

WITAMY



ALIOR
BANK

Presentation of results for 2022

CAFE

TA WODA

WYKORZYSTAJE SIĘ NA SUPLE, ALE JAKI NIEBĄT
IŁOŚĆ NIE MAJĄ PŁYĆ KURCZYWI, SIĘ WYKORZYSTAJE
Z WĄDZEM
IŁOŚĆ WYKORZYSTAJE IŁOŚĆ ZŁOŻENIA
SZCZEGÓLNYCH FUNKCJI I WYKORZYSTAJE

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1. Operating activities

2. Credit risk

3. Financial results

4. Other issues



1



Operating activities

Very good financial results achieved in 2022 allow us to be optimistic about the future

In 2022, revenues amounted to PLN 4.382 bn

- interest income PLN 3.560 bn (+27% y/y)
- fees and commissions income PLN 796 mn (+4% y/y)

In 4Q 22, revenues amounted to PLN 1.322 bn

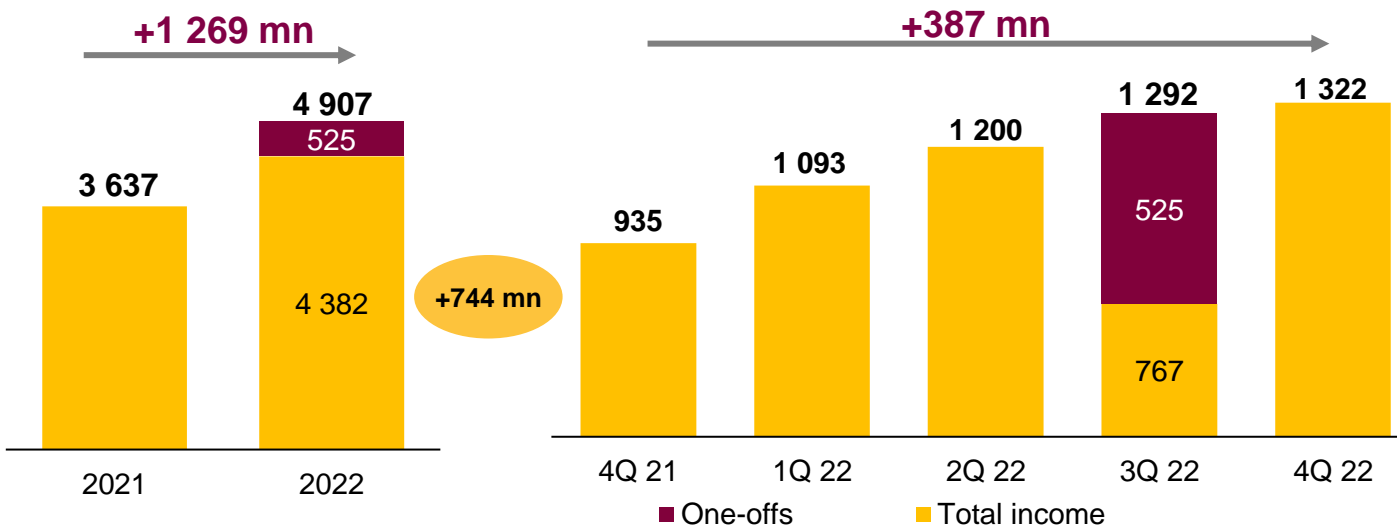
- interest income PLN 1.139 bn (+50% y/y)
- fees and commissions income PLN 183 mn (-15% y/y)

Alior Bank's net profit amounted to PLN 683 mn in 2022 and increased by PLN 201 mn compared to the result for 2021.

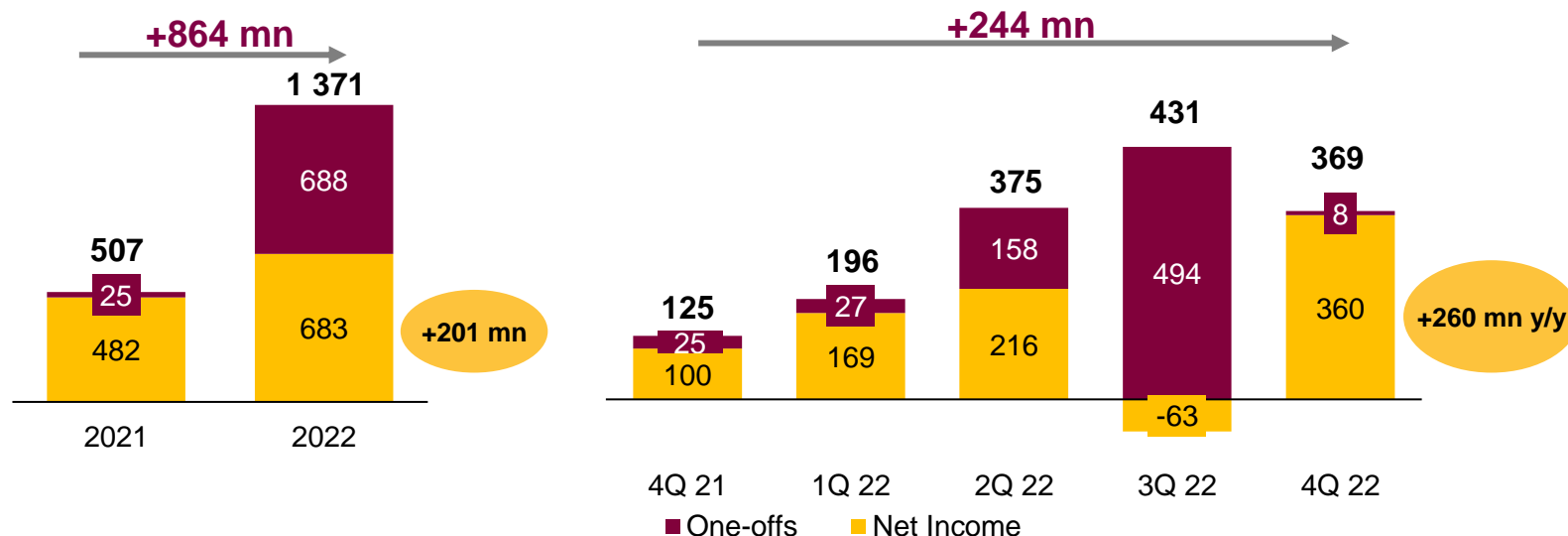
The reported net profit in 4Q 22 amounted to PLN 360 mn – a new historical record.

Adjusted for one-offs*, the net profit in 4Q 22 amounted to PLN 369 mn, and in the entire 2022 to PLN 1.371 bn.

Total revenues (PLN)

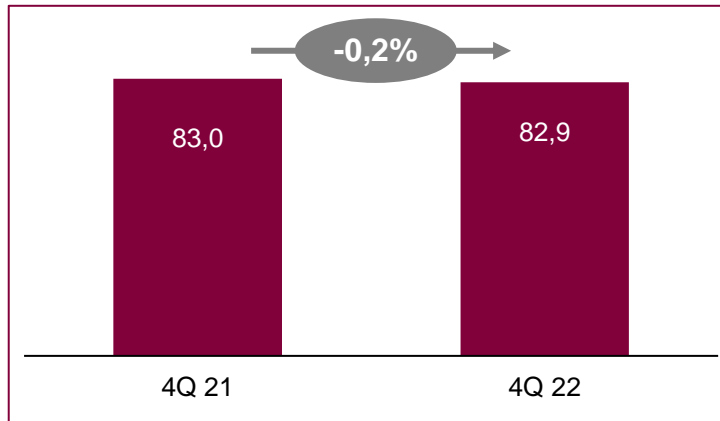


Net profit (PLN)

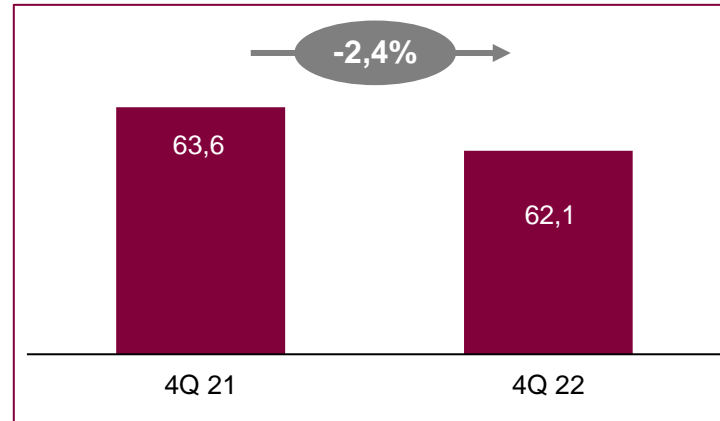


A successful quarter for Alior Bank - noticeable improvement in efficiency, profitability and portfolio quality

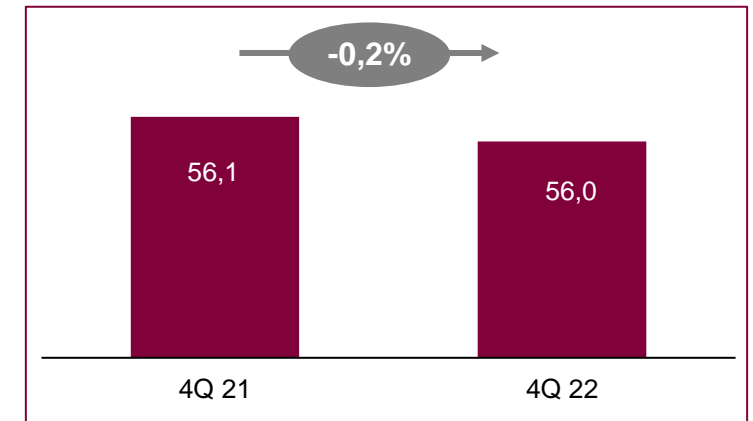
Assets (PLN bn)



Gross Loans (PLN bn)



Gross Performing Loans* (PLN bn)



C/I 4Q 22

34.5%
-7.6 p.p. y/y

ROE 4Q 22

24.6%
+18.3 p.p. y/y

NIM 4Q 22

5.92%
+1.91 p.p. y/y

COR 4Q 22

1.57%
+0.03 p.p. y/y

TCR 4Q 22

14.19%
+0.03 p.p. y/y

C/I 2022

45.6%
+2.1 p.p. y/y

ROE 2022

11.3%
+3.6 p.p. y/y

NIM 2022

4.64%
+0.9 p.p. y/y

COR 2022

1.51%
-0.09 p.p. y/y

NPL 4Q 22

9.80%
-1.97 p.p. y/y

Increase in sales and effectiveness of the loan portfolio...

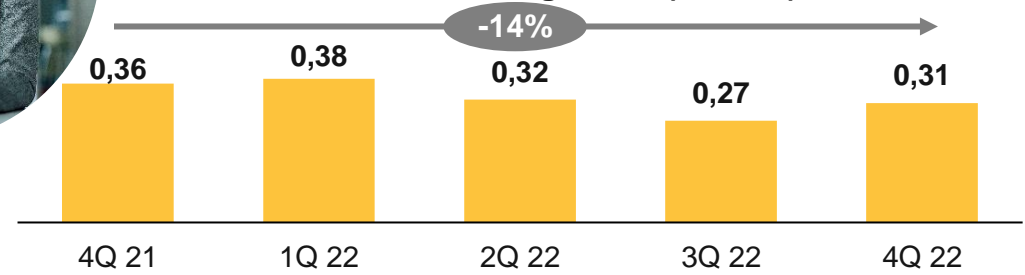
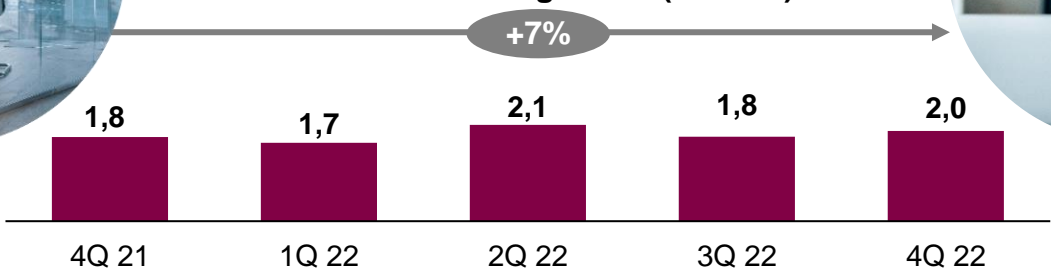


Segment: Small / Medium / Large

Micro segment

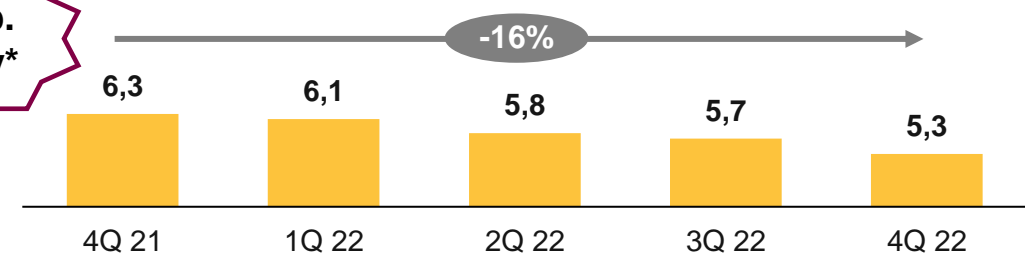
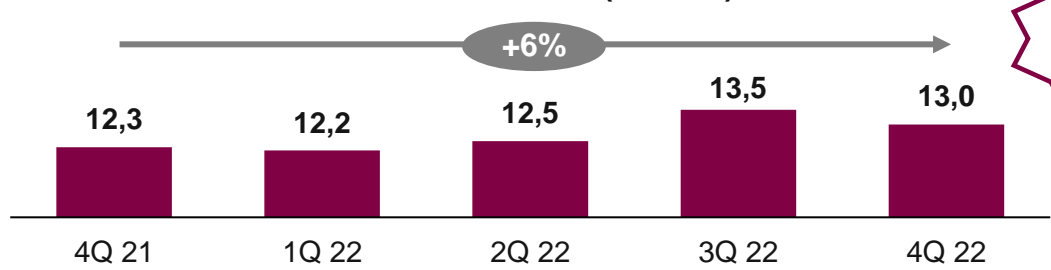
Total credit limit granted (PLN bn)

Total credit limit granted (PLN bn)



Asset balance (PLN bn)

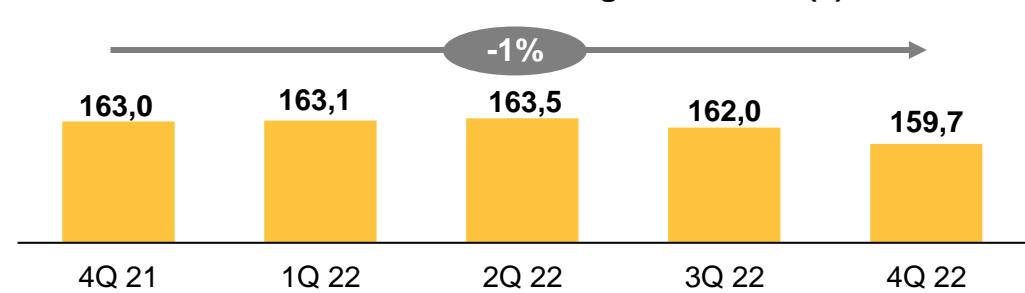
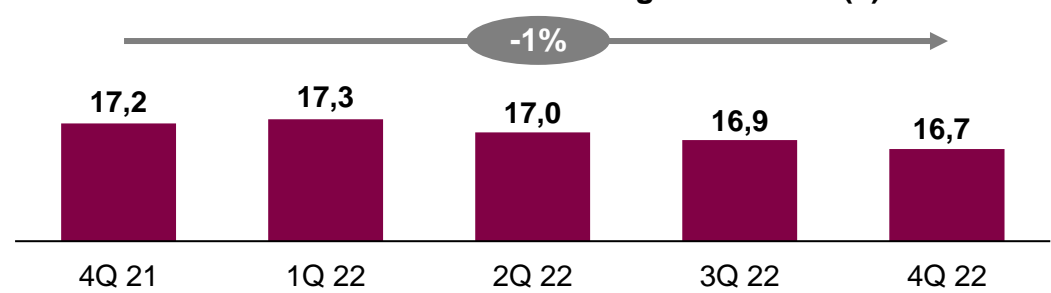
Asset balance (PLN bn)



-4,1 p.p. NPL y/y*

Number of Customers holding an account (k)

Number of Customers holding an account (k)



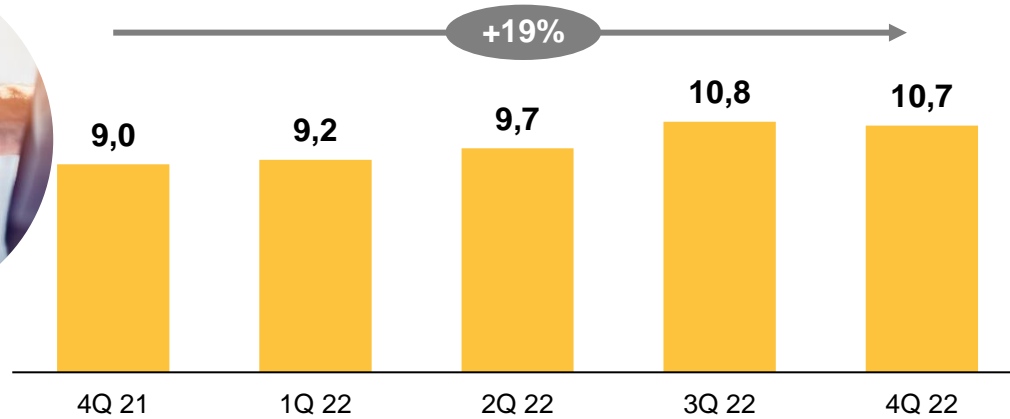
The strategy of improving the quality of the loan portfolio has a positive impact on revenue growth, a decrease in the cost of risk, and a reduction in the NPL ratio. This is accompanied by optimisation of the Customer base. We focus on building relationships with Customers with a good risk profile and high product potential.

