

WITAMY



ALIOR
BANK

Presentation of results for 3Q'24

CAFE

TA WODA

WYKORZYSTAJE SIĘ NA SUPLE, ALE JEŻLI NIEBĄD
WŁASNYMI SIĘ NIE WYKORZYSTAJE, WYKORZYSTAJE
Z WŁASNYMI
WYKORZYSTAJE SIĘ NIE WYKORZYSTAJE
WYKORZYSTAJE SIĘ NIE WYKORZYSTAJE



Agenda

1. Operating activities

2. Credit risk

3. Financial results

4. Other issues

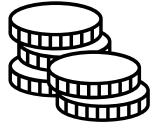


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Operating activities

In 3Q'24 Alior Bank achieved record financial results



Net profit in 3Q'24 amounted to PLN mn 666
(16% more than in 3Q'23)

Net profit in 1-3Q'24 amounted to PLN mn 1 830
(27% more than in the period 1-3Q'23)



Safe capital position of the Bank

Tier 1 ratio at 16.78% and TCR at 17.11%.
High surplus over regulatory minimums:

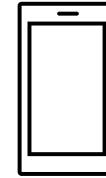
- for Tier 1 it's 8.11 pp. (PLN bn 4.2)
- for TCR it's 6.44 pp. (PLN bn 3.3)



Growth of the mortgage loan portfolio

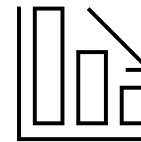
In Q3'24, the portfolio of loans for residential real estate amounted to PLN bn 20.1 (+18% y/y)

The share of residential real estate loans in the Bank's portfolio reached 30.3% (gross)



The number of mobile app users was 1.24 mn
(19% more than at the end of September 2023)

The number of customers with regular inflows amounted to 1.143 mn
(71 thousand more than at the end of September 2023)



Significant decrease in the cost of risk

Cost of risk in 1-3Q'24 amounted to PLN mn 305 (45% less than in the period 1-3Q'23)

In 3Q'24, the cost of risk amounted to PLN mn 155. Costs of risk, excluding additional write-downs related to the potential effects of floods in Poland, amounted to approx. PLN mn 130 and were approx. PLN mn 25 lower than in 3Q'23

The CoR index in 1-3Q'24 amounted to 0.62% and decreased by 0.54 pp. compared to 1-3Q'23

Reduction of the NPL ratio to 7.10%

A decrease of 2.29 pp. in the last 12 months

Dynamic revenues growth (+12% y/y) and net profit (+16% y/y) in 3Q'24

In 1-3Q'24 revenues amounted to PLN bn 4.52

- net interest income PLN bn 3.87 (+11% y/y)
- net commission income PLN mn 629 (+5% y/y)

In 3Q'24, revenues amounted to PLN bn 1.58

- net interest income PLN bn 1.36 (+11% y/y)
- net commission income PLN mn 207 (+20% y/y)

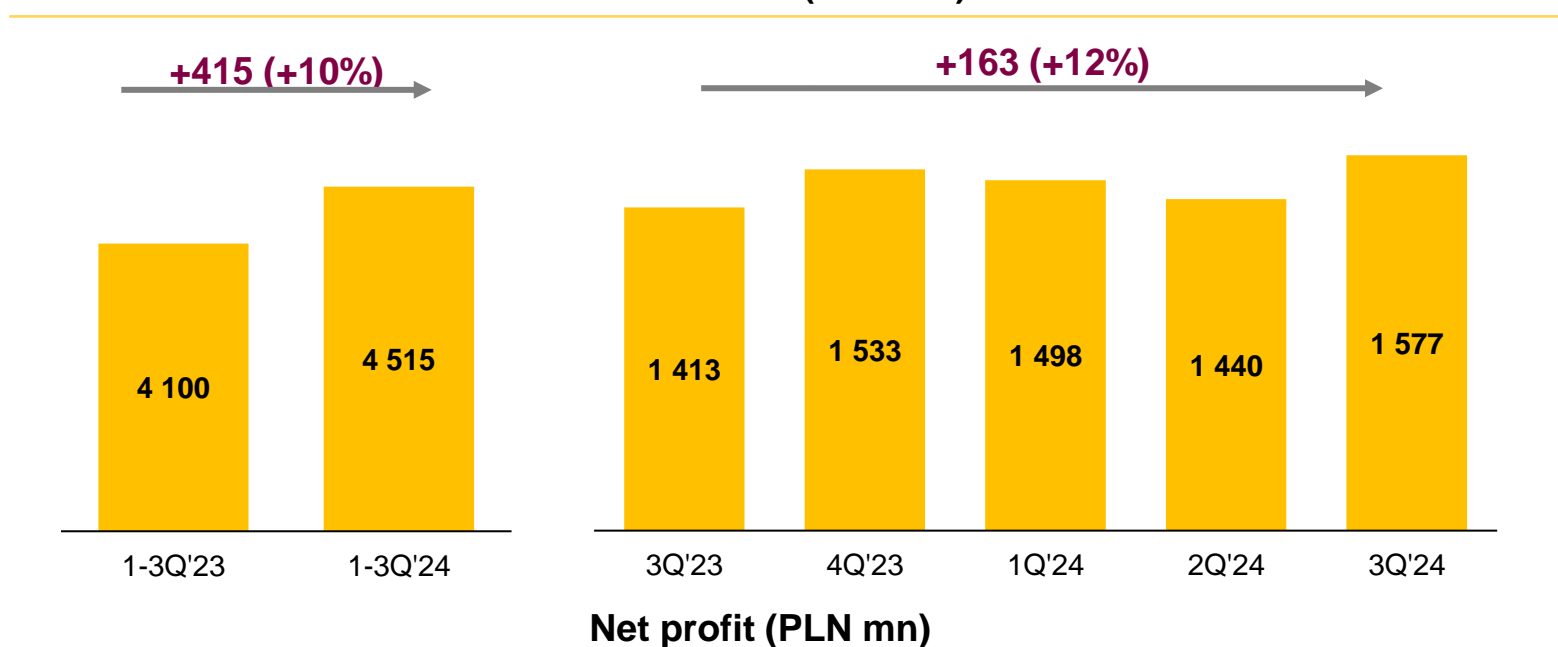
Alior Bank Group's net profit for the last four quarters, that is in 4Q'23 – 3Q'24 amounted to PLN bn 2.42

Alior Bank Group's net profit in 1-3Q'24 amounted to PLN bn 1.83 and increased by PLN mn 386 compared to the result in 1-3Q'23

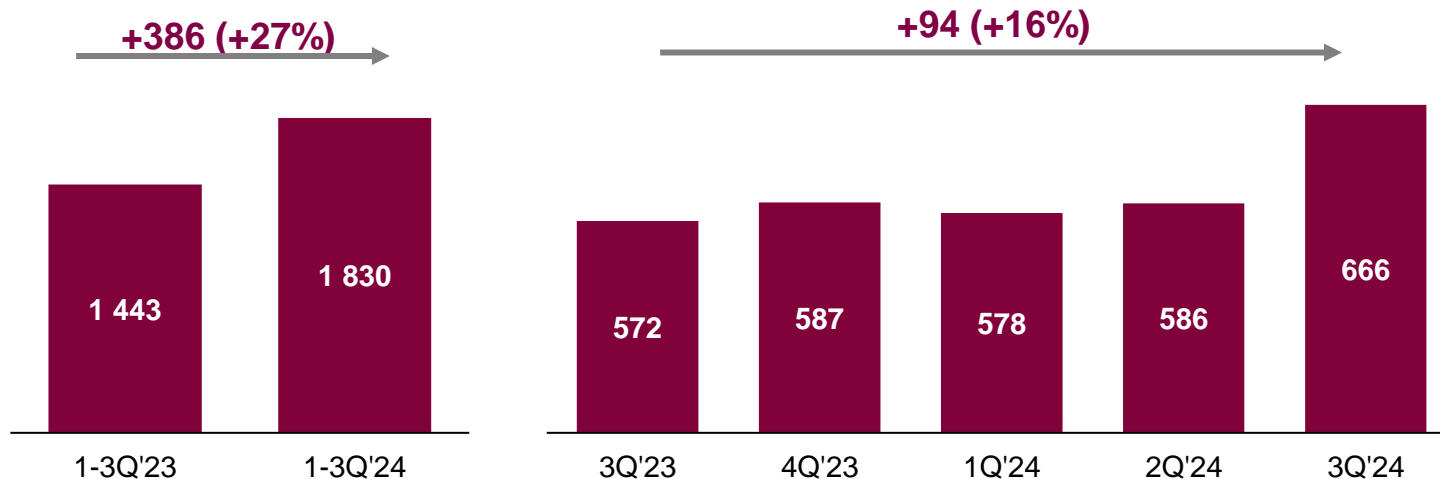
Alior Bank Group's net profit in 3Q'24 amounted to PLN mn 666 and increased by PLN mn 94 compared to the result in 3Q'23

The result of the third quarter of 2024 was positively impacted by the release of PLN mn 24 (gross) of provisions for "credit moratoria". **Net profit in 3Q'24 adjusted for the impact of the provision release would amount to PLN mn 646**

Total revenue (PLN mn)

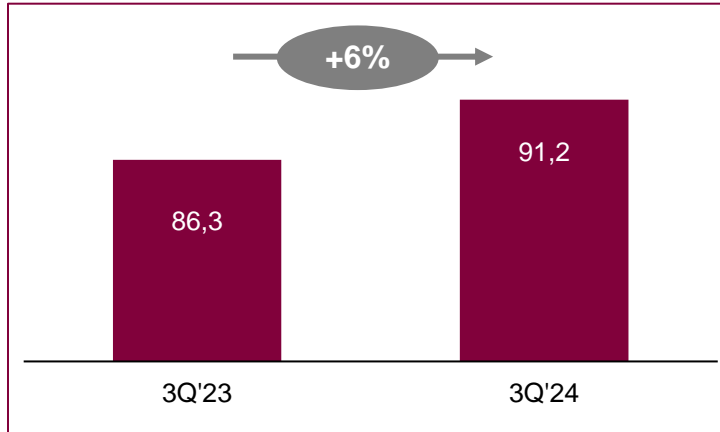


Net profit (PLN mn)

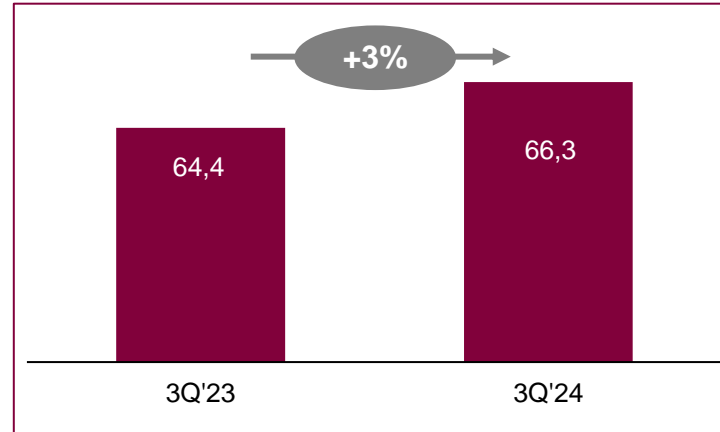


The current macroeconomic environment is conducive to the Bank's stable development

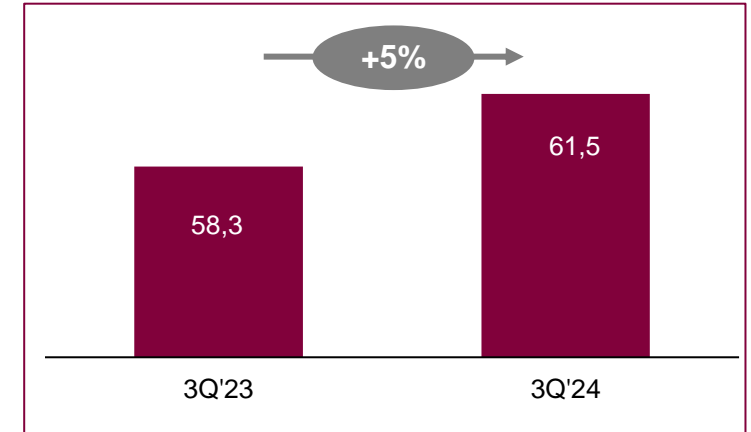
Assets (PLN bn)



Gross Loans (PLN bn)



Gross Performing Loans* (PLN bn)



C/I 3Q'24

30.0%

-1.7 pp. y/y

NIM III 3Q'24

6.32%

+0.16 pp. y/y

ROE III 3Q'24

25.7%

-2.2 pp. y/y

COR 3Q'24

0.92% (0.77%)**

-0.05 pp. y/y (-0.19 pp. y/y **)

TCR 3Q'24

17.11%

+0.43 pp. y/y

C/I 1-3Q'24

33.9%

-0,6 pp. y/y

NIM 1-3Q'24

6.08%

+0.14 pp. y/y

ROE 1-3Q'24

24.4%

-1.7 pp. y/y

COR 1-3Q'24

0.62%

-0.54 pp. y/y

NPL 3Q'24

7.10%

-2.29 pp. y/y

Support for the activities of WOŚP

Alior Bank joined the initiative of the **WOŚP Foundation** and financially supported the fight against the effects of the flood. The funds helped to provide emergency assistance and purchase necessary equipment and medical supplies.



Internal initiatives

In response to the difficult situation of the affected, the Bank has undertaken several internal initiatives to support those touched by this crisis. **A collection of essential items was organized**, which was sent to people affected by the flood.

An Aid Fund for Alior Bank employees in need from the flooded areas was launched.

In addition, the bank's employees were actively involved in various **volunteering campaigns**.



External initiatives

Alior Bank has joined the sector's activities and provided customers with the opportunity to apply for **a temporary deferral of the payment of loan installments** for cash loans and installment loans.

We have also made it possible to apply through a simplified process for the extension of the agreement up to 3 months for credit cards and revolving overdraft limits.

Mortgage borrowers who have found themselves in a difficult situation as a result of the flood can, through Alior Bank, take advantage of assistance under the **Borrowers Support Fund**.

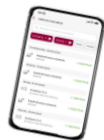
The Bank makes every effort to **simplify the application process** as much as possible for customers who find themselves in a situation that prevents them from repaying their current liabilities.



Photo. walbrzych.wyborcza.pl

Summary of activities in the Retail Customer segment in the third quarter

RETAIL
CUSTOMERS



We have refreshed the mobile app, which is already in use by over 1.2 mn users. We continue to build a base of relational customers utilizing the consistently developing digital platform.



After taking advantage of the opportunity of the 2% Safe Mortgage Program (under the program, sales in 2024 amounted to: PLN bn 1.3), Alior pursued a conservative sales plan. We plan to increase the volumes with a more affordable offer of loans with a periodically fixed rate.



In September, we implemented a cash loan offer with APR 9.91% "Prosto Pożycz Mi Sie" (*It's Simple to Loan to Me*) and support it with a TV campaign. The competitive offer will contribute to expansion in subsequent periods.



After 3Q'24, the sale of installment loans is higher by PLN mn 345 y/y. We are launching further e-commerce integrations.

MOBILE USERS

1.24 MN

MORTGAGE LOAN SALES

0.6 PLN BN

LOAN SALES

1.6 PLN BN

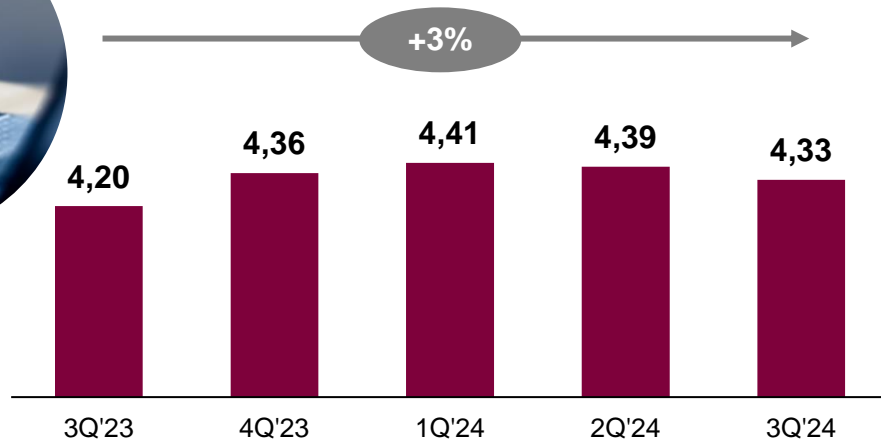
CONSUMER FINANCE SALE

1.1 BN PLN

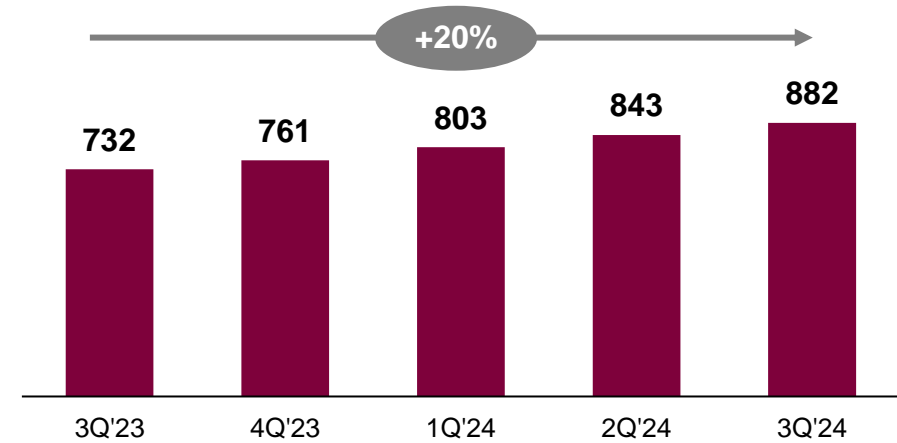
Effectively establishing lasting relationships with customers: 7% increase in customers with regular inflows (+71 k y/y) with an increase in the number of flagship accounts by 150 k y/y



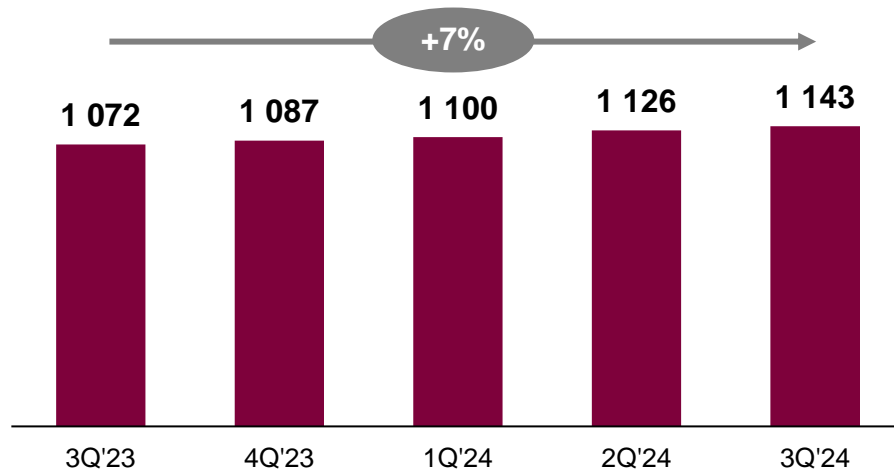
Number of retail clients (mn)



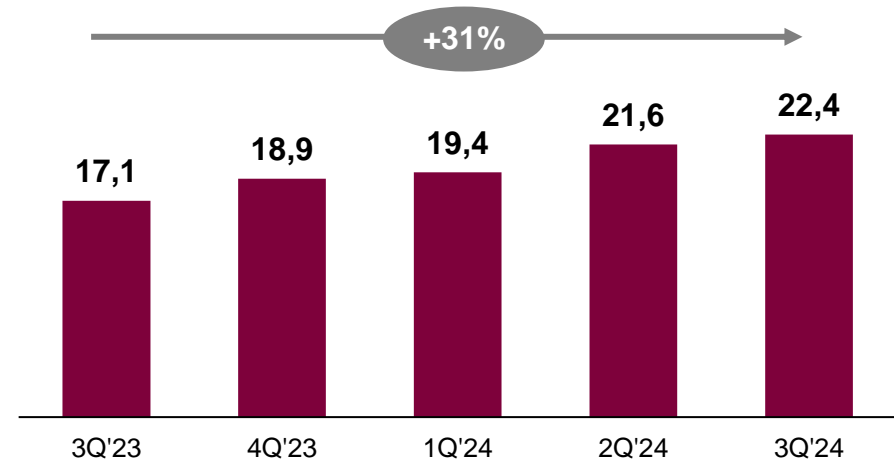
Number of accounts "Konto Jakże Osobiste" (k)



Number of customers with regular inflows (k)



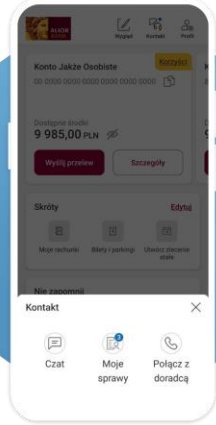
Number of BLIK transactions (mn)



Consistent updates of Alior Mobile in 3Q'24. We have a well-defined roadmap for further development of the app

