



More than a Bank

2020-2022 Strategy



28 February 2020

More than a Bank



The world of banking is changing rapidly. We envision our clients using digital banking daily, and the services we offer going beyond personal or corporate finance management to include buying insurance, choosing a healthcare provider, bookkeeping, and easy “background” payments. Our clients’ trust in us pays off in unprecedented convenience, new possibilities, and services tailored to their individuals needs much more than at any conventional bank. This is not the distant future. This is what Alior Bank will be like in 2022.

Where others see limitations, we see opportunities for growth. That’s our DNA. Alior Bank is a modern, agile organisation quickly adapting to the changing environment and setting new trends. We are a pioneer of innovation. We created the first fully online foreign exchange office and implemented Poland’s first video authentication for opening retail current accounts. We were also the first bank in Poland to use public blockchain technology, and we are already seizing the opportunities provided by the EU’s PSD2.

Once again in the history of our bank, we are going to set a new standard in the financial services sector and reveal an entirely new dimension of banking for our clients. We are creating a new generation of banking. Today, our goal is not just to provide banking services. We want to achieve more - to make our clients’ lives easier.

Responding to our clients’ needs and expectations, we have created a strategy for an organisation that stays close to its clients every day. We combine traditional banking functions with those of a highly personalised digital bank with non-banking services, to provide our clients with quality that is absolutely new.

All our efforts in the fields of products, technology and organisation will be subordinate to improving the client experience. We will use data provided by our clients to perfect our offer and to personalise it as much as possible. By making our processes more innovative and easier, we will give our clients more independence when using banking services. Our bankers will act as advisors, offering our clients even more support when making their most difficult financial decisions. Our modern branches will provide even greater comfort, and ensure full discretion. We will increase bankers’ sector-related competencies to make them partners and advisors of entrepreneurs. This will allow us to customise our services even more, meeting very specific client needs. Being swift and agile, we will deliver the best application on the market, with broad access to non-banking services.

As a result, the satisfaction of our clients will increase. It is when we hear from them that “Alior Bank is more than a bank” that we will know we have succeeded.

Krzysztof Bachtka
President of the Management Board of Alior Bank S.A.

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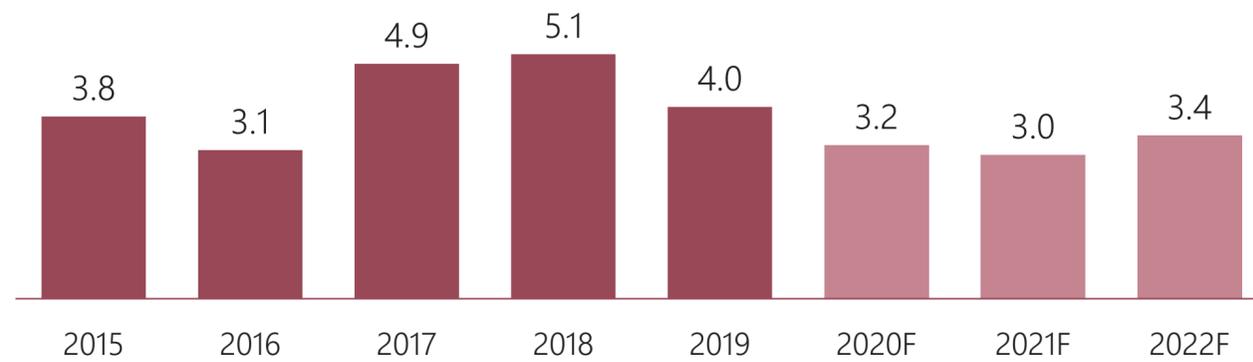
- ▶ 1. How the environment is changing
- ▶ 2. What we want to achieve
- ▶ 3. How we will achieve it
- ▶ 4. How we will measure success



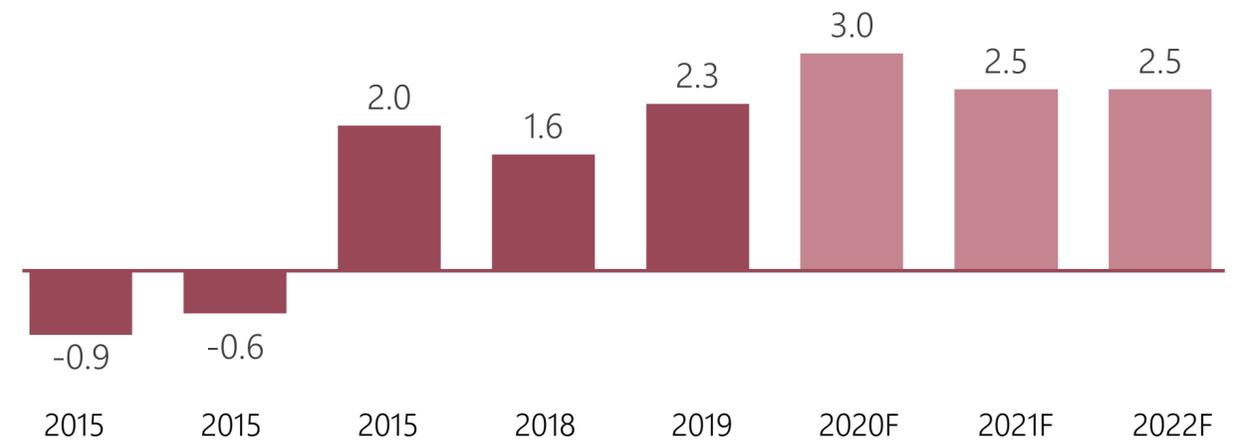
▶ **1. How the environment is changing**

Stable macroeconomic conditions for banking development in Poland...

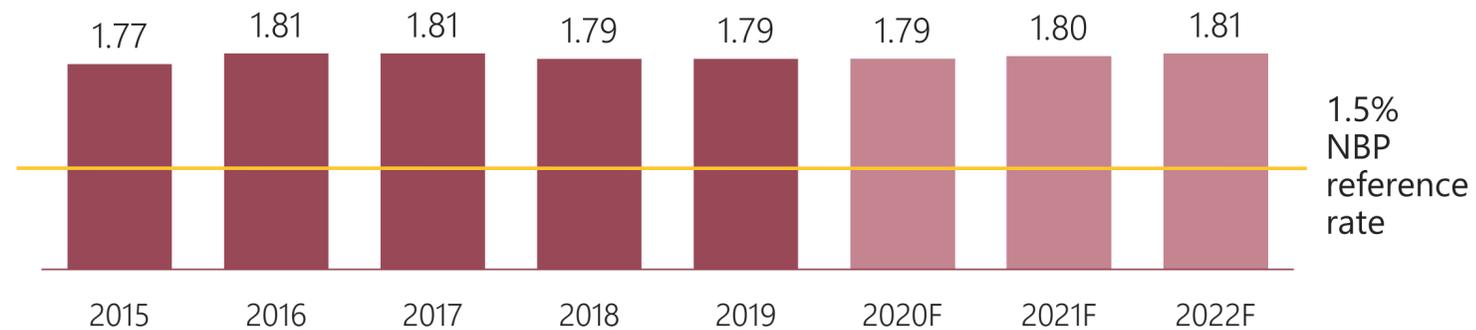
▶ Real GDP growth [% YoY]



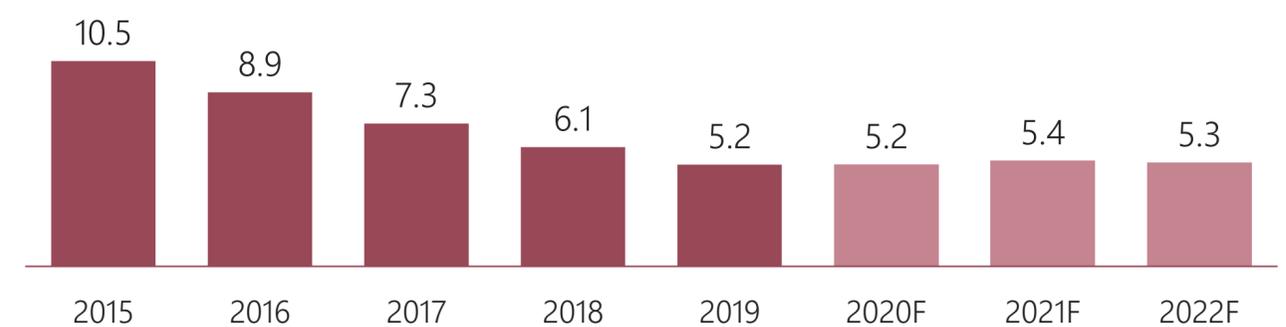
▶ Average annual CPI [% YoY]



▶ WIBOR 6M [%]



▶ Average annual unemployment rate [% YoY]



Source: PZU Macroeconomic Analysis Office

...will translate into volume growth in key segments

Anticipated growth rate by sector

▶ Loan volume

	CAGR 2016-19	CAGR 2020-22
Corporate loans	6.2%	~5%
Consumer loans	8.2%	~6%
Mortgage loans in PLN	11.1%	~10%

