Financial report

of the Alior Bank Spółka Akcyjna Group

for the third quarter of 2024

Selected financial data concerning the financial statements

PLN	01.01.2024 - 30.09.2024	01.01.2023 - 31.12.2023	01.01.2023 - 30.09.2023*	% (A-B) /B
	A		B	C
Net interest income	3 871 742	4 772 370	3 483 178	11.2%
Net fee and commission income	629 360	837 503	596 985	5.4%
Trading result & other	13 998	22 321	19 443	-28.0%
Net expected credit losses. impairment allowances of non-financial assets and cost of legal risk of FX mortgage loans	-347 315	-684 187	-561 160	-38.1%
General administrative expenses	-1 531 730	-1 977 199	-1 415 622	8.2%
Gross profit	2 426 545	2 707 055	1 926 712	25.9%
Net profit	1 829 893	2 030 125	1 443 412	26.8%
Net cash flow	726 079	-44 884	1 235 764	-41.2%
Loans and advances to customers	62 945 819	60 965 097	59 982 894	4.9%
Amounts due to customers	76 446 956	75 187 251	72 867 552	4.9%
Equity	10 769 709	9 249 590	8 584 272	25.5%
Total assets	91 183 337	90 134 134	86 320 546	5.6%
Selected ratios				
Profit per ordinary share (PLN)	14.02	15.55	11.06	26.8%
Capital adequacy ratio	17.11%	17.83%	16.68%	2.6%
Tier 1	16.78%	17.15%	15.86%	5.8%

EUR	01.01.2024 - 30.09.2024	01.01.2023 - 31.12.2023	01.01.2023 - 30.09.2023*	% (A-B) /B
	A		B	C
Net interest income	899 945	1 053 876	760 968	18.3%
Net fee and commission income	146 288	184 945	130 423	12.2%
Trading result & other	3 254	4 929	4 248	-23.4%
Net expected credit losses. impairment allowances of non-financial assets and cost of legal risk of FX mortgage loans	-80 730	-151 088	-122 596	-34.1%
General administrative expenses	-356 034	-436 622	-309 270	15.1%
Gross profit	564 024	597 795	420 928	34.0%
Net profit	425 339	448 310	315 341	34.9%
Net cash flow	168 769	-9 912	269 977	-37.5%
Loans and advances to customers	14 710 060	14 021 411	12 939 618	13.7%
Amounts due to customers	17 865 195	17 292 376	15 719 120	13.7%
Equity	2 516 816	2 127 321	1 851 815	35.9%
Total assets	21 308 999	20 730 022	18 621 224	14.4%
Selected ratios				
Profit per ordinary share (PLN)	3.26	3.43	2.42	34.7%
Capital adequacy ratio	17.11%	17.83%	16.68%	2.6%
Tier 1	16.78%	17.15%	15.86%	5.8%

**Restated – note 2.3*

Selected items of the financial statements were translated into EUR at the following exchange rates	30.09.2024	31.12.2023	30.09.2023
NBP's avarage exchange rate as at the end of the period	4.2791	4.3480	4.6356
NBP's avarage exchange rates as at the last day of each month	4.3022	4.5284	4.5773

Selected financial indicators

	30.09.2024	30.09.2023	(A-B) [p.p]	(A-B)/B [%]
	A	B		
ROE	24.4%	26.2%	-1.8	-6.9%
ROA	2.7%	2.3%	0.4	17.4%
C/I*	33.9%	34.5%	-0.6	-1.7%
CoR	0.62%	1.16%	-0.54	-46.55%
L/D	82.3%	82.3%	0.0	0.0%
NPL	7.10%	9.39%	-2.29	-24.39%
NPL coverage	49.99%	54.14%	-4.15	-7.67%
TCR	17.11%	16.68%	0.43	2.58%
TIER 1	16.78%	15.86%	0.92	5.80%

**Restated – note 2.3*

Interim condensed consolidated financial statements of the Alior Bank Spółka Akcyjna Group for 9-month period ended 30 September 2024

This version of our report is a translation of the original which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions the original language version of the report takes precedence over this translation

Table of Contents

(in PLN '000)

Consolidated income statement

	Note	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023*
Interest income calculated using the effective interest method		1 716 793	5 002 285	1 737 009	5 087 543
Income of a similar nature		140 391	423 228	150 473	444 365
Interest expense		-499 116	-1 553 771	-668 245	-2 048 730
Net interest income	4	**1 358 068**	**3 871 742**	**1 219 237**	**3 483 178**
Fee and commission income		288 539	1 038 611	438 006	1 325 025
Fee and commission expense		-81 683	-409 251	-265 733	-728 040
Net fee and commission income	5	**206 856**	**629 360**	**172 273**	**596 985**
Dividend income		48	295	43	136
The result on financial assets measured at fair value through profit or loss and FX result	6	-11 401	4 582	51 127	70 704
The result on derecognition of financial instruments not measured at fair value through profit or loss	7	**10 461**	**15 066**	**2 925**	**6 690**
measured at fair value through other comprehensive income		10 443	14 484	2 674	6 181
measured at amortized cost		18	582	251	509
Other operating income		32 001	99 238	31 643	91 902
Other operating expenses		-19 332	-105 183	-63 894	-149 989
The result on other operating income and expenses	8	**12 669**	**-5 945**	**-32 251**	**-58 087**
General administrative expenses	9	-472 537	-1 531 730	-447 653	-1 415 622
Net expected credit losses	10	-154 598	-304 759	-154 564	-549 377
The result on impairment of non-financial assets	11	-82	-1 403	-409	-3 608
Cost of legal risk of FX mortgage loans	12	-13 463	-41 153	-5 389	-8 175
Banking tax	13	-69 782	-209 510	-64 997	-196 112
Gross profit		**866 239**	**2 426 545**	**740 342**	**1 926 712**
Income tax	14	-200 383	-596 652	-168 781	-483 300
Net profit		**665 856**	**1 829 893**	**571 561**	**1 443 412**
Net profit attributable to equity holders of the parent		665 856	1 829 893	571 561	1 443 412
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)	15	5.10	14.02	4.38	11.06

**Restated – note 2.3*

Consolidated statement of comprehensive income

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023
Net profit	**665 856**	**1 829 893**	**571 561**	**1 443 412**
Items that may be reclassified to the income statement after certain conditions are satisfied	**240 127**	**270 307**	**327 328**	**971 358**
Foreign currency translation differences	**149**	**-2 093**	**-1 262**	**-177**
Results of the measurement of financial assets (net)	**55 234**	**93 656**	**995**	**110 777**
Profit/loss on valuation of financial assets measured at fair value through other comprehensive income	68 190	115 624	3 251	138 797
Deferred tax	-12 956	-21 968	-2 256	-28 020
Results on the measurement of hedging instruments (net)	**184 744**	**178 744**	**327 595**	**860 758**
Gains/losses on hedging instruments	228 080	220 672	404 438	1 062 664
Deferred tax	-43 336	-41 928	-76 843	-201 906
Total comprehensive income. net	**905 983**	**2 100 200**	**898 889**	**2 414 770**
- attributable to shareholders of the parent company	905 983	2 100 200	898 889	2 414 770

The notes presented on pages 7-60 constitute an integral part of these interim condensed consolidated financial statements.

(in PLN '000)

Consolidated statement of financial position

ASSETS	Note	30.09.2024	31.12.2023
Cash and cash equivalents	16	3 265 338	2 539 259
Amounts due from banks	17	795 644	4 615 420
Investment financial assets and derivatives	18	21 357 395	18 820 432
measured at fair value through other comprehensive income		18 930 461	15 471 615
measured at fair value through profit or loss		234 588	423 139
measured at amortized cost		2 192 346	2 925 678
Derivative hedging instruments		317 678	336 122
Loans and advances to customers	19	62 945 819	60 965 097
Assets pledged as collateral	21	18 328	46 894
Property, plant and equipment		721 249	743 497
Intangible assets		439 036	412 070
Income tax assets	14	793 156	983 992
current income tax assets		0	1 340
deferred income tax assets		793 156	982 652
Other assets	20	529 694	671 351
TOTAL ASSETS		**91 183 337**	**90 134 134**

LIABILITIES AND EQUITY	Note	30.09.2024	31.12.2023
Amounts due to banks	22	247 845	288 318
Amounts due to customers	23	76 446 956	75 187 251
Financial liabilities	26	157 787	276 463
Derivative hedging instruments		469 683	682 631
Change in fair value measurement of hedged items in hedged portfolio against interest rate risk		25 282	-229
Provisions	24	291 370	309 976
Other liabilities	25	1 770 856	2 653 900
Income tax liabilities		227 436	326 235
current income tax liabilities		225 384	324 207
deferred income tax liabilities		2 052	2 028
Subordinated liabilities	27	776 413	1 159 999
Total liabilities		**80 413 628**	**80 884 544**
Share capital		1 305 540	1 305 540
Supplementary capital		7 438 105	6 027 552
Revaluation reserve		-19 039	-291 439
Other reserves		161 792	161 792
Foreign currency translation differences		159	2 252
Retained earnings		53 259	13 768
Profit for the period		1 829 893	2 030 125
Equity		**10 769 709**	**9 249 590**
TOTAL LIABILITIES AND EQUITY		**91 183 337**	**90 134 134**

The notes presented on pages 7-60 constitute an integral part of these interim condensed consolidated financial statements.

(in PLN '000)

Consolidated statement of changes in consolidated equity

01.01.2024 - 30.09.2024	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Exchange differences on revaluation of foreign units	Retained earnings	Total equity
As at 1 January 2024	1 305 540	6 027 552	161 792	-291 439	2 252	2 043 893	9 249 590
Dividend payment	0	0	0	0	0	-577 048	-577 048
Transfer of last year's profit	0	1 410 553	0	0	0	-1 410 553	0
Comprehensive income	**0**	**0**	**0**	**272 400**	**-2 093**	**1 829 893**	**2 100 200**
net profit	0	0	0	0	0	1 829 893	1 829 893
other comprehensive income – valuations	0	0	0	272 400	-2 093	0	270 307
incl. financial assets measured at fair value through other comprehensive income	0	0	0	93 656	0	0	93 656
incl. hedging instruments	0	0	0	178 744	0	0	178 744
incl. currency translation differences	0	0	0	0	-2 093	0	-2 093
Other changes in equity	**0**	**0**	**0**	**0**	**0**	**-3 033**	**-3 033**
As at 30 September 2024	**1 305 540**	**7 438 105**	**161 792**	**-19 039**	**159**	**1 883 152**	**10 769 709**

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
As at 1 January 2023	**1 305 540**	**5 407 101**	**161 792**	**-1 339 433**	**283**	**634 582**	**6 169 865**
Transfer of last year's profit	0	620 451	0	0	0	-620 451	0
Comprehensive income	**0**	**0**	**0**	**1 047 994**	**1 969**	**2 030 125**	**3 080 088**
net profit	0	0	0	0	0	2 030 125	2 030 125
other comprehensive income – valuations	0	0	0	1 047 994	1 969	0	1 049 963
incl. financial assets measured at fair value through other comprehensive income	0	0	0	187 254	0	0	187 254
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
Other changes in equity	**0**	**0**	**0**	**0**	**0**	**-363**	**-363**
As at 31 December 2023	**1 305 540**	**6 027 552**	**161 792**	**-291 439**	**2 252**	**2 043 893**	**9 249 590**

01.01.2023 - 30.09.2023	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Exchange differences on revaluation of foreign units	Retained earnings	Total equity
As at 1 January 2023	**1 305 540**	**5 407 101**	**161 792**	**-1 339 433**	**283**	**634 582**	**6 169 865**
Transfer of last year's profit	0	620 451	0	0	0	-620 451	0
Comprehensive income	**0**	**0**	**0**	**971 535**	**-177**	**1 443 412**	**2 414 770**
net profit	0	0	0	0	0	1 443 412	1 443 412
other comprehensive income – valuations	0	0	0	971 535	-177	0	971 358
incl. financial assets measured at fair value through other comprehensive income	0	0	0	110 777	0	0	110 777
incl. hedging instruments	0	0	0	860 758	0	0	860 758
incl. currency translation differences	0	0	0	0	-177	0	-177
Other changes in equity	0	0		0	0	-363	**-363**
As at 30 September 2023	**1 305 540**	**6 027 552**	**161 792**	**-367 898**	**106**	**1 457 180**	**8 584 272**

The notes presented on pages 7-60 constitute an integral part of these interim condensed consolidated financial statements.

(in PLN '000)

Consolidated statement of cash flows

	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
Operating activities		
Profit before tax for the period	**2 426 545**	**1 926 712**
Adjustments:	**187 612**	**197 158**
Unrealized foreign exchange gains/losses	-2 093	-177
Amortization/depreciation of property, plant and equipment and intangible assets	188 597	193 863
Change in property, plant and equipment and intangible assets impairment write-down	1 403	3 608
Dividends	-295	-136
The gross profit after adjustments but before increase/decrease in operating assets/liabilities	**2 614 157**	**2 123 870**
Change in loans and receivables	1 839 054	-1 082 991
Change in financial assets measured at fair value through other comprehensive income	-3 367 924	-4 288 743
Change in financial assets measured at fair value through profit or loss	188 551	22 707
Change in assets pledged as collateral	28 566	-47 413
Change in non-current assets held for sale	0	1 611
Change in other assets	141 657	-57 893
Change in deposits	1 495 040	1 230 244
Change in own issue	-811 246	872 066
Change in financial liabilities	-118 676	-17 516
Change in hedging derivative	51 679	-3 738
Change in other liabilities	-1 456 113	-93 975
Change in provisions	-18 606	-3 534
Short-term lease contracts	712	118
Cash from operating activities before income tax	**586 851**	**-1 345 187**
Income tax paid	**-509 365**	**-332 170**
Net cash flow from operating activities	**77 485**	**-1 677 357**
Investing activities		
Outflows:	**-1 149 455**	**-144 871**
Purchase of property, plant and equipment	-73 315	-61 766
Purchase of intangible assets	-82 148	-52 316
Purchase of assets measured at amortized cost	-993 993	-30 789
Inflows:	**1 740 206**	**3 201 353**
Disposal of property, plant and equipment	6 895	17 478
Redemption of assets valued at amortized cost	1 733 311	3 183 875
Net cash flow from investing activities	**590 751**	**3 056 482**
Financing activities		
Outflows:	**-492 157**	**-143 361**
Prniciple payments - subordinated lliabilities	-391 700	0
Interest payments – subordinated and long- term lliabilities	-79 077	-74 513
Prniciple payments - lease liabilities	-13 825	-61 494
Interest payments - lease liabilities	-7 555	-7 354
Inflows:	**550 000**	**0**
Incurring long-term liabilities	550 000	0
Net cash flow from financing activities	**57 843**	**-143 361**
Total net cash flow	**726 079**	**1 235 764**
incl. exchange gains/(losses)	**-32 967**	**-16 613**
Balance sheet change in cash and cash equivalents	**726 079**	**1 235 764**
Cash and cash equivalents, opening balance	2 539 259	2 584 143
Cash and cash equivalents, closing balance	3 265 338	3 819 907
Additional disclosures on operating cash flows		
Interests received	5 141 035	5 143 839
Interests paid	-1 542 283	-1 987 534

The notes presented on pages 7-60 constitute an integral part of these interim condensed consolidated financial statements.

(in PLN '000)

Notes to the interim consolidated financial statements

1 Information about the Bank and the Group

1.1 General information, duration and the scope of business of Alior Bank SA

Alior Bank Spółka Akcyjna is the parent company of the Aliror Bank Capital Group with its registered office in Warsaw, Poland, ul. Łopuszańska 38D, was entered to the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, 14th Commercial Division of the National Court Register under KRS number: 0000305178. The Bank was assigned the tax identification number NIP: 107-001-07-31 and the statistical number REGON: 141387142.

Since 14 December 2012 the Bank has been listed on the Warsaw Stock Exchange (ISIN number: PLALIOR00045).

Alior Bank is a universal deposit and credit bank providing services to natural and legal persons and other entities that are domestic and foreign persons. The Bank's core business covers maintenance of bank accounts, granting loans, issue of bank securities, and purchase and sale of foreign currencies. The Bank is also involved in stock broking activity, financial advisory, and intermediation services, and provides other financial services, Information on the companies in the Group is detailed in note 1.4 of this chapter. In accordance with the provisions of its Articles of Association. Alior Bank has been operating in the territory of the Republic of Poland and the European Economic Area. The Bank provides its services primarily to customers from Poland. The number of foreign customers in the overall number of the Bank's customers is negligible. As part of its retail banking, in 2016 a foreign branch of Alior Bank was opened in Romania.

1.2 Shareholders of Alior Bank Spółka Akcyjna

In the period from the date of submission of the previous periodic report, i.e. from 2 August 2024, there were changes in the ownership structure of significant shareholdings of the Bank.

On 23 August 2024, the Bank received a notification from Generali Powszechne Towarzystwo Emerytalne SA managing Generali Otwarty Fundusz Emerytalny and Generali Dobrowolny Fundusz Emerytalny informing about the reduction of the Funds' share in the total number of votes in the Bank, below the threshold of 5% of the total number of votes, as a result of the share sale transaction settled on 22 August 2024.

