	2022	2023	% y/y	y/y
Total Income	1 307,7	1 532,6	17%	224,9	4 363,8	5 632,2	29%	1 268,4
Net interest income	1 139,1	1 289,2	13%	150,1	3 559,9	4 772,4	34%	1 212,5
Net fee and commission income	183,2	240,5	31%	57,3	796,1	837,5	5%	41,4
Other income	-14,6	2,9	-	17,5	7,9	22,3	183%	14,4
Total costs	-811,2	-752,2	-7%	59,0	-3 327,8	-2 925,1	-12%	402,7
General administrative expenses	-442,3	-561,6	27%	-119,3	-1 979,8	-1 977,2	0%	2,6
Impairment of non-financial assets	-11,2	-1,3	-88%	9,9	-52,4	-4,9	-91%	47,5
Net expected credit losses	-248,5	-75,9	-69%	172,6	-949,8	-625,3	-34%	324,5
Cost of fx mortgage legal risk	-43,6	-45,8	5%	-2,2	-83,2	-54,0	-35%	29,2
Banking tax	-65,6	-67,6	3%	-2,0	-262,7	-263,8	0%	-1,0
Gross profit	496,5	780,3	57%	283,9	1 036,0	2 707,1	161%	1 671,0
Income tax	-136,2	-193,6	42%	-57,5	-352,9	-676,9	92%	-324,0
Net profit	360,3	586,7	63%	226,4	683,1	2 030,1	197%	1 347,0
Net interest margin (NIM)	5,92%	6,22%	-	+0,30 p.p.	4,64%	5,89%	-	+1,25 p.p.
Cost of funding (CoF)	2,20%	2,16%	-	-0,03 p.p.	1,40%	2,28%	-	+0,88 p.p.
Cost of risk (CoR)	1,57%	0,47%	-	-1,10 p.p.	1,51%	0,98%	-	-0,53 p.p.
Cost / Income ratio (C/I)	33,8%	36,6%	-	+2,8 p.p.	45,4%	35,1%	-	-10,3 p.p.
Loan / Deposit ratio (L/D)	81,4%	81,1%	-	-0,3 p.p.	81,4%	81,1%	-	-0,3 p.p.
Return on equity (ROE)	24,6%	26,1%	-	+1,5 p.p.	11,3%	26,3%	-	+15,0 p.p.
Total Capital Ratio (TCR)	14,19%	17,83%	-	+3,64 p.p.	14,19%	17,83%	-	+3,64 p.p.

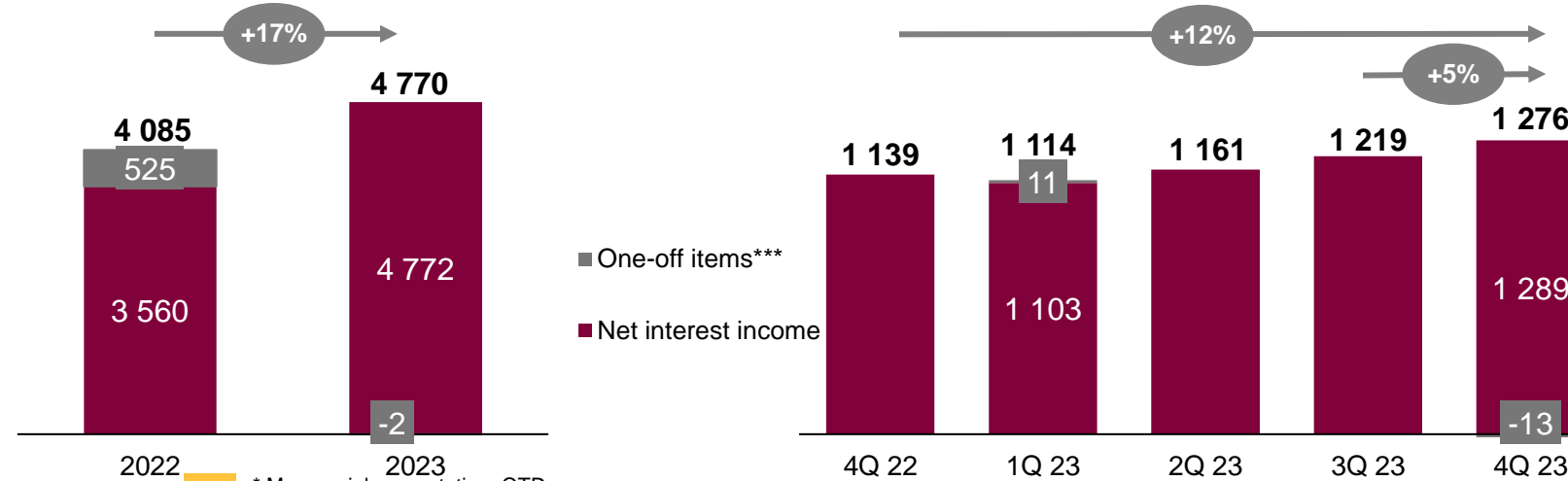
- **Record net profit of PLN mn 586.7 in 4Q'23 and PLN bn 2.03 in 2023**
- Net profit in 4Q'23 (PLN mn +11) was positively impacted by the final settlement of the cost of credit moratoria
- **Net interest margin (NIM) in 4Q'23 amounted to 6.22%**. In subsequent quarters, the interest margin will be impacted by the growing share of mortgage loans and financial assets in the balance sheet.
- Improvement in net interest income by PLN mn +70 (+6%) q/q was mainly due to a higher by around PLN mn 67 q/q net interest income on derivatives (hedging)
- In 4Q'23 the Bank recognized a provision of PLN mn 46 for the cost of legal risk of mortgage loans in foreign currencies. At the end of 2023, the level of provisions covered 80.3% of the gross value of the CHF-denominated loan portfolio
- In 4Q'23 return on equity (ROE) was **26.1%**, while the C/I efficiency ratio was **36.6%**

Increase in interest margin due to lower financing costs and lower impact of hedging

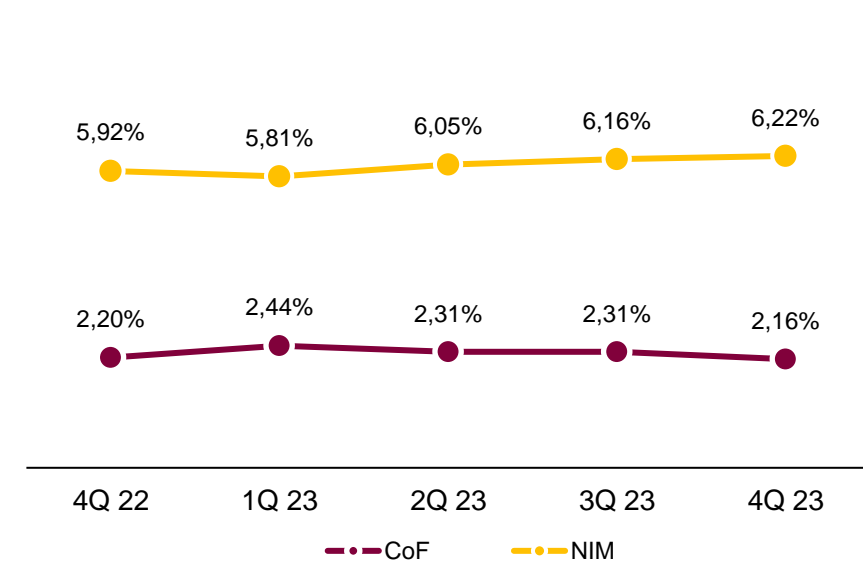
Interest income and expenses (PLN mn)



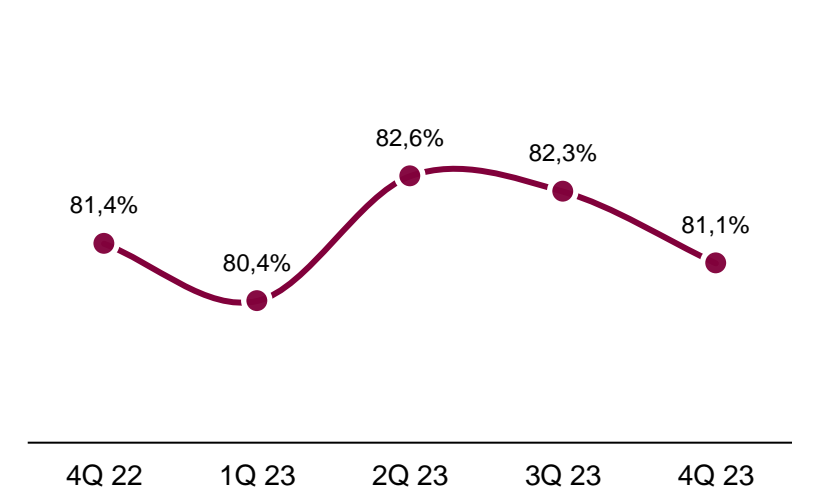
Net interest income (PLN mn)



