



Alior Bank S.A.

Presentation of results for 2021



1. Operating activities

2. Credit risk

3. Financial results

4. Other issues



Operating activities

Yet another quarter of good financial results

In 2021, revenues amounted to PLN 3.64 billion

- interest result PLN 2.8 billion (-2% y/y)
- commission income PLN 767 million (+21% y/y)

In IVQ 21, revenues amounted to PLN 935 million

- interest result PLN 758 million (+14% y/y)
- commission income PLN 216 million (+22% y/y)

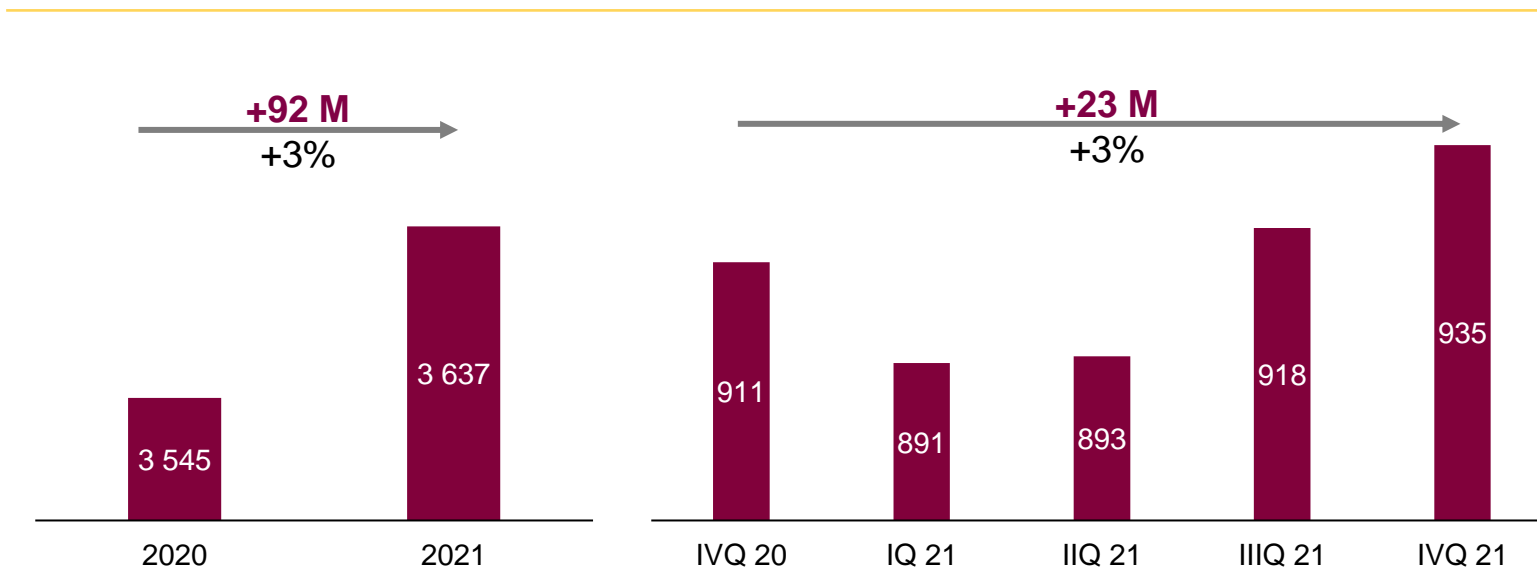
Alior Bank's net profit amounted to PLN 482 million in 2021 and increased by PLN 793 million compared to the result for 2020.

The net profit in IVQ 21 amounted to PLN 99,6 million.

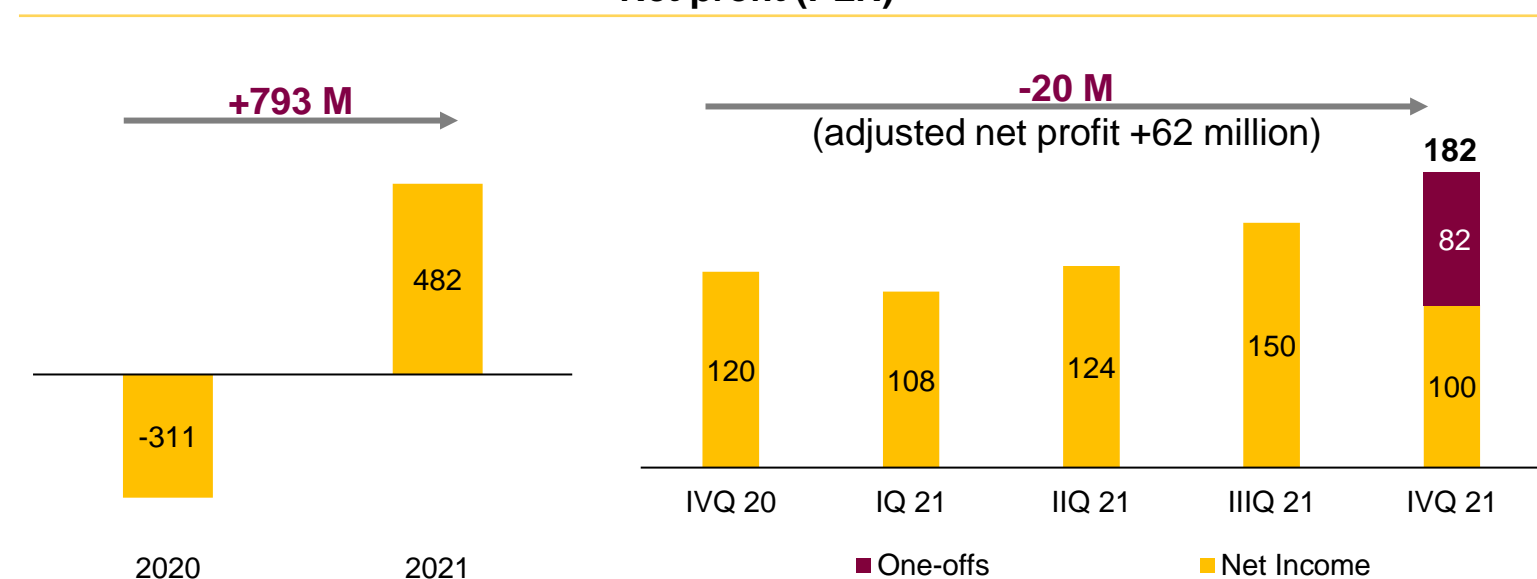
One-off events, which in IVQ 21 burdened the Bank's net result totalled approx. PLN 82 million (PLN 21 million for legal risk related to foreign currency mortgage loans, PLN 25 million for tax asset write-off related to the operations of the Bank's branch in Romania and PLN 36 million of provisions for commission refunds – „small CJEU”).

Adjusted net profit in IVQ 21 amounted to PLN 182 million.

Total revenues (PLN)

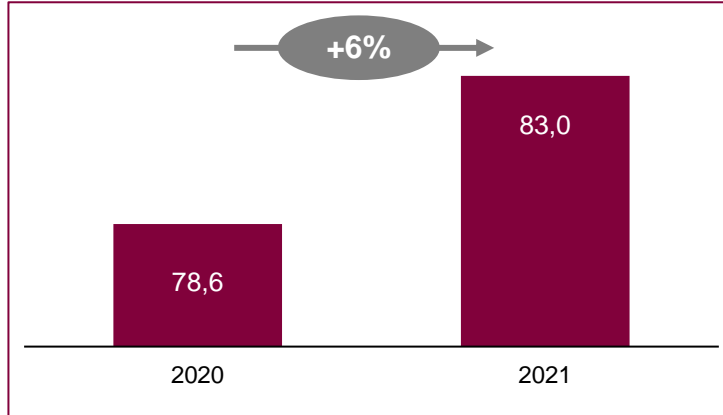


Net profit (PLN)

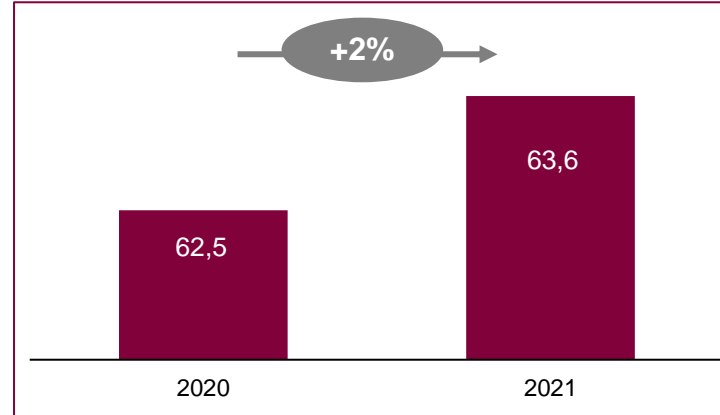


Stable growth of the Bank, consistent improvement in efficiency

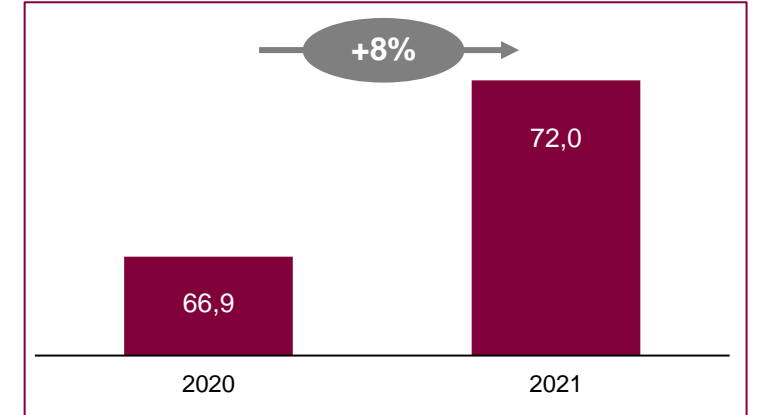
Assets (PLN billion)



Gross loan volume (PLN billion)



Deposits volume* (PLN billion)



C/I 2021

43.5%

-3.4 p.p. y/y

ROE 2021

7.7%

+12.4 p.p. y/y

CoR 2021

1.6%

-1.2 p.p. y/y

NIM 2021

3.75%

-0.17 p.p. y/y

TCR 2021

14.16%

-1.67 p.p. y/y

C/I IVQ 20

41.9%

-1.7 p.p. y/y

ROE IVQ 20

6.3%

-1.0 p.p. y/y

CoR IVQ 20

1.54%

+0.06 p.p. y/y

NIM IVQ 20

4.01%

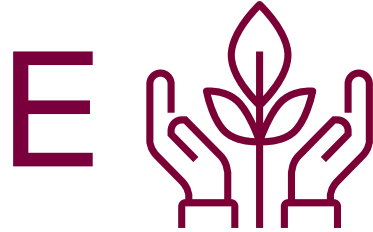
+0.39 p.p. y/y

NPL 2021

11.77%

-2.71 p.p. y/y

We have been constantly pursuing our strategic goals in the ESG area, making use of the strengths of Alior Bank and taking care of all stakeholders



Environmental Protection

Pro-ecological transformation

- Low-emission
- Paperless and plasticless
- Digitisation and robotisation

Financing of business transformation

- Green products for all customer segments



Social responsibility

Dialogue and cooperation

- Dialogue with stakeholders
- ESG Partnership Network
- Cooperation with startups

Mental and physical health

- Making use of the potential of the PZU Capital Group
- Mental health programme
- Promotion of prevention and physical activity



Corporate governance

High management standards

- ESG Committee and involvement of the Bank's Management Board
- Development of ESG competences throughout the Bank

Transparency and compliance

- Simple and understandable communication
- Transparent disclosures, including report and ESG rating
- Regulatory compliance

↑ NtB from key segments

↑ Relational NPS

↑ Employee engagement index

↓ C/I

↓ COR

Activities in the ESG area support the business goals set in the “More than a Bank” strategy





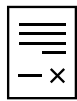
Environmental Protection

Financing the transformation

-  **8+3** eco-products and eco-benefits for individual and business customers
-  **> 14 thousand** new New Customers (NtB) thanks to the Eco Instalments KI product
-  **> 20 thousand** agreements for ECO KI products

↑ NtB from key segments

Pro-ecological transformation

-  Electronic signature in branches on a tablet, SMS authorisation and Autenti digital signature
-  **> 450 thousand** monthly tasks for robotic operations
-  - 5.5 billion pages of paper documentation thanks to the robotisation of processes only*




↑ Relational NPS

↓ C/I



Social responsibility

Dialogue and cooperation




-  - **14,000** complaints y/y thanks to the feedback loop continuous improvement mechanism
-  A dialogue platform based on a map of stakeholders and surveying their needs
-  Building a roadmap of ESG activities involving all areas in the Bank

↑ Employee engagement index

↑ Relational NPS

↓ C/I



Mental and physical health

-  **5.6 thousand** employees use PZU Zdrowie insurance, and **4.9 thousand** PZU Życie sponsored insurance
-  **12** sports sections and access to a platform with psychological support for employees and their families
-  Possibility of purchasing medical packages by business customers



Corporate governance

High management standards



-  Establishment of the ESG Committee under the patronage of the CEO and CRO
-  Balance in managerial positions (**51%** women vs **49%** men)

↑ Employee engagement index

↓ COR

↓ C/I

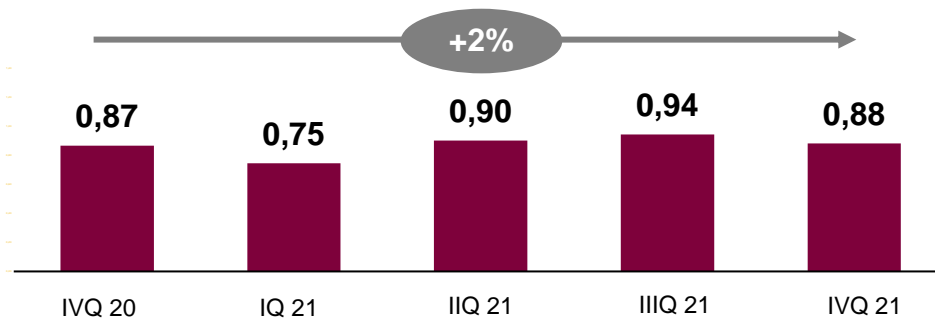
Transparency and compliance

-  **> 2600** number of agreements with simplified content under the programme *W punkt*
-  The extended format of a non-financial report, taking into account the new requirements of the so-called taxonomy

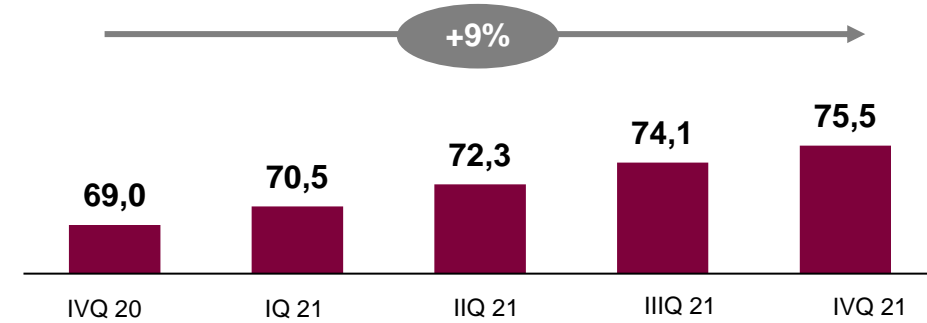
Development of the Bank's key products – mortgage loans*



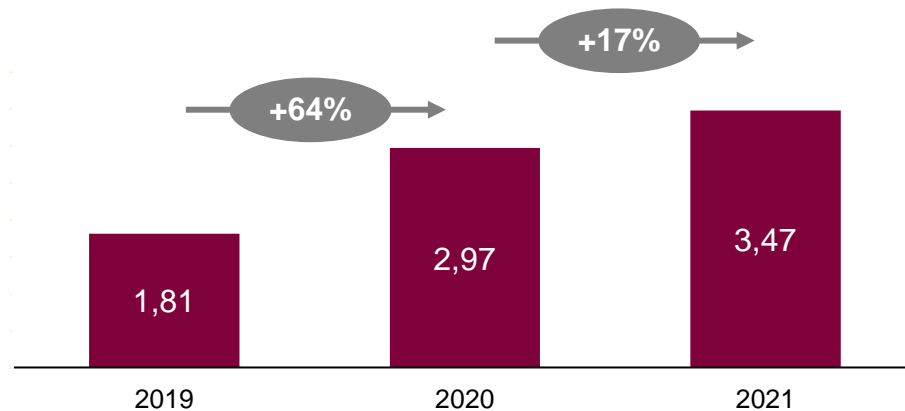
Sale of mortgage loans (PLN billion)



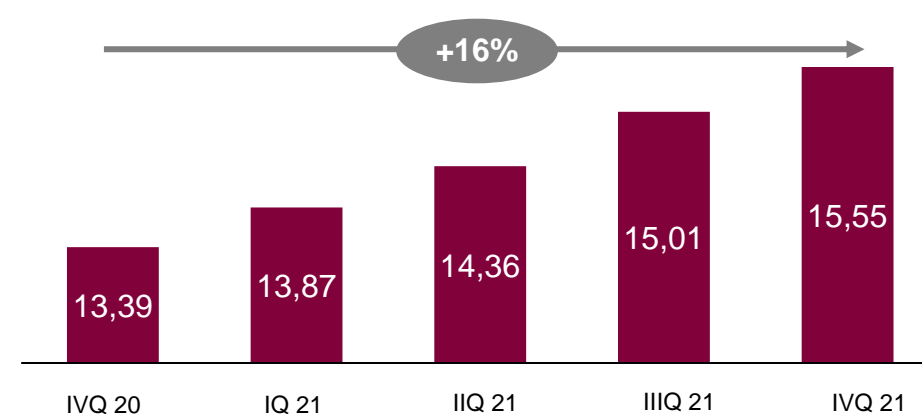
Number of Customers with a mortgage loan (K)



Sales of mortgage loans cumulatively (PLN billion)



Gross mortgage portfolio (PLN billion)



Market share
2.9%

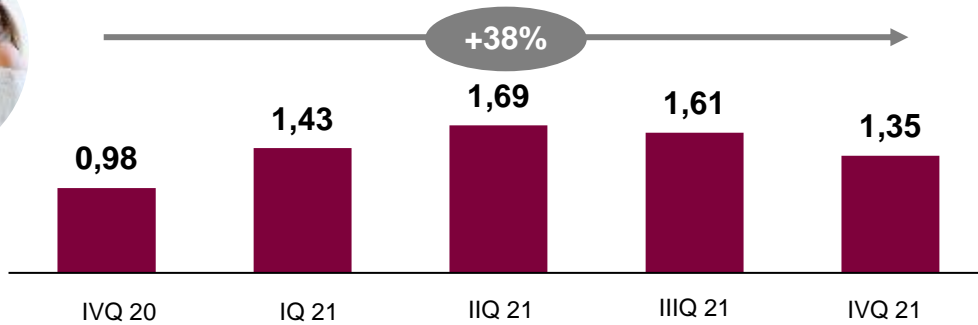
- The Bank has been consistently building a portfolio of mortgage loans. 2021 saw Alior Bank having a 2.9% share in the housing loan market (the share in sales in 2021 was 4.1%)
- Alior Bank has been continuing its activities aimed to increase brand recognition in the mortgage loan market – the Bank 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.]