As at 30 September 2024, the shareholders holding 5% or more of the overall numer of votes at the General Meeting were as follows:

Shareholder	Number of shares	Nominal value of shares [PLN]	Percentage in the share capital	Number of votes	Number of votes in the total number of votes
30.09.2024					
PZU SA Group*	41 658 850	416 588 500	31.91%	41 658 850	31.91%
Nationale-Nederlanden OFE**	12 270 004	122 700 040	9.40%	12 270 004	9.40%
Allianz OFE**	11 526 440	115 264 400	8.83%	11 526 440	8.83%
Other shareholders	65 098 697	650 986 970	49.86%	65 098 697	49.86%
Total	**130 553 991**	**1 305 539 910**	**100%**	**130 553 991**	**100%**

**The PZU Group includes entities that have concluded a written agreement regarding the purchase or sale of the Bank's shares and the consistent exercise of voting rights at the Bank's general meetings, i.e.: Powszechny Zakład Ubezpieczeń SA, Powszechny Zakład Ubezpieczeń Na Życie SA, PZU Specjalistyczny Fundusz Inwestycyjny Otwarty UNIVERSUM, PZU Fundusz Inwestycyjny Closed Non-Public Assets BIS 1 and PZU Closed-End Investment Fund for Non-Public Assets BIS 2. On the conclusion of the above-mentioned agreement, the Bank informed in current report no. 21/2017.*
*** Based on reports published as at 30 June 2024 on the composition of OFE portfolios and reports for 2023 on the composition of DFE portfolios..*

As at the date of publication of this report, according to information available to Alior Bank SA, shareholders holding 5 % or more of the total number of votes at the General Meeting remained unchanged.

1.3 The composition of the Bank's Management Board and the Bank's Supervisory Board together with information about number of shares of Alior Bank held by Bank Management Board and Supervisory Board members

As at the day of preparing this financial statement in comparison to the annual reporting period ended on 31 December 2023, there were changes in the composition of the Bank's Management Board.

On 15 May 2024, the Supervisory Board of the Bank adopted the resolutions to recall the following persons from the Management Board:

- Mr. Grzegorz Olszewski,
- Mr. Paweł Broniewski,
- Mr. Szymon Kamiński,
- Mr. Rafał Litwińczuk,
- Mr. Jacek Polańczyk,
- Mr. Paweł Tymczyszyn.

Moreover, the Bank's Supervisory Board delegated Supervisory Board Member Mr. Artur Chołody to perform the duties of Vice President of the Management Board in charge of leading the Management Board, from 15 May 2024 to 14 August 2024, subject to the possibility of an early termination of the delegation.

On 1 August 2024, the Bank's Supervisory Board, adopted resolutions on appointing to the Bank's Management Board :

- Mr. Piotr Żabski: (i) as of 1 January 2025, as Vice-President of the Bank's Management Board, (ii) as President of the Bank's Management Board, subject to the relevant consent of the Polish Financial Supervision Authority and as of the date of such consent (iii) entrusting him with the management of the Bank's Management Board with effect from 1 January 2025, until the approval of the Polish Financial Supervision Authority to appoint him to the position of the President of the Bank's Management Board,
- Mr. Jacek Iljin as of 15 August 2024, as Vice President of the Bank's Management Board,
- Mr. Zdzisław Wojtera as of 1 September 2024, as Vice President of the Bank's Management Board,
- Mr. Wojciech Przybył as of 1 October 2024, as Vice President of the Bank's Management Board,
- Mr. Marcin Ciszewski as of 1 November 2024, as Vice President of the Bank's Management Board.

From 15 August 2024, until Mr. Piotr Żabski takes up his position, the Bank's Management Board will be managed by Mr. Jacek Iljin - Vice President of the Bank's Management Board.

On 30 August 2024, the Supervisory Board of the Bank adopted the resolution to recall Mr. Radomir Gibała from the position of the Vice-President of the Bank's Management Board and from the composition of Management Board of the Bank as of 31 August 2024. Moreover, the Bank's Supervisory Board assigned Mr. Zdzisław Wojtera - Vice President of the Bank's Management Board to manage the work of the Bank's Management Board during the period from 1 September 2024 to 31 December 2024.

On 23 October 2024, the Supervisory Board adopted a resolution amending the resolution of 1 August 2024 on the appointment of the Vice President of the Bank's Management Board - Mr. Piotr Żabski, as regards the date on which Mr. Piotr Żabski is appointed to the Bank's Management Board.

Pursuant to the amending resolution, the Supervisory Board of the Bank appoints Mr. Piotr Żabski (I) with effect from 1 November 2024 to the Bank's Management Board for the three-year 6th joint term of office, which began on 1 January 2024, to the position of Vice President of the Bank's Management Board, (II) as President of the Bank's Management Board, subject to the relevant consent of the Polish Financial

(in PLN '000)

Supervision Authority and as of the date of such consent, (III) entrusting him with the management of the Bank's Management Board with effect from 1 November 2024, until the approval of the Polish Financial Supervision Authority to appoint him to the position of the President of the Bank's Management Board.

In addition, the Supervisory Board of the Bank adopted a resolution according to which the management of the work of the Bank's Management Board by the Vice President of the Management Board of the Bank - Mr. Zdzisław Wojtera will end on 31 October 2024.

As at 30 September 2024 the composition of the Bank's Management Board was as follows:

First and last name	Function
Zdzisław Wojtera	Vice-President of the Bank's Management Board, managing the work of the Bank's Management Board
Jacek Iljin	Vice President of the Management Board
Tomasz Miklas	Vice President of the Management Board

As at the date of preparation of this financial statements the composition of the Bank's Management Board was as follows:

First and last name	Function
Zdzisław Wojtera	Vice-President of the Bank's Management Board, managing the work of the Bank's Management Board
Jacek Iljin	Vice President of the Management Board
Tomasz Miklas	Vice President of the Management Board
Wojciech Przybył	Vice President of the Management Board

At the end of the reporting period, i.e.30 September 2024 and as at the date of publication of the report, Mr. Tomasz Miklas - member of the Management Board of the Bank holds 147 shares of the Bank, other members of the Management Board did not hold shares of Alior Bank.

In comparison to the annual reporting period ended on 31 December 2023, there were changes in the composition of the Bank's Supervisory Board.

On 7 March 2024 Mr. Filip Majdowski, resigned from the position of member of the Supervisory Board of the Bank and all related functions, i.e. chairman of the Supervisory Board of the Bank and committees of the Supervisory Board of the Bank, effective 8 March 2024.

Annual General Meeting convened on 26 April 2024, dismissed from the Bank's Supervisory Board:

- Mr. Ernest Gerard Bejda,
- Mr. Paweł Wojciech Knop,
- Ms. Małgorzata Erlich – Smurzyńska,
- Mr. Jacek Kij,
- Mr. Marek Pietrzak,
- Mr. Dominik Mikołaj Witek.

In addition, the Annual General Meeting of the Bank, taking into account the assessment of compliance with the requirements of adequacy, appointed the following Members of the Supervisory Board of the Bank for a joint term of office covering the 4 (four) full financial years 2025-2028, specifying that the first full financial year of the term is 2025:

- Mr. Artur Chołody from 27 April 2024, on the condition of effective resignation from the functions listed in the statement made by him on 25 April 2024.
- Mr. Radosław Grabowski,
- Mr. Maciej Gutowski,
- Mr. Artur Kucharski,

(in PLN '000)

- Mr. Jarosław Mastalerz,
- Mr. Jan Zimowicz.

The Extraordinary General Meeting of the Bank on 17 July 2024, taking into account the assessment of compliance with suitability requirements, appointed the following members of the Supervisory Board of the Bank:

- Mr. Rafał Janczura,
- Mr. Robert Pusz.

The resolutions of the Extraordinary General Meeting of the Bank regarding changes in the composition of the Supervisory Board of the Bank came into force upon adoption.

As at 30 September 2024 and as at the date of preparation of this financial statements the composition of the Bank's Supervisory Board was as follows:

First and last name	Function
Jarosław Mastalerz	Chairperson of the Supervisory Board
Jan Zimowicz	Deputy Chairperson of the Supervisory Board
Artur Chołody	Member of the Supervisory Board
Radosław Grabowski	Member of the Supervisory Board
Maciej Gutowski	Member of the Supervisory Board
Robert Janczura	Member of the Supervisory Board
Artur Kucharski	Member of the Supervisory Board
Robert Pusz	Member of the Supervisory Board

In accordance with the Bank's best knowledge there was no change in the number of shares hold by the members of Supervisory Board starting from the date of preparation of the annual financial statements, ie from 28 February 2024. As at 30 September 2024, and as at the date of publication of financial statements, members of the Supervisory Board of Alior Bank SA did not hold any shares in the Bank.

1.4 Information about the Alior Bank Group

Alior Bank SA is the parent company of the Alior Bank SA Group. The composition of the Group as at 30 September 2024 and as at the date of preparation date of financial statements was as follows:

Company's name - subsidaries	23.10.2024	30.09.2024	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%

1.5 Approval of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements of the Alior Bank Spółka Akcyjna Group were approved by the Bank's Management Board on 23 October 2024.

1.6 Seasonal or cyclical nature of operations

The Group's operations are not affected by any material events of seasonal or cyclical nature within the meaining of §21 IAS 34.

2 Accounting principles

2.1 Basis for preparation

Statement of compliance

These interim condensed consolidated financial statements of the Alior Bank Spółka Akcyjna Group for the 9-month period ended 30 September 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 condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should therefore be read together with the consolidated financial statements of the Alior Bank Group for 2023.

The consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial period from 1 January 2024 to 30 September 2024 and consolidated statement of financial position as at 30 September 2024 including the comparatives have been prepared in accordance with the same accounting policies as those applied in the preparation of the annual financial statements ended 31 December 2023, except for the changes in the standards that entered into force on 1 January 2024 and changes in accounting policies described in note 2.2.

Scope and reporting currency

The interim condensed consolidated financial statements of the Alior Bank SA Group comprise the data of the Bank and its subsidiaries. These interim condensed consolidated financial statements have been prepared in Polish zloty ("PLN"). All figures, unless otherwise indicated, are rounded to the nearest thousand.

Going concern

These interim condensed consolidated financial statements of the Alior Bank SA Group have been prepared on the assumption that the entities within the Group will continue as going concerns in the foreseeable future, not less than 12 moths from the balance sheet date i.e. after 30 September 2024.

As at the date of approval of this report by the Bank's Management Board, there are no circumstances indicating a threat to the continued operation of the Capital Group.

2.2 Accounting principles

2.2.1 Significant estimates

The Group makes estimates and makes assumptions that affect the values of assets and liabilities presented in this and the next reporting period. Estimates and assumptions that are subject to continuous evaluation are based on historical experience and other factors, including expectations as to future events that seem justified in a given situation.

Recognition of bancassurance income

The Group allocates the received remuneration for distribution of insurance products related to the sale of loans – in accordance with the economic content of the transaction – as remuneration constituting:

- an integral part of the remuneration received for the offered financial instruments;
- remuneration for agency services;
- remuneration for the provision of additional activities performed during the insurance contract (recognised by the Group over a period when the services are provided).

The economic title of the received remuneration determines the way it is disclosed in the Bank's books.

The model of "relative fair value" is applied to determine the split of the remuneration related to insurance offered in connection with cash and mortgage loans and insurance sold without any relationship to financial instruments (in terms of provision for customer resigns and administrative costs).

The "relative fair value" model approved by the Group consists in estimating the fair value of each element of the overall service of loan sale with insurance in order to determine the proportion of fair value of both services. In accordance with such proportion of fair value, remuneration under the joint loan and insurance transaction is allocated to each component.

Impairment of loans, expected credit losses

At each reporting date, the Group assesses the credit quality of the receivables and assesses whether there are objective triggers for impairment of credit exposures and whether the credit exposure has impaired.

The Group accepts that a financial asset or a group of financial assets are impaired and such impairment loss is incurred only when there are objective indications resulting from one or more events that have occurred after the initial recognition of such asset and the event (or events) causing trigger has a negative impact on the expected future cash flows of a given exposure, leading to the recognition of a loss. Therefore, for all impaired credit exposures, the Group determines an allowance representing the difference between the gross exposure value and the expected recoveries after taking into account the default status / probability in a given time horizon.

Exposures with no identified impairment indications are grouped in homogeneous groups in terms of the risk profile and a provision is recognised for such group of exposures to cover expected losses (ECL).

The estimated losses expected are based on:

- estimated exposure value at the time of default (EAD model);
- estimated distribution of risk of default within the lifetime of the exposure (life-time PD model);
- estimated level of loss in case of default of the client (LGD model).

Information on the adopted assumptions affecting the amount of expected losses are presented in note 19 – Loans and advances to customers.

Non-current assets impairment

In accordance with IAS 36, the Group assesses non-current assets in terms of the existence of premises indicating their impairment. If there is such evidence, the Group estimates the asset's recoverable amount. When the carrying amount of a given asset exceeds its recoverable amount, its impairment is recognized, and a write-off is made to adjust its value to the level of its recoverable amount.

Investment financial assets and derivatives

For the purposes of disclosures in accordance with IFRS 7, the Group estimates changes to measurements of debt instruments measured at fair value through other comprehensive income and derivative instruments with a linear risk profile not covered with hedge accounting assuming a parallel shift of profitability curves by 50pb. To this end, the Group constructs profitability curves on the basis of market data. The Group analyses the impact on transaction measurement of changes to profitability curves with the assumed scenarios.

Provisions for the reimbursement of commissions in the event of early repayment

The Group constantly monitors the value of the estimated amount of expected payments resulting from prepayments of consumer loans made before the judgment date of Court of Justice of the European Union ('CJEU') of 11 September 2019 in case C-383/18 (so-called Lexitor case). The basis for updating the value of the estimate is the inclusion in the calculation of the historically observed trend of the amount of loan cost reimbursements resulting from the customer complaints submitted to the Bank.

Provision for legal risk related to the FX indexed loan portfolio

The Group estimated the costs of legal risk related to the FX indexed loan portfolio and applied the provisions of IFRS 9B.5.4.6 to its recognition - it treated this estimate as an adjustment to the gross carrying amount of the portfolio of mortgage loans indexed with foreign currencies or created provisions in accordance with the requirements of IAS 37 (where the amount of the estimated legal risk costs exceeds the gross carrying amount of the credit exposure or the amount of the estimate relates to repaid foreign currency mortgage loans or when the estimated amount relates to expected legal claims, including statutory interest).

These costs were estimated on the basis of:

- the pace of the inflow of disputes regarding the legal risk of mortgage loans in foreign currencies and the estimated percentage of the portfolio of FX mortgage loans that will be the subject of litigation, observed so far and forecast by the Group in future periods,
- statistics of the value of the subject matter of the dispute in previous lawsuits,
- the percentage of litigations lost by banks, reported by the Polish Bank Association, including the percentage of cases ended with the cancellation of the contract and the percentage of cases ended with the conversion of contracts into PLN.

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. The vacation can be used twice in the period from 1 June to 31 August 2024 and twice in the period from 1 September to 31 December 2024. The credit vacation can be used if the installment exceeds 30% of the household income, calculated as an average for the previous three months or if the borrower has at least three children to support (on the date of submission of 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 mln.

Due to the lower than originally expected inflow of applications for credit holidays, the Group has revised the original estimates by adjusting the provision by PLN 31 million as at 30 June 2024, and then by another PLN 24 million as at 30 September 2024.

Therefore, as at 30 September 2024, the total loss on modification estimated on the basis of the participation rate - portfolio using holidays at 14%, amounts to a total of PLN 62 million.

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

Actuarial provision

Provisions for employee benefits are measured with actuarial techniques and assumptions. The calculation covers all retirement benefits potentially disbursable in the future. The provision has been established on the basis of a list of persons with all the required personal data, including seniority, age, and gender. The accrued provisions are equal to the discounted payments to be made in the future subject to staff rotation and apply to the period until the end of the reporting period.

(in PLN '000)

Fair value measurement rules

The principles for the fair value measurement of derivatives and non-quoted debt securities measured at fair value are presented in note 29 – Fair value and have not changed from the principles presented in the financial statements prepared as at 31 December 2023.

Hedge accounting

For the purposes of disclosures in accordance with IFRS 7, the Group estimates changes to measurements of the derivative instruments with a linear risk profile assuming a parallel shift of profitability curves by 50 pb. To this end, the Group constructs profitability curves on the basis of market data. The Group analyses the impact on transaction profitability of a change of profitability curves for the portfolio of derivative instruments with a linear risk profile, covered with hedge accounting.

2.2.2 Significant accounting policies

Detailed accounting policies were presented in the annual consolidated financial statements of the Alior Bank Group for the year ended 31 December 2023 published on Alior Bank's website on 28 February 2024.

2.2.3 Changes in accounting standards

In these interim condensed consolidated financial statements, the same accounting standards have been applied as in the case of annual consolidated financial statements for the year 2023 and the standards and interpretations adopted by the European Union and applicable to the annual periods starting 1 January 2024 mentioned below.

Change	Impact on the Group's report
Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities	The amendments affect the requirements of IAS 1 regarding the presentation of liabilities. In particular, they explain one of the criteria for classifying a liability as long-term. The implementation of the change havn't any impact on the financial statements of the Group.
Amendment to IFRS 16 Leases	The amendment specifies the requirements that a seller-lessee is obliged to apply when measuring the lease liability arising from a sale and leaseback transaction so as not to recognize a gain or loss related to the right of use that it retains.The implementation of the change havn't any impact on the financial statements of the Group.
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	The amendments require an entity to disclose information on the impact of agreements to finance liabilities to suppliers on its liabilities and cash flows, including: • the terms of these contracts, • quantitative information on the obligations related to these contracts at the beginning and end of the reporting period, • the type and impact of non-monetary changes in the carrying amounts of financial liabilities arising from these contracts. The amendments have any impact on the Group's financial statements.