Interest margin and financing cost*



Loan / Deposit Ratio



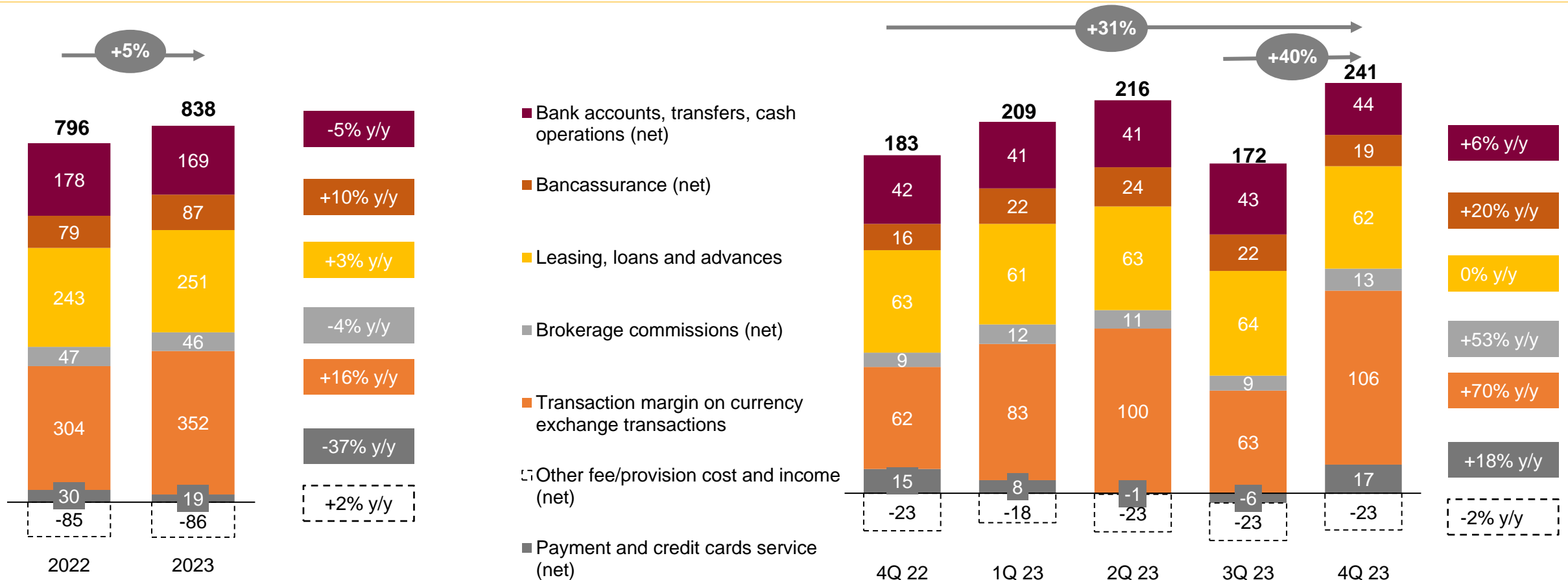
* Managerial presentation, QTD

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

*** One-offs in 3Q 22: PLN mn 502 for credit moratoria and PLN mn 23 for provision for the reimbursement for additional mortgage loan margins; PLN mn 11 adjustment of credit moratoria provisions in 1Q'23, in 4Q'23 credit moratoria were finally settled, which increased interest income by PLN mn 13. Ultimately, the total cost of the credit moratoria in 2022-23 amounted to PLN mn 500.

The Bank consistently improves its net fees and commissions income

Net Fees and Commissions Income (PLN mn)

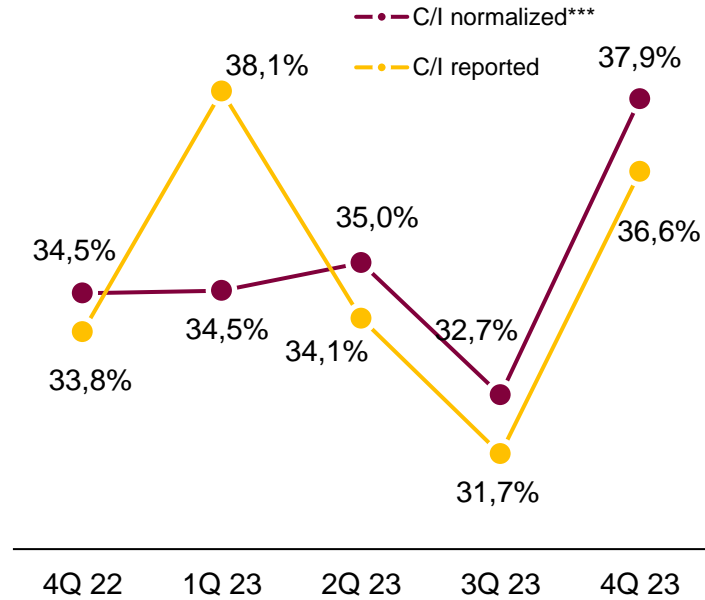
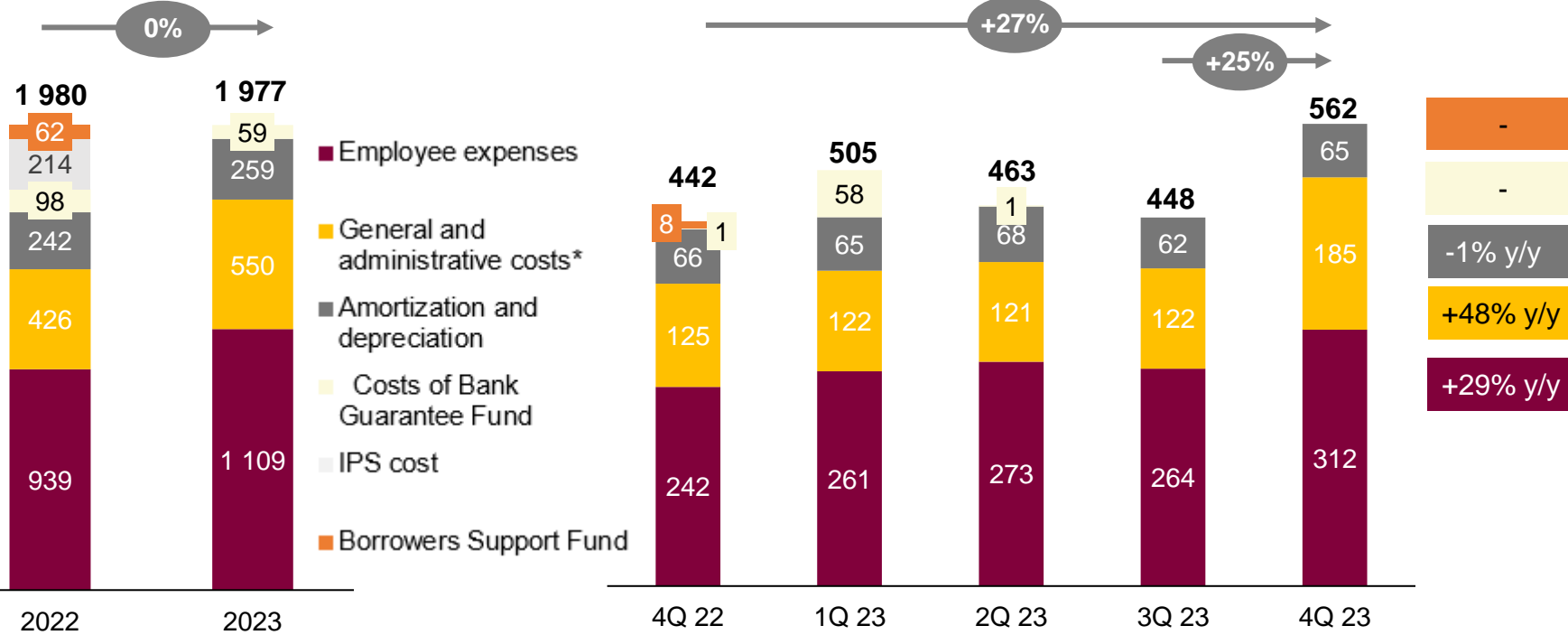


- Growth in 4Q'23 of the net commissions income on FX transactions by PLN mn 44 y/y is due to Alior Bank's accounting practices concerning these transactions. The result from FX transactions is divided between commissions and trading result. In 4Q'23 the result on foreign exchange transactions was increased by around PLN mn 22 shifted from trading result. From 2024 onwards, the result on foreign exchange transactions will be presented only in net commissions income.
- The decrease in the net result on payment and credit card services in 2023 by PLN mn 11 y/y was mainly due to the nature of settlements with payment operators (i.e., part of the result from card fees is presented in FX transactions results)

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

Operating costs (PLN mn)

C/I ratio**



- In 2023, operating costs amounted to PLN bn 1.977 and increased by 16% compared to operating costs in 2022 adjusted for the contribution to the Borrowers Support Fund and the cost of joining the Protection Scheme, which amounted to PLN bn 1.704.
- Increase in employee costs y/y in 4Q'23 amounted to PLN mn 69 (+29% y/y) and resulted mainly from an increase in the average salary level and one-off costs of around PLN mn 25 (including those related to the payment of jubilee bonuses and costs resulting from high sales levels).
- The main reason for the increase in general and administrative costs in 4Q'23 by PLN 60 million (+48%) y/y was among others an increase in the cost of rent and maintenance of buildings by PLN mn 16, an increase in IT costs by PLN mn 10, an increase in the costs of advisory services by PLN mn 10 and an increase in marketing costs by PLN mn 7. The increase in some of the costs resulted from the settlement of projects in the last quarter of the year.
- The operating costs presented in the chart account for an adjustment made to the presentation method of the costs of provisions for litigation. Until 3Q'23 costs of provisions for litigation were presented as other general and administrative expenses, but now they are other operating costs.
- In subsequent quarters, the increase in operating costs will be mainly driven by the general increase in prices in the economy.

*General management expenses include taxes and charges

**By quarter (QTD)

*** Ratio calculated assuming linear distribution of the contribution to the BFG compulsory restructuring fund, no contribution to the Borrower Support Fund, and no impact on the revenues of the credit moratoria in 1Q'23 and 4Q'23

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

Profitability	2023 ACT	2024
ROE	26.3%	>13%
C/I	35.1%	<45%
Equity		
Tier 1	17.2%	>13.5%
TCR	17.8%	>15%
Credit risk		
CoR	0.98%	<1.6%
NPL	8.58%	<10%



Business

Record assets: **PLN bn 90**
Performing loan portfolio: **PLN bn 59.4**
The first large bank in Poland in the public cloud

Risk

Decrease in the cost of risk ratio: to **CoR 0.98%**
Decrease in non-performing loans ratio: **NPL 8.58%**
Change in the structure of the loan portfolio - increase in secured exposures

Profitability

Highest interest margin among leading banks: **NIM 5.89%**
Cost of financing below the market average: **CoF 2.28%**
Record net profit: **PLN bn 2.03**

Capital position

Record equity: **PLN bn 9.2**
Record capital ratios: **TCR 17.83%**
S&P credit rating upgrade: **BB+**

Share price

Inclusion of the Bank's shares in the WIG20 index
The Bank's stock market capitalization increased by 123%
Achieving the ability to pay dividends



