ALIOR BANK S.A.

2015 results presentation

March 3, 2016

AGENDA

- **Highlights**
- Operational Performance
- Strategic initiatives
- Outlook
- Appendix

HIGHLIGHTS

Reliable performance in line with expectations.

- ✓ Bottom line at PLN 363 m (excl. one-offs*) as guided last March,
- ✓ Strong NIM performance despite unfavourable interest rate environment and strong competition (4,6% still the leader among Polish listed banks),
- ✓ Effectiveness remains a key factor for further development and profitable growth (8.8% y/y cost increase excluding: integration costs and one-offs), C/I on track to reach best-in-class level in 2 years,
- ✓ CoR remains stable at 2,3% vs 2,4% in 2014.

*related to extra BFG charge (SK Bank) and Mortgage Relief Fund (FWK)

HIGHLIGHTS

Strategic initiatives on track to become growth engines in a near future

- ✓ Integration with Meritum within 12 months – the fastest in the Polish market (2015 synergies: PLN 38 m, 2015 integration cost: PLN 35 m),
- ✓ T-Mobile Polska – cash loans uptick (PLN 1 m per day),
- ✓ Successful entry into foreign market. Alior to provide banking services to Telekom Romania,
- ✓ Tesco and other white label alliances provide for future revenue diversification,
- ✓ Strategic initiatives with PZU on track.

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KEY FINANCIALS

M PLN	2015	2014	(A/B)-1 (%)	Q4'15	Q3'15	Q4'14	(D/F)-1 (%)	2015 (excl. one-offs*)
	A	B	C	D	E	F	G	H
Net interest income	**1 501**	1 230	22	397	387	325	22	1 501
Net fee and commissions	**332**	348	-5	79	89	96	-17	332
Trading result & other	**333**	295	13	94	74	79	18	333
Operating income	**2 166**	1 873	16	571	550	500	14	2 166
General Administrative Expenses	**-1 108**	-925	20	-325	-262	-241	35	-1 042
Net impairment	**-672**	-547	23	-195	-173	-133	47	-672
Gross profit	**386**	401	-4	51	115	126	-60	452
Net profit	**309**	322	-4	40	91	101	-61	363

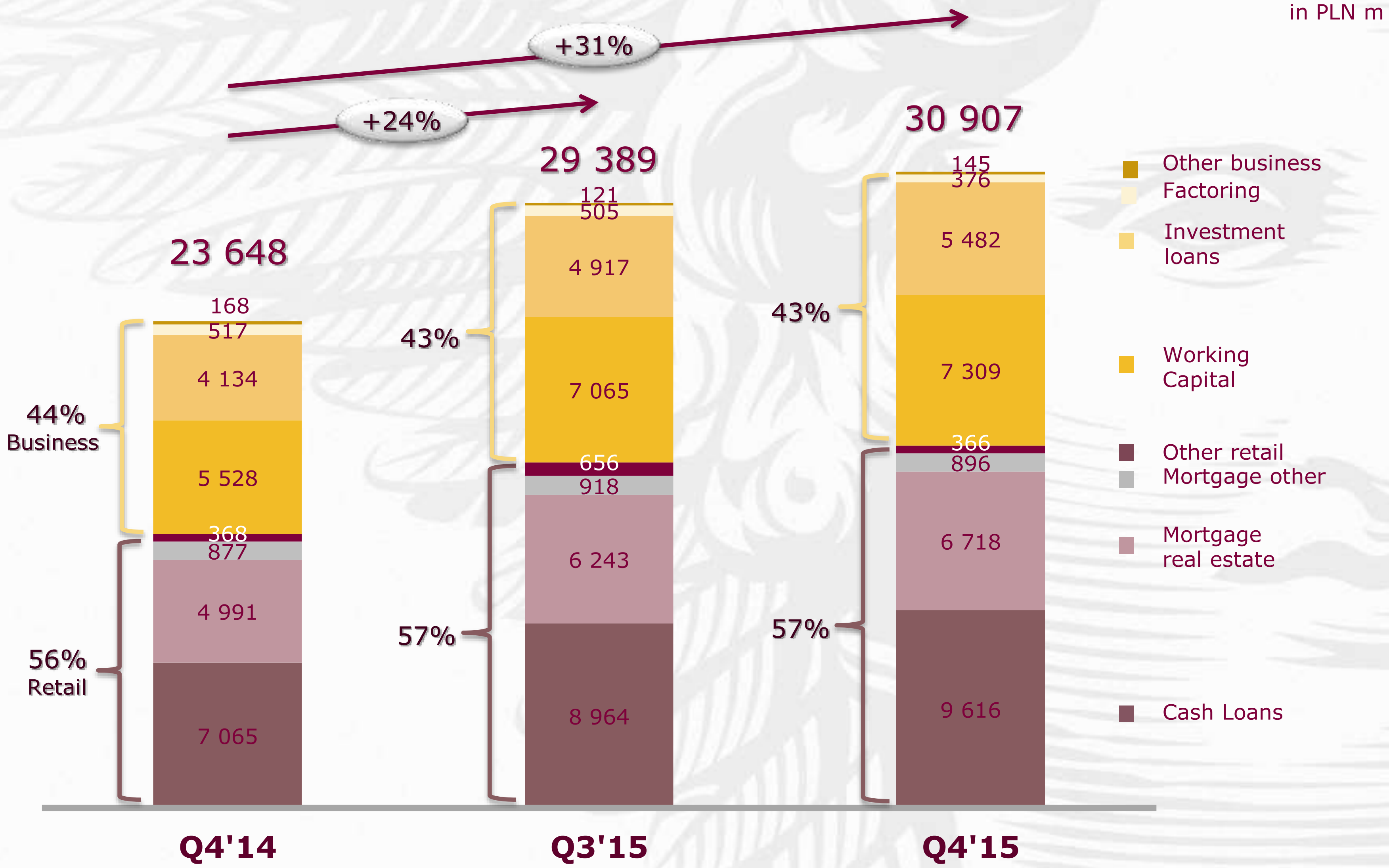
M PLN	2015	2014	(A/B)-1 (%)	Q3'15	Q2'15	(A/D)-1 (%)	(A/E)-1 (%)
Loans	**30 907**	23 648	31	29 389	28 345	5	9
Deposits	**33 664**	24 428	38	31 431	29 775	7	13
Total equity	**3 514**	3 015	17	3 470	3 345	1	5
Total assets	**40 003**	30 168	33	37 304	36 467	7	10

	2015	2014	A-B	Q4'15	Q3'15	Q4'14	D-E	2015 (excl. one-offs*)
ROE (%)	**9,5**	12,4	-2,9	4,5	10,7	13,6	-6,1	11,1
ROA (%)	**0,9**	1,2	-0,3	0,4	1,0	1,4	-0,6	1,0
C/I (%)	**51,1**	49,4	1,7	56,9	47,7	48,2	9,3	48,1
CoR (%)	**2,3**	2,4	-0,1	2,4	2,3	2,2	0,2	2,3
L/D (%)	**91,8**	96,8	-5,0	91,8	93,5	96,8	-1,7	91,8
NPL ratio (%)	**9,3**	8,9	0,4	9,3	8,6	8,9	0,7	9,3
NPL coverage ratio (%)	**58,1**	53,5	4,6	58,1	59,5	53,5	-1,3	58,1
CAR (%)	**12,5**	12,8	-0,3	12,5	12,7	12,8	-0,2	12,5
Tier 1 (%)	**9,7**	11,2	-1,5	9,7	10,3	11,2	-0,6	9,7

*related to extra BFG charge (SK Bank) and Mortgage Relief Fund (FWK)

