



Alior Bank S.A.

Presentation of results for IIIQ 2021

1. Key issues

2. Operating activities

3. Credit risk

4. Financial results

5. Appendices



Key issues

Alior Bank has been successively improving its financial results



PLN 150 million net profit in IIIQ 21

- ROE for IIIQ 21 amounted to 9.1%
- C/I for IIIQ 21 amounted to 42.9%
- cost of financing (CoF) decreased from 0.44% in IIIQ 20 to 0.14% in IIIQ 21

In IIIQ 21, total income amounted PLN 918 million – increase of 3% y/y



- net interest income PLN 704 million (+3% y/y)
- Net fee and commission income PLN 190 million (+12% y/y)
- Net interest margin 3.77% (+0.06 p.p. y/y)

Secure capital position of the Bank

TIER1 ratio at 13.48% and TCR at 15.30%.

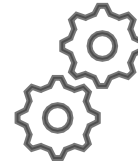
Large surplus above regulatory minimums:

- for TIER I 498 bps (PLN 2,373 million)
- for TCR 480 bps (PLN 2,291 million)



Decrease in operating costs

IIIQ 21 saw operating costs amounting to PLN 394 million which means a decrease of 3% compared to IIIQ 2020



Significant improvement of risk parameters

In IIIQ 21, the cost of risk amounted to PLN 252 million (-13% y/y), and the CoR remained low at 1.58%

- NPL ratio amounted to 12.75% (-2,40 p.p. y/y)
- NPL provisions coverage ratio amounted to 55.87% (+2,32 p.p. y/y)

Superb sale of mortgage loans

IIIQ 21 saw the sale of mortgage loans amounting to PLN 944 million, which means an increase by 5% q/q. After 3 quarters of 21, the sale of mortgage loans amounted to PLN 2,591 million, which means an increase of 23% y/y. IIIQ 21 saw the Bank achieving market share in sales at 4.1%



Increase in the value of Consumer Finance (CF)

IIIQ 21 saw an increase in the balance of gross Consumer Finance granted to retail Customers by 12% y/y



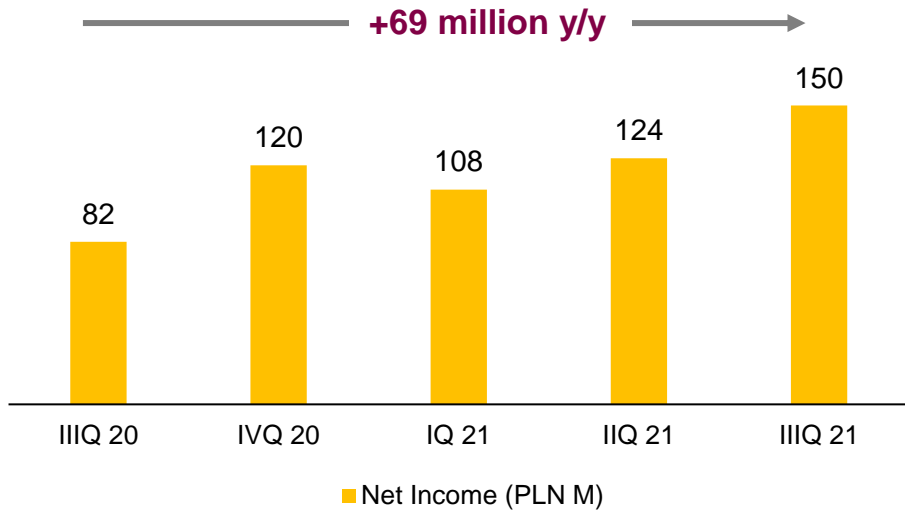
Very good lease sale

IIIQ 21 saw the lease sale amounting to PLN 739 million which means an increase of 17% y/y

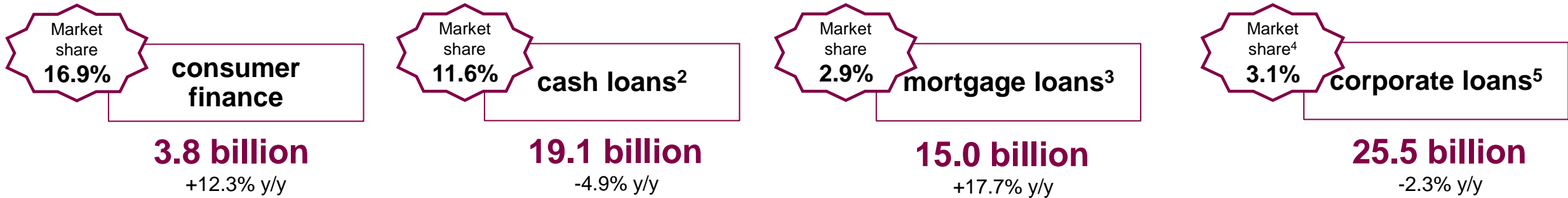
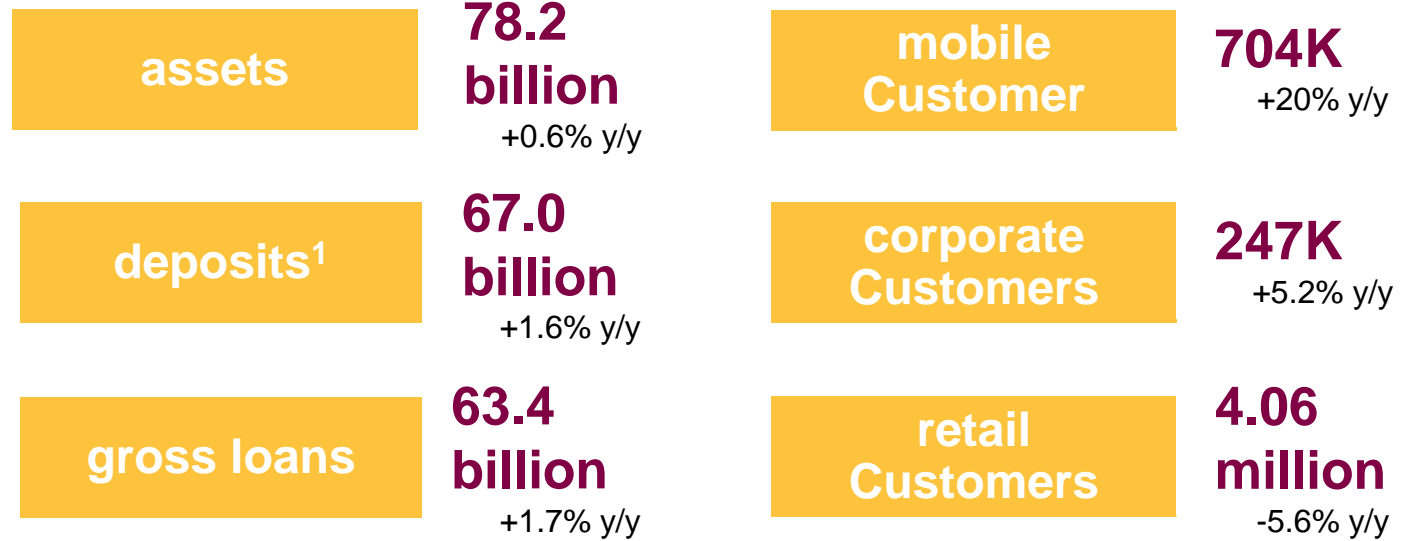


IIIQ 21 means a yet another quarter of the good results achieved by Alior Bank Group

Thanks to an increase in operational efficiency, the Bank effectively improves financial results it achieves



A growth of the loan portfolio and a progressive digitisation of services, combined with an improvement in operational efficiency, serves as the basis for improvement of the Bank's results in subsequent periods



¹ Liabilities to non-financial Customers

² Retail Customers

³ Retail Customers – residential real estate loans

⁴ Market share of SMEs and Large-sized Enterprises, data as of July 2021

⁵ Total for Micro, SME and Large segments

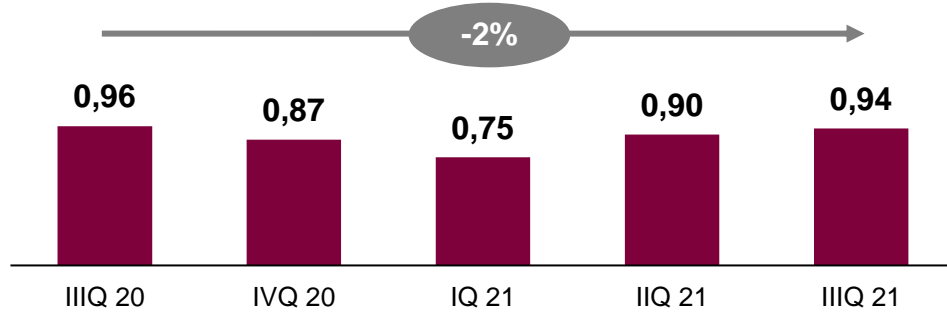


Operating activities

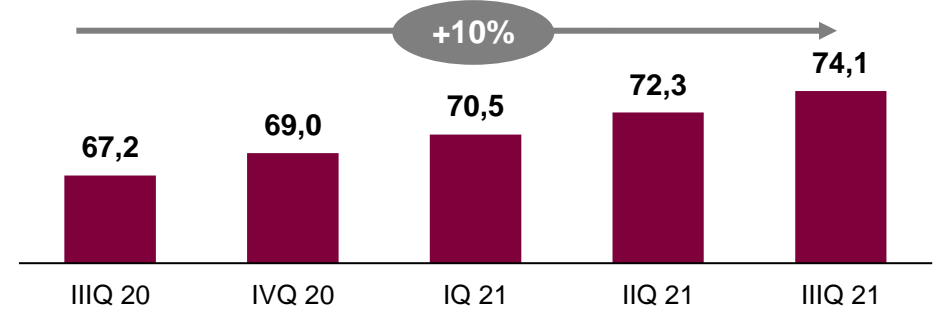
Sale of key products of the Bank



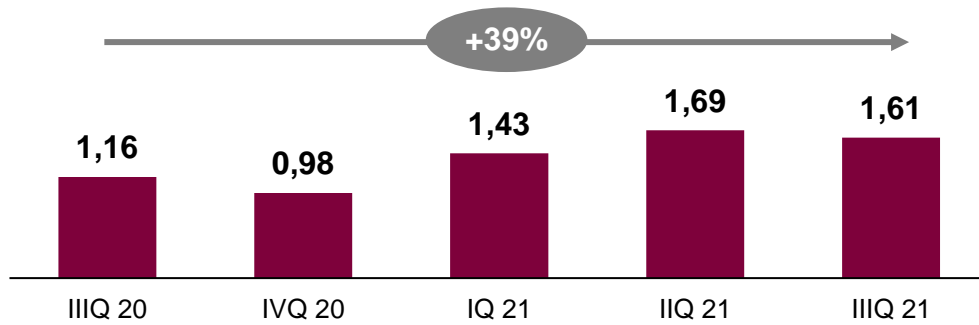
Sale of mortgage loans (PLN billion)



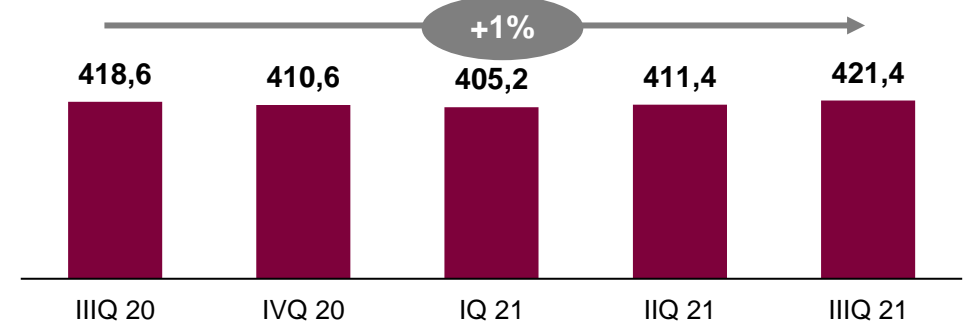
Number of Customers with a mortgage loan (K)



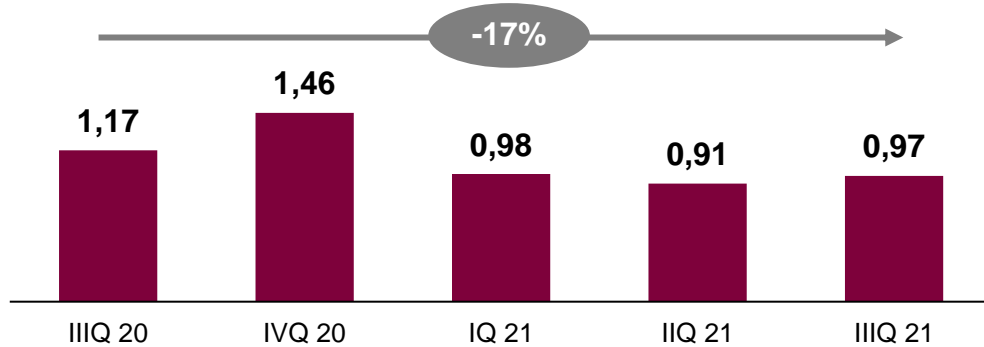
Sale of cash loans (PLN billion)



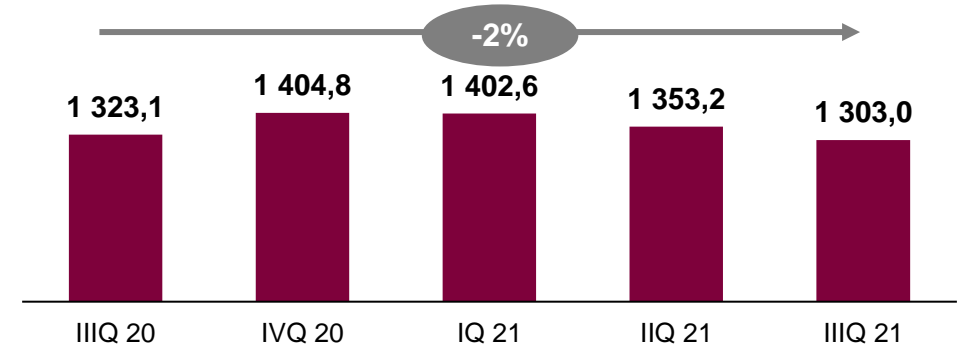
Number of Customers with a cash loan (K)



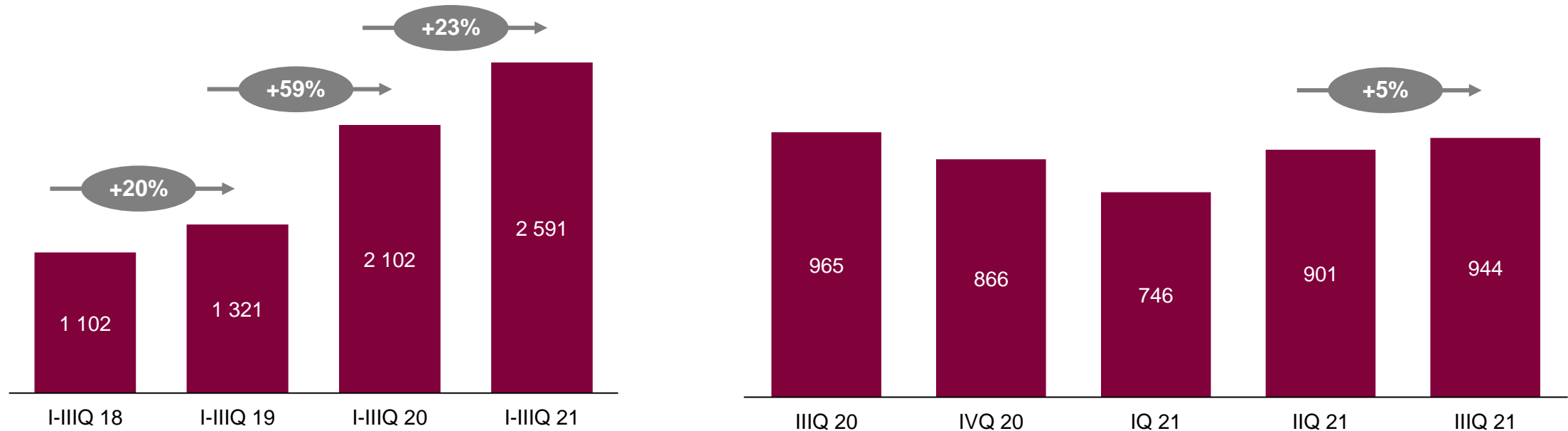
Sale of CF loans (PLN billion)



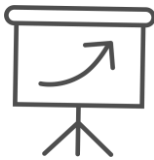
Number of CF Customers (K)



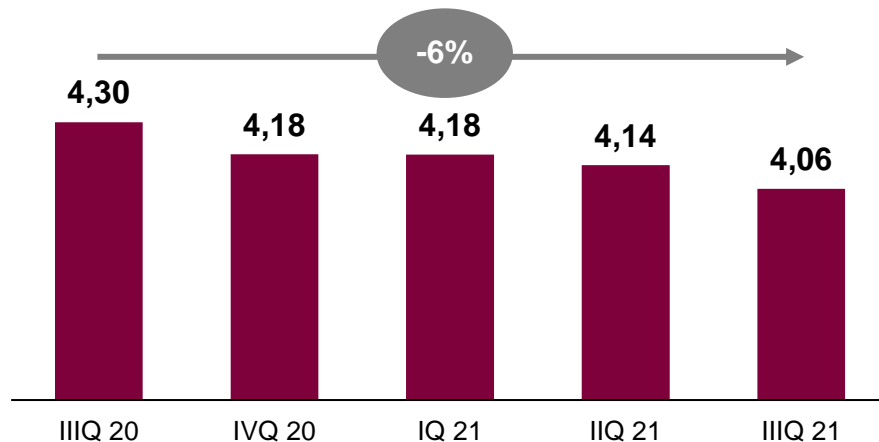
Sales of mortgage loans (PLN million)



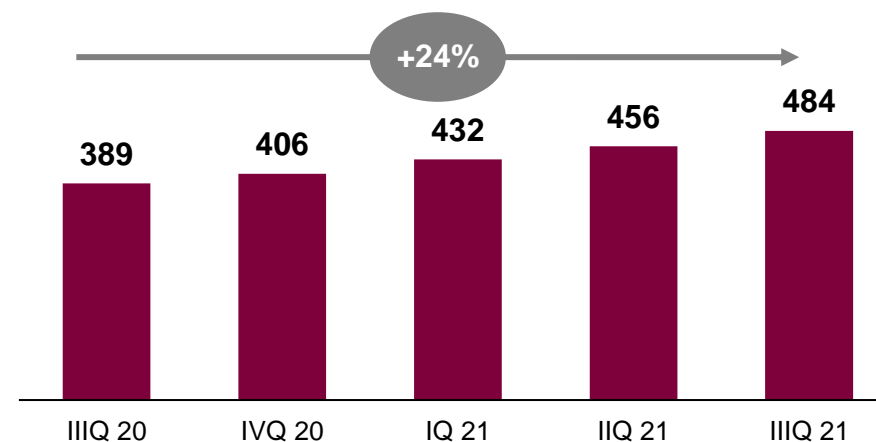
- IIIQ 21 saw Alior Bank achieving a 4.1% share in the sale of mortgage loans
- The Bank has been consistently building a portfolio of mortgage loans
- Alior Bank has been continuing its activities aimed to increase brand recognition in the mortgage loan market – the Bank has maintained promotional offers targeted at the largest markets in Poland
- Alongside the increase in sale and portfolio, the Bank has been pursuing and implementing projects that optimise remote service processes and channels
- The Bank has also been following the current pro-ecological trends, by launching a special offer “Własne EKO M” [Own ECO Apt.]