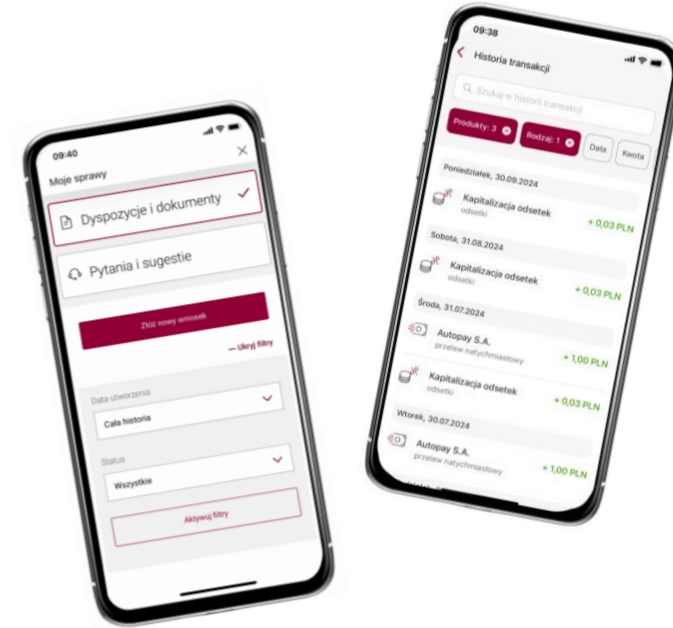
RETAIL CUSTOMERS

My things

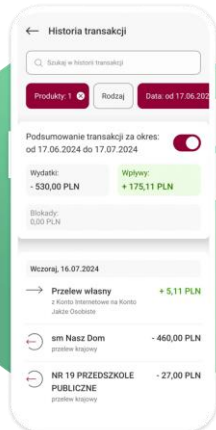


„Orders and documents”: access to after-sales options

“Questions and Suggestions” – submitting questions or making suggestions



New transaction history look

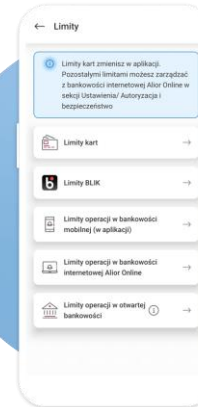


Refreshed look for full transaction history

Customizable operations view on home screen

New search filters and summary of inflows and outflows

Payment limits

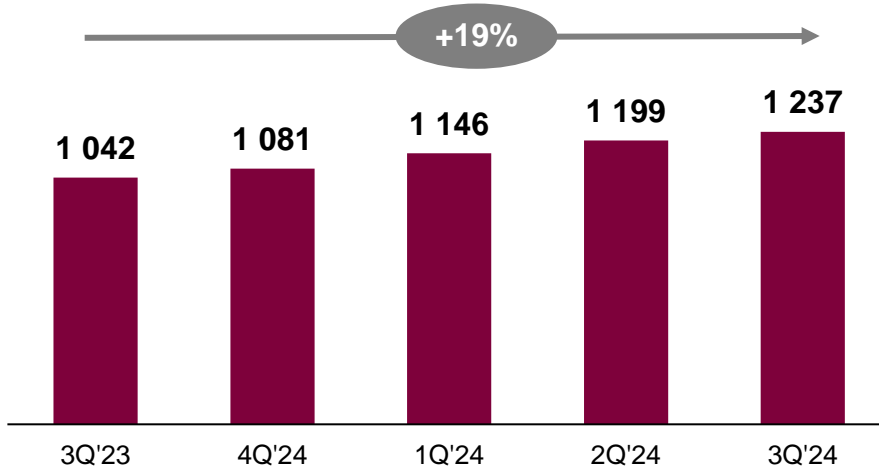


Presentation of payment limits

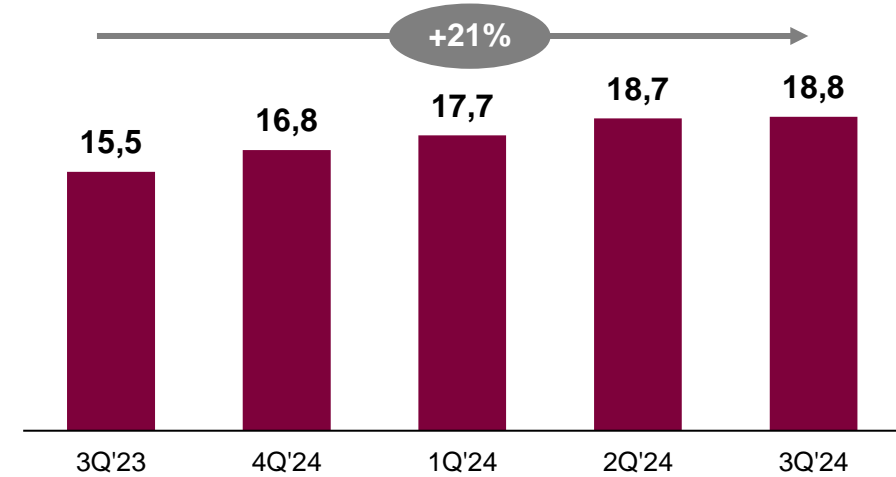
Management of card limits

The number of mobile app users increased by 19% y/y. The potential for cross-selling and developing relationships with the growing base of tech-savvy customers is growing

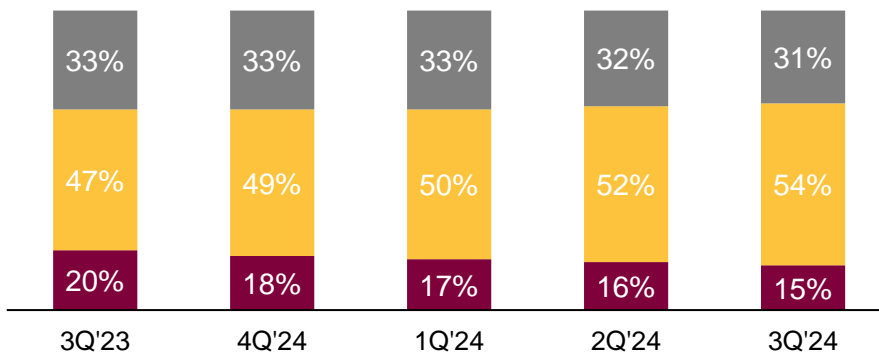
Users of Alior Bank mobile app (k)



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

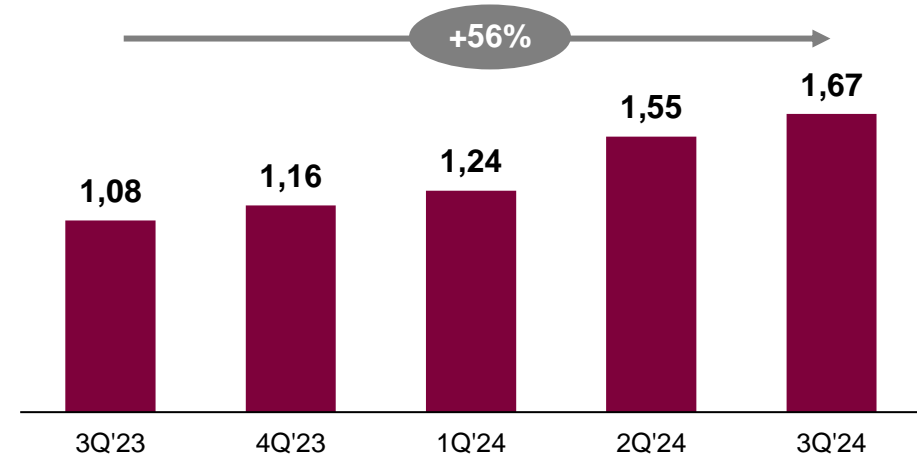


Structure of Alior Online and Alior Mobile usage



■ Only Alior Online ■ Only Alior Mobile ■ Alior Mobile and Alior Online

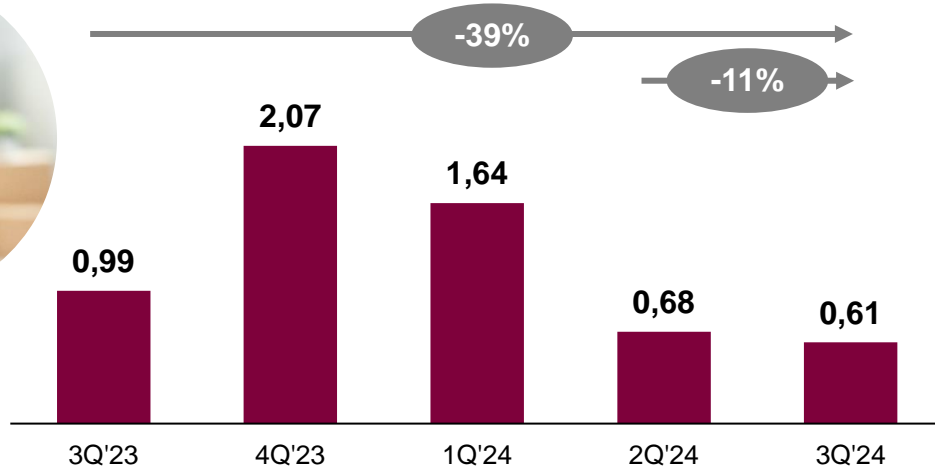
Number of BLIK transactions (mn)



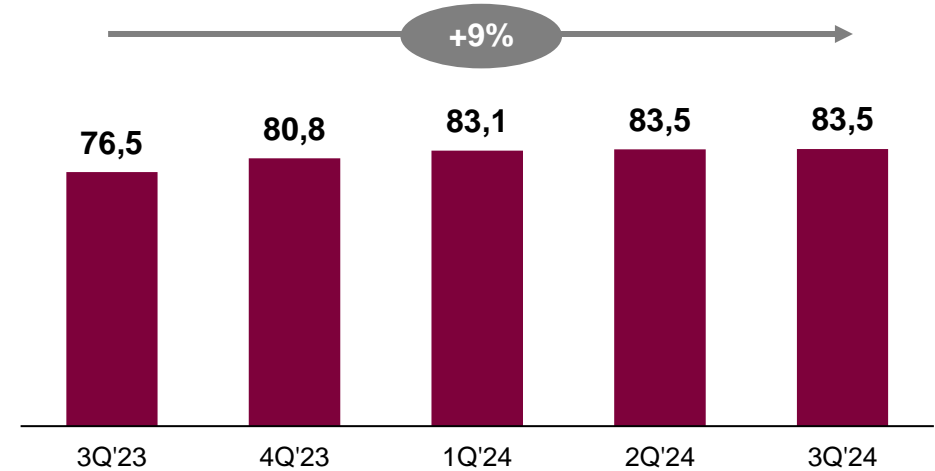
The conservatively built mortgage loan portfolio* exceeded PLN bn 20



Sale of mortgage loans (PLN bn)



Number of Customers with a mortgage loan (k)

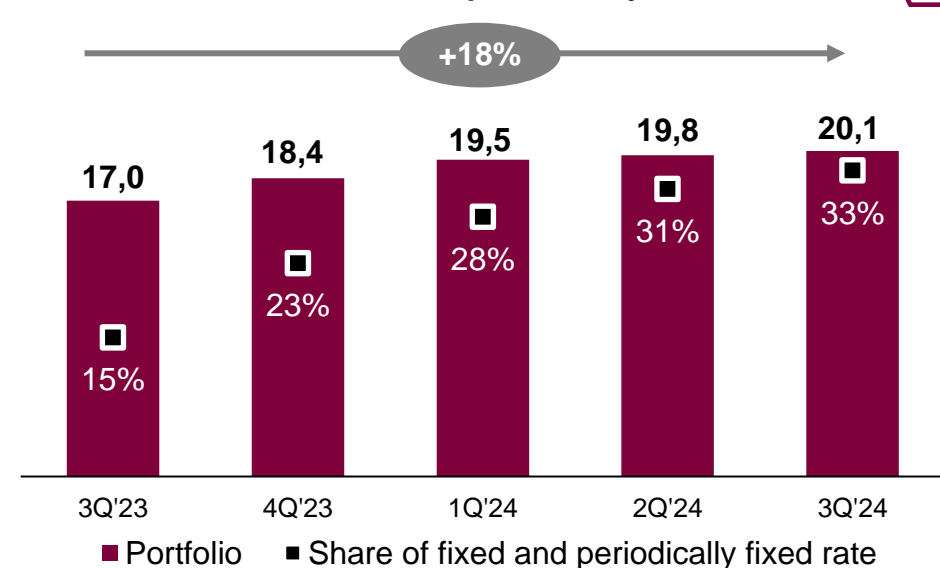


In 3Q'24, the volume of loans disbursed reached PLN bn 0.6 and was nearly 40% lower than in the corresponding period of 2023 (in 3Q'23, the Bank participated in the 2% Safe Mortgage Program).

The periodically fixed rate remains the dominant item in the structure of new sales. In 3Q'24, the share in the sales of mortgage loans with a periodically fixed interest rate was about 79% and was nearly 3 pp. higher compared to 2Q'24

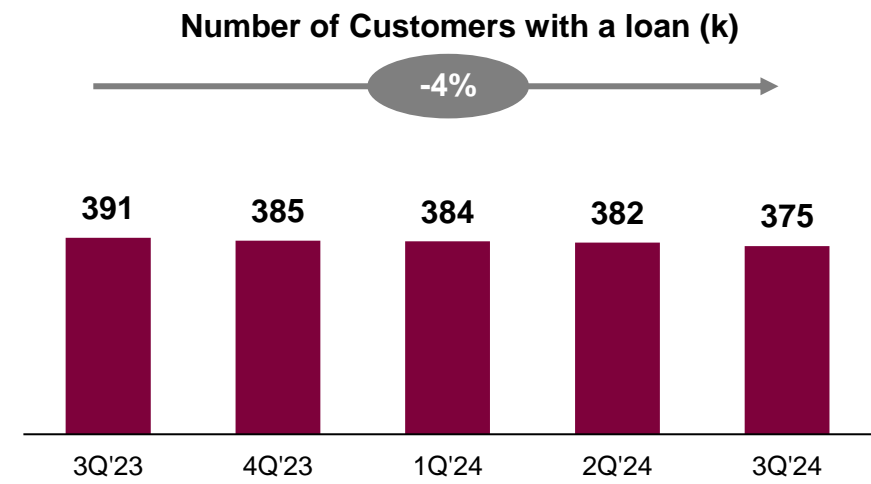
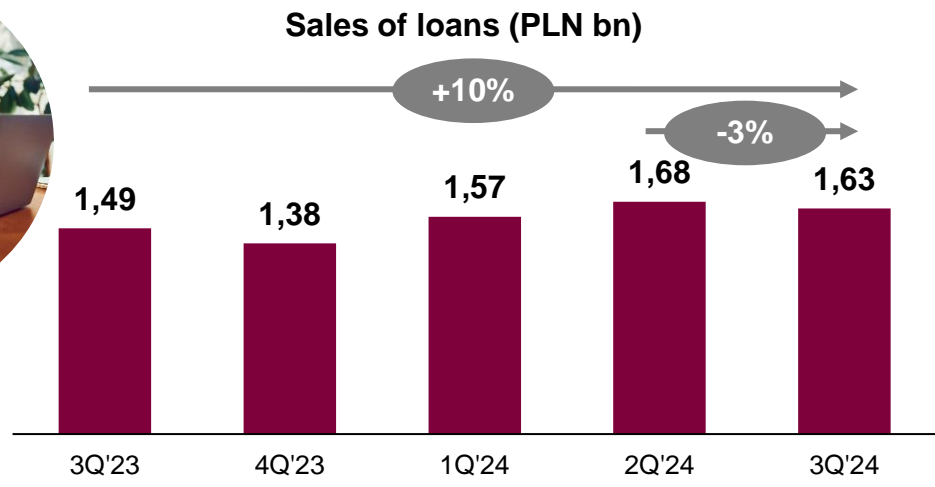
At the end of 3Q'24, the share of mortgage loans granted at a fixed and periodically fixed rate in the mortgage loan portfolio was 33%.

Gross mortgage loan portfolio (PLN bn) and share of fixed and periodically fixed rate



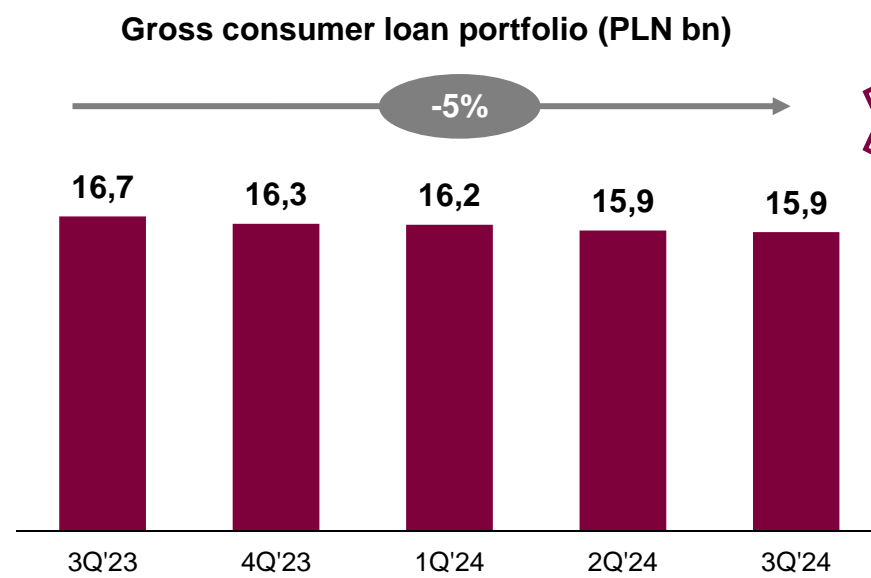
Market share 3.8% (portfolio) **

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



55% Share of remote sales in 3Q'24
 Record result in the number of cash loans sold through the online channel: 20.4 k in 3Q'24

3% decline in sales q/q was caused by a conservative pricing policy. The Bank consistently pursued a policy of securing high-value volumes with unemployment insurance.

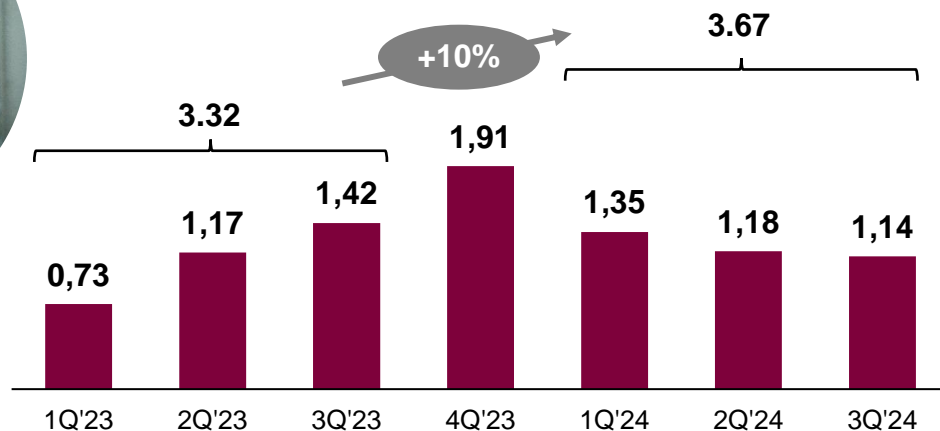


Market share **9.8%** (portfolio)**

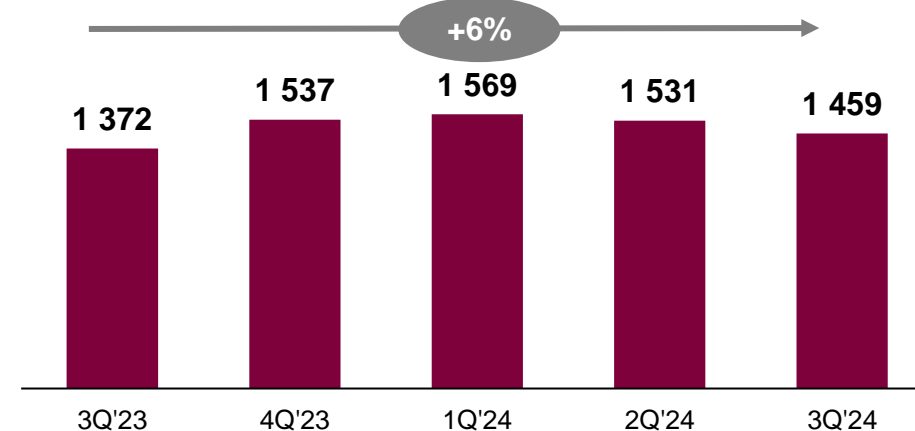
In the third quarter, the installment loan portfolio increased by 7% y/y. We maintain our position as a market leader in a competitive market thanks to advanced technology



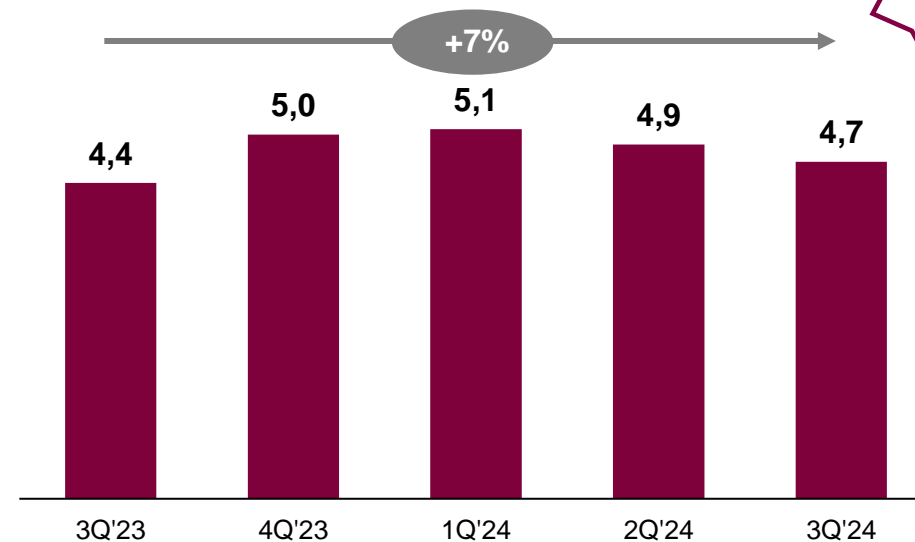
Sales of CF loans (PLN bn)



Number of CF Customers (k)



Gross loan portfolio (PLN bn)



Market share 17.8% (portfolio)**

Decline in sales of installment loans in 3Q'24 compared to 3Q'23 is due to even implementation of cooperation with main partners. After three quarters of 2024, sales of installment loans increased by PLN mn 345 y/y.