LOAN BOOK

Loan book split

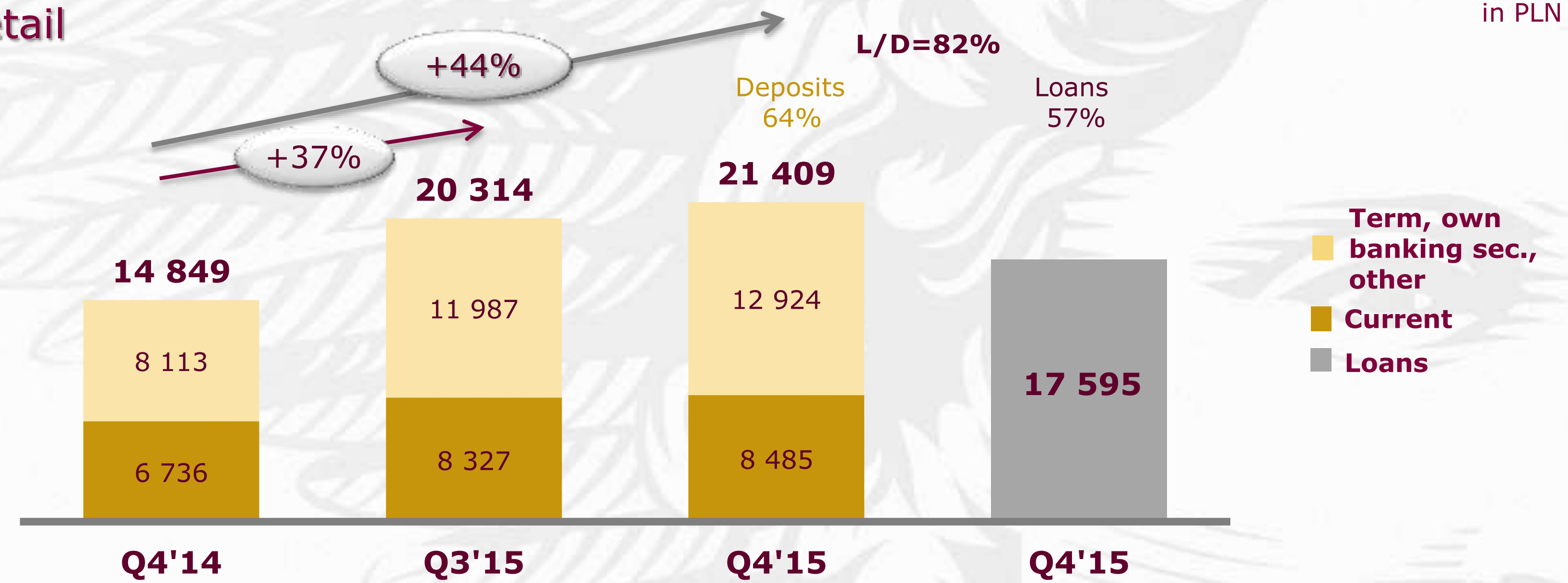


DEPOSIT BASE

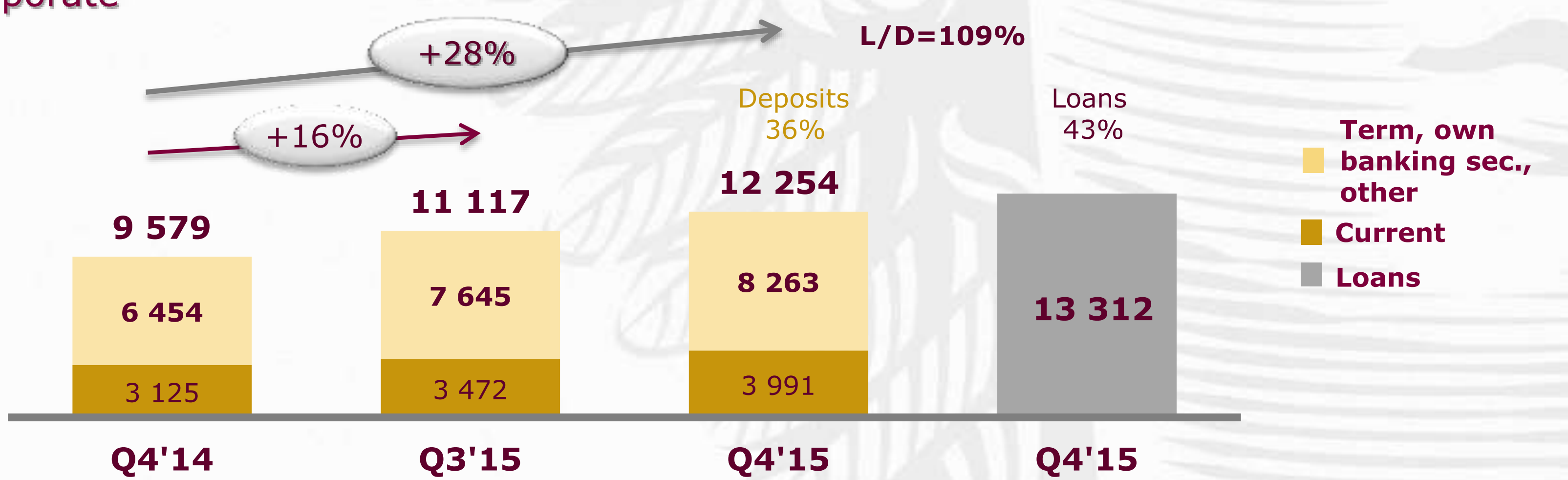
L/D = 92%

Retail

in PLN m

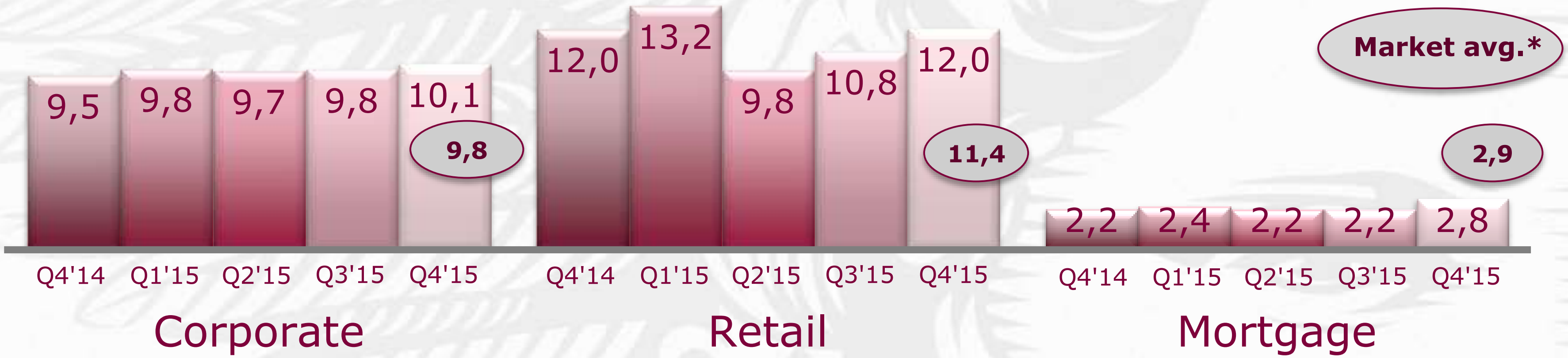


Corporate



CREDIT RISK OVERVIEW

NPL total (%)



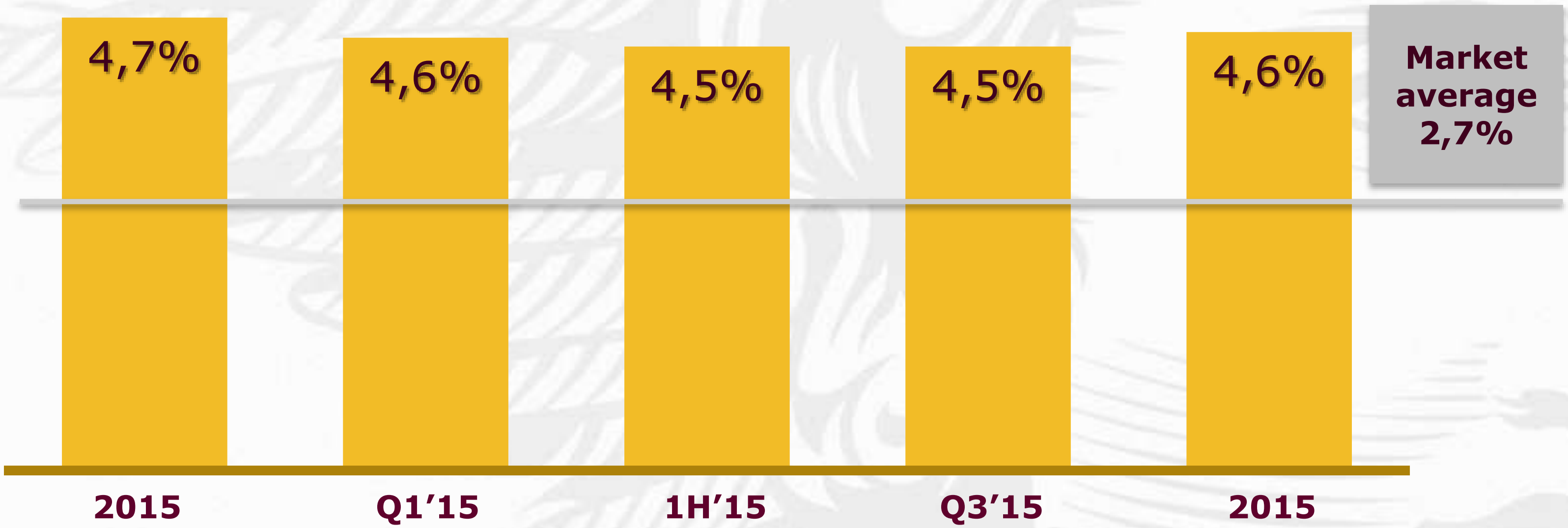
Coverage ratio (%)

Loan portfolio structure (%)	Corporate	Retail	Mortgage
Alior	**43**	**35**	**22**
Banking sector*	34	26	40

*Ratios (as of the end of 2015) calculated on the basis of figures on sector receivables published monthly by National Bank of Poland. Sector Corporate line excluding budget entities. Retail means the total retail portfolio – mortgages for real estates portfolio .