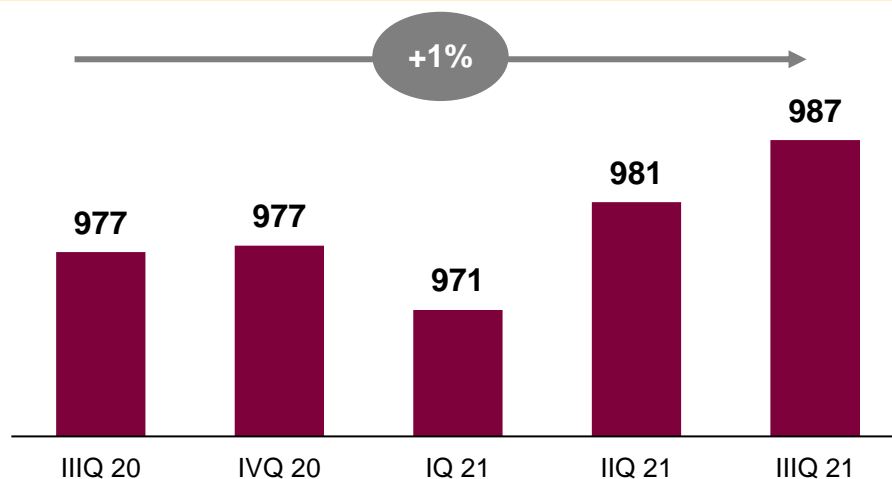
Number of Retail Customers* (million)



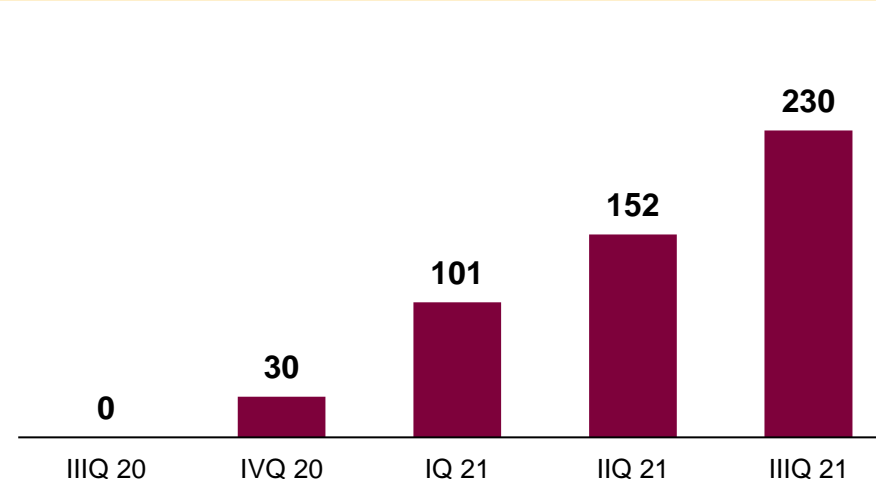
Number of accounts "Jakże Osobiste Account" (K)



Number of Customers with systematic incomes (K)



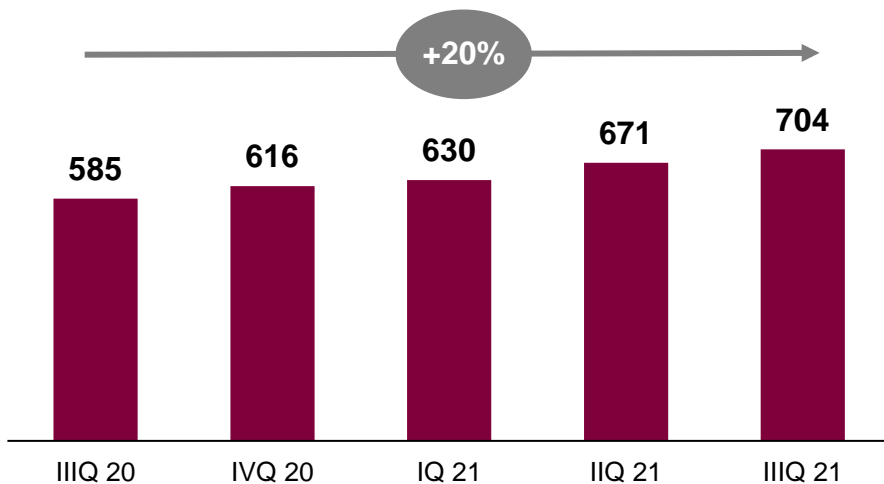
Number of motorway journeys and tickets paid in the Alior Mobile application (K)



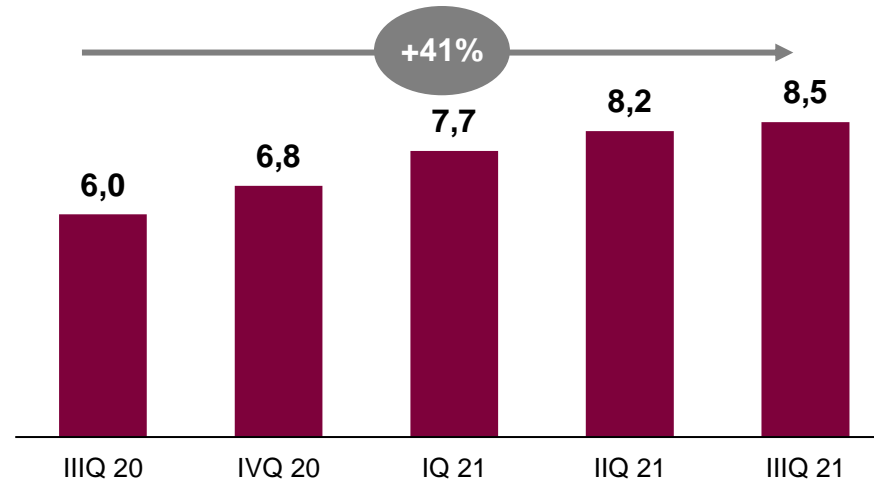
*IIIQ 2021 saw the Bank conducting an action aimed at closing inactive accounts

Growth in digital channels importance

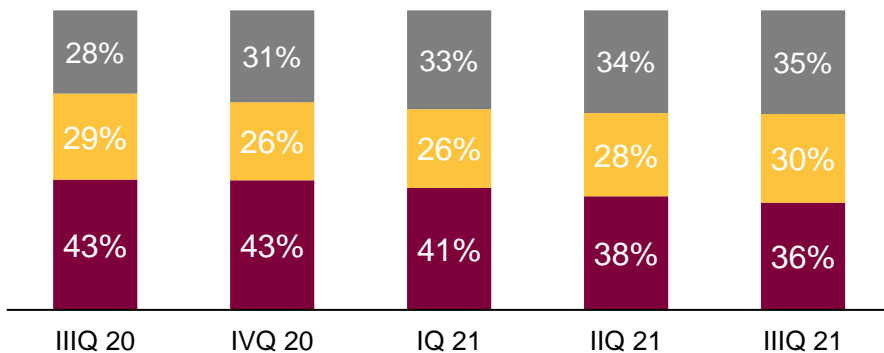
Users of Alior Bank mobile applications (K)



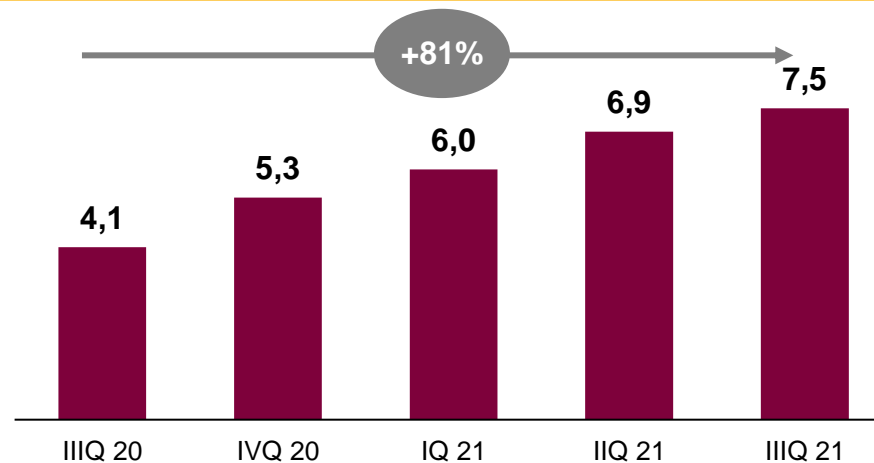
Number of transfers ordered in the Alior Mobile application (million)



Structure of using Alior Online & Alior Mobile



Number of BLIK transactions (million)



- Only Alior Online
- Only Alior Mobile
- Alior Mobile and Alior Online

4.4 / 5
Google Play rate

4.6 / 5
AppStore rate

We have been continuing to expand our offer, develop digital channels and improve
Customer service



Launch of the “Clean Air” offer

Launch of the loan offer with a subsidy from the National Fund for Environmental Protection and Water Management under the “Clean Air” programme, among other things, for the replacement of highly-smoking furnaces and the thermo-modernisation of houses.



Permanent sections about Alior Mobile on the website

The new tab in Alior Online informs about the most important functionalities of Alior Mobile.



BIK products in Alior Online

BIK reports and alerts offer is available in Alior Online and Alior Mobile banking.



Alior Mobile in Huawei AppGallery

Making the Alior Mobile application available to users of Huawei devices.



Online insurance

Travel and motor insurance available in the new, more convenient purchase process in Alior Online and Alior Mobile banking.



Alior Mobile in Huawei Mobile Services



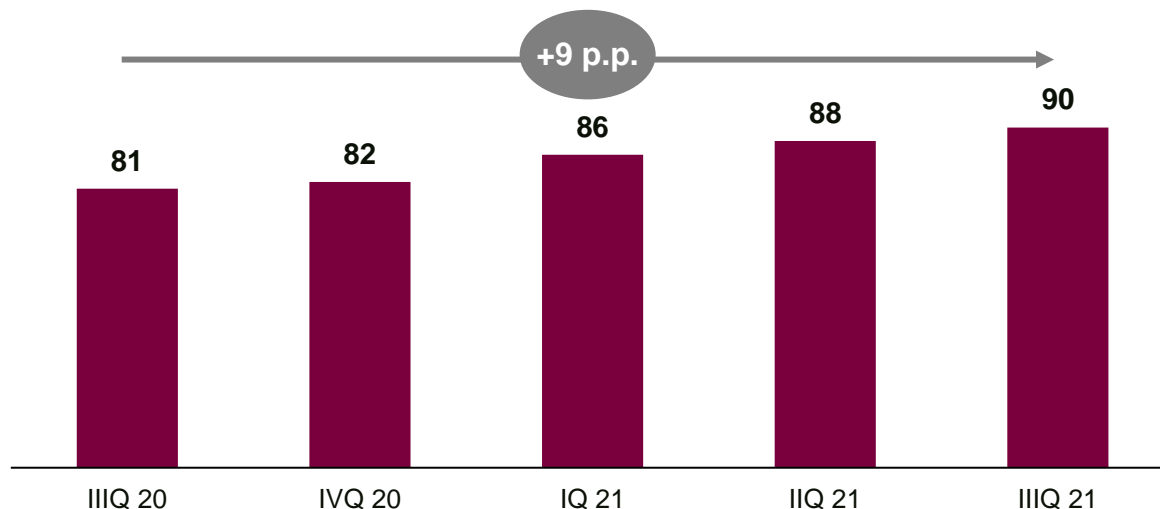
A new “My cards” section has been added to the Alior Mobile application in the “Products” tab. The new section enables the Customer to manage all their cards.



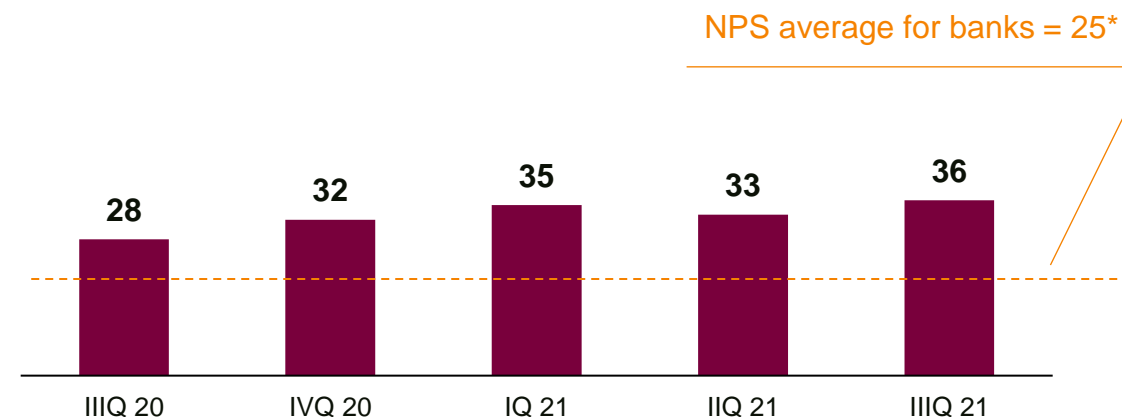
New marketing campaigns

TV campaign of *Konto Jakże Osobiste* and a cash loan.

NPS distribution network (%)



Relationship NPS (%) (Bank's internal survey)

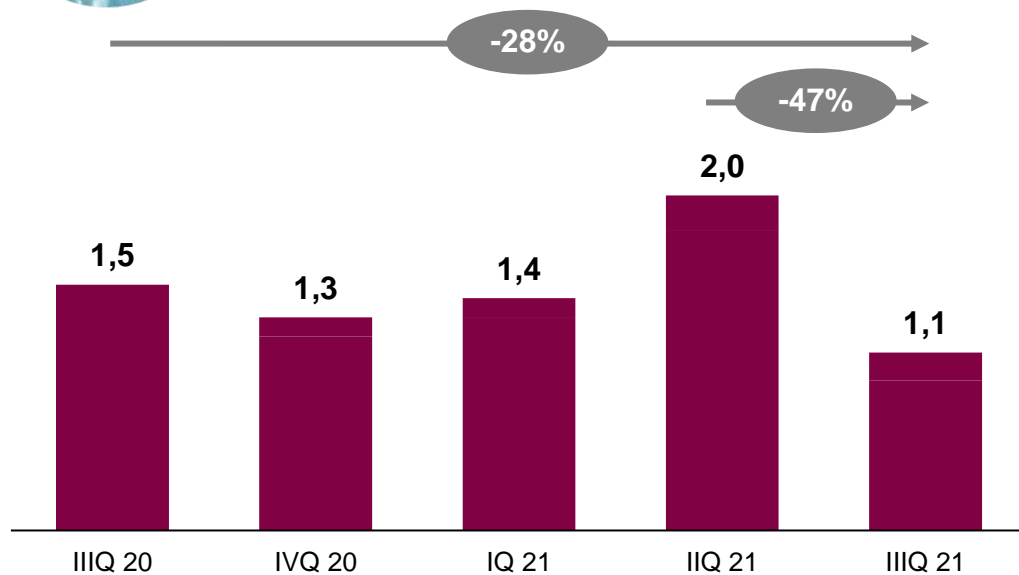


IIIQ 21 brought a further increase in the satisfaction of Customers using Bank's own branches – the level of satisfaction increased by 9 p.p. y/y.

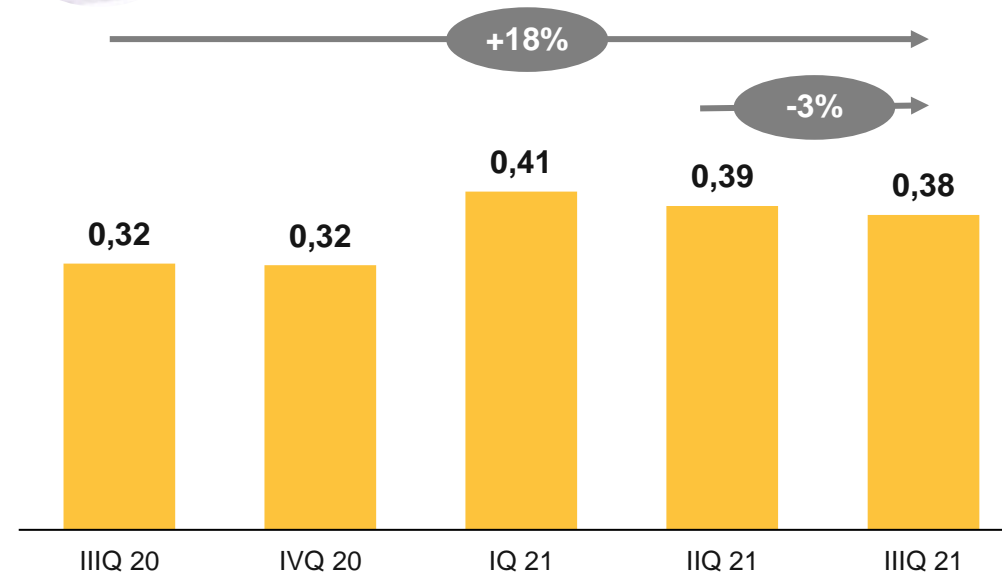
Stabilisation of results in terms of Customer satisfaction at the level exceeding 30% - much above the average for banks. The result achieved in IIIQ 21 amounted to 36 is the highest result in a year.



Total overdraft facility granted to Small/Medium/Large Customers (PLN billion)



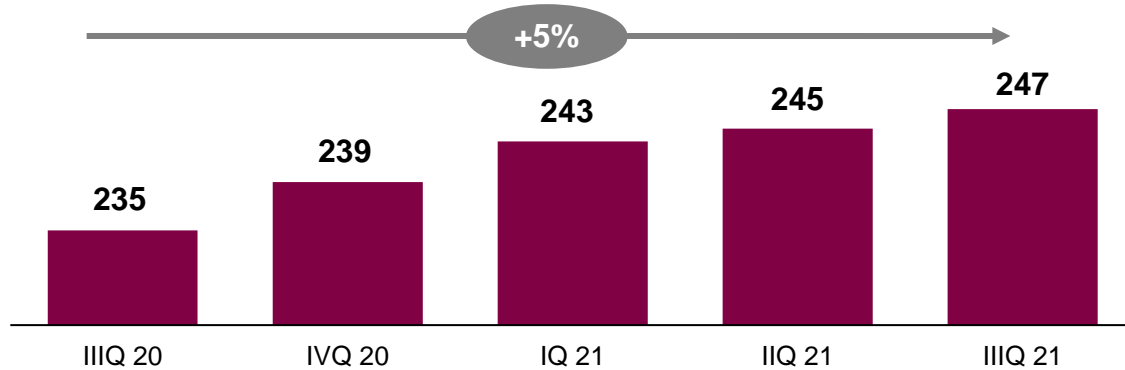
Total overdraft facility granted to Micro Customers (PLN billion)



After the decreases in sales volumes caused by the COVID-19 pandemic and adjustments tightening credit policies, IIIQ 21 brought a rebound and stabilisation in sales in the Micro segment. The higher overdraft facility granted in the Large segment in IIQ 21 was the result of several syndicated transactions.

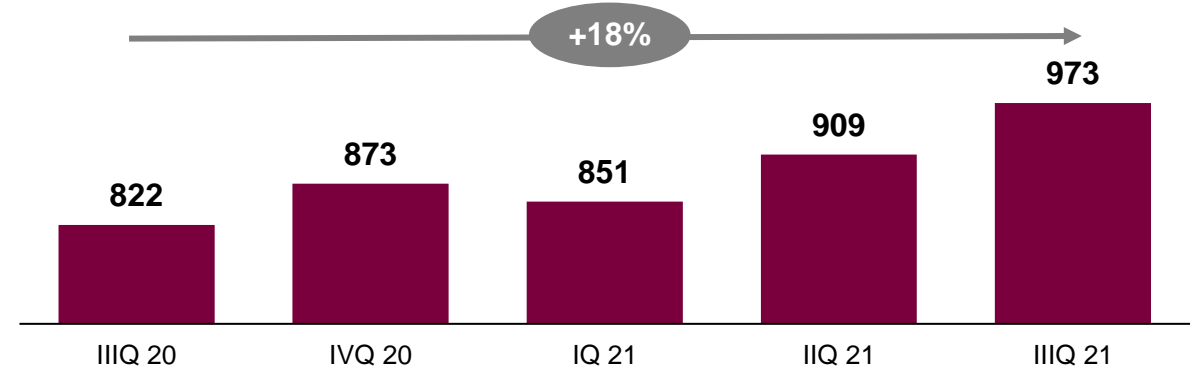
We strengthen relationships and our Clients increase transaction volume

Number of Corporate Customers – all segments (K)



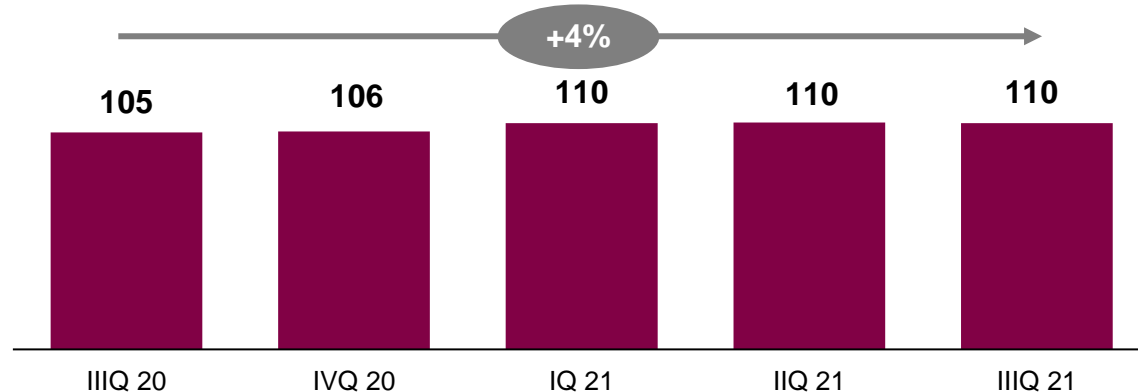
Alior Bank's attractive offer has been attracting new BusinessCustomers.

Number of BankConnect Customers – Small/Medium/Large segments



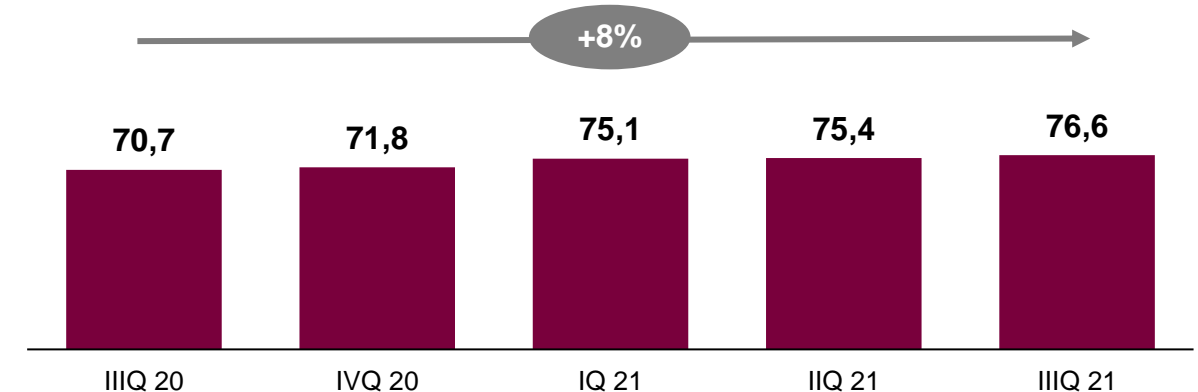
Increase in the number of Customers using BankConnect, which allows for integrating the Customer's accounting systems with the BusinessPro account.