* Individual Customer – residential real estate loans

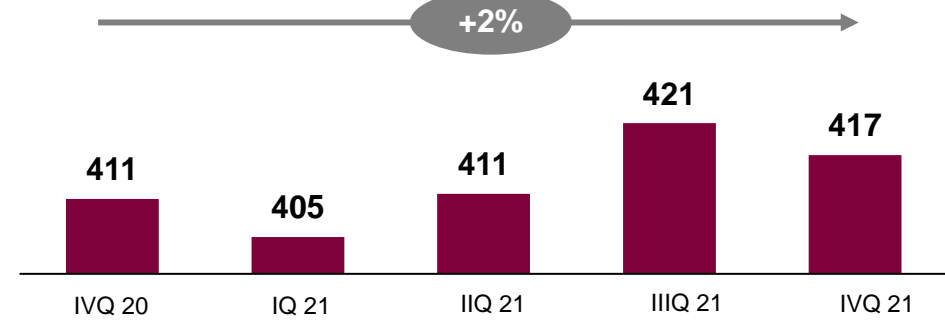
Development of the Bank's key products - cash loans*



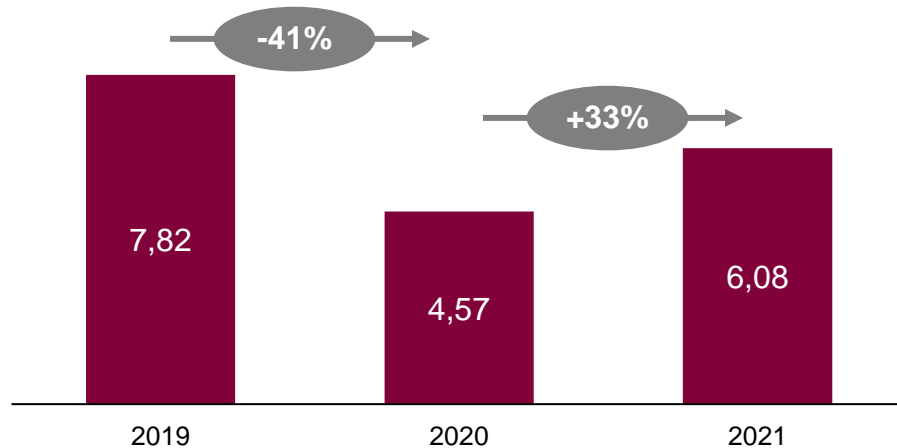
Sale of loans (PLN billion)



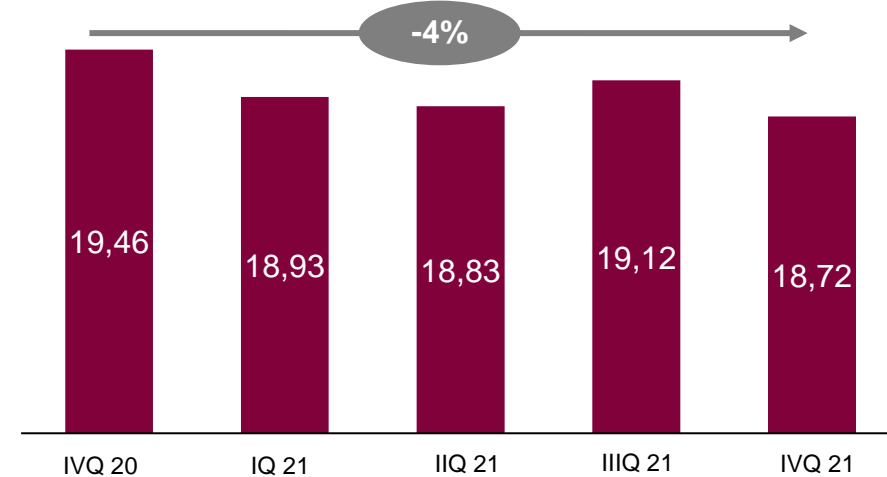
Number of Customers with a loan (K)



Sales of cash loans cumulatively (PLN billion)



Gross consumer loan portfolio (PLN billion)



Market share
11.4%

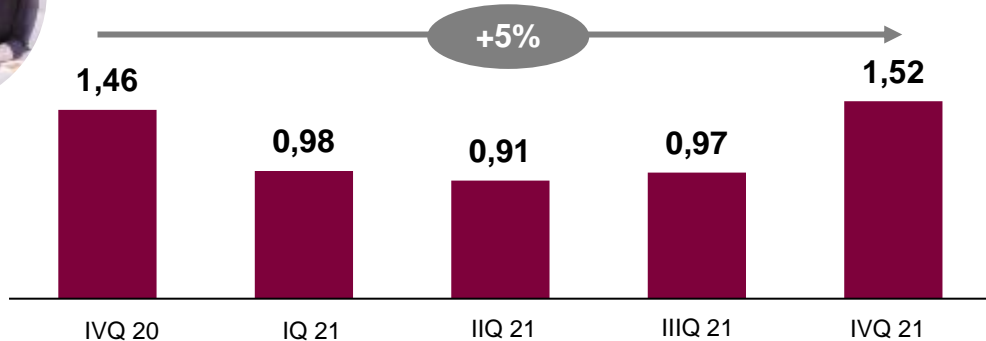
- In the area of unsecured loans, the Bank has been focused on customer relationship and loyalty – for this purpose, it successfully developed a new product line, based on multi-product sales (automatic calculation of offer parameters)
- The Bank has been continuing its strategy of developing loan sales in remote channels by deploying innovative processes (including digital signature enabling access to credit documents in the cloud)
- H1 2021 saw the offer in the ECO segment being developed: a product was implemented based on a subsidy from the Clean Air programme and a loan for the purchase of electric cars on preferential financial terms

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

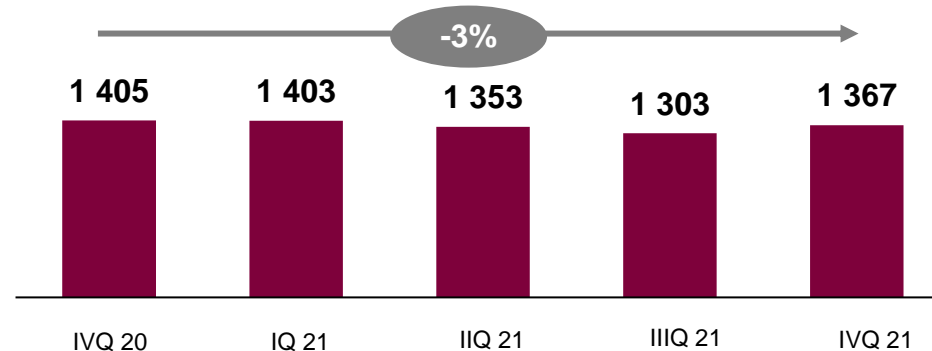
RETAIL
CUSTOMER



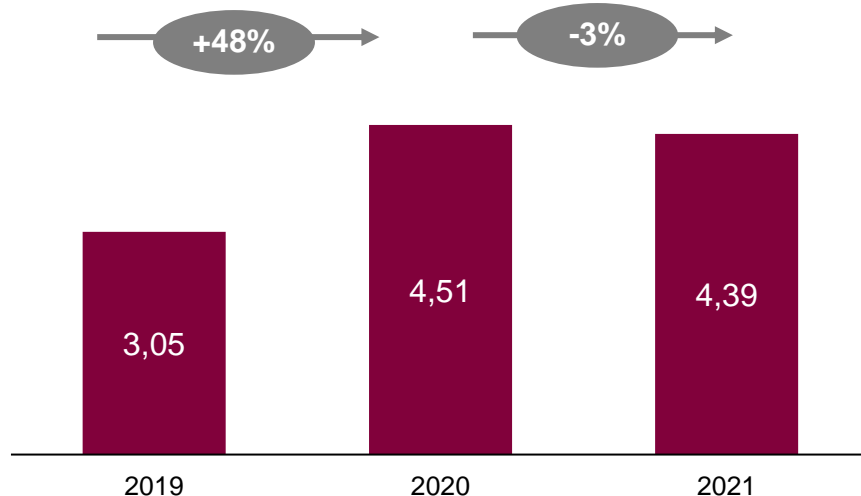
Sale of CL loans (PLN billion)



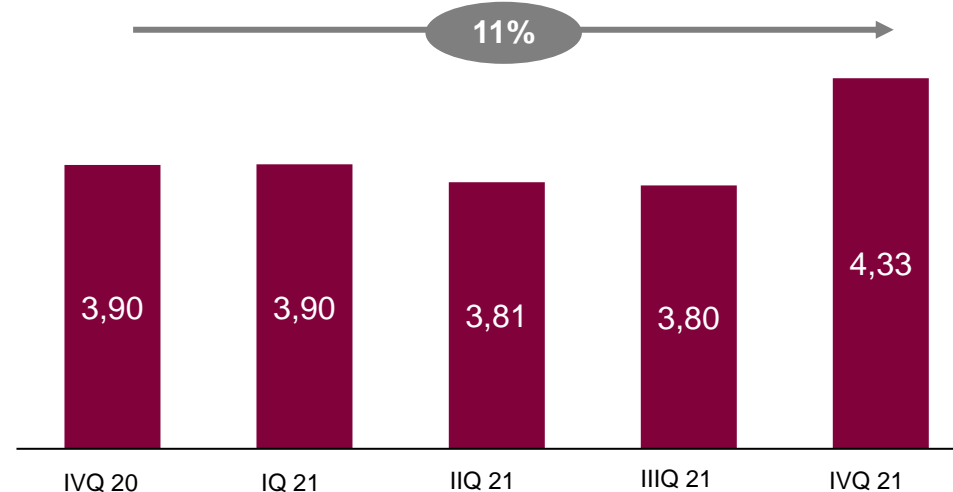
Number of CF Customers (K)



Sales of CF loans cumulatively (PLN billion)



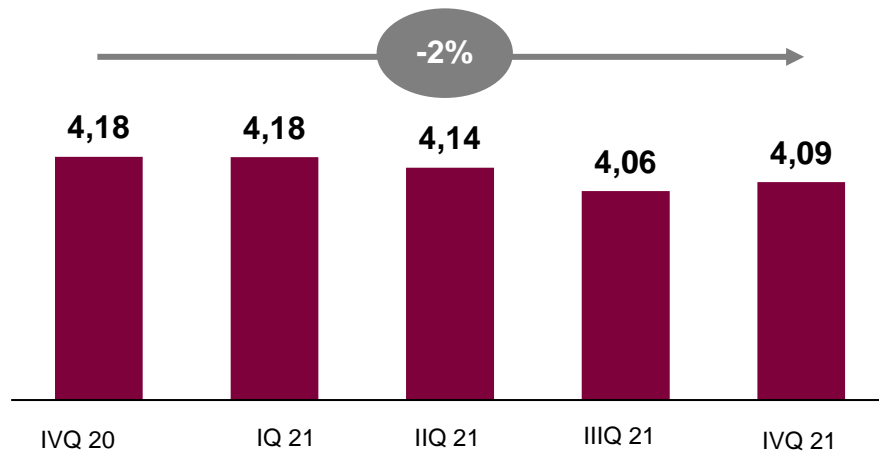
Gross loan portfolio (PLN billion)



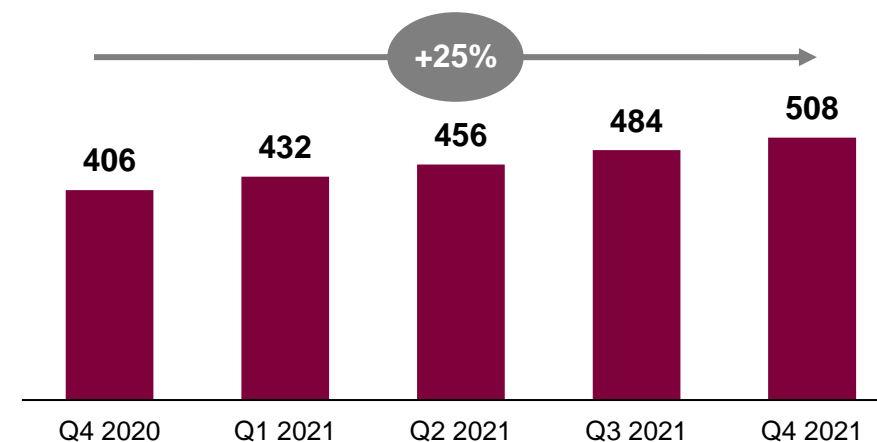
Market
share
17.8%

- In the segment of Consumer Finance loans, the Bank recorded a record-breaking sales volume in Q4 21
- Dynamic increase in sales in the ECO segment, mainly for financing photovoltaic installations
- Making available on a large scale, in cooperation with partners, of promotional offers such as “free instalment” or “deferred instalments”

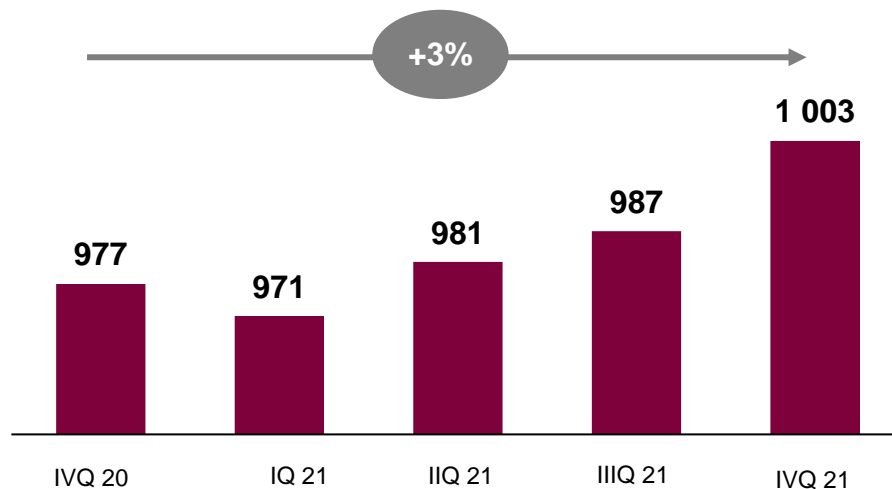
Number of Individual Customers* (million)



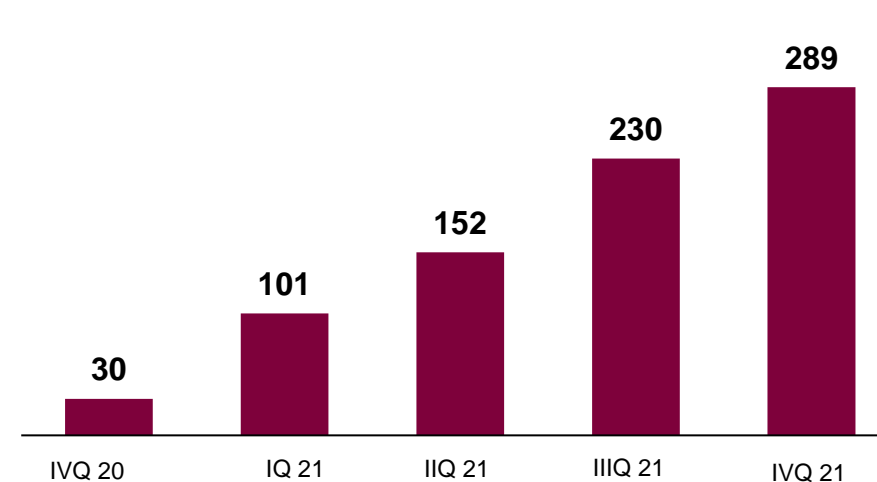
Number of accounts "Konto Jakże Osobiste" (thousand)



Number of Customers with systematic incomes (thousand)

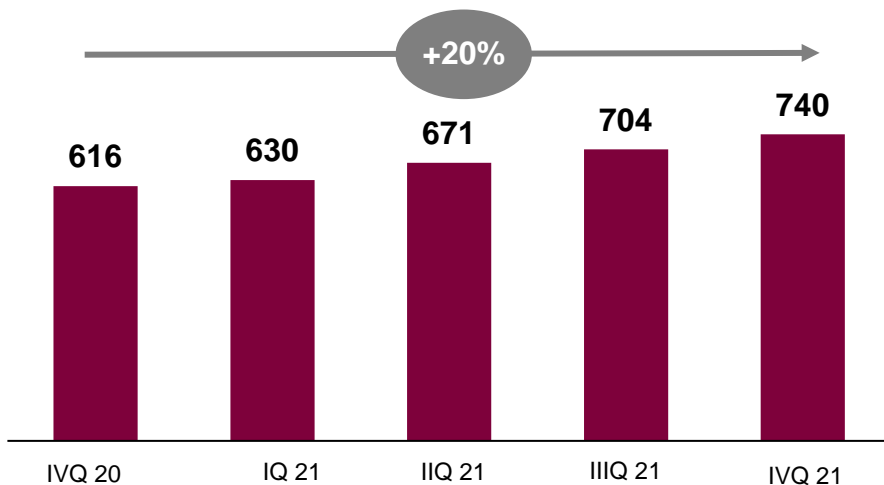


Number of motorway journeys and tickets paid in the Alior Mobile application (thousand)

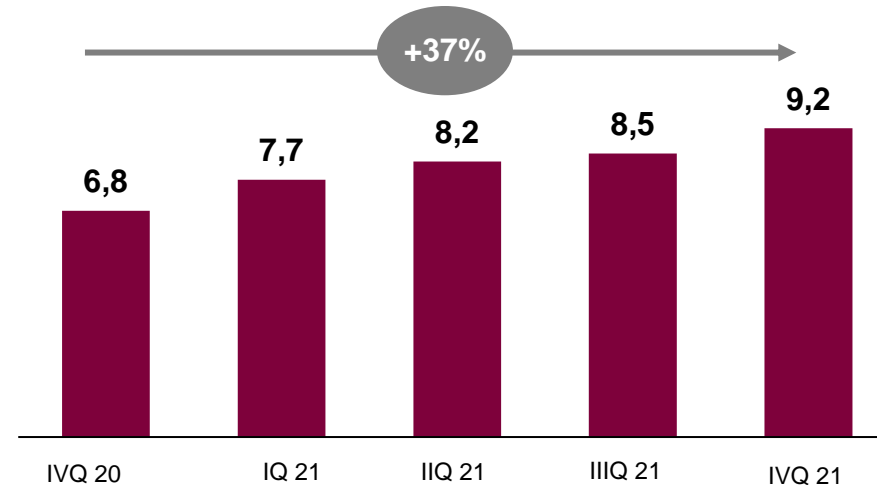


Growth in digital channels importance

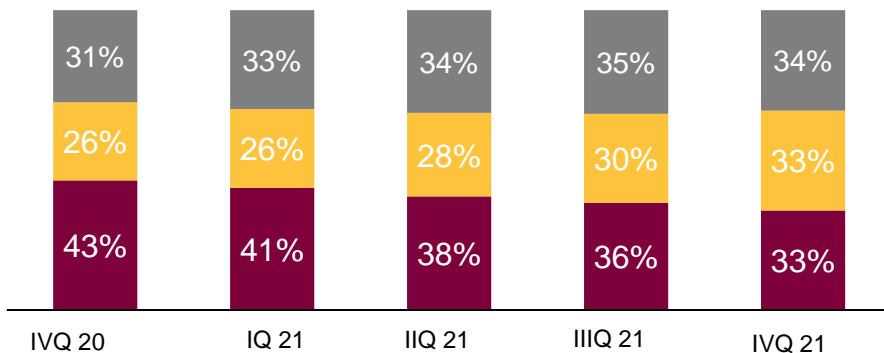
Users of Alior Bank mobile applications (thousand)



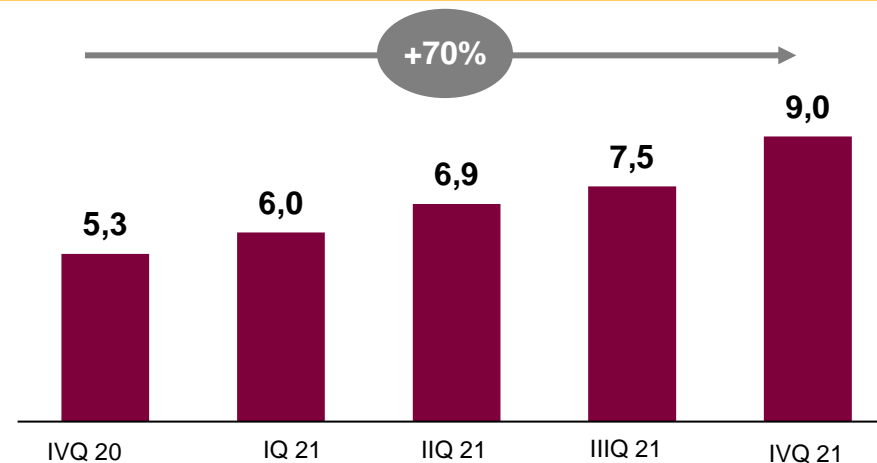
Number of transfers ordered in the Alior Mobile application (million)



The structure of using Alior Online and Alior Mobile



Number of BLIK transactions (million)



- Alior Online only
- Alior Mobile only
- Alior Mobile and Alior Online

4.3 / 5
Google Play rate

4.6 / 5
AppStore rate



Increasing the coverage area of the “Clean Air” offer

Providing a loan offer with a grant from the National Fund for Environmental Protection and Water Management as part of the Clean Air programme at the Bank’s Partner Outlets.



Instant card tokenisation

Introducing the service of immediate tokenisation of a payment card for customers of *Kantor Walutowy*



Development of remote sales

Expanding the remote sale to include cash loans with unemployment insurance.



Safe Payment Campaign

Campaign promoting the security of push payments in Alior Mobile banking



Contactless BLIK-C payments

The possibility of contactless payments with BLIK without having to enter the codes.



Dark mode in the mobile application

Extending the functionality, thanks to which customers can adjust the Alior Mobile application to their preferences.