NET INTEREST MARGIN

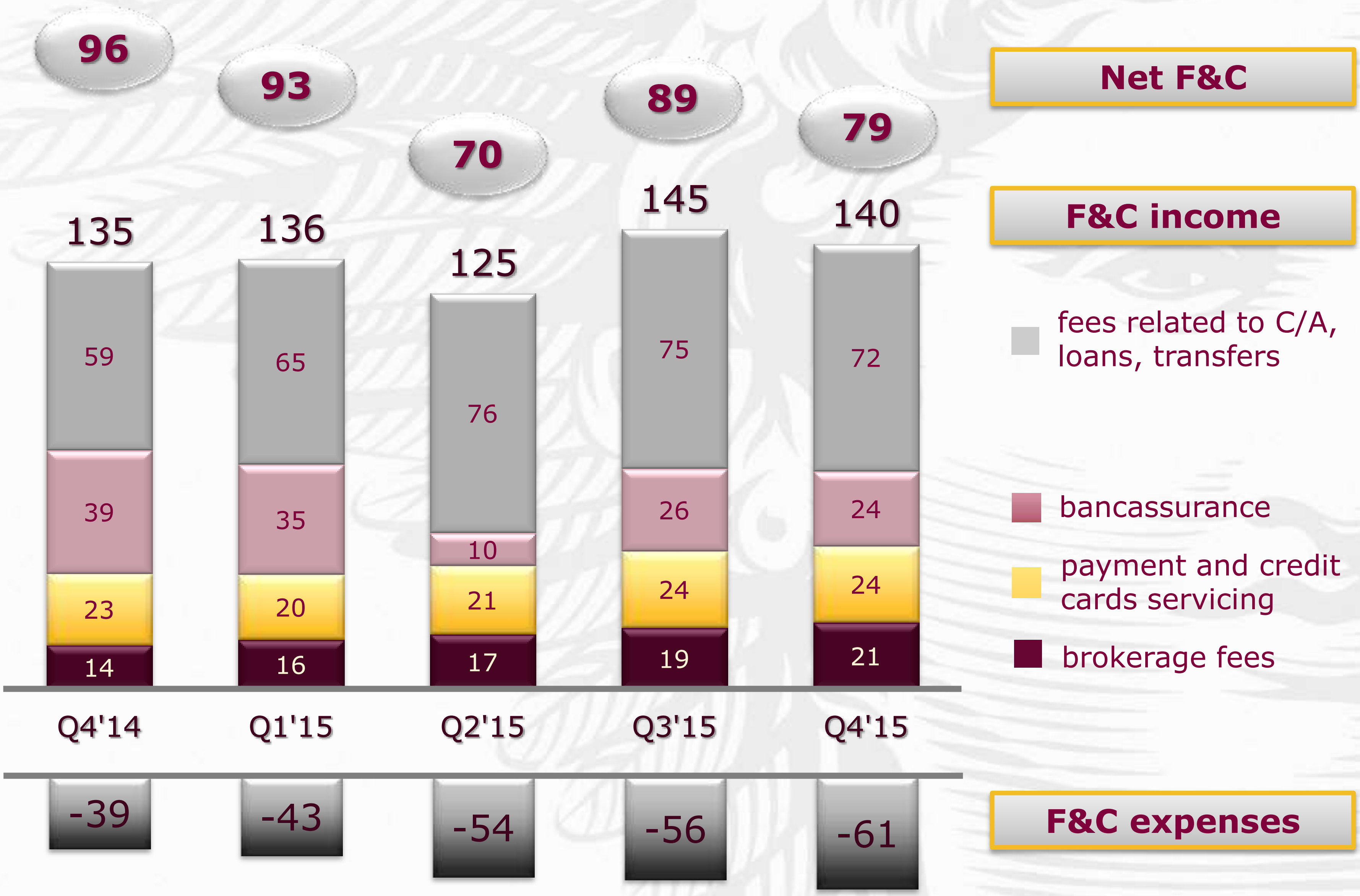
Alior NIM development (YTD)



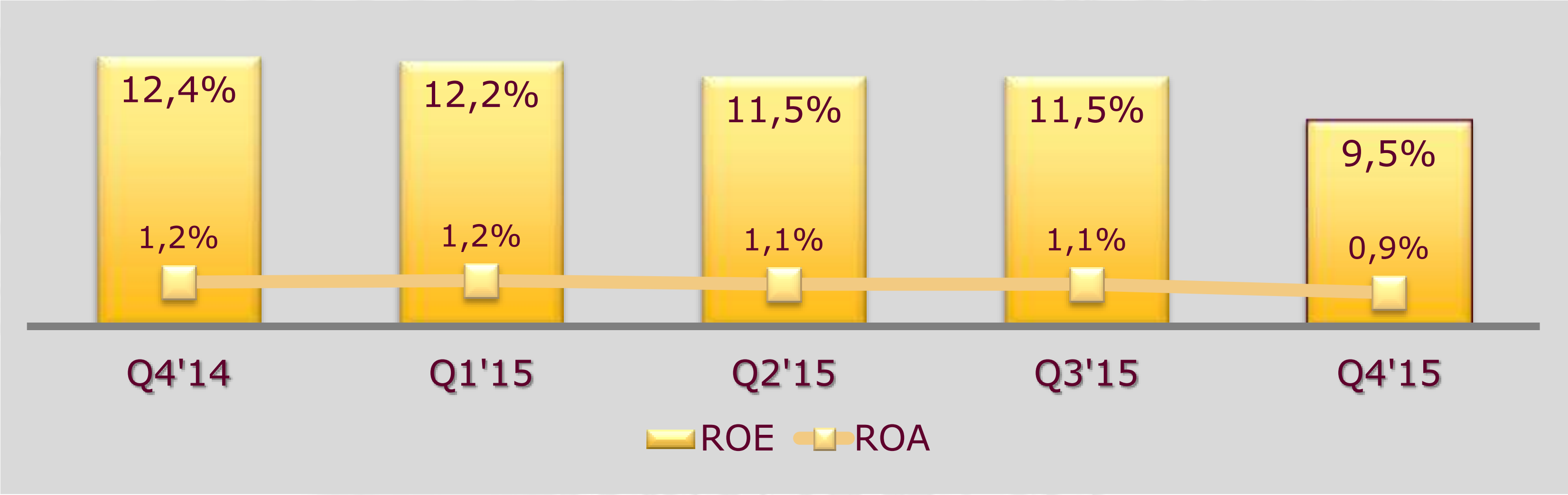
Market average calculated as average of NIM for the following banks: (PKOBP, Getin Noble, BPH - Q3'15 as well as Alior, ING, Millennium, mBank, BZWBK, Bank Handlowy. Pekao – Q4'15)

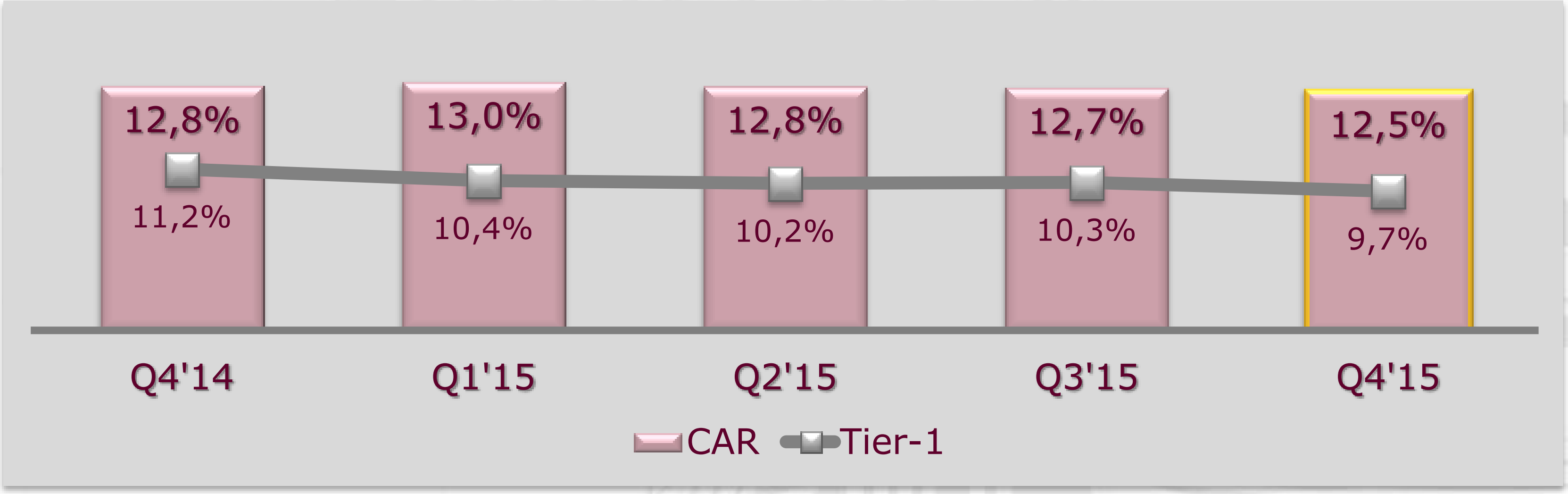
NIM formula for Q1, 1H, Q3 based on Meritum consolidation in Q1 from 1.01.15 (not just period 19.02.15 – 31.03.15), NII for Q1'15 annualized, divided by IEA as of Q1'15, NII for 1H'15 annualized, divided by average of IEA from Q1'15 and Q2'15, NII for Q3'15 annualized, divided by average of IEA from Q1'15 and Q3'15. NIM formula for 2014: NII for 2014 divided by average IEA form 2013 and 2014; NIM formula for 2014: NII for 2015 divided by average IEA form 2014 and 2015;