Number of payment cards by Micro Customers (K)



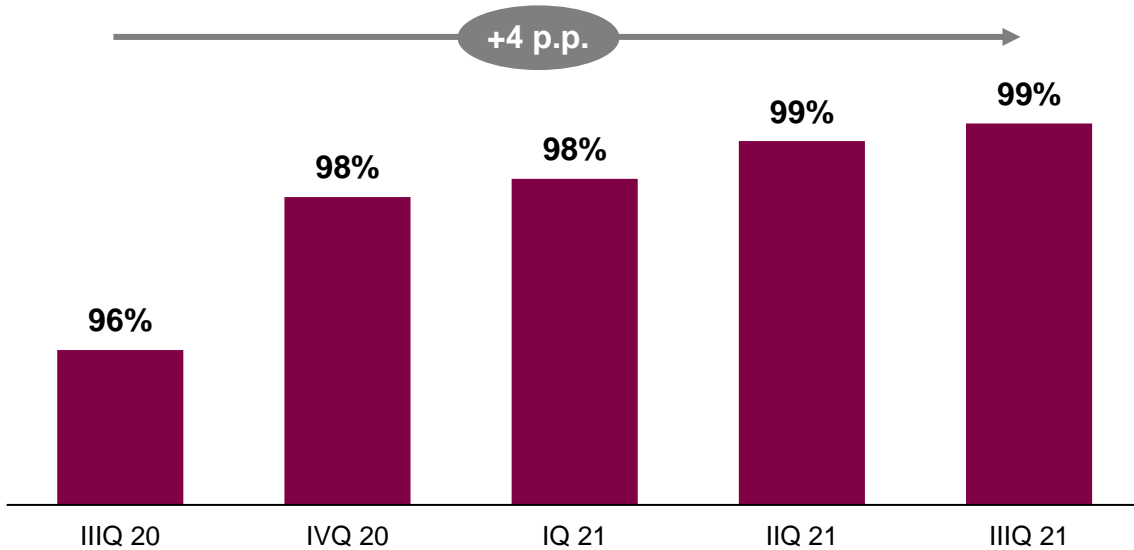
The implementation of the debit card *MasterCard z Plusem* and the simplification of the offer should translate into an increase in the number of payment cards.

Number of Micro Customers paying ZUS/Taxes (K)

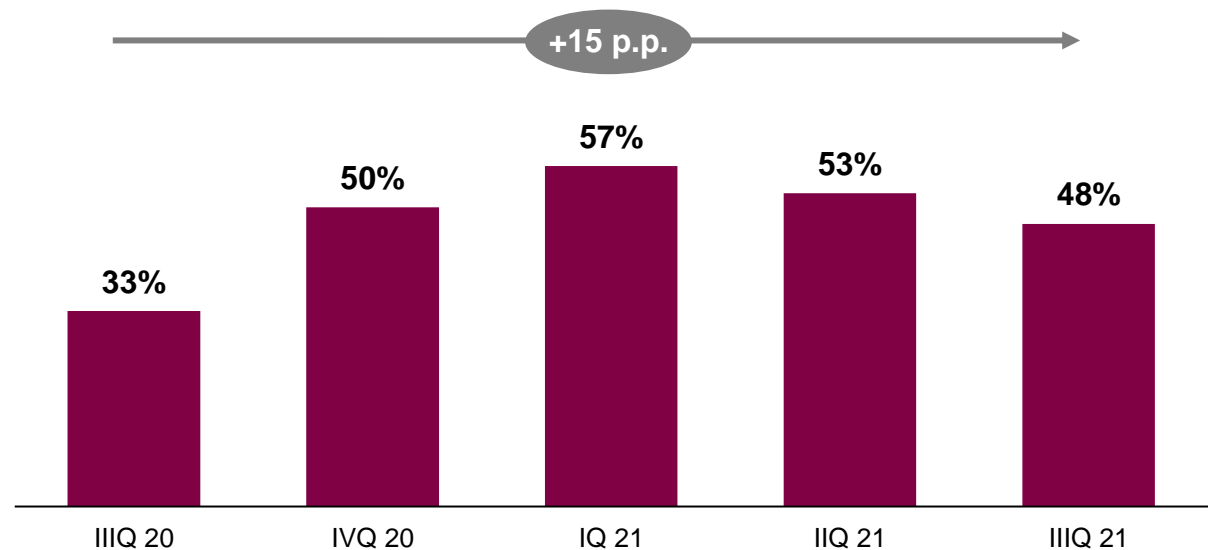


The increase in the number of Customers paying ZUS/Taxes indicates that Customers have been returning to proceed operations similar to that from before the COVID-19 pandemic.

Covering new sales with BGK guarantees – Micro segment *



Covering new sales with BGK guarantees – Small segment*



- 13% market share in sales of de minimis guarantees**
- 58% market share in the COSME Guarantee programme**

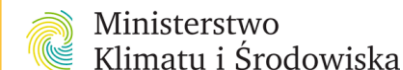
- Throughout 2021, the volume of new sales secured by BGK guarantees has remained stable
- However, in IIIQ 21 there was an increase in the sale of investment and working capital loans with collateral other than BGK guarantees for the small corporate segment.



We have been successfully addressing climate-related challenges



We cooperate with:



Lottery! You can win an electric car Nissan Leaf + voucher to purchase a home charger with assembly



1x electric car Nissan Leaf + home charger

Weekly drawing of additional prizes:

- 17x cross trainer
- 18x Xiaomi electric scooter
- 26x Garmin smartwatch

Campaign promoting Clean Air Cash Loan

Start of the campaign: 18/10/2021



Marketing activities are aimed at supporting the achievement of sales goals and building the image of Alior Bank, involved in pro-ecological activities.

Communication channels:

- TV campaign
- Radio
- New materials for branches
- Advertising on ATM screens
- CRM activities

PLN 1.02

billion

Balance as at the end of IIIQ 21

PLN 368.5

million of new eco-purchases volume as at the end of IIIQ 21

9.7K new Customers as at the end of IIIQ 21

ECO OFFER

Eco-M. mortgage loan

#EKO category in the loyalty programme

Eco-benefits to a credit card

Clean Air Cash Loan

In the offer as of July

Eco Instalments

Eco Loan

Thermal-insulation loan

Clean Air Instalment Loan

In the offer as of July

Financing renewable energy sources (RES) projects for professional energy producers

Eco-Purchasing Business Loan

In the offer as of August

Effectively addressing the climate change challenge – we finance thermomodernisation in the housing sector

The effects of an implementation of the Regional Operational Programmes for the Dolnośląskie, Łódzkie, Małopolskie and Podlaskie voivodeships co-financed from public funds that were made available to Alior Bank.



187 loan agreements concluded with Customers totalling approx. **PLN 56.1 million**



Almost **32 GWh** of saved heat energy



80 Customers benefited from the refund of documents necessary in the credit process under the ELENA programme. **The total amount of the refund is approx. PLN 850K.**



Estimated annual drop in emissions **13,908 tonnes of CO₂/year**

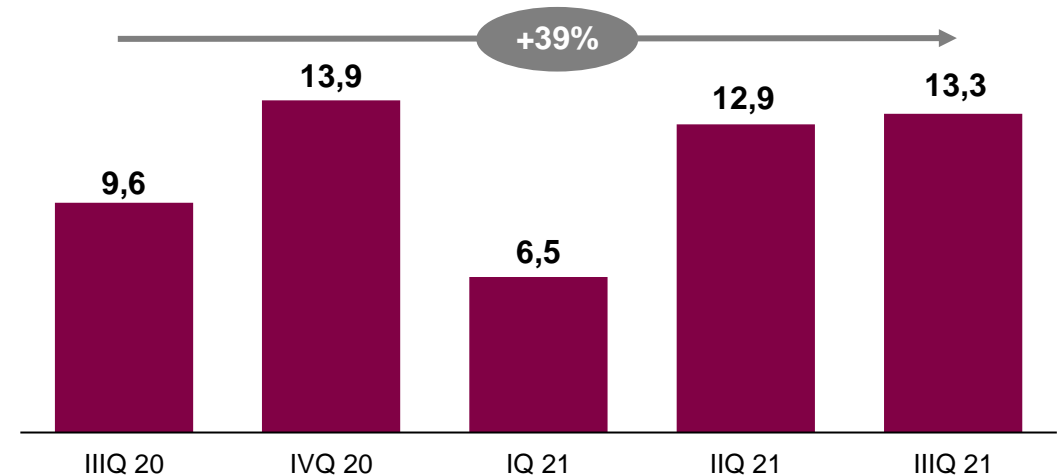


The completed investment projects cover approx. **306,000 m² of usable space in buildings**



5,906 households live in buildings whose thermal modernisation was financed by Alior Bank

Status of the TERMO Programme implementation – Volume of launches (PLN million)



Novelty in the offer COMPANY DEBIT CARD Z PLUSEM available from 23/09/2021

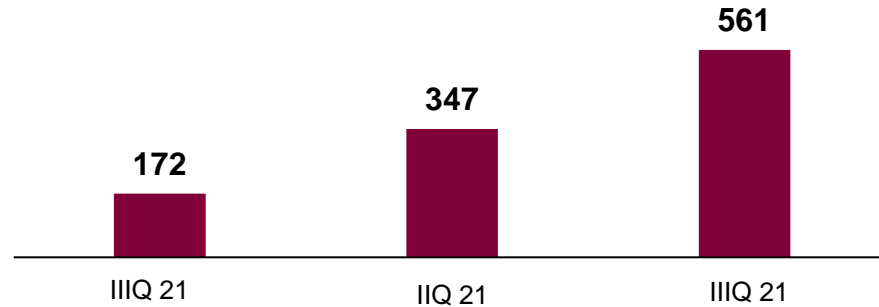


- **For new and existing Customers** from the micro, SME and large-sized companies segment
- **Distinguishing feature: additional benefits** in the form of temporary and permanent promotions offering preferential conditions with partners, discounts and rebates **not available with other cards**. To start with:
 - **+ PLN 50** for fuel at Circle K stations
 - **+ PLN 300** for start to exchange for prizes in the Mastercard® Priceless® Specials programme

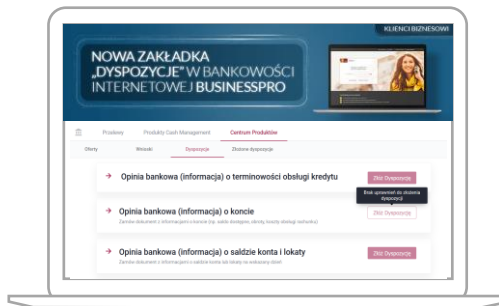


Remote support

Number of applications submitted to the Product Centre (YTD)



- **New after-sales module in BusinessPro**
- Automated giving of instructions
- Consistent development of sales and technological functionalities of the BusinessPro system



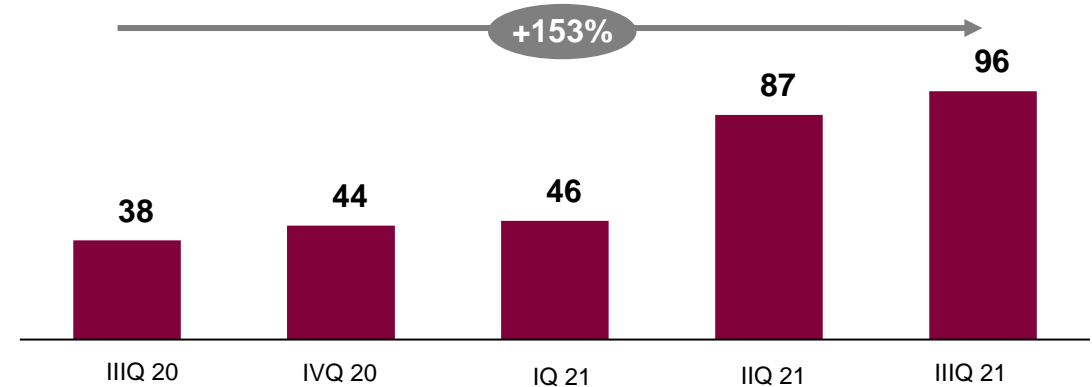
As much as

30%

of after-sales instructions are handled in **remote channels**

Automated decisions in the small business segment

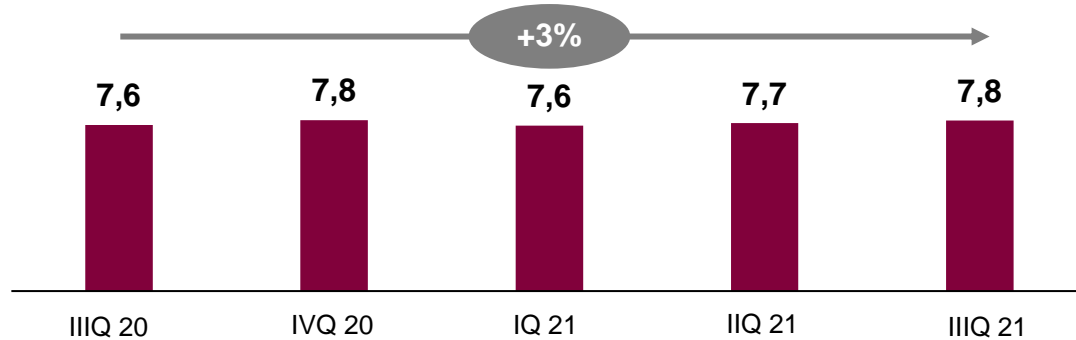
New sales in automatic decisions – Small segment (PLN million)



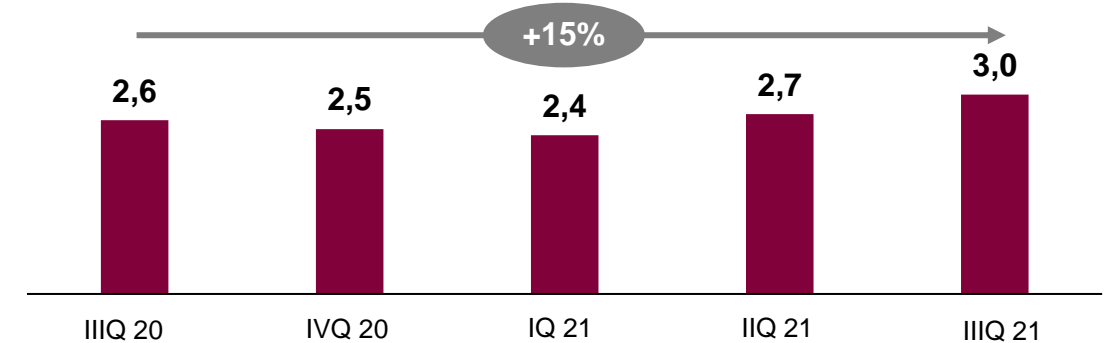
- Development of automated processes and increasing the share of loan sales in the small business segment
- Making **the pre-approved process** automated for existing Customers and making it available to companies owned by other companies
- **New promotion – 0% initial commission** on the overdraft facility
- Development of the ECO offer – **Eco-Purchasing Business Loan available in the automated process**

We have been systematically improving the most important transaction indicators of Business Customers

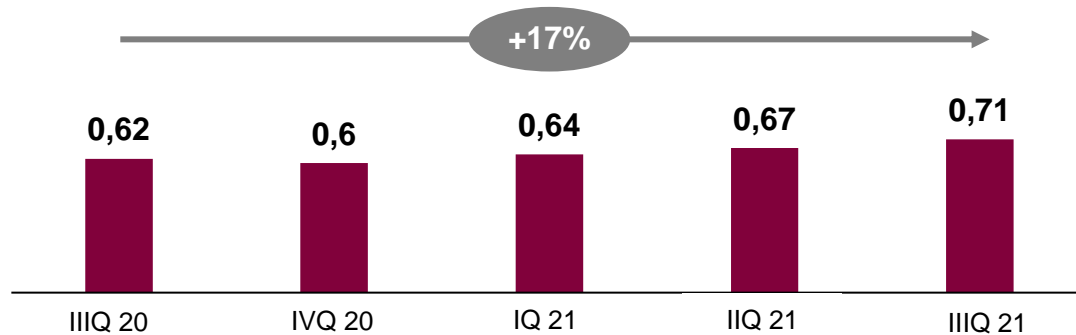
Number of transfers made in BusinessPro banking (million)



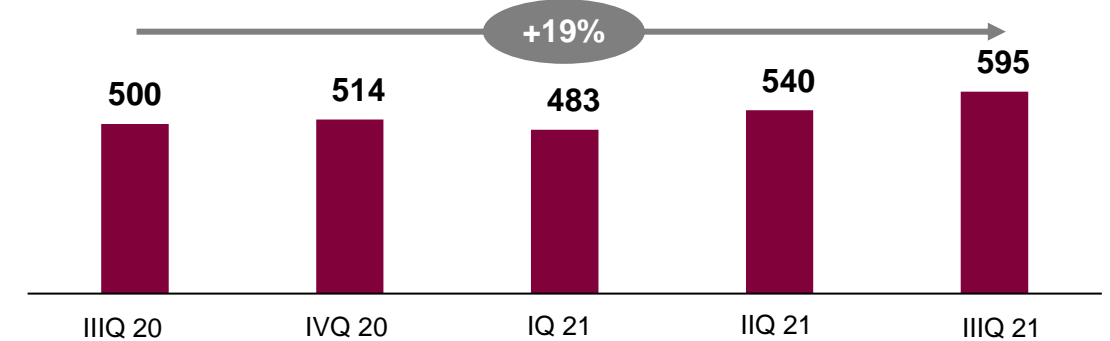
Number of non-cash transactions with payment cards (million)



Number of transfers ordered via API – BankConnect (million)



Volume of non-cash transactions (PLN million)



We have been making it easier for Customers to automate repetitive activities by combining financial and accounting applications with the BusinessPro system. The systematic increase in transactions is possible thanks to the professional advice of the Team of Transactional Banking Experts.

We have been running a campaign aimed to encourage card payments, which is combined with additional benefits for companies (including the first in Poland implementation of the Priceless® Specials for Business programme) and contributes to the increase in the number and volume of card transactions.

Activities of the key companies of the Alior Bank Group

Alior Leasing



IIIQ 21 saw Alior Leasing achieving sales of **PLN 739 million** (17% more than in IIIQ 20).

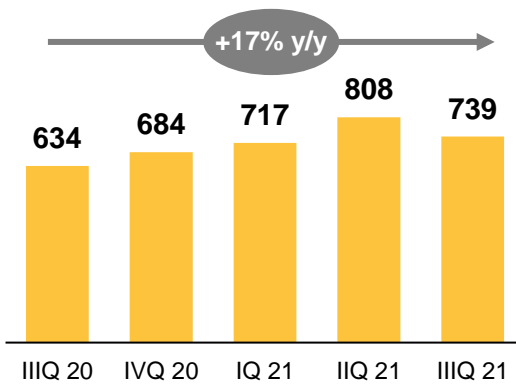
LEASING

Interest in leasing products has stabilised over the last 12 months.

As at the end of IIIQ 21:

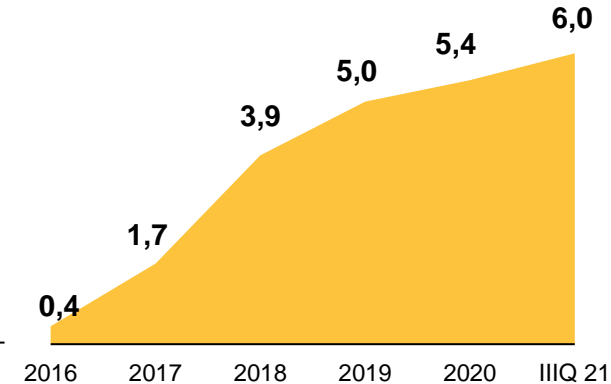
- The balance of the portfolio of lease amounts due was **PLN 6.0 billion** and it was higher by PLN 0.7 billion than as at the end of IIIQ 20
- Number of Customers: **75.6K** (+10.3K compared to IIIQ 20)
- Number of agreements: **105.7K** (+15.6K compared to IIIQ 20)

Sale of lease and loans (PLN million)



Source: Alior Leasing

Lease portfolio and loans (PLN billion)



Source: Alior Leasing

Alior TFI

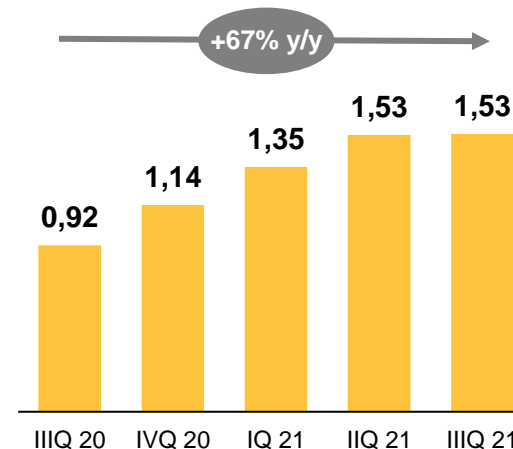


IIIQ 21 saw Alior TFI sales slightly decreasing, and redemptions increasing, therefore net sales of investment funds managed by Alior TFI amounted to only **PLN 10 million**.

TFI

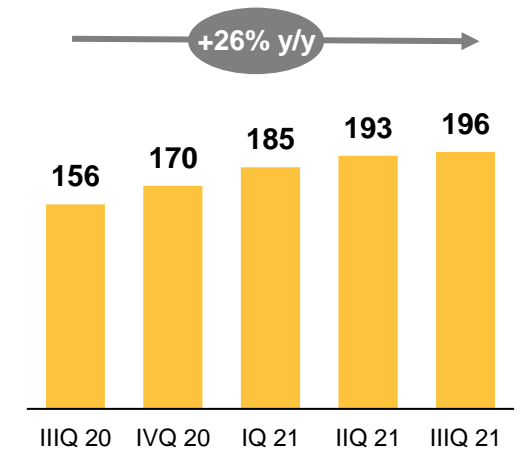
In terms of assets under management, Alior TFI has grown at a rate more than twice as high as the market in the last 12 months. By the end of IIIQ 21, assets under management in open funds increased by **67% y/y**.

