



**Interim condensed separate  
financial statements  
of Alior Bank Spółka Akcyjna  
for the 6-month period ended  
30 June 2024**

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## Interim separate income statement

	Note	01.04.2024- 30.06.2024	01.01.2024- 30.06.2024	01.04.2023- 30.06.2023	01.01.2023- 30.06.2023*
Interest income calculated using the effective interest method		1 683 636	3 440 838	1 767 005	3 504 743
Income of a similar nature		33 074	68 394	40 237	81 974
Interest expense		-498 354	-1 050 232	-672 037	-1 377 092
<b>Net interest income</b>	<b>4</b>	<b>1 218 356</b>	<b>2 459 000</b>	<b>1 135 205</b>	<b>2 209 625</b>
Fee and commission income		265 887	681 000	429 878	814 077
Fee and commission expense		-86 527	-324 103	-247 353	-457 309
<b>Net fee and commission income</b>	<b>5</b>	<b>179 360</b>	<b>356 897</b>	<b>182 525</b>	<b>356 768</b>
Dividend income		3 215	3 263	2 484	2 531
The result on financial assets measured at fair value through profit or loss and FX result		4 815	15 473	5 848	18 751
<b>The result on derecognition of financial instruments not measured at fair value through profit or loss</b>		<b>3 708</b>	<b>4 605</b>	<b>1 544</b>	<b>3 765</b>
measured at fair value through other comprehensive income		3 329	4 041	1 439	3 507
measured at amortized cost		379	564	105	258
Other operating income		18 954	42 021	19 166	38 873
Other operating expenses		-53 703	-80 822	-56 857	-83 257
<b>The result on other operating income and expenses</b>		<b>-34 749</b>	<b>-38 801</b>	<b>-37 691</b>	<b>-44 384</b>
General administrative expenses		-480 318	-993 106	-432 620	-910 128
Net expected credit losses	6	-20 706	-111 843	-124 502	-356 008
The result on impairment of non-financial assets		-1 219	-1 321	-733	-981
Cost of legal risk of FX mortgage loans	7	-25 896	-27 690	-2 280	-2 786
Banking tax		-68 530	-139 728	-65 128	-131 115
<b>Gross profit</b>		<b>778 036</b>	<b>1 526 749</b>	<b>664 652</b>	<b>1 146 038</b>
Income tax	8	-176 397	-360 650	-162 354	-297 398
<b>Net profit</b>		<b>601 639</b>	<b>1 166 099</b>	<b>502 298</b>	<b>848 640</b>
Weighted average number of ordinary shares		130 553 991	130 553 991	130 553 991	130 553 991
Basic/diluted net profit per share (PLN)		4.61	8.93	3.85	6.50

\*Restated - Note 3

## Interim separate statement of comprehensive income

	01.04.2024- 30.06.2024	01.01.2024- 30.06.2024	01.04.2023- 30.06.2023	01.01.2023- 30.06.2023
<b>Net profit</b>	<b>601 639</b>	<b>1 166 099</b>	<b>502 298</b>	<b>848 640</b>
<b>Items that may be reclassified to the income statement after certain conditions are satisfied</b>	<b>39 891</b>	<b>30 180</b>	<b>270 803</b>	<b>644 057</b>
Foreign currency translation differences	-6	-2 242	1 329	1 085
<b>Results of the measurement of financial assets (net)</b>	<b>-15 670</b>	<b>38 422</b>	<b>17 138</b>	<b>109 809</b>
Profit/loss on valuation of financial assets measured at fair value through other comprehensive income	-19 346	47 434	21 153	135 546
Deferred tax	3 676	-9 012	-4 015	-25 737
<b>Results on the measurement of hedging instruments (net)</b>	<b>55 567</b>	<b>-6 000</b>	<b>252 336</b>	<b>533 163</b>
Gains/losses on hedging instruments	68 600	-7 408	311 526	658 226
Deferred tax	-13 033	1 408	-59 190	-125 063
<b>Total comprehensive income, net</b>	<b>641 530</b>	<b>1 196 279</b>	<b>773 101</b>	<b>1 492 697</b>

The notes presented on pages 67-89 constitute an integral part of these interim condensed separate financial statements.

## Interim separate statement of financial position

ASSETS	Note	30.06.2024	31.12.2023
Cash and cash equivalents		2 063 085	2 521 555
Amounts due from banks		1 854 966	4 615 420
Investment financial assets and derivatives		19 169 847	18 803 661
measured at fair value through other comprehensive income		17 621 367	15 469 101
measured at fair value through profit or loss		259 065	408 882
measured at amortized cost		1 289 415	2 925 678
Derivative hedging instruments		212 544	336 122
Loans and advances to customers	9	64 098 963	60 822 737
Assets pledged as collateral		76 991	46 894
Property, plant and equipment		704 758	722 346
Intangible assets		407 905	389 028
Investments in subsidiaries	10	222 252	222 252
Income tax assets		683 633	765 912
deferred income tax assets		683 633	765 912
Other assets		413 576	600 909
<b>TOTAL ASSETS</b>		<b>89 908 520</b>	<b>89 846 836</b>

LIABILITIES AND EQUITY	Note	30.06.2024	31.12.2023
Amounts due to banks		220 521	144 991
Amounts due to customers	11	75 880 423	75 216 392
Financial liabilities		184 634	276 463
Derivative hedging instruments		566 082	682 631
Change in fair value measurement of hedged items in hedged portfolio against interest rate risk		-1 061	-229
Provisions	13	331 976	307 838
Other liabilities		1 995 840	2 577 203
Income tax liabilities		145 409	282 708
current income tax liabilities		145 409	282 708
Subordinated liabilities	12	766 625	1 159 999
<b>Total liabilities</b>		<b>80 090 449</b>	<b>80 647 996</b>
Share capital		1 305 540	1 305 540
Supplementary capital		7 431 101	6 020 705
Revaluation reserve		-259 126	-291 548
Other reserves		174 447	174 447
Foreign currency translation differences		10	2 252
Profit for the period		1 166 099	1 987 444
<b>Equity</b>		<b>9 818 071</b>	<b>9 198 840</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>89 908 520</b>	<b>89 846 836</b>

The notes presented on pages 67-89 constitute an integral part of these interim condensed separate financial statements.

## Interim separate statement of changes in equity

01.01.2024 - 30.06.2024	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Exchange differences on revaluation of foreign units	Retained earnings	Total equity
<b>As at 1 January 2024</b>	<b>1 305 540</b>	<b>6 020 705</b>	<b>174 447</b>	<b>-291 548</b>	<b>2 252</b>	<b>1 987 444</b>	<b>9 198 840</b>
Dividend payment	0	0	0	0	0	-577 048	-577 048
Transfer of last year's profit	0	1 410 396	0	0	0	-1 410 396	0
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32 422</b>	<b>-2 242</b>	<b>1 166 099</b>	<b>1 196 279</b>
net profit	0	0	0	0	0	1 166 099	1 166 099
other comprehensive income:	0	0	0	32 422	-2 242	0	30 180
incl. financial assets measured at fair value through other comprehensive income	0	0	0	38 422	0	0	38 422
incl. hedging instruments	0	0	0	-6 000	0	0	-6 000
incl. currency translation differences	0	0	0	0	-2 242	0	-2 242
<b>Aa at 30 June 2024</b>	<b>1 305 540</b>	<b>7 431 101</b>	<b>174 447</b>	<b>-259 126</b>	<b>10</b>	<b>1 166 099</b>	<b>9 818 071</b>

01.01.2023 - 31.12.2023	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Exchange differences on revaluation of foreign units	Retained earnings	Total equity
<b>As at 1 January 2023</b>	<b>1 305 540</b>	<b>5 401 470</b>	<b>174 447</b>	<b>-1 339 576</b>	<b>283</b>	<b>619 235</b>	<b>6 161 399</b>
Transfer of last year's profit	0	619 235	0	0	0	-619 235	0
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 048 028</b>	<b>1 969</b>	<b>1 987 444</b>	<b>3 037 441</b>
net profit	0	0	0	0	0	1 987 444	1 987 444
other comprehensive income:	0	0	0	1 048 028	1 969	0	1 049 997
incl. financial assets measured at fair value through other comprehensive income	0	0	0	187 288	0	0	187 288
incl. hedging instruments	0	0	0	860 740	0	0	860 740
incl. currency translation differences	0	0	0	0	1 969	0	1 969
<b>Aa at 31 December 2023</b>	<b>1 305 540</b>	<b>6 020 705</b>	<b>174 447</b>	<b>-291 548</b>	<b>2 252</b>	<b>1 987 444</b>	<b>9 198 840</b>

01.01.2023 - 30.06.2023	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Exchange differences on revaluation of foreign units	Retained earnings	Total equity
<b>As at 1 January 2023</b>	<b>1 305 540</b>	<b>5 401 470</b>	<b>174 447</b>	<b>-1 339 576</b>	<b>283</b>	<b>619 235</b>	<b>6 161 399</b>
Transfer of last year's profit	0	619 235	0	0	0	-619 235	0
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>642 972</b>	<b>1 085</b>	<b>848 640</b>	<b>1 492 697</b>
net profit	0	0	0	0	0	848 640	848 640
other comprehensive income:	0	0	0	642 972	1 085	0	644 057
incl. financial assets measured at fair value through other comprehensive income	0	0	0	109 809	0	0	109 809
incl. hedging instruments	0	0	0	533 163	0	0	533 163
incl. currency translation differences	0	0	0	0	1 085	0	1 085
<b>Aa at 30 June 2023</b>	<b>1 305 540</b>	<b>6 020 705</b>	<b>174 447</b>	<b>-696 604</b>	<b>1 368</b>	<b>848 640</b>	<b>7 654 096</b>

The notes presented on pages 67-89 constitute an integral part of these interim condensed separate financial statements.

