



Resolution No. 49/2024
of the Supervisory Board of Alior Bank Spółka Akcyjna
with its registered office in Warsaw
of 7 March 2024

regarding: adoption of the “Report on the activities of the Supervisory Board of the Bank in the financial year 2023” and the performance of a self-assessment of the activities of the Supervisory Board of the Bank, effectiveness of its operation and adequacy of internal regulations concerning the functioning of the Supervisory Board in 2023.

Pursuant to Article 382 § 3 (3) and Article 382 § 3¹ of the Act of 15 September 2000 – Code of Commercial Partnerships and Companies (consolidated text, *Dziennik Ustaw* 2024, item 18) and § 23 (2)(3) of the Articles of Association of Alior Bank S.A. (“Bank”) and in accordance with recommendation 8.9 of Recommendation Z concerning corporate governance in banks, issued by the Polish Financial Supervision Authority pursuant to Resolution No. 289/2020 of 9 October 2020, it is hereby resolved as follows:

§ 1

The Supervisory Board of the Bank hereby adopts the “Report on the activities of the Supervisory Board of Alior Bank in the financial year 2023” in its wording specified in Appendix 1 to this resolution (“Report”), containing:

- 1) assessment of the financial statements of the Bank and the Bank’s Capital Group for the financial year ended 31 December 2023 and the assessment of the Management Board’s report on the activities of the Bank’s Capital Group in the financial year 2023, including the Management Board’s report on the activities of the Bank in the financial year 2023,
- 2) assessment of the motion of the Management Board of the Bank concerning activities in the financial year 2023,
- 3) report on the fulfilment of supervisory obligations with regard to the activities of the Bank in the financial year 2023, including information on the implementation of the diversity policy,
- 4) assessment of the company’s standing, taking into consideration the adequacy and effectiveness of its internal control, risk management, compliance and internal audit systems used at the Bank, including a concise assessment of the Bank’s standing in the financial year 2023,
- 5) assessment of compliance in the financial year 2023 with reporting obligations concerning the observance of corporate governance principles specified in the Warsaw Stock Exchange Rules and Corporate Governance Rules for Supervised Institutions,
- 6) assessment of internal governance at the Bank, its adequacy, effectiveness and implementation
- 7) assessment of the performance by the Management Board of the Bank of the obligations referred to in Article 380¹ of the Code of Commercial Partnerships and Companies and the manner in which the Management Board of the Bank prepares or provides the Supervisory Board with information, documents, reports or explanations requested in accordance with Article 382 § 4 of the Code of Commercial Partnerships and Companies, together with information on the total remuneration due from the Bank for all audits commissioned by the Supervisory Board during the financial year 2023 in the manner specified in Article 382¹ of the Code of Commercial Partnerships and Companies,
- 8) information concerning educational, cultural, and charitable activities

- 9) assessment of the adequacy of internal regulations regarding the functioning of the Supervisory Board and the Management Board and the effectiveness of these bodies,
- 10) report on the activities of the committees of the Supervisory Board of the Bank,
- 11) assessment of suitability of the Supervisory Board of the Bank.

§ 2

The Supervisory Board of the Bank hereby makes a positive self-assessment of its activities, effectiveness of its operation and adequacy of internal regulations concerning the functioning of the Supervisory Board in the financial year 2023, in accordance with the detailed description of the self-assessment procedure presented in the Report.

§ 3

The Supervisory Board of the Bank hereby submits the Report to the Annual General Meeting of Shareholders of the Bank.

§ 4

The Resolution enters into force on the date of its adoption.

Number of votes cast: 7, including:

Votes cast for the Resolution: 7 (Filip Majdowski, Ernest Bejda, Małgorzata Erlich - Smurzyńska, Jacek Kij, Paweł Knop, Marek Pietrzak, Dominik Witek)



**Report on the activities
of the Supervisory Board of Alior Bank S.A.
in the year 2023**

March 2024

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Introduction

During the reporting period, the Supervisory Board of Alior Bank Spółka Akcyjna with its registered office in Warsaw (“Bank” or “Alior Bank S.A.”), acting on the basis of the provisions of the Act of 15 September 2000. Code of Commercial Partnerships and Companies (*Dziennik Ustaw* 2024, items 18, 96), Act of 29 August 1997 - Banking Law (*Dziennik Ustaw* 2023, item 2488, as amended; “Banking Law”) and other applicable legal regulations, the Articles of Association of the Bank as well as the Regulations of the Supervisory Board, exercised continuous supervision over the Bank’s activities in all areas of its activity.

In the performance of its duties, in 2023, the Supervisory Board actively participated in the monitoring and supervision of key areas of the Bank's activities, including risk management, internal control system and compliance with the regulations, requirements and standards imposed by supervisory authorities as well as internal audit activities.

As part of the performance of these duties, the Supervisory Board acquainted itself with regular reports on credit risk, operational risk, including issues covering the scope of information technology, market risk and liquidity risk, difficult-to-measure risks (model risk, business risk, compliance risk, reputation risk), as well as with the results of liquidity risk stress tests for the purposes of the internal liquidity adequacy assessment process (ILAAP) and regulations concerning the review of the internal capital adequacy assessment process (ICAAP) as well as Audit Department and Compliance Department reports. An important element of the activities performed by the Supervisory Board during the reporting period was supervision over the Bank's financial results, including, in particular, supervision over the implementation of the financial plan for the year 2023. The Supervisory Board received and analysed on an on-going basis periodic reports prepared by relevant organisational units of the Bank and the Management Board of the Bank, presenting the current financial results of the Bank as well as the development of the solvency ratio and capital requirements of the Bank. When fulfilling the requirements of the supervisory authorities, the Supervisory Board approved an updated “Recovery Plan for the Alior Bank S.A. Capital Group”.

The activities of the Supervisory Board also referred to issues related to the composition of the Management Board of the Bank. On 3 April 2023, the Supervisory Board of the Bank appointed Mr Paweł Broniewski to the Management Board of the Bank for the position of Vice-President of the Management Board of the Bank, effective as of 4 April 2023. In connection with the aforementioned change in the composition of the Management Board, on 12 April 2023 the Supervisory Board approved the Resolution of the Management Board of the Bank on the internal division of powers in the Management Board of the Bank, thus introducing a new division of powers among Members of the Management Board. On 28 April 2023, the Polish Financial Supervision Authority unanimously approved the appointment of Mr Tomasz Miklas as a Member of the Management Board of the Bank in charge of managing risks material to the Bank’s operations. On 31 May 2023, the Supervisory Board approved the Resolution of the Management Board of the Bank on the internal division of

powers in the Management Board of the Bank, thus introducing a new division of powers among Members of the Management Board.

On 13 December 2023, the Supervisory Board of the Bank appointed the following persons to the Management Board of the Bank for the new, sixth joint term of office starting as of 1 January 2024: Mr Grzegorz Olszewski was appointed as President of the Management Board of the Bank, Mr Paweł Broniewski was appointed as Vice-President of the Management Board of the Bank, Mr Radomir Gibała was appointed as Vice-President of the Management Board of the Bank, Mr Szymon Kamiński was appointed as Vice-President of the Management Board of the Bank, Mr Rafał Litwińczuk was appointed as Vice-President of the Management Board of the Bank, Mr Tomasz Miklas was appointed as Vice-President of the Management Board of the Bank in charge of managing risk material to the Bank's operations, Mr Jacek Polańczyk was appointed as Vice-President of the Management Board of the Bank, Mr Paweł Tymczyszyn was appointed as Vice-President of the Management Board of the Bank.

Assessment of the situation of the company covering the internal control systems, risk management, Compliance, and internal audit functions

Brief assessment of the situation of the Bank

In 2023, Alior Bank generated record-breaking results. The net profit of Alior Bank in 2023 amounted to PLN 2.03 billion and grew by PLN 1.347 billion, i.e. nearly 200 percent compared to the result from 2022. Total revenue in 2023 amounted to PLN 5.632 billion, up by nearly 30 percent compared to 2022. Interest income increased by 34 percent, reaching PLN 4.772 billion, whereas commission income grew by 5 percent, amounting to PLN 838 million. Return on equity (ROE) amounted to 26.3 percent, i.e. up by 15 pp. year-over-year. Net interest margin (NIM) reached the level of 5.89 percent, up by 1.25 pp. year-over-year.

As a result of the transformation of the credit risk management strategy and due to positive non-recurring events, the cost of risk amounted to PLN 625 million, whereas COR in 2023 was at the level of 0.98 percent compared to 1.51 percent in 2022.

The Bank closed the year with a capital and liquidity surplus that significantly exceeds the regulatory requirements. TIER I and TCR ratios as at the end of 2023 exceed the regulatory minimums by 850 bps, i.e. by PLN 4.2 billion, and by 718 bps (PLN 3.6 billion), respectively. The consolidated minimum requirements for equity and eligible liabilities (MREL) of the Alior Bank Group amounted to 20.51 percent as at the end of 2023.

The cost to income (C/I) ratio in 2023 was 35.1%, i.e. 10.3 pp higher than in 2022. The costs of operation amounted to PLN 1,997 million and were PLN 3 million (26%) lower compared to 2022. The costs were maintained at a level comparable to the previous year primarily due to non-recurring events that occurred in 2022 in relation to joining the Commercial Bank Protection Commercial Bank Protection Scheme, in the amount of PLN 214 million, and contributions to the Borrower Support Fund in the amount of PLN 62 million, which were compensated in 2023 by higher costs resulting from the overall increase in prices in the economy. At the same time, in 2022 there were no costs of studies commissioned by the Supervisory Board.

In the past year, after several year of break, Alior Bank returned back as part of the WIG-20 index on the Warsaw Stock Exchange. The ratings assigned by key rating agencies also improved. Fitch Ratings Ltd. raised the bank's rating outlook to "positive". The S&P credit rating also improved to "BB+". In addition, the value of shares in the past year increased by more than 120 percent.

In the retail customer segment, in the past year the bank focused on strengthening the importance of digital channels and building lasting relations with customers. Their number grew by 4.36 million, 1.08 million of which are mobile app users. The number of transactions placed via the Alior Mobile app grew by nearly 25 percent. "Mobile only" users represented nearly half of all customers using digital channels.

In 2023, the Bank achieved the highest volume of mortgage loans in its history. The sale of loans in that segment reached the level of PLN 4.0 billion, which represented growth by 89 percent compared to the previous year. The number of customers with a mortgage loan increased by 8 percent y/y. The gross value of that portfolio as at the end of 2023 amounted to PLN 18.4 billion, i.e. 15 percent more than in Q4 2022, ensuring a market share of 3.6 percent for the bank.

In the last quarter of the previous year, Alior Bank launched a marketing campaign to promote Alior Pay. The sales of that service grew by nearly 40 percent quarter-over-quarter, whereas the Net Promoter Score (NPS) reached the level of 80 percent.

In the cash loan segment, the bank achieved an increase in sales by 19 percent y/y, up to PLN 6.2 billion. The gross value of the consumer loan portfolio amounted to PLN 16.3 billion, ensuring a 10.5 percent market share for the bank.

In the business customer segment, the implementation of the growth strategy of Alior Bank produced results in the form of higher market share in the sales of new overdraft facility, which increased to 4.5 percent, i.e. the highest level in the last three years. The sale of new overdraft facilities increased by 21 percent y/y, up to PLN 10.8 billion. A significant increase in market share was recorded in all engagement layers – more than 7 percent in the layer up to PLN 5 million for sole proprietorships and 7 percent in the engagement layer between PLN 20 and 60 million.

The Bank also consistently improved the structure of its portfolio in the business customer segment. The balance of regularly serviced assets of small, medium-sized and large companies amounted to nearly PLN 11 billion, i.e. 2 percent more year-over-year. The market share of the performing portfolio increased by 0.5 pp. Its quality is consistently improving as well. In Q4, the balance of assets in collection was successfully reduced by 12 percent year-over-year, down to PLN 2.1 billion.

Assessment of the internal control system, Compliance, and internal audit functions

The internal control system in place at the Bank covers all activities of the Bank, i.e. all of its units, organisational units, and subsidiaries. It is structured in accordance with the requirements of the Banking Law of 29 August 1997, as amended, the Regulation of the Minister of Finance, Funds and Regional Policy on the Risk Management System and the Internal Control System as well as the Remuneration Policy in Banks of 8 June 2021, and Recommendation H of the Polish Financial Supervision Authority on the Internal Control System in Banks of 2017.

The internal control system in place at the Bank comprises the control function, compliance unit and internal audit unit. The system is constructed in accordance with the model of three independent lines of defence. The first line of defence manages risk in the Bank's operations - it is made up of business units and support units that are not second or third line of defence units. The second line of defence comprises risk management by employees at dedicated positions or in dedicated organisational units independent from risk management under the first line of defence and the compliance unit. The third line of defence consists of the activities of the internal audit unit. On all three lines of defence, the employees of the Bank, to the extent of their assigned job duties, carry out relevant tasks related to ensuring the achievement of internal control system targets specified in the Articles of Association of the Bank, including by applying control mechanisms or independently monitoring compliance with them.

The Audit Department plays a special role within the internal control system, as its primary task is to examine and evaluate, independently and objectively, the adequacy and effectiveness of the internal control system on the first and second lines, respectively, taking into account the adequacy and effectiveness of the control mechanisms selected for the audit and independent monitoring of their compliance within the first and second lines. There are adequate mechanisms in place at the Bank to ensure the independence and objectivity of the Audit Department. The Supervisory Board, in particular the Audit Committee of the Supervisory Board, and the Management Board of the Bank receive periodic reports of the Audit Department that include information on the results of conducted audits, progress in the implementation of recommendations issued and information on the internal audit activity. In December 2023, the Management Board of the Bank and the Audit Committee of the Supervisory Board approved the Annual Audit Plan for the year 2024 and the updated Strategic Audit Plan for the years 2024-2028. These plans were adopted by the Supervisory Board on 21 December 2023.

The compliance unit, i.e. the Compliance Department ("Compliance Unit"), also plays an important role in the internal control system. It is a separate, independent organizational unit of the Bank, whose basic task is to develop solutions intended to ensure the observance of the law, internal regulations, and market standards by the Bank by managing compliance risk and ensuring compliance within the control function. The Compliance Department implements processes for the identification, assessment, control, monitoring and reporting of compliance risk in accordance with the provisions of the Compliance Policy. Detailed Compliance Department operating rules are stipulated in the Regulations of the Compliance Department and detailed procedures and instructions which govern activities performed as part of compliance risk management and compliance within the control function. The Compliance Department also coordinates the performance of the control function at the Bank.