*NPL ratio of the business customer segment's loan portfolio decreased from 20.83% at the end of 4Q 21 to 16.66% at the end of 4Q 22

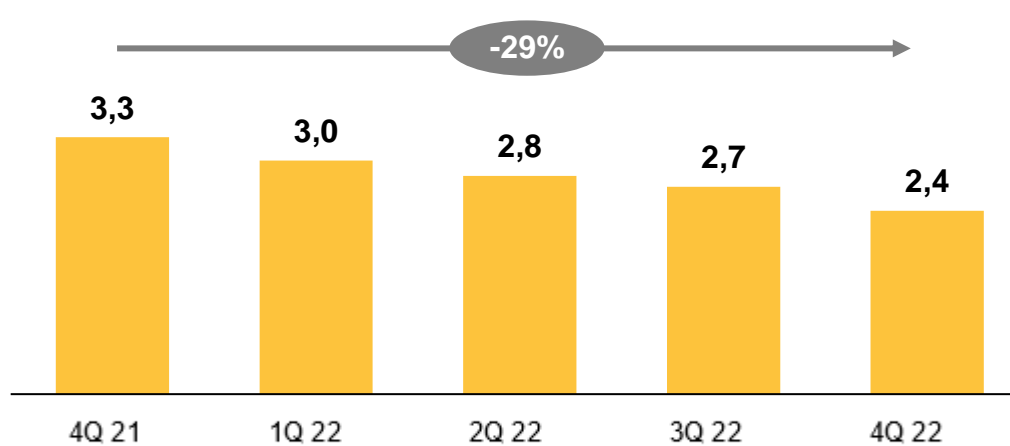
... simultaneous improvement of the portfolio structure and new sales



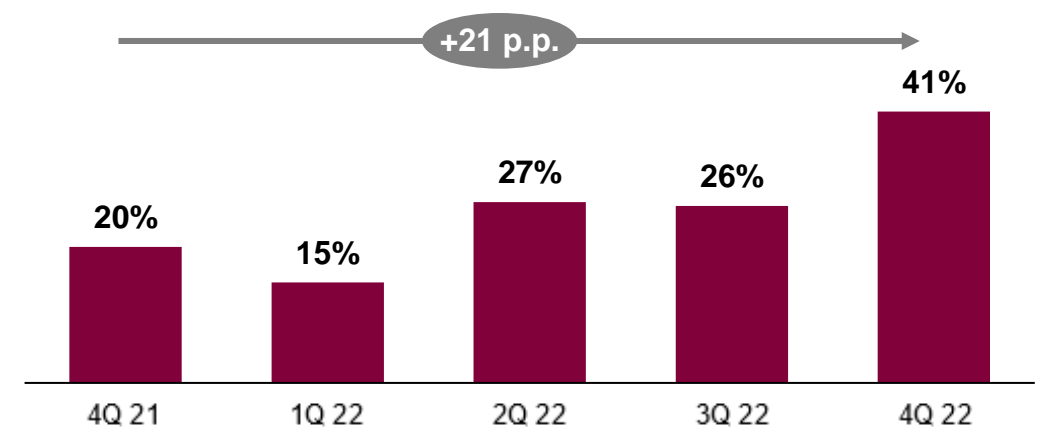
Balance of assets Small/Medium/Large in regular service (PLN bn)



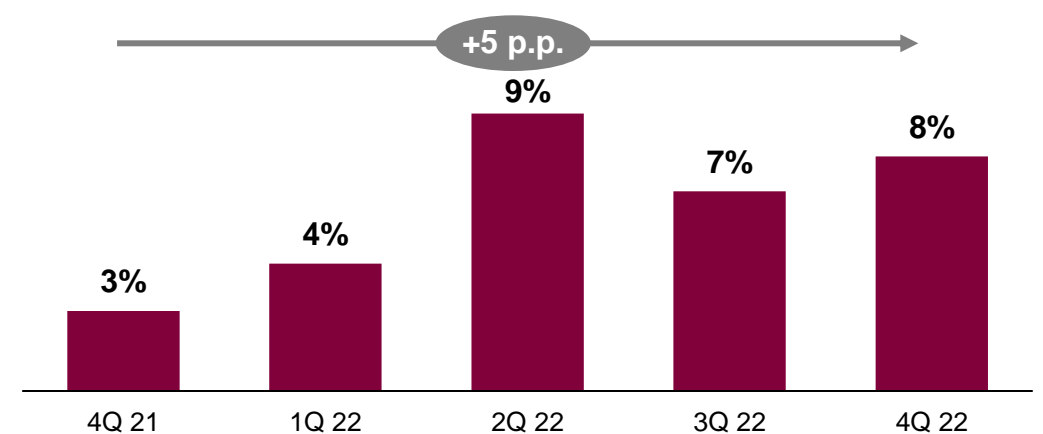
Balance of assets Small/Medium/Large in collection* (PLN bn)



Share of new sales to preferred industries



Share of factoring in new sales



In the Business Customer segment, the effects of work to improve the quality of the loan portfolio are visible. With assets in regular service of PLN 11 billion, the portfolio under restructuring and debt collection is shrinking.

In 4Q 22, the share of new credit limits sold to preferred industries, increased by 15 p.p. comparing 4Q 22 to 3Q 22. This is the result of the Bank's actions aimed at portfolio diversification and growth in industries with low risk and high revenue potential.

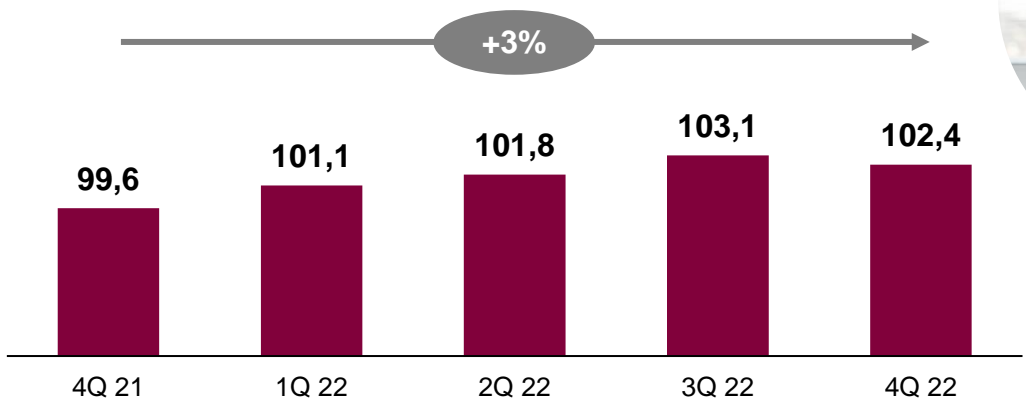
*Receivables serviced by the Restructuring and Debt Collection Department

Upward trend of key performance measures

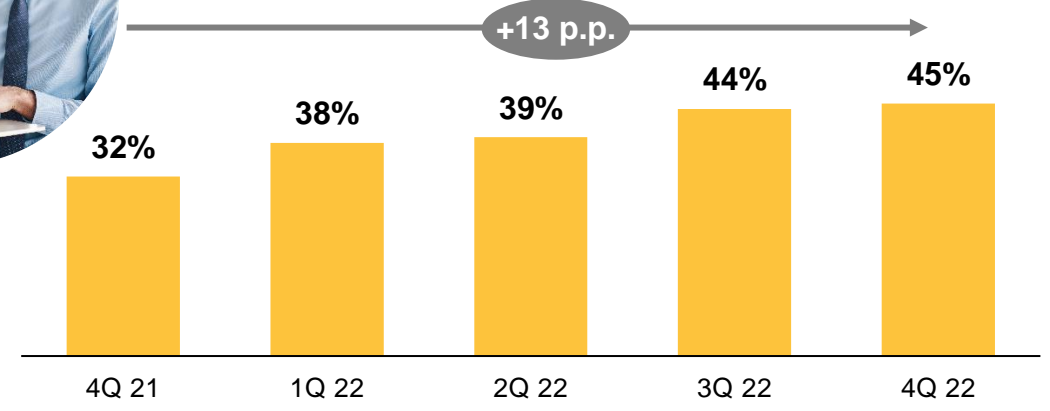
Segment: Micro / Small / Medium / Large



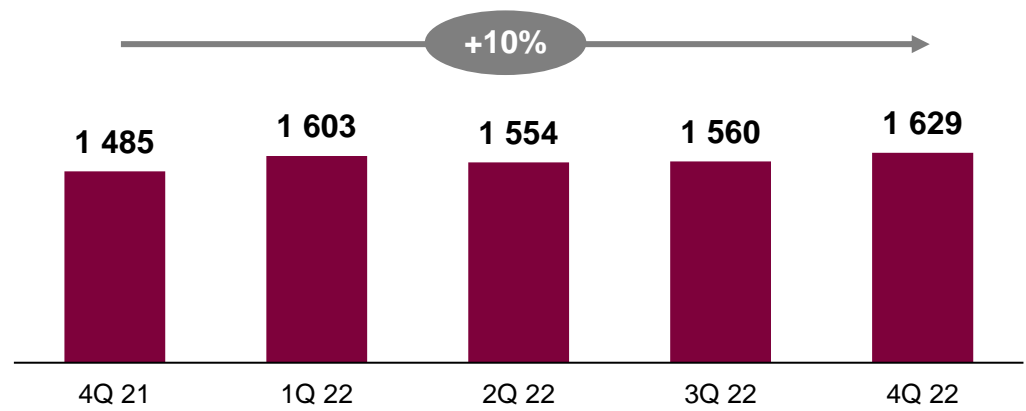
Number of active cards (k)



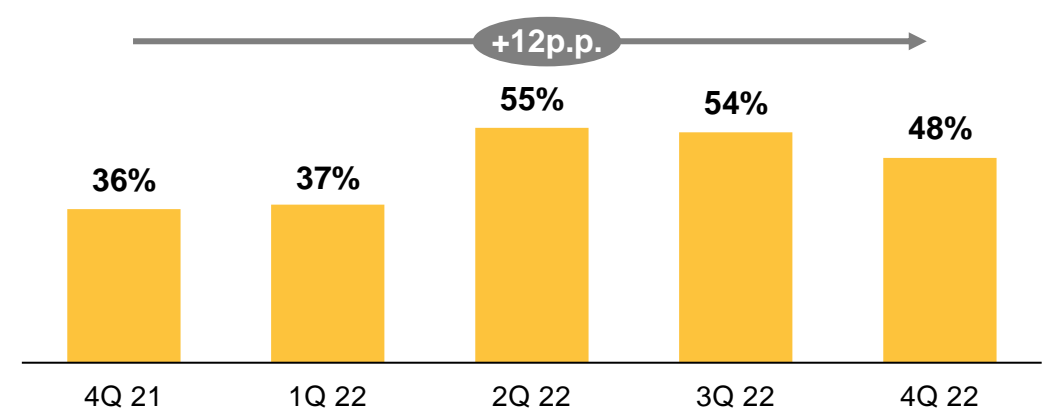
% of instructions received remotely



Number of Customers with BankConnect



Share of automated decisions in new sales (segment Small)



Due to the consistent policy of building relationships with companies, we are recording an increase in sales of transaction products, which positively impacts the result achieved by the Business Customer segment.

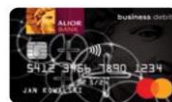
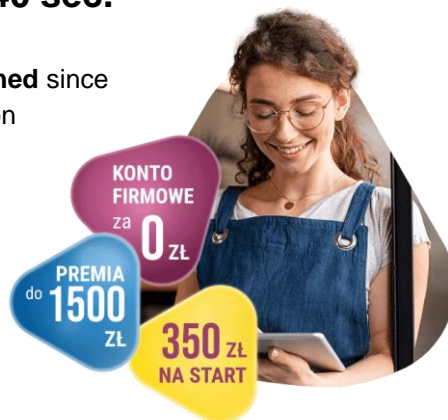
In the Small segment, the share of automatic processes remains stable. We expect further growth in 2023 stemming from planned developmental work.

New automatic online business account application for IDG*



5 min. 40 sec.

Fastest **account opened** since initiating the application



85% of customers open a card with an account



Support for promotional codes

+ 144 customers

received a bonus in December

87%

of processes fully automated



Launch of the new internet banking project for Business Customers



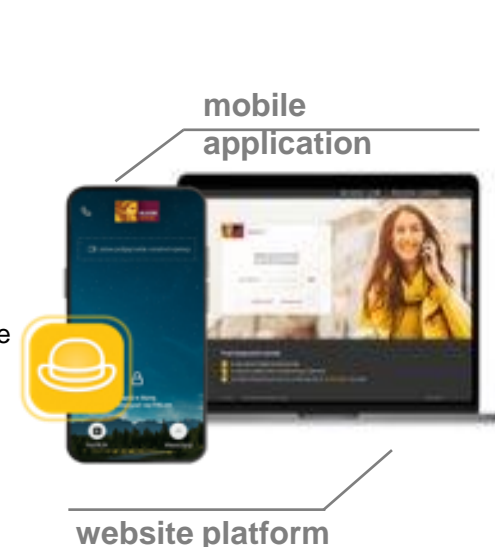
Latest security standards



Technology and architecture based on microservices



Modern platform customer self-service



The best user experience



Integration with ERP and VAS providers

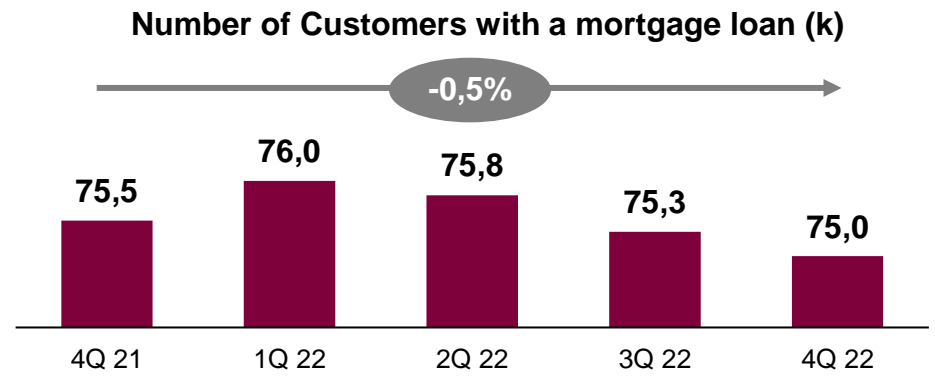
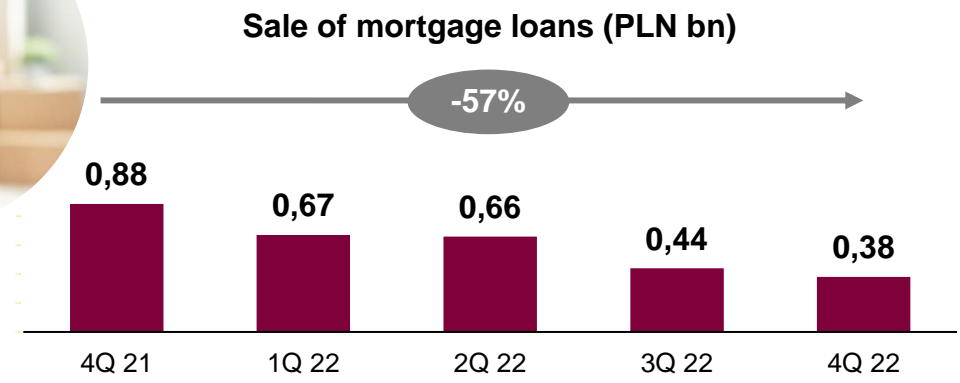


Multi-channel solution to increase the potential for x-sell

- **Modern UX**, transparent process with a limited number of fields
- Autocomplete data based on **CEIDG** and **REGON** databases
- **Multi-stage** verification of the person submitting the application and the company
- **One contract** for many products concluded **electronically**
- Remote identity confirmation at the Identity Identification Centre by: PayByLink (PBL), Poczta Polska Courier. More methods in progress.

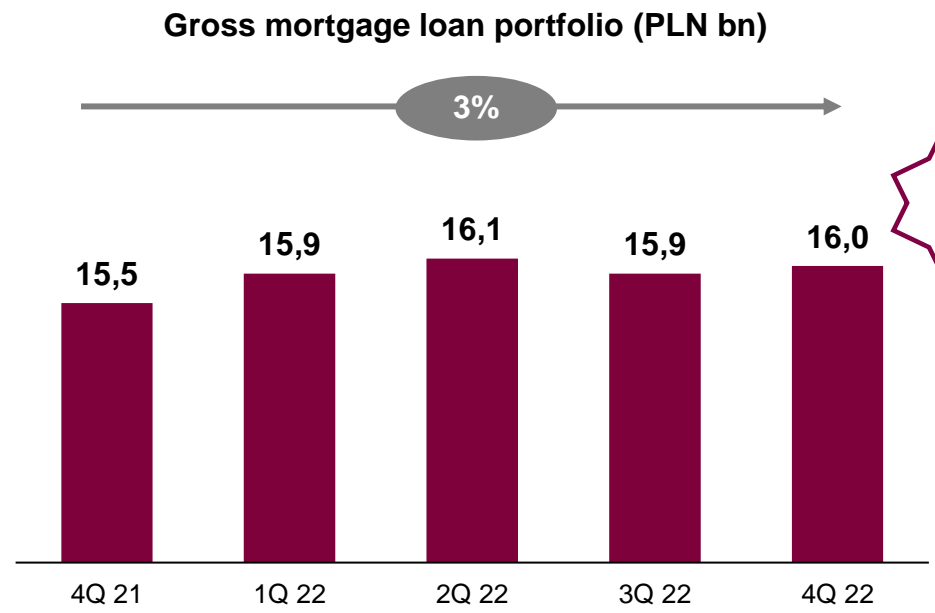
- **We signed an agreement with COMARCH SA on the implementation of a new internet banking platform for business customers**
- The implementation of the project is scheduled for the years 2023-2025.
- Owing to this, we will create a multi-channel, integrated product ecosystem, based on state-of-the-art technologies
- Its launch for first customers is scheduled for mid-2024

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



New life insurance with a premium of 2.85% for the first 5 years of coverage for customers financing the purchase of real estate with a loan from Alior Bank.

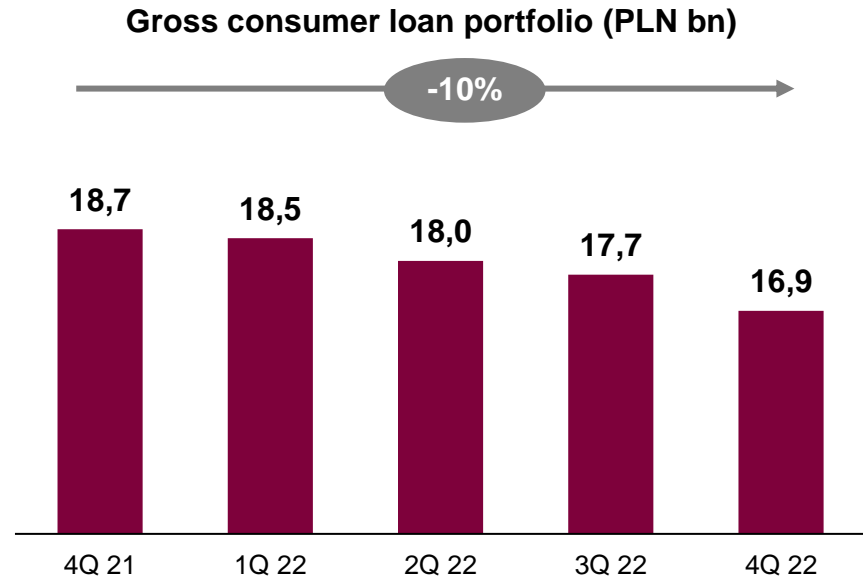
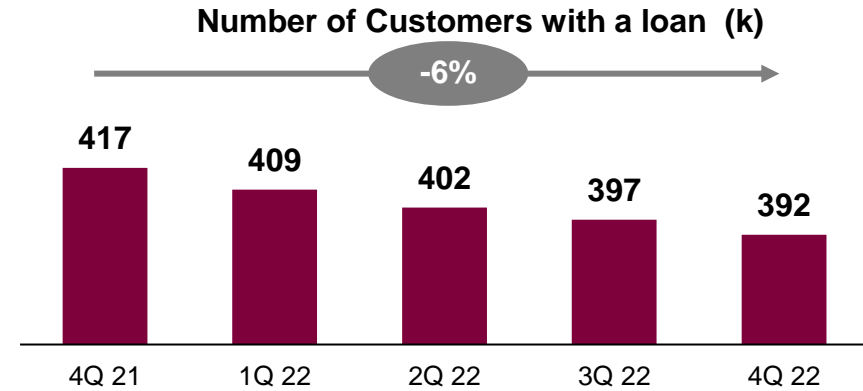
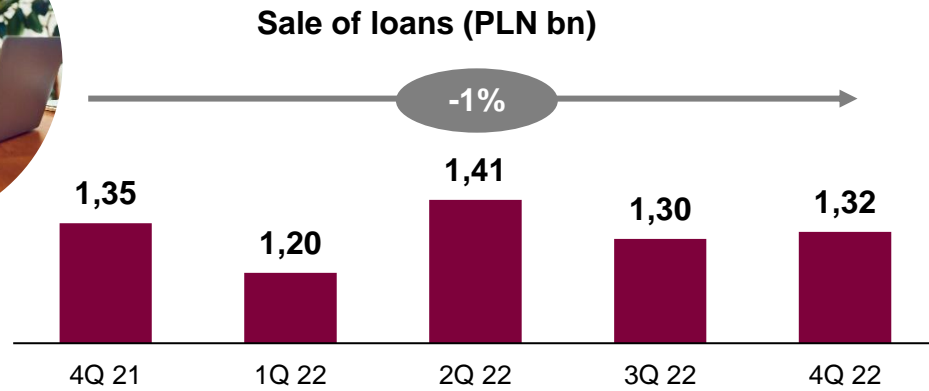
6.2%** Market share of sale of mortgage loans



Market share **3.1%** (portfolio)

* Retail Customer – residential mortgage loans
 ** 4Q 22

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



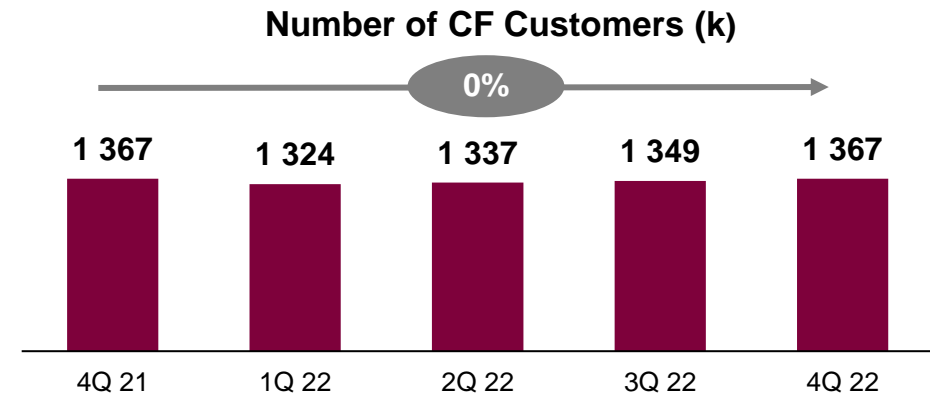
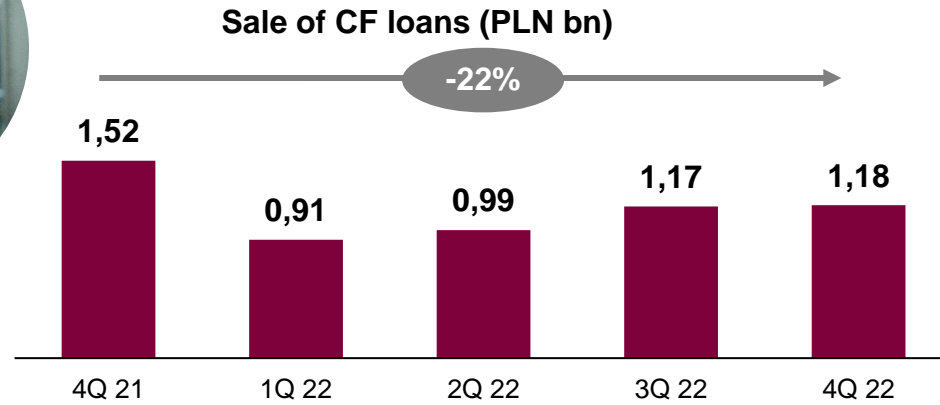
Market share
11.1%

Development of the online channel offer through offer personalization - a promotional loan for customers on their birthday. Offer available online only.