## Interim separate statement of cash flows

	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
<b>Operating activities</b>		
<b>Profit before tax for the period</b>	<b>1 526 749</b>	<b>1 146 038</b>
<b>Adjustments:</b>	<b>112 156</b>	<b>124 518</b>
Unrealized foreign exchange gains/losses	-2 242	1 085
Amortization/depreciation of property, plant and equipment and intangible assets	116 340	124 983
Change in property, plant and equipment and intangible assets impairment write-down	1 321	981
Dividends received	-3 263	-2 531
<b>The gross profit after adjustments but before increase/decrease in operating assets/liabilities</b>	<b>1 638 905</b>	<b>1 270 556</b>
Change in loans and receivables	-515 772	141 720
Change in financial assets measured at fair value through other comprehensive income	-2 107 708	-2 512 940
Change in financial assets measured at fair value through profit or loss	149 817	-6 437
Change in assets pledged as collateral	-30 097	-46 530
Change in non-current assets held for sale	0	1 611
Change in other assets	187 333	-158 363
Change in deposits	561 045	-899 924
Change in own issue	-490 631	784 914
Change in financial liabilities	-91 829	-4 019
Change in hedging derivative	-1 211	-19 136
Change in other liabilities	-963 760	110 954
Change in provisions	24 138	-37 398
Short-term lease contracts	975	31
<b>Cash from operating activities before income tax</b>	<b>-1 638 795</b>	<b>-1 374 961</b>
<b>Income tax paid</b>	<b>-423 272</b>	<b>-295 171</b>
<b>Net cash flow from operating activities</b>	<b>-2 062 068</b>	<b>-1 670 132</b>
<b>Investing activities</b>		
<b>Outflows:</b>	<b>-88 472</b>	<b>-102 604</b>
Purchase of property, plant and equipment	-33 595	-42 060
Purchase of intangible assets	-49 958	-33 705
Purchase of assets measured at amortized cost	-4 919	-26 839
<b>Inflows:</b>	<b>1 648 264</b>	<b>2 460 639</b>
Disposal of property, plant and equipment	5 942	13 622
Redemption of assets measured at amortized cost	1 642 322	2 447 017
<b>Net cash flow from investing activities</b>	<b>1 559 792</b>	<b>2 358 035</b>
<b>Financing activities</b>		
<b>Outflows:</b>	<b>-506 194</b>	<b>-107 803</b>
Principle payments - subordinated liabilities	-391 700	0
Interest payments - subordinated and long-term liabilities	-72 670	-58 131
Principle payments - lease liabilities	-37 111	-45 260
Interest payments - lease liabilities	-4 713	-4 412
<b>Inflows:</b>	<b>550 000</b>	<b>0</b>
Incurring long-term liabilities	550 000	0
<b>Net cash flow from financing activities</b>	<b>43 806</b>	<b>-107 803</b>
<b>Total net cash flow</b>	<b>-458 470</b>	<b>580 100</b>
<b>incl. exchange gains/(losses)</b>	<b>-3 732</b>	<b>-76 161</b>
<b>Balance sheet change in cash and cash equivalents</b>	<b>-458 470</b>	<b>580 100</b>
Cash and cash equivalents, opening balance	2 521 555	2 565 406
Cash and cash equivalents, closing balance	2 063 085	3 145 506
<b>Additional disclosures on operating cash flows</b>		
Interests received	3 521 019	3 401 210
Interests paid	-1 128 826	-1 324 941

The notes presented on pages 67-89 constitute an integral part of these interim condensed separate financial statements.

## 1 Basis for preparation

### Statement of compliance

These interim condensed separate financial statements of Alior Bank Spółka Akcyjna for the 6-month period ended 30 June 2024 have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and in accordance with the requirements set out in the Regulation of the Minister of Finance of 29 of March 2018 on current and periodic information provided by issuers of securities and the conditions for recognizing as equivalent information required by the law of a non-member state.

The interim separate income statement, interim separate statement of comprehensive income, interim separate statement of changes in equity and interim separate statement of cash flows for the financial period from 1 January 2024 to 30 June 2024 and interim separate statement of financial position as at 30 June 2024 including the comparatives, have been prepared in accordance with the same accounting policies as those applied in the preparation of the last annual financial statements, except for the changes in the standards that entered into force on 1 January 2024.

### Scope and reporting currency

The interim condensed separate financial statements of Alior Bank SA comprise the data concerning the Bank. The interim condensed separate financial statements have been prepared in Polish zlotys. Unless otherwise stated, amounts are presented in thousands of zlotys.

### Going concern

The interim condensed separate financial statements of Alior Bank Spółka Akcyjna have been prepared on the assumption that the Bank will continue in operation as a going concern for a period of at least 12 months after the balance sheet date i.e. after 30 June 2024.

## 2 Accounting principles

### 2.1 Significant accounting policies

The accounting principles are presented in detail in the annual financial statements of Alior Bank SA ended 31 December 2023, published on 28 February 2024 and available on the Alior Bank website.

### 2.2 Changes in accounting standards

Changes in accounting principles effective from 1 January 2024 and standards and interpretations that have been issued but are not yet in force because they have not been approved by the European Union are presented in the interim condensed consolidated financial statements in note 2.2.3.

### 2.3 Significant estimates

Significant estimates, including: recognition of income from bancassurance, impairment of loans and advances, expected credit losses, impairment of fixed assets, recognition of investment financial assets and derivatives, provisions for the return of commission in the event of early repayment, provision for legal risk related to the FX portfolio, actuarial provisions, principles of fair value measurement and hedge accounting, and which affect the values of assets and liabilities reported in this and the next reporting period are presented in detail in the interim condensed consolidated financial statements in note 2.2.1. These estimates have not changed in relation to the previous reporting period. A description of the significant estimate regarding credit holidays is presented below.

## Credit vacation

On 7 May 2024, the Act of 12 April 2024 amending the Act on support for borrowers who took out a housing loan and are in a difficult financial situation and the Act on crowdfunding for business ventures and assistance to borrowers was published. The amendment to the Act provides that only persons with a mortgage loan in PLN for a maximum amount of PLN 1.2 million can apply for suspension of installments. In addition, the loan agreement must be concluded before 1 July 2022, it is not possible to suspend installments, even if there are less than 6 months left to the end of the mortgage repayment period. You will be able to take the vacation twice in the period from 1 June to 31 August and twice in the period from 1 September to 31 December. The income criterion is also important. You will be able to take advantage of credit holidays if the installment exceeds 30% household income, calculated as the average for the previous three months or if the borrower has at least three children to support (as of the date of submitting the application).

In connection with the above, as at the date of signing the Act, based on IFRS 9 5.4.3, Alior Bank recalculated the gross carrying amount of credit exposures based on the present value of expected cash flows modified based on the provisions of the Act (i.e. taking into account the possibility of suspending the repayment of loan installments in time frame while extending the loan period), discounted at the original effective interest rate. The modification loss was recognized in the financial result as a reduction of interest income in total amount PLN 117 million.

The above cost was estimated based on the assumption that borrowers representing 31% of the value of the Bank's mortgage loan portfolio in PLN are eligible and will decide to use it.

As at 30 June 2024, the Bank revised its current estimates, taking into account the lower than observed rate of inflow of applications for credit holidays. The Bank assumed that the trend of applications submitted from the last week of observations would continue, reducing the average assumed number of months of vacation that customers will benefit from to 3 from a maximum of 4 months. In connection with the above, the Bank made a correction to the increase in interest income related to the modification of credit agreements by PLN 31 million.

Therefore, the total loss on modification, estimated on the basis of the participation rate - the portfolio taking advantage of vacation in the amount of 31% and an average of 3 months of vacation, amounts to a total of PLN 86 million.

The above estimate will be subject to further periodic verification, and its update will be included in the Bank's current financial results.

## 3 Changes to presentation and explanation of differences in relation to previously published financial statements

Compared to the financial statements prepared as at 30 June 2023, the Bank has changed the method of presenting the costs of provisions for legal claims. After the change, the costs of provisions for legal claims are presented in the item " Other operating expenses ". Previously, the Bank presented these costs in the item " General administrative expenses ". The change introduced in the Bank's assessment is a better place for presentation due to the fact that the costs of provisions for disputes are indirectly related to the Bank's operating activities. The above change had no impact on the net result:

Income statement	01.01.2023-30.06.2023 Presented	Change	01.01.2023-30.06.2023 Restated
General administrative expenses	-938 607	28 479	-910 128
Other operating expenses	-54 778	-28 479	-83 257



## Notes to the interim separate income statement

### 4 Net interest income

	01.04.2024 - 30.06.2024	01.01.2024 - 30.06.2024	01.04.2023 - 30.06.2023	01.01.2023 - 30.06.2023
<b>Interest income calculated using the effective interest method</b>	<b>1 683 636</b>	<b>3 440 838</b>	<b>1 767 005</b>	<b>3 504 743</b>
term deposits	3 362	7 710	5 353	7 246
Loans, incl:	1 303 568	2 656 862	1 403 826	2 772 019
<i>modification of a financial asset deemed not significant *</i>	-87 925	-89 684	-2 116	-15 596
investment financial assets measured at amortized cost	18 641	44 766	47 129	100 519
investment financial assets measured at fair value through other comprehensive income	267 309	549 043	197 655	407 819
receivables acquired	12 785	26 292	19 317	39 939
repo transactions in securities	23 301	44 176	21 289	31 780
current accounts	45 229	88 859	50 233	98 290
overnight deposits	1 115	4 532	2 266	5 150
other	8 326	18 598	19 937	41 981
<b>Income of a similar nature</b>	<b>33 074</b>	<b>68 394</b>	<b>40 237</b>	<b>81 974</b>
derivatives instruments	33 074	68 394	40 237	81 974
<b>Interest expense</b>	<b>-498 354</b>	<b>-1 050 232</b>	<b>-672 037</b>	<b>-1 377 092</b>
term deposits	-204 047	-432 836	-258 721	-524 982
own issue	-43 010	-90 763	-36 771	-71 202
repo transactions in securities	-26 699	-61 683	-24 186	-43 447
cash deposits	-1 730	-2 927	-960	-1 834
leasing	-2 348	-4 713	-2 333	-4 412
other	-310	-597	-595	-1 164
current deposits	-87 035	-181 861	-93 501	-205 411
derivatives	-133 175	-274 852	-254 970	-524 640
<b>Net interest income</b>	<b>1 218 356</b>	<b>2 459 000</b>	<b>1 135 205</b>	<b>2 209 625</b>

\*including the result on modification due to credit vacation in the amount of PLN 86 million

