



ALIOR
BANK

Presentation of results for 3Q'23



1. Operating activities

2. Credit risk

3. Financial results

4. Other issues



1



Operating activities

Another record-breaking quarterly result for Alior Bank

In 1-3Q'23 revenues amounted to PLN bn 4.164

- net interest income PLN bn 3.483 (+44% y/y)
- net fees and commissions PLN mn 597 (-3% y/y)

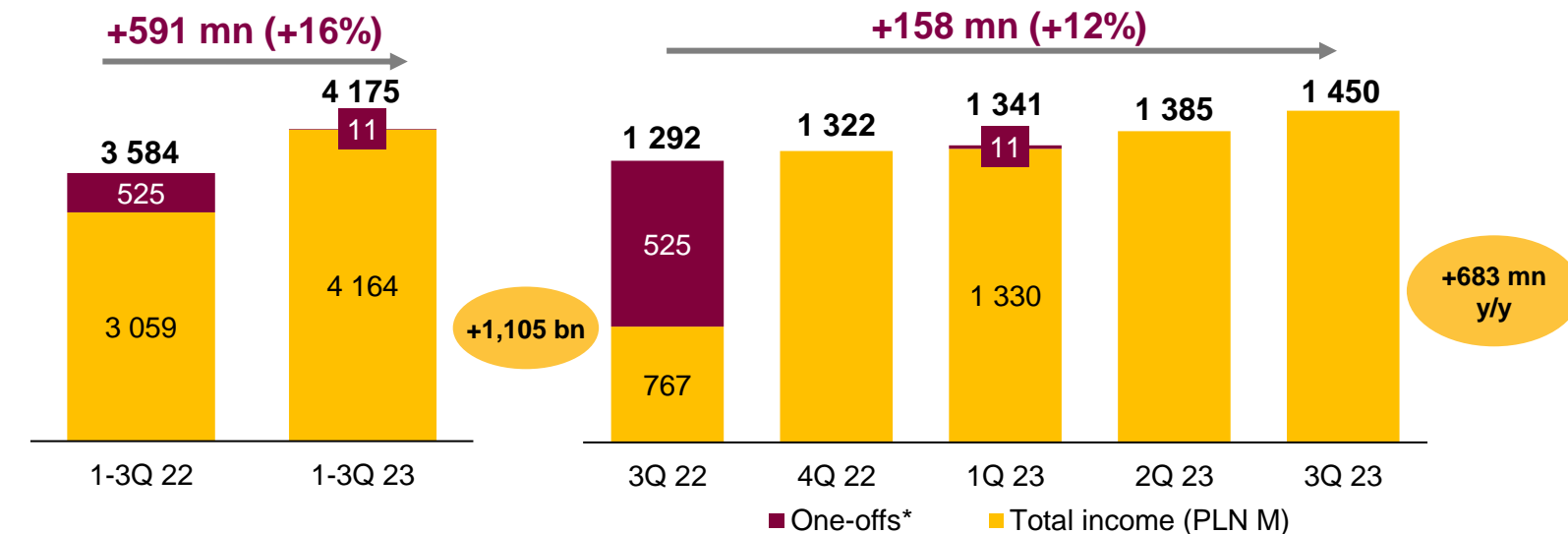
In 2Q'23 revenues amounted to PLN bn 1.45

- net interest income PLN bn 1.219 (+108% y/y)
- net fees and commissions PLN mn 172 (-15% y/y)

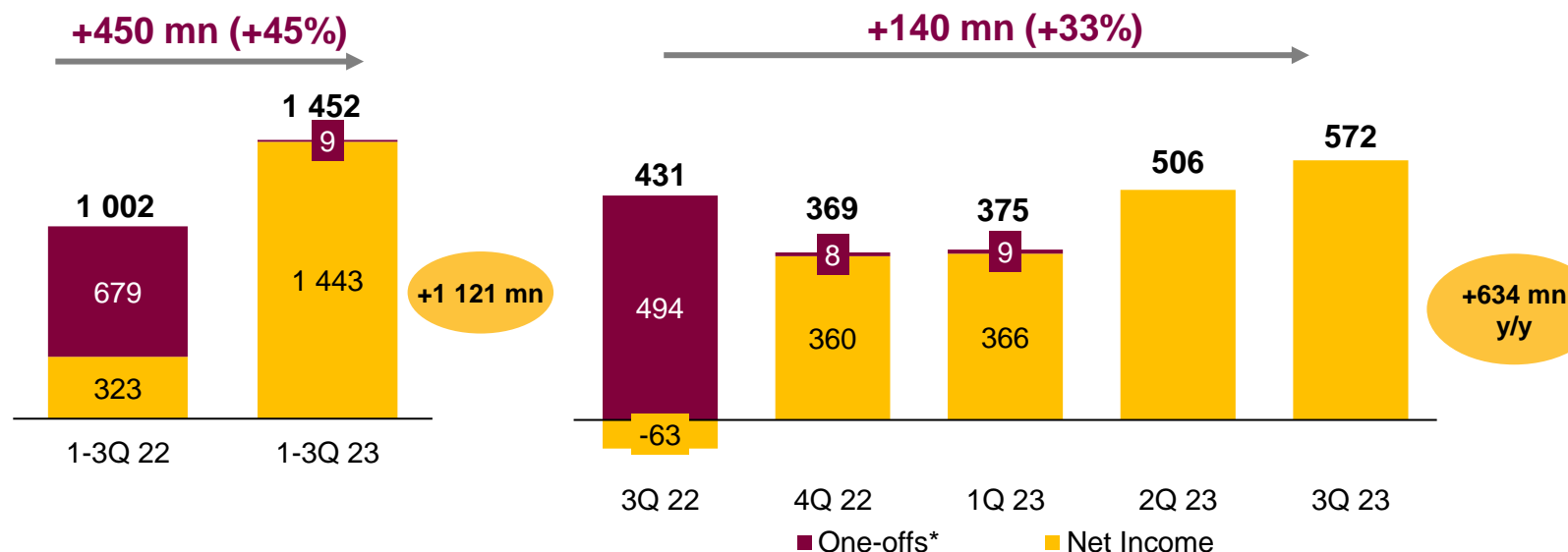
Alior Bank's net profit for 1-3Q'23 amounted to PLN bn 1.443 and increased by PLN bn 1.121 compared to the 1-3Q'22 result.

Net profit in 3Q'23 amounted to PLN mn 572 and increased by PLN mn 634 in comparison to 3Q'22.

Total revenues (PLN mn)

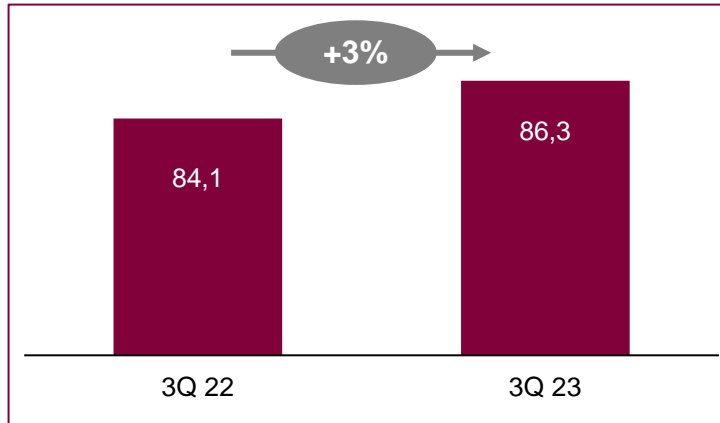


Net profit (PLN mn)

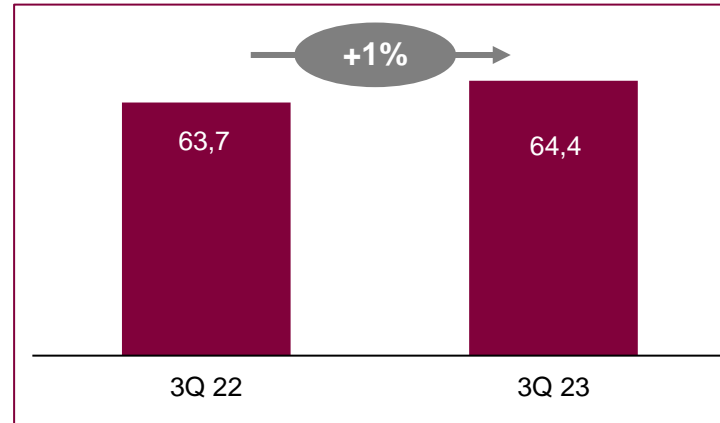


Record-breaking quarter for Alior Bank - improved efficiency, profitability, and portfolio quality

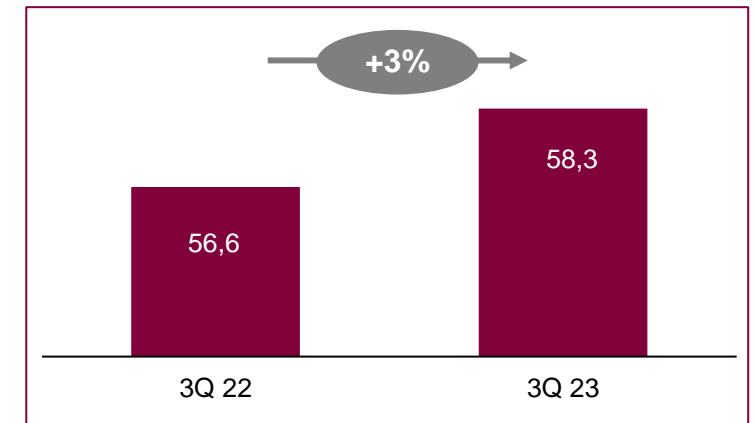
Assets (PLN bn)



Gross Loans (PLN bn)



Gross Performing Loans* (PLN bn)



C/I 3Q'23

33.4%

-26.2 p.p. y/y

ROE 3Q'23

27.9%

+32.5 p.p. y/y

COR 3Q'23

0.96%

-0.68 p.p. y/y

NPL 3Q'23

9.39%

-1.59 p.p. y/y

NIM 3Q'23

6.16%

+3.08 p.p. y/y

TCR 3Q'23

16.68%

+2.98 p.p. y/y

Alior Pay

Alior Bank provided all clients with access to Alior Pay. Due to this innovative solution Alior Bank's retail customer account holders may benefit from the option to defer transactions made on their account through the mobile app.



Bezpечny Kredyt 2%

Since July 3 Alior Bank gave clients the opportunity to take advantage of the 2% Safe Mortgage product from the government's First Home Program. The program is aimed at young people planning to purchase their first real estate property.



Since July 25 Alior Bank offers the Home Savings Account. This is another element of the government's First Home Program.

LOAN SALES

1.5 PLN BN
(+14% y/y)

MORTGAGE LOAN SALES

1.0 PLN BN
(+125% y/y)

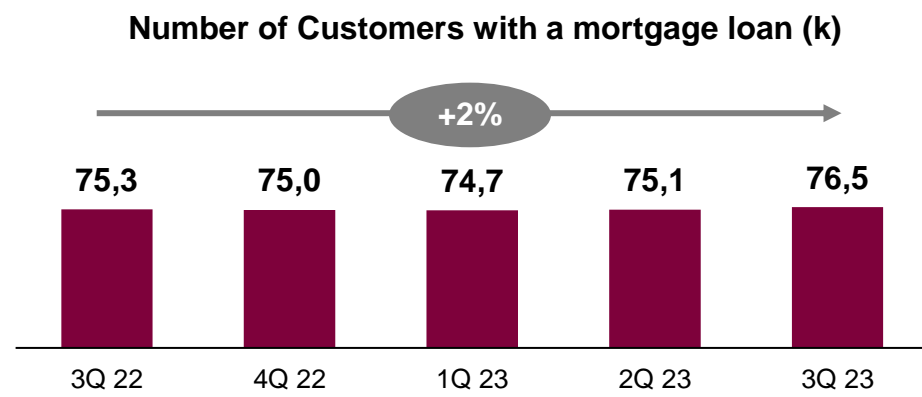
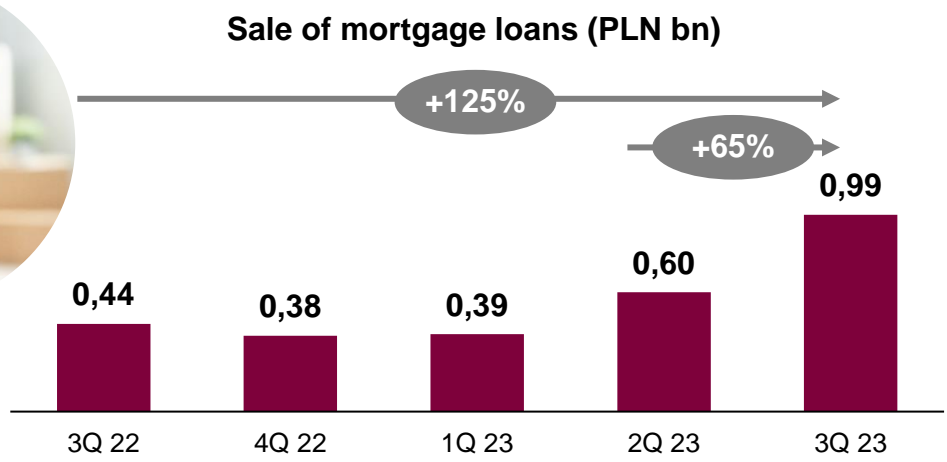
CONSUMER FINANCE SALES

1.4 PLN BN
(+21% y/y)

MOBILE USERS

1.04 MN
(+18% y/y)

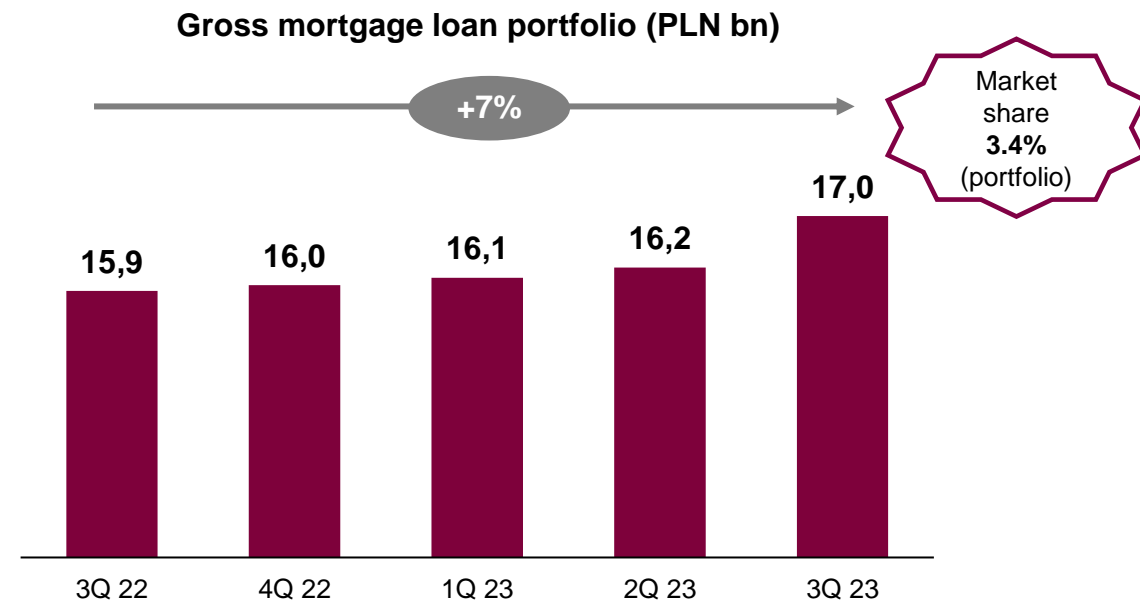
Growth of the Bank's key products – mortgage loans*



We have achieved the highest volume of mortgage loans sales in our history. In September monthly sales exceeded PLN mn 500 for the first time

6.4% Market share of new sales in 3Q'23

7.4% Market share of new sales in September 2023





2% Safe Mortgage

Alior Bank, since the first day of the First Home Program, maintains high levels of interest in the offer and increases new sales volumes.

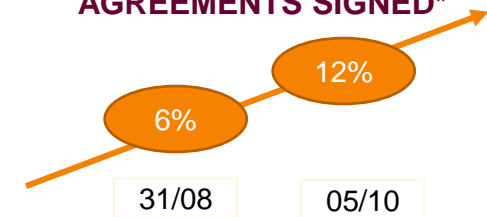
BK2% APPLICATIONS SERVICED

>18k

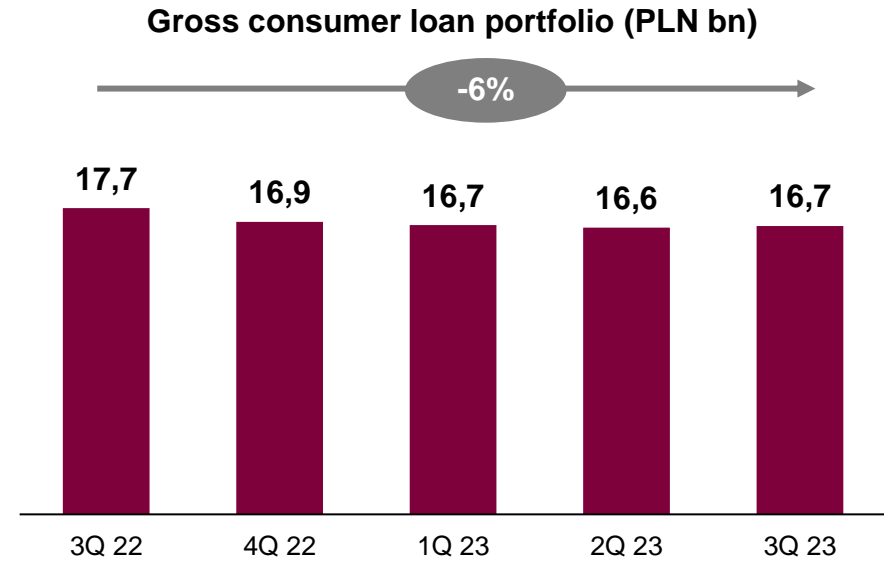
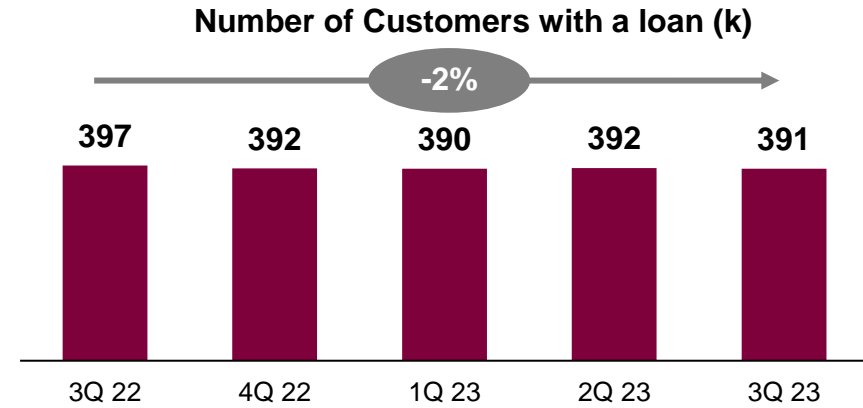
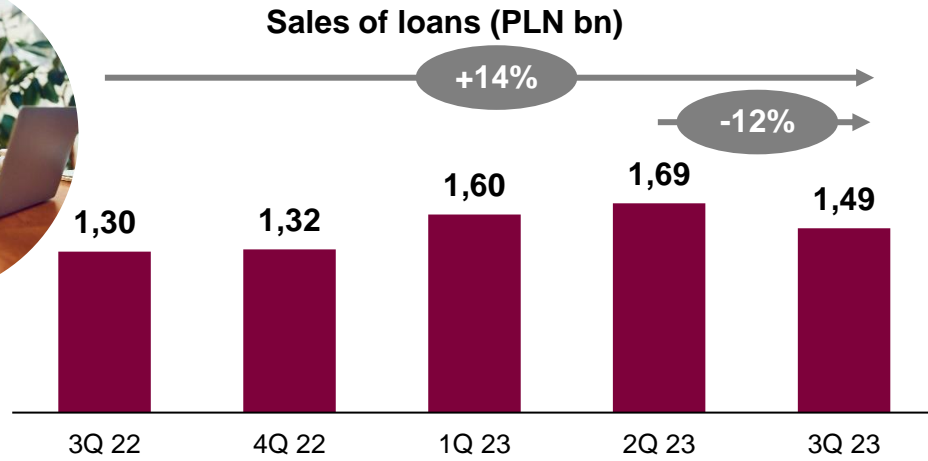
VOLUME OF POSITIVE BK2% DECISIONS

>1.2bn

SHARE OF BK2% IN AGREEMENTS SIGNED*



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



Market share **10.8%** (portfolio)

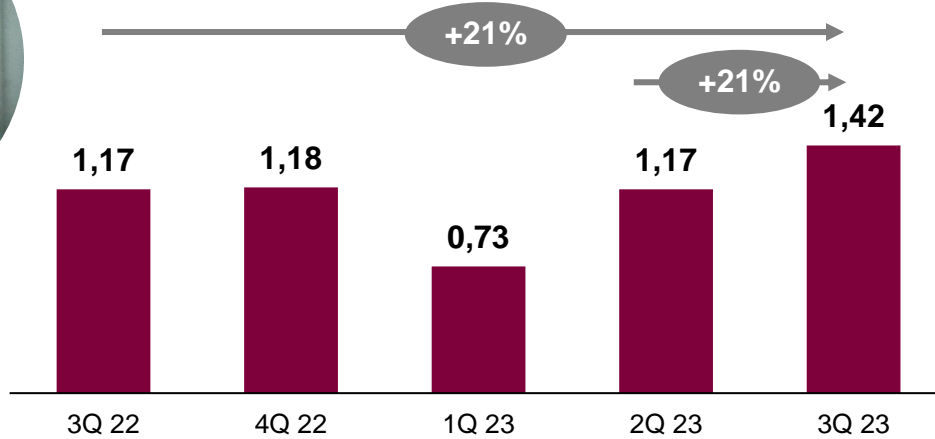
We continue with our strategy for growth and increasing the share of remote sales by providing an attractive offer and cooperation with partners.