Daily Banking



Current account - benefits package:

- No fees for current account and debit card for the first 12 months
- No fees for domestic and foreign transfers to Ukraine
- Debit card issued in branches – instant process
- Free of charge withdrawals from domestic and foreign ATMs available for Konto Jakże Osobiste

Alior currency exchange online platform (Kantor Walutowy):

- EUR and USD sell or buy to PLN at interbank rates
- Free transfers in every currency
- Multi-currency card free of charge



Customer Service

- Call Center in Ukrainian available 9am to 5pm
Phone number: 19502 or +48 12 370 70 00
- Onboarding process improvement: just one document required for customer identification:
 - Ukrainian Passport (visa is not required)
 - Polish residents card
 - Temporary foreigner identity certificate

Mobile Banking and eBanking



- Alior Mobile in Ukrainian – to be launched by March, 4th
- Alior Online – website banking application in Ukrainian - to be launched by March, 4th
- Kantor Walutowy – application in Ukrainian – will be made available in 3 weeks' time



Multi Channel Customer Communication

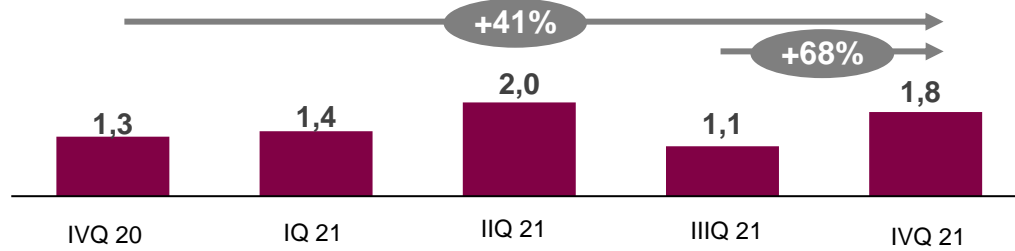
- Alior Bank's website in Ukrainian
- CRM communication in Ukrainian – prepared; to be sent in coming days
- Social media special offer communication

Development of the business customer segment

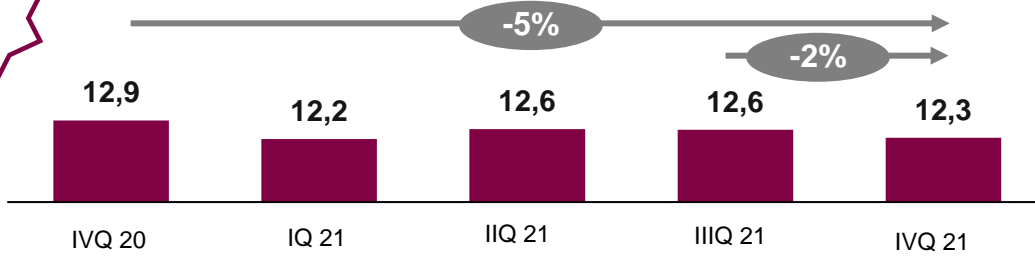


Segment: Small / Medium / Large

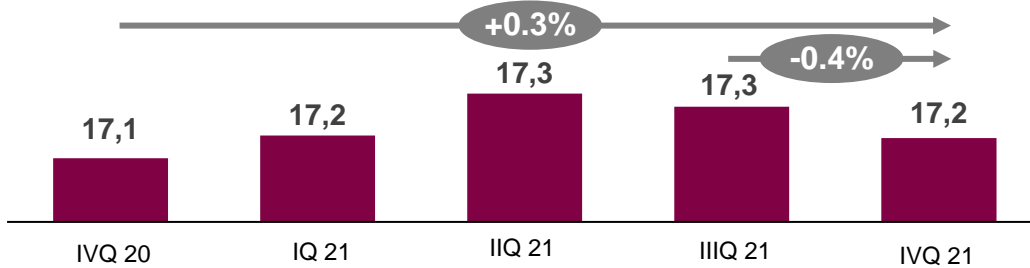
Total overdraft facility granted (PLN billion)



Asset balance (PLN billion)



Number of customers with an account (thousand)

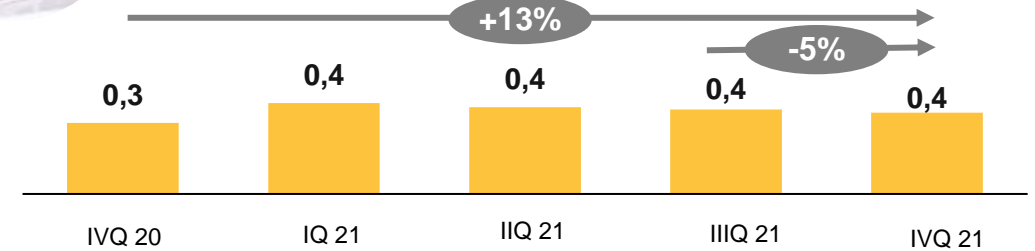


Market share*
3.0%

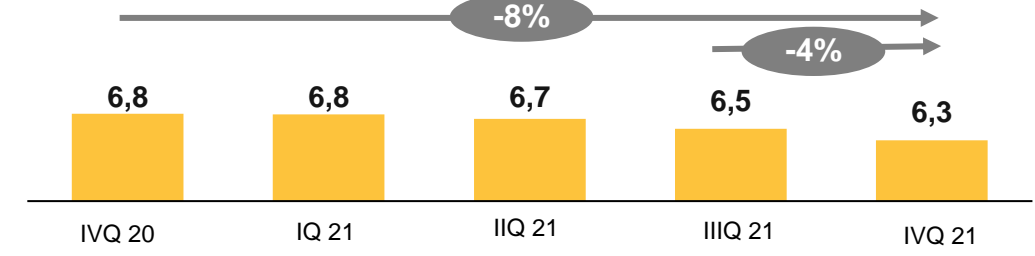


Micro segment

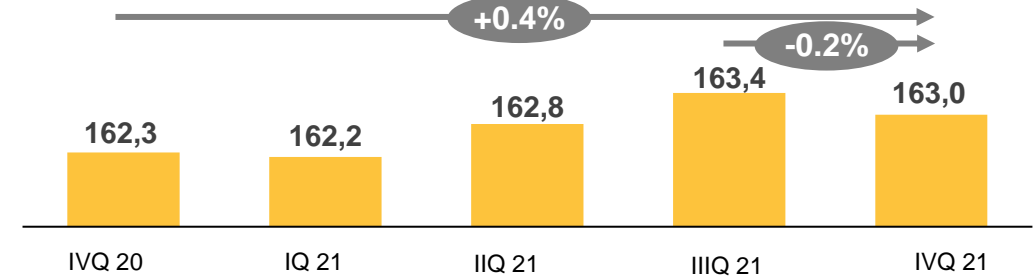
Total overdraft facility granted (PLN billion)



Asset balance (PLN billion)



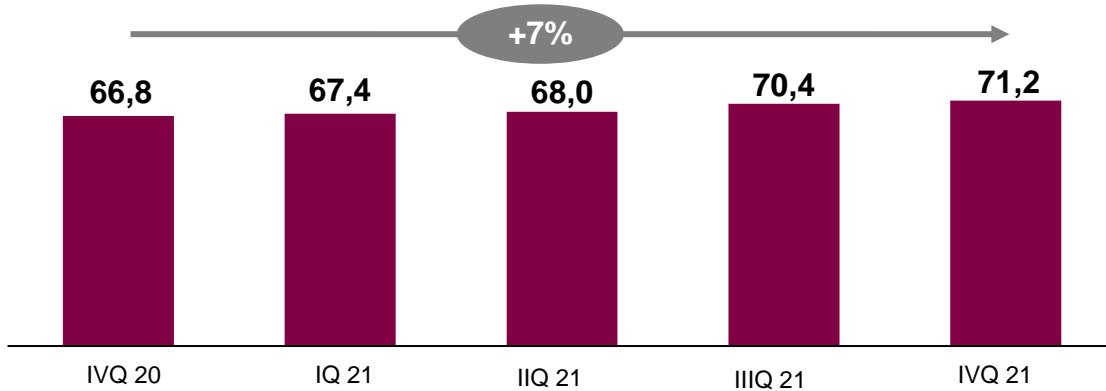
Number of customers with an account (thousand)



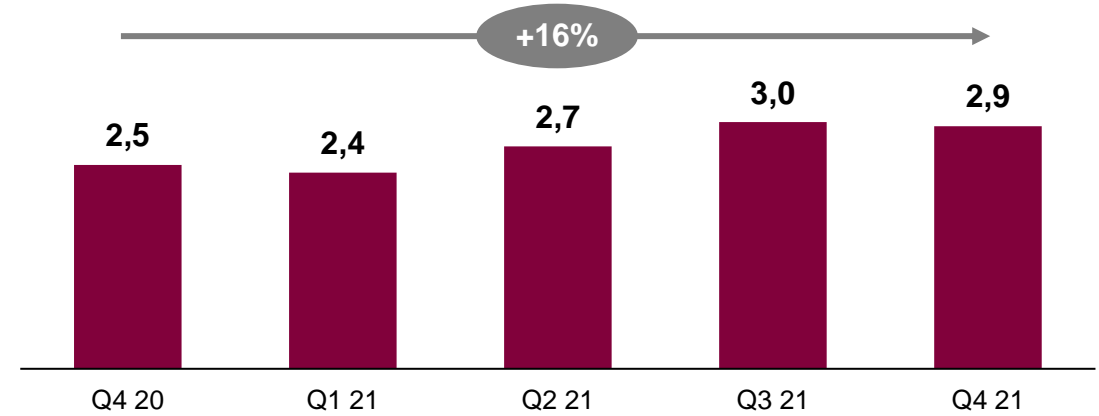
The strategy to enhance the quality of the loan portfolio causes a decrease in the number of customers and the value of the loan portfolio, however, it has a positive impact on the increase in revenues of the business customer segment, as well as a decrease in risk costs.

Positive effects of the strategy of building relationships with a business customer – increased transactionality

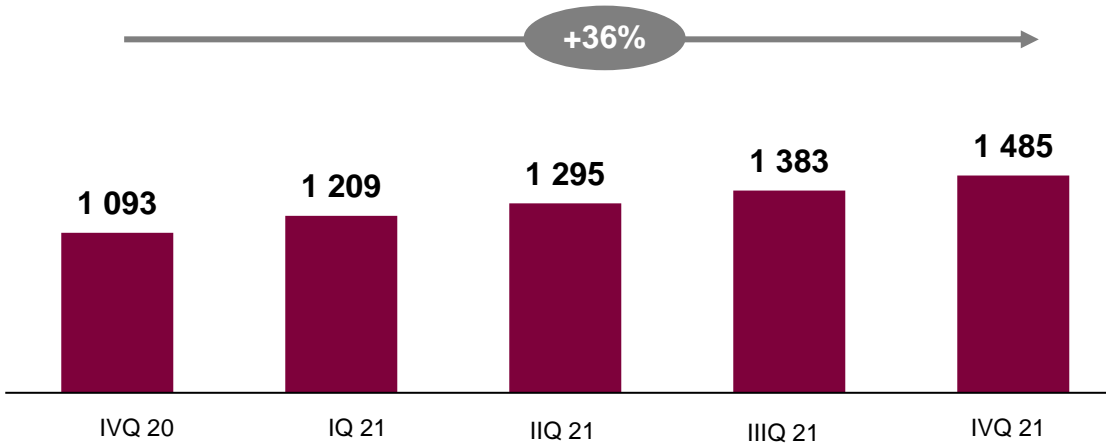
Number of actively used cards (thousand)



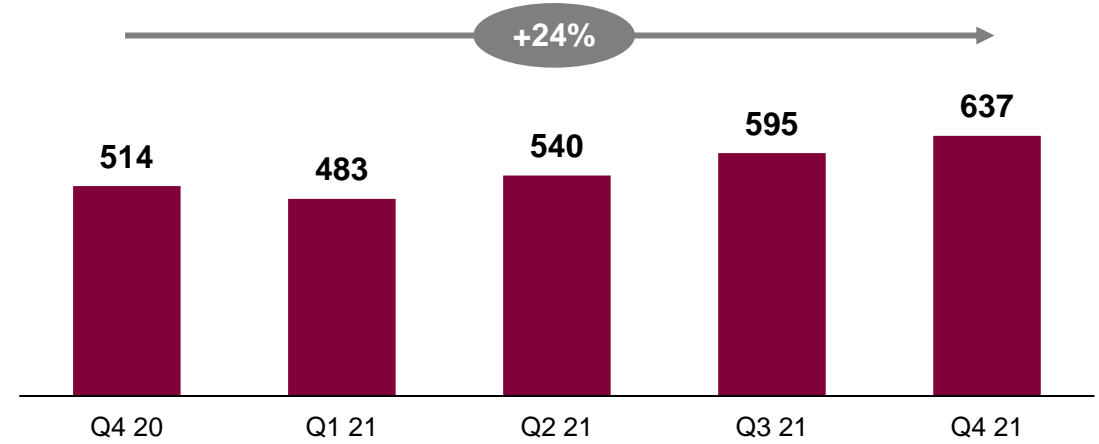
Number of cashless transactions with payment cards (million)



Number of Customers with BankConnect



Volume of non-cash transactions (PLN million)



The increase in sales of key transactional products has a positive effect on the result of the business customer segment. Thanks to the consistent policy of building and consolidating relationships with Customers, Alior Bank is often treated as a bank with a main relationship.

Accident and healthcare insurance – a novelty in the offer for companies



Health care insurance and against the consequences of accidents



Do you run a business and have a corporate account at Alior Bank?

Provide yourself, your family and employees, as well as their relatives, with medical consultations and diagnostic tests in the event of illness or accident.

Advantages of the offer:

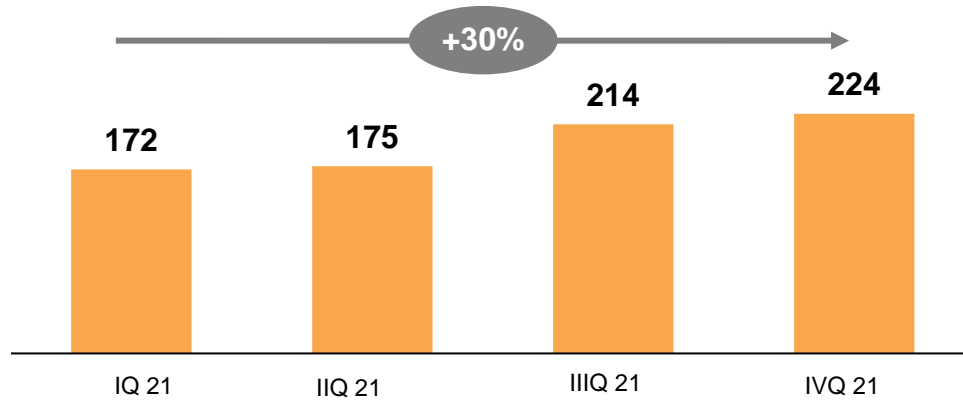
- Protection of **an entrepreneur, family member and employee**
- Over **2,200 PZU Zdrowie outlets** throughout the country
- **Medical consultations without referrals**, diagnostic tests and rehabilitation in case of illness
- **Access to specialists** in a maximum of 5 business days
- Four **attractive variants** to choose from:



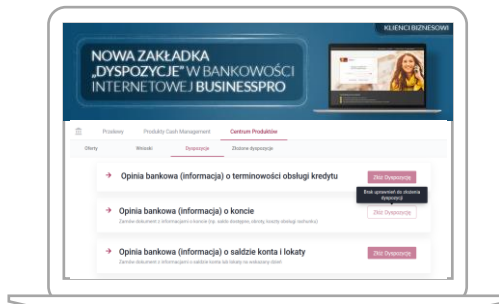
Podstawowy	Standardowy	Premium	Dziecko
35 zł miesięcznie	45 zł miesięcznie	65 zł miesięcznie	55 zł miesięcznie

Remote support (Segment: Micro / Small / Medium / Large)

Sale of cards and auxiliary accounts in Internet Banking



- **New after-sales module in BusinessPro**
- Automated giving of instructions
- In preparation: loan applications, MPT accounts, agreement repository

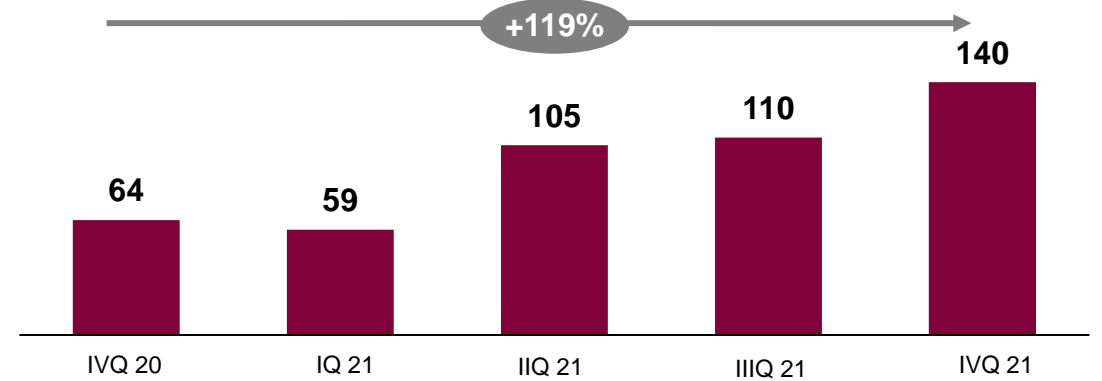


32%

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

Automatic decisions (Segment: Small / Average / Large)

New sales in automatic decisions (PLN million)



Novelties in the automatic process:

- Servicing companies owned by other companies and servicing reports audited by the statutory auditor
- Loan renewals for those Customers who have switched to a lump sum accounting method

Promotions:

- 0% initial commission on the overdraft facility
- 50% of the preparatory commission for Micro and SmallSegments

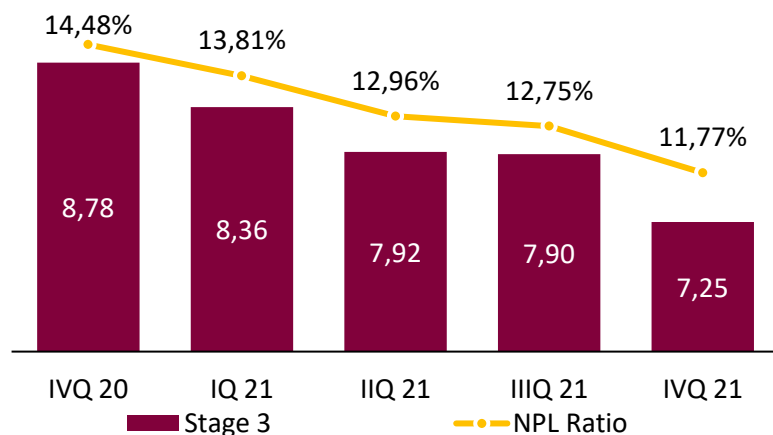




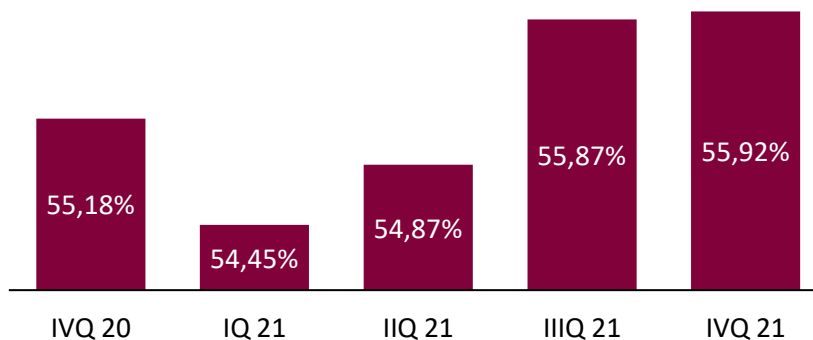
Credit risk

Stable level of the Bank's risk costs and a noticeable improvement in the quality of the loan portfolio

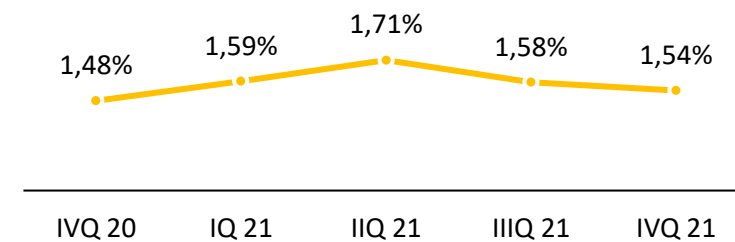
Impaired loans (PLN billion)



