Capital Adequacy and Other Information Subject to Disclosure of the Alior Bank Spółka Akcyjna Capital Group as at 31 December 2022

Disclosure Pillar III

List of Tables for the period 2022/12

Introduction

Alior Bank SA is obliged, under Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 as amended by (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (hereinafter referred to as CRR), publish information on Pillar III in a publicly available manner.

Information is published in accordance with Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosure by institutions of information referred to in Part Eight, Titles II and III of the Regulation of the European Parliament and of the Council (EU) No 575/2013, and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295, as well as the EBA / GL / 2020/07 Guidelines of 2 June 2020 on reporting and disclosure of exposures subject to measures in response to the COVID-19 crisis and Guidelines EBA / GL / 2020/12, which amend the EBA / GL / 2018/01 guidelines on uniform disclosure, pursuant to Art. 473a of Regulation (EU) No 575/2013, information on the transition period to mitigate the effects of IFRS 9 and the temporary treatment of unrealized gains and losses in accordance with and the temporary treatment of unrealized gains and losses in accordance with Art. 468 of the CRR Regulation, as well as supplemented with provisions resulting from Recommendations M, P, R and Z.

As at 31 December 2022, the Alior Bank SA Capital Group was composed of: Alior Bank SA, as the parent company, and subsidiaries in which the Bank holds a majority interests. For the purposes of calculations in the area of capital adequacy, prudential consolidation was used - in accordance with Article 19 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013, as amended - consolidation included Alior Bank SA and Alior Leasing sp. o. o.

Unless otherwise stated, the information in this document has been disclosed based on the data from the Consolidated Financial Statements of the Alior Bank SA Capital Group for the year ended 31 December 2022. Alior Bank SA exerts a dominant influence on the shape of the risk profile in the Bank's Capital Group, therefore some information contained in the report relates to the individual data of Alior Bank SA.

Figures are drawn up in Polish zlotys (PLN) and are rounded up to one million zlotys (M), with accuracy to one decimal place.

This version of our report is a translation from 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 our report takes precedence over this translation.

EU OV1 – Overview of total risk exposure amounts

PLN m

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31.12.2022	31.12.2021	31.12.2022
1	**Credit risk (excluding CCR)**	**42 704,6**	**44 749,1**	**3 416,3**
2	Of which the standardised approach	42 704,6	44 749,1	3 416,3
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	**685,7**	**530,0**	**54,9**
7	Of which the standardised approach	257,3	293,2	20,6
8	Of which internal model method (IMM)	-		-
EU 8a	Of which exposures to a CCP	367,9	148,2	29,4
EU 8b	Of which credit valuation adjustment - CVA	56,3	46,0	4,5
9	Of which other CCR	4,2	42,5	0,3
10	Not applicable	-	-	-
11	Not applicable	-	-	-
12	Not applicable	-	-	-
13	Not applicable	-	-	-
14	Not applicable	-	-	-
15	**Settlement risk**	-	-	-
16	**Securitisation exposures in the non-trading book (after the cap)**	-	-	-
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250% / deduction	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**159,6**	**261,3**	**12,8**
21	Of which the standardised approach	159,6	261,3	12,8
22	Of which IMA		-	
EU 22a	**Large exposures**	-	-	-
23	**Operational risk**	**4 351,5**	**3 870,9**	**348,1**
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	227,7	164,7	18,2
EU 23c	Of which advanced measurement approach	4 123,8	3 706,2	329,9
24	Amounts below the thresholds for deduction (subjectto 250% risk weight)	1 866,4	1 869,0	149,3
25	Not applicable	-	-	-
26	Not applicable	-	-	-
27	Not applicable	-	-	-
28	Not applicable	-	-	-
29	**Total**	**47 901,4**	**49 411,3**	**3 832,1**

EU KM1 - Key metrics template

PLN m

		a	c	e
		31.12.2022	30.06.2022	31.12.2021
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	6 228,9	6 254,0	6 200,0
2	Tier 1 capital	6 228,9	6 254,0	6 200,0
3	Total capital	6 796,6	6 926,5	6 997,7
Risk-weighted exposure amounts				
4	Total risk exposure amount	47 901,4	49 513,7	49 411,2
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	13,00%	12,63%	12,55%
6	Tier 1 ratio (%)	13,00%	12,63%	12,55%
7	Total capital ratio (%)	14,19%	13,99%	14,16%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	nd	nd	nd
EU 7b	of which: to be made up of CET1 capital (percentage points)	nd	nd	nd
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	nd	nd	nd
EU 7d	Total SREP own funds requirements (%)	8,00%	8,00%	8,00%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2,50%	2,50%	2,50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-
9	Institution specific countercyclical capital buffer (%)	0,0163%	0,0038%	0,0033%
EU 9a	Systemic risk buffer (%)	0,00%	0,00%	0,00%
10	Global Systemically Important Institution buffer (%)	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-
11	Combined buffer requirement (%)	2,52%	2,50%	2,50%
EU 11a	Overall capital requirements (%)	10,52%	10,50%	10,50%
12	CET1 available after meeting the total SREP own funds requirements (%)	6,19%	5,99%	6,16%
Leverage ratio				
13	Total exposure measure	86 434,2	86 673,7	85 857,0
14	Leverage ratio (%)	7,21%	7,22%	7,22%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)				
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3,00%	3,00%	3,00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14d	Leverage ratio buffer requirement (%)	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3,00%	3,00%	3,00%
Liquidity Coverage Ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	14 547,4	14 509,4	15 856,4
EU 16a	Cash outflows - Total weighted value	11 806,0	11 836,6	11 410,8
EU 16b	Cash inflows - Total weighted value	2 203,7	2 155,8	1 883,1
16	Total net cash outflows (adjusted value)	9 602,4	9 680,9	9 527,7
17	Liquidity coverage ratio (%)	152%	150%	166%
Net Stable Funding Ratio				
18	Total available stable funding	66 410,8	64 387,8	66 105,8
19	Total required stable funding	49 840,4	51 404,7	50 211,1
20	NSFR ratio (%)	133%	125%	132%

EU KM1 - Key metrics template

PLN m

		31.12.2021*	31.12.2021
Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	6 468,5	6 200,0
2	Tier 1 capital	6 468,5	6 200,0
3	Total capital	7 266,2	6 997,7
Risk-weighted exposure amounts			
4	Total risk exposure amount	48 678,1	49 411,2
Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	13,29%	12,55%
6	Tier 1 ratio (%)	13,29%	12,55%
7	Total capital ratio (%)	14,93%	14,16%
Leverage ratio			
13	Total exposure measure	85 131,5	85 857,0
14	Leverage ratio (%)	7,60%	7,22%

EU INS1 - Insurance participations

		a	b
		Exposure value	Risk exposure amount
1	Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	-	-

Alior Bank SA does not hold equity interests in insurance companies.

EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio

PLN m

		a
		31.12.2022
1	Supplementary own fund requirements of the financial conglomerate (amount)	-
2	Capital adequacy ratio of the financial conglomerate (%)	-

Alior Bank SA is part of a financial conglomerate headed by PZU SA, the Bank itself does not calculate additional requirements for the financial conglomerate's own funds.

EU OVC - ICAAP information

Legal basis	Row number	
Article 438(a) CRR	(a)	Alior Bank SA has an internal capital adequacy assessment process (ICAAP) in line with the Regulation of the Minister of Finance, Funds and Regional Policy of 3 August 2021 on the detailed method of internal capital estimation and bank reviews. The purpose of the internal capital adequacy assessment process is to ensure that all risks to which the Bank is exposed are analyzed in terms of materiality and that the Bank has an adequate amount of capital to cover the risks deemed material. The process includes the following phases: • identification of material risks - performed as part of the process review on an annual basis, or more frequently in justified cases • quantification of individual risks and total internal capital - performed on an ongoing basis • stress testing - performed on an annual basis or more frequently in justified cases • reporting and monitoring of capital goals, including available capital allocation limits - performed periodically • capital management and capital planning - performed on an ongoing basis in order to ensure the adequacy of internal capital • process review - performed on an annual basis, or more often in justified cases.
Article 438(c) CRR	(b)	The Bank did not have any additional regulatory requirements with regard to own funds and their structure based on the supervisory review process referred to in Art. 104 sec. 1 lit. a) Directive 2013/36/EU.

EU OVA - Institution risk management approach

<table>
<tr><th>Legal basis</th><th>Row number</th><th></th></tr>
<tr><td>Point (f) of Article 435(1) CRR</td><td>(a)</td><td>As part of the risk appetite, the Bank's Management Board approved the expected levels of the Bank's key capital ratios for 2022 at the levels: total capital ratio - 11.97% and Tier 1 capital ratio - 9.97%. Higher than in 2021 levels of risk appetite for capital ratios are related to the recommendation by the Polish Financial Supervision Authority to maintain own funds at the level of individual and consolidated capital to cover the additional capital add-on (P2G) at the level of 1.47 p.p. in order to absorb potential losses resulting from the occurrence of stress conditions. On December 23, 2022, the Bank received a letter from the Polish Financial Supervision Authority updating P2G's capital charge to 0.15 p.p. The expected internal capital to equity ratio was approved at 1.0.
The Bank is still not identified as a systemically important institution, therefore there is no O-SII buffer.

The structure of the size of the assessed risk exposure, measured by the capital requirement measure for individual risk types, throughout 2022 was consistent with the structure of risk exposure in the entire banking sector in Poland. The structure of the size of the assessed risk exposure confirms the dominance of credit risk exposure in the total risk exposure. In line with its policy, the Bank does not maintain a significant exposure to market risk, and therefore the share of risk in the exposure structure is small. The share of exposure to operational risk measured with the AMA and TSA models (for the branch in Romania and for Alior Leasing) was close to the average share for the banking sector in Poland.</td></tr>
<tr><td>Point (b) of Article 435(1) CRR</td><td>(b)</td><td>In order to efficiently and effectively manage the risk system at Alior Bank SA, the supervision, control and responsibility for the operation of this system have been entrusted to:
• Supervisory Board,
• the Risk Committee of the Supervisory Board,
• the Bank's Management Board,
• Committees (Capital, Assets and Liabilities Management Committee - CALCO, Operational Risk Committee, Credit Risk Committee and Business Initiatives Committee, Model Risk Committee, Bank Credit Committee),
• Organizational units responsible for particular types of risk,

The risk management system in place at the Bank is based on three independent lines of defense. Its framework is set by standards applicable in the banking sector and guidelines contained in regulations, including supervisory recommendations, which are reflected in the applicable internal regulations.

The Supervisory Board oversees the Group's risk management system, the compliance of the Group's risk-taking policy with the Group's strategy and financial plan, and assesses the adequacy and effectiveness of this system, in particular through:
• approval of the strategy and risk appetite defined by the Bank's Management Board for a given year and monitoring of its compliance,
• approval of the risk management strategy adopted by the Bank's Management Board and monitoring of its compliance,
• supervision over the development, adoption and implementation of policies and procedures on the basis of which the risk management system is to function in the Group,
• defining the rules for reporting to the Supervisory Board on the types and size of risk in the activity in a way that allows the supervision of the risk management system in the Group,
• annual assessment of the adequacy and effectiveness of the risk management system.

The Risk Committee of the Supervisory Board supports the Supervisory Board in supervision over the Group's risk management system. The Committee operates based on the Rules of Procedure of the Risk Committee of the Supervisory Board of Alior Bank approved by the Supervisory Board. the most important tasks of the Risk Committee of the Supervisory Board include in particular:
• giving opinions on the Bank's overall, current and future risk appetite, which has been quantified in the risk appetite,
• giving opinions on the Bank's risk management strategy and analyzing the information submitted by the Management Board regarding the implementation of this strategy, including periodic reports on capital adequacy, credit, operational, market and liquidity risk, as well as model risk, compliance risk and reputation risk,
• supporting the Supervisory Board in overseeing the implementation of the Bank's risk management strategy,
• verification of compliance of the price of liabilities and assets offered to clients with the Bank's business model and its risk strategy, and in the event of non-compliance, presenting to the Bank's Management Board proposals to ensure the adequacy of the prices of liabilities and assets to these types of risk,
• issuing opinions on regulations specifying the Bank's strategy and policy, regulating the approach to risk taking, and the approval of which lies within the competence of the Supervisory Board,
• analysis of periodic reports on the implementation of the above strategies and policies,
• supporting the Supervisory Board in the ongoing monitoring of the Bank's risk management system.

In 2022, 10 stationary meetings of the Supervisory Board Risk Committee and 2 combined meetings of the Supervisory Board Risk Committee and the Supervisory Board Audit Committee were held.</td></tr>
</table>

EU OVA - Institution risk management approach

Legal basis	Row number	
Point (b) of Article 435(1) CRR	(b)	The Management Board of the Bank designs, implements and ensures the operation of a coherent risk management system in the Group, adjusted to the risk profile, including the rules for managing individual risk types of the Group, ensuring their consistency with the Group's risk management strategy, and determining the risk appetite. Defines the organizational structure of the Bank, including foreign branches, ensuring the proper division of key roles from the point of view of risk management. The Management Board is supported in effective management of individual types of risk by committees established for this purpose. The committees take decisions / issue recommendations at stationary meetings or by circulation. The objective of the Capital, Assets and Liabilities Management Committee (CALCO) is to support the Bank's Management Board in effective management of market risk, liquidity risk, counterparty risk, business risk, capital risk and excessive leverage risk, as well as supervision over the functioning of the Recovery Plan. In 2022, the CALCO Committee held 53 meetings. The Operational Risk Committee (ORC) was established to support the Management Board in effective operational risk management at the Bank. The Committee monitors the level of exposure to operational risk and assesses the operational risk situation across the Bank. In 2022, the Operational Risk Committee held 13 meetings. The objective of the Credit Risk Committee and Business Initiatives Committee is to support the Bank's Management Board in effective management of the Bank's credit risk, including credit concentration risk. In 2022, the Credit Risk and Business Initiatives Committee held 17 meetings. The Model Risk Committee supports the Bank's Management Board in the effective management of model risk, taking into account significant subsidiaries where model risk has been recognized as material under the Internal Capital Adequacy Assessment Process (ICAAP). In 2022, the Model Risk Committee held 12 meetings. The subject of activity of the Bank's Credit Committee is approving credit decisions on the Bank's on-balance sheet and off-balance sheet exposure, making decisions on the introduction of special offers and making decisions on all matters not regulated in the Credit Competence Principles, related to the Bank's taking credit risk, up to the amount of the competence limit granted to Bank's Credit Committee and recommending credit decisions to the Bank's Management Board for exposures exceeding the limit granted to the committee. In 2022, the Bank's Credit Committee held 122 meetings. The Bank supervises the functioning of the subsidiaries of the Bank's Capital Group. The Bank supervises the risk management systems in these entities and takes into account the level of risk related to the activities of individual entities as part of the risk monitoring and reporting system at the level of the Bank's Group. The Risk Materiality Group is responsible for the risk review at Alior Bank SA. The Group is composed of representatives of individual divisions and areas of the Bank's operations, having appropriate knowledge of the current and potential risk. In particular, they are representatives of units responsible for managing credit risk, market risk and operational risk. Due to the variety of phenomena accompanying particular types of risk, each of them is managed by the appropriate leading unit. In the case of credit risk, individual functions related to identification, measurement, assessment and monitoring have been divided among several organizational units. The detailed scope of tasks of individual units is presented when discussing each type of risk. The Audit Department conducts independent audits to provide the Supervisory Board and the Management Board of the Bank with objective information regarding the assessment of the effectiveness and adequacy of the risk management system in the Bank's Capital Group.
Point (e) of Article 435(1) CRR	(c)	The implemented and applied risk management system in the Group is appropriate from the point of view of the Group's profile and strategy.
Point (c) of Article 435(1) CRR	(d)	Risk measurement and assessment includes the determination of risk measures adequate to the materiality of a given type of risk and risk quantification using the established measures, as well as risk assessment consisting in determining the level of risk that may pose a threat to the achievement of the Group's strategic goals. As part of the risk measurement, stress tests are carried out on the basis of assumptions ensuring reliable risk assessment, which include an analysis of the impact of changes in the environment and functioning of the Group on its financial and capital position. The measurement results are regularly reported to the Bank's authorities and designated organizational units.
Point (c) of Article 435(1) CRR	(e)	Risk reporting consists in regularly providing the Supervisory Board, the Management Board, committees and organizational units of the Bank indicated by the Management Board with reliable and regular information on changes in the size and profile of the Group's risk, as well as on the undertaken and recommended actions in the field of risk management. The scope, frequency and form of reporting are adjusted to the management level of the recipients, which is regulated in detail in the Bank's internal regulations.

EU OVA - Institution risk management approach

Legal basis	Row number	
Point (a) of Article 435(1) CRR	(f)	**Credit risk** Credit risk management and keeping it at a safe level, defined in the risk appetite, is of fundamental importance for the Bank's stable operation and development. Credit risk is controlled by the credit risk management system in place at the Bank, which is comprehensive and integrated with the Bank's operational processes. The description of the risk control system operation is reflected in the regulations in force at the Bank, in particular in the lending methodologies and risk valuation models tailored to the client's segment, product and transaction type, rules for establishing and monitoring legal loan collateral, and monitoring and debt collection processes. By managing the risk (both on an individual and portfolio basis), the bank takes actions that lead to: • minimizing the level of credit risk of a single loan with the assumed profitability level • reduction of the total credit risk resulting from the Bank's specific loan portfolio. As part of minimizing the risk of a single exposure, the Bank assesses each time when granting a loan product: • credibility and creditworthiness of the client, taking into account, inter alia, detailed analysis of the source of exposure repayment, • credibility of the accepted collateral, including verification of their formal, legal and economic status, taking into account, inter alia, LTV adequacy, • undertakes effective monitoring and debt collection activities adequately defined at the level of a single client thanks to the segmentation models used. In order to maintain the credit risk at the level defined in the risk appetite, the Bank takes the following actions: • sets and controls concentration limits, • monitors the structure and quality of a new credit exposure in relation to the defined objectives and signals of EWS, • analyzes changes in internal and market factors as well as the sensitivity of the loan portfolio, in particular with regard to negative events identified as potential risk, • regularly monitors the loan portfolio, controlling all significant parameters of credit risk (including PD, LGD, LTV, DTI, COR, NPE, NPL, Coverage, loss ratio for each generation), • regularly carries out stress tests. In addition to individual organizational units in the credit risk management process, an active role is played by the Supervisory Board, the Bank's Management Board, the Credit Risk Committee and Business Initiatives Committee and the Bank's Credit Committee. **Operational risk** The Bank has a formalized operational risk management system under which it counteracts the occurrence of operational events and limits losses in the event of risk materialization. Operational risk management includes identification, measurement and assessment of operational risk, management activities as well as risk monitoring and control at all levels, from organizational units responsible for operational risk management in their areas, operational risk coordinators, through the Operational Risk Management Department, the Operational Risk Committee, to Management and Supervisory Board. As part of identifying operational risk, the Bank recognizes risk factors that materially affect its level. At the identification stage, various methods of obtaining information are used, including: • collecting data on events and losses at the Bank and its subsidiaries, • risk identification in processes, products and systems, • risk identification in outsourced processes, • analysis of external operational risk events. Measurement and assessment of operational risk are carried out with the use of quantitative and qualitative measures and include, among others: • key risk indicators (KRI) for which tolerance thresholds have been defined, • purpose and limits as well as determining the level of their use, • The Bank calculates the own funds requirement for operational risk in accordance with the Advanced Approach (AMA) for the Bank, excluding the Branch in Romania, for which the Standardized Approach (TSA) applies, • estimating internal capital for the Bank for operational risk using the results of the AMA model, • stress tests and scenario analyzes, • scenario analyses, • self-assessment of operational risk, • assessment of new and modified business processes, products and submissions.

EU OVA - Institution risk management approach

Legal basis	Row number	
Point (a) of Article 435(1) CRR	(f)	**Market risk** The following types of market risk have been identified in the Bank and are subject to management: • interest rate risk in the banking book, • market risk in the trading book (including interest rate risk in the trading book, currency risk and commodity price risk). The objective of market risk management is to limit potential losses due to changes in market risk factors to an acceptable level by appropriately shaping the structure of the balance sheet and off-balance sheet items. The Bank distinguishes the following market risk factors: • exchange rates, • interest rate indices, • stock / index prices, • prices of goods, • credit spread related to the rating of a given issuer, • options volatility parameters. The Bank has a clear division of competences in the area of market risk management, including: • concluding treasury transactions, • measurement, monitoring and reporting of market risk, • transaction settlement process, • operational service and operational support for business processes. Supervision over the above-mentioned activities related to concluding transactions as well as independent measurement and reporting of risk at the Bank has been distributed to the level of a Management Board Member, which guarantees full independence of their operations.
Points (a) and (d) of Article 435(1) CRR	(g)	**Credit risk** Collaterals are established in relation to the credit risk incurred by the Bank and in a flexible manner to the client's abilities. Its establishment does not release the Bank from the obligation to examine the customer's creditworthiness. The purpose of securing the loan is to provide the Bank with the repayment of the granted loan together with the interest and costs due, if the borrower fails to pay the amounts due within the time limits specified in the loan agreement and the restructuring activities do not bring the expected results. Details in points b and c of EU CRC - Qualitative disclosure requirements related to CRM techniques **Operational risk** The Bank, striving to reduce the risk of materialization of the effects of rare but potentially severe operational events, purchased a number of insurance policies. Above the policies covered, inter alia, insurance in the field of: property (including electronic equipment), civil liability, penal fiscal liability and professional liability. The terms of individual policies are adjusted to the scale and scope of the risk incurred. Above policies are not used as a mechanism to limit the amount of own funds requirements for operational risk, nor as a mitigating factor for the amount of internal capital for operational risk. An important element of operational risk management at Alior Bank is business continuity management (BCM). As part of BCM, the Bank implements the BCM system and strategies in accordance with the Business Continuity Management Policy approved by the Bank's Management Board. As part of the BCM Bank system, periodically: analyzes business processes / operational activities, • performs a review and update of the strategy of action in emergency and crisis situations, • develops and implements emergency solutions and Business Continuity Plans (BCP), • performs tests, updates and self-assessment of the BCM system, • builds awareness in the organization in the field of BCM. The implementation of the agreed system and BCM strategy is to ensure the implementation of critical business processes in the event of an unplanned disruption. The Bank has cyclically tested emergency solutions for the implementation of critical processes (including replacement locations) and disaster recovery solutions.
Points (a) and (d) of Article 435(1) CRR	(g)	**Market risk** Market risk is limited by a system of limits and warning thresholds as well as an appropriate number of regulations defining the framework of the Bank's operations in terms of exposure to market risk. The limits are defined in particular in the form of the market risk appetite at the level of the Bank's Supervisory Board. Moreover, the CALCO Committee additionally limits the market risk with supplementary limits. Market risk is hedged by appropriate shaping of the Bank's balance sheet structure (natural hedge) and by concluding appropriate hedging transactions. Some of the hedging transactions are designated for hedge accounting, both for cash flow volatility and fair value volatility.