### 5 Net fee and commission income

	01.04.2024 - 30.06.2024	01.01.2024 - 30.06.2024	01.04.2023 - 30.06.2023	01.01.2023 - 30.06.2023
<b>Fee and commission income</b>	<b>265 887</b>	<b>681 000</b>	<b>429 878</b>	<b>814 077</b>
payment and credit cards service	49 908	241 957	197 693	367 534
transaction margin on currency exchange transactions	75 012	160 333	100 470	183 621
maintaining bank accounts	26 805	54 022	24 331	48 057
brokerage commissions	15 439	32 422	12 627	26 460
revenue from bancassurance activity	10 669	20 985	11 418	20 562
loans and advances	38 175	76 640	40 203	78 500
transfers	15 160	29 495	14 584	28 878
cash operations	8 521	16 825	8 764	17 001
guarantees, letters of credit, collection, commitments	3 819	6 924	3 038	5 879
receivables acquired	1 188	2 318	1 395	2 569
for custody services	2 214	4 159	2 238	4 089
repayment of seizure	2 553	4 717	1 909	3 796
other commissions	16 424	30 203	11 208	27 131
<b>Fee and commission expenses</b>	<b>-86 527</b>	<b>-324 103</b>	<b>-247 353</b>	<b>-457 309</b>
costs of card and ATM transactions, including costs of cards issued	-33 753	-220 345	-198 446	-360 368
commissions paid to agents	-11 677	-22 511	-11 120	-21 418
insurance of bank products	-5 234	-10 185	-3 121	-6 302

	01.04.2024 - 30.06.2024	01.01.2024 - 30.06.2024	01.04.2023 - 30.06.2023	01.01.2023 - 30.06.2023
costs of awards for customers	-6 459	-12 503	-5 659	-12 571
commissions for access to ATMs	-7 886	-14 292	-6 623	-13 374
commissions paid under contracts for performing specific operations	-6 841	-13 853	-6 080	-11 747
brokerage commissions	-1 308	-2 562	-1 325	-2 260
for custody services	-661	-1 715	-847	-2 125
transfers and remittances	-6 354	-12 804	-6 802	-12 481
other commissions	-6 354	-13 333	-7 330	-14 663
<b>Net fee and commission income</b>	<b>179 360</b>	<b>356 897</b>	<b>182 525</b>	<b>356 768</b>

## 6 Net expected credit losses

	01.04.2024 - 30.06.2024	01.01.2024 - 30.06.2024	01.04.2023 - 30.06.2023	01.01.2023 - 30.06.2023
<b>Expected credit losses Stage 3</b>	<b>-113 927</b>	<b>-262 979</b>	<b>-180 160</b>	<b>-475 633</b>
retail customers	-96 321	-191 736	-121 946	-281 982
business customers	-17 606	-71 243	-58 214	-193 651
<b>Expected credit losses Stage 1 and 2(ECL)</b>	<b>44 461</b>	<b>30 798</b>	<b>27 559</b>	<b>32 213</b>
<b>Stage 2</b>	<b>44 200</b>	<b>37 855</b>	<b>40 045</b>	<b>51 994</b>
retail customers	19 160	29 708	22 025	24 536
business customers	25 040	8 147	18 020	27 458
<b>Stage 1</b>	<b>261</b>	<b>-7 057</b>	<b>-12 486</b>	<b>-19 781</b>
retail customers	4 789	9 256	-6 374	-10 728
business customers	-4 528	-16 313	-6 112	-9 053
<b>POCI</b>	<b>-16 116</b>	<b>-33 851</b>	<b>-43 978</b>	<b>-58 295</b>
<b>Recoveries from off-balance sheet</b>	<b>71 355</b>	<b>149 400</b>	<b>69 543</b>	<b>89 661</b>
<b>Investment securities</b>	<b>52</b>	<b>-1 467</b>	<b>7 468</b>	<b>7 065</b>
<b>Off-balance provisions</b>	<b>-6 531</b>	<b>6 256</b>	<b>-4 934</b>	<b>48 981</b>
<b>Net expected credit losses</b>	<b>-20 706</b>	<b>-111 843</b>	<b>-124 502</b>	<b>-356 008</b>

The result on expected credit losses in the first half of 2024 was significantly lower compared to the first half of 2023. This is due to a series of positive events implemented by the Bank in 2024, including: the sale of the NPL portfolio, the completion of effective restructuring processes and the recording of significantly lower costs related to migration to default, due to the stabilized resilience of customers to the demanding macroeconomic environment (including generally high interest rates).

## 7 Cost of legal risk of FX mortgage loans

	01.04.2024 - 30.06.2024	01.01.2024 - 30.06.2024	01.04.2023 - 30.06.2023	01.01.2023 - 30.06.2023
Loans and advances to customers - adjustment decreasing the gross carrying amount of loans	-11 574	-13 032	-2 280	-2 431
Provisions	-14 313	-14 649	0	-355
Other	-9	-9	0	0
<b>Cost of legal risk of FX mortgage loans</b>	<b>-25 896</b>	<b>-27 690</b>	<b>-2 280</b>	<b>-2 786</b>

## 8 Income tax

In accordance with IAS 34, the Bank took into account the principle of recognizing income tax charges on the financial result based on the management's best possible estimate of the weighted average annual income tax rate that the Bank expects in 2024. The projected annual effective tax rate is approximately 25%.

## 8.1 Tax charge disclosed in the profit and loss account

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Current tax	285 974	203 569
Deferred income tax	74 676	93 829
<b>Income tax</b>	<b>360 650</b>	<b>297 398</b>

## 8.2 Effective tax rate calculation

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
<b>Gross profit</b>	<b>1 526 749</b>	<b>1 146 038</b>
Income tax at 19%	290 082	217 747
<b>Non-tax-deductible expenses (tax effect)</b>	<b>75 672</b>	<b>77 320</b>
Impairment losses on loans not deductible for tax purposes	24 861	30 890
Prudential fee to BGF	7 722	11 186
Tax on certain financial institutions	26 530	24 912
Cost of legal risk of FX mortgage loans	5 261	529
Other	11 298	9 803
<b>Non-taxable income (tax effect)</b>	<b>-1 732</b>	<b>-1 838</b>
<b>Other</b>	<b>-3 372</b>	<b>4 169</b>
<b>Accounting tax recognized in the income statement</b>	<b>360 650</b>	<b>297 398</b>
<b>Effective tax rate</b>	<b>23.62%</b>	<b>25.95%</b>

## Notes to the interim separate statement of financial position

### 9 Loans and advances to customers

The accounting principles are presented in the interim condensed consolidated financial statements in note 19.

#### 9.1 Financial data

Loans granted to customers	30.06.2024			31.12.2023		
	Gross value	Expected credit losses	Wartość netto	Gross value	Expected credit losses	Wartość netto
<b>Retail segment</b>	<b>40 639 491</b>	<b>-1 470 658</b>	<b>39 168 833</b>	<b>39 718 395</b>	<b>-1 722 645</b>	<b>37 995 750</b>
Consumer loans	15 943 480	-1 228 011	14 715 469	16 293 830	-1 504 909	14 788 921
Loans for residential properties	19 793 596	-207 400	19 586 196	18 385 184	-182 042	18 203 142
Consumer finance loans	4 902 415	-35 247	4 867 168	5 039 381	-35 694	5 003 687
<b>Corporate segment</b>	<b>26 718 046</b>	<b>-1 787 916</b>	<b>24 930 130</b>	<b>25 107 505</b>	<b>-2 280 518</b>	<b>22 826 987</b>
Working capital loans	17 598 553	-997 463	16 601 090	17 350 294	-1 190 472	16 159 822
Investment loans	5 025 326	-612 618	4 412 708	5 152 329	-681 233	4 471 096
Other business loans	4 094 167	-177 835	3 916 332	2 604 882	-408 813	2 196 069
<b>Total</b>	<b>67 357 537</b>	<b>-3 258 574</b>	<b>64 098 963</b>	<b>64 825 900</b>	<b>-4 003 163</b>	<b>60 822 737</b>

Loans granted to customers	30.06.2024			31.12.2023		
	Gross value	Expected credit losses	Net value	Gross value	Expected credit losses	Net value
<b>Retail segment</b>	<b>40 639 491</b>	<b>-1 470 658</b>	<b>39 168 833</b>	<b>39 718 395</b>	<b>-1 722 645</b>	<b>37 995 750</b>
Stage 1	36 589 310	-306 472	36 282 838	35 222 693	-315 786	34 906 907

Loans granted to customers	30.06.2024			31.12.2023		
	Gross value	Expected credit losses	Net value	Gross value	Expected credit losses	Net value
Stage 2	2 640 327	-338 683	2 301 644	2 755 743	-368 491	2 387 252
Stage 3	1 379 618	-827 727	551 891	1 707 963	-1 037 412	670 551
POCI	30 236	2 224	32 460	31 996	-956	31 040
<b>Corporate segment</b>	<b>26 718 046</b>	<b>-1 787 916</b>	<b>24 930 130</b>	<b>25 107 505</b>	<b>-2 280 518</b>	<b>22 826 987</b>
Stage 1	19 380 209	-76 173	19 304 036	17 150 310	-59 902	17 090 408
Stage 2	4 419 381	-302 787	4 116 594	4 345 174	-310 340	4 034 834
Stage 3	2 634 601	-1 407 687	1 226 914	3 329 098	-1 896 085	1 433 013
POCI	283 855	-1 269	282 586	282 923	-14 191	268 732
<b>Total</b>	<b>67 357 537</b>	<b>-3 258 574</b>	<b>64 098 963</b>	<b>64 825 900</b>	<b>-4 003 163</b>	<b>60 822 737</b>

Loans and advances to customers by method of expected credit losses calculation	30.06.2024			31.12.2023		
	Gross value	Expected credit losses	Net value	Gross value	Expected credit losses	Net value
<b>Stage 3</b>	<b>4 014 219</b>	<b>-2 235 414</b>	<b>1 778 805</b>	<b>5 037 061</b>	<b>-2 933 497</b>	<b>2 103 564</b>
individual method	1 216 678	-700 596	516 082	1 797 438	-1 065 495	731 943
group method	2 797 541	-1 534 818	1 262 723	3 239 623	-1 868 002	1 371 621
<b>Stage 2</b>	<b>7 059 708</b>	<b>-641 470</b>	<b>6 418 238</b>	<b>7 100 917</b>	<b>-678 831</b>	<b>6 422 086</b>
<b>Stage 1</b>	<b>55 969 519</b>	<b>-382 645</b>	<b>55 586 874</b>	<b>52 373 003</b>	<b>-375 688</b>	<b>51 997 315</b>
POCI	314 091	955	315 046	314 919	-15 147	299 772
<b>Total</b>	<b>67 357 537</b>	<b>-3 258 574</b>	<b>64 098 963</b>	<b>64 825 900</b>	<b>-4 003 163</b>	<b>60 822 737</b>