49%** Share of contracts sold through remote channels

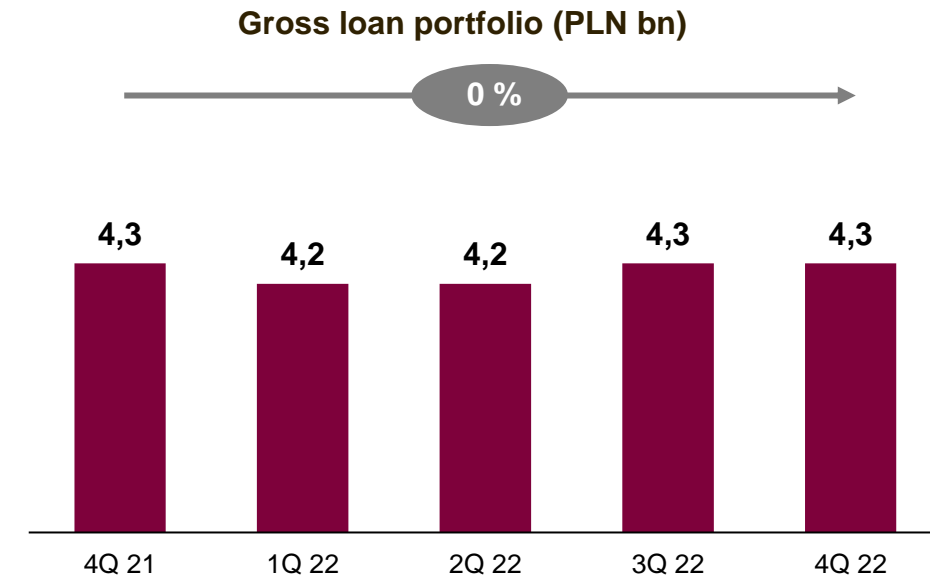
Development of the Bank's key products – Consumer Finance (CF) loans

RETAIL CUSTOMERS



The decrease in sales in 4Q 22 y/y is a result of a more even distribution of sales throughout 2022 compared to an accumulation in 4Q 21

The implementation of consumer rental in cooperation with RentUp and Komputronik chain stores should support the development of the CF loan portfolio in the coming quarters

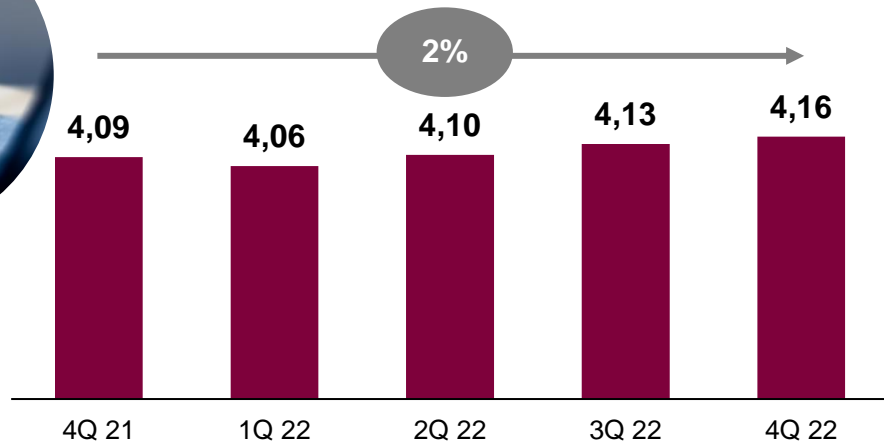


Market share 18.2%

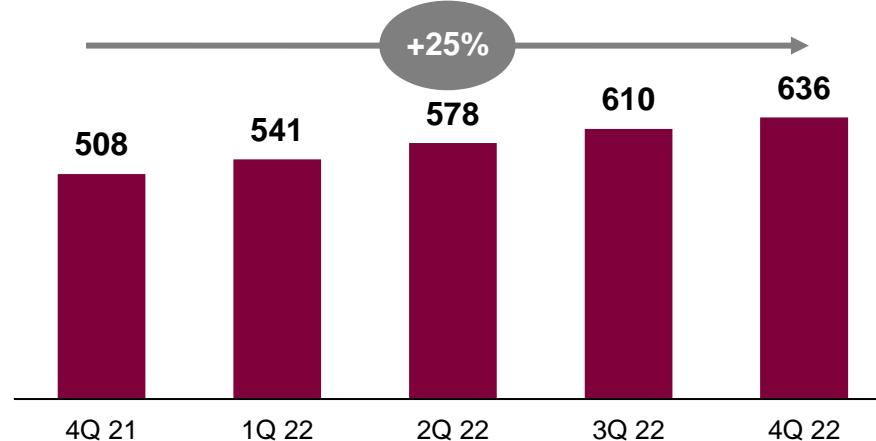
Effective establishment of a lasting relationship with Customers



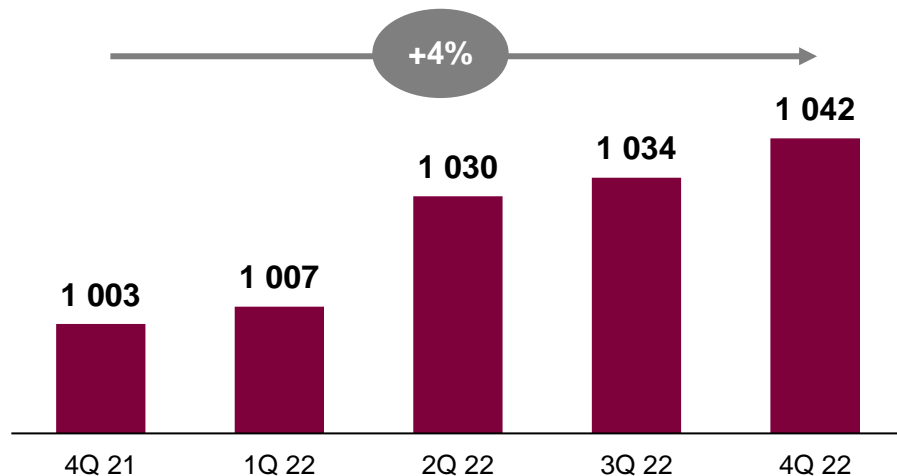
Number of Individual Customers (mn)



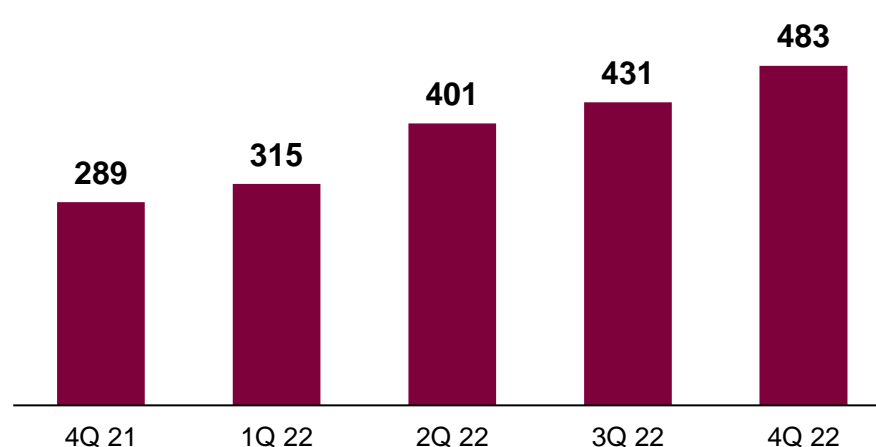
Number of accounts "Konto Jakže Osobiste" (k)



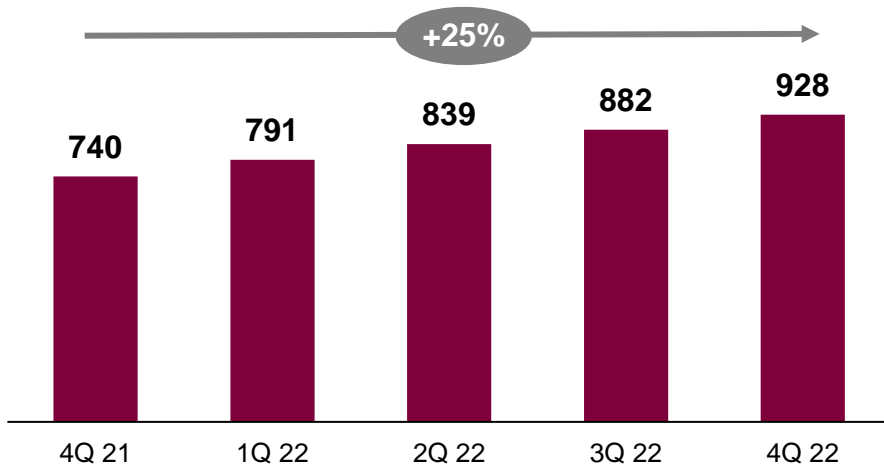
Number of Customers with systematic account inflows (k)



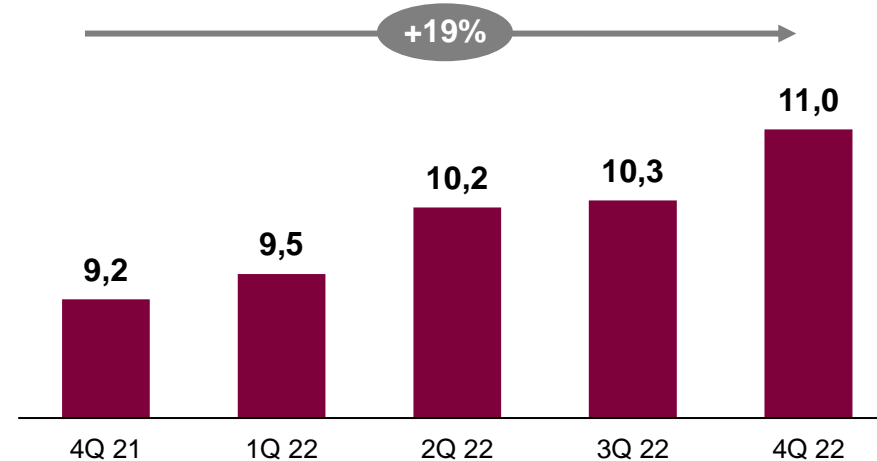
Number of motorway journeys and tickets paid through the Alior Mobile application (k)



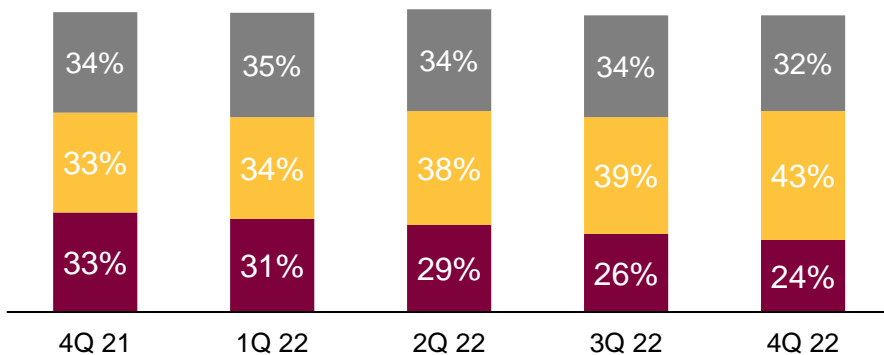
Users of Alior Bank mobile applications (k)



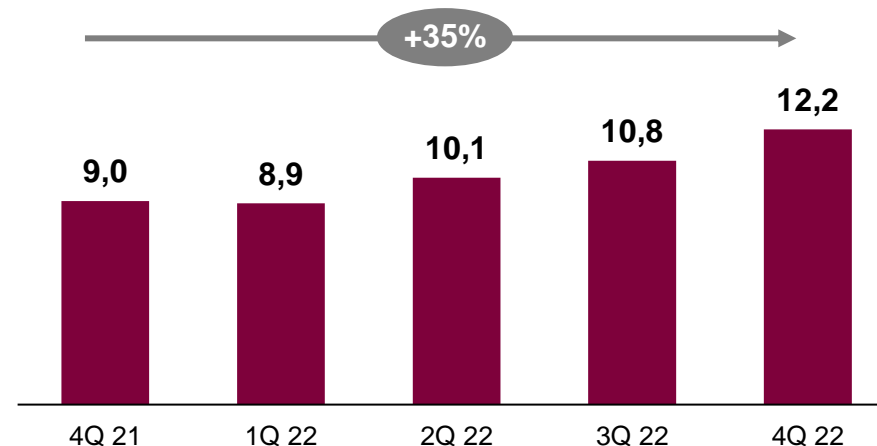
Number of wire transfers initiated in the Alior Mobile application (mn)



Structure of Alior Online and Alior Mobile usage



Number of BLIK transactions (mn)



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



Alior Pay – the new ecosystem of payments

In December 2022, in the Alior Mobile app, we implemented the new **Alior Pay** service, which allows customers to easily defer transactions made on their Alior Bank account. Using Alior Pay, they can defer payments made in online and brick-and-mortar stores, make withdrawals from ATMs, as well as wire transfers, e.g. bill payments. The service is currently available only to some of our customers, but the first tests bring promising results:

- **84%** of accounts use the deferred transaction limit
- **63%** of the volume of deferred transactions is completed with mobile devices,
- **80%** of the volume of deferred transactions concerns operations such as: transfers, POS payments, cash withdrawals,
- on average, there are 3.5 transactions per 1 Alior Pay account,
- NPS survey result is **74%**,
- **80%** of the surveyed customers would definitely recommend the Alior Pay service.



BOT Offer – implementation of the offer module in selected *infoNINA* thematic bundles

The task of the sales module is to encourage the customer to get acquainted with the loan offer when trying to contact the Bank's hotline. A short proposal will be sewn into selected topics. Currently, the functionality is located in the IVR path – unlocking access channels (website/mobile). We are working on implementing the functionality in other thematic areas.

My Bills - many things, one click ... and paid!

We have introduced a new service, My Bills „Moje Rachunki”, which allows customers to easily aggregate all their bills and invoices, and then pay them collectively with just one click. After a one-time configuration, the solution independently monitors the bills to be paid, making it easier for our clients to control the dates and amounts of payments.



Fast online Micro process – opening a business customer account

We implemented a new online process for opening a company account. Thanks to high automation, we accelerated and simplified the process of opening accounts for Micro companies. The customer can now use alternative methods of identity verification thanks to integration with the new Identification Centre. As part of the application, we also provided the promo-code mechanism as a promotional and sales tool.

In 2022 the Bank addressed ESG activities comprehensively



Environmental Protection

Financing the transformation

- 8** eco-products and eco-benefits for individual and business customers
- 28 thousand** new customers (NtB) thanks to eco-products
- Preparation of new products supporting the energy transformation of companies

Pro-ecological transformation

- Continuation of the carbon footprint calculation in the bank in scope 1 and 2. Adoption of **our own** zero-emission **energy sources**.
- > 450 thousand** monthly robotically operated tasks
- Energy-saving offices and branches



Social responsibility

Dialogue and cooperation

- Adoption of a volunteering policy, **two additional days off** for employees
- Establishment of a **Help Centre for Ukrainian Citizens** in Warsaw. Over **PLN 25 million** of support provided
- Establishment and first year of operation of **the Alior Bank Foundation**

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

Transparency and compliance

- ESG regulatory compliance in the Alior Bank Group
- Creating a "sustainable development" tab on the website
- A detailed format of the non-financial report, including the new requirements of the so-called EU Taxonomy

ESG factors in day-to-day operations

- Incorporating **ESG risk** elements in risk analyses in the bank
- Initiation of ESG training for competence development and reskilling



Social Responsibility of Alior Bank

“Active with Alior”

- More than a dozen sporting and recreational events in 2022
- Promotion of a healthy lifestyle and active leisure.
- In Q4 2022, we continued our partnership in the organisation of sporting and recreational events (including **Wild Run in Wrocław**, the **26th Independence Run in Krosno** and the **10th Festival of Young Wine in Sandomierz**).



“Let’s Walk Together”

- Support for charitable organisations.
- Integration of employees through physical activity for a good cause.
- In November, our employees “collected kilometres” in the Activy app, which were then converted into cash. **The Rak'n'Roll Foundation** and **the Gajusz Foundation** were the first organisations supported this way. Our employees covered a total of 120 thousand kilometres.

“Day for the U”

In October, in cooperation with the *Rak'n'Roll* Foundation, we joined the *Dzień na U* (Day for the U) campaign. Each employee could take advantage of an additional day off to undergo non-mandatory medical examinations. This is an additional employee **benefit** and an element of **health prevention** promotion.



#WeSupportGamers

Poznań Game Arena – the largest computer games and multimedia entertainment fair in our part of Europe. In our zone, participants could set up an account for players and apply for a unique debit card with the image of Ashe - a champion from League of Legends. New account holders received a Xiaomi Smart Band 6 NFC wristband.



Title partnership with **AGO Rogue**. As part of it, the **Alior Bank Team** was created, which took part in the competition of the accredited Ultraliga Regional League. The Team comprises five players from the Polish League of Legends scene. The official logo of the Team is the bowler hat of Alior Bank.



