

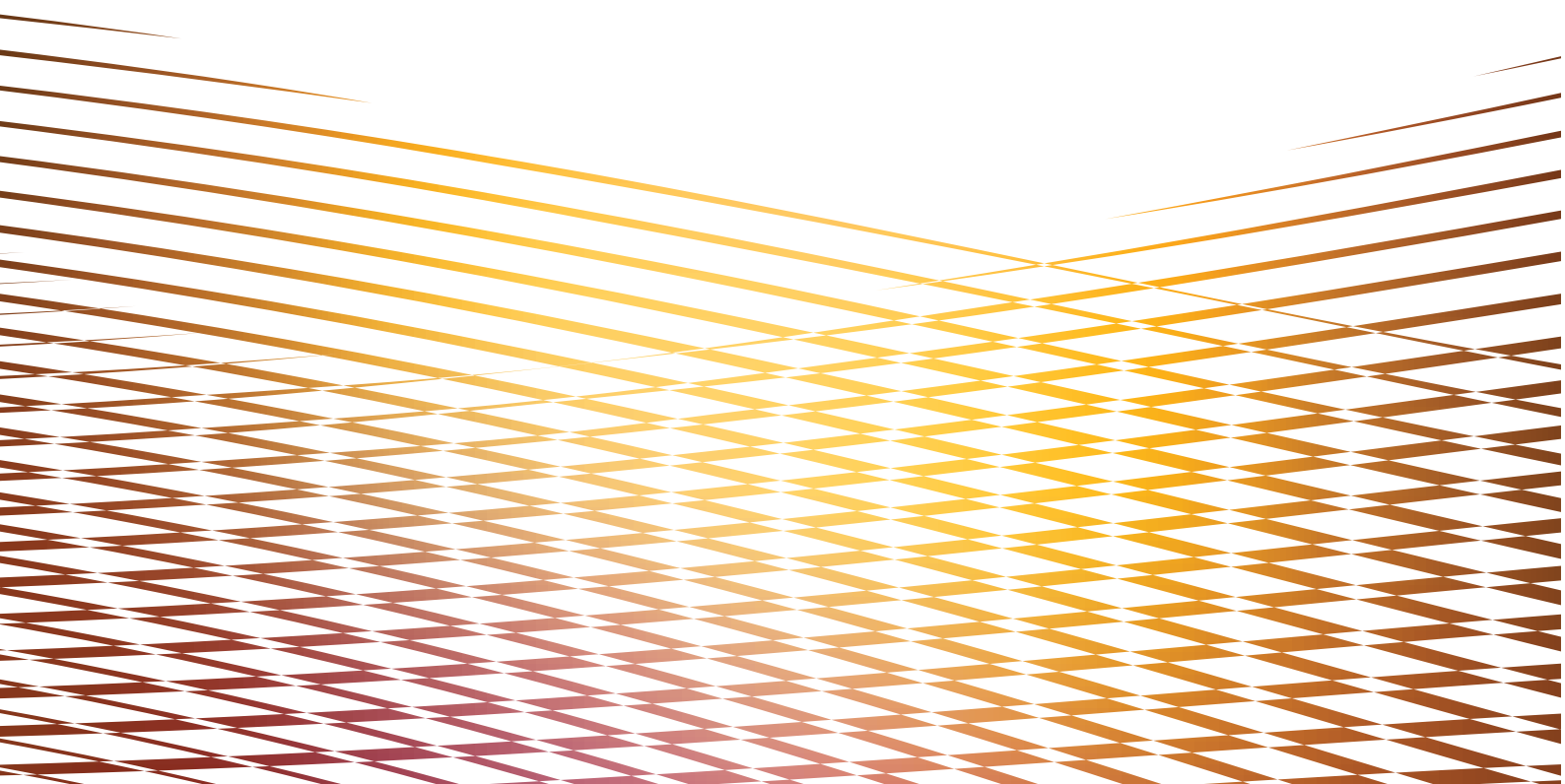


WYŻSZA KULTURA. BANK NOWOŚCI.