Loans and advances to customers - exposure of the Bank to the credit risk	30.06.2024			31.12.2023		
	Gross value	Expected credit losses	Net value	Gross value	Expected credit losses	Net value
<b>Stage 3</b>	<b>4 014 219</b>	<b>-2 235 414</b>	<b>1 778 805</b>	<b>5 037 061</b>	<b>-2 933 497</b>	<b>2 103 564</b>
not overdue	991 194	-374 070	617 124	1 139 961	-434 105	705 856
overdue	3 023 025	-1 861 344	1 161 681	3 897 100	-2 499 392	1 397 708
<b>Stage 1 and Stage 2</b>	<b>63 029 227</b>	<b>-1 024 115</b>	<b>62 005 112</b>	<b>59 473 920</b>	<b>-1 054 519</b>	<b>58 419 401</b>
not overdue	60 846 104	-754 731	60 091 373	57 352 469	-772 851	56 579 618
overdue	2 183 123	-269 384	1 913 739	2 121 451	-281 668	1 839 783
POCI	314 091	955	315 046	314 919	-15 147	299 772
<b>Total</b>	<b>67 357 537</b>	<b>-3 258 574</b>	<b>64 098 963</b>	<b>64 825 900</b>	<b>-4 003 163</b>	<b>60 822 737</b>

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
<b>As at 01.01.2024</b>	<b>52 373 003</b>	<b>7 100 919</b>	<b>5 037 061</b>	<b>314 919</b>	<b>64 825 902</b>
New / purchased / granted financial assets	15 946 222	0	0	60 338	16 006 560
Changes due to the sale or expiry of the instrument	-7 982 309	-410 735	-355 873	-11 479	-8 760 396
Transfer to Stage 1	713 514	-691 328	-22 186	0	0
Transfer to Stage 2	-1 679 460	1 869 504	-190 044	0	0
Transfer to Stage 3	-279 802	-432 716	712 518	0	0
Valuation changes	-3 098 214	-367 479	-307 536	-38 728	-3 811 957
Assets written off the balance sheet	0	0	-855 066	-9 690	-864 756
Other changes, including exchange differences	-23 435	-8 457	-4 655	-1 269	-37 816
<b>As at 30.06.2024</b>	<b>55 969 519</b>	<b>7 059 708</b>	<b>4 014 219</b>	<b>314 091</b>	<b>67 357 537</b>
<b>Expected credit losses</b>					
<b>As at 01.01.2024</b>	<b>375 688</b>	<b>678 831</b>	<b>2 933 497</b>	<b>15 147</b>	<b>4 003 163</b>
New / purchased / granted financial assets	87 342	0	0	42 129	129 471

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Changes due to the sale or expiry of the instrument	-48 437	-44 865	-300 417	-11 187	-404 906
Transfer to Stage 1	83 206	-76 465	-6 741	0	0
Transfer to Stage 2	-40 111	110 093	-69 982	0	0
Transfer to Stage 3	-21 195	-73 023	94 218	0	0
Change in the estimate of expected credit losses	-53 748	46 405	545 901	2 909	541 467
<b>Total allowances for expected credit losses in the income statement</b>	<b>7 057</b>	<b>-37 855</b>	<b>262 979</b>	<b>33 851</b>	<b>266 032</b>
Assets written off the balance sheet	0	0	-855 066	-9 690	-864 756
Measurement at fair value at the moment of initial recognition	0	0	0	-34 323	-34 323
Other changes, including exchange differences	-100	494	-105 996	-5 940	-111 542
<b>As at 30.06.2024</b>	<b>382 645</b>	<b>641 470</b>	<b>2 235 414</b>	<b>-955</b>	<b>3 258 574</b>
<b>Net carrying amount as at 30.06.2024</b>	<b>55 586 874</b>	<b>6 418 238</b>	<b>1 778 805</b>	<b>315 046</b>	<b>64 098 963</b>

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Gross carrying amount</b>					
<b>AS at 01.01.2023</b>	<b>48 805 244</b>	<b>7 162 811</b>	<b>5 643 628</b>	<b>229 781</b>	<b>61 841 464</b>
New / purchased / granted financial assets	9 269 308	0	0	62 641	9 331 949
Changes due to the sale or expiry of the instrument	-3 654 058	-669 813	-379 163	-1 177	-4 704 211
Transfer to Stage 1	849 152	-823 238	-25 914	0	0
Transfer to Stage 2	-2 416 691	2 492 400	-75 709	0	0
Transfer to Stage 3	-358 818	-605 237	964 055	0	0
Valuation changes	-2 793 298	-328 457	-206 442	-25 028	-3 353 225
Assets written off the balance sheet	0	0	-531 527	-1 799	-533 326
Other changes, including exchange differences	-33 508	-82 844	-22 023	5 008	-133 367
<b>As at 30.06.2023</b>	<b>49 667 331</b>	<b>7 145 622</b>	<b>5 366 905</b>	<b>269 426</b>	<b>62 449 284</b>
<b>Expected credit losses</b>					
<b>As at 01.01.2023</b>	<b>419 267</b>	<b>767 903</b>	<b>3 103 295</b>	<b>41 034</b>	<b>4 331 499</b>
New / purchased / granted financial assets	126 307	0	0	50 206	176 513
Changes due to the sale or expiry of the instrument	-61 488	-34 365	-193 565	-461	-289 879
Transfer to Stage 1	56 007	-74 347	18 340	0	0
Transfer to Stage 2	-60 678	86 030	-25 352	0	0
Transfer to Stage 3	-34 890	-140 445	175 335	0	0
Change in the estimate of expected credit losses	-5 477	111 133	500 875	8 550	615 081
<b>Total allowances for expected credit losses in the income statement</b>	<b>19 781</b>	<b>-51 994</b>	<b>475 633</b>	<b>58 295</b>	<b>501 715</b>
Assets written off the balance sheet	0	0	-531 527	-1 799	-533 326
Measurement at fair value at the moment of initial recognition	0	0	0	-58 551	-58 551
Other changes, including exchange differences	-1 344	-1 926	-75 182	-2 737	-81 189
<b>As at 30.06.2023</b>	<b>437 704</b>	<b>713 983</b>	<b>2 972 219</b>	<b>36 242</b>	<b>4 160 148</b>
<b>Net carrying amount as at 30.06.2023</b>	<b>49 229 627</b>	<b>6 431 639</b>	<b>2 394 686</b>	<b>233 184</b>	<b>58 289 136</b>

## 10 Investments in subsidiaries

### 10.1 Financial data

Company's name - subsidiaries	30.06.2024	31.12.2023
Alior Services sp. z o.o.	5 357	5 357
Alior Leasing sp. z o.o.	146 895	146 895
Meritum Services ICB SA	32 185	32 185
Alior TFI SA	21 453	21 453
Corsham sp. z o.o.	10 205	10 205

Company's name - subsidiaries	30.06.2024	31.12.2023
RBL_VC sp. z o.o.	30	30
RBL_VC sp z o.o. ASI spółka komandytowo-akcyjna	6 127	6 127
<b>Total</b>	<b>222 252</b>	<b>222 252</b>

## 11 Amounts due to customers

### 11.1 Financial data

Structure by type and customer segment	30.06.2024	31.12.2023
<b>Retail segment</b>	<b>52 970 640</b>	<b>51 929 220</b>
Current deposits	37 767 032	36 284 917
Term deposits	14 150 256	14 128 620
Own issue of banking securities	763 125	1 252 656
Other liabilities	290 227	263 027
<b>Corporate segment</b>	<b>22 909 783</b>	<b>23 287 172</b>
Current deposits	13 459 844	14 248 110
Term deposits	7 794 112	7 997 937
Own issue of banking securities	2 748	4 665
Own issue of bonds	1 402 675	851 858
Other liabilities	250 404	184 602
<b>Total</b>	<b>75 880 423</b>	<b>75 216 392</b>

	Nominal value in the currency	Currency	Term	Interest	Status of liabilities	
					30.06.2024	31.12.2023
Series M Bonds	400 000	PLN	26.06.2023-26.06.2026	WIBOR6M +3.10	400 492	400 584
Series N Bonds	450 000	PLN	20.12.2023-15.06.2027	WIBOR6M +2.81	451 710	451 274
Series O Bonds	550 000	PLN	27.06.2024-09.06.2028	WIBOR6M +1.99	550 473	0
BPW	24 344	EUR	12.2022 – 02.2025	The interest rate is calculated by the BPW Issuer according to the formula described in the final terms and conditions of a given series. The payment and interest rate may be fixed, variable or dependent on the conditions of the valuation of the underlying instrument, such as a stock exchange index or the valuation of company shares.	105 695	62 777
BPW	596 334	PLN	07.2021-04.2025		619 022	1 068 216
BPW	9 985	USD	07.2021-04.2025		41 156	126 328
<b>Total</b>					<b>2 168 548</b>	<b>2 109 179</b>

from 1 January to 30 June 2024	Currency	Issues - original currency	Issues - in PLN	Redemptions - original currency	Redemptions - in PLN
Series O Bonds	PLN	550 000	550 000	0	0
BPW	EUR	9 950	42 956	0	0
BPW	PLN	28 256	28 256	7 346	7 346
BPW	USD	0	0	14	54
<b>Total</b>			<b>621 212</b>		<b>7 400</b>

from 1 January to 31 December 2023	Currency	Issues - original currency	Issues - in PLN	Redemptions - original currency	Redemptions - in PLN
Series M Bonds	PLN	400 000	400 000	0	0
Series N Bonds	PLN	450 000	450 000	0	0
BPW	EUR	4 464	20 153	32	146
BPW	PLN	462 450	462 450	17 788	17 788
BPW	USD	29 956	131 965	0	0
<b>Total</b>			<b>1 464 568</b>		<b>17 934</b>

## 12 Subordinated liabilities

### 12.1 Financial data

Liabilities classified as the Bank's own funds	Nominal value in the currency	Currency	Term	Interest	Status of liabilities	
					30.06.2024	31.12.2023
Series F bonds*	-	PLN	26.09.2014-26.09.2024	WIBOR6M +3.14	0	329 215
Series P1B bonds*	-	PLN	29.04.2016-16.05.2024	WIBOR6M +3.00	0	70 754
Series K and K1 bonds	600 000	PLN	20.10.2017-20.10.2025	WIBOR6M +2.70	610 146	609 924
Series P2A bonds	150 000	PLN	14.12.2017-29.12.2025	WIBOR6M +2.70	156 479	150 106
<b>Total</b>					<b>766 625</b>	<b>1 159 999</b>