53% Share of remote sales**

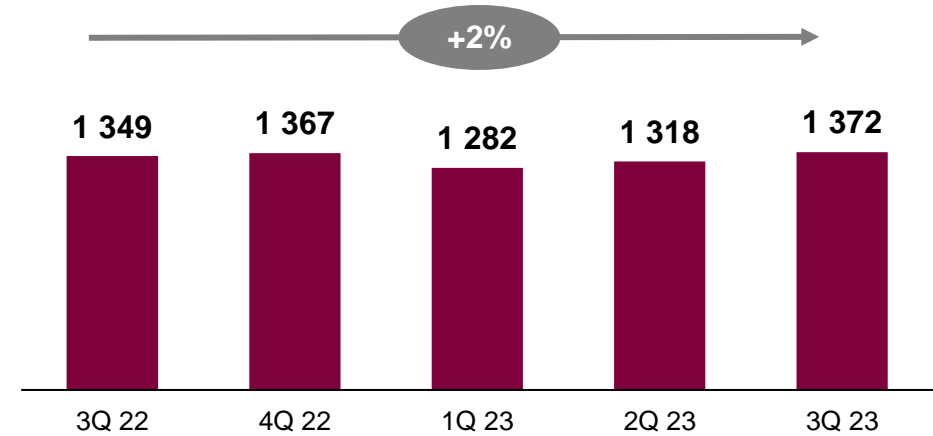
Growth of the Bank's key products – Consumer Finance (CF) loans



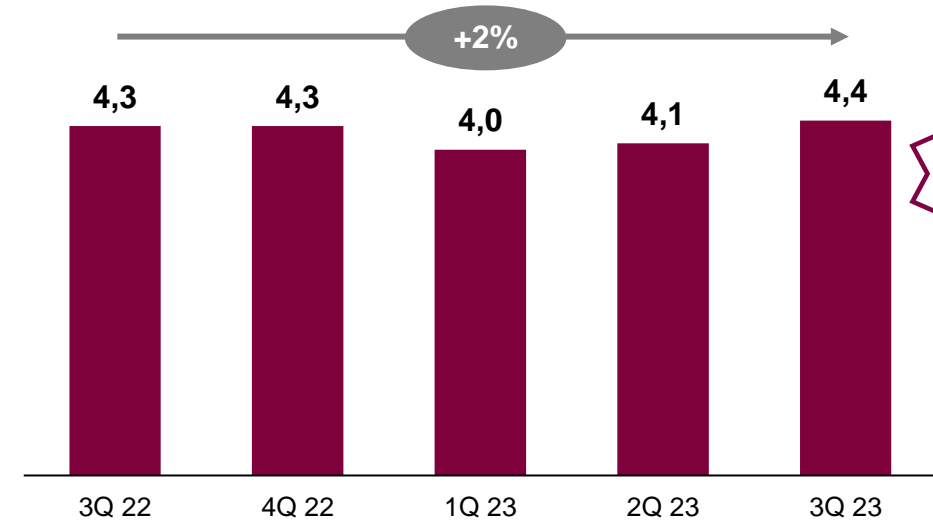
Sales of CF loans (PLN bn)



Number of CF Customers (k)



Gross loan portfolio (PLN bn)



Market share
18%
(portfolio)

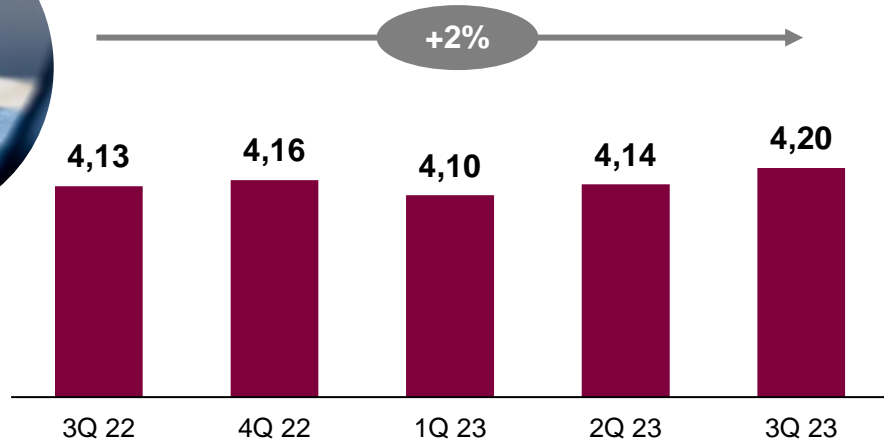
Very good sales in 3Q'23. An increase of 21% compared to the previous year and a 21% increase quarter to quarter. Alongside our Partners we carried out many initiatives through online channels and promotional campaigns in brick-and-mortar stores as well as in e-commerce

In the online loan application process, we added an additional opportunity to authenticate identity through bank accounts based on the AIS PSD2 service. Our clients quickly appreciated the new loan process for its speed, reliability, and simplicity, documented by an NPS of 87% in 3Q'23.

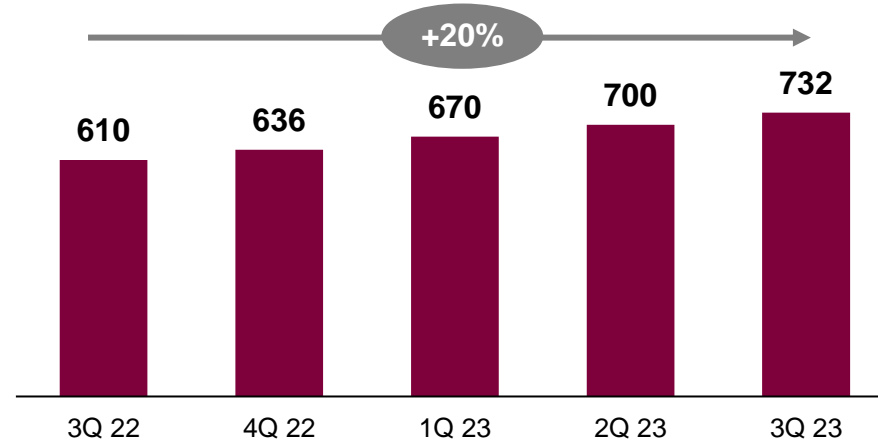
Effective establishment of a lasting relationship with Customers



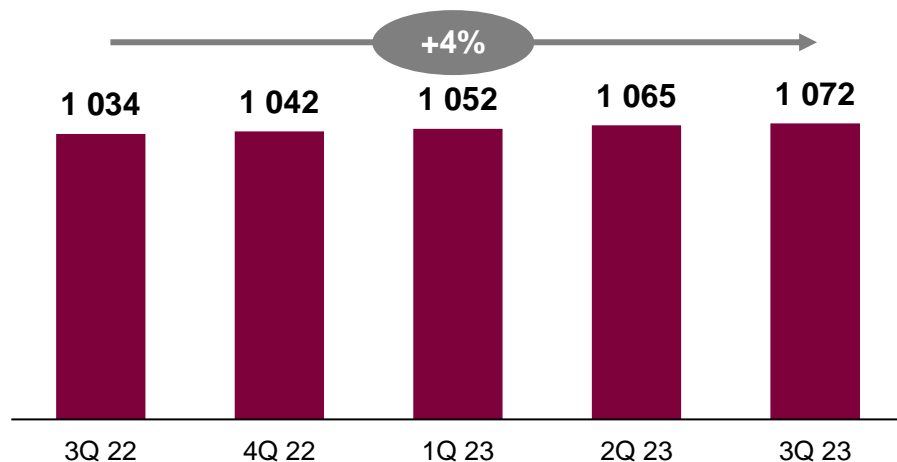
Number of Individual Customers (mn)



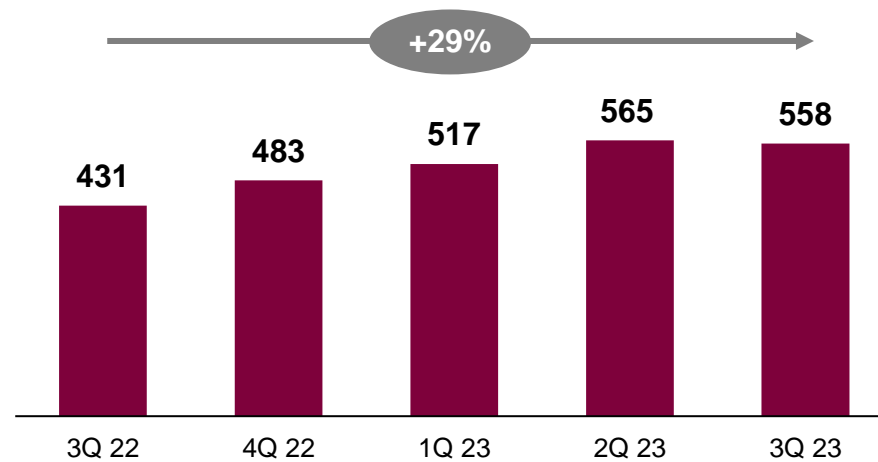
Number of accounts "Konto Jakże Osobiste" (k)



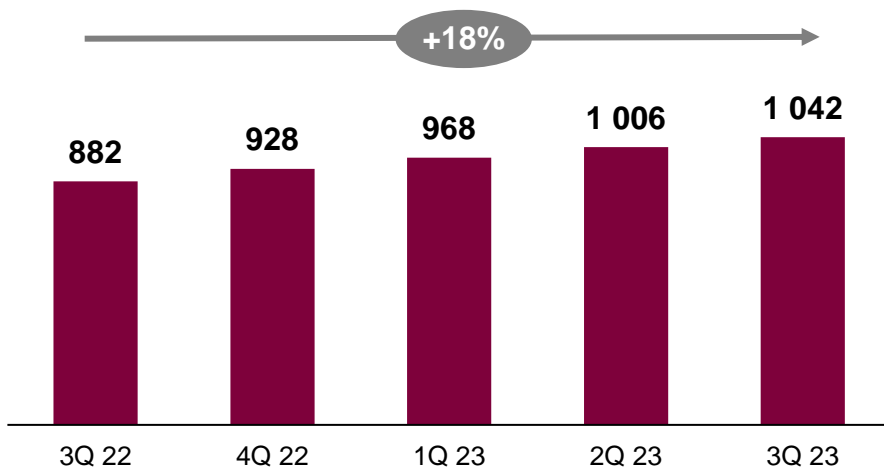
Number of Customers with systematic account inflows (k)



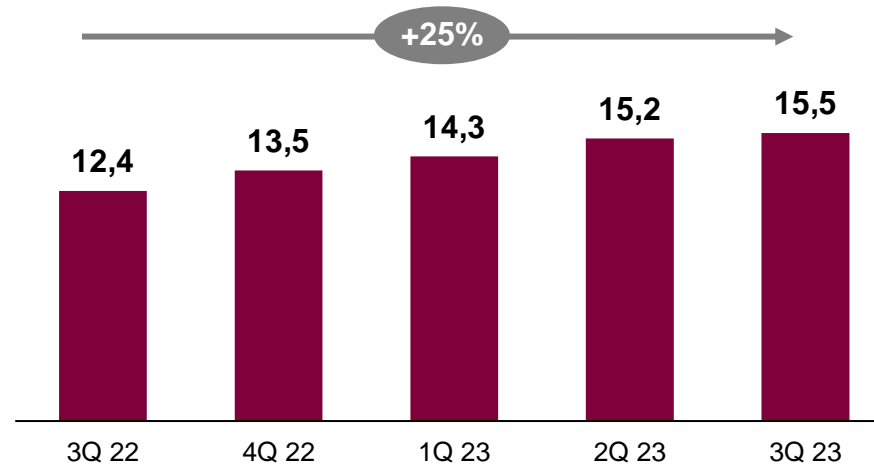
Number of motorway journeys and tickets paid through the Alior Mobile application (k)



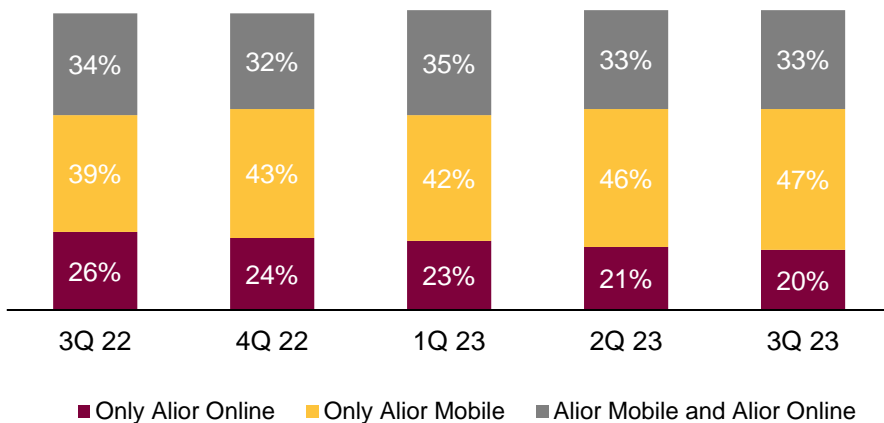
Users of Alior Bank mobile applications (k)



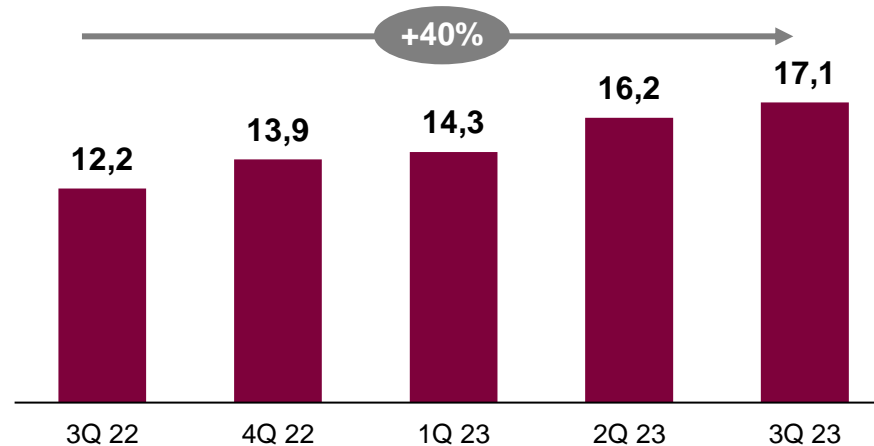
Number of wire transfers initiated in the Alior Mobile application (mn)



Structure of Alior Online and Alior Mobile usage



Number of BLIK transactions (mn)



NEW CREDIT LIMIT Y/Y

+20%

PLN bn 7.9 in 1-3Q'23

REVENUE AFTER COST OF
RISK Y/Y

+9%

NPL Y/Y

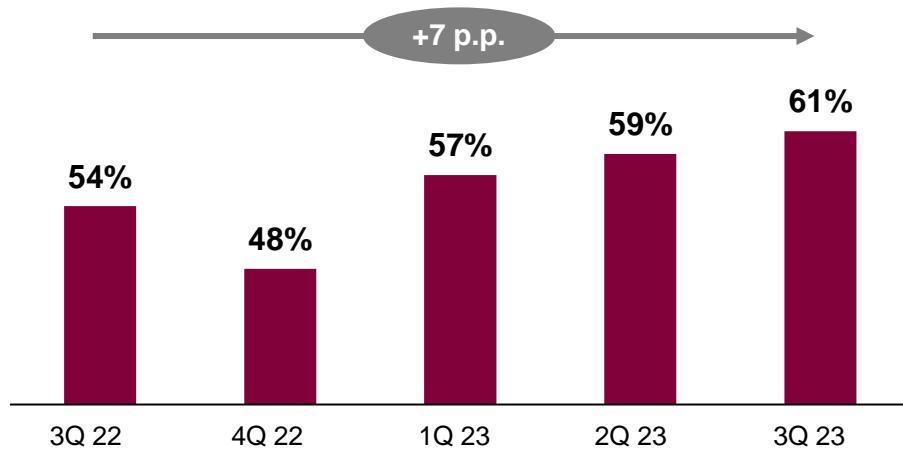
-2.35 p.p.