FEES AND COMMISSIONS



CAPITAL POSITION



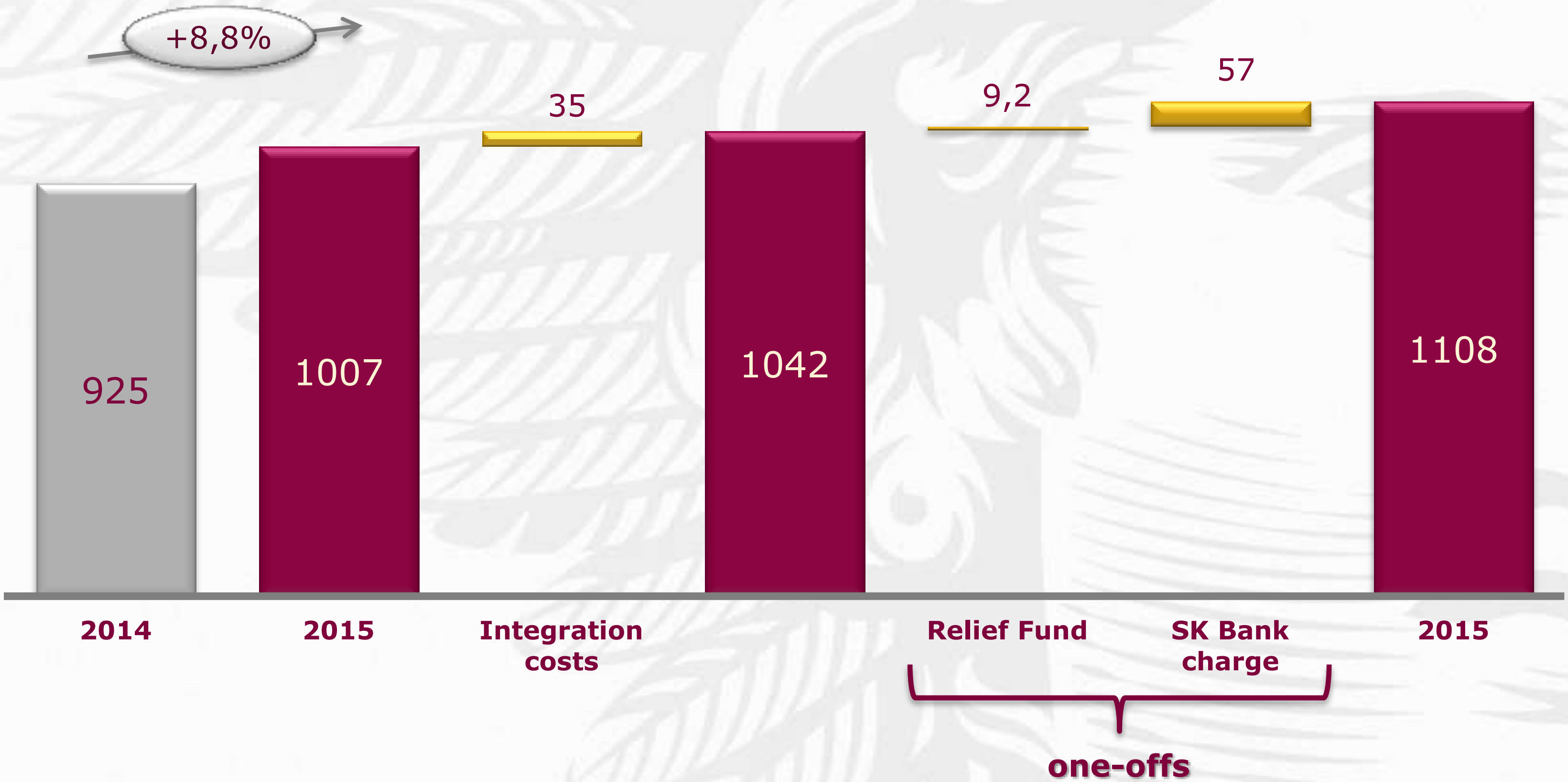


Alior in advanced negotiations concerning guarantee on portion of corporate portfolio which will allow for adequate equity relief.

STRICT COST DISCIPLINE MAINTAINED

in PLN m

2015 C/I excluding below one-offs & integration costs = 46,5%

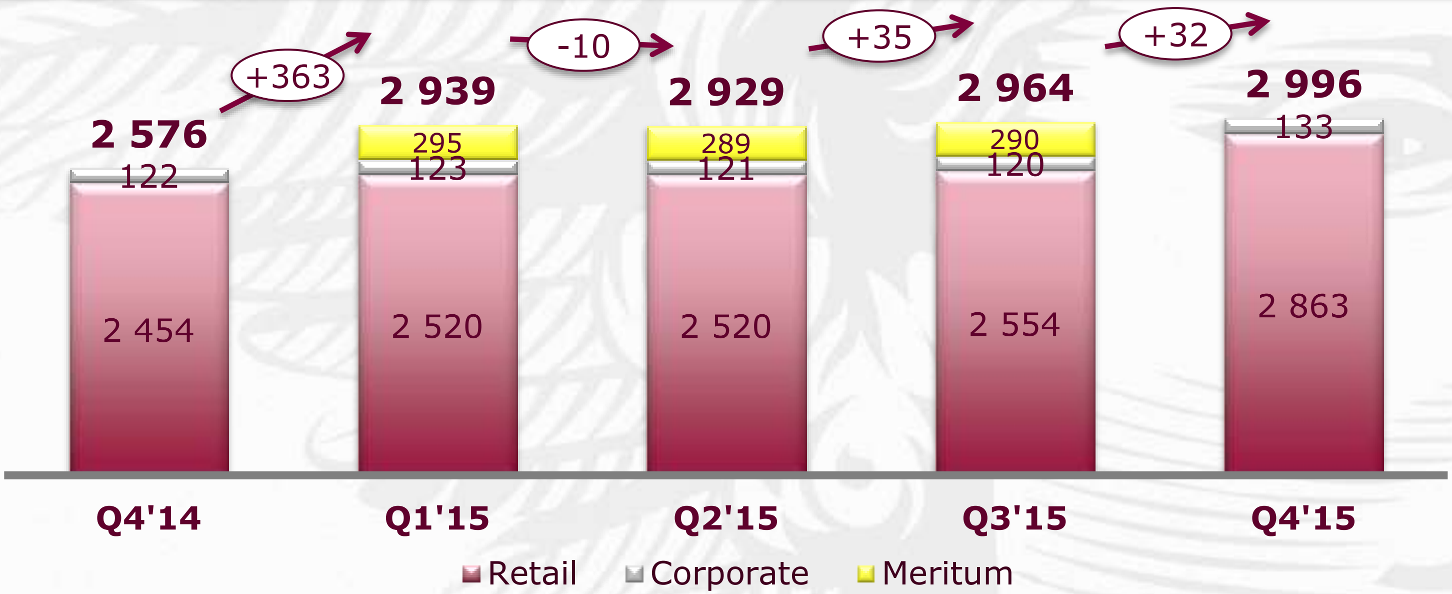


Integration costs in 2015: PLN 35 m

CUSTOMER BASE

Customer base cleanup with new pricing policy introduced in January 2015.
New CRM and product management to provide for more effective identification of clients needs and product penetration.

Customer acquisition

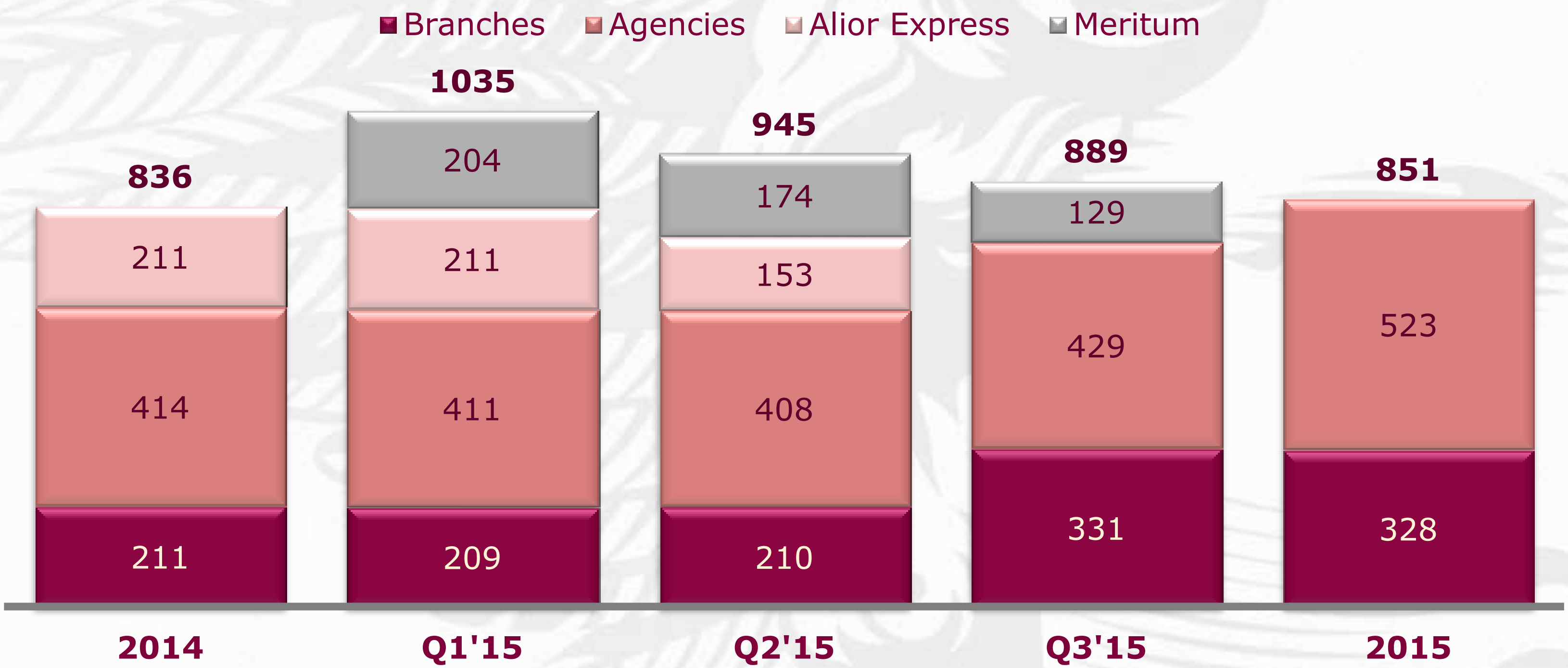


Retail client split by channel

	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Branches	1 595	1 590	1 580	1 605	1 854
Consumer Finance	443	454	438	439	480
T-Mobile	416	477	501	510	529
Meritum (retail)		277	273	274	

SALES NETWORK

Alior maintains one of the most extensive footprints



	Alior	Tesco	T-Mobile	Total
Sales outlets	851	71	607	1 529

Post merger with Meritum Alior distribution network (incl. T-Mobile & Tesco) more than 1 500 outlets.