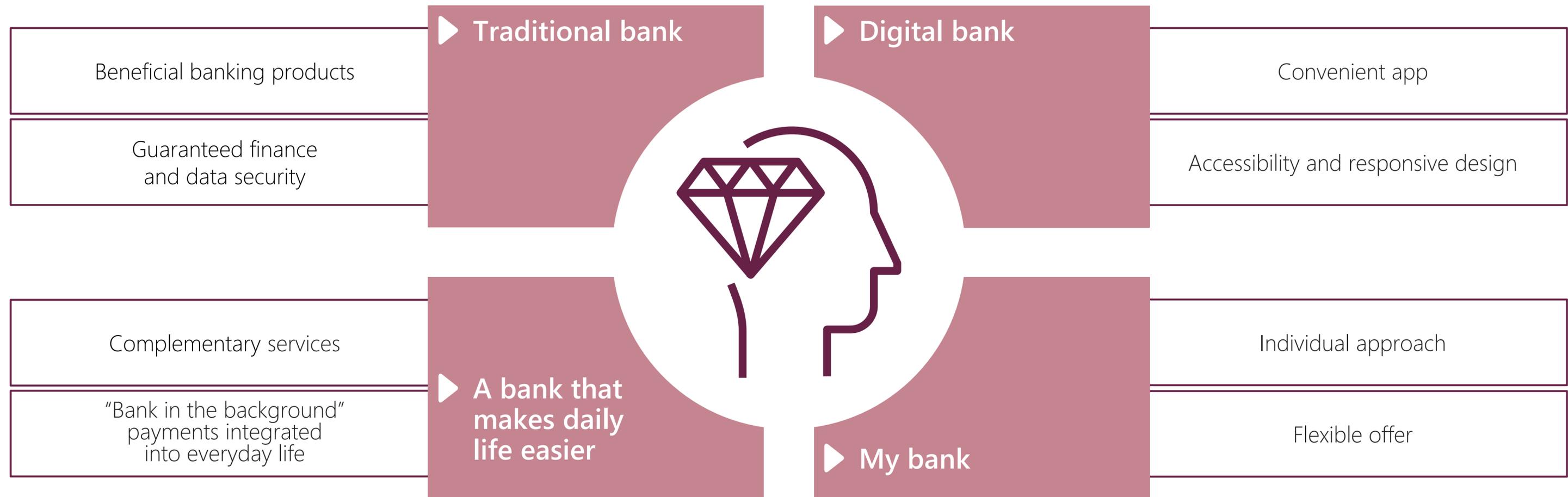
- Wage increases and low unemployment will support demand for consumer and mortgage loans as well as borrowers' creditworthiness. Social transfers and tax reductions will continue to provide an additional impetus, and this, along with stable low interest rates, will be conducive to lending activities, though at a slightly slower rate than in previous periods
- The late stage of the business cycle, the uncertainty of the external environment and falling demand from abroad will result in a lower growth rate of corporate loan volumes

▶ Deposit volume

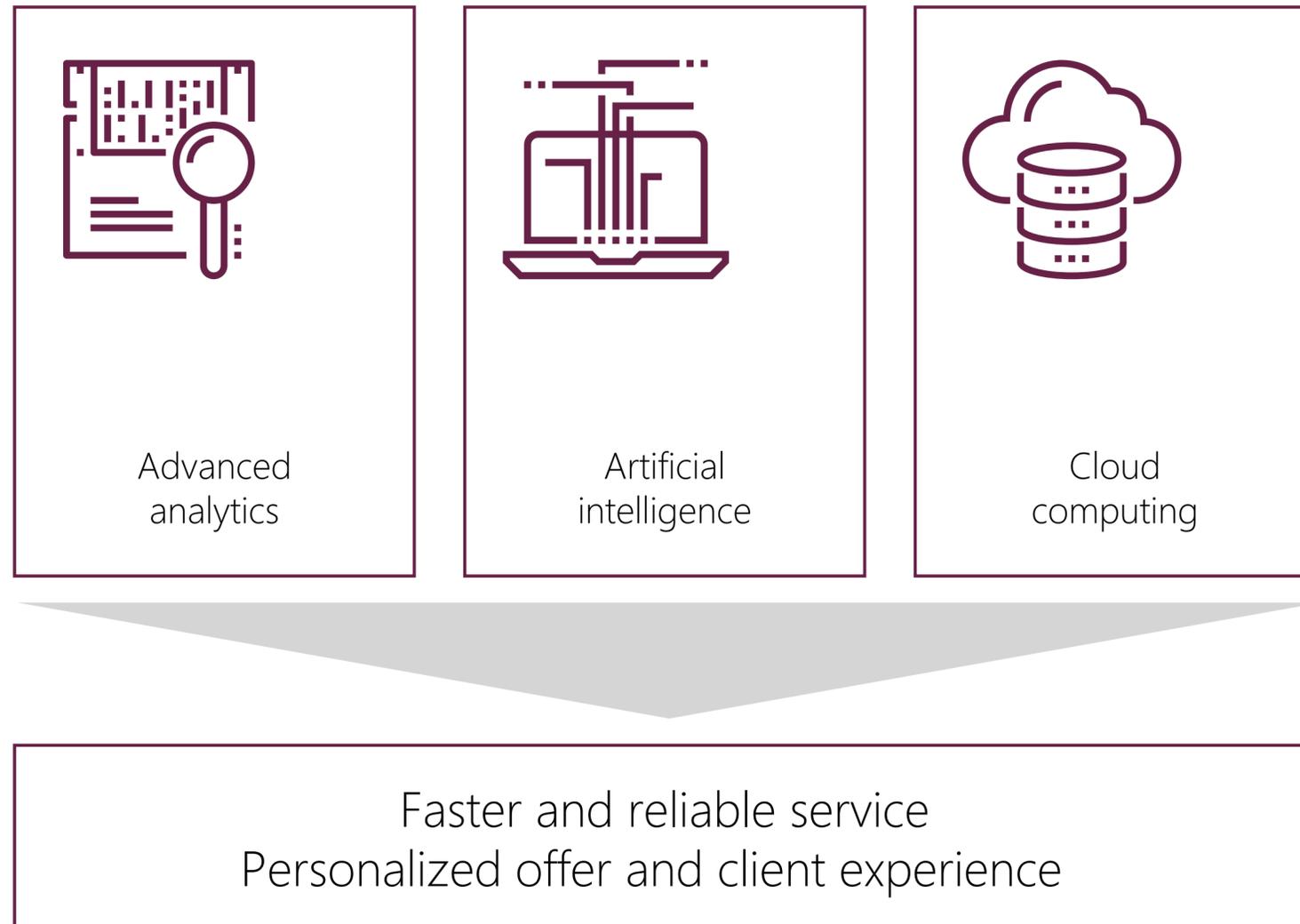
	CAGR 2016-19	CAGR 2020-22
Corporate deposits	5.0%	~5%
Personal deposits	8.2%	~7%

- Anticipated lower economic growth in Poland will impel companies to maintain a liquidity cushion. This will impact the growth rate of deposit volumes
- Part of household disposable income will be saved; combined with the high risk aversion of people in Poland, this will be conducive to an increase in funds on deposits and current accounts
- Bonds issued as a part of the MREL requirement will increase bank financing costs (due to higher costs of bonds and their increased share in the financing structure), which will intensify market pressure on a decrease in the average cost of deposits

Clients expect more and more from a bank...



...and technological development makes it possible to meet those expectations



- The increasing use of artificial intelligence and advanced analytics is leading to reductions in the cost of those technologies, making them more readily available. The cost of computing power now constitutes 0.01% of what it was in 2000
- At the same time, these technologies are becoming more effective, facilitating the use of an increasing range of data, also from unstructured sources
- The dissemination of new interfaces, such as biometrics or chatbots, is making them increasingly accurate. The percentage of error in machine image recognition processes has fallen to less than 5%
- Startups specialise in the quick implementation of new technologies and building innovative services on that basis. Cooperation with startups is becoming an increasingly important element of the strategy of leading companies from various sectors, and is bringing considerable benefits to clients

▶ 2. What we want to achieve

We will step beyond the realm of banking to become more than a bank



► Our approach

- We facilitate everyday activities for our clients by integrating the banking and non-banking services provided by Alior Bank and our partners
- We provide user-friendly, attractive and reliable services
- We build a long-lasting partner relationship with each client
- We select products suited to clients' needs
- We keep clients' interest in mind, and so we communicate with them openly
- We make sure our clients' finances and data are secure

We will provide financial and non-financial services to our clients online...



▶ Alior Mobile: More than a banking app

- Support in everyday matters available directly in the app
- A range of products and complementary services provided by Alior Bank and our partners
- Offering our clients the best solutions and freedom of choice
- Available at any time – whenever a client needs it

...and will provide them with friendly, professional advice offline...

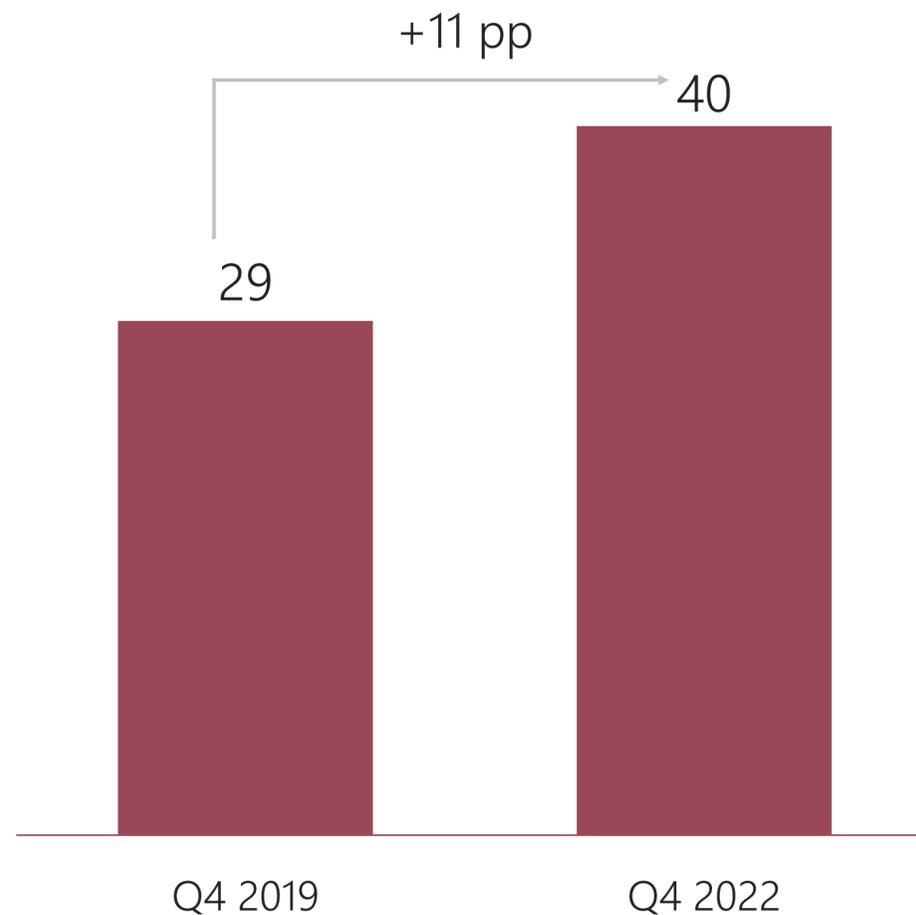


► **More than a branch**

- Professional support in using digital products and solutions for retail clients
- Financial and sector-related consultancy for business clients
- A modern standard of services at branches designed with comfort, trust and the environment in mind