In the execution of its prerogative included in the Compliance Policy applicable at the Bank, the Supervisory Board, via the Audit Committee of the Supervisory Board, received quarterly reports on compliance risk management and control function implementation in 2023. These reports included, in particular: information on the level of compliance risk, information on key changes in legal regulations and market standards, results of compliance risk testing together with information on the status of implementation of recommendations issued by the Compliance Department, and information on the functioning of the process of reporting breaches and non-conformities by Bank employees (*whistleblowing* system). The Supervisory Board also had an opportunity to hold direct discussions

on issues in the area of compliance risk with the head of the Compliance Department, who participated in the meetings of the Audit Committee of the Supervisory Board on a regular basis, and the Bank had in place mechanisms guaranteeing the independence of the Department. In December 2023, the Supervisory Board also authorized the Action Plan of the Compliance Unit for 2024, which had previously been approved by the Management Board of the Bank.

In 2023, the subject of particular interest for the Supervisory Board and the Audit Committee of the Supervisory Board was the issue of monitoring the status of irregularities identified by the first and second lines of defence. The Audit Committee also devoted much attention to issues related to:

- risk (including related to counteract money laundering and financing of terrorism, reviewing the credit portfolio, commercial real estate developers, industries sensitive to higher prices of gas, electricity, coal and in the context of interest rate changes),
- the activities of Alior Leasing Sp. z o.o., a subsidiary,
- the branch of Alior Bank in Romania,
- partner outlets of the Bank,
- adaptation of the Bank to the amendment of legal regulations,
- the Bank offering loans under the “Safe 2% Loan” program,
- the discussion of audit reports, including reports related to the monitoring of individual credit risk in the Retail Customer segment, real estate and technical infrastructure management, interest rate risk management in the banking book, strategy for granting financing in Alior Leasing Sp. z o.o. and audit reports of the Brokerage House, including in the context of the conflict of interest management process and the process of providing the order execution service.

The Supervisory Board performed the annual assessment of the adequacy and effectiveness of the Bank's internal control system in 2023, including the assessment of the adequacy and effectiveness of the control function, compliance unit and internal audit unit, taking into consideration in particular: the opinions rendered by the Audit Committee of the Supervisory Board, information from the Management Board of the Bank, the Compliance Department and the Audit Department, findings of the statutory auditor and information materials from the perspective of the internal control system, obtained from external entities. The Supervisory Board also took into consideration the fact that internal control system assessments resulting from process audits carried out in 2023 by the Audit Department have improved compared to 2022. The Supervisory Board positively assessed the internal control system in place at the Bank in 2023 and did not identify any weaknesses as regards ensuring the achievement of four general goals of the internal control system, i.e. the effectiveness and efficiency of the Bank's operations, reliability of financial reporting, compliance with the principles of risk management in force at the Bank, and compliance of the Bank's operations with the law, internal regulations and market standards.

Risk management system assessment

Risk management is one of the most crucial internal processes at the Bank and the Alior Bank S.A. Group (“Group”). The role of the risk management system is to ensure adequate and early recognition and management of material risks related to the Bank's activities.

The Bank's risk management system is based on three independent lines of defence. Its framework is set by standards applicable at the banking sector, as well as guidelines in regulations, including supervisory recommendations which are reflected in the applicable internal regulations.

The risk management strategy at the Bank is described in the Risk Management Strategy of Alior Bank S.A. Group ("Risk Management Strategy"), adopted by the Management Board of the Bank and approved by the Supervisory Board. The main objective of the Risk Management Strategy is to support the achievement of business goals and the Bank's strategy through active risk management and ensuring a stable capital position. The purpose of the Risk Management Strategy is to define the principles related to the management of particular types of risk at a level enabling the achievement of financial objectives, while ensuring full safety of core business activity and compliance with regulatory requirements.

The Bank exercises supervision over the operations of subsidiary companies from the Group. The Bank supervises risk management systems in these entities and takes into account the level of risk connected with the activity of individual entities as part of the risk monitoring and reporting system at the Group level. Subsidiary companies establish and update internal regulations related to the management of significant types of risk while taking into consideration recommendations formulated by the Bank and provisions of the Risk Management Strategy.

The Management Board of the Bank is responsible for designing, introducing and ensuring consistent approach adapted to the risk profile, risk management system in the Group, including for establishing rules for managing individual types of risk, ensuring their consistency with the Risk Management Strategy, and for determining the risk appetite. The Supervisory Board supervises the risk management system in the Group, compliance of the Group's policy as regard risk taking with the strategy and financial plan of the Group, and assesses the adequacy and effectiveness of that system.

The Bank maintains its exposure to credit risk in connection with its lending activity, the goal of which is to generate return on the engaged capital. The Bank manages the credit risk exposure by taking into account the goal of optimising the quality of the credit portfolio with the assumed rate of return on the invested capital and appropriate diversification of the assets acquired as part of the Bank's lending activities. In 2023, the Bank mainly pursued the Bank's Strategy for digitization and transformation of the lending process applicable to Business Customers, with the aim of automating, optimizing and increasing the efficiency of the lending process that supports the granting of credit exposures.

The Bank manages the liquidity risk exposure, taking into account the objective of ensuring full liquidity at any time in the short, medium and long term, i.e. capacity the ability to timely settle all liabilities, both in a normal situation and in the case of a crisis caused by external and internal factors.

The Bank has a formalized operational risk management system in place to prevent operational events from occurring and minimise losses if the risk materializes. The operational risk management process is implemented at all management levels of the Bank – from basic organisational units to the Management Board and the Supervisory Board. The amount of operational risk expenses in 2023 was within the adopted target and operational risk expense limit for the Bank.

Since 2018, the Bank has been using the Advanced Operational Risk Measurement Approach (AMA) to measure regulatory capital for operational risk.

In 2023, the Polish Financial Supervision Authority approved changes to the AMA model that consisted in adapting algorithms and recalibrating model parameters to the current risk profile of the Bank and external conditions.

The exposure to the market risk (including interest rate risk of the banking book) is formally limited at the Bank by a system of periodically updated limits, introduced by resolution of the Supervisory Board or Management Board, encompassing all risk measurements, the level of which is monitored and reported by the Bank's organisational units which are independent of business. Market risk management is focused on potential changes in the economic result. Non-quantifiable risks related to the conducting of treasury activities are also limited by quantitative requirements applicable at the Bank related to the risk management process (internal control system, implementation of new products, legal risk analysis, operational risk analysis).

ESG risks, i.e. environmental, social and governance risks, have been included in the risk management framework as cross-cutting risks that affect the individual risks recognized in the Bank. The risk management system in place at the Bank takes into consideration the impact of ESG risk factors on the following material types of risks: credit, operational, market, liquidity, reputation and compliance.

The Supervisory Board performed the annual assessment of the adequacy and effectiveness of the Bank's internal control system in 2023, including in particular:

- the summary of annual results in the area of risk, including the determination of risk appetite and implementation of risk policy for the year 2023,
- opinions rendered by the Audit Committee of the Supervisory Board,
- opinions rendered by the Risk Committee of the Supervisory Board,
- the annual report of the Audit Department for the year 2023,
- the annual report from the performance of duties by the Compliance Department in 2023,
- the reputation risk report,
- findings resulting from supervisory activities performed by authorized institutions.

Based on received reports, the Supervisory Board positively assessed the risk management system, taking into account in its assessment the fact that the risk management system assessments performed as part of processed carried out in 2023 were positive in their vast majority, and the Bank achieves the base risk appetite parameters defined in the Risk Management Strategy, in particular to the extent of capital adequacy ratios and ratios related to credit, market, operational and model risks.

The risk management system applicable at the Bank is adjusted to the activities carried out by the Bank and its organisational structure, complexity of the activities, size and profile of risks. As part of the risk management system, the Bank applies formal procedures to identify, measure, assess, control, monitor and report risk and take preventive measures. The system of managerial information in the Bank enables the effective monitoring of risk levels.

Furthermore, the following standing committees supporting the Management Board of the Bank in risk management functioned in the reporting period:

- Capital, Assets, and Liabilities Management Committee (CALCO),

- Bank's Credit Committee,
- Operational Risk Committee,
- Model Risk Committee,
- Credit Risk and Business Initiative Committee.

Assessment of compliance with reporting obligations concerning compliance with corporate governance principles specified in the Warsaw Stock Exchange Rules and Corporate Governance Principles for Supervised Institutions by the Bank in 2023

Pursuant to the Warsaw Stock Exchange (WSE) Rules, the Bank, as a public company, is under an obligation to comply with Best Practice for GPW Listed Companies 2021 ("Best Practice"), which provide a set of rules of conduct applicable in particular to the bodies of companies listed on the WSE and their shareholders. The Best Practice was adopted for application by virtue of Resolution No. 35/2022 of the Annual General Meeting of the Bank held on 31 May 2022.

Pursuant to Resolution No. 89/2014 of the Supervisory Board of the Bank of 29 December 2014, Corporate Governance Principles for Supervised Institutions ("Corporate Governance Principles") were also adopted for application, as confirmed in Resolution No. 25/2015 of the Annual General Meeting of the Bank of 25 May 2015.

The Bank is actively working to meet the information needs of stakeholders. It cares about universal and equal access to information. Its actions are compliant with the highest market standards and generally applicable law.

The performance of reporting obligations by the Bank and activities related to maintaining proper relations with investors, analysts and rating agencies are carried out by the Investor Relations and Ownership Supervision Department. They are aimed at ensuring permanent, equal, and immediate access to information about any and all significant events concerning the Bank which have or may have a potential impact on the value of the Bank's financial instruments. In implementing its information policy, the Bank applies the legal requirements concerning confidentiality and security of information, which are incumbent on the Bank as a public company.

According to the statement published on 27 April 2022, which remains valid as at the date of publication of this Report, the Bank applied the principles laid down in the Best Practice in 2023 with the following reservations, updated with information on the Annual General Meetings of the Bank held in 2022 and 2023 and their adoption of relevant resolutions:

- Principle 2.1 is not applied. The Policy for the Selection and Suitability Assessment of Members of the Management Board was adopted by the Supervisory Board of the Bank. The Policy for the Selection and Suitability Assessment of Members of the Supervisory Board was adopted on 31 May 2022 by the Annual General Meeting of the Bank and updated by Resolution No. 28/2023 of the Annual General Meeting of Alior Bank Spółka Akcyjna of 10 May 2023. Both documents incorporate the objectives and criteria for diversity of members of the Bank's governing bodies in line with Principles 2.1 and 2.2 and set the gender diversity ratio to be achieved by the Bank at no less than 30% minority participation. According to the current state of the Bank's bodies, the specified level of gender diversity has not been achieved.

- Principle 2.2 is not applied. Management Board members are selected and evaluated by the Appointments and Remuneration Committee of the Supervisory Board in cooperation with the HR Division. Supervisory Board members are evaluated by the shareholder who has recommended the appointment. The Policy for the Selection and Suitability Assessment of Members of the Management Board was adopted by the Supervisory Board of the Bank. The Policy for the Selection and Suitability Assessment of Members of the Supervisory Board was adopted on 31 May 2022 by the Annual General Meeting of the Bank And updated by Resolution No. 28/2023 of the Annual General Meeting of Alior Bank Spółka Akcyjna of 10 May 2023. Both documents incorporate the objectives and criteria for diversity of members of the Bank's governing bodies in line with Principles 2.1 and 2.2 and set the gender diversity ratio to be achieved by the Bank at no less than 30% minority participation. According to the current state of the Bank's bodies, the specified level of gender diversity has not been achieved.
- Principle 4.1 is not applied. Given the need to perform multiple technical and organisational measures and the involved costs and risks, as well as little experience of the market in this regard, the Bank has not currently opted for providing the shareholders with real-time communication capability whereby shareholders would be able to speak at a General Meeting from a location other than the place of deliberations.

The principles of the Best Practice mentioned below are applied by the Bank to the following extent:

- Principle 4.8 is applied. The Bank promptly publishes draft resolutions upon their receipt, together with a set of materials concerning them, on the Bank's website.
- Principle 4.9 is applied. The Bank promptly publishes candidacies upon their receipt, together with a set of materials concerning them, on the Bank's website.
- Principle 6.3 is applied. As at the day of publication of the report, there are no incentive schemes on terms described above at the Bank.
- Principle 6.4 is applied. The rule is applied to the extent compliant with the Act 9 June 2016 on Remuneration of the Management of Certain Entities.

The Supervisory Board assessed the application of Corporate Governance Principles by the Bank in 2023, as expressed in Resolution No. 20/2024 of 27 February 2024. As a result of the analysis, it was found that in 2023 the Bank applied the Corporate Governance Principles, with the exception of:

- § 8.4 - Principle is not applied. The convening and holding of the General Meetings of Alior Bank S.A. complies with the regulations applicable to public companies and the Best Practice and Corporate Governance Principles to the extent consistent with the expectations of the Bank's shareholders. Given the need to perform multiple technical and organizational measures and the involved costs and risks, as well as small experience of the market in this regard, the Bank has not currently opted to provide the shareholders with real-time communication capability whereby shareholders would be able to speak at a General Meeting of Shareholders from a location other than the place of deliberations.
- § 49.4 – not applicable. The Audit Department and the Compliance Department are separated within the Bank.
- § 52.2 – not applicable. The Audit Department and the Compliance Department are separated within the Bank.
- § 53 - § 57 – not applicable. The Bank does not conduct activities consisting in managing assets at customer risk.

Information on the application of the principles contained in the Best Practice by the Bank as well as the Report on the assessment of the application of Corporate Governance Principles was published on the Bank's website <https://www.aliorbank.pl/additionale-informe/relacje-Investorskie/lad-korporacyjny.html>.

Taking the above into consideration, the Supervisory Board positively assesses the manner in which the Bank fulfilled its reporting obligations concerning the application of corporate governance principles, specified in the Regulations of the Stock Exchange and Corporate Governance Principles for Supervised Institutions in 2023.

Assessment of internal governance at the Bank, its adequacy, effectiveness and implementation

The Management Board positively assesses the internal governance implemented at the Bank, including its adequacy and effectiveness.

The assessment was made after the Supervisory Board examined the results of the assessment of the Management Board in that regard, presented in the Report of the Management Board on the Activities of the Alior Bank S.A. Group in 2023 and the results from the review of the Bank's compliance with the principles of corporate governance, carried out by the Compliance Department in accordance with the Regulations of the Compliance Department. The assessment of internal governance in individual areas of Recommendation Z on the principles of internal governance in banks ("Recommendation Z"), adopted by the Polish Financial Supervision Authority, has been presented below.

General principles of internal governance at the Bank

In the opinion of the Supervisory Board, the Bank has in place a transparent and effective internal governance that complies with the law. It is defined in the Bank's Articles of Association and the hierarchical system of internal regulations adopted by the Bank. The internal governance includes, in particular, the Bank's management system, the Bank's organisation, principles of operation, powers, duties, and responsibilities as well as mutual relations between the Supervisory Board, the Management Board and Bank's key function holders.