- **Over 5%** market share in commitments up to PLN mn 20
- **We have 8%** market share in commitments up to PLN mn 1 for the self-employed („JDG”)
- **We are growing 2.5x the market in commitments up to PLN mn 5**

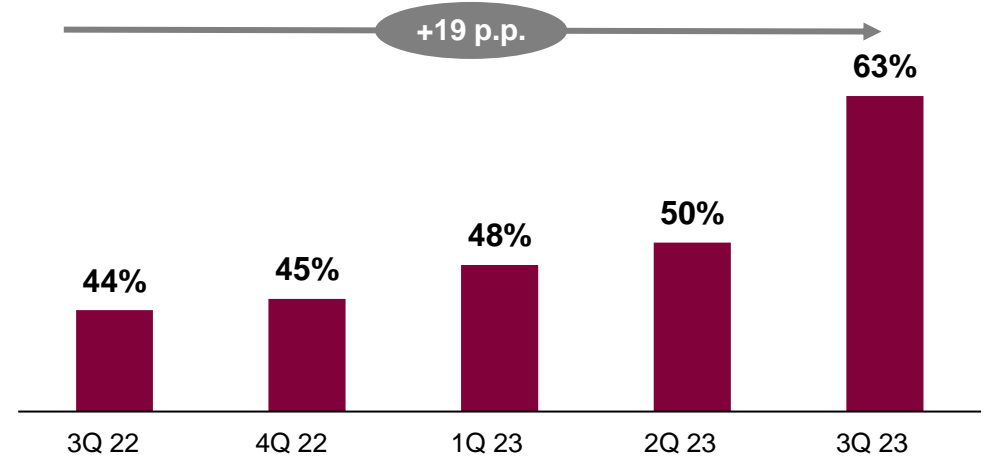
- **Over 7%** market share in construction (sections F and L)
- **5% market share** in trading (section G)
- **Significantly over 3%** market share in manufacturing (section C)
- **In trading (section G) we are growing substantially faster than the market**

Rising trend in key efficiency indicators

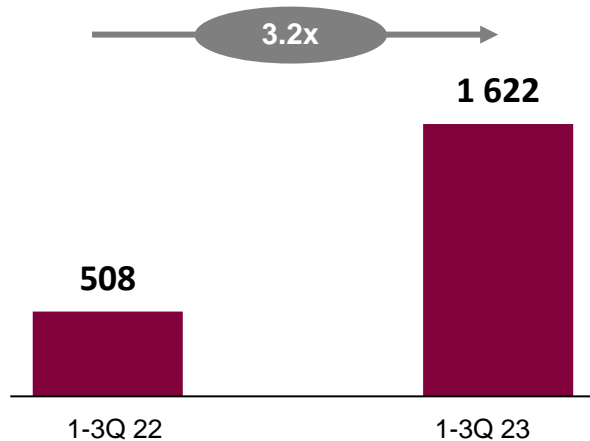
Share of automatic decisions in new sales (Small segment)



% of orders executed remotely



Sales of transaction products (units)

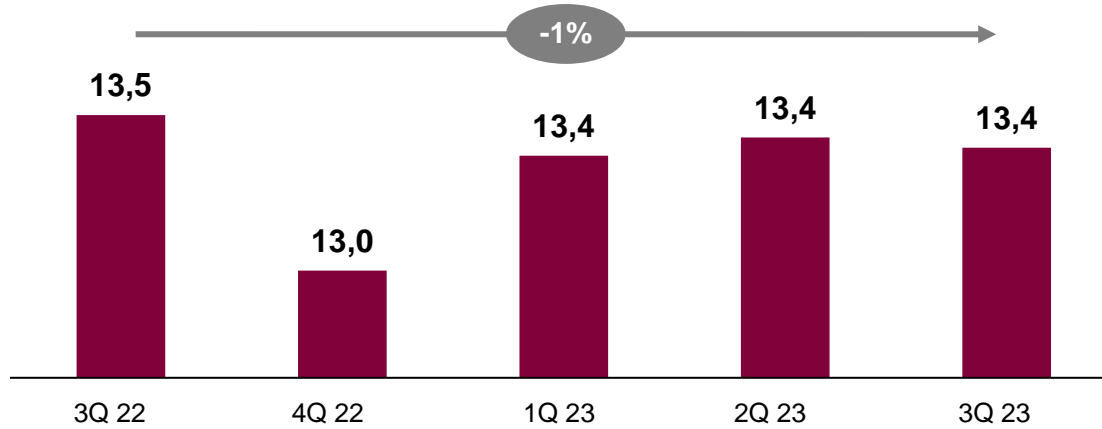


Due to the consistent execution of the strategy to cross-sell we accomplished a threefold increase in the sale of transaction products.

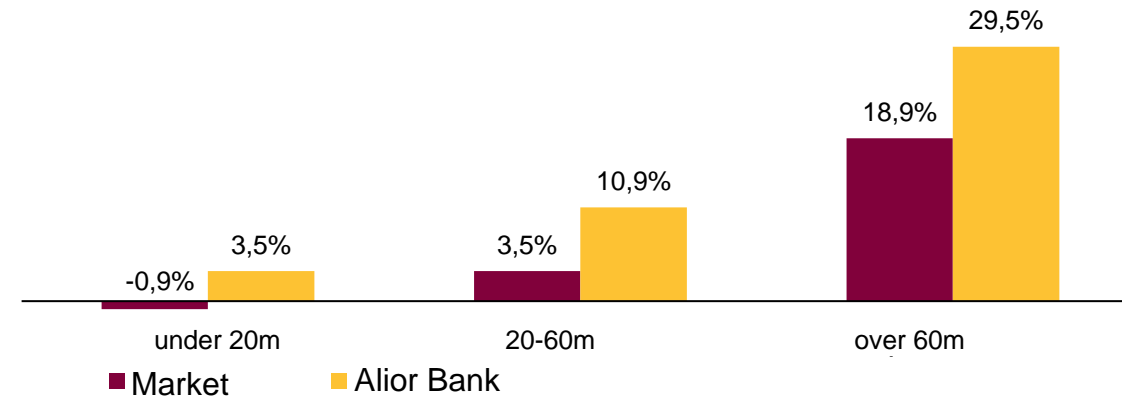
BankConnect (enabling the integration of enterprise accounting systems with Alior Bank's online banking solutions) is one of the elements of the Bank's strategy to increase fees and commissions income in the Business Customer segment.

An improvement in the portfolio structure with a simultaneous increase in market share

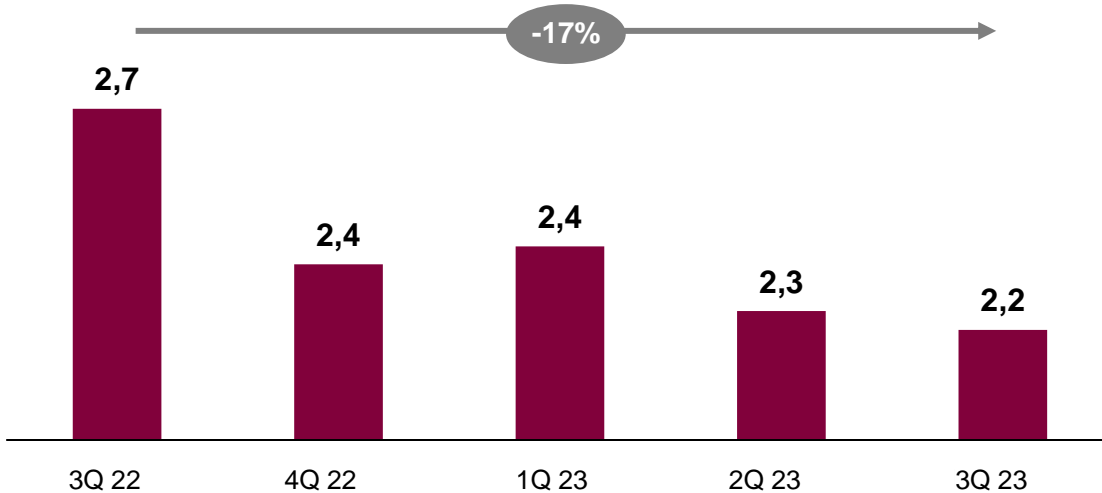
Total balance of assets Small/Medium/Large (PLN bn)



Change in performing portfolio volume y/y by commitment*



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



- The rate of growth of the performing portfolio is **1.6x the market**, especially in PLN mn 20-60 commitments, where Alior Bank's rate of growth is **3x that of the market**.
- **Systematic portfolio quality improvement** – decrease of assets in collection by **17% y/y****

* according to BIK data as of 30.09.2023 for performing portfolios, i.e. excluding delinquencies over 90 days
 ** receivables serviced by the Restructuring and Debt Collection Department (restrictive definition of collection)



Alior Pay for all Alior Bank Customers

The first Customers could use the service since December 2022. In following months, more groups gained access to Alior Pay. Distinguishing it from other solutions on the market the Customer may defer all types of transactions – completed online and offline: POS card payments, BLIK, wire transfers (i.e. electricity or telephone bills), purchases in online and brick-and-mortar stores (e-commerce and retail), as well as ATM withdrawals.



VoiceBot

VoiceBot NPS in digital sales

The NPS survey process is supported by AI technology, VoiceBot contacts Customers, who signed an agreement through the digital sales process. Based on gathered information we can continuously adapt the sales process to our Customers' needs.

VoiceBot Data Update

Information bot. The bot reminds of nearing validity date of the Customer's documents and informs how to easily update through the mobile app.

Information VoiceBot for the Business Customer

Informs the Customer of the level of realization of an agreement condition, which is the level of daily turnover and how much more is needed to reach completion.

Transactional process – loan repayment

VoiceBot allows Customer to among others repay a loan during the call.



mObywatel (mCitizen)

Since September 1 during visits in Alior Bank branches, customers do not need to present a traditional ID card to verify their identity. All that is needed is a smartphone with the mObywatel 2.0 (mCitizen) app, which includes the mDowód (mID).



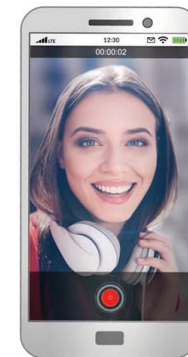
FX Exchange – BLIK currency exchange

The „Kantor Walutowy” (FX Exchange) product has an added functionality to quickly purchase currency through the BLIK quick payment method. Due to this solution, instead of traditional wire transfers to the „Kantor Walutowy” account or card top-ups, Customers may use a BLIK code to purchase currency.



2% Safe Mortgage

In internet banking we provided Customers with a process enabling them to apply for 2% Safe Mortgage subsidies during the interest installment payment period.



Teleselfie

In September we provided Customers with a new process to open a „Konto Jakże Osobiste” personal account. The process involves initiating an application by a telephone sales banker and continuing the process by the Customer through Videoselfie verification. Up until now the Customers could not complete the process remotely, they needed to use a courier or visit a branch. Addressing the needs of Customers we created a new process, which can be completed quickly and easily through remote channels.

ALIOR PAY

Alior Bank provided access to Alior Pay to all Customers.

Due to this innovative solution Alior Bank personal account holders may defer payments made from their personal account through the mobile app.



„START WITH PLN 400” CAMPAIGN

Entrepreneurs under self-ownership („JDG”) who open an iKonto Biznes account, may acquire PLN 400 for a good start.



ACCOUNT FOR YOUTH PROMOTION

The campaign focuses on benefits for teenagers such as no card fee until 18 years of age, free domestic internet wire transfers, and the possibility to acquire PLN 200 for Allegro purchases.



2% SAFE MORTGAGE

Since July Alior Bank enables Customers to apply for a **2% Safe Mortgage within the government's First Home Program.** For individuals, who decided on the loan offer, the bank prepared a promotion, with a prize of PLN 4kr for purchases from selected partners.



BLIK IN FX EXCHANGE

Alior Bank introduced the possibility to purchase currency through the **BLIK** quick payment method. Due to this **the Customer may purchase currency with BLIK codes**, instead of traditional wire transfers or card top-ups.



INFONINA ON CHAT

Alior Bank initiated a new contact channel for Customers. **InfoNina** (virtual assistant), which up until now supported the hotline, **is now available through chat.**



Social responsibility of Alior Bank

Business mornings with Alior Bank

- **Autumn business breakfasts with entrepreneurs.**
- Meeting topics: macroeconomic situation, Polish energy market, opportunities for supporting business growth by Alior Bank, promotion of leasing.



„From darkness to light”

- In Warsaw’s Łazienki park we could visit „From darkness to light,, exposition, which was made possible though among others the support of Alior Bank Foundation.



Business Accessibility Forum

- Joining **Business Accessibility Forum.**
- The intention of companies in BAF is **striving to eliminate barriers in accessing digital resources** and promoting accessibility, as a right of each person.



Talent Olympics

- **Economic board game** created by Alior Bank Foundation.
- Aimed at primary school students from the age of 10.



Employee volunteer work

- Endorsing and supporting individuals interested in participating in charity
- Examples: work for **Nowodworskie Stowarzyszenie Przyjaciół Zwierząt ISKIERKA** [friends of animals association], collection of animal food for **Schronisko dla Bezdomnych Zwierząt „Sopotkowo”** [shelter for homeless animals] (Gdynia, Gdańsk).



Active with Alior

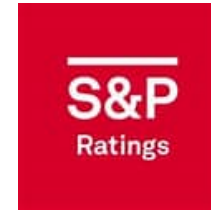
- Series of **recreational-sporting events in small towns throughout Poland.** Will last until November 2023.
- Support for among others: Zawojski Running Festival, Suwalskie Tropy Race (bicycle), 47. Grand International Knight Tournament.



Customers and the market appreciate services and changes in Alior Bank



Alior Bank won in „**Best implementations in electronic banking**” category in **e-Commerce Polska Awards**. The jury distinguished the bank for the innovative implementation of Alior Pay, it's new service from the deferred payment segment.



The highest long-term rating in the Bank's history **BB+** from **S&P rating agency** is confirmation of Alior Bank's very good condition.



ZWIĄZEK
BANKÓW
POLSKICH

Alior Bank was distinguished in the category **Best Sub-Financial Intermediary of the European Union in Poland** during **Forum Finansowania Mikro, Małych i Średnich Przedsiębiorców (MMŚP)** [*Forum for Financing Micro, Small, and Medium Companies*]



Alior Bank's CEO Grzegorz Olszewski, was honored with the prize of „**Polish Compass 2023**” from **Miesięcznik Gazeta Bankowa**



ZWIĄZEK
BANKÓW
POLSKICH

Alior Bank was invited to co-create „**Good practices in simple banking communication**”. These principles were established during meeting with other banks associated in Związek Banków Polskich (Polish Banks Association).



Kantor Walutowy (FX Exchange) was distinguished in the **comparison engine ranking** of **kontomaniak.pl** and **moneteo.com**.

Selected activities in 3Q'23

Environment



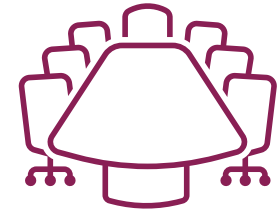
- We worked on updating our ESG strategy
- We implemented the „Eco Loan” product for financing purchases of eco-friendly vehicles

Social



- We continued ONA (She) initiative
- We implemented a diversity policy

Governance



- We initiated cooperation with an ESG rating agency and prepared for evaluation
- We initiated activities of ESG coordinators within key Alior Bank areas

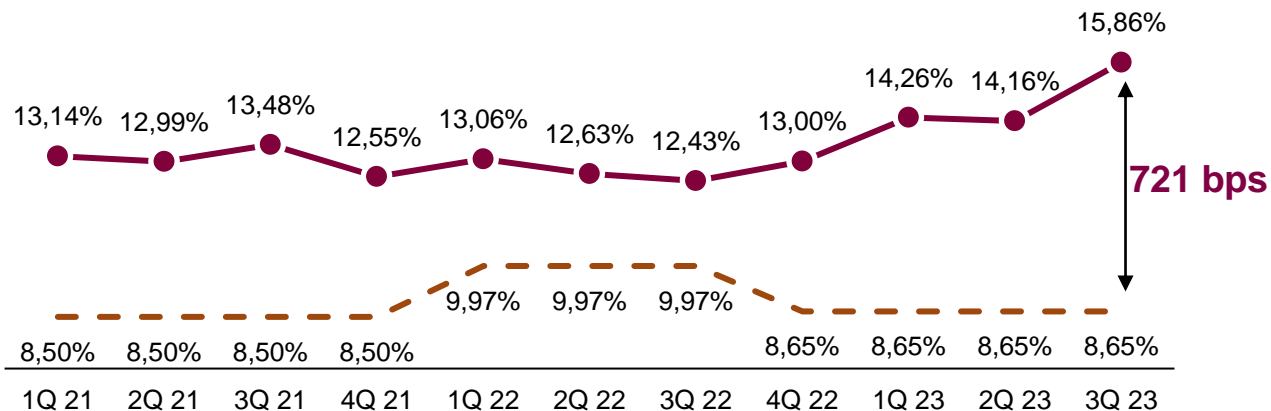
2



Credit risk

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

TIER I*

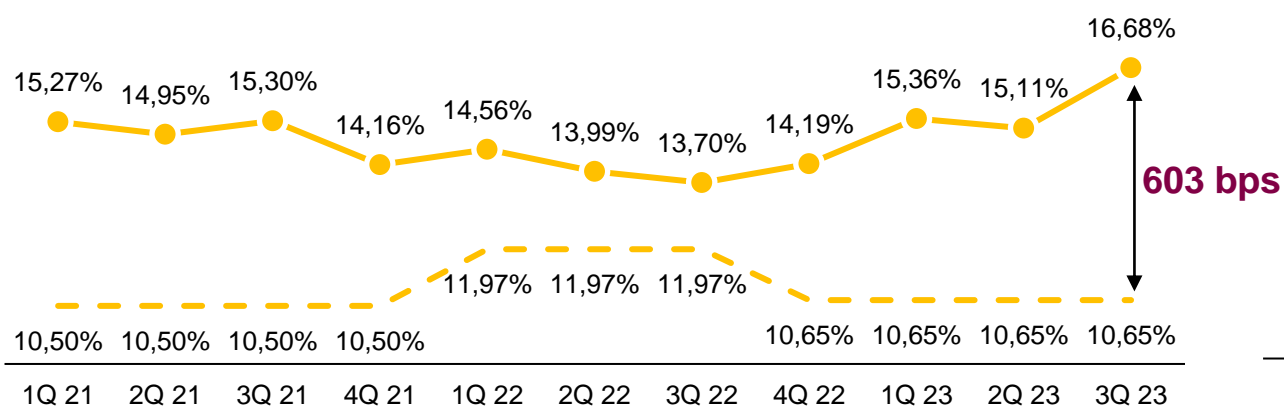


The levels of TIER I and TCR capital adequacy ratios as at the end of 3Q'23 significantly exceeded the regulatory minimum by 721 bps (PLN bn 3.5) and 603 bps (PLN bn 2.9).

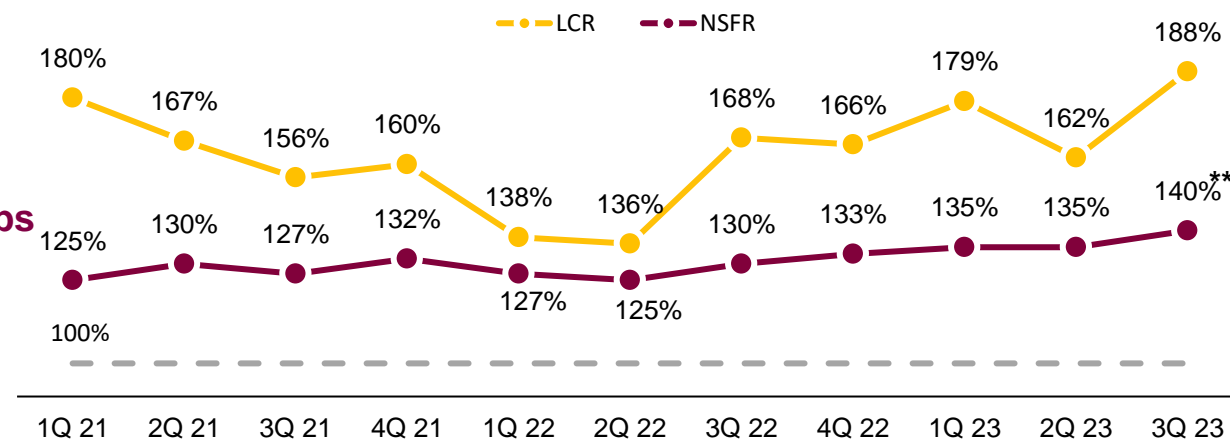
Including the 3Q'23 result to capital will increase TCR by around 140 bps.