...to constantly improve client satisfaction

▶ NPS (%)



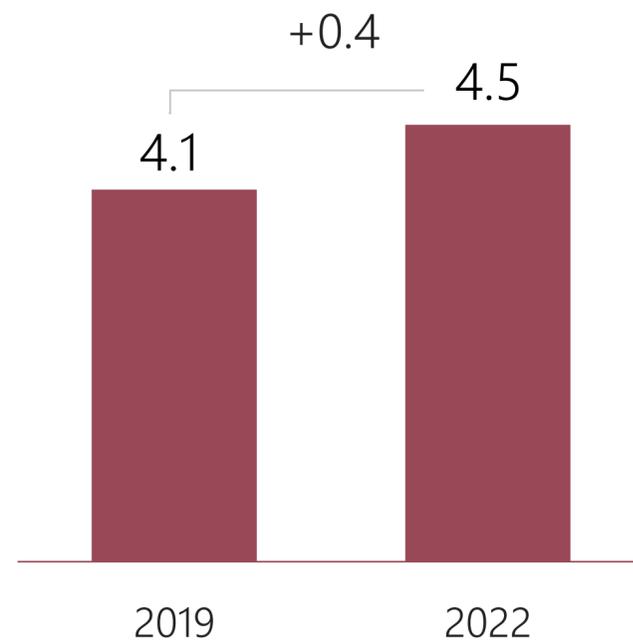
▶ Client experience: more than service quality

- Thanks to continuous process improvement and investments in our branch network, we will provide a personalised, cohesive experience for all channels and products
- We will go beyond traditional banking products and broaden Alior Mobile app functions to offer our clients services that will make their daily lives easier
- Modern technologies will allow us to shorten processes and reduce costs, while at the same time increasing convenience for our clients

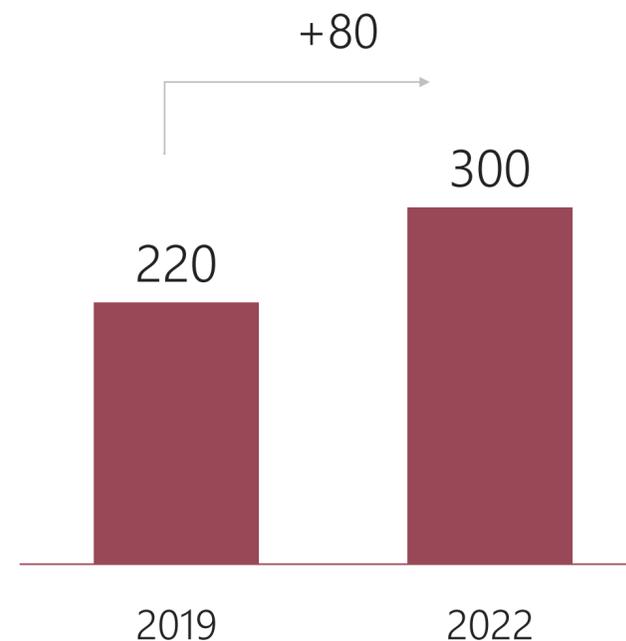
The improved client experience will result in NPS score increase by 11 pp, to 40% at the end of 2022, and will support growth in the number of clients and the use of our products and functions

Through this improved client experience, we will increase our client base and reach PLN 95 bn in total assets...

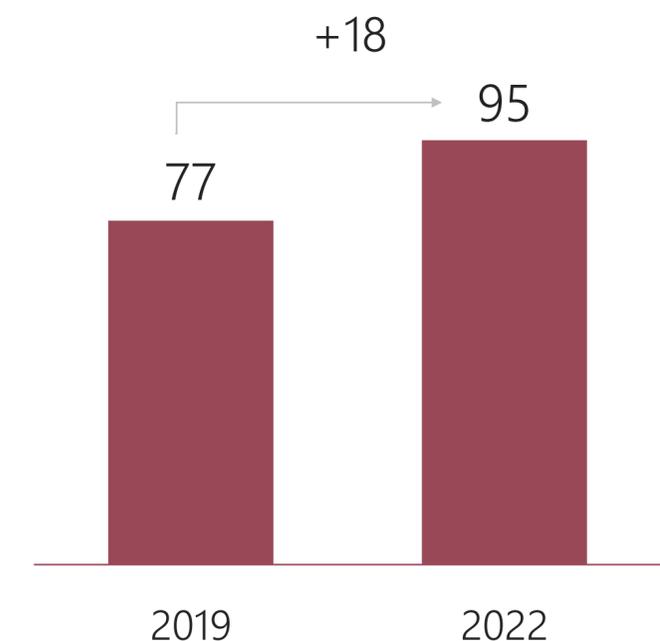
▶ Retail clients (M)



▶ Business clients (k)



▶ Assets (PLN bn)



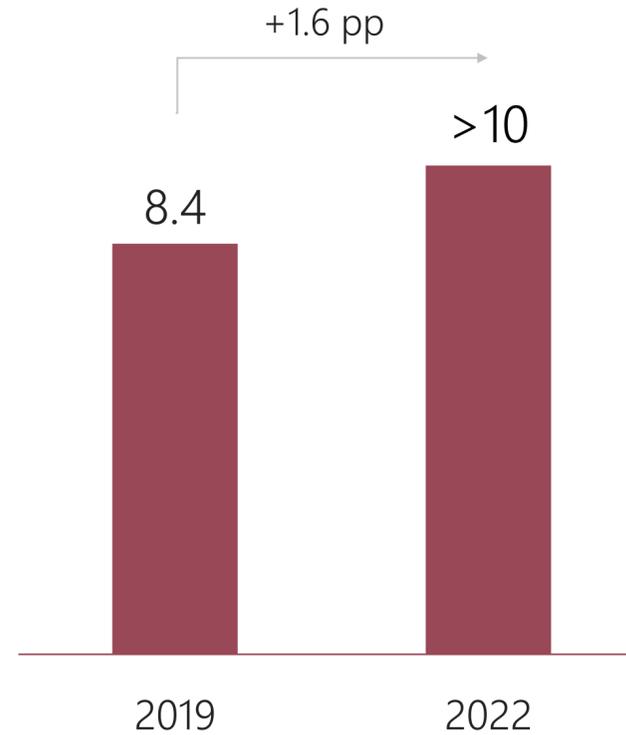
The total number of business clients includes the micro-enterprise segment

...and improve our key profitability ratios

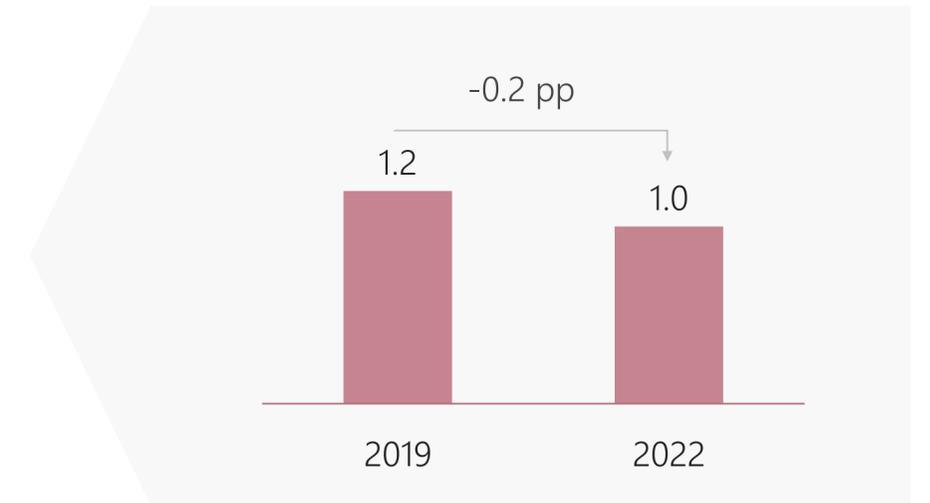
▶ NIM (%)



▶ ROE (%)



▶ COF (%)



▶ COR (%)



▶ C/I (%)



2019 ROE value normalised by excluding the effects of ECJ's ruling

▶ **3. How we will achieve it**

We will focus on our clients' needs and building strong relationships with them...