Standards and interpretations that have been issued but are not yet effective because they have not been approved by the European Union or have been approved by the European Union but have not been previously applied by the Group, were presented in the annual consolidated financial statements of the Group for 2023. The following standards and amendments to the accounting standards was published in 2024:

(in PLN '000)

	Impact on the Group's report
IFRS 18 Presentation and Disclosure in Financial Statements	The standard is intended to replace IAS 1 – Presentation of Financial Statements. The new standard will be effective from 1 January 2027. The new standard includes: the result of taking into account the voice of investors in the work, who indicated that financial statements still do not have a uniform form and often do not present significant information needed to make investment decisions. In connection with the new IFRS 18 standard, changes to other standards are also planned to harmonize disclosure requirements. The Group will analyze the impact of the standard on the financial statements.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible entities to elect to apply IFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. An entity may elect to apply this Standard in its consolidated, separate or individual financial statements if, and only if, at the end of the reporting period: (a) it is a subsidiary, (b) it does not have public accountability, and (c) it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. The Group will analyze the impact of the standard on the financial statements.
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through OCI. The Group will analyze the impact of the standard on the financial statements.
Annual Improvements IFRS Volume 11	The document contains clarifications, simplifications, corrections and changes aimed at improving the consistency of a number of accounting standards (IFRS 1, IFRS 7 and the accompanying "Guidance on the implementation of IFRS 7"; IFRS 9, IFRS 10 and IAS 7). The Group will analyze the impact of the standard on the financial statements.

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

Compared to the financial statements prepared as at 30 September 2023, the Group 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 Group presented these costs in the item " General administrative expenses ". The change introduced in the Group's assessment is a better place for presentation due to the fact that the costs of provisions for disputes are indirectly related to the Group's operating activities. The above change had no impact on the net result.

Income statement	01.01.2023-30.09.2023 Presented	Change	01.01.2023-30.09.2023 Restated
General administrative expenses	-1 480 312	64 690	-1 415 622
Other operating expenses	-85 299	-64 690	-149 989

3 Operating segments

Segment description

The Alior Bank SA Group conducts business activities within segments offering specific products and services addressed to natural and legal persons (including foreign ones). The split of business segments provides for consistency with the sale management model and for providing customers with a comprehensive product offer.

(in PLN '000)

The operations of the Alior Bank Group include three basic business segments:

- retail segment,
- business segment,
- treasury activities.

The core products for retail client segment are as follows:

- credit products: cash loans, credit cards, revolving limits in the current account, mortgage loans, installment loans, deferred payments,
- deposit products: savings and checking accounts, term deposits, savings deposits,
- brokerage house products,
- transactional services: cash deposits and withdrawals, transfers,
- currency exchange transactions,
- bancassurance products.

The core products for business customers are as follows:

- credit products: overdraft, working capital loans, investment loans, credit cards,
- deposit products: term deposits,
- current and subsidiary accounts,
- transactional services: cash deposits and withdrawals, transfers,
- treasury products: FX exchange transactions (also term FX transactions), derivative instruments,
- factoring,
- leasing.

The item Treasury activity covers management effects of the global position – liquidity and FX position, resulting from the activity of the Group's units.

The analysis covers the profitability of the retail and business segments. Profitability covers:

- net interest income including internal transfer rates of funds between the bank's units and the Bank's Treasury Department,
- commission income,
- income from treasury transactions and FX transactions by customers,
- other operating income and expenses.

The measure of the profit of a given segment is the gross profit.

Results and volumes split by segment for the nine months ended 30 September 2024

	Retail segment	Business segment	Treasury activities	Total operating segments	Unallocated items	Total Group
External interest income	**2 106 683**	**1 198 893**	**566 166**	**3 871 742**	**0**	**3 871 742**
external income	2 743 667	1 132 006	1 126 612	5 002 285	0	5 002 285
income of a similar nature	189	323 212	99 827	423 228	0	423 228
external expense	-637 173	-256 325	-660 273	-1 553 771	0	-1 553 771
Internal interest income	**219 471**	**-204 939**	**-14 532**	**0**	**0**	**0**
internal income	1 983 877	798 038	2 767 383	5 549 298	0	5 549 298
internal expense	-1 764 406	-1 002 977	-2 781 915	-5 549 298	0	-5 549 298
Net interest income	**2 326 154**	**993 954**	**551 634**	**3 871 742**	**0**	**3 871 742**
Fee and commission income	375 923	663 489	-801	1 038 611	0	1 038 611
Fee and commission expense	-196 684	-207 107	-5 460	-409 251	0	-409 251
Net fee and commission income	**179 239**	**456 382**	**-6 261**	**629 360**	**0**	**629 360**
Dividend income	0	0	295	295	0	295

(in PLN '000)

	Retail segment	Business segment	Treasury activities	Total operating segments	Unallocated items	Total Group
The result on financial assets measured at fair value through profit or loss and FX result	-8 523	13 443	-338	4 582	0	4 582
The result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	**0**	**0**	**15 066**	**15 066**	**0**	**15 066**
measured at fair value through other comprehensive income	0	0	14 484	14 484	0	14 484
measured at amortized cost	0	0	582	582	0	582
Other operating income	72 773	26 465	0	99 238	0	99 238
Other operating expenses	-81 677	-23 506	0	-105 183	0	-105 183
The result on other operating income	**-8 904**	**2 959**	**0**	**-5 945**	**0**	**-5 945**
Total result before expected credit losses, the result on impairment of non-financial assets and cost of legal risk of FX mortgage loans	**2 487 966**	**1 466 738**	**560 396**	**4 515 100**	**0**	**4 515 100**
Net expected credit losses	-189 266	-115 493		-304 759	0	-304 759
The result on impairment of non-financial assets	-1 027	-376	0	-1 403	0	-1 403
Cost of legal risk of FX mortgage loans	-41 153	0	0	-41 153	0	-41 153
Total result after expected credit losses, the result on impairment of non-financial assets and cost of legal risk of FX mortgage loans	**2 256 520**	**1 350 869**	**560 396**	**4 167 785**	**0**	**4 167 785**
General administrative expenses	-1 208 322	-532 918	0	-1 741 240	0	-1 741 240
Gross profit	**1 048 198**	**817 951**	**560 396**	**2 426 545**	**0**	**2 426 545**
Income tax	0	0	0	0	-596 652	-596 652
Net profit	**1 048 198**	**817 951**	**560 396**	**2 426 545**	**-596 652**	**1 829 893**
Assets	59 110 561	31 279 620	0	90 390 181	793 156	91 183 337
Liabilities	55 534 889	24 651 303	0	80 186 192	227 436	80 413 628

Results and volumes split by segment for the nine months ended 30 September 2023*

	Retail segment	Business segment	Treasury activities	Total operating segments	Unallocated items	Total Group
External interest income	**1 984 936**	**1 311 094**	**187 148**	**3 483 178**	**0**	**3 483 178**
external income	2 775 143	1 268 870	1 043 530	5 087 543	0	5 087 543
income of a similar nature	0	320 246	124 119	444 365	0	444 365
external expense	-790 207	-278 022	-980 501	-2 048 730	0	-2 048 730
Internal interest income	**165 402**	**-379 523**	**214 121**	**0**	**0**	**0**
internal income	1 987 924	768 332	2 970 377	5 726 633	0	5 726 633
internal expense	-1 822 522	-1 147 855	-2 756 256	-5 726 633	0	-5 726 633
Net interest income	**2 150 338**	**931 571**	**401 269**	**3 483 178**	**0**	**3 483 178**
Fee and commission income	352 572	992 644	-20 191	1 325 025	0	1 325 025
Fee and commission expense	-148 470	-573 554	-6 016	-728 040	0	-728 040
Net fee and commission income	**204 102**	**419 090**	**-26 207**	**596 985**	**0**	**596 985**
Dividend income	0	0	136	136	0	136
The result on financial assets measured at fair value through profit or loss and FX result	240	23 775	46 689	70 704	0	70 704
The result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	**0**	**0**	**6 690**	**6 690**	**0**	**6 690**

(in PLN '000)

	Retail segment	Business segment	Treasury activities	Total operating segments	Unallocated items	Total Group
measured at fair value through other comprehensive income	0	0	6 181	6 181	0	6 181
measured at amortized cost	0	0	509	509	0	509
Other operating income	59 867	32 035	0	91 902	0	91 902
Other operating expenses	-112 139	-37 850	0	-149 989	0	-149 989
The result on other operating income	**-52 272**	**-5 815**	**0**	**-58 087**	**0**	**-58 087**
Total result before expected credit losses, the result on impairment of non-financial assets and cost of legal risk of FX mortgage loans	**2 302 408**	**1 368 621**	**428 577**	**4 099 606**	**0**	**4 099 606**
Net expected credit losses	-339 121	-210 256	0	-549 377	0	-549 377
The result on impairment of non-financial assets	-883	-2 725	0	-3 608	0	-3 608
Cost of legal risk of FX mortgage loans	-8 175	0	0	-8 175	0	-8 175
Total result after expected credit losses, the result on impairment of non-financial assets and cost of legal risk of FX mortgage loans	**1 954 229**	**1 155 640**	**428 577**	**3 538 446**	**0**	**3 538 446**
General administrative expenses	-1 147 929	-463 805	0	-1 611 734	0	-1 611 734
Gross profit	**806 300**	**691 835**	**428 577**	**1 926 712**	**0**	**1 926 712**
Income tax	0	0	0	0	-483 300	-483 300
Net profit	**806 300**	**691 835**	**428 577**	**1 926 712**	**-483 300**	**1 443 412**
Assets	54 977 317	30 287 104	0	85 264 421	1 056 125	86 320 546
Liabilities	53 962 748	23 541 956	0	77 504 704	231 570	77 736 274

*Restated – note 2.3

Notes to the consolidated income statement

4 Net interest income

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023
Interest income calculated using the effective interest method	**1 716 793**	**5 002 285**	**1 737 009**	**5 087 543**
term deposits	4 428	12 216	4 263	11 534
loans and advances to customers measured at amortized cost*	1 317 372	3 797 145	1 348 046	3 957 100
investment financial assets measured at amortized cost	18 002	62 768	45 151	145 670
investment financial assets measured at fair value through other comprehensive income	278 955	827 998	221 869	629 688
receivables acquired	7 269	22 677	8 166	23 162
repo transactions in securities	18 745	62 921	24 213	55 993
current accounts	45 480	134 339	50 413	148 707
overnight deposits	2 251	6 783	3 664	8 802
other	24 291	75 438	31 224	106 887
Income of a similar nature	**140 391**	**423 228**	**150 473**	**444 365**
leasing	108 769	323 212	108 328	320 246
derivatives instruments	31 433	99 827	42 145	124 119
loans and advances to customers measured at at fair value through profit and loss	189	189	0	0
Interest expense	**-499 116**	**-1 553 771**	**-668 245**	**-2 048 730**
term deposits	-189 884	-621 773	-240 021	-763 957
own issue	-51 663	-142 426	-48 073	-119 275
repo transactions in securities	-22 083	-83 766	-29 384	-72 831
cash deposits	-1 498	-4 425	-1 131	-2 965
leasing	-2 440	-7 555	-2 749	-7 354

(in PLN '000)

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023
other	-2 579	-8 144	-3 119	-8 529
current deposits	-94 336	-276 197	-102 039	-307 450
derivatives	-134 633	-409 485	-241 729	-766 369
Net interest income	**1 358 068**	**3 871 742**	**1 219 237**	**3 483 178**

**including the result on modification due to credit vacation in the amount of PLN 62 million*

5 Net fee and commission income

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023
Fee and commission income	**288 539**	**1 038 611**	**438 006**	**1 325 025**
payment and credit cards service	42 425	284 377	208 069	575 598
transaction margin on currency exchange transactions	74 988	235 321	62 606	246 227
maintaining bank accounts	25 934	79 948	25 999	74 048
brokerage commissions	14 059	42 372	10 287	35 624
revenue from bancassurance activity	24 249	74 488	25 387	77 312
loans and advances	36 000	112 633	40 617	119 117
transfers	15 742	45 180	14 239	43 097
cash operations	8 604	25 429	8 973	25 974
guarantees, letters of credit, collection, commitments	3 697	10 621	2 851	8 239
receivables acquired	976	3 292	1 278	3 847
for custody services	1 795	5 954	2 034	6 123
repayment of seizure	2 637	7 350	2 002	5 796
from leasing activities	20 694	65 548	22 033	65 630
other commissions	16 739	46 098	11 631	38 393
Fee and commission expenses	**-81 683**	**-409 251**	**-265 733**	**-728 040**
costs of card and ATM transactions, including costs of cards issued	-26 388	-246 733	-214 108	-574 476
commissions paid to agents	-13 531	-38 886	-12 884	-38 097
insurance of bank products	-5 245	-15 430	-3 156	-9 458
costs of awards for customers	-6 911	-19 414	-5 935	-18 506
commissions for access to ATMs	-6 417	-20 709	-7 005	-20 379
commissions paid under contracts for performing specific operations	-6 703	-20 556	-6 560	-18 307
brokerage commissions	-1 257	-3 819	-1 183	-3 443
for custody services	-1 330	-3 045	-996	-3 121
transfers and remittances	-6 155	-18 959	-5 923	-18 404
other commissions	-7 746	-21 700	-7 983	-23 849
Net fee and commission income	**206 856**	**629 360**	**172 273**	**596 985**

01.01.2024 - 30.09.2024	Retail segment	Business segment	Treasury activities	Total
Fee and commission income	**375 923**	**663 489**	**-801**	**1 038 611**
payment and credit cards service	88 854	195 523	0	284 377
transaction margin on currency exchange transactions	125 534	110 588	-801	235 321
maintaining bank accounts	37 447	42 501	0	79 948
brokerage commissions	42 372	0	0	42 372
revenue from bancassurance activity	32 230	42 258	0	74 488
loans and advances	14 960	97 673	0	112 633
transfers	14 567	30 613	0	45 180
cash operations	11 988	13 441	0	25 429
guarantees, letters of credit, collection, commitments	0	10 621	0	10 621
receivables acquired	0	3 292	0	3 292

(in PLN '000)

01.01.2024 - 30.09.2024	Retail segment	Business segment	Treasury activities	Total
custody services	0	5 954	0	5 954
repayment of seizure	0	7 350	0	7 350
from leasing activities	0	65 548	0	65 548
other commissions	7 971	38 127	0	46 098

01.01.2023 - 30.09.2023	Retail segment	Business segment	Treasury activities	Total
Fee and commission income	**352 572**	**992 644**	**-20 191**	**1 325 025**
payment and credit cards service	83 188	492 410	0	575 598
transaction margin on currency exchange transactions	119 046	151 345	-24 164	246 227
maintaining bank accounts	34 955	39 085	8	74 048
brokerage commissions	35 624	0	0	35 624
revenue from bancassurance activity	33 833	43 479	0	77 312
loans and advances	17 371	101 746	0	119 117
transfers	13 736	29 301	60	43 097
cash operations	12 223	13 751	0	25 974
guarantees, letters of credit, collection, commitments	0	8 239	0	8 239
receivables acquired	0	3 847	0	3 847
custody services	0	6 123	0	6 123
repayment of seizure	0	5 796	0	5 796
from leasing activities	0	65 630	0	65 630
other commissions	2 596	31 892	3 905	38 393

6 The result on financial assets measured at fair value through profit or loss and FX result

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023
FX result and net income on currency derivatives, including:	**9 722**	**35 885**	**48 338**	**47 706**
FX result	49 475	-7 084	-21 373	26 716
currency derivatives	-39 753	42 969	69 711	20 990
Interest rate transacions	**-16 151**	**-23 143**	**-4 708**	**2 431**
Ineffective part of hedge accounting	**418**	**625**	**3 916**	**7 666**
Change in fair value measurement for the hedged risk	**1 243**	**-5 679**	**2 074**	**2 577**
The result on other financial instruments	**-6 633**	**-3 106**	**1 507**	**10 324**
The result on financial assets measured at fair value through profit or loss and FX result	**-11 401**	**4 582**	**51 127**	**70 704**

7 The result on derecognition of financial instruments not measured at fair value through profit or loss

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023
Financial assets measured at fair value through other comprehensive income	10 443	14 484	2 674	6 181
Financial assets measured at amortized cost	18	582	251	509
The result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	**10 461**	**15 066**	**2 925**	**6 690**

(in PLN '000)

8 The result on other operating income and expense

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023*
Other operating income from:	**32 001**	**99 238**	**31 643**	**91 902**
income from contracts with business partners	1 350	4 517	2 620	6 394
reimbursement of costs of claim enforcement	6 984	25 184	8 998	28 864
received compensations, recoveries, penalties and fines	351	796	156	806
management of third-party assets	10 913	28 995	6 978	19 554
from license fees from Partners	756	2 327	747	2 288
due to VAT settlement	1	102	0	653
reversal of impairment losses on other assets	1 698	2 650	-17	2 041
other	9 948	34 667	12 161	31 302
Other operating expenses due to:	**-19 332**	**-105 183**	**-63 894**	**-149 989**
fees and costs of claim enforcement	-9 794	-34 740	-12 111	-38 729
provision for legal claims	1 831	-38 052	-36 211	-64 783
paid compensations, fines, and penalties	-1 310	-2 357	-1 280	-3 337
management of third-party assets	-417	-1 232	-284	-883
recognition of complaints	-825	-2 809	-547	-2 100
impairment losses on other assets	-1 209	-3 723	-2 511	-9 197
due to VAT settlement	0	-109	0	-58
other	-7 608	-22 161	-10 950	-30 902
The result on other operating income and expense	**12 669**	**-5 945**	**-32 251**	**-58 087**

**Restated – note 2.3*

9 General administrative expenses

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023*
Payroll costs	**-283 152**	**-911 040**	**-264 025**	**-797 568**
remuneration due to employment contracts	-229 725	-743 242	-217 062	-655 387
remuneration surcharges	-45 233	-147 786	-41 973	-128 592
costs of bonus for senior executives settled in phantom shares	70	-1 780	-1 081	-3 090
other	-8 264	-18 232	-3 909	-10 499
General and administrative costs	**-117 907**	**-408 870**	**-115 515**	**-402 710**
lease and building maintenance expenses	-24 167	-63 061	-23 862	-77 034
costs of Banking Guarantee Fund	0	-40 644	0	-58 872
IT costs	-46 313	-136 331	-38 042	-115 012
marketing costs	-16 237	-56 763	-20 258	-51 003
cost of advisory services	-5 692	-15 996	-3 200	-10 869
external services	-9 267	-25 872	-10 249	-24 981
training costs	-1 739	-7 480	-2 487	-9 131
costs of telecommunications services	-6 429	-18 381	-5 853	-17 154
costs of lease of property, plant and equipment and intangible assets	301	-712	-43	-118
other	-8 364	-43 630	-11 521	-38 536
Amortization and depreciation	**-63 916**	**-188 597**	**-61 591**	**-193 863**
property, plant and equipment	-23 739	-66 391	-20 436	-63 283
intangible assets	-19 711	-60 506	-20 243	-61 739
right to use the asset	-20 466	-61 700	-20 912	-68 841
Taxes and fees	**-7 562**	**-23 223**	**-6 522**	**-21 481**
General administrative expenses	**-472 537**	**-1 531 730**	**-447 653**	**-1 415 622**

**Restated – note 2.3*

(in PLN '000)

10 Net expected credit losses

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023
Expected credit losses Stage 3	**-272 530**	**-571 575**	**-110 817**	**-623 308**
retail customers	-78 823	-270 559	-71 382	-353 364
business customers	-193 707	-301 016	-39 435	-269 944
Expected credit losses Stage 1 and 2(ECL)	**72 493**	**100 143**	**607**	**29 065**
Stage 2	**87 131**	**125 252**	**6 959**	**57 432**
retail customers	9 286	38 994	-1 994	22 542
business customers	77 845	86 258	8 953	34 890
Stage 1	**-14 638**	**-25 109**	**-6 352**	**-28 367**
retail customers	-17 016	-7 760	-5 575	-16 303
business customers	2 378	-17 349	-777	-12 064
POCI	**-14 339**	**-48 190**	**-70 617**	**-128 912**
Recoveries from off-balance sheet	**22 434**	**172 962**	**31 114**	**120 775**
Investment securities	**-757**	**-2 224**	**-534**	**6 531**
Off-balance provisions	**38 101**	**44 125**	**-4 317**	**46 472**
Net expected credit losses	**-154 598**	**-304 759**	**-154 564**	**-549 377**

The result on expected credit losses in the three quarters of 2024 was significantly lower compared to the three quarters 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).