The consolidated MREL indicator of Alior Bank Group as of September 30, 2023, was 18.45%

TCR*



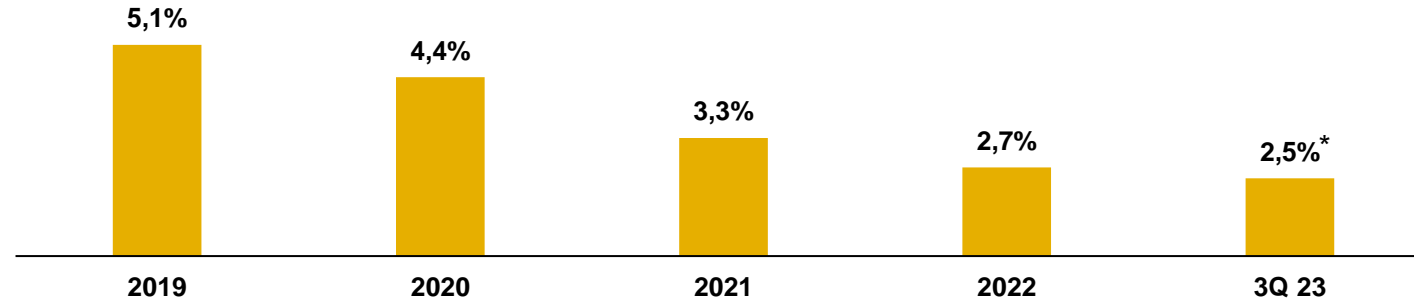
Liquidity ratios: LCR, NSFR



Effective transformation of credit risk of Alior Bank Group

1 Credit quality transformation

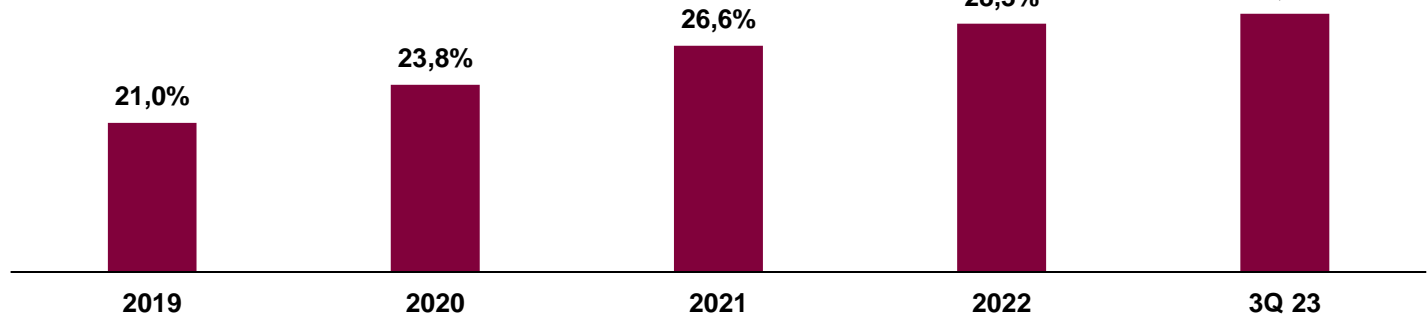
Default Rate (%)



Default rate effectively decreased and resilient to macro turbulences

2 Structure transformation

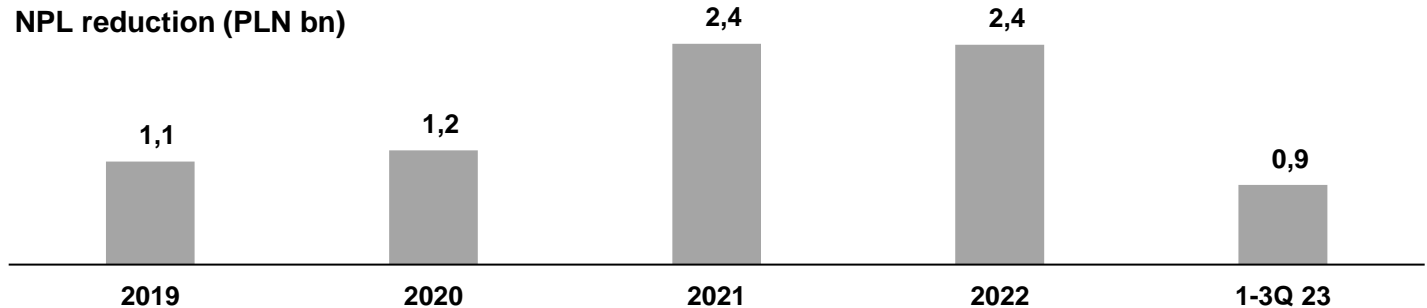
Share of mortgage loans(%)



Significant increase in the share of mortgage loans in the loan portfolio

3 NPL reduction

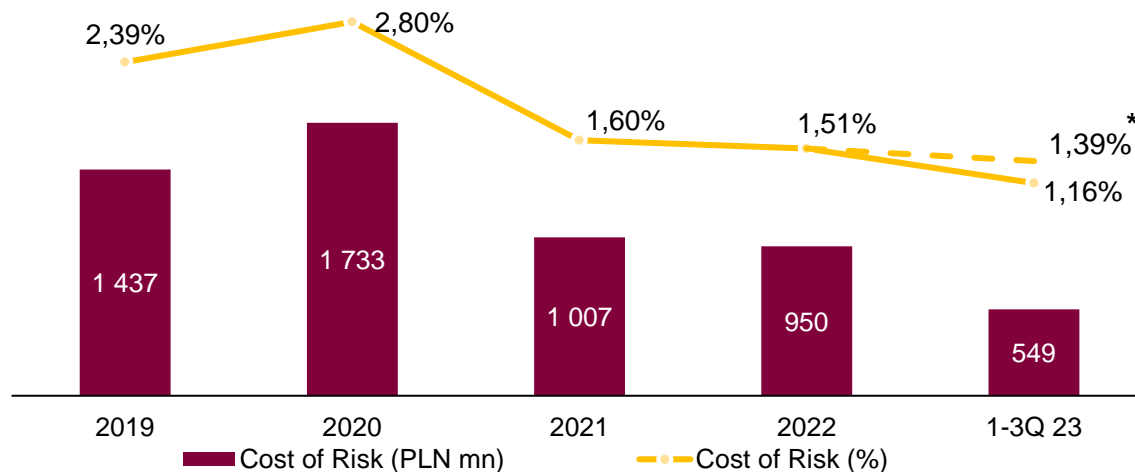
NPL reduction (PLN bn)



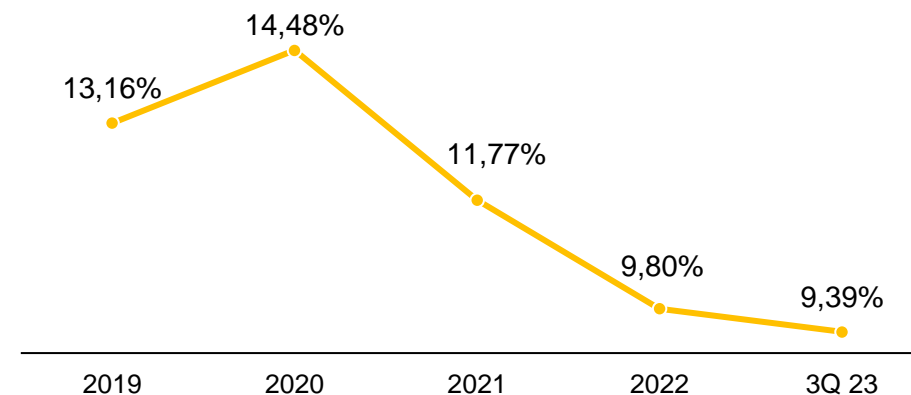
Consistent, significant NPL portfolio reduction (including a stable NPL sales process)

Alior Bank consistently increases portfolio quality and decreases cost of risk

Alior Bank Group – cost of risk



Alior Bank Group – NPL ratio



As a result of actions taken in 2020 and 2021 to manage the risk of the loan portfolio the Cost of Risk (CoR) in 3Q'23 was 0.96%.

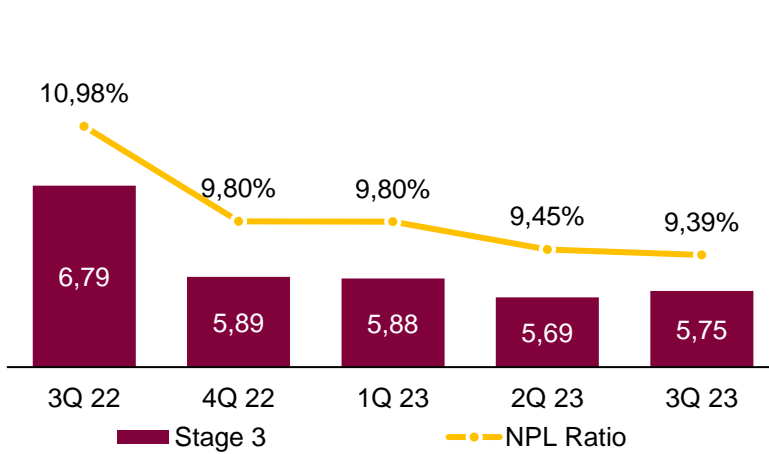
The lower CoR level in 3Q'23 was impacted by one-offs amounting to around PLN mn 30 (collections, successful restructuring of corporate clients) and very beneficial trends in portfolio quality, stabilized after macroeconomic turbulences, resulting in lower migrations to default and influencing the release of ECL provisions (FLI effect).

Currently we do not observe a significant negative impact of the macroeconomic environment on the CoR level. We expect, that the cost of risk of Alior Bank Group in 2023 should not exceed 1.1%. In 2024 we expect similar results and in the medium-term we expect CoR to stabilize at around 1%.

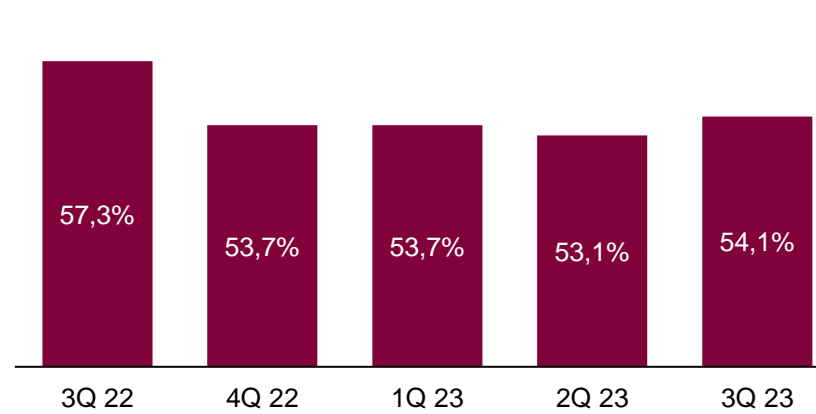
24 * CoR ratio excluding the positive effects of one-offs in 1-3Q'23 such as: higher than expected collections from business customers and gain on sale of NPL portfolio, in total around PLN mn 106 (around PLN mn 76 mln in 2Q'23 and around PLN mn 30 in 3Q'23)

Changes in credit portfolio management have brought tangible results

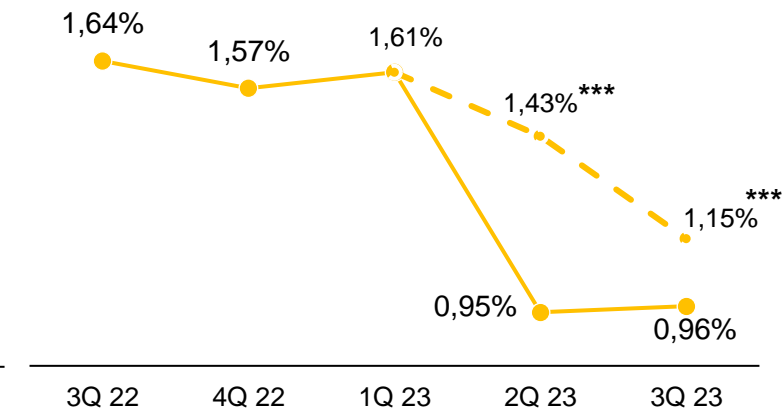
Impaired loans (PLN bn)



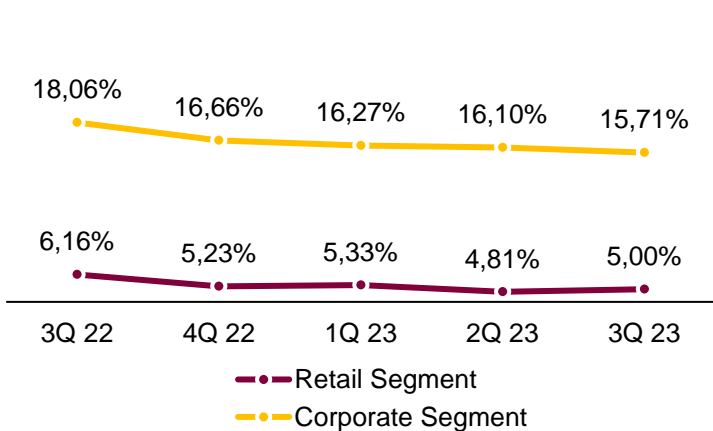
NPL reserve coverage ratio*



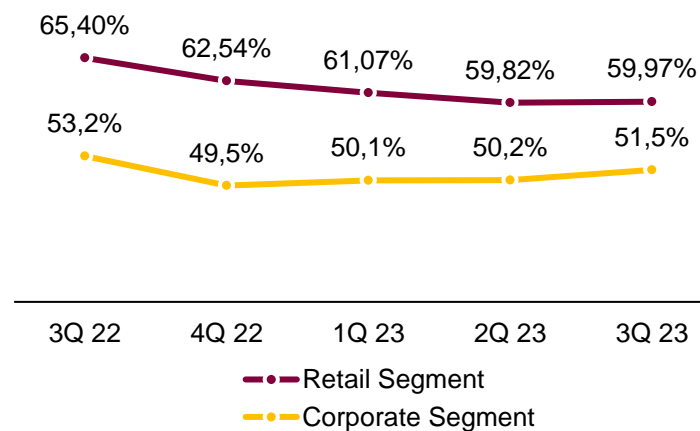
Cost of Risk - CoR**



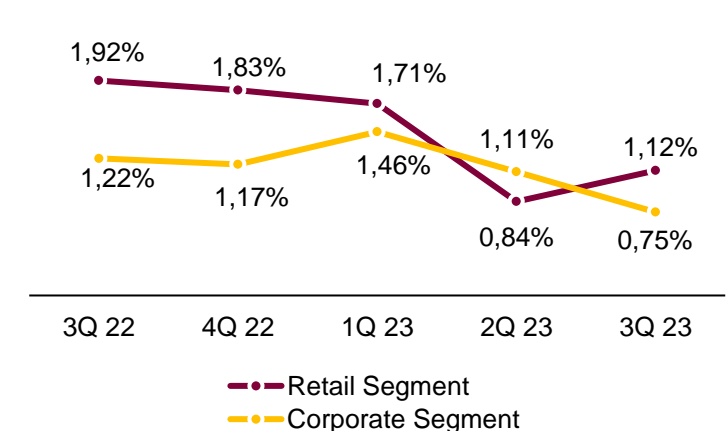
Impaired loans – segments



NPL provision coverage* – segments



CoR – segments**



3



Financial results

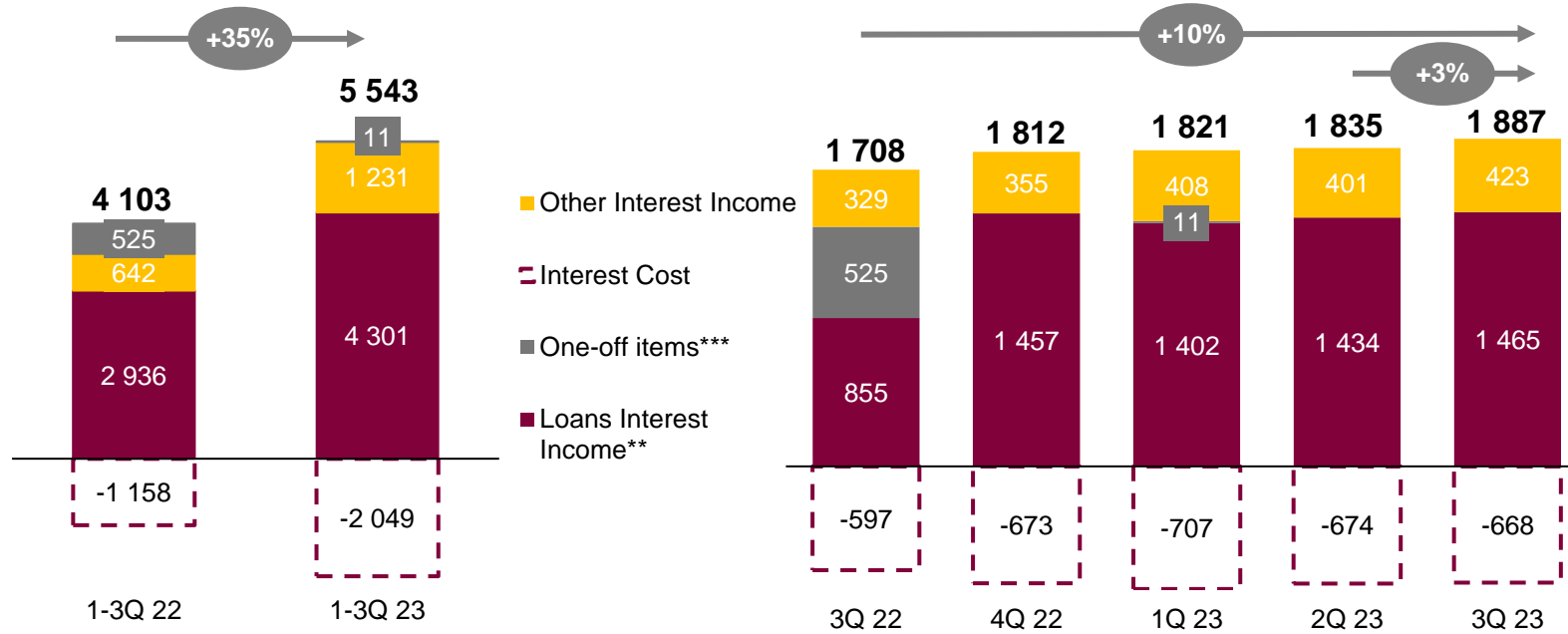
Income statement

PLN mn	3Q 22	3Q 23	% y/y	y/y	1-3Q 22	1-3Q 23	% y/y	y/y
Total Income	766,5	1 449,6	89%	683,0	3 059,5	4 164,3	36%	1 104,8
Net interest income	586,7	1 219,2	108%	632,6	2 420,8	3 483,2	44%	1 062,4
Net fee and commission income	201,6	172,3	-15%	-29,3	612,9	597,0	-3%	-15,9
Other income	-21,7	58,1	-367%	79,8	25,8	84,1	226%	58,3
Total costs	-802,2	-709,2	-12%	93,0	-2 519,9	-2 237,6	-11%	282,3
General administrative expenses	-456,4	-483,9	6%	-27,5	-1 540,8	-1 480,3	-4%	60,5
Impairment of non-financial assets	-1,0	-0,4	-58%	0,6	-41,2	-3,6	-91%	37,6
Net expected credit losses	-262,8	-154,6	-41%	108,2	-701,3	-549,4	-22%	151,9
Cost of fx mortgage legal risk	-15,1	-5,4	-64%	9,7	-39,6	-8,2	-79%	31,4
Banking tax	-67,0	-65,0	-3%	2,0	-197,1	-196,1	0%	1,0
Gross profit	-35,7	740,3	-	776,0	539,6	1 926,7	257%	1 387,1
Income tax	-26,9	-168,8	528%	-141,9	-216,7	-483,3	123%	-266,6
Net profit	-62,6	571,6	-	634,1	322,8	1 443,4	347%	1 120,6
Net interest margin (NIM)	3,07%	6,16%	-	+3,08 p.p.	4,27%	5,93%	-	+1,66 p.p.
Cost of funding (CoF)	1,79%	2,31%	-	+0,52 p.p.	1,12%	2,34%	-	+1,22 p.p.
Cost of risk (CoR)	1,64%	0,96%	-	-0,68 p.p.	1,47%	1,16%	-	-0,31 p.p.
Cost / Income ratio (C/I)	59,5%	33,4%	-	-26,2 p.p.	50,4%	35,5%	-	-14,8 p.p.
Loan / Deposit ratio (L/D)	80,8%	82,3%	-	+1,5 p.p.	80,8%	82,3%	-	+1,5 p.p.
Return on equity (ROE)	-4,6%	27,9%	-	+32,5 p.p.	7,6%	26,2%	-	+18,6 p.p.
Total Capital Ratio (TCR)	13,70%	16,68%	-	+2,98 p.p.	13,70%	16,68%	-	+2,98 p.p.