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



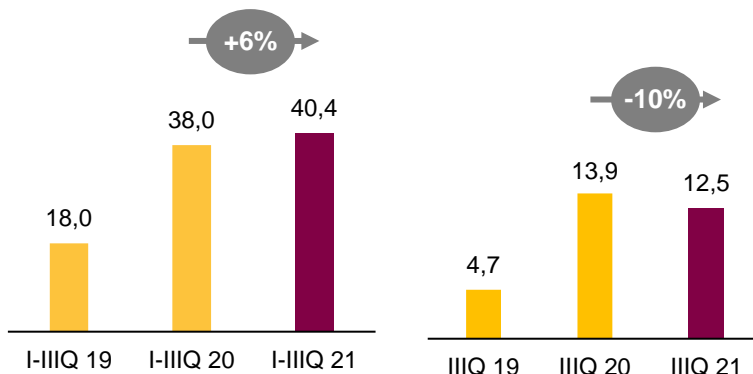
Source: Alior TFI

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

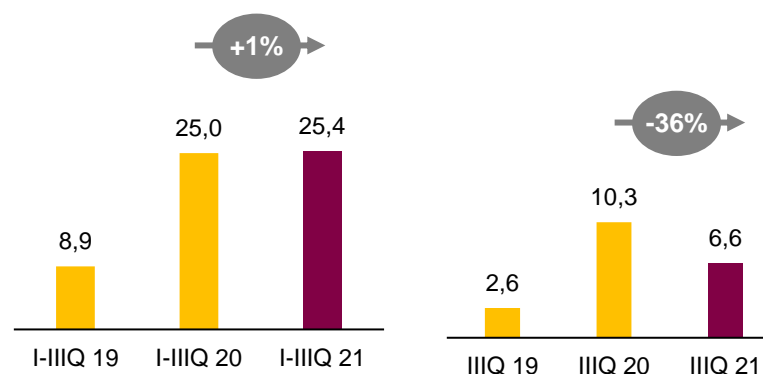


Source: Own elaboration based on IZFiA

Commissions of the Brokerage House (income) [PLN million]



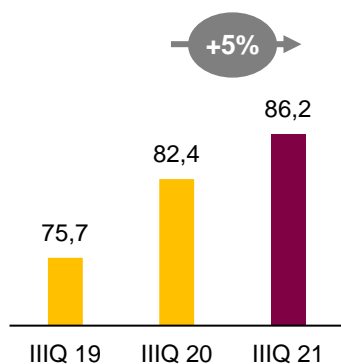
Commissions – brokerage account [PLN million]



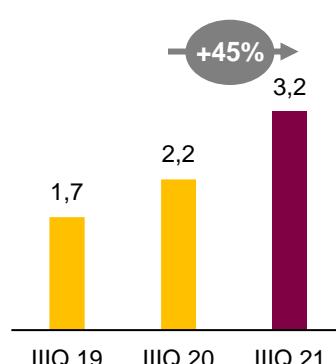
Initiatives and achievements

- August saw us making available to Customers the new **Alior 4 Trader** investment platform (used to trade on the foreign exchange contracts market for currencies, commodities and indices of foreign exchanges)
- August saw us launching a new fund investing in the spirit of eco, supporting economic and social development, that is not harmful to the environment
- In July, the Alior Bank's Brokerage House was a content-related partner of **the Summer Stock Exchange School** (WSE Foundation), whereas in September, a supporting partner for **the Passywna Rewolucja** conference (Stockbroker.pl)
- IIIQ 21 saw us acquiring over 700 new brokerage accounts and 80 Alior Trader accounts. Since the beginning of the year, Customers have open with us **3.4K new brokerage accounts** (76% of them were opened in remote channels) and 440 Alior Trader accounts
- From the beginning of the year, **FIO sales have reached the level of PLN 1.5 billion** (compared to PLN 1.3 billion in 2020 and PLN 1.0 billion in 2019)

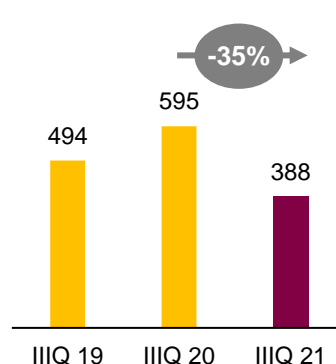
Number of brokerage acc. [thousand of items]



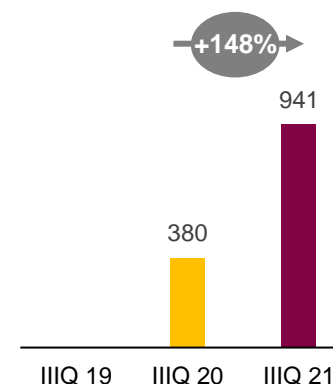
Value of FIO assets [PLN billion]



Acquisition of FIO [PLN million]



Assets – Ind. Ivest. Consultancy (payable) [PLN million]





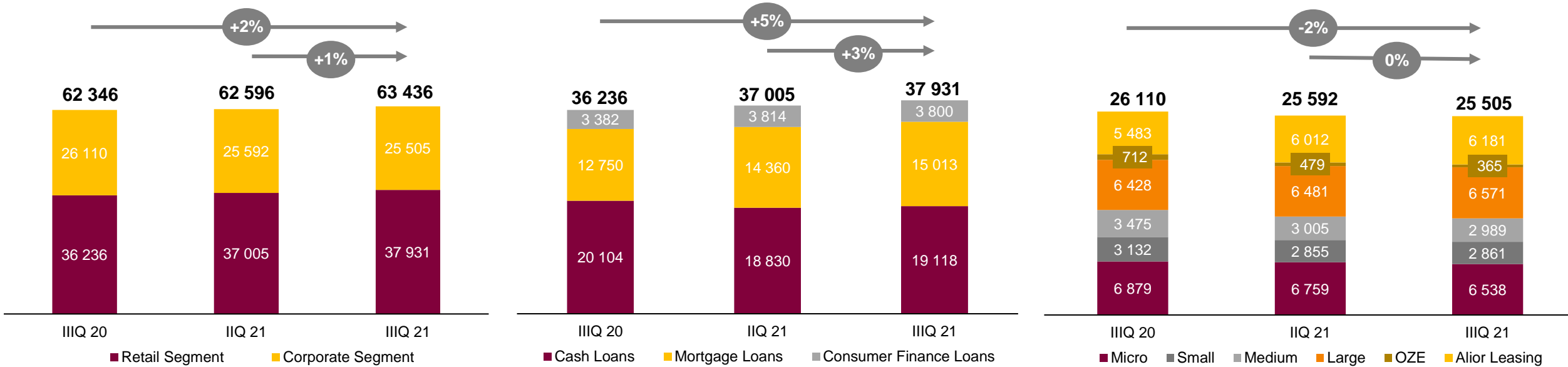
Credit risk

Gross structure of the loan portfolio – stable increase in the share of mortgage loans

Loan portfolio in total (PLN million)

Retail Segment (PLN million)

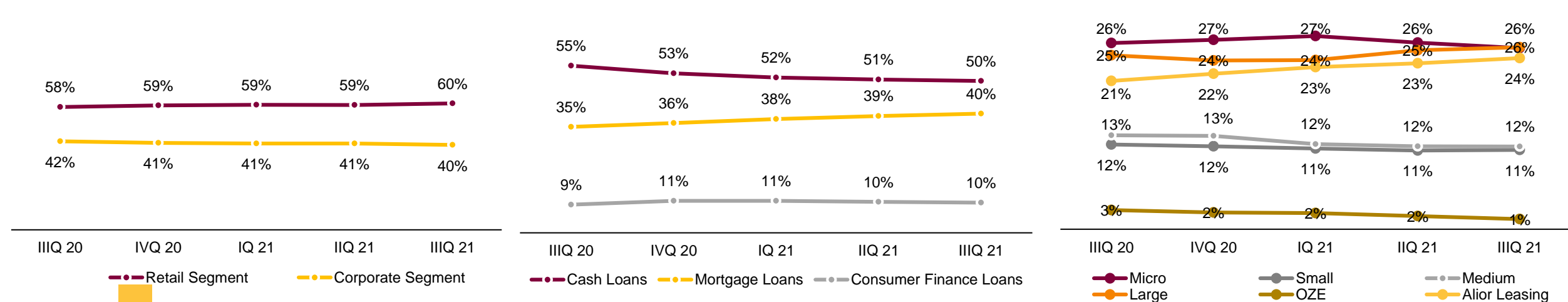
Corporate Segment* (PLN million)



Loan portfolio structure in total

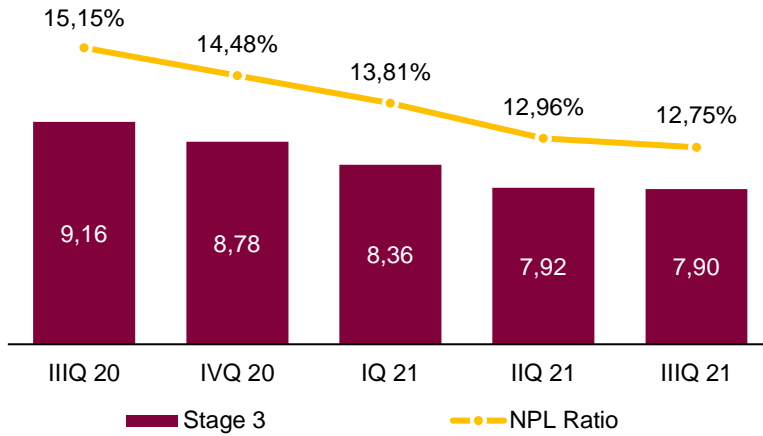
Structure of the Retail Segment

Structure of the portfolio of the Corporate Segment* (PLN million)

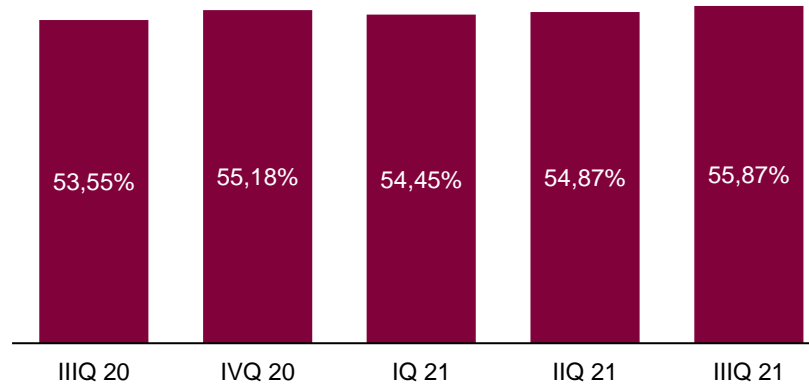


Decrease in the cost of risk and a perceptible improvement in the loan portfolio quality

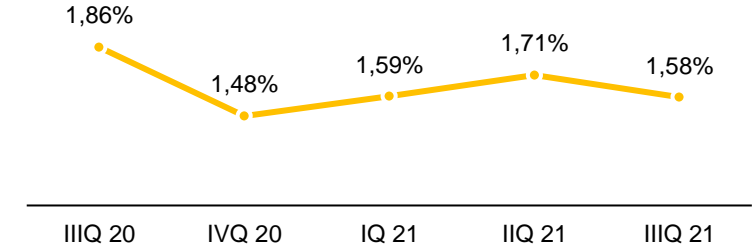
Impaired loans (PLN billion)



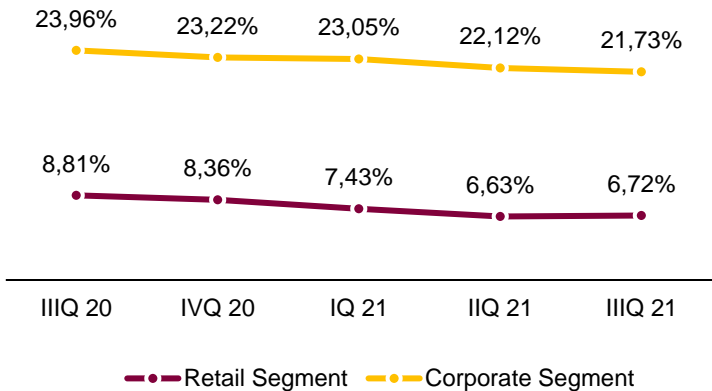
NPL provisions coverage ratio*



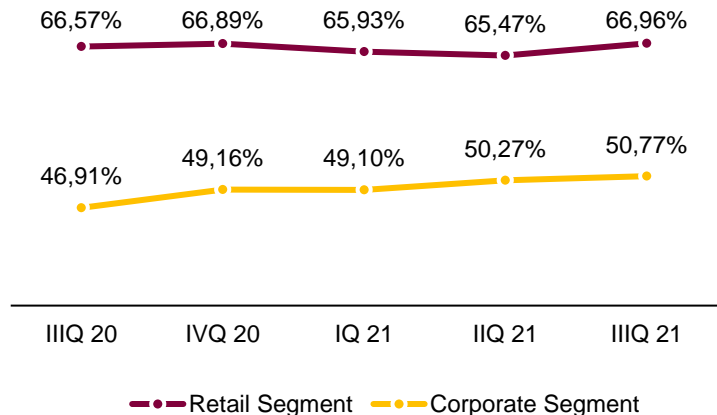
Cost of risk - CoR (QTD pattern)



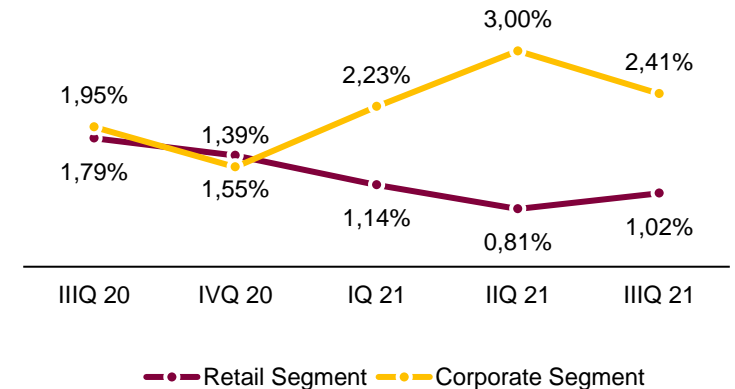
Impaired loans – segments



NPL provisions coverage ratio* – segments

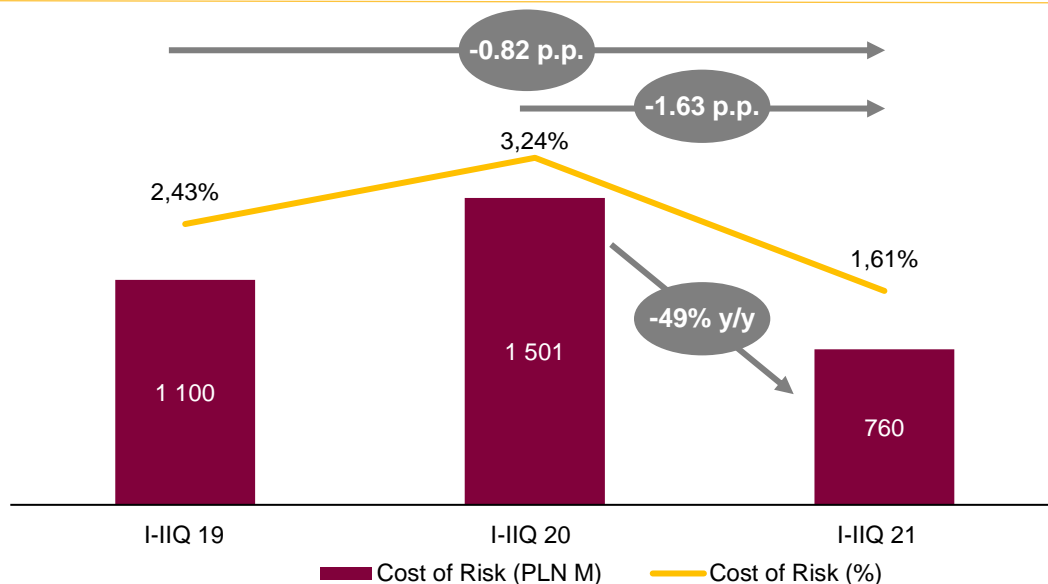


Cost of risk - segments (QTD pattern)



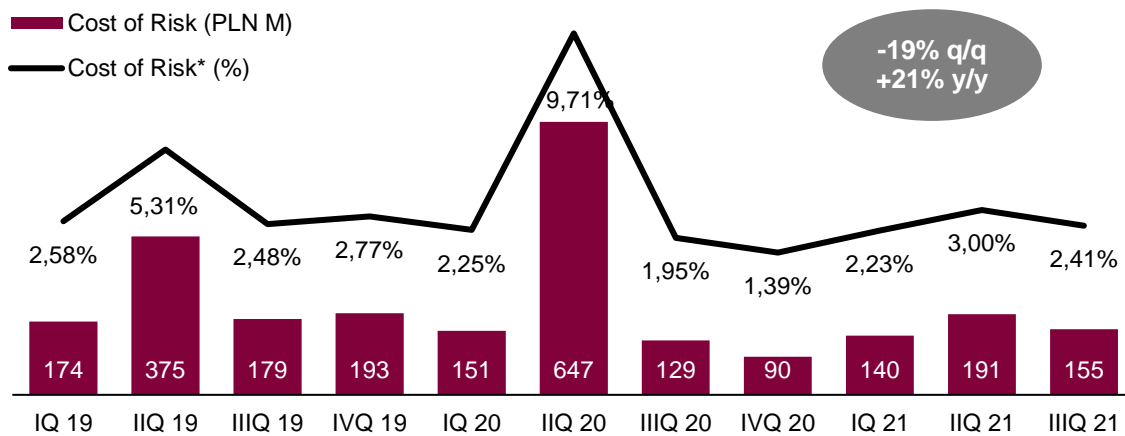
The change in credit policy has brought tangible effects – stabilisation of the cost of risk at a lower level than from before the COVID-19 pandemic

Risk costs – Alior Bank Group (cumulative)

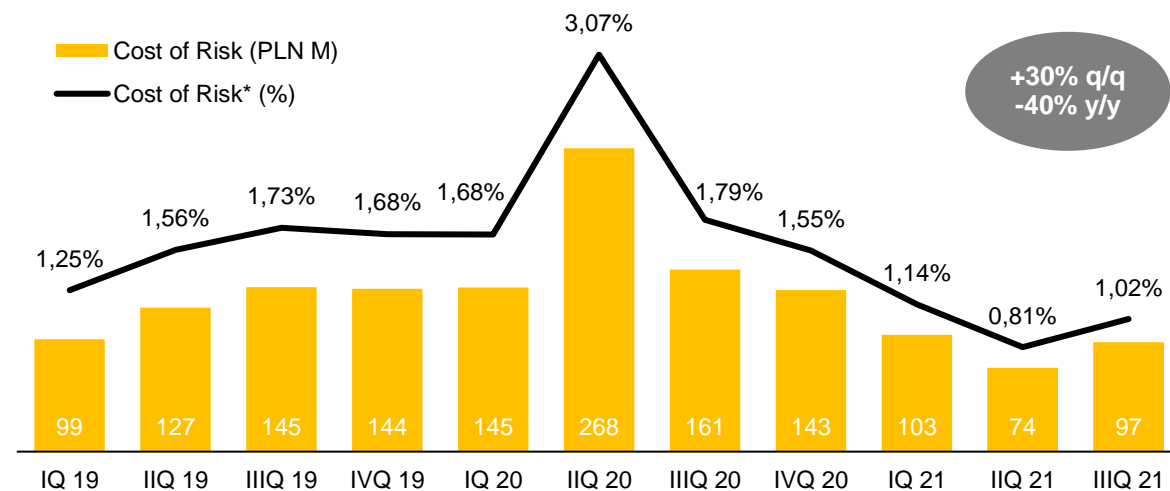


Due to the Bank's activities in 2020 and 2021 regarding the credit portfolio risk management, as well as in view of the currently observed behaviour of Customers, the level of cost of risk (CoR) in 2021 should not significantly differ from the level achieved in I-IIIQ 21. We have been maintaining the Bank's 2022 CoR target of no more than 1.9%. However, if the positive macroeconomic scenario persists next year, the costs of risk of the Alior Bank Group in 2022 should not significantly deviate from the level achieved in 2021.