4

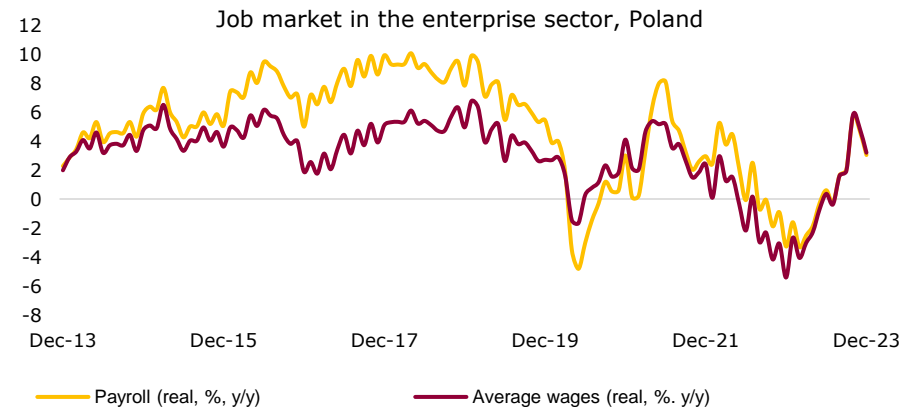
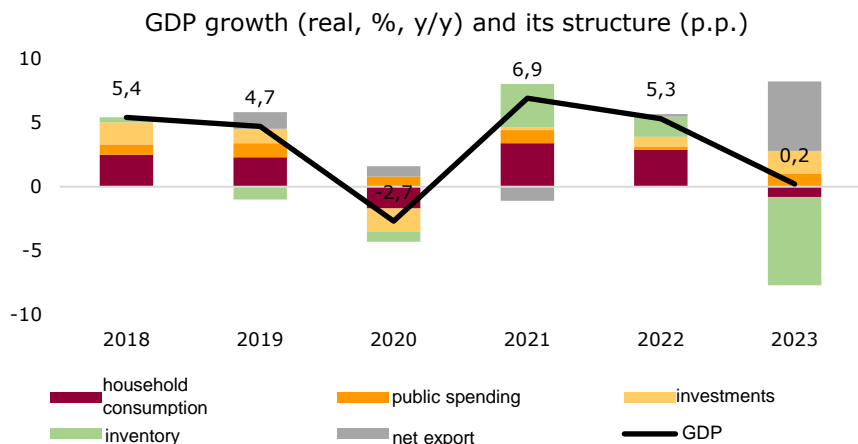


Other issues

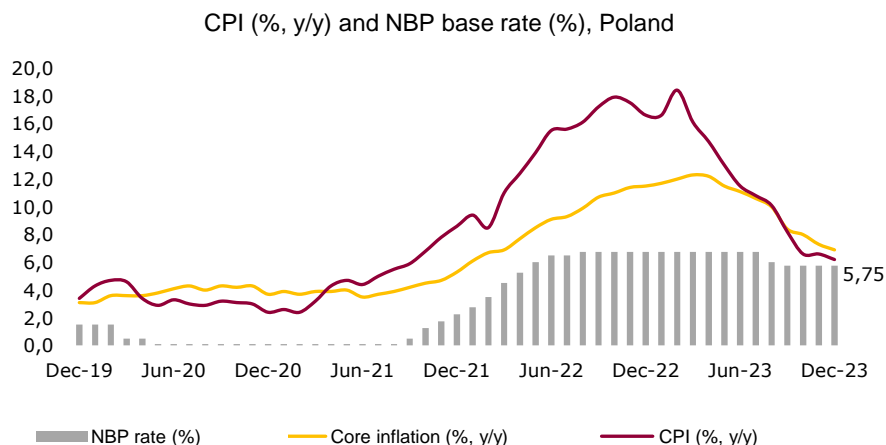
2023 provides a good starting point for recovery

2023 was weak, but inventory adapted

In the second half of 2023 real wage growth supported consumption



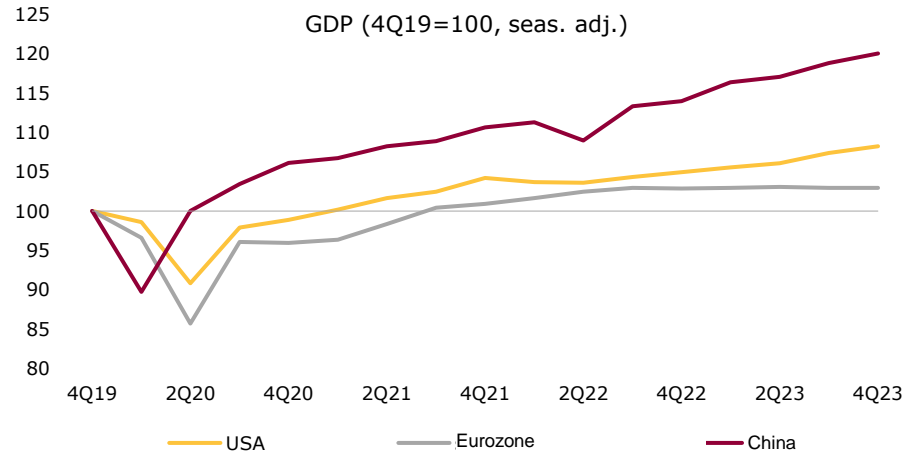
Decreasing inflation allowed for looser monetary policy



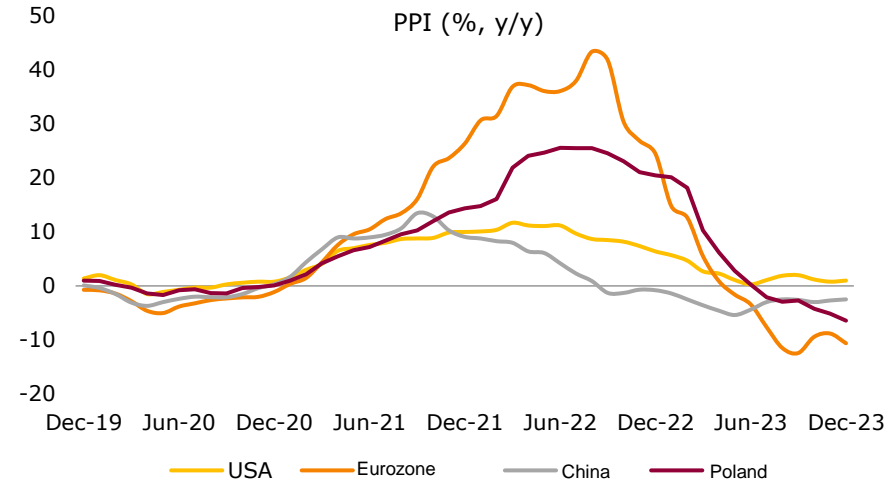
- In the entirety of 2023 Polish GDP increased at a very slow pace, around 0.2% versus 2022. Although, after the drop in GDP in the first half of 2023 of on average 0.4% y/y, in the second half moderate increases were observed, including in 4Q'23 of around 0.9% y/y
- The good situation on the labor market, underlined by the unemployment rate remaining at a historically low level and the acceleration in real wage growth in the second half of the year, provided a basis for some recovery in household demand in the second half of 2023
- Throughout 2023, investment demand was strong (an increase of 8%), driven by infrastructure expenditure financed among others from EU funds (2014-2020 budget), but also by investments by enterprises, among others in fleets
- At the same time throughout 2023, inventory went through an adjustment after it's excess buildup in 2021-2022 weighed on the previous year's economy, so during a period of weak domestic consumer demand and deterioration in external demand.
- The strongly positive real wage growth observed in the last months of 2023 is mainly the result of a marked slowdown in inflation. In December '23 it reached 6.2% y/y, the lowest level since September 2021
- The deceleration in inflation, including core inflation, was slightly stronger than expected, which prompted the Monetary Policy Council to loosen monetary policy. The National Bank of Poland interest rates were decreased, first by 75 bps in September, and then by 25 bps in October last year.

Decreasing inflation allowed for the first rate cuts in the CEE region

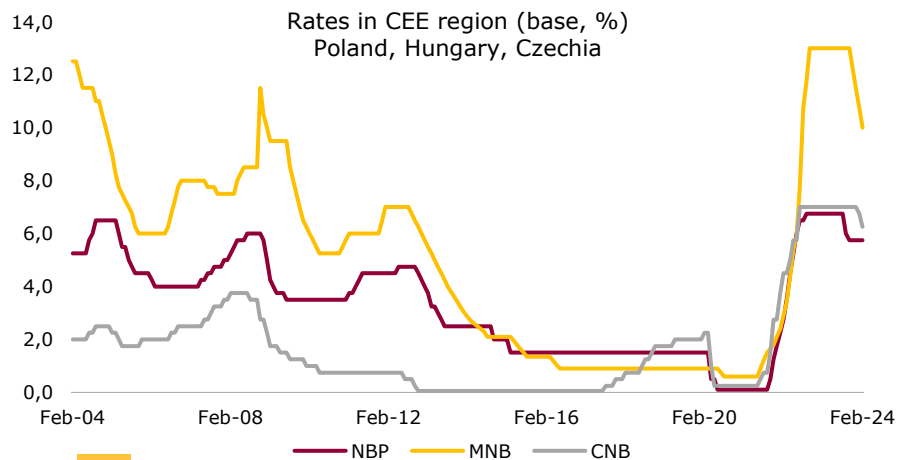
The global economy is far from recession...



... but deflation in industry supports reduction of inflationary pressures...



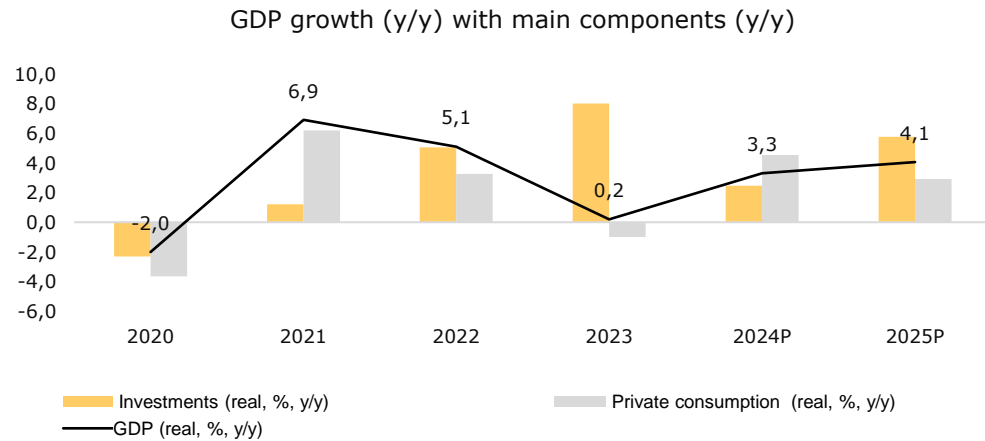
... allowing for the first rate cuts in the region