We have integrated with more key platforms offering sales software for online stores to enable the activation of Alior Bank's online installment system

In a weaker market, we maintain a market share in loan sales (4.5%) and a high share in the self-employed segment (9%)

REVENUES Y/Y

+2.9%

PLN mn 1 257 IN 2024

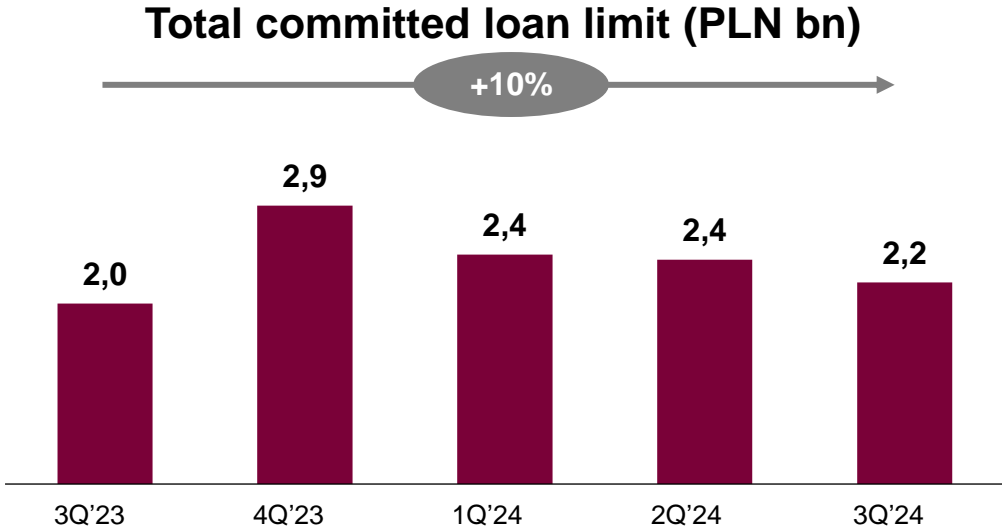
REVENUE AFTER COST OF RISK Y/Y

+12.6%

NPL Y/Y

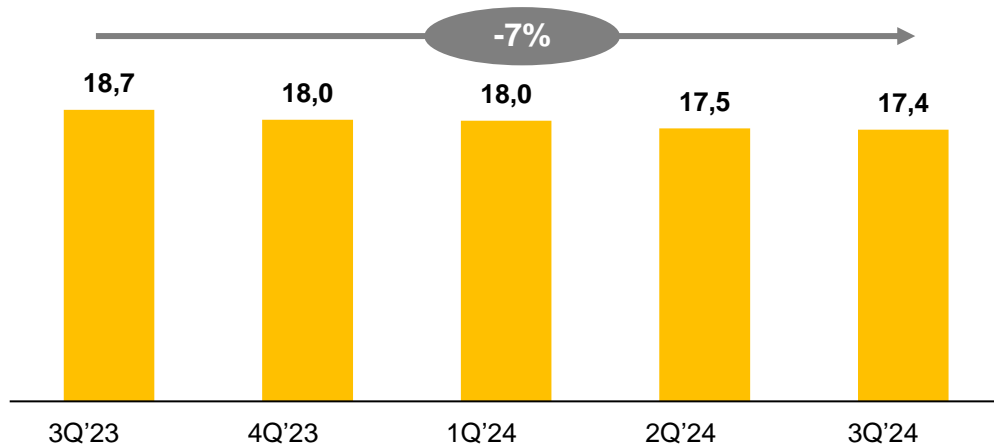
-2.99 pp.

- Market share in sales this year at the level of **4.5%** (+0.1 pp. y/y)
- In the third quarter, in the enterprise segment (excluding self-employed), we increased sales by **22%** y/y (sales in the market +13%)
- We maintain a high, over **9%**, market share in the portfolio in the self-employed („JDG”) segment

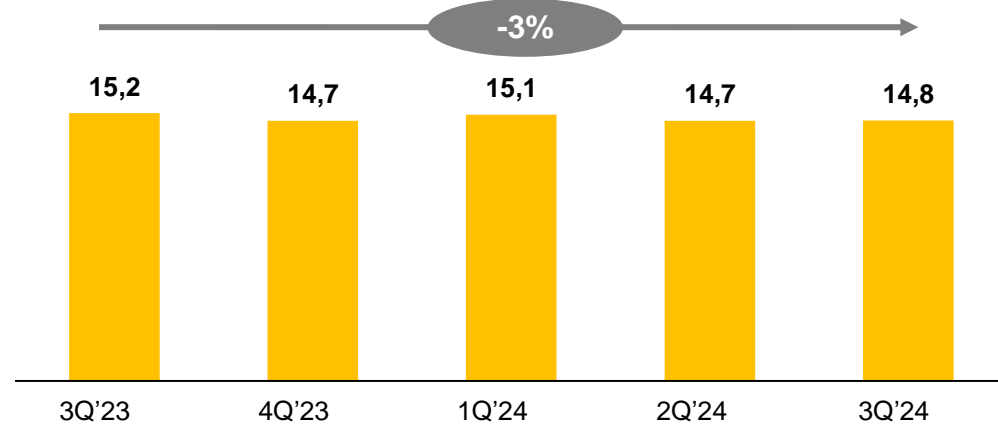


A slight decline in the performing portfolio (-3%), accompanied by a rapid decline in non-performing loans (-25%)

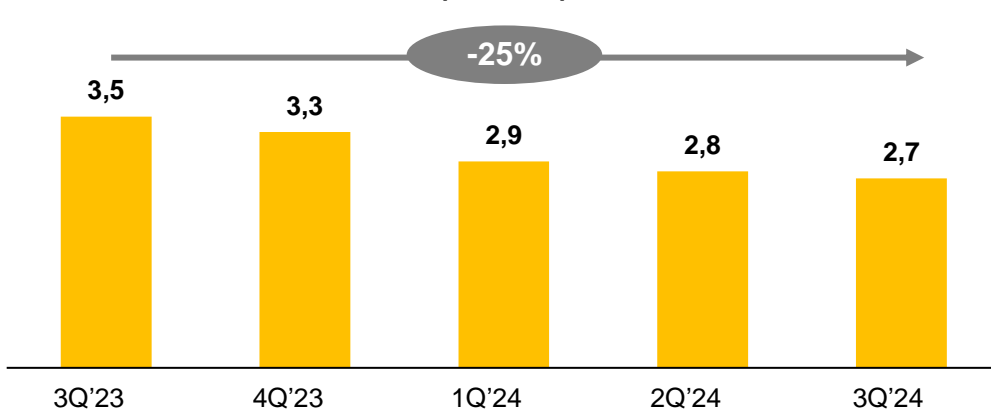
Balance of assets Business Customers* (PLN bn)



Balance of assets in regular servicing Business Customers* (PLN bn)



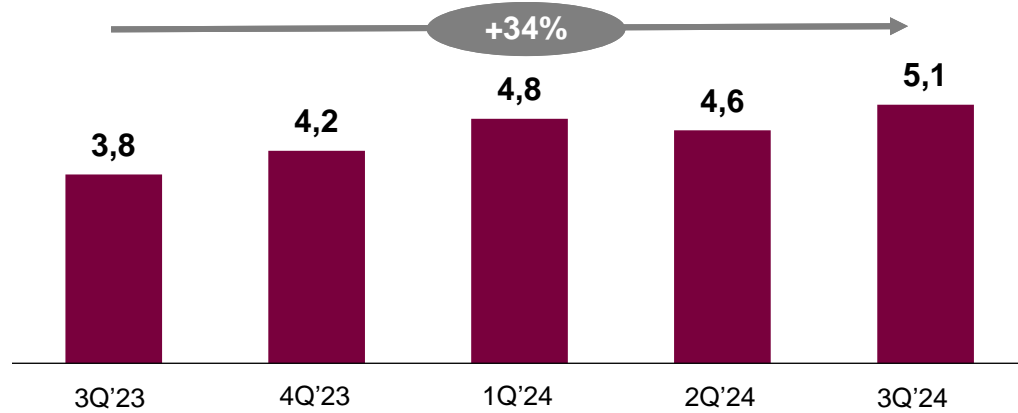
Balance of assets in collection* Business Customers (PLN bn)



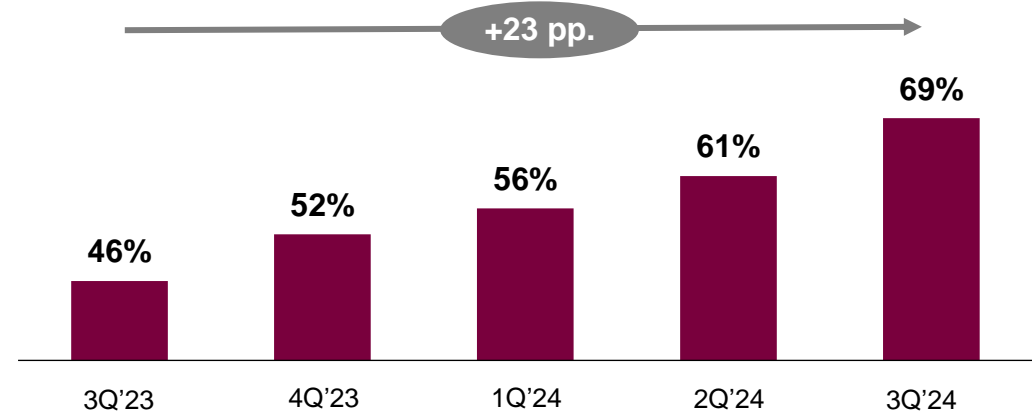
Visible effect of the improvement in the quality of the loan portfolio. The decrease in assets is mainly due to the reduction of the non-performing portfolio.

We have acquired 5 thousand micro entrepreneurs with a growing share of digital acquisition processes

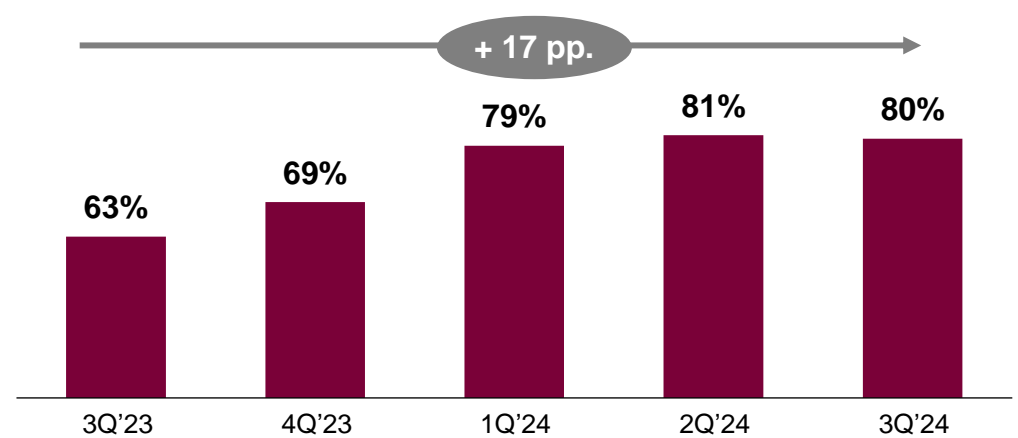
Sale of accounts in Micro segment (thousnad)



% of online accounts sale in Micro segment



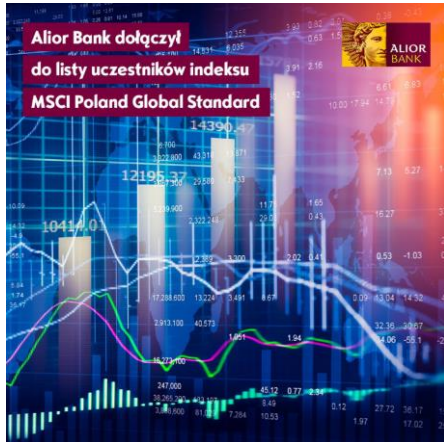
% of orders executed remotely in segments Small, Medium and Large



The dynamic increase in the account number sold in the Micro segment, including a doubling of online acquisitions, is the result of consistent implementation of the business strategy.

This year, in higher segments, we maintain the 80% level of orders carried out remotely.

External stakeholders appreciate Alior Bank



As a result of the quarterly revision, Alior Bank joined the prestigious **MSCI Poland Global Standard index**. This distinction confirms Alior Bank's strong position on the market and emphasizes its role in the Polish economy. The MSCI Poland Global Standard index currently includes 13 companies, with a dominant share of financial institutions.



Alior Bank took second place in the **Institution of the Year** ranking, organized by „Moje Bankowanie”, in the category **"Best quality of service in remote channels"**. Customers emphasized the high quality of conversations with Alior Bank's consultants on the hotline, who provided support at the highest level.



Alior Bank won the prestigious title of **World's Best Financial Innovation Labs 2024** in the international **Global Innovation Lab Award 2024** competition. This distinction is awarded for achievements in the field of financial innovation, as well as for contribution to the development of new technologies supporting the banking and finance sector.

An offer appealing to our customers

READ WITH ALIOR PAY

Users who **launched Alior Pay in July** will receive access to selected ebooks and synchrobooks on the **Legimi** website. The promotion runs from July 2, 2024, until further notice.



MONEYBACK BONUS

Companies can **gain up to PLN 2000** by taking advantage of the new "Moneyback Bonus" promotion. **The offer is addressed to entrepreneurs who order a Mastercard with Plus card** while joining.



CARD FOR 6+

Individual customers paying with **Mastercard OK!** may take advantage of the "Card for 6+" promotion and the **special "Refund for card payments" program**. In total, you can **earn up to PLN 900**.



INVESTMAX GUARANTEE

Alior Bank has signed an agreement with **BGK**, under which **micro, small and medium-sized enterprises** will be able to secure financing with the **Investmax guarantee with a counter-guarantee from the European Investment Fund**.



CARBON FOOTPRINT CALCULATOR

Alior Bank offers entrepreneurs preferential terms for the **purchase of a tool for calculating CO₂ emissions**. It is intended to support companies in fulfilling the obligation to measure their carbon footprint, in accordance with the requirements of the EU CSRD directive.



NEW TD FOR COMPANIES

Entrepreneurs who **have or open a current business account** in the Bank and deposit new funds in **PLN or USD** can apply for a **4% term deposit in PLN for 182 days**.



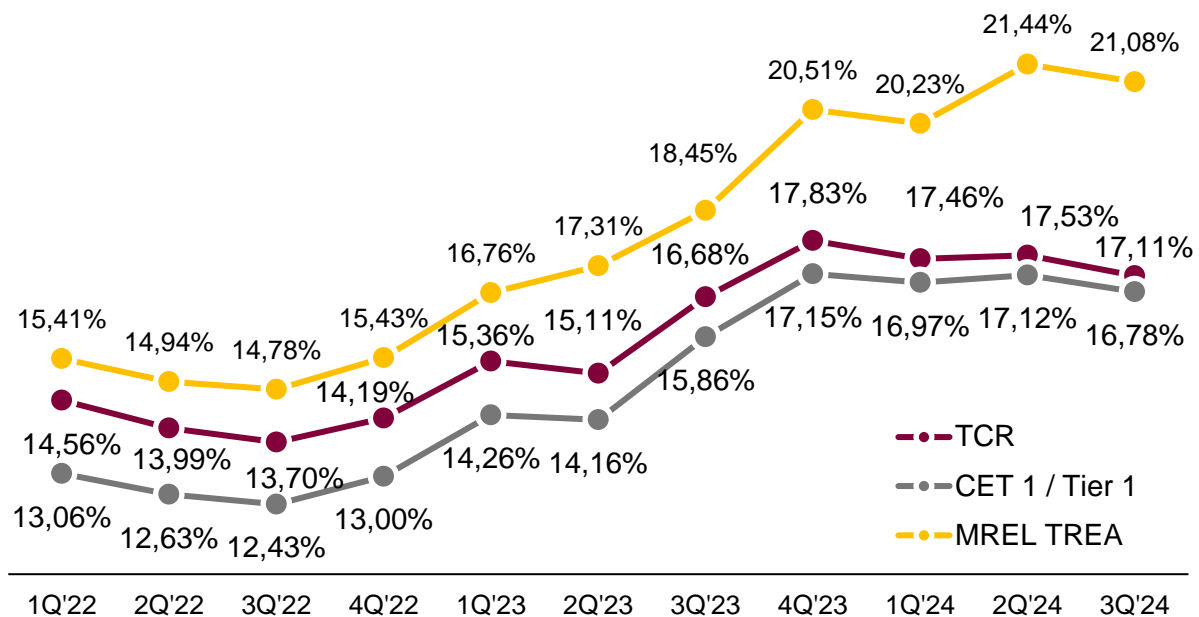
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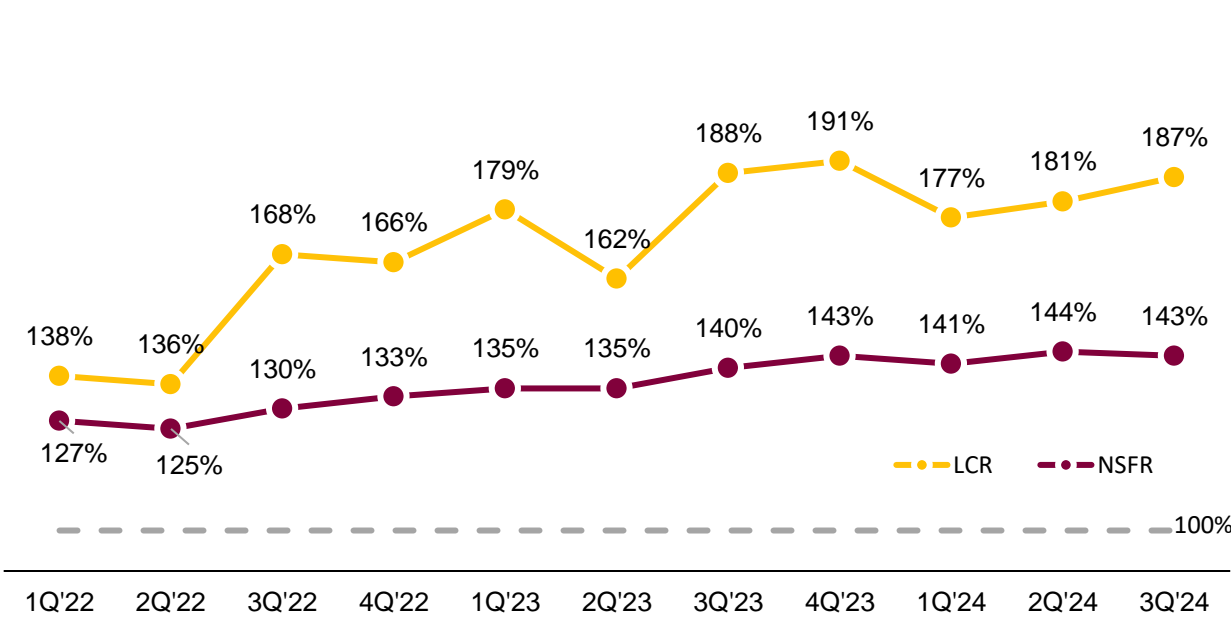
Credit risk

Stable and safe position of the Bank: capital and liquidity surplus well above regulatory minimums

Regulatory ratios of Alior Bank Group



Liquidity ratios: LCR, NSFR



Very high Tier 1 and TCR capital ratios at the end of September 2024, which significantly exceed the regulatory minimums*, respectively by 811 bps (PLN bn 4.2) and 644 bps (PLN bn 3.3).

The consolidated MREL TREA ratio of the Alior Bank Group at the end of September 2024 was 21.08% (320 bps above the requirement**).

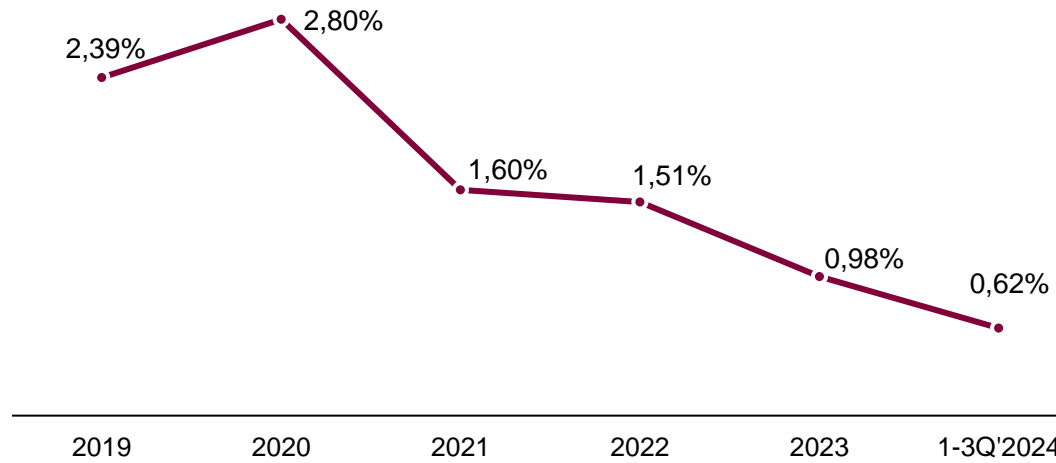
The Bank is currently carrying out another issue of MREL bonds with the following parameters: notional amount of PLN 300 million (nominal amount may be adjusted to the reported demand), interest rate WIBOR6M + margin, which will be determined in the bookbuilding process.