Corporate Segment – Costs of risk

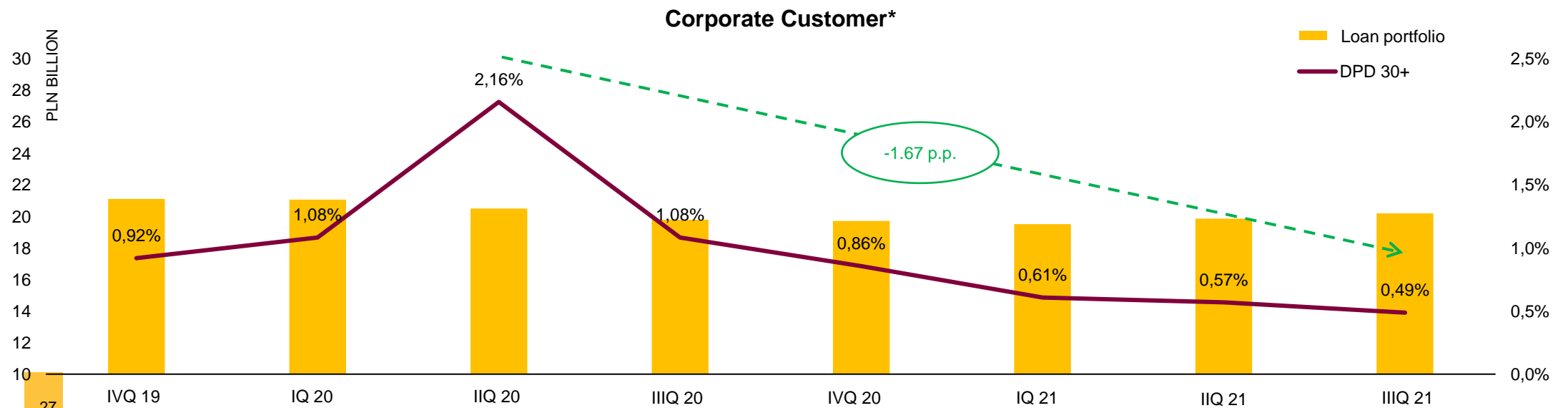
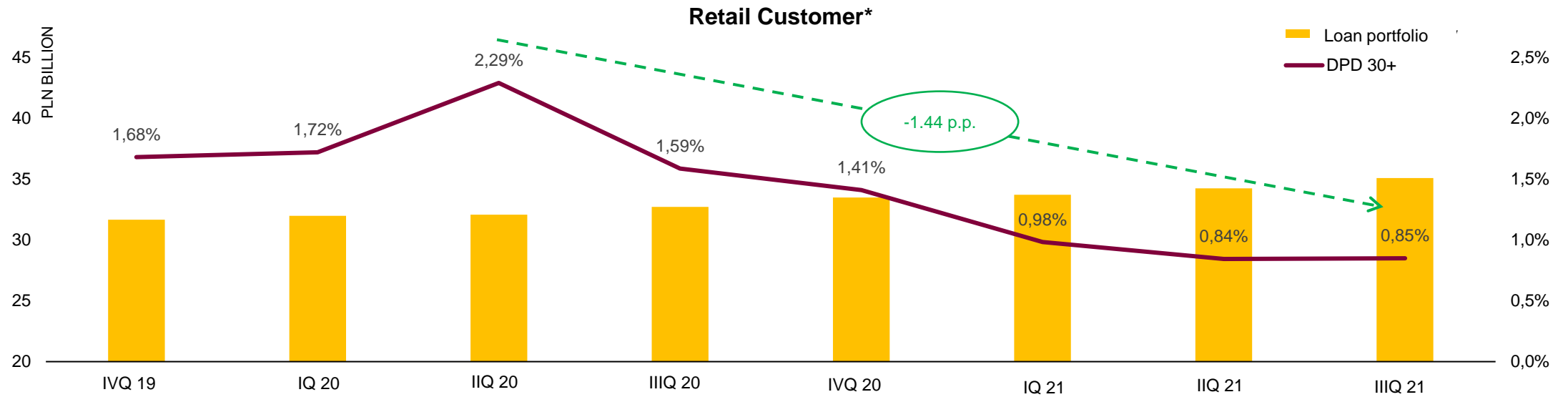


Retail Segment – Costs of risk



Improvement in the quality of Alior Bank's loan portfolio

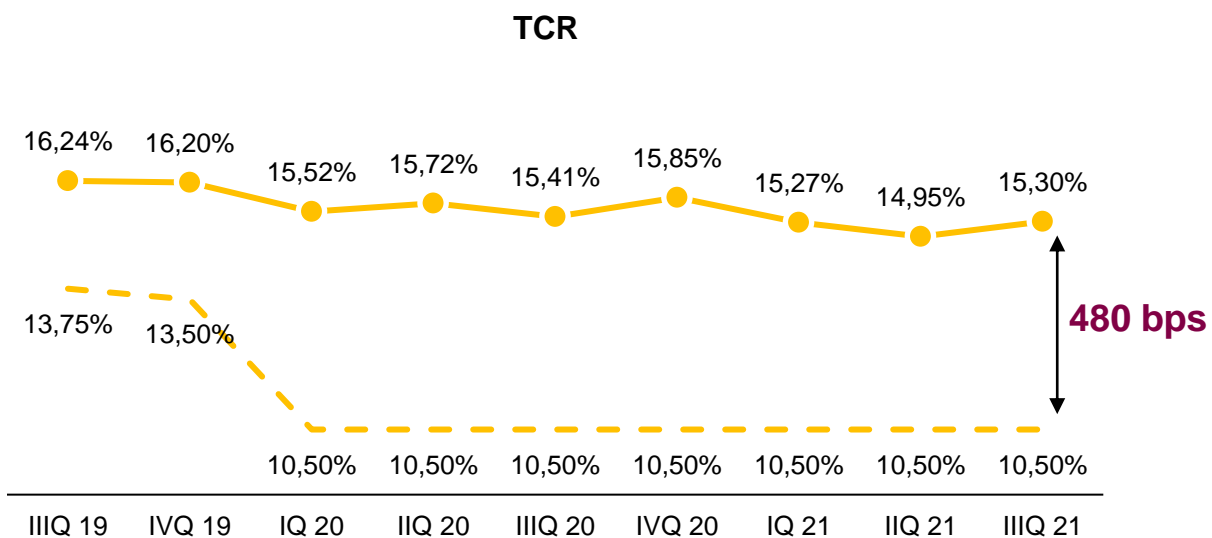
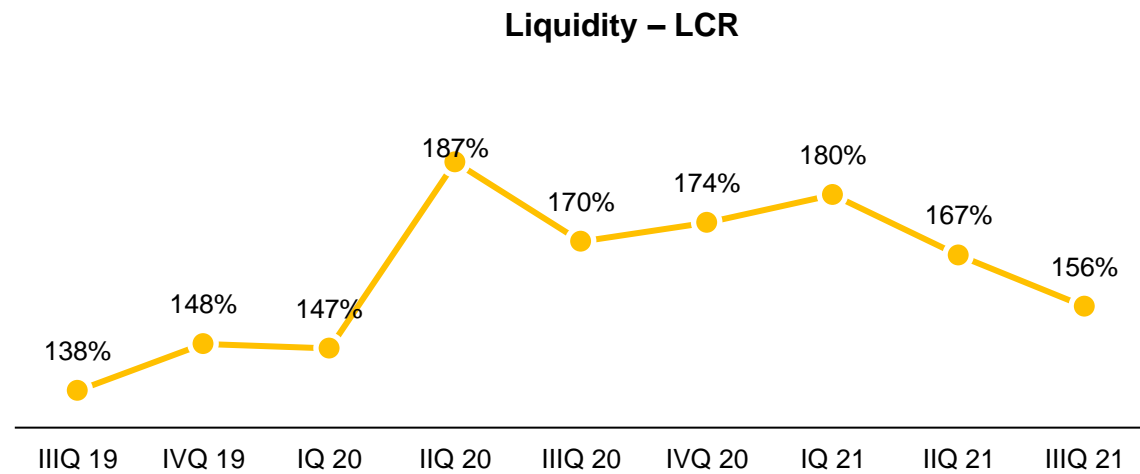
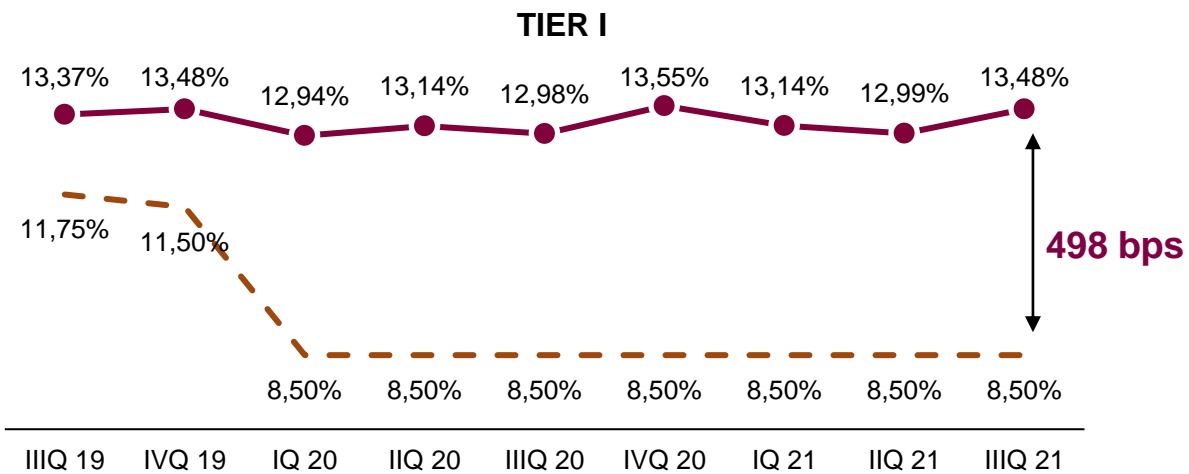
Following the periodic increase in DPD 30+ as a result of the COVID-19 situation, the Bank achieved a significant improvement in DPD ratios, which are now lower (better) than before the pandemic.



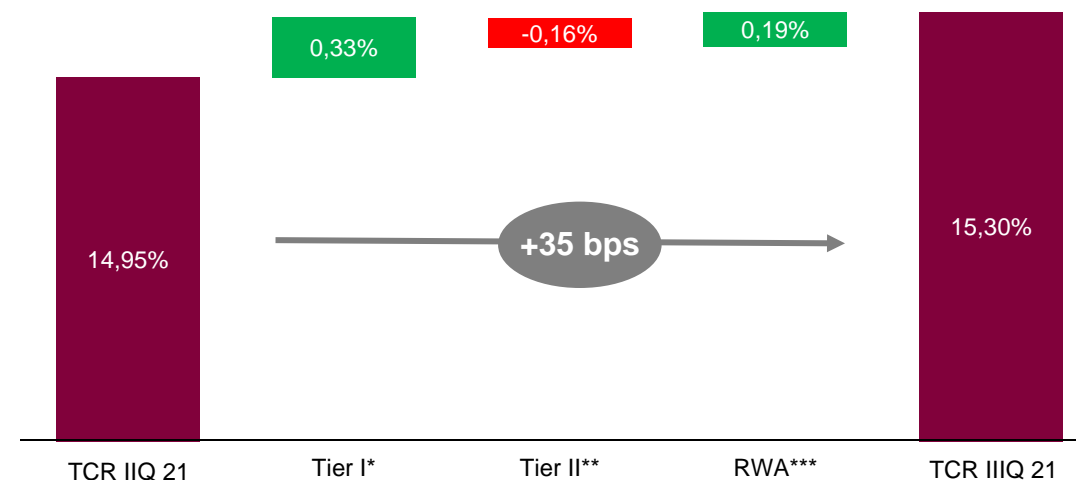
*Data for Alior Bank, management approach

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

The levels of TIER I and TCR capital adequacy ratios as at the end of IIIQ 21 significantly exceed the regulatory minimum by: 498 bps. (2,373 PLN million) and 480 bps (PLN 2,291 million)



Decomposition of change in TCR in IIIQ 21



*Change caused by inclusion in Tier 1 capital of the result for IH 21
 **Change due to depreciation of subordinated bonds
 ***Change in RWA (Risk-weighted Assets) results from changes in the loan portfolio



Financial results

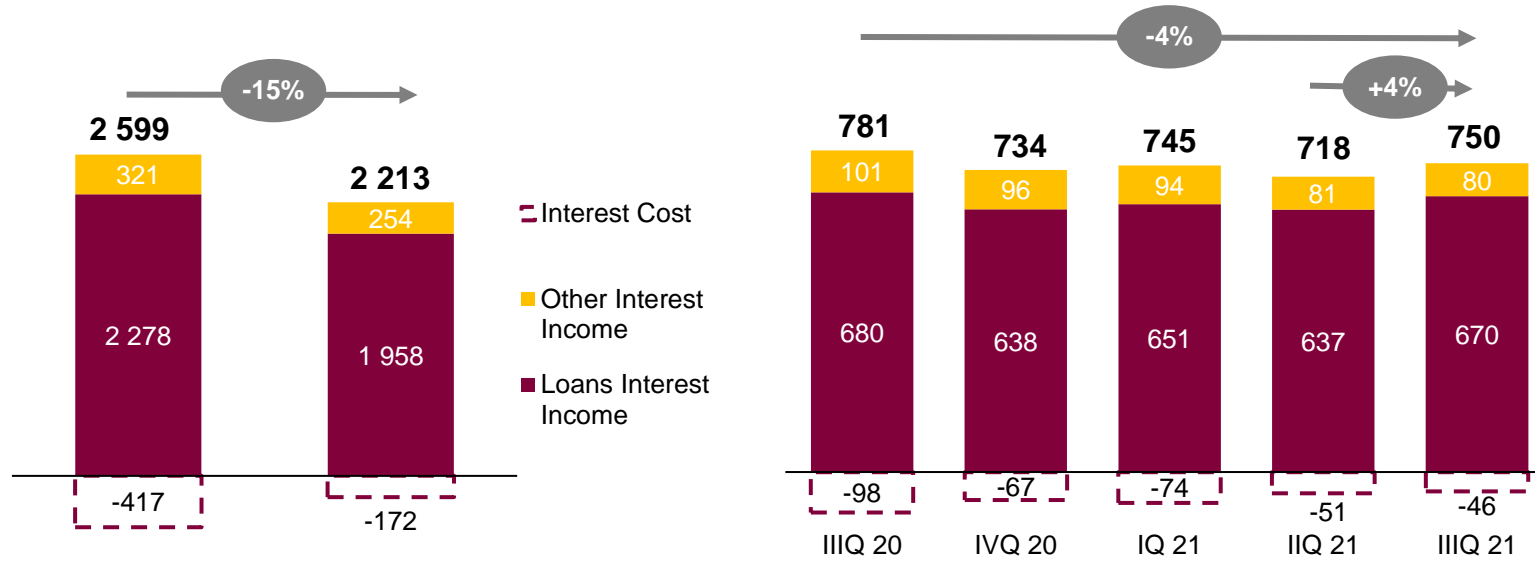
Income statement

<i>PLN M</i>	IIIQ 2020	IIIQ 2021	% y/y	y/y	I-IIIQ 2020	I-IIIQ 2021	% y/y	y/y
Total Income	892,7	918,3	3%	25,6	2 634,0	2 702,3	3%	68,3
Net interest income	683,1	703,5	3%	20,4	2 182,0	2 040,4	-6%	-141,6
Net fee and commission income	169,1	189,6	12%	20,5	458,9	550,7	20%	91,8
Other income	40,5	25,1	-38%	-15,3	-6,8	111,3	-	118,1
Total costs	-754,3	-705,0	-7%	49,3	-3 020,6	-2 128,8	-30%	891,8
General administrative expenses	-407,8	-393,9	-3%	13,9	-1 284,4	-1 191,1	-7%	93,2
Impairment of non-financial assets	-1,8	-1,3	-26%	0,5	-70,4	-3,2	-95%	67,2
Net expected credit losses	-289,3	-251,7	-13%	37,6	-1 500,6	-760,2	-49%	740,4
Banking tax	-55,3	-58,0	5%	-2,7	-165,2	-174,3	5%	-9,1
Gross profit	138,4	213,3	54%	74,9	-386,6	573,5	-	960,0
Income tax	-47,7	-62,9	32%	-15,2	-33,1	-191,2	478%	-158,1
Discontinued activity	-8,9	0,0	-	8,9	-11,9	0,0	-	11,9
Net profit	81,8	150,4	84%	68,6	-431,6	382,3	-	813,9
Net interest margin	3,71%	3,77%	-	+0,06 p.p.	4,01%	3,71%	-	-0,30 p.p.
Cost of finance	0,44%	0,14%	-	-0,30 p.p.	0,72%	0,18%	-	-0,54 p.p.
Cost of risk	1,86%	1,58%	-	-0,27 p.p.	3,24%	1,61%	-	-1,63 p.p.
Cost / Income ratio	45,7%	42,9%	-	-2,8 p.p.	48,8%	44,1%	-	-4,7 p.p.
Loan / Deposit ratio	85,0%	86,4%	-	+1,4 p.p.	85,0%	86,4%	-	+1,4 p.p.
Return on equity (ROE)	5,1%	9,1%	-	+4,0 p.p.	-8,7%	7,8%	-	+16,5 p.p.
Total Capital Ratio	15,41%	15,30%	-	-0,11 p.p.	15,41%	15,30%	-	-0,11 p.p.

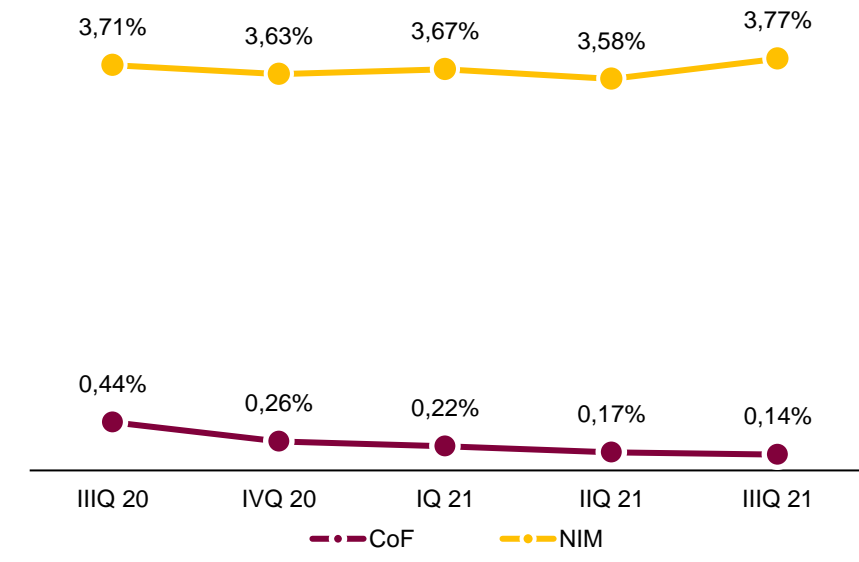
- IIIQ 21 saw net interest income being burdened to a lesser extent than in IQ and IIQ 21 with the negative impact of the cost of current commission returns on early repayments of consumer loans (“small CJEU”). This cost amounted to PLN 51 million in IIIQ 21, compared to PLN 71 million in IIQ 21 and to PLN 61 million in IQ 21. The lower cost of current commission returns was mainly due to the lower level of internal consolidation of cash loans than in the previous two quarters.
- IIIQ 21 saw the record of PLN 16.8 million of provisions for commission refunds resulting from the early repayment of consumer loans before the CJEU judgement of September 2019 – recognised as other operating cost.
- An increase in the NBP reference rate by 40 bps. from 0.10% to 0.50% in accordance with the decision of the MPC of 6/10/2021 should improve the net interest income of the Alior Bank Group in 2022 by approx. PLN 130-150 milion.