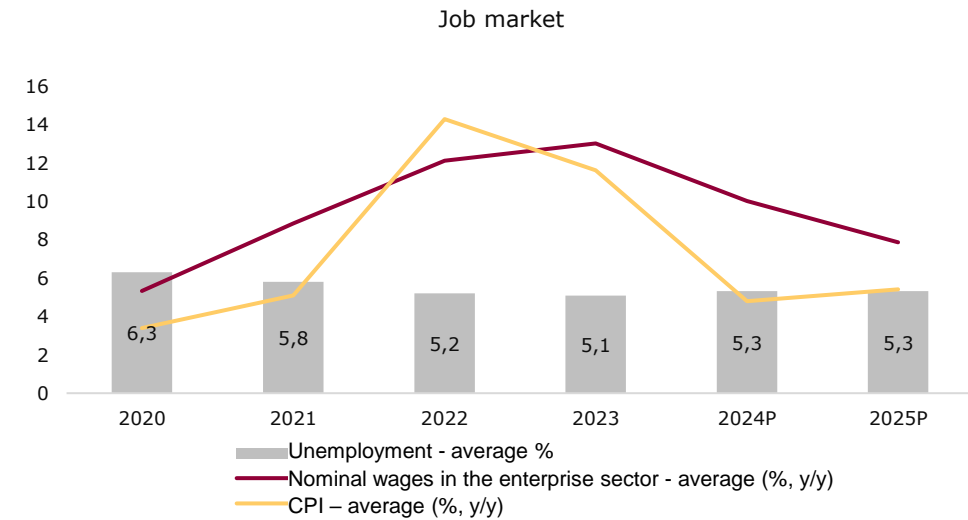
- 2023 ultimately ended with a very good result for the US economy (2.5% growth) and a rather weak result for the Eurozone economy (0.5%), which has remained stagnant for the past quarters.
- In both cases, however, fears of recessionary tendencies caused by high interest rates and the energy crisis in the EU did not materialize.
- All the above occurred in an environment where the favorable situation on the labor market was maintained, which was accompanied by a significant reduction in inflationary pressure, among others due to the economic downturn and deflation in industry.
- Similar tendencies were also observed in the CEE region. Czechia, Poland, and Hungary are among the countries with the lowest unemployment rates in the EU, yet inflation in these countries has clearly decelerated throughout 2023. This was supported by global disinflationary processes, observed mainly in goods manufacturing.
- As a result, in the second half of 2023 or at the beginning of 2024, interest rates were cut by the Polish NBP, the Hungarian MNB, and the Czech CNB
- While the European ECB and the US Fed are planning to cut rates in 2024

In 2024 - consumption, in 2025 - investment

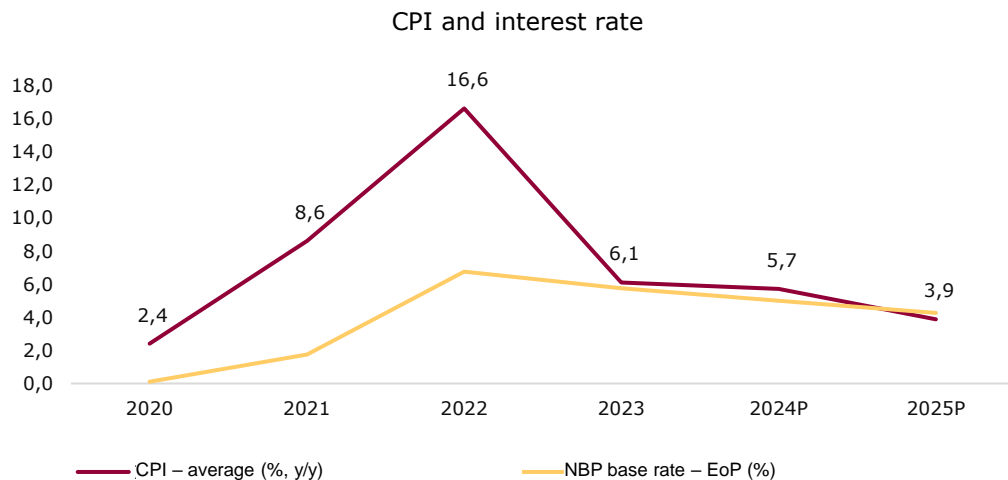
In 2024, consumption should support the rebound in GDP



Facilitated by among others strong growth in real wages



Interest rates may be lower, but rather slightly



- Polish's GDP in 2024 should grow at a rate of over 3%.
- The high growth rate of real wages, which has already emerged at the end of 2023, will support a rebound in private consumption and rebuilding of household savings.
- The expected trough in the investment cycle will be in 2024, but it will be softened by the acceleration of the disbursement of funds from the NRP. Investment growth will slow down in 2024, but it should be positive. In 2025, it should accelerate again.
- We expect the unemployment rate to stabilize in the period 2024-2025. The economic recovery will occur in a concurrent environment of elevated wage pressures and a tight labor market, which should encourage firms to increase productivity and discourage job growth.
- At the same time, a strong labor market poses risks to the inflation outlook. We expect it to slow down in the coming years. Admittedly, the CPI may be in line with the NBP target in the first half of 2024 (2.5% +/- 1 p.p.), but in the second half it will increase due to the expected gradual withdrawal of energy and food price shields.
- Such a prospect for the CPI path means that the NBP is giving increasingly clear signals that interest rates can be stabilized at the current level, even until the end of 2024. Still, we believe there will be room for some monetary easing later this year.

One-offs affecting reported results of Alior Bank Group

2022 (PLN mn)		Impact on gross profit		Impact on net profit	
1Q	Non-financial assets write-off related to the operations of Bank's branch in Romania	-31	-31	-27	-27
2Q	Joining the Protection Scheme (IPS)	-195	-195	-158	-158
3Q	Provision for cost of credit moratoria (69% participation)	-502		-407	
	Provision for refund of additional margin related to the mortgage loans	-23	-597	-19	-494
	Additional payment to the Protection Scheme (IPS)	-19		-15	
	Borrowers Support Fund contribution	-53		-53	
4Q	Borrowers Support Fund contribution	-8	-8	-8	-8
TOTAL 2022			-832		-688
2023 (PLN mn)		Impact on gross profit		Impact on net profit	
1Q	Provision for cost of credit moratoria (75% participation)	-11	-11	-9	-9
2Q		0	0	0	0
3Q		0	0	0	0
4Q	Settlement of credit moratoria (71% participation) - release of provision	13	13	11	11
TOTAL 2023			2		2

Alior Bank's Brokerage House

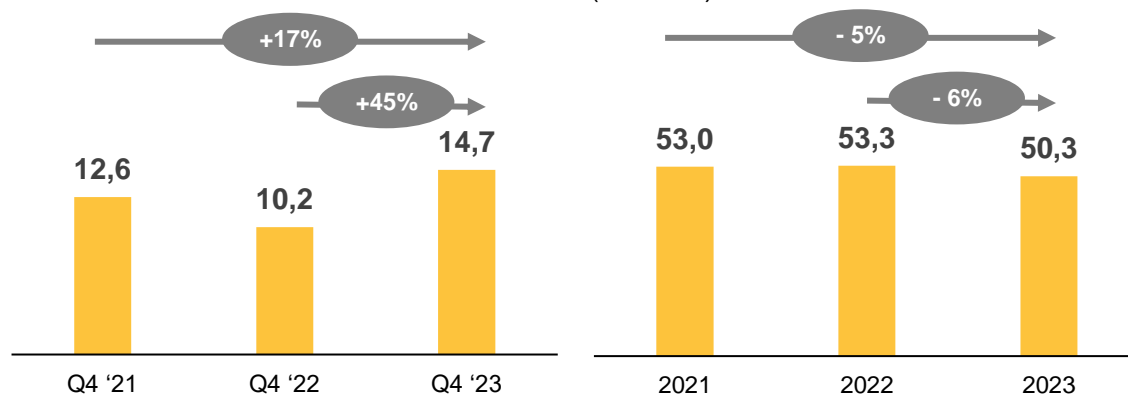


4Q'23 was the best in 2023 in terms of commissions result. The result of the entire year is similar to that of 2021-2022 and exceeded PLN mn 50. We achieved record sales of investment funds, and very good results of structured products and the advisory services.

Basic operating information:

- The number of brokerage accounts exceeded **90.5 k** (+1.9% y/y)
- The number of Alior Trader accounts exceeded **7.8 k** (+6.6% y/y)
- Assets in Individual Advisory **PLN bn 1.5** (+41% y/y)
- Sales of Structured Products (gross) **PLN bn 1** (+31% y/y)
- Sales of Investment Funds (gross) **PLN bn 1.5** (+234% y/y)

Brokerage House Fees and Commissions
revenues (PLN mn)



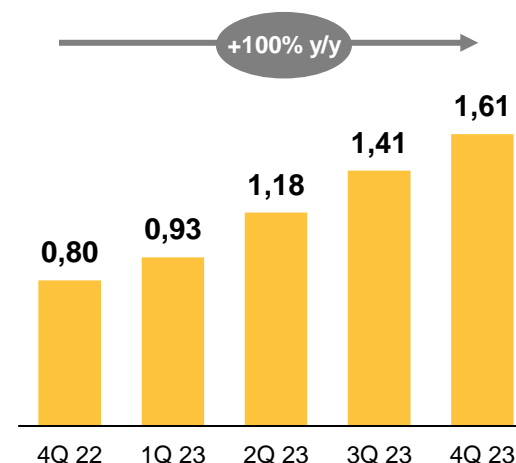
Alior TFI



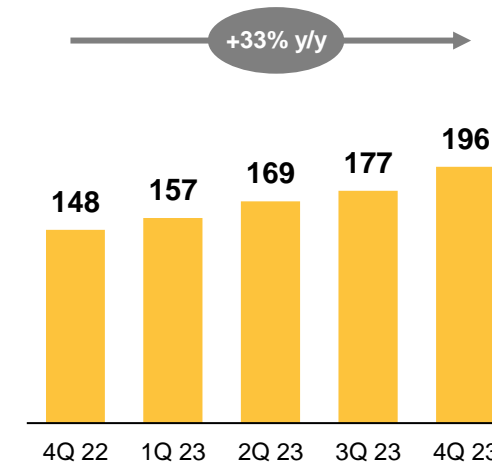
Both in 4Q'23 and throughout 2023 Alior TFI achieved high growth of assets under management (AuM). At the end of the year, TFI reached assets of PLN bn 1.61. Net inflows to the funds amounted to PLN mn 166. The largest inflows were in funds with a relatively low risk profile: „Ostrożny”, „Konserwatywny”, and „Odpowiedzialny”.

Throughout the entire year 2023, the change in Alior TFI's AuM is three times greater than the market. Since the beginning of 2023, Alior TFI's assets have grown by 100%, while the market has grown by 33% during this time, and the short-term debt fund market, which is more similar in terms of asset profile, had increased by 49%.