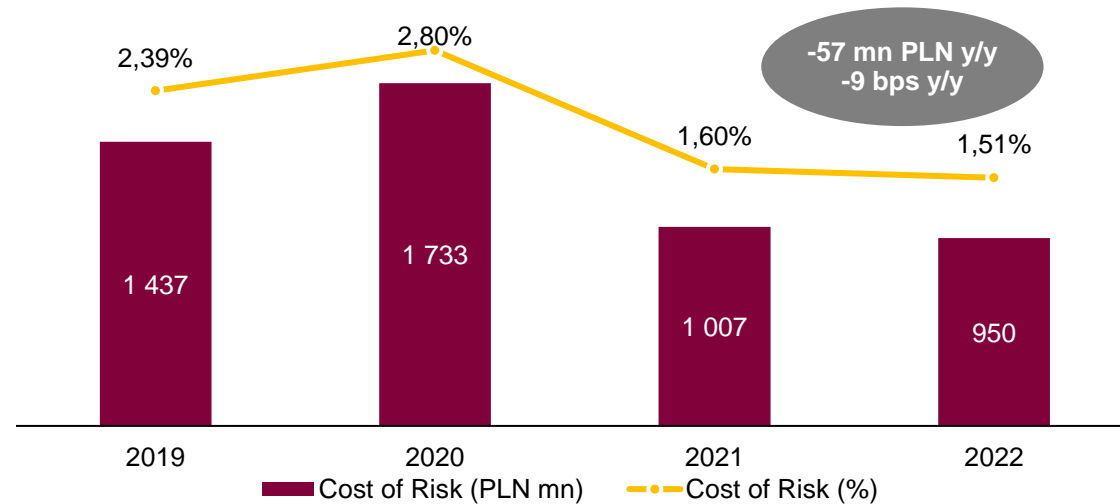
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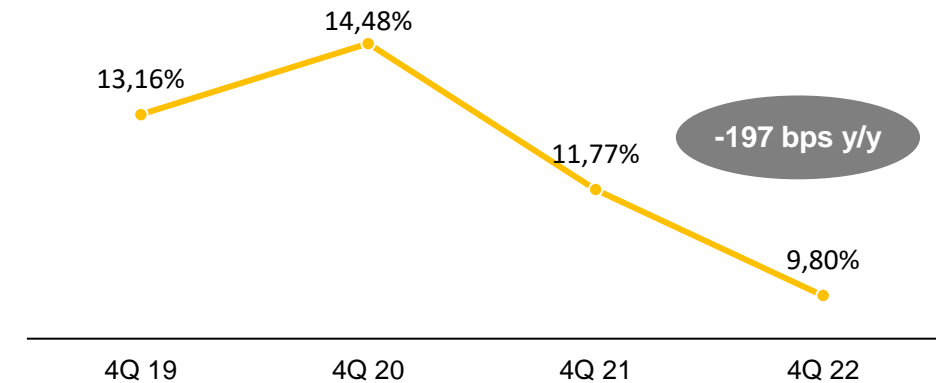
Credit risk

The change in the credit policy, accompanied by the effective implementation of the NPL reduction strategy, allowed for a sustained reduction in CoR and an improvement in the quality of the loan portfolio

Alior Bank Group – cost of risk



Alior Bank Group – NPL ratio

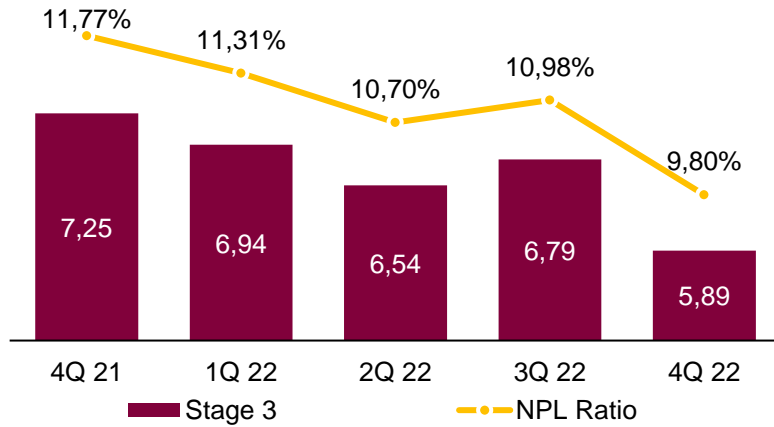


As a result of actions taken in 2020 and 2021 to manage the risk of the loan portfolio and due to current customer behaviour, the level of Cost of Risk (CoR) in 2022 was below the Bank's initial expectations (1.6%).

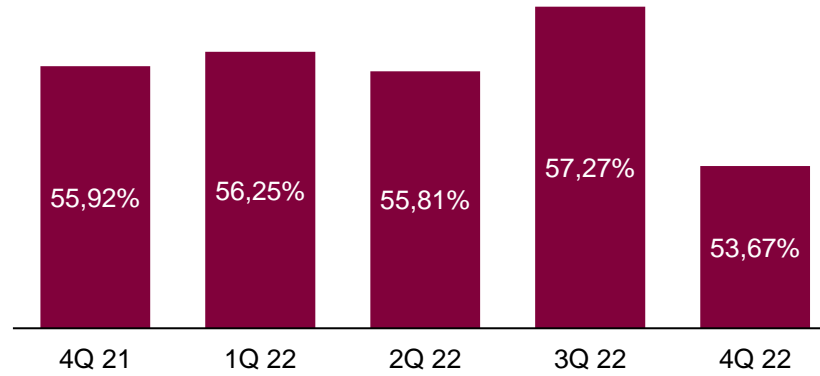
Currently, we do not see a significant adverse impact of the macroeconomic environment, in particular the past interest rate hikes, on CoR. However, we expect the cost of risk of the Alior Bank Group to increase slightly in the next few quarters. The CoR for the whole of 2023 should not exceed 1.9%.

The restructuring of the loan portfolio brings tangible results

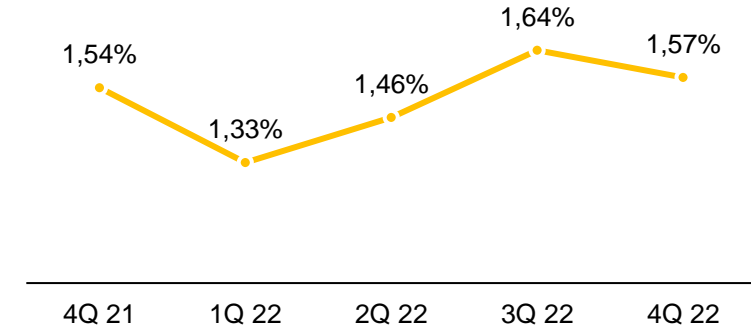
Impaired loans (PLN bn)



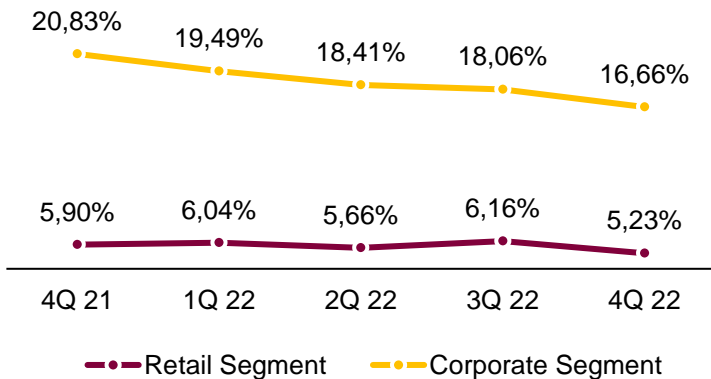
NPL reserve coverage ratio*



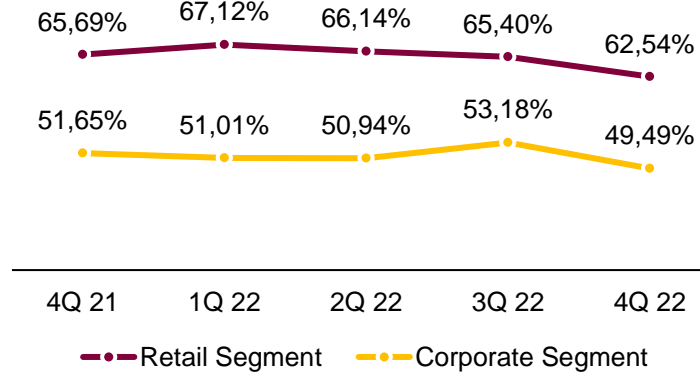
Cost of Risk - CoR**



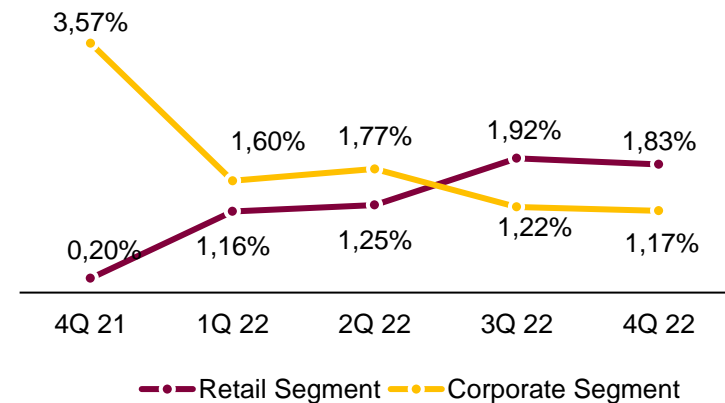
Impaired loans – segments



NPL provision coverage* – segments

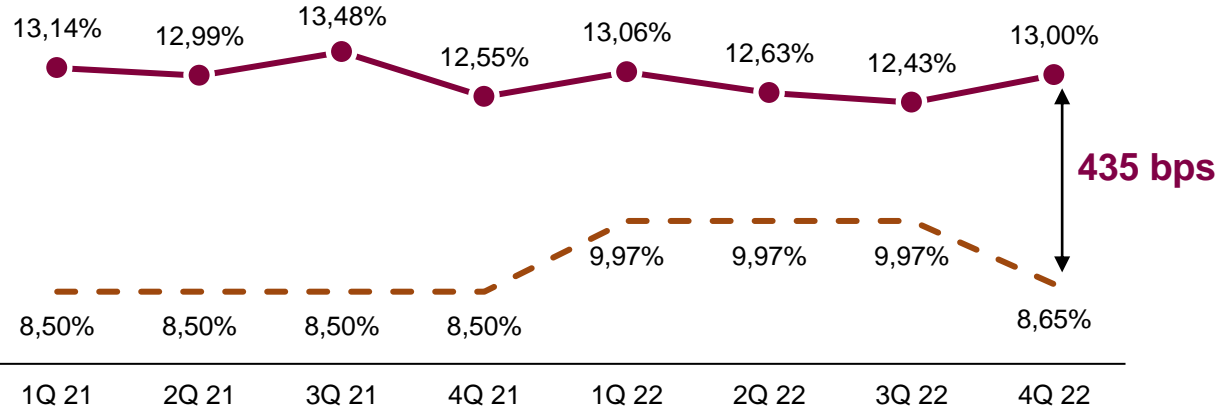


CoR – segments**



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

TIER I

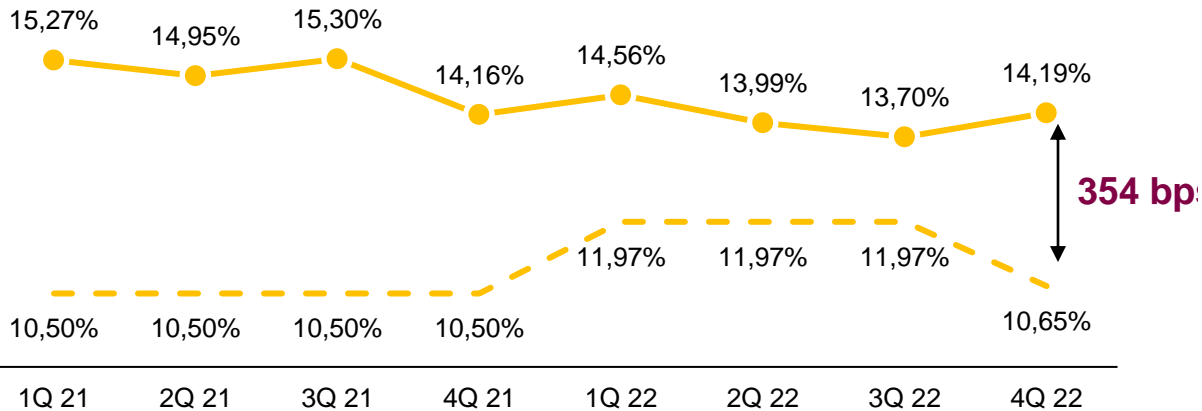


The levels of TIER I and TCR capital adequacy ratios as at the end of 4Q 22 significantly exceeded the regulatory minimum by: 435 bps (PLN 2.1 bn) and 354 bps (PLN 1.7 bn)

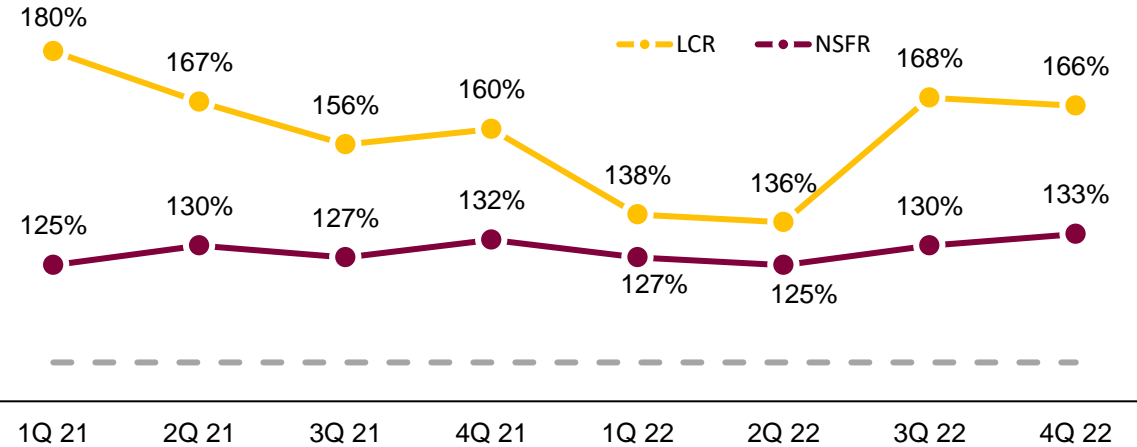
The capital ratios do not include the profit generated by the Bank in 2022. The inclusion of last year's profit would increase the TCR ratio at the end of 2022 by approx. 142 bps, to approx. 15.61%.

In 4Q 22, the PFSA reduced the additional capital charge from 1.47% to 0.15% to absorb potential losses resulting from stress (P2G buffer)

TCR



Liquidity ratios: LCR, NSFR



3



Financial results

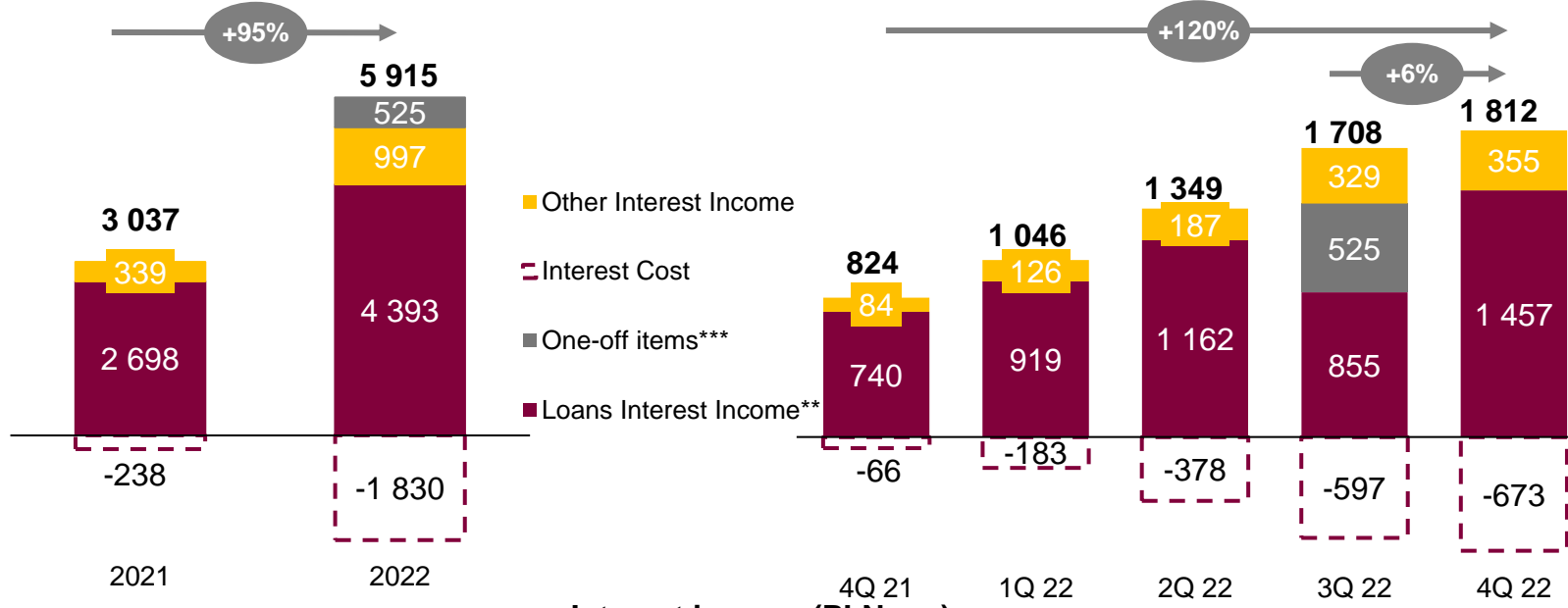
Income statement

PLN mn	4Q 21	4Q 22	% y/y	y/y	2021	2022	% y/y	y/y
Total Income	934,8	1 322,1	41%	387,3	3 637,1	4 381,6	20%	744,5
Net interest income	757,9	1 139,1	50%	381,2	2 798,2	3 559,9	27%	761,6
Net fee and commission income	216,1	183,2	-15%	-32,9	766,7	796,1	4%	29,3
Other income	-39,1	-0,2	-	38,9	72,1	25,6	-64%	-46,5
Total costs	-729,1	-825,6	13%	-96,6	-2 857,9	-3 345,6	17%	-487,6
General administrative expenses	-394,2	-456,7	16%	-62,5	-1 582,5	-1 997,5	26%	-415,0
Impairment of non-financial assets	-7,3	-11,2	54%	-3,9	-10,5	-52,4	400%	-41,9
Net expected credit losses	-246,5	-248,5	1%	-2,0	-1 006,7	-949,8	-6%	56,9
Cost of fx mortgage legal risk	-18,6	-43,6	134%	-25,0	-21,4	-83,2	289%	-61,8
Banking tax	-62,5	-65,6	5%	-3,1	-236,8	-262,7	11%	-25,9
Gross profit	205,7	496,5	141%	290,7	779,2	1 036,0	33%	256,8
Income tax	-106,1	-136,2	28%	-30,1	-297,3	-352,9	19%	-55,6
Net profit	99,6	360,3	262%	260,7	481,9	683,1	42%	201,2
Net interest margin (NIM)	4,01%	5,92%	-	+1,91 p.p.	3,75%	4,64%	-	+0,90 p.p.
Cost of funding (CoF)	0,26%	2,20%	-	+1,94 p.p.	0,19%	1,40%	-	+1,20 p.p.
Cost of risk (CoR)	1,54%	1,57%	-	+0,03 p.p.	1,60%	1,51%	-	-0,09 p.p.
Cost / Income ratio (C/I)	42,2%	34,5%	-	-7,6 p.p.	43,5%	45,6%	-	+2,1 p.p.
Loan / Deposit ratio (L/D)	80,9%	81,4%	-	+0,5 p.p.	80,9%	81,4%	-	+0,5 p.p.
Return on equity (ROE)	6,3%	24,6%	-	+18,3 p.p.	7,7%	11,3%	-	+3,6 p.p.
Total Capital Ratio (TCR)	14,16%	14,19%	-	+0,03 p.p.	14,16%	14,19%	-	+0,03 p.p.