EU OVB - Disclosure on governance arrangements

Legal basis	Row number	
Point (a) of Article 435(2) CRR	(a)	As at December 31, 2022, members of the Management Board of Alior Bank S.A. performed their functions in the Management Board of Alior Bank S.A. (in total - 7 functions). In addition, they held 7 positions in supervisory boards, with 3 of these functions being roles in supervisory boards of subsidiaries within the Alior Bank Capital Group. 1. President of the Management Board Grzegorz Olszewski - Chairman of the Supervisory Board of Alior TFI S.A. 2. Vice President Radomir Gibała - member of the Supervisory Board of System Ochrony Banków Komercyjne S.A. 3. Vice-President Paweł Tymczyszyn - Vice-Chairman of the Supervisory Board of Alior Leasing sp. z o.o. and member of the Supervisory Board (Secretary) Ruch S.A. 4. Vice President Jacek Polańczyk - Chairman of the Supervisory Board of PGNiG Supply & Trading GmbH and Chairman of the Supervisory Board of XCity Investment sp. z o.o. 5. Vice President Rafał Litwińczuk - member of the Supervisory Board of Alior TFI S.A.
Point (b) of Article 435(2) CRR	(b)	At Alior Bank Spółka Akcyjna, the following apply: Policy for the selection and evaluation of members of the Management Board and Policy for the selection and evaluation of members of the Supervisory Board, taking into account, among others, the provisions of the Methodology for assessing the suitability of bodies of entities supervised by the Polish Financial Supervision Authority (hereinafter: the "Methodology"). In relation to members of the Management Board, its purpose is to fulfill the obligations arising from the law and to support the implementation of the Bank's strategy by ensuring that the functions of members of the Management Board are performed by persons with knowledge, skills and experience, appropriate to the functions performed by them and the duties entrusted to them, and guarantee proper performance of these duties. In order to ensure the individual suitability of members of the Management Board, the Nomination and Remuneration Committee of the Supervisory Board, and then the Supervisory Board, evaluates the initial suitability of candidates and, based on this assessment, decides on appointment to the Management Board. The collective suitability of the authority is also assessed. The Nomination and Remuneration Committee of the Supervisory Board and the Supervisory Board periodically (once a year) verify the suitability of Management Board members by performing a secondary assessment of the individual suitability of individual members of the Management Board and assessment of the collective suitability of the Management Board. Secondary assessment of Management Board members is also carried out in the event of changes in the areas subject to assessment according to the Methodology.
Point (c) of Article 435(2) CRR	(c)	The Bank makes efforts to ensure the diversity of the Management Board, in particular in terms of education and professional experience, specialist knowledge, gender and age of Management Board members, to the extent that ensures a wide range of views of the management body. When selecting the composition of the Management Board, the Bank strives to achieve a balance in terms of gender representation in the Company's body, taking into account the achievement of a minimum share of minorities due to gender at the level of 30%. In order to ensure diversity, candidates with different education, professional experience, age and gender are taken into account when selecting members of the Management Board. In particular, in order to achieve the assumed target participation of both sexes in the composition of the Management Board, the Nomination Committee ensures the participation of both sexes in the process of selecting members of the Management Board and equal treatment of candidates regardless of gender. When assessing the diversity of Management Board members in terms of education and professional experience, the following criteria may be taken into account in particular: place (country, region) of obtaining education or professional experience, education profile, field of study, specialization in a specific field, type of entities in which the candidate held or remained employed or seniority. The Bank clearly states that the formation of the composition of the Company's governing body should not take place solely in order to increase diversity at the expense of the functioning and suitability of the Management Board as a whole or the suitability of individual members of the Company's governing.
Point (d) of Article 435(2) CRR	(d)	The Risk Committee of the Supervisory Board of Alior Bank S.A. was established on 22 December 2015 by Resolution No. 81/2015 of the Supervisory Board to support the Supervisory Board in overseeing the risk management process at the Bank. The Committee operates based on the Rules of Operation of the Risk Committee of the Supervisory Board of Alior Bank approved by the Supervisory Board. Meetings of the Committee are held in accordance with the work plan adopted by the Committee, with a monthly frequency.

EU OVB - Disclosure on governance arrangements

Legal basis	Row number	
Point (e) Article 435(2) CRR	(e)	Reporting to the management body is carried out in accordance with the principles described in the Regulation of the Management Information System (approved at the level of the Bank's Management Board). Management reporting is carried out in the following cycles: **Monthly:** • The monthly information for the Bank's Management Board is to present to the Bank's Management Board the aggregated results of the implementation of the Bank's strategy in terms of individual risks in relation to the adopted risk appetite • The implementation of key risk indicators, including the risk appetite in the credit portfolio of the Alior Bank Group, is the presentation to the Management Board of the Bank and the Risk Committee of the Supervisory Board of the aggregated results of the implementation of the Bank's strategy for individual risks in relation to the adopted risk appetite. **Quarterly:** • Quarterly information for the Bank's Management Board, the Risk Committee of the Supervisory Board and the Supervisory Board is the presentation to the Management Board of the Bank, the Risk Committee of the Supervisory Board and the Supervisory Board of the aggregated results of the implementation of the Bank's strategy in terms of individual risks in relation to the adopted risk appetite **Semi-annual:** • Report on the assessment of outsourcing and sensitive services in terms of operational risk for the Bank's Management Board and Supervisory Board **Annual:** • Summary of annual results in the risk area, including settlement of the risk appetite and implementation of the risk policy for the previous year • Report on information technology risk at Alior Bank for the Management Board of the Bank and the Risk Committee of the Supervisory Board • Annual report - Operational risk management in the Alior Bank S.A. Group for the Bank's Management Board, the Risk Committee of the Supervisory Board and the Supervisory Board and the Supervisory Board, it includes, inter alia, summary of the implementation of the operational risk management strategy.

EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

PLN m

		a	b	c	d	e	f	g
				Carrying values of items				
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset clases according to the balance sheet in the published financial statements								
1	Cash and cash equivalents	2 584,1	2 582,8	2 582,8	-	-	-	-
2	Amounts due from banks	2 373,7	2 373,7	2 189,6	184,1	-	-	-
3	Investment financial assets:	17 015,1	16 998,4	16 624,1	365,8	-	237,9	-
4	*measured at fair value through other comprehensive income*	*9 896,0*	*9 893,5*	9 893,5	-	-	0,0	-
5	*measured at fair value through profit or loss*	*437,3*	*423,0*	48,8	365,8	-	237,9	-
6	*measured at amortized cost*	*6 681,8*	*6 681,8*	6 681,8	-	-	-	-
7	Derivative hedging instruments	178,1	178,1	-	178,1	-	74,3	-
8	Loans and advances to customers	57 609,9	57 609,9	57 315,1	294,8	-	-	-
9	Assets pledged as collateral	41,0	41,0	41,0	-	-	-	-
10	Property, plant and equipment	744,4	744,1	744,1	-	-	-	-
11	Intangible assets	391,1	379,8	74,0	-	-	-	305,8
12	Investments in associates	0,0	74,3	74,3	-	-	-	-
13	Non-current assets held for sale	1,6	1,6	1,6	-	-	-	-
14	Income tax asset	1 417,2	1 416,1	634,0	-	-	-	782,0
15	Other assets	521,0	519,4	519,4	-	-	-	-
16	**Total assets**	**82 877,2**	**82 919,1**	**80 800,0**	**1 022,8**	**-**	**312,2**	**1 087,9**
Breakdown by liability classes according to the balance sheet in the published financial statements								
1	Amounts due to banks	270,4	270,4	-	-	-	-	-
2	Amounts due to customers	70 776,8	70 827,3	-	-	-	-	-
3	Financial liabilities	256,0	256,0	-	256,0	-	150,0	-
4	Derivative hedging instruments	1 678,9	1 678,9	-	1 678,9	-	839,4	-
5	Provisions	267,9	267,9	-	-	-	-	-
6	Other liabilities	2 044,2	2 041,3	-	-	-	-	-
7	Income tax liabilities	249,1	247,0	-	-	-	-	-
8	Subordinated liabilities	1 163,9	1 163,9	-	-	-	-	-
9	**Total liabilities**	**76 707,3**	**76 752,7**	**-**	**1 934,9**	**-**	**989,4**	**-**

EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

PLN m

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1)**	**81 831,2**	**80 800,0**		**1 022,8**	**312,2**
2	**Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)**	**1 943,3**	**-**		**1 934,9**	**989,4**
3	**Total net amount under the scope of prudential consolidation**	**79 887,9**	**80 800,0**		**-912,1**	**-677,2**
4	**Off-balance-sheet amounts**	**10 204,4**	**10 204,4**		**-**	x
5	Differences in valuations	-	-		-	x
6	Differences due to different netting rules, other than those already included in row 2	-	-		-	x
7	Differences due to consideration of provisions	1 171,1	1 171,1		-	x
8	Differences due to the use of credit risk mitigation techniques (CRMs)	-113,2	-113,2		-	x
9	Differences due to credit conversion factors	-8 164,7	-8 164,7		-	x
10	Differences due to Securitisation with risk transfer	-	-		-	x
11	Other differences	2 873,8	729,9		2 143,9	x
12	**Exposure amounts considered for regulatory purposes**	**85 859,1**	**84 627,4**	**-**	**1 231,8**	**43,7**

EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Alior Services sp. z o.o.	Full consolidation				x		Activities of an insurance agent for 8 insurance companies (contract administration) and debt collection
Alior Leasing sp. z o.o.	Full consolidation	x					Financing of fixed assets with operating, financial leases, and lease loans
Meritum Services ICB SA	Full consolidation				x		Services related to IT and computer technologies and other IT-related activities
Alior TFI SA	Full consolidation				x		Activities related to asset management, creation and management of investment funds or foreign funds, including intermediation in the sale and redemption of participation units, representing them before third parties, management of a collective portfolio of securities and management of portfolios that include financial instruments
Absource sp. z o.o.	Full consolidation				x		Services related to IT and computer technologies; activity related to IT consulting and provision of access services to IT software
Corsham sp. z o.o.	Full consolidation				x		Company dedicated to the implementation of venture capital investments; as part of capital investments, it includes minority shares in entities operating in the area of new solutions on the financial and financial-related market
RBL_VC sp. z o.o.	Full consolidation				x		Company dedicated to the implementation of venture capital investments; currently undergoing verification process at the PFSA before being entered in the Register of Alternative Investment Companies (ZASI)
RBL_VC sp z o.o. ASI spółka komandytowo-akcyjna	Full consolidation				x		Is the target investment vehicle through which Alior Bank intends to make venture capital investments; as part of the investments made, the company will hold minority shares in entities operating in the area of new solutions in the financial and financial-related (fin-tech) markets

Detailed information on the structure of the Alior Bank SA Capital Group is included in the Consolidated Financial Statements of the Alior Bank Group for the year ended 31 December 2022.

EU LIA - Explanations of differences between accounting and regulatory exposure amounts

Legal basis	Row number	
Article 436(b) CRR	(a)	The scope of companies subject to prudential consolidation differs from the scope of companies subject to financial consolidation carried out in accordance with the International Financial Reporting Standards. In 2022, Alior Bank SA and Alior Leasing sp.z o.o. were covered by prudential consolidation. In the opinion of the Bank's Management Board, other subsidiaries were not subject to prudential consolidation due to their insignificant scale of operations in the Bank's Capital Group. The differences between the accounting and prudential scope of consolidation result from the financial data of other companies not included in the prudential consolidation, and from accounting consolidation exclusions.
Article 436(d) CRR	(b)	The main difference between the accounting and prudential scope of consolidation is "Investments in associates", the Bank's shares in subsidiaries not prudentially consolidated.

EU LIB - Other qualitative information on the scope of application

Legal basis	Row number	
Article 436(f) CRR	(a)	In the case of other entities belonging to the Alior Bank SA Capital Group, the Bank does not identify any significant obstacles to the transfer of funds for recapitalization of entities and the repayment of their liabilities.
Article 436(g) CRR	(b)	The Bank does not have subsidiaries not covered by consolidation, whose own funds are lower than required.
Article 436(h) CRR	(c)	The Bank does not apply the derogations referred to in Art. 7 of CRR, or the individual consolidation method specified in Art. 9 of CRR.
Article 436(g) CRR	(d)	Due to the above, this disclosure does not apply to the Alior Bank Group.

EU PV1 - Prudent valuation adjustments (PVA)

PLN m

	a	b	c	d	e	EU e1	EU e2	f	g	h
	Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
1 Market price uncertainty	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
2 Not applicable	x	x	x	x	x	x	x	x	x	x
3 Close-out cost	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
4 Concentrated positions	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
5 Early termination	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
6 Model risk	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
7 Operational risk	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
8 Not applicable	x	x	x	x	x	x	x	x	x	x
9 Not applicable	x	x	x	x	x	x	x	x	x	x
10 Future administrative costs	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
11 Not applicable	x	x	x	x	x	x	x	x	x	x
12 Total Additional Valuation Adjustments (AVAs)	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**12,5**	**nd**	**nd**

To calculate a prudent valuation adjustment (AVA), the bank uses the simplified method, in accordance with Art. 4, Commission Delegated Regulation (EU) 2016/101 of 26 October 2015 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to prudent regulatory technical standards in accordance with Art. 105 paragraph. 14, the sum of the absolute value of assets and liabilities measured at fair value as reported in the institution's financial statements in accordance with the applicable accounting framework is less than EUR 15 billion.

EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

PLN m

		a				
		Series A shares	**Series B shares**	**Series C, D shares**	**Series E, F shares**	**Series G, H shares**
1	Issuer	Alior Bank SA	Alior Bank SA	Alior Bank SA	Alior Bank SA	Alior Bank SA
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	PLALIOR00045	PLALIOR00045	PLALIOR00045	PLALIOR00045	PLALIOR00045
2a	Public or private placement	public	public	public	public	public
3	Governing law(s) of the instrument	polish	polish	polish	polish	polish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes	Yes
Recognition in regulatory capital						
4	Current treatment taking into account, where applicable, transitional CRR rules	Share Capital	Share Capital	Share Capital	Share Capital	Share Capital
5	Post-transitional CRR rules	Tier I	Tier I	Tier I	Tier I	Tier I
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	individual and consolidated	individual and consolidated	individual and consolidated	individual and consolidated	individual and consolidated
7	Instrument type (types to be specified by each jurisdiction)	ordinary shares, Article 50 CRR	ordinary shares, Article 50 CRR	ordinary shares, Article 50 CRR	ordinary shares, Article 50 CRR	ordinary shares, Article 50 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	500,0	12,5	132,0	8,4	87,1
9	Nominal amount of instrument	10,0	10,0	10,0	10,0	10,0
EU-9a	Issue price	30,0	80,0	issue prices for individual tranches in the current report 3/2012 of 04/12/2012	65,0	73,0
EU-9b	Redemption price	not applicable	not applicable	not applicable	not applicable	not applicable
10	Accounting classification	Equity capital	Equity capital	Equity capital	Equity capital	Equity capital
11	Original date of issuance	21 04 2008	10 05 2012	2012-07-23 2012-10-19 2017-09-12 2018-01-15 2018-03-29 2018-06-28	2017-03-29 2017-09-12	2013-11-28 2015-02-25
12	Perpetual or dated	perpetual	perpetual	perpetual	perpetual	perpetual
13	Original maturity date	No maturity date	No maturity date	No maturity date	No maturity date	No maturity date
14	Issuer call subject to prior supervisory approval	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	not applicable	not applicable	not applicable	not applicable	not applicable
16	Subsequent call dates, if applicable	not applicable	not applicable	not applicable	not applicable	not applicable
Coupons / Dividends						
17	Fixed or floating dividend/coupon	not applicable	not applicable	not applicable	not applicable	not applicable
18	Coupon rate and any related index	not applicable	not applicable	not applicable	not applicable	not applicable
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Partial discretionary	Partial discretionary	Partial discretionary	Partial discretionary	Partial discretionary
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partial discretionary	Partial discretionary	Partial discretionary	Partial discretionary	Partial discretionary
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	not applicable	not applicable	not applicable	not applicable	not applicable
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	not applicable	not applicable	not applicable	not applicable	not applicable
25	If convertible, fully or partially	not applicable	not applicable	not applicable	not applicable	not applicable
26	If convertible, conversion rate	not applicable	not applicable	not applicable	not applicable	not applicable
27	If convertible, mandatory or optional conversion	not applicable	not applicable	not applicable	not applicable	not applicable
28	If convertible, specify instrument type convertible into	not applicable	not applicable	not applicable	not applicable	not applicable
29	If convertible, specify issuer of instrument it converts into	not applicable	not applicable	not applicable	not applicable	not applicable
30	Write-down features	No	No	No	No	No
31	If write-down, write-down trigger(s)	not applicable	not applicable	not applicable	not applicable	not applicable
32	If write-down, full or partial	not applicable	not applicable	not applicable	not applicable	not applicable
33	If write-down, permanent or temporary	not applicable	not applicable	not applicable	not applicable	not applicable
34	If temporary write-down, description of write-up mechanism	not applicable	not applicable	not applicable	not applicable	not applicable
34a	Type of subordination (only for eligible liabilities)	not applicable	not applicable	not applicable	not applicable	not applicable
EU-34b	Ranking of the instrument in normal insolvency proceedings	10	10	10	10	10
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Satisfied last in the hierarchy of claims	Satisfied last in the hierarchy of claims	Satisfied last in the hierarchy of claims	Satisfied last in the hierarchy of claims	Satisfied last in the hierarchy of claims
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	not applicable	not applicable	not applicable	not applicable	not applicable
37a	Link to the full term and conditions of the instrument (signposting)	https://www.aliorbank.pl/en/investor-relations/current-reports.html	https://www.aliorbank.pl/en/investor-relations/current-reports.html	https://www.aliorbank.pl/en/investor-relations/current-reports.html	https://www.aliorbank.pl/en/investor-relations/current-reports.html	https://www.aliorbank.pl/en/investor-relations/current-reports.html

EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

PLN m

		Series I, J shares	Series P1B bonds	Series K i K1 bonds	Series F bonds	Series P2A bonds
1	Issuer	Alior Bank SA	Alior Bank SA	Alior Bank SA	Alior Bank SA	Alior Bank SA
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	PLALIOR00045	PLALIOR00169	PLALIOR00219	PLALIOR00094	PLALIOR00235
2a	Public or private placement	public	public	not public	not public	public
3	Governing law(s) of the instrument	polish	polish	polish	polish	polish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes	Yes
	Recognition in regulatory capital					
4	Current treatment taking into account, where applicable, transitional CRR rules	Share Capital	Tier II Capital	Tier II Capital	Tier II Capital	Tier II Capital
5	Post-transitional CRR rules	Tier I	Tier II	Tier II	Tier II	Tier II
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	individual and consolidated	individual and consolidated	individual and consolidated	individual and consolidated	individual and consolidated
7	Instrument type (types to be specified by each jurisdiction)	ordinary shares, Article 50 CRR	Subordinated bonds, Article 62 CRR	Subordinated bonds, Article 62 CRR	Subordinated bonds, Article 62 CRR	Subordinated bonds, Article 62 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	565,5	19,5	343,3	115,0	89,9
9	Nominal amount of instrument	10,0	71,0	612,2	330,6	150,1
EU-9a	Issue price	39,0	on April 21, 2016, issue price 1,000.0 // on April 22, 2016, issue price 1,000.14	1 000,0	1 000,0	on November 27, 2017, issue price 400,000.0 / on November 28, 2017, issue price: 400,049.86
EU-9b	Redemption price	not applicable	1 000,0	1 000,0	1 000,0	400 000,0
10	Accounting classification	Equity capital	Subordinated liabilities	Subordinated liabilities	Subordinated liabilities	Subordinated liabilities
11	Original date of issuance	2016-05-25 2016-11-08	21 04 2016	20 10 2017	26 09 2014	27 11 2017
12	Perpetual or dated	perpetual	dated	dated	dated	dated
13	Original maturity date	No maturity date	16 05 2024	20 10 2025	26 09 2024	29 12 2025
14	Issuer call subject to prior supervisory approval	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	not applicable	not applicable	not applicable	not applicable	not applicable
16	Subsequent call dates, if applicable	not applicable	not applicable	not applicable	not applicable	not applicable
	Coupons / Dividends					
17	Fixed or floating dividend/coupon	not applicable	not applicable	not applicable	not applicable	not applicable
18	Coupon rate and any related index	not applicable	WIBOR6M +3,00	WIBOR6M +2,70	WIBOR6M +3,14	WIBOR6M +2,70
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Partial discretionary	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partial discretionary	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	not applicable	not applicable	not applicable	not applicable	not applicable
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	not applicable	not applicable	not applicable	not applicable	not applicable
25	If convertible, fully or partially	not applicable	not applicable	not applicable	not applicable	not applicable
26	If convertible, conversion rate	not applicable	not applicable	not applicable	not applicable	not applicable
27	If convertible, mandatory or optional conversion	not applicable	not applicable	not applicable	not applicable	not applicable
28	If convertible, specify instrument type convertible into	not applicable	not applicable	not applicable	not applicable	not applicable
29	If convertible, specify issuer of instrument it converts into	not applicable	not applicable	not applicable	not applicable	not applicable
30	Write-down features	No	No	No	No	No
31	If write-down, write-down trigger(s)	not applicable	not applicable	not applicable	not applicable	not applicable
32	If write-down, full or partial	not applicable	not applicable	not applicable	not applicable	not applicable
33	If write-down, permanent or temporary	not applicable	not applicable	not applicable	not applicable	not applicable
34	If temporary write-down, description of write-up mechanism	not applicable	not applicable	not applicable	not applicable	not applicable
34a	Type of subordination (only for eligible liabilities)	not applicable	not applicable	not applicable	not applicable	not applicable
EU-34b	Ranking of the instrument in normal insolvency proceedings	10	8	8	8	8
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Satisfied last in the hierarchy of claims	According to the position in the hierarchy of claims	According to the position in the hierarchy of claims	According to the position in the hierarchy of claims	According to the position in the hierarchy of claims
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	not applicable	not applicable	not applicable	not applicable	not applicable
37a	Link to the full term and conditions of the instrument (signposting)	https://www.aliorbank.pl/en/investor-relations/current-reports.html	https://www.aliorbank.pl/en/investor-relations/current-reports.html	https://www.aliorbank.pl/en/investor-relations/current-reports.html	https://www.aliorbank.pl/en/investor-relations/current-reports.html	https://www.aliorbank.pl/en/investor-relations/current-reports.html

EU CC1 - Composition of regulatory own funds

PLN m

		(a) Amounts	(b) Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	**Capital instruments and the related share premium accounts**	**5 182,3**	EU CC2 lit. b) poz 6 + 8
	Series A	1 500,0	
	Series B	99,9	
	Series C	685,3	
	Series D,E, F	108,2	
	Series G	458,0	
	Series H	172,5	
	Series I, J	2 158,4	
2	**Retained earnings**	**-59,3**	EU CC2 lit b) poz 14
3	**Accumulated other comprehensive income (and other reserves)**	**359,8**	EU CC2 lit. b) poz 7 - 8 + 9 + 12
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0,0	EU CC2 lit b) poz 16
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**5 482,8**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-12,5	
8	Intangible assets (net of related tax liability) (negative amount)	-305,8	EU CC2 lit b) poz 1
9	Not applicable	-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	1 196,0	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Not applicable	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-425,2	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Not applicable	-	
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	

		(a) Amounts	(b) Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	293,5	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**746,0**	
29	**Common Equity Tier 1 (CET1) capital**	**6 228,9**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Not applicable	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	
44	**Additional Tier 1 (AT1) capital**	-	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**6 228,9**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	567,7	EU CC2 lit. b) poz 5
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	**567,7**	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
54a	Not applicable	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
56	Not applicable	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
EU-56b	Other regulatory adjustments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-	
58	**Tier 2 (T2) capital**	**567,7**	
59	**Total capital (TC = T1 + T2)**	**6 796,6**	
60	**Total Risk exposure amount**	**47 901,4**	
Capital ratios and requirements including buffers			
61	**Common Equity Tier 1 capital**	**13,00%**	
62	Tier 1 capital	13,00%	
63	Total capital	14,19%	
64	Institution CET1 overall capital requirements	7,02%	
65	of which: capital conservation buffer requirement	2,50%	
66	of which: countercyclical capital buffer requirement	0,02%	
67	of which: systemic risk buffer requirement	-	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	-	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	-	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**6,19%**	
National minima (if different from Basel III)			
69	Not applicable	-	
70	Not applicable	-	
71	Not applicable	-	
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	113,7	
74	Not applicable	-	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	632,8	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

PLN m

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period end	As at period end	
Assets - Breakdown by asset clases according to the balance sheet in the published financial statements				
1	Intangible assets	391,1	305,8	Consolidated financial statements of the Alior Bank Spółka Akcyjna Group for the year ended 31 December 2022 - note Consolidated statement of financial position page 5 (Assets)
2	Deferred tax assets	1 416,0	425,2	
3	including net assets deducted from CET		425,2	
Liabilities - Breakdown by liability clases according to the balance sheet in the published financial statements				
4	Subordinated liabilities	1 163,9	567,7	Consolidated financial statements of the Alior Bank Spółka Akcyjna Group for the year ended 31 December 2022 - note Consolidated statement of financial position page 5 (Liabilities)
5	including Bonds qualifying as Tier 2 instruments		567,7	
Shareholders' Equity				
6	Share capital	1 305,5	1 305,5	Consolidated financial statements of the Alior Bank Spółka Akcyjna Group for the year ended 31 December 2022 - note Consolidated statement of financial position page 6 (Equity)
7	Supplementary capital	5 407,1	5 401,5	
8	including Emission Agios	3 876,8	3 876,8	
9	Revaluation reserve	-1 339,4	-1 339,4	
10	including capital from the valuation of financial assets at fair value through other comprehensive income	-143,4	-143,4	
11	including capital from the valuation of hedging instruments	-1 196,0	-1 196,0	
12	Other reserves	161,8	174,4	
13	Zyski zatrzymane	634,6	-59,3	
14	including Accumulated losses	-48,5	-59,3	
15	including Profit for the period	683,1	-	
16	including approval of the Polish Financial Supervision Authority to include the net result in TIER I for the first half of 2021		0,0	
Total equity		**6 169,6**	**5 482,8**	

The amount of deduction from own funds for the item Intangible assets, point 1 letter b) of the above table, was decreased by PLN 74.0 M. This adjustment represents the value of a carefully valued software intangible asset, which was determined by the Bank in accordance with Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020 amending Delegated Regulation (EU) No 241/2014 with regard to the deduction of software assets from Common Equity Tier 1 items. The above adjustment was taken into account by the Bank in the calculation of capital requirements for credit risk.

IFRS 9/Article 468-FL - Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR

PLN m

		31.12.2022	30.06.2022	31.12.2021
Available capital (amounts)				
1	CET1 capital	6 228,9	6 254,0	6 200,0
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5 909,9	5 935,0	5 562,0
2a	CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied *	6 145,6	6 155,4	nd*
3	Tier 1 capital	6 228,9	6 254,0	6 200,0
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5 909,9	5 935,0	5 562,0
4a	Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	6 145,6	6 155,4	nd*
5	Total capital	6 796,6	6 926,5	6 997,7
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6 477,6	6 607,5	6 359,7
6a	Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	6 713,3	6 827,9	nd*
Risk-weighted assets (amounts)				
7	Total risk-weighted assets	47 901,4	49 513,7	49 411,2
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	47 740,9	49 297,5	48 929,6
Capital ratios				
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	13,00%	12,63%	12,55%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12,38%	12,04%	11,37%
10a	CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	12,83%	12,43%	nd*
11	Tier 1 (as a percentage of risk exposure amount)	13,00%	12,63%	12,55%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12,38%	12,04%	11,37%
12a	Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	12,83%	12,43%	nd*
13	Total capital (as a percentage of risk exposure amount)	14,19%	13,99%	14,16%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13,57%	13,40%	13,00%
14a	Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	14,01%	13,79%	nd*
Leverage ratio				
15	Leverage ratio total exposure measure	86 434,2	86 673,7	85 857,0
16	Leverage ratio	7,21%	7,22%	7,22%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6,85%	6,86%	6,51%
17a	Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied *	7,12%	7,12%	nd*

* The Bank, in 2021, did not apply the temporary treatment of unrealized gains and losses measured at fair value through other comprehensive income in accordance with Art. 468 of the CRR. The capital ratios reported as at December 31, 2021, including the leverage ratio and Tier 1 capital, reflect all unrealized gains and losses measured at fair value through other comprehensive income.

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

PLN m

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
	Breakdown by country:													
1	Polska	62 466,4		8,4			62 474,8	3 156,1	2,7		3 158,8	39 485,1	97,08%	0,00%
2	Wielka Brytania	443,1					443,1	31,1			31,1	388,9	0,96%	1,00%
3	Rumunia	257,8					257,8	16,1			16,1	201,5	0,50%	0,50%
4	Luksemburg	304,5					304,5	24,3			24,3	303,8	0,75%	0,50%
5	Niemcy	262,6					262,6	3,9			3,9	49,0	0,12%	0,00%
6	Irlandia	41,2					41,2	1,8			1,8	22,5	0,06%	0,00%
7	Niderlandy	22,7					22,7	1,0			1,0	12,3	0,03%	0,00%
8	Szwajcaria	16,9					16,9	0,6			0,6	7,7	0,02%	0,00%
9	Belgia	14,6					14,6	0,7			0,7	8,3	0,02%	0,00%
10	Austria	9,1					9,1	0,4			0,4	4,5	0,01%	0,00%
11	Stany Zjednoczone	6,9					6,9	0,3			0,3	4,3	0,01%	0,00%
12	Francja	8,2					8,2	0,4			0,4	5,4	0,01%	0,00%
13	Włochy	4,2					4,2	0,3			0,3	3,4	0,01%	0,00%
14	Norwegia	1,7					1,7	0,2			0,2	2,2	0,01%	2,00%
15	Czechy	5,5					5,5	0,4			0,4	4,8	0,01%	1,50%
16	Cypr	40,1					40,1	2,6			2,6	32,1	0,08%	0,00%
17	Malta	0,9					0,9	0,0			0,0	0,5	0,00%	0,00%
18	Hiszpania	1,6					1,6	0,1			0,1	1,4	0,00%	0,00%
19	Szwecja	1,1					1,1	0,1			0,1	1,3	0,00%	1,00%
20	Łotwa	0,8					0,8	0,0			0,0	0,3	0,00%	0,00%
21	Australia	0,8					0,8	0,1			0,1	1,1	0,00%	0,00%
22	Dania	0,6					0,6	0,0			0,0	0,6	0,00%	2,00%
23	Finlandia	2,2					2,2	0,2			0,2	2,3	0,01%	0,00%
24	Portugalia	0,2					0,2	0,0			0,0	0,1	0,00%	0,00%
25	Singapur	0,1					0,1	0,0			0,0	0,0	0,00%	0,00%
26	Islandia	0,1					0,1	0,0			0,0	0,1	0,00%	2,00%
27	Słowacja	0,2					0,2	0,0			0,0	0,2	0,00%	1,00%
28	Węgry	0,5					0,5	0,0			0,0	0,5	0,00%	0,00%
29	Estonia	10,2					10,2	0,7			0,7	8,3	0,02%	1,00%

EU CCyB2 - Amount of institution-specific countercyclical capital buffer

PLN m

		a
1	Total risk exposure amount	47 901,4
2	Institution specific countercyclical capital buffer rate	0,0163%
3	Institution specific countercyclical capital buffer requirement	7,8

EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

PLN m

		a
		Applicable amount
1	Total assets as per published financial statements	82 877,2
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	41,9
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	958,6
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2 421,3
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	135,2
13	**Total exposure measure**	**86 434,2**

EU LR2 - LRCom: Leverage ratio common disclosure

PLN m

		CRR leverage ratio exposures	
		a	b
		31.12.2022	31.12.2021
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	82 807,5	83 505,2
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	0,0	0,0
6	(Asset amounts deducted in determining Tier 1 capital)	-776,0	-563,8
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**82 031,5**	**82 941,4**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	743,6	388,3
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	758,9	386,7
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	1 502,6	775,0
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	478,9	110,6
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-

		CRR leverage ratio exposures	
		a	b
		31.12.2022	31.12.2021
18	Total securities financing transaction exposures	478,9	110,6
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	10 204,4	9 950,3
20	(Adjustments for conversion to credit equivalent amounts)	-7 681,2	-7 797,4
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-101,9	-122,8
22	Off-balance sheet exposures	2 421,3	2 030,1
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	**(Total exempted exposures)**	-	-
Capital and total exposure measure			
23	**Tier 1 capital**	**6 228,9**	**6 200,0**
24	**Total exposure measure**	**86 434,2**	**85 857,0**
Leverage ratio			
25	**Leverage ratio (%)**	**7,21%**	**7,22%**
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	7,21%	7,22%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	7,21%	7,22%
26	Regulatory minimum leverage ratio requirement (%)	3,00%	3,00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	nd	nd
EU-26b	of which: to be made up of CET1 capital	nd	nd
27	Leverage ratio buffer requirement (%)	nd	nd
EU-27a	Overall leverage ratio requirement (%)	3,00%	3,00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	przejściowy	przejściowy
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	nd	nd

		CRR leverage ratio exposures	
		a	b
		31.12.2022	31.12.2021
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	478,9	110,6
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	86 434,2	85 857,0
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	86 434,2	85 857,0
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7,21%	7,22%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7,21%	7,22%

EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

PLN m

		a
		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**82 807,5**
EU-2	Trading book exposures	4,6
EU-3	Banking book exposures, of which:	82 802,9
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	17 979,3
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	1,4
EU-7	Institutions	2 953,8
EU-8	Secured by mortgages of immovable properties	13 275,4
EU-9	Retail exposures	32 894,7
EU-10	Corporates	8 332,6
EU-11	Exposures in default	3 974,1
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	3 391,5

EU LRA: Disclosure of LR qualitative information

Legal basis	Row number	
Point (d) of Article 451(1) CRR	(a)	In its operations, the Bank applies procedures for managing the risk of excessive financial leverage. These procedures define: • the method of measuring the leverage ratio as a measure of Tier 1 capital divided by the total exposure, • frequency of calculating the leverage ratio, • responsibility for calculating the leverage ratio, • limits for the risk of excessive financial leverage, • responsibility for managing the risk of excessive leverage.
Point (e) of Article 451(1) CRR	(b)	The leverage ratio is at a stable level. The factor that had an impact on this was the change in Tier 1 capital proportional to the change in the balance sheet total.

EU LIQA - Liquidity risk management

Legal basis	Row number	
Article 451a(4) CRR	(a)	The liquidity risk means a risk of failure by the Bank to meet – subject to comfortable conditions and at adequate prices – its payment obligations resulting from the Bank's on- and off-balance sheet items. As part of the liquidity risk, the financing risk is distinguished, which is the risk of losing the financing sources and the risk of the lack of the required renewed funding or access denial to new sources of financing. **Strategies and processes for liquidity risk management, including policies for diversifying the sources and maturity of planned funding** Liquidity risk management in the Bank consists in ensuring and maintaining the Bank's ability to meet both current and future liabilities, while minimizing the costs of obtaining liquidity. The Bank has a liquidity adequacy assessment process (ILAAP) which comprehensively assesses the adequacy of liquidity risk management and its adjustment to the nature, scale and complexity of the Alior Bank Group. This process accomplishes the following goals: • ensuring its ability to pay all its obligations when they fall due also in an extreme situation, • maintaining at an adequate level a liquidity buffer that means high quality liquid assets ensuring adequate excess liquidity, • determination of the scale of the Bank's exposure to liquidity risk by setting internal liquidity limits, consistent with the appetite and strategy of the Bank, taking into account the results of stress tests • minimising the risk of trespassing on the liquidity limits defined at the Bank, • monitoring the Bank's liquidity condition regarding the occurrence of an emergency situation in order to launch the Liquidity Maintenance Plan and the Recovery Plan, • ensuring compliance of the processes functioning at the Bank with regulatory requirements concerning liquidity risk management. Strategies and processes for liquidity risk management, including the above objectives, are carried out independently by relevant organizational units, whose competences and responsibilities are clearly defined in internal regulations. **As part of ILAAP Bank:** • identifies risks and significant risk factors, • measures and reports liquidity risk, • works with liquidity procedures and policies, including a financing plan for the subsequent years of the Bank's operations, • manages Liquidity Contingency Plans and Recovery Plan, • maintains a liquidity buffer consisting of high-quality liquid assets, • develops a system of liquidity limits in line with the risk appetite, monitors liquidity limits and early warning indicators identifying negative trends that may have an impact on the increase of liquidity risk, • conducts liquidity risk stress tests, on the basis of which it assesses the extent to which the Bank is prepared to settle liabilities in a stress situation, • includes in the fund transfer rates system adjustments supporting liquidity risk management, • develops liquidity procedures and policies, including a financing plan for the next years of the Group's operations. The developed financing plan takes into account, among others, the scope of obtaining loans and deposits on the interbank market, taking into account their term and currency structure, the Group's plans to obtain and maintain stable external funds, the availability of refinancing instruments and an appropriate degree of diversification of the Group's liabilities.

EU LIQA - Liquidity risk management

Legal basis	Row number	
Article 451a(4) CRR	(b)	**The structure and organization of the liquidity risk management function (body, articles of association, other arrangements)** For the purpose of managing assets and liabilities, the Capital, Asset and Liability Management Committee (CALCO) was established. The liquidity risk strategy, including the acceptable risk level, the assumed structure of the balance sheet and the financing plan, is approved by the Bank's Management Board and then approved by the Bank's Supervisory Board. The Treasury Department is responsible for concluding interbank transactions, accounting and settlement of transactions is carried out in the Operations Division, while liquidity risk is monitored and measured in the Financial Risk Management Department. The division of competences in the area of liquidity risk management is clear and ensures separation to the level of a Management Board Member, which guarantees full independence of their operations. In 2022, the Bank had a foreign branch in Romania. This branch conducts deposit and credit activities as part of financing obtained from Alior Bank SA and from funds obtained from the local market. The level of the Branch's liquidity is monitored on an ongoing basis by dedicated organizational units within the Branch and the Bank's Head Office.
Article 451a(4) CRR	(c)	**Description of the degree of centralization of liquidity management and interactions between group entities** In 2022, in accordance with the provisions of the internal regulations regarding liquidity risk, the Bank had one company significant from the point of view of managing the Group's liquidity risk, which was a subsidiary of Alior Leasing. The liquidity risk in the company is monitored, controlled and reported. Alior Leasing has internal rules of liquidity risk management developed in consultation with Alior Bank, according to which, inter alia, determines the appetite for liquidity risk, liquidity contingency plans and prepares periodic reports. Reports on the company's liquidity risk prepared by Alior Leasing constitute, in particular, the starting point for making decisions regarding the company's liquidity risk management and are used to consolidate the liquidity risk at the level of the Alior Bank SA Group.
Article 451a(4) CRR	(d)	**Scope and nature of liquidity risk reporting and measurement systems** The measurement of liquidity risk at the Bank is performed by the Financial Risk Management Department in a manner completely independent of the units responsible for concluding transactions. The purpose of risk measurement is to present the impact of all significant factors on the Bank's ability to maintain an adequate level of liquidity. Apart from the collective measures of liquidity risk, the analysis covers also particular categories and factors influencing the current or potential future liquidity level of the Bank. The measurement of the liquidity risk covers the Polish currency and all foreign currencies significant from the point of view of the liquidity risk in which the Bank conducts its operating activities are performed taking into account all material items, both on-balance and off-balance sheet (including in particular derivative instruments). Among the liquidity management measures used, the Bank distinguishes between ratios and related limits of the following types of liquidity: • intraday liquidity, defined as the ability to meet all monetary obligations on the current day, • current liquidity understood as the ability to finance assets and settle liabilities in a timely manner in the course of the Bank's normal operations or in other conditions that can be predicted without the necessity to incur a loss within the next 7 days, • short-term liquidity, defined as the ability to meet all monetary obligations within 30 consecutive days, • medium-term liquidity is understood as the ability to meet all liabilities with maturity over 1 and up to 12 months, • long-term liquidity is the monitoring of the ability to meet all monetary obligations with maturity over 12 months. The management of the intraday, current and short-term liquidity risk covers events that will affect the Bank's liquidity in the period from 1 day to 1 month. The Interbank Transactions Department is responsible for the management of intraday, current and short-term liquidity, and the Financial Risk Management Department, using daily reports, supervises and monitors the management process. The Financial Risk Management Department is responsible for the control and monitoring of medium and long-term liquidity, which prepares monthly reports discussed at CALCO Committee meetings, presented to the Bank's Management Board and quarterly reports presented to the Supervisory Board.

