

ALIOR BANK

TOP SECRET



ALIOR
BANK

CASE STUDY

they never thought that the ugly duckling..

World Population

Projected world population until 2100

how care ?

1990



2017



7.6
billion

2030



8.6
billion

2050



9.8
billion

2100



11.2
billion

Source: United Nations Department of Economic and Social Affairs,
Population Division, *World Population Prospects: The 2017 Revision*
Produced by: United Nations Department of Public Information



Døgnet

2018

Innovative

strengths

Europe



Døgnet

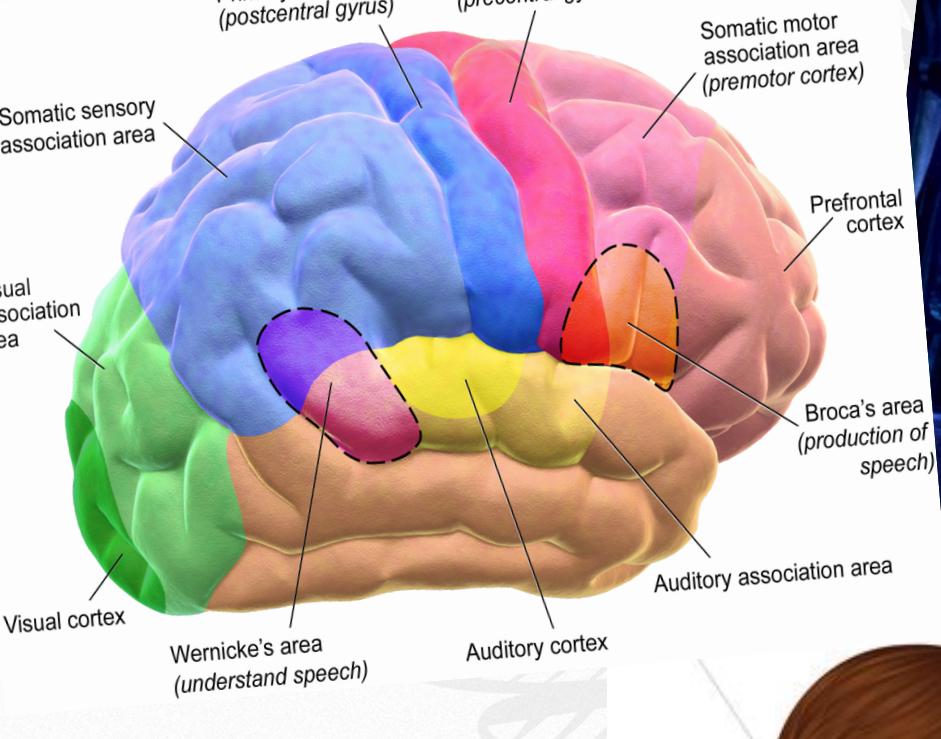
2018

Innovative

strengths

Europe

Maskinrummet ! ! !



Respectfully
shake hands with neighbors

Team up!
Two, max. three per team



Give
Your
Team
a
Name



Have I ever been part
of a really big succes
at work ?



a really big succes
against all odds ?

**a destructive merger turned us into
entrepreneurs;**

against all odds

we made the world's

largest green field banking start-up

1990s Background info

**Most Eastern European banks were
sold to West European banks**

- Risk management**
- Product development**
- Profit Center steering**
- Processes / IT Systems**

2000s Background info

Many European banks merged

- Need for scale (IT costs)**
- Need for scale (less revenue/client)**
- Scale opportunity (cheap funding)**
- Scale opportunity (central IT)**

Spring 2006



UniCredit Group



“You are all replaceable!”

Never change a
winning team!?



“You are all replaceable!”

+ 4.5 bnEURO value
increase (+300%)

Dream team!

Cures rarely arise from misdiagnosis!

Frustration

October 2006

**“Why don’t we create
a new bank?”**

**Against
All Odds!**

Visionaries agree with Action oriented

**Against
All Odds!**

Why we started Alior

The opportunity

**Entrepre-
neurial
society**

14 MM
Households⁽¹⁾



4 MM
Companies⁽¹⁾



**IT literate
population**

5th largest
facebook user
in Europe⁽²⁾

facebook

**Banking
market
offering
potential**

Outdated service models & limited
focus on innovation

Outdated
& inflexible
IT systems



'Legacy' and 'subsidiary' issues: Market
dominated by subsidiaries of foreign
banks, many with legacy issues

Underpenetrated
market

Loans/GDP⁽³⁾

EU-139%

PL-38%

The concept

**Superior
offering at
a
fair price**

- Top quality bank in Poland
- Effective brand concept
- Bowler-hat bankers
- Significant client retention

**Constant
innovation**

- Technology centred business model
- Client centric
- Fast decision making lead time
- Multi channel management
- Product innovation

**Cost
advantage**

- Cost efficient IT systems
- Full centralisation of operations
- Outsourcing

**Ability to
execute**

- Management with excellent track record
- Fast profitable branch rollout
- Strict risk policy
- Flat hierarchy

**Against
All Odds!**

2007-2008

Notes

1. Polish Central Statistical Office as of 2008
2. According to GlobalWebIndex, comScore as of February 2011
3. European Banking Federation, Eurostat as of 2007

Warning! High risk!