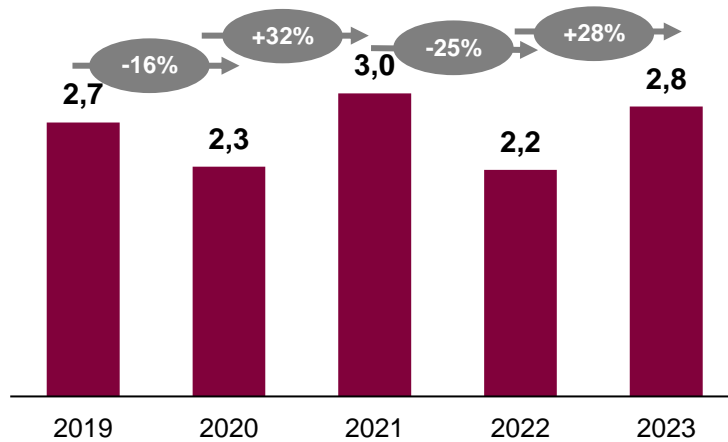
Assets under management in Alior TFI open funds
(PLN bn)



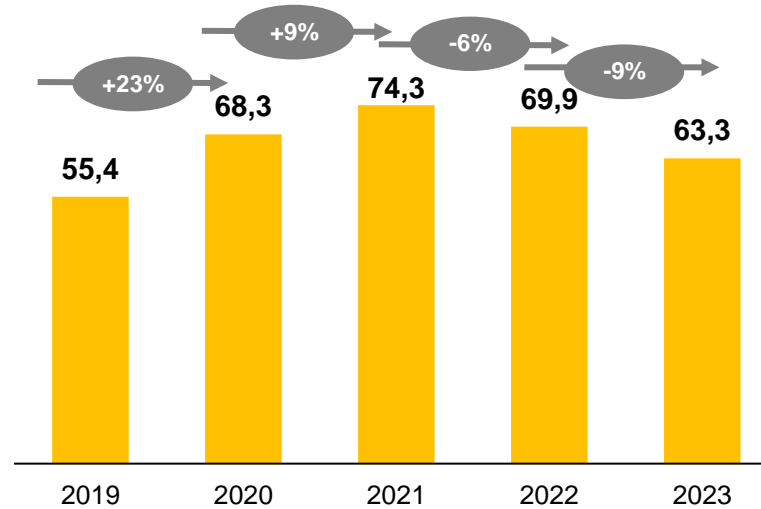
Assets under management in non-dedicated funds* in Poland
(PLN bn)



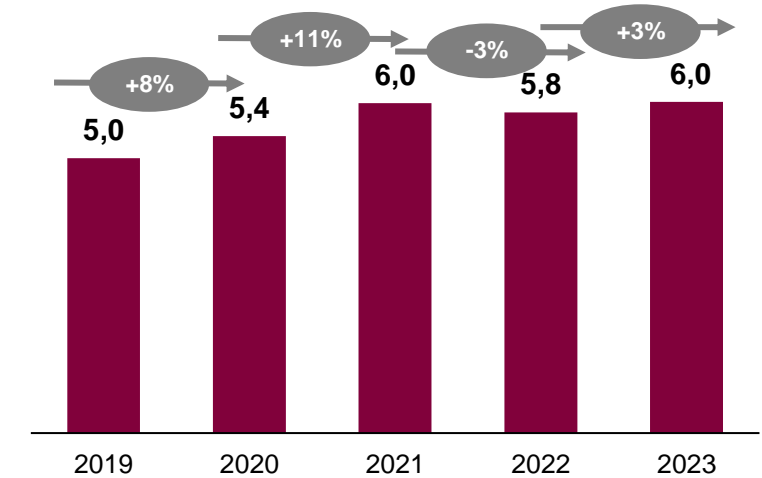
Sale of lease and loans (PLN bn)



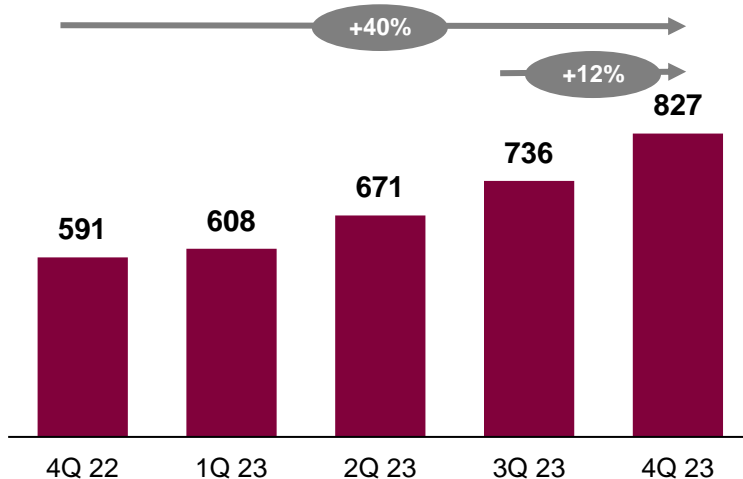
Number of customers (k)



Lease and loans portfolio (PLN bn)



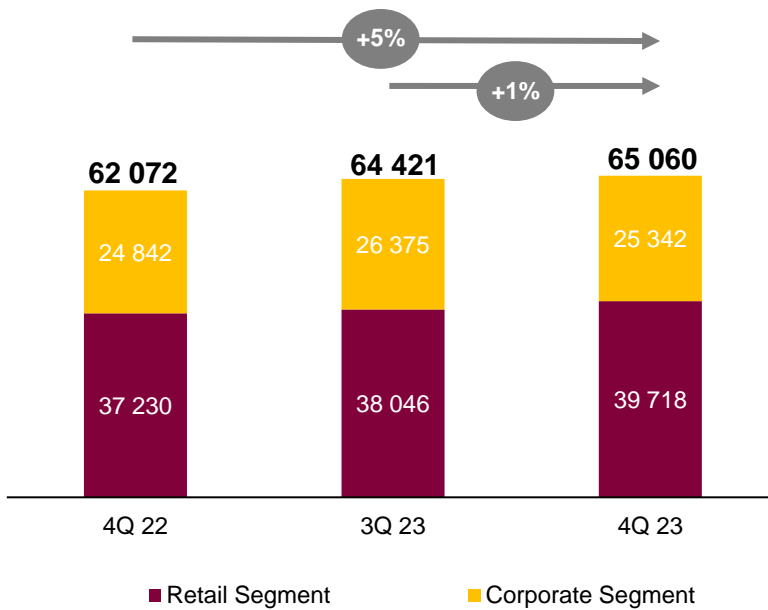
Quarterly sale of leases and loans (PLN mn)



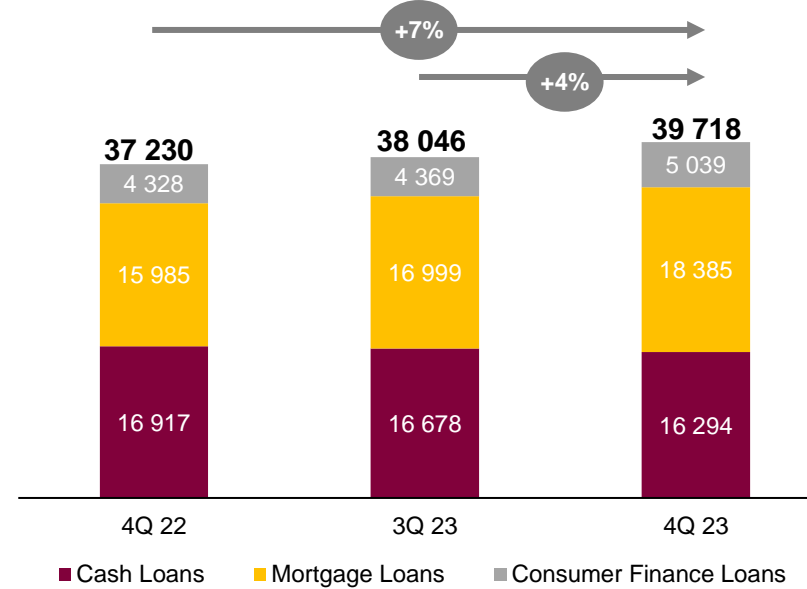
- **Alior Leasing's lease and loan portfolio remained stable at the end of 4Q'23 at PLN bn 6.0.**
- Alior Leasing recorded its seventh consecutive quarter with a q/q increase in sales.
- The number of active Alior Leasing contracts at the end of 2023 amounted to 92.6 k (-8% y/y).
- The share of light vehicles in the financing structure in 4Q'23 was 42%, the share of heavy vehicles was 39% and the share of machinery and equipment was 18%. In 4Q'23 Alior Leasing continued development of its product offer, in particular dedicated to the financing of machinery and equipment, owing to this financing of this category of assets in 4Q'23 amounted to PLN mn 152, that is 109% more than in 4Q'22.
- Alior Leasing built up sales in cooperation with suppliers of fixed assets - the vendor channel. In 4Q'23, solutions were implemented to strengthen collaboration with suppliers. As a result, sales in this channel increased by 73% compared to 2022 and reached PLN mn 88.
- Based on ZPL data in 4Q'23 the share in sales of leases and loans amounted to 2.8% compared to 2.4% in 4Q'22. The share in the leasing portfolio of movable assets at the end of the year amounted to 3.0%.
- In 4Q'23 as part of its strategy to support the green transformation of the Polish economy, Alior Leasing has introduced a modified and expanded renewable energy financing offer, including, among others, ground-level photovoltaic installations and heat pumps. Initiatives related to the digitization of internal processes and the development of digital channels of communication with customers were also continued. In the last weeks of 2023, the first phase of the new Customer Zone, one of the key projects implemented by Alior Leasing this year, was completed.