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STRATEGIC COOPERATION WITH PZU ON TRACK

Stream 1: B2B	PZU insurance offering for Alior; Alior banking offering for PZU
Stream 2: Employees	Product offerings for employees of both institutions
Stream 3: Banc-assurance	Regular bancassurance cooperation
Stream 4: Distribution	Exploring distribution channel synergies
Stream 5: Group insurance	SME focused Group life insurance and banking products offering
Stream 6: CRM	Dedicated cross-sell initiatives
Stream 7: Sourcing	Common sourcing synergies
Stream 8: Processes	Identification and implementation of back-office processes synergies
Stream 9: Investment products	Cooperation on common offering for investment products
Stream 10: Capital	Strengthening the bank's capital position

STRONG T-MOBILE PARTNERSHIP IN POLAND EFFECTIVELY CAPTURING PROFITABLE GROWTH

Maintaining strong customer acquisition and increasing their activity

- **254 ths. customers** acquired since launch in May’14
- Successful implementation of the **phone financing project** – total number of acquired customers is **27 ths.** by EOY 2015
- Increasing client activity through executing the strategy on **acquisition based on new CA with cash back** (only for active customers) – start in Q4’15, supported by intensive ATL and Internet campaign
- New release of the **banking – telecommunications** offer planned for Q2’16 and implementation of the **new Internet and mobile platform** for Q3’16

Increased profitability through dynamic credit activity increase

- **Credit volume increase (new loans and financing limits)** in Q4’15 at **PLN 144 mio** vs PLN 60 mio in Q2’15 (**increase by +140% QoQ**) due to:
  - Phone financing implementation
  - Optimizing credit processes, CRM x-sell actions and increased productivity

EXTENSION OF ALIOR BANK STRATEGIC ALLIANCE WITH DEUTSCHE TELEKOM GROUP

Agreement with strong partner to enter high potential CEE market

- **over 6 m clients of Telekom Romania MC**
- **one of largest economies** in our region, high growth potential for banking services, dynamic growth of smartphones (28%, will double by 2017)

Building strong international presence with 800 ths. customers in Y5

- in barely five months from signing the agreement with the Romanian telecom operator, the **National Bank of Romania registered Alior Bank's Branch** as a foreign credit institution.
- The works on the projects deployment **are progressing as planned and integration works have commenced** with key market participants (i.e. Credit Bureau, Transfond – settlement bureau)
- Based on best and proven practices from Poland upon launch the product offer will include a set of banking products enabling i.e. **device financing** for phones offered by Telekom Romania MC.

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2016 Outlook

2016 consensus of PLN 322 m*

NIM ~4,6%

C/I below 48% excluding banking tax

CoR ~2,3%

Loan growth 2016 PLN 5 billion net

*based on the latest analysts forecasts
SG – February 8; Ipopema – February 8; Citi – February 19; JP Morgan – February 26.

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CONSUMER FINANCE PERFORMANCE

Cross-sell volumes impacted by competition

Instalment loans average monthly volumes (PLN m; YTD)

03’15	06’15	09’15	12’15
910	883	912	1 053

+15%

cross-sell average monthly volumes (PLN m; YTD)

03’15	06’15	09’15	12’15
745	808	883	978

+11%

WHITE LABEL BUSINESS CAPABILITIES CONFIRMED – COOPERATION WITH TESCO TO BE CONTINUED

THE SITUATION OF THE PROJECT

- Growth strategy developed and agreed with Tesco

PROJECT PERFORMANCE

- Current Loan Portfolio: **120 m PLN**
- 2015 Cash Loan sales **35%** higher than last year
- JV achieved **positive results** for 2015 year end

FUTURE PLANS

- Plan to acquire 350 ths. new clients by 2019
- Widen the appeal by extending the range of convenient products and services rewarding loyalty, in line with Tesco's customer strategy
- Develop distribution channels to fully exploit Tesco footprint potential

INCOME STATEMENT SNAPSHOT

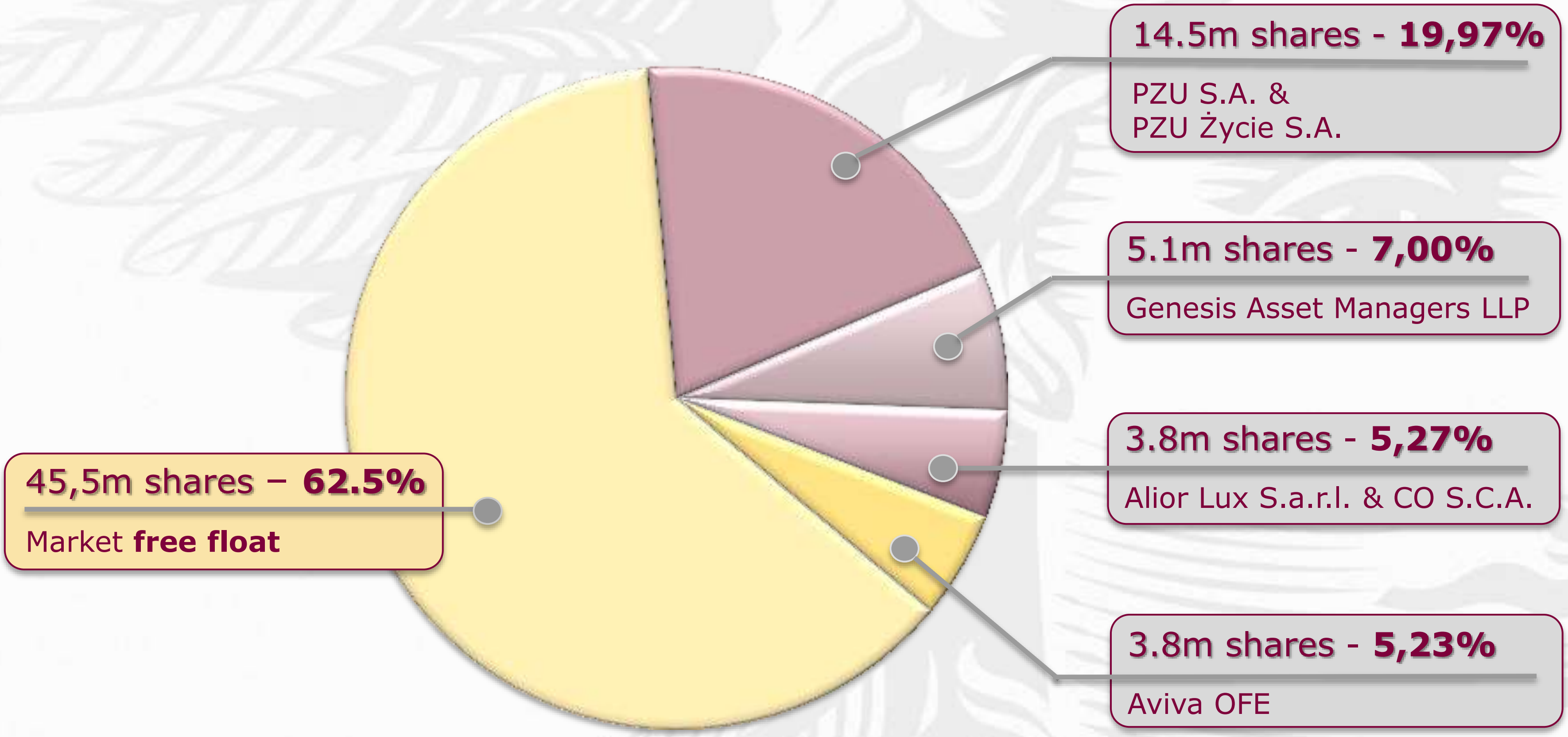
in PLN m	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Interest income	766	481	525	553	840
Interest expense	-441	-138	-151	-167	-443
Net interest income	325	343	374	387	397
Dividend	0	0	0	0	0
Fee and commission income	135	136	125	145	140
Fee and commission expense	-39	-43	-54	-56	-61
Net fee and commission income	96	93	70	89	79
Trading result	65	66	71	55	77
Net gain (realized) on other financial instruments	8	5	-1	3	5
Other operating income	14	19	32	17	14
Other operating costs	-7	-6	-22	-1	-2
Net other operating income	7	13	10	16	12
General administrative expenses	-241	-258	-263	-262	-325
Impairment losses	-133	-145	-159	-173	-195
Gross profit (loss)	126	117	103	115	51
Income tax	-25	-26	-16	-24	-12
Net profit from continuing operations	101	91	87	91	39
- attributable to equity holders of the parent	101	91	88	91	40
- attributable to non-controlling interests	0	0	-1	0	0
Net profit	100	91	87	91	40

BALANCE SHEET SNAPSHOT

	31 Dec'14	31 Mar'15	30 Jun'15	30 Sep'15	31 Dec'15
Cash and balances with Central Bank	1 158	1 378	1 815	1 348	1 750
Financial assets held for trading	477	525	427	365	391
Financial assets available for sale	2 652	2 494	2 714	4 016	4 253
Hedging derivatives	80	120	49	123	140
Receivables from banks	449	320	503	372	645
Loans and advances to customers	**23 648**	**27 411**	**28 345**	**29 389**	**30 907**
Assets pledged as collateral	927	1 579	1 495	466	628
Property, plant and equipment	192	188	184	214	229
Intangible assets	216	354	358	368	387
Non-current asset held for sale	1	2	2	1	1
Current income tax receivables	148	205	228	253	275
Current	0	0	0	0	0
Deferred	148	205	228	253	275
Other assets	219	311	347	388	397
TOTAL ASSETS	**30 168**	**34 886**	**36 467**	**37 304**	**40 003**
Financial liabilities held for trading	349	390	324	293	310
Financial liabilities measured at amortized cost due to banks	1 049	1 854	1 601	663	1 051
Financial liabilities measured at amortized cost due to customers	**24 428**	**27 800**	**29 775**	**31 431**	**33 664**
Hedging derivatives	5	0	11	0	0
Provisions	8	10	14	10	11
Other liabilities	747	786	671	717	535
Income tax liabilities	25	19	16	13	22
- Current	25	19	16	13	22
Subordinated loans	542	706	711	708	896
Liabilities, total	27 152	31 564	33 122	33 834	36 489
Equity	**3 015**	**3 322**	**3 345**	**3 470**	**3 514**
Equity attributable to equity holders of the parent	3 013	3 307	3 344	3 469	3 513
Share capital	700	725	727	727	727
Supplementary capital	1 775	1 934	2 278	2 280	2 280
Revaluation reserve	21	34	-23	9	15
Other capital	184	185	186	187	185
Undistributed result from previous years	10	338	-4	-4	-4
Current year profit/loss	323	91	179	270	310
Non-controlling interests	2	15	2	1	1
TOTAL LIABILITIES AND EQUITY	**30 168**	**34 886**	**36 467**	**37 304**	**40 003**