▶ Strategic pillar	Client experience			
▶ Strategic programmes	Alior Mobile	Personalisation	Convenience	Relationship with business client
▶ Key outcomes	Non-banking services in Alior Mobile app	Products that meet clients' expectations	Convenient digital processes	Modern service and sector-specific support
▶ Main KPIs	Number of Alior Mobile app users 1.5M	Increase in the number of retail clients and micro-enterprises +500k	Relational NPS 40%	Proportion of loans granted to companies from preferred sectors 35%

...and will transform the bank to meet their expectations effectively

▶ Strategic pillar	Transformation of the bank				
▶ Strategic programmes	Technology leader	Effectiveness	Risk and capital management		Bank of engaged experts
▶ Key outcomes	Technological advantage	Process and cost optimisation	Security and predictability		Employee development and social responsibility
▶ Main KPIs	Time needed to develop a new product or business value 2 weeks	C/I 41%	NPE -1.5 pp	Surplus Tier1 >125 bps	Employee engagement index >55%



▶ **The client experience**

Strategic programmes

Alior Mobile

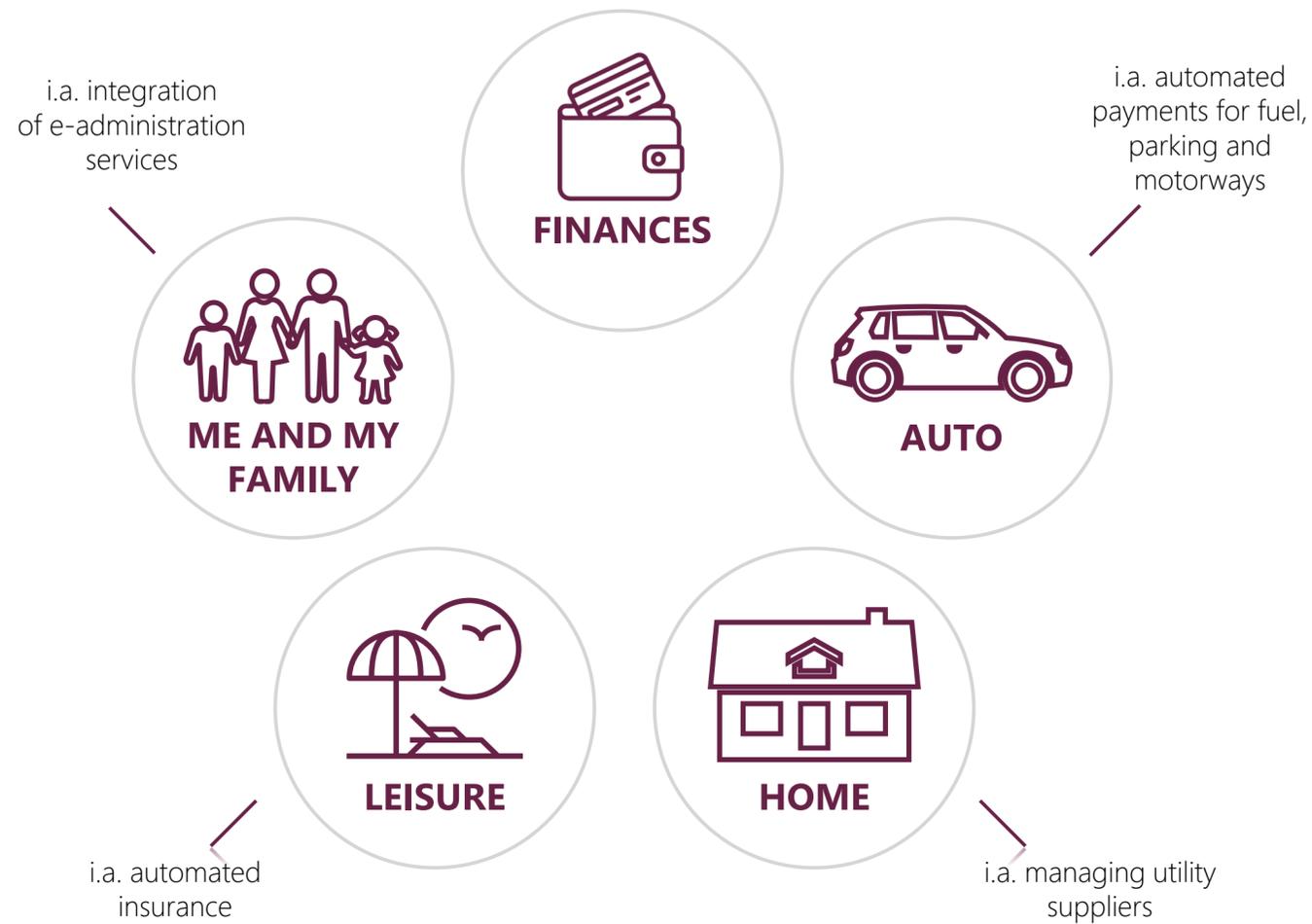
Personalisation

Convenience

Business client relationship

We will use our competitive advantages to support the dynamic development of Alior Mobile

Our clients will use the Alior Mobile daily thanks to the wide range of services we will provide...



...by integrating the best, scalable external solutions for them...

...and utilising our technological advantages

RBL_
One of the TOP 25 financial innovation centres in the world*

Selection of functions based on market research and advanced analytics

Microservice-based open architecture

Client-centric prototyping and co-creating client path with app users

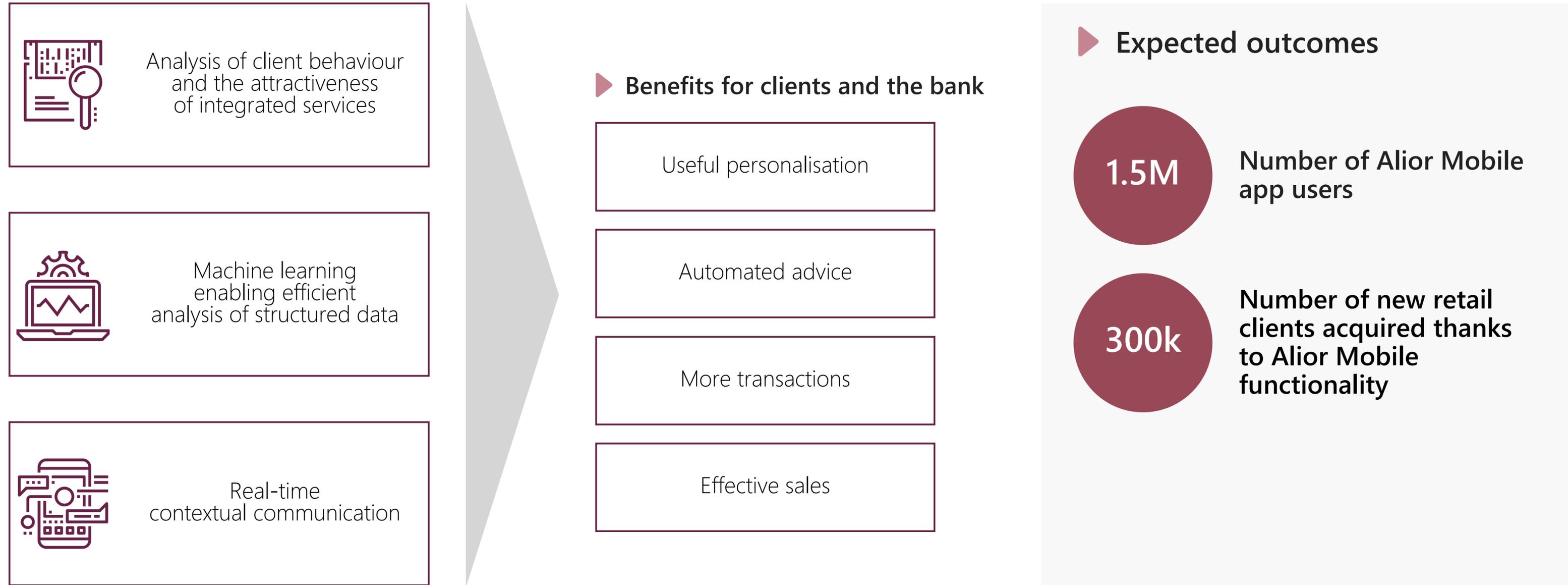
Tools for quick integration into banking services

Solutions provided by FinTechs and strategic partners

Working in Alior Bank's agile methodology - AGILOR

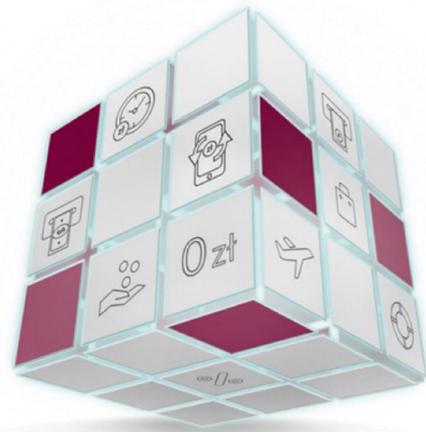
*Global Finance 2019 Ranking

The development of Alior Mobile is aimed at deepening client relationships



The flexible account will remain our basic acquisition tool

▶ Individual clients



**Konto Jakże Osobiste
account**

▶ Micro-enterprises



4x4 account

▶ Expected outcomes

420k

**Increase in number
of retail clients**

80k

**Increase in number
of clients in the micro-
enterprise segment**

- We offer flexible financial benefits - exemptions from fees or changing interest rates on banking products
- We appreciate active clients, and so we offer them even more free benefits and bonuses
- We communicate with our clients in real time, and suggest which products or solutions are the most beneficial for them
- We extend our offer by non-financial benefits developed for specific segments, including young clients or players

We will adjust our cash loan offer to new market conditions

▶ New price conditions

- Commission and interest rate adjustment
- Attractive external consolidation products

▶ Utilising PSD2 opportunities

- Extensive use of the new revenue confirmation method - in all channels and for nearly all applying clients



Adjusted cash loan offer

▶ Tailored CRM strategy

- A new approach to loan retention
- A better price adjustment in internal consolidation
- A special offer for Consumer Finance clients

▶ Development of remote channels

- Continuation of the strategy for remote sales share growth
- Dynamic development of self-service channels

▶ Expected outcomes



Regular growth in loan volume (CAGR)



Share of cash loan volume sales in remote channels



Strategic cooperation with PZU will complement our offer

► Bancassurance

- A broad insurance offer, starting with loan protection insurance
- Extending the offer with i.a., health insurance
- The availability of insurance products in Alior Mobile and Alior Online

► Assurbanking

- A CASH platform offer extension with other banking products, including salary finance, and the introduction of insurance products
- Alior Bank's special offer as an additional benefit of PZU Employee Capital Plans (PPK)
- Efficient analysis of clients' needs thanks to Alior Bank and PZU CRM cooperation

► Expected outcomes



Increase in Alior Bank's revenue from the initiatives implemented along with PZU (CAGR)

State-of-the-art CRM will enable us to offer products in the right time and channel



We will increase the role of remote sales channels...