EU LIQA - Liquidity risk management

Legal basis	Row number	
Article 451a(4) CRR	(d)	The Alior Bank Group uses a number of indicators and analyzes to measure and analyze the liquidity risk, including: • calculation and monitoring of LCR, NSFR supervisory indicators - assessment of the Bank's compliance with quantitative supervisory requirements, • forecasts for the development of supervisory liquidity measures - ensuring that the Bank will meet quantitative supervisory requirements in the future, • calculation and monitoring of internal liquidity ratios, including measures of intraday, current, short-term, medium and long-term liquidity, basic surplus and total liquidity buffer, • liquidity gap - allows to estimate the size of the mismatch (difference) between on-balance sheet and off-balance sheet assets and liabilities for each maturity / maturity band (period gap), as well as for the sum of assets and liabilities jointly in all maturity / maturity bands (cumulative gap). The bank determines the contractual and adjusted liquidity gap. The realignment of flows takes place as a result of applying adjustment weights to contractual flows in order to determine the most probable (economic) maturity date. Realization of values and dates is used both for balance sheet items and off-balance sheet items, e.g. such as: assets for which earlier disposal is possible, positions without contractual maturities, banking products where the analysis of customer trends and behavior indicates differences between the contractual maturity and the actual maturity, off-balance sheet liabilities due to credit lines granted and warranty • stability analysis of stable external funds - determining on the basis of historical data what part of these liabilities is stable and may, with a high probability, constitute a stable source of financing under normal market conditions, • analysis of renewal / breaking of deposits - the purpose is to verify the behavioral stability of customer behavior, which is the basis for determining the sediment and weights of cash flow realities in the Group, • analysis of the stability of receivables due to off-balance sheet commitments granted - determination of the level of use of guarantee and credit lines by customers, deposit and weights of cash flow realities in the Bank, • analysis of stable external funds concentration - indication of the potential risk of excessive dependence of the Bank on financing sources characterized by an insufficient degree of diversification, which could have a negative impact on the stability of external funds, • long-term liquidity analysis - aimed at determining the risk associated with financing long-term loans (mainly secured by a mortgage or for financing large projects not related to real estate, including industrial investments) with liabilities with shorter maturities, • analysis of the concentration of liquid assets - aimed at limiting the risk of obtaining cash by liquidating the above-mentioned assets when it is necessary to cover the expected as well as unexpected liabilities of the Bank.
Article 451a(4) CRR	(e)	**Policies for hedging and limiting liquidity risk, as well as strategies and processes for monitoring the continued effectiveness of hedging instruments and risk mitigants** The Bank's liquidity risk hedging strategy consists in: • shaping an appropriate structure of financing sources, • limiting the concentration risk by diversifying the structure of the deposit base broken down into retail, business, financial, government and local government institutions, • maintaining excess liquidity at an adequate level in the form of the most liquid securities, • increasing the availability of alternative sources of financing. The Alior Bank Group regularly monitors and reports the level of liquidity risk measures and the degree of utilization of internal limits and threshold values. Liquidity risk reports are prepared on a daily, weekly, monthly, quarterly and annual basis. Their frequency and scope as well as the list of recipients (including CALCO, the Bank's Management Board and the Supervisory Board) are regulated in the internal regulations of the Group. The limits set the boundaries of the Group's operations that must not be exceeded. The Group extends the selected limits by warning thresholds, the function of which is to protect against exceeding internal limits by specifying the level of limit utilization (minimum surplus), the achievement of which will mean an increased liquidity risk and a real risk of exceeding the limit within a specified period of time.

EU LIQA - Liquidity risk management

Legal basis	Row number	
Article 451a(4) CRR	(f)	**Outline of the Bank's contingency financing plans** In the event of a liquidity crisis, understood as a hypothetical risk and the real occurrence of a situation in which it will not be possible to timely meet current or anticipated future payment obligations, liquidity contingency plans have been developed to identify solutions to survive the liquidity crisis, including corrective actions. The liquidity situation is monitored on an ongoing basis in terms of identifying a threat situation by defining and monitoring a wide range of indications regarding the situation within the Group, as well as the market and macroeconomic environment, which are used to identify situations of increased liquidity risk, high liquidity risk and liquidity risk crisis and enable taking appropriate action , as specified in the contingency plans. Contingency plans are reviewed and tested at least once a year or when changes in market conditions so require. As part of the tests of contingency plans, the following are determined: the feasibility and feasibility of actions, the decision-making process, the competences of individual units, the amount of funds that can be obtained and the time necessary to implement the actions.
Article 451a(4) CRR	(g)	**Clarification of how to apply stress tests** Stress testing is an essential component of liquidity risk management. The core part of stress testing is scenario analysis, which examines the impact on the liquidity of a given scenario taking into account different risk factors and different levels of severity of individual risk factors (while maintaining the overarching principle of a conservative approach in constructing scenarios). Additionally, separate scenarios for intraday liquidity are carried out. The scenario tests are supplemented with sensitivity analyzes, where only selected risk factors are tested which, in the Group's opinion, have the greatest impact on the liquidity situation, and reverse tests, where it is tested what level of the most important risk factors leads to the loss of liquidity. Reverse tests are performed by analyzing two aspects: loss of liquidity meaning the inability to settle liabilities and a decrease in liquidity resulting in a failure to meet supervisory liquidity requirements. The results of the stress tests are accepted by CALCO, the Bank's Management Board and the Supervisory Board. The stress test scenarios adopted by the Bank's Management Board are developed in three basic variants, for which at least two scenarios are constructed: • internal crisis - a situation where internal-bank factors or other factors are responsible for liquidity problems, but only for the Bank (2 scenarios assuming loss of reputation), • systemic crisis - a situation where in the whole or a significant part of the banking system there are problems with maintaining liquidity due to the economic or financial crisis (2 scenarios, including 1 related to the COVID-19 pandemic), • a combination of an internal crisis and a systemic crisis - a situation which is a combination of elements from the two above variants (2 scenarios assuming simultaneous problems of the Bank and the entire sector). The results of the stress tests are used in particular to assess the preparedness to settle liabilities in a stress situation, to assess the adequacy of excess liquidity by comparing the held liquidity buffer with the required liquidity buffer in a stress situation and to verify the adjustment of the Group's liquidity profile to the adopted liquidity risk tolerance by checking, whether the survival horizon in each scenario is at least equal to the originally assumed one, The comparison of the demand for liquid funds for each scenario with the values that can be obtained on the basis of the tests of contingency plans allows to check whether the Group is able to settle liabilities in longer horizons (beyond the survival horizon) using emergency actions. In addition, the results of stress tests are used to set internal limits, adjust and improve internal regulations, everyday practice of liquidity risk management by using the results of stress tests for the ongoing assessment of the liquidity situation, shaping the liquidity contingency plan.
Article 451a(4) CRR	(h)	Information provided in this Report in the STATEMENT section
Article 451a(4) CRR	(i)	Information provided in this Report in the STATEMENT section

Recommendation P - regarding the management of banks' financial liquidity risk

Legal basis	
Recommendation P	In accordance with the guidelines set out in Recommendation P, the Bank maintains a high level of liquidity buffer consisting of unencumbered high-quality liquid assets, investing in government and corporate debt securities with the highest ratings, characterized by the possibility of quick liquidation, keeping funds in the current account with the NBP and other banks (nostro accounts), keeping cash in the Bank's cash desks and depositing funds in interbank deposits, within the limits set. The adequacy of the maintained level of the liquidity buffer is controlled by comparing it with the determined minimum amount of the liquidity buffer necessary to survive the stress scenario in the time horizon of up to 7 days and 30 days. As at 31 December 2022, the total liquidity buffer amounted to PLN 15,942 million compared to the minimum level of PLN 8,467 million resulting from the shock scenario. When calculating the amount of the liquidity buffer, the Bank applies appropriate reductions to the individual components of this buffer in order to take into account the liquidity risk of the market (product). The Bank uses a number of methods to assess the situation in the area of liquidity, including monitoring (values at the end of 2022 in brackets): • ratio of the deposit base and own issues to net loans (1.24%), • stability of the deposit base (94.7%), including deposit withdrawals (0.7%), • on- and off-balance sheet liquidity gaps. The Bank conducts a gap analysis based on adjusted cash flows, taking into account i.a. the following assumptions: • stability of liabilities with indefinite maturity dates (e.g. current accounts, deposit renewals), • the possibility of extending the maturity date of certain asset items (e.g. no inflows from non-performing loans are taken into account), • possibility to sell assets (liquidity portfolio). In addition, when determining the adjusted liquidity gap, the Bank uses model weights of deposit deposits and the use of off-balance sheet commitments, determined on the basis of the implemented statistical model and historical observations of balances for individual products.

Analysis of maturity / payment of assets and liabilities for the Alior Bank Group, according to contractual deadlines at the end of 2022.

PLN m

31 12 2022	1D	1M	3M	6M	1Y	2Y	5Y	5Y+	RAZEM
ASSETS	**2 635,9**	**4 742,8**	**3 074,3**	**2 951,3**	**5 732,1**	**10 887,6**	**18 017,2**	**34 836,0**	**82 877,2**
Cash & Nostro	2 422,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2 422,5
Amounts due from banks	69,5	345,8	0,2	0,0	0,0	0,0	0,0	2 119,9	2 535,3
Loans and advances to customers	0,0	3 078,4	553,4	331,3	1 099,5	3 536,7	5 463,9	2 602,5	16 665,6
Securities	143,9	1 301,9	2 462,1	2 584,3	4 586,7	7 263,3	12 290,6	26 995,7	57 628,5
Other assets	0,0	16,8	58,6	35,7	45,9	87,6	262,7	3 117,9	3 625,2
LIABILITIES AND EQUITY	**-53 337,4**	**-4 683,9**	**-5 724,9**	**-4 126,8**	**-4 151,2**	**-2 248,7**	**-2 143,9**	**-6 460,4**	**-82 877,2**
Amounts due to banks	-155,0	-2,3	-8,1	-7,1	-15,0	-23,1	-58,7	-0,4	-269,7
Amounts due to customers	-51 125,8	-4 628,9	-5 678,0	-4 062,3	-3 739,7	-749,1	-32,0	-2,4	-70 018,2
Own issues	0,0	0,0	0,0	0,0	-101,1	-1 038,0	-776,7	0,0	-1 915,8
Equity	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-6 169,9	-6 169,9
Other liabilities	-2 056,6	-52,7	-38,8	-57,4	-295,4	-438,5	-1 276,4	-287,7	-4 503,6
Balance sheet gap	-50 701,6	59,0	-2 650,6	-1 175,5	1 580,9	8 639,0	15 873,3	28 375,6	0,0
Cumulated balance sheet gap	**-50 701,6**	**-50 642,6**	**-53 293,2**	**-54 468,7**	**-52 887,8**	**-44 248,8**	**-28 375,6**	**0,0**	
Derivative instruments – inflows	0,0	4 716,0	1 491,0	307,0	1 406,0	140,0	124,0	0,0	8 184,0
Derivative instruments – outflows	0,0	-4 738,0	-1 470,0	-295,0	-1 388,0	-133,0	-121,0	0,0	-8 145,0
Derivative instruments – net	**0,0**	**-22,0**	**21,0**	**12,0**	**18,0**	**7,0**	**3,0**	**0,0**	**39,0**
Guarantee and financing lines	-10 204,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-10 204,4
Off-balance sheet gap	-10 204,4	-22,0	21,0	12,0	18,0	7,0	3,0	0,0	-10 165,4
Total gap	**-60 905,9**	**37,0**	**-2 629,6**	**-1 163,5**	**1 598,9**	**8 646,0**	**15 876,3**	**28 375,6**	**-10 165,4**
Total cumulated gap	-60 905,9	-60 869,0	-63 498,6	-64 662,1	-63 063,2	-54 417,2	-38 540,9	-10 165,4	

Analysis of maturity / payment of assets and liabilities for the Alior Bank Group, according to the dates real to the end of 2022.

PLN m

31 12 2022	1D	1M	3M	6M	1Y	2Y	5Y	5Y+	RAZEM
ASSETS	**7 875,1**	**11 576,0**	**1 985,9**	**2 484,8**	**4 333,0**	**7 013,5**	**11 964,5**	**35 644,4**	**82 877,2**
Cash & Nostro	1 584,5	0,0	0,0	0,0	0,0	0,0	0,0	838,0	2 422,5
Amounts due from banks	69,5	345,8	0,2	0,0	0,0	0,0	0,0	2 119,9	2 535,3
Loans and advances to customers	6 077,2	9 956,5	0,0	19,0	0,0	28,1	236,3	348,6	16 665,6
Securities	143,9	1 256,9	1 927,1	2 430,2	4 287,1	6 897,8	11 465,4	29 220,1	57 628,5
Other assets	0,0	16,8	58,6	35,7	45,9	87,6	262,7	3 117,9	3 625,2
LIABILITIES AND EQUITY	**-3 254,6**	**-3 342,6**	**-3 408,3**	**-1 938,3**	**-2 981,3**	**-4 697,0**	**-7 668,5**	**-55 586,6**	**-82 877,2**
Amounts due to banks	-155,0	-2,3	-8,1	-7,1	-15,0	-23,1	-58,7	-0,4	-269,7
Amounts due to customers	-1 042,8	-3 281,7	-3 349,1	-1 855,3	-2 531,8	-3 197,4	-5 556,6	-49 203,5	-70 018,2
Own issues	0,0	0,0	0,0	0,0	-101,1	-1 038,0	-776,7	0,0	-1 915,8
Equity	-0,2	-6,0	-12,3	-18,5	-38,0	0,0	0,0	-6 095,0	-6 169,9
Other liabilities	-2 056,6	-52,7	-38,8	-57,4	-295,4	-438,5	-1 276,4	-287,7	-4 503,6
Balance sheet gap	4 620,5	8 233,4	-1 422,4	546,5	1 351,7	2 316,5	4 296,0	-19 942,2	0,0
Cumulated balance sheet gap	**4 620,5**	**12 853,9**	**11 431,5**	**11 978,0**	**13 329,7**	**15 646,2**	**19 942,2**	**0,0**	
Derivative instruments – inflows	0,0	4 715,8	1 491,3	306,5	1 406,5	140,2	123,6	0,0	8 183,9
Derivative instruments – outflows	0,0	-4 737,9	-1 470,0	-294,7	-1 388,0	-133,3	-120,7	0,0	-8 144,5
Derivative instruments – net	**0,0**	**-22,1**	**21,3**	**11,8**	**18,5**	**7,0**	**3,0**	**0,0**	**39,4**
Guarantee and financing lines	0,0	-378,9	-277,4	-271,9	-384,5	145,8	437,5	729,2	0,0
Off-balance sheet gap	0,0	-401,0	-256,1	-260,0	-366,0	152,8	440,5	729,2	39,4
Total gap	**4 620,5**	**7 832,4**	**-1 678,5**	**286,5**	**985,7**	**2 469,3**	**4 736,5**	**-19 213,0**	**39,4**
Total cumulated gap	4 620,5	12 452,9	10 774,4	11 060,9	12 046,6	14 515,9	19 252,4	39,4	

EU LIQ1 - Quantitative information of LCR

PLN m

Scope of consolidation: consolidated		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2022	30.09.2022	30.062022	31.03.2022
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)	x	x	x	x	14 547,4	14 411,1	14 509,4	15 374,5
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	55 705,6	54 984,1	53 916,4	53 263,8	3 357,3	3 472,4	3 563,6	3 603,1
3	Stable deposits	26 495,1	27 083,6	27 113,8	26 589,4	1 324,8	1 354,2	1 355,7	1 329,5
4	Less stable deposits	19 892,9	20 779,4	21 687,7	22 339,3	2 032,5	2 118,3	2 208,0	2 273,7
5	Unsecured wholesale funding	14 871,2	15 286,4	15 236,0	15 341,6	6 098,7	6 345,5	6 407,1	6 539,0
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	14 847,1	15 247,2	15 197,0	15 317,7	6 074,6	6 306,2	6 368,2	6 515,1
8	Unsecured debt	24,1	39,3	39,0	23,9	24,1	39,3	39,0	23,9
9	Secured wholesale funding	x	x	x	x	-	-	-	-
10	Additional requirements	10 170,5	10 032,9	9 616,9	9 272,6	1 620,3	1 654,6	1 495,6	1 347,4
11	Outflows related to derivative exposures and other collateral requirements	838,5	898,6	773,9	647,3	838,5	898,6	773,9	647,3
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	9 332,0	9 134,3	8 843,0	8 625,4	781,8	756,0	721,6	700,2
14	Other contractual funding obligations	899,9	683,1	522,5	468,7	729,8	521,5	370,3	323,6
15	Other contingent funding obligations	1 044,0	1 114,8	1 199,7	1 216,2	-	-	-	-
16	TOTAL CASH OUTFLOWS	x	x	x	x	11 806,0	11 994,0	11 836,6	11 813,2
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	373,4	344,1	233,3	234,7	-	-	-	-
18	Inflows from fully performing exposures	2 594,8	2 750,2	2 514,1	2 375,8	2 166,7	2 305,3	2 046,0	1 899,1
19	Other cash inflows	44,8	54,7	117,2	175,6	37,0	47,1	109,8	168,3
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	x	x	x	x	-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)	x	x	x	x	-	-	-	-
20	TOTAL CASH INFLOWS	3 013,0	3 148,9	2 864,6	2 786,0	2 203,7	2 352,4	2 155,8	2 067,4

Scope of consolidation: consolidated

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2022	30.09.2022	30.062022	31.03.2022
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	3 013,0	3 148,9	2 864,6	2 786,0	2 203,7	2 352,4	2 155,8	2 067,4
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER	x	x	x	x	14 547,4	14 411,1	14 509,4	15 374,5
22	TOTAL NET CASH OUTFLOWS	x	x	x	x	9 602,4	9 641,5	9 680,9	9 745,8
23	LIQUIDITY COVERAGE RATIO	x	x	x	x	152%	150%	150%	158%

EU LIQB on qualitative information on LCR, which complements template EU LIQ1.

Legal basis	Row number	
Article 451a(2) CRR	(a)	**Explanation of the main factors affecting the LCR results and changes in the share of input data in the LCR calculation over time.** The LCR is understood as the ratio of the value of liquid assets to net cash outflows resulting from both contractual and stress-modeled exposures over a 30-day time horizon. The main factors influencing the level of the LCR ratio are: safe level of maintained liquid assets, stable base of retail deposits, low dependence on short-term financing with deposits of financial entities, the level of issued bonds, taking into account their maturity, the balance of loans granted and the amount of lending conducted by the Group, and the amount of granted off-balance sheet liabilities (especially for financial entities).
Article 451a(2) CRR	(b)	**Explanation of changes in the LCR over time** Throughout 2022, the level of the LCR ratio was at a safe and high level, well above the supervisory limits and internal limits resulting from the adopted risk appetite. As at December 31, 2022, the LCR ratio amounted to 166% and was higher by 6 percentage points compared to the value of the ratio as at December 31, 2021, which was then 160%. The increase in the LCR ratio was influenced in particular by a change in the structure of the deposit base, namely a significant replacement of current accounts from individual and business customers with term deposits, in particular retail ones, which are characterized by the highest stability. In the analyzed period, the share of term deposits from individual customers in customer liabilities increased from 8% to 21%. The decrease in the most unstable deposits from financial customers also contributed to a positive change in the structure of the Bank's deposit base. The factor mitigating the increase in the LCR ratio was the increase in expected outflows from exposures on derivatives (HLBA) and the overall decrease in the Bank's deposit base from non-financial customers by PLN 0.8 billion.
Article 451a(2) CRR	(c)	**Explanations on the actual concentration of funding sources** The Group's sources of financing include, above all, a diversified deposit base, which includes current accounts and term deposits of retail clients (including individual clients and SMEs), financial clients and corporate clients. The deposit base is dominated by current accounts and term deposits of retail clients (approx. PLN 56.6 billion), which are characterized by a high level of stability and due to the weight assigned to outflows in the calculation of the LCR measure, they are a favorable source of financing (the average weight of outflows is 5.7 %). Corporate customer deposits amount to approximately PLN 13.2 billion with an average outflow weight of 35%, while financial customer deposits amount to PLN 0.8 billion with a top-down weight of 100%. The Group's other sources of financing include equity, which amounts to approximately PLN 6.2 billion, and issued subordinated bonds, which amount to PLN 1.2 billion. On a monthly basis, the Group conducts an analysis of the concentration of the deposit base, which is aimed at identifying the potential risk of the Group's excessive dependence on financing sources with too low a degree of diversification. In order to estimate the level of concentration, the Group determines the WWK index (High Concentration Index) calculated as the ratio of the value of funds accumulated by the largest depositors to the value of the deposit base. As at December 31, 2022, WWK amounted to 0.63%, which indicates a lack of concentration. In subsequent years, the Group assumes a moderate increase in the balance sheet total and maintaining customer deposits as the main source of funding (in particular from individual customers).

EU LIQB on qualitative information on LCR, which complements template EU LIQ1.