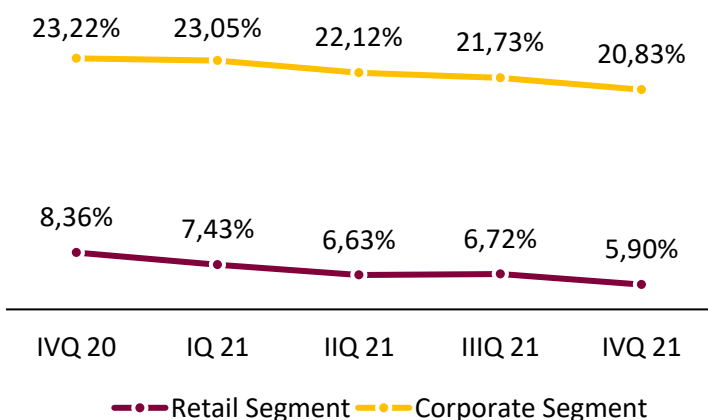
NPL reserve coverage ratio*



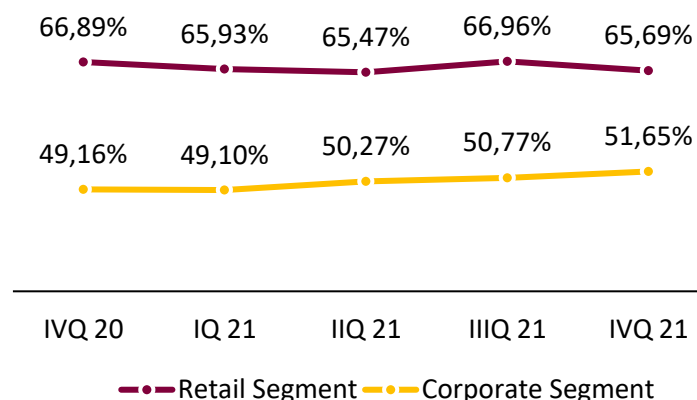
CoR risk costs**



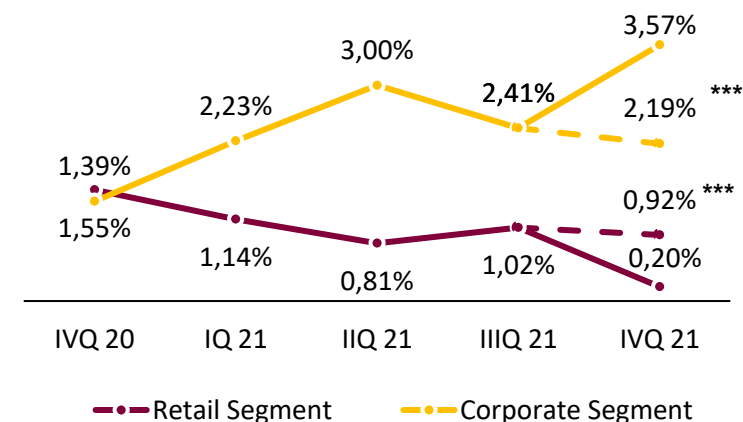
Impaired loans – segments



NPL provision coverage * – segments

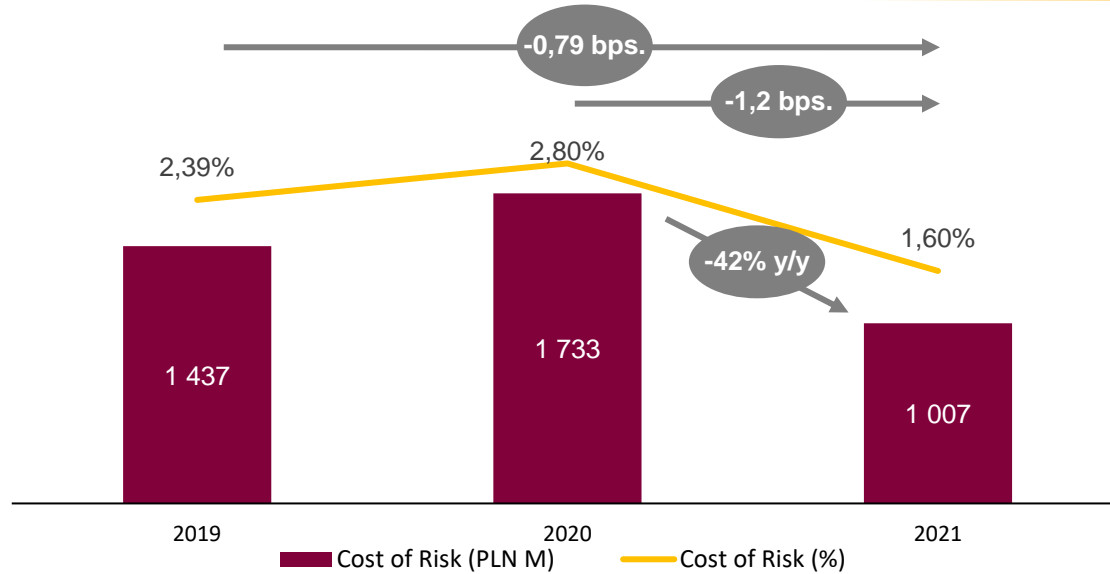


CoR risk costs – segments **



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

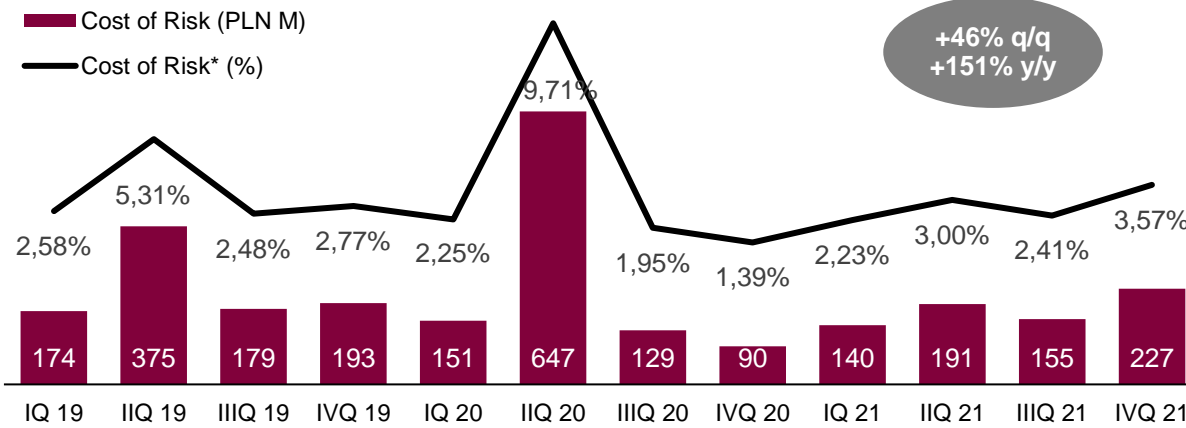
Risk costs – Alior Bank Group



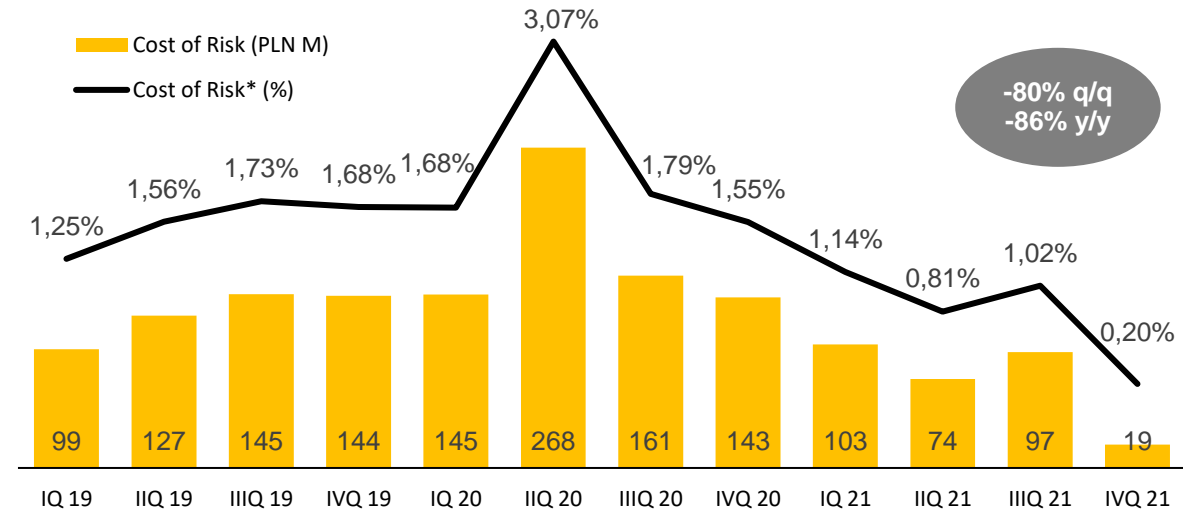
Due to the Bank's activities in 2020 and 2021 regarding the credit portfolio risk management, as well as in view of the currently observed behaviour of Customers, the level of cost of risk (CoR) in 2021 came below the Bank's medium-term strategic goal (1.9%)

If a moderately positive macroeconomic scenario is maintained in 2022 (taking into account the expected growth path of interest rates) the costs of risk of the Alior Bank Group in 2022 should not significantly deviate from the level achieved in 2021.

Business Customer Segment – Costs of risk

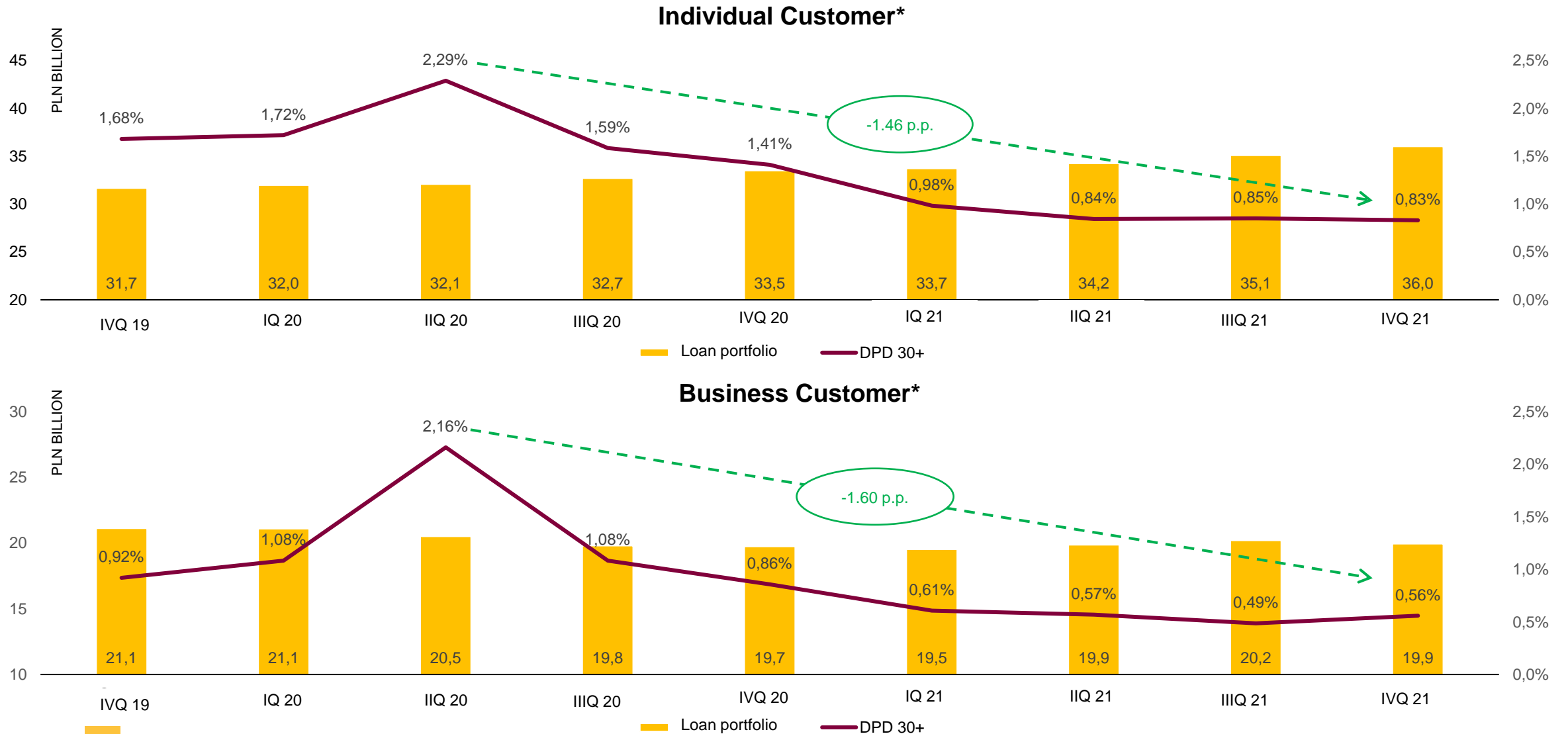


Individual Customer Segment – Costs of risk



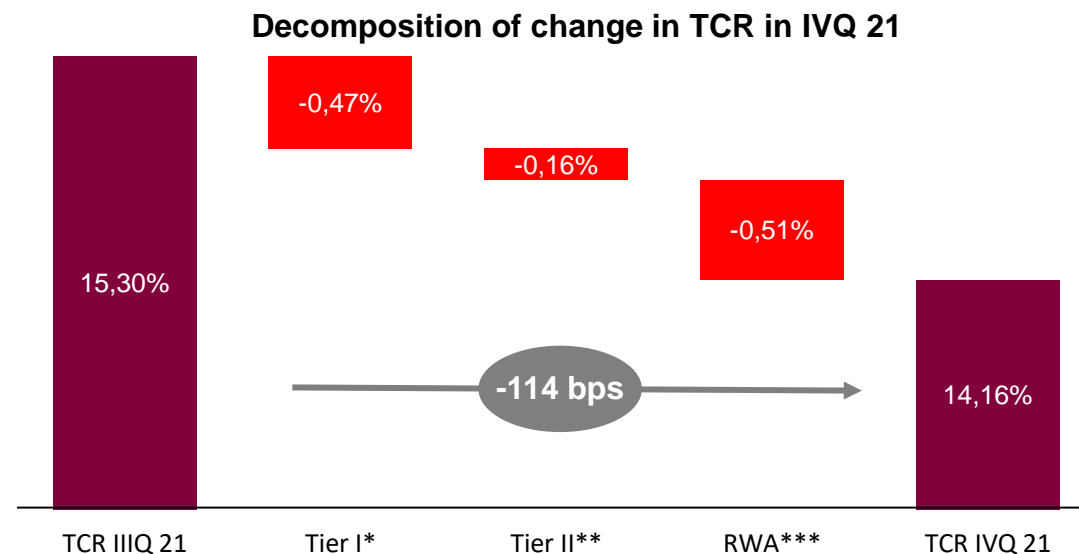
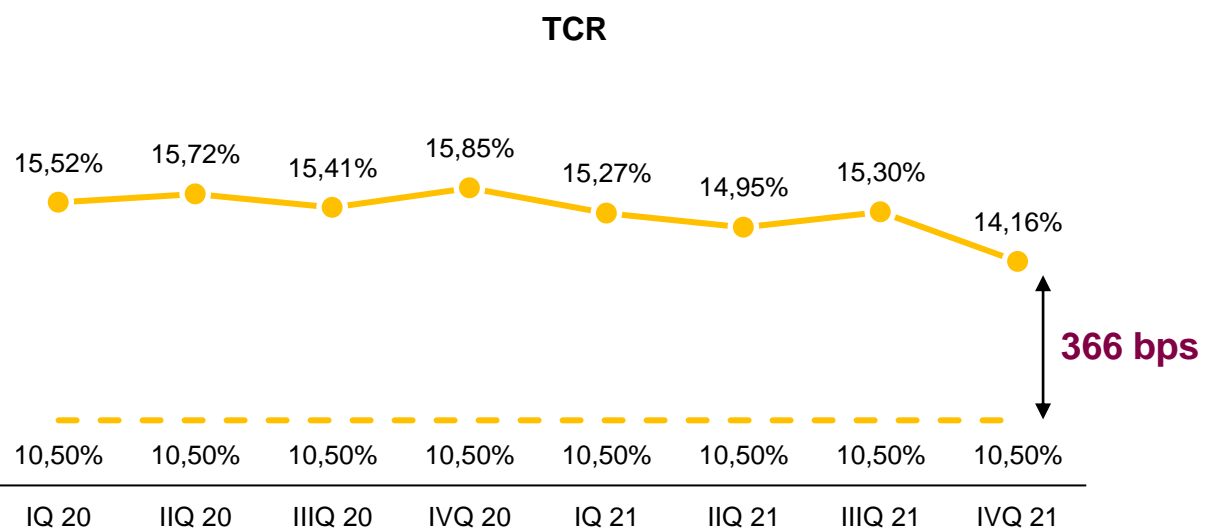
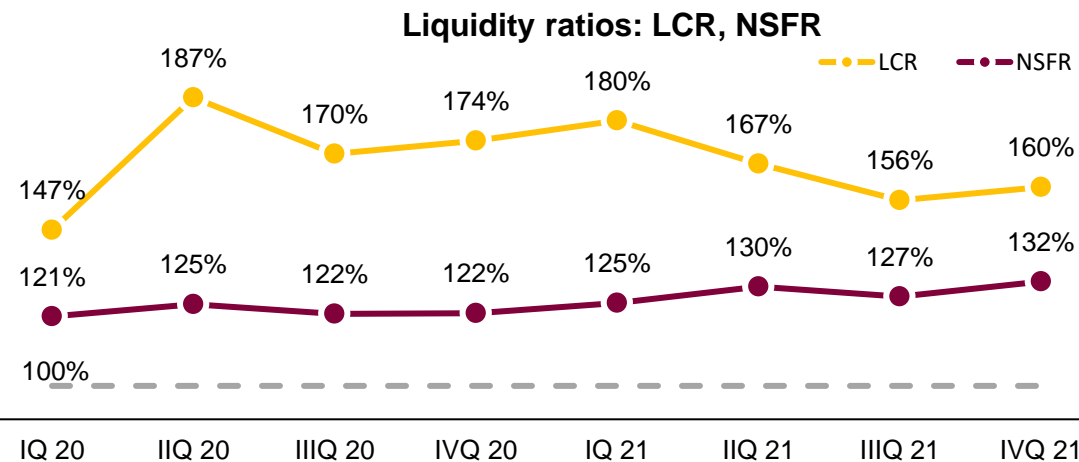
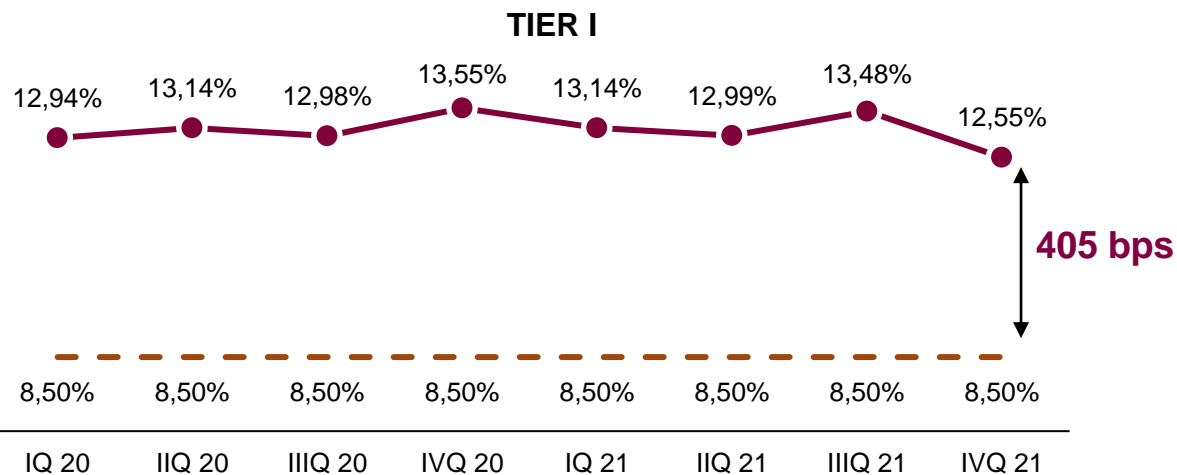
Sustainable improvement in the quality of Alior Bank's loan portfolio

Following the periodic increase in DPD 30+ caused the COVID-19 situation, the Bank achieved a significant improvement in its DPD indicators, which are now at a lower (better) level than before the pandemic.



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 IVQ 21 significantly exceed the regulatory minimum by: 405 bps (PLN 2,000 million) and 366 bps (PLN 1,810 million)



*Change caused, for instance, by valuation of hedging transactions and valuation of a portfolio of treasury bonds
 **Change due to depreciation of subordinated bonds
 ***The change in RWA (Risk Weighted Assets) results from changes in the structure of the Bank's assets



Financial results

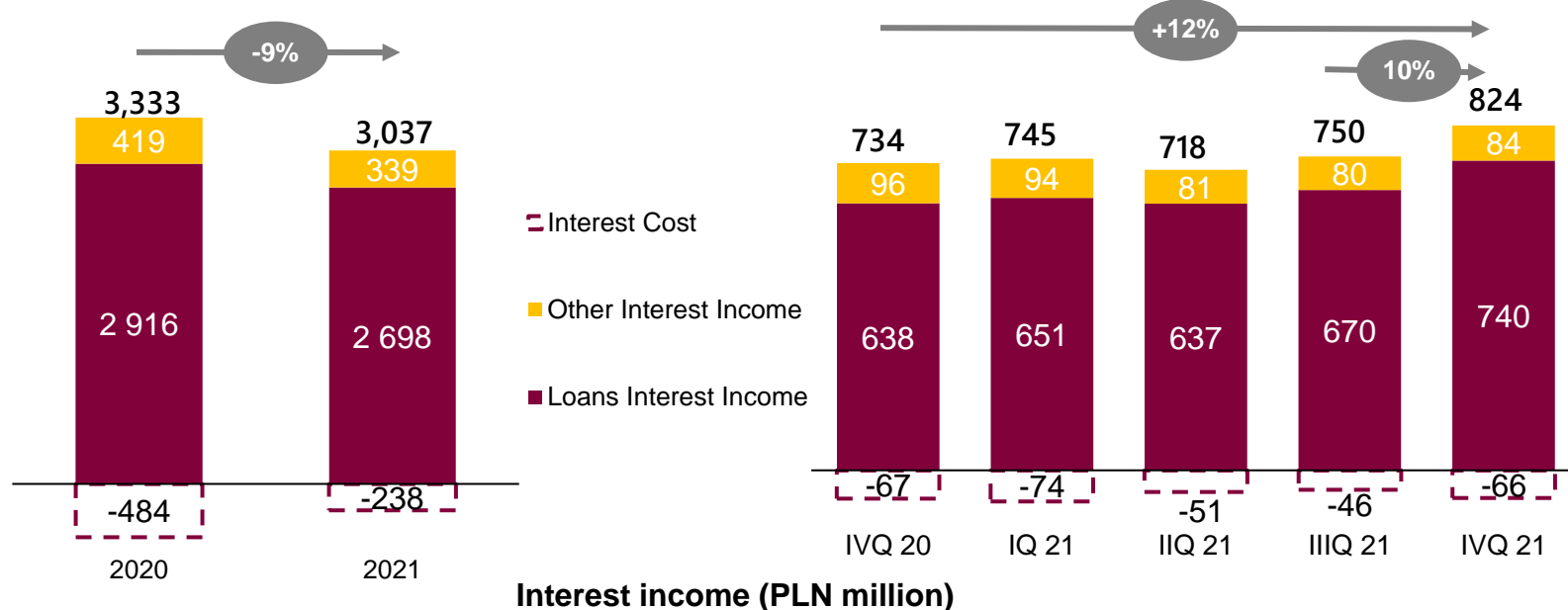
Income statement

PLN M	IVQ 2020	IVQ 2021	% y/y	y/y	2020	2021	% y/y	y/y
Total Income	911,4	934,8	3%	23,4	3 545,5	3 637,1	3%	91,6
Net interest income	666,7	757,9	14%	91,1	2 848,7	2 798,2	-2%	-50,5
Net fee and commission income	177,0	216,1	22%	39,1	635,8	766,7	21%	130,9
Other income	67,7	-39,1	-158%	-106,8	60,9	72,1	18%	11,2
Total costs	-731,3	-729,1	0%	2,2	-3 751,9	-2 857,9	-24%	894,0
General administrative expenses	-380,2	-391,4	3%	-11,2	-1 664,5	-1 582,5	-5%	82,0
Impairment of non-financial assets	-62,4	-7,3	-88%	55,2	-132,8	-10,5	-92%	122,3
Net expected credit losses	-232,8	-246,5	6%	-13,6	-1 733,5	-1 006,7	-42%	726,8
Cost of fx mortgage legal risk	-0,3	-21,4	-	-21,1	-0,3	-21,4	-	-21,1
Banking tax	-55,6	-62,5	13%	-7,0	-220,8	-236,8	7%	-16,0
Gross profit	180,1	205,7	14%	25,6	-206,5	779,2	-477%	985,7
Income tax	-71,7	-106,1	48%	-34,4	-104,8	-297,3	184%	-192,5
Discontinued activity	11,9	0,0	-	-11,9	0,0	0,0	-	0,0
Net profit	120,3	99,6	-17%	-20,7	-311,2	481,9	-	793,2
Net interest margin	3,63%	4,01%	-	+0,39 p.p.	3,91%	3,75%	-	-0,17 p.p.
Cost of finance	0,26%	0,26%	-	-0,00 p.p.	0,60%	0,19%	-	-0,40 p.p.
Cost of risk	1,48%	1,54%	-	+0,06 p.p.	2,80%	1,60%	-	-1,20 p.p.
Cost / Income ratio	41,71%	41,87%	-	+0,16 p.p.	46,95%	43,51%	-	-3,44 p.p.
Loan / Deposit ratio	84,06%	80,87%	-	-3,19 p.p.	84,06%	80,87%	-	-3,19 p.p.
Return on equity (ROE)	7,35%	6,31%	-	-1,04 p.p.	-4,68%	7,72%	-	+12,41 p.p.
Total Capital Ratio	15,85%	14,16%	-	-1,69 p.p.	15,85%	14,16%	-	-1,69 p.p.