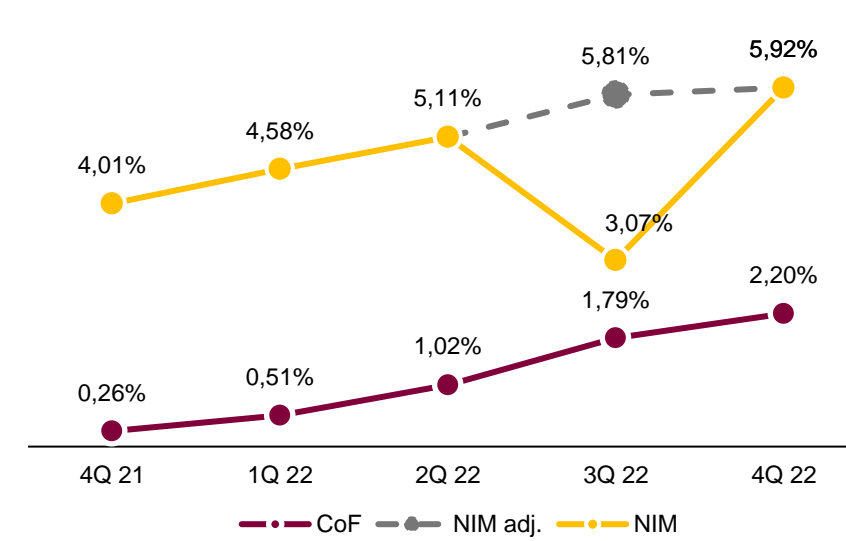
- The results achieved in 4Q 22 were burdened with the costs of legal risk of mortgage loans in foreign currencies (“large CJEU”) totalling PLN 43.6 mn and the provision for the return of commissions (“small CJEU”) totalling PLN 14.5 mn
- The current level of provisions on account of legal risk related to loans denominated in CHF covers 49.7% of the gross value of the portfolio of loans denominated in CHF
- The 4Q 22 results include the final value of the contribution to the Borrower Support Fund, which was PLN 8 mn higher than provisions initially included in 3Q 22 results - this cost was a one-off
- **Reported ROE was 24.6% in 4Q 22, while C/I was 34.5%**

The high level of market interest rates has a positive impact on the level of interest income and enables building capital that will finance future lending

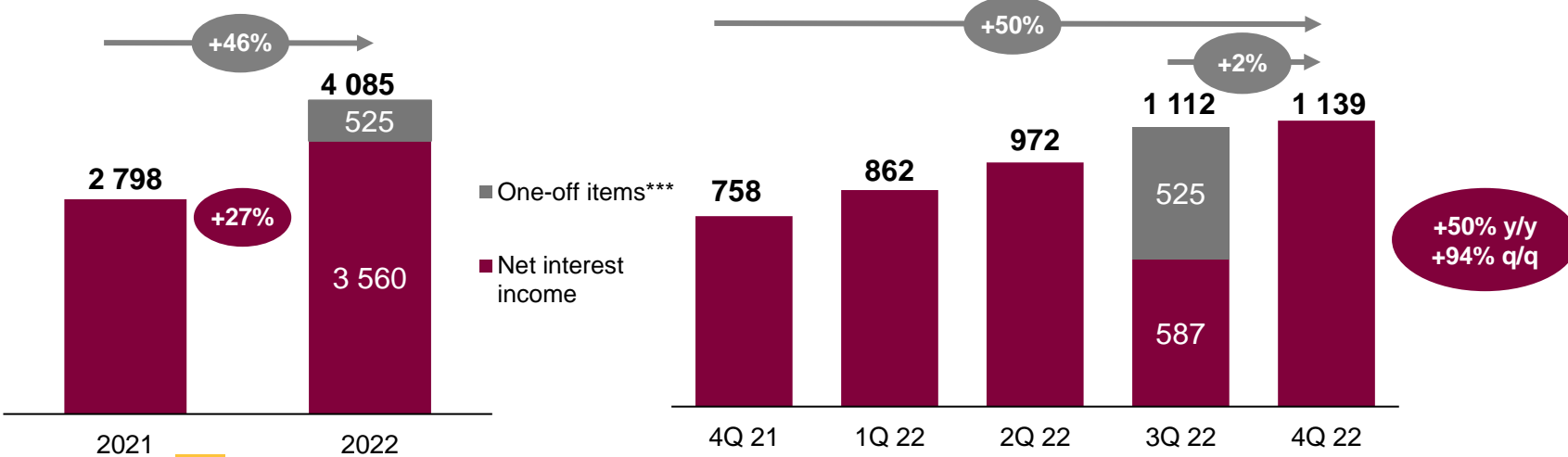
Interest income and expenses (PLN mn)



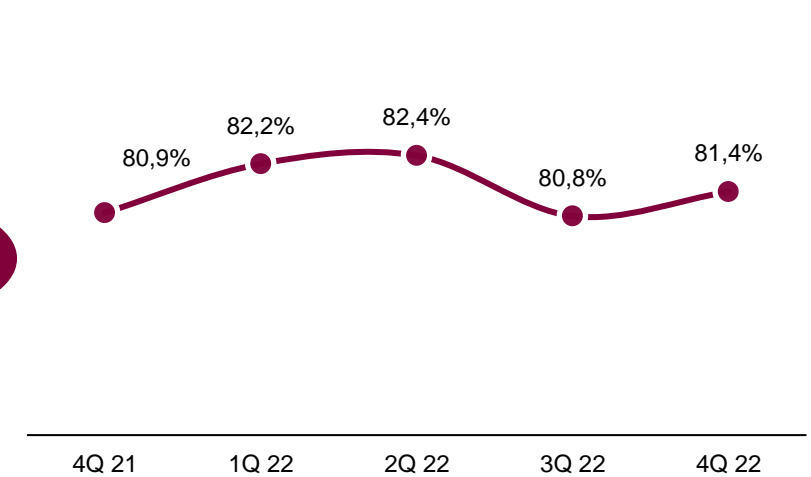
Interest margin and financing cost*



Interest income (PLN mn)



Loan / Deposit Ratio



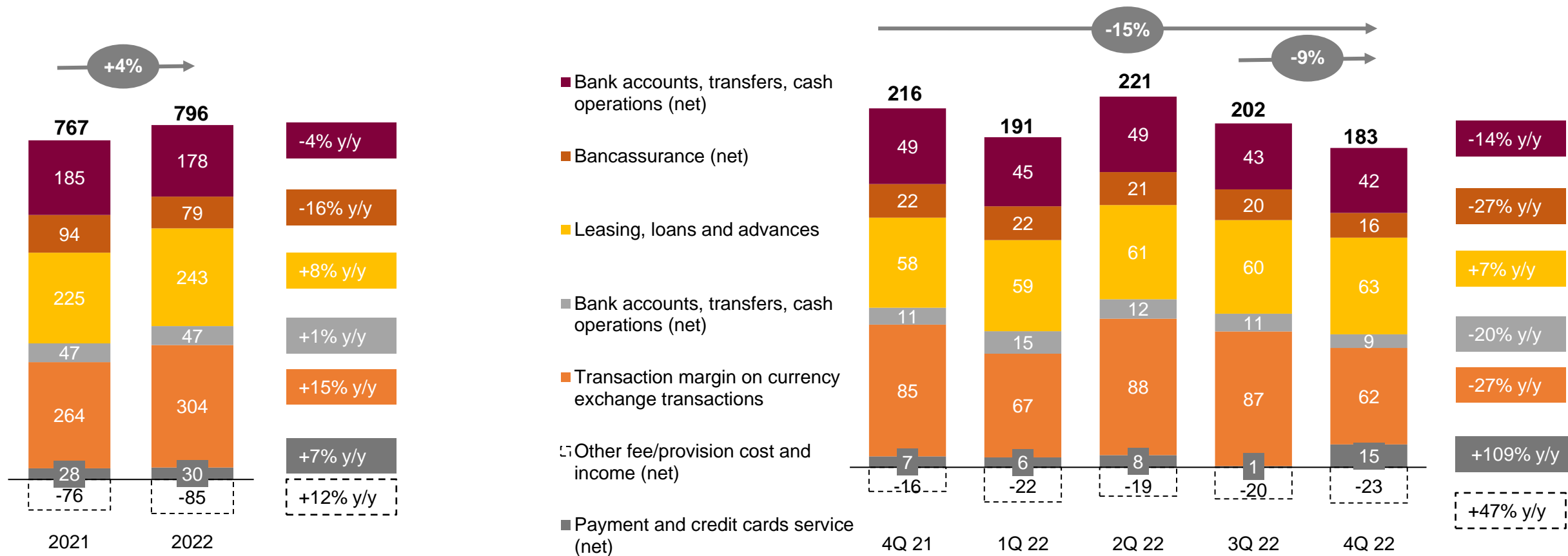
*Managerial presentation, QTD

**Interest income from loans, debt purchased and leasing

***One-offs in 3Q 22: PLN mn 502 for credit moratoria and PLN mn 23 for provision for the reimbursement for additional mortgage loan margins charged to Customers in the period until collateral was established

The high level of interest rates renders it difficult to improve fees and commissions income

Fees and Commissions Income (PLN mn)

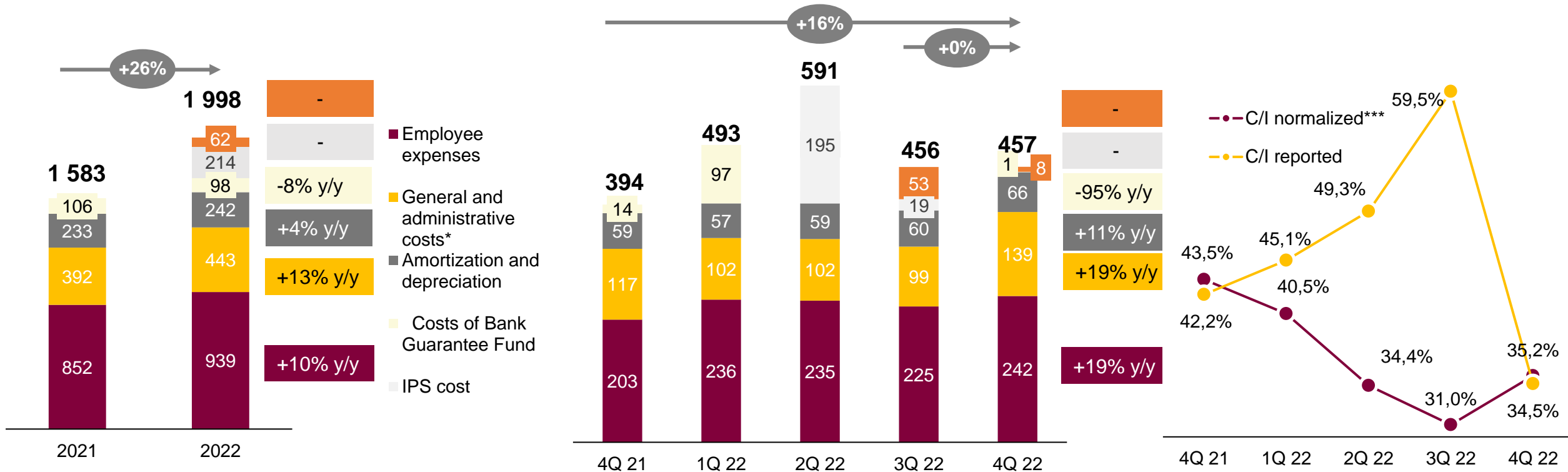


- In 4Q 22, fees and commissions income amounted to PLN 183 mn and decreased by PLN 33 mn (-15%) compared to 4Q 21 – mainly due to lower commissions on foreign exchange transactions, which dropped by PLN 23 mn y/y (-27%), and as a result of a PLN 9 mn model adjustment of the result on insurance activity reflected in the cost on commissions income
- The increase by PLN 8 mn y/y in fees and commissions income on debit and credit cards in 4Q 22, was mainly due to the specific nature of card transaction settlements and the related volatility of quarterly results
- The PLN 23 mn y/y drop in fee income on FX transactions in 4Q 22 results from the specificity of accounting for this type of transaction at Alior Bank – part of the FX transaction result is presented in the trading result

Despite the general increase in costs, the Bank is improving its operational efficiency

Operating costs (PLN mn)

C/I ratio**



- In 4Q 22, the final value of the contribution to the Borrower Support Fund was settled, which was PLN 8 mn higher than initially recognized provisions in 3Q 22 results
- The y/y increase in employee costs in 4Q 22 amounted to PLN 39 mn (+19% y/y), and it was mainly due to an increase in the average salary level
- The main reason for the increase in general and administrative expenses in 4Q 22 by PLN 22 mn (+19%) y/y was, i.a. an increase in training costs by PLN 7 mn, IT costs by PLN 6 mn, and other costs by PLN 12 mn
- 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 Q3 22 and provisions for the return of the additional margin on mortgage loans

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

Profitability	12.2022	12.2024
ROE	11.3%	>13%
C/I	45.6%	<45%
Capital		
Tier 1	13.0%	>13.5%
TCR	14.2%	>15%
Credit risk		
CoR	1.5%	<1.6%
NPL	9.8%	<10%





- Safe and stable capital position
- Innovation, digitization, high quality of services for Customers
- Improvement of performance by increasing 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



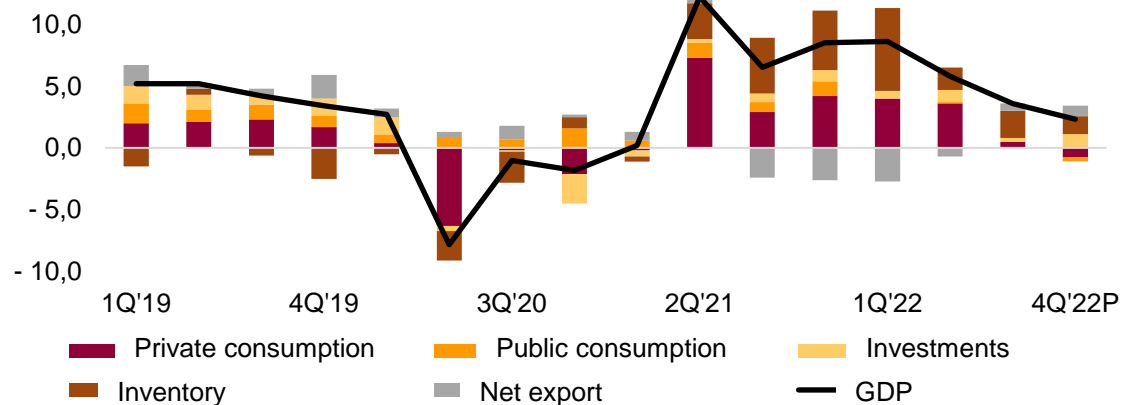
Other issues

The growth rate of the Polish economy continues to slow down, we can observe the first signs of disinflation

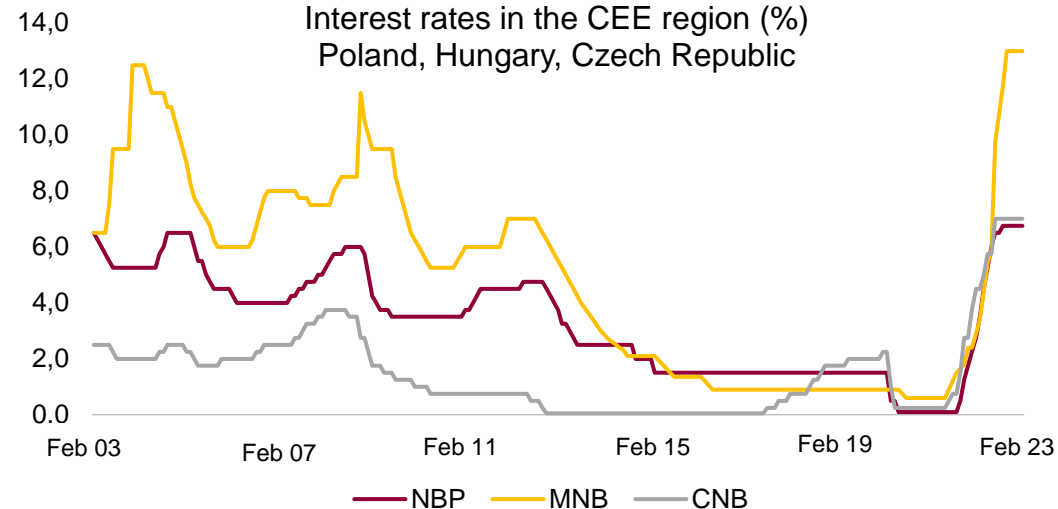
GDP in 4Q 22 continues to slow down, amid the drop in consumption...

... and persistently high interest rates ...

GDP growth (viable, %, y/y) and its structure (p.p.)

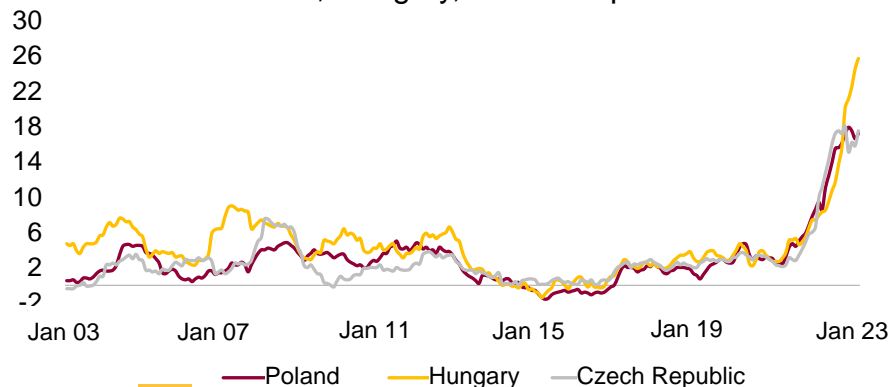


Interest rates in the CEE region (%)
Poland, Hungary, Czech Republic



... in response to multi-year inflation records

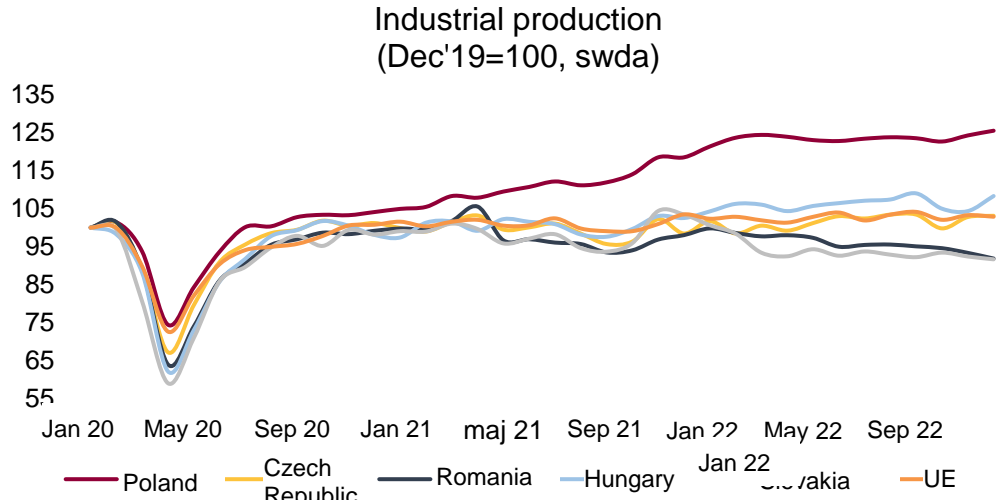
CPI inflation in the CEE region
Poland, Hungary, Czech Republic



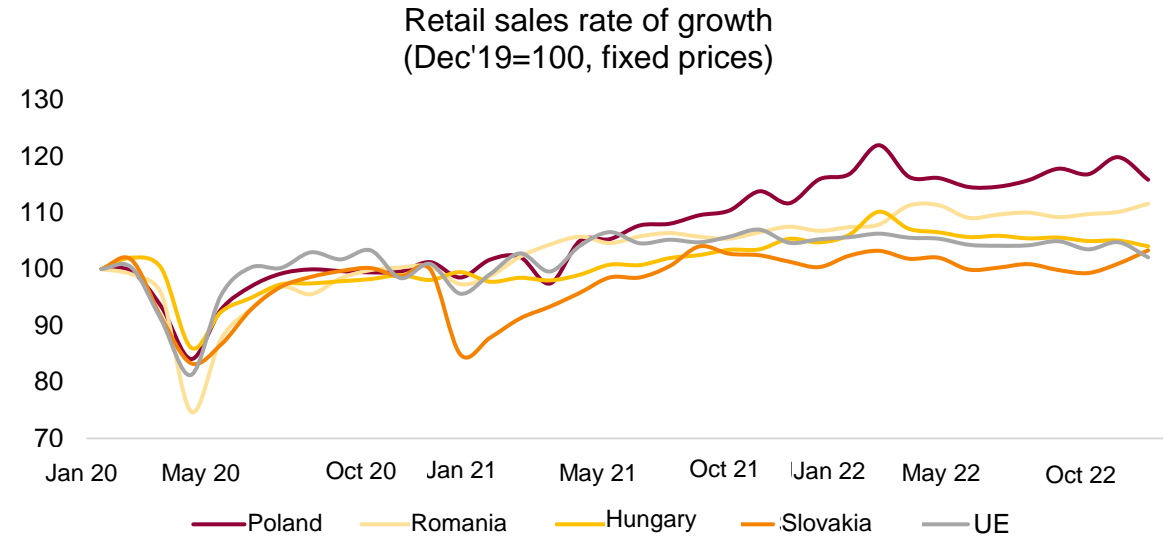
- In 4Q 22, economic recovery slowed down due to high inflation and earlier monetary policy tightening, which translated into a reduction in demand.
- In 4Q 22, the GDP growth rate in Poland slowed down to 2.0% y/y against 3.6% y/y in the previous quarter, however, the Polish economy escaped a technical recession for the time being. In 1Q 23 we expect a decline in GDP in y/y terms.
- In 4Q 22, inflation was still the crucial factor influencing the economic situation. The annual inflation rate, after peaking in October 2022 (17.9% y/y), decreased to 16.6% y/y in December 2022. Inflationary pressure is easing somewhat, mainly due to a drop in commodity prices, although core inflation is still growing. In 1Q 23 inflation will increase temporarily, as a result of i.a. limiting the anti-inflationary shield, and then it should gradually decrease.
- In 4Q 22, wages in the corporate sector were lower in real terms than in the same period of the prior year, which translated into a decline in consumption by Polish households. The growth rate of retail sales in fixed prices is systematically declining, and in December 2022 it amounted to only 0.2% y/y.
- In 4Q 22, and at the beginning of 2023, the NBP (National Bank of Poland) did not change the monetary policy. The main NBP rate, as set in September 2022, was still 6.75%. At the same time, the MPC assesses the current level of interest rates as appropriate.