▶ **Remote end-2-end processes**

- Sales of current accounts, deposits and loans for retail clients and micro-enterprises



▶ **Simplification of sales processes**

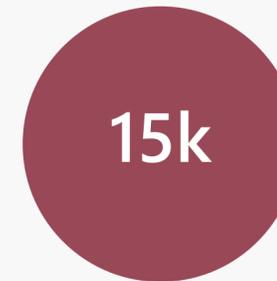
- Using open banking to shorten the path for clients applying for a loan

Increasing loan sales in remote channels will enable bankers at our branches to focus on deposit products that strengthen the client relationship

▶ Expected outcomes



Share of retail current accounts sold online



Number of new clients from the micro-enterprise segment acquired online

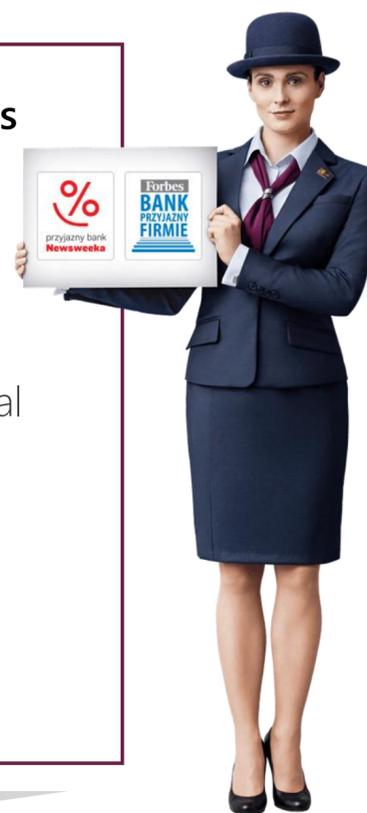
3.3 Convenience

...but will still be available at modern branches



- ▶ **Relationship banker**
 - Assistance in client migration to the digital world
 - Personalised support for clients in the most difficult financial decisions
 - High quality private banking services and certified investment advisors

- ▶ **Cooperation with partners**
 - A presence in smaller, local communities
 - A flexible cooperation model based on variable costs
 - Maintaining an entrepreneurial mindset of distribution



▶ **Expected outcomes**

- 80% **NPS for branch services**
- 25% **Fewer branches**

We will adjust the structure and size of our sales network to the number of transactions resulting from our clients' needs

High-quality services at all our branches remains our priority - our bankers' attitude and professionalism strongly affects how our products are evaluated

We are modernising our branches with client comfort, digitisation and the environment in mind

► Our new branch model:

- Supporting digital transformation and client independence through iKiosks, Digital Demo, ATMs and CDMs replacing cash desk services
- Client-advisor meetings in a space that ensures privacy
- Modern, eco-friendly design - recycled materials (e.g. desktops made from yoghurt containers, fabric made from PET bottles), fast growing wood, products from local suppliers, using daylight and energy-efficient light
- A comfortable workplace for bankers

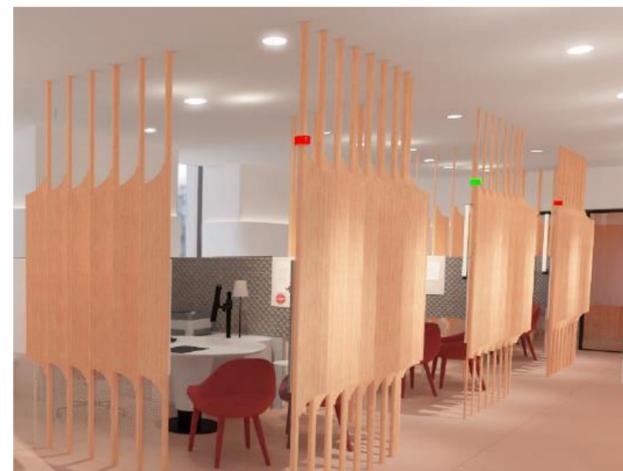
Bankers' workspace



Remote sales room



Client service desks



ATM and CDM



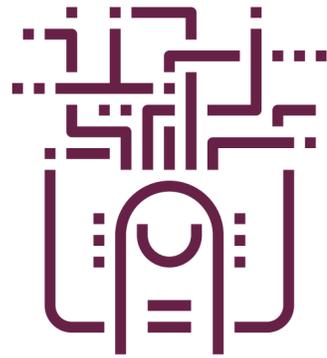
Digital Demo



110
modern
branches

Comfortable,
eco-friendly design

Process digitisation will enable clients to do more on their own



Product and service management available at any time and in any place

- Remote identification in particularly sensitive moments that require remote authentication, i.a. using voice biometrics
- Online access to certificates and client documentation
- More control over products - freedom to open, modify and close products available online



One-click and chatbots - quick and easy access to assistance

- Chat channel development with chatbots using machine learning
- Voicebots to take over repetitive service operations processes
- Sales support using voicebots
- Chat channel to unburden e-mail and online form handling

More client independence in remote channels will improve the client experience and make product and information management less time-consuming and available anywhere, any time

▶ Expected outcomes

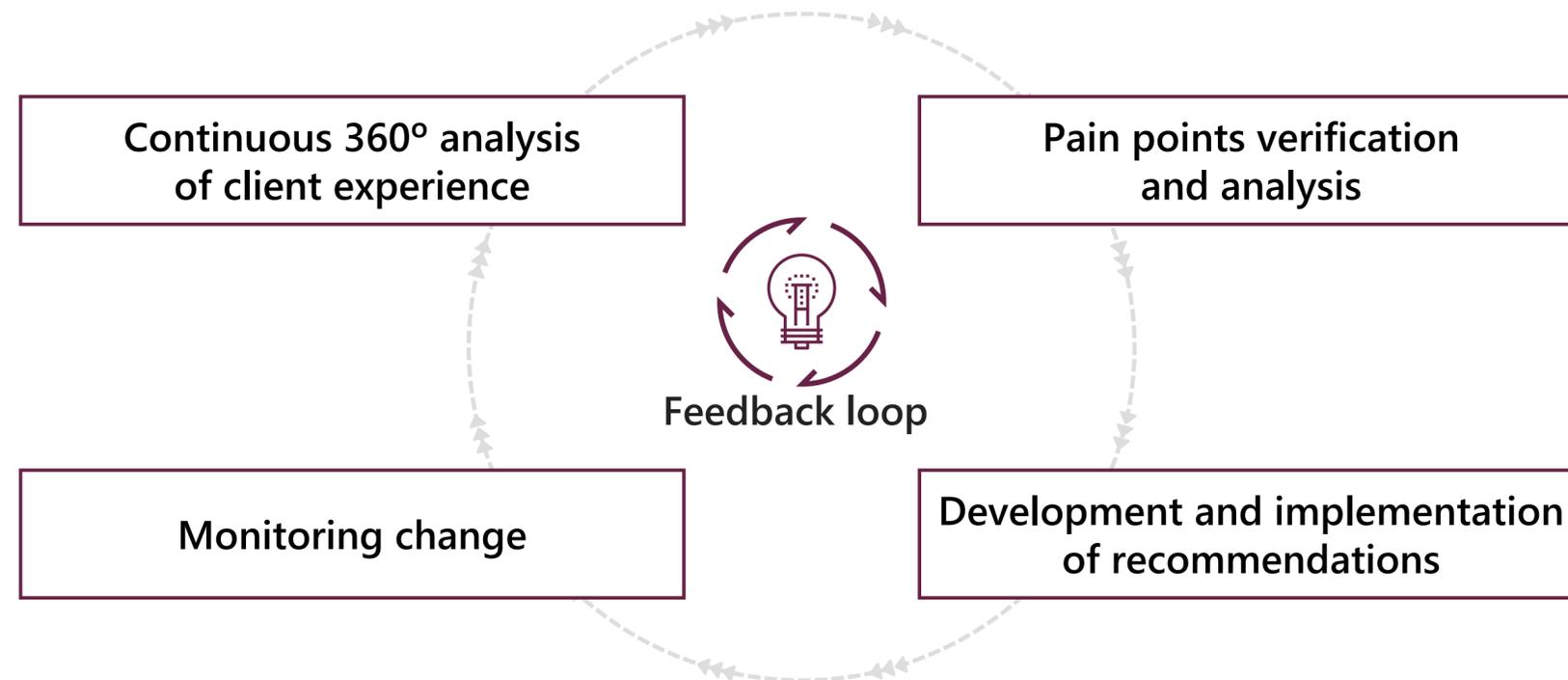
40%

Share of instructions executed in an automated manner or independently online by retail clients

40%

Share of instructions executed in an automated manner or independently online by micro-enterprise clients

Continuous process improvement will help us take care of our clients' comfort



▶ We will act comprehensively and continuously to provide a cohesive client experience

- A special team will continuously analyse complaints in order to take account of clients' expectations when designing new processes and products
- We will run a comprehensive programme to simplify communication and improve mutual understanding

▶ Expected outcomes



We will be partners for entrepreneurs at every stage of their business development

Company establishment and first steps

- Your Business with Alior Bank - acquisition through full integration with CEIDG
- Alior Box - quick account opening at a branch, in the mobile app or via the website
- Zafirmowani.pl 4.0 - a website with advice for newly-established companies and an even broader package of financial and non-financial services

Financial advice

- Marketplace - supporting the selection of a proper financing type and source from Alior Bank or its partners
- Mobile Banker - available wherever our clients need its support
- Remote product processes that enable clients to apply for and select new services on their own, including a fast remote loan application

Independent growth and time-saving

- Fewer activities that require a branch visit, including the possibility of applying for a corporate account with a virtual card
- Signing documents online based on blockchain technology
- After-sales services centralisation - the possibility of modifying limits and complementary services flexibly and independently
- Access through online banking to medical packages, insurance, etc.