Legal basis	Row number	
Article 451a(2) CRR	(d)	**A general description of the structure of the institution's liquidity buffer** In order to protect against loss of liquidity, the Group maintains at an appropriate, high level unencumbered liquid assets, which are mainly characterized by a low level of credit and market risk, are relatively easy to value and sell. At the end of 2022, the Group's liquid assets amounted to PLN 17.461 million. The Group's liquid assets include mainly: • securities issued or guaranteed by the State Treasury (86.6%), including securities acquired as a result of the reveres REPO transaction, • exposures to Central Banks (12.2%), including NBP bills, O/N deposits and the surplus of funds accumulated on nostro accounts over the declared amount of the required reserve, • cash on hand (3.9%).
Article 451a(2) CRR	(e)	**Derivatives exposures and potential collateral calls** For outflows from derivative instruments, the Group includes cash flows determined in the net amount for all derivative instruments for a particular client, constituting a liability, the value of the excess of collateral deposits placed by clients over the valuation of hedged transactions and additional outflows due to the impact of the unfavorable market scenario on transactions in derivative instruments. (HLBA), calculated as the largest absolute 30-day net collateral flow realized in the last 2 years. As at 31 December 2022, the Group did not identify any contractual clauses concerning the deterioration of Alior Bank's rating, which would result in the necessity to supplement the margin.
Article 451a(2) CRR	(f)	**Currency mismatch in the liquidity coverage ratio** The Group monitors the LCR ratio calculated for significant currencies, i.e. currencies for which the value of liabilities in a given currency exceeds 5% of the value of all liabilities. As at 31 December 2022, the Group classified PLN EUR and USD as significant currencies. When calculating the LCR for significant currencies, the exposure on derivatives and potential collateral calls are taken into account. The Group reduces the currency mismatch, among others by investing in liquid securities in foreign currencies and setting internal limits for the minimum permissible value of the ratio.
Article 451a(2) CRR	(g)	The Bank has no other items in the LCR calculation that are not included in the LCR disclosure formula and that are considered by the institution to be material to its liquidity profile.

EU LIQ2: Net Stable Funding Ratio

PLN m

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
	(in currency amount)	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
	Available stable funding (ASF) Items					
1	**Capital items and instruments**	**5 482,9**	**0,0**	**0,0**	**567,7**	**6 050,6**
2	Own funds	5 482,9	-	-	567,7	6 050,6
3	Other capital instruments	x	-	-	-	-
4	**Retail deposits**	x	**51 534,0**	**3 757,8**	**1 292,4**	**52 609,1**
5	Stable deposits	x	29 497,4	1 587,7	246,5	29 777,2
6	Less stable deposits	x	22 036,6	2 170,1	1 045,9	22 831,9
7	**Wholesale funding:**	x	**14 127,9**	**95,9**	**816,9**	**7 483,2**
8	Operational deposits	x	-	-	-	-
9	Other wholesale funding	x	14 127,9	95,9	816,9	7 483,2
10	**Interdependent liabilities**	x	**0,0**	**0,0**	**0,0**	**0,0**
11	**Other liabilities:**	**1 421,1**	**2 971,9**	**0,0**	**267,8**	**267,8**
12	NSFR derivative liabilities	1 421,1	x	x	x	x
13	All other liabilities and capital instruments not included in the above categories	x	2 971,9	-	267,8	267,8
14	**Total available stable funding (ASF)**	x	x	x	x	**66 410,7**
	Required stable funding (RSF) Items					
15	**Total high-quality liquid assets (HQLA)**	x	x	x	x	**446,9**
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**	x	-	-	-	-
16	**Deposits held at other financial institutions for operational purposes**	x	-	-	-	-
17	**Performing loans and securities:**	x	**7 035,1**	**4 680,8**	**43 883,3**	**40 966,4**
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut	x	-	-	-	-

EU LIQ2: Net Stable Funding Ratio

PLN m

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
(in currency amount)		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions	x	933,1	148,9	256,0	423,8
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:	x	5 511,3	4 347,8	28 380,7	29 053,1
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	x	-	-	-	-
22	Performing residential mortgages, of which:	x	203,7	153,0	15 048,2	11 244,2
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	x	127,2	97,5	8 625,5	5 718,9
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products	x	387,0	31,1	198,4	245,3
25	**Interdependent assets**	x	-	-	-	-
26	**Other assets:**	x	**2 856,2**	**225,6**	**7 290,6**	**7 696,2**
27	Physical traded commodities	x	x	x	0,0	0,0
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	x	-	-	2 110,3	1 793,8
29	NSFR derivative assets	x	-	-	-	-
30	NSFR derivative liabilities before deduction of variation margin posted	x	1 581,5	-	-	79,1
31	All other assets not included in the above categories	x	1 274,7	225,6	5 180,3	5 823,3
32	**Off-balance sheet items**	x	-	-	**10 204,4**	**730,8**
33	**Total RSF**	x	x	x	x	**49 840,3**
34	**Net Stable Funding Ratio (%)**	x	x	x	x	**133%**

EU CRA: General qualitative information about credit risk

Legal basis	Row number	
Point (f) of Article 435(1) CRR	(a)	Alior Bank SA is a universal deposit and credit bank, servicing natural and legal persons and other entities that are domestic and foreign persons. The main activities of the Bank include maintaining bank accounts, granting loans and cash loans, issuing bank securities and purchasing and selling foreign currency values. The Bank also conducts brokerage activities, advisory and financial intermediation as well as provides other financial services. The risk profile depends on the type of business and results from: • the type of risk exposure, ie the types of risk to which the Bank is exposed in a specific type of activity, and • the risk appetite adopted by the Bank, ie the maximum level of risk that the Bank is ready to take in its operations. The risk appetite parameters are closely related to the Bank's strategy, and the strategy update is carried out together with the update of the financial plan, strategy and risk appetite, planned risk profiles of individual portfolios and their shares in the Bank's balance sheet. When developing its plans, the Bank adopts risk appetite as targets, inter alia, levels of parameters such as CoR, NPL and NPE ratios, coverage ratio, ensuring the achievement of business goals. In the longer term, the Bank builds its risk profile by ensuring acceptance criteria for new sales, as well as exposure service and collection processes in line with the Bank's mid- and long-term strategic goals. The Bank uses Risk-Based Pricing (i.e. price dependence on the level of customer and transaction risk) to ensure the profitability of all portfolios included in the loan portfolio. In order to stabilize future results, the Bank applies extensive concentration limits. The Bank prepares risk profile assumptions, taking into account the results of stress tests, so that the risk level on the portfolio is consistent with the adopted risk appetite. The credit risk level is monitored on a monthly basis and in the event of significant deviations from the adopted assumptions, the Bank takes steps to restore the required risk level.
Points (a) and (d) of Article 435(1) CRR	(b)	The Bank has defined the credit risk strategy in relation to individual customer groups by: • defining and introducing credit products to the offer, including a detailed description of their parameters (product sheets), such as: product buyers; subject of financing; Product designation; requirements for borrowers; minimum and maximum amount; loan period; the form of functioning of the product and its currency; principles of withdrawals, repayments and grace periods as well as a description of the collaterals used, including information on the required LtV ratio. A strictly defined product offer has been prepared for each of the homogeneous groups of customers, • determination of the expected risk profile of customers based on individual ratings or scoring assigned to them and the expected share of individual groups in the loan portfolio. The bank defined the expected distribution of scoring and rating results, • definition of the expected risk profile of the credit products implemented at the Bank, expressed in standard risk costs. Standard risk costs depend, inter alia, on on the value of the probability of impairment and the value of established collateral, • making the strategy, in terms of credit risk management, dependent on the distribution channel of individual products (ie Bank Branches, Contact Center, Internet, Agencies and Intermediaries) and the impact of each of them on the credit risk. This was reflected in credit processes dedicated to individual channels and standard risk costs, • risk diversification thanks to the application of concentration limits, • risk reduction thanks to the application of different DTI levels (an indicator expressing the ratio of the sum of monthly costs related to servicing liabilities and monthly financial liabilities other than credit liabilities to net income), • limiting credit risk by establishing loan collateral, • credit risk reduction as part of the implementation of defined monitoring processes. **Credit Risk Limits** **Risk appetite** 1. The Bank defines the risk appetite, which is the maximum level of risk that the Bank is ready to take and accept in connection with its activities. In order to determine the risk appetite, the Bank sets limits for individual risks. The limit is the acceptable risk level estimated by the Bank, beyond which specific management actions necessary to limit further risk growth are taken. 2. The risk appetite is determined on two levels: • general - defined by the level of capital security of the total exposure to risk, and • detailed defined - by measures limiting exposure to particular material types of risk. 3. The risk appetite at a general level is determined by the main capital limits. The main capital limits constitute the minimum degree of coverage by the Bank's capitals of the value of the risk exposure held, where the value of the risk exposure held is measured as an unexpected loss that can be realized if individual significant risk types materialize. 4. The detailed risk appetite has been defined through detailed limits limiting the amount of exposure to particular material types of risk.

EU CRA: General qualitative information about credit risk

Legal basis	Row number	
Points (a) and (d) of Article 435(1) CRR	(b)	**Concentration Limits** In order to prevent unfavorable events resulting from excessive concentration, the Bank limits the concentration risk by setting concentration limits and standards resulting from external regulations and internal analyzes conducted by the Bank. Concentration risk management in relation to credit activity in the Bank concerns in particular: 1. Areas resulting from external regulations: • risk resulting from exposures to entities referred to in Part Four of the CRR Regulation (the so-called large exposures), • internal concentration, including the risk arising from exposure to entities referred to in Art. 79a of the Banking Law; 2. The risk resulting from exposures to entities characterized by common features such as: • the same segment, • the same industry and sector of the economy, i.e. entities conducting the same activity or trading in similar goods, • the same country of residence or seat, • the same province of residence or seat; 3. Risk resulting from the product metric, including: the purpose of financing, currency, product type, LtV and the loan period; • risk resulting from exposures secured by the same type of security or secured by the same security provider (including the risk resulting from the Bank's security on securities with similar characteristics); 4. Risk arising from the distribution channel; 5. The risk resulting from the applied deviations or simplified methods of assessing creditworthiness (the so-called loans per declaration); and other areas where a significant risk of concentration of lending activities may arise.
Point (b) of Article 435(1) CRR	(c)	In order to efficiently and effectively manage the Group's credit risk, the supervision, control and responsibility for the operation of this system have been entrusted to: 1. The Supervisory Board of the Bank, which supervises the risk management system in the Group, on the compliance of the Group's risk-taking policy with the Group's financial strategy and plan and assesses the adequacy and effectiveness of this system 2. The Risk Committee of the Supervisory Board of the Bank, which supports the Supervisory Board of the Bank in the scope of exercising supervision over the credit risk management system in the Group 3. The Management Board of the Bank, which designs, implements and ensures the operation of a coherent credit risk management system in the Group, adjusted to the risk profile, including the rules of credit risk management and the appetite for credit risk, 4. Vice-President of the Management Board supervising material risk management, who is responsible, inter alia, for integrated credit risk management, 5. Committees supporting the Bank's Management Board in effective credit risk management: • the Credit Risk and Business Initiatives Committee (KRK) - with regard to credit risk, including credit concentration risk, • the Bank's Credit Committee - with regard to issuing recommendations and making credit decisions as well as issuing opinions on credit applications for decisions of the Bank's Management Board.

EU CRA: General qualitative information about credit risk

Legal basis	Row number	
Point (b) of Article 435(1) CRR	(c)	6. Organizational units responsible for credit risk in the scope of identification, measurement and assessment, monitoring, control, reporting and taking management actions related to risk, as well as for ensuring compliance of the internal regulations adopted by the Bank with regard to the implementation of the Risk Management Strategy in accordance with legal and supervisory regulations • Risk Strategy Department - in the area of write-offs, capital adequacy, setting concentration limits, credit risk stress tests, building and managing credit risk models, setting and accounting for credit risk appetite, risk reporting, • Credit Risk Department - in terms of shaping the credit risk policy and collateral policy, • The Department of Credit Operations and Debt Collection KI - in the field of monitoring, restructuring and collection of a loan granted in the KI segment and sole proprietorships in the Micro segment, whose total credit exposure does not exceed PLN 500 thousand. PLN, • The Department of Monitoring, Restructuring and Debt Collection of Business Customers - in the field of monitoring, restructuring and recovery of the granted credit in the KB segment, • The Operational Risk Management Department - in the scope of designing, organizing and managing control processes of organizational units of the Bank's risk area, • Department of KI Credit Analysis and Collateral Valuation - in the field of analysis of loan applications for the KI and Micro segments, loan administration for the Micro segment as well as the valuation and monitoring of collaterals for all segments, • Business Customer Credit Analysis Department - in the field of analysis of loan applications and administration of loans for KB, • Risk Model Validation Department - in terms of model validation processes and quantification of their risk. Additionally, the Audit Department conducts independent audits to provide the Supervisory Board and the Management Board of the Bank with objective information, including the assessment of the effectiveness and adequacy of the Group's risk management system.
Point (b) of Article 435(1) CRR	(d)	The credit risk management and internal control system at the Bank operates in line with the three lines of defense model: • The first line of defense is performed by business units that operate within the processes and policies developed by the second line of defense risk management units. • The function of the second line of defense consists of units responsible for risk management, ie units responsible for developing strategies and policies, designing risk management processes, monitoring and reporting risk, implementing control mechanisms, as well as credit analysts who operate within the framework of the developed processes and policies. • The third line of defense is the Audit Department, which is responsible for conducting independent audits of the Bank's credit risk management system in accordance with the approved audit plan.

EU CRB: Additional disclosure related to the credit quality of assets

Legal basis	Row number	
Points (a) and (b) of Article 442 CRR	(a)	The Bank defines evidence of impairment based on regulations and supervisory guidelines: • EU Regulation No. 575/2013, Art. 178 and the EBA/GL/2016/07 guidelines on the application of the definition of default and the Regulation of the Minister of Finance, Investment and Development of 3/10/2019 on the materiality level of an overdue credit obligation and EU Regulation No. 2021/451, • Recommendation R of the Polish Financial Supervision Authority regarding the rules for classifying credit exposures, estimating and recognizing expected credit losses and credit risk management issued in April 2021, and own experience related to credit risk management. The Bank, in accordance with Art. 178 sec. The second subparagraph of Article 1 of Regulation (EU) No 575/2013: • in the case of retail exposures, it applies the definition of default at the level of individual credit instruments (taking into account contagion in the case of arrears significant for the entire relationship), • for commercial exposures, it applies the definition of default at the obligor level. The key indicators of impairment are: • significant delay in repayment, understood as a delay in repayment for a period longer than 90 days, while meeting the criterion of significance of the overdue amount (i.e. PLN 400 for retail clients and PLN 2 thousand for commercial clients and 1% significance), • significant deterioration of the economic and financial situation (including a significant deterioration of the internal scoring/rating assessment) affecting the risk of the customer meeting the original contractual terms regarding the servicing of liabilities towards the Bank, • restructuring understood as a concession granted in terms of financing as a result of significant financial difficulties of the borrower, if, among others, it reduces the NPV of the asset by more than 1%, introduces a balloon installment or significantly postpones the servicing of principal installments, • submission by a business client of an application for restructuring, bankruptcy and liquidation proceedings, effective termination of the contract, • consumer bankruptcy of an individual client, • death of an individual client (taking into account the impact on the risk of debt servicing in the case of joint liabilities of many debtors), • lack of information about the whereabouts of an individual client, • loss of job by an individual client (recognised on the basis of the assessment of the client's inability to repay the debt due to job loss), • initiation of court or enforcement proceedings, • questioning the exposure by the debtor, • extortion, • cessation of activity, • implementation of the guarantee, • default of an individual customer as a result of recognizing a default on his sole proprietorship. The above catalog is an open set. In the event of an event that may constitute an indication of impairment, not covered by the above-mentioned the catalog is used to assess its significance for the risk of the client's failure to fulfill his obligations towards the Bank based on the original contractual terms and, if justified, impairment indicators are marked. The Bank assesses all customer credit exposures in terms of identifying objective evidence of impairment on a daily basis in terms of quantitative and process-related evidence, and according to the most up-to-date data on the date of the assessment in terms of evidence of the client's financial standing. The default identification process is carried out in a dedicated, centralized system, where all debtors of the Bank and the Capital Group are assessed according to uniform criteria. In 2022, despite the occurrence of significant negative external phenomena (post-pandemic period, war in Ukraine, environment of high interest rates and other macroeconomic challenges), the Bank did not introduce any changes in the principles of recognizing evidence of impairment.

EU CRB: Additional disclosure related to the credit quality of assets

Legal basis	Row number	
Points (a) and (b) of Article 442 CRR	(b)	All past due exposures that meet the materiality criteria and reach 90 days past due constitute default and result in recognizing the exposure as impaired. One reason when an exposure past due for more than 90 days will not result in the classification of impaired exposures is the fact that it is intangible (i.e. below 1% of the relative criterion and PLN 400 / PLN 2 thousand for retail and corporate clients, respectively).
Points (a) and (b) of Article 442 CRR	(c)	The Bank in accordance with the Commission Delegated Regulation (EU) No 183/2014 of 20 December 2013 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms with regard to regulatory technical standards on determining the method of calculating adjustments for specific and general credit risk, when calculating capital requirements, it takes into account adjustments for specific credit risk after obtaining permission from the Polish Financial Supervision Authority to include the result of a given period in the Bank's own funds or in the event of a loss, when the relevant amounts have been deducted from Common Equity Tier 1 capital. In particular, as at 31 December 2022, the Bank, as part of specific credit risk adjustments, took into account adjustments from the last date, which included the result (profit) in equity, i.e. 31 December 2021.
Points (a) and (b) of Article 442 CRR	(d)	Exposures to which facilities granted to clients due to their deteriorated financial situation are applied are classified as forbearance exposures. For the purposes of forbearance classification, the Bank recognizes a client's deteriorated financial situation as an event when, at the time of granting the facility, the following occurs: • in the three months preceding the date of granting the facility, the client's account under restructuring was overdue for more than 30 days or • on the restructured client's account, the quality rating deteriorated by at least 3 rating/scoring classes within three months before granting the facility, or • the client was on the watch list in the three months prior to the granting of the facility. For the purposes of classifying forbearance exposures as non-performing (resulting in the identification of evidence of impairment), the Bank recognizes an event when at least the following occurs at the time of granting the concession: • the exposure is considered non-performing (ie there are other indications of impairment) or • as a result of the application of the facility, financial liabilities are reduced by canceling a significant part of the exposure or the facility granted causes a decrease in the NPV of the restructured exposure by more than 1%, or • the repayment plan used is not based on credible macroeconomic assumptions and the borrower's assessment of the borrower's ability and readiness to repay, or • the amended agreement contains significant deferrals in the commencement of repayment (for capital over 2 years), or • the amended agreement provides for a large lump sum (balloon) payment at the end of the amended repayment schedule. Forbearance exposures are classified to Stage 2, non-performing forbearance exposures, constituting a default indication, are classified to Stage 3.

Recommendation R - regarding the rules for classifying credit exposures, estimating and recognizing expected credit losses and credit risk management

Legal basis

Recommendation R

In accordance with IFRS 9, for all financial instruments measured at amortized cost or at fair value through other comprehensive income, the Bank estimates allowances for expected credit losses.

Principles of estimating allowances for exposures without evidence of impairment (Stage 1 and Stage 2)

Exposures for which no indications of impairment have been identified are assessed in accordance with the principle of homogeneity in relation to the risk profile and a write-down is created to cover expected credit loss (ECL). Estimation of expected losses for exposures designated to Stage 1 and Stage 2 is made on the basis of:
• the estimated exposure value at the time of default (EAD model),
• estimated distribution of default risk over the lifetime of the exposure (life-time PD model based on scoring and rating models),
• the estimated level of loss in the event of the client's default (LGD model).

Rules for estimating write-downs for exposures with identified evidence of impairment (Stage 3)

Exposures for which evidence of impairment has been identified are divided into individually or collectively valued exposures.
For the purposes of collective valuation, groups with similar credit risk characteristics are identified and assessed collectively for impairment. Group valuation based on LGD models, takes into account, among others, behavioral behavior in the field of debt service and the time a given exposure remains in default, and takes into account the specificity of a given group in terms of expected recoveries and the individual value of collateral for each exposure.
The individual valuation is based on a scenario analysis. Each scenario has an assigned probability of realization and expected recoveries reflecting the restructuring and debt collection strategies conducted towards the client.
Exposures covered by the individual or group assessment method, for which the Bank does not identify a single loss, are grouped into homogeneous populations for which the Bank sets the minimum level of loss (the so-called LGD floor).

Macroeconomic factors

In accordance with IFRS 9, both the assessment of a significant deterioration in credit quality and the estimation of provisions, in addition to reflecting the current quality of the loan portfolio, take into account the expected macroeconomic factors (FLI, forward-looking-information) that will occur in the future.
The Bank ensures that future macroeconomic factors are taken into account in all significant components of the estimation of expected credit losses. FLI adjustments developed for individual risk parameters ensure adjustment of the risk parameter estimates to future macroeconomic factors and are taken into account at the level of individual exposures. As part of individual models of expected loss parameters, the Bank developed econometric solutions and sensitivity analyzes to assess the impact of macroeconomic scenarios on the behavior of the loan portfolio.

In the table below, the Group presents the values of input parameters of IFRS 9 models for homogeneous portfolios.
In terms of the non-default portfolio, the Group presents the portfolio broken down into Stage 1, Stage 2 and POCI with the following parameters: gross carrying amount, off-balance sheet exposure, EAD, 12-month probability of default ("average PD expressed in %"), average LGD and maturity by current balance sheet date (i.e. 31.12.2022) decomposed according to ranges ("PD Scale") of the default probability determined on the date of initial recognition for the periods corresponding to the 12-month period following the current balance sheet date.
In terms of the default portfolio (including POCI), the Group presents the gross value of exposures, average LGD (%) and the amount of the allowance (ECL) according to the ranges of exposures remaining in default."