The Polish economy is still a leader compared to the EU and the countries of the region

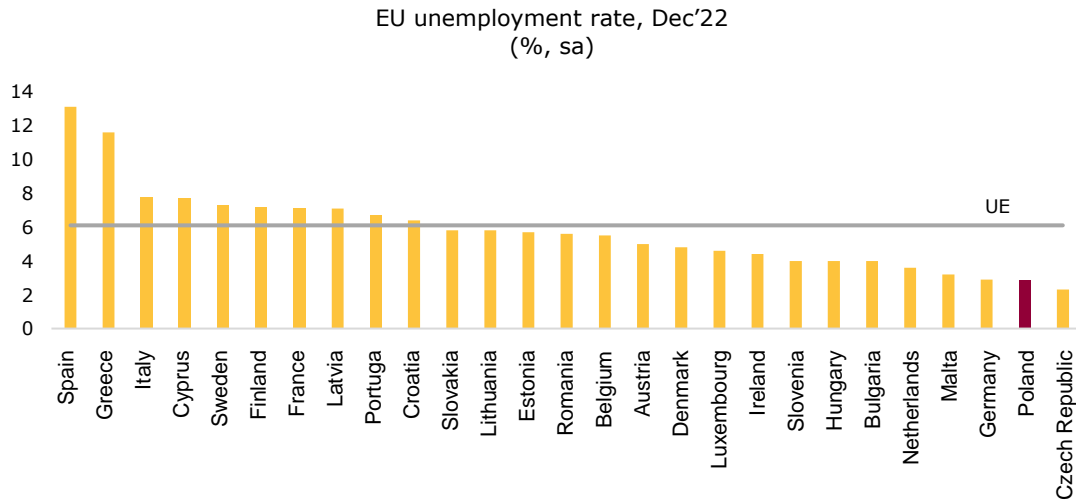
Polish industry is at the forefront compared to the EU...



... despite slowing consumption...



... amid a very good situation on the labour market



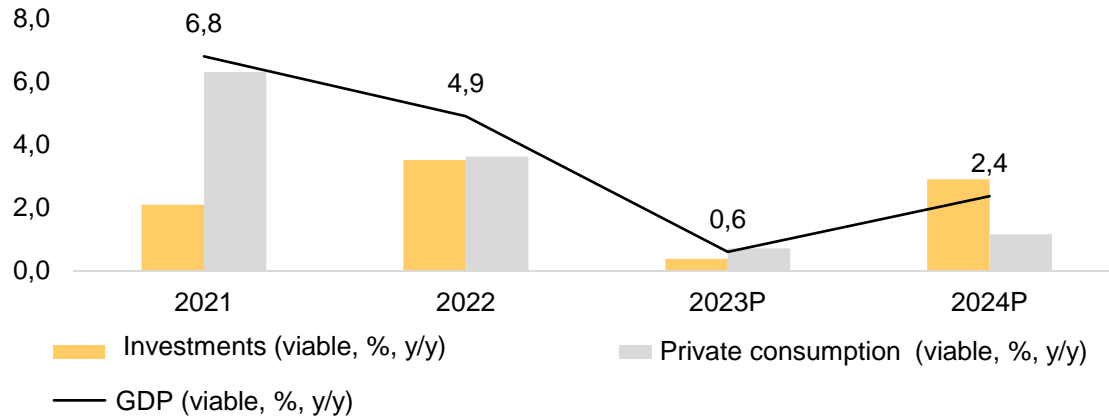
Source: Bloomberg

- The Polish economy stood out positively among the economies of the region, both in the group of CEE countries and in comparison to the Eurozone, mainly due to the strong first half of 2022. The unemployment rate in Poland in December 2022 remained one of the lowest in the EU.
- Higher inflation led to the erosion of household budgets and, consequently, to a significant weakening of economic growth in the Eurozone in 2H 22.
- In 4Q 22, the first signs of a weakening of inflationary pressure appeared in the Eurozone, thus heralding the expected disinflation. The main factors easing the upward pressure on prices were the drop in gas prices, weakening disturbances in global supply chains as well as lower global demand.
- Despite signs of an easing of upward pressure on prices, inflation in the Eurozone remains elevated, and the ECB is determined to combat it. In 4Q 22 and early 2023 the ECB continued its monetary tightening. In February 2023, the deposit rate increased to 2.5%. The ECB is strongly signaling the need for further hikes at its meeting in March.

Economic growth remains burdened by high inflation and interest rates, as well as by a weakening external economic situation

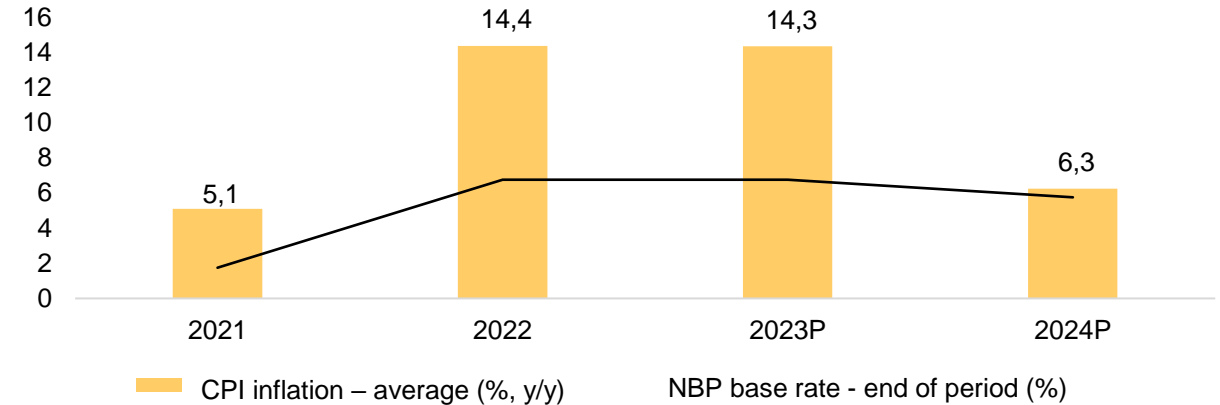
Economic growth is in a downward trend

GDP growth y/y with main components y/y



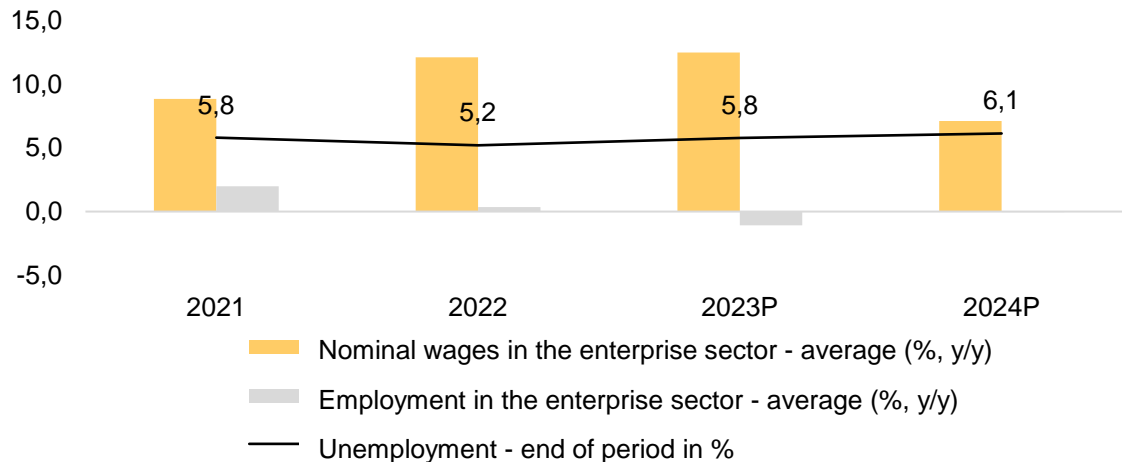
Inflation will slow down only in 2025

Price index y/y and MPC interest rate



The labour market will remain moderately optimistic

Wage and employment growth y/y/ and unemployment rate

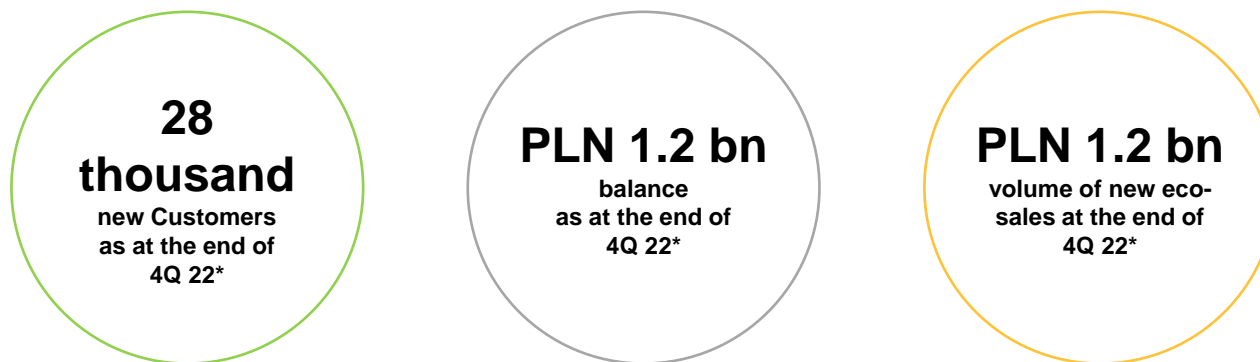


- The declining economic situation in the world (the effect of monetary policy) accompanied by the still high inflation remains a major challenge for the economic situation in Poland as well.
- We assume that the domestic economy will avoid a hard landing and that GDP will continue to grow in real terms in the coming years. However, in 2023 we expect a significant slowdown in economic growth to reach approx. 0.5%.
- High inflation will remain the main challenge, and bringing it to a desirable level will not be a short-term process. Elevated inflation will continue in 2023-2024. The first possible date for its return to the target (1.5%-3.5%) is probably as late as 2025.
- In future quarters, the growing cost of living along with the limited availability of loans and their higher costs will adversely affect household disposable income, and this will translate into a significant slowdown in private consumption growth. The decline in internal and external demand will affect companies, which will, among others, result in a reduction in investment plans.
- We assume that the MPC will leave interest rates unchanged throughout 2023 at the level set in September 2022, although the NBP in their announcements have not officially communicated that the cycle of interest rate increases has formally ended. The main interest rate is 6.75%. We expect the first rate drops in 2Q 24.

We have been successfully addressing climate-related challenges



We cooperate with:

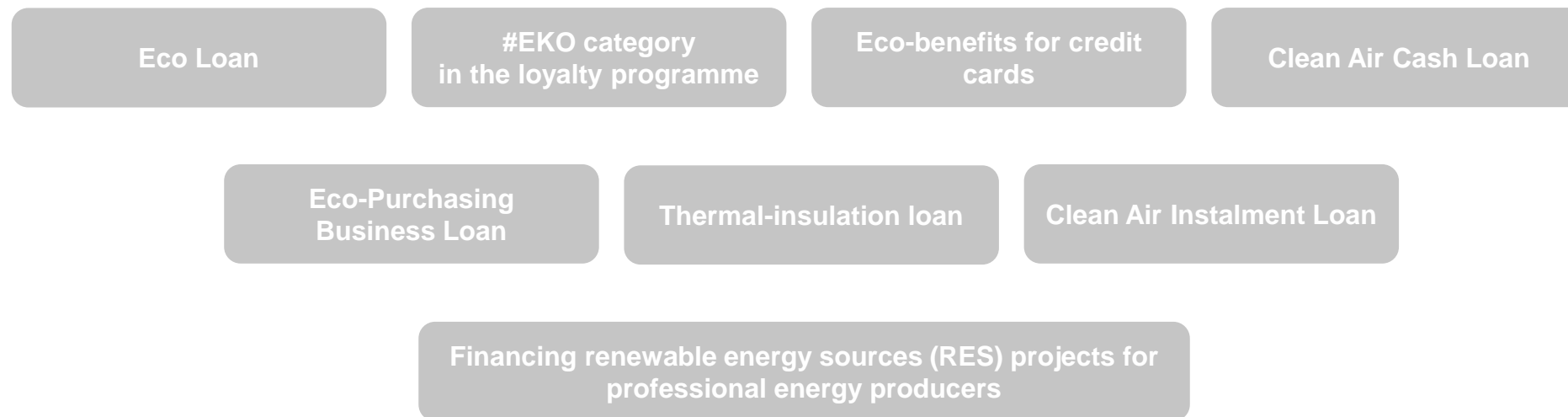


Ministerstwo Klimatu i Środowiska



WORLD BANK GROUP

ECO OFFER in 4Q 22



Awards and promotion of Alior Bank's offer

FINANCIAL
TIMES

The highest – among Polish financial institutions – 22nd place in the ranking of the British daily **Financial Times** in the **“Banking and Financial Services”** category. The ranking includes institutions distinguished by diversity in the work environment.



Special award in the **“Trustworthy Employer”** competition – for special commitment to Ukraine and leadership in the financial sector in providing systemic assistance to refugees.

Alior Bank regularly implements permanent and periodic promotions, amenities and novelties for retail and business Customers

Retail Customers:

- **“Starting Prizes”** (together with MasterCard) – up to PLN 250 for fuel at Circle K stations.
- **“Easy Start”** – a loan with a margin of 0 in the first year of repayment
- **“My Bills”** – aggregating and paying invoices
- Up to 8 percent per year on **the Konto Mega Oszczędnościowe account and mobile deposit.**
- **MyID** – in public administration services
- **Alior Pay** – first customers defer their payments

Business Customers

- **“Better Health with the Plus Card”** – promotion for accident insurance and PZU SA health care
- **Business iAccounts** – fast, online application that allows opening an account in just 2 minutes
- **“For the Benefit of the Condominium”** – a reduction in the prices of services for housing condominiums



One-offs affecting reported results of Alior Bank Group

2021 (PLN mn)		Impact on gross profit		Impact on net profit	
1Q					
2Q					
3Q					
4Q	Tax asset write-off related to the operations of the Bank's branch in Romania	-25	-25	-25	-25
TOTAL 2021			-25		-25
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

Alior Bank's Brokerage House

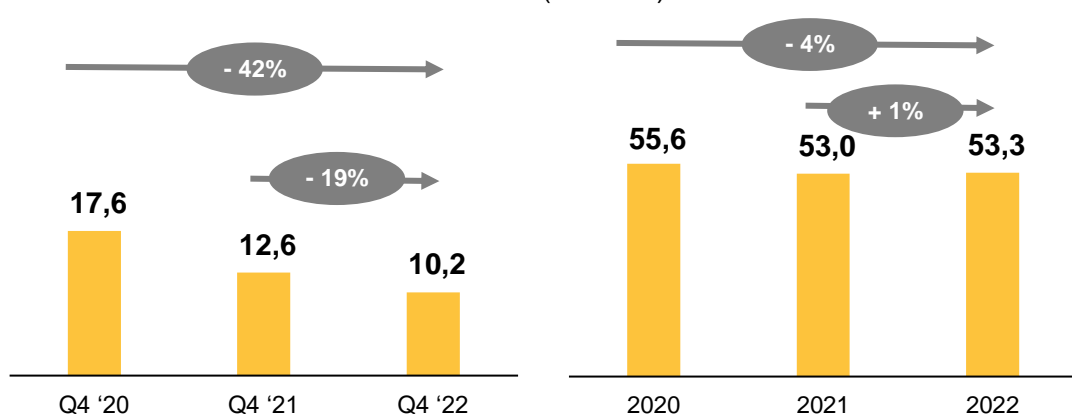


In 4Q 22, the turnover on the WSE was significantly lower than in the first half of the year, which translated into a lower commission income for the Brokerage House. Despite this, the full-year result is comparable to 2021 and close to the record-breaking 2020.

- The number of brokerage accounts exceeded **88.8 k** (+ 3% y/y)
- The number of Alior Trader accounts exceeded **7.3 k** (+13% y/y)
- Assets in Individual Advisory **PLN 1.08 bn** (+ 5% y/y)
- Sales of Structured Products in 2022 (gross) **PLN 771 mn** (+ 45% y/y)
- Sales of Investment Funds in 2022 (gross) **PLN 461 mn** (-73% y/y)

In October, **ETF instruments were included in the offer of the Brokerage House**. In November, the Brokerage House became a member of a new market on the Warsaw Stock Exchange – **Global Connect**.

Brokerage House Fees and Commissions
revenues (PLN mn)



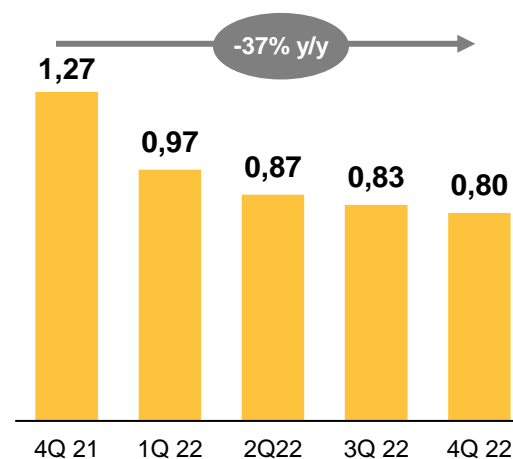
Alior TFI



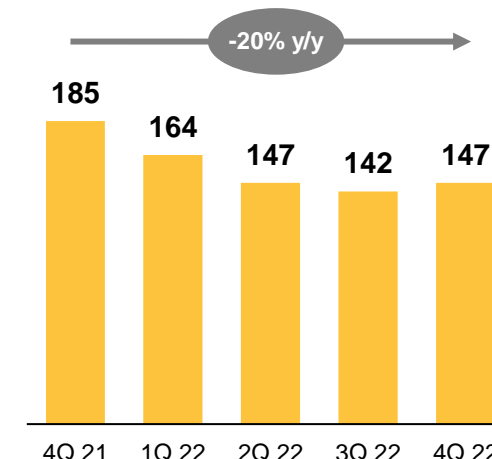
In October 2022, the *Alior Odpowiedzialny* sub-fund was launched, which promotes social and environmental aspects by including them in the criteria for selecting investments.

In the period of increased asset outflows, the decrease in AuM recorded by Alior TFI was slightly greater than on the market, mainly due to the dominant share of debt funds in the offer, which suffered the largest declines. The market decline in short-term debt funds in 4Q 22 amounted to 22% y/y, while AuM Alior TFI dropped by 37% in the corresponding period. Only in 4Q 22 AuM Alior TFI dropped by 4% q/q, while the market of short-term debt funds fell by 2% q/q.