11 The result on impairment of non-financial assets

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023
Property, plant and equipment and intangible assets	-82	-1 403	-409	-3 608
The result on impairment of non-financial assets	**-82**	**-1 403**	**-409**	**-3 608**

12 Cost of legal risk of FX mortgage loans

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023
Loans and advances to customers - adjustment decreasing the gross carrying amount of loans	-11 852	-24 884	-4 146	-6 577
Provisions	-1 611	-16 260	-1 243	-1 598
Other	0	-9	0	0
Cost of legal risk of FX mortgage loans	**-13 463**	**-41 153**	**-5 389**	**-8 175**

13 Banking Tax

The Act on Tax from Certain Financial Institutions of 15 January 2016 became effective on 1 February 2016 – the Act applies to banks and insurance companies. The tax accrues on the surplus of assets in excess of PLN 4 billion as detailed in trial balances as at the end of each month. Banks are entitled to reduce the tax base by, among others, the value of own funds, the value of assets in the form of Treasury securities, the value of assets in the form of securities guaranteed by the State Treasury, the value of assets acquired from the NBP, constituting security for a refinancing loan granted by the NBP. The tax is payable monthly (the monthly rate is 0.0366%) by the 25th day of the month following the month to which it applies and is recognised in the profit and loss account in the period to which it applies.

(in PLN '000)

14 Income tax

In accordance with IAS 34, the Capital Group 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 Capital Group expects in 2024. The projected annual effective tax rate is approximately 25%.

14.1 Tax charge disclosed in the profit and loss account

	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Current tax	470 665	352 651
Deferred income tax	125 987	130 649
Income tax	**596 652**	**483 300**

14.2 Effective tax rate calculation

	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Gross profit	**2 426 545**	**1 926 712**
Income tax at 19%	461 044	**366 075**
Non-tax-deductible expenses (tax effect)	**142 858**	**111 104**
Impairment losses on loans not deductible for tax purposes	71 846	31 986
Prudential fee to BGF	7 722	11 186
Tax on Certain Financial Institutions	39 788	37 261
Cost of legal risk of FX mortgage loans	7 819	1 553
Other	15 683	29 118
Non-taxable income (tax effect)	-4 780	**1 064**
Other	**-2 470**	**5 057**
Accounting tax recognized in the income statement	**596 652**	**483 300**
Effective tax rate	**24.59%**	**25.08%**

15 Profit per share

	01.07.2024-30.09.2024	01.01.2024-30.09.2024	01.07.2023-30.09.2023	01.01.2023-30.09.2023
Net profit	**665 856**	**1 829 893**	**571 561**	**1 443 412**
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)	**5.10**	**14.02**	**4.38**	**11.06**

Basic profit per share is calculated as the quotient of profit attributable to the Bank's shareholders and the weighted average number of ordinary shares in the year.
Pursuant to IAS 33, diluted earnings per share are calculated based on the ratio of the profit attributable to the Bank's shareholders to the weighted average number of ordinary shares, adjusted as if all dilutive potential ordinary shares were converted into shares. As at 30 September 2024 and 30 September 2023, the Group did not have dilutive instruments.

(in PLN '000)

Notes to the consolidated statement of financial position

16 Cash and cash equivalents

16.1 Financial data

	30.09.2024	31.12.2023
Current account with the central bank	1 525 489	667 654
Cash	436 182	453 845
Current accounts in other banks	706 624	1 137 044
Term deposits in other banks	597 043	280 716
Total	**3 265 338**	**2 539 259**

17 Amounts due from banks

17.1 Financial data

Structure by type	30.09.2024	31.12.2023
Reverse Repo	0	3 681 081
Deposits as derivative transactions (ISDA) collateral	709 498	847 887
Other	86 146	86 452
Total	**795 644**	**4 615 420**

18 Investment financial assets and derivatives

18.1 Financial data

	30.09.2024	31.12.2023
Financial assets and derivatives	**21 357 395**	**18 820 432**
measured at fair value through other comprehensive income	18 930 461	15 471 615
measured at fair value through profit or loss	234 588	423 139
measured at amortized cost	2 192 346	2 925 678

18.2 Investment financial assets and derivatives by type

measured at fair value through other comprehensive income	30.09.2024	31.12.2023
Debt instruments	**18 786 600**	**15 352 460**
issued by the State Treasury	**16 655 927**	**13 818 749**
T-bonds	14 325 763	9 569 859
T-bills	2 330 164	4 248 890
issued by monetary institutions	**2 130 673**	**1 533 711**
eurobonds	54 234	18 139
money bills	1 499 042	950 000
bonds	577 397	565 572
Equity instruments	**143 861**	**119 155**
Total	**18 930 461**	**15 471 615**

(in PLN '000)

measured at fair value through profit or loss	30.09.2024	31.12.2023
Debt instruments	**10 376**	**53 402**
issued by the State Treasury	**10 372**	**53 398**
T-bonds	10 372	53 398
issued by other financial institutions	**4**	**4**
bonds	4	4
Equity instruments	**36 471**	**42 521**
Derivative financial instruments	**187 741**	**327 216**
Interest rate transactions	**127 339**	**180 618**
SWAP	126 451	177 758
Cap Floor Options	844	1 804
FRA	44	1 056
Foreign exchange transactions	**51 999**	**139 434**
FX Swap	15 961	96 237
FX forward	19 680	21 953
CIRS	5 407	13 946
FX options	10 951	7 298
Other options	**232**	**3 179**
Other instruments	**8 171**	**3 985**
Total	**234 588**	**423 139**

measured at amortized cost	30.09.2024	31.12.2023
Debt instruments	**2 192 346**	**2 925 678**
issued by the State Treasury	**2 091 709**	**2 395 852**
T-bonds	2 091 709	2 395 852
issued by other financial companies	**100 637**	**529 826**
bonds	100 637	529 826
Total	**2 192 346**	**2 925 678**

19 Loans and advances to customers

19.1 Accounting principles

During 2024, the Group did not change the rules and methodology for classifying loan exposures and estimating provisions for expected credit losses. The applied rules are the same as those described in the annual financial statements.

Rules for classifying exposures covered by key statutory customer support instruments

The key statutory customer support tools available, inter alia, due to the macroeconomic situation, include:

- Borrowers Support Fund,
- moratoriums available to customers who have lost their source of income.

Exposures covered by the Borrowers Support Fund and exposures covered by moratoriums for customers who have lost their source of income are classified by the Group to forbearance and, consequently, to Stage 2 (unless they meet the impairment / default criteria, which would result in classification to Stage 3).

Future macroeconomic factors in the assessment of credit quality and impairment allowances estimation

The Group ensures that future macroeconomic factors are included in all significant components of the estimated credit losses. Taking into account future macroeconomic factors ensures that the current measurement of expected credit losses reflects the impact of changes in the macroeconomic environment.
The Group currently considers significant, unprecedented changes in the macroeconomic environment (changes in interest rates, inflation, exchange rates, energy prices) resulting from the long-term effects of the pandemic and other global challenges as well as the effect of the war in Ukraine to be key risk areas.

Despite the significant risk, the above factors as at 30 September 2024 did not have a significant impact on the deterioration of the quality of the Bank's credit portfolios. The Group includes in the FLI (forward looking information) component the expected development trajectory of the above macroeconomic phenomena and the target impact on the quality of the portfolio. The FLI component in the portfolio valuation is of significant importance, reflecting the Group's expectations in terms of the scenario-based development of macroeconomic factors.

In particular, in terms of the methodology used for the PD parameter, the Group uses:

- for the retail customer segment, econometric models making the evolution of the DR level dependent on macroeconomic factors in individual scenarios,
- for the corporate client segment that does not keep full accounting, an econometric model forecasting the level of DR depending on macro factors,
- for the corporate client segment maintaining full accounting, industry models enabling the simulation of the client's rating assessment, fed with current information on changes in the macroeconomic environment, taking into account the current levels of sales revenues and margin levels.

The experience of operation in an environment of rising interest rates shows that, the transmission of the rising interest rates to the deterioration of clients' debt servicing capacity was much lower than originally assumed.

Analyzing these phenomena, the Group designed a series of analyzes including:

- assessment of the sensitivity of the PD parameter value to changes in macroeconomic scenarios,
- verification of changes in the loss ratio/early risk measures to changes in the economic environment,
- backtesting of the assumed values of PD parameters taking into account the FLI component at different forecast horizons.

The work resulted in a decision on the value of PD parameters adequate for the macroeconomic scenarios adopted by the Group.

In the area of the LGD parameter, a solution is used that makes the level of healing dependent on the dynamics of changes in macroeconomic factors such as Gross Domestic Product and inflation (the scope and sensitivity to a given factor were adjusted depending on the model segment).

As regards the collateral included in the valuation of credit exposure impairment, the Group takes into account the risk of negative future macroeconomic factors affecting the collateral value and applies an additional haircut over the current market valuations and estimated recovery rates reflecting the economic recoverability of collateral.

In addition, as at 30 September 2024 the Group identifies the risk of negative effects on the credit portfolio of the flood that occurred in the south-western region of Poland in recent weeks. The Group closely monitors the scale of the portfolio potentially exposed to increased losses. Although the Bank does not observe a deterioration in the quality of this credit portfolio as at 30 September 2024 and does not record significant customer demand for facilities and support tools, the Bank recognized a provision in the amount of PLN 25 million addressing the potential increase in risk due to the flood.

(in PLN '000)

19.2 Quality and structure of the loan portfolio

Key credit portfolio quality indicators as at 30 September 2024

As at 30 September 2024, despite the negative macroeconomic environment and geopolitical situation, the Group did not observe a significant negative impact on the quality of the loan portfolio. The share of 30-day overdue loans in the regular portfolio as at 30 September 2024 was 0.40% compared to 0.47 % as at 31 December 2023.

In the Group's opinion, this situation is largely due to the significant resilience of the loan portfolio to macroeconomic challenges and, as a result:

- insignificant, negative transmission of the increased interest rates on the debt servicing capacity of the Bank's clients,
- insignificant impact on the quality of the loan portfolio of the armed conflict in Ukraine.

The Group adapts its lending policies and processes to the current macroeconomic situation and the resulting threats (both in terms of adapting the lending policy and processes to the pandemic environment, high interest rate environment and the geopolitical and economic effects of the war in Ukraine). The changes are aimed at supporting customers (including in the scope of business activities conducted by corporate customers) while at the same time focusing on minimizing the Group's credit losses.

Thanks to all the above circumstances and actions, the quality of the loan portfolio has so far remained resilient to the effects of the current macroeconomic and geopolitical environment.

As at 30 September 2024, the level of write-downs for exposures classified to Stage 1 and Stage 2 is approx. PLN 1 billion and remains stable compared to the level maintained as at 31 December 2023. The key credit parameters of the regular portfolio are presented below (non-default):

Date	DPD 30+*	PD	LGD	Stage 2 share in he regular portfolio	Coverage of regular portfolio write-offs
31.12.2023	0.5%	2.89%	29.8%	12.9%	1.8%
30.09.2024	0.4%	2.65%	28.7%	12.2%	1.6%

according to the EBA definition

As at 30 September 2024 and 31 December 2023, the structure of the portfolio with evidence of impairment, together with the structure of the recoverable amount of collateral, was as follows (in MPLN):

Date	individual portfolio			collective portfolio		
	exposure value	% of collateral coverage*	% coverage with write-offs	exposure value	% of collateral coverage*	% coverage with write-offs
31.12.2023	1 719	45%	55%	3 581	27%	57%
30.09.2024	1 295	46%	48%	3 152	33%	55%

expressed at the economic recoverable amount

Sensitivity of results to variability of assumptions

The Group assumes 3 scenarios of the future macroeconomic situation:

- base, with a probability of implementation of 50% (where the GDP growth rate at the end of the following years in the period 2024-2025 is 3.3% y/y and 4.1% y/y, respectively, and the NBP base rate is 5.00% and 4.25%),

(in PLN '000)

- negative, with a probability of implementation of 25% (where the GDP growth rate at the end of the following years in the period 2024-2025 is 0.8% y/y and 2.0%, respectively, and the NBP base rate is 7.0% and 5.5%)
- optimistic, with a probability of implementation of 25% (where the GDP growth rate at the end of the following years in the period 2024-2025 is 5.1% y/y and 5.0%, respectively, and the NBP base rate is 3.0% and 3.0%).

developed internally by the Macroeconomic Analysis Department.

19.3 Financial data

Loans granted to customers measured at amortized cost	30.09.2024			31.12.2023		
	Gross value	Expected credit losses	Net value	Gross value	Expected credit losses	Net value
Retail segment	**40 591 213**	**-1 497 898**	**39 093 315**	**39 718 395**	**-1 722 645**	**37 995 750**
Consumer loans	15 854 320	-1 249 846	14 604 474	16 293 830	-1 504 909	14 788 921
Loans for residential properties	20 074 773	-212 577	19 862 196	18 385 184	-182 042	18 203 142
Consumer finance loans	4 662 120	-35 475	4 626 645	5 039 381	-35 694	5 003 687
Corporate segment	**25 665 431**	**-1 814 357**	**23 851 074**	**25 341 561**	**-2 372 214**	**22 969 347**
Working capital loans	11 895 912	-976 704	10 919 208	12 247 262	-1 181 640	11 065 622
Investment loans	5 013 286	-551 401	4 461 885	5 152 329	-681 233	4 471 096
Other business loans	8 756 233	-286 252	8 469 981	7 941 970	-509 341	7 432 629
Total	**66 256 644**	**-3 312 255**	**62 944 389**	**65 059 956**	**-4 094 859**	**60 965 097**

Loans granted to customers measured at amortized cost	30.09.2024			31.12.2023		
	Gross value	Expected credit losses	Net value	Gross value	Expected credit losses	Net value
Retail segment	**40 591 213**	**-1 497 898**	**39 093 315**	**39 718 395**	**-1 722 645**	**37 995 750**
Stage 1	36 617 017	-321 148	36 295 869	35 222 693	-315 786	34 906 907
Stage 2	2 533 191	-325 078	2 208 113	2 755 743	-368 491	2 387 252
Stage 3	1 410 956	-853 216	557 740	1 707 963	-1 037 412	670 551
POCI	30 049	1 544	31 593	31 996	-956	31 040
Corporate segment	**25 665 431**	**-1 814 357**	**23 851 074**	**25 341 561**	**-2 372 214**	**22 969 347**
Stage 1	17 376 465	-94 630	17 281 835	16 536 132	-77 399	16 458 733
Stage 2	4 978 906	-231 881	4 747 025	4 929 829	-320 453	4 609 376
Stage 3	3 035 779	-1 485 944	1 549 835	3 592 677	-1 960 171	1 632 506
POCI	274 281	-1 902	272 379	282 923	-14 191	268 732
Total	**66 256 644**	**-3 312 255**	**62 944 389**	**65 059 956**	**-4 094 859**	**60 965 097**

Loans and advances to customers measured at amortized cost by method of expected credit losses	30.09.2024			31.12.2023		
	Gross value	Expected credit losses	Net value	Gross value	Expected credit losses	Net value
Stage 3	**4 446 735**	**-2 339 160**	**2 107 575**	**5 300 640**	**-2 997 583**	**2 303 057**
individual method	1 295 051	-618 535	676 516	1 719 344	-949 023	770 321
group method	3 151 684	-1 720 625	1 431 059	3 581 296	-2 048 560	1 532 736
Stage 2	**7 512 097**	**-556 959**	**6 955 138**	**7 685 572**	**-688 944**	**6 996 628**
Stage 1	**53 993 482**	**-415 778**	**53 577 704**	**51 758 825**	**-393 185**	**51 365 640**
POCI	**304 330**	**-358**	**303 972**	**314 919**	**-15 147**	**299 772**
Total	**66 256 644**	**-3 312 255**	**62 944 389**	**65 059 956**	**-4 094 859**	**60 965 097**

(in PLN '000)

Loans and advances to customers measured at amortized cost – exposure of the Bank to the credit risk	30.09.2024			31.12.2023		
	Gross value	Expected credit losses	Net value	Gross value	Expected credit losses	Net value
Stage 3	**4 446 735**	**-2 339 160**	**2 107 575**	**5 300 640**	**-2 997 583**	**2 303 057**
not overdue	1 177 835	-458 655	719 180	1 141 970	-428 345	713 625
overdue	3 268 900	-1 880 505	1 388 395	4 158 670	-2 569 238	1 589 432
Stage 1 and Stage 2	**61 505 579**	**-972 737**	**60 532 842**	**59 444 397**	**-1 082 129**	**58 362 268**
not overdue	58 645 338	-701 185	57 944 153	56 538 932	-783 305	55 755 627
overdue	2 860 241	-271 552	2 588 689	2 905 465	-298 824	2 606 641
POCI	**304 330**	**-358**	**303 972**	**314 919**	**-15 147**	**299 772**
Total	**66 256 644**	**-3 312 255**	**62 944 389**	**65 059 956**	**-4 094 859**	**60 965 097**

During three quartrs of 2024, the Group sold loans with a total gross value amounting to PLN 354 394 thousand, while the allowance for expected credit losses for this portfolio amounted to PLN 235 351 thousand. The impact of debt sales on the cost of risk in 2024 amounted to PLN (+) 25 383 thousand (profit).