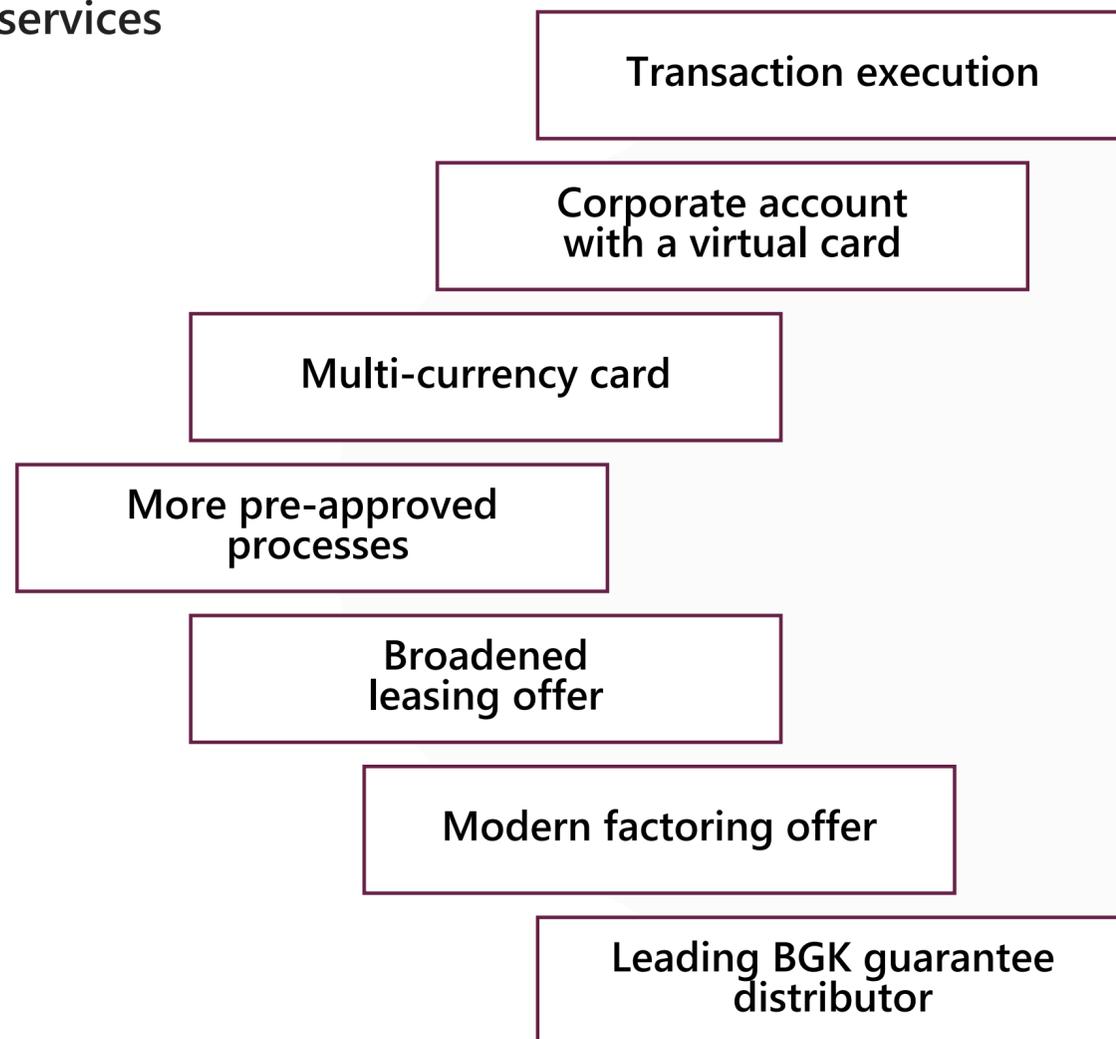
Sector-specific advice

- Alior Bank as a business partner - service regionalisation and specialisation in selected sectors, e.g. paper packaging manufacturers, e-commerce and trade, food service, cosmetics, and private healthcare
- Support by providing clients with broad sector, competition and global trend analyses related to their industry

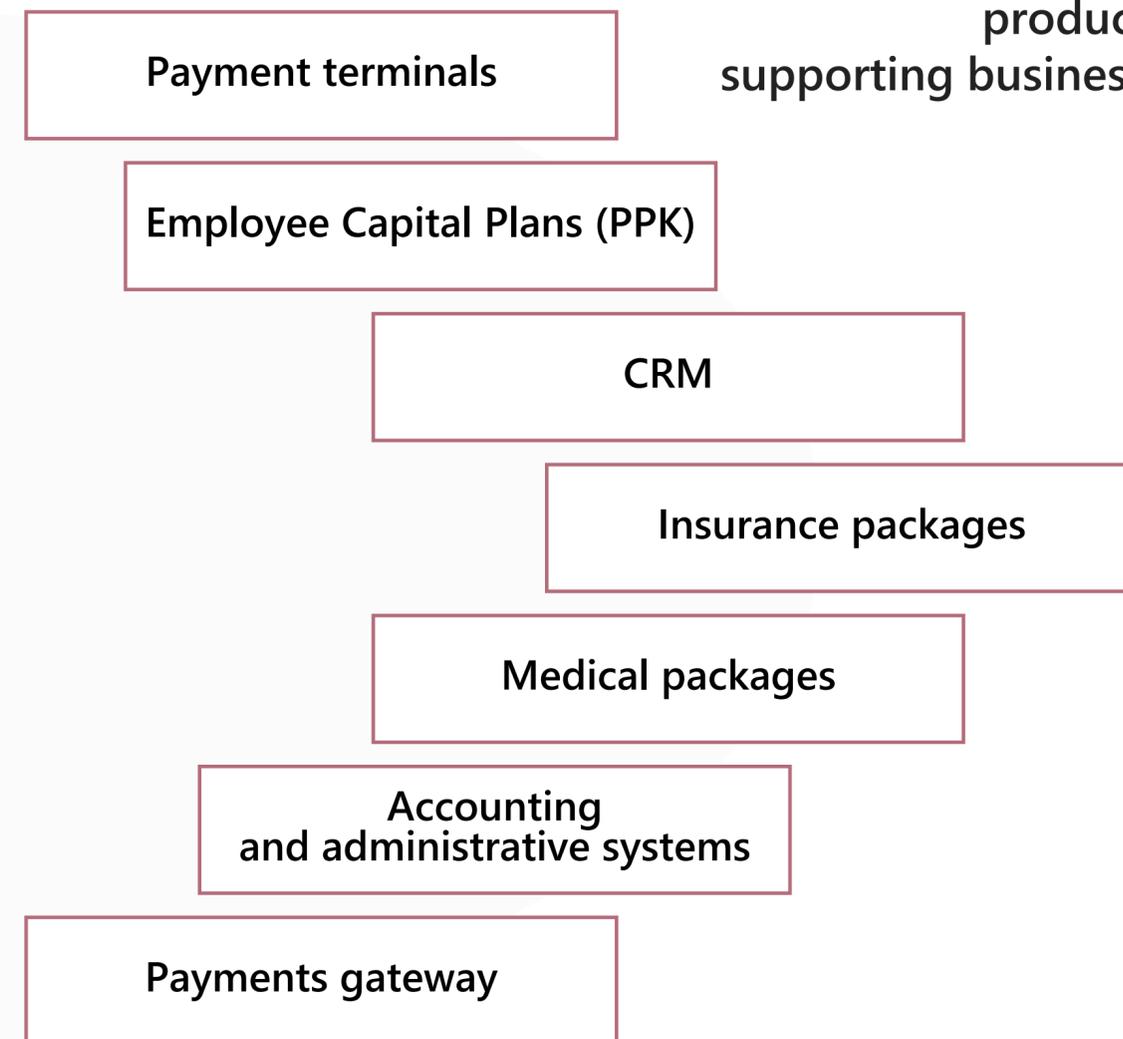


We will deepen our business client relationships with a comprehensive product and service ecosystem

Modern banking products and services



Comprehensive non-banking products and services supporting business development



We will develop a network of product and sector-specific advisors

► Sector-specific competencies

- Development of bankers' sector-specific competencies
- Preferred sector analyses and benchmarks
- Sector events and networking
- Sector-specific training and certification

► Product competencies

- Regional sales support structures:
 - Transaction banking experts
 - Trade finance experts
 - Treasury experts
 - Leasing experts

► Regionalisation and competence specialisation

- Development of competencies adjusted to the specific character of business in a given region
- Sales specialities

► Digital competencies

- Bankers as digitisation consultants and ambassadors



► Expected outcomes

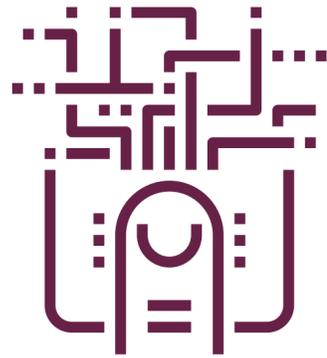


Share of loan sales to preferred sectors in the business client segment



Share of business client bankers with industry certificates

We will develop digital channels and processes for business clients



New online and mobile banking system

- Modern solutions ensuring client security, i.a. the use of behavioural biometrics
- The use of open banking to access accounts from other banks
- Integration of ERP and FA/HR systems to facilitate the provision of services to a company at any time and in any place
- Invoicing, warehouse management, human resources management, business reports and soft debt collection services



Sales and after-sales processes digitisation

- Digitisation of loan processing with the use of an automated client assessment
- Repository of clients' private documents in online banking, including loan document digitisation
- A personalized pre-approved and pre-sale offer through a modern CRM
- Increased number of actions a client can perform independently in the mobile app or online

▶ Expected outcomes

+20%

Increase in the number of transactions in the mobile channel in the small and medium-sized enterprises segment

45%

Share of actions performed independently by clients in the small and medium-sized enterprises segment



► Transformation of the bank

Strategic programmes

Technology leader

Effectiveness

Risk and capital management

A bank of engaged experts

Technological progress enables us to move swiftly and efficiently in changing market conditions

1...

2...

3...