Business Client exposure portfolio As at 31.12.2022

PLN m

	PD scale	a Gross original balance sheet exposures	b Off-balance sheet exposures	c EAD after credit risk mitigation and credit conversion factor applied	d Average PD expressed in % of the allowable range (from 0% to 100%)	e Number of exposures	f Average LGD in %	g Average maturity	h Expected Credit Loss (ECL)
Stage 1	from 0,00 to <0,15%	38,6	6,2	38,4	0,32%	75	43,19%	24	0,0
	from 0,15% to <0,25%	15,8	6,6	19,8	0,70%	121	9,95%	56	0,0
	from 0,25% to <0,50%	454,9	535,7	642,2	0,94%	941	34,66%	23	1,0
	from 0,5% to <0,75%	369,3	350,1	491,2	1,08%	986	34,15%	34	1,0
	from 0,75% to <2,50%	7 230,1	2 913,5	9 067,2	1,79%	7 851	29,17%	64	35,1
	from 2,50% to <10,00%	5 556,9	3 929,8	7 725,7	4,33%	15 868	14,85%	45	36,3
	from 10,00% to <45,00%	607,4	250,7	701,3	9,57%	2 471	10,97%	48	5,6
	from 45,00% to <100,00	15,5	1,7	18,4	6,07%	17	19,14%	57	0,2
	100%	1,1	0,1	1,1	26,46%	7	13,04%	36	0,0
Stage 2	from 0,00 to <0,15%	11,6	1,8	12,4	13,55%	114	10,07%	35	0,2
	from 0,15% to <0,25%	73,0	0,9	73,3	4,67%	53	10,30%	32	1,0
	from 0,25% to <0,50%	55,7	7,9	59,7	14,94%	276	12,55%	65	1,7
	from 0,5% to <0,75%	121,2	15,0	121,2	7,53%	224	12,27%	86	2,9
	from 0,75% to <2,50%	1 285,5	332,4	1 386,1	11,67%	4 423	21,89%	68	93,2
	from 2,50% to <10,00%	2 639,3	531,3	2 711,7	17,14%	7 411	20,28%	52	191,5
	from 10,00% to <45,00%	290,4	35,6	294,1	30,05%	1 232	12,88%	40	16,8
	from 45,00% to <100,00	15,2	0,6	15,0	51,04%	65	11,43%	53	1,1
	100%	9,1	0,0	9,1	62,66%	49	7,65%	53	0,5
	Unrated	5,8	0,0	5,8		27 271			5,2
POCI	100%	33,7	0,3	37,4	12,70%	95	16,41%	12	-3,2

	Time in default	a EAD after credit risk mitigation and credit conversion factor applied	b Number of exposures	c Average LGD in %	d Expected Credit Loss (ECL)
Stage 3	up to 12 months	742,2	5 259	35,88%	266,3
	from 13 to 24 months	511,3	2 437	33,40%	170,8
	from 25 to 36 months	676,1	1 850	48,27%	326,3
	from 37 to 48 months	667,3	1 286	60,48%	403,6
	from 49 to 60 months	462,0	881	46,38%	214,3
	from 61 to 84 months	306,1	828	53,77%	164,6
	over 84 months	198,5	354	60,53%	120,2
POCI	up to 12 months	22,2	50	-1,17%	-0,3
	from 13 to 24 months	11,1	52	-7,23%	-0,8
	from 25 to 36 months	1,3	14	-50,36%	-0,7
	from 37 to 48 months	7,4	15	-43,93%	-3,2
	from 49 to 60 months	12,0	12	-38,13%	-4,6
	from 61 to 84 months	104,2	171	48,09%	50,1
	over 84 months	23,8	308	8,76%	2,1

Retail Client exposure portfolio - Mortgage 31.12.2022

PLN m

	PD scale	a Gross original balance sheet exposures	b Off-balance sheet exposures	c EAD after credit risk mitigation and credit conversion factor applied	d Average PD expressed in % of the allowable range (from 0% to 100%)	e Number of exposures	f Average LGD in %	g Average maturity	h Expected Credit Loss (ECL)
Stage 1	from 0,00 to <0,15%	167,9	20,8	188,7	0,16%	770	18,73%	289	0,1
	from 0,15% to <0,25%	849,6	43,4	893,0	0,26%	3 708	17,88%	286	0,4
	from 0,25% to <0,50%	2 489,8	83,3	2 573,1	0,48%	9 491	19,82%	301	2,5
	from 0,5% to <0,75%	2 996,6	60,7	3 057,4	0,71%	13 925	17,95%	282	4,0
	from 0,75% to <2,50%	8 466,1	84,4	8 550,5	1,52%	41 201	16,62%	271	22,3
	from 2,50% to <10,00%	1 248,5	11,5	1 260,0	3,53%	4 211	20,27%	298	9,0
	from 10,00% to <45,00%	28,3	0,0	28,3	7,45%	189	16,51%	199	0,3
	from 45,00% to <100,00	0,5	0,0	0,5	29,20%	2	25,33%	290	0,0
	100%	6,7	0,0	6,7	10,28%	46	17,12%	202	0,1
Stage 2	from 0,00 to <0,15%	0,1	0,0	0,1	6,61%	2	5,00%	207	0,0
	from 0,15% to <0,25%	33,3	0,0	33,3	5,57%	112	14,23%	274	0,7
	from 0,25% to <0,50%	115,1	0,0	115,1	6,34%	434	16,15%	272	2,9
	from 0,5% to <0,75%	118,3	0,1	118,4	7,70%	426	17,52%	286	3,8
	from 0,75% to <2,50%	408,5	0,0	408,5	9,09%	1 648	17,72%	272	14,6
	from 2,50% to <10,00%	135,3	0,0	135,3	12,32%	526	19,16%	281	7,2
	from 10,00% to <45,00%	6,9	0,0	6,9	12,75%	42	15,48%	194	0,3
	from 45,00% to <100,00	0,3	0,0	0,3	9,38%	1	9,76%	315	0,0
	100%	0,8	0,0	0,8	19,19%	9	14,48%	169	0,0
	Unrated								
POCI	100%	0,6	0,0	0,8	22,33%	3	8,23%	351	-0,2

	Time in default	a EAD after credit risk mitigation and credit conversion factor applied	b Number of exposures	c Average LGD in %	d Expected Credit Loss (ECL)
Stage 3	up to 12 months	104,0	482	19,40%	20,2
	from 13 to 24 months	51,8	197	23,41%	12,1
	from 25 to 36 months	37,3	156	27,22%	10,2
	from 37 to 48 months	39,1	149	39,32%	15,4
	from 49 to 60 months	36,0	111	40,13%	14,4
	from 61 to 84 months	33,4	154	46,28%	15,5
	over 84 months	78,0	139	63,09%	49,2
POCI	up to 12 months	0,5	4	-13,49%	-0,1
	from 13 to 24 months	0,3	1	-32,68%	-0,1
	from 25 to 36 months				
	from 37 to 48 months				
	from 49 to 60 months				
	from 61 to 84 months	0,0	1		0,0
	over 84 months				

Retail client exposure portfolio - Other 31.12.2022

PLN m

	PD scale	a Gross original balance sheet exposures	b Off-balance sheet exposures	c EAD after credit risk mitigation and credit conversion factor applied	d Average PD expressed in % of the allowable range (from 0% to 100%)	e Number of exposures	f Average LGD in %	g Average maturity	h Expected Credit Loss (ECL)
Stage 1	from 0,00 to <0,15%	372,0	26,9	383,9	0,21%	195 688	50,21%	27	0,3
	from 0,15% to <0,25%	576,0	22,7	586,5	0,32%	259 869	50,54%	28	0,6
	from 0,25% to <0,50%	1 064,3	121,9	1 112,1	0,52%	331 831	52,04%	39	2,4
	from 0,5% to <0,75%	1 047,2	303,4	1 190,1	0,80%	370 139	53,06%	49	4,1
	from 0,75% to <2,50%	4 874,0	368,2	5 005,6	2,32%	729 996	56,46%	65	60,1
	from 2,50% to <10,00%	8 357,7	101,3	8 389,3	4,83%	551 900	58,68%	75	222,5
	from 10,00% to <45,00%	444,1	2,4	444,9	8,30%	21 611	58,70%	68	19,6
	from 45,00% to <100,00	8,6	0,0	8,6	10,66%	425	51,99%	44	0,4
	100%	21,7	1,3	22,2	10,03%	1 877	57,94%	66	1,2
Stage 2	from 0,00 to <0,15%	44,0	85,3	77,2	1,72%	24 668	54,10%	81	1,6
	from 0,15% to <0,25%	21,2	13,1	26,9	4,85%	14 722	52,68%	59	0,9
	from 0,25% to <0,50%	30,4	29,1	40,3	5,15%	15 952	53,45%	70	1,7
	from 0,5% to <0,75%	32,3	21,8	39,0	8,00%	16 464	53,45%	66	2,5
	from 0,75% to <2,50%	209,4	42,4	219,8	15,04%	41 065	55,20%	68	29,1
	from 2,50% to <10,00%	1 256,5	6,9	1 257,5	28,69%	59 813	58,61%	75	312,9
	from 10,00% to <45,00%	175,1	0,1	175,1	36,38%	6 434	58,48%	72	51,8
	from 45,00% to <100,00	2,1	0,0	2,1	34,06%	74	58,95%	80	0,6
	100%	6,8	0,0	6,8	31,26%	456	59,88%	77	1,8
	Unrated	6,3	0,0	6,3	3,17%	260 366	61,45%	94	5,6
POCI	100%	1,6	2,8	7,4	6,63%	2 166	53,75%	65	-4,0

	Time in default	a EAD after credit risk mitigation and credit conversion factor applied	b Number of exposures	c Average LGD in %	d Expected Credit Loss (ECL)
Stage 3	up to 12 months	880,2	41 765	57,38%	505,1
	from 13 to 24 months	341,1	13 464	64,59%	220,3
	from 25 to 36 months	180,9	8 414	68,53%	124,0
	from 37 to 48 months	50,6	3 934	78,69%	39,8
	from 49 to 60 months	24,6	2 262	83,58%	20,6
	from 61 to 84 months	28,9	2 584	94,59%	27,3
	over 84 months	49,7	1 253	73,74%	36,7
POCI	up to 12 months	0,8	436	-89,20%	-0,7
	from 13 to 24 months	1,2	88	-8,26%	-0,1
	from 25 to 36 months	1,0	75	-23,63%	-0,2
	from 37 to 48 months	0,3	85	52,65%	0,2
	from 49 to 60 months	0,4	60	-8,56%	0,0
	from 61 to 84 months	4,2	417	95,33%	4,0
	over 84 months	3,3	887	88,20%	2,9

Portfolio of exposures from the Leasing Activity 31.12.2022

PLN m

	PD scale	a Gross original balance sheet exposures	b Off-balance sheet exposures	c EAD after credit risk mitigation and credit conversion factor applied	d Average PD expressed in % of the allowable range (from 0% to 100%)	e Number of exposures	f Average LGD in %	g Average maturity	h Expected Credit Loss (ECL)
Stage 1	from 0,00 to <0,15%								
	from 0,15% to <0,25%								
	from 0,25% to <0,50%								
	from 0,5% to <0,75%								
	from 0,75% to <2,50%	2 348,5	0,0	2 348,5	1,72%	43 106	8,89%	33	6,4
	from 2,50% to <10,00%	2 571,4	0,0	2 571,3	4,37%	40 523	13,20%	36	22,2
	from 10,00% to <45,00%	102,2	0,0	102,2	5,62%	1 358	12,09%	37	1,1
	from 45,00% to <100,00	2,2	0,0	2,2	3,73%	22	8,49%	41	0,0
	100%								
Stage 2	from 0,00 to <0,15%								
	from 0,15% to <0,25%								
	from 0,25% to <0,50%								
	from 0,5% to <0,75%								
	from 0,75% to <2,50%	190,2	0,0	190,2	27,99%	3 339	11,88%	33	8,5
	from 2,50% to <10,00%	270,9	0,0	270,7	35,16%	3 971	15,05%	32	15,0
	from 10,00% to <45,00%	7,0	0,0	7,0	55,13%	76	15,56%	29	0,6
	from 45,00% to <100,00								
	100%								
	Unrated								
POCI	100%								

	Time in default	a EAD after credit risk mitigation and credit conversion factor applied	b Number of exposures	c Average LGD in %	d Expected Credit Loss (ECL)
Stage 3	up to 12 months	259,1	4 830	24,65%	65,4
	from 13 to 24 months	68,1	1 439	63,87%	45,1
	from 25 to 36 months	61,1	1 489	83,53%	50,3
	from 37 to 48 months	59,9	1 295	93,08%	56,3
	from 49 to 60 months	27,8	584	96,59%	26,9
	from 61 to 84 months	6,3	78	79,21%	4,9
	over 84 months				
POCI	up to 12 months				
	from 13 to 24 months				
	from 25 to 36 months				
	from 37 to 48 months				
	from 49 to 60 months				
	from 61 to 84 months				
	over 84 months				

EU CR1: Performing and non-performing exposures and related provisions.

PLN m

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	**Cash balances at central banks and other demand deposits**	**1 700,0**	**1 700,0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**58 393,7**	**50 791,8**	**7 566,0**	**6 085,3**	**-**	**5 891,3**	**-1 196,4**	**-430,0**	**-773,9**	**-3 265,7**	**-**	**-3 217,2**	**-332,1**	**30 091,0**	**2 173,9**
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	4,0	3,7	0,3	-	-	-	-0,1	-0,1	0,0	-	-	-	-	3,8	-
040	Credit institutions	2 406,9	2 406,7	0,2	-	-	-	0,0	0,0	0,0	-	-	-	-	-	-
050	Other financial corporations	856,8	851,2	5,6	20,5	-	18,8	-1,5	-1,1	-0,3	-15,1	-	-15,1	-0,1	164,9	4,7
060	Non-financial corporations	13 018,3	9 378,7	3 606,0	2 955,1	-	2 792,6	-151,9	-40,1	-114,9	-1 489,3	-	-1 446,4	-172,4	9 463,8	1 449,0
070	Of which SMEs	9 999,8	6 696,8	3 269,3	2 647,5	-	2 485,8	-133,0	-28,1	-108,0	-1 316,4	-	-1 273,5	-168,9	7 743,0	1 248,5
080	Households	42 107,7	38 151,6	3 953,9	3 109,6	-	3 080,0	-1 043,0	-388,6	-658,7	-1 761,3	-	-1 755,8	-159,6	20 458,4	720,1
090	**Debt securities**	**16 477,9**	**16 477,9**	**-**	**49,7**	**-**	**49,7**	**-1,9**	**-1,9**	**-**	**-0,1**	**-**	**-0,1**	**-**	**-**	**-**
100	Central banks	1 349,5	1 349,5	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	14 065,7	14 065,7	-	-	-	-	-1,6	-1,6	-	-	-	-	-	-	-
120	Credit institutions	539,6	539,6	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	523,2	523,2	-	0,1	-	0,1	-0,3	-0,3	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	49,7	-	49,7	-	-	-	-0,1	-	-0,1	-	-	-
150	**Off-balance-sheet exposures**	**9 856,2**	**8 727,8**	**1 125,4**	**348,2**	**-**	**346,6**	**22,5**	**12,8**	**9,7**	**94,3**	**-**	**94,3**	**x**	**2 126,9**	**46,0**
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	x	-	-
170	General governments	12,8	10,7	2,2	-	-	-	0,3	0,0	0,3	-	-	-	x	-	-
180	Credit institutions	0,8	-	0,8	0,5	-	0,5	0,0	-	0,0	0,3	-	0,3	x	-	-
190	Other financial corporations	111,6	111,3	0,3	0,1	-	0,1	0,1	0,1	0,0	-	-	-	x	69,3	-
200	Non-financial corporations	7 611,3	6 775,0	836,1	340,7	-	339,2	16,8	10,0	6,8	93,9	-	93,9	x	1 749,8	45,5
210	Households	2 119,7	1 830,8	286,1	7,0	-	6,8	5,3	2,7	2,6	-	-	-	x	307,8	0,5
220	Total	86 427,8	77 697,5	8 691,3	6 483,2	-	6 287,6	-1 175,8	-419,0	-764,2	-3 171,5	-	-3 123,0	-332,1	32 217,8	2 219,9

EU CR1-A: Maturity of exposures

PLN m

	a	b	c	d	e	f
	Net exposure value					
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1 Loans and advances	3 824,8	15 454,9	23 755,1	21 108,1	5 961,3	70 104,3
2 Debt securities	0,0	5 062,0	8 988,5	2 475,1	0,1	16 525,7
3 Total	**3 824,8**	**20 517,0**	**32 743,7**	**23 583,2**	**5 961,4**	**86 630,0**

EU CR2: Changes in the stock of non-performing loans and advances

PLN m

		a
		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**7 481,8**
020	Inflows to non-performing portfolios	1 947,6
030	Outflows from non-performing portfolios	-3 344,1
040	Outflows due to write-offs	-1 723,8
050	Outflow due to other situations	-1 620,3
060	**Final stock of non-performing loans and advances**	**6 085,3**

EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries

PLN m

		a	b
		Gross carrying amount	Related net accumulated recoveries
010	**Initial stock of non-performing loans and advances**	**7 481,8**	x
020	Inflows to non-performing portfolios	1 947,6	x
030	Outflows from non-performing portfolios	-3 344,1	x
040	Outflow to performing portfolio	-171,6	x
050	Outflow due to loan repayment, partial or total	-379,3	x
060	Outflow due to collateral liquidations	-193,2	193,2
070	Outflow due to taking possession of collateral	-	-
080	Outflow due to sale of instruments	- 783,5	245,4
090	Outflow due to risk transfers	-	-
100	Outflows due to write-offs	-1 723,8	x
110	Outflow due to other situations	-92,8	x
120	Outflow due to reclassification as held for sale	-	x
130	**Final stock of non-performing loans and advances**	**6 085,3**	x

EU CQ1: Credit quality of forborne exposures

PLN m

	a	b	c	d	e	f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired				
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	**1 031,2**	**2 067,3**	**2 067,3**	**2 067,3**	**-98,9**	**-852,3**	**1 584,8**	**983,7**
020 Central banks	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-
040 Credit institutions	-	-	-	-	-	-	-	-
050 Other financial corporations	0,1	2,2	2,2	2,2	0,0	-0,2	2,0	1,9
060 Non-financial corporations	232,6	1 437,4	1 437,4	1 437,4	-4,2	-555,4	1 039,1	832,4
070 Households	798,4	627,7	627,7	627,7	-94,7	-296,7	543,8	149,3
080 Debt Securities	-	-	-	-	-	-	-	-
090 Loan commitments given	25,3	37,2	37,2	37,2	-	-	-	-
100 Total	**1 056,5**	**2 104,5**	**2 104,5**	**2 104,5**	**-98,9**	**-852,3**	**1 584,8**	**983,7**

EU CQ2: Quality of forbearance

PLN m

		a
		Gross carrying amount of forborne exposures
010	Loans and advances that have been forborne more than twice	761,3
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	1 435,0

EU CQ3: Credit quality of performing and non-performing exposures by past due days

PLN m

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	**Of which defaulted**
005 Cash balances at central banks and other demand deposits	**1 700,0**	**1 700,0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010 Loans and advances	**58 393,7**	**57 753,1**	**640,6**	**6 085,3**	**2 572,4**	**436,3**	**597,9**	**695,3**	**1 247,0**	**271,0**	**265,4**	**6 085,3**
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	4,0	4,0	0,0	-	-	-	-	-	-	-	-	-
040 Credit institutions	2 406,9	2 406,9	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	856,8	856,1	0,7	20,5	14,1	0,7	1,3	0,5	1,5	0,1	2,3	20,5
060 Non-financial corporations	13 018,3	12 975,8	42,5	2 955,1	1 687,1	89,4	96,2	165,8	642,3	169,8	104,4	2 955,1
070 Of which SMEs	9 999,8	9 963,6	36,2	2 647,5	1 542,3	85,6	91,8	164,7	506,8	164,8	91,4	2 647,5
080 Households	42 107,7	41 510,2	597,4	3 109,6	871,1	346,2	500,4	529,0	603,1	101,1	158,7	3 109,6
090 Debt securities	**16 477,9**	**16 477,9**	**-**	**49,7**	**49,6**	**0,1**	**0,0**	**0,0**	**-**	**-**	**-**	**-**
100 Central banks	1 349,5	1 349,5	-	-	-	-	-	-	-	-	-	-
110 General governments	14 065,7	14 065,7	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	539,6	539,6	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	523,2	523,2	-	0,1	-	0,1	-	-	-	-	-	-
140 Non-financial corporations	-	-	-	49,7	49,6	-	0,0	0,0	-	-	-	-
150 Off-balance-sheet exposures	**9 856,2**	x	x	**348,2**	x	x	x	x	x	x	x	**346,6**
160 Central banks	-	x	x	-	x	x	x	x	x	x	x	-
170 General governments	12,8	x	x	-	x	x	x	x	x	x	x	-
180 Credit institutions	0,8	x	x	0,5	x	x	x	x	x	x	x	0,5
190 Other financial corporations	111,6	x	x	0,1	x	x	x	x	x	x	x	0,1
200 Non-financial corporations	7 611,3	x	x	340,7	x	x	x	x	x	x	x	339,2
210 Households	2 119,7	x	x	7,0	x	x	x	x	x	x	x	6,8
220 Total	86 427,8	75 931,0	640,6	6 483,2	2 622,0	436,4	597,9	695,3	1 247,0	271,0	265,4	6 431,8

EU CQ4: Quality of non-performing exposures by geography

PLN m

		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	*On-balance-sheet exposures*	-	-	-	-	-	x	-
080	*Off-balance-sheet exposures*	-	-	-	x	x	-	x
150	*Total*	-	-	-	-	-	-	-

The quality of NPEs broken down geographically is presented when the foreign primary exposures in all 'external' countries in all exposure classes are equal to or higher than 10% of the total primary exposures (domestic and foreign).