As a parent company in the Capital Group of the Bank, the Bank ensures proper internal governance throughout the group, appropriate to the structure, operations, and risk of the Group and its constituent entities, as well as exercises appropriate ownership supervision over subsidiaries. The appropriate framework for cooperation within the group was defined primarily in the Ownership Supervision Policy of Alior Bank S.A., in the Risk Management Strategy of the Alior Bank S.A. Group. and in Agreements on Cooperation and Exchange of Information concluded with subsidiaries.

The organization of the Bank contributes to ensuring effective and prudent management of the Bank, both individually and at the Group level. The organization of the Bank was reflected in the organisational structure of the Bank, defined in the internal regulations, which covers the entire area of the Bank's operations and explicitly distinguishes each key function. This applies both to the division of tasks, powers, duties, and responsibilities between Members of the Management Board (following the resolution specifying the internal division of competences in the Management Board

of the Bank), as well as to the division of tasks, powers, duties, and responsibilities between organisational units, organisational cells, and organizational positions. The most important internal regulations ensuring effective and prudent management of the Bank include: Regulations of the Management Board of Alior Bank S.A., Regulations of the Supervisory Board of Alior Bank S.A., Organisational Regulations of Alior Bank S.A., Organisational Regulations of the Head Office of Alior Bank S.A.

Acquisition from the parent entity within the PZU S.A. Capital Group of information that is necessary to understand the general objectives of the group and the types of risk to which it is exposed is possible under the agreement concluded between the Bank and Powszechny Zakład Ubezpieczeń S.A. on cooperation and information exchange, including through the establishment of a Strategic Committee under that agreement.

In its business strategy, the Bank has identified key directions of responsibility under the 3 pillars of E, S and G, understood as responding to key environmental and climate challenges, being responsible for surrounding social processes and applying the highest management standards.

Principles of operation, powers, duties, responsibilities as well as mutual relations of the Supervisory Board and the Management Board and suitability of members of these bodies and persons holding key functions in the Bank

The system of internal regulations applicable at the Bank ensures a clear assignment of responsibilities to the Management Board and the Supervisory Board. The tasks of both bodies are coordinated to ensure their effective operation for the purpose of implementing the Bank's management strategy and risk management strategy.

In the reporting period, the frequency of meetings of the Supervisory Board and the extent of topics covered at these meetings were adequate to the needs of supervision over the activities of the Bank and the implementation of statutory duties of that body.

The positive assessment of the adequacy of internal regulations concerning the functioning of the Supervisory Board and the effectiveness of its operation was made by the Annual General Meeting of the Bank by means of Resolution No. 33/2023 of 10 May 2023, in accordance with the provisions laid down in Recommendation Z 8.9.

The Supervisory Board appointed from among its members the Audit Committee, Risk Committee, Appointments and Remuneration Committee, and Strategy and Development Committee of the Bank, which provided support in the performance of its duties. Committees established by the Supervisory Board operated pursuant to regulations approved by that body, specifying in particular the composition, frequency of meetings, and scope of operation.

The principles of management information are set out in the document Principles of the Management Information System in force at the Bank, which defines a set of reports used to manage the Bank at all basic management levels: Supervisory Board, Supervisory Board Committees, Management Board, Management Board Committees, Regional Directors, Divisions, Compliance Department, Data Protection Officer, Risk Area.

The Bank, through the applied solutions, ensures that positions with a significant impact on the direction of the Bank's operations are held by persons with appropriate characteristics and

qualifications. The assessment of the suitability of Members of the Supervisory Board, both individual and collective, was carried out on the basis of the Policy for the Selection and Suitability Assessment of Members of the Supervisory Board of Alior Bank S.A. The following also apply at the Bank in that area: the Policy for the Selection and Suitability Assessment of Members of the Management Board of Alior Bank S.A., the Policy for the Suitability Assessment of Members of the Authorities of the Brokerage House of Alior Bank S.A. and the Policy for the Selection and Assessment of Key Function Holders at Alior Bank S.A.

Standards of conduct of the Bank, conflicts of interest and anti-corruption measures at the Bank level

The Bank has established appropriate standards of conduct, conflict of interest management and corruption prevention. The Code of Ethics of Alior Bank S.A., the Conflict of Interest Management Policy and Corruption Prevention Policy were adopted by the Management Board and approved by the Supervisory Board.

The Code of Ethics constitutes a collection of the most important principles and ethical standards specifying the standards of conduct of the Alior, as well as person through which the Bank performs its banking activities.

The principles for managing conflicts of interests have been described in the Conflict of Interest Management Policy. The Corruption Prevention Policy, on the other hand, sets forth the rules of conduct aimed at preventing corruption in internal relations or relations with Customers, Trading Partners, business partners of the Bank or Alior Bank S.A. Group entities. The Bank has adequate internal procedures and operational solutions in place to ensure proper conflict of interest management and prevent corruption, in particular specifying the method of identifying, preventing, monitoring, eliminating, and minimizing the effects of a conflict and combating any signs of corruptions in all areas of activity of the Bank.

Of the above regulations are available on the Bank's website.

Outsourcing policy, principles of remuneration at the Bank and dividend policy

The Bank developed the outsourcing principles, including by comprehensively implementing the guidelines on outsourcing of the European Banking Authority, referred to in document EBA/GL/2019/02 of 25 February 2019 ("Outsourcing Guidelines") as well as in the position of the Office of the Polish Financial Supervision Authority of 16 September 2019. The Bank has in place: the Purchasing Policy of Alior Bank, the Rules for Concluding Agreements, the Policy for Managing Relations with IT Service Providers, as well as the Policy of Managing Outsourcing, Insourcing and Sensitive Services of Alior Bank S.A. ("Outsourcing Policy"), which governs the entrustment of activities pursuant to Articles 6a to 6d of the Banking Law and the Outsourcing Guidelines. The provisions of the Outsourcing Policy cover such aspects as risk assessment as well as monitoring and control of Outsourcing Agreements. The Bank conducts periodic assessment of Critical Outsourcing Agreements and Sensitive IT Services (semi-annual) and assessment of Outsourcing, Insourcing and Sensitive Agreements (annual). Assessment reports are subject to approval by the Operational Risk Committee of the Bank and then submitted to the Management Board and the Supervisory Board.

The Bank has in place the Remuneration Policy of Alior Bank S.A., which is the basic document in the field of policy and rules for determining the remuneration of the Bank's employees. It includes the rules for awarding remuneration to individuals who, due to their special role in the risk management system of the Bank, have been covered by a separate regulatory regime in that regard.

The Appointments and Remuneration Committee of the Supervisory Board advised the Supervisory Board and the Management Board of the Bank on the implementation of the provisions of the "Remuneration Policy of Alior Bank S.A." and the "Remuneration Policy for Members of the Management Board and Supervisory Board of Alior Bank S.A." – in particular in relation to the Material Risk Takers ("MRTs"). It also prepared opinions, assessments or recommendations on matters specified in the Policy for the Selection and Suitability Assessment of Members of the Management Board of Alior Bank S.A. and the Policy for the Selection and Suitability Assessment of Members of the Supervisory Board of Alior Bank S.A.

By means of Resolution of 3 April 2023, the Supervisory Board carried out the annual assessment of the impact of the remuneration policy on the management of the Bank and prepared the Report of the Supervisory Board on the evaluation of the functioning of the remuneration policy in Alior Bank S.A., which the Supervisory Board then presented to the Annual General Meeting ("AGM"). Based on the presented report, on 10 May 2023 the AGM adopted a resolution stating that the remuneration policy in force at the Bank fostered growth and security of the Bank's operations.

The Dividend Policy of Alior Bank S.A. adopted by the Bank aims to establish rules for stable dividend payment in the long-term perspective while observing the principle of prudential capital management as well as any and all regulatory requirements whereto the Bank has been obligated. In particular, the Dividend Policy of Alior Bank S.A. takes into account elements resulting from Recommendation Z, and is subject to regular update under the annual review of internal procedures.

Risk management

The risk management system in force at the Bank utterly takes into account the essence of the Bank's exposure to risk and covers all significant types of risk. The base document aimed at ensuring that the Bank's risk is maintained at an acceptable level in accordance with the risk appetite adopted and that the long-term financial objectives of the Bank are achieved is the Risk Management Strategy of the Alior Bank S.A. Capital Group. The Strategy overrides policies and principles related to the management of individual material types of risk.

The Bank has implemented an ESG risk strategy for its internal risk management framework. ESG risks are specified as cross-cutting risks that affect the individual risks recognized in the Bank. The risk management system in place at the Bank takes into consideration the impact of ESG risk factors on the following material types of risks: credit, operational, market, liquidity, reputation and compliance. In addition, the impact of ESG factors is taken into account in the internal capital adequacy assessment process.

The Bank regularly reviews the strategy and procedures for estimating and maintaining internal capital on a regular basis. In accordance with the "Internal Capital Adequacy Assessment Process (ICAAP) at Alior Bank S.A.", in order to ensure that the ICAAP process is adequate to the scale of the Bank's operations, it is subject to regular reviews. These reviews are conducted once a year or whenever any significant changes are made to the internal and

external environment of the Bank. The review of the internal capital adequacy assessment process in the Bank was completed on 31 August 2023. The review was conducted for the period from 31 March 2022 to 31 March 2023. This review resulted in 1 recommendation issued for verification and approval by the Management Board. By way of a resolution, the Management Board approved the “Report on the review of the ICAAP process in Alior Bank S.A. and in the Alior Bank S.A. Group” and submitted the report for information purposes to the Supervisory Board via the Risk Committee of the Supervisory Board.

The level of risk appetite determined by the Management Board of the Bank in the form of limits for individual risks was subject to approval by the Supervisory Board after prior review by the Risk Committee of the Supervisory Board. The Bank monitored the level of limit utilization on a monthly and quarterly basis. The results of monitoring activities were presented monthly to the CALCO Committee and quarterly to the Management Board of the Bank, the Risk Committee of the Supervisory Board, and the Supervisory Board.

In the opinion of the Supervisory Board, the Bank applies appropriate standards with regard to the introduction of new products, services, starting new activities, starting activities on a new market, or to the introduction of products or services to new markets and significant changes to the above in accordance with the provisions of Recommendation Z. A document specifying the rules applicable in this respect is the Policy of Approving New Products at Alior Bank S.A.

Disclosures

The Bank has in place the Information Policy on capital adequacy and other information subject to disclosure in Alior Bank S.A. (hereinafter: “Information Policy”). The document was introduced to the Bank by way of a resolution of the Management Board and then approved by a resolution of the Supervisory Board.

The information policy defines the scope of information subject to disclosure, the frequency and date of disclosing information, as well as the form and place of disclosing information. The information policy shall be reviewed at least once a year.

The Bank, when announcing to the public all information, also covered by the Information Policy, follows the principle that all information made available presents the material and financial situation of the Bank correctly, reliably, and clearly to the applicable extent and in accordance with the provisions of law. For this reason, the Information Policy sets forth rules for verifying and approving disclosed information. The contents of the disclosures are subject to approval by the Management Board of the Bank and the Supervisory Board.

In the opinion of the Supervisory Board, the scope of disclosed information takes into account the Bank’s size, risk profile, and complexity of its operations.

The information policy is available on the Bank’s website.

Assessment of the performance by the Management Board of the Bank of the obligations referred to in Article 380¹ of the Code of Commercial Partnerships and Companies and the manner in which the Management Board of the Bank prepares or provides the Supervisory

Board with information, documents, reports or explanations requested in accordance with Article 382 § 4 of the Code of Commercial Partnerships and Companies

The Supervisory Board, having reviewed the information of the Management Board of the Bank on the amendment to the provisions of the Code of Commercial Partnerships and Companies entering into force as of 13 October 2022, stated that the scope of information about the Bank required to be provided to the Supervisory Board by the Management Board pursuant to Article 380¹ § 1 (1) to (3) and Article 380¹ § 2 of the Code of Commercial Partnerships and Companies is covered by the system of periodic reporting to the Supervisory Board and Committees of the Supervisory Board functioning at the Bank, resulting from the Bank's internal regulations, including in particular the "Principles of the Management Information System" – in the form and with the frequency and deadlines for submitting information specified in these regulations, having regard to the schedule of meetings of the Supervisory Board and Committees of the Supervisory Board, as expressed in the Resolution No. 116/2022 of the Supervisory Board of 11 October 2022

Furthermore, the Supervisory Board of the Bank decided that the above information about the Bank, referred to in Article 380¹ § 1 (1) to (3) and Article 380¹ § 2 of the Code of Commercial Partnerships and Companies, will be provided taking into account the form, frequency and deadlines resulting from the current reporting system and having regard exclusively to information on relevant subsidiaries of the Bank in regard to Article 380¹ § 2 of the Code of Commercial Partnerships and Companies.

At the request of the Supervisory Board of the Bank, all information, materials, documents and analyses necessary to duly perform the supervisory duties of the Board were being provided.

Having regard to the above, the Supervisory Board positively assessed the performance of obligations referred to in Article 380¹ of the Code of Commercial Partnerships and Companies by the Management Board in 2023 and positively assessed the manner in which the Management Board of the Bank prepared or provided the Supervisory Board with information, documents, reports or explanations requested in accordance with Article 382 § 4 of the Code of Commercial Partnerships and Companies in 2023.

Information concerning educational, cultural, and charitable activities

As an institution that puts emphasis on corporate social responsibility, Alior Bank S.A. for years has been involved in a wide range of initiatives, both on a local and nationwide scale. This activity is aimed at helping implement individual projects as well as disseminating knowledge of social responsibility and sustainable development among employees, customers, business partners and shareholders of the Bank.

Sponsoring

Culture and art (Expenditure incurred in 2023 - PLN 445,150.00 gross)

Orszak Trzech Króli [Procession of the Three Kings] (PLN 98,400.00 gross)

In 2023, the Bank for the fifth time was a Partner of the “Orszak Trzech Króli” Foundation and the event traditionally organized by the Foundation on 6 January 2023. The event gathered 1.5 million participants on the streets of 753 Polish cities and villages.

Biały Kruk [White Raven] (PLN 61,500.00 gross)

In 2023, the Bank sponsored a publication titled "St. John Paul the Great. To My Compatriots," edited by Jolanta Sosnowska, published by Biały Kruk publishing house.

22. Polish Television and Polish Radio Theater Festival “Two Theaters” (PLN 61,500.00 gross)

In 2023, the Bank sponsored the 22nd Polish Television and Polish Radio Theater Festival “Two Theaters”. 16 television spectacles and 28 radio dramas, including 9 radio dramas for children, were included in that edition of the competition.

The Warsaw Uprising Museum (PLN 61,500.00 gross)

In 2023, the Bank sponsored the “Memory "In" Frame” photo competition organized by the Warsaw Uprising Museum. It was one of the initiatives promoting Alior Bank private banking.

Koncertowa Sp. z o.o. (PLN 30,000.00 gross)

In 2023, the Bank sponsored a concert of the National Symphony Orchestra of the Polish Radio in Katowice. The concert was held in 2024. It was one of the initiatives promoting Alior Bank private banking.