From 1 January to 30 September 2024 the Group wrote off the financial assets amounted to PLN 1 155 509 thousand. The financial assets that are written off concerned both the loan portfolio of retail and business customers.

Loans and advances to customers measured at amortized cost	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
As at 01.01.2024	**51 758 824**	**7 685 575**	**5 300 640**	**314 919**	**65 059 958**
New / purchased / granted financial assets	15 796 647	0	0	62 348	15 858 995
Changes due to the sale or expiry of the instrument	-7 053 827	-707 607	-475 893	-12 561	-8 249 888
Transfer to Stage 1	968 437	-926 156	-42 281	0	0
Transfer to Stage 2	-2 773 209	2 976 150	-202 941	0	0
Transfer to Stage 3	-577 310	-828 758	1 406 067	0	-1
Valuation changes	-4 137 093	-552 595	-312 899	-44 155	-5 046 742
Assets written off the balance sheet	0	0	-1 141 531	-13 978	-1 155 509
Other changes, including exchange differences	11 013	-134 512	-84 427	-2 243	-210 169
As at 30.09.2024	**53 993 482**	**7 512 097**	**4 446 735**	**304 330**	**66 256 644**
Expected credit losses					
As at 01.01.2024	**393 186**	**688 943**	**2 997 583**	**15 147**	**4 094 859**
New / purchased / granted financial assets	192 769	0	0	48 360	241 129
Changes due to the sale or expiry of the instrument	-73 090	-78 631	-385 090	-13 113	-549 924
Transfer to Stage 1	88 537	-80 496	-8 041	0	0
Transfer to Stage 2	-73 530	150 572	-77 042	0	0
Transfer to Stage 3	-45 187	-132 079	177 266	0	0
Change in the estimate of expected credit losses	-64 390	15 382	864 482	12 943	828 417
Total allowances for expected credit losses in the income statement	**25 109**	**-125 252**	**571 575**	**48 190**	**519 622**
Assets written off the balance sheet	0	0	-1 141 531	-13 978	-1 155 509
Measurement at fair value at the moment of initial recognition	0	0	0	-39 629	-39 629
Other changes, including exchange differences	-2 517	-6 732	-88 467	-9 372	-107 088
As at 30.09.2024	**415 778**	**556 959**	**2 339 160**	**358**	**3 312 255**
Net carrying amount as at 30.09.2024	**53 577 704**	**6 955 138**	**2 107 575**	**303 972**	**62 944 389**

Loans and advances to customers measured at amortized cost	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
As at 01.01.2023	**48 385 154**	**7 565 769**	**5 891 329**	**229 781**	**62 072 033**
New / purchased / granted financial assets	13 944 294	0	0	124 822	14 069 116

(in PLN '000)

Loans and advances to customers measured at amortized cost	Stage 1	Stage 2	Stage 3	POCI	Total
Changes due to the sale or expiry of the instrument, reclassification	-5 565 394	-979 914	-540 624	-1 243	-7 087 175
Transfer to Stage 1	900 623	-867 848	-32 775	0	0
Transfer to Stage 2	-3 419 838	3 612 057	-192 219	0	0
Transfer to Stage 3	-724 718	-838 105	1 562 823	0	0
Valuation changes	-2 971 735	-628 686	-278 878	-25 701	-3 905 000
Assets written off the balance sheet	0	0	-596 577	-1 910	-598 487
Other changes, including exchange differences	17 248	-89 092	-58 490	655	-129 679
As at 30.09.2023	**50 565 634**	**7 774 181**	**5 754 589**	**326 404**	**64 420 808**
Expected credit losses					
As at 01.01.2023	**429 952**	**773 922**	**3 217 249**	**41 034**	**4 462 157**
New / purchased / granted financial assets	232 746	0	0	117 592	350 338
Changes due to the sale or expiry of the instrument	-57 631	-54 465	-254 399	-1 355	-367 850
Transfer to Stage 1	100 004	-91 365	-8 639	0	0
Transfer to Stage 2	-104 816	154 271	-49 455	0	0
Transfer to Stage 3	-64 132	-183 372	247 504	0	0
Change in the estimate of expected credit losses	-77 804	117 499	688 297	12 675	740 667
Total allowances for expected credit losses in the income statement	**28 367**	**-57 432**	**623 308**	**128 912**	**723 155**
Assets written off the balance sheet	0	0	-596 577	-1 910	-598 487
Measurement at fair value at the moment of initial recognition	0	0	0	-127 364	-127 364
Other changes, including exchange differences	-4 828	536	-9 210	-8 045	-21 547
As at 30.09.2023	**453 491**	**717 026**	**3 234 770**	**32 627**	**4 437 914**
Net carrying amount as at 30.09.2023	**50 112 143**	**7 057 155**	**2 519 819**	**293 777**	**59 982 894**

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

In June 2024, the Bank concluded an agreement with Romanian Patria Bank S.A. for the sale of a portfolio of cash loans granted by the Bank's branch in Romania. In connection with the above, the Bank reclassified the above assets in accordance with the provisions of IFRS 9 4.4.1. On 7 September 2024, the branch of Alior Bank in Romania transferred the loan portfolio to Patria Bank S.A. in accordance with the agreement. The final settlement with the buyer took place on 7 October 2024. On the loan portfolio sale transaction, the Bank recognized a loss of PLN 13.4 million, which was charged to the result of Q3 2024.

Loans and advances to customers measured at fair value through profit or loss	30.09.2024	31.12.2023
Retail segment	**1 430**	**0**
Consumer loans	1 430	0
Total	**1 430**	**0**

20 Other assets

20.1 Financial data

	30.09.2024	31.12.2023
Sundry debtors	**494 374**	**636 935**
Other settlements	263 438	466 820
Receivables related to sales of services (including insurance)	30 860	31 555
Guarantee deposits	17 258	17 364
Settlements due to cash in ATMs	182 818	121 196
Costs recognised over time	**70 266**	**63 735**
Maintenance and support of systems, servicing of plant and equipment	48 550	38 966
Other deferred costs	21 716	24 769

(in PLN '000)

	30.09.2024	31.12.2023
VAT settlements	**28 281**	**37 255**
Other assets (gross)	**592 921**	**737 925**
Write-down	-63 227	-66 574
Total	**529 694**	**671 351**
including financial assets (gross)	494 374	636 935

Change in write-downs

	30.09.2024	30.09.2023
Open balance	**66 574**	**58 978**
Established provisions	3 723	9 197
Reversal of provisions	-2 650	-2 041
Assets written off from the balance sheet	-4 291	-568
Other changes	-129	-60
Closing balance	**63 227**	**65 506**

21 Assets pledged as colleteral

21.1 Financial data

	30.09.2024	31.12.2023
Financial assets collateraling the EIB loan	18 328	46 894
Total	**18 328**	**46 894**

Apart from assets that secure liabilities that are disclosed separately in the statement of financial position, the Bank additionally held the following collateral for the liabilities that did not meet the criterion of separate presentation in accordance with IFRS 9:

	30.09.2024	31.12.2023
Treasury bonds blocked with BGF	399 081	413 428
Deposits as derivative transactions (ISDA) collatera	709 498	847 886
Deposit as collateral of transactions performed in Alior Trader	3	16
Total	**1 108 582**	**1 261 330**

22 Amounts due to banks

22.1 Financial data

Structure by type	30.09.2024	31.12.2023
Current deposits	1 868	4 664
Term deposits	49 825	0
Received loan	143 805	157 909
Other liabilities	52 347	125 745
Total	**247 845**	**288 318**

(in PLN '000)

23 Amounts due to customers

23.1 Financial data

Structure by type and customer segment	30.09.2024	31.12.2023
Retail segment	**52 948 199**	**51 929 220**
Current deposits	38 437 936	36 284 917
Term deposits	13 816 886	14 128 620
Own issue of banking securities	413 288	1 252 656
Other liabilities	280 089	263 027
Corporate segment	**23 498 757**	**23 258 031**
Current deposits	13 463 381	14 223 309
Term deposits	8 267 618	7 900 964
Own issue of banking securities	2 221	4 665
Own issue of bonds	1 432 424	851 858
Other liabilities	333 113	277 235
Total	**76 446 956**	**75 187 251**

	Nominal value in the currency	Currency	Term	Interest	Status of liabilities	
					30.09.2024	31.12.2023
Series M Bonds	400 000	PLN	26.06.2023-26.06.2026	WIBOR6M +3.10	409 524	400 584
Series N Bonds	450 000	PLN	20.12.2023-15.06.2027	WIBOR6M +2.81	461 543	451 274
Series O Bonds	550 000	PLN	27.06.2024-09.06.2028	WIBOR6M +1.99	561 357	0
BPW	14 414	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.	62 343	62 777
BPW	301 208	PLN	07.2021-04.2025		314 289	1 068 216
BPW	9 885	USD	07.2021-04.2025		38 877	126 328
Total					**1 847 933**	**2 109 179**

from 1 January to 30 September 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	7 961	7 961
BPW	USD	0	0	114	449
Total			**621 212**		**8 410**

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
Total			**1 464 568**		**17 934**

(in PLN '000)

24 Provisions

24.1 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
As at 01.01 2024	**157 197**	**8 362**	**73 878**	**894**	**69 645**	**309 976**
Established provisions	71 536	8 588	70 028	3 207	2 452	155 811
Reversal of provisions	-17 224	-663	-114 153	0	-5 005	-137 045
Utilized provisions	-14 222	-7 903	0	-769	-14 327	-37 221
Other changes	3	0	-133	-21	0	-151
As at 30.09. 2024	**197 290**	**8 384**	**29 620**	**3 311**	**52 765**	**291 370**

** provision for legal risk related to the FX indexed loan portfolio amount to PLN 51 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
As at 01.01. 2023	**52 371**	**5 479**	**116 823**	**1 718**	**91 556**	**267 947**
Established provisions	72 171	6 477	76 783	0	234	155 665
Reversal of provisions	-5 790	-689	-123 255	0	0	-129 734
Utilized provisions	-6 805	-4 805	0	-577	-17 325	-29 512
Other changes	-11	0	60	-2	0	47
As at 30.09.2023	**111 936**	**6 462**	**70 411**	**1 139**	**74 465**	**264 413**

** provision for legal risk related to the FX indexed loan portfolio amount to PLN 7 million*

Split of the restructuring provision as at 30.09.2024 is presented below:

	31.12.2023	establish	utilisation	other	30.09.2024
Employee severance pay	0	3 207	-769	-21	2 417
Reorganisation of the branch network	894	0	0	0	894
Total	**894**	**3 207**	**-769**	**-21**	**3 311**

25 Other liabilities

25.1 Financial data

	30.09.2024	31.12.2023
Other financial liabilities	823 423	1 558 024
Interbank settlements	531 483	1 086 303
Settlements of payment cards	110	137 558
Other settlements, including	251 945	297 913
settlements with insurers	18 282	27 465
Liability for reimbursement of credit costs	39 885	36 250
Other non financiali liabilities	947 433	1 095 876
Taxes, customs duty, social and health insurance payables and other public settlements	57 531	62 171
Settlements of issues of bank certificates of deposits	223	13 510
Liabilities due to contributions to the Bank Guarantee Fund	204 259	192 066
Accrued expenses	123 520	249 601
Income received in advance	51 660	53 298
Provision for bancassurance resignations	52 319	58 389

(in PLN '000)

	30.09.2024	31.12.2023
Provision for bonuses	105 645	119 976
Provision for unutilised annual leaves	27 058	26 603
Provision for bonuse settled in phantom shares	13 093	11 313
Provision for retention programs	37	37
Other employee provisions	13 451	10 138
Liabilities due to lease agreements	244 992	252 938
Other liabilities	53 645	45 836
Total	**1 770 856**	**2 653 900**

26 Financial liabilities

26.1 Financial data

	30.09.2024	31.12.2023
Short sale of T-bonds	**0**	**55 814**
Interest rate transactions	**120 951**	**142 243**
SWAP	119 924	138 861
Cap Floor Options	844	1 804
FRA	183	1 578
Foreign exchange transactions	**31 874**	**71 441**
FX Swap	4 271	44 658
FX forward	15 296	13 846
CIRS	1 048	2 936
FX options	11 259	10 001
Other options	**233**	**3 179**
Other instruments	**4 729**	**3 786**
Total	**157 787**	**276 463**

27 Subordinated liabilities

27.1 Financial data

Liabilities classified as the Bank's own funds	Nominal value in the currency	Currency	Term	Interest	Status of liabilities	
					30.09.2024	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	623 106	609 924
Series P2A bonds	150 000	PLN	14.12.2017-29.12.2025	WIBOR6M +2.70	153 307	150 106
Total					**776 413**	**1 159 999**

**Details in note 38*

28 Off-balance sheet items

28.1 Financial data

	30.09.2024	31.12.2023
Granted off-balance liabilities	**12 810 763**	**12 447 700**
Concerning financing	**11 880 841**	**11 624 267**
Guarantees	**929 922**	**823 433**
Performance guarantees	355 349	307 737

(in PLN '000)

	30.09.2024	31.12.2023
Financial guarantees	574 573	515 696

30.09.2024	Nominal amount			Provision		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Concerning financing	10 716 824	1 064 779	99 238	15 053	7 541	1 931
Guarantees	752 936	160 621	16 365	222	277	4 596
Total	**11 469 760**	**1 225 400**	**115 603**	**15 275**	**7 818**	**6 527**

31.12.2023	Nominal amount			Provision		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Concerning financing	10 203 297	1 268 205	152 765	13 246	25 700	1 825
Guarantees	621 161	148 711	53 561	192	324	32 591
Total	**10 824 458**	**1 416 916**	**206 326**	**13 438**	**26 024**	**34 416**

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
As at 01.01.2024	**10 824 458**	**1 416 916**	**206 326**	**12 447 700**
New / purchased / granted financial assets	4 554 330	196 981	5 469	4 756 780
Changes due to the sale or expiry of the instrument	-2 668 154	-432 563	-130 540	-3 231 257
Transfer to Stage 1	137 881	-109 661	-28 220	0
Transfer to Stage 2	-408 799	410 391	-1 592	0
Transfer to Stage 3	-4 580	-53 704	58 284	0
Changing commitment	-960 996	-201 696	7 442	-1 155 250
Other changes, including exchange rate differences	-4 380	-1 264	-1 566	-7 210
As at 30.09.2024	**11 469 760**	**1 225 400**	**115 603**	**12 810 763**

Change in off-balance sheet liabilities (nominal value)	Stage 1	Stage 2	Stage 3	Total
As at 01.01.2023	**8 727 782**	**1 128 403**	**348 191**	**10 204 376**
New / purchased / granted financial assets	4 255 030	185 018	38 615	4 478 663
Changes due to the sale or expiry of the instrument	-1 866 774	-349 136	-198 482	-2 414 392
Transfer to Stage 1	225 606	-225 203	-403	0
Transfer to Stage 2	-469 195	469 851	-656	0
Transfer to Stage 3	-7 767	-5 101	12 868	0
Change in the estimate od the provision for off-balanse sheet liabilities	-556 213	-1 934	10 180	-547 967
Other changes, including exchange rate differences	-2 161	-1 549	-276	-3 986
As at 30.09.2023	**10 306 308**	**1 200 349**	**210 037**	**11 716 694**

Change in the provision for off-balance sheet liabilities	Stage 1	Stage 2	Stage 3	Total
As at 01.01.2024	**13 438**	**26 024**	**34 416**	**73 878**
New / purchased / granted financial assets	9 435	6 058	334	15 827
Changes due to the sale or expiry of the instrument	-7 630	-12 220	-30 168	-50 018

(in PLN '000)

Change in the provision for off-balance sheet liabilities	Stage 1	Stage 2	Stage 3	Total
Transfer to Stage 1	2 270	-2 060	-210	0
Transfer to Stage 2	-3 439	3 825	-386	0
Transfer to Stage 3	-43	-19 200	19 243	0
Change in the estimate od the provision for off-balanse sheet liabilities	-221	-1 630	-8 083	-9 934
Other changes, including exchange rate differences	1 465	7 021	-8 619	-133
As at 30.09.2024	**15 275**	**7 818**	**6 527**	**29 620**

Change in the provision for off-balance sheet liabilities	Stage 1	Stage 2	Stage 3	Total
As at 01.01.2023	**12 837**	**9 702**	**94 284**	**116 823**
New / purchased / granted financial assets	13 357	6 931	8 950	29 238
Changes due to the sale or expiry of the instrument	-4 057	-4 883	-60 932	-69 872
Transfer to Stage 1	2 299	-2 299	0	0
Transfer to Stage 2	-4 338	4 338	0	0
Transfer to Stage 3	0	0	0	0
Changing commitment	-6 363	1 438	-893	-5 818
Other changes, including exchange rate differences	1 742	-1 587	-115	40
As at 30.09.2023	**15 477**	**13 640**	**41 294**	**70 411**

29 Fair value

29.1 Accounting principles and estimates and assumptions

The fair value is a price receivable in the sale of an asset or payable for transfer of a liability in an arm's length transaction in the principal (or most advantageous) market as at the measurement date subject to prevailing market conditions (exit price), irrespective of the fact if such price is directly observable or estimated with another measurement technique.