▶ **For clients**

Secure services

Access to product information through all channels

Services available 'here and now'

▶ **For the bank**

1 hour to set up necessary IT infrastructure

2 weeks for development

Every 3 weeks - release into production

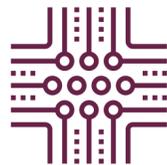
Efficient IT architecture and competencies will remain the source of our advantage

▶ Cloud technologies



- A hybrid cloud model combining the resources of a private cloud and multiple public clouds
- Using PaaS (Platform as a Service) services and tools supporting the effectiveness of building and managing the IT environment
- Standard ERP-class tools and services delivered from a public cloud in the SaaS (Software as a Service) model
- Cognitive services delivered from a public cloud

▶ Modern architecture



- Open architecture of an integration platform for our partners
- Designing in microservice domains
- Architecture and organisation adapted to working in independent development teams

▶ Processes and organisation



- Software development and testing process automation
- Programmable and automatic processes in the IT environment, available in a self-service model
- Competence centres responsible for transformation in key areas such as AI, advanced analytics and cloud computing
- Working in our own agile methodology, AGILOR

▶ System unification



- Unified cross-channel client experience in various distribution channels
- Mobile device services while maintaining a cohesive client experience
- Key systems unification areas: Front- and Back-office, Authentication, and Authorisation Centre

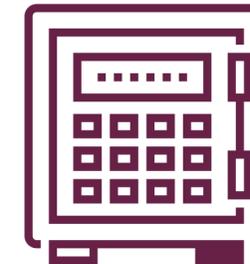
We will ensure the highest standards for securing and protecting our clients' interests

▶ A secure client



- Implementation of behavioural biometrics and solutions that simplify product security management for our clients
- Digital identity verification in online channels
- Malware Shield 3.0 – development of a solution facilitating malware detection on client devices
- An AI-based tool for automatically analysing alerts and areas of potential misuse

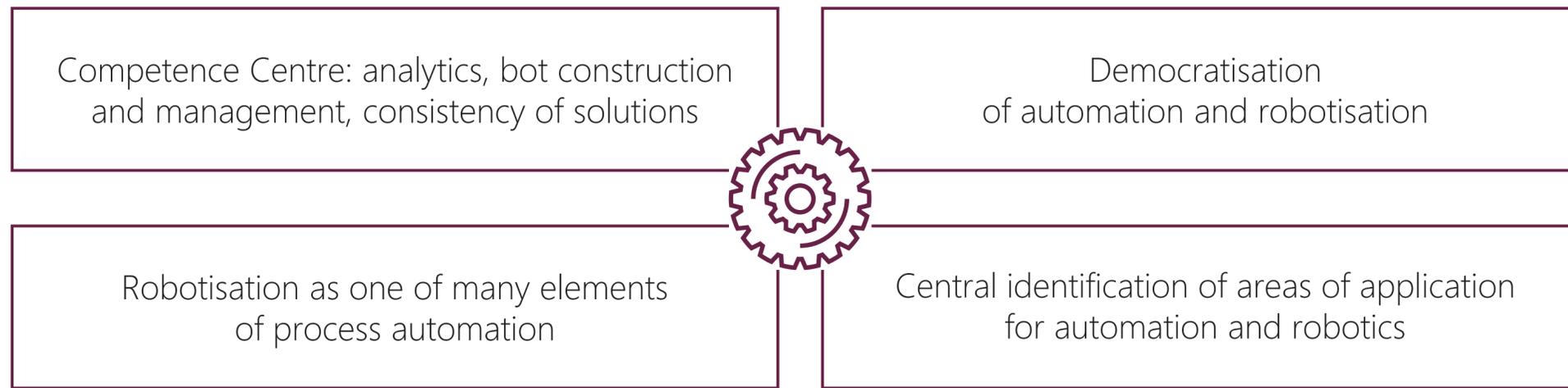
▶ A secure bank



- Security Operation Center development – extension of monitoring and abuse detection in internal systems with the use of machine learning and task robotisation
- Building the Central Technical and Physical Security Management System to integrate the bank's security systems
- Prevention through efficient data aggregation and analytics

Robotisation and algorithms will make our processes more efficient

▶ Robotisation programme



Data digitization and process mining

- More extensive use of OCR technology
- Identifying the most appropriate processes for automation (Robotic Process Automation as a tool to support process mining)

Robotic Process Automation Robotic Desktop Automation

- Effectively combining functions of attended/unattended robots (integration of RPA/RDA platforms)
- Robot as a service

Low-code and no-code tools

- Providing tools (low-code, no-code and RPA) for the development of IT solutions by business employees

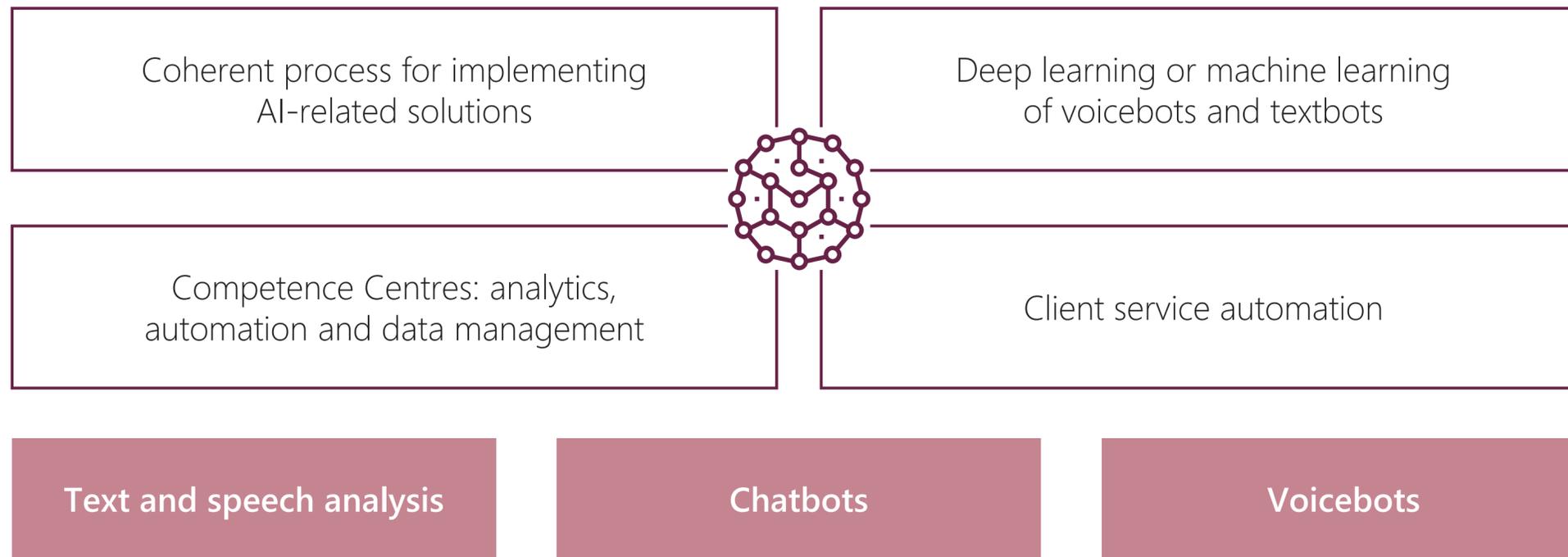
▶ Expected outcomes



Number of robotised processes per year

The AI platform will allow us to reduce costs and provide services faster

► Our approach to AI platform development



- Text and speech analysis**
- Pattern analysis, automated category creation
 - Exporting data to data lake for further processing

- Chatbots**
- Creating dialogue trees using machine learning
 - Use of chatbot in remote channels

- Voicebots**
- Model-based recognition of interlocutors' intentions
 - Integration with the bank's knowledge base and systems

► Expected outcomes

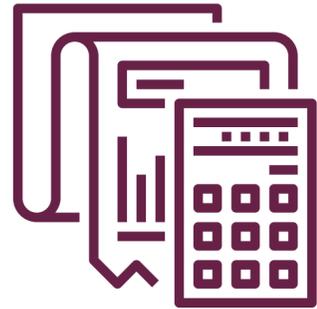


Share of helpline calls with voicebot participation



Share of conversations with clients held via chatbots

The risk management strategy supports the bank's strategy



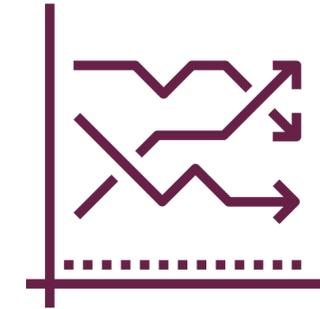
► Credit risk

- Development of credit activity in accordance with the planned structure and quality of the credit portfolio
- Reduction of loan portfolio sensitivity related to changes in the macroeconomic situation
- Development and consistency of risk management standards within the Alior Bank Group



► Operational risk

- Further reduction of operating losses limit in relation to the bank's own funds
- Building a culture and awareness of operational risks that emphasises prevention
- Automation of operational risk control functions
- Further development of the AMA method



► Market and liquidity risk

- Maintaining a stable level of market risk and liquidity measures and limits, taking account of stress conditions
- High liquidity buffers reflected in the balance sheet structure
- Continuing to improve measures of deposit base concentration and reduce the funding cost ratio to below 1%

We will optimise all key areas relevant to the acquisition of preferred clients

2.4%

Cost of risk in 2019 as a result of portfolio, hedging and recovery rates review

1.5%

Average annual standardised long-term cost of risk of new lending 2020-2022

1.8%

Annual cost of risk in 2022

Pricing policy based on Risk-Based-Pricing methodology

- We will improve processes of risk margin pricing and adjust the price to the level of client and transaction risk
- We will optimise the cut-off policy by migrating from the probability of default model towards an individualised assessment of expected loss
- We will increase the share of clients with a main relationship and low risk profile

Comprehensive policy update will ensure long-term profitability of lending

- We will adjust credit policy to the profiles of individual industries (business client segment) and risk profiles (retail client segment), stimulating the development of segments with the most favourable risk profile
- Risk management strategy and risk appetite define objectives in terms of life-time (curves of the cost of risk and profitability of a loan over its life cycle)
- Risk assessment aimed at increasing the resilience of the cost of risk to changes in the economic cycle

AI-based credit process optimisation and digitisation

Product	Current level of process optimisation	Moment of reaching above-market level
Cash loan	Above market level	2019
Mortgage loans	Market level	H2 2021
Loans for micro-enterprises	Above market level	2019
Loans for corporations	Below market level	H1 2021

We will continue to balance our loan portfolio structure

Consistent growth



Increase in the share of less risky products in our loan portfolio, including mortgage loans, factoring and leasing

Increase in lending to small and medium enterprises

Development of bankers' sector competencies, deepening client relationships and increasing their transaction execution