* Current regulatory minimums (Tier 1 / TCR): minimum CRR (6% / 8%) + conservation buffer (2.5%) + P2G (0.15%) + anticyclical buffer (0.02%)

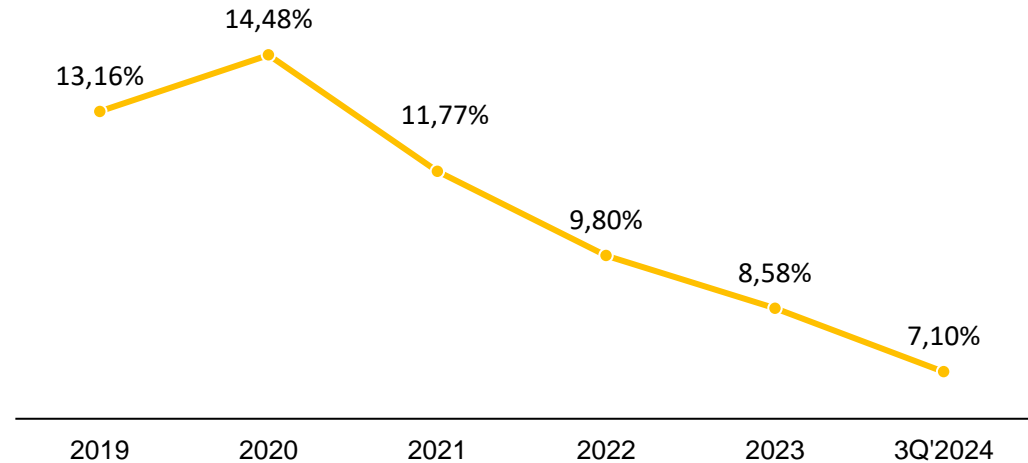
** Current MREL TREA ratio for Alior Bank Group set by BFG (consolidated, including combined buffer requirement) is: 17.88%

Alior Bank consistently decreases its cost of risk

Alior Bank Group – cost of risk (CoR%)



Alior Bank Group – NPL ratio



The Bank successfully continues to transform its credit risk management strategy, which translates into significant resilience of the loan portfolio to the demanding macroeconomic environment. As a result, considering positive non-cyclical events, the cost of risk (CoR%) ratio for 1-3Q'24 amounted to 0.62%.

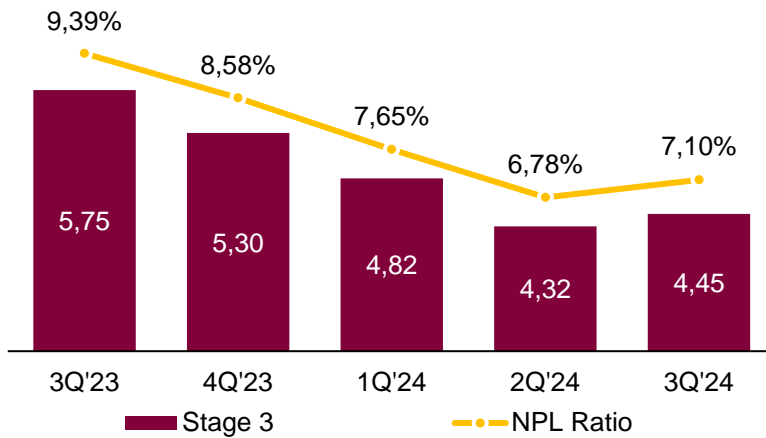
The non-cyclical events that have taken place so far in 2024 include a significant gain on the sale of the non-performing portfolio (NPL), positive effects of the completion of restructuring/debt collection activities for several significant customers from the Business Customer segment, but also recognition of a dedicated provision for potential negative effects of flooding in Poland on the loan portfolio, as well as recognition of costs related to the reclassification to the "default" category of a significant customer. In the period 1-3Q'24, the CoR% without one-off events would be at the level of 0.8%.

Currently, we do not identify risks that could have a material negative impact on the level of CoR%. We expect that the Alior Bank Group's cost of risk in 2024, including non-cyclical events, will be at the level of approximately 0.6%. Assuming no significant macroeconomic changes in the coming years, we expect the Alior Bank Group's cost of risk at the level of 0.8%.

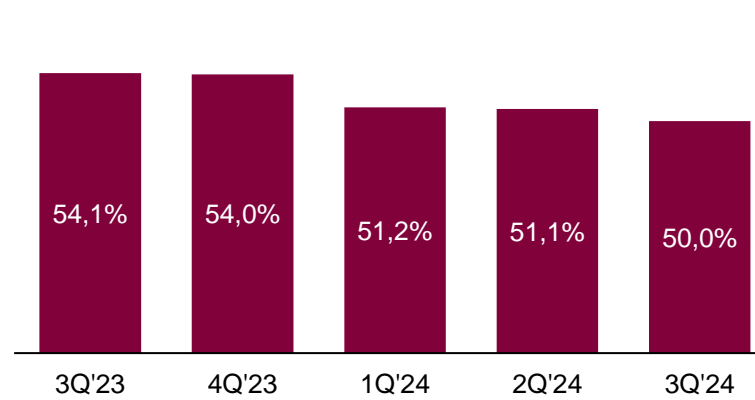
The Bank continues to significantly reduce the share of the NPL portfolio, reaching a ratio of 7.1% at the end of September 2024 despite the reclassification to the "default" category of a significant customer.

Cost of risk in 3Q'24 influenced by additional provisions for potential effects of floods in Poland

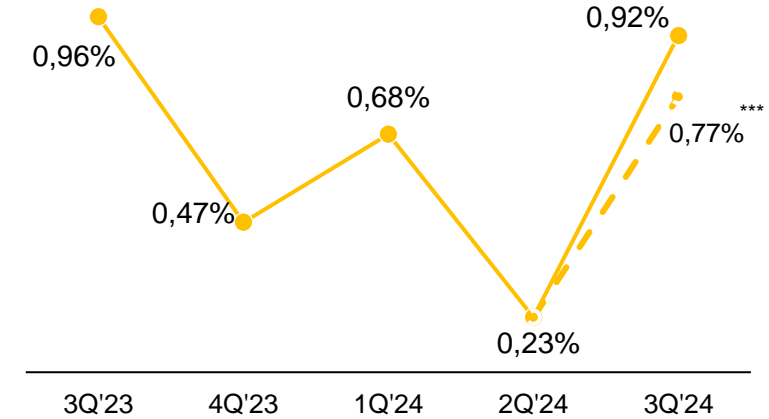
Impaired loans (PLN bn)



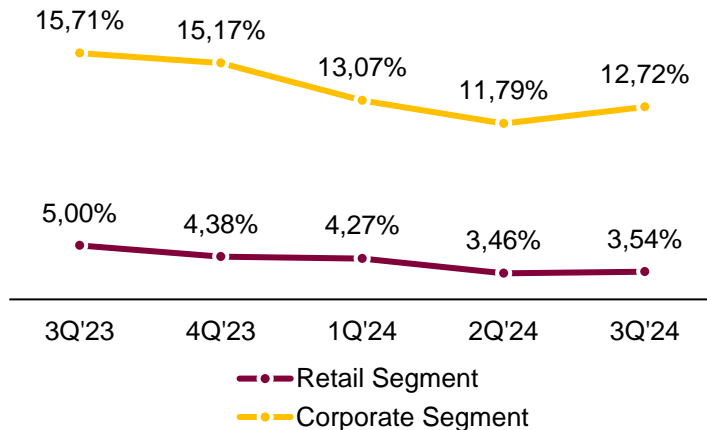
NPL reserve coverage ratio*



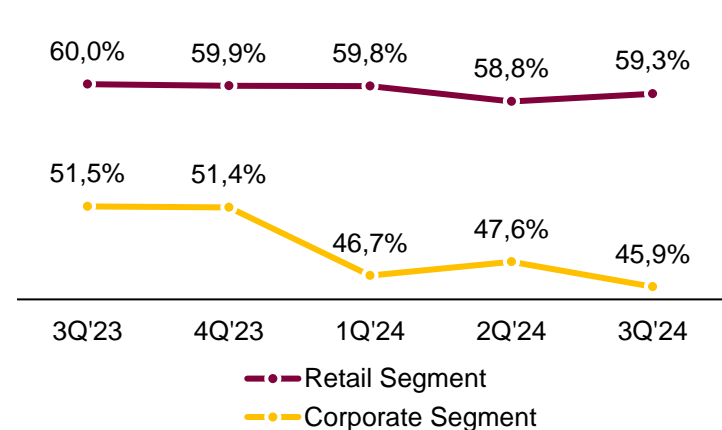
Cost of Risk – CoR%**



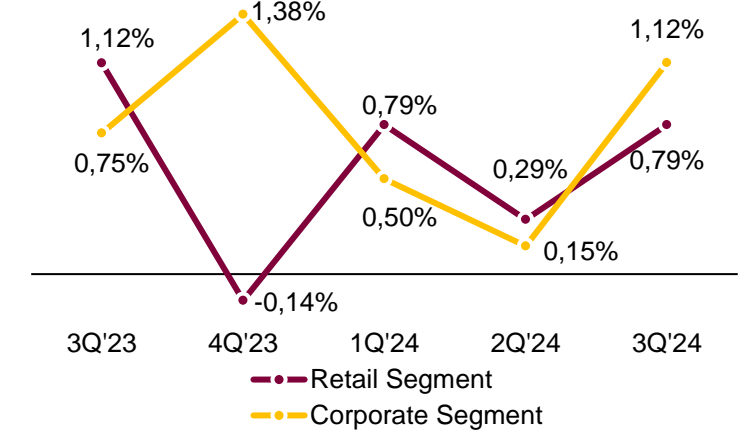
Impaired loans – segments



NPL provision coverage* – segments



CoR% – segments**



- In 3Q'24, the Alior Bank Group's cost of risk was increased by a provision for potential effects of floods and the cost of reclassification to the "default" category of a significant customer.
- In the last quarter, the Bank did not sell the NPL portfolio, undertaken on a semi-annual basis, which usually allowed to achieve profit and reduce the reported cost of risk.

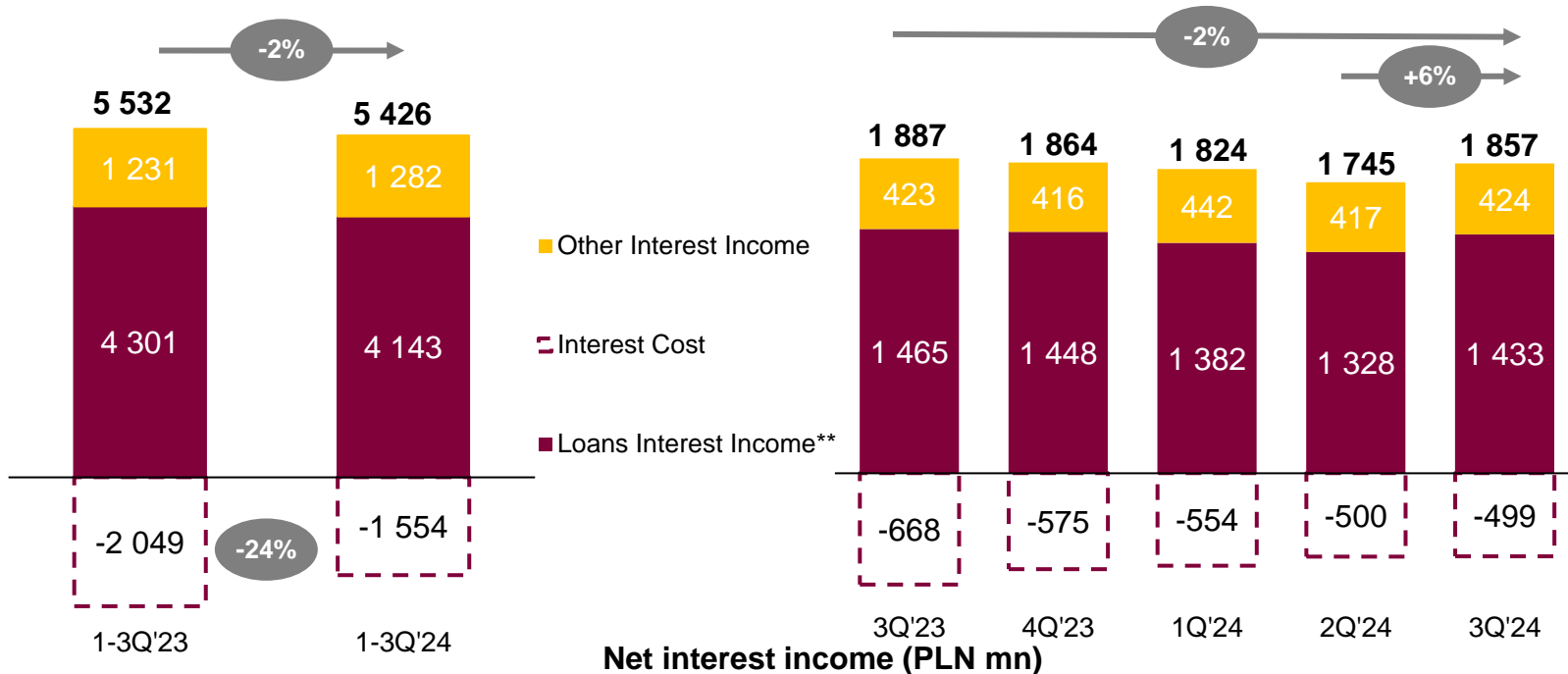
Income statement

PLN mn	3Q 23	2Q 24	3Q 24	% y/y	y/y	1-3Q 2023	1-3Q 2024	% y/y	y/y
Total Income	1 413,4	1 440,0	1 576,7	12%	163,3	4 099,6	4 515,1	10%	415,5
Net interest income	1 219,2	1 244,3	1 358,1	11%	138,8	3 483,2	3 871,7	11%	388,6
Net fee and commission income	172,3	211,2	206,9	20%	34,6	597,0	629,4	5%	32,4
Other income	21,8	-15,5	11,8	-	-10,1	19,4	14,0	-28%	-5,4
Total costs	-673,0	-648,4	-710,5	6%	-37,5	-2 172,9	-2 088,6	-4%	84,3
General administrative expenses	-447,7	-513,9	-472,5	6%	-24,9	-1 415,6	-1 531,7	8%	-116,1
Impairment of non-financial assets	-0,4	-1,2	-0,1	-80%	0,3	-3,6	-1,4	-61%	2,2
Net expected credit losses	-154,6	-38,9	-154,6	0%	0,0	-549,4	-304,8	-45%	244,6
Cost of fx mortgage legal risk	-5,4	-25,9	-13,5	150%	-8,1	-8,2	-41,2	403%	-33,0
Banking tax	-65,0	-68,5	-69,8	7%	-4,8	-196,1	-209,5	7%	-13,4
Gross profit	740,3	791,5	866,2	17%	125,9	1 926,7	2 426,5	26%	499,8
Income tax	-168,8	-205,6	-200,4	19%	-31,6	-483,3	-596,7	23%	-113,4
Net profit	571,6	585,9	665,9	16%	94,3	1 443,4	1 829,9	27%	386,5
Net interest margin (NIM)	6,16%	5,82%	6,32%	-	+0,16 p.p.	5,93%	6,08%	-	+0,14 p.p.
Cost of funding (CoF)	2,31%	1,91%	1,88%	-	-0,43 p.p.	2,34%	1,98%	-	-0,36 p.p.
Cost of risk (CoR)	0,96%	0,23%	0,92%	-	-0,05 p.p.	1,16%	0,62%	-	-0,54 p.p.
Cost / Income ratio (C/I)	31,7%	35,7%	30,0%	-	-1,7 p.p.	34,5%	33,9%	-	-0,6 p.p.
Loan / Deposit ratio (L/D)	82,3%	84,6%	82,3%	-	0 p.p.	82,3%	82,3%	-	0 p.p.
Return on equity (ROE)	27,9%	23,9%	25,7%	-	-2,2 p.p.	26,2%	24,4%	-	-1,7 p.p.
Total Capital Ratio (TCR)	16,68%	17,53%	17,11%	-	+0,43 p.p.	16,68%	17,11%	-	+0,43 p.p.

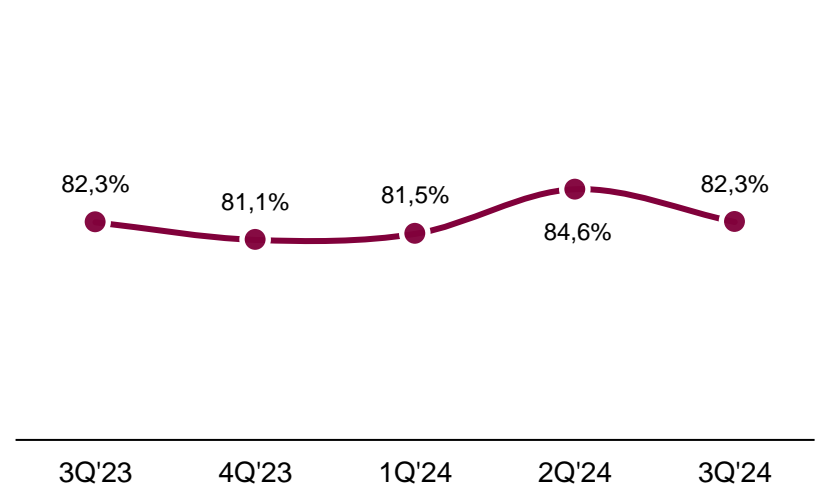
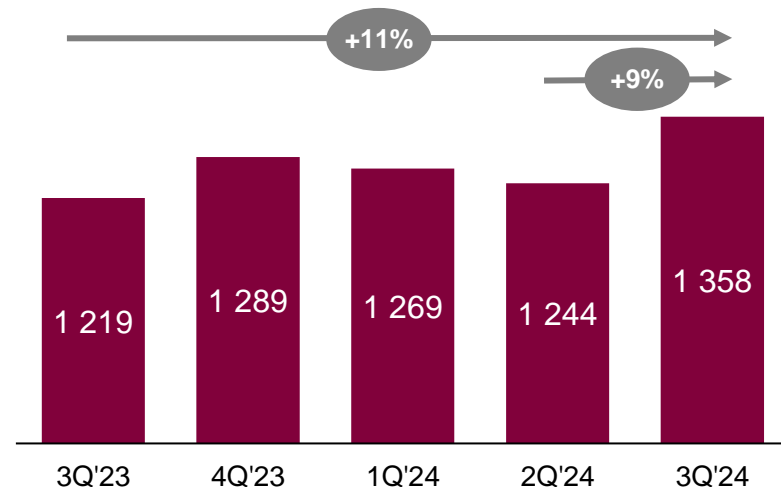
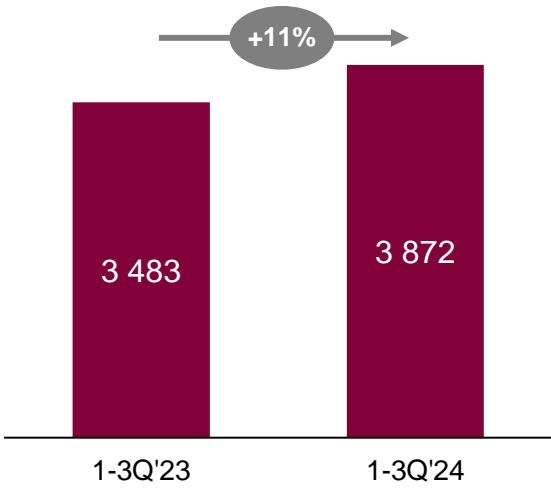
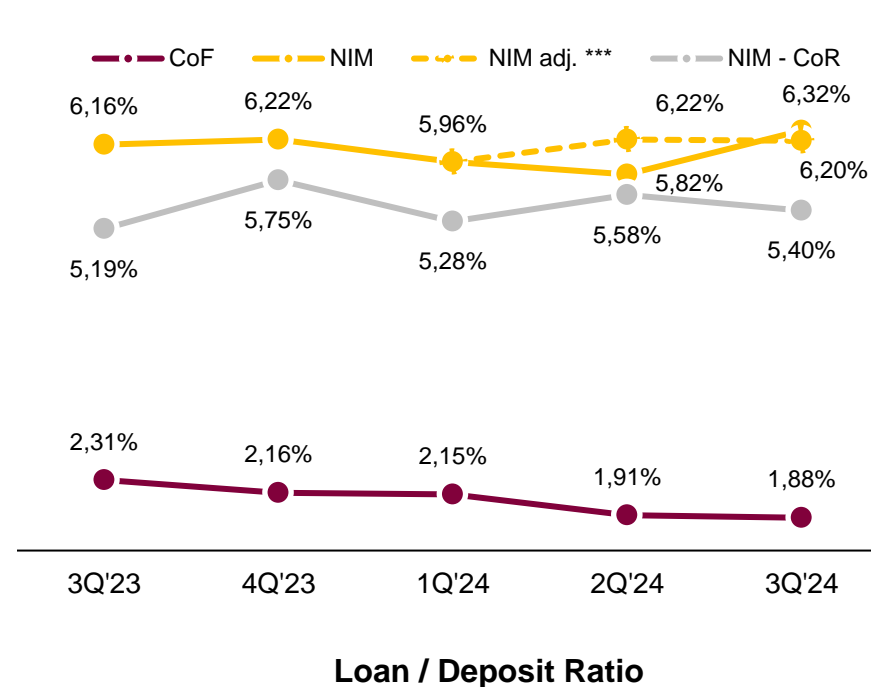
- **In 3Q'24, net profit amounted to PLN mn 665.9, which enabled the company to achieve a return on equity (ROE) of 25.7%.** Net profit adjusted by PLN mn 24 after the release of provisions for "credit moratoria" would amount to PLN mn 646, and the adjusted ROE ratio would be **24.8%**.
- **Net interest margin (NIM) in 3Q'24 amounted to 6.32%.** NIM adjusted for the impact of the release of provisions for "credit moratoria" amounted to **6.20%**.
- Transactions on derivatives charged the Bank's net interest income in 3Q'24 by PLN mn 103, compared to 3Q'23, when this cost amounted to PLN mn 200 and PLN mn 100 in 2Q'24.
- In 3Q'24 the Bank recognized PLN mn 13.5 of legal risk cost of mortgage loans in foreign currencies. The additional provision is related to changes in model assumptions, in particular changes in the assumptions regarding the pace of the inflow of disputes.