\*Details in note 21

## 13 Provisions

### 13.1 Financial data

	Provisions for legal claims*	Provisions for retirement benefits	Provisions for off- balance sheet liabilities granted	Restructuring provision	Provision for reimbursement of credit costs (TSUE)	Total provisions
<b>As at 1 January 2024</b>	<b>153 629</b>	<b>8 221</b>	<b>75 449</b>	<b>894</b>	<b>69 645</b>	<b>307 838</b>
Established provisions	57 410	8 588	55 803	0	1 884	123 685
Reversal of provisions	-2 841	-318	-62 059	0	-4 969	-70 187
Utilized provisions	-11 215	-7 903	0	-642	-9 631	-29 391
Other changes	5	0	26	0	0	31
<b>As at 30 June 2024</b>	<b>196 988</b>	<b>8 588</b>	<b>69 219</b>	<b>252</b>	<b>56 929</b>	<b>331 976</b>

\* provision for legal risk related to the FX indexed loan portfolio amount to PLN 50 million

	Provisions for legal claims*	Provisions for retirement benefits	Provisions for off- balance sheet liabilities granted	Restructuring provision	Provision for reimbursement of credit costs (TSUE)	Total provisions
<b>As at 1 January 2023</b>	<b>51 344</b>	<b>5 365</b>	<b>117 791</b>	<b>1 718</b>	<b>91 556</b>	<b>267 774</b>
Established provisions	33 490	6 477	51 853	0	126	91 946
Reversal of provisions	-4 656	-560	-100 834	0	0	-106 050
Utilized provisions	-5 492	-4 805	0	-464	-11 963	-22 724
Other changes	-19	0	-543	-8	0	-570
<b>As at 30 June 2023</b>	<b>74 667</b>	<b>6 477</b>	<b>68 267</b>	<b>1 246</b>	<b>79 719</b>	<b>230 376</b>

\* provision for legal risk related to the FX indexed loan portfolio amount to PLN 5.9 million

## 14 Off-balance sheet items

### 14.1 Financial data

	30.06.2024	31.12.2023
<b>Granted off-balance liabilities</b>	<b>13 348 730</b>	<b>12 906 604</b>
Concerning financing	12 346 459	12 083 171
Guarantees	1 002 271	823 433
Performance guarantees	388 239	307 737
Financial guarantees	614 032	515 696

30.06.2024	Nominal amount			Provision		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Concerning financing	11 109 842	1 185 400	51 217	15 537	19 002	2 011
Guarantees	806 268	143 637	52 366	203	180	32 286
<b>Total</b>	<b>11 916 110</b>	<b>1 329 037</b>	<b>103 583</b>	<b>15 740</b>	<b>19 182</b>	<b>34 297</b>

31.12.2023	Nominal amount			Provision		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Concerning financing	10 662 201	1 268 205	152 765	14 817	25 700	1 825
Guarantees	621 161	148 711	53 561	192	324	32 591
<b>Total</b>	<b>11 283 362</b>	<b>1 416 916</b>	<b>206 326</b>	<b>15 009</b>	<b>26 024</b>	<b>34 416</b>

Reconciliations between the opening balance and the closing balance of off-balance sheet contingent liabilities granted to customers and arrangements regarding the value of provisions created in this respect are presented below.

Change in off-balance sheet liabilities (nominal value)	Stage 1	Stage 2	Stage 3	Total
<b>As at 01.01.2024</b>	<b>11 283 362</b>	<b>1 416 916</b>	<b>206 326</b>	<b>12 906 604</b>
New / purchased / granted financial assets	4 179 917	124 840	1 639	4 306 396
Changes due to the sale or expiry of the instrument	-2 348 783	-229 713	-90 060	-2 668 556
Transfer to Stage 1	121 130	-119 168	-1 962	0
Transfer to Stage 2	-308 135	334 270	-26 135	0
Transfer to Stage 3	-4 956	-8 328	13 284	0
Changing commitment	-1 003 575	-189 498	552	-1 192 521
Other changes, including exchange rate differences	-2 850	-282	-61	-3 193
<b>As at 30.06.2024</b>	<b>11 916 110</b>	<b>1 329 037</b>	<b>103 583</b>	<b>13 348 730</b>

Change in off-balance sheet liabilities (nominal value)	Stage 1	Stage 2	Stage 3	Total
<b>As at 01.01.2023</b>	<b>9 304 615</b>	<b>1 128 403</b>	<b>348 191</b>	<b>10 781 209</b>
New / purchased / granted financial assets	3 453 602	154 759	10 311	3 618 672
Changes due to the sale or expiry of the instrument	-1 425 754	-295 320	-196 801	-1 917 875
Transfer to Stage 1	191 782	-191 366	-416	0
Transfer to Stage 2	-389 069	389 601	-532	0
Transfer to Stage 3	-4 151	-4 435	8 586	0



Change in off-balance sheet liabilities (nominal value)	Stage 1	Stage 2	Stage 3	Total
Change in the estimate of the provision for off-balance sheet liabilities	-637 223	-70 464	8 889	-698 798
Other changes, including exchange rate differences	-12 360	-11 250	-1 238	-24 848
<b>As at 30.06.2023</b>	<b>10 481 442</b>	<b>1 099 928</b>	<b>176 990</b>	<b>11 758 360</b>

Change in the provision for off-balance sheet liabilities	Stage 1	Stage 2	Stage 3	Total
<b>As at 01.01.2024</b>	<b>15 009</b>	<b>26 024</b>	<b>34 416</b>	<b>75 449</b>
New / purchased / granted financial assets	6 701	4 813	327	11 841
Changes due to the sale or expiry of the instrument	-4 667	-5 795	-739	-11 201
Transfer to Stage 1	1 943	-1 934	-9	0
Transfer to Stage 2	-3 520	3 900	-380	0
Transfer to Stage 3	-28	-225	253	0
Change in the estimate of the provision for off-balance sheet liabilities	-1 869	-5 616	589	-6 896
Other changes, including exchange rate differences	2 171	-1 985	-160	26
<b>As at 30.06.2024</b>	<b>15 740</b>	<b>19 182</b>	<b>34 297</b>	<b>69 219</b>

Change in the provision for off-balance sheet liabilities	Stage 1	Stage 2	Stage 3	Total
<b>As at 01.01.2023</b>	<b>13 805</b>	<b>9 702</b>	<b>94 284</b>	<b>117 791</b>
New / purchased / granted financial assets	11 635	3 968	1 541	17 144
Changes due to the sale or expiry of the instrument	-4 685	-2 249	-59 565	-66 499
Transfer to Stage 1	2 108	-2 108	0	0
Transfer to Stage 2	-2 665	2 665	0	0
Transfer to Stage 3	0	0	0	0
Changing commitment	-3 087	1 267	2 194	374
Other changes, including exchange rate differences	179	-538	-184	-543
<b>As at 30.06.2023</b>	<b>17 290</b>	<b>12 707</b>	<b>38 270</b>	<b>68 267</b>

## 15 Fair value

The principles of fair value measurement of derivative instruments and unquoted debt securities measured at fair value were presented in the interim condensed consolidated financial statements, note 29 - Fair value, and have not changed in relation to the principles presented in the financial statements prepared as at 31 December 2023.

### 15.1 Financial data

30.06.2024	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>	<b>14 364 785</b>	<b>3 578 045</b>	<b>150 146</b>	<b>18 092 976</b>
<b>Measured at fair value through profit and loss</b>	<b>38 860</b>	<b>190 417</b>	<b>29 788</b>	<b>259 065</b>
SWAP	0	121 464	0	121 464
Cap Floor Options	0	2 137	0	2 137
FX Swap	0	28 178	0	28 178
FX forward	0	11 862	0	11 862
CIRS	0	8 627	0	8 627
FX options	0	12 165	19	12 184
Other options	0	0	1 857	1 857
Other instruments	2	5 984	0	5 986
<b>Financial derivatives</b>	<b>2</b>	<b>190 417</b>	<b>1 876</b>	<b>192 295</b>
T- bonds	38 858	0	0	38 858

30.06.2024	Level 1	Level 2	Level 3	Total
Other bonds	0	0	4	4
Equity instruments	0	0	27 908	27 908
<b>Investments securities</b>	<b>38 858</b>	<b>0</b>	<b>27 912</b>	<b>66 770</b>
<b>Measured at fair value through other comprehensive income</b>	<b>14 325 925</b>	<b>3 175 084</b>	<b>120 358</b>	<b>17 621 367</b>
Money bills	0	549 912	0	549 912
T- bonds	12 804 102	0	0	12 804 102
T-bills	898 721	2 625 172	0	3 523 893
Other bonds	623 102	0	0	623 102
Equity instruments	0	0	120 358	120 358
<b>Derivative hedging instruments</b>	<b>0</b>	<b>212 544</b>	<b>0</b>	<b>212 544</b>
Interest rate transactions - SWAP	0	212 544	0	212 544

31.12.2023	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>	<b>12 510 332</b>	<b>3 555 685</b>	<b>148 088</b>	<b>16 214 105</b>
<b>Measured at fair value through profit and loss</b>	<b>53 398</b>	<b>324 037</b>	<b>31 447</b>	<b>408 882</b>
SWAP	0	177 758	0	177 758
Cap Floor Options	0	1 804	0	1 804
FRA	0	1 056	0	1 056
FX Swap	0	96 237	0	96 237
FX forward	0	21 953	0	21 953
CIRS	0	13 946	0	13 946
FX options	0	7 298	0	7 298
Other options	0	0	3 179	3 179
Other instruments	0	3 985	0	3 985
<b>Financial derivatives</b>	<b>0</b>	<b>324 037</b>	<b>3 179</b>	<b>327 216</b>
T- bonds	53 398	0	0	53 398
Other bonds	0	0	4	4
Equity instruments	0	0	28 264	28 264
<b>Investments securities</b>	<b>53 398</b>	<b>0</b>	<b>28 268</b>	<b>81 666</b>
<b>Measured at fair value through other comprehensive income</b>	<b>12 456 934</b>	<b>2 895 526</b>	<b>116 641</b>	<b>15 469 101</b>
Money bills	0	950 000	0	950 000
T- bonds	9 569 859	0	0	9 569 859
T-bills	2 303 364	1 945 526	0	4 248 890
Other bonds	583 711	0	0	583 711
Equity instruments	0	0	116 641	116 641
<b>Derivative hedging instruments</b>	<b>0</b>	<b>336 122</b>	<b>0</b>	<b>336 122</b>
Interest rate transactions - SWAP	0	336 122	0	336 122