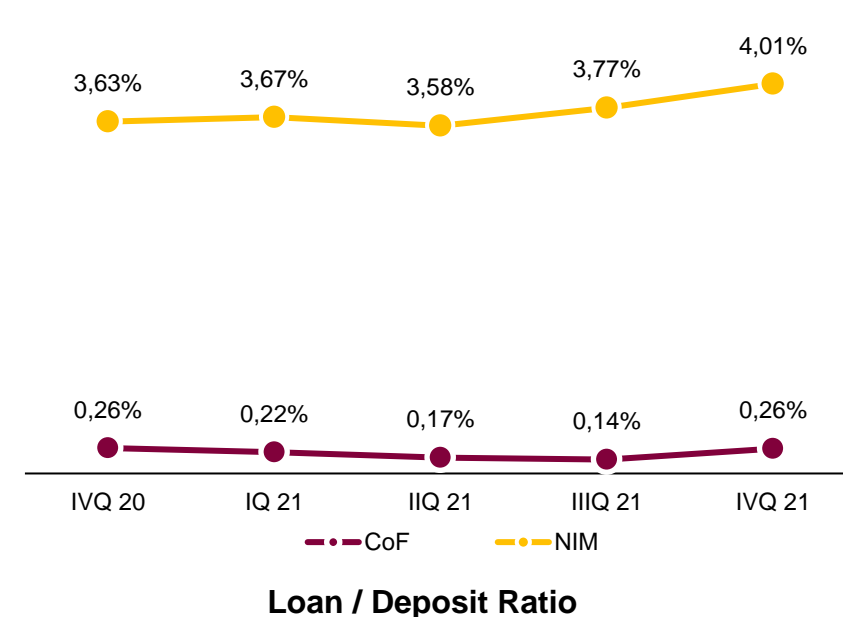
- One-off events, which in IVQ 21 burdened the Bank's net result totalled approx. PLN 82 million (PLN 21 million of provision for legal risk related to mortgage loans in foreign currencies, PLN 25 million of the tax asset write-off related to the operations of the Bank's branch in Romania and PLN 44.8 million of provisions for commission refunds resulting from the early repayment of consumer loans before the CJEU judgement of September 2019 ("small CJEU"). **The net profit of Alior Bank, adjusted for one-off events, in IVQ 21 amounted to PLN 182 million, and the ROE ratio amounted to 11.4%.**
- The increase in the NBP reference rate in IVQ 21 (by a total of 1.65 p.p.) increased the Bank's net interest income by approx. PLN 57 million.
- **The current increase in the NBP reference rate (by a total of 2.65 p.p.) should translate into an improvement in the net interest income of the Alior Bank Group annually by approx. PLN 700-800 million.** Any further interest rate hikes will increase the Bank's net interest income to a lesser extent. The expected inflow is approx. PLN 150 - 200 million with an increase in the reference rate by 100 bps, whereby these estimates are burdened with a high risk of error and may change in the future.

The increase in market interest rates has a positive effect on the net interest income

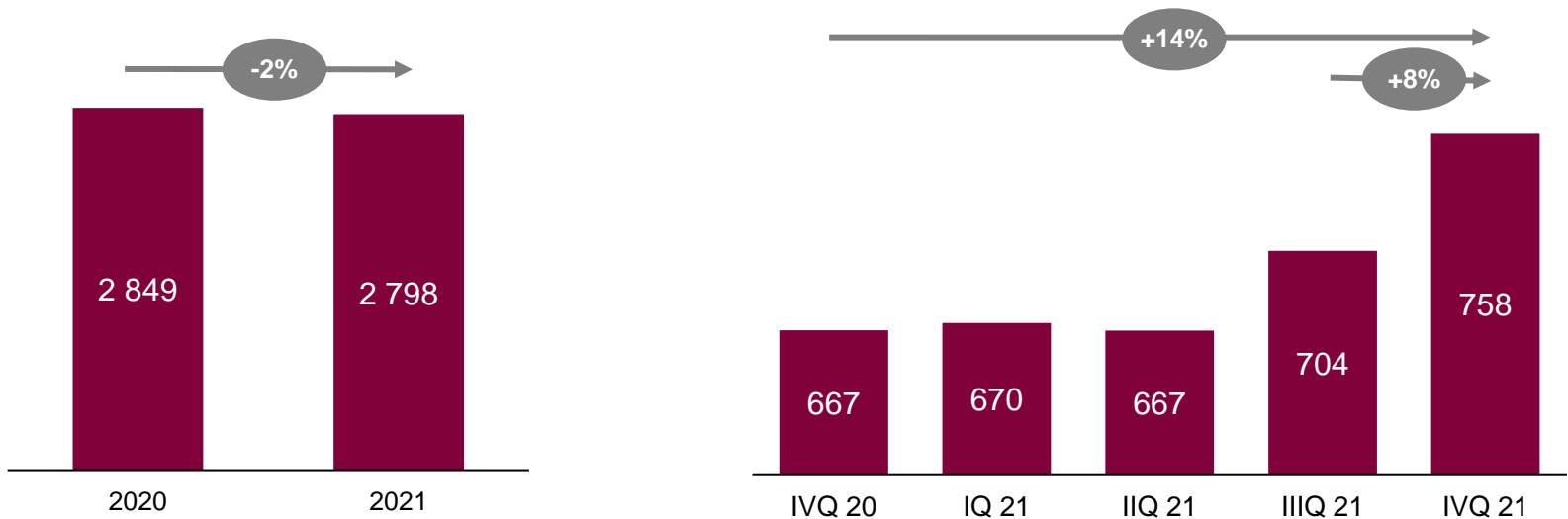
Interest income and expenses (PLN million)



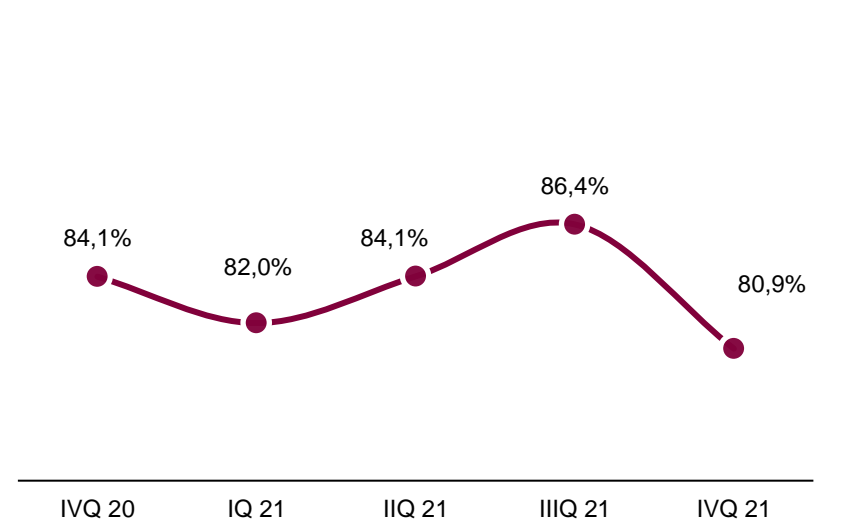
Interest margin and financing cost*



Interest income (PLN million)

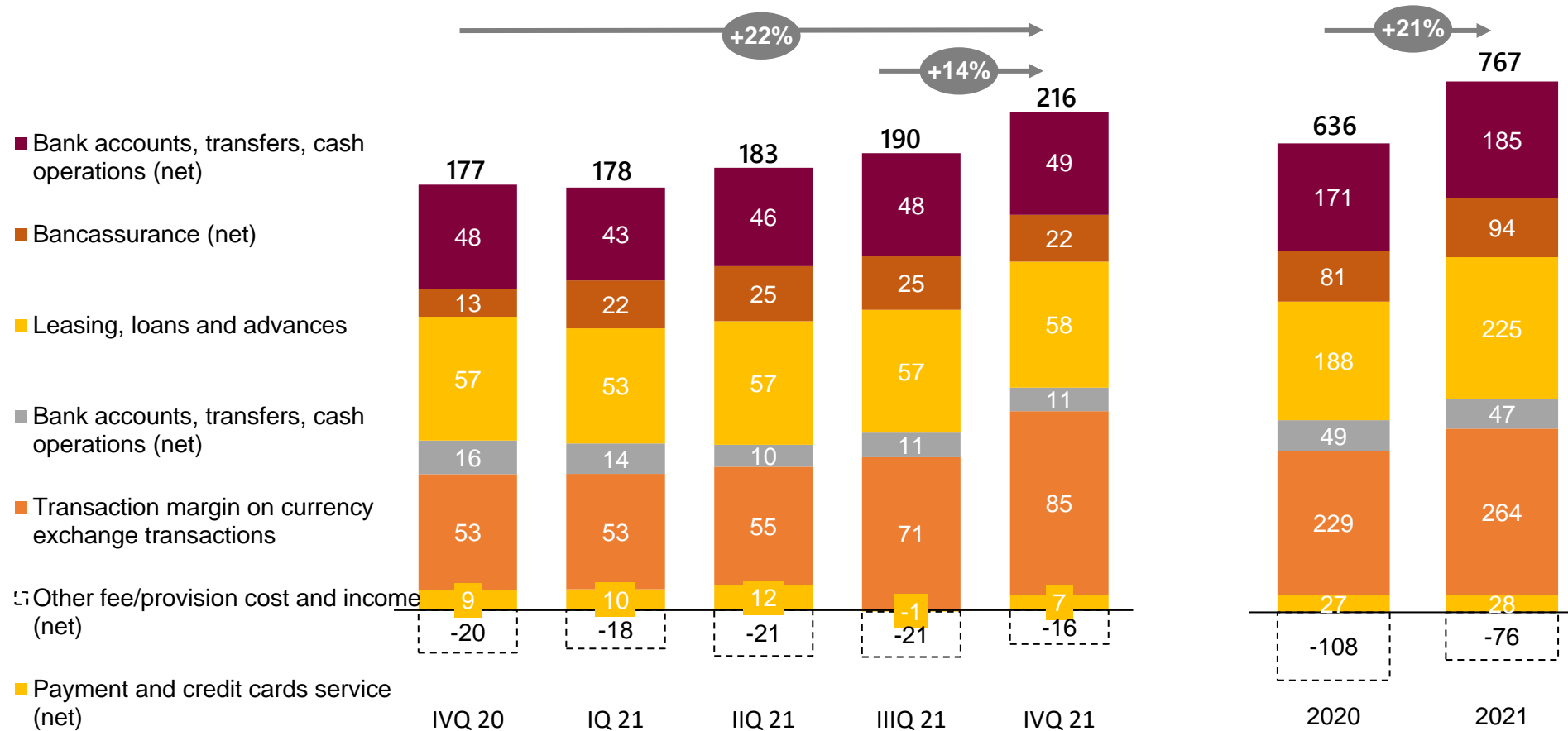


Loan / Deposit Ratio



Thanks to the increase in customer transactionality, the Bank achieved a record-breaking commission income

Net fee and commission income (PLN million)



IVQ4 21 saw commission income amounting to PLN 216 million and increasing by PLN 26 million PLN (+14%) compared to IIIQ 21 – mainly due to higher commission on fx transactions, which increased by PLN 14 million q/q (+20%).

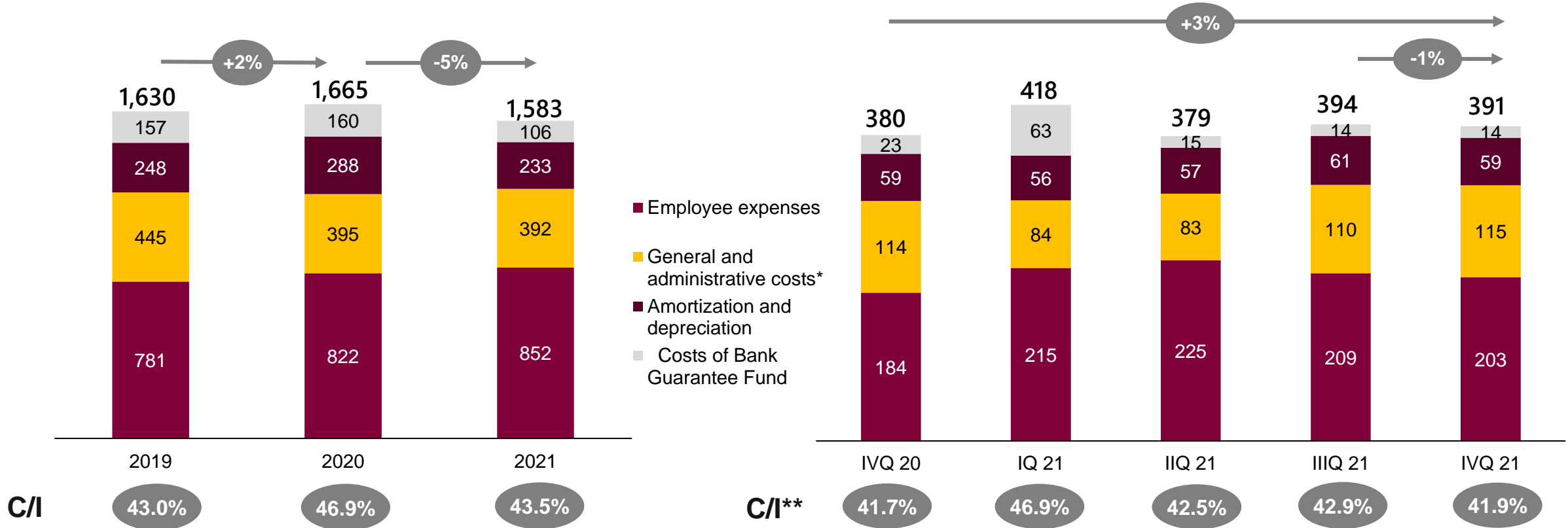
In the whole of 2021, the commission income amounted to PLN 767 million and increased by PLN 131 million (+21%) compared to 2020 – mainly due to commissions on loans, borrowings and leasing (+PLN 37 million, + 20%), higher commissions on fx transactions (+PLN 35 million, +15%) and commissions related to keeping customer accounts (+PLN 14 million, +8%).

In the following quarters, we expect a slightly lower result on fees and commissions, due to the fact that part of the result on fx transactions in IVQ 21 was partially one-off.

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

Operating expenses PLN million)

Operating expenses by quarter (PLN million)



- Despite the inflationary pressure, the Bank has been keeping its operating costs at a stable level
- The main reason for the increase in general and administrative expenses in IVQ 21 was the increase in marketing costs (+PLN 10.5 million q/q)
- In the following quarters, the level of operating costs will be influenced by: additional costs related to business development, implementation of some projects postponed during the COVID-19 pandemic, general inflationary increase in costs, as well as the significant increase in BFG contributions announced by the BFG

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

		2020	2021	Goal 2022
Business volumes	Assets	PLN 78.6 billion	PLN 83.0 billion	PLN 89 billion
	Number of Individual Customers	4.2 million	4.1 million	4.5 million
	Number of Business Customers	239K	258K	278K
Profitability	ROE	-4.7%	7.7%	>5%
	NIM	3.9%	3.7%	4%
	C/I	46.9%	43.5%	<46%
Risk and capital	COR	2.8%	1.6%	1.9%
	Tier 1 surplus	505 bps.	405 bps.	>280 bps.
	NPL	14.5%	11.8%	11.8%
	COF	0.6%	0.2%	0.3%



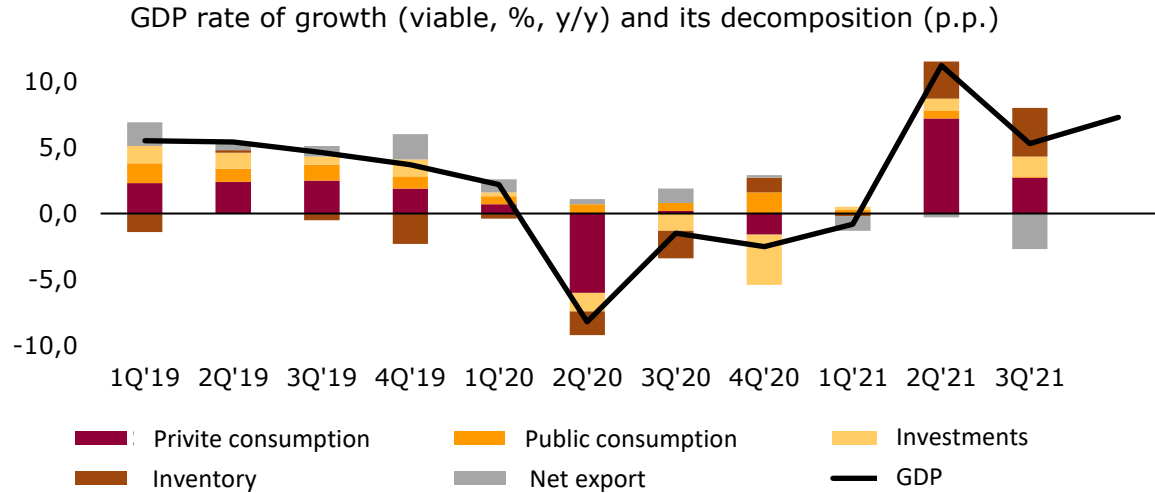
- Innovation, digitisation, high quality of services for Customers
- Improvement of performance by increasing revenue and reducing costs
- Improvement in the loan portfolio quality
- Growing share of housing loans in the portfolio
- Negligible share of CHF housing loans in the portfolio
- High sensitivity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



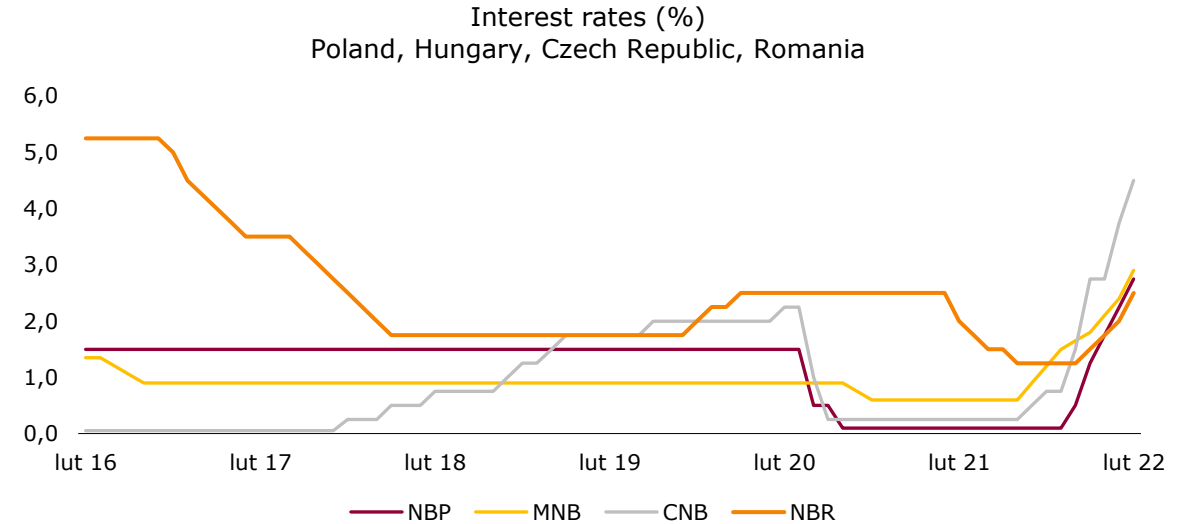
Other issues

Economic growth amid rising inflation and interest rates

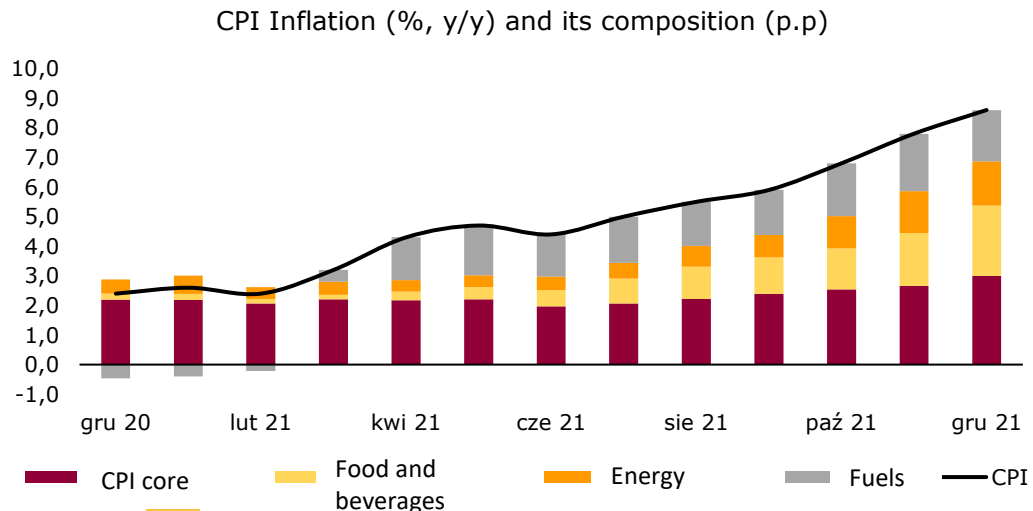
A year strongly influenced by base effects



NBP starts normalisation of monetary policy...