Decrease in the cost of financing and hedging cost allows for an improved interest margin

Interest income and expenses (PLN mn)



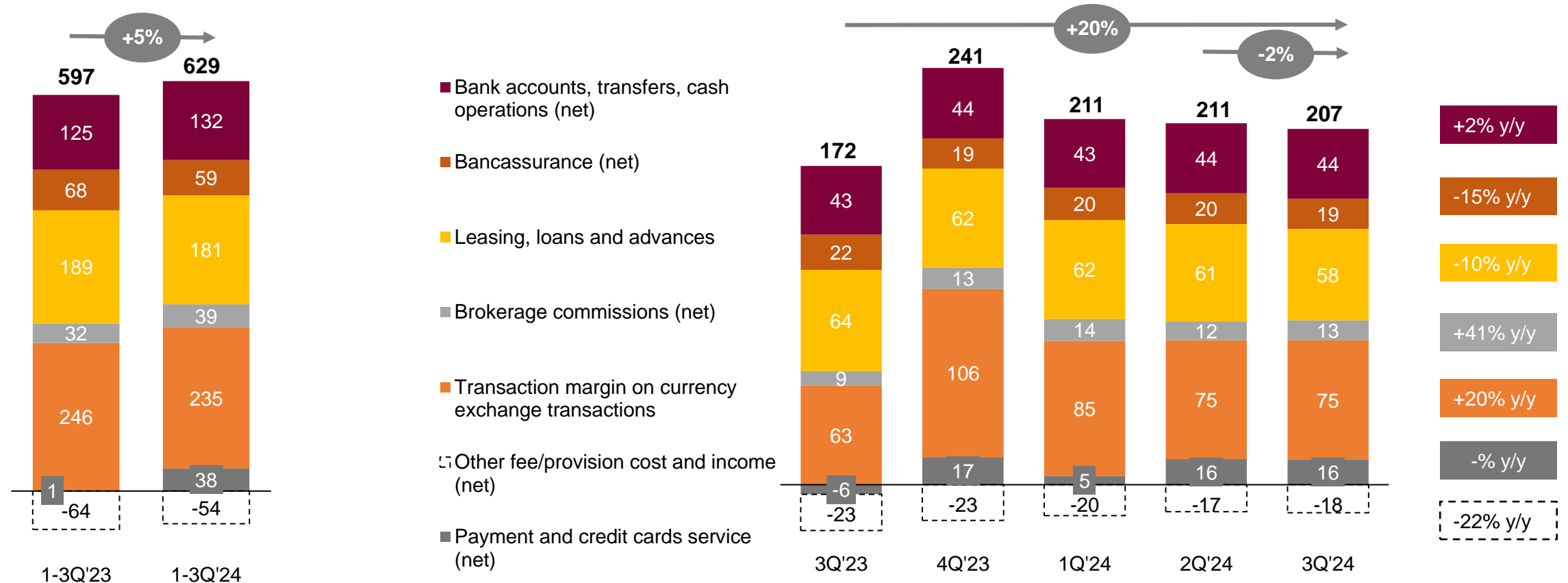
Interest margin and financing cost*



* Managerial presentation, QTD
 ** Interest income from loans, debt purchased, and leasing
 *** NIM ratio adjusted for cost of „credit moratoria” of PLN mn 86 in 2Q'24 and PLN mn 24 concerning the release of provisions for „credit moratoria” in 3Q'24

In every quarter of 2024, Alior Bank achieves a stable level of net fee and commission income

Net Fees and Commissions Income (PLN mn)

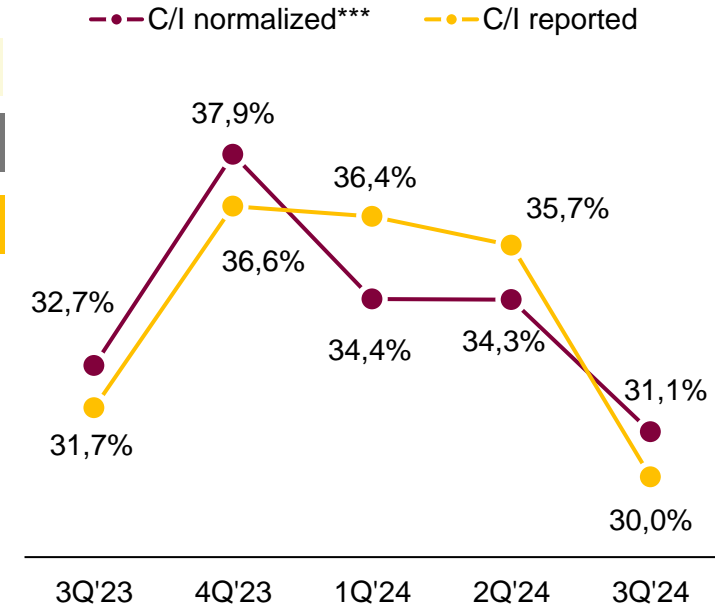
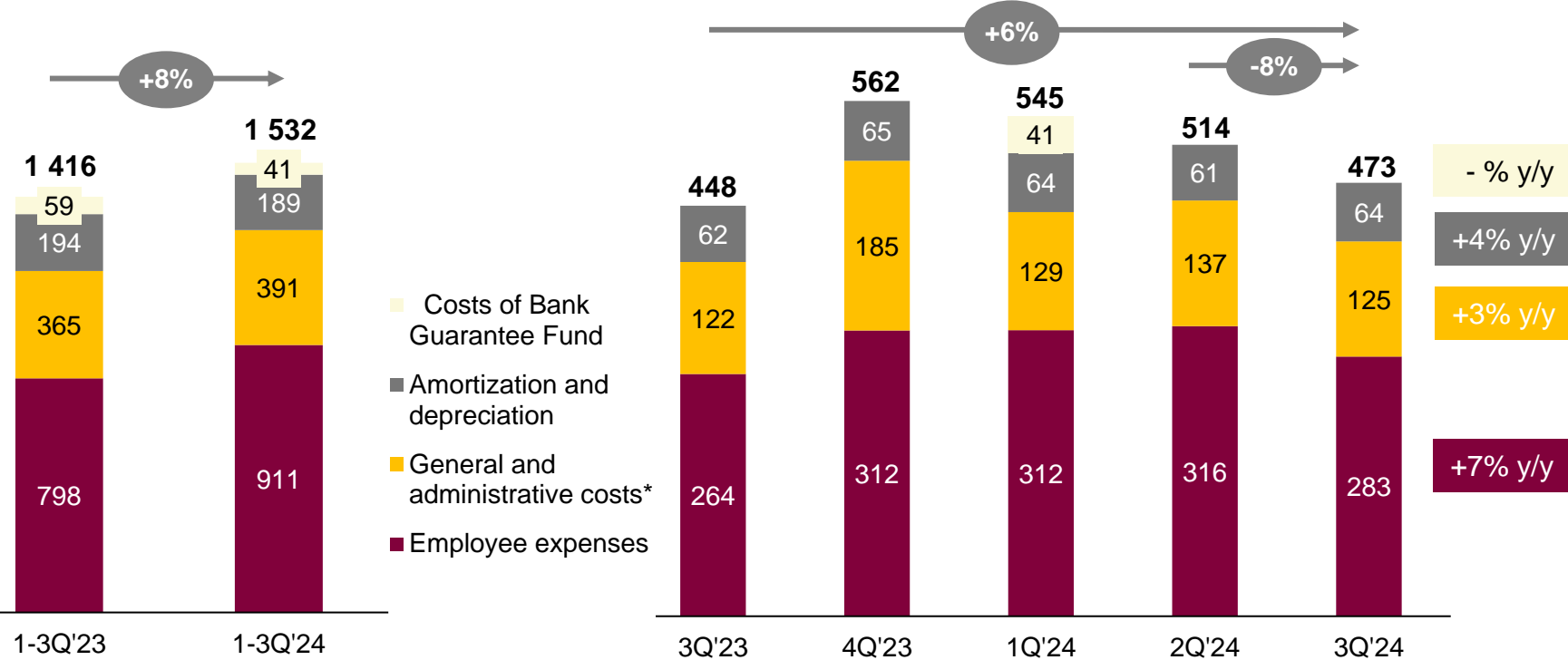


- Net fee and commission income in 3Q'24 was achieved at a level slightly lower than in 2Q'24 (-2% q/q).
- The reported increase in 3Q'24 of net commission income on FX transactions by PLN mn 12 y/y was due, among other things, to the specifics of accounting for this type of transaction in Alior Bank in 2023. In 3Q'23, approx. PLN mn 41 of the result on foreign exchange transactions was recognized in the result on trade. From the beginning of 2024, the result on foreign exchange transactions is presented only in net commission income. In addition, there was an approx. PLN mn 21 y/y decrease in the result on FX transactions as a result of a change in the model of cooperation with one of the operators of cashless payments (the lower result on FX transactions was compensated by lower commission costs for card service by the same amount)
- The increase in the net result on payment and credit card services by PLN mn 22 y/y is mainly due to the change in 2Q'24 of the model of cooperation with one of the cashless payment operators (the change described in the point above). The change in the cooperation model resulted in the transfer of recognition of part of the result from FX transactions to the result from payment card service.

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

Operating costs (PLN mn)

C/I ratio**



- In 3Q'24, operating expenses amounted to PLN mn 473 and increased by 6% compared to operating expenses in 3Q'23, which was mainly due to an increase in employee costs by PLN mn 19 y/y. The increase in employee costs was mainly caused by an increase in the average salary level.
- The decrease in employee costs in 3Q'24 by 10% (by PLN mn 33) q/q. was mainly due to a change in the value of the annual leave provision (+PLN mn 16) and a decrease in the cost of variable components of remuneration by PLN mn 9.
- General and administrative expenses* decreased in 3Q'24 compared to 2Q'24 by PLN mn 12 (-9% q/q), mainly due to lower marketing costs by PLN mn 9.
- The operating costs presented in the chart account for the adjustment made to the method of presenting the costs of provisions for litigation. Until 3Q'23 costs of provisions for litigation were presented as other general and administrative expenses, but now they are in other 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 and lack of impact of PLN mn 86 on revenue in 2Q'24 due to „credit moratoria”, as well as a lack of impact of PLN mn 24 on revenue concerning the release of provisions for „credit moratoria” in 3Q'24

The main financial targets of the strategy „Your Bank of everyday life, your Bank for the future” 2023-2024

Profitability	1-3Q'24	2024
ROE	24.4%	>13%
C/I	33.9%	<45%
Equity		
Tier 1	16.78%	>13.5%
TCR	17.11%	>15%
Credit risk		
CoR	0.62%	<1.6%
NPL	7.1%	<10%





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

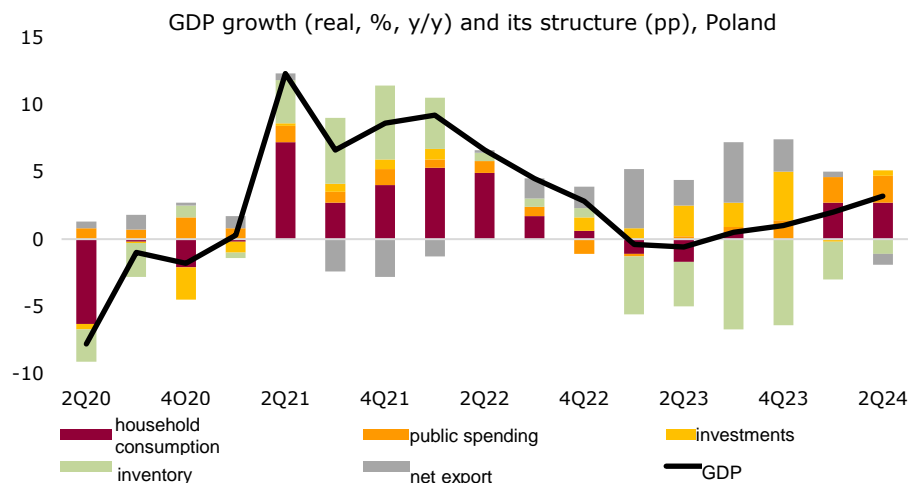
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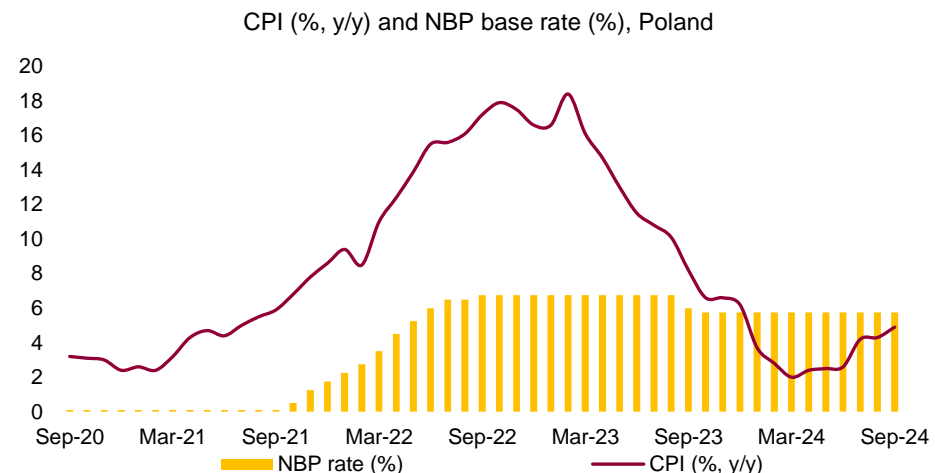
Other issues

The economy is gradually accelerating

Consumption continues to support recovery



Inflation outside the NBP target



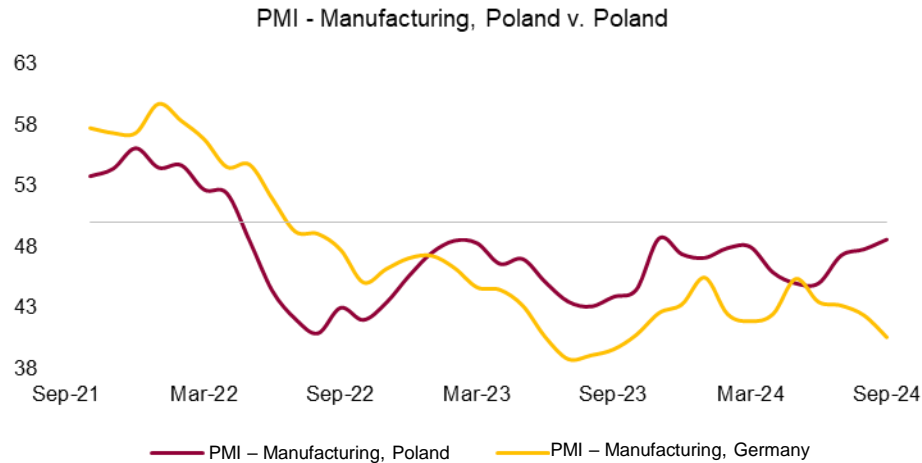
Slowdown in wage growth



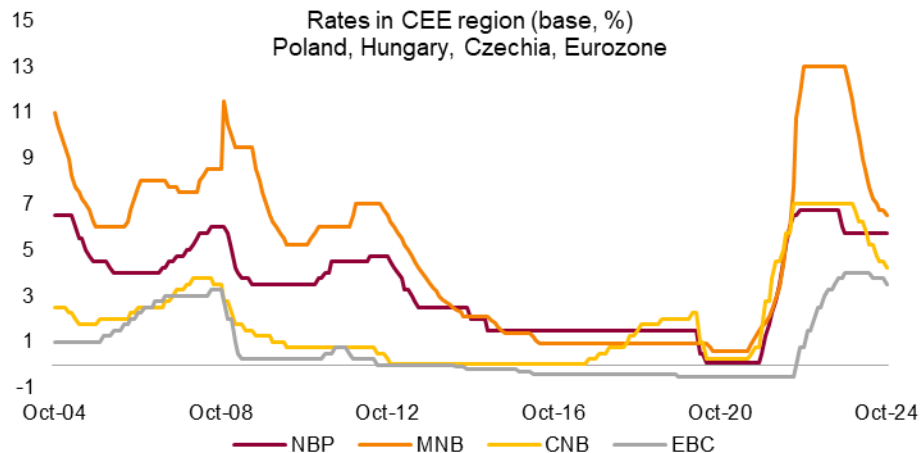
- Since the beginning of 2024, economic growth in Poland has been accelerating, and in 2Q'24 it reached 3.2% y/y. We estimate that GDP growth in 3Q'24 will reach approx. 3.4% y/y.
- Private consumption and public spending remain the drivers of the recovery, with relatively limited investment and a negative impact from net exports.
- Consumers are supported by the still strong labor market. The unemployment rate remains at a historically low level, and wage growth remains at a double-digit level, although weakening. We expect that on average in 2024 the nominal wage growth will exceed 13.5% y/y.
- Increased wage growth has a positive impact on household spending, which, however, may have a pro-inflationary effect and is also a cost challenge for companies.
- Inflation, after a period of significant slowdown in the first half of this year, in the 3Q'24 returned above 4% y/y, due to the partial reversal of the anti-inflation shields, including increases in energy prices. According to a flash estimate, inflation in September is at the level of 4.9% y/y and has been outside the NBP inflation target since July this year.
- As a result, the MPC maintains interest rates at 5.75% since the beginning of the year.
- High interest rates help to rebuild household savings, which in turn can reduce consumer spending.