30.06.2024	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
<b>Financial liabilities measured at fair value through profit or loss</b>	<b>46 866</b>	<b>135 802</b>	<b>1 966</b>	<b>184 634</b>
Bonds	46 728	0	0	46 728
SWAP	0	90 881	0	90 881
Cap Floor Options	0	2 137	0	2 137
FX Swap	0	5 562	0	5 562
FX forward	0	13 831	0	13 831
CIRS	0	1 774	0	1 774

30.06.2024	Level 1	Level 2	Level 3	Total
FX options	0	15 853	109	15 962
Other options	0	0	1 857	1 857
Other instruments	138	5 764	0	5 902
<b>Derivative hedging instruments</b>	<b>0</b>	<b>566 082</b>	<b>0</b>	<b>566 082</b>
Interest rate swaps - SWAP	0	566 082	0	566 082

31.12.2023	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				
<b>Financial liabilities measured at fair value through profit or loss</b>	<b>55 814</b>	<b>217 470</b>	<b>3 179</b>	<b>276 463</b>
Bonds	55 814	0	0	55 814
SWAP	0	138 861	0	138 861
Cap Floor Options	0	1 804	0	1 804
FRA	0	1 578	0	1 578
FX Swap	0	44 658	0	44 658
FX forward	0	13 846	0	13 846
CIRS	0	2 936	0	2 936
FX options	0	10 001	0	10 001
Other options	0	0	3 179	3 179
Other instruments	0	3 786	0	3 786
<b>Derivative hedging instruments</b>	<b>0</b>	<b>682 631</b>	<b>0</b>	<b>682 631</b>
Interest rate swaps - SWAP	0	682 631	0	682 631

### Reconciliation of changes at level 3 of fair value hierarchy

30.06.2024	Assets			Liabilities
Changes in financial assets and liabilities	Equity instruments	Debt instruments	Derivatives	Derivatives
<b>Opening balance</b>	<b>144 905</b>	<b>4</b>	<b>3 179</b>	<b>3 179</b>
Acquisitions	0	0	34	124
Net changes recognized in other comprehensive income	3 838	0	0	0
Net changes recognized in profit and loss	1 220	0	263	263
Currency differences	491	0	0	0
Settlement / redemption	-2 188	0	-1 600	-1 600
<b>Total</b>	<b>148 266</b>	<b>4</b>	<b>1 876</b>	<b>1 966</b>

30.06.2023	Assets			Liabilities
Changes in financial assets and liabilities	Equity instruments	Debt instruments	Derivatives	Derivatives
<b>Opening balance</b>	<b>135 260</b>	<b>57 600</b>	<b>529</b>	<b>529</b>
Acquisitions	0	0	322	342
Net changes recognized in other comprehensive income	10 125	-25 740	0	0
Net changes recognized in profit and loss	4 330	2 394	2 008	2 008
Currency differences	-814	0	0	0
Settlement / redemption	-21 185	-34 182	0	0
<b>Total</b>	<b>127 716</b>	<b>72</b>	<b>2 859</b>	<b>2 879</b>

In the first half of 2024, the Bank did not reclassify financial instruments between levels of the fair value hierarchy.

Below is presented the carrying value and fair value of assets and liabilities that are not disclosed in the statement of financial position at fair value.

30.06.2024	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Assets</b>					
Cash and cash equivalents	2 063 085	1 631 692	431 393	0	2 063 085
Amount due from banks	1 854 966	0	1 854 966	0	1 854 966
<b>Loans and advances to customers</b>	<b>64 098 963</b>	<b>0</b>	<b>0</b>	<b>61 937 116</b>	<b>61 937 116</b>
<b>Retail segment</b>	<b>39 168 833</b>	<b>0</b>	<b>0</b>	<b>36 563 934</b>	<b>36 563 934</b>
Consumer loans	14 715 469	0	0	13 915 713	13 915 713
Loans for residential real estate	19 586 196	0	0	17 737 906	17 737 906
Consumer finance loans	4 867 168	0	0	4 910 315	4 910 315
<b>Corporate segment</b>	<b>24 930 130</b>	<b>0</b>	<b>0</b>	<b>25 373 182</b>	<b>25 373 182</b>
Working capital facility	16 601 090	0	0	17 022 707	17 022 707
Investment loans	4 412 708	0	0	4 434 145	4 434 145
Other	3 916 332	0	0	3 916 330	3 916 330
Asstes pledged as collateral	76 991	76 991	0	0	76 991
Investment securities measured at amortized cost	1 289 415	1 293 624	0	61	1 293 685
Other financial assets	396 103	0	0	396 103	396 103
<b>Liabilities</b>					
<b>Amounts due to banks</b>	<b>220 521</b>	<b>0</b>	<b>220 521</b>	<b>0</b>	<b>220 521</b>
Current deposits	1 445	0	1 445	0	1 445
Term deposits	52 604	0	52 604	0	52 604
Credit received	14 579	0	14 579	0	14 579
Other liabilities	91 094	0	91 094	0	91 094
Repo	60 799	0	60 799	0	60 799
<b>Amounts due to customers</b>	<b>75 880 423</b>	<b>0</b>	<b>0</b>	<b>75 878 550</b>	<b>75 878 550</b>
Current deposits	51 226 876	0	0	51 226 876	51 226 876
Term deposits	21 944 368	0	0	21 944 368	21 944 368
Bank securities issued	765 873	0	0	764 000	764 000
Bonds issued	1 402 675	0	0	1 402 675	1 402 675
Other liabilities	540 631	0	0	540 631	540 631
<b>Other financial liabilities</b>	<b>1 075 806</b>	<b>0</b>	<b>0</b>	<b>1 075 806</b>	<b>1 075 806</b>
<b>Subordinated liabilities</b>	<b>766 625</b>	<b>0</b>	<b>0</b>	<b>766 625</b>	<b>766 625</b>

31.12.2023	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Assets</b>					
Cash and cash equivalents	2 521 555	1 121 499	1 400 056	0	2 521 555
Amount due from banks	4 615 420	0	4 615 420	0	4 615 420
<b>Loans and advances to customers</b>	<b>60 822 737</b>	<b>0</b>	<b>0</b>	<b>58 372 077</b>	<b>58 372 077</b>
<b>Retail segment</b>	<b>37 995 750</b>	<b>0</b>	<b>0</b>	<b>35 364 992</b>	<b>35 364 992</b>
Consumer loans	14 788 921	0	0	13 509 739	13 509 739
Loans for residential real estate	18 203 142	0	0	16 760 914	16 760 914
Consumer finance loans	5 003 687	0	0	5 094 339	5 094 339
<b>Corporate segment</b>	<b>22 826 987</b>	<b>0</b>	<b>0</b>	<b>23 007 085</b>	<b>23 007 085</b>
Working capital facility	16 159 822	0	0	16 290 914	16 290 914

31.12.2023	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Investment loans	4 471 096	0	0	4 520 102	4 520 102
Other	2 196 069	0	0	2 196 069	2 196 069
<b>Assets pledged as collateral</b>	<b>46 894</b>	<b>46 894</b>	<b>0</b>	<b>0</b>	<b>46 894</b>
Investment securities measured at amortized cost	2 925 678	2 923 603	0	61	2 923 664
Other financial assets	603 188	0	0	603 188	603 188
<b>Liabilities</b>					
<b>Amounts due to banks</b>	<b>144 991</b>	<b>0</b>	<b>144 991</b>	<b>0</b>	<b>144 991</b>
Current deposits	4 664	0	4 664	0	4 664
Credit received	14 582	0	14 582	0	14 582
Other liabilities	125 745	0	125 745	0	125 745
<b>Amounts due to customers</b>	<b>75 216 392</b>	<b>0</b>	<b>0</b>	<b>75 352 518</b>	<b>75 352 518</b>
Current deposits	50 533 027	0	0	50 533 027	50 533 027
Term deposits	22 126 557	0	0	22 126 557	22 126 557
Own issue of banking securities	1 257 321	0	0	1 393 447	1 393 447
Own issue of bonds	851 858	0	0	851 858	851 858
Other liabilities	447 629	0	0	447 629	447 629
<b>Other financial liabilities</b>	<b>1 552 904</b>	<b>0</b>	<b>0</b>	<b>1 552 904</b>	<b>1 552 904</b>
<b>Subordinated liabilities</b>	<b>1 159 999</b>	<b>0</b>	<b>0</b>	<b>1 159 999</b>	<b>1 159 999</b>

## 16 Transactions with subsidiaries

Bank's subsidiaries as at 30 June 2024 and the date of this report was as follows:

Company's name - subsidiaries	01.08.2024	30.06.2024	31.12.2023
Alior Services sp. z o.o.	100%	100%	100%
Alior Leasing sp. z o.o.	100%	100%	100%
- AL Finance sp. z o.o.	100%	100%	100%
- Alior Leasing Individual sp. z o.o.	90% - Alior Leasing sp.z o.o. 10% - AL Finance sp. z o.o	90% - Alior Leasing sp.z o.o. 10% - AL Finance sp. z o.o	90% - Alior Leasing sp.z o.o. 10% - AL Finance sp. z o.o
Meritum Services ICB SA	100%	100%	100%
Alior TFI SA	100%	100%	100%
Corsham sp. z o.o.	100%	100%	100%
RBL_VC sp. z o.o.	100%	100%	100%
RBL_VC sp z o.o. ASI spółka komandytowo-akcyjna	100%	100%	100%

Subsidiaries	30.06.2024	31.12.2023
Loans and advances to customers	5 659 417	5 094 201
Other assets	141	250
<b>Total assets</b>	<b>5 659 558</b>	<b>5 094 451</b>
Amounts due to customers	138 918	121 778
Provisions	1 338	1 571
Other liabilities	4 624	2 896
<b>Total liabilities</b>	<b>144 880</b>	<b>126 245</b>

Subsidiaries	30.06.2024	31.12.2023
<b>Off-balance liabilities granted to customers</b>	<b>605 030</b>	<b>458 904</b>
relating to financing	605 030	458 904

Subsidiaries	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Interest income calculated using the effective interest method	177 090	162 965
Interest expenses	-973	-1 057
Fee and commission income	5 040	2 157
Fee and commission expense	-191	-180
Dividend income	3 017	2 439
The result on financial assets measured at fair value through profit or loss and FX result	32	-17
Other operating income	1 529	1 882
Other operating expenses	0	-1
General administrative expense	-5 217	-5 170
Net expected credit losses	1 017	-3 759
<b>Total</b>	<b>181 344</b>	<b>159 259</b>

## 17 Transactions with the State Treasury and related entities

Below there are material transactions with the State Treasury and its related entities with the exception of IAS 24.25. The transactions with the State Treasury mainly concern operations on treasury securities. The remaining transactions presented in the note below concern operations with selected entities with the highest exposure.