SHAREHOLDING

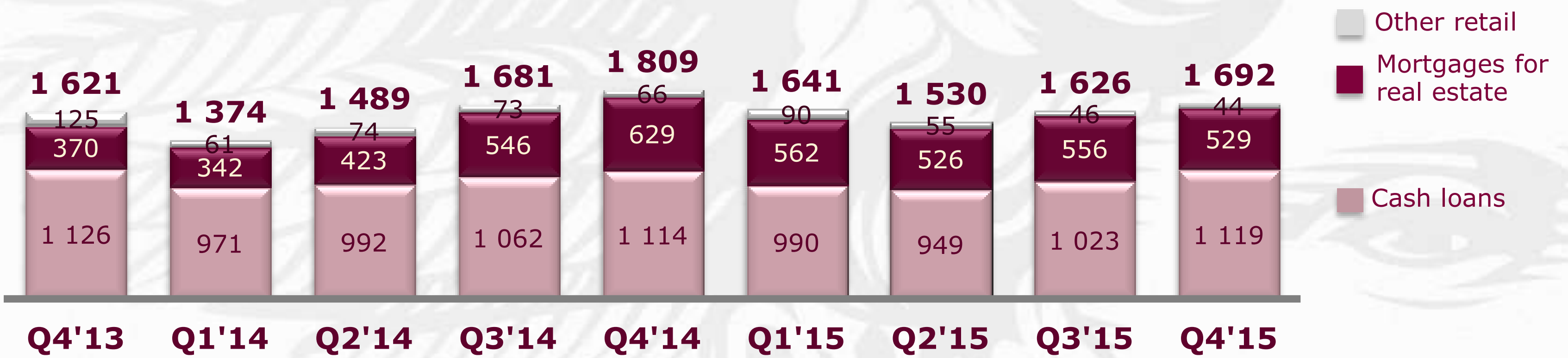
Largest free float among Polish financials institutions



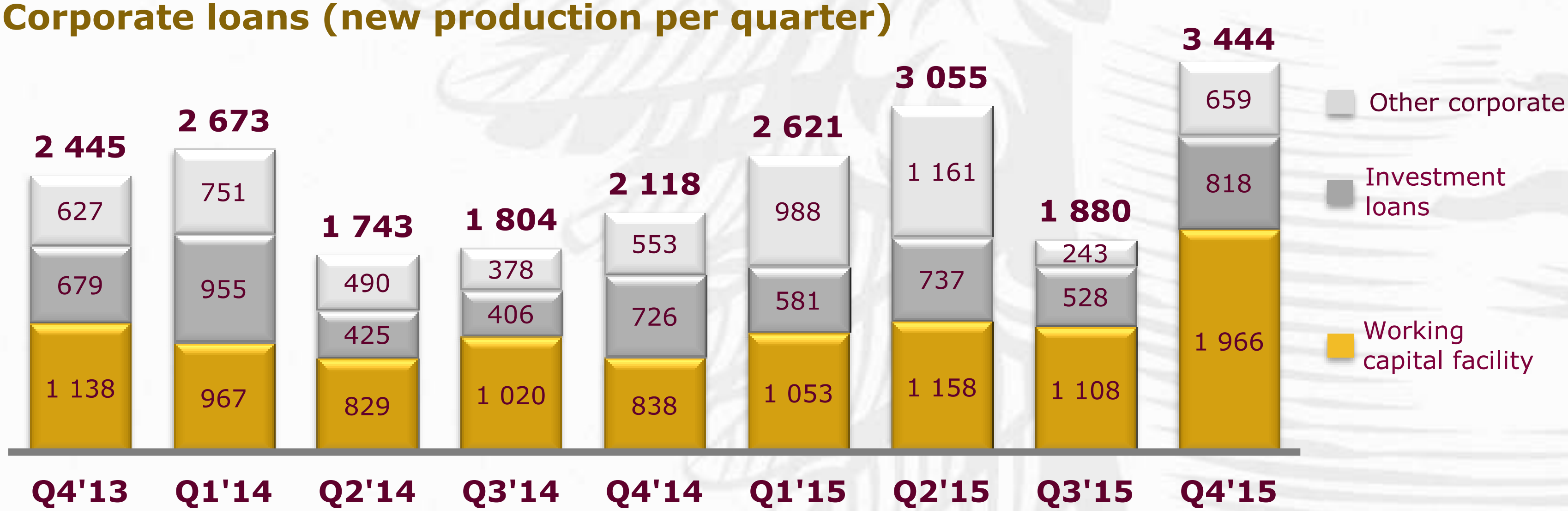
On October 12th 2015 PZU bought **the first tranche** of shares from Carlo Tassara. **The second tranche** was bought on December 18th 2015.

NEW LOANS SALES IN RETAIL & SME

Retail loans (new production per quarter)



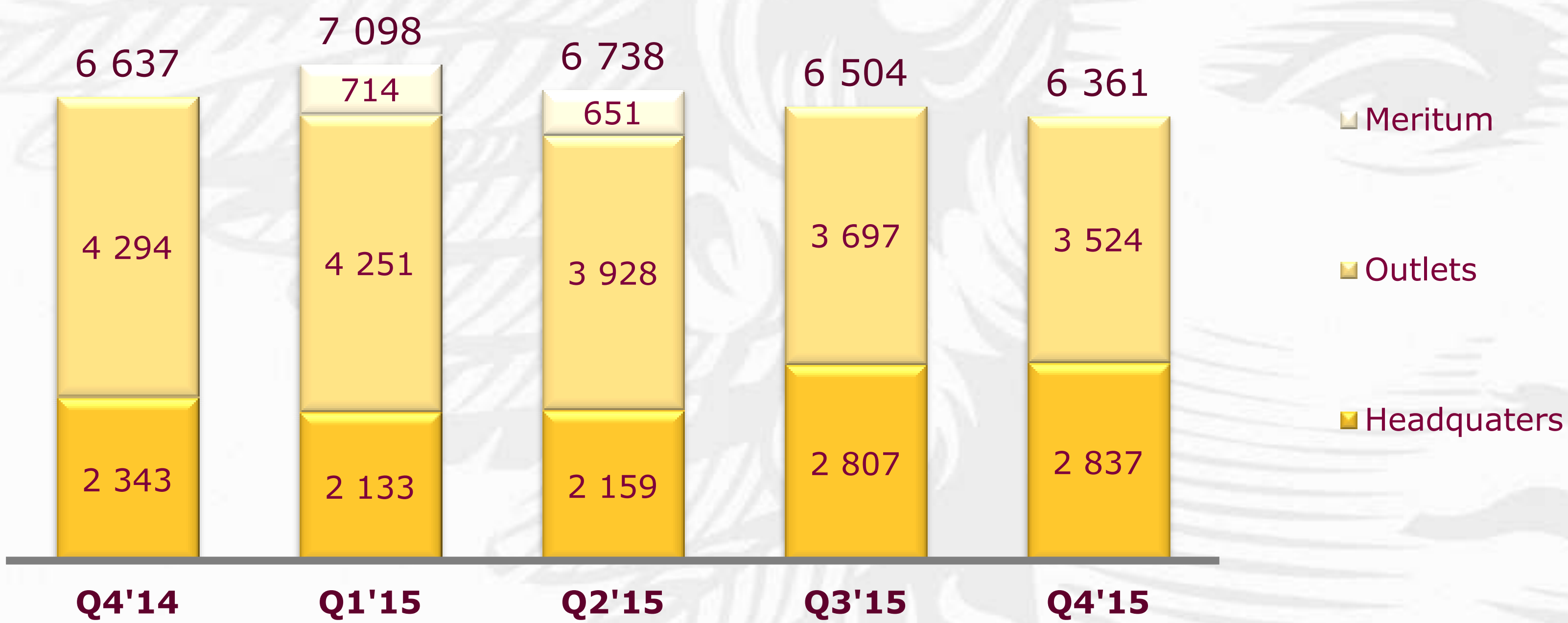
Corporate loans (new production per quarter)



New production defined as any opening of a new credit account / credit line. Renewals are included in corporate loans sale.
Other retail includes: loans for purchase of securities, credit card borrowings loans, other mortgage loans.
Other corporate includes: credit card borrowings loans, car loans, other receivables, factoring.