Demanding external environment continues to affect the level of net interest income

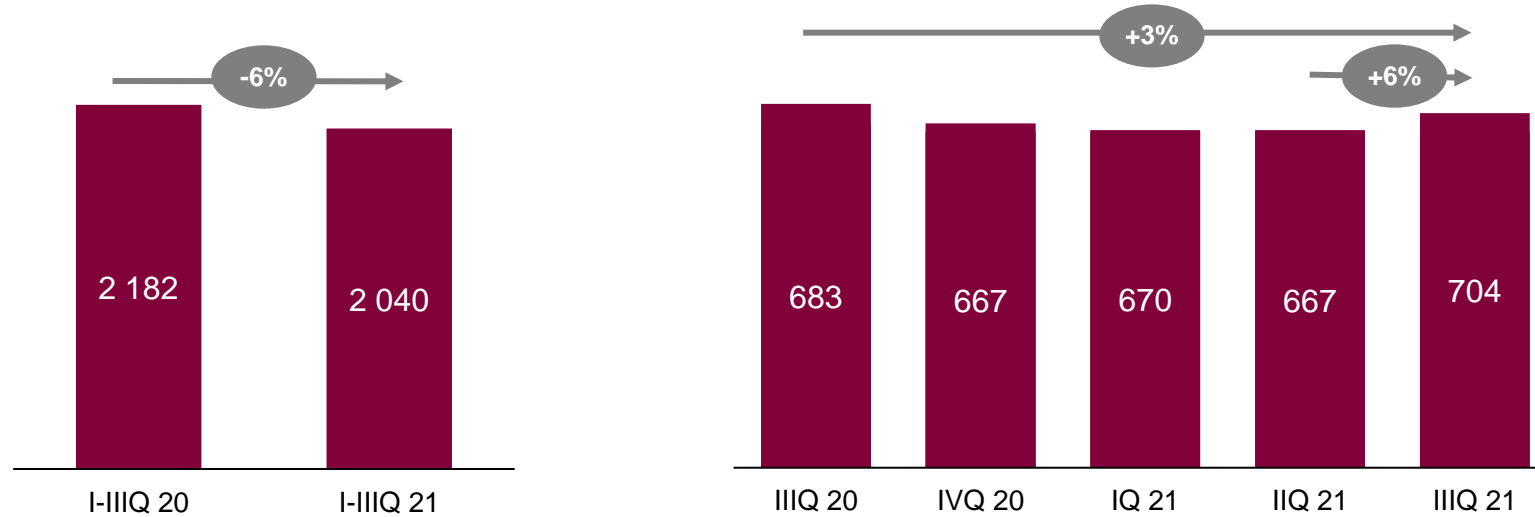
Interest Income and Interest Cost (PLN million)



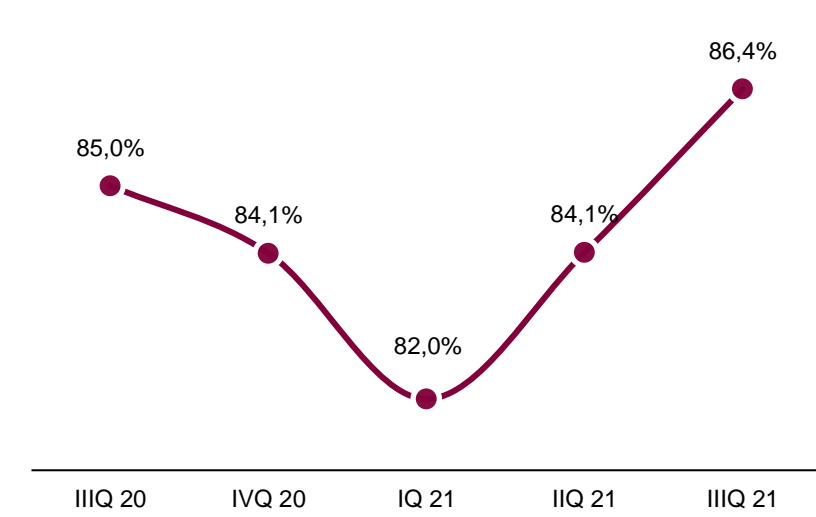
Net Interest Margin and Cost of Financing*



Net Interest Income (PLN million)

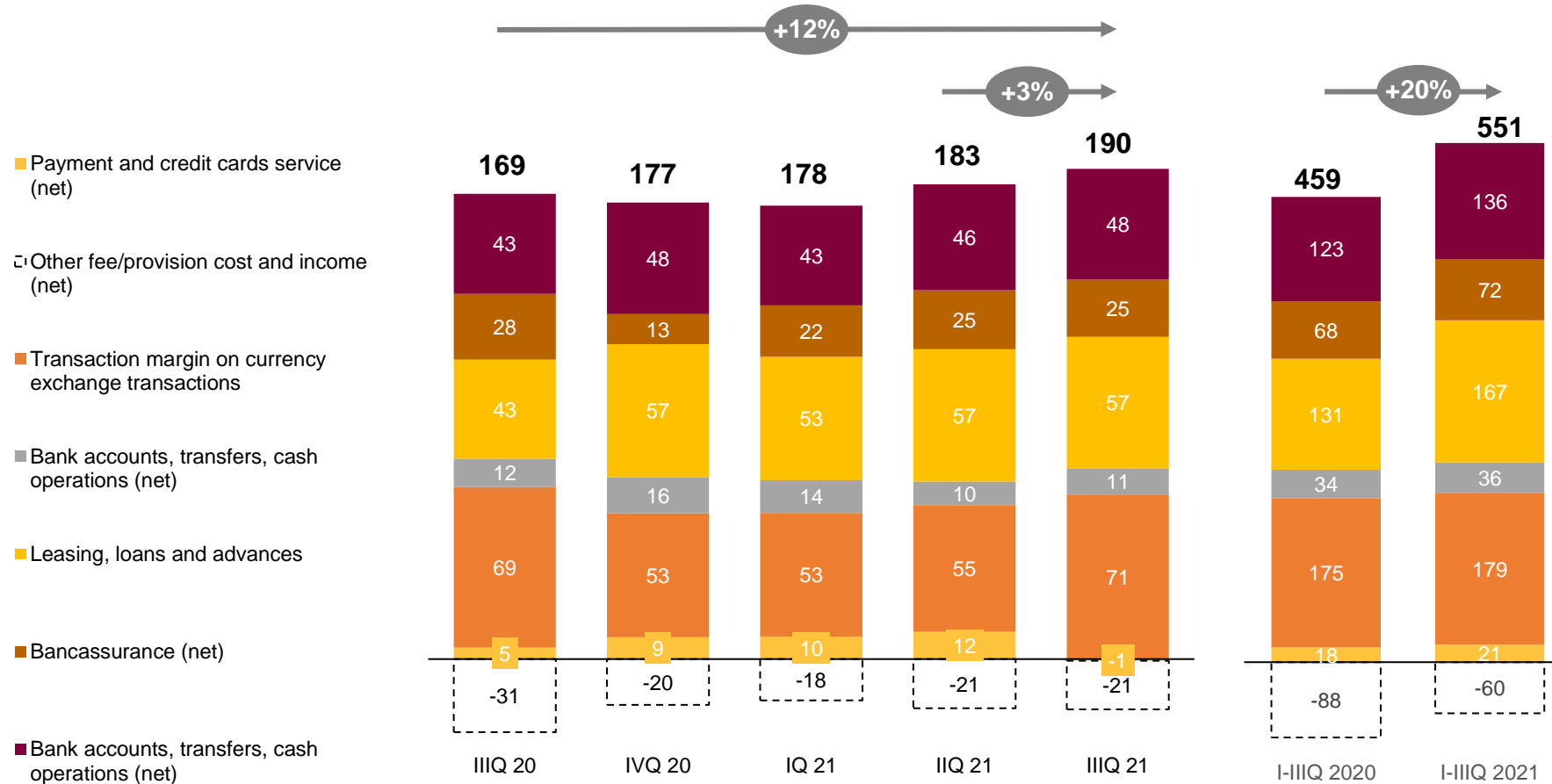


Loan / Deposit ratio



Thanks to undertaking a multitude of initiatives, the Bank is gradually improving its NF&C income

Net fee and commission income (PLN million)

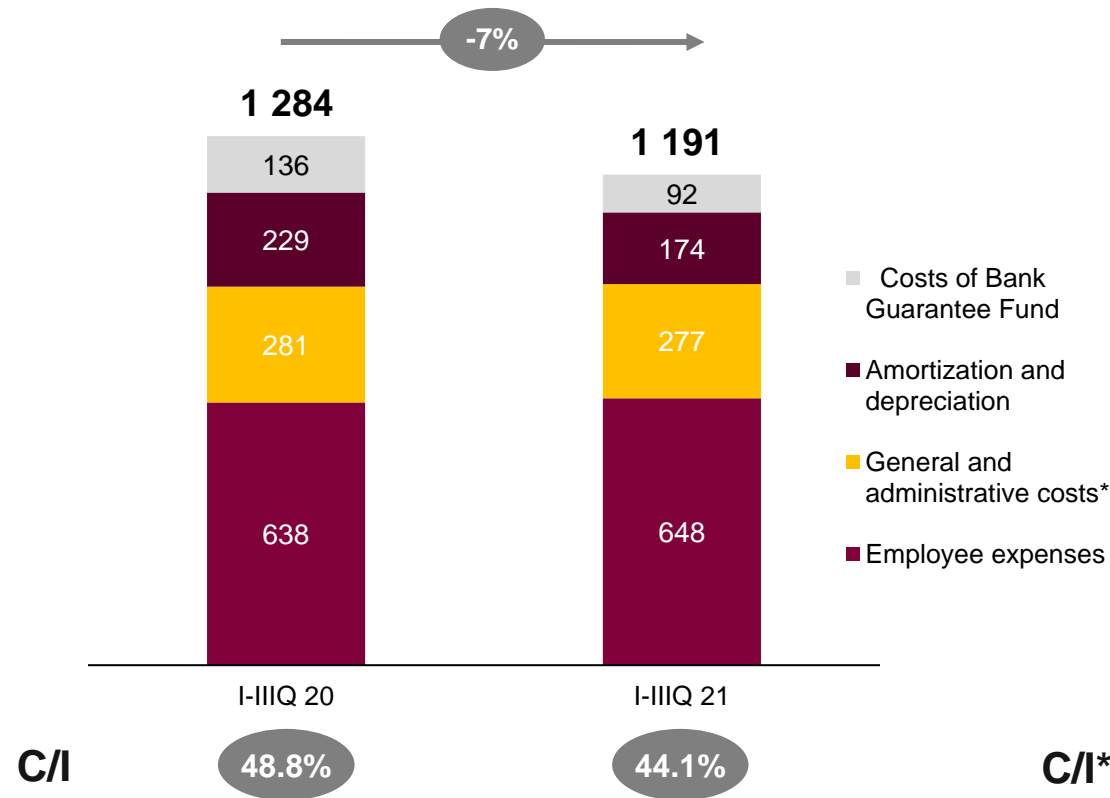


In IIIQ 21, the fees and commission income amounted to PLN 190 million and increased by PLN 21 million compared to IIIQ 20 mainly due to higher commissions on loans and leasing (+ PLN 14 million) and on account keeping, transfers and cash operations (+ PLN 5 million).

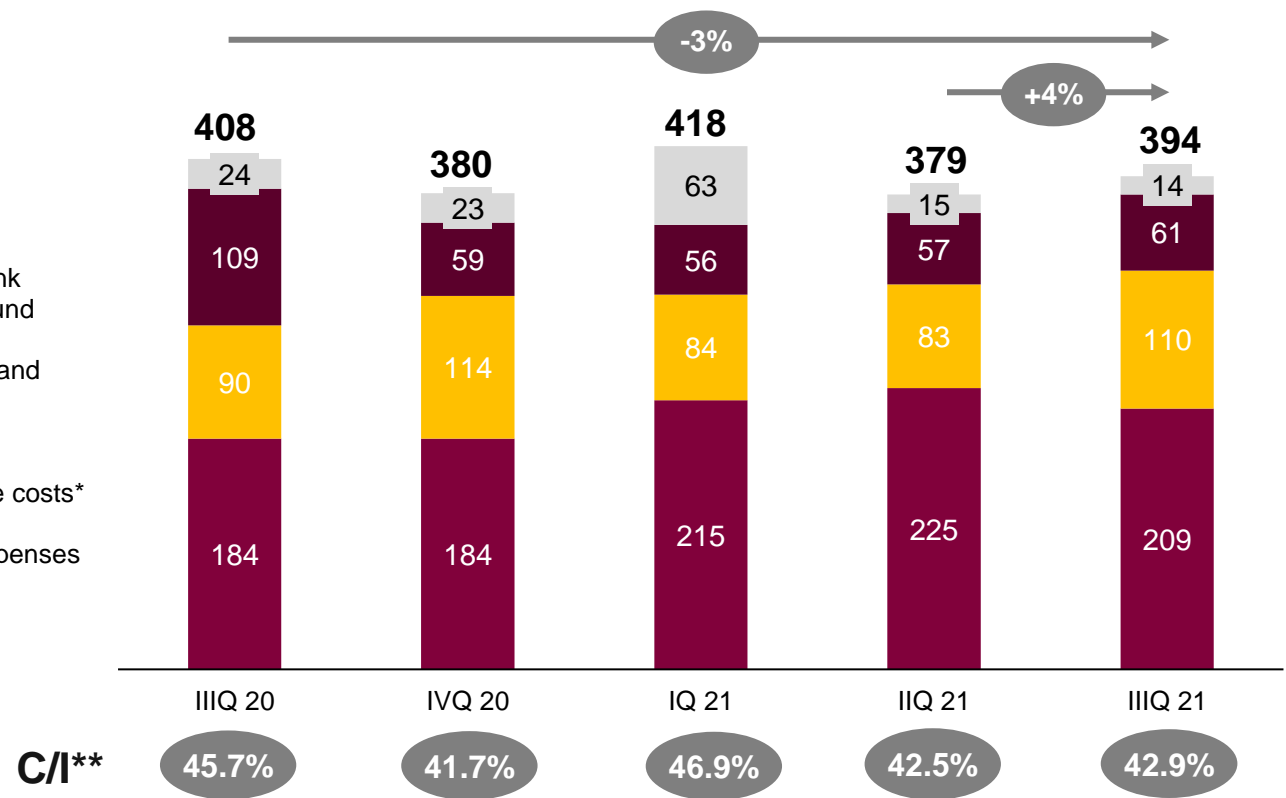
Due to the specificity of settlements related to the handling of payment cards, the costs of handling payment and credit cards depend on the card result on fx transactions (presented in the fx Transactions line). This result is especially visible during the holiday season. By making adjustment for this shift, IIIQ 21 would have seen the result on FX transactions amounting to approx. PLN 58 million, and the result on payment and credit cards to approx. PLN 12 million.

Despite the overall intensifying pressure to increase costs, the Bank has been improving its effectiveness

General administrative expenses, cumulative (PLN million)

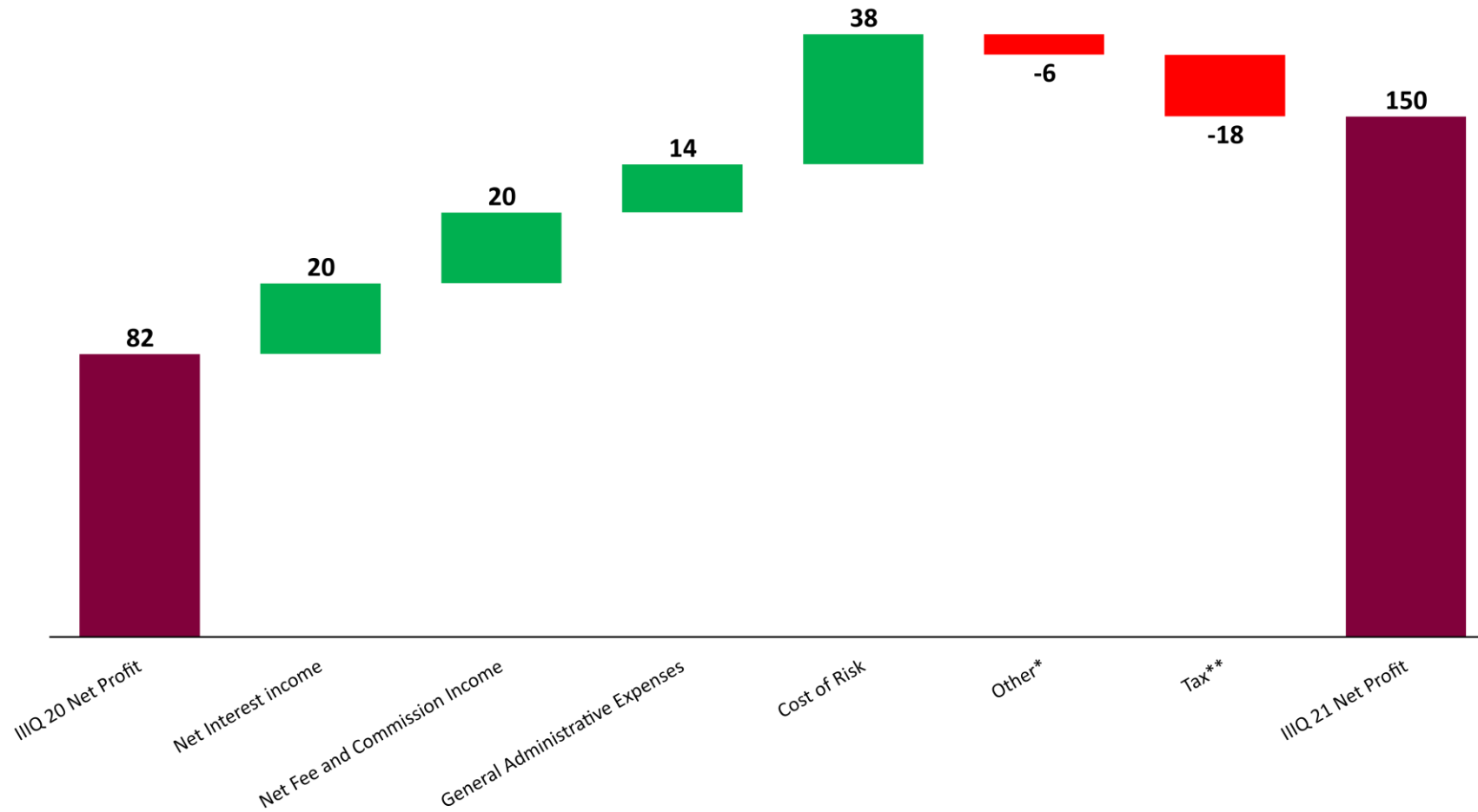


General administrative expenses, quarterly (PLN million)



- IIIQ 21 saw an increase in marketing costs (+PLN 4.5 million q/q) and other general and administrative expenses (+PLN 17.5 million q/q) partially offset by lower employee expenses (mainly the impact of the release of some holiday reserve recorded in IIQ 21)
- In the following quarters, the level of operating costs will be influenced by: generated cost savings, additional costs related to business development (e.g. in the area of mortgage loans), pursuit of some projects postponed during the COVID-19 pandemic and general inflationary increase in costs

Factors of change in net profit in IIIQ 21 vs IIIQ 20 (PLN million)



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

		2020	I-IIIQ 21 performance	Target for 2022
Business volumes	Assets	PLN 78.6 billion	PLN 78.2 billion	PLN 89 billion
	Number of Retail Customers	4.2 million	4.1 million	4.5 million
	Number of Corporate Customers	239K	247K	278K
Profitability	ROE	-4.7%	7.8%	>5%
	NIM	3.9%	3.7%	4%
	C/I	47.0%	44.1%	<46%
Risk and capital	COR	2.8%	1.6%	1.9%
	Tier I surplus	505 bps.	498 bps.	>280 bps.
	NPL	14.5%	12.75%	11.8%
	COF	0.6%	0.2%	0.3%



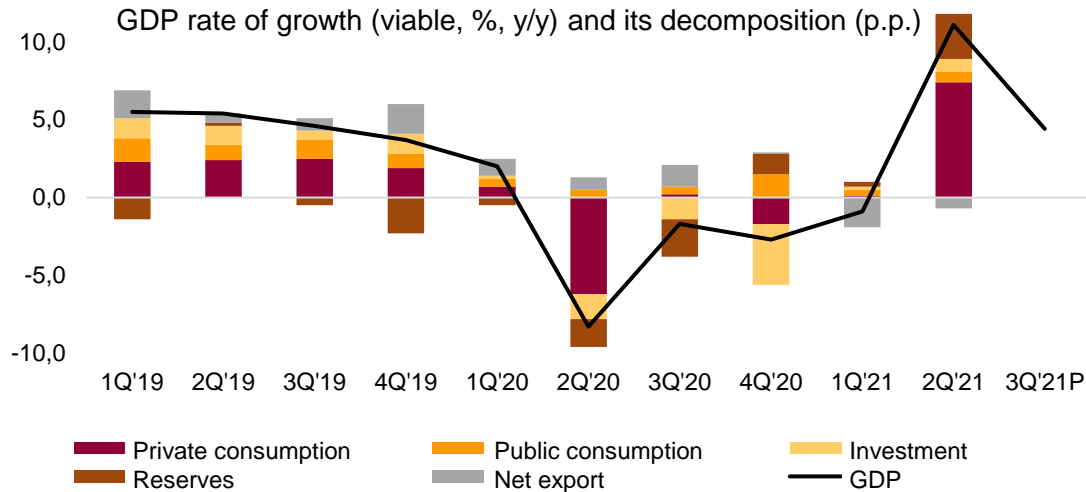
- Innovation, digitisation, high quality of services for Customers
- Improvement of performance by increasing income and reducing costs
- Improvement in the loan portfolio quality
- Growing share of mortgage loans in the portfolio
- Negligible share of CHF mortgage loans in the portfolio
- High sensitivity of net interest income to changes in NBP interest rates



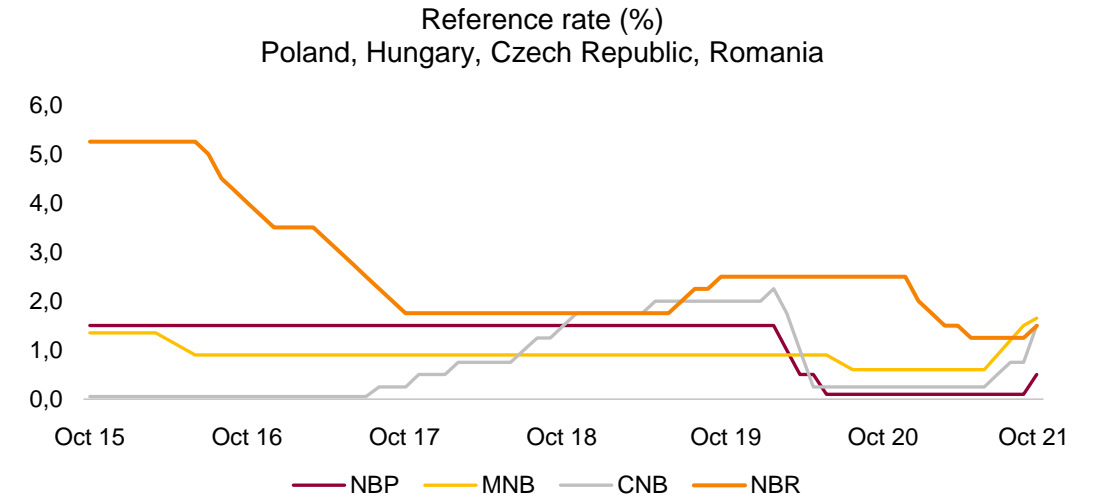
Other information

Increases in GDP, inflation and interest rates

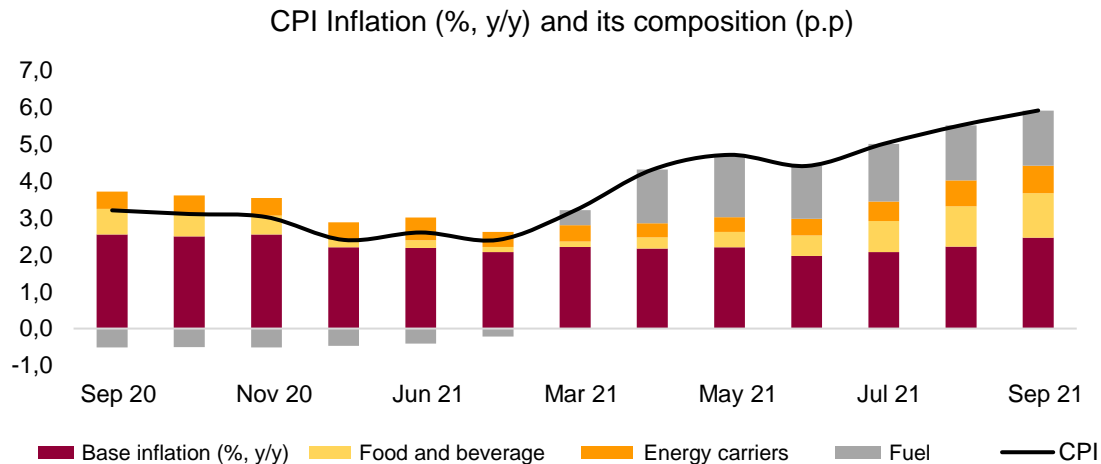
Recovery continued but at a slower pace



NBP starts normalisation of monetary policy...