State Treasury and related entities	30.06.2024	31.12.2023
<b>Investment financial assets and derivatives</b>	<b>14 832 406</b>	<b>12 654 638</b>
measured at fair value through other comprehensive income	13 504 195	10 200 464
measured at fair value through profit or loss	38 858	53 398
measured at amortized cost	1 289 353	2 400 776
Amounts due from banks	655	0
Loans and advances to customers	508 610	731 145
<b>Total assets</b>	<b>15 341 671</b>	<b>13 385 783</b>
Financial Liabilities	46 728	55 814
Amounts due to banks	15 258	9 286
Amounts due to customers	597 466	578 378
<b>Total liabilities</b>	<b>659 452</b>	<b>643 478</b>

State Treasury and related entities	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Interest income calculated using the effective interest method	484 980	455 524
Interest expense	-20 956	-23 005
<b>Total</b>	<b>464 024</b>	<b>432 519</b>

All transactions with the State Treasury and its related entities were concluded at arm's length.

## 18 Transactions with the supervising and managing persons

### 18.1 Financial data

All transactions with supervising and managing persons are performed in line with the relevant regulations concerning banking products and at market rates.

30.06.2024	Supervising, managing persons	Supervisory Board	Bank's Management Board
Amounts due to customers	29	0	29
<b>Total liabilities</b>	<b>29</b>	<b>0</b>	<b>29</b>

30.06.2023	Supervising, managing persons	Supervisory Board	Bank's Management Board
Loans and advances to customers	392	0	392
<b>Total assets</b>	<b>392</b>	<b>0</b>	<b>392</b>
Amounts due to customers	1 093	0	1 093
<b>Total liabilities</b>	<b>1 093</b>	<b>0</b>	<b>1 093</b>

## 19 Legal claims

None of the individual proceedings pending during the first half of 2024 before a court, a body competent for arbitration proceedings or a public administration body, as well as all proceedings taken together, pose a threat to the Bank's financial liquidity.

In accordance with IAS 37, the Bank each time assesses whether a past event gave rise to a present obligation. In legal claims, the Bank additionally uses expert opinions. If, based on expert judgment and taking into account all circumstances, the Bank assesses that the existence of a present obligation as at the balance sheet date is more likely than not and the Bank is able to reliably estimate the amount of the obligation in this respect, then it creates a provision. As at 30 June 2024, the Bank created provisions for legal claims brought against the Bank, which, according to the legal opinion, involve the risk of outflow of funds due to fulfillment of the obligation in the amount of PLN 196 988 thousand and as at 31 December 2023 in the amount of PLN 153 629 thousand.

The proceedings which according to the opinion of the Management Board are significant are presented below.

### Cases related to the distribution of certificates of participation in investment funds

The Bank, as part of its activities as part of a separate organizational unit - Biuro Maklerskie Alior Bank SA, in the years 2012 - 2016 conducted activities in the field of distribution of certificates of participation in investment funds: Inwestycje Rolne Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, Inwestycje Selektywne Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, Lasy Polskie Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych and Vivante Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (hereinafter collectively referred to as "Funds"). The Bank distributed over 250 thousand investment certificates of the Funds.

On 21 November 2017, the Polish Financial Supervision Authority ("PFSA") issued a decision to withdraw the permit to operate by FinCrea TFI SA, which is the managing body of the Funds. The Polish Financial Supervision Authority justified the issuance of a decision found in the course of administrative proceedings for gross violations of the provisions of the Act on investment funds and management of alternative investment funds. The decision was immediately enforceable. No society has decided to take over the

management of the Funds, which, pursuant to Art. 68 sec. 2 in connection with joke. 246 paragraph. 1 point 2 of the Act on Investment Funds and Management of Alternative Investment Funds was the reason for the dissolution of the Funds. The dissolution of an investment fund takes place after liquidation.

The Funds are currently being liquidated by the custodian, Raiffeisen Bank International AG, based in Vienna. The liquidation of an investment fund consists in selling its assets, collecting the fund's receivables, satisfying the fund's creditors and redeeming participation units or investment certificates by paying the funds obtained to fund participants, in proportion to the number of participation units or investment certificates they have (Article 249 (1) of the Act. on investment funds and management of alternative investment funds). From the day of commencement of liquidation, the investment fund may not sell units or issue investment certificates, as well as buy back participation units or redeem investment certificates and pay out the fund's income or revenues (Article 246 (3) of the aforementioned Act).

On 5 June 2024, Raiffeisen Bank International AG with its registered office in Vienna - liquidator of the funds Vivante FIZAN in liquidation and Inwestycje Selective FIZAN in liquidation paid out the funds obtained from the liquidation in proportion to the number of investment certificates held by the fund participants. Ultimately, PLN 158.39 was paid for one certificate of the Vivante FIZAN fund in liquidation (compared to PLN 95.22 at the opening of the liquidation), and for the Inwestycje Selective FIZAN fund in liquidation - PLN 927.99 (compared to PLN 641.15), respectively. This payment means the remission of investment certificates held by fund participants.

On 31 July 2024, Raiffeisen Bank International AG with its registered office in Vienna - liquidator of the fund Inwestycje Rolne FIZAN in liquidation paid out the funds obtained from the liquidation in proportion to the number of investment certificates held by the fund participants. Ultimately, PLN 980.39 was paid out for one certificate of the Inwestycje Rolne FIZAN fund in liquidation (compared to PLN 789.86 at the opening of liquidation). This payment means the remission of investment certificates held by fund participants.

The Bank, did not change the estimate of its reserves as at the balance sheet date in connection with cases brought against the Bank by purchasers of the Funds' investment certificates for payment or for determining liability. The Bank will analyse the judgments issued on an ongoing basis, taking into account the impact of liquidation and related payments on court judgments, and will shape the amount of provisions accordingly.

#### Claims for payment

As at 30.06.2024, the Bank is defendant in 172 cases brought by the buyers of the Fund's investment certificates for payment (compensation for damage). The total value of the dispute in these cases is PLN 56 million.

In the Bank's opinion, each claims for payment requires an individual approach. However, the Bank conducted a thorough analysis, selected cases and singled out those with specific risk factors, which the Bank took into account in its approach to the provision created on this account. In the calculation of the provision, the Bank also took into account the possible increase in the scale of lawsuits. The total amount of the provision as at 30 June 2024 amounted PLN 85.3 million.

#### Liability claims

The Bank is the defendant in 1 collective action brought by a natural person - a representative of a group of 320 natural and legal persons, for determination of the Bank's liability for damage and in 4 individual cases for establishing the Bank's liability for damage.

The class action was filed on 5 March 2018 against the Bank to determine the Bank's liability for damage caused by the Bank's improper performance of disclosure obligations towards customers and the improper performance of contracts for the provision of services for accepting and transmitting orders to purchase or sell Fund investment certificates. The court decided to hear the case in group proceedings.



On 8 March 2023, the District Court in Warsaw issued a decision to determine the composition of the group. As at the date of this report, this decision is invalid. The value of the subject of the extended claim amounts to approx. PLN 103.9 million. The lawsuits were filed to establish liability (not for payment, i.e. compensation for damage), therefore the Bank does not anticipate any outflow of cash from these proceedings, other than litigation costs, the amount of which the Bank estimates at PLN 600 thousand.

### Court proceedings of FX mortgage loans

As at 30 June 2024, there were 132 court proceedings pending against the Bank (as at 31 December 2023: 86) concerning mortgage loans granted in previous years in foreign currencies with a total value of the subject matter of the dispute of PLN 131.1 million (as of 31 December 2023: PLN 92.1 million).

The main cause of the dispute indicated by the plaintiffs concerns the questioning of the provisions of the loan agreement regarding the Bank's use of conversion rates and results in claims for the partial or total invalidity of the loan agreements.

The Bank monitors the state of court decisions on an ongoing basis in cases of loans indexed or denominated in a foreign currency in terms of the formation and possible changes in the lines of case law.

The table below presents the cumulative costs of legal risk of FX mortgage loans (in MPLN).

	30.06.2024	31.12.2023
Loans and advances to customers - adjustment decreasing the gross carrying amount of loans	123	114
Provisins	50	36
<b>Total</b>	<b>173</b>	<b>150</b>

### Court proceedings regarding free credit sanction

As at 30 June 2024, there were pending 1703 court proceedings against the Bank regarding the sanction of a free loan with the value of the subject matter of the dispute amounting PLN 65.7 million (as at 31 December 2023, 1219 proceedings with the value of the subject matter of the dispute amounting PLN 44.1 million). These proceedings are mainly initiated by customers or entities that have purchased receivables from customers and concern the provisions of cash loan agreements. The Bank's position is that lending costs the loan, in particular the commission, is permissible, consistent with national and European regulations, is not abusive, and all this provided that the credited costs are correctly included in the loan agreement in the total loan amount, the total cost of the loan and in the annual real interest rate. The Bank questions the validity of the claims raised in these cases. The total amount of the provision in this respect as at 30 June 2024 is PLN 28 million.

## 20 Contingent liability

The Bank presented a description of the most significant proceedings conducted as at 30 June 2024 against the Bank, which constitute contingent liabilities in the interim condensed consolidated financial statements in note 33.

The total value of the subject matter of the dispute as at 30 June 30, 2024 in court proceedings conducted against the Bank amounted in PLN 865 862 thousand and as at 31 December 2023 in PLN 621 150 thousand.

## 21 Events significant to the business operations of the Bank

### Decision on early redemption of bonds by Alior Bank

On 10 January 2024, the Bank's Management Board adopted resolutions on the early redemption of its own bonds: series P1B issued on 29 April 2016, and series F issued on 26 September 2014, the final redemption

date of which was respectively on 16 May 2024 and on 26 September 2024. Early redemption of the above-mentioned bonds took place on 30 January 2024.