Gross structure of the loan portfolio

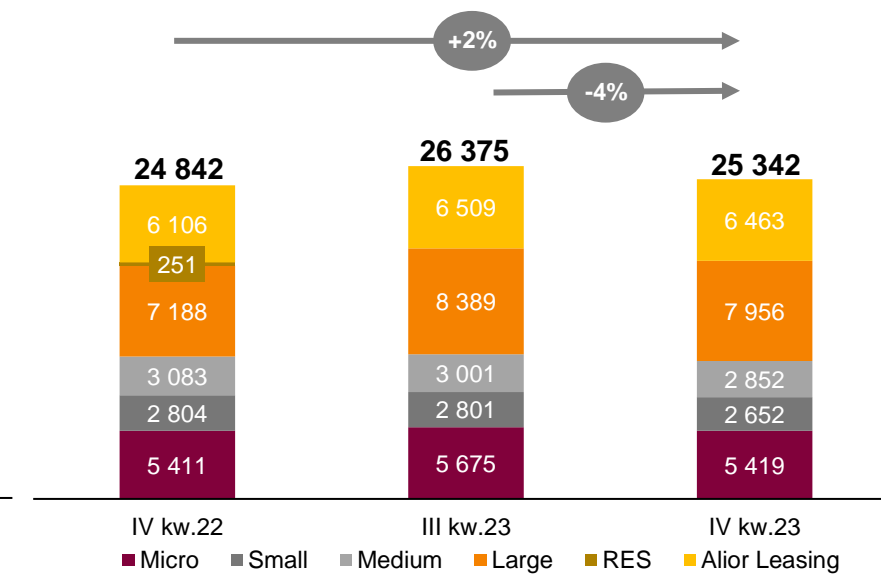
Loan portfolio in total (PLN mn)



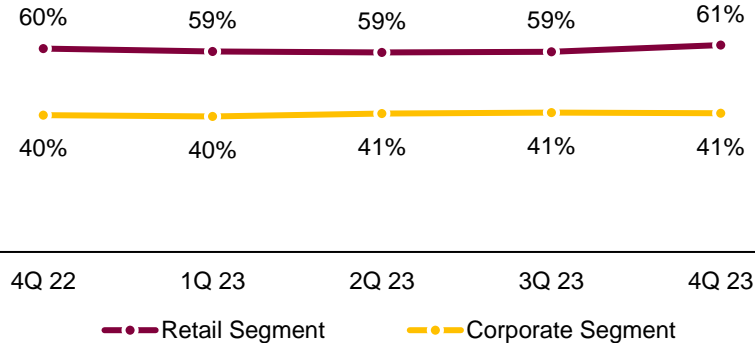
Retail Customer Segment (PLN mn)



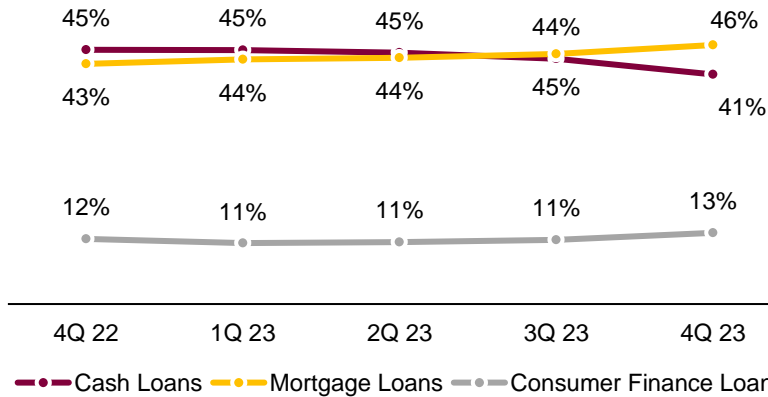
Business Customer Segment* (PLN mn)



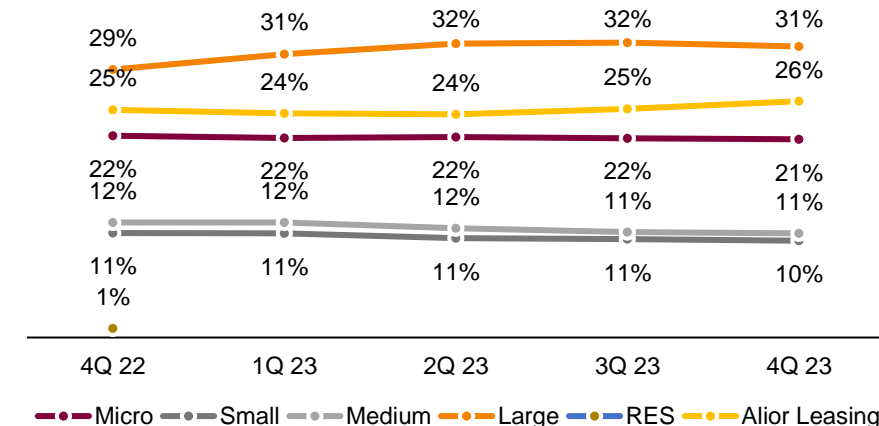
Loan portfolio structure in total



Structure of the Retail Customer segment

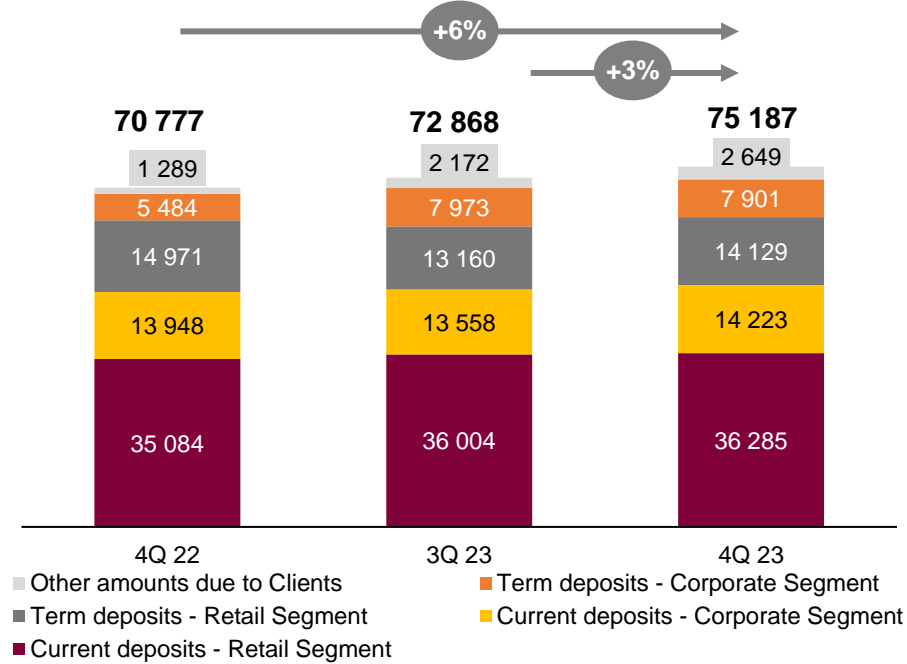


Structure of the Business Customer segment*

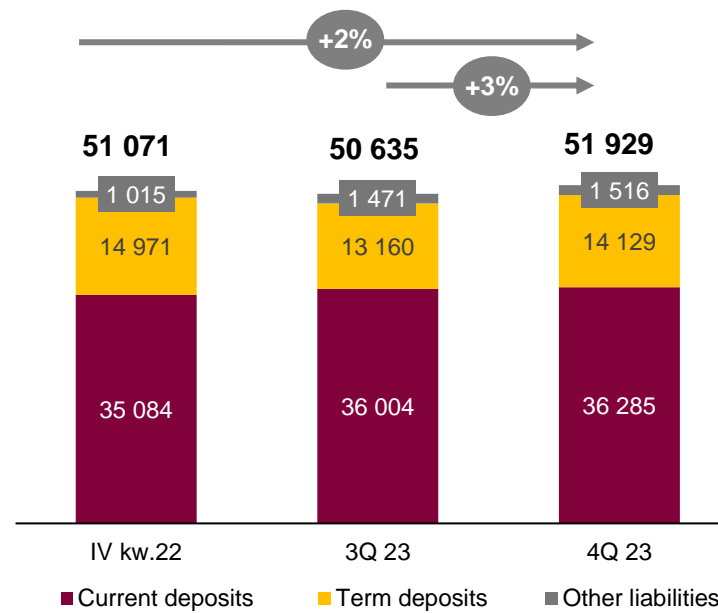


The Bank adjusts its deposit portfolio to the current market situation (PLN mn)

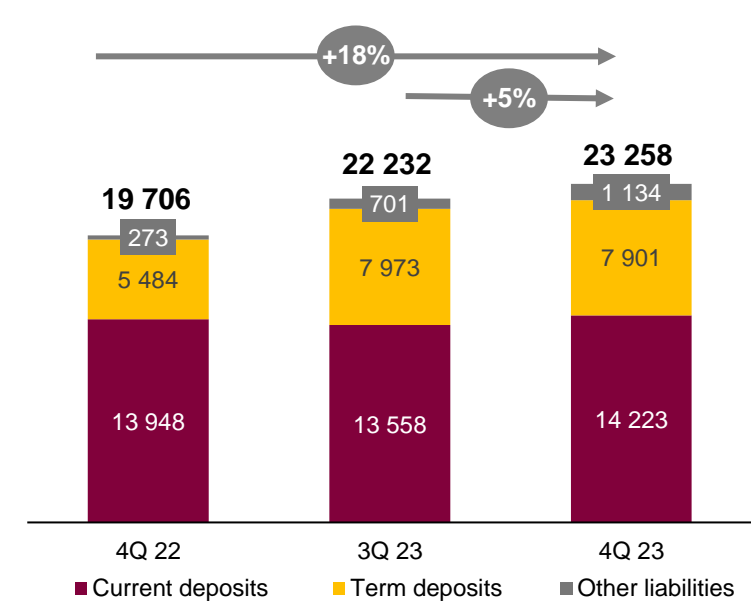
Structure of net liabilities to Customers



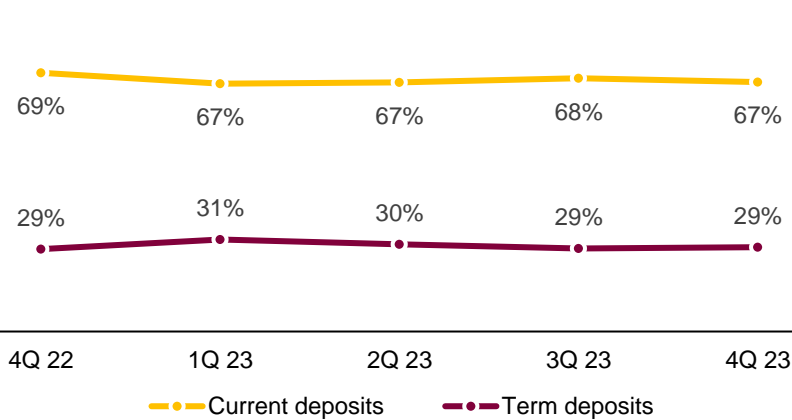
Net liabilities structure - Retail Segment



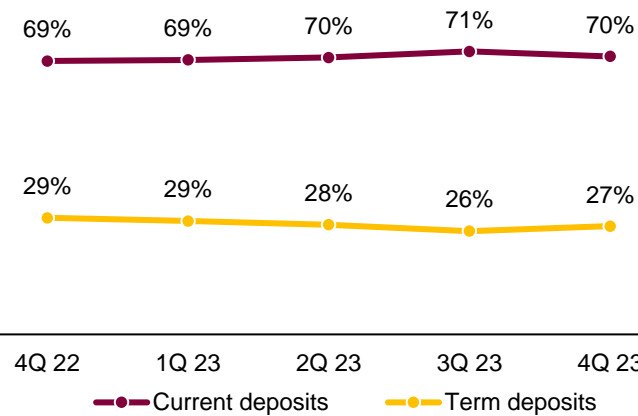
Net liabilities structure - Business Segment