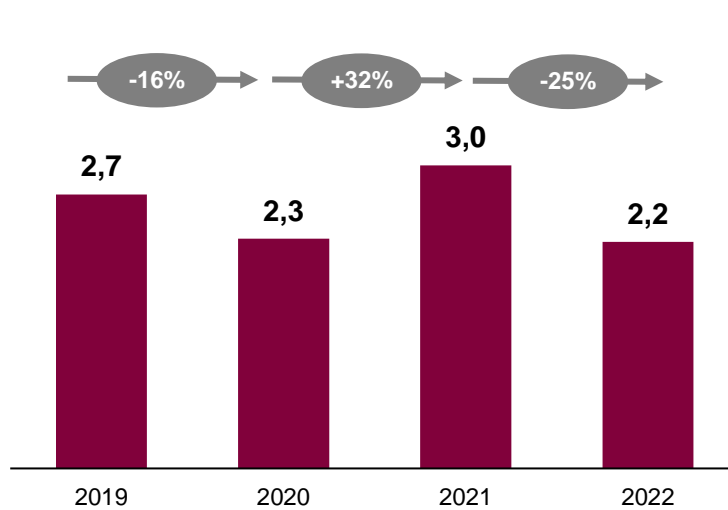
Assets under management in Alior TFI open funds
(PLN bn)



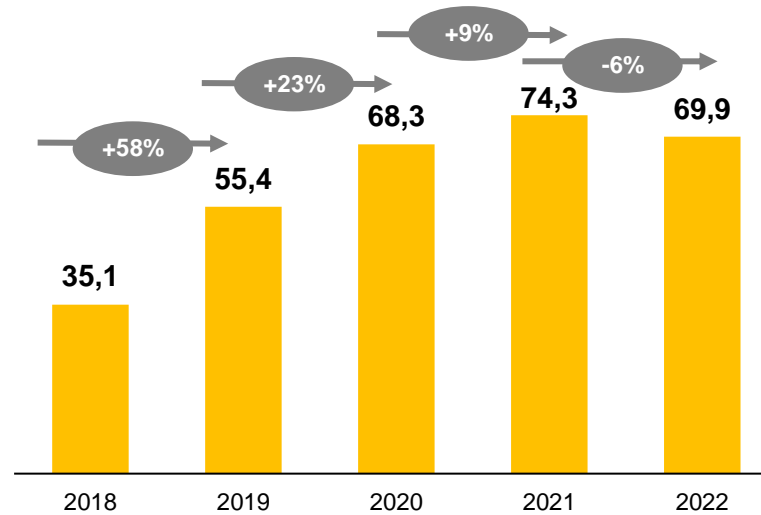
Assets under management in non-dedicated funds* in Poland
(PLN bn)



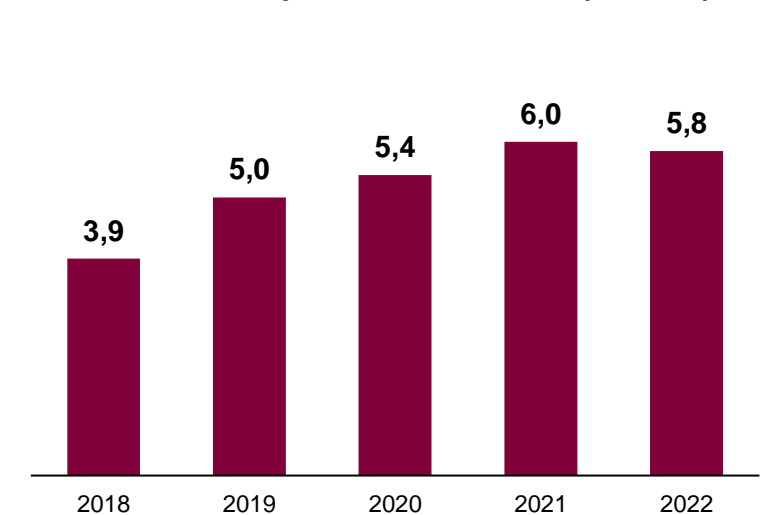
Sale of lease and loans (PLN bn)



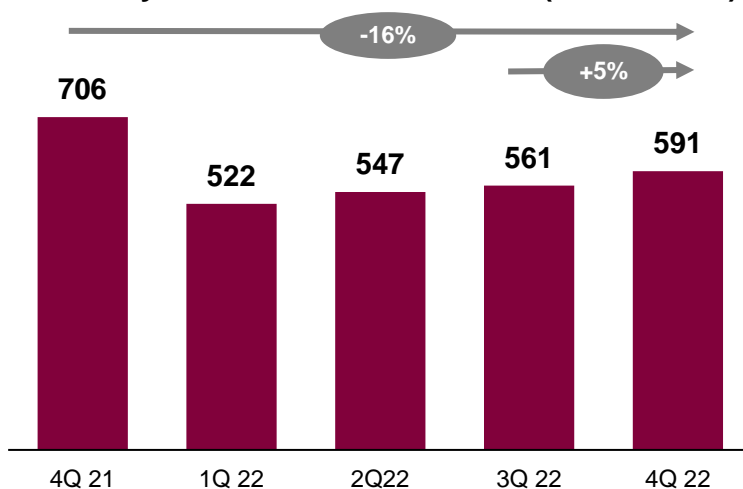
Number of customers (in thousand)



Lease portfolio and loans (PLN bn)



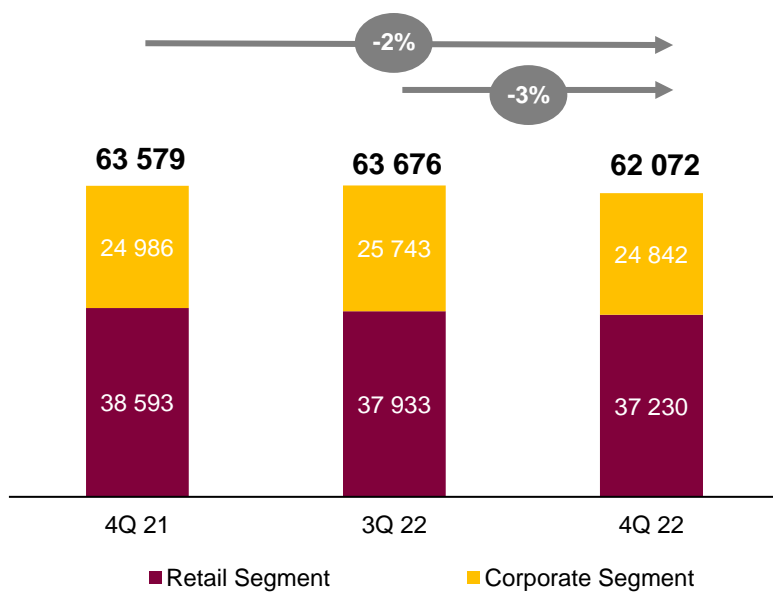
Quarterly sale of leases and loans (PLN million)



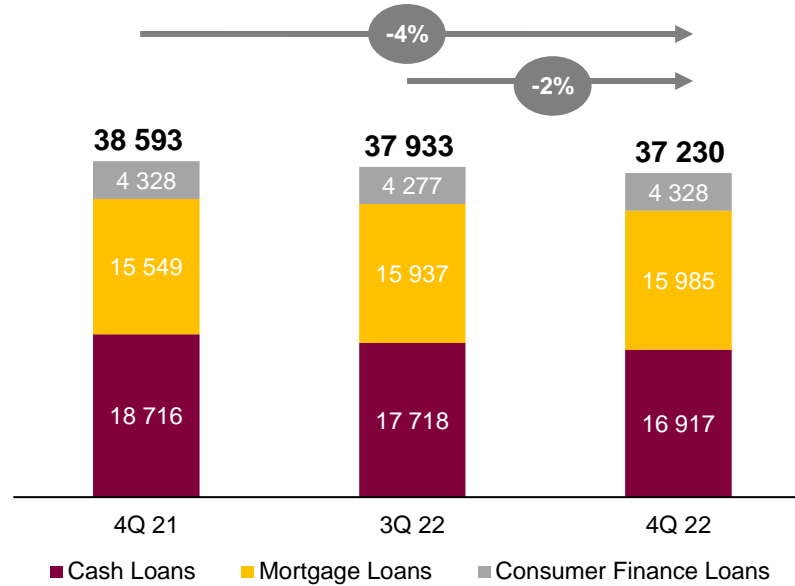
- **Alior Leasing's lease and loan portfolio remains at PLN 5.8 bn at the end of 2022**
- The number of agreements concluded by Alior Leasing at the end of 2022 amounted to **100 thousand (- 4% y/y)**
- In 4Q 22 Alior Leasing sales amounted to **PLN 591 million (+5% q/q)**
- The drop in sales in 4Q 22 y/y is caused, inter alia, by: (I) reduced availability of vehicles, (II) higher market interest rates, (III) reluctance of customers to take on additional liabilities caused by the conflict in Ukraine. Since 2Q 22, the level of sales has been slowly recovering, and in 4Q 22 sales were 13% higher than in 1Q 22.
- In 4Q 22, the share of Alior Leasing in leasing sales according to ZPL data was 2.4%. The share of Alior Leasing in the leasing portfolio at the end of the year was 3.4%.
- The structure of financing granted was dominated by light vehicles (44%) and heavy vehicles (44%), the share of machinery and equipment was at 12%.
- In 4Q 22, the Company worked intensively on a new strategy that, starting in 2023, will allow it to be effective in addressing changes in the leasing market resulting from the pandemic and the economic consequences of the war in Ukraine. At the same time, initiatives are continued and undertaken in the field of digitisation and automation of processes and increasing the efficiency of operations. The Company also reorganised its sales structures.

Gross structure of the loan portfolio (PLN mn)

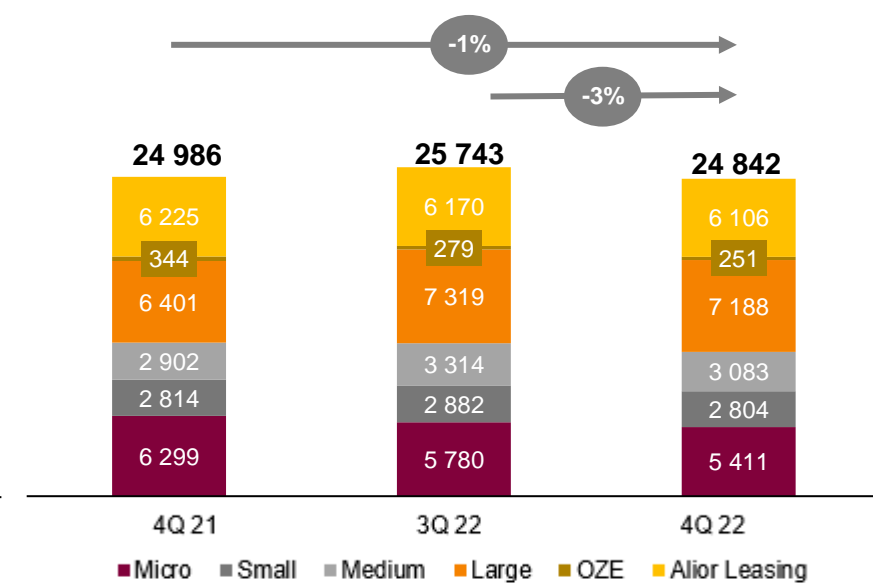
Loan portfolio in total



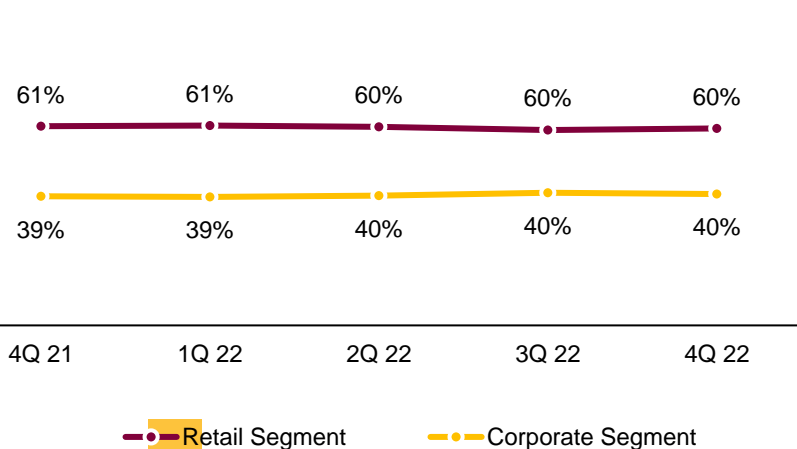
Retail Customer Segment



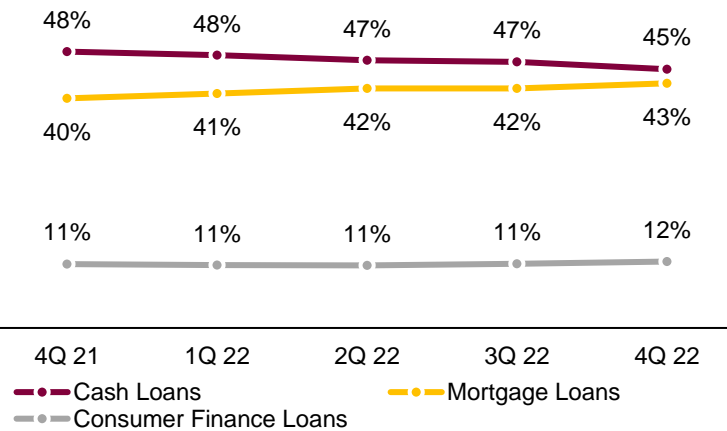
Business Customer Segment*



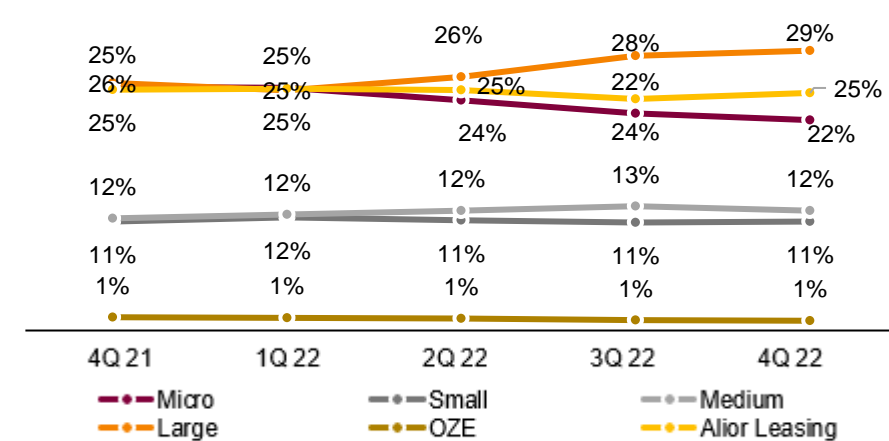
Loan portfolio structure in total



Structure of the Retail Customer segment



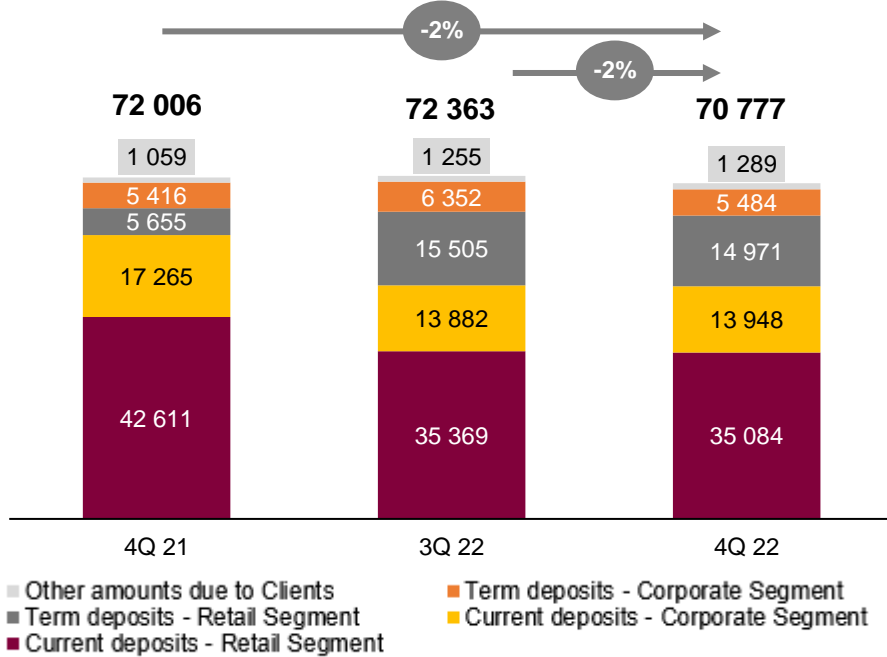
Structure of the Business Customer segment*



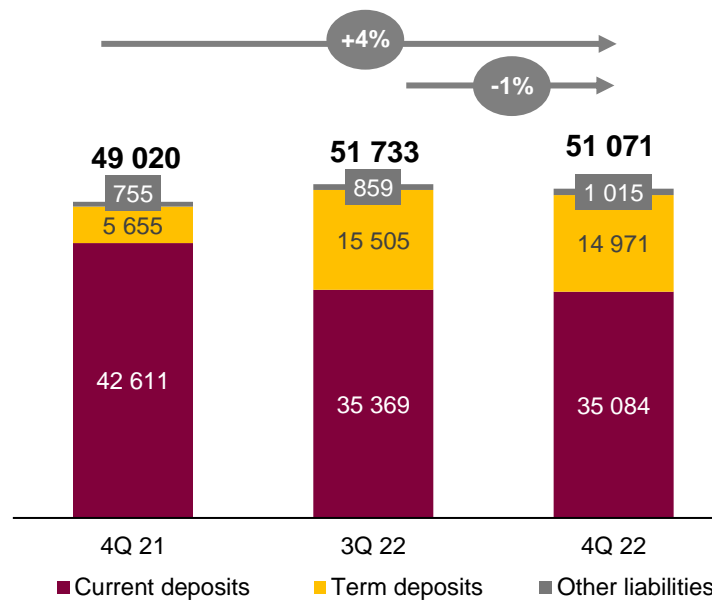
*Managerial presentation

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

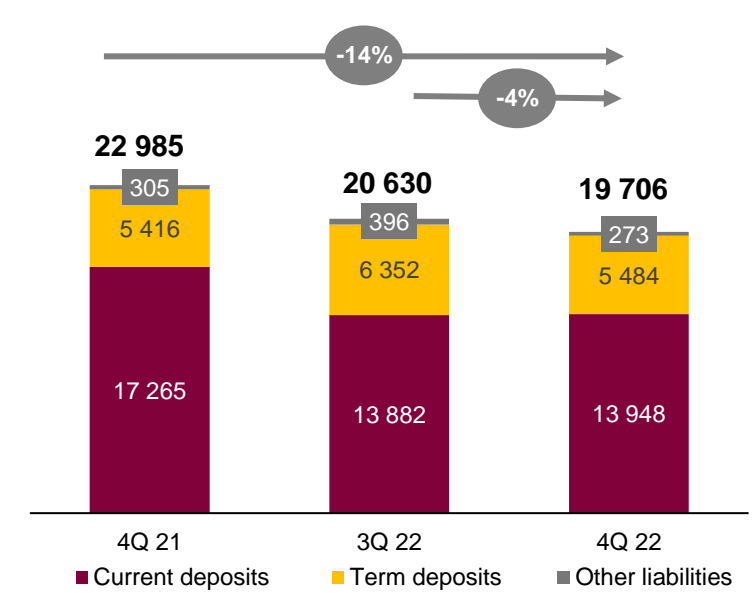
Structure of net liabilities to Customers



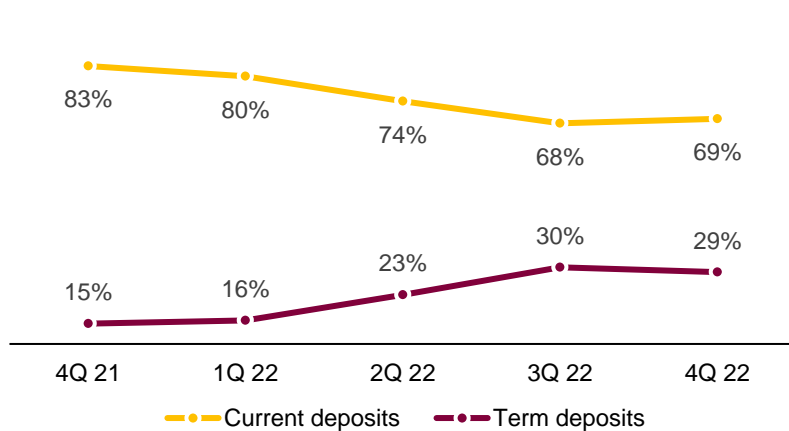
Net liabilities structure - Retail Segment



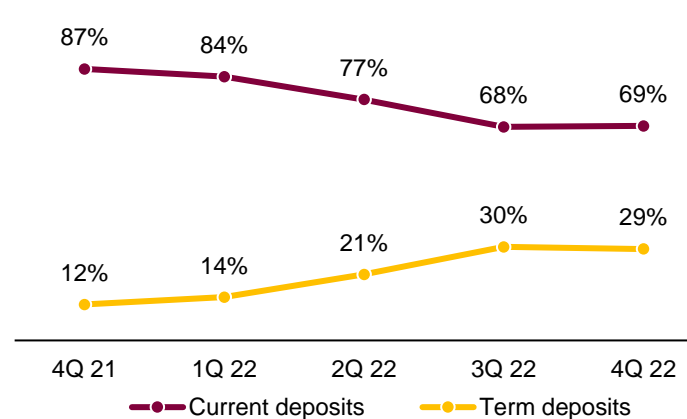
Net liabilities structure - Business Segment