Szymon Brodziak (PLN 40,000.00 gross)

In 2023, the Bank organized an author’s meeting in the Brodziak Gallery. It was one of the initiatives promoting Alior Bank private banking.

Wydawnictwo Naukowe PWN S.A. (PLN 92,250.00 gross)

In 2023, the Bank was the patron of the “Youth Word of the Year” competition organized by Wydawnictwo Naukowe PWN S.A. The initiative was intended to promote the Account for the Young offered by the Bank.

Sports (Expenditure incurred in 2023 - PLN 464,350.00 gross)

Polish Ski Association (PLN 356,700.00 gross)

In 2023, the Bank supported the Polish national ski jumping team.

Maciej Gładysz (PLN 61,500.00 gross)

In 2023, Alior Bank also continued cooperation with Maciej Gładysz, a karting driver, who despite his young age has already achieved numerous sports successes.

Sierra Golf Resort Sp. z o.o. (PLN 30,000.00 gross)

In 2023, the Bank organized the “Sierra Golf Resort Cup by Alior Bank Private Banking 2023” event. It was one of the initiatives promoting Alior Bank private banking.

“Bieg Przemyska Piątka” [Przemyśl 5K Run] (PLN 10,000.00 gross)

On September 24th, the Przemyśl 5K Run was held for the sixth time on the “Juvenia” Jarosław Kłyński Stadium. Alior Bank became the main partner of the event for the fourth time. All revenue generated from the run was donated to the “Betania” St. Lazarus Hospice and Care Centre in Przemyśl. Thus far, the event was associated with a street run over a 5 km distance. This year, a decision was made to organize a family picnic. It featured 5 competitions: a long-distance 3 km run, a mixed relay run, a kids’ run, a 1.5 km race with hurdles for uniformed services, and a chess tournament. Alior Bank employees were among the competitors. The event was held as part of the “Aktywni z Aliorem” [Active with Alior] cycle.

“Paratriathlon Kraina Liwca” [Liwiec River Land Parathriatlon] (PLN 6,150.00 gross)

On April 22nd, 80 competitors from all over Poland participated in a charity competition titled “Liwiec River Land Parathriatlon” held at the Łochów Palace and Manor. Three- and four-person teams, which included at least one member with a disability, participated in race that involved running, canoeing and bicycle riding on routes designated within the territory of the Łochów municipality, spanning a total of 44 kilometers. The purpose of the event was to collect funds to build an Ecofarm that would serve the function of a social farm. In a small village located 15 km from Siedlce, there will be protected housing and jobs for persons with disabilities.

Charity and employee volunteer program

Education and environmental protection (No expenditures were incurred in 2023)

“ESG Week”

More than one thousand Alior Bank employees participated in an active discussion and exchange of experiences regarding responsible business practices in the area of the environment, social responsibility and corporate governance.

5 lectures were held as part of the “ESG Week”. The discussion covered topics related to the energy transition and climate neutrality. One of the lectures was held by Marcin Popkiewicz, a journalist and book writer.

Issues discussed also included the Bank’s impact on the environment and future plans to minimize that impact. Other topics included the importance of good practices and management principles in responsible business as well as the involvement of the Bank in initiatives having a positive social impact.

Educational campaign regarding fire safety

The purpose of the campaign was to raise awareness regarding fire safety. As part of the campaign, Alior Bank published six articles and sent a newsletter using its own communication channels. The campaign was developed in cooperation with the OHS Team.

Educational campaign “Building Good Relations”

As part of the campaign, Alior Bank published six articles on mobbing using its own communication channels. The campaign was developed in cooperation with the Compliance Department. The campaign was intended to raise awareness and promote good relations in the workplace.

Other projects/events (expenditures incurred in 2023 – PLN 6,227,822.69 gross)

“SHE” Initiative (PLN 115,486.38 gross)

The “SHE” initiative was launched in 2023. It is a personal development and preventive healthcare initiative of Alior Bank. The idea for this initiative originated with Grzegorz Olszewski, President of the Management Board of the Bank, but it is implemented by female employees of the institution. Its activities are aimed at anyone who wants to help others, engage in socially important topics, break stereotypes and respond to the needs of a changing world.

One of the first steps toward ensuring the comfort of female employees and customers of Alior Bank was to place feminine hygiene product dispensers in 164 branches and all corporate head offices of the Bank.

In December, Alior Bank in partnership with Mastercard prepared and published a report on social banking as part of the “SHE” initiative. Social banking is an approach that emphasizes achieving social and environmental goals by offering specific financial services. The idea is to engage in investments that support sustainable growth, promote transparency and ethical financial practices, and active participation in social campaigns.

Selected activities under the “SHE” Initiative:

- Preventive healthcare training for employees regarding cancer, provided by the Rak’n’Roll Foundation,
- Regular workshops on breathing techniques in 3 locations: Warsaw, Gdańsk, Kraków,
- Establishment of cooperation with the “Pink Box” Foundation to place hygiene product dispensers in branches and corporate head offices of the Bank, and refill them later,
- Donation of pink boxes and educational workshops for a school in Mikołajki,
- Collection drive of hygiene products for schools,
- “Pink October” video promoting preventive health screenings,
- Social Banking report prepared in cooperation with Mastercard along with the launch of a new passion “Charity” as part of the Priceless Moments program, providing an opportunity to exchange collected points to financially support a specific project by one of five charitable foundations,
- A lecture for employees on innovation, leadership, future competencies and the role of women in digital transformation, given by Dominika Bettman, General Director of Microsoft.

Cooperation with the National Blood Donation Centre

The Bank operates the Honorary Blood Donors' Club of Alior Bank S.A. (HBD). It also conducts communication promoting blood donation, including the Alior blood donation events, during which employees donate blood in blood donation buses placed outside the Bank's head offices. A team for HBD Club members has been created in the MS Teams messenger. New Club members received starter packages (t-shirt, notepad, bag and Empik gift card).

Christmas charity campaigns (PLN 5,250.00 gross)

At the end of the year, employees once again took part in the "Give a Gift" campaign during which they fulfilled the dreams expressed in 210 letters written to Santa Claus by children in need from all over Poland, i.e. the wards of Caritas Poland, the Promyk Home for Children and Youth, the SOS Children's Villages Association and the PoWer Foundation.

They were also involved in other holiday and volunteer events:

- they prepared Christmas cards for seniors and gifts for the residents of Nursing Homes and young hospital patients,
- during the St. Nicolas day celebrations in five head offices, they organized collections drives of items needed by animals in shelters and decorated gingerbread cookies for children from the hospital, for which Alior Bank made a donation of PLN 5,250 towards the statutory purposes of the Promyczek Home Children's Hospice Foundation,
- they supported the activities of Caritas Poland – they prepared packages for senior citizens (also before Easter 2023) and distributed meals to those in need,
- they ordered letters from Santa Claus to their loved ones, thereby making a donation towards the statutory goals of the Give Children Strength Foundation.

Alior Bank Aid Center*

In 2023, the activities of the Alior Bank Aid Center were continued, providing support to persons who had to leave the territory of their own country due to warfare operations. The center is located at ul. Towarowa 25a in Warsaw, in the building owned by Alior Bank. The space made available by Alior Bank, nearly 4 thous. square meters, was repurposed as a place of comprehensive aid coordinated by both public benefit organizations and other entities implementing educational initiatives. The center offers psychological, legal, professional and educational support as well as childcare, remote learning stations and material aid for Ukrainian nationals. The center is run in cooperation with CARITAS Polska, UNICEF Polska and the Municipal City of Warsaw.

In 2023, the Aid Center was visited by more than 56 thous. people – both children and adults.

Furthermore:

- 17,295 people used various forms of psychosocial group activities,
- 2,100 people used food aid,
- 2,954 people received footwear and clothing,
- 377 people received medication,
- 6,486 people received packages with hygiene products, foodstuffs, clothing,
- 445 people attended language courses,

- 793 psychological consultations were provided to adults and 821 to children,
- 173 people were provided access to consultations with a lawyer,
- 1,387 vocational consultations were provided,
- 150 people attended vocational courses,
- 929 children used the playroom as part of spending time or care,
- 321 people took advantage of the option to translate documents (both sworn and standard translations).

*As part of aid activities, Alior Bank provided access to a space located at ul. Towarowa, whereas social, psychosocial and financial aid is provided by partners – CARITAS Polska, UNICEF Polska and the Municipal City of Warsaw.

The Alior Bank Foundation (PLN 6,000,000.00 gross)

In 2023, the Alior Bank Foundation continued its activities started in 2022 and undertook new activities to achieve its statutory objectives.

The objective of the Foundation is to support actions related to:

- a) education,
- b) healthcare,
- c) physical culture and sport,
- d) social aid, including aid for children, families and people in a difficult life situation, and equal opportunities for personal development and learning, aid for victims of disasters, natural disasters, armed conflicts and wars, both domestically and abroad,
- e) science and technology,
- f) charity,
- g) culture,
- h) national heritage protection,
- i) public safety,
- j) environmental protection,
- k) employee volunteering activities,
- l) vocational and social rehabilitation of persons with disabilities,
- m) animal protection,
- n) supporting the development of entrepreneurship among young people, supporting technological innovation, including start-ups.

It continued to organize sports challenges in cooperation with Activity sp. z o.o. and, as a result of these efforts, provided support to the Rak'n'Roll Foundation and Dr Clown Foundation. Educational board games "Games of Talents", promoting economic knowledge, were produced and distributed to schoolchildren and educational institutions throughout the country, in an amount of more than 500 units in dozens of localities in Poland. The game can be ordered free of charge via the contact form available on the Foundation's website.

One of the projects was to support Radio Doxa in financing a series of meetings for seniors and pensioners on the topic of banking and financial security, with additional event-related broadcasts and spots available on the air.

Support was also provided to the Association for the Cultivation of Financial Education for the implementation and development of the project "Live Financially! How to Manage Finances in Your Personal Life," intended for secondary school students. The Foundation has entered into a donation agreement with the Dr Clown Foundation in Warsaw to subsidize Clown Doctor visits in hospitals.

Support was granted to the Local Tourist Organization "Inte-Gra" for the organization of the "Crown of Kings" city game in Biecz, Małopolskie Voivodeship.

In May, the Foundation supported the Metropolitan Curia in Kraków and financed the publication of an album on the history of the 1981 "White March" in Braille for the community of the blind and visually impaired.

In July and August 2023, the Foundation made donations to the Association for the Promotion of Financial Education in Gdynia, which organized an educational project for secondary school students, the DEMOS Foundation in Odporyszów, which runs educational institutions in Kielce, Tarnów, Kraków and other localities, and the Civic Thought Foundation, which was researching the professional activity of people in the Gorlice and Jasiel districts. The Foundation also supported care and educational activities of Caritas Poland – the "Backpack Full of Smiles" project.

The Foundation established cooperation with the Refugee Response Office in Poland acting on behalf of the United Nations Children's Fund (UNICEF), as part of which an open exhibition "From Darkness to Light", featuring works by children – wards of the Office, was organized in the Royal Baths Park in Warsaw.

Together with the Bank, the Foundation participated in the "Bank of Kindness" project, the purpose of which was to provide support in the form of financial aid, in amounts not exceeding PLN 10,000, to socially valuable initiatives indicated by the participants of the competition – bank employees.

In September 2023, in cooperation with Revas, the "Academic Managerial Championship 2024" was organized for students from 65 Polish universities, allowing student teams to test themselves as virtual managers making business decisions regarding the management of an enterprise. The Foundation funded cash prizes for the competition winners.

The Foundation has partnered with the Old Powązki Foundation to create a multimedia educational trail at Warsaw's Powązki Cemetery to commemorate individuals of merit in Polish banking. Under this partnership, the Foundation provided financial aid for educational activities and, in addition, aid for the conservation of historic buildings.

The Foundation established cooperation with Podkarpacka Piłka Nożna sp. z o.o. in Rzeszów and allocated funds for the organization of the "Football Festival".

Donations were also made to the Union of Large Families Three Plus – Łódź Branch, to support the organization of the "Provincial Convention of Large Families 3+," the Society of Friends of Children Municipal Branch in Inowódz, Major Hubal's Detached Unit of the Polish Army Uhlans Association in Poświętne, the Benedict Foundation in Poznań, implementing a series of educational programs on the impact of digital technologies on social relations, and to the Ave Arte Foundation, which organized the "Ignacy J. Paderewski International Festival."

The Foundation also provided aid to the Congregation of Sisters of St. Elizabeth, which runs the Day Care Center in Ruda Slaska, for the purpose of running that facility and organizing a Christmas Eve celebration for its charges.

The Foundation provided financial support throughout the year to numerous primary and secondary schools run by community organizations and local governments. Support was provided for equipment purchases and organized events, including a trip by students of the K. Hoffmanowa Secondary School in Warsaw to Washington, D.C., in the United States. The Foundation made a donation to the Roman Catholic Parish of St. Karol Boromeusz in Warsaw to provide aid to war refugees from Nagorno-Karabakh, the victims of conflict between Armenia and Azerbaijan.

The Foundation has repeatedly supported local Volunteer Firefighter Brigades in various localities in Poland, which allowed to provide financial aid to purchase a rescue and firefighting vehicle, professional hydraulic equipment or specialized combat and firefighting uniforms.

In addition, the Alior Bank Foundation repeatedly provided support to local sports clubs and school sports clubs during the year, financing the purchase of sports equipment needed for after-school activities for children and adolescents.

The Alior Bank Foundation has developed and implemented the "Regulations for the Provision of Social Aid by the Alior Bank Foundation." On this basis, support was provided to the adolescent daughter of a deceased Alior Bank S.A. employee.

"Let's Walk Together"

The "Let's Walk Together" sports charity challenge, during which employees actively collected kilometers counted in the Activy app, saw two more editions in 2023. They walked, ran, rode bicycles and the Alior Bank Foundation exchanged the achieved goal for into charitable support, making PLN 60,000 donations to each of the following:

- Dr Clown Foundation for the organization of the Children's Day for young patients who spent it in hospitals, involving employees of the Bank in their efforts as volunteer workers,
- Rak'n'Roll Foundation for the purchase of specialized chemotherapy chairs for the hospital in Bytom.

Donations after filling out the engagement survey (PLN 26,975.00 gross)

In Alior Ban, each engagement survey filled out by an employee supports a charitable cause. In 2023, this allowed the Bank to make the following donations for surveys filled out at the end of 2022:

- PLN 11,487.50 for the Give Children Strength Foundation to support the trust helpline coordination and PLN 2,000 for the modernization of the garden in front of the children's facility cooperating with the foundation,
- PLN 13,487.50 for the SOS Children's Villages in Poland Association, for housing and facilities for children.