In connection with the above, the Alior Bank Group as at 31 December 2022 had a share of non-performing foreign exposures in the total amount of 4.53%.

EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

PLN m

	a	b	c	d	e	f
	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment		
			Of which defaulted			
010 Agriculture, forestry and fishing	208,6	62,1	7,3	208,6	-29,6	-
020 Mining and quarrying	18,3	1,5	-	18,3	-1,1	-
030 Manufacturing	3 083,4	655,0	12,6	3 083,4	-349,6	-
040 Electricity, gas, steam and air conditioning supply	560,4	7,8	0,0	560,4	-6,3	-
050 Water supply	75,4	16,0	1,0	75,4	-6,9	-
060 Construction	1 291,1	58,1	10,4	1 291,1	-26,2	-
070 Wholesale and retail trade	2 948,5	398,9	21,7	2 948,5	-187,4	-
080 Transport and storage	1 682,1	164,5	46,1	1 682,1	-95,8	-
090 Accommodation and food service activities	900,8	202,4	2,2	900,8	-60,5	-
100 Information and communication	713,5	20,5	1,8	713,5	-17,5	-
110 Financial and insurance actvities	7,4	0,9	0,7	7,4	-0,5	-
120 Real estate activities	3 199,0	1 123,2	1,5	3 199,0	-523,2	-
130 Professional, scientific and technical activities	253,5	35,3	6,2	253,5	-18,8	-
140 Administrative and support service activities	590,9	130,6	10,8	590,9	-76,6	-
150 Public administration and defense, compulsory social security	0,0	-	-	0,0	-0,0	-
160 Education	40,3	4,0	0,4	40,3	-2,3	-
170 Human health services and social work activities	209,7	39,1	0,8	209,7	-20,7	-
180 Arts, entertainment and recreation	145,2	26,0	0,4	145,2	-15,4	-
190 Other services	45,2	9,1	0,5	45,2	-202,9	-
200 Total	**15 973,4**	**2 955,1**	**124,2**	**15 973,4**	**-1 641,2**	**-**

EU CQ6: Collateral valuation - loans and advances

PLN m

	a	b	c	d	e	f	g	h	i	j	k	l
	Loans and advances											
		Performing		Non-performing								
						Past due > 90 days						
			Of which past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days		Of which past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
010 Gross carrying amount	**64 478,9**	**58 393,7**	**640,6**	**6 085,3**	**2 572,4**	**3 512,9**	**436,3**	**597,9**	**695,3**	**1 247,0**	**271,0**	**265,4**
020 Of which secured	24 141,2	21 026,1	333,2	3 115,2	1 603,5	1 511,7	156,4	176,6	158,0	645,5	201,9	173,1
030 Of which secured with immovable property	22 081,2	19 653,0	242,5	2 428,2	1 344,0	1 084,3	59,0	66,4	94,7	492,5	199,1	172,6
040 Of which instruments with LTV higher than 60% and lower or equal to 80%	9 600,0	9 025,9	x	574,1	234,7	339,4	x	x	x	x	x	x
050 Of which instruments with LTV higher than 80% and lower or equal to 100%	2 754,4	2 492,6	x	261,8	194,5	67,3	x	x	x	x	x	x
060 Of which instruments with LTV higher than 100%	854,8	376,0	x	478,8	230,5	248,3	x	x	x	x	x	x
070 Accumulated impairment for secured assets	**-1 535,8**	**-201,3**	**-3,0**	**-1 334,5**	**-565,1**	**-769,3**	**-39,2**	**-64,6**	**-101,4**	**-364,0**	**-103,5**	**-96,7**
080 Collateral	x	x	x	x	x	x	x	x	x	x	x	x
090 Of which value capped at the value of exposure	26 696,3	25 001,7	270,0	1 694,6	1 043,1	651,4	68,0	66,3	69,2	274,2	97,4	76,4
100 Of which immovable property	20 881,2	19 384,6	230,4	1 496,7	914,3	582,4	47,4	50,9	58,4	252,2	97,4	76,2
110 Of which value above the cap	37 002,6	32 746,4	245,2	4 256,1	2 522,4	1 733,7	166,4	208,2	245,9	649,4	272,6	191,1
120 Of which immovable property	25 300,1	22 085,9	195,6	3 214,3	1 980,4	1 233,8	73,2	96,9	91,7	555,8	236,8	179,4
130 Financial guarantees received	**5 568,6**	**5 089,3**	**44,7**	**479,3**	**210,1**	**269,2**	**65,4**	**82,2**	**89,3**	**31,3**	**1,1**	**-**
140 Accumulated partial write-off	**-332,1**	**-**	**-**	**-332,1**	**-27,3**	**-304,8**	**-10,1**	**-33,7**	**-54,2**	**-111,4**	**-49,7**	**-45,8**

EU CQ7: Collateral obtained by taking possession and execution processes

PLN m

	a	b
	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
010 Property, plant and equipment (PP&E)	-	-
020 Other than PP&E	-	-
030 Residential immovable property	-	-
040 Commercial Immovable property	-	-
050 Movable property (auto, shipping, etc.)	-	-
060 Equity and debt instruments	-	-
070 Other collateral	-	-
080 Total	-	-

At present, the Bank does not practice taking over collateral in connection with NPEs, therefore, as at 31 December 2022, there is no disclosure of assets foreclosed, according to the EU CQ7 and EU CQ8 templates, published in the Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to the public disclosure by institutions of the information referred to in Part Eight, Titles II and III of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing the Implementing Regulation Commission Delegated Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295.

EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown

PLN m

	a	b	c	d	e	f	g	h	i	j	k	l
	Debt balance reduction		Total collateral obtained by taking possession									
					Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale	
	Gross carrying amount	Accumulated negative changes			Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010 Collateral obtained by taking possession classified as PP&E	-	-	-	-	x	x	x	x	x	x	x	x
020 Collateral obtained by taking possession other than that classified as PP&E	-	-	-	-	-	-	-	-	-	-	-	-
030 Residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-
040 Commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-
050 Movable property (auto, shipping, etc.)	-	-	-	-	-	-	-	-	-	-	-	-
060 Equity and debt instruments	-	-	-	-	-	-	-	-	-	-	-	-
070 Other collateral	-	-	-	-	-	-	-	-	-	-	-	-
080 Total	-	-	-	-	-	-	-	-	-	-	-	-

At present, the Bank does not practice taking over collateral in connection with NPEs, therefore, as at 31 December 2022, there is no disclosure of assets foreclosed, according to the EU CQ7 and EU CQ8 templates, published in the Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to the public disclosure by institutions of the information referred to in Part Eight, Titles II and III of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing the Implementing Regulation Commission Delegated Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295.

EU CRC – Qualitative disclosure requirements related to CRM techniques

Legal basis	Row number	
Article 453 (a) CRR	(a)	The Bank does not offset balance sheet and off-balance sheet position for the purposes of credit risk mitigation techniques.
Article 453 (b) CRR	(b)	The Bank monitors the effectiveness of establishing collateral by: • verification of completeness and correctness of security documentation, • checking the validity of the collateral - in the case of collateral accepted for a specified period, the collateral renewal process is carried out, e.g. an insurance policy, • verification of the current value of collateral - collateral review is carried out at least once a year, and in the case of financial collateral, the value is monitored on a daily basis. The Bank reduces the risk related to individual collaterals and collateral providers by setting concentration limits, taking into account the safety buffer due to the exchange rate risk and liquidity risk, and constant monitoring of both the effectiveness of establishing collateral and its value during the loan period. The Bank reduces the risk related to individual collaterals and collateral providers by setting concentration limits, taking into account the safety buffer due to the exchange rate risk and liquidity risk, and constant monitoring of both the effectiveness of establishing collateral and its value during the loan period.
Article 453 (c) CRR	(c)	The Bank allows all types and legal forms of collateral accepted under Polish law. The Bank accepts, in particular, the following legal forms of security: • guarantees, re-guarantees and sureties, • guarantees under programs implemented by BGK, • blockades, • pledges, • transfers of ownership, • assignments of receivables, • credit insurance, • bills of exchange, • mortgage, • power of attorney to a bank account, • deposits as a special form of security, • notarized declaration of submission to enforcement pursuant to Art. 777 of the Civil Procedure Code. The Bank strives to establish collateral in a manner that is adequate to the incurred credit risk and is flexible in relation to the needs and possibilities of its customers. As part of the offer for customers, there are products made available without security and those whose availability is limited by the establishment of security. The proportions between the level of exposure and the value of collateral are regulated by LtV ratios, taking into account various types of risks, including collateral impairment risk, foreign exchange risk, interest rate risk, liquidity risk or other risk specific to a given type of product. The Bank's clients are informed about the value of these ratios in the course of ongoing contacts with the Bankers or in the Bank's branches. When determining the value of the collateral, the Bank follows the principle of prudent valuation and adopts the market value or the value possible (real) to be recovered if the collateral is satisfied. The bank has appropriate tools to verify the valuation of collateral.
Article 453 (d) CRR	(d)	The main provider of unfunded credit protection at the Bank is Bank Gospodarstwa Krajowego (BGK), which conducts guarantee or surety activities as part of the implementation of government surety and guarantee programs or on behalf of and for the account of the State Treasury pursuant to the Act of 8 May 1997 on Sureties and Guarantees guarantees provided by the State Treasury and certain legal persons, in particular for the sector of micro, small and medium-sized enterprises. BGK guarantees account for 92.69% of unfunded credit protection in the bank. The suppliers of the remaining 7.3% of guarantees are: the State Treasury and banks with BB and A2 ratings.
Article 453 (e) CRR	(e)	In order to prevent unfavorable events resulting from excessive concentration, the Bank limits the concentration risk by setting concentration limits and standards resulting from external regulations and internal analyzes conducted by the Bank. Concentration risk management in relation to credit activities in the Bank concerns, inter alia, risk resulting from exposures secured by the same type of collateral or secured by the same collateral provider (including the risk resulting from the Bank's collateral on securities with similar characteristics).

EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

PLN m

		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	29 451,9	32 264,8	26 696,3	5 568,6	-
2	Debt securities	16 525,7	-	-	-	x
3	**Total**	**45 977,6**	**32 264,8**	**26 696,3**	**5 568,6**	**-**
4	Of which non-performing exposures	695,3	2 173,9	1 694,6	479,3	-
EU-5	Of which defaulted	695,3	2 173,9	x	x	x

EU CRD – Qualitative disclosure requirements related to standardised approach

Legal basis	Row number	
Article 444 (a) CRR	(a)	The Bank performs a quarterly review of the current creditworthiness assessments available on the authorized websites of three external creditworthiness institutions (ECAI), ie Fitch Ratings, Moody's Investors Service and Standard and Poor's Ratings Services. The Bank assigns a resultant rating for each counterparty / country, in accordance with Art. 138 - 141 CRR, based on all available credit assessments of the above-mentioned ECAIs. The Bank uses the current assessments in the process of calculating the capital requirement for credit risk.
Article 444 (b) CRR	(b)	The Bank assigns risk weights in accordance with the information on ratings external to the risk classes specified in Art. 114 (Exposures to central governments or central banks), Art. 116 (Exposures to public sector entities), Art. 120 (Exposures to institutions with a rating), Art. 121 (Exposures to unrated institutions) and Art. 122 (Exposures to enterprises).
Article 444 (c) CRR	(c)	The Bank applies the process of assigning risk weights in line with Art. 138 letters d, e and f of CRR.
Article 444 (d) CRR	(d)	The Bank uses the standard mapping system published by the EBA.

EU CCR2 – Transactions subject to own funds requirements for CVA risk

PLN m

		a	b
		Exposure value	RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)	x	-
3	(ii) stressed VaR component (including the 3× multiplier)	x	-
4	Transactions subject to the Standardised method	323,9	56,3
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**323,9**	**56,3**

EU CR4 – Standardised approach – Credit risk exposure and CRM effects

PLN m

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	17 979,3	0,0	23 640,6	292,2	1 801,3	0,1
2	Regional government or local authorities	0,2	9,2	0,2	1,8	0,4	0,2
3	Public sector entities	1,2	2,1	1,2	1,0	1,1	0,5
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	2 953,8	14,8	2 949,8	7,6	393,2	0,1
7	Corporates	8 332,6	6 597,0	6 987,4	1 154,4	7 264,0	0,9
8	Retail	32 894,7	2 696,6	29 739,3	216,4	21 271,4	0,7
9	Secured by mortgages on immovable property	13 275,4	208,5	13 139,5	40,6	5 576,8	0,4
10	Exposures in default	3 974,1	261,6	3 443,1	114,7	4 372,3	1,2
11	Exposures associated with particularly high risk	721,7	312,6	175,1	52,5	341,4	1,5
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	180,8	-	180,8	-	349,3	1,9
16	Other items	2 489,0	-	2 489,0	-	1 333,4	0,5
17	**TOTAL**	**82 802,9**	**10 102,5**	**82 746,0**	**1 881,4**	**42 704,6**	**0,5**

EU CR5 – Standardised approach

PLN m

	Exposure classes	Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	21 823,2	-	-	-	1 021,8	-	29,8	-	-	-	-	632,8	-	-	425,2	23 932,8	-
2	Regional government or local authorities	-	-	-	-	2,0	-	-	-	-	-	-	-	-	-	-	2,0	-
3	Public sector entities	-	-	-	-	0,0	-	2,3	-	-	-	-	-	-	-	-	2,3	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	2 000,5	-	589,5	-	344,1	-	-	23,3	-	-	-	-	-	2 957,4	-
7	Corporates	-	-	-	-	-	-	-	-	-	8 141,9	-	-	-	-	-	8 141,9	-
8	Retail exposures	-	-	-	-	-	-	-	-	29 955,7	-	-	-	-	-	-	29 955,7	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	11 205,9	699,1	-	-	822,0	453,1	-	-	-	-	13 180,2	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	1 928,5	1 629,2	-	-	-	-	3 557,7	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	227,6	-	-	-	-	227,6	-
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	0,0	-	-	-	-	-	-	-	-	68,4	-	112,4	-	-	-	180,8	-
16	Other items	849,7	-	-	-	0,0	-	-	-	-	1 333,4	-	-	-	-	305,8	2 489,0	-
17	**TOTAL**	**22 673,0**	**-**	**2 000,5**	**-**	**1 613,4**	**11 205,9**	**1 075,2**	**-**	**29 955,7**	**12 317,4**	**2 309,9**	**745,2**	**-**	**-**	**731,0**	**84 627,4**	**-**

EU CCRA – Qualitative disclosure related to CCR

Legal basis	Row number	
Article 439 (a) CRR	(a)	The exposure value is determined in accordance with the principles of calculating the capital requirement for counterparty credit risk using the standardized approach for counterparty credit risk in accordance with Title II of Part Three of the CRR. The balance sheet equivalent of off-balance sheet transactions as well as the balance sheet equivalent of repo transactions are determined in accordance with the CRR Regulation. Credit risk related to derivative instruments operating on the interbank market is minimized by setting and monitoring the limits available for individual types of transactions for selected banks. Credit risk resulting from the provision of derivatives to corporate clients who are not banks is accepted and limited to the amount of treasury limits held by these customers. According to the definition in force at the Bank, the treasury limit is understood as the amount of the potential credit loss that may occur as a result of the client's use of derivative instruments. The treasury limit is part of the total credit limit for turnover exposures set for clients. It is approved based on the client's creditworthiness, tested according to the standards in force at the Bank. An additional element in the decision to grant a treasury limit to the client is the recognition of his knowledge and experience in the use of derivatives and knowledge of financial markets. The CCP limit is set in order to limit the Bank's loss resulting from the potential insolvency of the Central Counterparty. Transactions cleared under the CCP are excluded from the counterparty's limits. Due to the lack of credit risk of the intermediary entity (clearing broker) in the clearing of transactions with the CCP, the transactions are settled within the designated CCP limit. The bank does not set a separate limit for the broker.
Article 439 (b) CRR	(b)	Business Customers may secure limits in accordance with the catalog of collateral acceptable by the Bank. The Bank may offer treasury limits without collateral to the best Business Customers. The treasury limit was withdrawn from the offer for Individual Customers.
Article 439 (c) CRR	(c)	The Alior Bank Group does not identify any significant exposure to the risk of unfavorable correlation (the probability of default by counterparties is positively correlated with general market risk factors), and its level is monitored on an ongoing basis.
Article 431 (3) and (4) CRR	(d)	The aim of the Bank's activities is to minimize the actual or potential risk of losses that may be incurred by the Bank as a result of improper provision of financial services, including willful misconduct or negligence. In terms of counterparty risk, the Bank's goal is to provide customers with basic treasury products supporting the management of risk related to their business (hedging objective) and to reduce the credit risk of concluded treasury transactions.
Article 439 (d) CRR	(e)	The level of collateral that the Bank is obliged to provide depends as a standard on the level of the current valuation of transactions concluded under a given agreement. At the same time, the Bank has not concluded any agreement under which the counterparty would be entitled to demand the establishment of additional collateral in the event of a change in the assessment of creditworthiness. The amount of security that the Bank would have to provide if its credit rating was lowered is 0.

EU CCR1 – Analysis of CCR exposure by approach

PLN m

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-	x	1,4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-	x	1,4	-	-	-	-
1	SA-CCR (for derivatives)	128,2	213,0	x	1,4	477,8	477,8	477,8	257,3
2	IMM (for derivatives and SFTs)	x	x	-	-	-	-	-	-
2a	Of which securities financing transactions netting sets	x	x	-	x	-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets	x	x	-	x	-	-	-	-
2c	Of which from contractual cross-product netting sets	x	x	-	x	-	-	-	-
3	Financial collateral simple method (for SFTs)	x	x	x	x	-	-	-	-
4	Financial collateral comprehensive method (for SFTs)	x	x	x	x	-	-	-	-
5	VaR for SFTs	x	x	x	x	-	-	-	-
6	**Total**	**x**	**x**	**x**	**x**	**477,8**	**477,8**	**477,8**	**257,3**

EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

PLN m

	Exposure classes	Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	148,4	934,4	-	-	-	-	-	1 082,8
7	Corporates	-	-	-	-	-	-	-	-	136,8	-	-	136,8
8	Retail	-	-	-	-	-	-	-	12,2	-	-	-	12,2
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**-**	**-**	**-**	**-**	**148,4**	**934,4**	**-**	**12,2**	**136,8**	**-**	**-**	**1 231,8**

EU CCR5 – Composition of collateral for CCR exposures

PLN m

	Collateral type	a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	-	-	-	-	-	-	-
2	Cash – other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**Total**	-	-	-	-	-	-	-	-

The Alior Bank SA Capital Group as at 31 December 2022. it does not consider contractual netting as reducing counterparty credit risk, therefore it does not include received and submitted collateral in the calculation of the exposure value due to derivative transactions.

EU CCR6 – Credit derivatives exposures

PLN m

		a	b
		Protection bought	**Protection sold**
Notionals		-	-
1	Single-name credit default swaps	-	-
2	Index credit default swaps	-	-
3	Total return swaps	-	-
4	Credit options	-	-
5	Other credit derivatives	-	-
6	**Total notionals**	-	-
Fair values		-	-
7	Positive fair value (asset)	-	-
8	Negative fair value (liability)	-	-

As at 31 December 2022, the Alior Bank SA Group did not have exposure to credit derivatives.

EU CCR8 – Exposures to CCPs

PLN m

		a	b
		Exposure value	RWEA
1	**Exposures to QCCPs (total)**	x	**367,9**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	749,9	367,9
3	(i) OTC derivatives	749,9	367,9
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	438,5	x
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**	x	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	x
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

EU-SECA - Qualitative disclosure requirements related to securitisation exposures

Legal basis	Row number	
Article 449(a) CRR	(a)	As at 31 December 2022, the Bank did not maintain any securitization positions. The 2019 securitization transaction agreement with European Investment Fund (EIF) investors and the European Investment Bank (EIB) as counter-guarantor was terminated in the fourth quarter of 2021 by termination by the Bank.
Article 449(b) CRR	(b)	Therefore, the remaining information does not apply to the Bank.
Article 449(c) CRR	(c)	
Article 449(d) CRR	(d)	
Article 449(e) CRR	(e)	
Article 449(f) CRR	(f)	
Article 449(g) CRR	(g)	
Article 449(h) CRR	(h)	
Article 449(i) CRR	(i)	

EU MRA: Qualitative disclosure requirements related to market risk

Legal basis	Row number	
Points (a) and (d) of Article 435 (1) CRR	(a)	The aim of market risk management is to strive to significantly reduce the volatility of the result and changes in the economic value of equity by shaping the optimal, in terms of profitability and potential impact on the economic value of equity, the structure of assets and liabilities. The goals are achieved through: • maintaining a stable level of market risk measures and limits, • determining the system of limits based on the risk appetite and the Bank's strategy, • a fund transfer rate system that adequately takes into account the management of market risk. The following types of market risk have been identified in the Bank and are subject to management: • interest rate risk in the banking book, • market risk in the trading book (including interest rate risk in the trading book, currency risk and commodity price risk). The Bank distinguishes the following market risk factors: • exchange rates, • interest rate indices, • stock / index prices, • prices of goods, • credit spread related to the rating of a given issuer, • options volatility parameters. **Interest rate risk** The Bank pursues a policy of limiting the risk in the trading book and at the same time puts emphasis on the interest rate risk in the banking book, i.e .: • the risk of mismatch between repricing dates, • basis risk, i.e. the impact of non-parallel changes in various reference indices with similar repricing dates on the Bank's result, • yield curve risk, • customer option risk. The main interest rate risk management tools at Alior Bank are: • internal procedures for managing interest rate risk, • interest rate risk measures, i.e. NII, EVE, VaR, Expected Shortfall, BPV, repricing gap, • limits and threshold values for individual interest rate risk measures, • stress tests (including scenario analysis covering, among others, the impact of specific changes in interest rates on future interest income and the economic value of capital and reverse stress tests). **Foreign exchange risk (FX risk)** The main objective of FX risk management is to identify the areas of the Bank's operations that may be exposed to currency risk and to take measures to minimize possible losses incurred on this account. The Bank's Management Board specifies the Bank's FX risk profile, which must be consistent with the applicable financial plan of the Bank. The main currency risk management tools at Alior Bank are: • internal procedures related to currency risk management, • internal models and measures of currency risk, • limits and threshold values for currency risk, • restrictions on allowed currency transactions, • stress tests.