The economic environment is a challenge for the Polish economy

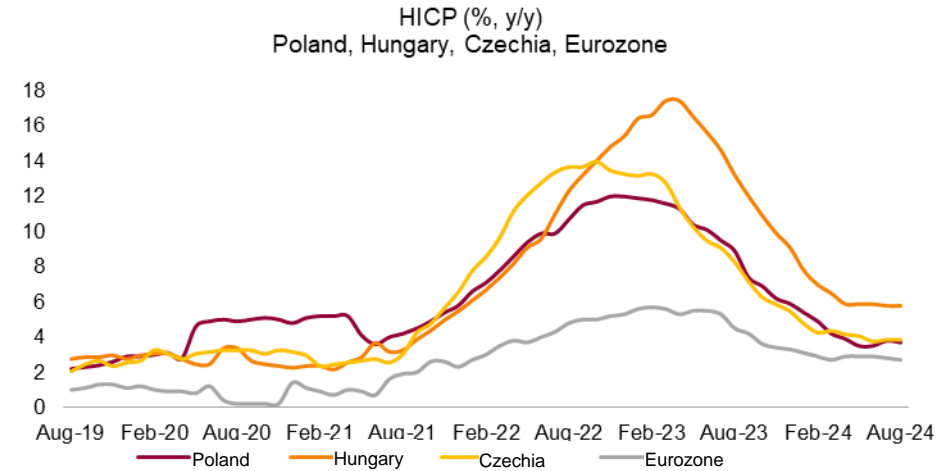
The Polish economy stands out in Europe



Rates are already falling in the region



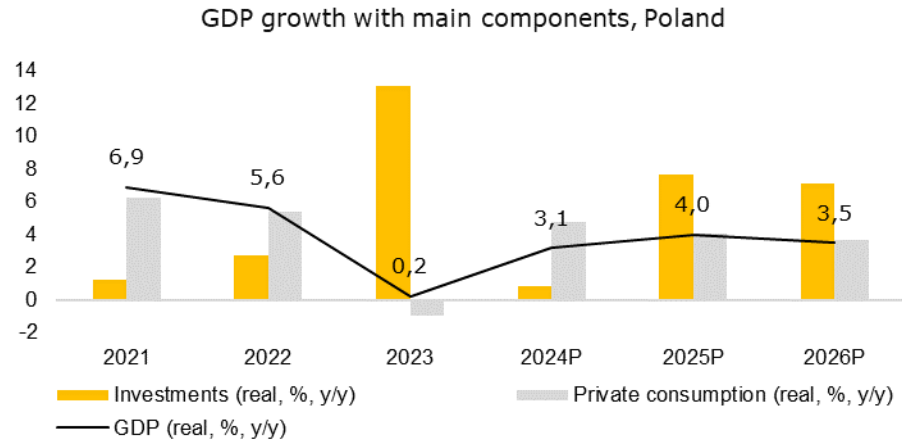
Lower inflation readings in most European countries



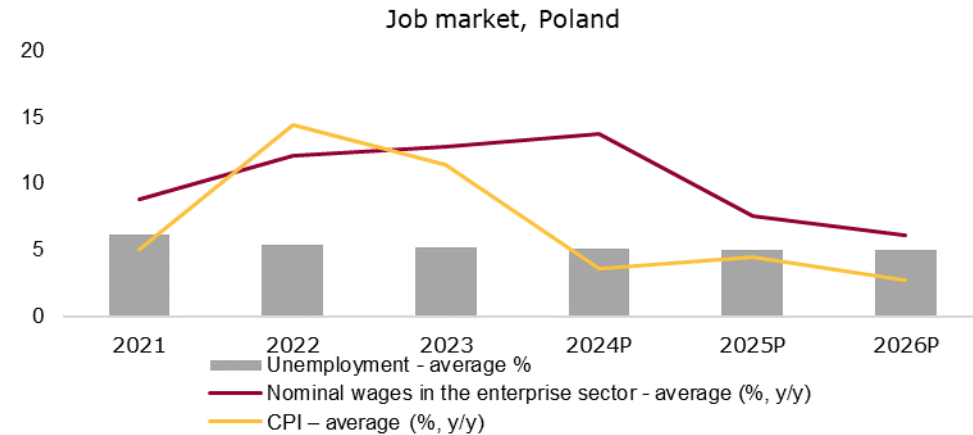
- Economic activity in the industrial sector in Poland stands out positively compared to European economies, although the leading PMI indicator is still below the neutral threshold of 50 points.
- The weakness of the European market, and in particular the slowdown in German manufacturing, remains a risk factor for Polish industry.
- 3Q'24 brought a slowdown in inflation in most European countries, although core inflation stopped falling.
- The downward trajectory of inflation initiated monetary easing in the eurozone. The August inflation reading was below the ECB's target, resulting in expectations of further rate cuts in the eurozone until the end of 2024.
- In addition, in other countries of the region, central banks have started a cycle of interest rate cuts due to falling inflation.
- NBP has announced that interest rates will stabilize at least until the end of 2024, mainly due to the rebound in inflation after the withdrawal of the anti-inflation shield.
- The prospect of lower interest rates in the region and in the eurozone supports the zloty.

Interest rate cuts will strengthen the economic recovery from 2025 onwards.

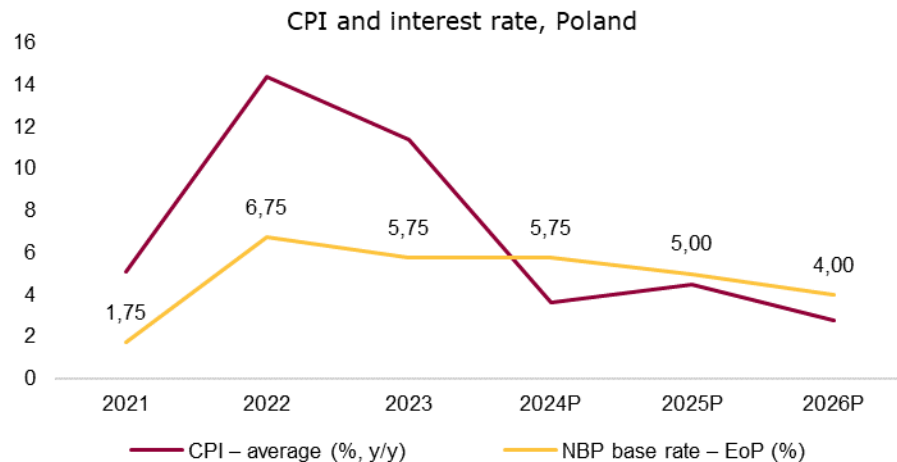
Investments will accelerate in the next year



The consumer will remain strong, although wage growth will slow down



Rates will be reduced, but slowly and only in 2025



- After a weak previous year, we expect the economy to rebound in 2024. The economic recovery throughout 2024 will be driven primarily by consumption, with investment and foreign demand still quite weak.
- Consumers are strengthened by the high growth of real wages in the economy, but on the other hand, consumption will be hampered by an increased propensity to save.
- GDP growth in 2025 should accelerate to around 4%, due to investments financed from EU funds (RRP, budget) and the improvement of the situation in the EU.
- We expect CPI inflation to continue to decline, and this year's rebound, which will last until the middle of next year, will be temporary, which will allow it to decrease to the NBP inflation target at the end of next year.
- The first NBP rate cuts will be possible at the beginning of 2025, but the monetary policy easing cycle will not be quick or abrupt due to the currently elevated inflation level.
- We forecast that lending will accelerate throughout 2024. The value of loans this year should grow at a rate of approx. 3.7% y/y, and in 2025 it will be close to the nominal GDP growth rate. Loans to households should remain stronger this year. The growth rate of loans to enterprises will clearly accelerate only next year in view of the expected increase in investments and a reduction in interest rates. Growth in housing loans will depend on potential decisions on government support for borrowers.

Selected activities in 3Q'24

Activities completed in 3Q'24



- We have developed a methodology for calculating the carbon footprint of the loan portfolio

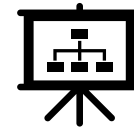


- We joined the Responsible Business Forum



- Our employees collected essential products for people affected by the flood and we made a donation to the WOŚP - together with PZU and Pekao SA,

Activities initiated in 3Q'24



- We are in the process of preparing a Sustainability statement



- We continue to work to implement the Sustainable Development Framework



- We have started the process of reporting CSRD and EU Taxonomy for 2024.

Alior Bank's investment services

Alior Bank's Brokerage House

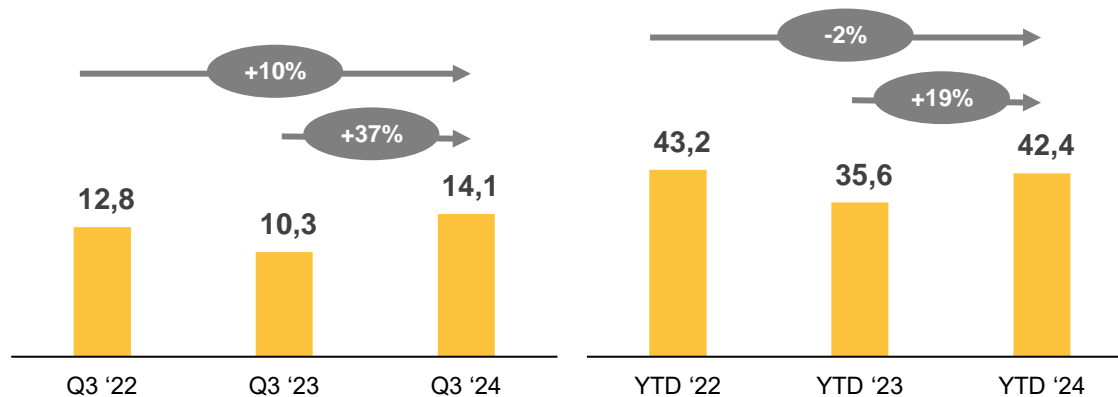


In 3Q'24, the Brokerage's commission income was 37% higher than in the previous year, and revenues after three quarters of 2024 improved by 19% compared to 2023. Assets in the Investment Advisory service increased to PLN bn 1.82.

Basic operating information:

- The number of brokerage accounts was **93.0 k** (+3.5% y/y)
- The number of Alior Trader accounts exceeded **8.1 k** (+4.4% y/y)
- Assets in Individual Advisory **1.82 PLN bn** (+32% y/y)
- Sales of Investment Funds in YTD (gross) **PLN bn 2,21** (+99% y/y)
- Sales of Structured Products in YTD (gross) **PLN mn 562** (-28% y/y)

Brokerage House Fees and Commissions
revenues (PLN mn)



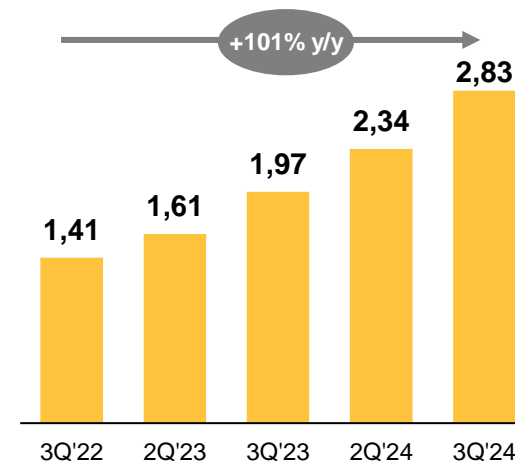
Alior TFI



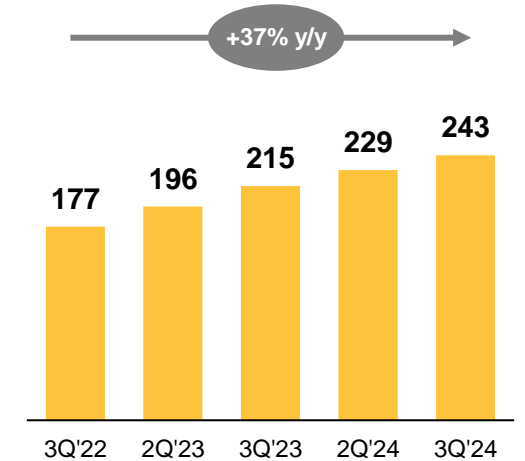
3Q'24 was Alior TFI's third consecutive record quarter in terms of fund sales. At the end of September 2024, TFI had assets of PLN bn 2.83. In 3Q'24, net inflows to funds amounted to PLN mn 460. The largest inflows were recorded in funds with a relatively low risk profile: „Konserwatywny” and „Ostrożny”

Over the last 12 months, the growth rate of Alior TFI's AuM level has been almost three times higher than the market growth. In 3Q'24, Alior TFI's assets grew by 21%, while the market grew by 6% during this time, and the short-term debt fund market, which is more similar in terms of asset profile, grew by 11%.

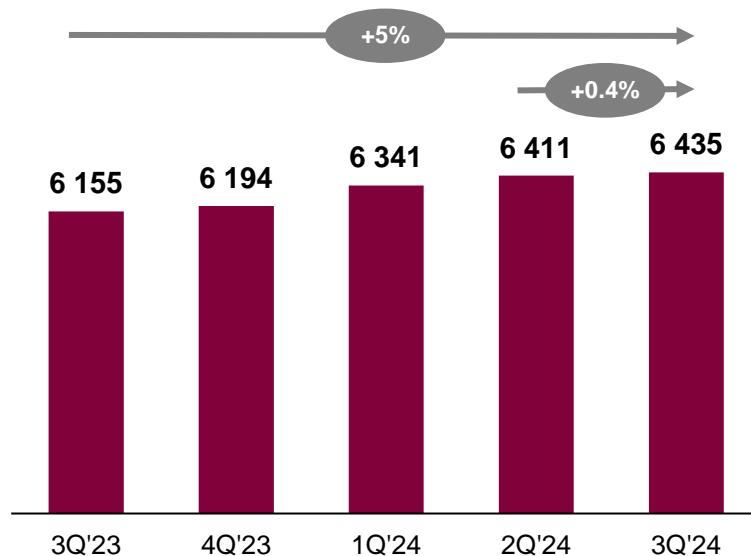
Assets under management in Alior TFI open funds
(PLN bn)



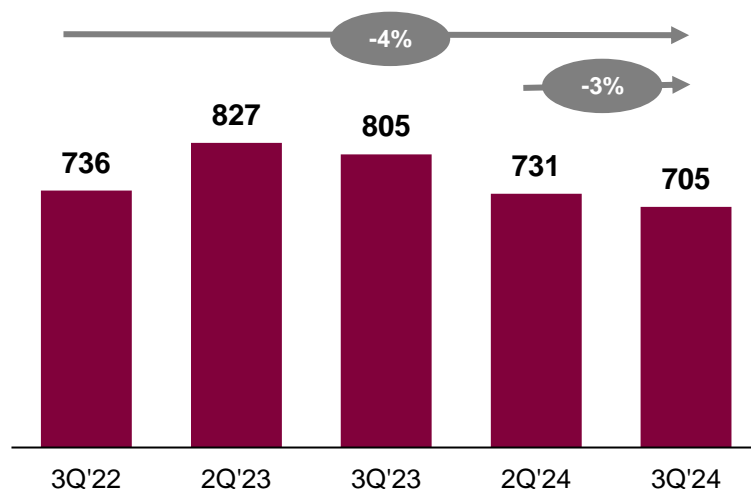
Assets under management in non-dedicated funds* in Poland
(PLN bn)



Lease and loans portfolio (PLN bn)



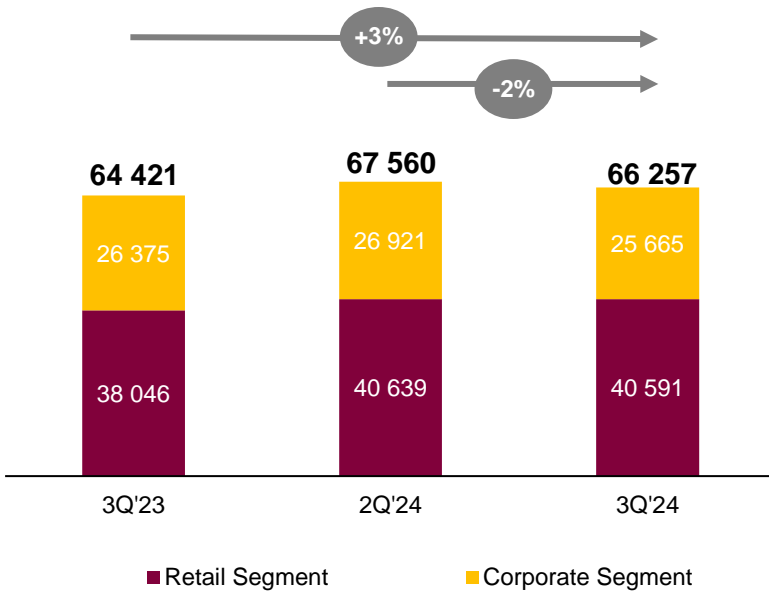
Quarterly sale of leases and loans (PLN mn)



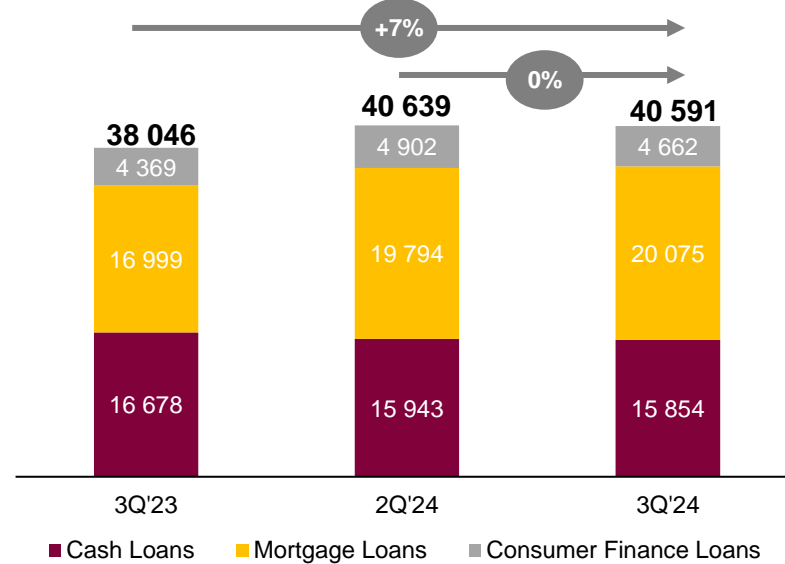
- **Alior Leasing's leasing and loan portfolio amounted to PLN mn 6 435 at the end of 3Q'24**
- Sales in 1-3Q'24 amounted to PLN mn 2 241 and were 11% higher than in the corresponding period of the previous year
- The number of active Alior Leasing contracts at the end of 3Q'24 amounted to **91.8 thousand (-4% y/y)**
- The number of active customers of Alior Leasing at the end of 3Q'24 amounted to **61.4 thousand (-6% y/y)**
- The share of light vehicles in the financing structure in 3Q'24 was 47%, the share of heavy vehicles was 34%, and the share of machinery and equipment was 19% (financing of this category of assets in 3Q'24 amounted to PLN mn 132, 13% more than in 3Q'23)
- In 3Q'24 Alior Leasing continued to implement its strategic assumptions for 2023-2025, accounting for the update made in June 2024, in the midperiod of the strategy implementation. The main point of the update is to concentrate resources on key projects in 3Q and 4Q'24. These key projects include e-Leasing with a planned test implementation in November 2024, implementation of a new front system significantly improving the sales process (SoS), strengthening the development of the vendor channel, i.e., in cooperation with fixed asset suppliers, and leveraging the synergy of systems created as part of the e-Leasing project. Due to this approach, we accelerated the implementation of key projects and laid the foundation for the achievement of efficiency goals and other business goals of the Company.
- The company is involved in new initiatives, especially in supporting Polish entrepreneurs in the green transformation. In 3Q'24, work progressed on the Energy Pro program, led by the PZU Group.

Gross structure of the loan portfolio

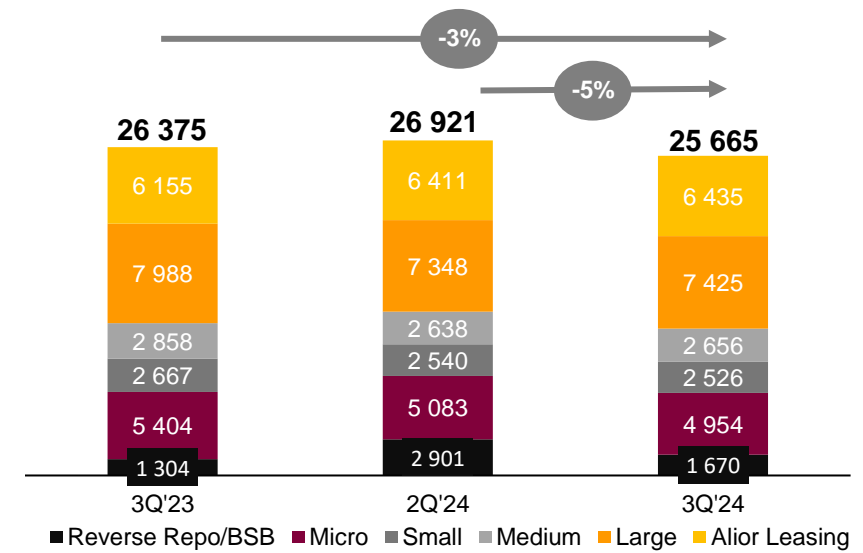
Loan portfolio in total (PLN mn)



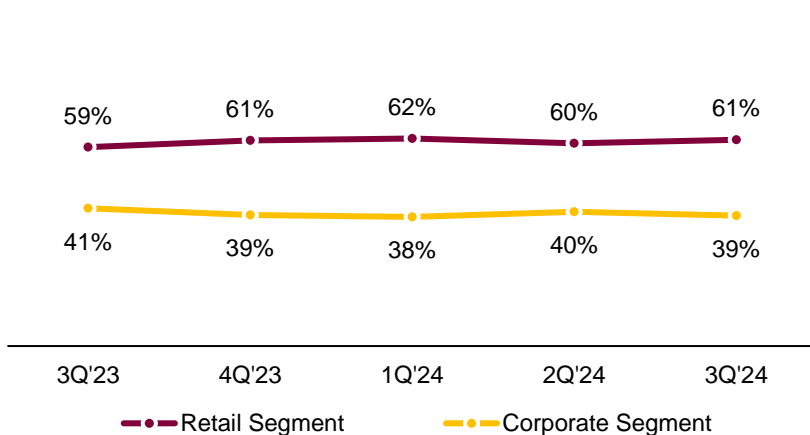
Retail Customer Segment (PLN mn)



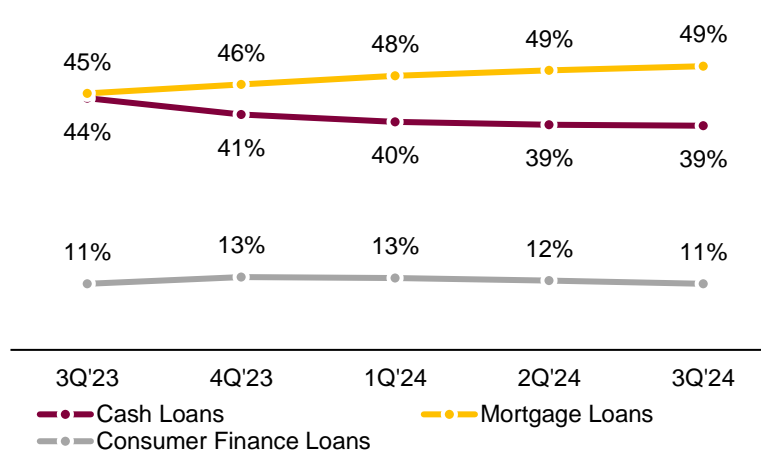
Business Customer Segment* (PLN mn)