16 hours for involvement in volunteer programs

Many Bank employees have been involved in volunteer programs for years, both individually and as a team. Each of them can use 16 hours in a given calendar year

for volunteer work, while retaining the right to remuneration. The rules of volunteer work are defined in the “Employee Volunteer Work Regulations”. In 2023, 250 employees decided to use their volunteer work hours, working for more than 100 organizations verified by the Bank. They got involved in campaigns organized on their own or those suggested by the Bank, sewing more than 700 sock monkeys for the young wards of the Dr Clown Foundation who, after an accident, suddenly found themselves in an ambulance, in ER or in hospital and need relief.

Cultural and recreational activities

“Active with Alior” campaign (expenditure incurred in 2023 – PLN 229,900.00 gross)

In 2023, Alior Bank initiated a series of sports and recreational events under the slogan “Active with Alior”. The 2nd edition of the campaign organized in 2024 included 13 events with a total of more than 5,000 participants. Add to that the several thousand fans and spectators who visit the zones prepared by event organizers and partners. The events within the “Active with Alior” program were highly diverse. In 2023, Alior Bank supported the 47th Great International Knight’s Tournament and a family canoeing trip as part of the “Prochowice Day – Feast at the Kaczawa River” event. Sports events also included “Beach Run in Jarosławiec”, “Sandomierz Run of Blossoming Orchards”, “Run in Zawoja”, “Ultra Janosik Run”, “Ukiel Olsztyn Half-marathon”, “Independence Run in Krosno”, and the “Suwalskie Tropy Bicycle Race”. As part of the initiative, the Bank also supported charity events. These included, among others, the “Przemyśl 5K Run”, “Liwiec River Land Paratriathlon” at the Łochów Palace and Manor, the purpose of which was to collect funds to build an Ecofarm that would serve the function of a social farm. Apart from sports events, the Bank was also involved in cultural and educational events, such as the “34th Race for Peace in Remembrance of the Children from the Zamość Region”, which commemorated the history of that region from the period of the Second World War, and “Many Cultures, One Place – from Kłajpeda to Saloniki”, i.e. an international celebration of customs, traditions and heritage of countries located along the “Via Carpathia” route.

The main goal of the campaign is to encourage both bank employees and local communities to live an active lifestyle and spend time with family and friends. Alior Bank has set its sights on working with organizers of events that are less well-known, but important to local communities.

The events attracted thousands of participants and the cooperation between Alior Bank and event organizers brought tangible benefits in the form of promoting the Bank and supporting regional cultural and charitable activities.

Print and distribution of guidebooks titled “Much left to discover, Alior employees on an excursion” (PLN 3,220.00 gross)

The guidebook titled “Much left to discover, Alior employees on an excursion” featured 10 works that were selected during the “Unknown Poland through the eyes of Alior employees” competition. The competition consisted in the preparation of plan for a one-day excursion to any place in Poland. Its purpose was to promote local communities, draw attention to tradition and history of a region being the destination of the excursion, and encourage employees to be active outdoors.

FIFA 23 Alior CUP e-sports tournament (PLN 10,763.00 gross)

As part of promoting e-sport within the organization, the Bank prepared two tournaments for 128 people, with trophies and Empik vouchers as prizes (1st place – PLN 300, 2nd place – PLN 200, 3rd place – PLN 100). Gamers faced each other in FIFA 23.

Assessment of the legitimacy of expenses incurred by Alior Bank S.A. to support culture, sports, charitable institutions, media, social organisations, trade unions

In the opinion of the Supervisory Board, expenditure incurred to support culture, sports, charitable institutions, media, social organizations, trade unions and the like in 2023 was incurred in an informed and reasonable manner. The Bank has consistently focused on supporting projects in specific areas that are part of the “Your Bank for Everyday Life, Your Bank for the Future”. The measures taken confirm that Alior Bank is a responsible and socially committed institution.

Assessment of the financial statements of Alior Bank S.A. for the financial year ended 31 December 2023 along with the assessment of the financial statements of the Alior Bank S.A. Capital Group for the financial year ended 31 December 2023

Pursuant to Article 382 § 3 of the Code of Commercial Partnerships and Companies and § 70.1 (14) of the Regulation on current and periodic information, the Supervisory Board of the Bank assessed the financial statements (individual and consolidated) submitted by the Management Board of the Bank for the financial year ended 31 December 2023.

The financial statements of Alior Bank Spółka Akcyjna include:

- the statement of financial position, drawn up as at 31 December 2023, which shows, on the assets and liabilities side, the sum of PLN 89,846,836 thous.,
- the profit and loss account for the period from 1 January 2023 to 31 December 2023, which shows a net profit in the amount of PLN 1,987,444 thous.,
- the statement of comprehensive income for the period from 1 January 2023 to 31 December 2023, which shows income in the amount of PLN 3,037,441 thous.,
- the statement of changes in equity for the financial year from 1 January 2023 to 31 December 2023, which shows an increase in equity in the amount of PLN 3,037,441 thous.,
- the statement of cash flow for the period from 1 January 2023 to 31 December 2023, which shows a decrease in cash by PLN 43,851 thous.,
- additional notes and explanations.

The financial statements of the Alior Bank Spółka Akcyjna Capital Group include:

- the statement of financial position, drawn up as at 31 December 2023, which shows, on the side of assets and liabilities, the sum of PLN 90,134,134 thous.,
- the profit and loss account for the period from 1 January 2023 to 31 December 2023, which shows a net profit in the amount of PLN 2,030,125 thousand, including a net profit for the shareholders of the parent entity in the amount of PLN 2,030,125 thousand,

- the statement of comprehensive income for the period from 1 January 2023 to 31 December 2023, which shows income in the amount of PLN 3,080,088 thous.,
- the statement of changes in equity for the financial year from 1 January 2023 to 31 December 2023, which shows an increase in equity by the amount of PLN 3,079,725 thousand,
- the statement of cash flow for the period from 1 January 2023 to 31 December 2023, which shows a decrease in cash by PLN 43,851 thous.,
- additional notes and explanations.

The financial statements of Alior Bank Spółka Akcyjna and the Alior Bank Spółka Akcyjna Capital Group for the period from 1 January to 31 December 2023 were prepared in accordance with the continuously applied International Financial Reporting Standards (IFRS) adopted by the European Union as at 31 December 2023.

In reports of an independent statutory auditor on the audit, the statutory auditor – KMPG Audyt Sp. z o.o. sp.k. with its registered office in Warsaw, ul. Inflancka 4A, assessed that unconsolidated and consolidated statements:

- give a true and fair view of the economic and financial standing of the Bank and its Capital Group as at 31 December 2023, as well as unconsolidated and consolidated financial results, and unconsolidated and consolidated cash flows for the fiscal year ending on 31 December 2023, in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations and the adopted accounting principles (policies),
- have been prepared, in all relevant aspects, on the basis of correctly kept accounting books, in accordance with the provisions laid down in Chapter 2 of the Accounting Act of 29 September 1994 (“Accounting Act”),
- comply, with respect to their form and content, in all material aspects, with the applicable provisions of law and the Articles of Association of the Bank.

Having thoroughly reviewed the financial statements of Alior Bank Spółka Akcyjna and the financial statements of the Alior Bank S.A. Capital Group for the year ended 31 December 2023, as well as having become familiar with the reports on the audit, the Supervisory Board positively assesses said financial statements with regard to their compliance with the books and documents and confirms that they contain information that properly reflects the economic and financial standing of the Bank and its Capital Group.

At the same time, the Supervisory Board states that the financial statements mentioned above were prepared within the deadline specified by law and in accordance with the International Financial Reporting Standards which were approved by the European Union. Correctness of the financial statements subject to assessment as to their compliance with the books, documents and actual state of affairs does not raise any reservations and is confirmed in positive opinions of the statutory auditor.

The Supervisory Board recommends adopting a resolution on the approval of the financial statements of Alior Bank Spółka Akcyjna (both unconsolidated and consolidated) for the financial year ended on 31 December 2023 to the Annual General Meeting of the Bank.

**Assessment of the report of the Management Board on the activities of the
Alior Bank S.A. Group in 2023, including
the Report of the Management Board on the activities of Alior Bank S.A.**

Pursuant to Article 382 § 3 of the Code of Commercial Companies (kodeks spółek handlowych), § 70.1 (14) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for considering information required by the law of a non-member state as equivalent (Dz. U. [*Polish Journal of Laws*] of 2018, item 757, as amended), the Supervisory Board assessed the report presented by the Management Board on the activities of the Alior Bank S.A. Group in 2023, including the Report of the Management Board on the activities of Alior Bank S.A.

The Supervisory Board finds that the Report of the Management Board on the activities of Alior of the Bank S.A. is consistent with the applicable law and information contained in the financial statements. The report of the Management Board in a synthetic form presents all material aspects of the activities of the Bank in a given reporting period. The information in the Report of the Management Board is consistent with the books, documents, and actual state of affairs.

The Supervisory Board recommends to the Annual General Meeting to adopt a resolution on the approval of the report of the Management Board on the activities of the Alior Bank S.A. Group in 2023 comprising the report of the Management Board on the activities of Alior Bank S.A.

**Assessment of the request of the Management Board of the Bank for the distribution of the
Bank's profit for 2023**

Pursuant to Article 382 § 3 of the Code of Commercial Partnerships and Companies, the Management Board filed with the Supervisory Board a motion concerning the distribution of profit of the Bank for 2023, included in the Resolution of the Management Board 69/2024 of 7 March 2024.

The Bank proposed that the net profit of the Bank in the total amount of PLN 1,987,444,136.08 (say: one billion nine hundred eighty seven million four hundred forty four thousand one hundred thirty six zloty and 8/100) be distributed as follows:

- 1) a part of the profit in the amount of PLN 577,048,640.22 (say: five hundred seventy seven million forty eight thousand six hundred forty zloty and 22/100) to be allocated for the payment of dividends;
- 2) the remaining part of the profit in the amount of PLN 1,410,395,495.86 (say: one billion four hundred ten million three hundred ninety five thousand four hundred ninety five zloty and 86/100) to be allocated to reserve capital, including non-distributable profit earned from the activity of the Housing Fund in the amount of PLN 17,427,487.36 (say: seventeen million four hundred twenty seven thousand four hundred eighty seven zloty and 36/100).

Report on the fulfilment of supervisory obligations with regard to the activities of the Bank in 2023

Composition of the Supervisory Board

The year 2023 was the period of the fourth, joint, four-year term of office of the Supervisory Board of the Bank commenced in 2020.

As at 1 January 2023, the Supervisory Board was composed of:

- Filip Majdowski Chair of the Supervisory Board
- Ernest Bejda Deputy Chair of the Supervisory Board
- Małgorzata Erlich-Smurzyńska Member of the Supervisory Board
- Paweł Knop Member of the Supervisory Board
- Artur Kucharski Member of the Supervisory Board
- Marek Pietrzak Member of the Supervisory Board
- Dominik Witek Member of the Supervisory Board
- Paweł Śliwa Member of the Supervisory Board

During the reporting period, the composition of the Supervisory Board changed.

On 3 August 2023, the Extraordinary General Meeting of Shareholders of the Bank dismissed Mr Artur Kucharski from the Supervisory Board by means of Resolution No. 3/2023 and appointed Mr Jacek Kij to the Supervisory Board of the Bank by means of Resolution No. 4/2023.

On 30 November 2023, Mr Paweł Śliwa resigned from the Supervisory Board of the Bank with effect from the end of the day on 30 November 2023.

As at 31 December 2023, the composition of the Supervisory Board of the Bank was as follows:

- Filip Majdowski Chair of the Supervisory Board
- Ernest Bejda Deputy Chair of the Supervisory Board
- Małgorzata Erlich-Smurzyńska Member of the Supervisory Board
- Jacek Kij Member of the Supervisory Board
- Paweł Knop Member of the Supervisory Board
- Marek Pietrzak Member of the Supervisory Board
- Dominik Witek Member of the Supervisory Board

Diversity Policy

Being aware that the policy of diversity and equal treatment is a fundamental value of modern society and having regard to respect for a multicultural and diverse society, and in connection with Alior Bank's respect for the principle of an open and tolerant work environment, in 2023 the Management

Board of the Bank implemented the “Human Rights Policy of Alior Bank S.A.” and “Diversity Policy of Alior Bank S.A.”.

Alior Bank recognizes the value resulting from diversity, which affects the innovativeness of the organization, which is why it promotes the process of building a diverse group of employees. In implementing the diversity policy, the Bank strengthens innovation and versatility resulting from balanced and objective views of all employees working for the organization. The Bank endeavors to ensure diversity of the Supervisory Board, in particular in terms of education and professional experience, gender and age of employees, to the extent that ensures a broad spectrum of competencies and views.

“Policy for the Selection and Suitability Assessment of Members of the Management Board of Alior Bank S.A.” and “Policy for the Selection and Suitability Assessment of Members of the Supervisory Board of Alior Bank S.A.” define the objectives and criteria of diversity, including in areas such as education, know-how, age, gender and professional experience. When assessing the suitability of candidates for the Management Board and the Supervisory Board, the Bank takes into account a wide range of characteristics and competences required to perform functions in both bodies of the Bank. When assessing the diversity of members of the Management Board and Supervisory Board in terms of their education and professional experience, criteria such as: place (country, region) in which education or professional experience is obtained, education profile, university degree, specialization in a specific field, type of entities in which the candidate has held the function or has been employed and employment time may be taken into consideration. Alior Bank makes efforts to ensure diversity of the Management Board and the Supervisory Board, in particular in terms of education and professional experience, gender and age of the members. It is important to ensure that there is a wide spectrum of views among members of the governing and supervisory bodies. When selecting the composition of the Management Board and the Supervisory Board, the Bank strives to achieve a balance in the area of gender representation in the Company’s bodies, taking into account the minimum share of a minority by gender at the level of 30%.

The Bank informs about the participation of women and men respectively in the Management Board and in the Supervisory Board of the Bank in the last five years. In the years 2019-2023, the participation of women and men in the aforementioned statutory bodies of the Bank was as follows:

Management Board of the Bank					
	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023
women	1	2	0	0	0
men	6	4	7	7	8

Supervisory Board of the Bank					
	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023
women	0	1	2	1	1
mężczyźni	7	6	6	7	6

Organization of the work of the Supervisory Board

The work of the Supervisory Board in the period from 1 January 2023 to 31 December 2023 was chaired by Mr Filip Majdowski, who was appointed for that function by means of Resolution No. 34/2022 of the Supervisory Board of 26 April 2022.