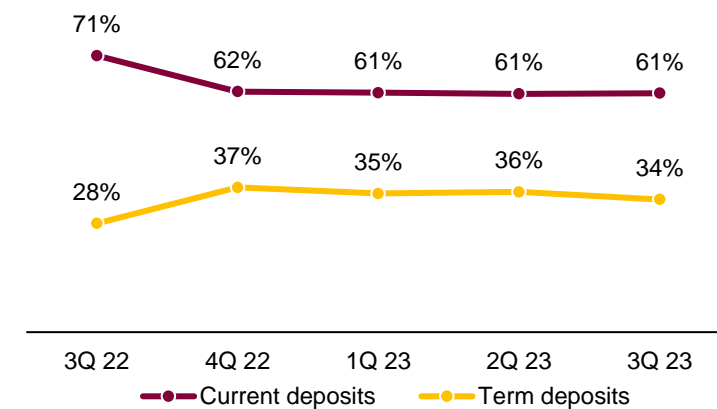
Structure of main liabilities



Structure of main liabilities - Retail Segment



Structure of main liabilities - Business Segment

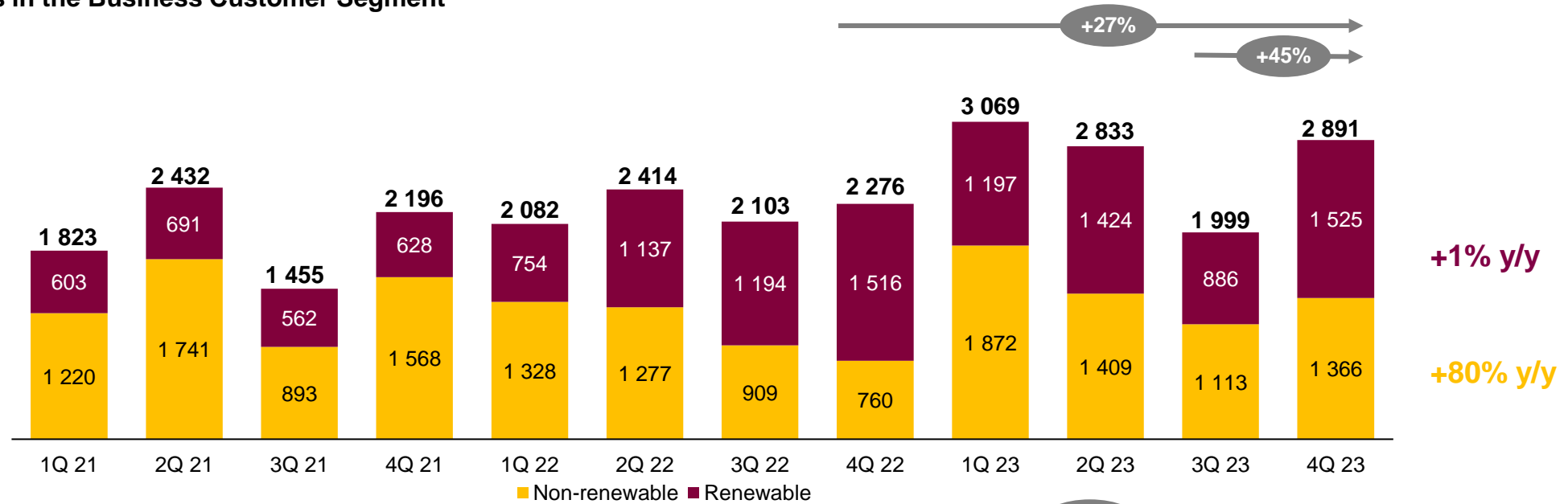


Consolidated statement of the financial standing of the Alior Bank Group (PLN mn)

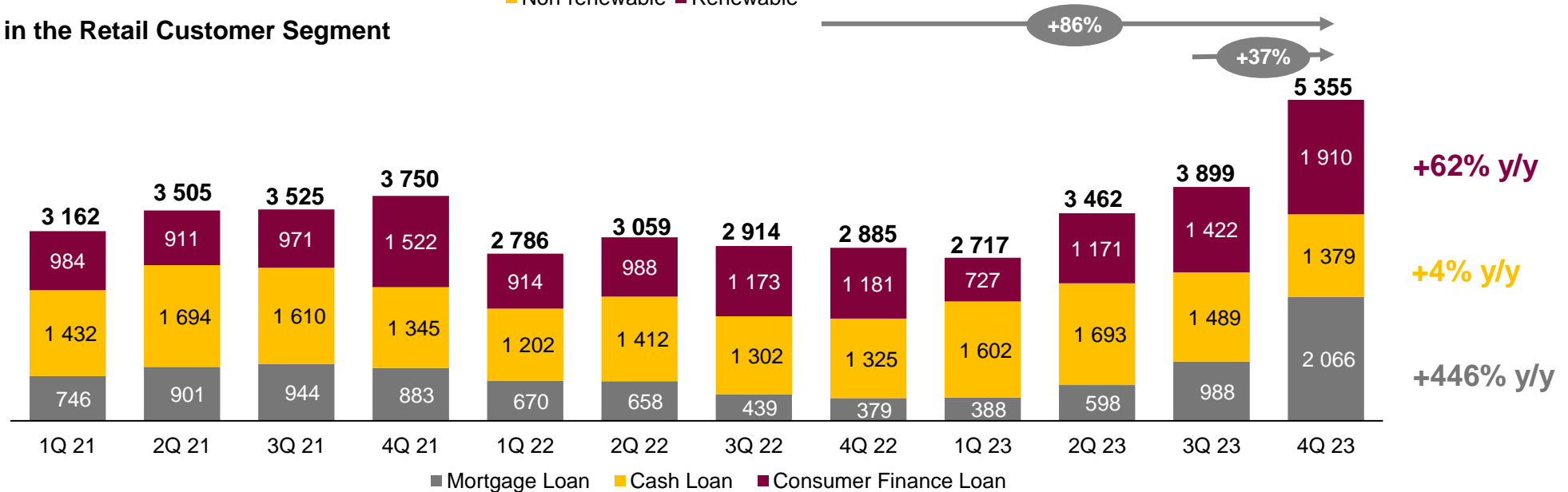
	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23	% q/q	q/q	% y/y	y/y
Total assets	82 877,2	84 325,2	83 527,5	86 320,5	90 134,1	4%	3 813,6	9%	7 257,0
Cash and cash equivalents	2 584,1	4 578,0	3 167,6	3 819,9	2 539,3	-34%	-1 280,6	-2%	-44,9
Amounts due from banks	2 373,7	1 766,6	1 452,8	1 083,6	4 615,4	326%	3 531,8	94%	2 241,8
Investment financial assets	17 015,1	16 815,4	17 203,7	18 295,4	18 820,4	3%	525,1	11%	1 805,3
Derivative hedging instruments	178,1	248,1	260,5	331,9	336,1	1%	4,2	89%	158,0
Loans and advances to customers	57 609,9	57 799,5	58 390,2	59 982,9	60 965,1	2%	982,2	6%	3 355,2
Assets pledged as collateral	41,0	47,5	46,5	47,4	46,9	-1%	-0,5	14%	5,9
Property, plant and equipment	744,4	723,5	712,9	732,6	743,5	1%	10,9	0%	-0,9
Intangible assets	391,1	390,4	388,4	391,9	412,1	5%	20,2	5%	21,0
Asset held for sale	1,6	0,0	0,0	0,0	0,0	-	0,0	-100%	-1,6
Income tax asset	1 417,2	1 290,0	1 188,9	1 056,1	984,0	-7%	-72,1	-31%	-433,2
Other assets	521,0	666,2	715,9	578,9	671,4	16%	92,5	29%	150,4
Total liabilities and equity	76 707,3	77 416,7	75 842,1	77 736,3	80 884,5	4%	3 148,3	5%	4 177,2
Amounts due to banks	270,4	303,9	229,9	328,8	288,3	-12%	-40,5	7%	17,9
Amounts due to customers	70 776,8	71 856,2	70 706,4	72 867,6	75 187,3	3%	2 319,7	6%	4 410,4
Financial liabilities	256,0	290,2	252,0	238,5	276,5	16%	38,0	8%	20,5
Derivative hedging instruments	1 678,9	1 384,0	1 084,0	766,3	682,6	-11%	-83,7	-59%	-996,3
Fair value changes of the hedged items in portfolio hedge	0,0	0,0	0,0	0,0	-0,2	-	-0,2	-	-0,2
Provisions	267,9	204,0	228,9	264,4	310,0	17%	45,6	16%	42,0
Other liabilities	2 044,2	2 110,4	2 017,0	1 864,7	2 653,9	42%	789,2	30%	609,7
Income tax liabilities	249,1	92,0	161,2	231,6	326,2	41%	94,7	31%	77,1
Subordinated loans	1 163,9	1 176,0	1 162,7	1 174,5	1 160,0	-1%	-14,5	0%	-3,9
Equity	6 169,9	6 908,5	7 685,4	8 584,3	9 249,6	8%	665,3	50%	3 079,7
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	5 407,1	5 407,1	6 026,3	6 027,6	6 027,6	0%	0,0	11%	620,5
Revaluation reserve	-1 339,4	-966,0	-696,5	-367,9	-291,4	-21%	76,5	-78%	1 048,0
Other reserves	161,8	161,8	161,8	161,8	161,8	0%	0,0	0%	0,0
Foreign currency translation differences	0,3	0,0	1,4	0,1	2,3	2025%	2,1	696%	2,0
Accumulated losses	-48,5	634,2	15,0	13,8	13,8	0%	0,0	-128%	62,3
Profit for the period	683,1	365,8	871,9	1443,4	2 030,1	41%	586,7	197%	1 347,0
Total liabilities and equity	82 877,2	84 325,2	83 527,5	86 320,5	90 134,1	4%	3 813,6	9%	7 257,0

New sale of loans (PLN mn)