EMPLOYEES

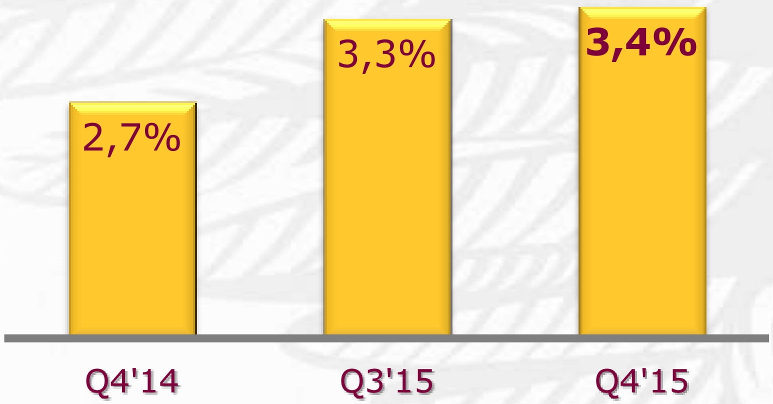
FTEs



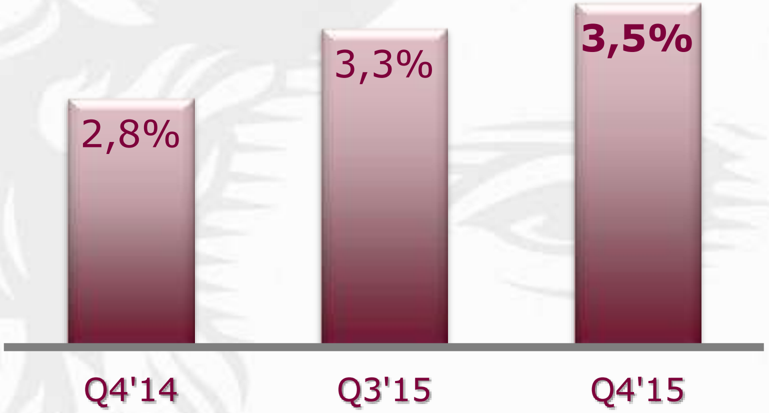
CONTINUED GROWTH OF MARKET SHARE

MARKET SHARE

Deposits



Loans



MONTHLY GROWTH (%)

Deposits

	Total		Retail		Corporate	
	ALIOR	Market	**ALIOR**	Market	**ALIOR**	Market
JUL	**3,9**	0,3	**2,7**	0,7	**6,5**	-0,9
AUG	**2,3**	0,8	**4,0**	0,8	**-1,3**	1,1
SEP	**-0,8**	1,3	**0,1**	0,4	**-2,7**	3,8
OCT	**1,1**	0,7	**-0,2**	1,0	**4,0**	-0,3
NOV	**0,8**	1,2	**1,7**	0,8	**-0,9**	2,3
DEC	**5,5**	2,9	**4,4**	2,4	**8,1**	4,8

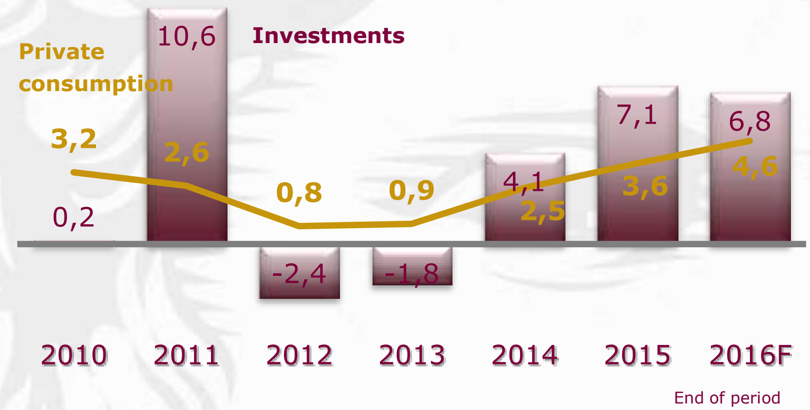
Loans

	Total		Retail		Corporate	
	ALIOR	Market	**ALIOR**	Market	**ALIOR**	Market
JUL	**0,8**	-0,1	**0,5**	-0,3	**1,2**	0,1
AUG	**1,3**	1,0	**1,5**	0,5	**1,1**	2,1
SEP	**1,5**	0,6	**1,9**	0,1	**0,9**	1,5
OCT	**2,6**	0,6	**2,8**	0,6	**2,3**	0,6
NOV	**1,4**	0,4	**1,7**	0,2	**1,1**	0,9
DEC	**1,9**	-0,7	**2,2**	0,1	**1,5**	-2,1

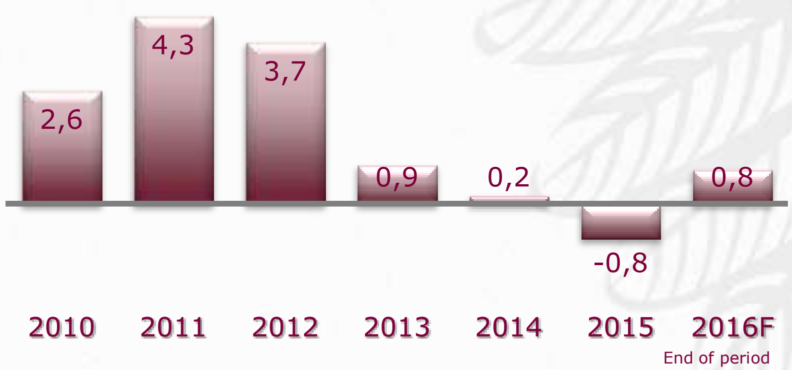
POLISH MACRO OUTLOOK

GDP growth (% yoy)

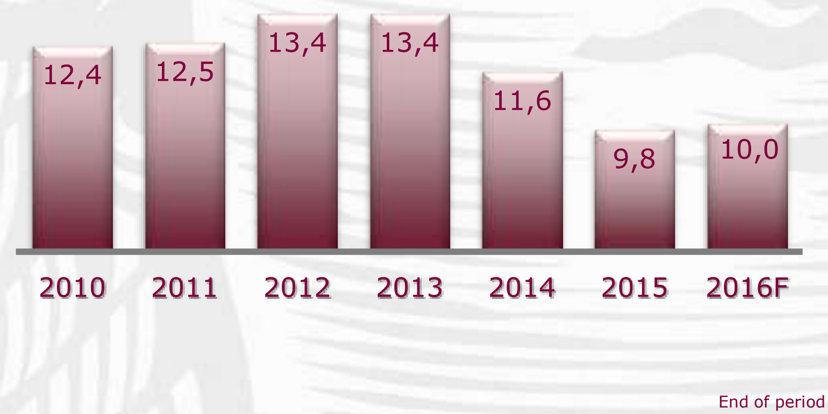
Investments and private consumption (% yoy)



Inflation (CPI % yoy)



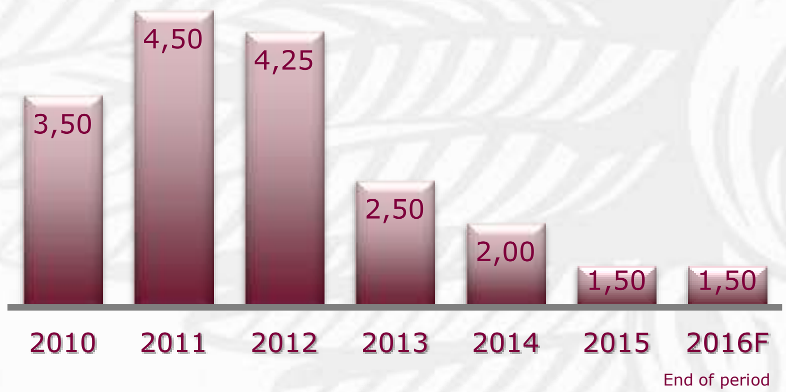
Unemployment rate (%)



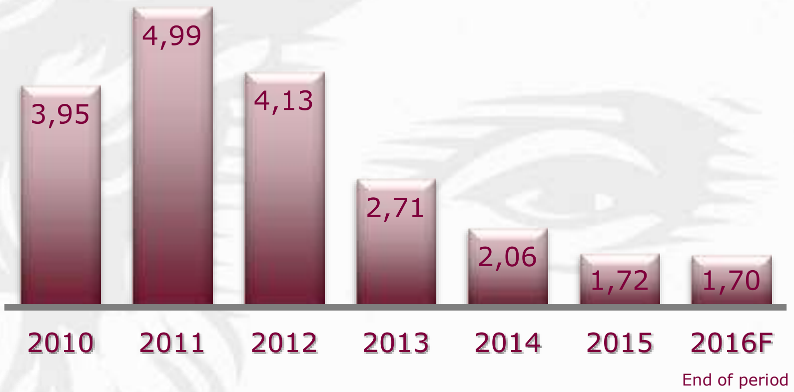
Source: GUS, National Bank of Poland, Reuters.
Forecasts based on Alior Bank internal estimates.

POLISH MACRO OUTLOOK

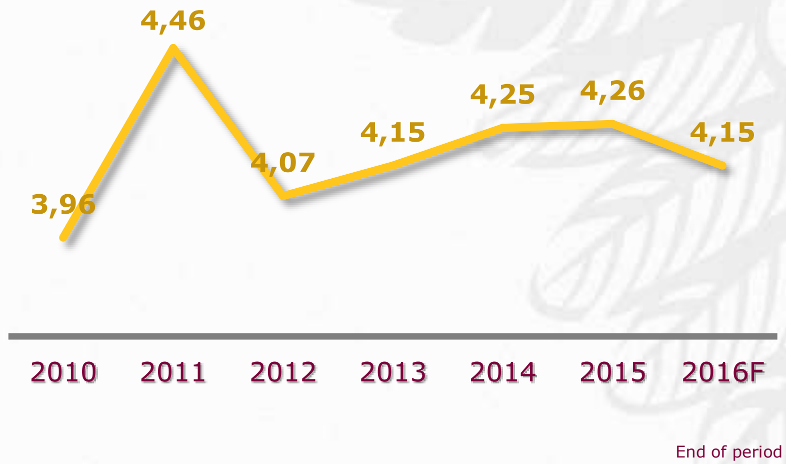
NBP reference rate (%)