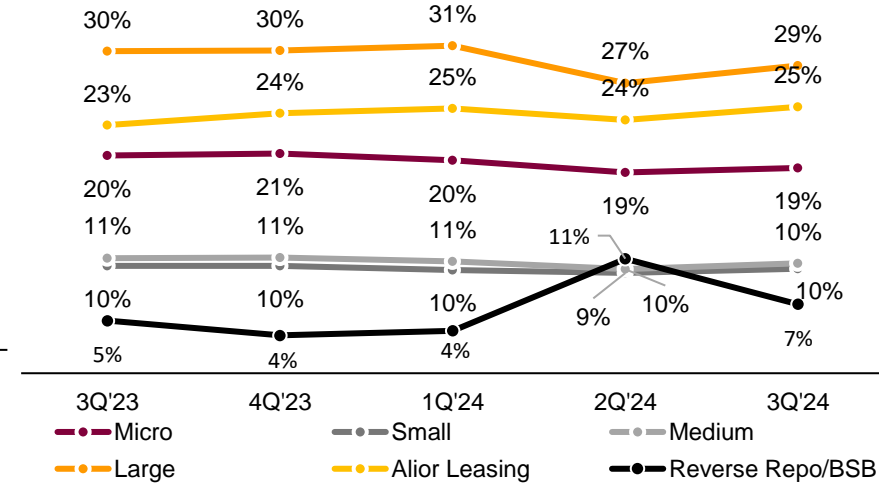
Loan portfolio structure in total



Structure of the Retail Customer segment



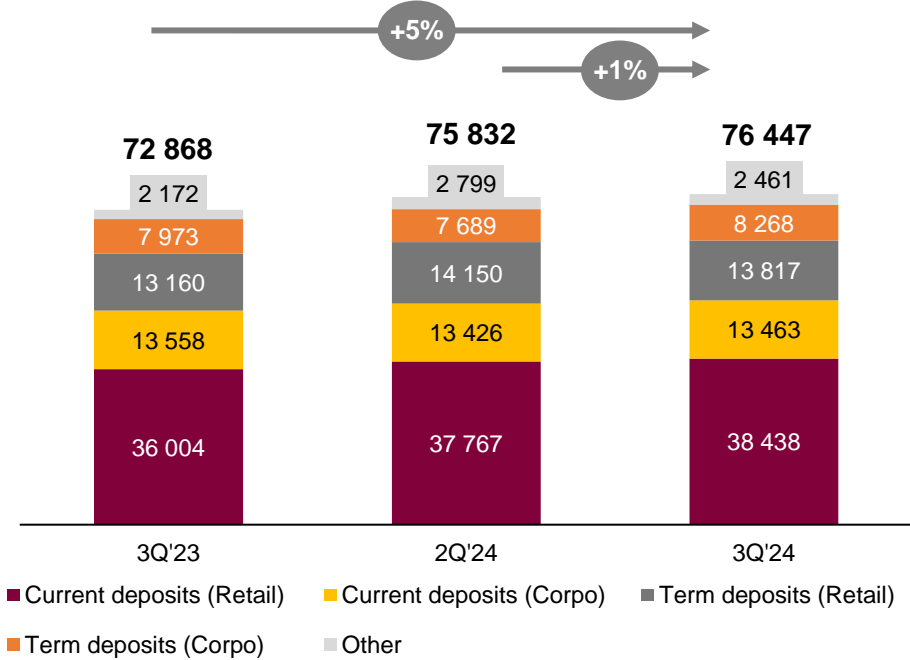
Structure of the Business Customer segment*



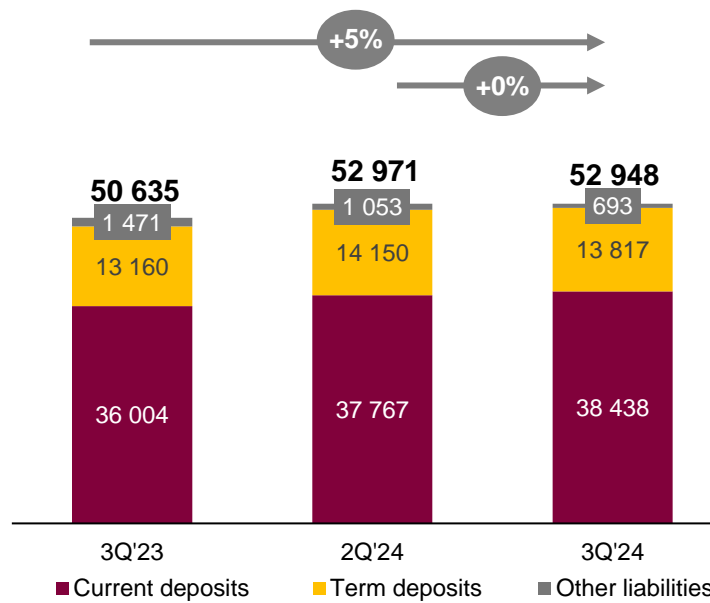
* Managerial presentation

The bank manages the deposit portfolio in order to optimize the cost of financing (data in PLN mn)

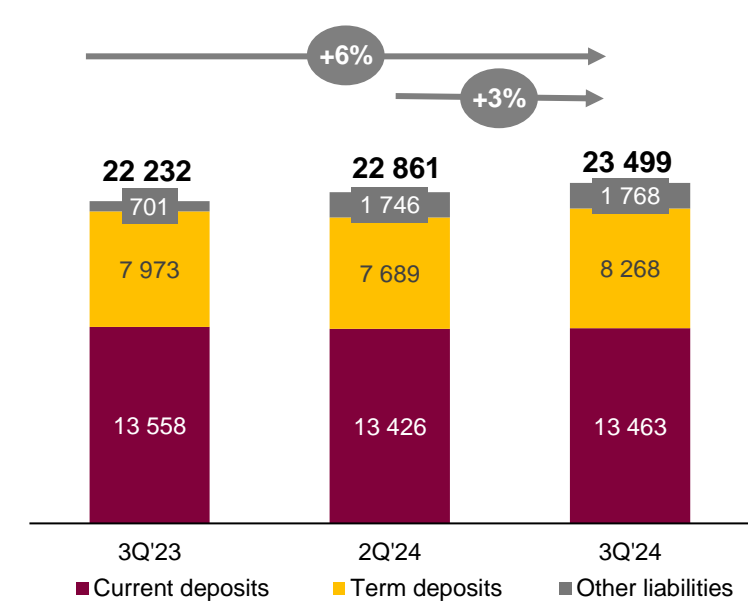
Structure of net liabilities to Customers



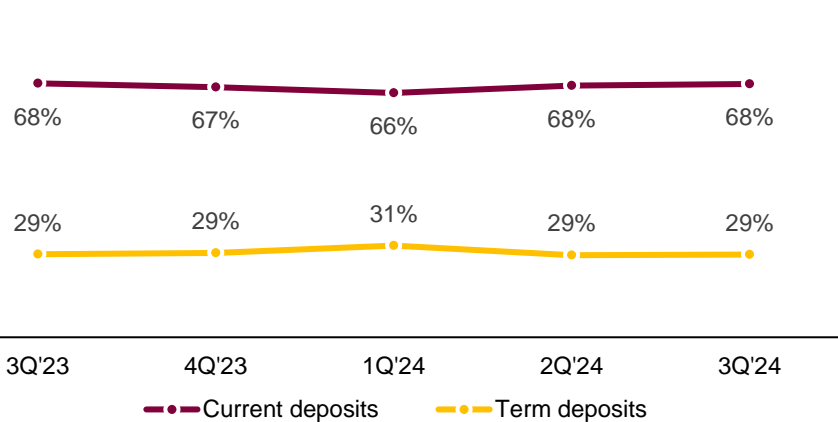
Net liabilities structure - Retail Segment



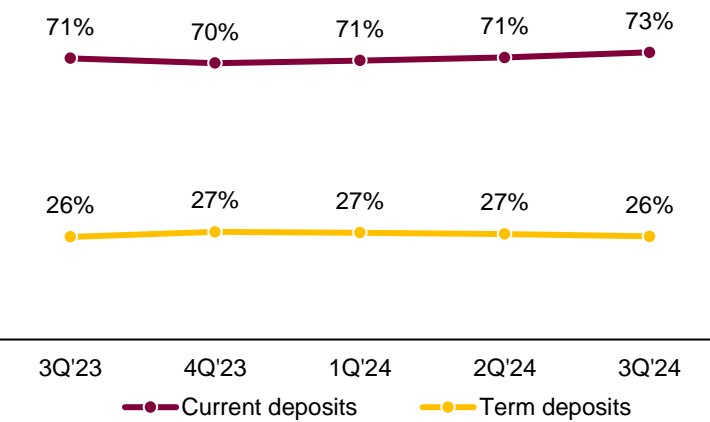
Net liabilities structure - Business Segment



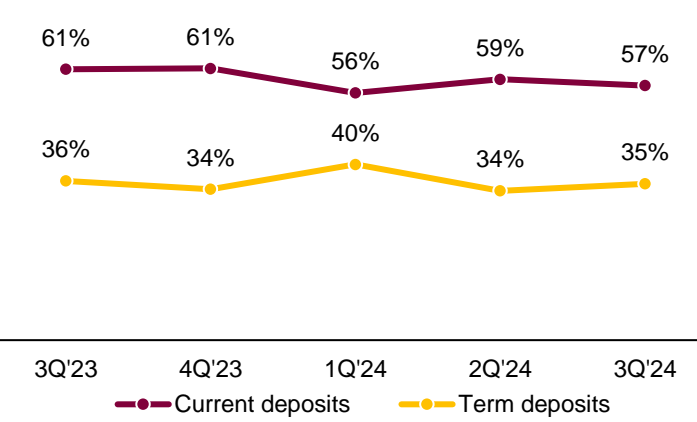
Structure of main liabilities



Structure of main liabilities - Retail Segment



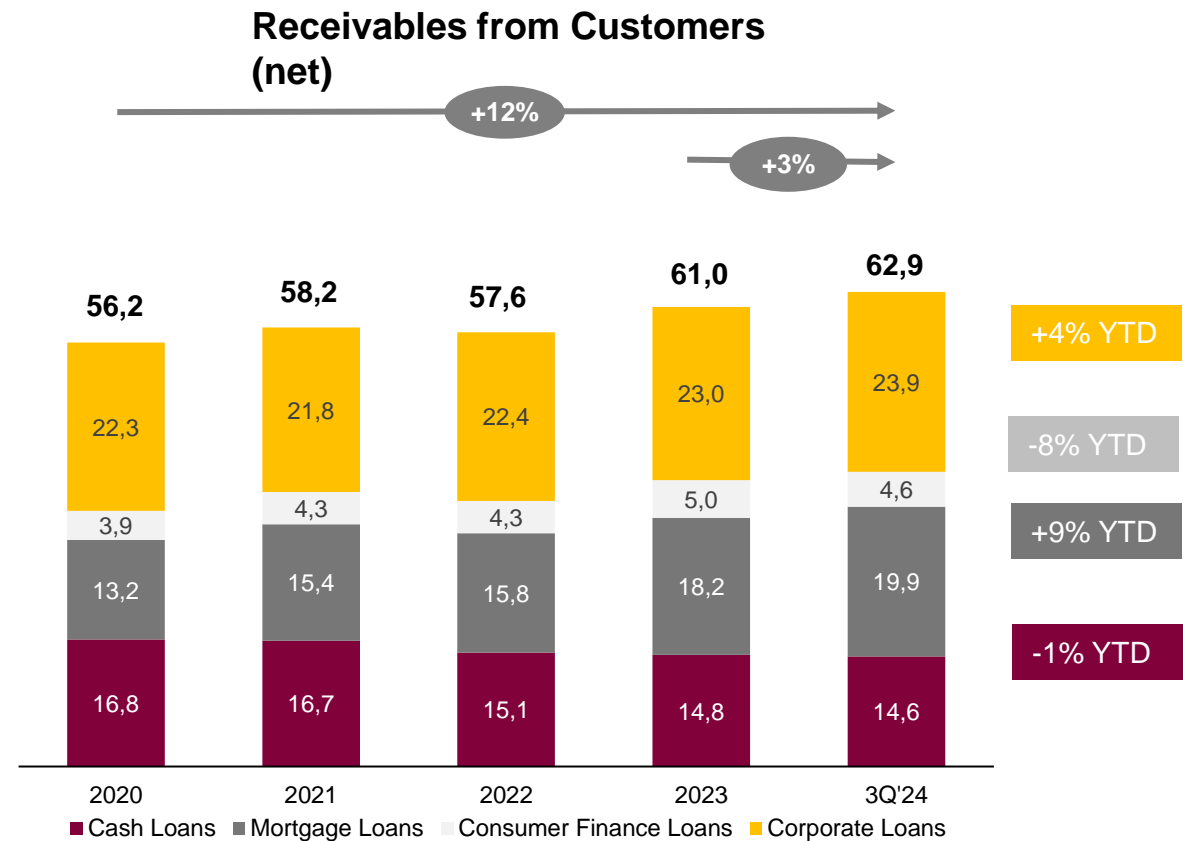
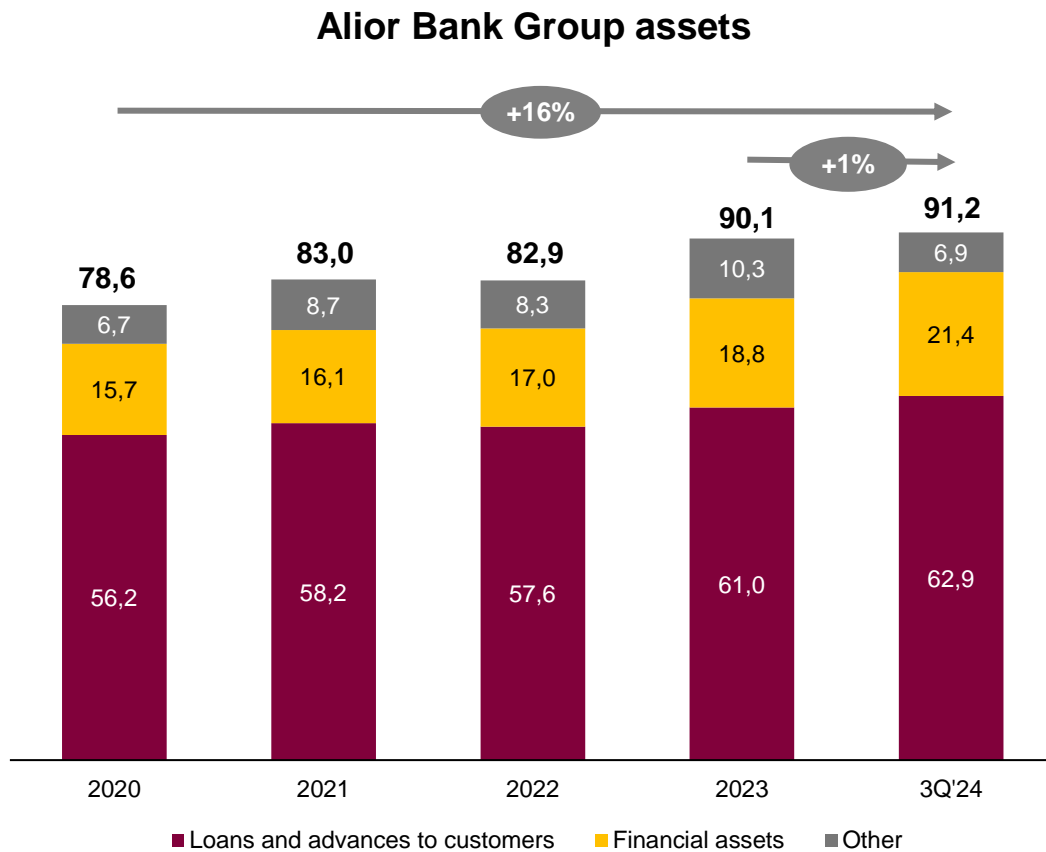
Structure of main liabilities - Business Segment



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

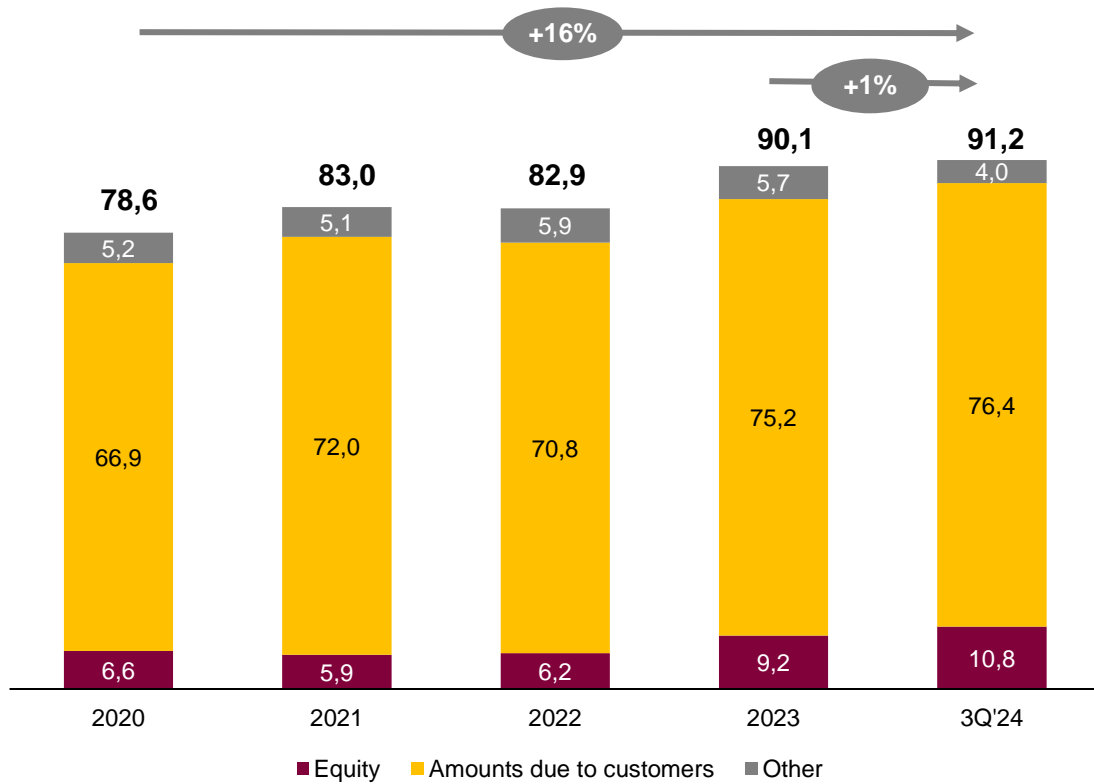
	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24	% q/q	q/q	% y/y	y/y
Total assets	86 320,5	90 134,1	91 379,5	90 146,8	91 183,3	1%	1 036,5	6%	4 862,8
Cash and cash equivalents	3 819,9	2 539,3	2 180,2	2 077,9	3 265,3	57%	1 187,4	-15%	-554,6
Amounts due from banks	1 083,6	4 615,4	1 516,4	1 855,0	795,6	-57%	-1 059,3	-27%	-288,0
Investment financial assets	18 295,4	18 820,4	22 100,8	19 186,6	21 357,4	11%	2 170,7	17%	3 062,0
Derivative hedging instruments	331,9	336,1	268,8	212,5	317,7	49%	105,1	-4%	-14,2
Loans and advances to customers	59 982,9	60 965,1	62 625,8	64 180,6	62 945,8	-2%	-1 234,8	5%	2 962,9
Assets pledged as collateral	47,4	46,9	16,4	77,0	18,3	-76%	-58,7	-61%	-29,1
Property, plant and equipment	732,6	743,5	743,3	739,6	721,2	-2%	-18,4	-2%	-11,3
Intangible assets	391,9	412,1	419,5	427,8	439,0	3%	11,2	12%	47,2
Income tax asset	1 056,1	984,0	928,2	901,3	793,2	-12%	-108,1	-25%	-263,0
Other assets	578,9	671,4	580,1	488,5	529,7	8%	41,2	-8%	-49,2
Total liabilities and equity	77 736,3	80 884,5	81 561,5	80 283,1	80 413,6	0%	130,5	3%	2 677,4
Amounts due to banks	328,8	288,3	269,0	339,4	247,8	-27%	-91,5	-25%	-81,0
Amounts due to customers	72 867,6	75 187,3	76 834,3	75 831,7	76 447,0	1%	615,2	5%	3 579,4
Financial liabilities	238,5	276,5	266,3	184,6	157,8	-15%	-26,8	-34%	-80,7
Derivative hedging instruments	766,3	682,6	660,8	566,1	469,7	-17%	-96,4	-39%	-296,6
Fair value changes of the hedged items in portfolio hedge	0,0	-0,2	-0,6	-1,1	25,3	-	26,3	-	25,3
Provisions	264,4	310,0	294,4	334,3	291,4	-13%	-42,9	10%	27,0
Other liabilities	1 864,7	2 653,9	2 386,1	2 089,5	1 770,9	-15%	-318,6	-5%	-93,8
Income tax liabilities	231,6	326,2	75,6	171,9	227,4	32%	55,5	-2%	-4,1
Subordinated loans	1 174,5	1 160,0	775,6	766,6	776,4	1%	9,8	-34%	-398,1
Equity	8 584,3	9 249,6	9 818,0	9 863,7	10 769,7	9%	906,0	25%	2 185,4
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	6 027,6	6 027,6	6 027,6	7 438,1	7 438,1	0%	0,0	23%	1 410,6
Revaluation reserve	-367,9	-291,4	-298,9	-259,0	-19,0	-93%	240,0	-95%	348,9
Other reserves	161,8	161,8	161,8	161,8	161,8	0%	0,0	0%	0,0
Foreign currency translation differences	0,1	2,3	0,0	0,0	0,2	-	0,1	50%	0,1
Accumulated losses	13,8	13,8	2 043,9	53,3	53,3	0%	0,0	287%	39,5
Profit for the period	1443,4	2030,1	578,1	1164,0	1 829,9	57%	665,9	27%	386,5
Total liabilities and equity	86 320,5	90 134,1	91 379,5	90 146,8	91 183,3	1%	1 036,5	6%	4 862,8