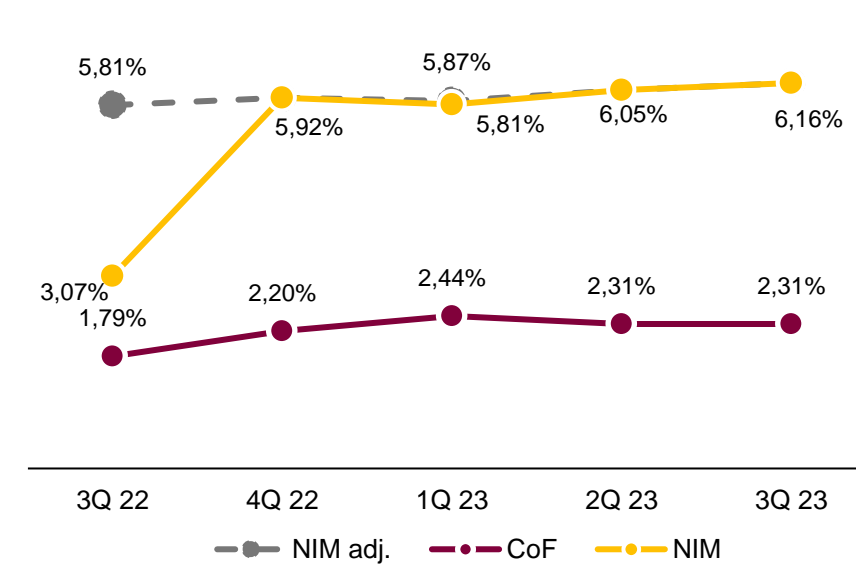
- **In 3Q'23 Alior Bank's net income was record-breaking at PLN mn 572**
- 3Q'23 NIM was **6.16%** (an increase of 3.08 p.p. y/y). The increase of NIM in 3Q'23 compared to 3Q'22 NIM (adjusted for credit moratoria and provision for refund of additional margin related to mortgage loans) was +0,35 p.p y/y
- Improvement of NIM of +0.11 p.p. net interest income of PLN mn +58 (+5%) q/q was primarily the result of an increase in interest income from the loan portfolio (inter alia from a 3% q/q portfolio increase), increase in income from financial assets (mainly treasury bills), and hedging strategy effects
- In 3Q'23 ROE was **27.9%**, while C/I was **33.4%**

NIM increased due to an improvement in portfolio and financial asset profitability

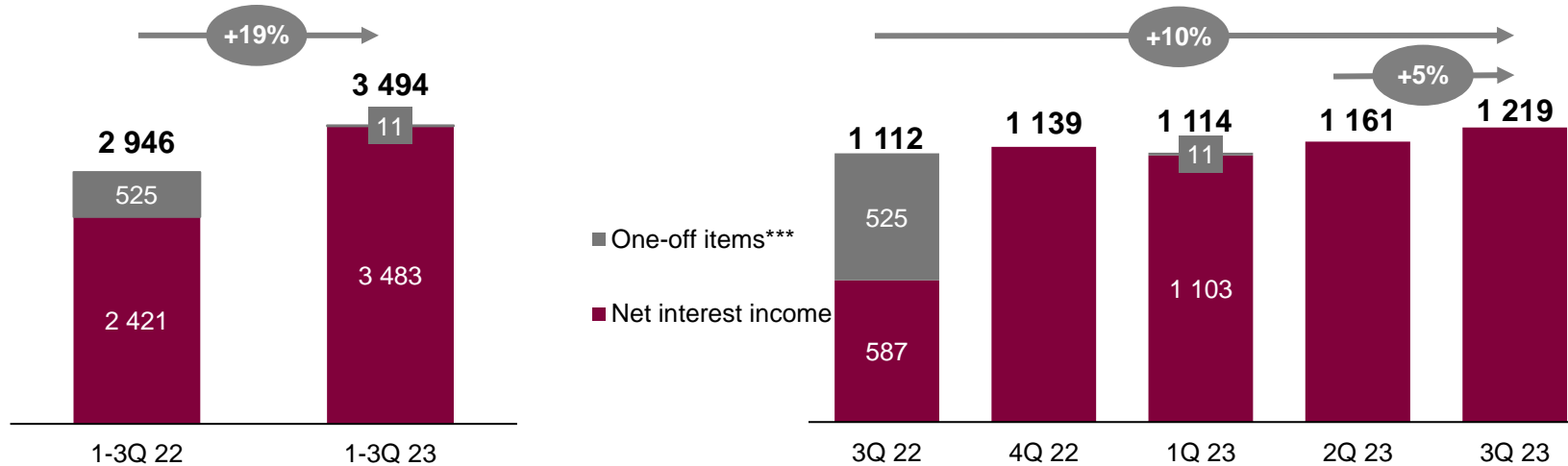
Interest income and expenses (PLN mn)



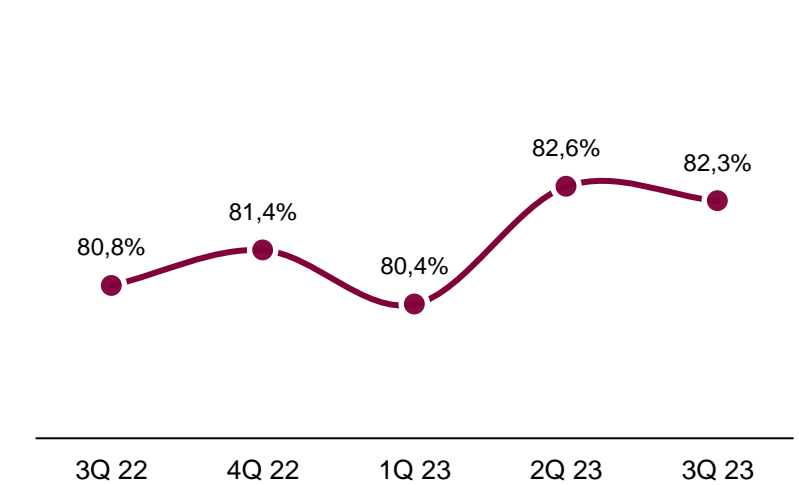
Interest margin and financing cost*



Net interest income (PLN mn)

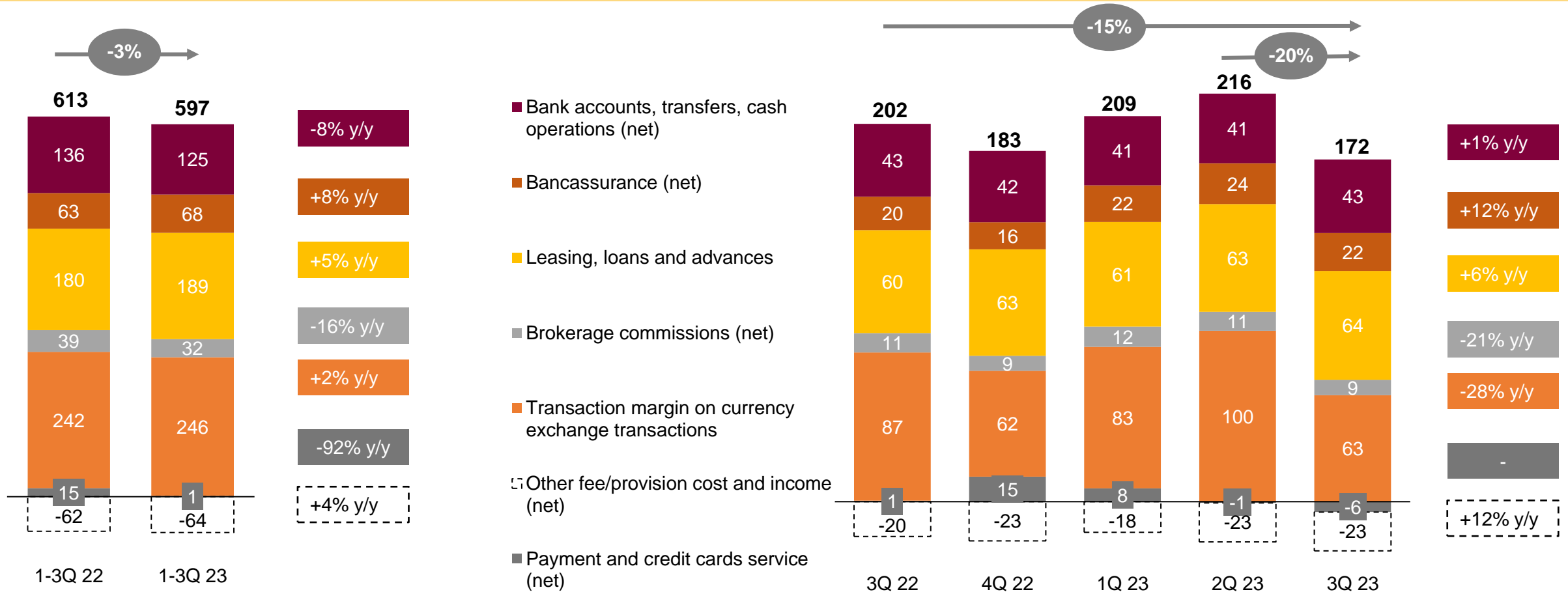


Loan / Deposit Ratio



The reported fees and commissions income was impacted by the nature of FX transaction settlements

Net Fees and Commissions Income (PLN mn)

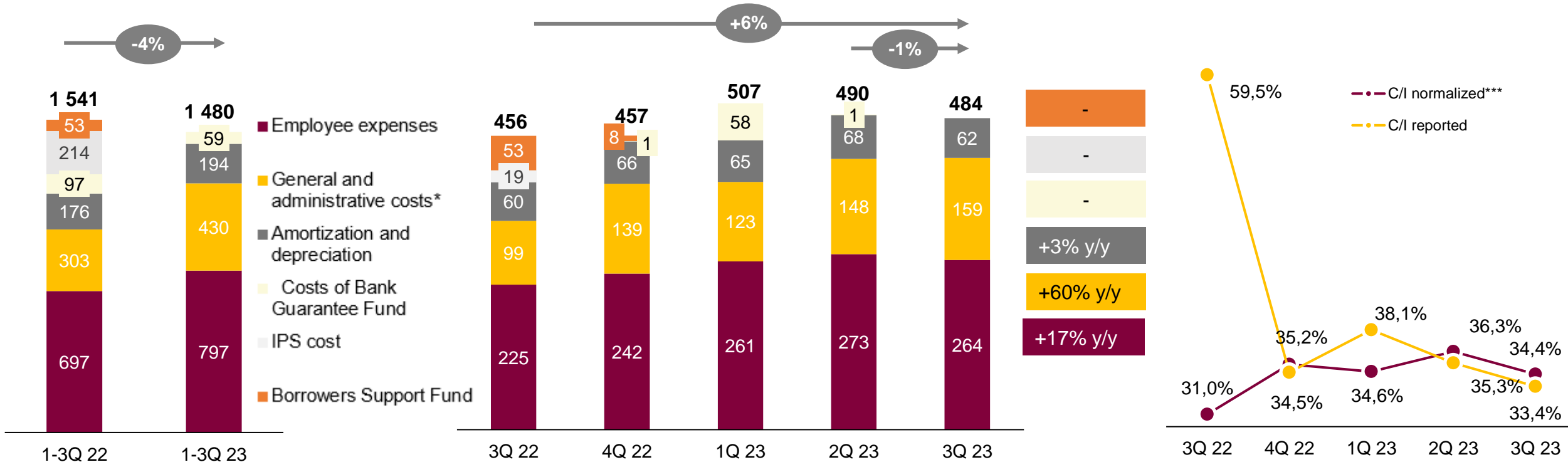


- The decrease in 3Q'23 commissions income from FX transactions of PLN mn 24 y/y is due to Alior Bank's accounting practices concerning these transactions. The result from FX transactions is divided between commissions and trading results. In quarters with high FX rate volatility there could be shifts between these items. In 3Q'23 around PLN mn 41 of the FX transaction result was recognized in the trading result.
- Decrease in the net result from payment and credit cards services in 3Q'23 of PLN mn 7 y/y mainly due to the nature of settlements with payment operators (i.e., part of the result from card fees is presented in FX transactions results).
- In the following quarters the net fees and commissions income should change at a rate similar to the change in the Bank's balance sheet.

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

Operating costs (PLN mn)

C/I ratio**



- In 1-3Q'23 operating costs amounted to PLN mn 1 480 and increased by 16% compared to 1-3Q'22 costs adjusted by a contribution to the Borrower Support Fund and IPS cost (PLN mn 1 237)
- The y/y increase in employee costs in 3Q'23 amounted to PLN mn 38 (+17% y/y) and was mainly due to an increase in the average salary level
- The main reason for the increase in general and administrative expenses in 3Q'23 by PLN mn 60 (+60%) y/y was, inter alia an increase in property rent and maintenance expenses by PLN mn 10, marketing costs by PLN mn 10, and other general and administrative expenses by PLN mn 36 (caused inter alia by additional provisions for legal settlements)
- In future quarters, the general increase in prices in the economy will have a dominant impact on the increase in operating costs

*General management expenses include taxes and charges

**By quarter (QTD)

*** Ratio calculated assuming linear distribution of the contribution to the BFG compulsory restructuring fund, no cost of joining the Protection Scheme, no contribution to the Borrower Support Fund, and no impact on the revenues of the credit moratoria in 3Q'22 and 1Q'23 and provisions for the return of the additional margin on mortgage loans in 3Q'22

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

Profitability	9M 2023	2024
ROE	26.2%	>13%
C/I	35.5%	<45%
Equity		
Tier 1	15.9%	>13.5%
TCR	16.7%	>15%
Credit risk		
CoR	1.2%	<1.6%
NPL	9.4%	<10%





- Safe and stable capital position
- High NIM
- Innovation, digitization, high quality of services for Customers
- High performance due to an increase in revenue and cost optimization
- Improvement in the loan portfolio quality
- Consumer Finance market leader
- Growing share of housing loans in the portfolio
- Negligible share of CHF housing loans in the portfolio

4

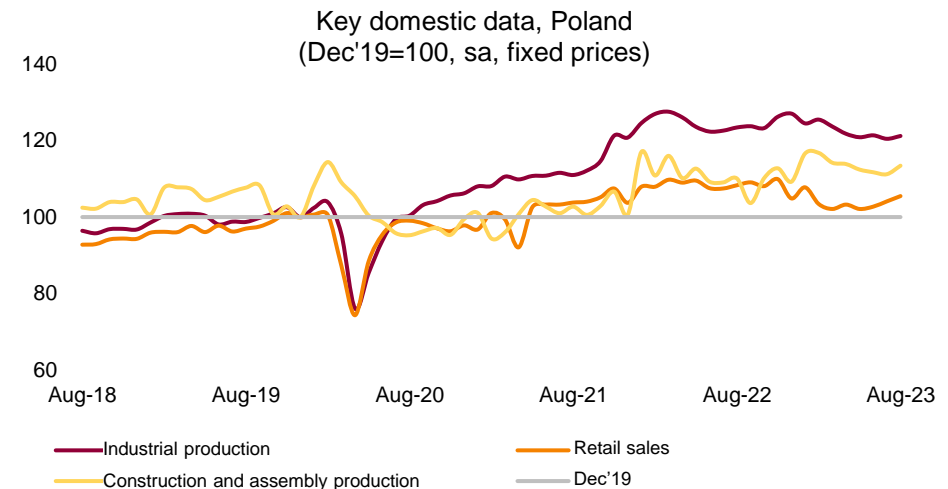
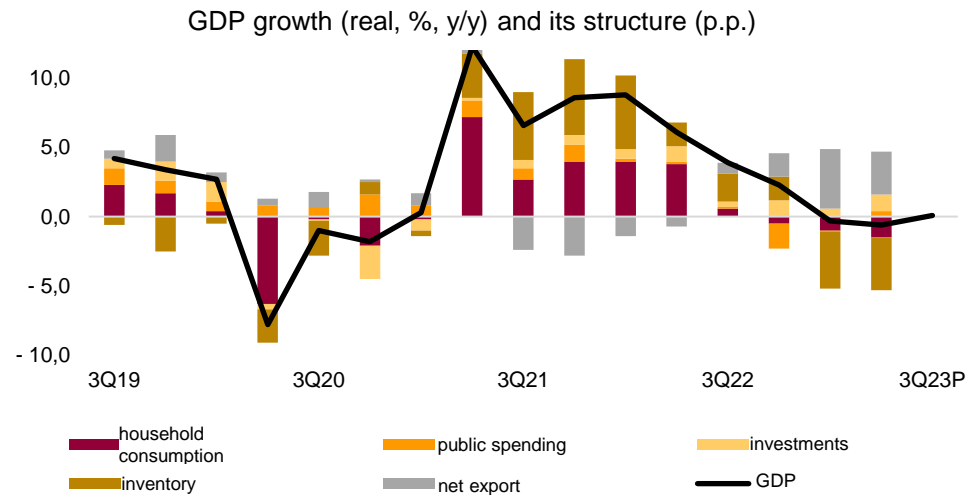


Other issues

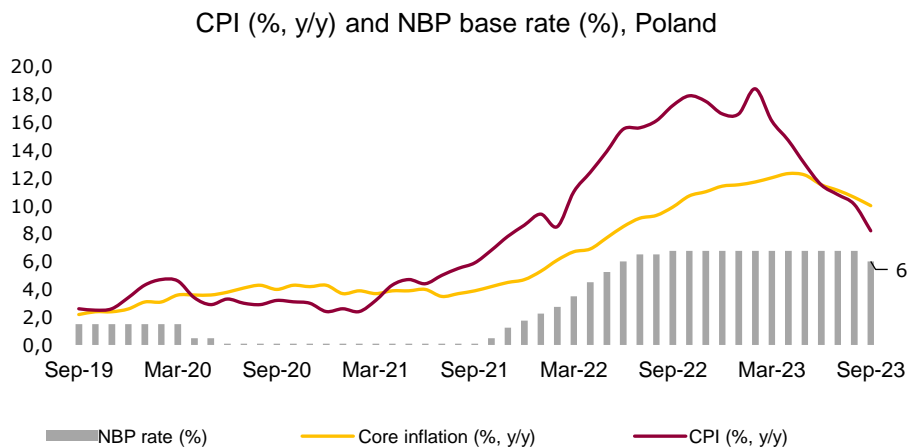
Polish economy in the trough of the contraction phase, inflation is decreasing