The redemption amounts were as follows:

	Nominal value
Series F bonds	321 700
Series P1B bonds	70 000

## Assessment of the impact of the IBOR reform on the Bank's situation

As at 1 January 2018, a new standard for the provision of benchmarks applies in the European Union, the legal basis of which is Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or for measuring the performance of investment funds (hereinafter: BMR regulation, IBOR reform). The main goal of the EU bodies during the work on the IBOR reform was the need to increase consumer protection. In accordance with the IBOR reform, all benchmarks that are the basis for determining interest on loans or the interest rate for various financial instruments must be calculated and applied according to strictly defined rules, so as to avoid suspicion of any fraud. The benchmark according to the IBOR reform, in particular:

- is to be based primarily on transaction data,
- is to faithfully reflect the underlying market, the measurement of which is the purpose of the indicator,
- is to be verifiable by the administrator,
- is to be resistant to manipulation,
- it is to be transparent for the recipients of benchmarks.

The Bank has undertaken and implemented a number of activities to implement IBOR, i.e.:

- the contingency plan was amended, which in particular includes a scheme of actions in the event of a significant change or discontinuation of the development of a given benchmark and a list of benchmarks used with their alternatives,
- priorities for annexing contracts to replace expired indicators were adopted,
- templates of annexes were prepared and introduced for contracts to which the IBOR relates,
- the process of annexing the contracts was carried out,
- an information and reminding campaign aimed at clients was conducted,
- employee training in the field of IBOR was conducted,
- the first OIS transactions based on new reference indicators (ESTR, SOFR) were concluded.

The Bank monitors the activities of regulators and benchmark administrators, both at the national, European and global level, in terms of benchmarks. The Bank is involved in the work of the National Working Group for WIBOR reform.

The Steering Committee of the National Working Group (KS NGR), established in connection with the reform of benchmarks, is working on developing an alternative interest rate benchmark whose input data is information representing ON (overnight) transactions.

On 11 April 2024, the Ministry of Finance asked the members of the Steering Committee to re-conduct the review and analysis of alternative indicators for WIBOR, taking into account both WIRON and other possible indicators. Due to the above, changes to the roadmap for transitioning to the new indicator are possible. Work on the reform will continue until the process of replacing the WIBOR index with a new RFR-type reference index is completed in the most effective and safe manner.

In connection with the IBOR reform, the Bank is exposed to the following types of risk:

### Legal events

In particular, this applies to the possibility of questioning the applicable provisions in the client's contract with the Bank and the lack of agreement on the application of fallback provisions regarding benchmarks. Fallback clauses define the action plan that the Bank intends to launch in the event of discontinuation of publication or a significant change in the benchmark.

The reason for questioning the contractual provisions may be, in particular, the difference between the values of the benchmarks. The Bank manages the risks resulting from the IBOR reform by actively annexing the agreements with the Bank's customers. The difference in the levels of reference ratios is mitigated by the bank by applying appropriate adjustment adjustments, eliminating the economic impact of changing the ratio on the contract with the customer.

### Interest rate risk

It relates to the mismatch of benchmarks between assets, liabilities and derivatives. The Bank manages these risks using the same solutions in individual products, leading to the greatest possible methodological convergence between them.

Additionally, the interest rate risk may materialize, especially with regard to the LIBOR EUR rate, in the form of unsuccessful annexes to contracts with customers. As a result, the rate in the customer contract from the last day of LIBOR EUR validity, from the last revaluation date or at zero is maintained. The Bank reduces this risk by actively encouraging clients to add amendments to their contracts and as part of the ongoing management of exposure to interest rate risk in the banking book.

As at 30 June 2024, the IBOR reform in relation to the currencies to which the Bank has exposures was largely completed; in the sense that, apart from the continuation of the annexation processes, no additional activities are envisaged. It should also be taken into account that for objective reasons (each client would have to agree to the annex), it will never be possible to annex every contract covered by this process. The table below presents the status of transition to new benchmarks according to the IBOR reform.

Currency	Benchmark before reform	Benchmark status at 01.01.2024	Benchmark used by the Bank after reform	30.06.2024	31.12.2023
PLN	WIBOR	Compatible with BMR	WIRON	Portfolio annexation in progress (in terms of fallback clauses)	Portfolio annexation in progress (in terms of fallback clauses)
EUR	LIBOR EUR	Liquidated	EURIBOR	Portfolio annexation in progress - index change from LIBOR EUR to EURIBOR (currently single cases)	Portfolio annexation in progress - index change from LIBOR EUR to EURIBOR (currently single cases)
EUR	EURIBOR	Compatible with BMR	EURIBOR	Portfolio was not annexed	Portfolio was not annexed
USD	LIBOR USD	In liquidation scheduled for the end of September 2024* from 07.2023 developed as a synthetic indicator	SOFR	The process of annexing the LIBOR USD portfolio started in June 2023. The annexation concerns the change of the index from LIBOR USD to SOFR	The process of annexing the LIBOR USD portfolio started in June 2023. The annexation concerns the change of the index from LIBOR USD to SOFR
CHF	LIBOR CHF	Liquidated	SARON	Portfolio annexation completed. The index change was made in accordance with Commission Implementing Regulation (EU) 2021/1847 of 14 October 2021	Portfolio annexation completed. The index change was made in accordance with Commission Implementing Regulation (EU) 2021/1847 of 14 October 2021
GBP	LIBOR GBP	Liquidated	SONIA	Portfolio annexation in progress - index change from LIBOR GBP to SONIA	Portfolio annexation in progress - index change from LIBOR GBP to SONIA (currently single cases)

\*On 23 November 2022, the FCA (Financial Conduct Authority - British supervisory authority) launched public consultations on, among others, future of USD LIBOR. The USD LIBOR for 1M, 3M and 6M tenors will be published after 30 June, 2023 in a synthetic form, until 30 September 2024.

All new contracts concluded after 31 December 2021 contain appropriate fallback clauses, mitigating the risk related to the discontinuation of publication of benchmarks.

Benchmarks compliant with the BMR are benchmarks that have been approved by the relevant entity defined under the BMR (ESMA register - European Securities and Markets Authority - <https://www.esma.europa.eu/policy-rules/benchmarks>).

As at 31 December 2021, the publication of LIBOR EUR, LIBOR CHF and LIBOR GBP (for most tenors) was suspended.

In terms of the synthetic LIBOR USD indicator, the indicator will be published until the end of September 2024. As regards the substitute for CHF LIBOR, the Bank relies on the Implementing Regulation of the European Commission of 14 October 2021, according to which the replacement for CHF LIBOR are appropriately constructed indicators based on the SARON index.

WIBOR (<https://gpwbenchmark.pl/dokumentacja>) and EURIBOR (<https://www.emmi-benchmarks.eu/benchmarks/euribor/>) are compliant with the BMR Regulation, the Bank will annex contracts based on the WIBOR index due to the need to include fallback clauses in the contracts.

#### The Bank's exposure by individual IBOR reference ratios

30.06.2024 Reference indicator	Assets (gross carrying amount)	Liabilities (gross carrying amount)	Off-balance sheet liabilities - granted (nominal value)	Derivatives (nominal value)
WIBOR	48 324 158	10 101 364	6 138	16 652 533
LIBOR EUR	15 238	0	0	0
LIBOR USD	76 647	0	0	0
LIBOR CHF	24 695	0	0	0
EURIBOR	5 753 690	3 057	2 467	857 583
LIBOR GBP	2 276	0	0	0
<b>Total</b>	<b>54 196 704</b>	<b>10 104 421</b>	<b>8 605</b>	<b>17 510 116</b>

31.12.2023 Reference indicator	Assets (gross carrying amount)	Liabilities (gross carrying amount)	Off-balance sheet liabilities - granted (nominal value)	Derivatives (nominal value)
WIBOR	47 673 934	10 566 283	5 032	16 805 827
LIBOR EUR	15 846	0	0	0
LIBOR USD	79 257	0	0	0
LIBOR CHF	26 554	0	0	0
EURIBOR	5 609 694	2 373	2 561	558 978
LIBOR GBP	268 727	0	0	0
<b>Total</b>	<b>53 674 012</b>	<b>10 568 656</b>	<b>7 593</b>	<b>17 364 805</b>

#### Bank's exposure of transactions concluded under hedge accounting broken down by reference ratios

30.06.2024 Reference indicator	Derivatives (nominal value)
WIBOR	17 247 000
EURIBOR	1 110 166
<b>Total</b>	<b>18 357 166</b>

31.12.2023 Reference Indicator	Derivatives (nominal value)
WIBOR	16 623 000
EURIBOR	658 287
<b>Total</b>	<b>17 281 287</b>

### Sale of a portfolio of cash loans granted by the Bank's branch in Romania

In June 2024, the Bank concluded a contract with the Romanian Patria Bank S.A. an agreement on the sale of a portfolio of cash loans granted by the Bank's branch in Romania worth 97 million Romanian leu (balance as of 30 April 2024), i.e. approx. PLN 84.5 million. The portfolio being sold includes approximately 4 thousand retail clients and consists of working unsecured consumer loans granted by the Bank's branch in Romania. This transaction should be completed in September 2024. Until the transfer, the loan portfolio will continue to be serviced by Alior Bank, in accordance with its standards, and the transfer of clients of the Romanian branch of Alior Bank to Patria Bank SA has been planned so that it takes place efficiently and in a way that is convenient for them. friendly.

The sale of the loan portfolio by Alior Bank Branch in Romania is the next stage in the process of gradual termination of Alior Bank's operations in Romania.

In accordance with the provisions of IFRS 9 4.4.1, the Bank reclassified the above assets.

### CRR changes

On 19 June 2024, Regulation 2024/1623 of 31 May 2024 (so-called CRR3) was announced, introducing changes to the methods of calculating the Bank's capital requirements. The changes resulting from the Regulation will enter into force on 1 January 2025, and will affect the increase in the Bank's RWA, in particular by introducing the discontinuation of the AMA method in the scope of calculating the capital requirement for operational risk, as well as a number of changes in the calculation of the capital requirement for credit risk, including the introduction of exposure categories related to the purchase, development and development of land, designation of exposures constituting contractual arrangements offered by the Bank but not yet accepted by the Client, introduction of changes in the method of determining CCF and changes in the process of valuation and monitoring of real estate value.

The Bank is currently working on implementing the changes resulting from CRR3 into its own systems.

## 22 Significant events after the end of the reporting period

There were no significant events after the end of the reporting period that are not included in this report.