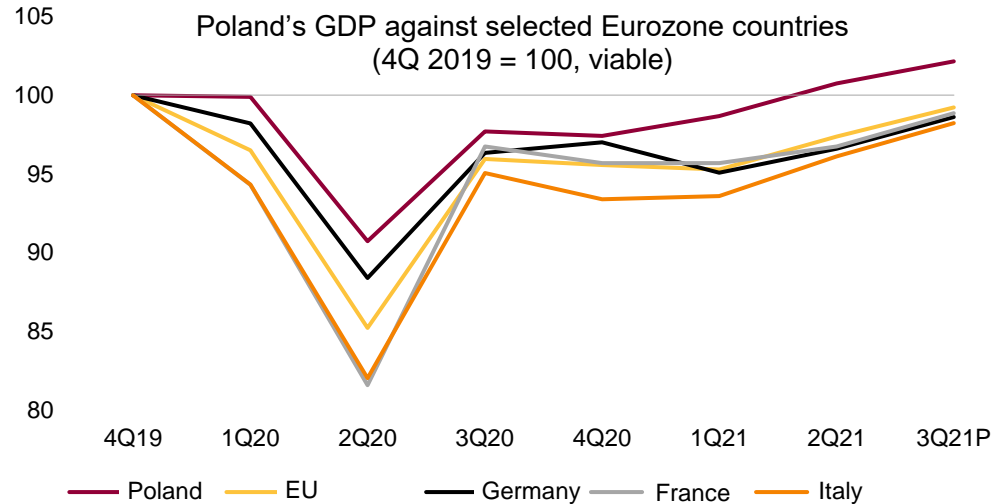
... amid inflation the highest in two decades



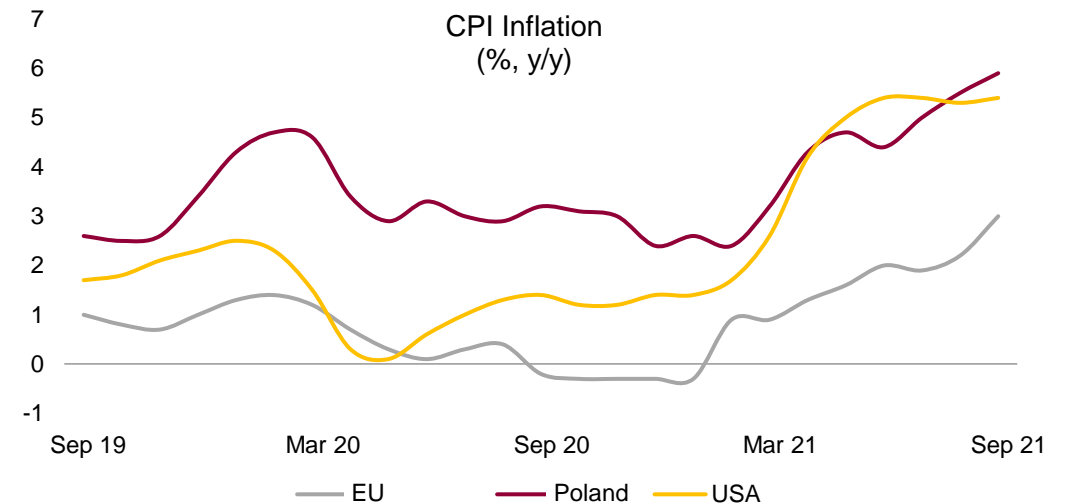
- IIIQ 21 saw the post-crisis recovery in Poland being continued, supported by a significant improvement in epidemic statistics, which in turn resulted in relatively minor epidemic restrictions
- Poland's GDP, after a clear acceleration in IIQ 21 (2.1% q/q), can be expected to slightly slow down in IIIQ and grew by around 1.5% q/q.
- The recovery this far has been mainly driven by private consumption and the realisation of delayed demand
- There is a slight rebound in the area of investments, driven mainly by the private sector
- The recovery is accompanied by high inflationary pressure. Its intensification is largely related to supply and exogenous factors (prices of raw materials, "bottlenecks in international trade"), but in IIIQ 21 there were also demand factors to some extent linked to the re-opening up of parts of the economy affected by the epidemic
- Shortage of raw materials and semi-finished products have been increasingly noticeable, thus hampering a strong recovery in industrial processing and in the construction industry, which is at an early stage of rebound

Poland continues to be the leader... also in terms of inflation

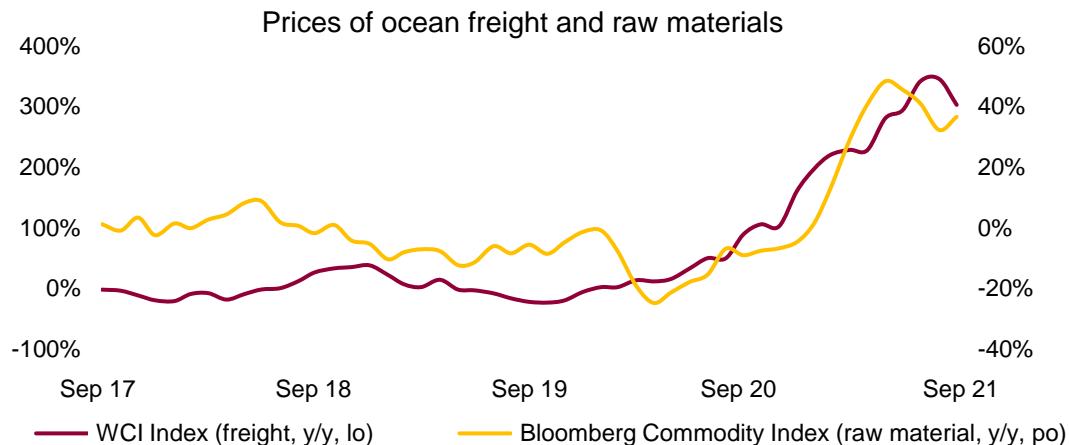
We have been making up for crisis losses relatively quickly



Not only did inflation accelerated in Poland...



...amid persistent supply pressure

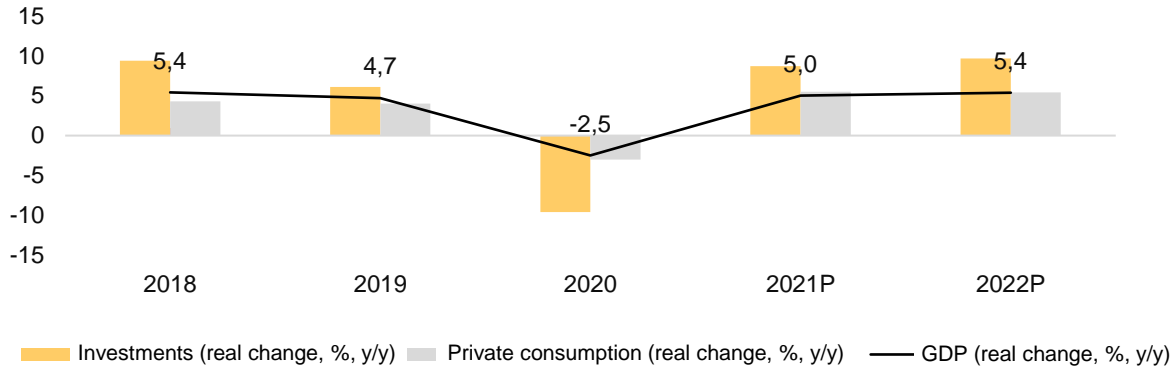


- Poland's economy still stands out positively compared to the EU. Already in IIQ 21 GDP was above the pre-crisis level (IVQ 19), and in IIIQ 2021 it can be expected that it was already approx. 2% higher
- Losses in the Eurozone caused by the crisis were greater than in Poland. IIIQ saw the acceleration of making up for arrears, driven by, inter alia, unblocking services related to tourism and the recovery of international trade
- IIIQ 2021, on the other hand, saw Poland continuing to benefit from considerable diversification in the industry and a relatively small share of the automotive sector, which, due to supply shortages (electronic components), is a huge step-back, e.g. for Germany and countries in the CEE region
- The outlook for recovery remains moderately good in the Eurozone, although it has worsened due to prolonged imbalances in global trade and the energy crisis caused, inter alia, by high prices and shortages of hydrocarbons
- Inflation in the Eurozone has accelerated to above 3% – the highest level in over a decade, which so far is mainly due to supply factors (energy, food)

The outlook remains favourable, yet there is more uncertainty on the horizon

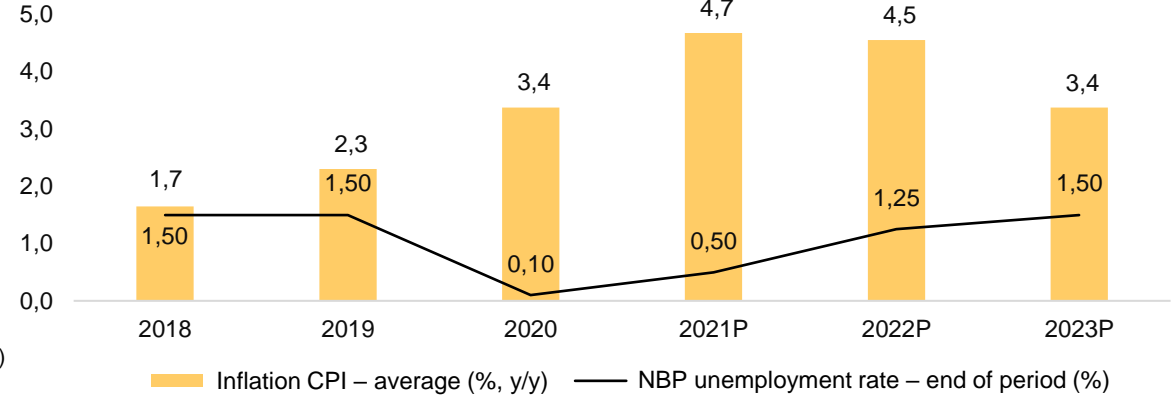
Deferred consumption as a driver of economic rebound

GDP rate of growth along with its main components



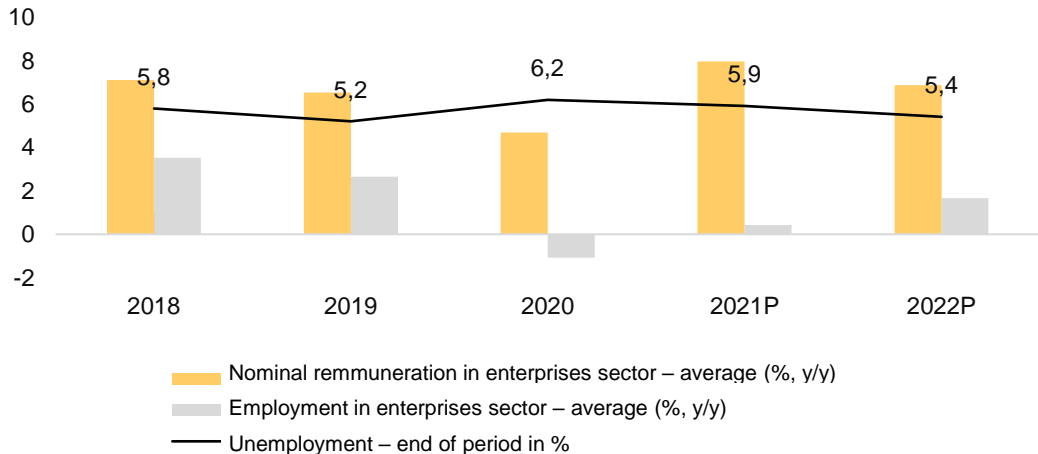
Inflationary pressure will stay longer...

CPI inflation and NBP base rate



...also due to the return of the employee market

Labour market in the enterprise sector and the unemployment rate



- The strong post-crisis recovery observed in the first three quarters of this year should continue in IVQ 21 and subsequent years
- While the current situation remains very good, the economic outlook, however, has slightly deteriorated in recent months. The main reasons include: prolonged supply-demand imbalances in global trade, the risk of an energy crisis in Europe (but also globally, e.g. in China), a prolonged pandemic, or finally a legal dispute between Warsaw and Brussels, which delays the approval of the National Reconstruction Plan – a significant investment impulse for the years to come
- Nevertheless, the economy still has good grounds to continue the recovery. One of them is the good situation of enterprises which, in most industries, made through the last-year crisis relatively unscathed (e.g. thanks to government support), whereas this year in many cases they began to achieve high profitability
- In addition, there is a good situation in the household sector, amid the return of labour demand and the wage dynamics returning to pre-crisis levels.
- The recovery, nonetheless, will be accompanied by high inflationary pressure, which will probably force interest rates to continuously grow and thus a slight cooling of the economy

Customers and the market appreciate services offered by Alior Bank. Triumph in key rankings in 2021



Telemarketer of the Year 2021

In the Telemarketer of the Year 2021 competition, Alior Bank (Remote Service Department) won **two awards in the Help Desk** category and **the Grand Prix** awarded to a group of Alior Bank consultants.



Institution of the Year Award

- **Second place** in the category “The best quality of service in the branch”
- **Second place** in the category “The best quality of service in online channels”



Bankier.pl Award

- *Konto Jakże Osobiste* **was ranked first** in the ranking for the best Account for young people and Account for students
- *Megahipoteka* **was ranked first** in the ranking of mortgage and housing loans
- The Internet Loan **was ranked fourth** in the Cash loans ranking and **third** in the ranking for the best car loan



Kontomaniak.pl ranking

- Alior Bank's Savings Account **was ranked third** in the ranking of savings accounts
- *iKonto Biznes* **was ranked fourth** in the ranking by Kontomaniak
- **First place** in the ranking of Exchange Office



Tanie-Konto.pl ranking

- **First place** for Alior Bank's First Loan in the cash loan ranking
- **First place** in the ranking of online exchange offices and foreign currency
- **Second place** for Alior Bank's consolidation loan *Bezpieczna Konsolidacja*
- **Second place** in the ranking of company accounts



Najlepszekonto.pl rankings

- **First Place** of *iKonta Biznes*
- **First Place** for the Exchange Office



The Bank has been working intensively to build the Sustainable Development Strategy

Alongside the work on the building of the Sustainable Development Strategy, initiatives to shape environmental and pro-social awareness were being implemented.

Selected activities in numbers:

11,400 km was covered during sports activities

579 people got involved in the Eco challenge and improved their eco-habits

45 organisational units took part in environmental initiatives

132 people changed their cars to ecological means of transport

2,530 planted trees

225 kg of feed donated for animals

13 km of cleaned-up roads and the banks of rivers and lakes

85 collected bags of waste



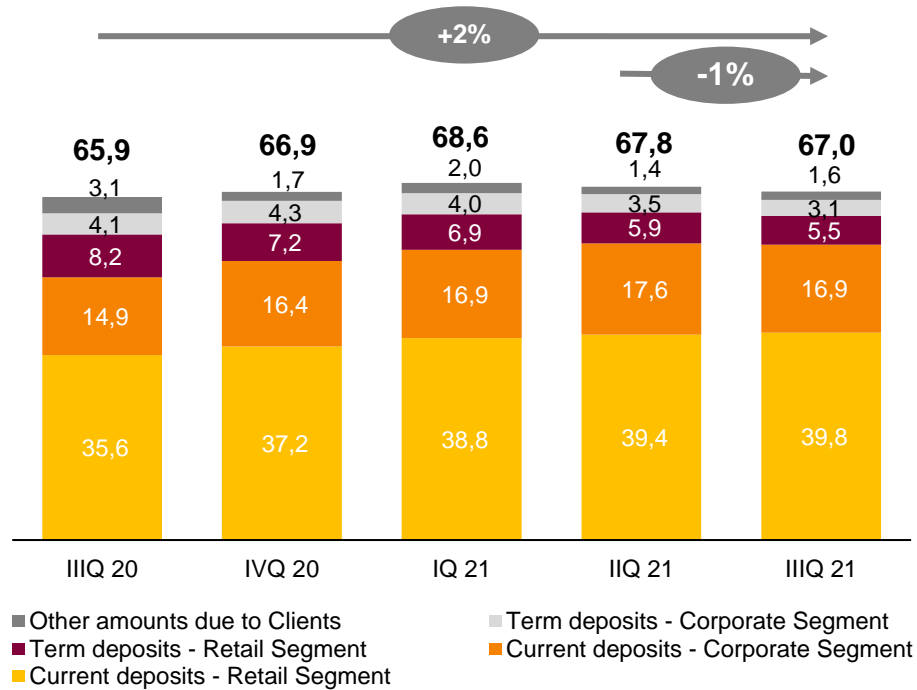
Promotion of the Blood Donation campaign – Alior Bank's Blood Donors include **110 people**, starting the promotion of the campaign in the Bank's branches



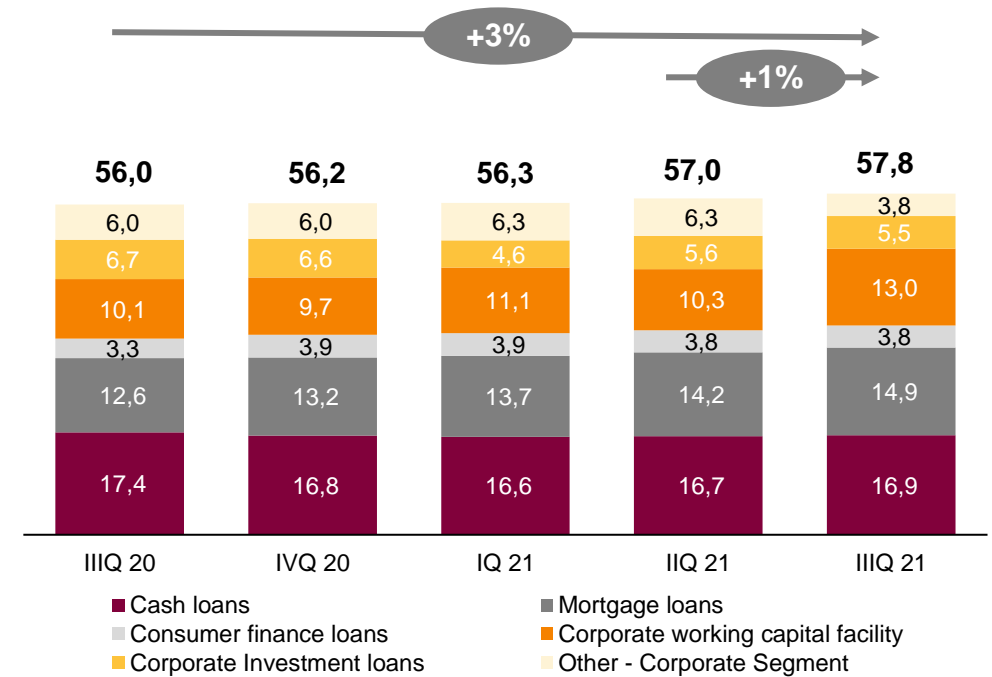
As part of volunteering, we helped **5 families of fire victims** by donating the necessary equipment and stuff, we got involved in **the charity run "Przemyska five for the hospice"** as well as we participated in the campaign **"Involved in helping"**

The Bank adjusts its loan and deposit portfolio to the current market situation

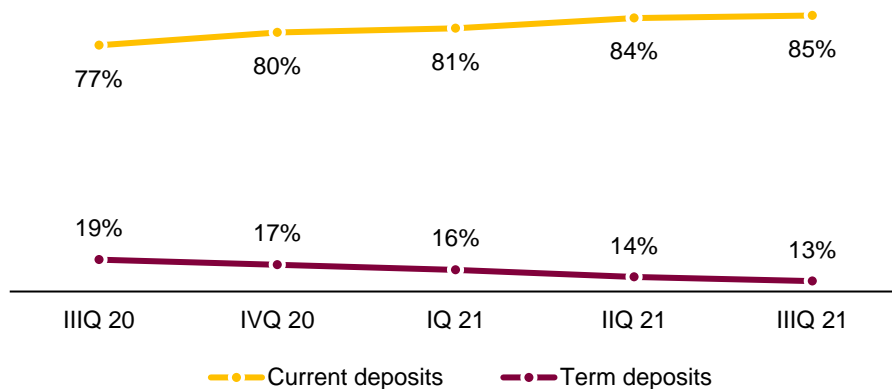
Structure of amounts due to Customers (PLN billion)