In 1H'23 Poland was in a recession from a y/y perspective

In 3Q'23 manufacturing and consumer demand are slowly rebounding



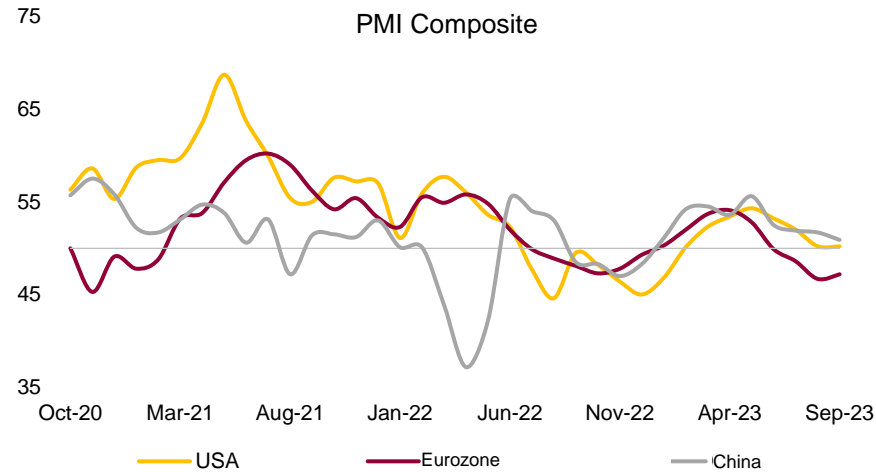
Inflation is steadily decreasing



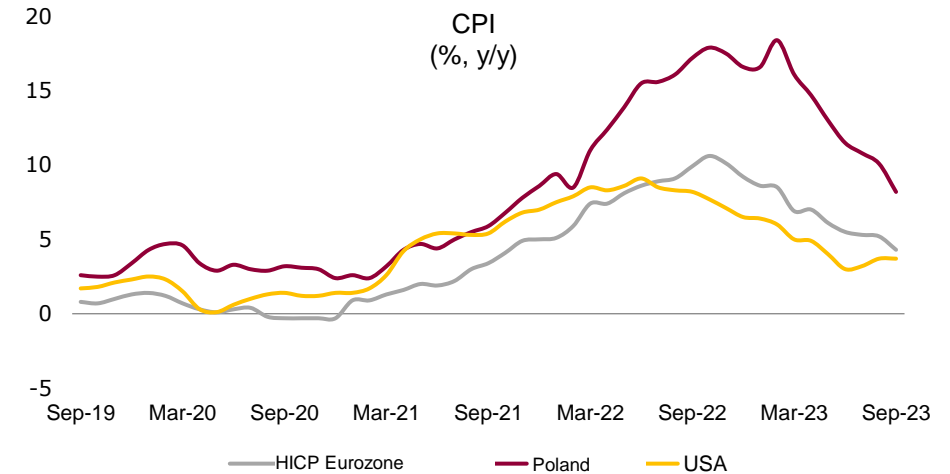
- In 3Q'23 domestic market conditions were still weak, although the decrease in activity is lessening and there are signs of economic rebound.
- According to our estimates GDP for 3Q'23 should be slightly positive (+0.1% y/y).
- Consumer demand for goods remained under pressure, which also reduced the potential of domestic manufacturing. The condition of domestic industry was supported, as in 1H'23, by the ongoing rebound in the global automotive market and enduring investment demand.
- In 3Q'23 consumer inflation decreased quicker than expected. In September 2023 CPI was one-digit (8.2% y/y).
- Further deceleration of inflation can be attributed mainly to external factors, including the food and energy raw materials component. Core inflation (without food and energy) also decreased from 11.1% y/y in June 2023 to 8.4% y/y in September.
- In 3Q'23 the job market remained in good condition. Wage changes y/y sustained double digit growth (11.9% y/y in August). The registered unemployment rate remained unchanged (5.0%) from June to September, still lower than in the previous year.
- In September 2023, the Monetary Policy Council decided to interrupt the pause in the tightening of monetary policy – interest rates were decreased, in an unexpected scale, by 75 bps. In October interest rates were further decreased by 25 bps, the main rate to 5.75%.

The global surroundings of the Polish economy remain challenging with a relatively strong job market

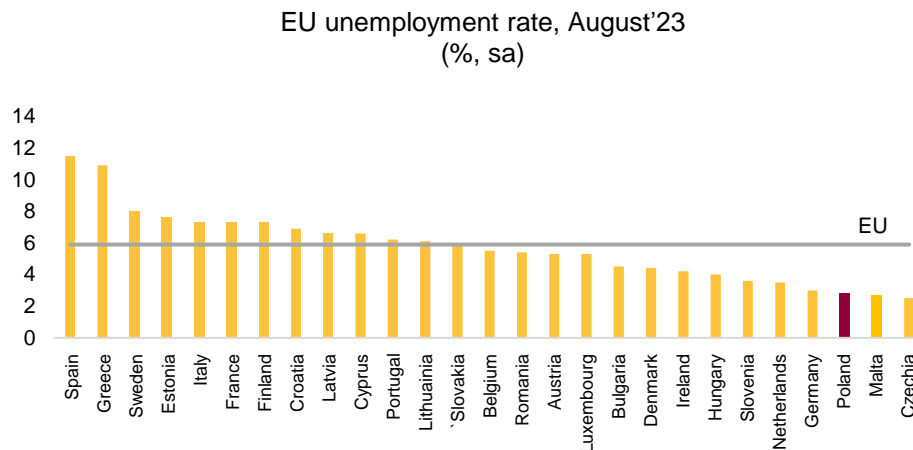
Increase in the concern of recession in the USA and Eurozone



Downturn in activity supports a global decrease in inflation



Low unemployment remains a risk for inflation in the long-term

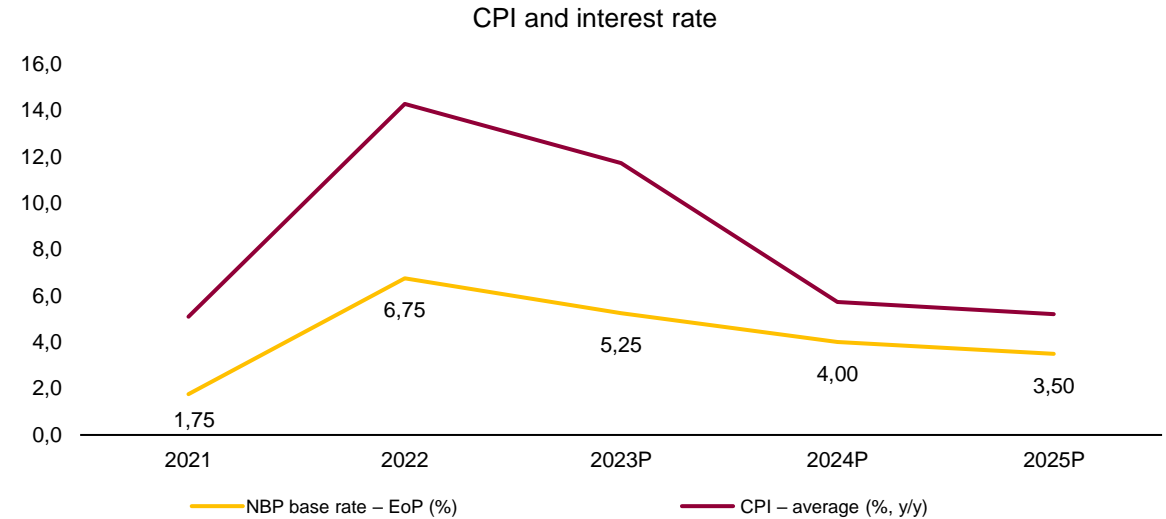
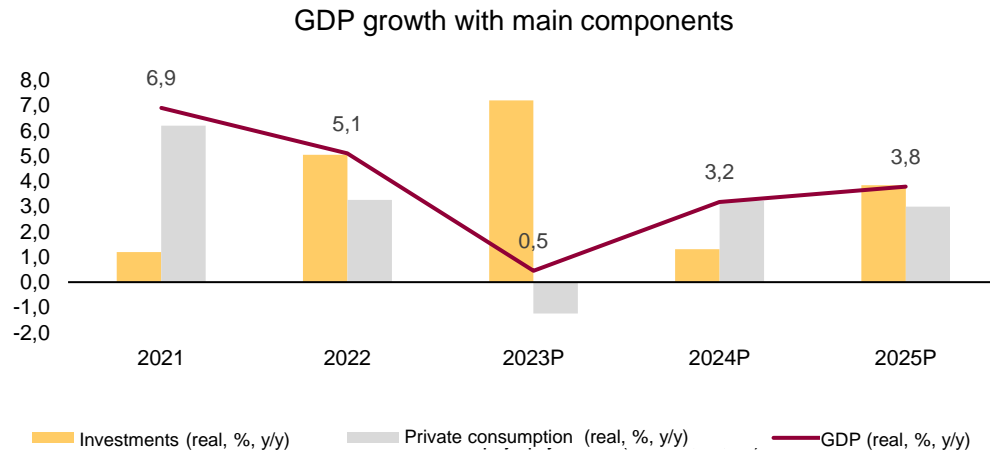


- The beginning of the year was tied to a global resurgence in the services sector and weaker performance of industry. In 2Q'23 and 3Q'23 a deterioration in service sector indices was noticeable, which indicates a cooling of the global economy.
- The tendency of rapidly decelerating consumer inflation appeared not only in Poland, but also in major western economies. In the current phase inflation is decreasing mainly due to cheaper energy and food, as well as relieving pressure on supply chains.
- In the USA CPI decreased from a peak of 9.1% y/y in June 2022 to 3.7% y/y in September 2023. In the Eurozone HICP peaked in October 2022 at 10.6% y/y, but in September 2023 was just 4.5% y/y.
- In the USA as well as the Eurozone the unemployment rate remains at a historically low level.
- In September 2023, due to risk of recession, the ECB increased interest rates by 25 bps, simultaneously signaling the possibility of ending the cycle of tightening of monetary policy. In the same period the Fed didn't change interest rates, nonetheless remaining „hawkish”.
- Compared to the EU Poland is distinguished by a low unemployment rate.

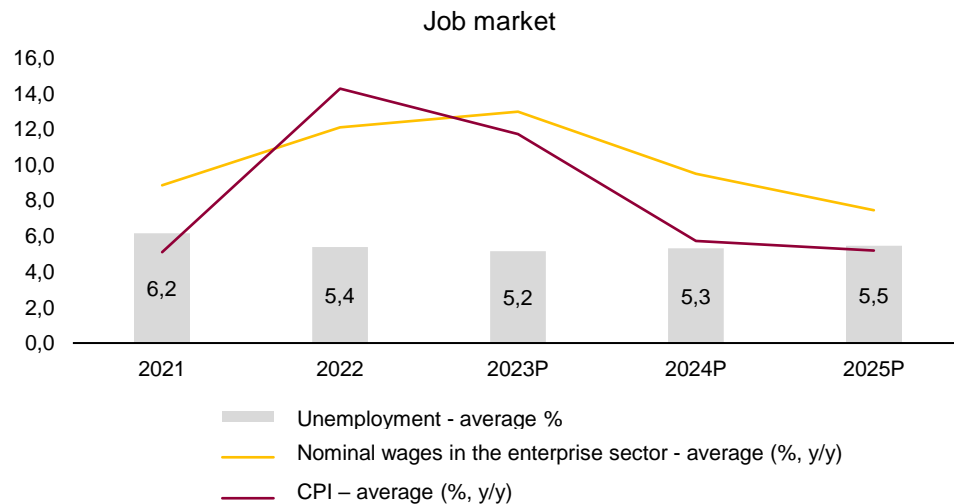
We are entering a period of economic revival

In 2023 GDP will increase due to a better second half of the year

Inflation and interest rates will decrease



Increases in wages will strengthen consumers



- After the decrease in Polish GDP in the first half of 2023 we expect a rebound in the second half. All in all, 2023 GDP will increase by 0.5%.
- Private consumption should be a catalyst for the rebound, supported by a strong job market and decelerating inflation, which will lead to a positive real wage change in the second half of the year and in following years.
- Along with decelerating inflation, as well as diminishing shock after the invasion of Ukraine by Russia and a sustained favorable condition of the job market, we are observing a strong rebound in household sentiment. This element also supports the thesis of an incoming improvement in consumption.
- A second contributor to economic growth is investment demand, which in spite of a decline in economic conditions remains strong, supporting the economy in the current year. In following years, the increase in investments will be weaker, but will still positively contribute to GDP growth. As for now Poland is a beneficiary of global supply chain revisions, exacerbated by the pandemic and war in Ukraine. Additionally, the election year positively impacts investment growth.
- Simultaneously a strong job market generates risk of extending the timeline to reach the CPI target (2.5%) set by the Polish Central Bank.
- Until the end of 2023 we assume the possibility of further decreases and in following years monetary policy should be loosened.

One-offs affecting reported results of Alior Bank Group

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

Alior Bank's Brokerage House

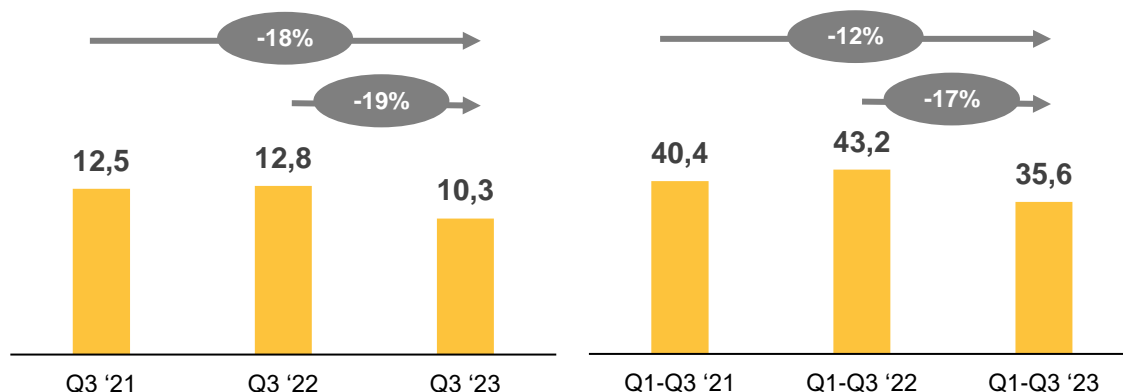


Since the beginning of the year trading of shares decreased by 10% v. 2022 and the share of Individual Investors substantially decreased, which corresponded to a weaker commissions result. We achieved record sales of investment funds and very good results of structured products and advisory services.

Basic operating information:

- The number of brokerage accounts exceeded **89.8 k** (+1.1% y/y)
- The number of Alior Trader accounts exceeded **7.8 k** (+7.9% y/y)
- Assets in Individual Advisory **PLN bn 1.38** (+36% y/y)
- Sales of Structured Products (gross) **PLN mn 790** (+49% y/y)
- Sales of Investment Funds (gross) **PLN bn 1.1** (+212% y/y)

Brokerage House Fees and Commissions
revenues (PLN mn)



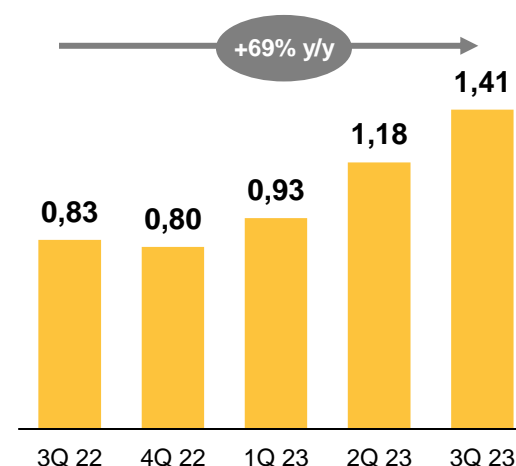
Alior TFI



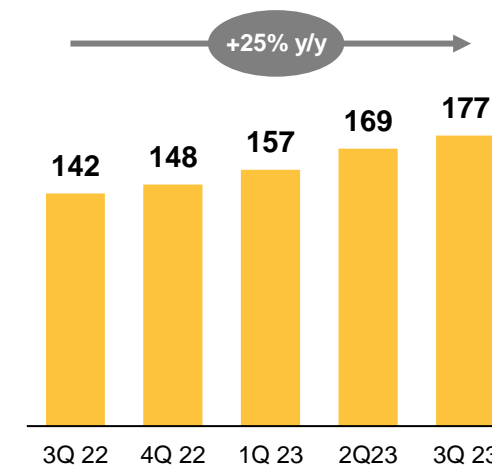
In 3Q'23 Alior TFI maintained a substantial increase in assets, similar in magnitude to the increase in the previous quarter. AUM is closing in on the record levels from 2021 (i.e. PLN bn 1.54). Net inflows in 3Q'23 amounted to PLN mn 205. The largest inflows were to relatively low-risk profile funds: „Ostrożny” and „Konserwatywny”. Gross sales in 3Q'23 increased by 276% y/y.

From the perspective of the entire year 2023 the increase in AUM of Alior TFI is nearly threefold that of the market. This is mostly due to the significant increase in sales in the past three quarters. Since the beginning of 2023 Alior TFI assets increased 75%, while the market increased 20% in the same period and the more appropriately compared in terms of asset profile short-term bond funds market increased by 31%.