The Supervisory Board operates pursuant to the Articles of Association, as well as the adopted Regulations of the Supervisory Board. Meetings of the Supervisory Board are convened as necessary, but not less frequently than once in each quarter of the financial year. Resolutions of the Supervisory Board are adopted by an absolute majority of votes unless the provisions of law or the Articles of Association stipulate otherwise, in an open ballot. If there is a tie on votes, the vote of the Chair of the Supervisory Board shall be the casting vote. The Chair shall arrange for a secret ballot in the cases referred to in the Articles of Association or at the request of one or more of the Members of the Supervisory Board. For the resolutions to be valid, all Members of the Supervisory Board must be invited to the meeting and at least half of the members of them must be present at the meeting. The Supervisory Board shall appoint from among its Members the Audit Committee of the Supervisory Board, the Risk Committee of the Supervisory Board and other committees required by law, and may also establish permanent or ad hoc committees for the performance of specific activities. Tasks and competencies of particular Committees is defined by the Supervisory Board.

In 2023, the following Committees were functioning under the Supervisory Board of the Bank: Appointments and Remuneration Committee, Audit Committee, Risk Committee, and Strategy and Development Committee of the Bank.

In accordance with the Articles of Association of the Bank, at least two Members of the Supervisory Board met and meet the criteria of independence from the Bank and entities having a significant connection with the Bank. The criteria of independence of Members of the Supervisory Board are set out in the Regulations of the Supervisory Board, in accordance with the criteria set out in the Best Practice. As at 31 December 2023, the criteria of independence were satisfied by: Mrs Małgorzata Erlich-Smurzyńska, Mr Jacek Kij, Mr Paweł Knop, and Mr Marek Pietrzak.

After the closing of the reporting period, the Supervisory Board of the Bank made amendments to the Regulations of the Supervisory Board of Alior Bank S.A. by adopting Resolution No. 7/2024 of 13 February 2024, consisting in the supplementation of provisions to include requirements laid down in Recommendation Z and adjustment of the Articles of Association of the Bank and the Code of Commercial Partnerships and Companies to their current wording.

Amendments concerning the requirements of Recommendation Z include the introduction of provisions indicating that:

- the Supervisory Board may use the services of third party experts,
- the Supervisory Board supervises the implementation of internal governance at the Bank and evaluates its adequacy and effectiveness,
- the heads of the internal audit and compliance units or their deputies shall attend meetings of the Supervisory Board without voting rights.

The work to adjust the Articles of Association of the Bank and the Code of Commercial Partnerships and Companies to their current wording included the clarification of provisions concerning:

- the frequency of meetings of the Supervisory Board (meetings are convened as necessary, but not less frequently than once in each quarter of the financial year)
- the validity of resolutions adopted outside the meeting (a resolution adopted outside the meeting is valid when at least half of the members of the Supervisory Board participated in its adoption),
- the chairing of meetings of the Supervisory Board by the Deputy Chair or, in their absence, by a member of the Supervisory Board designated for that purpose beforehand by the Chair, in the event of absence of the Chair of the Supervisory Board.

The detailed list of changes made to the Regulations of the Supervisory Board of the Bank includes the list directed pursuant to § 12 of the Regulations to the next General Meeting of the Bank.

Activities of the Supervisory Board

In the financial year of 2023, the Supervisory Board held 8 meetings and adopted in total 201 resolutions related to:

- adoption of the position of the Polish Financial Supervision Authority on the recommendation to maintain an additional capital charge within the framework of Pillar II;
- consent to the acquisition by the Bank of financial assets classified as fixed assets with a value exceeding PLN 100,000,000.00;
- approval of the amended regulation “Information policy regarding capital adequacy and other information subject to disclosure in Alior Bank S.A.”;
- granting ex-post approval for the Bank to perform activities related to the current operational activity of the Bank in connection with the disposition and acquisition by the Bank of certain financial assets classified as fixed assets;
- approval of the amended regulation “Whistleblowing and Whistleblower Protection Policy”;
- approval of the motion of the Management Board of the Bank concerning amendment of the terms of financing;
- approval of the (i) strategy of the Bank for the years 2023-2024 and (ii) financial projections and capital plan for the strategy of the Bank;
- approval of the motion of the Management Board of the Bank to enable the Bank to grant financing in the amount exceeding 5% of own funds of the Bank;
- approval of the “Annual Audit Plan for 2023 at the Brokerage House (Operational Plan)”;
- assessment of the Bank’s compliance with “Corporate governance Principles for Supervised Institutions” in 2023;
- approval of the “Risk appetite update for 2023 related to capital adequacy”;
- approval of the amended “Non-Performing Exposure (NPE) Management Strategy of Alior Bank S.A. Group”;
- a statement of the Supervisory Board on the selection of the audit firm authorized to audit the annual financial statements of the Bank and the Bank’s Group for the financial year ended on 31 December 2022;

- approval of the “Summary of annual results in the area of risk, including the determination of risk appetite and implementation of risk policy for the year 2022” report;
- assessment of the adequacy and effectiveness of the Bank’s internal control system in 2022, including the assessment of the adequacy and effectiveness of the control function, compliance unit and internal audit unit, and the assessment of the adequacy and effectiveness of the risk management system of the Bank for the year 2022;
- granting approval for the Bank to grant financing;
- (i) assessment of the financial statements of the Bank for the financial year ended 31 December 2022, (ii) assessment of the financial statements of the Capital Group of the Bank for the financial year ended 31 December 2022, and (iii) assessment of the report of the Management Board of the Bank on the activities of the Capital Group of the Bank in the financial year ended 31 December 2022;
- a statement of the Supervisory Board regarding compliance by the Bank with legal regulations concerning the appointment and activities of the Audit Committee of the Supervisory Board of the Bank in the financial year 2022;
- approval of the “Capital Adequacy and Other Information Subject to Disclosure of the Alior Bank S.A. Capital Group for the Year Ended on 31 December 2022”;
- adoption of the updated “Development Policy for Members of the Management Board and Supervisory Board of Alior Bank S.A.”;
- fulfillment by the Member of the Management Board of the requirements set forth in Article 22aa (1) to (6) of the “Banking Law” Act and the result of the secondary evaluation carried out by the Supervisory Board of the Bank;
- adoption of the position of the Supervisory Board concerning recommendations regarding the payment of dividends for the year 2022, covered by the letter of the Polish Financial Supervision Authority and authorization of the Chair of the Supervisory Board to sign a reply to the aforementioned letter of the PFSA;
- an assessment of the collective suitability of the Management Board of the Bank;
- approval of the internal division of powers in the Management Board of the Bank;
- granting approval for the introduction of a remuneration indexation mechanism for attestation services to the agreement for the audit and examination of the financial statements and group reports, concluded with KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. (“KPMG Audyt”);
- approval of targets and their weights for the Members of the Management Board of the Bank for the year 2023;
- fulfillment by a candidate for a position in the Management Board of the Bank of the requirements set forth in Article 22aa (1) to (6) of the Banking Law Act and the result of the secondary evaluation carried out by the Supervisory Board of the Bank;
- performing a collective suitability assessment of the Supervisory Board of the Bank;

- approval of the “Policy for the Selection and Suitability Assessment of Members of the Supervisory Board of Alior Bank S.A.”;
- approval of the amended “Remuneration Policy Applicable to Members of the Management Board and the Supervisory Board of Alior Bank S.A.”;
- recommendation to the Annual General Meeting of the Bank to grant discharge to Members of the Management Board of the Bank in respect of their duties in the financial year 2022;
- recommending to the Annual General Meeting of Shareholders of the Bank to pass resolutions on review and approval of the following: (i) “The Financial Statements of Alior Bank Spółka Akcyjna for the year ended on 31 December 2022”, (ii) “The Consolidated Financial Statements of the Alior Bank Spółka Akcyjna Capital Group for the year ended on 31 December 2022”, (iii) “The Report of the Management Board on the activities of the Alior Bank Capital Group in 2022, including the Report of the Management Board on the activities of Alior Bank”, and (iv) “Report of the Alior Bank Capital Group on non-financial information for the year 2022”;
- assessment of the motion of the Management Board of the Bank to the Annual General Meeting of the Bank concerning the distribution of profit of the Bank from activities in the financial year 2022;
- preparation of the “Report on remuneration of the Members of the Management Board and the Supervisory Board of Alior Bank S.A. for 2022”;
- acceptance of the “Report of the Supervisory Board assessing the functioning of the Remuneration Policy in effect at Alior Bank S.A. in 2022”;
- adoption of the “Report on the activities of the Supervisory Board of the Bank in the financial year 2022” and performance of a self-assessment of the activities of the Supervisory Board of the Bank in 2022;
- providing an opinion on the documents submitted by the Management Board of the Bank for deliberation to the Annual General Meeting of the Bank,
- assessment of the effectiveness of the compliance risk management system at Alior Bank S.A. in the period from 1 January 2022 to 31 December 2022;
- approval of the Strategy of the Audit Department for the years 2023-2027;
- review and approval of the Report of the Management Board of Alior Bank S.A. on representation expenses as well as expenses for legal fees, marketing services, public relations services, social communication services, and management consulting services for the year ended 31 December 2022;
- granting approval to conclude donation agreement(s) with the Alior Bank Foundation;
- approval of the amended “Conflict of Interest Management Policy of Alior Bank S.A.”, as per the motion of the Management Board of the Bank expressed in Resolution No. 87/2023 of the Management Board of the Bank of 17 March 2023;
- approval of the updated “Recovery Plan of the Alior Bank S.A. Capital Group”;

- approval of the annual report of the Management Board of the Bank on the execution of the Model Risk Management Policy for 2022 along with the periodic information for the Supervisory Board of the Bank;
- approval of the amended “Audit Card – Regulations of the Audit Department at Alior Bank S.A.”;
- approval of the amended “Regulations on the functioning of the internal audit function at the Brokerage House of Alior Bank S.A.”;
- approval of the amended (i) “Regulations of the Internal Control System in the Brokerage House of Alior Bank S.A.” and (ii) “Rules for the Classification of Irregularities identified by the Internal Control System in the Brokerage House of Alior Bank S.A.”;
- approval of the amended “Credit Risk Management Policy at Alior Bank S.A.”;
- acquiring the right to deferred tranches of Variable Remuneration for the year 2021;
- approval of the amended “Remuneration Policy of Alior Bank S.A.”;
- settlement of management objectives and award of variable remuneration to Members of the Management Board for 2022;
- approval of the amended “Whistleblowing and Whistleblower Protection Policy”;
- determination of the consolidated text of the Bank’s Articles of Association;
- approval of the updated “Rules for Conducting Liquidity Risk Stress Tests at Alior Bank S.A.”;
- approval of the “Assets and Liabilities Management Policy in Alior Bank for the years 2023-2025”;
- approval of the updated “Rules for Conducting Credit Risk Stress Tests at Alior Bank S.A.”;
- approval of the motion of the Management Board of the Bank to enable the Bank to grant financing in the amount exceeding 5% of own funds of the Bank;
- approval of the amended “Reputation Risk Management Policy”;
- approval of the “Interim Disclosures in the scope of Pillar III of the Alior Bank S.A. Capital Group for H1 ended on 30 June 2023” report;
- granting approval to conclude donation agreement(s) with the Alior Bank Foundation;
- adoption of the updated “Policy for the Selection and Suitability Assessment of Members of the Management Board of Alior Bank S.A.”;
- determination of the composition of the Risk Committee of the Supervisory Board of Alior Bank S.A.;
- determination of the Bank Strategy and Development Committee of the Supervisory Board of Alior Bank S.A.;
- fulfillment by a candidate for a position in the Audit Committee of the Supervisory Board of the Bank of the requirements set forth in Article 22aa (1) to (6) of the Banking Law Act and the result of the secondary evaluation carried out by the Supervisory Board of the Bank;
- assessment of the collective suitability of the Audit Committee of the Supervisory Board of Alior Bank S.A.;

- determination of the composition of the Audit Committee of the Supervisory Board of Alior Bank S.A.;
- approval of the “ILAAP Liquidity Risk Stress Tests” Report;
- approval of amended regulations: (i) “Capital Management and Capital Planning Policy at Alior Bank S.A.” and (ii) “Internal Capital Adequacy Assessment Process (ICAAP) at Alior Bank S.A.”;
- approval of the amended “Policy for the Selection of an Audit Firm to Audit and Examine the Financial Statements of Alior Bank S.A.”;
- determination of the composition of the Appointments and Remuneration Committee of the Supervisory Board of Alior Bank S.A.;
- a positive result of the secondary suitability assessment of a member of the Supervisory Board carried out by the Supervisory Board of the Bank;
- approval of the amended “Risk Management Strategy of Alior Bank S.A. Capital Group”;
- update of the amended “Credit Concentration Risk Management Policy”;
- approval of the “Report on the review of the Credit Concentration Risk Management Policy”;
- approval of the “Corruption Prevention Policy”;
- approval of the amended “Whistleblowing and Whistleblower Protection Policy”;
- approval of the amended “Policy of a Work Environment Free from Undesirable Behaviours at Alior Bank S.A.”;
- approval of a decision to open the First Bank Derivatives Issue Program of Alior Bank S.A.;
- approval of a resolution of the Management Board of the Bank amending the resolution of the Management Board of the Bank concerning the launch of the Multiannual Bond Issue Program of Alior Bank S.A.;
- granting approval to amend the agreement with the advertising agency;
- approval of the amended “Internal Control System Policy of Alior Bank S.A.”;
- approval of the amended (i) “Compliance Policy” and (ii) “Regulations of the Compliance Department”;
- approval of the amended “AMA Model Management Policy”;
- approval of the amendment to the Annual Audit Plan for 2023 (Operational Plan);
- approval of the amended “Information policy of Alior Bank SA on communication with customers, capital market participants and the media”;
- adoption of the updated “Policy for the Selection and Suitability Assessment of Members of the Management Board of Alior Bank S.A.”;
- approval of the “Policy for the Selection and Suitability Assessment of Members of the Supervisory Board of Alior Bank S.A.”;
- approval of the updated “Policy for the Selection and Assessment of Key Function Holders in Alior Bank S.A.”;