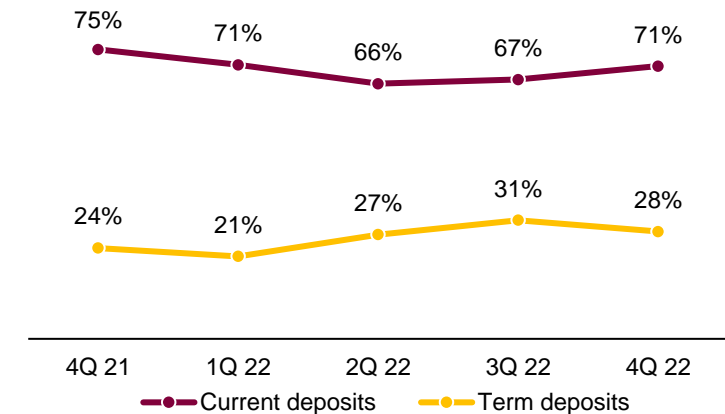
Structure of main liabilities



Structure of main liabilities - Retail Segment



Structure of main liabilities - Business Segment

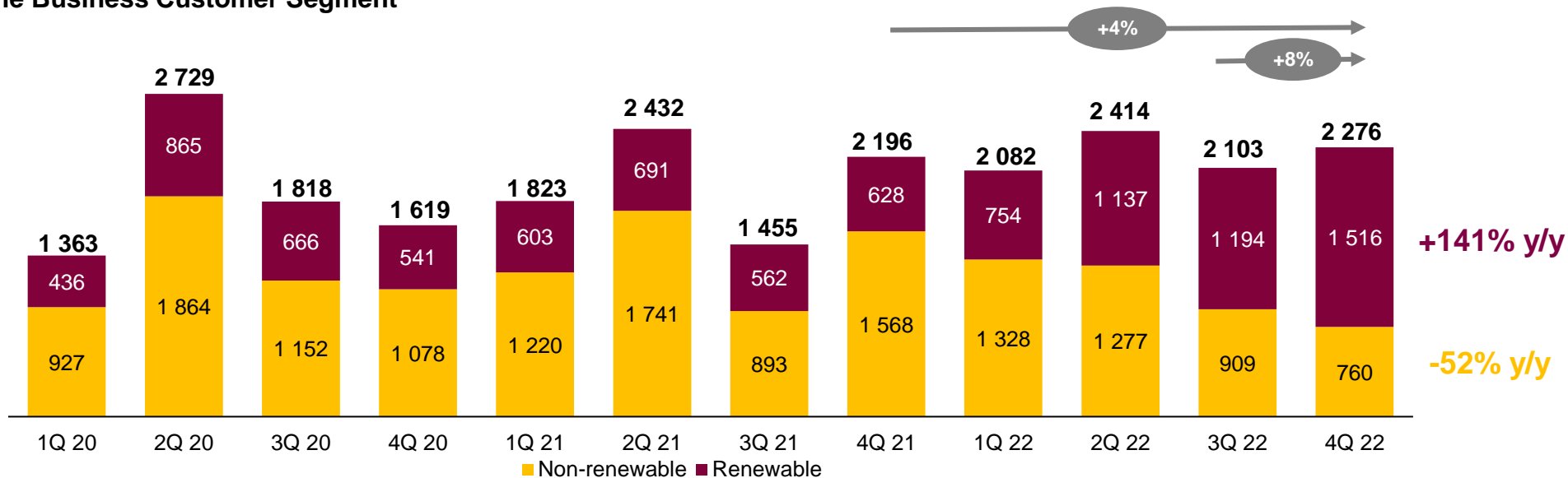


Consolidated statement of the financial standing of the Alior Bank Group (PLN mn)

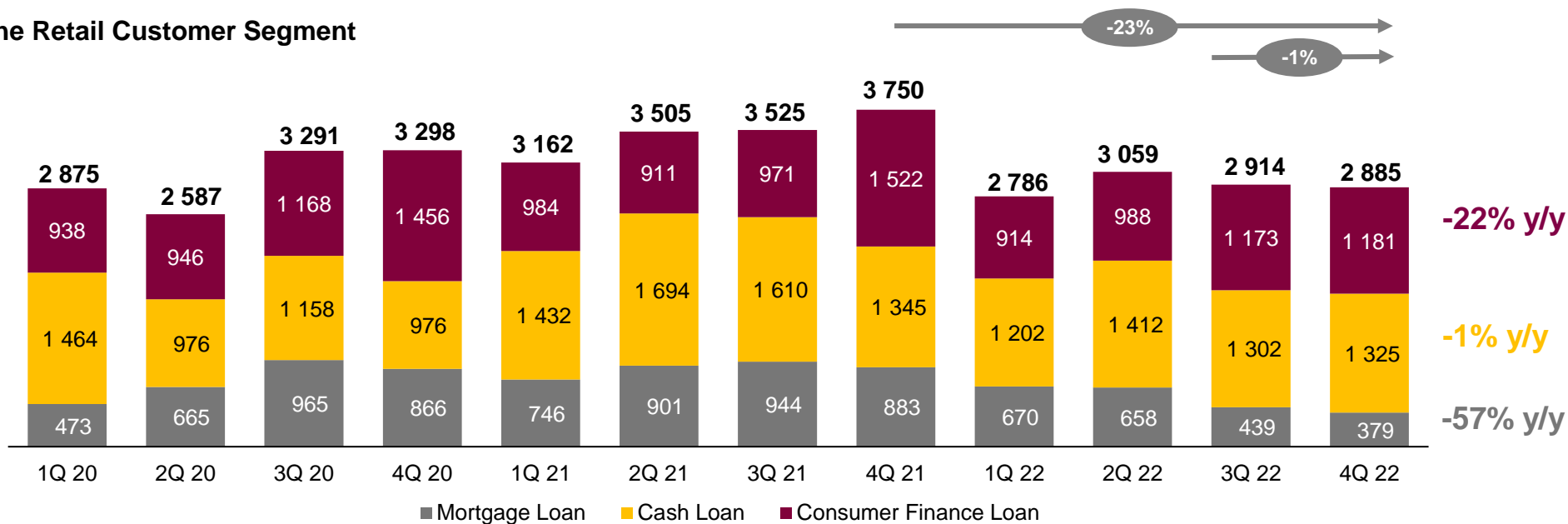
	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22	% q/q	q/q	% y/y	y/y
Total assets	83 048,4	84 649,7	84 223,5	84 070,7	82 877,2	-1%	-1 193,5	0%	-171,2
Cash and cash equivalents	3 763,4	4 989,9	4 940,2	5 428,9	2 584,1	-52%	-2 844,8	-31%	-1 179,2
Amounts due from banks	1 689,8	2 244,6	2 874,2	2 605,8	2 373,7	-9%	-232,1	40%	683,9
Investment financial assets	16 099,7	12 325,1	12 571,2	14 035,3	17 015,1	21%	2 979,8	6%	915,4
Derivative hedging instruments	38,8	76,2	108,1	107,8	178,1	65%	70,3	359%	139,3
Loans and advances to customers	58 228,2	58 150,6	58 271,8	58 453,7	57 609,9	-1%	-843,8	-1%	-618,3
Assets pledged as collateral	130,9	3 752,9	2 140,5	240,2	41,0	-83%	-199,2	-69%	-89,9
Property, plant and equipment	755,2	746,9	723,6	722,8	744,4	3%	21,6	-1%	-10,8
Intangible assets	426,6	395,7	389,4	391,2	391,1	0%	-0,1	-8%	-35,6
Asset held for sale	0,0	0,0	0,0	0,0	1,6	-	1,6	-	1,6
Income tax asset	1 302,3	1 411,0	1 523,6	1 503,3	1 417,2	-6%	-86,2	9%	114,9
Other assets	613,5	556,8	680,9	581,7	521,0	-10%	-60,7	-15%	-92,5
Total liabilities and equity	77 129,2	79 070,0	78 902,4	78 624,9	76 707,3	-2%	-1 917,6	-1%	-421,9
Amounts due to banks	529,6	2 687,4	1 755,7	294,0	270,4	-8%	-23,6	-49%	-259,2
Amounts due to customers	72 005,7	70 779,7	70 741,1	72 363,0	70 776,8	-2%	-1 586,2	-2%	-1 228,9
Financial liabilities	188,1	374,1	448,0	386,5	256,0	-34%	-130,5	36%	67,9
Derivative hedging instruments	1 082,0	1 674,2	2 265,3	2 091,1	1 678,9	-20%	-412,2	55%	596,9
Provisions	290,2	288,6	265,9	258,7	267,9	4%	9,2	-8%	-22,3
Other liabilities	1 649,5	1 886,5	2 139,4	1 913,9	2 044,2	7%	130,3	24%	394,7
Income tax liabilities	36,6	71,8	127,6	146,4	249,1	70%	102,7	581%	212,5
Subordinated loans	1 347,4	1 307,7	1 159,4	1 171,3	1 163,9	-1%	-7,4	-14%	-183,6
Equity	5 919,2	5 579,7	5 321,0	5 445,7	6 169,9	13%	724,1	4%	250,7
Share capital	1 305,5	1 305,5	1 305,5	1 305,5	1 305,5	0%	0,0	0%	0,0
Supplementary capital	5 403,8	5 403,8	5 406,9	5 407,1	5 407,1	0%	0,0	0%	3,3
Revaluation reserve	-906,7	-1 415,4	-1 890,0	-1 701,4	-1 339,4	-21%	361,9	48%	-432,8
Other reserves	161,8	161,8	161,8	161,8	161,8	0%	0,0	0%	0,0
Foreign currency translation differences	0,0	0,0	-0,2	-1,6	0,3	-	1,9	-	0,3
Accumulated losses	-527,2	-45,3	-48,3	-48,5	-48,5	0%	0,0	-91%	478,7
Profit for the period	481,9	169,2	385,4	322,8	683,1	112%	360,3	42%	201,2
Total liabilities and equity	83 048,4	84 649,7	84 223,5	84 070,7	82 877,2	-1%	-1 193,5	0%	-171,2

New sale of loans (PLN mn)

Sales in the Business Customer Segment*



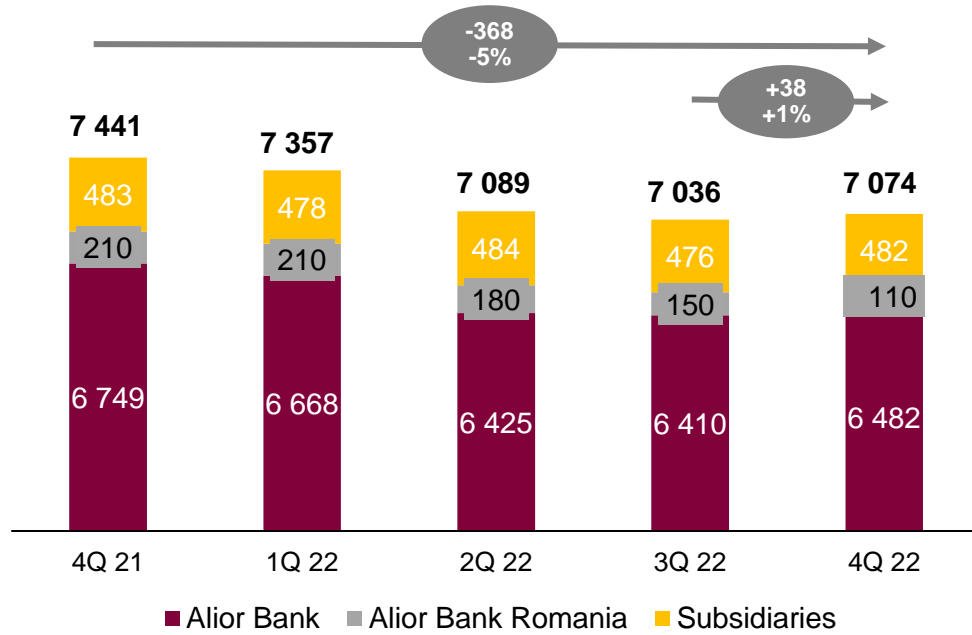
Sales in the Retail Customer Segment



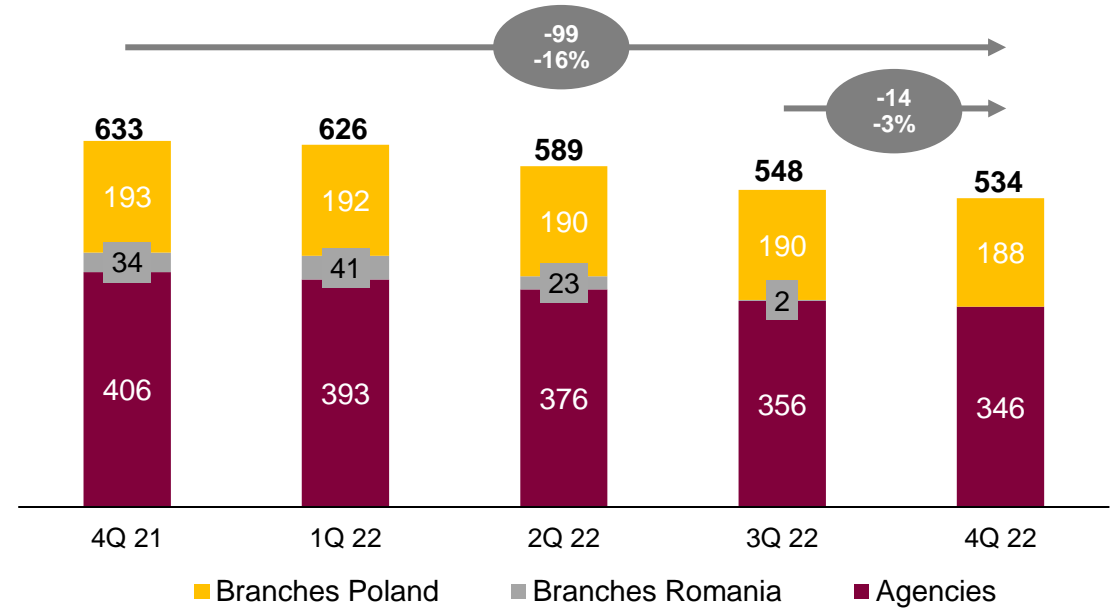
*New sales limit (new sales + increases) for Customers in the Micro- / Small- / Medium- / Large-Sized categories

Additional information

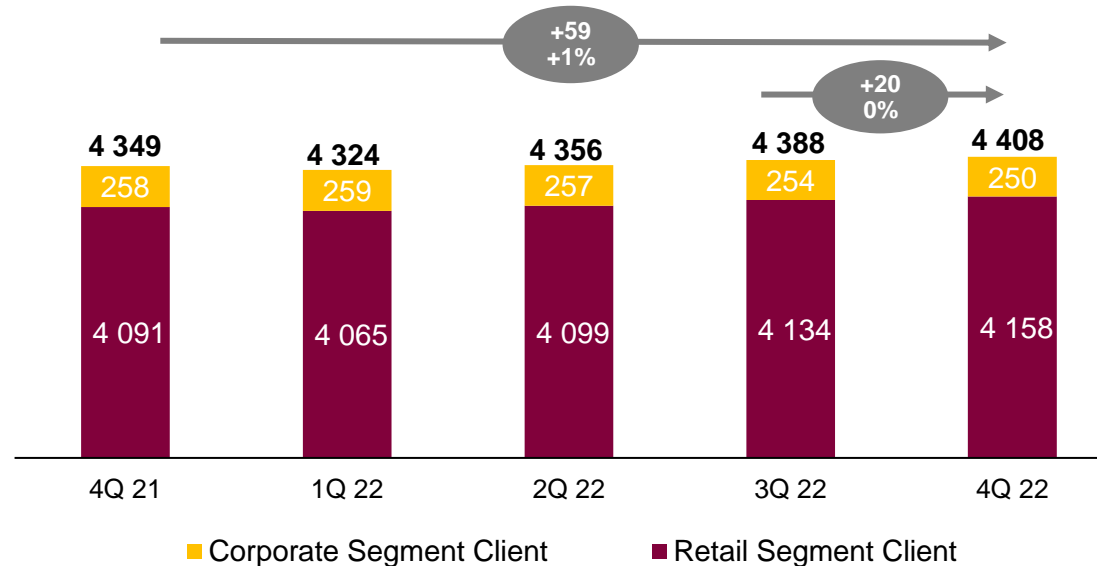
Employment (FTEs)



Alior Bank's branches

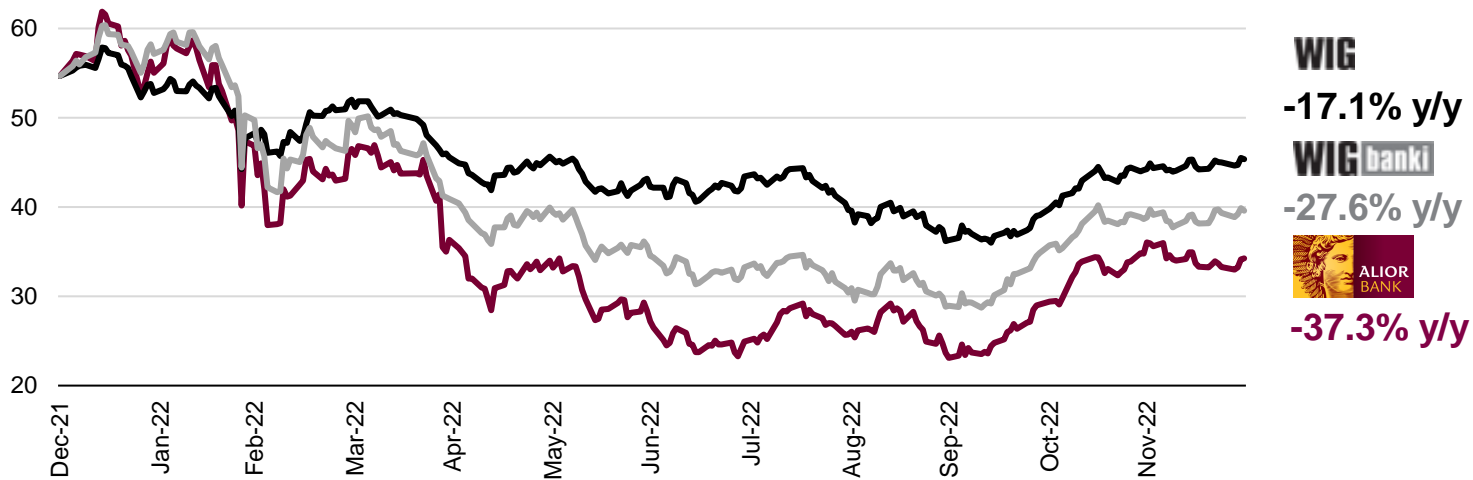


Number of customers (thousand)



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 : **34.27 PLN**
(data as at December 30, 2022)
Capitalisation : **4.5 PLN bn**
Value of shares in free trade : **2.0 PLN bn**
P/BV** : **0.7x**
P/E*** : **6.5x**

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

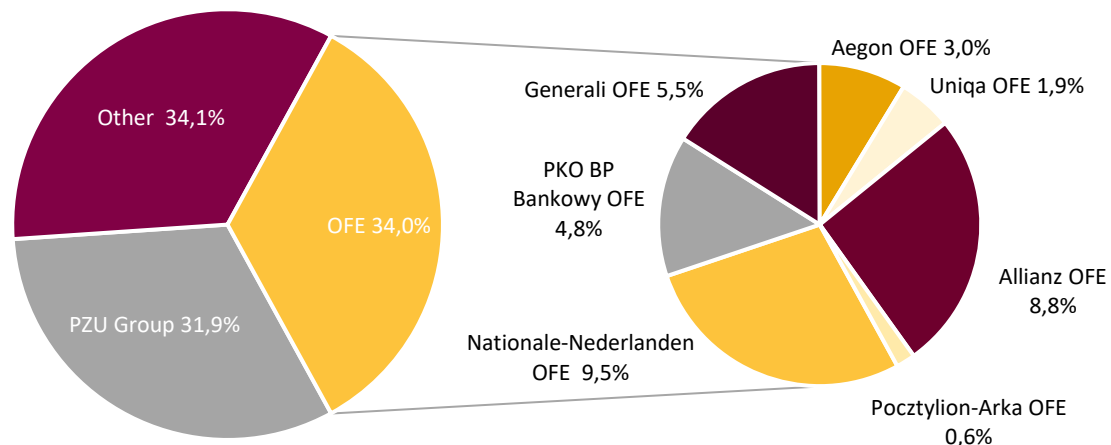
Rating Fitch:
long-term: BB
short-term: B
outlook: stable

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

Shareholding structure*



*Based on public announcements and the annual structure of OFE [Open Pension Fund] assets as at December 30, 2022

**Equity for 2022 YE

***Net profit for 2022

Contact data

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Poland



More information



[Website](#)



[Facebook fanpage](#)



[Twitter profile](#)



[Youtube channel](#)



Following events:

- 1Q 23 – April 26, 2023
- 1H 23 – August 2, 2023
- 3Q 23 – October 26, 2023

Disclaimer

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