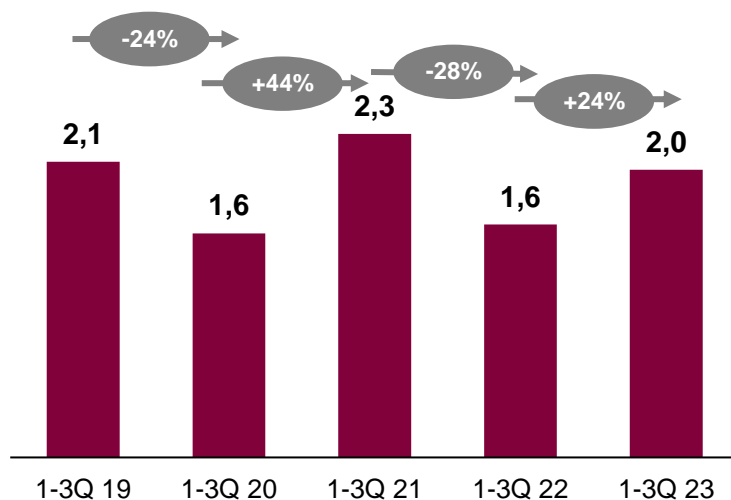
Assets under management in Alior TFI open funds
(PLN bn)



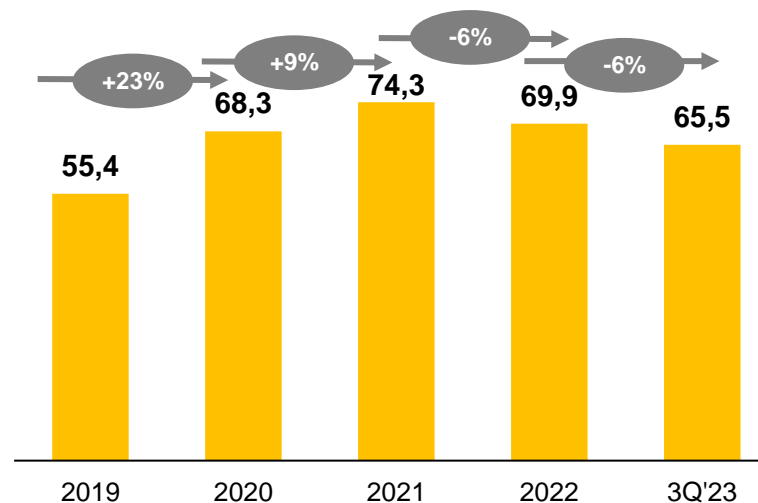
Assets under management in non-dedicated funds* in Poland
(PLN bn)



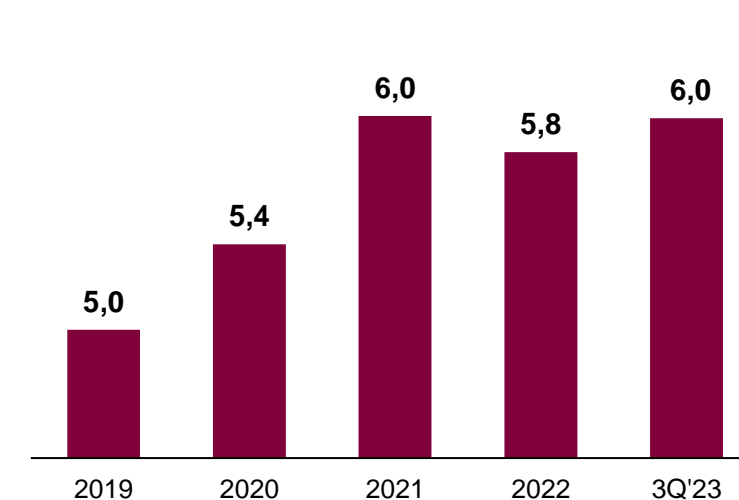
Sale of lease and loans (PLN bn)



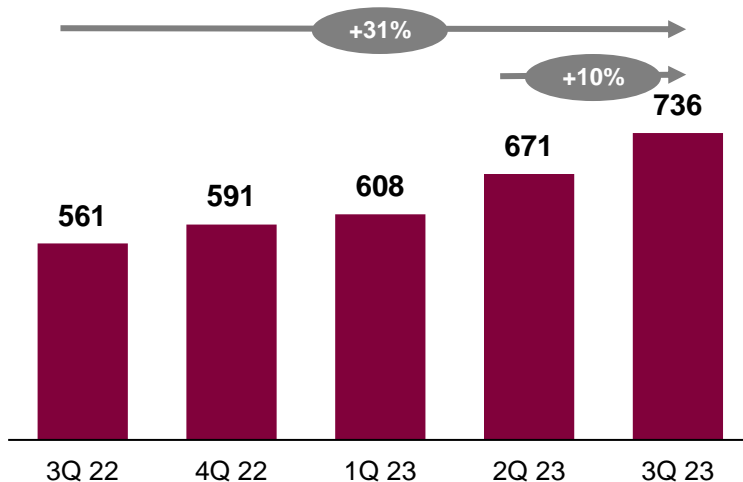
Number of customers (k)



Lease portfolio and loans (PLN bn)



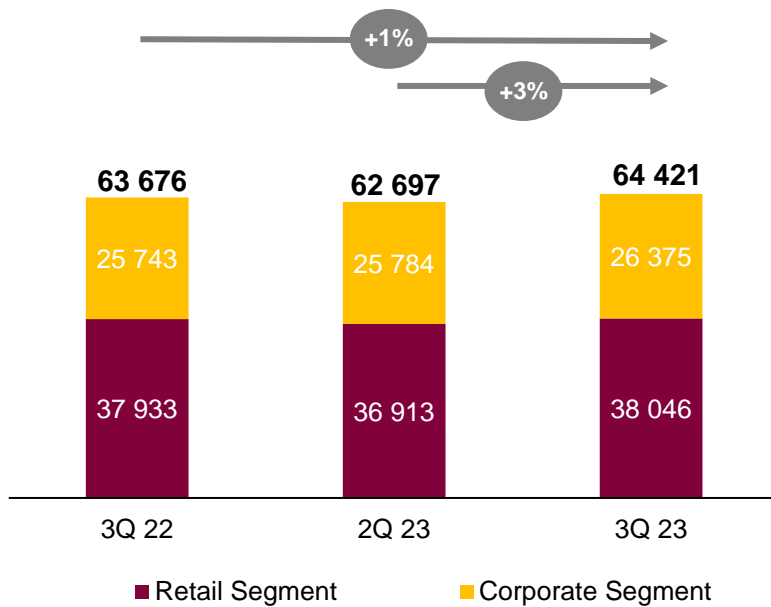
Quarterly sale of leases and loans (PLN mn)



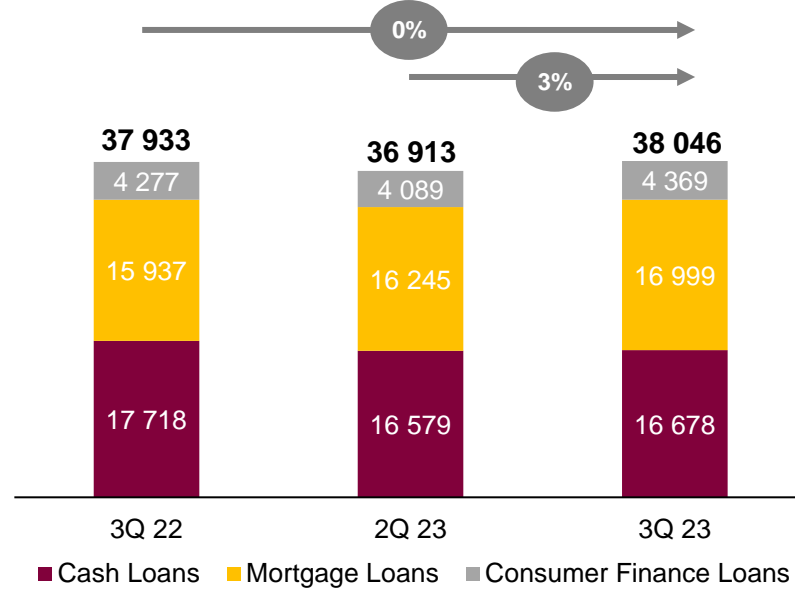
- Alior Leasing's lease and loan portfolio is PLN bn 6.0 at the end of 3Q'23, an increase of 3% since the end of 2022.
- In 2Q'23, Alior Leasing sales amounted to PLN mn 736 (+10% q/q).
- For the sixth consecutive quarter Alior Leasing achieved quarter to quarter sales growth. In 3Q'23 sales was 31% higher than in 3Q'22.
- The number of agreements concluded by Alior Leasing at the end of 3Q'23 amounted to 95.6 k (-7% y/y).
- In 3Q'23 heavy vehicles had the largest share in sales (44%). The share of light vehicles was 40% and machinery and equipment was 16%.
- Alior Leasing is implementing a new strategy, which was introduced this year. A pillar and goal is a fundamental change in the business model and growth in new markets, which will guarantee lower sensitivity of sales and results to economic cycles. In the past quarters there was special consideration for developing multichannel distribution and increasing the sales share of machinery and equipment – in 3Q'23 the share increased to 16% from 11% in 3Q'22.

Gross structure of the loan portfolio

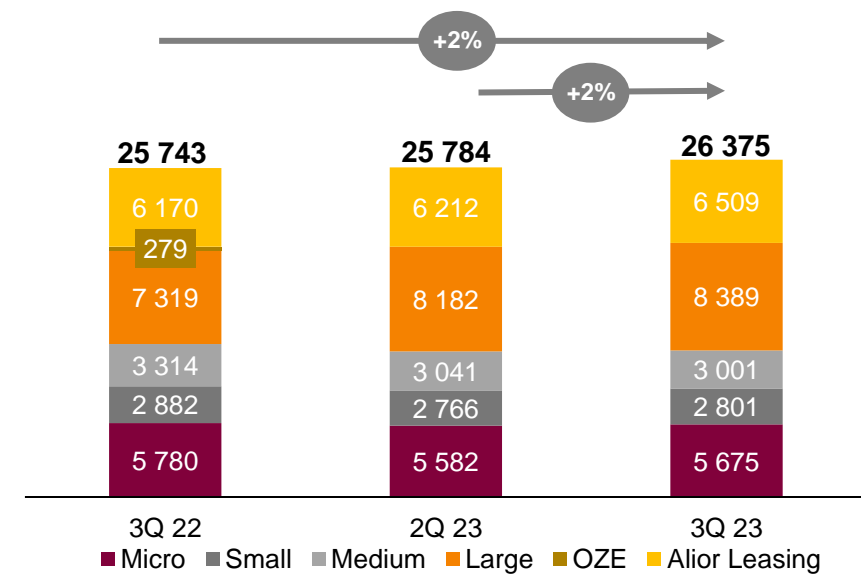
Loan portfolio in total (PLN mn)



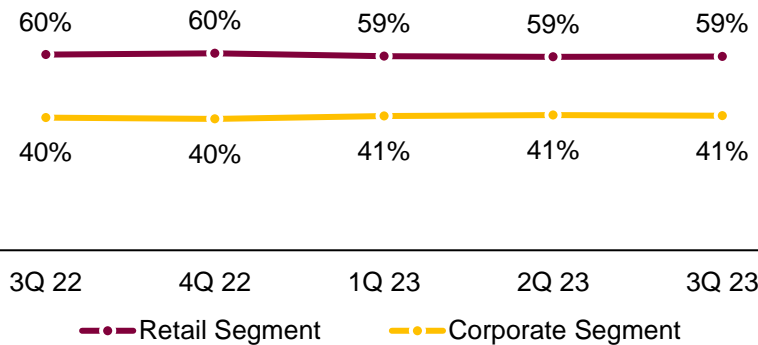
Retail Customer Segment (PLN mn)



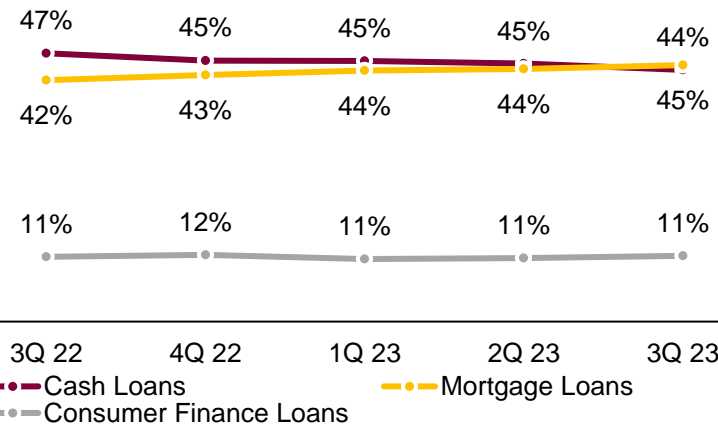
Business Customer Segment* (PLN mn)



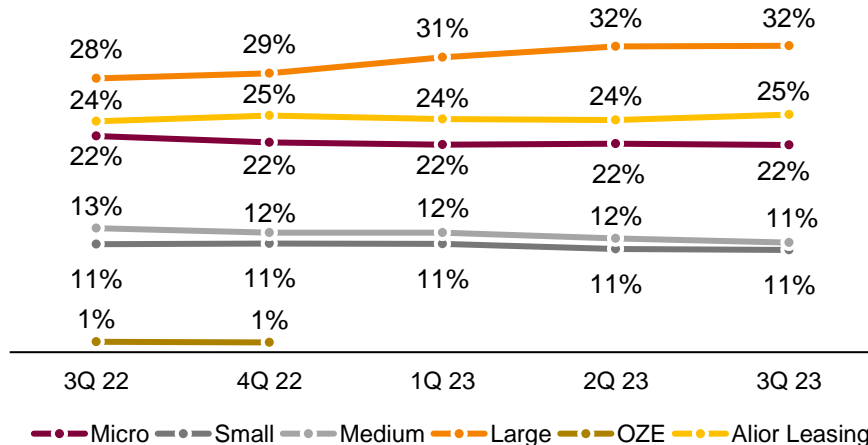
Loan portfolio structure in total



Structure of the Retail Customer segment



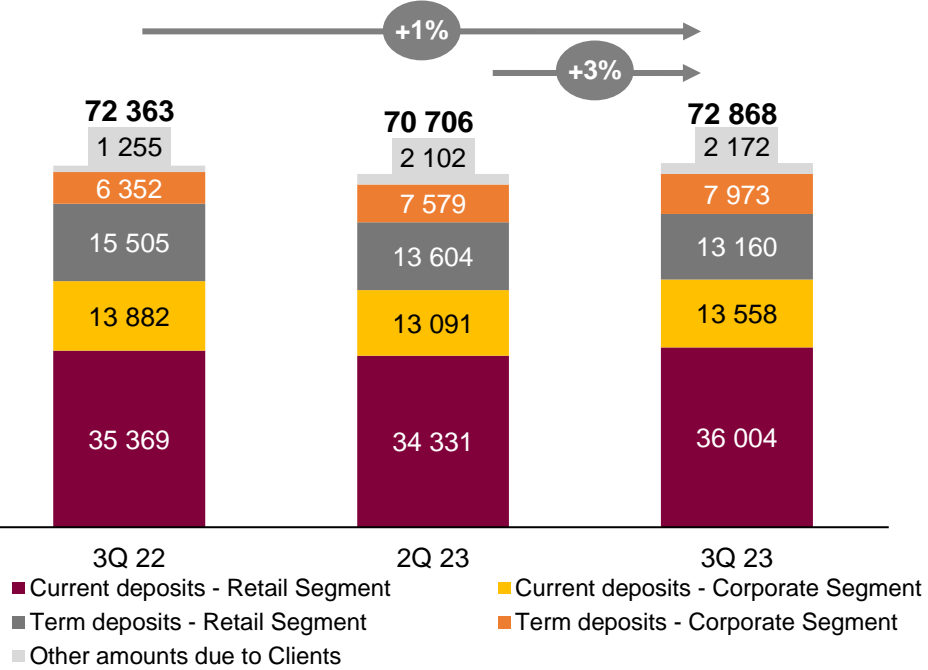
Structure of the Business Customer segment*



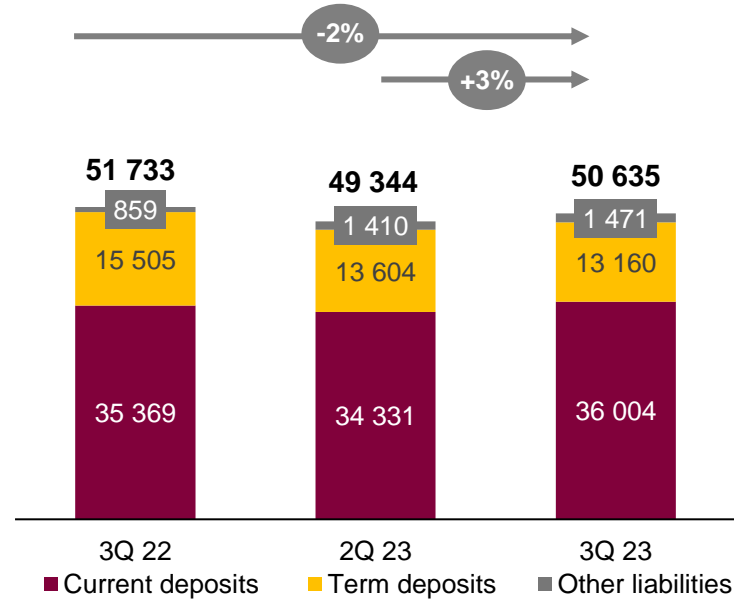
*Managerial presentation; since 1Q'23 the Bank ceased reporting the renewable energy (OZE) segment

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

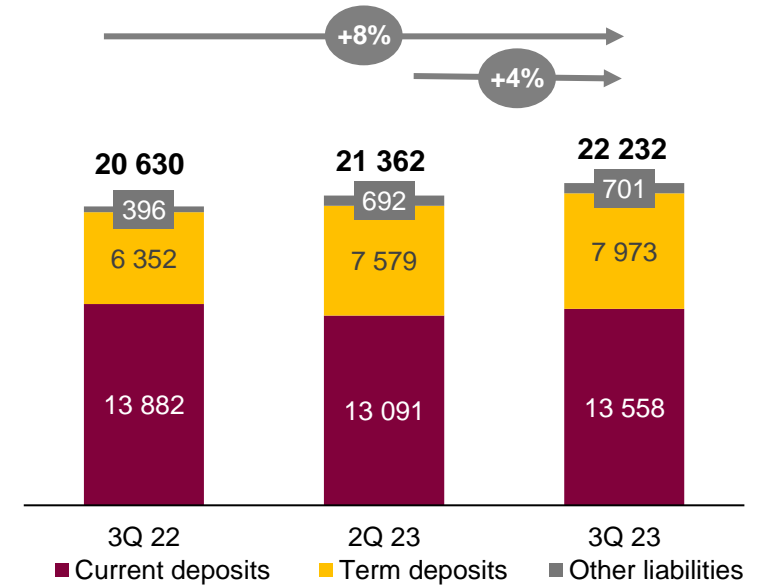
Structure of net liabilities to Customers



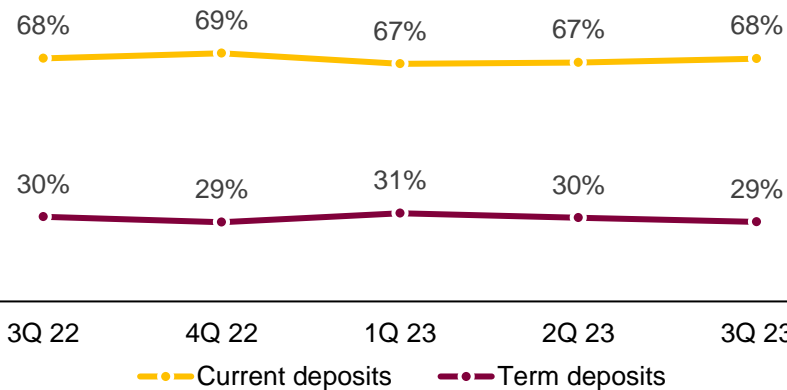
Net liabilities structure - Retail Segment



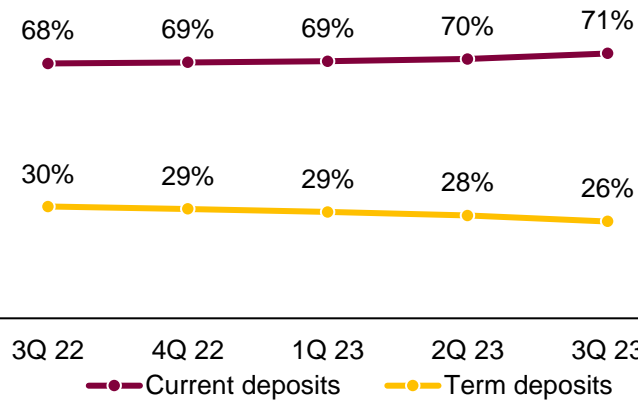
Net liabilities structure - Business Segment