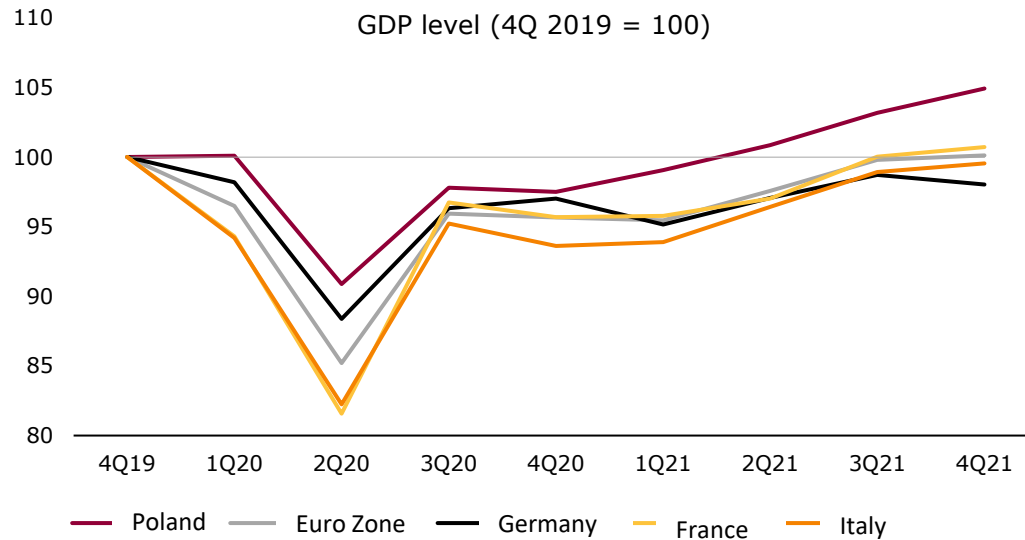
... amid the highest inflation in two decades



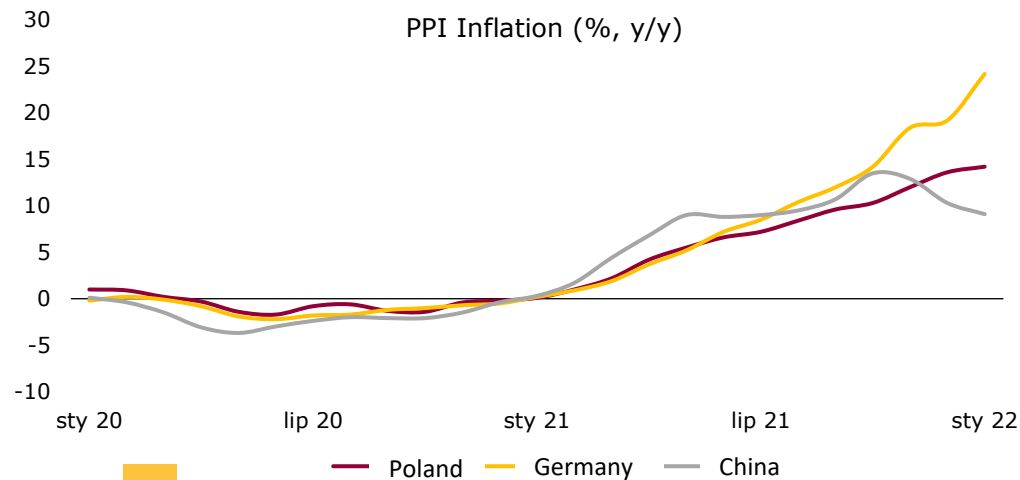
- In 2021, despite the active epidemic, the post-crisis recovery continued. The increase in the vaccination rate against COVID-19 and slightly weaker subsequent mutations of the virus allowed, however, to limit the restrictions despite the increase in coronavirus cases, also at the end of the year.
- The first quarter alone saw recessionary readings for the full year, which, coupled with a significant acceleration in the economic rebound in the remaining quarters, generated solid annual dynamics. In 2021, the Polish economy grew at a rate of 5.7% y/y as compared to a decline by 2.5% y/y in 2020.
- The recovery was mainly due to private consumption and the implementation of delayed demand, but also amid a solid rebound in investment. H2 2021 saw the shortages of raw materials and semi-finished products becoming increasingly less noticeable, mainly resulting in an increase in inflation.
- There was a rebound in the area of investments, driven mainly by the private sector.
- The recovery was accompanied by high inflationary pressure. Its intensification resulted mainly from supply and exogenous factors (commodity prices, “bottlenecks in international trade”), but as of Q3 2021 – also from demand factors intensified.
- The increase in inflation amid progressive economic rebound initiated in October the cycle of interest rate increases. The NBP reference rate increased from 0.1% to 1.75% at the end of December.

Poland among the development leaders in Europe - the price is high inflation

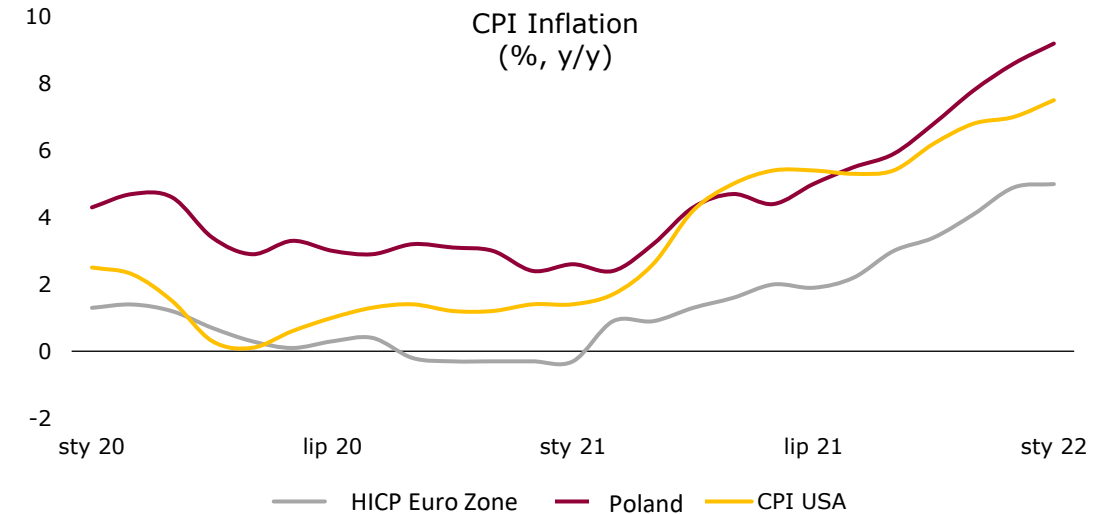
Crisis losses are more than made up for



...amid persistent cost pressure



Inflation accelerated not only in Poland...



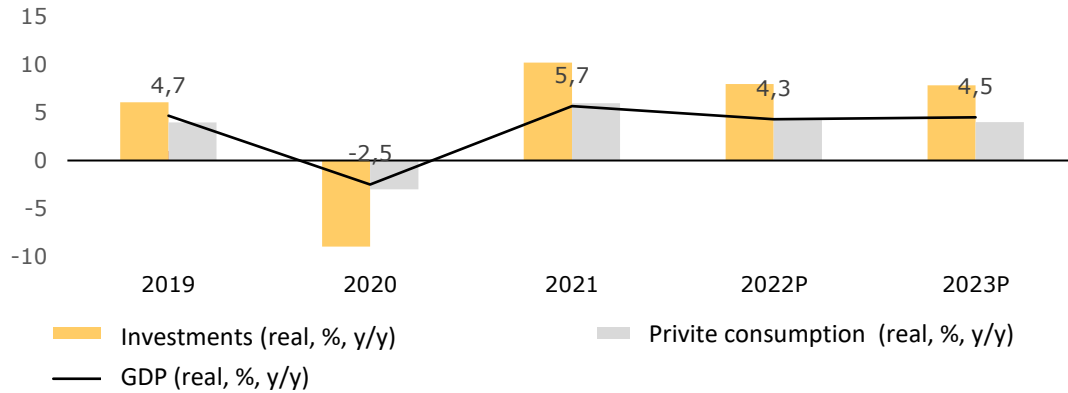
- Poland's economy in 2021 stood out positively compared to the EU. Q2 2021 saw GDP being above the pre-crisis level (Q4 2019), and at the end of the year it was already approx. 5% higher.
- Losses in the Eurozone caused by the crisis were greater than in Poland. H2 2021 saw the acceleration of making up for arrears, driven by, *inter alia*, unblocking services related to tourism and the continuing recovery of international trade.
- In the 21st century, Poland benefited from considerable diversification in the industry and a relatively small share of sectors sensitive to supply shortages, such as automotive, which was burdensome on, for instance, Germany and countries in the CEE region.
- In the Eurozone, the outlook for recovery remains good, although protracted imbalances in global trade and the energy crisis caused, *inter alia*, by high prices and shortages of hydrocarbons may limit the potential for faster growth.
- Inflation in the Eurozone accelerated to the highest level in over a decade and amounted to 5%, which so far has mainly resulted from supply factors (energy, food) and imbalances in international trade favouring the passing of high production costs on to consumers.

Inflation and higher interest rates may be burdensome on the favourable outlook.

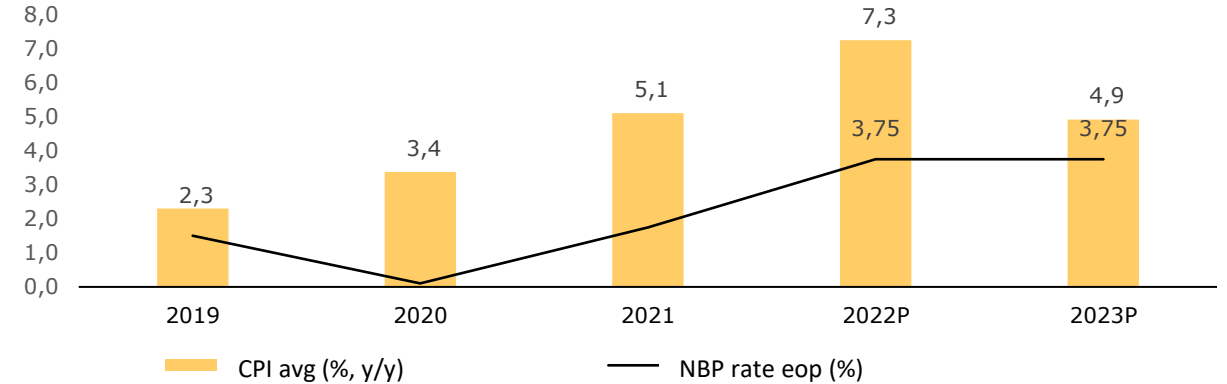
Consumption is the engine of economic rebound

Inflation will slow down only in 2023...

GDP r/r rate of growth along with its main components

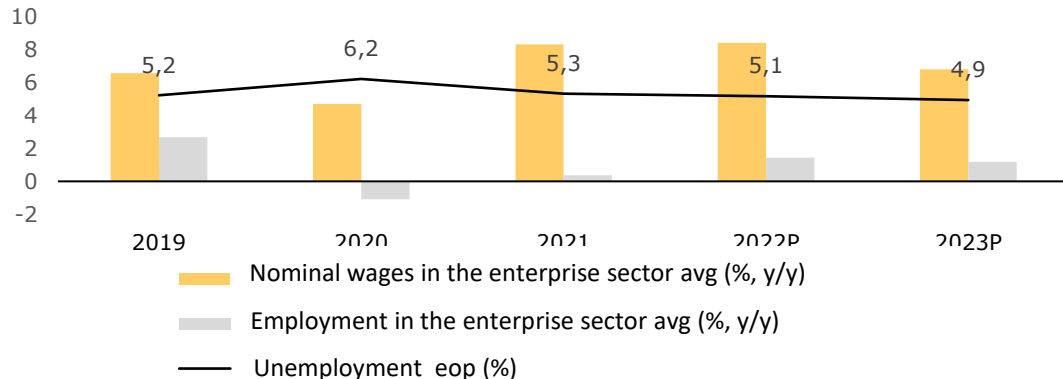


CPI y/y and the NBP base rate



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

Labour market in the enterprise sector and the unemployment rate



- The post-crisis recovery observed in 2021 should continue in the coming years.
- However, the economic outlook has slightly deteriorated in recent months. The main reasons include: prolonged supply-demand imbalances in global trade, the risk of an extension of the energy crisis in Europe (but also globally, e.g. in China) also in the context of an armed conflict in Ukraine, 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.
- The basis for the continuation of the recovery is the good situation of enterprises, which in most industries made through the crisis 2020 relatively unscathed (e.g. thanks to government support), and in 2021 began to achieve high profitability in many cases.
- 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 bring a slight cooling of the economy.

We have been successfully addressing climate-related challenges



We cooperate with:



Ministerstwo Klimatu i Środowiska



KIR.



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

14.3 thousand new Customers as at the end IVQ 21

PLN 1.12 billion Balance as at the end IVQ 21

PLN 527 million of new eco-sales volume as at the end IVQ 21

ECO OFFER

Eco-Apt. mortgage loan

#EKO category in the loyalty programme

Eco-benefits to a credit card

Clean Air Cash Loan

Eco Instalments

Eco Loan

Thermal-insulation loan

Clean Air Instalment Loan

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

Eco-Purchasing Business Loan

Alior Bank's Brokerage House

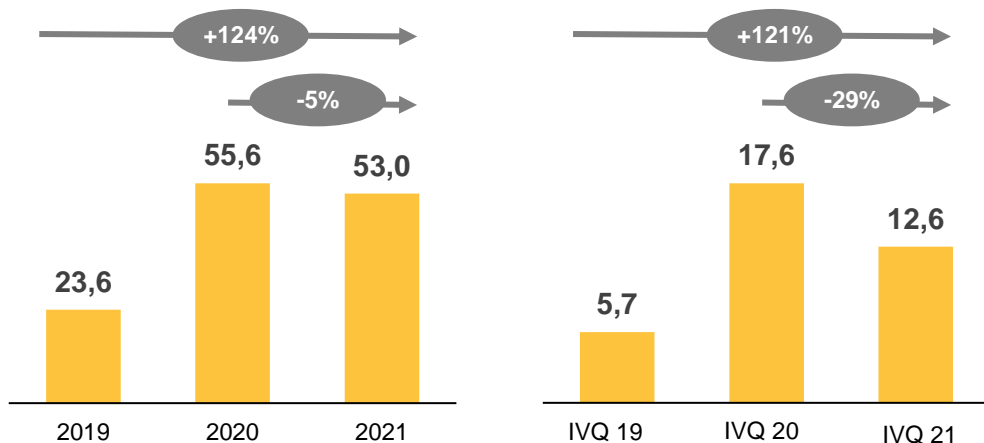


In IVQ 21, the positive trend in the area of investment products slightly slowed down, mainly as a result of the series of interest rate increases initiated by MPC

However, throughout 2021, the Brokerage House achieved very good results, close to the record-breaking 2020.

- BH's commission revenues in 2021 amounted to nearly **PLN 55 million** (-4% y/y)
- Sales of Investment Funds in 2021 (gross) **PLN 1.7 billion** (-5% y/y)
- Sales of Structured Products in 2021 (gross) **PLN 533 million** (+ 56% y/y)
- Number of brokerage accounts (end of 2021) **86.3 thousand** (+3% y/y)
- Assets in Individual Advisory (end of 2021) **PLN 1 billion** (+ 101% y/y)

Commissions of the Brokerage House – revenues (PLN million)



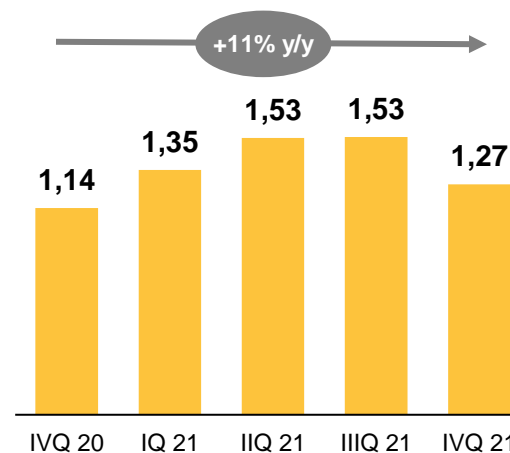
Alior TFI



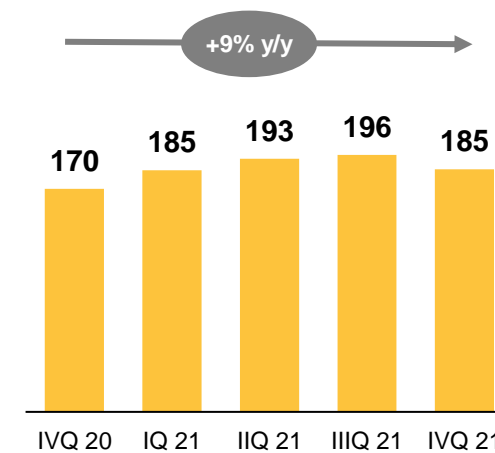
In terms of assets under management, Alior TFI has grown at a faster pace than the market in the last 12 months. By the end of IVQ 21, assets under management in mutual funds increased by **11% y/y**.

IVQ 21 saw the market recording outflows from debt funds due to the increase in interest rates. This was also reflected in Alior TFI's flows.

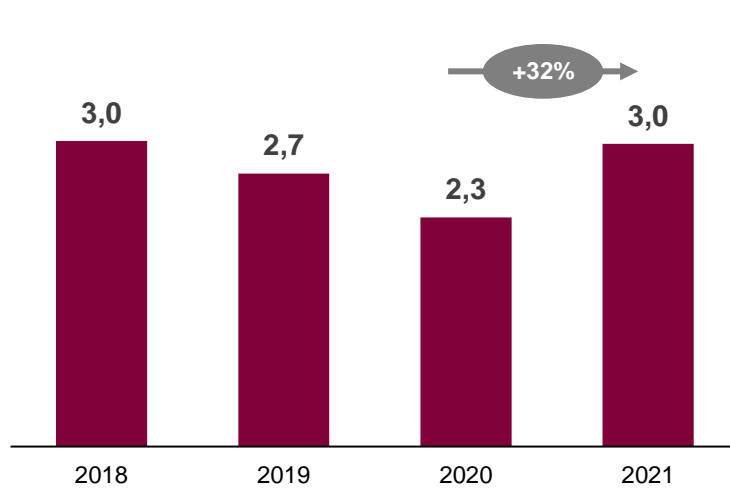
Assets under management in Alior TFI open funds (PLN billion)



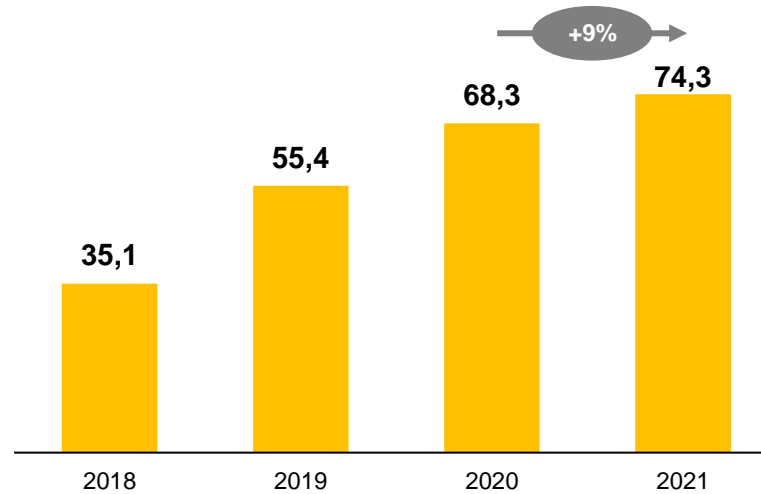
Assets under management in non-dedicated funds* in Poland (PLN billion)



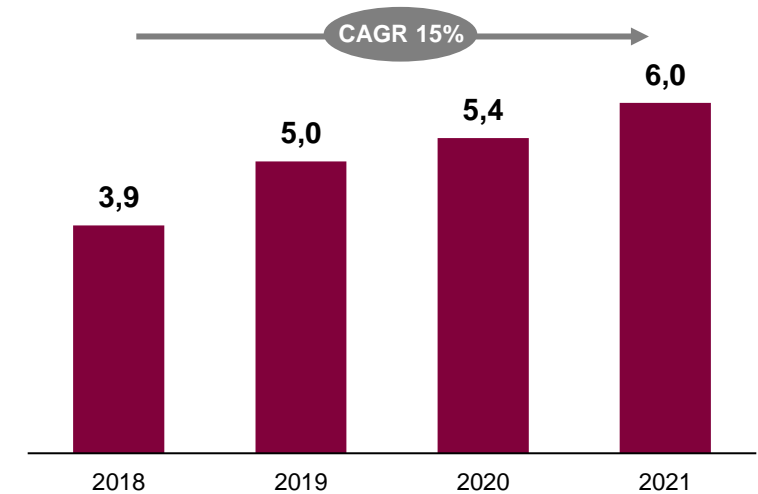
Sale of lease and loans (PLN billion)



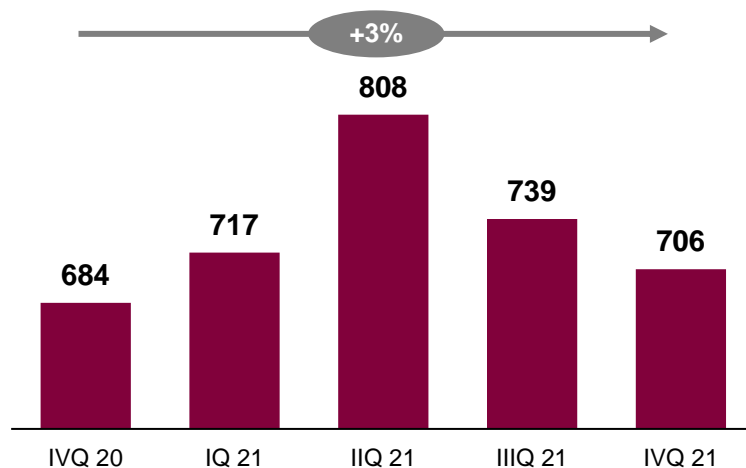
Number of customers (in thousand)



Lease portfolio and loans (PLN billion)