Active and efficient management

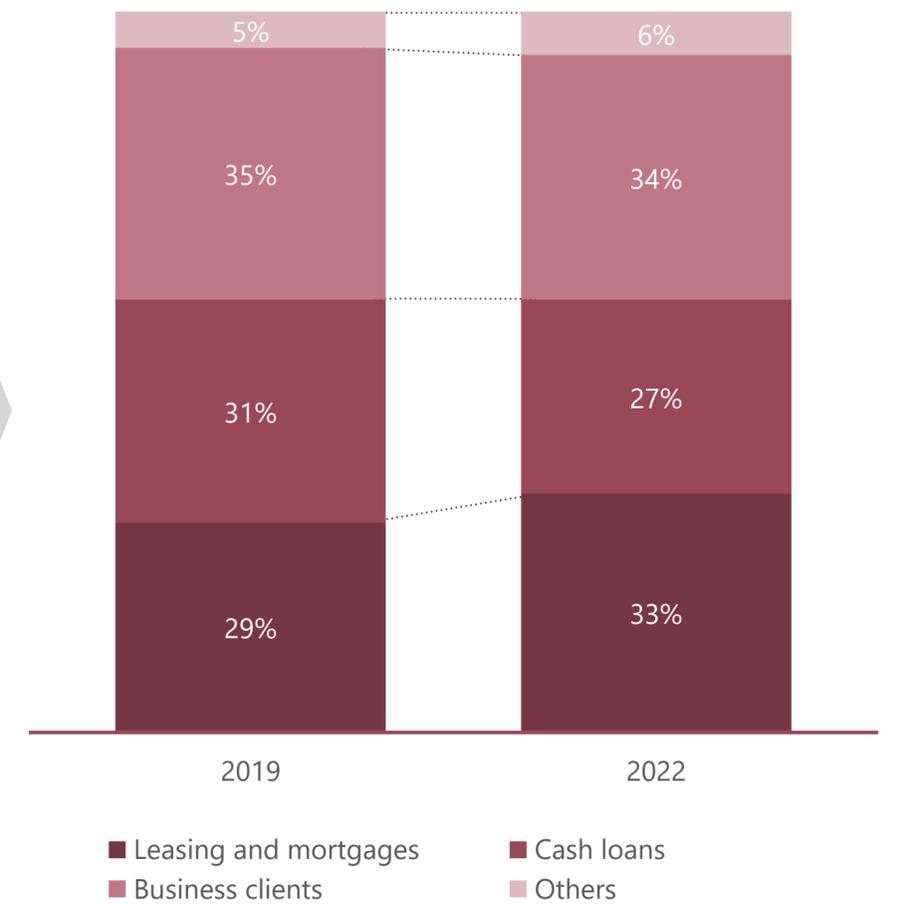
Consciously building the expected sector structure

Efficient concentration risk management in relation to individual exposures

Fewer high-risk profiles or those characterised by low resilience to economic cycle fluctuations



Portfolio structure



We will introduce advanced methods of credit risk management

▶ Advanced credit risk management methods

- Building up our portfolio's resistance to business cycles
- Advanced management methods - regulatory (IRBA) and internal (IRMS)
- Using advanced analytics tools
- Using BGK guarantees to additionally secure our portfolio

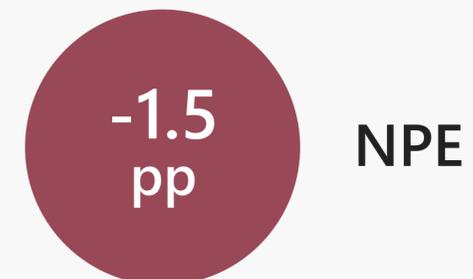
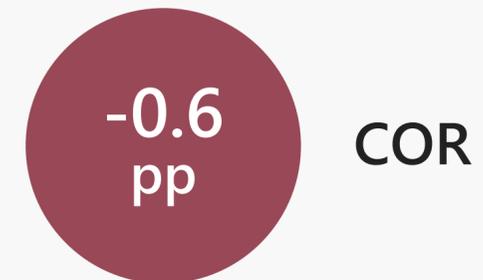
▶ Efficient monitoring and debt collection

- Further developing KYC processes and the existing portfolio monitoring
- Maximising process automation and integrating support systems

▶ An integrated risk approach within the Alior Bank Group

- Integrated risk processes
- Transparent acceptance and rejection criteria for more efficient acquisition activities
- Exchange and integration of analytical data – a holistic view of a client's profile
- Using data from portfolio monitoring in credit process automation and simplification
- Comprehensive evolution of methodologies towards a risk-based approach (RBA)

▶ Expected outcomes



We will maintain our capital position well above the regulatory requirements

2019: We achieved capital ratios allowing us to pay out a dividend

2020 - 2022: We assume that we will maintain a stable capital position

Capital buffers at the end of each year of our strategic horizon

>125
bps

>650M
PLN

► Pillars of maintaining an adequate capital position

High profitability of lending activities	ROE ↑
An increase in the share of non-interest income not charged to capital	% ↑
A decrease in the costs of risk	CoR ↓
Increase in cost-effectiveness	C/I ↓

► Initiatives to support the protection and growth of own funds

- Conscious forming of credit asset structure (classes) – increased share of less capital-consuming assets
- Implementation of capital initiatives along with strict control of results achieved in comparison with the assumptions (AMA 3, RWA in the business client segment, securitisation, optimised use of guarantee instruments)
- Start of the IRB project in 2020 (capital yields from 2024 onward, despite expected regulatory changes related to, i.a., the capital requirements of the IRB regime)

We will take care of employee development to become a bank of engaged experts

▶ Stable employee relations

Interpersonal relationships are the most important source of our advantage. 84% of employees perceive cooperation within their teams as good

- We emphasise lasting employee relationships – it's them who build lasting relationships with our clients
- We plan long-term professional development for experts

▶ Development

70% of Alior Bank employees think they developed their skills considerably in the last year

- Further development of key expert roles and skills
- Re-skilling programmes – obtaining competences demanded and appreciated by clients
- Development of leadership competencies in the proper management of experts

▶ Employee experience

Employees can influence decisions made at the bank – a culture of open communication, delegation of authority, flat organisational structure

- Limiting simple administrative tasks through automation and robotisation to unburden our employees
- Developing the digital work environment
- Flexible forms and methods of work

▶ Expected outcomes

>55%

Employee engagement index

We grow responsibly and support communities and the environment in which we operate



► Social responsibility

- Promoting reading – cooperation with Zeczytani.org Foundation and the Polish Language Festival in Szczecznieszyn
- Supporting young talents – cooperation with the Polish Children’s Fund
- Counteracting digital exclusion among seniors
- Developing employee volunteering



► Environmental protection

- Transition to a low-emissions car fleet
- New resource-efficient branches using products from local suppliers
- Reducing paper consumption – digital signature



► Corporate governance

- Developing and implementing a new CSR strategy
- GRI-compliant reporting

▶ **4. How we will measure success**

Within our strategic horizon, we will set ourselves ambitious and realistic goals

► Business volumes

Total assets	
2019	2022
PLN 77bn	PLN 95bn

Number of retail clients	
2019	2022
4.1M	4.5M

Number of business clients	
2019	2022
220k	300k

► Risk and capital

COR	
2019	2022
2.4%	1.8%

Surplus Tier1	
2019	2022
180 bps	>125 bps

NPE	
2019	2022
14%	12.5%

► Profitability

ROE	
2019	2022
8.4%	>10%

NIM	
2019	2022
4.5%	4.6%

C/I	
2019	2022
43%	41%

COF	
2019	2022
1.2%	<1%

The total number of business clients includes the micro-enterprise segment. 2019 ROE value normalized by excluding the effects of ECJ's ruling

What our key initiatives will bring and how we will measure this (1/2)

Alior Mobile		Personalization		Convenience		Business client relationship	
Number of Alior Mobile app users in 2022	1.5M	Increase in the number of retail clients and clients from the micro-enterprise segment to 2022	500k	Relationship NPS in 2022	40%	Share of loan sales to preferred sectors in the business client segment in 2022	35%
Number of new retail clients acquired thanks to Alior Mobile functionality to 2022	300k	Increase in the number of clients from the micro-enterprise segment to 2022	80k	Share of retail current accounts sold online in 2022	35%	Share of business client bankers with industry certificates in 2022	60%
		Number of active complementary services in the retail clients segment in 2022	1.2M	Number of new clients from the micro-enterprise segment acquired online in 2022	15k	Increase in the number of transactions in the mobile channel in the small and medium-sized enterprises segment to 2022	20%
		Retail clients churn reduction to 2022	-15%	NPS for branch services in 2022	80%	Share of actions performed independently by the small and medium-sized enterprises segment in 2022	45%
		Regular growth in loan volume (CAGR)	3%	Reduction of the number of branches to 2022	-25%		
		Share of cash loan volume sales in remote channels in 2022	25%	Number of modern branches in 2022	110		
		Increase in Alior Bank's revenue from the initiatives implemented together with PZU (CAGR)	50%	Share of disposals executed in an automated manner or independently online by retail clients and clients from the micro-enterprise segment in 2022	40%		

What our key initiatives will bring and how we will measure this (2/2)

Technology leader		Effectiveness		Capital and risk management		Bank of engaged experts	
Time needed to develop a new product or business value in 2022	2 weeks	C/I in 2022	41%	NPE in 2022*	-1.5 pp	Employee engagement index in 2022	>55%
Frequency of new product or business value implementation in 2022	every 3 weeks	Number of robotised processes per year in the years 2020-2022	60	Surplus Tier1 at year-end in the years 2020-2022	>125 bps		
Time needed to put IT infrastructure into operation	1 hour	Share of helpline calls with voicebot participation in 2022	60%	Surplus Tier1 at year-end in the years 2020-2022	PLN >650M		
		Share of conversations with clients held via chatbots	30%				

* Difference in comparison to Q4 2019

CAGR: compound annual growth rate (in the years 2020-2022)

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More than a Bank

Alior Bank 2020-2022 Strategy