- issuing a positive opinion on the acceptance of the financial plan of Alior Bank S.A. as well as the financial plan of Alior Bank S.A. Group for the financial year ended 31 December 2024;
- approval of the “Risk Strategy and Appetite for 2024”;
- approval of the “Assets and Liabilities Management Policy in Alior Bank for the years 2024-2026”;
- issuing a positive opinion on the Bank's disposal and acquisition of financial assets classified as fixed assets in connection with the operational activities of the Bank in the period from 1 January 2024 to 31 December 2024;
- granting approval for the Bank to enter into debt waiver agreements or other agreements with similar effect with a value exceeding PLN 50,000 or 0.1% of the sum of assets in the period from 1 January 2023 to 31 December 2023;
- granting the approval, at the request of the Management Board of the Bank, for: (i) the Bank to place orders under concluded e-commerce agreements and annexes to those agreements, (ii) the establishment of limits under agreements concluded by the Bank with e-commerce service providers;
- fulfillment by the Members of the Management Board of the Bank, serving the fifth term of office, of the requirements set forth in Article 22aa (1) to (6) of the Banking Law Act and the result of the suitability assessment carried out by the Supervisory Board of the Bank;
- appointment of the Management Board of the Bank for a new, three-year, 6th joint term of office, starting effective as of 1 January 2024;
- authorization of the Chair of the Supervisory Board of Alior Bank S.A to enter into agreements for managements services with members of the Management Board of the Bank;
- authorization of the Chair of the Supervisory Board of the Bank to perform activities related to personal matters of Members of the Management Board of Alior Bank S.A. of the sixth, joint term of office before the Polish Financial Supervision Authority, including to conduct proceedings concerning the appointment of the President of the Management Board and the Member of the Management Board, referred to in Article 22a.4 of the Banking Law Act of 29 August 1997;
- adoption of the position of the Polish Financial Supervision Authority on the recommendation to maintain an additional capital charge within the framework of Pillar II;
- approval of the “Annual Action Plan of the Compliance Unit for 2024”;
- approval of the Annual Audit Plan for 2024 (Operational Plan) and the updated Five-Year Audit Plan (Strategic Plan);
- approval of the Annual Audit Plan for 2024 (Operational Plan) at the Branch in Romania;
- approval of the amended “Outsourcing, Insourcing and Sensitive Services Management Policy at Alior Bank S.A.”;

Activities of the Committees of the Supervisory Board within the period covered by the report**Audit Committee**

The Audit Committee of the Supervisory Board operated in accordance with the requirements of the Act of 11 May 2017 (*Dziennik Ustaw* 2017, item 1089; *Dziennik Ustaw* 2019, item 1421; *Dziennik Ustaw* 2020, item 1415; *Dziennik Ustaw* 2022, item 1302, *Dziennik Ustaw* 2023, item 1015). The Committee was appointed by way of Resolution No. 61/2013 of the Supervisory Board of the Bank of 30 July 2013. In the financial year 2023, the Committee was composed of at least three Members, with at least one member of the Committee having knowledge and skills in accounting or auditing the financial statements. Most of the Members, including the Chair, were independent. Members of the Committee had knowledge and skills in the sector in which the Bank operates. This condition is deemed to be met if at least one Committee Member has knowledge and skills in that area or specific Members have knowledge and skills to the specific extent within that area. Detailed tasks and rules of appointing and functioning of the Audit Committee are stipulated in the Regulations of the Audit Committee and the Regulations of the Supervisory Board. When selecting the Members of the Committee, the Supervisory Board takes into account the competence and experience of candidates in the matters entrusted to that Committee and carries out a collective suitability assessment. Committee members are also assessed on the basis of submitted statements forming part of the individual suitability assessment form. The process is carried out on the basis of the “Policy for the Selection and Suitability Assessment of Members of the Supervisory Board of Alior Bank S.A.” in place at the Bank.

As at 1 January 2023, the Committee was composed of:

- Artur Kucharski Chair of the Committee
- Ernest Bejda Member of the Committee
- Paweł Knop Member of the Committee
- Filip Majdowski Member of the Committee
- Marek Pietrzak Member of the Committee

Due to personnel changes in the composition of the Supervisory Board of the Bank (i.e. Resolution No. 3/2023 of the Extraordinary General Meeting of the Bank of 3 August 2023 on the change in the composition of the Supervisory Board related to the dismissal of Mr Artur Kucharski from the Supervisory Board and Resolution No. 4/2023 on the change in the composition of the Supervisory Board of Alior Bank Spółka Akcyjna related to the appointment of Mr Jacek Kij), on 9 August 2023 the Supervisory Board of the Bank:

1. having regard to the recommendation expressed by the Appointments and Remuneration Committee in Resolution No. 31/2023 of 7 August 2023, adopted Resolution No. 106/2023 on the fulfillment of the requirements set forth in Article 22aa (1) to (6) of the Banking Law Act by

Mr. Jacek Kij – a candidate for a position on the Audit Committee, and the result of the candidate’s evaluation conducted by the Supervisory Board of the Bank;

2. having regard to the recommendation expressed by the Appointments and Remuneration Committee in Resolution No. 32/2023 of 7 August 2023, adopted Resolution No. 107/2023 on the performance of the assessment of collective suitability of the Audit Committee;
3. having regard to the performed suitability assessments referred to in the Resolution No. 107/2023 of the Supervisory Board of the Bank of 9 August 2023 and recommendation expressed by the Appointments and Remuneration Committee in Resolution No. 32/2023 of 7 August 2023, adopted Resolution No. 108/2023 on the determination of the composition of the Audit Committee of the Supervisory Board of Alior Bank S.A.

Having regard to the above, as of 9 August 2023 the Committee was composed of:

- Paweł Knop Chair of the Committee
- Ernest Bejda Member of the Committee
- Filip Majdowski Member of the Committee
- Marek Pietrzak Member of the Committee
- Jacek Kij Member of the Committee

From among Committee Members, the Supervisory Board designated: as persons meeting the independence criteria – Mr Paweł Knop, Mr Marek Pietrzak and Mr Jacek Kij; as persons having knowledge and skills in accounting or auditing the financial statements – Mr Paweł Knop and Mr Jacek Kij; as persons having knowledge and skills in the industry in which the Bank operates – Mr Ernest Bejda, Mr Paweł Knop, Mr Filip Majdowski and Mr Jacek Kij.

As at 31 December 2023, the composition of the Committee did not change and was as follows:

- Paweł Knop Chair of the Committee
- Ernest Bejda Member of the Committee
- Filip Majdowski Member of the Committee
- Marek Pietrzak Member of the Committee
- Jacek Kij Member of the Committee

During the reporting period, 19 meetings of the Committee took place, including 3 combined meetings of the Risk Committee of the Supervisory Board and the Audit Committee of the Supervisory Board as well as 4 combined meetings of the Audit Committee of the Supervisory Board and the Supervisory Board of the Bank. In addition, there were also workshops with Alior Leasing Sp. z o.o., the purpose of which was to enhance the knowledge of the Audit Committee regarding all relevant aspects of the company’s operations.

The meetings focused on issues related to: the financial reporting process and financial processes at the Bank, internal control and the risk management system. Issues discussed during the meetings of

the Committee also included internal audit, internal security, anti-fraud, anti-money laundering and financial audit activities.

The Committee received information on important accounting and financial reporting issues, controlled and monitored independence of the statutory auditor and the entity authorised to audit financial statements. Depending on the issues discussed, Members of the Management Board, Directors of the Bank's Departments as well as representatives of the audit firm were invited to the meetings of the Audit Committee. The Audit Department Director as well as the Compliance Department Director or their deputies permanently participated in the meetings of the Committee. Decisions of the Audit Committee were taken in the form of resolutions. During the meetings, the Committee also formulated recommendations intended to prepare analyses and reports by individual Departments of the Bank.

As regards monitoring the financial reporting process, the Committee analyzed materials from the annual review of the Accounting Policy, the financial reporting process, including financial and accounting processes, in terms of their validity, reliability, effectiveness and compliance with the law. In addition, the Committee received information on material issues and changes related to accounting and reporting as well as information on the adequacy of resources and turnover on key positions.

As regards monitoring of the performance of financial review activities, independence of the statutory auditor and entity authorised to examine financial statements, the Audit Committee periodically met with the Bank's auditor and the Member of the Management Board of the Bank supervising finances, as well as assessed the independence of the auditor and auditing company, including supervision of the services provided by the statutory auditor and auditing company. In the financial year 2023, the audit firm auditing the financial statements provided permitted services other than audit to the Bank. The Committee each time assessed the independence of the audit firm and granted consent for the provision of such services. The Committee was kept informed about the effectiveness of the financial audit process and supervised the areas indicated by the statutory auditor as particularly exposed to risk during the audit.

As regards monitoring the effectiveness of the control system, risk management systems and internal audit, the Committee received reports prepared by the Audit Department, taking into account, inter alia, information on the results of audits carried out, progress in the implementation of recommendations, reports on the implementation of the audit plan, including the annual report on the activities of the Audit Department, report on the assessment of the adequacy and effectiveness of the internal control system and the risk management system. The Committee provided its opinion on the proposed audit plan for the year to come, taking into account the risk analysis and the resources at hand necessary to implement the plan. In addition, the Committee supported the Audit Department in situations where irregularities in the activities of the audit entities were identified. The Committee received reports prepared by the Compliance Department on a regular basis.

Appointments and Remuneration Committee

The Remuneration Committee was appointed by Resolution No. 87/2011 of the Supervisory Board of the Bank of 7 December 2011. On 21 December 2016, the Remuneration Committee was

transformed into the Appointments and Remuneration Committee of the Supervisory Board of Alior Bank Spółka Akcyjna.

The key tasks of the Committee include:

- providing opinions on the Remuneration Policy in order to ensure compliance of the terms and conditions of remuneration with regulations, especially the Regulation of the Polish Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system and remuneration policy in banks,
- providing opinions on the classification of jobs, which is governed by the pay policy with regard to individuals having material impact on the risk profile of the Bank (Material Risk Takers – MRTs), providing opinions on annual objectives; providing opinions and monitoring variable pay of the MRTs,
- preparing opinions, assessments, or recommendations on candidates to the Management Board of the Bank, on the conclusion, amendment, and termination of contracts with Members of the Management Board of the Bank, regarding the structure, size, composition, and effectiveness of the Management Board of the Bank's operation as a body, as well as knowledge, skills and experience of individual Members of the Management Board of the Bank,
- preparing opinions, assessments, or recommendations on other personnel matters for which the Supervisory Board or the Committee are competent as per the applicable in-house regulations and generally applicable legislation.

As at 1 January 2023, the Committee was composed of the following members:

- Małgorzata Erlich-Smurzyńska Chair of the Committee
- Dominik Witek Member of the Committee
- Marek Pietrzak Member of the Committee

During the reporting period, the composition of the Committee was changed. On 8 September 2023, the Supervisory Board of the Bank adopted a Resolution determining the composition of the Committee, appointing Mr Filip Majdowski as Chairman of the Supervisory Board and Mr Jacek Kij as Member of the Supervisory Board.

As of 31 December 2023, the Committee was composed of the following members:

- Małgorzata Erlich-Smurzyńska Chair of the Committee
- Marek Pietrzak Member of the Committee
- Dominik Witek Member of the Committee
- Filip Majdowski Member of the Committee
- Jacek Kij Member of the Committee

In 2023, there were 11 meetings of the Committee during which the Committee assessed the achievement of targets set for Management Board members and Material Risk Takers for 2022, and gave its opinion on the recommendations for the payment and reduction of deferred tranches of variable compensation for previous years as well as on the issue of awarding variable compensation

for 2022 to Management Board members and MRTs. The Committee also identified the MRTs. During its meetings and in connection with changes in the composition of the (management and supervisory) bodies, the Committee conducted secondary individual suitability assessments of members of the Management Board of the Bank and the Supervisory Board, primary individual suitability assessments of candidates for members of the Management Board of the Bank and the Supervisory Board, collective suitability assessments of the Management Board of the Bank and the Supervisory Board, and prepared a recommendation on the composition of the Committees of the Supervisory Board. As regards the regulatory environment, in connection with changes and update of external regulations, the Committee issued an opinion and recommendation for the Supervisory Board to develop updates for policies in force in the following areas of the Bank – remunerations, selection, assessment of suitability, and development of members of the Company’s bodies. During Committee meetings held in 2023, the following documents were assessed and recommended for approval by the Supervisory Board of the Bank: Report on remuneration of the members of the Management Board of the Bank and the Supervisory Board of Alior Bank S.A. for 2022; Report on the assessment of the remuneration policy of Alior Bank.

Risk Committee

The Risk Committee of the Supervisory Board was established on 22 December 2015 by way of Resolution No. 81/2015 of the Supervisory Board on the support for the Supervisory Board in the supervision of the risk management process at the Bank.

The Committee operates based on the Regulations of the Risk Committee of the Alior Bank Supervisory Board approved by the Supervisory Board.

The tasks of the Committee stem from the Regulation of the Polish Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system and remuneration policy in banks, and from the Banking Law.

As at 1 January 2023, the Committee was composed of:

- Ernest Bejda Chair of the Committee
- Małgorzata Erlich – Smurzyńska Member of the Committee
- Paweł Knop Member of the Committee
- Artur Kucharski Member of the Committee
- Dominik Witek Member of the Committee

During the reporting period, the composition of the Risk Committee of the Supervisory Board changed: On 3 August 2023, Mr Artur Kucharski ceased to serve as a Member of the Committee due to his dismissal from the Supervisory Board. On 9 August 2023, the Supervisory Board of the Bank appointed Mr Jacek Kij as a member of the Risk Committee of the Supervisory Board.

As of 31 December 2023, the Committee was composed of the following members:

- Ernest Bejda Chair of the Committee
- Małgorzata Erlich-Smurzyńska Member of the Committee
- Jacek Kij Member of the Committee
- Paweł Knop Member of the Committee
- Dominik Witek Member of the Committee

Composition of the Committee ensures an adequate level of supervision over the entrusted area of the Bank's operations. Each Committee Member has appropriate knowledge and competence to supervise the implementation of the risk management strategy at the Alior Bank S.A. Group and the Bank's willingness and preparedness to take risks, thereby guaranteeing the proper performance of its duties.

The tasks of the Risk Committee of the Supervisory Board include, in particular:

- providing opinions on the Bank's readiness to accept risk, which has been quantified in the risk appetite,
- issuing opinions on the risk management strategy at the Bank and analyzing information submitted by the Management Board of the Bank concerning the implementation of this strategy, including periodic reports on capital adequacy, credit, operational, market and liquidity risk, as well as model risk, non-compliance and reputation,
- supporting the Supervisory Board in supervising the implementation of the risk management strategy at the Bank,
- verification of compliance of the price of liabilities and assets offered to customers with the Bank's business model and its risk strategy and, in the case of non-compliance, submitting proposals to the Management Board of the Bank aimed at ensuring the adequacy of the prices of liabilities and assets for these risks,
- issuing opinions on regulations defining the Bank's strategy and policy governing the approach to risk-taking, the approval of which falls within the competence of the Supervisory Board,
- analysing cyclical reports on the implementation of the above strategies and policies,
- supporting the Supervisory Board in the scope of ongoing monitoring of the risk management system at the Bank.

During the reporting period, the Risk Committee of the Supervisory Board held 11 meetings and 3 combined meetings of the Risk Committee of the Supervisory Board and the Audit Committee of the Supervisory Board.

During the meetings of the Risk Committee of the Supervisory Board, key issues related to the risk were discussed, especially issues concerning: implementation of the risk appetite, capital position of the Bank, quality of the credit portfolio, including in an environment of higher interest rates and macroeconomic scenarios, the largest credit exposures / capital groups, issues related to identification and analysis of key risks to the operations pursued by the Bank.