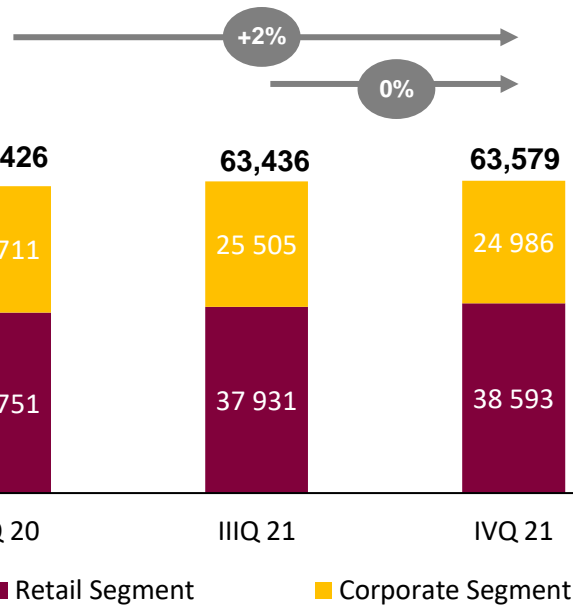
Quarterly sale of leases and loans (PLN million)



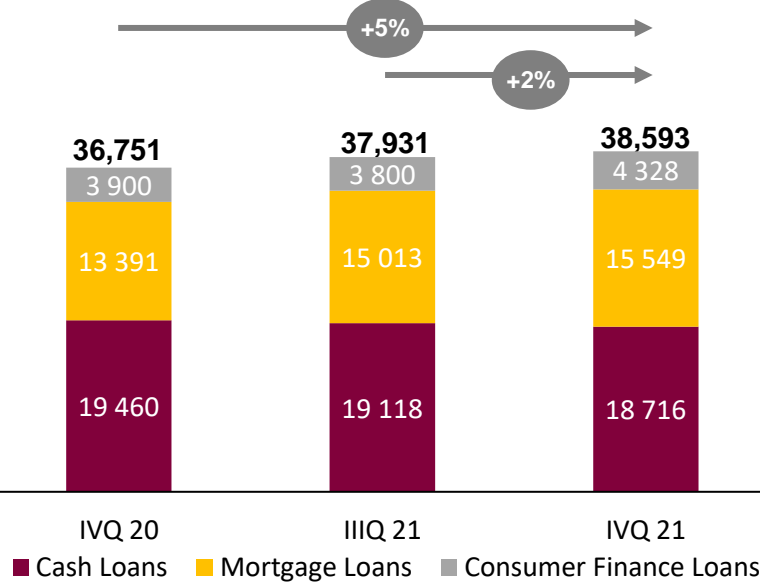
- The growth rate of Alior Leasing in 2021 was maintained at the level of the growth rate of the movables market (+ 32% vs + 31% market according to ZPL). The segment of heavy vehicles (+ 76%) and the segment of machines (+23%) developed the fastest.
- **The receivables portfolio increased by 11% in 2021 and exceeded PLN 6 billion**
- The number of contracts concluded by Alior Leasing at the end of 2021 amounted to **105 thousand (+ 11% y/y)**
- 2021 saw Alior Leasing achieving a 3.4% share in the movables financing market. Light vehicles (56%) and heavy vehicles (34%) dominated in the structure of financing granted, the share of machinery and equipment amounted to 10%
- Q4 2021 saw the company continuing the implementation of the adopted strategic initiatives, such as an automatic credit decision (based on a decision engine), as well as optimising sales processes (e.g. deployment of electronic signatures) and post-sales processes
- In Q4 2021, sales of Alior Leasing amounted to **PLN 706 million (+ 3% y/y)**

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

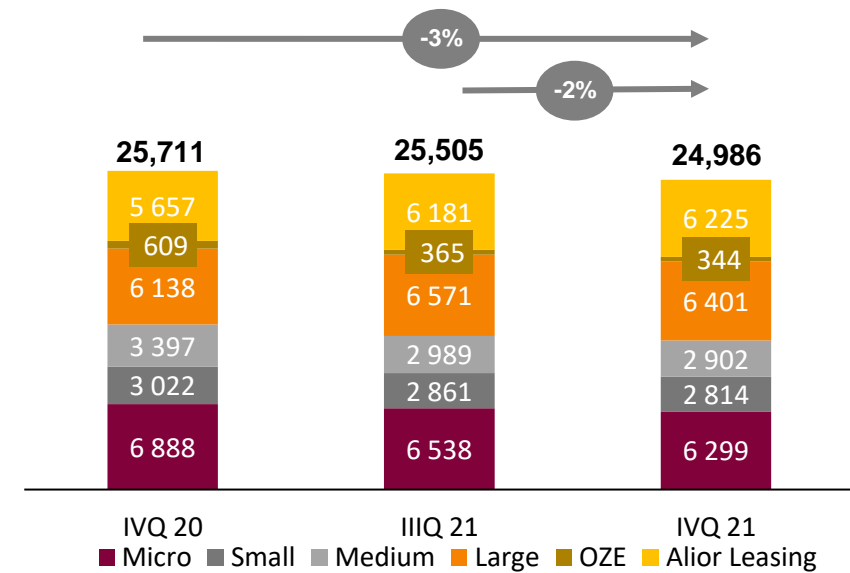
Loan portfolio in total (PLN million)



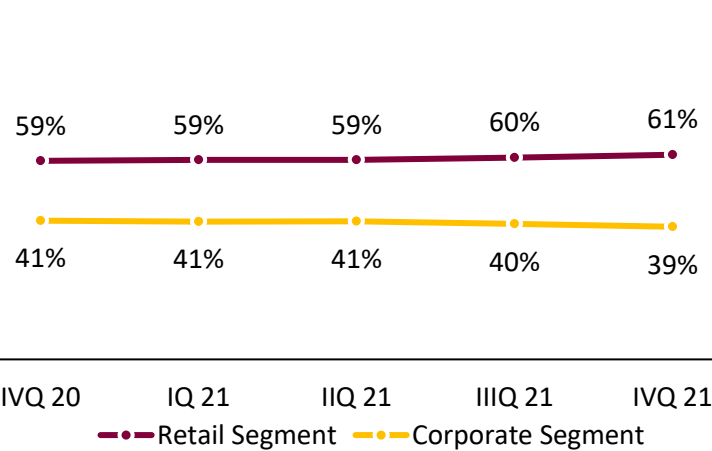
Individual Customer Segment (PLN million)



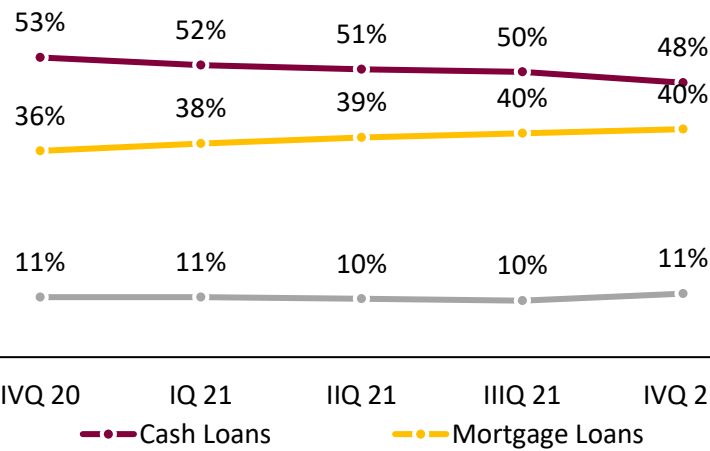
Retail Customer Segment* (PLN million)



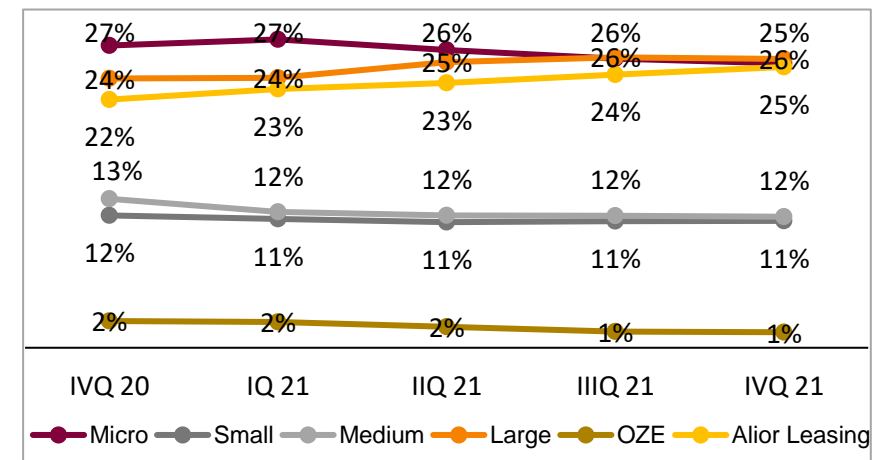
Loan portfolio structure in total



Structure of the Individual Customer segment



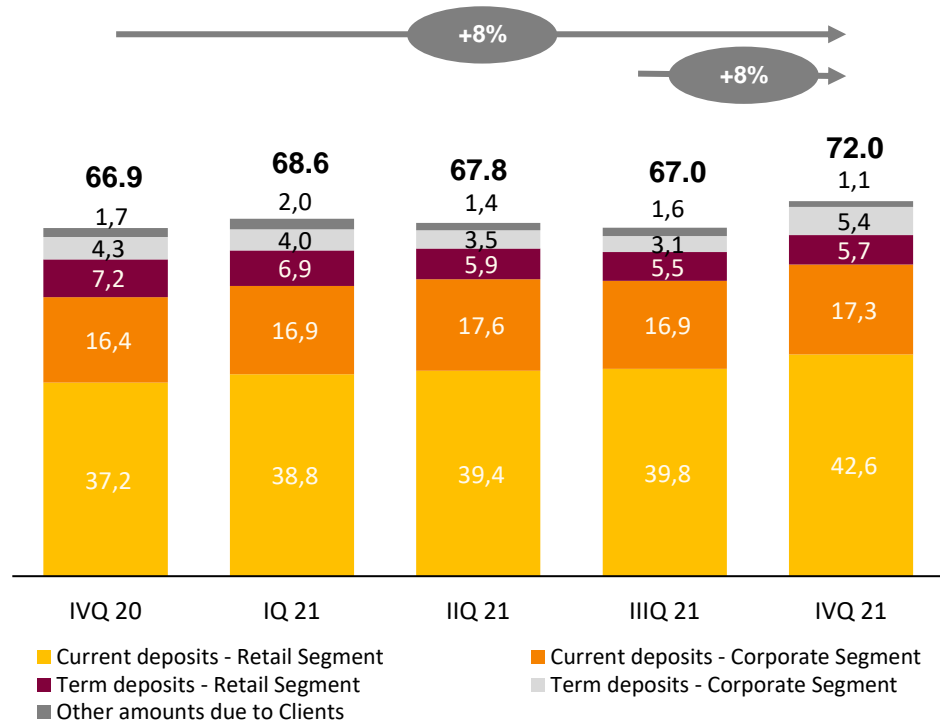
Structure of the Business Customer segment*



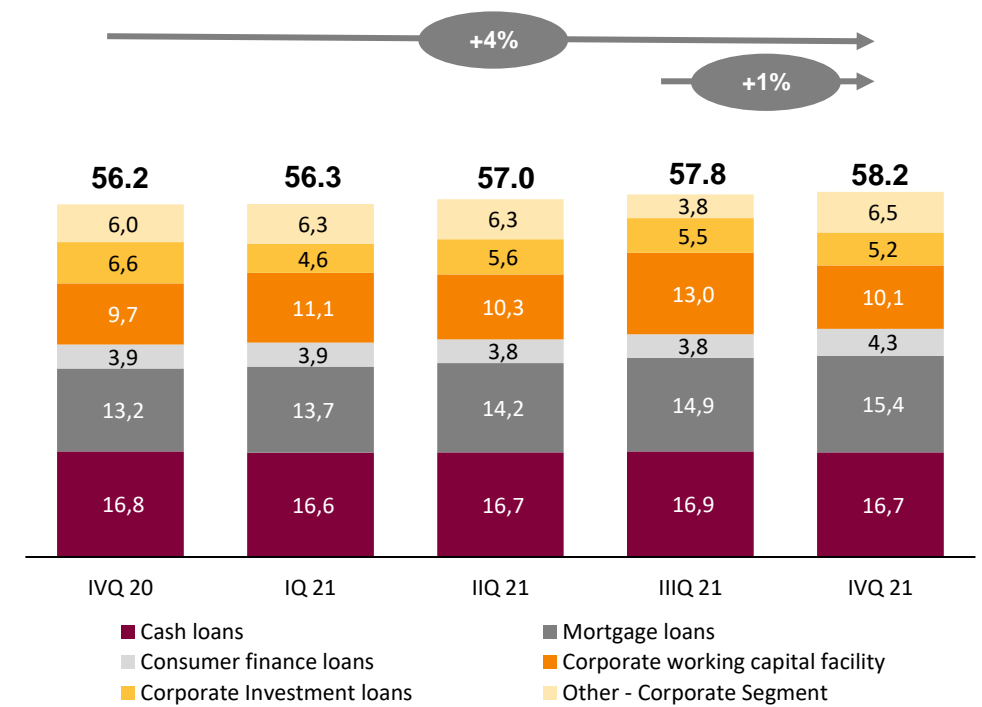
*Managerial pattern.

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

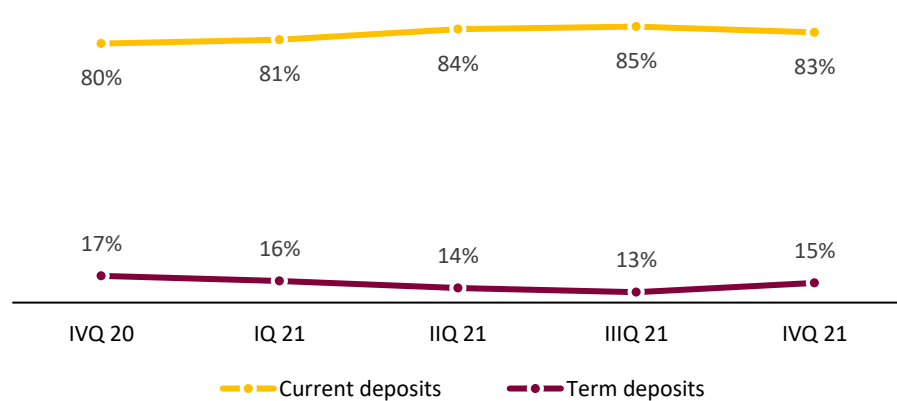
Structure of net liabilities to Customers (PLN billion)



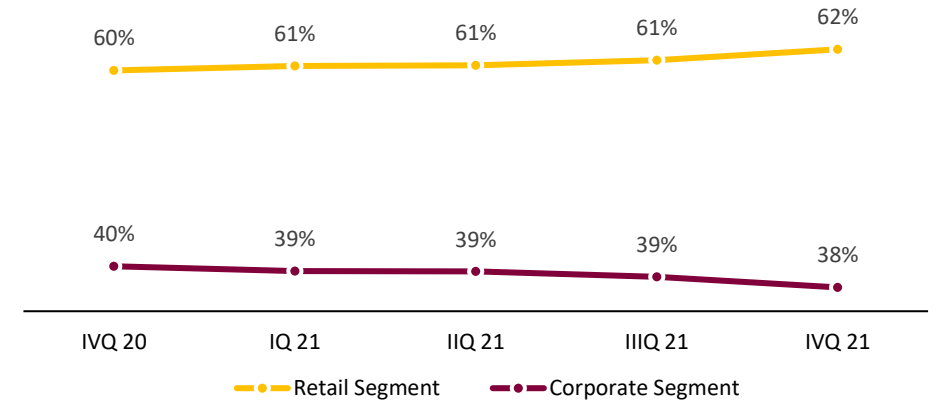
Structure of the main net amounts due from Customers (PLN billion)



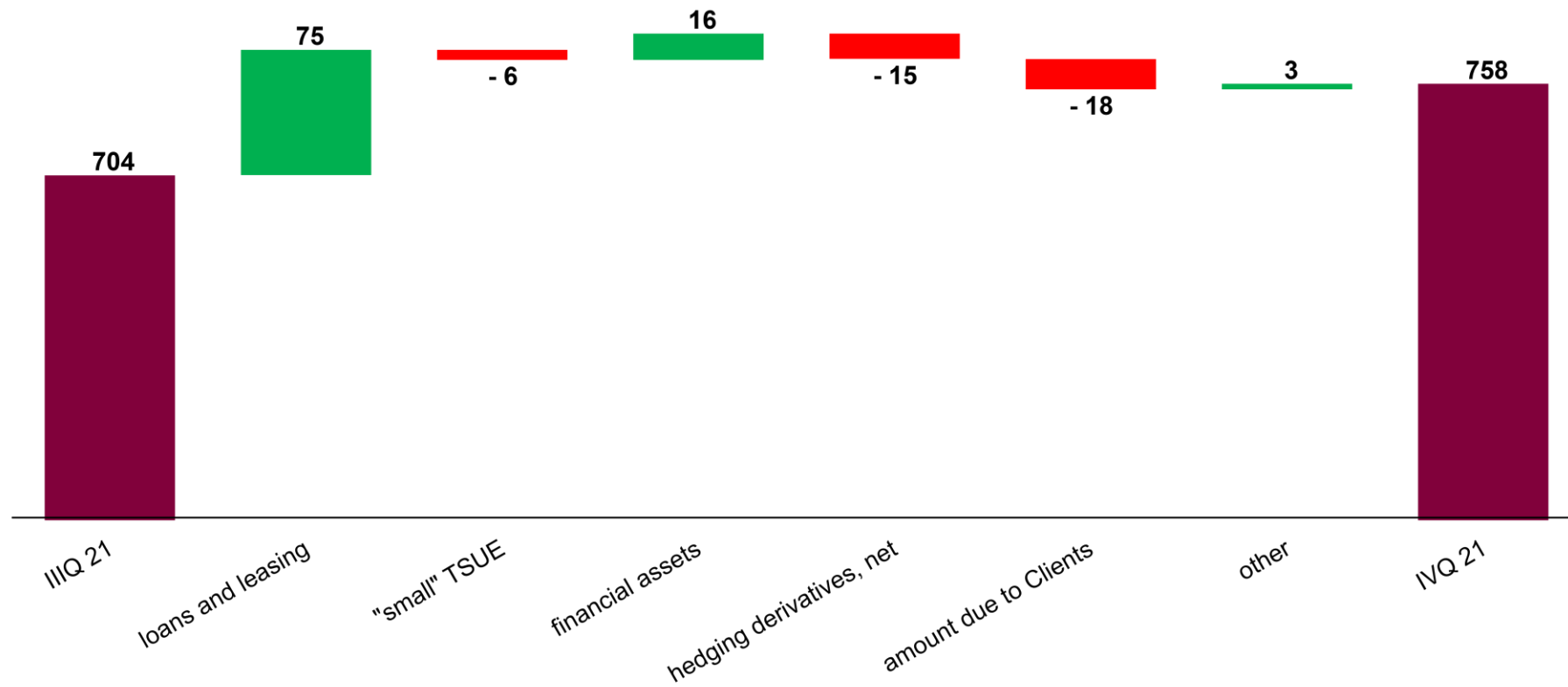
Structure by type of the main net liabilities to Customers



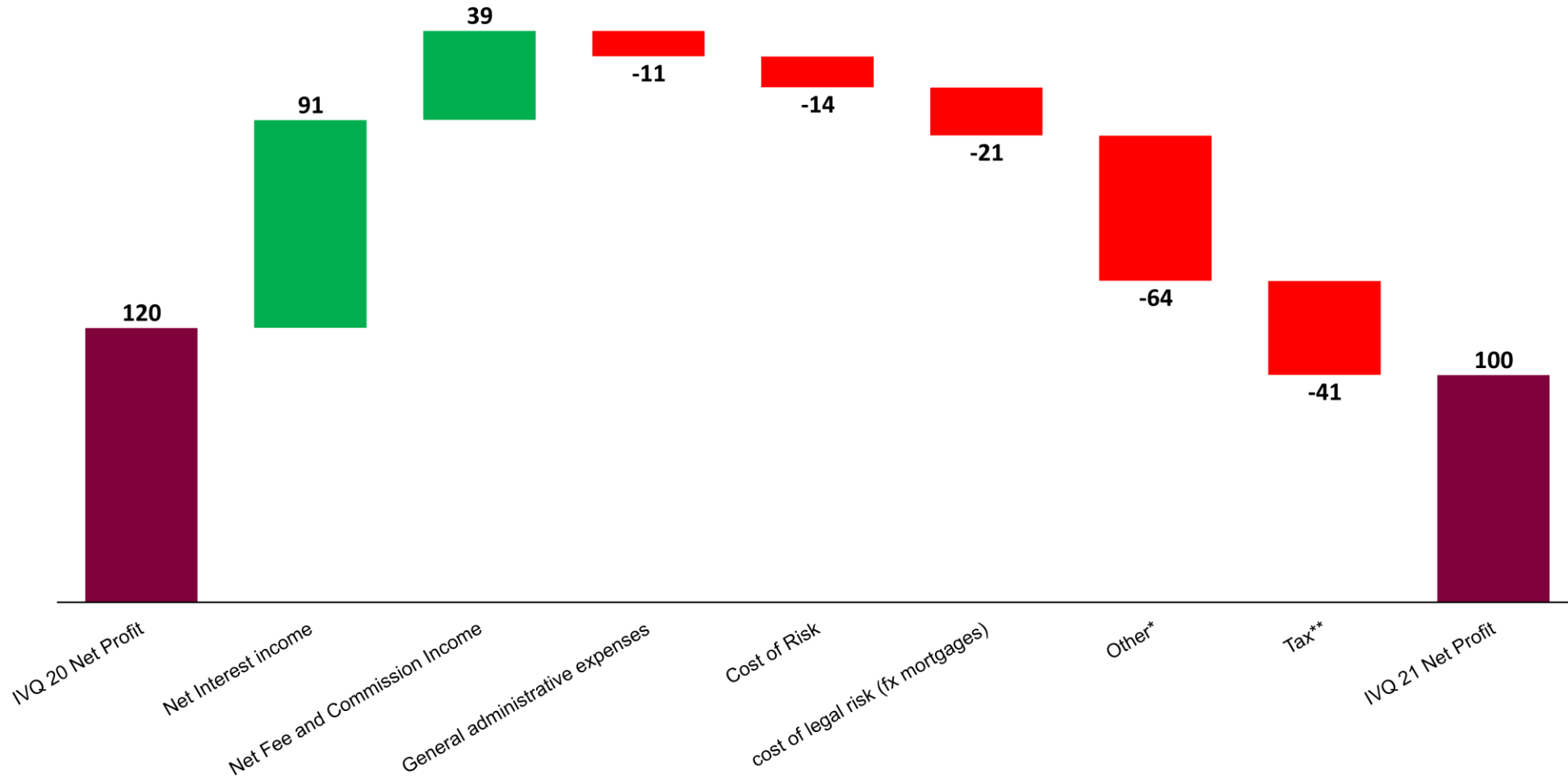
Structure by segment of the main net amounts due from Customers