90% of all start-ups fail

We all had new top jobs

New bank needed 400 mEUR capital

**Against
All Odds!**

Phil Collins: “..is against all odds; it’s a chance I’ve got to take”



**It really was
like that!**

**Against
All Odds!**

“They will never find an investor”

☐

“...never get a bank license”

☐

“...never get excellent staff”

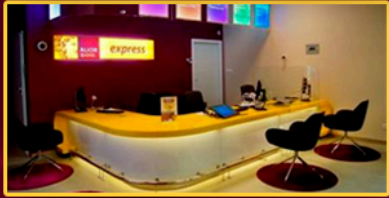
☐

“...never get the systems ready”

☐

“...never get permit to operate”

☐



2 years later, November 2008

**World's largest greenfield
banking start-up**

425 mEUR cash capital

1000 employees

100 branches

: before we got the first customer!

6 years later: 2012

ALIOR BANK

7TH LARGEST IPO

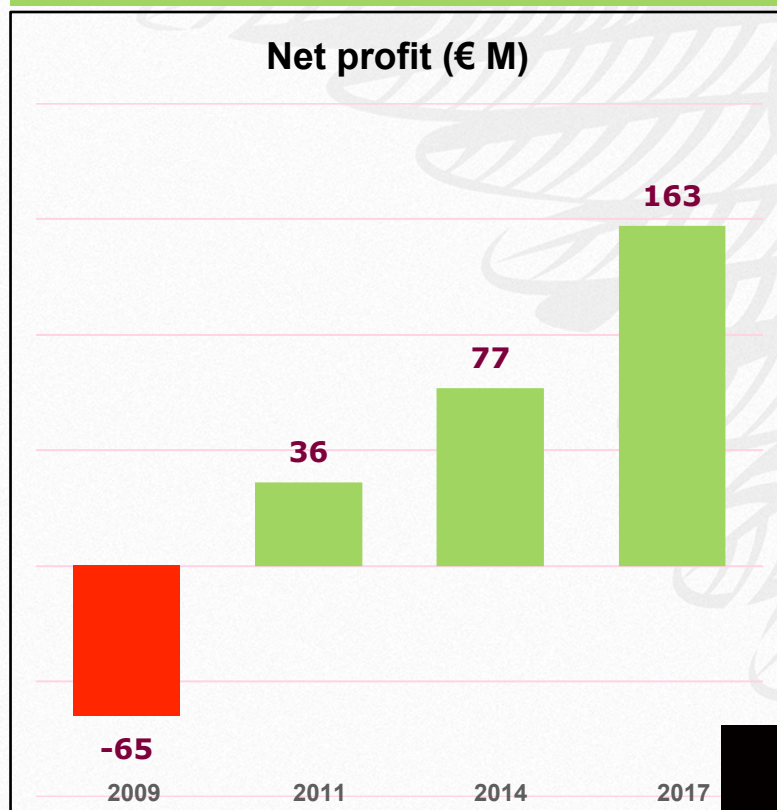
IN EUROPE



11 years later: 2017

Alior still growing and between “World’s most innovative banks”

- 4,2 M clients, 10K employees, Euro 2,4 Bn valuation (Dec 2017)
- International expansion (Romania), partnership with T-Mobile
- Successful M&A: HSBC, Innova/EBRD, GE operations in Poland
- Multiple global innovation awards



Alior's innovations acknowledged globally



Alior identified by The Banker as
„The Bank to watch” (worldwide perspective)

„Best European retail bank”

“Bank of the Year in Poland”



The Banker Awards



„Distribution & Marketing
Innovation Awards”

„Best technology used
in customer service”



„Best Internet Banking
Services Provider”

„Innovation in Internal
Process Improvement”





**Fairytales don't just happen!
Alior success inspired
by INSEAD professors**

Team of entrepreneurial managers

Technology: fundament in business model

Renewable strategy / strategy for renewal

High performance supportive organization

***Chakravarthy & Lorange:
Profit or Growth?: Why you don't have to choose.***



Alior's tool box for Innovation

"It only works if ..."

Instant organizational learning

Innovation Mondays

Talent programs with Business Cases

Innovation Lab

Holocracy to break SILO thinking



**Alior delivered very powerful
and sharp Innovation**

World's first Virtual Bank

White label bank for T-Mobile

Kill Bill

dronn





A new fairytale?

How would you enter the waters crowded with hungry innovators?



...FinTech and big companies are offering more and more services that were reserved only for banks before.

The conservative's way to win against all odds: Experience, Success, Control

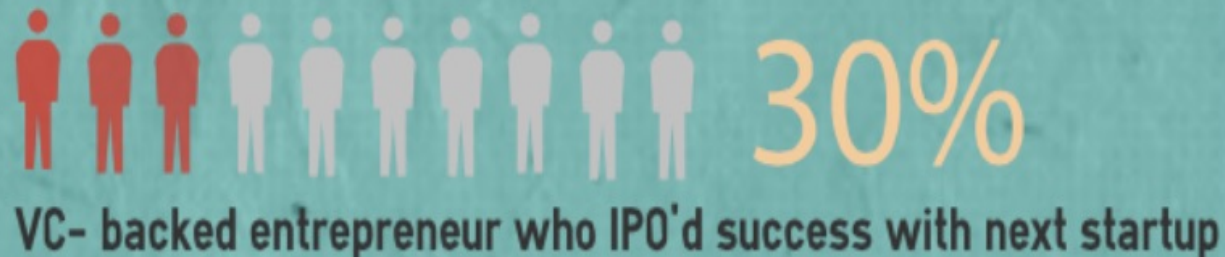
THE FIRST-TIMER



THE REPEAT PLAYER



THE VETERAN





What would you like to remember ?

Promise yourself to learn about ... to
become even sharper and powerful



Thank you!

Questions and comments?