Depending on the classification category of financial assets and liabilities to a specific hierarchy level, various methods to measure fair value are applied.

Level 1: On the basis of prices quoted in the principal (or most advantageous) market

Financial assets and liabilities with fair value measured directly on the basis of quoted prices (not adjusted) from active markets for identical assets or liabilities. This category includes financial and equity instruments measured at fair value through profit and loss for which there is an active market and for which the fair value is determined on the basis of market value being the purchase price:

- debt securities listed on active, liquid financial markets,
- debt and equity securities traded in a regulated market, including in the portfolio of the Brokerage House,
- derivative instruments that are traded in a regulated market.

Level 2: On the basis of measurement techniques based on assumptions using information coming from the principal (or most advantageous) market;

Financial assets and liabilities whose fair value is measured with measurement models where all material input data is observable in the market directly (as prices) or indirectly (relying on prices). In that category the Group classifies financial instruments for which no active market exists:

(in PLN '000)

	Measurement method (techniques)	Material observable input data
DERIVATIVE FINANCIAL INSTRUMENTS – CIRS. IRS. FRA. FX. FORWARD. FX SWAP TRANSACTIONS	The model of discounted future cash flows based on profitability curves.	Profitability curves are built on the basis of market rates. market data of the money market. FRA. IRS. OIS basis swap transaction market. FX instruments are measured using NBP's fixing rates and market rates of swap points.
FX OPTIONS. INTEREST RATE OPTIONS	FX options and interest rate options are measured with the use of specific valuation models characteristic for a specific option.	For option instruments additionally market quotations are used for market variability quotations of currency pairs and interest rates.
MONEY BILLS/TREASURY BILLS	Profitability curve method	Profitability curves are developed on the basis of money market data.
COMMODITY FORWARD/SWAP	Commodity instruments are measured on the basis of future cash flows calculated on the basis of profitability curves characteristic for specific commodities.	Profitability curves are built on the basis of quoted commodity futures contracts.

Level 3: For which minimum one factor affecting the price is not observable in the market.

Financial assets and liabilities with the fair value measured with the measurement models where input data is not based on observable market data (non-observable input data).

Such instruments include options embedded in certificates of deposit issued by the Group and options in the interbank market to hedge positions of the embedded options. The fair value is determined on the basis of market prices of those options or an internal model subject to both observable parameters (e.g. price of the base instrument, secondary quotations of options) and non-observable (e.g. variability, correlations between base instruments in options based on a basket). Model parameters are determined on the basis of a statistical analysis. At the end of the reporting period, the position in the above-mentioned instruments was closed on back-to-back basis, which means that the change in valuation of options embedded in structured instruments is offset by changes in the valuation of options concluded on the interbank market.

	Measurement method (techniques)	Material observable input data	Factor unobservable	Range of unobservable factors	Impact on valuation
EXOTIC OPTIONS	The prices of exotic options embedded in structured products are determined on the basis of market prices or measured with the internal model subject to both observable parameters (e.g. price of the base instrument, secondary quotations of options) and non-observable (e.g. variability, correlations between base instruments).	The prices of exotic options embedded in structured products are acquired from the market.	Volatility of prices of underlying instruments, correlations of prices of underlying instruments	Back-to-back closed options, changes in unobservable factors without affecting the total portfolio valuation	none
SHARES VISA INC C SERIES	The current market value of listed ordinary shares of Visa Inc. subject to the conversion ratio and discount, considering changing prices of the shares of Visa Inc.	Market value of the listed ordinary shares of Visa Inc.	Discount due to the illiquid nature of the securities,conversion rate to common stock	Discount +/-19% ; conversion rate <-0.024;0>	+23.5%/-24.5%
SHARES VISA INC A SERIES privileged	The current market value of listed ordinary shares of Visa Inc.	Market value of the listed ordinary shares of Visa Inc.	Conversion rate to common stock	Conversion rate is constant - no impact on share value	none
SHARES PSP sp. z o.o.	Fair value estimation is based on the current value of the company's forecast results	Risk free rate	Risk premium, financial performance forecast	Risk premium +/- 25bps. ; Financial forecasts +/- 10%	+12.8%/-12.7%
SHARES RUCH SA	Estimating the fair value based on the present value of the company's forecast results	Risk-free rate	Risk premium, financial performance forecast	Risk premium +/- 25bps. ; Financial forecasts +/- 10%	none

(in PLN '000)

Transfers of instruments between measurement levels as at the end of the reporting period. Transfers are made subject to conditions set forth in the international financial reporting standards. for instance, quotation availability of instruments from an active market, availability of quotations of pricing factors, or impact of non-observable data on the fair value.

29.2 Financial data

Below there are carrying values of financial assets and liabilities split into measurement categories (levels).

Compared to the previous reporting period. there was no change to the classification and measurement principles of the hierarchy levels of the fair value.

30.09.2024	Level 1	Level 2	Level 3	Total
Financial assets	**15 412 294**	**3 908 125**	**182 066**	**19 502 485**
Measured at fair value through profit and loss	**10 373**	**187 440**	**38 205**	**236 018**
SWAP	0	126 451	0	126 451
Cap Floor Options	0	844	0	844
FRA	0	44	0	44
FX Swap	0	15 961	0	15 961
FX forward	0	19 680	0	19 680
CIRS	0	5 407	0	5 407
FX options	0	10 883	68	10 951
Other options	0	0	232	232
Other instruments	1	8 170	0	8 171
Financial deriatives	**1**	**187 440**	**300**	**187 741**
T- bonds	10 372	0	0	10 372
Other bonds	0	0	4	4
Equity instruments	0	0	36 471	36 471
Investments securities	**10 372**	**0**	**36 475**	**46 847**
Loans and advances to customers	**0**	**0**	**1 430**	**1 430**
Measured at fair value through other comprehensive income	**15 401 921**	**3 403 007**	**143 861**	**18 948 789**
Money bills	0	1 499 042	0	1 499 042
T- bonds	14 325 763	0	0	14 325 763
T-bills	426 199	1 903 965	0	2 330 164
Other bonds	631 631	0	0	631 631
Equity instruments	0	0	143 861	143 861
Asstes pledged as collateral	18 328	0	0	18 328
Derivative hedging instruments	**0**	**317 678**	**0**	**317 678**
Interest rate transactions	0	317 678	0	317 678

31.12.2023	Level 1	Level 2	Level 3	Total
Financial assets	**12 510 332**	**3 555 685**	**164 859**	**16 230 876**
Measured at fair value through profit and loss	**53 398**	**324 037**	**45 704**	**423 139**
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

(in PLN '000)

31.12.2023	Level 1	Level 2	Level 3	Total
Other instruments	0	3 985	0	3 985
Financial derivatives	**0**	**324 037**	**3 179**	**327 216**
T- bonds	53 398	0	0	53 398
Other bonds	0	0	4	4
Equity instruments	0	0	42 521	42 521
Investments securities	**53 398**	**0**	**42 525**	**95 923**
Measured at fair value through other comprehensive income	**12 456 934**	**2 895 526**	**119 155**	**15 471 615**
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	119 155	119 155
Derivative hedging instruments	**0**	**336 122**	**0**	**336 122**
Interest rate transactions	0	336 122	0	336 122

30.09.2024	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	**196**	**157 156**	**435**	**157 787**
SWAP	0	119 924	0	119 924
Cap Floor Options	0	844	0	844
FRA	0	183	0	183
FX Swap	0	4 271	0	4 271
FX forward	0	15 296	0	15 296
CIRS	0	1 048	0	1 048
FX options	0	11 057	202	11 259
Other options	0	0	233	233
Other instruments	196	4 533	0	4 729
Derivative hedging instruments	**0**	**469 683**	**0**	**469 683**
Interest rate transactions	0	469 683	0	469 683

31.12.2023	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	**55 814**	**217 470**	**3 179**	**276 463**
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
Derivative hedging instruments	**0**	**682 631**	**0**	**682 631**
Interest rate transactions	0	682 631	0	682 631

(in PLN '000)

Reconciliation of changes at level 3 of fair value hierarchry

30.09.2024	Assets				Liabilities
Changes in financial assets and liabilities	Equity instruments	Debt instruments	Derivatives	Loans and advances to customers	Derivatives
Opening balance	**161 676**	**4**	**3 179**	**0**	**3 179**
Acquisitions	0	0	69	1 430	204
Net changes recognized in other comprehensive income	24 834	0	0	0	0
Net changes recognized in profit and loss	3 031	0	-1 220	0	-1 220
Currency differences	-748	0	0	0	0
Settlement / redemption	-8 461	0	-1 728	0	-1 728
Total	**180 332**	**4**	**300**	**1 430**	**435**

30.09.2023	Assets			Liabilities
Changes in financial assets and liabilities	Equity instruments	Debt instruments	Derivatives	Derivatives
Opening balance	**152 004**	**57 600**	**529**	**529**
Acquisitions	0	0	29	29
Net changes recognized in other comprehensive income	16 033	0	0	0
Net changes recognized in profit and loss	3 960	0	798	798
Currency differences	453	0	0	0
Settlement / redemption	-21 184	-57 596	0	0
Total	**151 266**	**4**	**1 356**	**1 356**

During three quarters of 2024, the Group 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.

30.09.2024	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Assets					
Cash and cash equivalents	**3 265 338**	**1 961 671**	**1 303 667**	**0**	**3 265 338**
Amount due from banks	**795 644**	**0**	**795 644**	**0**	**795 644**
Loans and advances to customers	**62 944 389**	**0**	**0**	**59 896 644**	**59 896 644**
Retail segment	**39 093 315**	**0**	**0**	**36 283 696**	**36 283 696**
Consumer loans	14 604 474	0	0	13 621 492	13 621 492
Loans for residential real estate*	19 862 196	0	0	17 992 184	17 992 184
Consumer finance loans	4 626 645	0	0	4 670 020	4 670 020
Corporate segment	**23 851 074**	**0**	**0**	**23 612 948**	**23 612 948**
Working capital facility	10 919 208	0	0	10 851 578	10 851 578
Investment loans	4 461 885	0	0	4 596 476	4 596 476
Other	8 469 981	0	0	8 164 894	8 164 894
Investment securities measured at amortized cost	**2 192 346**	**2 212 990**	**0**	**61**	**2 213 051**
Other financial assets	**494 374**	0	0	**494 374**	**494 374**
Liabilities					
Amounts due to banks	**247 845**	**0**	**247 845**	**0**	**247 845**
Current deposits	1 868	0	1 868	0	1 868
Term deposits	49 825	0	49 825	0	49 825
Credit received	143 805	0	143 805	0	143 805

(in PLN '000)

30.09.2024	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Other liabilities	52 347	0	52 347	0	52 347
Amounts due to customers	**76 446 956**	**0**	**0**	**76 446 512**	**76 446 512**
Current deposits	51 901 317	0	0	51 901 317	51 901 317
Term deposits	22 084 504	0	0	22 084 504	22 084 504
Bank securities issued	415 509	0	0	415 065	415 065
Bonds issued	1 432 424	0	0	1 432 424	1 432 424
Other liabilities	613 202	0	0	613 202	613 202
Other financial liabilities	**823 423**	**0**	**0**	**823 423**	**823 423**
Subordinated liabilities	**776 413**	**0**	**0**	**776 413**	**776 413**

31.12.2023	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Assets					
Cash and cash equivalents	**2 539 259**	**1 121 499**	**1 417 760**	**0**	**2 539 259**
Amount due from banks	**4 615 420**	**0**	**4 615 420**	**0**	**4 615 420**
Loans and advances to customers	**60 965 097**	**0**	**0**	**58 183 628**	**58 183 628**
Retail segment	**37 995 750**	**0**	**0**	**35 364 992**	**35 364 992**
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
Corporate segment	**22 969 347**	**0**	**0**	**22 818 636**	**22 818 636**
Working capital facility	11 065 622	0	0	11 196 714	11 196 714
Investment loans	4 471 096	0	0	4 520 102	4 520 102
Other	7 432 629	0	0	7 101 820	7 101 820
Asstes pledged as collateral	**46 894**	**46 894**	**0**	**0**	**46 894**
Investment securities measured at amortized cost	**2 925 678**	**2 923 603**	**0**	**61**	**2 923 664**
Other financial assets	**636 935**	**0**	**0**	**636 935**	**636 935**
Liabilities					
Amounts due to banks	**288 318**	**0**	**288 318**	**0**	**288 318**
Current deposits	4 664	0	4 664	0	4 664
Credit received	157 909	0	157 909	0	157 909
Other liabilities	125 745	0	125 745	0	125 745
Amounts due to customers	**75 187 251**	**0**	**0**	**75 323 377**	**75 323 377**
Current deposits	50 508 226	0	0	50 508 226	50 508 226
Term deposits	22 029 584	0	0	22 029 584	22 029 584
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	540 262	0	0	540 262	540 262
Other financial liabilities	**1 558 024**	**0**	**0**	**1 558 024**	**1 558 024**
Subordinated liabilities	**1 159 999**	**0**	**0**	**1 159 999**	**1 159 999**

For many instruments. market values are not available; therefore, the fair value is estimated with a number of measurement techniques. Measurement of the fair value of financial instruments has been made with a model based on estimates of the present value of future cash flows by discounting cash flows at appropriate discount rates.

All model calculations contain certain simplifications and are sensitive to the underlying assumptions. Below there is a summary of core methods and assumptions used to estimate the fair value of financial instruments that are not measured at fair value.

(in PLN '000)

Loans and advances to customers:

In the method applied by the Group to calculate the fair value of receivables from customers (without overdraft facilities), the Group compares the margins generated on newly granted loans (in the month preceding the reporting date) with the margin on the total loan portfolio. If the margins on newly granted loans are higher than the margins on the portfolio, the fair value of the loan is lower than its carrying value. In the opposite situation, i.e. if the margins on newly granted loans are lower than the margins on the existing portfolio, the fair value of the loans is higher than their carrying value.

Loans and advances to customers were fully classified to level 3 of the fair value hierarchy due to the application of a measurement model with material non-observable input data or current margins generated on newly granted loans.

Financial liabilities measured at amortised cost

The Group assumes that the fair value of customer and bank deposits and other financial liabilities maturing within 1 year is approximately equal to their carrying value. Deposits are accepted on a daily basis and thus their terms and conditions are similar to the prevailing market terms and conditions of identical transactions. The maturities of those items are short and therefore there is no major difference between the carrying value and fair value.

For disclosure purposes, the Group determines the fair value of financial liabilities with residual maturities (or repricing of the variable rate) in excess of 1 year. That group of liabilities includes the own issues and subordinated loans. Determining the fair value of that group of liabilities, the Group determines the present value on anticipated payments on the basis of present percentage curves and the original spread of the issue.

Other financial assets and liabilities

For other financial instruments, the Group assumes that the carrying value is close to fair value. This applies to the following items: cash and cash equivalents, assets available for sale, other financial assets, and other financial liabilities.

30 Transactions with related entities

The ultimate parent company of the Group is Powszechny Zakład Ubezpieczeń SA.

The related parties of the Group are PZU SA and its related entities and entities related to members of the Management and Supervisory Boards.

The following tables present the type and value of transactions with related parties. Transactions between the Bank and its subsidiaries which are related parties of the Bank have been eliminated in consolidation and are not disclosed in this note.

Nature of transactions with related entities

All transactions with related entities are performed in line with relevant regulations concerning banking products and at market rates.