Factors of change in Net Interest Income in IVQ 21 vs IIIQ 21 (PLN million)

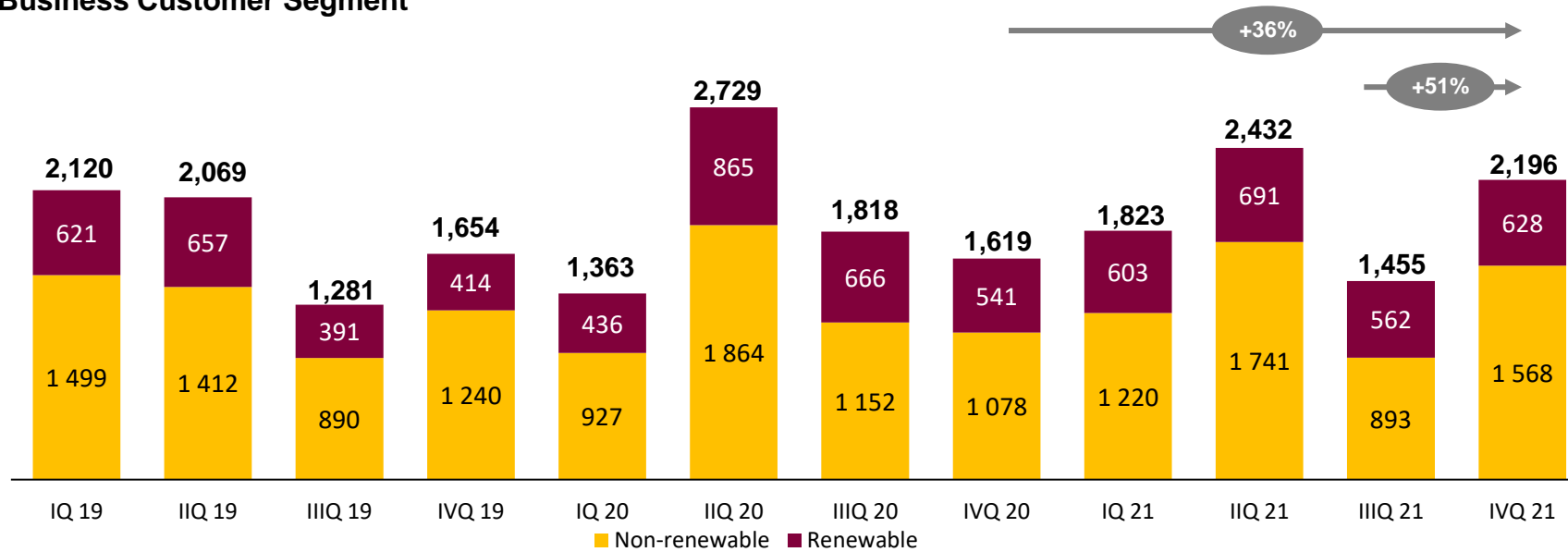


Factors of change in net profit in IVQ 21 vs IVQ 20 (PLN million)

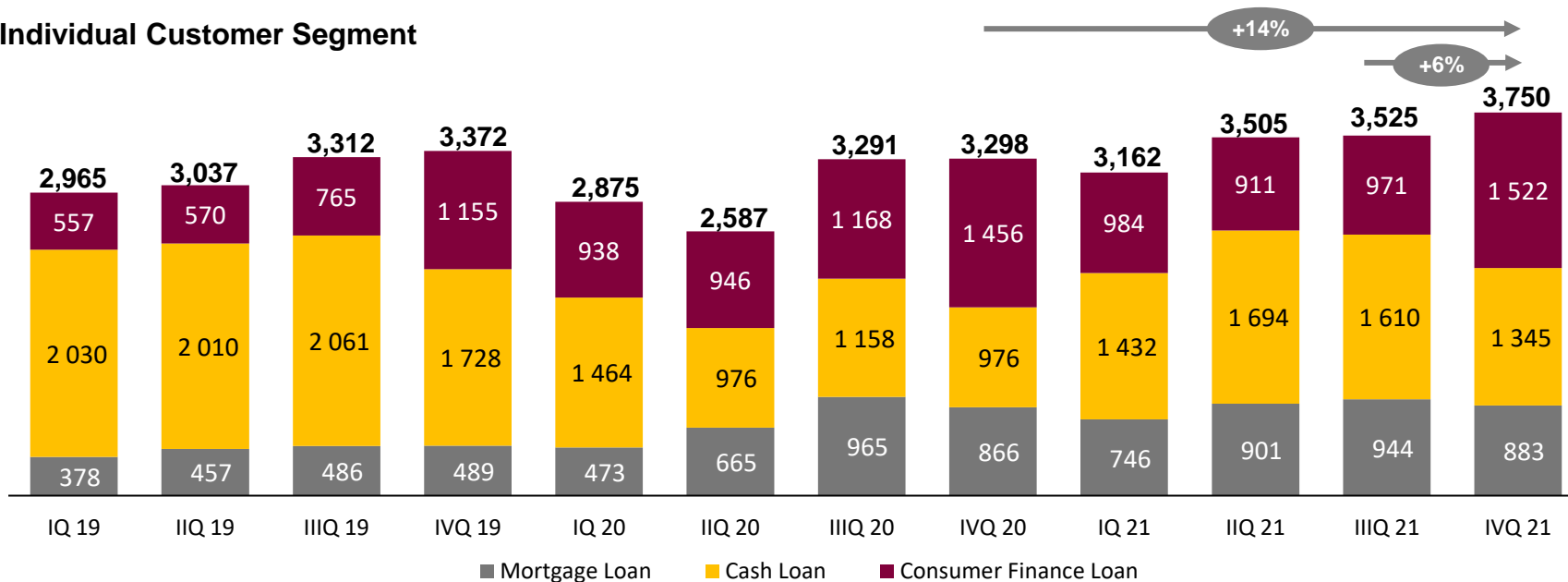


New sale of loans (PLN million)

Sales in the Business Customer Segment*



Sales in the Individual Customer Segment



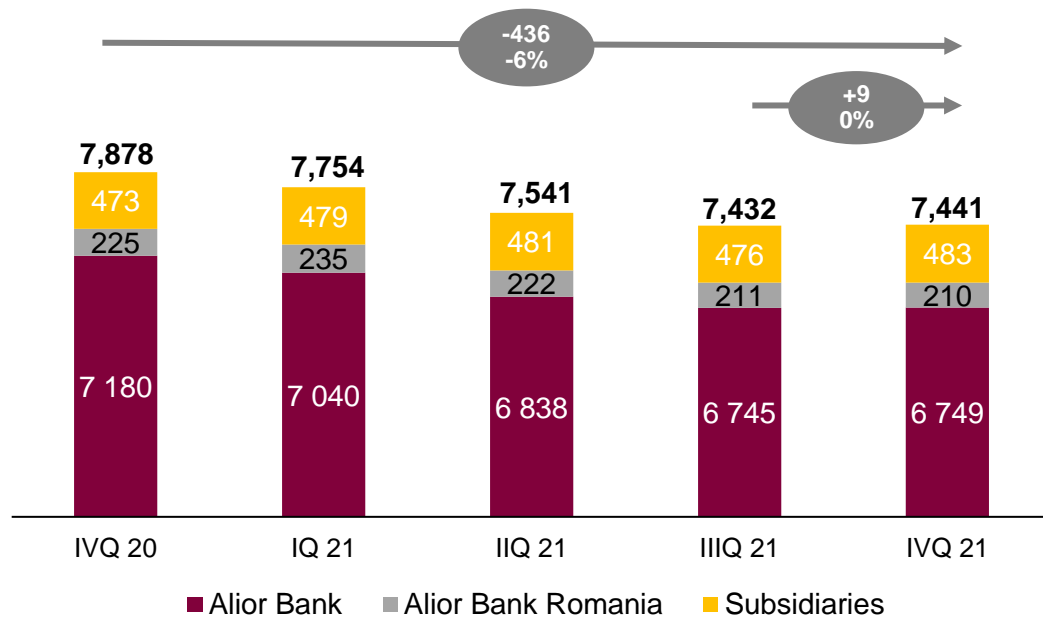
*New sales limit (new sales + increases) for Customers in the Micro- / Small- / Medium- / Large-Sized categories

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

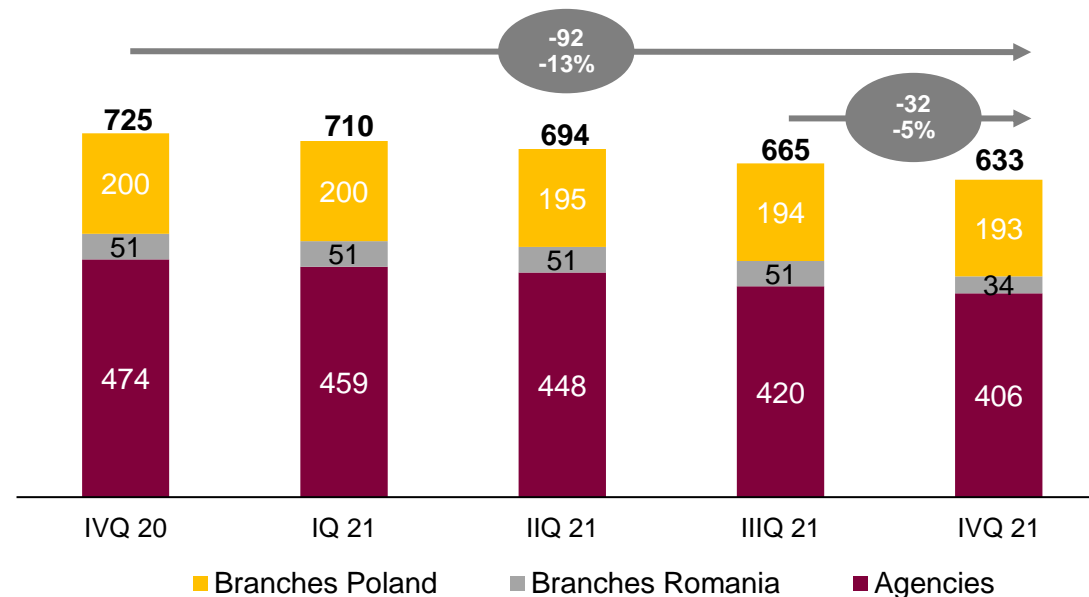
	IVQ 20	IQ 21	IIQ 21	IIIQ 21	IVQ 21	% q/q	q/q	% y/y	y/y
Total assets	78 642,0	79 880,6	79 035,1	78 201,9	83 048,4	6,2%	4 846,4	5,6%	4 406,3
Cash and cash equivalents	2 459,9	2 163,6	1 566,4	1 645,3	3 763,4	128,7%	2 118,1	53,0%	1 303,5
Amounts due from banks	508,4	400,5	607,3	629,0	1 689,8	168,6%	1 060,8	232,4%	1 181,4
Investment financial assets	15 744,7	17 367,3	16 507,8	14 472,5	16 099,7	11,2%	1 627,2	2,3%	355,0
Derivative hedging instruments	335,0	217,7	175,1	131,9	38,8	-70,6%	-93,1	-88,4%	-296,2
Loans and advances to customers	56 215,4	56 272,6	57 028,4	57 833,3	58 228,2	0,7%	394,9	3,6%	2 012,8
Assets pledged as collateral	446,5	558,9	130,9	602,1	130,9	-78,3%	-471,2	-70,7%	-315,5
Property, plant and equipment	702,4	693,7	709,3	734,0	755,2	2,9%	21,2	7,5%	52,8
Intangible assets	425,1	420,6	418,0	422,6	426,6	1,0%	4,1	0,4%	1,5
Investments in associates	5,3	0,0	0,0	0,0	0,0	-	0,0	-100,0%	-5,3
Asset held for sale	0,0	0,0	0,0	1,7	0,0	-100,0%	-1,7	-100,0%	0,0
Income tax asset	1 218,3	1 232,3	1 241,6	1 176,3	1 302,3	10,7%	126,1	6,9%	84,0
Other assets	581,1	553,6	650,3	553,3	613,5	10,9%	60,1	5,6%	32,3
Total liabilities and equity	72 082,4	73 334,5	72 452,9	71 601,3	77 129,2	7,7%	5 527,9	7,0%	5 046,7
Amounts due to banks	912,4	827,3	717,9	617,6	529,6	-14,2%	-88,0	-42,0%	-382,8
Amounts due to customers	66 875,9	68 621,7	67 832,8	66 953,9	72 005,7	7,5%	5 051,9	7,7%	5 129,8
Financial liabilities	501,9	256,6	183,8	132,6	188,1	41,9%	55,5	-62,5%	-313,8
Derivative hedging instruments	86,2	137,7	169,3	256,8	1 082,0	321,4%	825,2	1155,8%	995,8
Provisions	336,6	310,8	283,6	285,5	290,2	1,7%	4,7	-13,8%	-46,3
Other liabilities	1 569,9	1 572,2	1 732,8	1 801,4	1 649,5	-8,4%	-151,9	5,1%	79,7
Income tax liabilities	6,7	3,1	3,5	17,6	36,6	107,7%	19,0	446,9%	29,9
Subordinated loans	1 793,0	1 605,1	1 529,2	1 536,1	1 347,4	-12,3%	-188,6	-24,8%	-445,5
Equity	6 559,6	6 546,1	6 582,2	6 600,7	5 919,2	-10,3%	-681,5	-9,8%	-640,4
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	5 403,7	5 403,7	5 403,8	0,0%	0,2	0,1%	4,2
Revaluation reserve	217,3	93,9	6,0	-125,2	-906,7	624,2%	-781,5	-517,2%	-1 124,0
Other reserves	161,8	161,8	161,8	161,8	161,8	0,0%	0,0	0,0%	0,0
Foreign currency translation differences	-1,6	-0,2	0,3	-0,4	0,0	-89,6%	0,4	-97,3%	1,6
Accumulated losses	-211,8	-522,7	-527,0	-527,0	-527,2	0,0%	-0,2	148,9%	-315,4
Profit for the period	-311,2	108,1	231,9	382,3	481,9	26,1%	99,6	-254,8%	793,2
Total liabilities and equity	78 642,0	79 880,6	79 035,1	78 201,9	83 048,4	6,2%	4 846,4	5,6%	4 406,3

Additional information

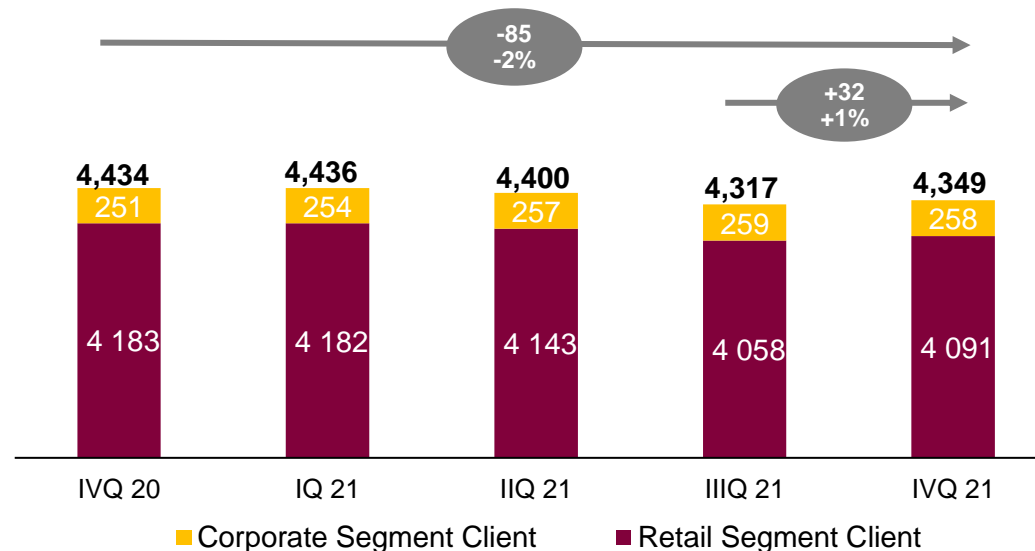
Employment (FTEs)



Alior Bank's branches



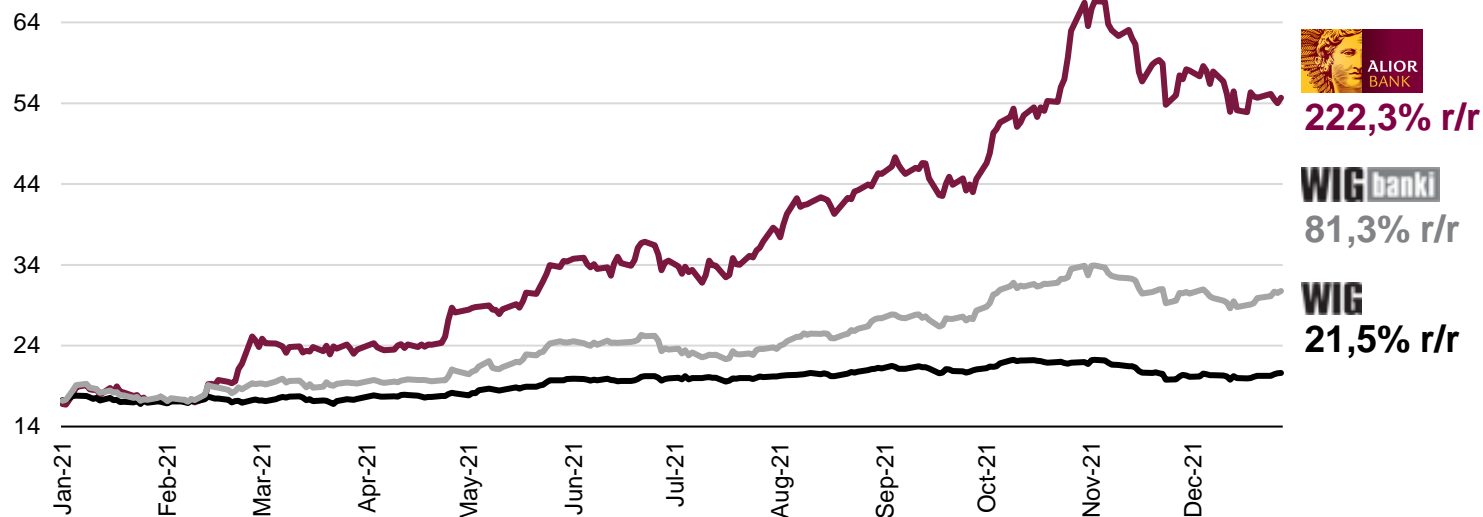
Number of customers* (thousand)



*the change in the number of Customers, as compared to the data previously presented, results from the full inclusion in the statement of Alior Leasing Customers

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 54.7**
 (data as at 30 December 2021)
 Capitalisation: **PLN 7.1 billion**
 Value of shares in free trade: **PLN 3.7 billion**
 P/BV**: **1.2x**
 P/E***: **14.8x**

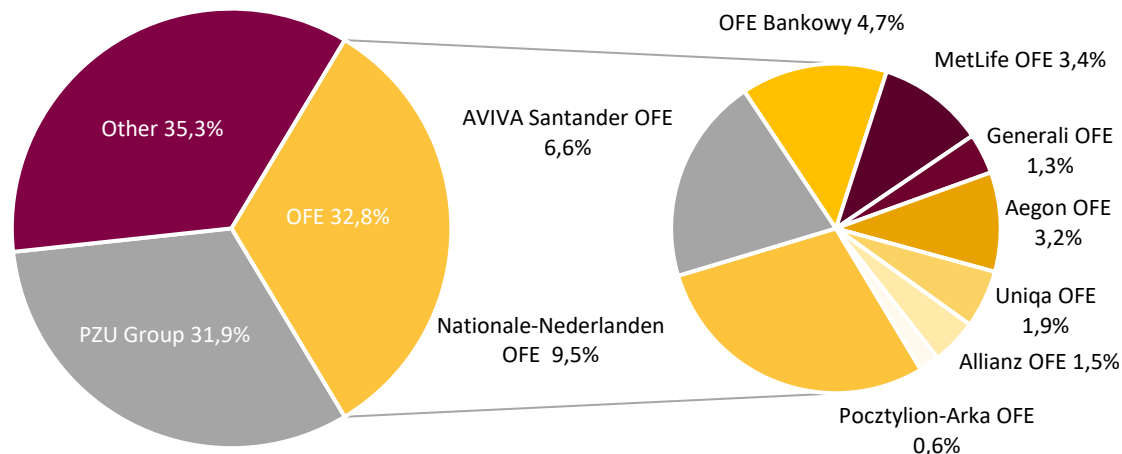
ISIN code: PLALIOR00045
WSE: ALR
Bloomberg: ALR PW
Reuters: ALRR.WA

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

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

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

Shareholding structure*



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

** Equity for 2021YE

*** Net Profit for 2021



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[Youtube channel](#)



Following events:

- 1Q 2022 results – April 27, 2022
- 1H 2022 results – August 3, 2022
- 3Q 2022 results – November 4, 2022

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