Report

Report of the Management Board on representation expenses, as well as legal services, marketing services, public relations and social communication services, and management consultancy services spending.

For the year ended December 31, 2019.



I. Introduction

The Report was prepared based on § 17 item 1.1a) of the Articles of Association of Alior Bank S.A. ("Bank"). The obligation to prepare it arises from art. 17 par. 6 of the Act of December 16, 2016 on the rules of state property management (JoL RP of 2016, item 2259, as amended).

The Report is prepared in zlotys ("PLN") and all amounts are given in PLN in thousands.

II. Public relations and social communication services spending

	Year ended December 31, 2019 [PLN thousand]	Share in consolidated revenues
Public relations and social communication services spending	7,242	0.19%

Public relations and social communication activities aimed mainly at building a positive image among customers and other stakeholders of the Alior Bank S.A. Group. Expenses were primarily related to image-building activities supporting Alior Bank's positioning in the areas of culture (Wyższa Kultura – Higher Culture), innovation and digital banking (Bank Nowości – The Bank of Innovation), as well as the first choice bank for companies (Bank Przedsiębiorczości – The Bank of Entrepreneurship). The Bank got involved in cultural events related to, among others, cooperation with the Zacztyani.org Foundation (Great Book Collection, Highly-Readable Libraries and other reading and voluntary-oriented events) and the Capital of the Polish Language Festival. As part of the "Large Companies for Small Patients" initiative, Alior Bank financed the renovation of the spectacle room at the "Children's Health Centre" hospital in Warsaw. Expenses were also associated with cooperation with the Polish Football Association and the title of Partner of the Polish National Football Team.

III. Marketing services spending

	Year ended December 31, 2019 [PLN thousand]	Share in consolidated revenues
Marketing services spending	68,221	1.80%

Marketing services spending was related to supporting the sale of the Bank's products and services. It also simultaneously supported Alior Bank brand image and recognition. The Bank's external communication was directed both towards individual customers as well as company-related ones. Alior Bank ran multimedia campaigns of personal accounts, cash loans, new internet and mobile banking, as well as of products and services of its Kantor Walutowy (Exchange Office), Broker Office, and Private Banking. The Bank advertised also products and services dedicated to business – mainly company loans, current accounts for micro-enterprises, the Zafirmowani.pl website, and products affiliated with EU funds. Marketing expenses comprised media buying for campaign purposes, advertising services (cooperation with an advertising agency and interactive agencies), production of marketing materials, and application of window decals at the Bank's branches and agencies

IV. Management consultancy services spending

	Year ended December 31, 2019 [PLN thousand]	Share in consolidated revenues
Management consultancy services spending	11,940	0.31%

Management consultancy services spending comprises business consulting services, including by due diligence projects, consulting related to implementation of regulatory changes, and changes regarding IT software development. Moreover, they include spending on analytical research comparing sales effectiveness, service quality, and the effectiveness of marketing activities.

V. Legal services spending

	Year ended December 31, 2019 [PLN thousand]	Share in consolidated revenues
Legal services spending	13,140	0.35%

The legal services spending presented above covers expenses connected with current legal services, preparation of additional legal analyses and opinions, representing Alior Bank and companies within the Alior Bank S.A. Group and relevant litigation support, and expenses related to supporting the creation of the Bank's internal regulations.

VI. Representation expenses

	Year ended December 31, 2019 [PLN thousand]	Share in consolidated revenues
Representation expenses	1,790	0.05%

Representation expenses were connected with creating and strengthening the Bank's positive image and relationships with its partners, including purchase of gifts and organising meetings with customers.

This Report of the Management Board on representation expenses as well as legal services, marketing services, public relations and social communication services and management consultancy services spending for the financial year ended December 31, 2019 was adopted and signed by the Management Board of Alior Bank S.A. on 5 March 2020.

Krzysztof Bachta
*President
of the Management Board*

Tomasz Biłous
*Deputy President
of the Management Board*

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*Deputy President
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