Parent company	30.09.2024	31.12.2023
Other assets	2 575	5 994
Total assets	**2 575**	**5 994**
Amounts due to customers	5 095	2 387
Other liabilities	340	521
Total liabilities	**5 435**	**2 908**

(in PLN '000)

Subsidiaries of the parent company	30.09.2024	31.12.2023
Cash and cash equivalents	1 795	632
Loans and advances to customers	56 861	53 905
Other assets	1 407	1 150
Total assets	**60 063**	**55 687**
Amounts due to customers	76 042	156 617
Provisins	1	6
Other liabilities	4 865	3 753
Total liabilities	**80 908**	**160 376**

Subsidiaries of the parent company	30.09.2024	31.12.2023
Off-balance liabilities granted to customers	**27 451**	**28 577**
Relating to financing	27 451	28 577

Joint control by persons related to the Group	30.09.2024	31.12.2023
Loans and advances to customers	5	5
Total assets	**5**	**5**
Amounts due to customers	38	2 720
Amounts due to customers	**38**	**2 720**

Joint control by persons related to the Group	30.09.2024	31.12.2023
Off-balance liabilities granted to customers	**0**	**1**
Relating to financing	0	1

Parent company	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Interest income calculated using the effective interest method	16 170	15 224
Interest expences	-59	-26
Fee and commission income	29 364	32 146
Fee and commission expense	-11 561	-5 156
Net other operating income and expenses	120	28
General administrative expenses	-4 472	-3 538
Total	**29 562**	**38 678**

Subsidiaries of the parent company	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Interest income calculated using the effective interest method	54 507	53 500
Income of a similar nature	199	0
Interest expences	-2 190	-3 576
Fee and commission income	17 543	17 985
Fee and commission expense	-769	-5
The result on financial assets measured at fair value through profit or loss and FX result	-107	-11
Net other operating income and expenses	39	10
General administrative expenses	-13 533	-8 826
Net expected credit losses	-41	10

(in PLN '000)

Subsidiaries of the parent company	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Total	**55 648**	**59 087**

Joint control by persons related to the Group	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Interest expences	0	-60
Fee and commission income	0	563
Net expected credit losses	0	-112
Total	**0**	**391**

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	30.09.2024	31.12.2023
Investment financial assets and derivatives	**17 208 189**	**12 654 638**
measured at fair value through other comprehensive income	15 483 347	10 200 464
measured at fair value through profit or loss	10 371	53 398
measured at amortized cost	1 714 471	2 400 776
Amounts due from banks	3 259	0
Loans and advances to customers	516 447	731 145
Total assets	**17 727 895**	**13 385 783**
Financial Liabilities	0	55 814
Amounts due to banks	4 257	9 286
Amounts due to customers	682 332	578 378
Total liabilities	**686 589**	**643 478**

State Treasury and related entities	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Interest income calculated using the effective interest method	1 007 129	657 133
Interest expense	-30 964	-36 958
Total	**976 165**	**620 175**

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

31 Benefits for the for senior executives

31.1 Principles applicable to the remuneration of persons in managerial positions at the Bank

The Bank has a Remuneration Policy which covers all employees with its provisions. The Remuneration Policy is reviewed by the Appointment and Remuneration Committee of the Supervisory Board and adopted by the Management Board and approved by the Supervisory Board. As regards persons holding managerial positions, who have a significant impact on the risk profile, the principles of the Policy have been established based on the provisions of the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system as well as the remuneration policy in banks.

(in PLN '000)

Persons having an impact on the Risk Profile (MRT) are members of the Management Board and Supervisory Board, managing directors and other persons identified on the basis of the criteria defined in the Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 supplementing Directive 2013/36 / EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria for determining management responsibilities, control functions, significant business units and the significant impact on the risk profile of a significant business unit, and specifying criteria for identifying employees or categories of staff whose professional activities affect the risk profile of these institutions in a comparable manner as important as in the case of employees or categories of employees referred to in art. 92 sec. 3 of this directive.

31.2 Financial data

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

30.09.2024	Supervising, managing persons	Supervisory Board	Bank's Management Board
Amounts due to customers	443	327	116
Total liabilities	**443**	**327**	**116**

30.09.2023	Supervising, managing persons	Supervisory Board	Bank's Management Board
Loans and advances to customers	408	0	408
Total assets	**408**	**0**	**408**
Amounts due to customers	273	0	273
Total liabilities	**273**	**0**	**273**

The total cost of remuneration of Members of the Bank's Supervisory Board and Members of the Bank's Management Board from 1 January to 30 September 2024 recognized in the profit and loss account of the Group in this period amounted to PLN 17 224 thousand (in the period from 1 January to 30 September 2023 - PLN 17 668 thousand).

31.3 Incentive program for senior executives

The following incentive programs operate in the Alior Bank SA Group:

- bonus scheme for the Management Board, approved annually by the Supervisory Board,
- annual variable remuneration granted partly in financial instruments (phantom shares) for persons having an impact on the risk profile; the settlement of phantom shares takes place in cash.

32 Legal claims

In the Bank's opinion, no single court, arbitration court or public administration body proceedings in progress during three quarters of 2024, and none of the proceedings jointly, could pose a threat to the Group's financial liquidity.

In accordance with IAS 37, the Group each time assesses whether a past event gave rise to a present obligation. In legal claims, the Group additionally uses expert opinions. If, based on expert judgment and taking into account all circumstances, the Group assesses that the existence of a present obligation as at the balance sheet date is more likely than not and the Group is able to reliably estimate the amount of the obligation in this respect, then it creates a provision. As at 30 September 2024, the Group created provisions for legal claims brought against the Group's entities, which, according to the legal opinion, involve the risk of outflow of funds due to fulfillment of the obligation in the amount of PLN 197 290 thousand and as at 31 December 2023 in the amount of PLN 157 197 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.

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.

On 21 August 2024, Raiffeisen Bank International AG with its registered office in Vienna - liquidator of the fund Lasy Polskie 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 444.16 was paid out for one certificate of the Lasy Polskie FIZAN fund in liquidation (compared to PLN 324.76 at the opening of liquidation). This payment means the remission of investment certificates held by fund participants.

The Bank has changed the estimate of the provisions held as of the balance sheet date in connection with the cases brought against the Bank by purchasers of the Funds' investment certificates for payment and for determining liability. The Bank will analyse the judgments issued on an ongoing basis, taking into account the impact of the liquidation and payments on this account on court judgments and will shape the amount of provisions accordingl

Claims for payment
As at 30.09.2024, the Bank is defendant in 170 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 57 million.

(in PLN '000)

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 September 2024 amounted PLN 74.3 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 September 2024, there were 148 court proceedings pending against the Group (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 141.9 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 Group 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).

	30.09.2024	31.12.2023
Loans and advances to customers - adjustment decreasing the gross carrying amount of loans	128	114
Provisins	51	36
Total	**179**	**150**

Court proceedings regarding free credit sanction

As at 30 September 2024, there were pending 2171 court proceedings against the Group regarding the sanction of a free loan with the value of the subject matter of the dispute amounting PLN 86.8 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 Group'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 Group questions the validity of the claims raised in these cases. The total amount of the provision in this respect as at 30 September 2024 is PLN 35 million.

33 Contigent liability

The Group presents below a description of the most important proceedings conducted against the Group as of 30 June 2024, which constitute contingent liabilities.

The total value of the subject matter of the disputed claims as at 30 September 2024 in court proceedings conducted against the Group amounted in PLN 922 740 thousand and as at 31 December 2023, PLN 624 602 thousand.

Case claimed by a client

Case claimed by a limited company for a payment of PLN 109 967 thousand in respect of compensation for damage incurred in connection with the conclusion and settlement of treasury transactions. The claim dated 27 April 2017 was brouhgt against Alior Bank SA and Bank BPH SA. In the Group's opinion, the claim has no valid factual and legal basis therefore, the Group did not create a provision as at 30 September 2024.

Proceedings before the President of the Office of Competition and Consumer Protection (UOKiK)

Proceeding on provisions of recognizing a standard contract as illegal, the so-called modification clauses

On 27 September 2019, the President of the Office of Competition and Consumer Protection (UOKiK) initiated ex officio proceeding against Alior Bank SA to recognize a standard contract as illegal (reference number RPZ.611.4.2019.PG) the subject of which is 11 clauses (the so-called modification clauses) included in contract templates used by the Bank, on the basis of which the Bank made unilateral changes to contracts concluded with consumers. The President of UOKiK questioned the wording of the provisions in question, among others as imprecise and not allowing consumers to verify the occurrence of premises for the change being made. The Bank corresponds with the President of the Office of Competition and Consumer Protection in this case. The Bank presented to the Office of Competition and Consumer Protection a plan to remove the ongoing effects of the breach from contracts with customers. In a letter dated 20 March 2024, the Bank presented the Office of Competition and Consumer Protection with a proposal for the new content of modification clauses. In a letter dated 1 July 2024, the Bank, at the request of the President of the Office of Competition and Consumer Protection, updated the facts in the case. In a letter dated 21 August 2024, the Office of Competition and Consumer Protection decided to extend the deadline for completing the proceedings until 31 January 2025. As at 30 September 2024, the Group did not identify any reasons to create a provision because, in the Group's opinion, an outflow of cash in this respect is unlikely. At the same time, the Group is unable to make a reliable estimate of the value of the contingent liability in this respect due to the inability to estimate the potential consequences of the violation and the amount of the potential penalty that may be imposed by the Office of Competition and Consumer Protection. The maximum amount of the financial penalty is 10% of the Bank's turnover achieved in the financial year preceding the year in which the penalty was imposed.

Proceeding regarding practices violating the collective interests of consumers regarding unauthorized payment transactions

On 13 February 2024, the President of the Office of Competition and Consumer Protection initiated proceedings against the Bank regarding practices violating the collective interests of consumers (reference number: RWR.610.3.2024.KŚ) consisting of:

- failure - after the consumer reports the transaction as unauthorized - to refund the amount of the unauthorized payment transaction or restore the debited payment account to the state that would have existed if the unauthorized payment transaction had not taken place in the manner and within the time limit specified in art. 46 section 1 of the Act on Payment Services, despite the absence of any grounds entitling the Bank not to perform the above-mentioned. activities,

- making a conditional refund to a consumer who is a client of the Bank of the payment transaction amount reported by the consumer as unauthorized, only for the time the Bank considers the complaint, and then, if the Bank finds in the complaint procedure that the transaction was authorized by the consumer or, that the consumer is liable for an unauthorized payment transaction, withdrawing a conditional refund and withdrawing this amount from the consumer's savings and current account or credit card account, excluding situations in which this amount was simultaneously returned to the consumer as part of a chargeback or the consumer withdrawn the claim,
- providing consumers - in responses to their reports regarding the occurrence of unauthorized payment transactions - with information about the correct authorization of the transaction, which was confirmed only after the payment service provider verified the correct use of the payment instrument, by using individual authentication data in a way that suggests that the Bank's demonstration that correct authentication has occurred excludes the Bank's obligation to refund the amount of the unauthorized transaction, which may mislead consumers regarding the Bank's obligations under art. 46 section 1 of the Payment Services Act, as well as regarding the distribution of the burden of proving that the payment transaction has been authorized,
- providing consumers - in responses to their reports regarding unauthorized payment transactions - with information about the correct authentication of the transaction by the user and the Bank's lack of responsibility for its execution, as it occurred as a result of the consumer's breach of the terms of the contract with the Bank, which may mislead consumers into error regarding the Bank's obligations under art. 46 section 1 of the Payment Services Act, including the distribution of the burden of proof to the extent that the Bank should demonstrate that the consumer led to the disputed transaction as a result of an intentional or grossly negligent breach of at least one of the obligations referred to in art. 42 of the Payment Services Act,
- providing consumers - in responses to their reports regarding the occurrence of unauthorized payment transactions - with information about the inability to consider card transactions reported after 120 days from the date of the transaction as unauthorized payment transactions and the inability to complain about more than 15 transactions,

- which, in the opinion of the President of the Office of Competition and Consumer Protection, may harm the collective interests of consumers and, consequently, constitute practices violating the collective interests of consumers referred to in the Act on Competition and Consumer Protection.

Proceedings regarding practices violating collective consumer interests are currently pending against 15 banks whose practices were verified in explanatory proceedings similar to those conducted against the Bank. The allegations of the Office of Competition and Consumer Protection raise doubts in the entire banking sector as to their compliance with European law. The provisions of the Payment Services Act, which the Office of Competition and Consumer Protection refers to in the context of these allegations, do not, in the Bank's opinion, fully reflect the directive implemented therein. This resulted in numerous submissions to the President of the Office of Competition and Consumer Protection from the Polish Bank Association. In a letter of 29 March 2024, the Bank responded to the allegations of the President of the Office of Competition and Consumer Protection. The Bank also participates in the work carried out within the Polish Bank Association on good practices regarding handling reports on unauthorized transactions, which are subject to consultations with the President of the Office of Competition and Consumer Protection and the Polish Financial Supervision Authority. The Bank also analyses internal processes and procedures in this respect.

As at 30 September 2024 the value of complaints related to unauthorized transactions is PLN 57 million. The maximum amount of the financial penalty is 10% of the Bank's turnover achieved in the financial year preceding the year in which the penalty was imposed.

As at 30 September 2024, the Group did not identify any reasons to create provisions in this respect.

Polish Financial Supervision Authority proceedings

Proceedings regarding insurance distribution

On 6 July 2021, the Polish Financial Supervision Authority initiated administrative proceedings regarding the application of the sanction measure specified in art. 84 section 1-2 of the Act of insurance distribution dated on 15 December 2017 in connection with the identification of irregularities indicating a violation by Alior Bank SA of art. 7 section 1 in connection with art. 4 section 6 of this Act, i.e. in the scope of determining the customer's requirements and needs in the process of offering insurance contracts in the period from 1 October 2018 to 26 October 2021. The Bank took a number of actions regarding the area of the Bank's activities as an insurance distributor, the aim of which was removal of irregularities questioned by the Polish Financial Supervision Authority, and also implemented solutions aimed at preventing violations of the law in this area in the future. Moreover, the Bank asked the Polish Financial Supervision Authority to apply the administrative institution provided for in art. 189f §1 point 1 of the Code of Administrative Procedure (issuing a decision waiving the imposition of a penalty and issuing a warning to Alior Bank). On 1 March 2024, the Bank submitted an application to conclude an arrangement including waiving the imposition of sanctions or, alternatively, reducing the potential fine by 90%, i.e. the Bank asked the Polish Financial Supervision Authority to issue the decision referred to in art. 18k section 1 of the act of financial market supervision dated on 21 July 2006. On 22 March 2024, the Polish Financial Supervision Authority issued a decision on the possibility of concluding an agreement on the conditions for extraordinary relaxation of sanctions and set a deadline of 3 months for concluding this agreement. Due to the above, on 3 April 2024, the law firm representing the Bank sent a letter on behalf of the Bank initiating a dialogue with the Polish Financial Supervision Authority regarding the terms of the arrangement.

On 2 August 2024, the Bank received a proposal from the Polish Financial Supervision Authority to conclude an arrangement regarding the conditions for extraordinary mitigation of sanctions, which assumes imposing a fine on the Bank in the amount of PLN 300 thousand. On 13 August 2024, the Bank's Management Board accepted the terms of the arrangement presented by the Polish Financial Supervision Authority. On 27 September 2024, the Polish Financial Supervision Authority issued a decision confirming the conclusion of the above arrangement.

Affairs related to the operation of Alior Bank SA's subsidiaries

On 26 June 2019, to Alior Leasing sp. z o.o. a class action was filed for severance pay, filed by four former members of the company's Management Board who were dismissed by the Supervisory Board on 20 December 2018. The amount of the claimed claim is PLN 645 thousand. On 14 March 2022, the Court of Appeal in Wrocław changed the appealed judgment of the District Court in Wrocław of 11 August 2021 and ordered Alior Leasing to pay the plaintiffs the amount of the claimed claim together with interest for delay from 3 January 2019 to the day of payment. The judgment is final and has been implemented by the Bank.

In December 2021, the Bank and the leasing company received another (new) summons from the former members of the Management Board of Alior Leasing to an ad hoc arbitration court under the management program; the summons was based on the same factual and legal circumstances as the previous ones. On 1 March 2024, the Bank received a partial award in an ad hoc arbitration case between former members of the Management Board of Alior Leasing and the Bank and the leasing company, dismissing claims under the management program in full. The partial judgment ends the substantive proceedings. Final judgment awarding in favor of the Bank and Alior Leasing Sp. z o. o. from the plaintiffs, the refund was due on 29 April 2024. On 10 June 2024, the Bank and Alior Leasing Sp. z o. o. received information from the Court of Appeal in Warsaw that a complaint was registered to set aside the arbitration award, filed by former members of the Management Board of Alior Leasing Sp. z o. o. The Bank submitted a response to the complaint in question in due time.

(in PLN '000)

Alior Leasing sp. z o.o identifies the possibility of claims by external entities in connection with the activities of some former employees and associates of the company. As at the date of this financial statements, claims in this respect were not reported. In the Group's opinion, there are no circumstances justifying the creation of a provision on this account.

34 Total capital adequacy ratio and Tier 1 ratio

As at 30 September 2024, total capital adequacy ratio and Tier 1 ratio were calculated in accordance with the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (CRR Regulation) and other regulations implementing "national options", among other, the Banking Act of 29 August 1997 (as amended) and Regulation of the Minister of Development and Finance of 25 May 2017 on a higher risk weight for exposures secured by mortgages on real estate (as amended).

In order to calculate the capital adequacy ratio, in third quarter of 2024 prudential consolidation was applied – the consolidation covered Alior Bank SA and Alior Leasing sp. z o.o. In the opinion of the Bank's Management Board, the other subsidiary entities, not subject to prudential consolidation are marginal for the Bank's core activity from the viewpoint of monitoring of credit institutions.

Equity for the purposes of the capital adequacy

	30.09.2024	31.12.2023
Total equity for the capital adequacy ratio	**8 788 433**	**8 855 047**
Tier I core capital (CET1)	8 618 854	8 521 012
Paid-up capital	1 305 540	1 305 540
Supplementary capital	7 431 101	6 020 705
Other reserves	174 447	174 447
Current year's reviewed by auditor	0	1 451 099
Accumulated losses	48 421	5 006
Revaluation reserve – unrealised losses	-148 969	-163 231
Intangible assets measured at carrying value	-404 244	-345 707
Revaluation reserve – unrealised profit	286 528	209 227
Additional value adjustments - AVA	-20 194	-17 300
Other adjustments items (non-performing exposures coverage gap)	-53 776	-118 774
Tier II capital	169 579	334 035
Subordinated liabilities	169 579	334 035
Capital requirements	**4 108 751**	**3 974 036**
Total capital requirements for the credit, counterparty risk, adjustment to credit measurement, dilution and deliver of instruments to be settled at a later date	3 697 834	3 610 069
Total capital requirements for prices of equity securities, prices of debt securities, prices of commodities and FX risk.	6 305	3 831
Capital requirement relating to the general interest rate risk	12 718	17 388
Total capital requirements for the operational risk	391 894	342 748
Tier 1 ratio	**16.78%**	**17.15%**
Total capital adequacy ratio	**17.11%**	**17.83%**
Leverage ratio	**8.81%**	**9.07%**

The Group's capital ratios remain at levels significantly exceeding the minimum regulatory requirements and allow the Group to operate safely.