Asset structure of Alior Bank Group (PLN bn)

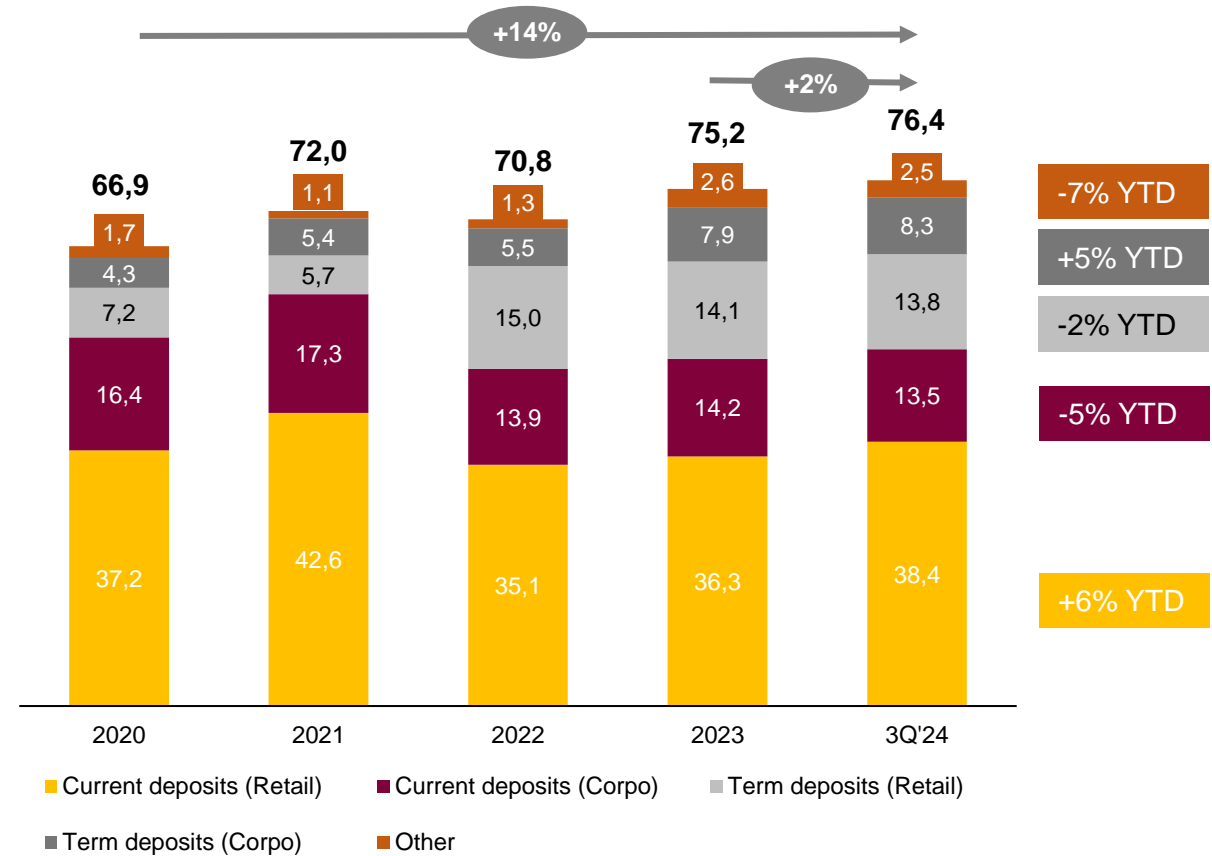


Liability structure of Alior Bank Group (PLN bn)

Alior Bank Group liabilities

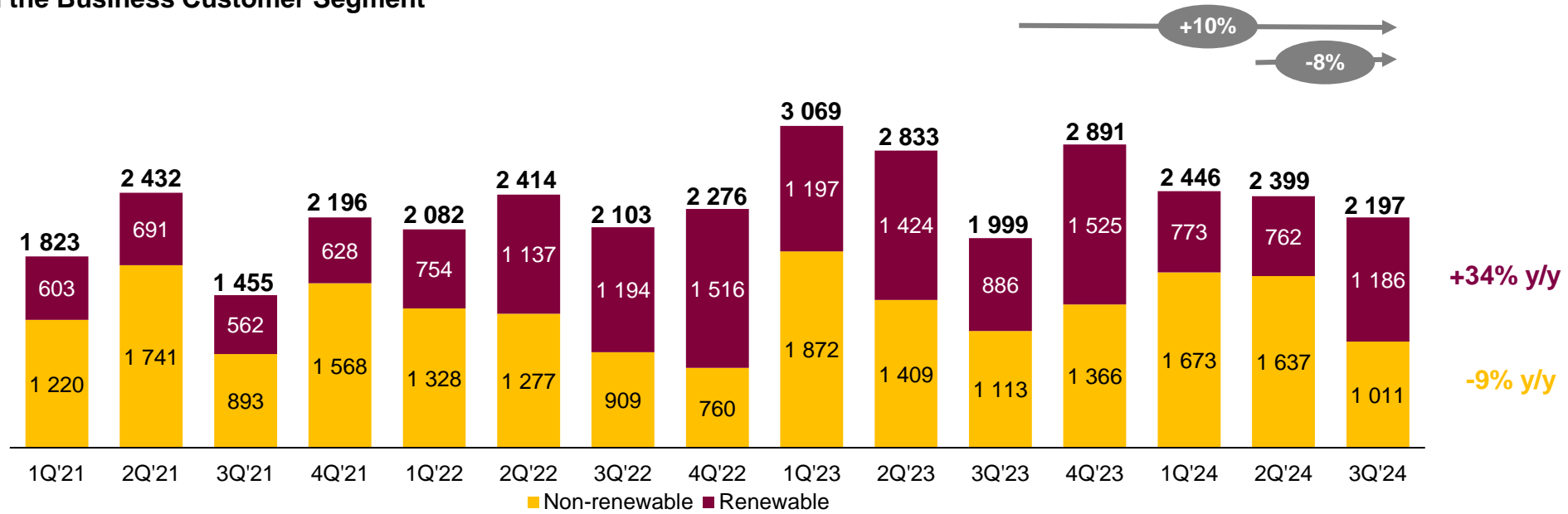


Liabilities to Customers

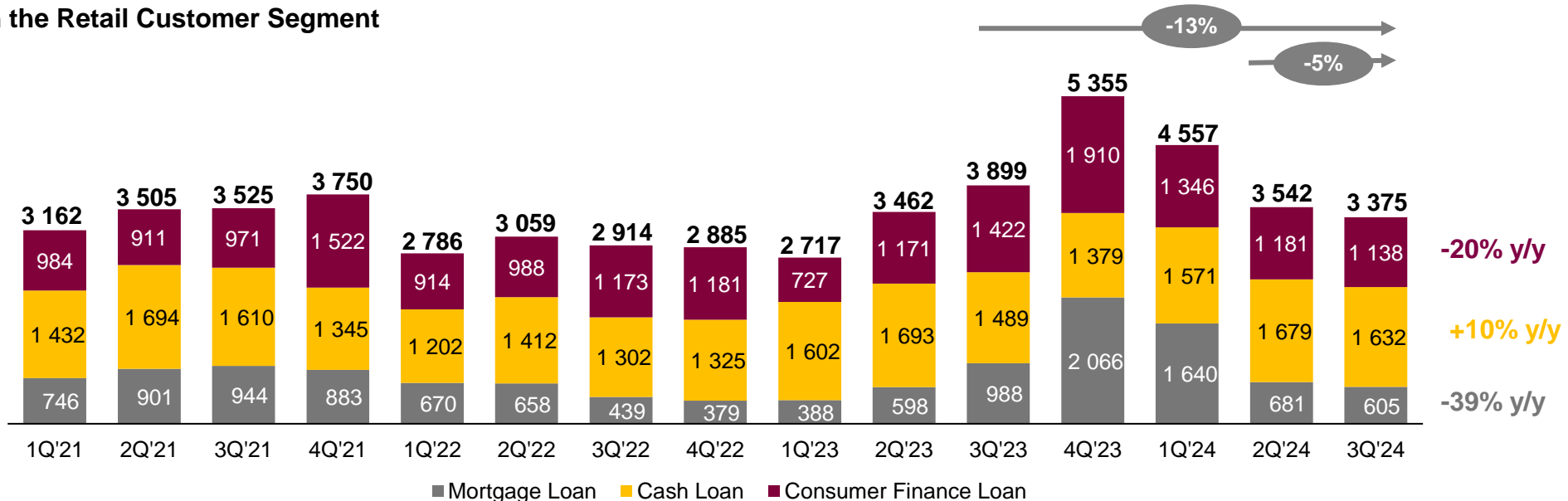


New sale of loans (PLN mn)

Sales in the Business Customer Segment*



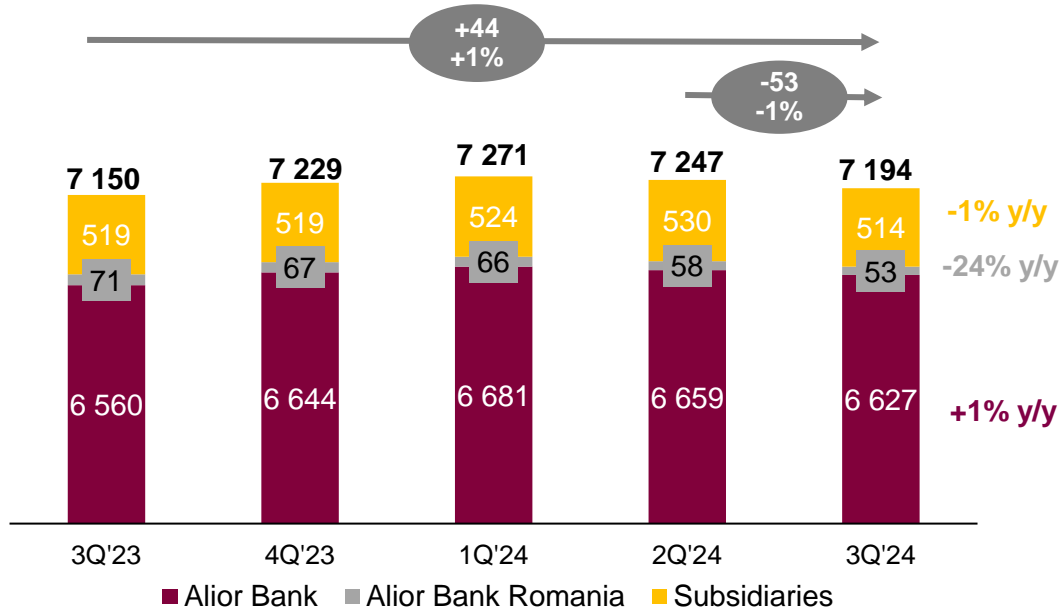
Sales in the Retail Customer Segment



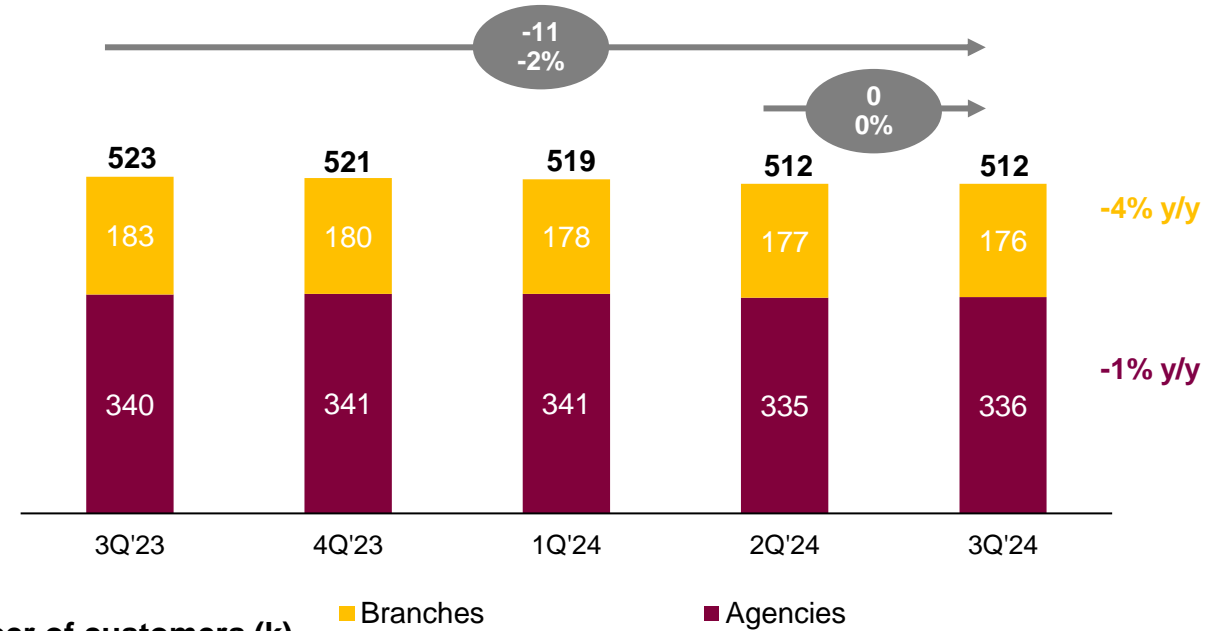
*New sales limit (new sales + increases) for Customers in the Micro- / Small- / Medium- / Large-Sized categories

Additional information

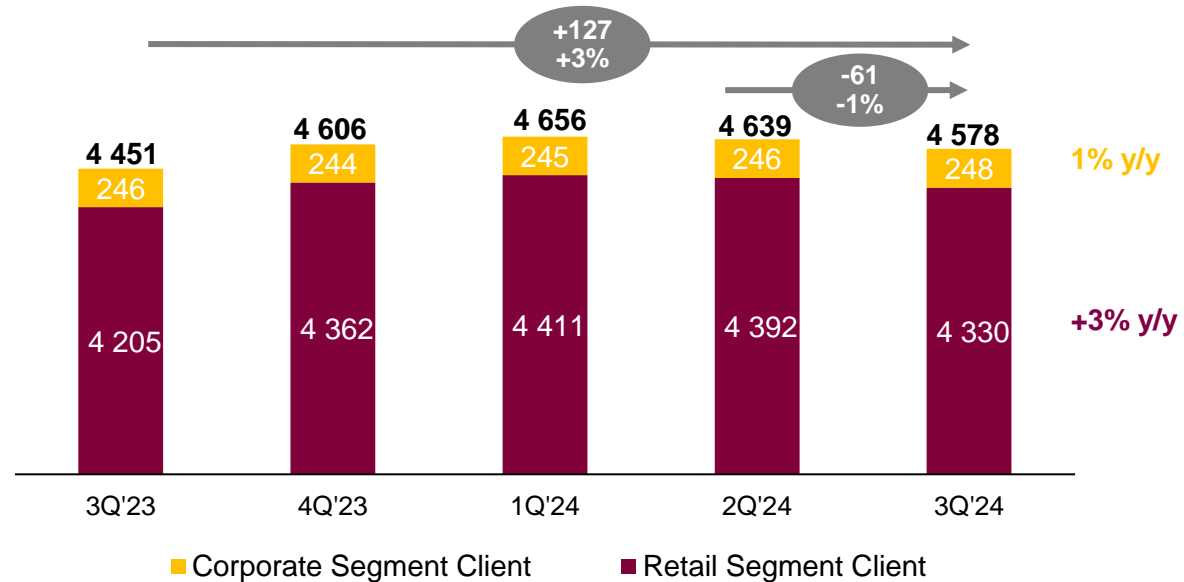
Employment (FTEs)



Alior Bank's branches

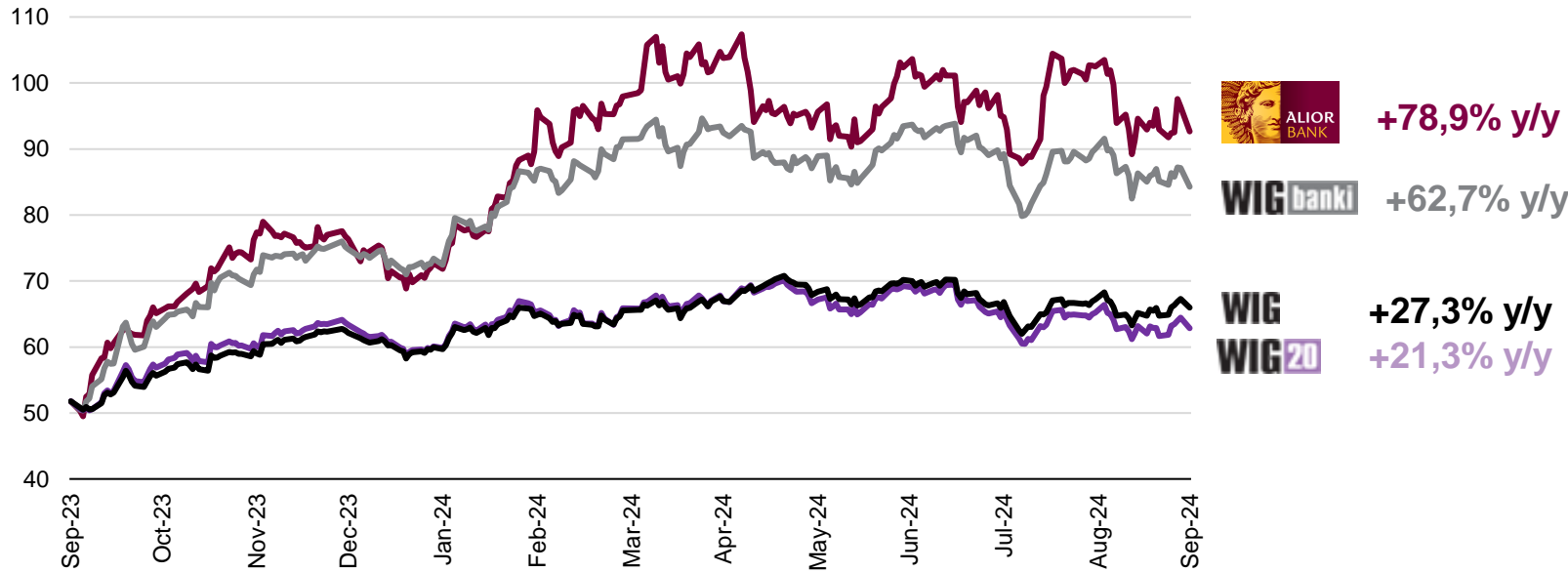


Number of customers (k)



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

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



Alior Bank share price: **PLN 92.68**
 (data as of September 30, 2024)
 Capitalization : **PLN bn 12,1**
 Value of shares in free float : **PLN bn 6**
 P/BV** : **1.1x**
 P/E*** : **5.0x**

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

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

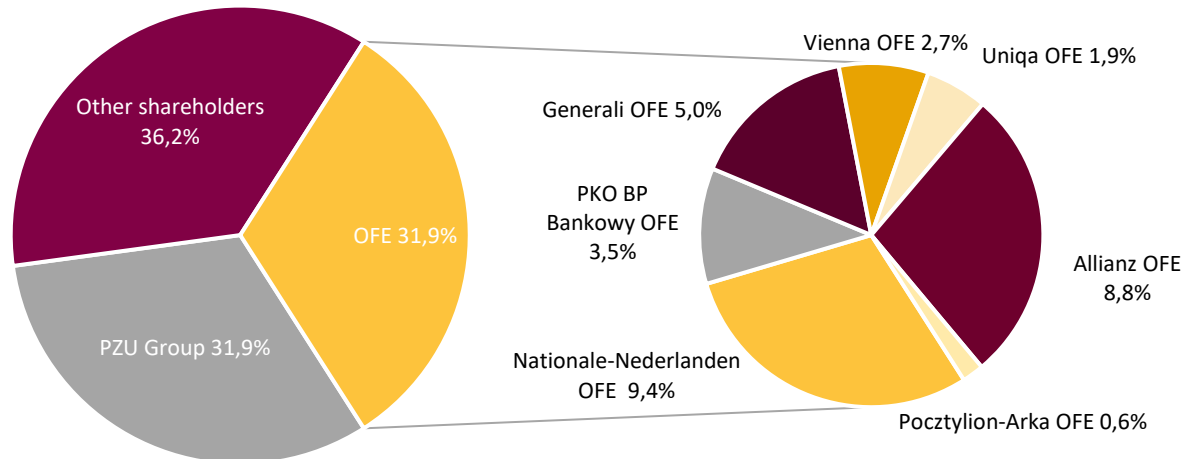
Rating Fitch:
 long-term: BB
 short-term: B
 outlook: positive

Rating Sustainability:
 ESG Risk Rating: 24.3
 Medium Risk

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

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

Shareholding structure*



* Based on public announcements and the annual structure of OFE [Open Pension Fund] as on June 30, 2024 and DFE [Voluntary Pension Fund] assets as on December 31, 2023

** Equity on September 30, 2024

*** Reported net profit for 4Q'23 and 1-3Q'24

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More information



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