Sales in the Business Customer Segment*



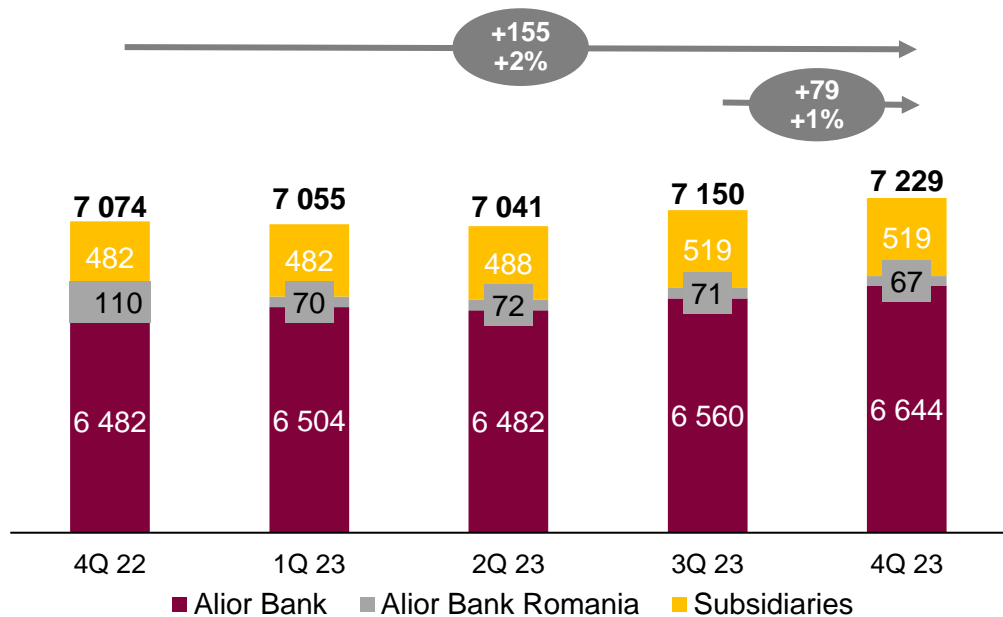
Sales in the Retail Customer Segment



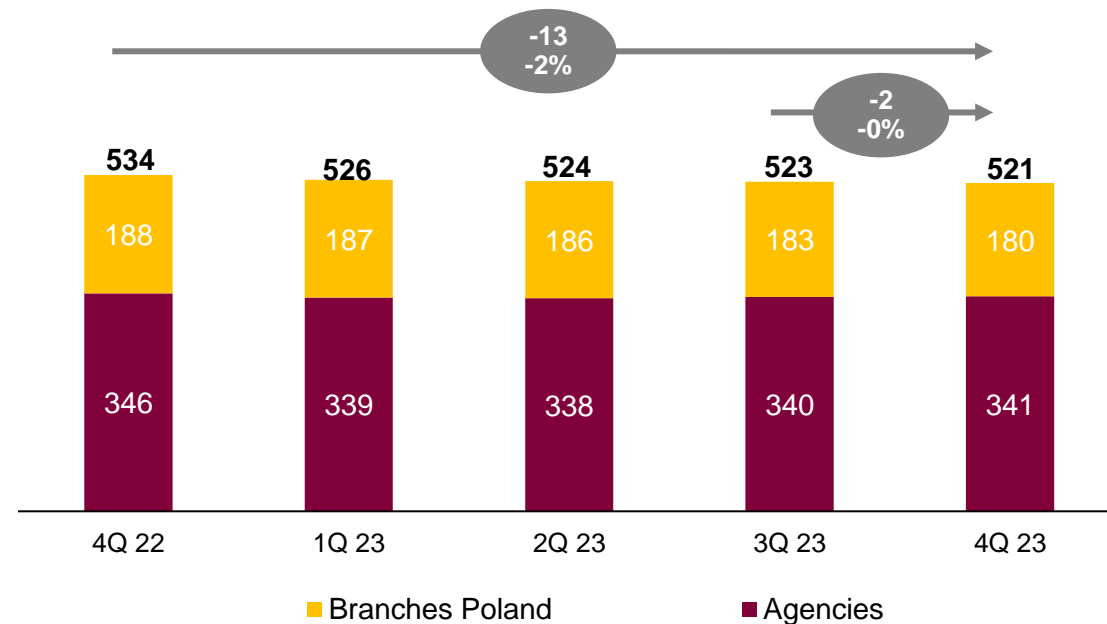
*New sales limit (new sales + increases) for Customers in the Micro- / Small- / Medium- / Large-Sized categories

Additional information

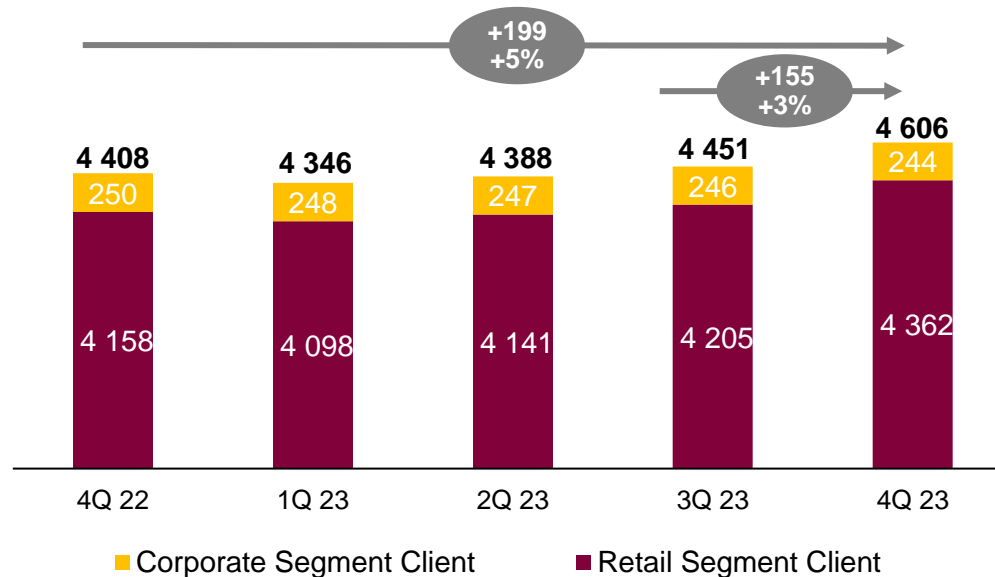
Employment (FTEs)



Alior Bank's branches

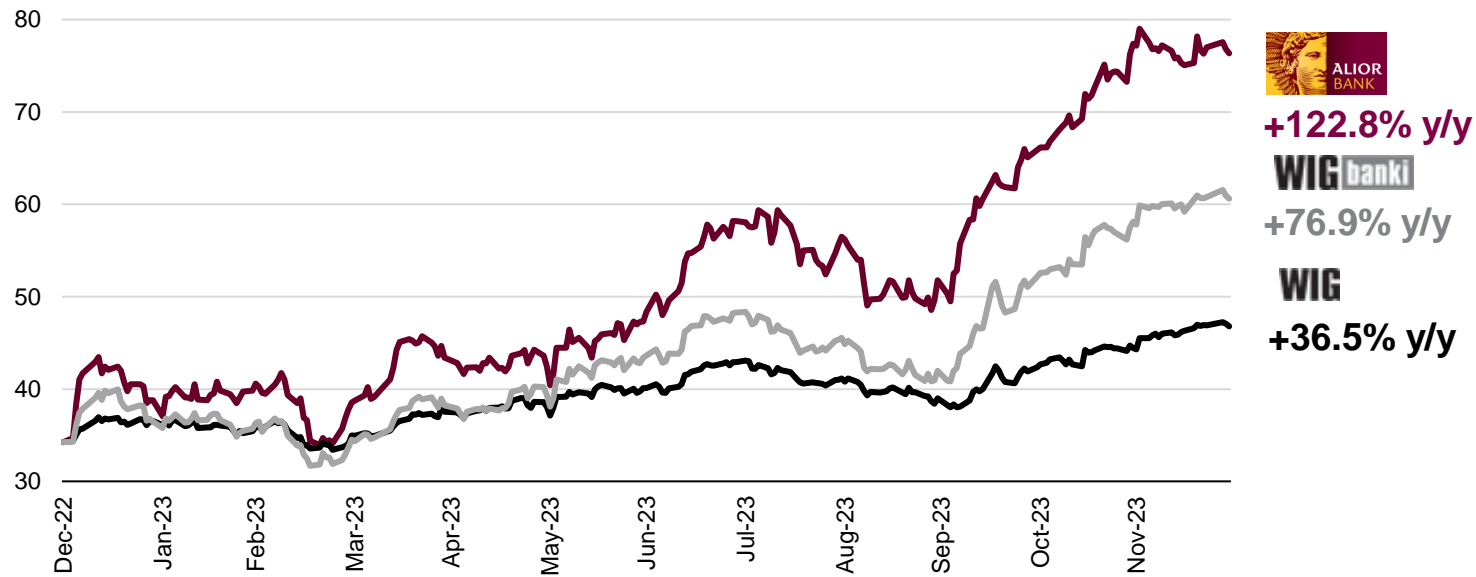


Number of customers (k)



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

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



Alior Bank share price : **PLN 76.34**
 (data as of December 29, 2023)
 Capitalization: **PLN bn 10.0**
 Value of shares in free float: **PLN bn 4.4**
 P/BV^{**}: **1.1x**
 P/E^{***}: **4.9x**

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

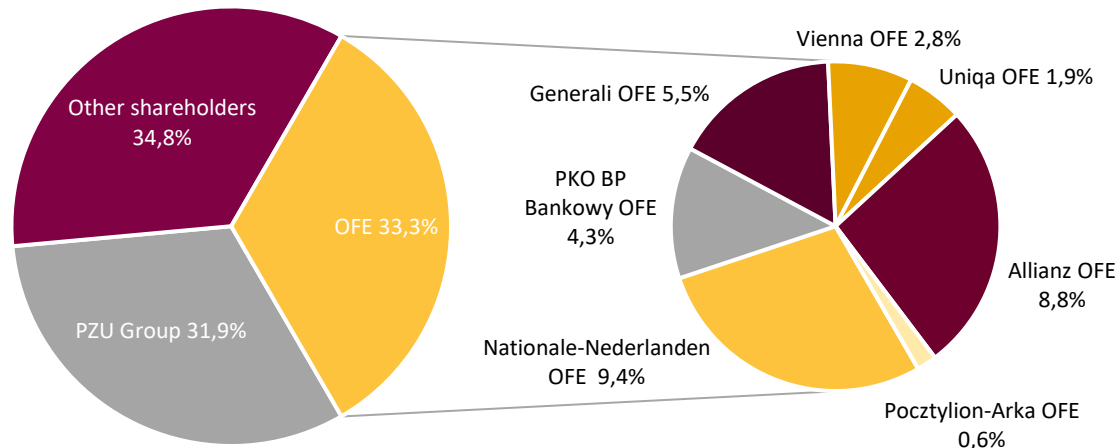
Rating Fitch:
 long-term: BB
 short-term: B
 outlook: positive

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

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

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

Shareholding structure*



* Based on public announcements and the annual structure of OFE [Open Pension Fund] DFE [Voluntary Pension Fund] assets as of December 31, 2023

** Equity on December 31, 2023

*** Reported net profit for 2023

Contact data

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Following events:

- 1Q'24 results – April 25, 2024
- 1H'24 results – August 2, 2024
- 3Q'24 results – October 24, 2024

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