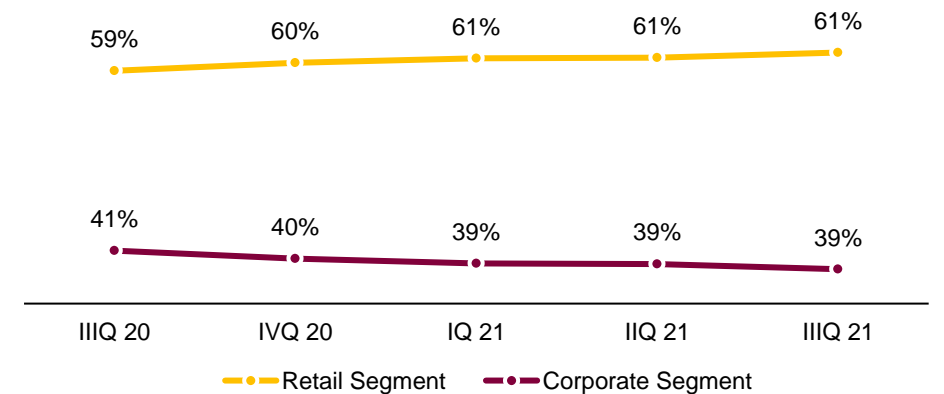
Structure of net loans and advances to Customers (PLN billion)



Structure of amounts due to Customers, by type

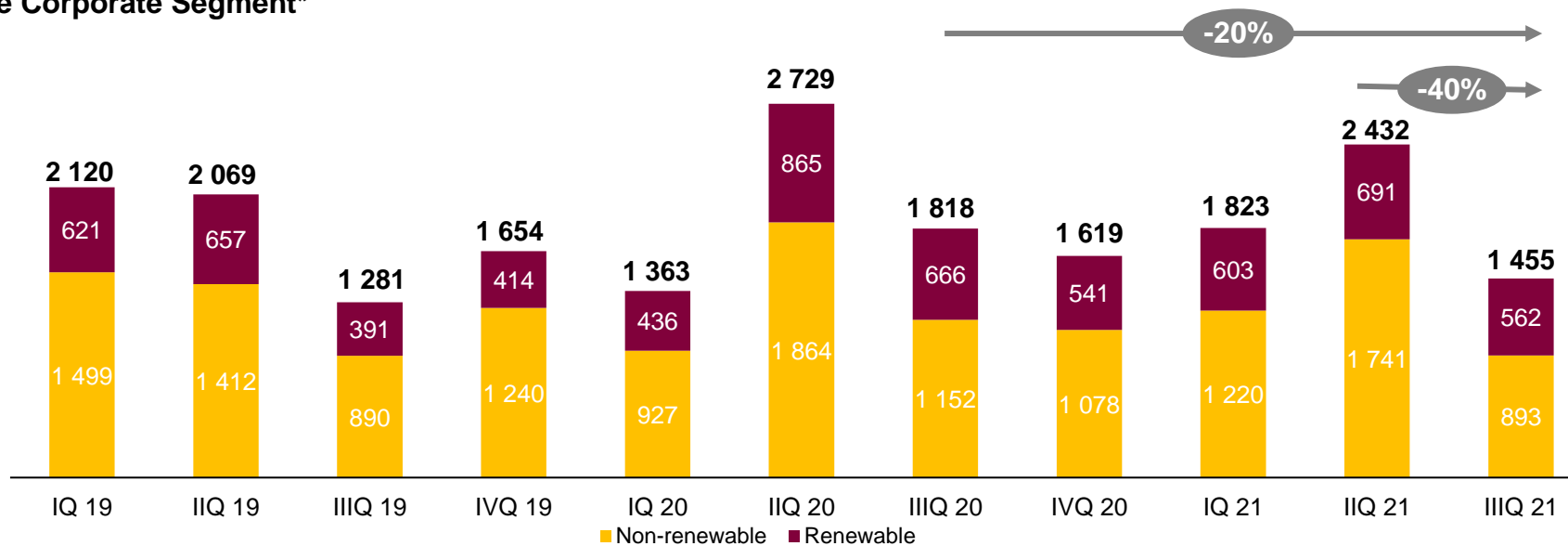


Structure of net loans and advances to Customers, by segments

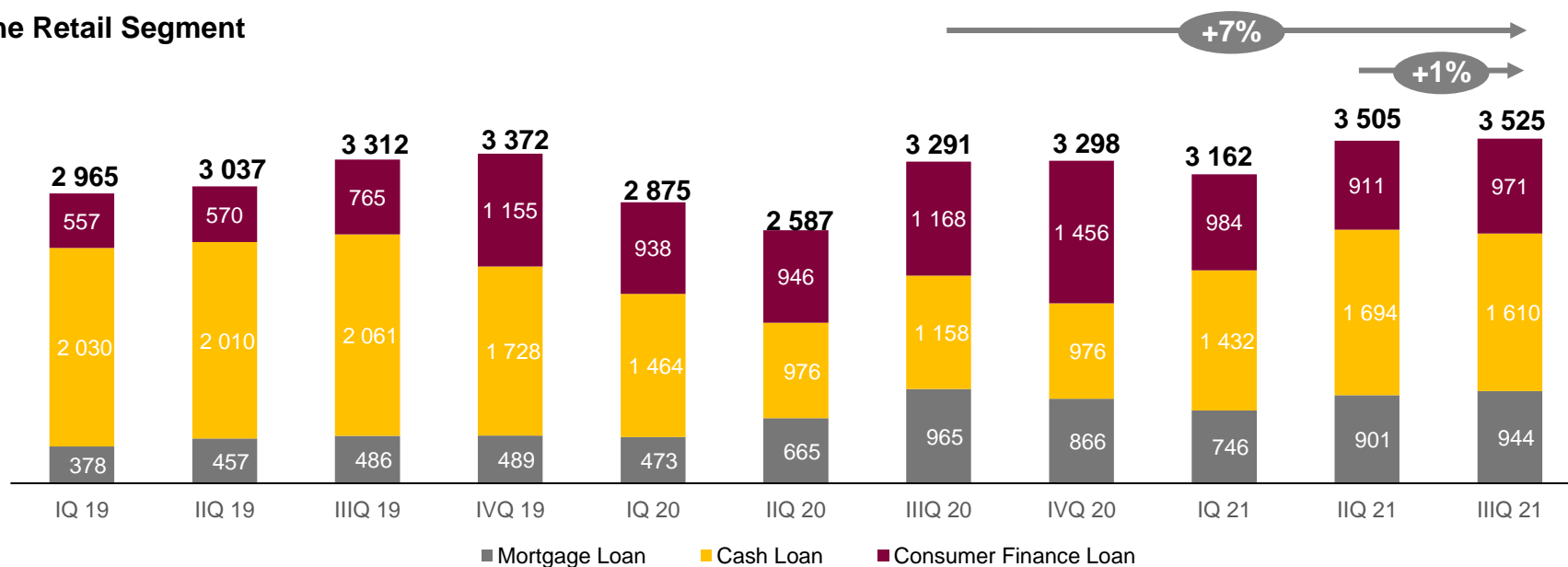


New sale of loans (PLN million)

Sales in the Corporate Segment*



Sales in the Retail Segment



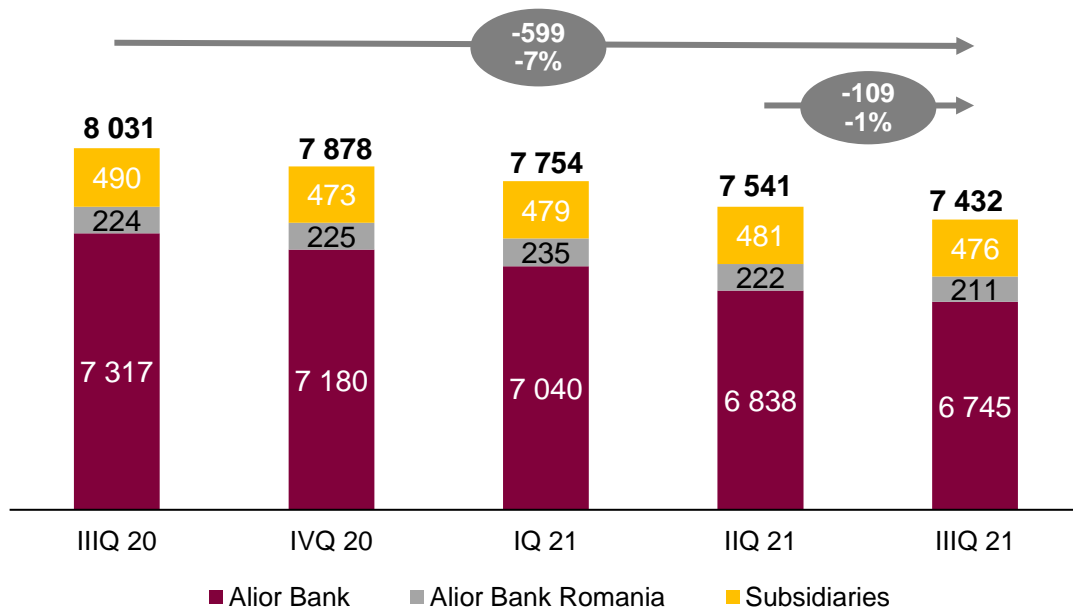
*New sales limit (new sales + increases) for Customers in the Micro- / Small- / Medium- / Large-Sized categories

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

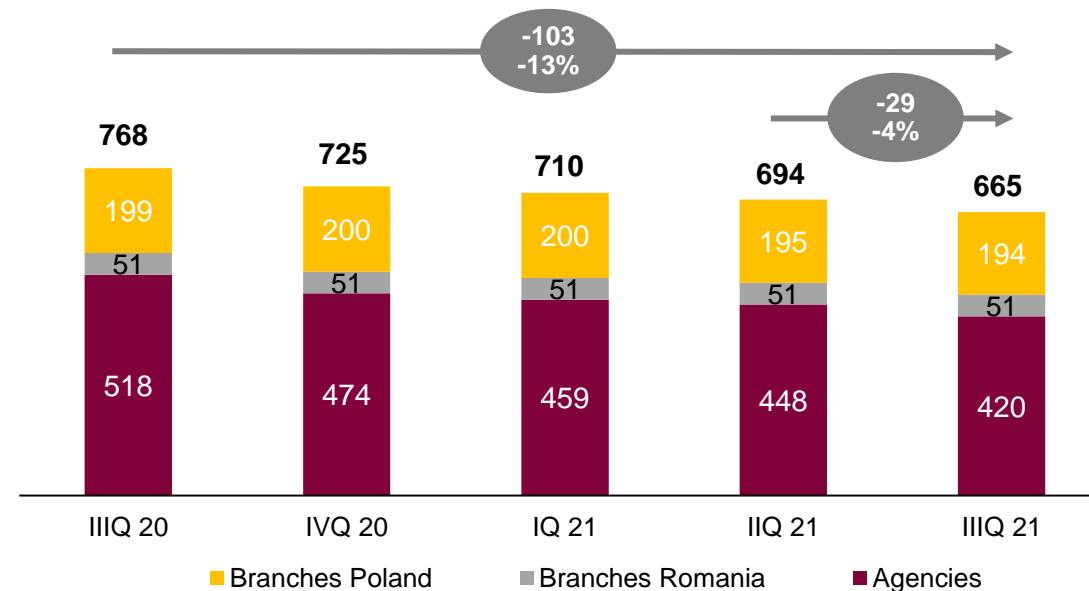
	IIIQ 20	IVQ 20	IQ 21	IIQ 21	IIIQ 21	% q/q	q/q	% y/y	y/y
Total assets	77 717,3	78 642,0	79 880,6	79 035,1	78 201,9	-1,1%	-833,2	0,6%	484,6
Cash and cash equivalents	1 636,9	2 459,9	2 163,6	1 566,4	1 645,3	5,0%	78,9	0,5%	8,4
Amounts due from banks	330,5	508,4	400,5	607,3	629,0	3,6%	21,7	90,3%	298,5
Investment financial assets	15 062,1	15 744,7	17 367,3	16 507,8	14 472,5	-12,3%	-2 035,3	-3,9%	-589,7
Derivative hedging instruments	367,0	335,0	217,7	175,1	131,9	-24,7%	-43,2	-64,1%	-235,1
Loans and advances to customers	55 995,9	56 215,4	56 272,6	57 028,4	57 833,3	1,4%	804,8	3,3%	1 837,4
Assets pledged as collateral	1 270,6	446,5	558,9	130,9	602,1	360,0%	471,2	-52,6%	-668,5
Property, plant and equipment	700,1	702,4	693,7	709,3	734,0	3,5%	24,6	4,8%	33,9
Intangible assets	461,4	425,1	420,6	418,0	422,6	1,1%	4,6	-8,4%	-38,8
Investments in associates	5,3	5,3	0,0	0,0	0,0	-	0,0	-100,0%	-5,3
Asset held for sale	140,2	0,0	0,0	0,0	1,7	-	1,7	-98,8%	-138,5
Income tax asset	1 222,5	1 218,3	1 232,3	1 241,6	1 176,3	-5,3%	-65,4	-3,8%	-46,2
Other assets	524,8	581,1	553,6	650,3	553,3	-14,9%	-96,9	5,5%	28,6
Total liabilities and equity	71 251,7	72 082,4	73 334,5	72 452,9	71 601,3	-1,2%	-851,6	0,5%	349,6
Amounts due to banks	1 063,2	912,4	827,3	717,9	617,6	-14,0%	-100,3	-41,9%	-445,6
Amounts due to customers	65 868,1	66 875,9	68 621,7	67 832,8	66 953,9	-1,3%	-879,0	1,6%	1 085,7
Financial liabilities	493,3	501,9	256,6	183,8	132,6	-27,9%	-51,2	-73,1%	-360,8
Derivative hedging instruments	88,8	86,2	137,7	169,3	256,8	51,7%	87,5	189,1%	167,9
Provisions	356,7	336,6	310,8	283,6	285,5	0,7%	1,8	-20,0%	-71,3
Other liabilities	1 408,3	1 569,9	1 572,2	1 732,8	1 801,4	4,0%	68,6	27,9%	393,1
Liabilities held for sale	172,3	0,0	0,0	0,0	0,0	-	0,0	-100,0%	-172,3
Income tax liabilities	1,9	6,7	3,1	3,5	17,6	408,8%	14,1	826,8%	15,7
Subordinated loans	1 798,9	1 793,0	1 605,1	1 529,2	1 536,1	0,4%	6,9	-14,6%	-262,8
Equity	6 465,7	6 559,6	6 546,1	6 582,2	6 600,7	0,3%	18,5	2,1%	135,0
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	5 399,6	5 399,6	5 399,6	5 403,7	5 403,7	0,0%	0,0	0,1%	4,0
Revaluation reserve	237,6	217,3	93,9	6,0	-125,2	-	-131,2	-	-362,8
Other reserves	166,9	161,8	161,8	161,8	161,8	0,0%	0,0	-3,0%	-5,1
Foreign currency translation differences	-0,5	-1,6	-0,2	0,3	-0,4	-	-0,7	-18,5%	0,1
Accumulated losses	-211,8	-211,8	-522,7	-527,0	-527,0	0,0%	0,0	148,8%	-315,2
Profit for the period	-431,6	-311,2	108,1	231,9	382,3	64,8%	150,4	-	813,9
Total liabilities and equity	77 717,3	78 642,0	79 880,6	79 035,1	78 201,9	-1,1%	-833,2	0,6%	484,6

Additional information

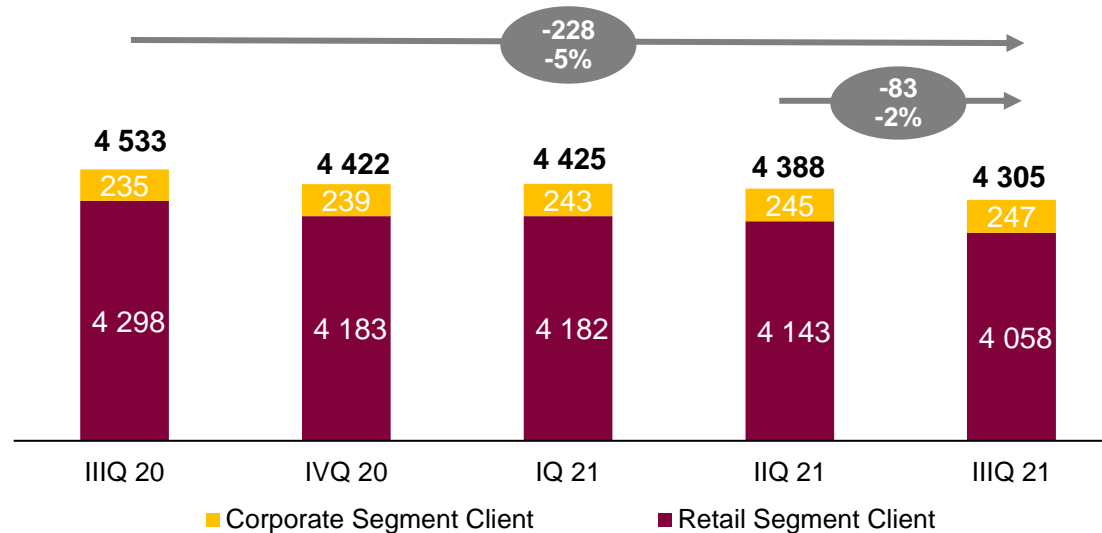
Employment (FTEs)



Alior Bank's branches

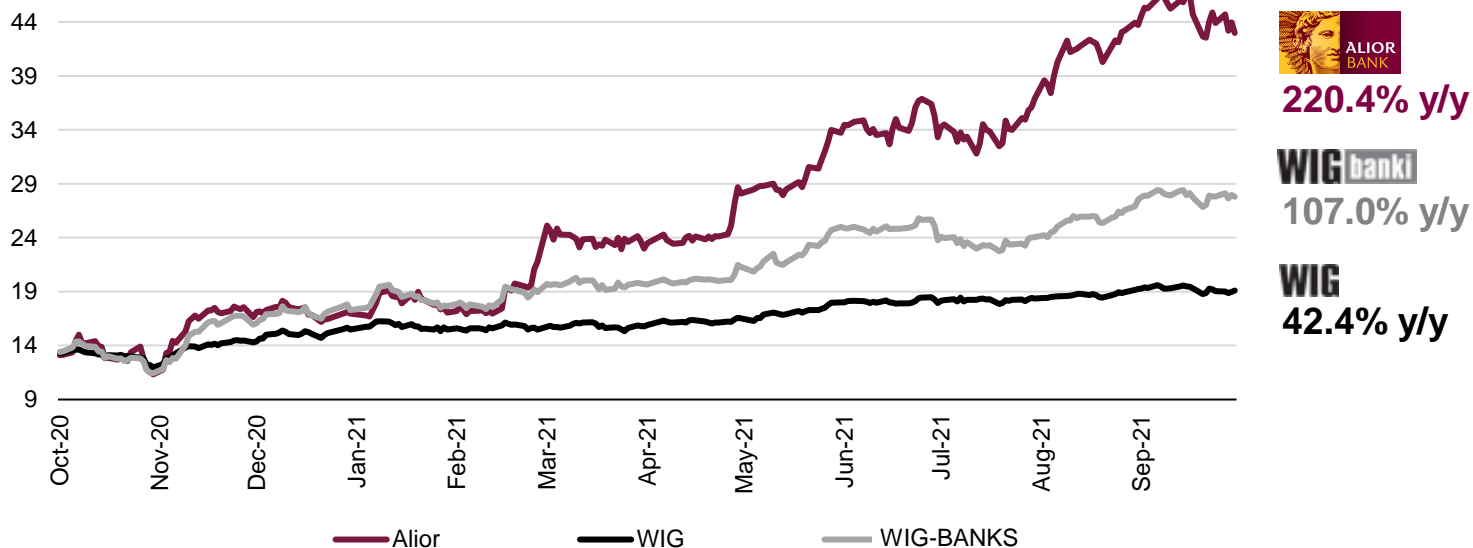


Number of Customers (K)

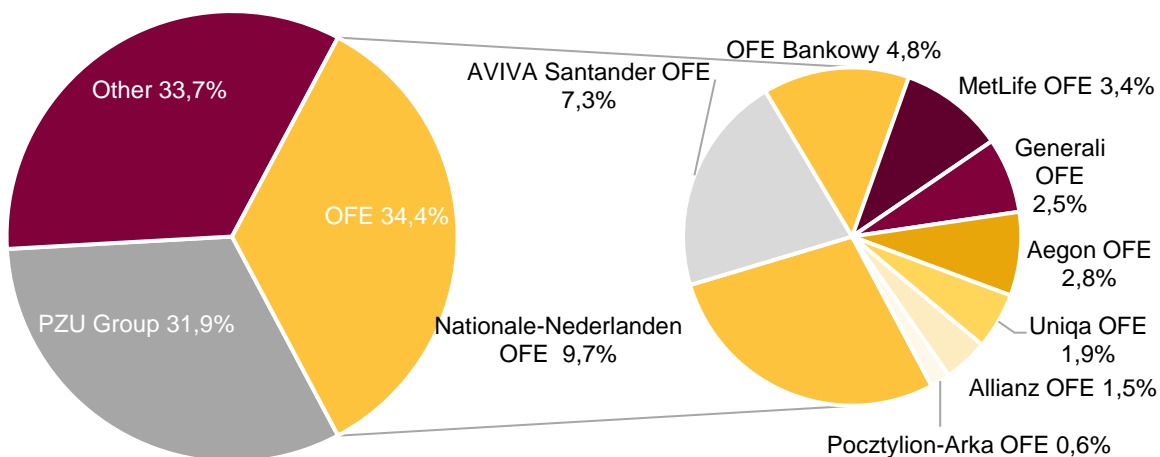


Alior Bank S.A. – stock performance, shareholding structure, ratings

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



Shareholding structure*



Alior Bank share price: **PLN 43.0**
 (data as at 30 September 2021)
 Market capitalisation: **PLN 5.6 billion**
 Value of free float: **PLN 2.9 billion**
 P/BV: **0.85x**

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

Fitch rating:
 long-term: BB
 short-term: B
 outlook: negative

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

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

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



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