As part of on-going monitoring of the risk management system at the Bank, the Committee received periodic reports regarding the area of risk, containing information of credit risk, capital adequacy ratios, market risk, liquidity risk, operational risk, model risk, as well as compliance and reputation

risk, which included information on concerning the Bank and significant subsidiaries. The Committee also familiarized itself with the periodical assessment of the mortgage-backed portfolio covered by Recommendation S of the Polish Financial Supervision Authority and the retail exposure portfolio covered by Recommendation T of the Polish Financial Supervision Authority.

The Committee also dealt with issues related to credit concentration risk, including ESG risk, treasury transaction portfolio risk, and counterparty limit portfolio risk, as well as the results of the asset and liability price adequacy test. The results of the stress tests carried out by the Bank and the results of the review of the internal capital adequacy assessment process (ICAAP) were discussed. The Committee also reviewed the Bank's evaluation of its investment policy and its assessment of the operation of the Stress Testing Program. A timetable of planned and implemented actions related to the implementation of ESG risk factors in the risk management system of the Bank has been presented during a meeting of the Committee.

The Committee issued opinions and recommended that the Supervisory Board approve key regulations defining the Bank's risk management strategy and policy.

During the reporting period, the Committee reviewed briefing materials that included, among other things, the cost of issuing instruments under MREL, the status of the IRB project related to work on implementing the Internal Ratings Method, and the impact of the EBA's new IRRBB guidelines on *Supervisory Outlier Tests* NII (SOT NII).

Depending on the matters discussed, representatives of the Bank were invited to the meetings of the Committee, while the Director of the Audit Department and the Director of the Regulatory Compliance Department are permanent participants of the Committee's meetings.

The Committee provided its recommendations to the Supervisory Board in the form of resolutions. Per the periodic reports received, the Committee regularly monitored the effectiveness of the Bank's risk management system.

The Committee took steps to clarify the reasons for the increased level of risk. Whenever threats were identified, the Committee Members pointed to those areas that required additional review and taking appropriate action.

The Members of the Committee actively formulated recommendations and advice aimed at increasing the effectiveness of the Bank's risk management system.

Strategy and Development Committee of the Supervisory Board of the Bank

The Bank Strategy and Development Committee was established on 30 September 2020 in order to support the Supervisory Board of the Bank in the scope of issuing opinions and presenting recommendations to the Supervisory Board concerning the Bank's development strategy and recommendations for planned investments having an impact on the Bank's assets. The Committee operates on the basis of the Regulations of the Bank Strategy and Development Committee of the Supervisory Board of Alior Bank S.A. approved by the Supervisory Board.

The actions taken by the Committee are advisory in relation to decisions made by the Supervisory Board. The purpose of the actions taken by the Committee is to increase the effectiveness of supervisory activities performed by the Supervisory Board in the scope of issuing opinions on all strategic documents submitted to the Supervisory Board by the Management Board of the Bank (in

particular the Bank's development strategy) and recommendations for planned investments that have a significant impact on the Bank's assets.

The Committee's tasks include issuing opinions and submitting recommendations to the Supervisory Board on decisions taken in the following matters:

- approving the Bank's long-term development plans developed by the Management Board of the Bank,
- pursuing the Bank's long-term development programs, including reports on projects implemented at the Bank,
- issuing opinions on applications of the Management Board of the Bank concerning the creation and accession of the Bank as shareholder (stockholder) to companies and divestment of shares (stocks) where those investments are of a long-term and strategic nature.

As at 1 January 2023, the Committee was composed of:

- Filip Majdowski Chair of the Committee
- Artur Kucharski Member of the Committee
- Dominik Witek Member of the Committee
- Paweł Śliwa Member of the Committee

During the reporting period, changes were made to the composition of the Bank Strategy and Development Committee of the Supervisory Board. On 3 August 2023, Mr Artur Kucharski ceased to serve as a Member of the Committee due to his dismissal from the Supervisory Board.

In connection with personnel changes in the composition of the Supervisory Board of the Bank (dismissal of Artur Kucharski), on 9 August 2023 Mr Jacek Kij was appointed to the Committee. On 8 September 2023, due to his resignation from the Committee, Mr Jacek Kij ceased to serve as a Member of the Bank Strategy and Development Committee.

On 13 December 2023, the Supervisory Board of the Bank appointed Mrs Małgorzata Erlich – Smurzyńska

and Mr Paweł Knop to the Committee in connection with the resignation from the Supervisory Board of the Bank by Mr Paweł Śliwa (effective as of 30 November 2023).

As of 13 December 2023 and as at 31 December 2023, the Committee was composed of:

- Filip Majdowski Chair of the Committee
- Małgorzata Erlich-Smurzyńska Member of the Committee
- Dominik Witek Member of the Committee
- Paweł Knop Member of the Committee

The composition of the Committee shall ensure an adequate level of supervision over the entrusted area of the Bank's activity. Each Member of the Committee shall have appropriate knowledge and competence to perform the tasks entrusted by the Supervisory Board in the field of opinion and advice for recommendations concerning strategies and investments undertaken by the Bank.

Four meetings of the Bank Strategy and Development Committee of the Supervisory Board were held in 2023.

1. During the meeting held on 18 January 2023:
 - the status of works and strategic directions of the new strategy of Alior Bank for the years 2023-2024 were discussed,
 - a workshop involving an external consultant was conducted, which focused on the planned directions for the development of areas subordinate to Members of the Management Board of the Bank, including key products and planned initiatives to be implemented within the time horizon of the strategy and the key performance indicator (KPI) levels for the years 2023-2024.
2. During the meeting held on 2 February 2023:
 - the final version of the public presentation of the new strategy of the bank for the years 2023-2024 was discussed,
 - a resolution recommending that the Supervisory Board approve the strategy of the Bank for the years 2023-2024 as well as financial projections and capital plan for the strategy of the Bank.
3. The issues discussed during the meeting held on 19 July 2023 included:
 - regular review of progress in the implementation of the strategy,
 - executive summary of work carried out under the Pillars of the strategy – implementation status in Q2 2023,
 - issues related to the modernization of the Data Warehouse within the framework of the Data Management stream.
4. The issues discussed during the meeting held on 20 November 2023 included:
 - regular review of progress in the implementation of the strategy, including ESG activities and initiatives,
 - executive summary of work carried out under the Pillars of the strategy – implementation status in Q3 2023,

On 27 February 2024, the Supervisory Board reviewed the contents of reports on the activities of the aforementioned Committees of the Supervisory Board in 2023, approved contents thereof and positively assessed the work of Committees in 2023.

Assessment of the adequacy of internal regulations concerning the operation of the Supervisory Board and the Management Board as well as the effectiveness of operation of these bodies

In line with Recommendation Z of the Polish Financial Supervision Authority concerning corporate governance in banks, and especially Recommendation 8.9 concerning the adequacy of internal regulations

related to the operation of the Supervisory Board and the Management Board as well as the effectiveness of operation of these bodies, an assessment of the Management Board of the Bank by the Supervisory Board and self-assessment of the Supervisory Board was carried out.

Assessment of the Management Board of the Bank

Having regard to the self-assessment of the Management Board of the Bank, the Supervisory Board assessed the adequacy of internal regulations concerning the operation and effectiveness of the Management Board of the Bank, including:

- Regulations of the Management Board of Alior Bank S.A.
- Organizational Regulations of Alior Bank S.A.
- Organizational Regulations of the Head Office of Alior Bank S.A.
- Policy for the Selection and Suitability Assessment of Members of the Management Board of Alior Bank S.A.

The Supervisory Board assessed that the aforementioned regulations are adequate, consistent with the law and requirements of supervisory bodies and enable the Management Board to operate effectively and efficiently. The Supervisory Board confirmed that as an institution, the Bank is organized in a transparent and structured manner that takes into account the size and profile of risk as well as the nature and scale of activity, and in a way that ensures the achievement of the designated targets of the business and proper response to changing external conditions or sudden and unexpected events, effective flow and protection of information enabling the effective performance of tasks by the Management Board of the Bank. The duties of the Management Board of the Bank ensure that the body can operate effectively to implement the adopted management strategy. The solutions adopted in the Regulations guarantee the Members of the Management Board access to all information as well as the possibility of using external consultants and expert opinions. In the opinion of the Supervisory Board, the tasks of the Supervisory Board and the Management Board of the Bank are coordinated with each other and ensure effective operation of both bodies to implement the management strategy of the Bank. The adopted solutions ensure that Members of the Supervisory Board and the Management Board of the Bank correctly understand the principles of management in place at the Bank, their role and are aware of the risk culture at the Bank.

Self-assessment of the Supervisory Board

In line with the rights and obligations specified in: the Code of Commercial Partnerships and Companies, the Banking Law, recommendations of the Polish Financial Supervision Authority, the Best Practice of WSE Listed Companies and the Articles of Association of the Bank, in 2023 the Supervisory Board held constant supervision over the activities of the Bank. The activities of the Supervisory Board were supported by the Committees acting under the Supervisory Board, i.e.

The Supervisory Board performed a self-assessment of the adequacy of internal regulations concerning the operation and effectiveness of the Supervisory Board, i.e.:

- Articles of Association of Alior Bank S.A.

- Organizational Regulations of Alior Bank S.A.
- Regulations of the Supervisory Board of Alior Bank S.A.
- Regulations of the Audit Committee of the Supervisory Board of Alior Bank S.A.
- Regulations of the Appointments and Remuneration Committee of the Supervisory Board of Alior Bank S.A.
- Regulations of the Risk Committee of the Supervisory Board of Alior Bank S.A.
- Regulations of the Bank Strategy and Development Committee of the Supervisory Board of Alior Bank S.A.
- Policy for the Selection and Suitability Assessment of Members of the Supervisory Board of Alior Bank S.A.

In the opinion of the Supervisory Board, the regulations concerning the operation and effectiveness of the supervisory body adequately reflect the specificities of the Bank's operations as well as its size and organizational structure. They comply with the statutory requirements arising from the provisions of law and recommendations of the Polish Financial Supervision Authority as well as EBA Guidelines on internal governance, which effectively contributes to prudent management of the Bank.

Moreover, in the opinion of the Supervisory Board, internal regulations concerning the operation of the Supervisory Board and the Management Board of the Bank are prepared by the Bank with due diligence and subject to periodical reviews to identify the need to update their contents adequately to: changes in legislation, changes arising from the regulatory environment, current needs. In order to ensure the above, the following are implemented at the Bank: "Instruction on the functioning of the internal legislation system at Alior Bank S.A." describing the rules for drafting, updating and repealing internal regulations, specifying the framework of substantive responsibility, opinion-making process and a range of detailed provisions on the issuing of opinions on regulations at the Bank, and "Rules for the annual review of internal regulations", which lay down guidelines on the annual review of internal regulations. The activities specified in the regulations standardise the manner in which the Bank conducts regulatory reviews, improves their quality, and ensures compliance of the regulations with the provisions of law and their consistency with other internal regulations of the Bank and the Control Function Matrix.

In the opinion of the Supervisory Board, the tasks of the Supervisory Board and the Management Board of the Bank are coordinated with each other and ensure effective operation of both bodies to implement the management strategy of the Bank. The adopted solutions ensure that Members of the Supervisory Board and the Management Board of the Bank correctly understand the principles of management in place at the Bank, their role and are aware of the risk culture at the Bank. In light of the above, the Supervisory Board positively assesses the adequacy of internal regulations concerning the functioning of that body and the effectiveness of its operations.

Self-assessment of the suitability of the Supervisory Board

Pursuant to the Policy for the Selection and Suitability Assessment of Members of the Supervisory Board in effect in 2023, after the composition of the Supervisory Board has been changed the Supervisory Board performed a self-assessment of its collective suitability, which confirmed that an adequate number of Members of the Supervisory Board:

- meets the criteria of independence,
- has the required knowledge and skills in the area of accounting,
- has the required knowledge and skills in the area of auditing financial statements,
- has the required knowledge and skills related to the financial sector,

and all Members of the Supervisory Board of the Bank have at least a high level of competence to chair the proceedings (whereas the Supervisory Board of the Bank as a body has the required level of other competencies) and declare readiness to devote a sufficient amount of time to perform their duties as Members of the Supervisory Board of the Bank.

At the meeting held on 7 March 2024, the Supervisory Board self-assessed its activities as the Bank's body in 2023.

In the opinion of the Supervisory Board, in 2023 this body fulfilled the obligations provided for by law, recommendations of supervisory authorities and other regulations (including the Bank's internal regulations) with due diligence, ensuring an adequate and effective level of supervision over all areas of the Bank's activities, taking into account the scale and specificities of the entity's activities.

The Supervisory Board considers that, in 2023, its work was conducted in an efficient and uninterrupted manner, and that conduct thereof, in particular at regular meetings of the Supervisory Board and its Committees, allowed all Members to obtain the necessary information, to take a position and to exchange views constructively. At the same time, the Supervisory Board positively assessed the cooperation with the Management Board of the Bank, as well as the interaction with its employees, in particular representatives of control functions. Materials, documents and information were received by the Supervisory Board without delay and were transparent and reliable and of a high level of content and exhaustiveness.

In the opinion of the Supervisory Board, the composition of this body throughout the reporting period was appropriate in the context of requirements arising from the provisions of law and expectations of the supervisory authority. The diversity of directions of education and professional experience of individual Members of the Supervisory Board, as well as the participation of its independent Members in the work of the body, enabled comprehensive supervision of various aspects of the Bank's activities.

The year 2023 was characterized by a high level of activity of the Supervisory Board *in corpore*, its Committees, as well as individual Members of that body. No significant absence levels were observed. Both the number of meetings and the agenda of the meetings of the Supervisory Board and its Committees have been assessed as sufficient to exercise effective control. Discussions within the Supervisory Board and its Committees were thorough and constructive.

Having regard to the above, the Supervisory Board positively assesses the activities of the Board as a body in 2023.

Summary

Having regard to the information presented in this report, the Supervisory Board positively assesses the manner in which the Supervisory Board functioned and operated in the financial year 2023, and positively assesses the performance of duties during the reporting period by all Members of the Supervisory Board.

The Supervisory Board positively assesses the effectiveness of its activities as well as the adequacy of internal regulations concerning the operation of the Supervisory Board.

The Supervisory Board requests the Annual General Meeting of the Bank to adopt this report on the activities of the Supervisory Board of the Bank in the financial year 2023 and to grant all Members of the Supervisory Board discharge in respect of their performance of their duties during the reporting period.

Warsaw, 7 March 2024

Signatures:

.....
Filip Majdowski
Chair of the Supervisory Board

.....
Ernest Bejda
Deputy Chair of the
Supervisory Board

.....
Małgorzata Erlich –
Smurzyńska
Supervisory Board Member

.....
Jacek Kij
Member of the Supervisory
Board

.....
Paweł Knop
Member of the Supervisory
Board

.....
Marek Pietrzak
Member of the Supervisory
Board

.....
Dominik Witek
Member of the Supervisory
Board