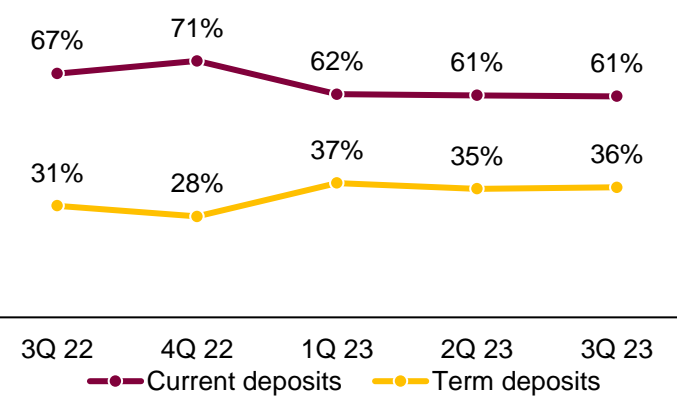
Structure of main liabilities



Structure of main liabilities - Retail Segment



Structure of main liabilities - Business Segment

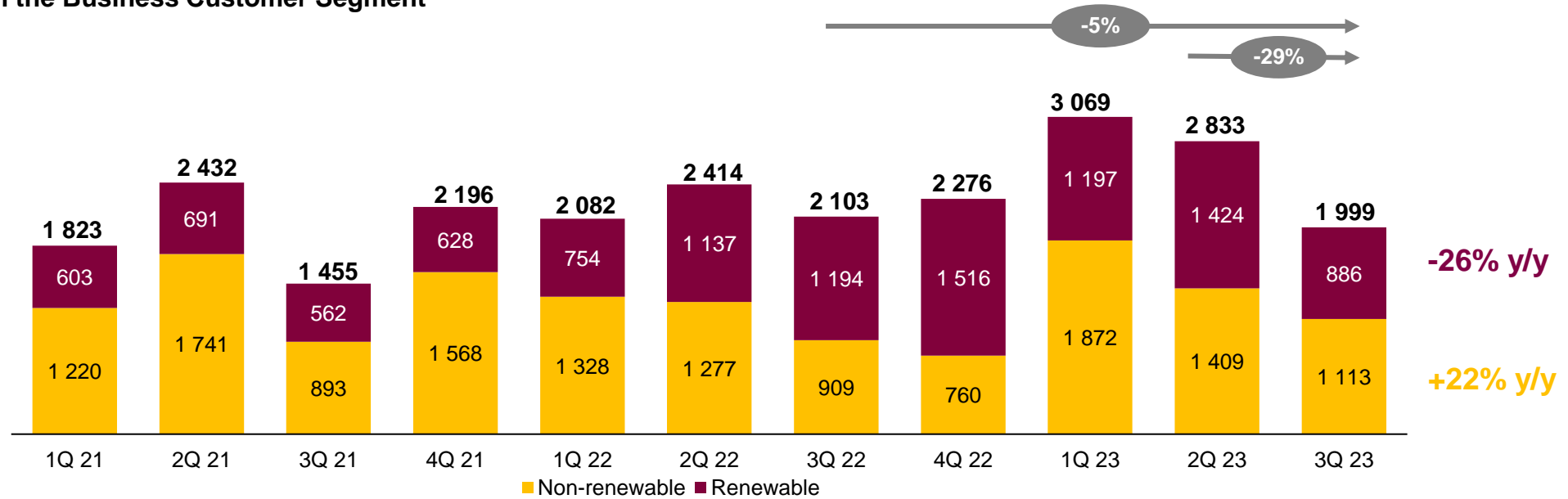


Consolidated statement of the financial standing of the Alior Bank Group (PLN mn)

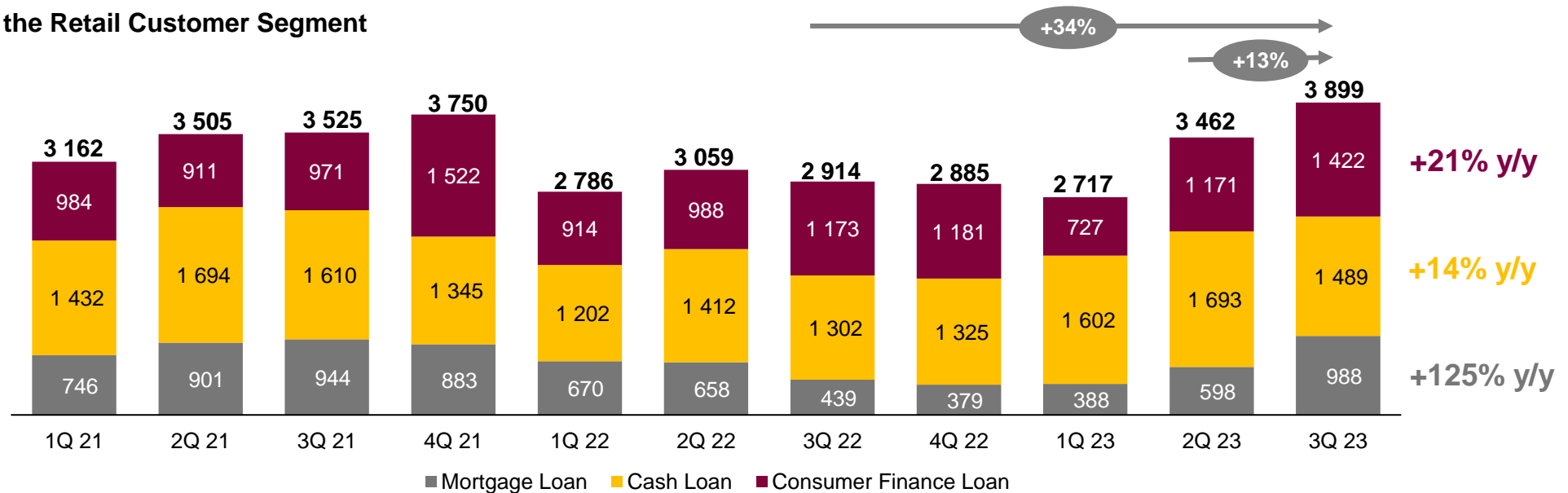
	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	% q/q	q/q	% y/y	y/y
Total assets	84 070,7	82 877,2	84 325,2	83 527,5	86 320,5	3%	2 793,1	3%	2 249,9
Cash and cash equivalents	5 428,9	2 584,1	4 578,0	3 167,6	3 819,9	21%	652,3	-30%	-1 609,0
Amounts due from banks	2 605,8	2 373,7	1 766,6	1 452,8	1 083,6	-25%	-369,1	-58%	-1 522,1
Investment financial assets	14 035,3	17 015,1	16 815,4	17 203,7	18 295,4	6%	1 091,6	30%	4 260,1
Derivative hedging instruments	107,8	178,1	248,1	260,5	331,9	27%	71,4	208%	224,1
Loans and advances to customers	58 453,7	57 609,9	57 799,5	58 390,2	59 982,9	3%	1 592,7	3%	1 529,2
Assets pledged as collateral	240,2	41,0	47,5	46,5	47,4	2%	0,9	-80%	-192,8
Property, plant and equipment	722,8	744,4	723,5	712,9	732,6	3%	19,7	1%	9,8
Intangible assets	391,2	391,1	390,4	388,4	391,9	1%	3,5	0%	0,7
Asset held for sale	0,0	1,6	0,0	0,0	0,0	-	0,0	-	0,0
Income tax asset	1 503,3	1 417,2	1 290,0	1 188,9	1 056,1	-11%	-132,8	-30%	-447,2
Other assets	581,7	521,0	666,2	715,9	578,9	-19%	-137,1	0%	-2,8
Total liabilities and equity	78 624,9	76 707,3	77 416,7	75 842,1	77 736,3	2%	1 894,2	-1%	-888,7
Amounts due to banks	294,0	270,4	303,9	229,9	328,8	43%	98,9	12%	34,8
Amounts due to customers	72 363,0	70 776,8	71 856,2	70 706,4	72 867,6	3%	2 161,1	1%	504,5
Financial liabilities	386,5	256,0	290,2	252,0	238,5	-5%	-13,5	-38%	-148,0
Derivative hedging instruments	2 091,1	1 678,9	1 384,0	1 084,0	766,3	-29%	-317,7	-63%	-1 324,8
Provisions	258,7	267,9	204,0	228,9	264,4	16%	35,5	2%	5,7
Other liabilities	1 913,9	2 044,2	2 110,4	2 017,0	1 864,7	-8%	-152,4	-3%	-49,2
Income tax liabilities	146,4	249,1	92,0	161,2	231,6	44%	70,4	58%	85,1
Subordinated loans	1 171,3	1 163,9	1 176,0	1 162,7	1 174,5	1%	11,7	0%	3,2
Equity	5 445,7	6 169,9	6 908,5	7 685,4	8 584,3	12%	898,9	58%	3 138,5
Share capital	1 305,5	1 305,5	1 305,5	1 305,5	1 305,5	0%	0,0	0%	0,0
Supplementary capital	5 407,1	5 407,1	5 407,1	6 026,3	6 027,6	0%	1,2	11%	620,5
Revaluation reserve	-1 701,4	-1 339,4	-966,0	-696,5	-367,9	-47%	328,6	-78%	1 333,5
Other reserves	161,8	161,8	161,8	161,8	161,8	0%	0,0	0%	0,0
Foreign currency translation differences	-1,6	0,3	0,0	1,4	0,1	-92%	-1,3	-	1,7
Accumulated losses	-48,5	-48,5	634,2	15,0	13,8	-8%	-1,2	-	62,3
Profit for the period	322,8	683,1	365,8	871,9	1 443,4	66%	571,6	347%	1 120,6
Total liabilities and equity	84 070,7	82 877,2	84 325,2	83 527,5	86 320,5	3%	2 793,1	3%	2 249,9

New sale of loans (PLN mn)

Sales in the Business Customer Segment*



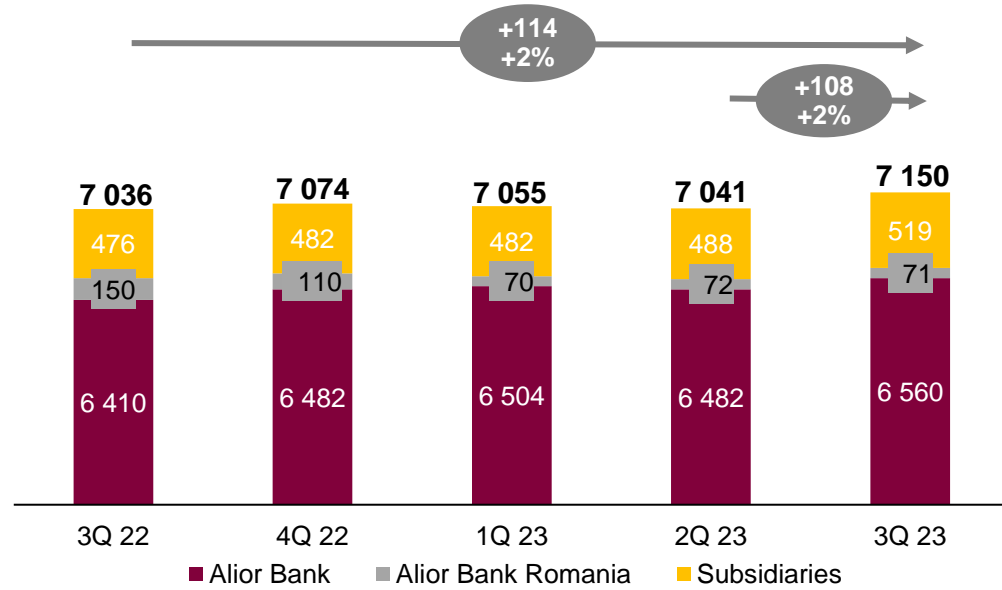
Sales in the Retail Customer Segment



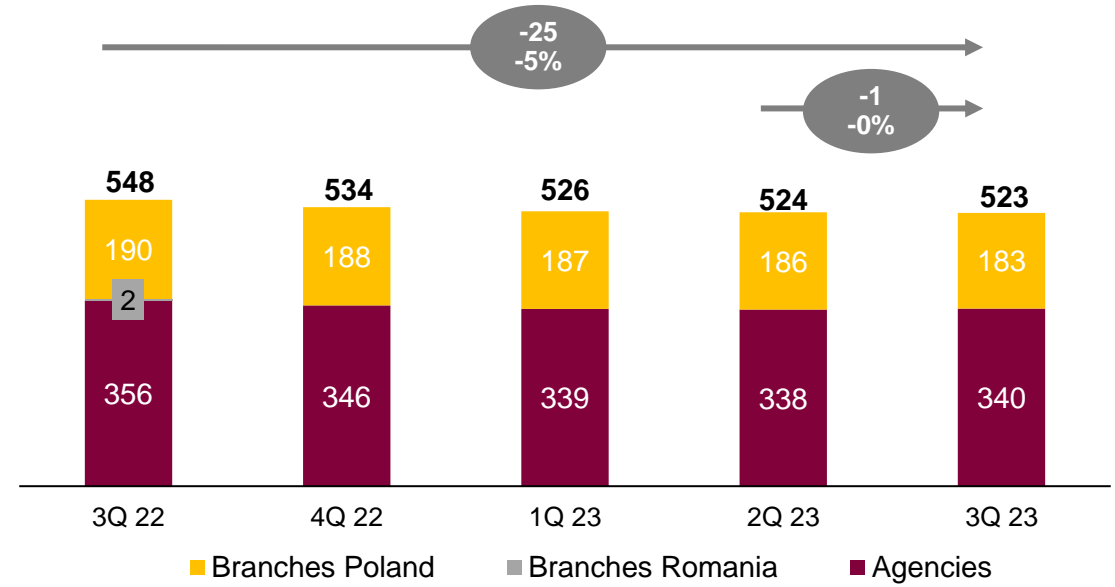
*New sales limit (new sales + increases) for Customers in the Micro- / Small- / Medium- / Large-Sized categories

Additional information

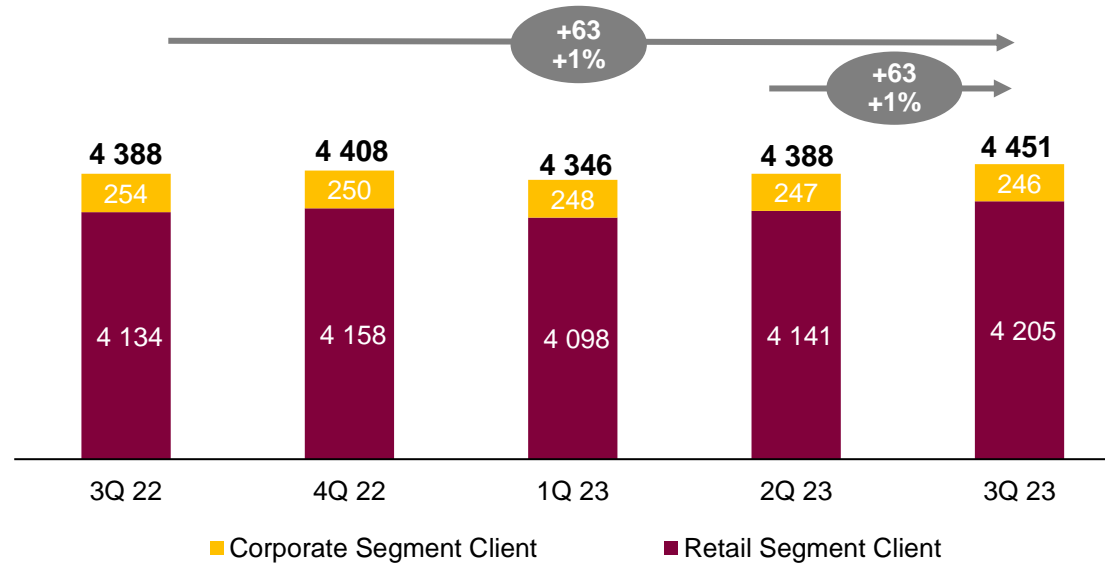
Employment (FTEs)



Alior Bank's branches

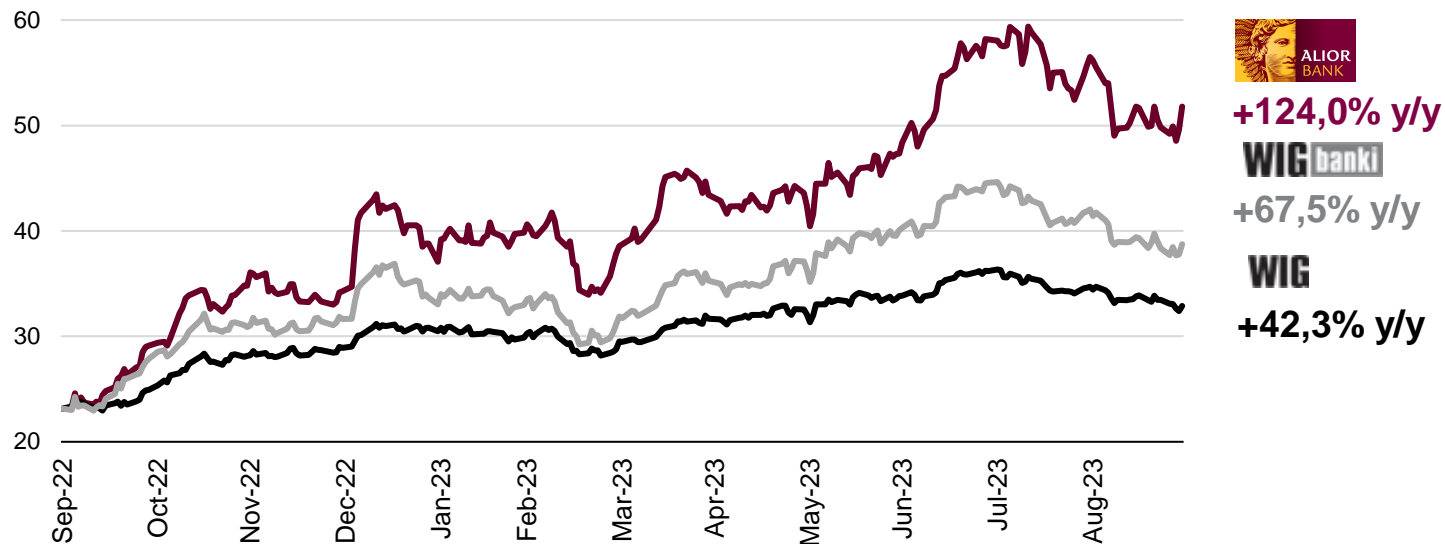


Number of customers (k)



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

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



Alior Bank share price: **PLN 51.80**
 (data as of September 29, 2023)
 Capitalization: **PLN bn 6.8**
 Value of shares in free float: **PLN bn 3.0**
 P/BV^{**}: **0.8x**
 P/E^{***}: **3.7x**

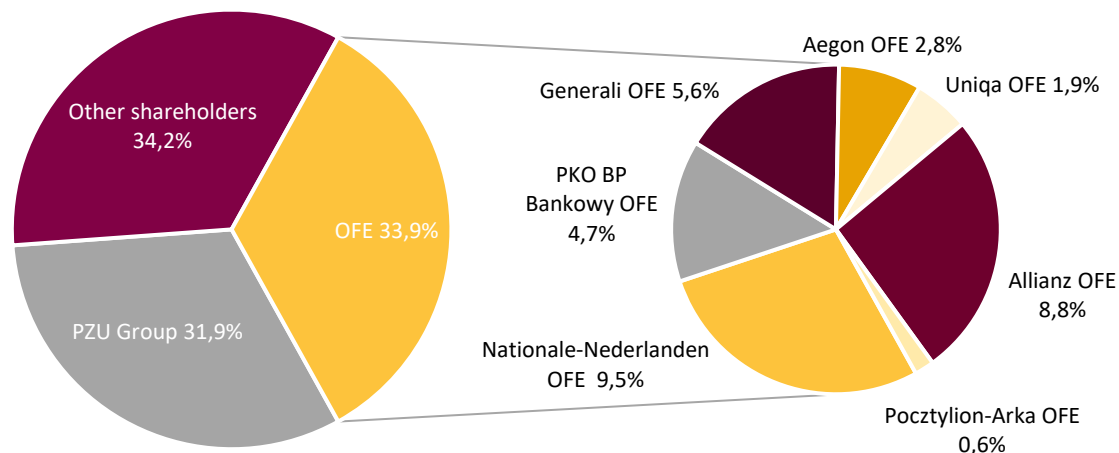
ISIN code: PLALIOR00045
GPW: ALR
Bloomberg: ALR PW
Reuters: ALRR.WA

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

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

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

Shareholding structure*



*Based on public announcements and the annual structure of OFE [Open Pension Fund] assets as of June 30, 2023

**Equity on September 30, 2023

***Reported net profit for 4Q'22 and 1-3Q'23

Contact data

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