The Alior Bank SA Group decided to apply the transitional provisions provided for in Regulation 2020/873 with regard to certain adjustments in response to the COVID-19 pandemic, which means that for the purposes of assessing the Group's capital adequacy, the full impact related to the created COVID-19 provisions will not be taken into account.

(in PLN '000)

MREL

The minimum requirements set by the Bank Guarantee Fund regarding own funds and liabilities subject to write-down or conversion ("MREL") applicable to the Group from 31.12.2023 are as follows:

- in relation to TREA 15.36% (of the total risk exposure)
- in relation to TEM 5.91% (of total exposure measure)

As at 30 September 2024, the Group met the MREL requirements set out by the Bank Guarantee Fund.

35 Tangible fixed assets and intangible assets

Tangible assets	30.09.2024	31.12.2023	30.09.2023
Plant and machinery (including IT hardware)	160 630	170 238	161 526
Means of transport	14 407	8 049	0
Fixed assets under construction	27 369	40 313	22 246
Owned buildings	125 685	129 348	129 856
Leasehold improvements	128 478	127 112	128 558
Other fixed assets	34 815	40 018	44 819
Right-of-use assets	229 866	228 419	245 588
Total	**721 249**	**743 497**	**732 593**

Intagible assets	30.09.2024	31.12.2023	30.09.2023
Goodwill	976	976	976
Capital expenditure	211 139	132 707	106 840
Software, licences, R&D works	226 048	277 218	282 885
Trademark	42	300	300
Other	832	869	865
Total	**439 036**	**412 070**	**391 866**

36 Distribution of profit for 2023

On 26 April 2024, the Ordinary General Meeting of the Bank adopted resolution No. 8/2024 on the method of dividing the Bank's profit for the financial year 2023.

In accordance with the resolution, the Bank's net profit from operations in the financial year 2023, in the total amount of PLN 1 987 444 136.08, will be allocated as follows:

- part of the profit in the amount of PLN 577 048 640.22 to the payment of dividend,
- remaining part of the profit in the amount of PLN 1 410 395 495.86 to supplementary capital, including the non-distributable profit achieved on the activities of the Housing Fund in the amount of PLN 17 427 487.36.

37 Risk management

Risk management is one of the major processes in Alior Bank SA Group. Risk management supports Group's strategy and proper level of business profitability and safety of activities while assuring control of the risk level and its maintenance within the accepted risk appetite and limit system in the changing macroeconomic and legal environment. The supreme objective of the risk management policy is to ensure early detection and adequate management of all kinds of risk inherent to the pursued activity.

(in PLN '000)

The Group isolated the following types of risks resulting from the operations conducted:

- market risk including interest rate risk and the FX risk
- liquidity risk
- credit risk
- operational risk

The detailed risk management policies have been presented in the annual consolidated financial statements of the Alior Bank SA Group for the year ended 31 December 2023 published on 28 February 2024 and available on the Alior Bank SA website.

In connection with the application of the advanced operational risk measurement method (AMA), in accordance with the requirements of CRR Article 454, the Bank, seeking to limit the risk of materializing the effects of rare but potentially severe operational events, has bought a number of insurance policies. Mentioned policies included insurance in the scope of property (including electronic equipment), civil liability, fiscal liability and professional liability.

The terms of individual policies were adapted to the scale and scope of the risk incurred. Those policies are not used as a mechanism limiting the amount of own funds requirements for operational risk or as a mitigating factor for the amount of internal capital for operational risk.

Liquidity risk

Specification of maturity/payment dates of contractual flows of the Alior Bank Group assets and liabilities as at 30 September 2024 and as at 31 December 2023 (MPLN):

30.09.2024	1D	1M	3M	6M	1Y	2Y	5Y	5Y+	Total
ASSETS	**3 780**	**5 002**	**4 949**	**4 480**	**7 826**	**13 958**	**33 955**	**53 396**	**127 346**
Cash & Nostro	2 670	0	0	0	0	0	0	0	2 670
Amounts due from banks	23	592	0	0	0	0	0	773	1 388
Loans and advances to customers	1 077	2 081	3 066	4 125	7 194	11 899	21 623	44 675	95 740
Securities	0	2 314	1 852	326	600	1 998	12 052	5 417	24 559
Other assets	10	15	31	29	32	61	280	2 531	2 989
LIABILITIES AND EQUITY	**-58 161**	**-6 656**	**-7 727**	**-3 803**	**-2 197**	**-1 236**	**-845**	**-11 097**	**-91 722**
Amounts due to banks	-55	-50	-4	-6	-11	-11	8	0	-129
Amounts due to customers	-55 915	-5 895	-7 507	-3 558	-1 911	-48	-6	-1	-74 841
Own issues	0	-674	-182	-210	-157	-713	-1 148	0	-3 084
Equity	0	0	0	0	0	0	0	-10 770	-10 770
Other liabilities	-2 191	-37	-34	-29	-118	-464	301	-326	-2 898
Balance sheet gap	**-54 381**	**-1 654**	**-2 778**	**677**	**5 629**	**12 722**	**33 110**	**42 299**	**35 624**
Cumulated balance sheet gap	**-54 381**	**-56 035**	**-58 813**	**-58 136**	**-52 507**	**-39 785**	**-6 675**	**35 624**	
Derivative instruments – inflows	2 512	2 716	1 190	613	89	8	12	0	7 140
Derivative instruments – outflows	-2 506	-2 714	-1 186	-606	-89	-8	-12	0	-7 121
Derivative instruments – net	**6**	**2**	**4**	**7**	**0**	**0**	**0**	**0**	**19**
Guarantee and financing lines	-12 811	0	0	0	0	0	0	0	-12 811
Off-balance sheet gap	-12 805	**2**	**4**	**7**	**0**	**0**	**0**	**0**	-12 792
Total gap	**-67 186**	**-1 652**	**-2 774**	**684**	**5 629**	**12 722**	**33 110**	**42 299**	**22 832**
Total cumulated gap	**-67 186**	**-68 838**	**-71 612**	**-70 928**	**-65 299**	**-52 577**	**-19 467**	**22 832**	

31.12.2023	1D	1M	3M	6M	1Y	2Y	5Y	5Y+	Total
ASSETS	**2 396**	**9 040**	**4 427**	**6 997**	**7 952**	**12 584**	**32 285**	**49 830**	**125 511**

(in PLN '000)

31.12.2023	1D	1M	3M	6M	1Y	2Y	5Y	5Y+	Total
Cash & Nostro	2 259	0	0	0	0	0	0	0	2 259
Amounts due from banks	24	3 962	0	0	0	0	0	910	4 896
Loans and advances to customers	113	2 259	2 780	4 167	7 236	11 096	21 937	44 259	93 847
Securities	0	2 703	1 618	2 813	692	1 370	10 010	1 823	21 029
Other assets	0	116	29	17	24	118	338	2 838	3 480
LIABILITIES AND EQUITY	**-55 836**	**-6 760**	**-6 887**	**-4 564**	**-3 989**	**-1 557**	**-1 506**	**-9 551**	**-90 650**
Amounts due to banks	-130	-56	-1	-2	-4	-21	0	0	-214
Amounts due to customers	-52 991	-6 594	-6 545	-4 116	-2 938	-170	-8	-1	-73 363
Own issues	0	-30	-301	-399	-904	-1 099	-928	0	-3 661
Equity	0	0	0	0	0	0	0	-9 250	-9 250
Other liabilities	-2 715	-80	-40	-47	-143	-267	-570	-300	-4 162
Balance sheet gap	**-53 440**	**2 280**	**-2 460**	**2 433**	**3 963**	**11 027**	**30 779**	**40 279**	**34 861**
Cumulated balance sheet gap	**-53 440**	**-51 160**	**-53 620**	**-51 187**	**-47 224**	**-36 197**	**-5 418**	**34 861**	
Derivative instruments – inflows	0	5 064	909	191	38	109	1	0	6 312
Derivative instruments – outflows	0	-4 985	-915	-191	-42	-108	-1	0	-6 242
Derivative instruments – net	**0**	**79**	**-6**	**0**	**-4**	**1**	**0**	**0**	**70**
Guarantee and financing lines	-12 448	0	0	0	0	0	0	0	-12 448
Off-balance sheet gap	-12 448	**79**	**-6**	**0**	**-4**	**1**	**0**	**0**	-12 378
Total gap	**-65 888**	**2 359**	**-2 466**	**2 433**	**3 959**	**11 028**	**30 779**	**40 279**	**22 483**
Total cumulated gap	**-65 888**	**-63 529**	**-65 995**	**-63 562**	**-59 603**	**-48 575**	**-17 796**	**22 483**	

38 Events significant to the business operations of the Group

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 Group 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 Group 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 Group 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.

(in PLN '000)

As at 30 September 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	30.09.2024	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	Liquidated	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)

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 Group 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 Group 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

30.09.2024 Reference indicator	Assets (gross arrying amount)	Liabilities (gross carrying amount)	Off-balance sheet liabilities - granted (nominal value)	Derivatives (nominal value)
WIBOR	46 740 940	10 132 865	6 020	19 799 647
LIBOR EUR	14 716	0	0	0

(in PLN '000)

30.09.2024 Reference indicator	Assets (gross arrying amount)	Liabilities (gross carrying amount)	Off-balance sheet liabilities - granted (nominal value)	Derivatives (nominal value)
LIBOR USD	70 332	0	0	0
LIBOR CHF	24 896	0	0	0
EURIBOR	5 914 667	3 009	1 892	743 623
LIBOR GBP	1 802	0	0	0
Total	**52 767 353**	**10 135 874**	**7 912**	**20 543 270**

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
Total	**53 674 012**	**10 568 656**	**7 593**	**17 364 805**

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

30.09.2024 Reference indicator	Derivatives (nominal value)
WIBOR	22 062 000
EURIBOR	1 028 696
Total	**23 090 696**

31.12.2023 Reference indicator	Derivatives (nominal value)
WIBOR	16 623 000
EURIBOR	658 287
Total	**17 281 287**

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 Group'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 Group 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 Group is currently working on implementing the changes resulting from CRR3 into its own systems.

Non-statutory banking sector moratorium for flood victims

In connection with the natural disaster that hit the south-western region of Poland in Q3 2024, the banking sector has taken steps to develop a non-statutory moratorium providing for the deferral of loan repayment upon request for clients affected by the effects of the flood. The entry into force of the moratorium must be preceded by formal approval by the EBA.

The aid measures will be available to borrowers who are: individual clients or entrepreneurs belonging to the following segments: micro, small or medium-sized, including entities conducting agricultural and agritourism activities.

The basic aid for borrowers affected by the effects of the flood is the deferral of repayments of capital or capital and interest installments in automatic or simplified mode by a maximum of 3 months. In the Group's opinion, the use by clients of the non-statutory banking sector moratorium for flood victims will not have a significant impact on the Group's financial results.

Support for flood victims from the Borrower Support Fund (FWK)

The amended Act of 1 October 2024 on special solutions related to the removal of the effects of floods and certain other acts provides for support for borrowers affected by floods from the Borrower Support Fund. The non-refundable support consists of repayment of up to 12 monthly full installments of capital and interest on a housing loan.

Depending on the number and value of applications, it may be necessary to supplement the FWK funds. Alior Bank's share in a possible additional payment to the FWK should be similar to the Bank's share in the value of mortgage loans granted, i.e. approx. 4%, and the additional payment should not significantly disturb the Group's results.

PFSA Recommendation regarding the Long-Term Financing Ratio (WFD Recommendation)

On 15 July 2024, the Polish Financial Supervision Authority adopted a resolution on issuing a Recommendation regarding the Long-Term Financing Ratio ("WFD Recommendation").

The purpose of introducing the WFD Recommendation is to reduce the risk associated with the current structure of mortgage financing and to change this structure by increasing the share of long-term debt instruments in banks' liabilities in relation to the value of mortgage loans granted. The introduction of the WFD Recommendation is to ensure an increase in the financing of long-term mortgage loans primarily with long-term debt instruments that cannot be redeemed within a period of at least one year. In accordance with the WFD Recommendation, starting from 31 December 2026, the Bank should maintain the Long-Term Financing Ratio at a level of at least 40%. In the Bank's opinion, the introduction of the WFD Recommendation will result in a significant increase in the value of debt instrument issues by banks covered by this recommendation in the coming years, which may translate into the price and availability of mortgage loans offered to customers. The increase in the value of debt instrument issues may also affect the structure of banks' deposit offer and increase exposure to currency risk (in the event that the scale of debt instrument issues exceeds the financial capabilities of the domestic market).

39 Significant events after the end of the reporting period

No significant events occurred after the end of the reporting period, except those described in these financial statements.

40 Financial forecast

The Alior Bank SA Group did not publish any forecasts of its results.

41 Factors which could have an impact on the results in the perspective by the end of 2024

The ongoing armed conflict in Ukraine in the context of geopolitical tensions and volatility on financial markets remains one of the most important factors of uncertainty in the coming periods. However, in the last year, the armed conflict in Ukraine did not escalate and extreme scenarios regarding warfare did not materialize, which is why financial markets did not feel the increased effects of the war in Ukraine. In the economic aspect, the main effects of the war concern disruptions in trade related to both the conflict itself and the imposed sanctions. Another element is the stability of the energy system, especially in relation to the European Union and Poland, which, on the one hand, depend on supplies of raw materials such as oil and gas. On the other hand, the share of imports of these raw materials from Russia has significantly decreased since the outbreak of the war. It is also worth emphasizing the issue of security in the region. As a result, the risks related to the war in Ukraine for the global and domestic economy materialized to the greatest extent through a significant acceleration of inflation due to more expensive raw materials, food and disruptions in supply chains. The consequence was increased prices of energy raw materials. The above-mentioned factors may still be important in 2024, especially in the context of a significant reduction in energy supplies from Russia to the European Union, a reduction in the supply of crude oil by OPEC+ countries and the escalation of geopolitical tensions in the Middle East. In 2024, the process of curbing inflation in the world is progressing, but the risk of its slowdown remains. This determines monetary policy in many countries, including the United States and the eurozone, and leads to quite cautious monetary easing. This means that the risks of extending low global economic activity persist. Nevertheless, further interest rate cuts are expected in the US and the eurozone by the end of the year. In Poland, after a 100 bp cut in the reference rate in 2023, the MPC is currently stabilizing the reference rate at 5.75%. CPI inflation in Poland, after a period of decline within the NBP inflation target in the first half of this year, has remained at an elevated level since July, mainly due to the partial unfreezing of energy prices, including primarily electricity. In this environment, interest rates will probably remain unchanged until the end of the year. The geopolitical situation affecting commodity prices also remains a risk to the domestic inflation path, and on the side of domestic factors, the continuing wage pressure, which may translate into an extension of the period of tightened monetary policy. For the banking sector, on the one hand, the extension of the period of increased inflation and interest rates in Poland may still have a negative impact on lending and valuations of assets held in the balance sheet, although this effect will be limited by the positive impact on interest income. The credit policy of banks, which currently remains tightened, may also have an impact on the slowdown in the growth of demand for loans in 2024. The expected improvement in the economic situation, along with the still relatively good situation on the labor market and the reconstruction of the purchasing power of households (positive dynamics of real wages) will contribute to the improvement of the condition of borrowers and a decrease in credit risk, which should also translate into increased demand and a relaxation of credit policy. An additional impulse for credit action in subsequent periods will be the expected investments related to the "National Reconstruction Plan", as well as a possible new version of support for borrowers on the mortgage market.

Legal risks of FX mortgage loans remain a challenge in the banking sector. The previous case law of the CJEU remains unfavorable for the banking sector. On the one hand, as a result, the banking sector was burdened with the creation of further provisions for legal risk, which contributed to the weakening of the capital positions of banks. On the other hand, the banking sector was prepared for such a judgment and remained stable and resistant to its effects, although in the opinion of the KNF, the judgment had a negative impact on the banks' ability to finance the economy. The recent judgments of the CJEU, in particular those of September and December 2023, where the tribunal indicated that the consumer does not have to submit a declaration on the effects of invalidity of the contract, should accelerate court proceedings in the case of Swiss franc loans. 2024 promises to be a record year in terms of the number of judgments, there may be several dozen percent more of them than in 2023.

Another challenge in the sector may be the issue of free credit sanctions, which was provided for in the Consumer Credit Act of 2011. Currently, according to ZBP estimates, there are around 10,000 cases pending in Polish courts concerning sanctions for free credit, with 100-200 of these cases per year in 2021. Polish courts, in view of doubts in these matters, are sending applications with legal questions to the CJEU in order to clarify the uniform national case law. It is difficult to assess today whether the CJEU ruling will be as pro-consumer as in the case of Swiss franc loans.

Another challenge for the banking sector in Poland is the change regarding the countercyclical buffer announced in June this year. According to the regulation of the Minister of Finance of 18 September 2024 on the countercyclical buffer rate, from 25 September 2025 the countercyclical buffer rate will be 1% of the total risk exposure (until then it will be 0%).

After the symptoms of the banking sector crisis in the second quarter of 2023 in the United States and to a lesser extent in Europe, in view of the easing of monetary policy in the US and the eurozone announced for mid-2024, the risk of financial sector instability should decrease. The situation is being monitored on an ongoing basis by central banks. According to the assurances of European central bankers and supervisory authorities, the financial system in Europe is more stable than in the United States.