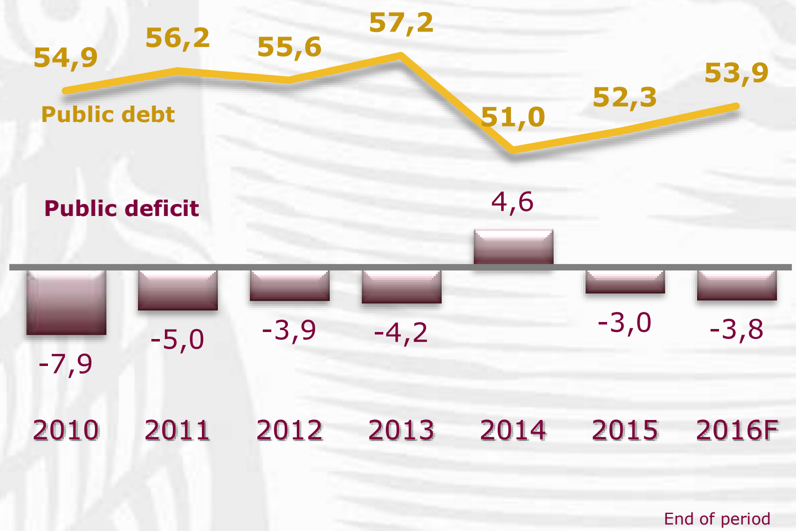
WIBOR 3M (%)



FX rate (EUR/PLN)



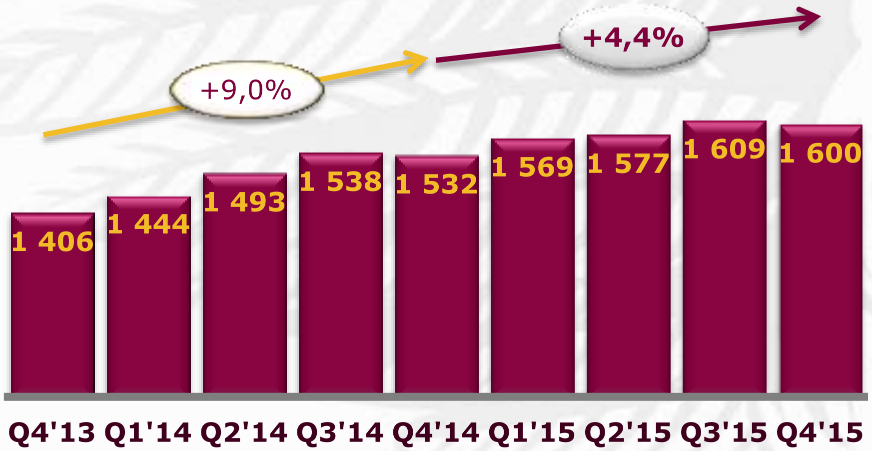
Fiscal policy (% of GDP)



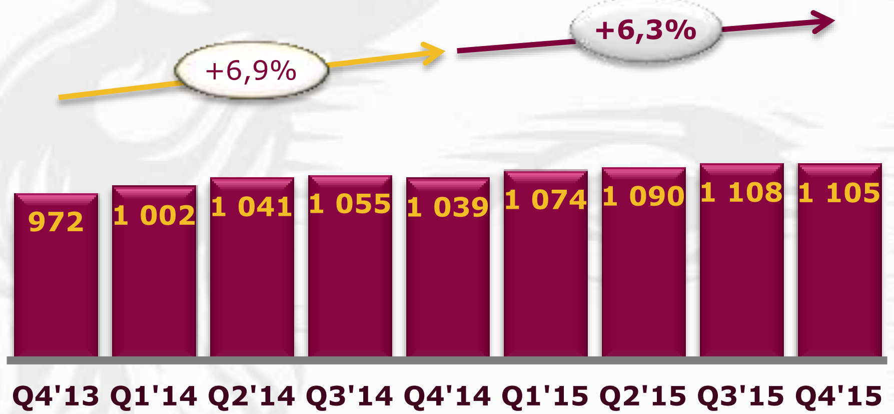
Source: GUS, National Bank of Poland, Reuters.
Forecasts based on Alior Bank internal estimates.

POLISH BANKING SECTOR – GROWTH OF THE MAIN BALANCE SHEET FIGURES

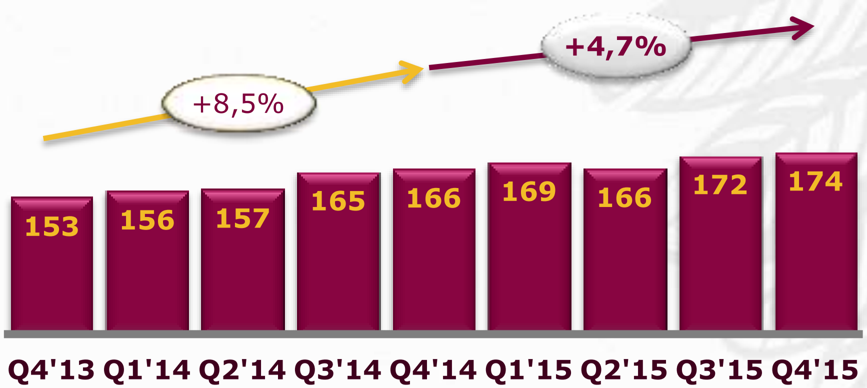
Assets



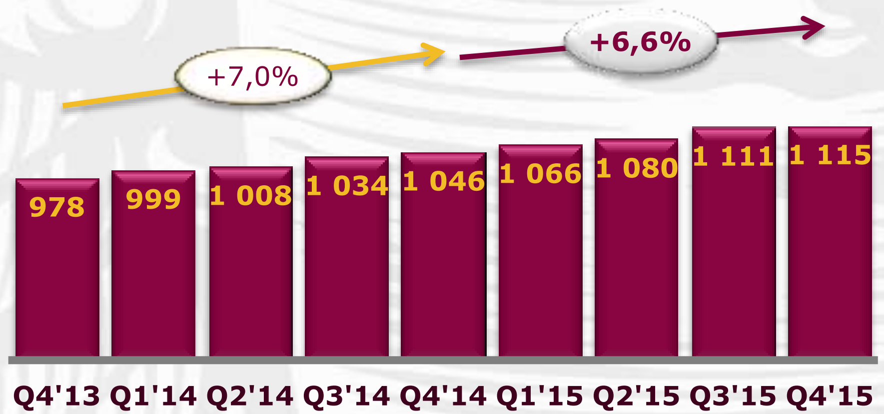
Loans



Equity



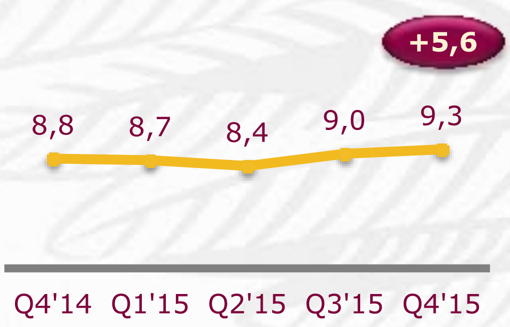
Deposits



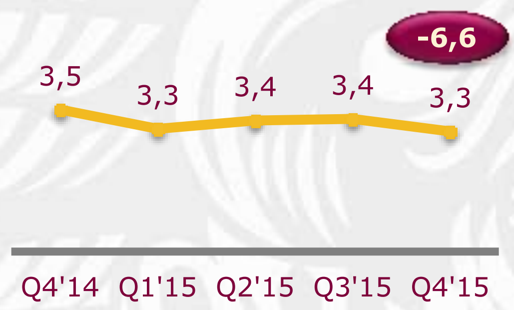
Source: PFSA, in PLN bln

POLISH BANKING SECTOR – MAIN P&L LINES PERFORMANCE

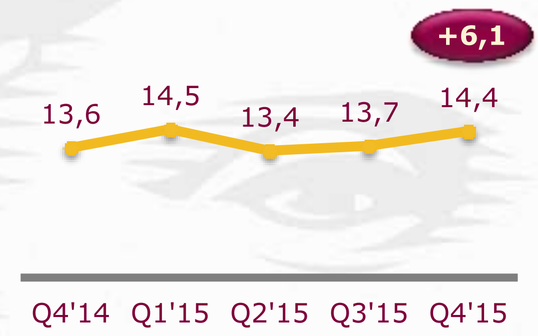
NII



NFC

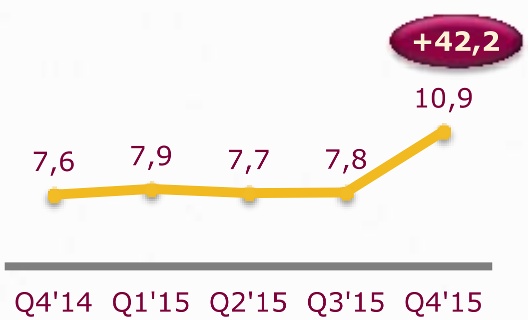


Result on banking activity

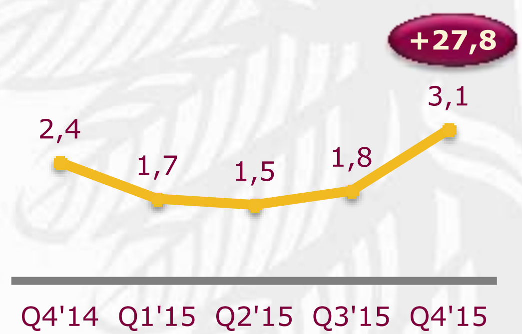


X - CHANGE VS. Q4'14 (%)

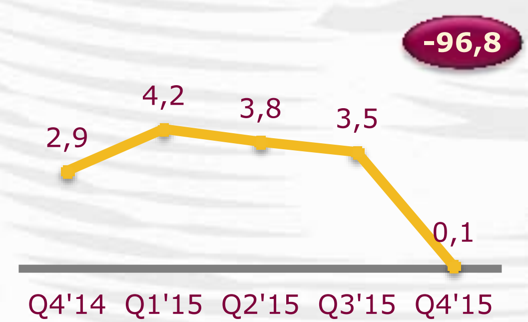
Expenses*



Net impairment**



Net profit



Source: PFSA, in PLN bln

* Includes: costs of activity, depreciation and reserves
** Includes: Net impairment on non-financial and financial assets, IBNR

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