EU MRA: Qualitative disclosure requirements related to market risk

Legal basis	Row number	
Points (a) and (d) of Article 435 (1) CRR	(a)	**Portfolio models** The Bank manages structural risk, which cannot be fully determined in a deterministic manner and the quantification of which requires the Bank to adopt certain assumptions, based on: • the concept of a replication portfolio of deposits, • the concept of securing equity capital, The assumptions for model portfolios are approved by the CALCO Committee, which exercises them on a regular basis. **Hedge accounting** Implementing the adopted risk management policy and within the applicable risk limits, the Bank may apply hedge accounting in accordance with applicable law and accounting standards (IAS/IFRS). The Bank may use hedge accounting as long as it expects high effectiveness and efficiency of the hedge and can reliably assess it (through quantitative or qualitative research). The effectiveness of the hedge should be tested periodically, not less frequently than on the date of preparing the interim financial statements.
Point (b) of Article 435 (1) CRR	(b)	The Bank has a clear division of competences in the area of market risk management, including: • concluding treasury transactions with non-banking customers and financial institutions, • concluding transactions with bank customers as well as with some financial institutions, • offering the Bank's customers structured products and concluding transactions securing the risk related to these products, • concluding transactions as part of brokerage activities in the field of purchasing or selling financial instruments and the settlement of these transactions, • measurement, monitoring and reporting of market risk, including the method of implementing the market risk management policy, • the transaction settlement process. Supervision over the above-mentioned activities related to the conclusion of transactions, independent measurement and reporting of risk at the Bank has been distributed to the level of a Management Board Member, which guarantees full independence of their operations. The organizational structure and the division of competences have been defined by the Bank's Management Board in the Organizational Regulations of the Head Office. The Supervisory Board, the Management Board of the Bank and the CALCO Committee also play an active role in the market risk management process. Market risk measurement is carried out at the Bank by the Financial Risk Management Department (DZRF) in a manner that is completely independent of the Bank's organizational units responsible for concluding transactions. Subsidiaries deemed significant are required to have internal regulations regarding market risk management, including monitoring, controlling and reporting (including to the Bank for consolidation purposes) market risk. The assessment of the market risk management process in all areas of the Bank's operations and in the Bank's organizational units responsible for market risk management is carried out by the Audit Department.
Point (c) of Article 435 (1) CRR	(c)	The Bank regularly monitors and reports: **in terms of interest rate risk** • the level of interest rate risk measures, • the degree of utilization of the internal capital allocated to the interest rate risk, • the degree of use of internal limits and threshold values for the interest rate risk, • stress test results. Reports on interest rate risk are prepared on a daily, weekly, monthly and quarterly basis. **in terms of currency risk** • the level of currency risk measures, • the degree of use of internal limits and threshold values for currency risk, • stress test results. Reports on currency risk are prepared on a daily, weekly, monthly and quarterly basis. The currency risk limits are set in such a way that the risk is kept at a limited level.

EU MR1 - Market risk under the standardised approach

PLN m

		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	158,4
2	Equity risk (general and specific)	-
3	Foreign exchange risk	-
4	Commodity risk	1,2
	Options	
5	Simplified approach	
6	Delta-plus approach	
7	Scenario approach	
8	Securitisation (specific risk)	
9	**Total**	**159,5**

EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities

Legal basis	Row number	
Article 448(1), point (e)	a	The interest rate risk in the banking book is understood in accordance with the EBA guidelines (EBA/GL/2018/02).
Article 448(1), point (f)	b	The aim of risk management in the Group is to achieve strategic goals by maintaining the risk level of the Group's operations within the adopted risk appetite level. When managing risk, the Group ensures early identification and adequate management of all significant types of risk related to the Group's operations.
Article 448(1), points (e) (i) and (v); Article 448(2)	c	IRRBB measures are determined on a daily, monthly, quarterly and annual basis. The main measures of IRRBB are: • EVE (daily sensitivity of the Bank's capital to changes in interest rates), • NII (daily sensitivity of the Bank's net interest income to changes in interest rates), • BPV (daily price sensitivity of the portfolio, band, currency, instrument, accounting category) to a change in interest rates by 1 bp, • basis risk and CSRBB measures (monthly exposure to basis risk and CSRBB), • dynamic forecasts of IRRBB measures (quarterly forecasts of the risk level), • customer option risk measures (determined quarterly exposure to customer option risk), • IRRBB stress tests (marked quarterly stress tests, understood as TWS according to EBA guidelines), together with reverse stress tests.
Article 448(1), point (e) (iii); Article 448(2)	d	The scenarios used by the Bank in terms of EVE and NII measures include: • 6 scenarios set out in the EBA guidelines (EBA/GL/2018/02) • 4 scenarios of parallel shifts of interest rate curves • 3 internal scenarios determined by business stress tests.
Article 448(1), point (e) (ii); Article 448(2)	e	The bank does not apply different assumptions.
Article 448(1), point (e) (iv); Article 448(2)	f	The Bank secures the interest rate risk by: • active policy in the field of shaping deposit and credit products, • applying hedge accounting for deposits without a specified maturity date and the Bank's equity, • securing positions as part of Treasury's business.
Article 448(1), point (c); Article 448(2)	g	The assumptions used by the Bank are set out in the EBA guidelines (EBA/GL/2018/02).
Article 448(1), point (d)	h	The risk measures used at the Bank are consistent with the EBA guidelines (EBA/GL/2018/02), especially with regard to the economic sensitivity of capital (EVE). The Bank uses the scenarios specified in the guidelines as well as the parameters and assumptions specified therein. The second important measure is the sensitivity of the Bank's net interest income to changes in interest rates (NII). The assumptions of NII are the same as for EVE. NII is calculated on a straight-line basis, without taking into account any optionality, and a relation, the purpose of which is to take into account any restrictions on the level of interest rates of individual products. In the last year, the assumptions of the above measures were not modified, and the changes in their levels are the result of the Bank's policy aimed at reducing sensitivity and increasing interest rates.
Article 448(1), point (g)	(1) (2)	Pursuant to the provisions of internal regulations, the Bank has a maturity date of no more than 5 years, which translates into an average maturity of 2.5 years.

EU IRRBB1 - Interest rate risks of non-trading book activities

PLN m

		a	b	c	d
	Supervisory shock scenarios	Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	-342,7	-241,9	29,0	25,5
2	Parallel down	123,1	70,8	-175,4	-214,2
3	Steepener	-37,8	8,1	x	x
4	Flattener	-61,6	-109,4	x	x
5	Short rates up	-176,1	-188,1	x	x
6	Short rates down	16,6	32,5	x	x

EU ORA - Qualitative information on operational risk

Legal basis	Row number	
Points (a), (b), (c) and(d) of Article 435(1) CRR	(a)	The Bank has a formalized operational risk management system under which it counteracts the occurrence of operational events and incidents and reduces losses in the event of risk materialization. Operational risk management includes identification, measurement and assessment of operational risk, control, monitoring, reporting and management activities. The Alior Bank SA Capital Group is supported by the OpRisk IT system, in which, inter alia, operating events and losses, KRI are recorded, and the results of scenario analyzes and self-assessment are recorded. The operational risk management strategy is included in the regulation, the Risk Management Strategy of the Alior Bank SA Capital Group approved at the level of the Supervisory Board. The principles of operational risk management along with the identification of roles and responsibilities, taking into account the active involvement of the Bank's Supervisory Board, Management Board and committees, are set out in the Operational Risk Management Policy at Alior Bank SA (approved at the level of the Supervisory Board).
Article 446 CRR	(b) i (c)	Internal capital for operational risk is measured using the AMA method. Based on the AMA method, Alior Bank internally built a statistical model used to estimate the level of operational risk based on the Loss Distribution Approach (LDA) method. For the purposes of determining the own funds requirements for operational risk at the consolidated level of the Alior Bank SA Capital Group, two methods are used jointly, i.e. the advanced measurement method (AMA) - in the scope of activities carried out by Alior Bank SA and the standardized approach (TSA) - with regard to the operations of the branch in Romania and the operations of the company subject to consolidation - Alior Leasing Sp. z o.o. On 10 February 2021, the Bank received a permit from the Polish Financial Supervision Authority to implement significant changes to the AMA method. In particular, the change concerns the inclusion of non-insurance recoveries in the model. This is the next step related to strengthening the operational risk management system in the Group and reflecting the actual level of this risk in the measurement.
Article 454 CRR	(d)	In connection with the use of the advanced method of measuring operational risk (AMA), the Alior Bank SA Group, striving to reduce the risk of materialization of the effects of rare but potentially severe operational events, purchased a number of insurance policies. Above the policies covered, inter alia, insurance in the field of: property (including electronic equipment), civil liability, penal fiscal liability and professional liability.

Recommendation M - concerning operational risk management in banks

Legal basis	
Recommendation M	Operational risk management in the Alior Bank SA Capital Group is supported by a dedicated IT system, which includes i.a. operational events and losses, KRI and the results of scenario analyzes and self-assessment are recorded. The gross value of operational risk costs in the Alior Bank SA Group for 2022 amounted to PLN 50.34 million. The largest loss concerned the payment after losing the court case (the plaintiff filed a lawsuit for payment due to incorrectly settled treasury transactions, according to the plaintiff) - payment in the amount of PLN 4.24 million (the provision for PLN 3.90 million was released - the total amount in the event in 2022 PLN 0.34 million per year). The largest share in the costs of operating risk in gross terms was accounted for by the costs in the category Customers, products and operating practices (mainly due to the costs of registering provisions for disputes related to FX mortgage loans, the so-called "large CJEU" and the costs of registering losses related to the so-called "small CJEU" - payment of commission refunds after early repayment of loans). In connection with the constant striving to reduce operational risk in this area, the Bank has taken steps to limit the risk of similar events in the future, e.g. implemented additional control mechanisms and made changes to processes and systems.

Operating risk costs in the Alior Bank SA Group in 2022 by category:

PLN m

Loss category	Operating risk costs
Internal fraud	2,8
External fraud	6,8
Employment Policy and Workplace Safety	1,4
Clients, Products, and Operating Practices	35,0
Damage related to tangible assets	0,58
Bank disruptions and system failures	0,02
Execution of transactions, delivery and management of operational processes	3,7
Total amount	**50,3**

EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

PLN m

	Banking activities	a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	nd	nd	nd	nd	nd
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	110,2	144,9	201,1	18,2	227,7
3	Subject to TSA:	110,2	144,9	201,1	x	x
4	Subject to ASA:	nd	nd	nd	x	x
5	Banking activities subject to advanced measurement approaches AMA	288,7	296,4	329,9	329,9	4 123,8

EU REMA - Remuneration policy

Legal basis	Row number	
Points (a), (b) and(c) of Article 450(1) CRR	(a)	The Remuneration Policy in force at the Bank (the "Policy"), covering with its provisions all employees, is the basic document in the field of policy and principles for shaping the remuneration of the Bank's employees, with particular emphasis on the principles of remunerating employees who, due to the specific type of their role in the risk management system, of the Bank were subject to a separate regulatory regime in this respect, i.e.: • Persons Having a Significant Impact on the Risk Profile (MRT), including the Management Board • persons performing Control Functions, • employees of the Compliance Department and the Audit Department, • employees involved in offering or distributing banking and investment products and services and insurance. The Bank appointed the Nomination and Remuneration Committee of the Supervisory Board. The tasks of the Committee include: • issuing opinions on the remuneration policy in order to ensure compliance of the remuneration rules with regulations, mainly with the Regulation of the Minister of Finance, Funds and Regional Policy of June 8, 2021 on the risk management system and internal control system and the remuneration policy in banks (Journal of Laws 2021 item 1045), in accordance with the principles of stable and prudent risk, capital and liquidity management, and with particular emphasis on the long-term interests of the Bank and the interests of its shareholders, • issuing opinions on the classification of positions, which is subject to the remuneration policy for persons having a significant impact on the Bank's risk profile ("MRT"), issuing opinions on annual goals and assessing the performance of these persons' work; giving opinions and monitoring the MRT variable remuneration, • preparing opinions, assessments or recommendations on candidates for the Bank's Management Board, on concluding, amending and terminating contracts with members of the Management Board, on matters of the structure, size, composition and effectiveness of the Management Board as a body, as well as knowledge, skills and experience of individual members of the Management Board, • preparing opinions, assessments or recommendations in other personal matters in which the Supervisory Board or the Committee is competent in accordance with the applicable internal regulations and the provisions of generally applicable law. In 2022, the Nomination and Remuneration Committee held 10 meetings.
Points (a), (b) and(c) of Article 450(1) CRR	(b)	Policy objectives: • promoting proper and effective risk management and discouraging excessive risk taking (exceeding the Bank's acceptable level of risk) in order to maintain a solid capital base and taking into account the long-term interest of the Bank, its shareholders and clients, • supporting the implementation of the Bank's sustainable development strategy and prudent risk management policy, • limiting the conflict of interest, • maintaining a transparent relationship between individual results and individual remuneration by focusing on goals related to responsibility and real impact, • preventing the use of constructions or methods aimed at avoiding the application of this Policy, • ensuring that the Bank's employees act in the best interest of their clients, including providing them with clear and transparent information on the services and products offered by the Bank and not favoring their own interests or the interests of the Bank to the detriment of the legitimate interests of clients. In the implementation of the above objectives, a special role of the Policy in relation to MRT.
Points (a), (b) and(c) of Article 450(1) CRR	(c) i (d)	The main statements of the Policy in relation to the MRT: • remuneration consisting of fixed remuneration and variable remuneration, • not granting MRT undefined pension benefits, • MRT's commitment not to use individual hedging strategies or remuneration and liability insurance to undermine the effects of risk alignment in their remuneration system, • except for persons performing control functions, the basis for determining the total amount of variable remuneration is the assessment of the results of MRT and a given organizational unit as well as the results of the Bank in the area of responsibility of that person, taking into account the results of the entire Bank, • maximum ratio of MRT variable remuneration to fixed remuneration: 100%, • at least 50% of the MRT variable remuneration is an incentive for special care for the Bank's long-term interest and consists of related financial instruments with the Bank's shares. The remaining part of variable remuneration is paid in cash as cash variable remuneration, • at least 40% of the MRT variable remuneration, and if the MRT variable remuneration is a particularly high amount, at least 60% of the variable remuneration - it is deferred remuneration, • variable remuneration of the Management Board is adjusted to the provisions of the Act of 9 June 2016 on the principles of determining the remuneration of persons managing certain companies. The policy is subject to an annual review of validity and adequacy, and if it is necessary to update it, it is reviewed by the Nomination and Remuneration Committee and adopted by the Management Board and approved by the Supervisory Board.

EU REMA - Remuneration policy

Legal basis	Row number	
Points (e) and (f) of Article 450(1) CRR	(e), (f) and (g)	The Bank's results adopted to determine the variable components of remuneration take into account the Bank's cost of risk, cost of capital and liquidity risk in the long term. The results are assessed for three years, so that the amount of variable remuneration takes into account the Bank's business cycle and the risk related to the Bank's business activity. Financial and non-financial criteria are taken into account when evaluating individual MRT performance. The financial criteria are in particular one or several of the following criteria: return on capital, capital adequacy ratios of the Bank, liquidity ratios of the Bank or its capital group, profitability ratios of the Bank or its capital group, other adopted for individual purposes for individual employees. Non-financial criteria include, in particular, one or several of the following criteria: the criterion of compliance with the law and internal regulations, the criterion of durability of employment, the criterion of compliance assessment and risk assessment performed in accordance with separate internal regulations, other adopted for individual purposes to be implemented for individual employees . As regards the variable remuneration of MRTs, who are Members of the Bank's Management Board, the variable remuneration is due to a given Member of the Management Board, after approval of the Management Board's report on the Bank's activities and the financial statements for the previous financial year and granting discharge to that Member for the performance of his duties by the General Meeting. With the exception of persons performing control functions, the basis for determining the total amount of the Variable Remuneration is the assessment of the results of MRT and a given organizational unit as well as the results of the Bank in the area of responsibility of that person, taking into account the results of the entire Bank.
Points (j) of Article 450(1) CRR	(h)	This disclosure of the Bank does not apply.
Points (k) of Article 450(1) CRR	(i)	The Bank uses the derogation specified in Art. 94 sec. 3 letter b) CRD pursuant to Art. 450 sec. 1 lit. k) CRR with regard to the rules set out in Art. 94 sec. 1 lit. l) and m) and point (o) the second subparagraph of that paragraph. As at the date of publication of this report, the variable remuneration for 2022 has not yet been awarded. This document will be modified to include the number of staff members benefiting from this derogation and the amount of variable remuneration for 2022, upon approval of the Remuneration Policy requirements.
Article 450(2) CRR	(j)	In line with the requirements of Art. 433 and 433c of the CRR Regulation and taking into account the scale of operations under Art. 4 points 145 and 146 of the CRR Regulation, the Bank is not a large institution, therefore this disclosure of the Bank does not apply.

Recommendation Z - concerning the rules of internal governance in banks

Legal basis		
Recommendation Z	13.6	**Conflicts of Interest Management Policy** According to the Conflicts of Interest Management Manual (IZKI) adopted by the Bank, a significant conflict of interest is one which, despite the application of measures aimed at removing it or limiting its negative impact, causes a real risk of violating the interests of the Client/Bank/Counterparty. The method of managing cases of significant conflicts of interest is described in § 13 of IZKI "Management of conflicts of interest". Pursuant to point 3b: "In the event of significant conflicts, it presents the Member of the Management Board supervising the Regulatory Compliance Department with recommendations of actions provided for by internal regulations and generally applicable laws, in order to draw professional and legal consequences against persons whose activities have been identified as having a significant conflict of interest. Recommendations in this regard are presented after consultation with the Director of the Legal Department and the Director of the HR Division, not later than within 14 days from the date of identifying a significant conflict. Throughout 2022, no case of a significant conflict of interest was identified.
	30.1	The Bank determines the maximum ratio of the average total gross remuneration of members of the Management Board in the annual period to the average total gross remuneration of other employees of the Bank in the annual period at 22. This ratio was set at a level enabling the Bank's employees to effectively perform their tasks, taking into account the need for prudent and stable management of the Bank and the Chimney Act.

EU REM1 - Remuneration awarded for the financial year

PLN m

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	8	7	36	17
2		**Total fixed remuneration**	**1,3**	**7,8**	**17,3**	**5,2**
3		Of which: cash-based	1,3	7,6	16,9	4,8
4		(Not applicable in the EU)	x	x	x	x
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)	x	x	x	x
7		Of which: other forms	0,0	0,2	0,4	0,4
8		(Not applicable in the EU)	x	x	x	x
9	Variable remuneration	Number of identified staff				
10		**Total variable remuneration**				
11		Of which: cash-based	-	-	-	-
12		Of which: deferred	-	-	-	-
EU-13a		Of which: shares or equivalent ownership interests	-	-	-	-
EU-14a		Of which: deferred	-	-	-	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b		Of which: deferred	-	-	-	-
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	**Total remuneration (2 + 10)**		**1,3**	**7,8**	**17,3**	**5,2**

EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

PLN m

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards	-	-	-	-
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year	-	-	-	-
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	2,0	1,0	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	0,6	0,2	-
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	-	1,0	4,0	5,0
7	Severance payments awarded during the financial year - Total amount	-	0,5	1,0	0,9
8	Of which paid during the financial year	-	0,1	1,0	0,9
9	Of which deferred	-	0,5	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11	Of which highest payment that has been awarded to a single person	-	0,1	0,4	0,3

The table shows the salaries of people employed as at 31 December 2022.

EU REM3 - Deferred remuneration

PLN m

	Deferred and retained remuneration	a Total amount of deferred remuneration awarded for previous performance periods	b Of which due to vest in the financial year	c Of which vesting in subsequent financial years	d Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	e Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	f Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	EU - g Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	EU - h Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	**MB Supervisory function**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2	Cash-based	-	-	-	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	**MB Management function**	**0,6**	-	**0,6**	-	-	0,2	-	-
8	Cash-based	0,2	-	0,2	-	-	-	-	-
9	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
10	Share-linked instruments or equivalent non-cash instruments	0,4	-	0,4	-	-	0,2	-	-
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	**Other senior management**	**1,0**	0,2	**0,9**	-	-	0,2	0,1	-
14	Cash-based	0,4	0,1	0,3				0,1	
15	Shares or equivalent ownership interests	-	-	-					
16	Share-linked instruments or equivalent non-cash instruments	0,6	0,1	0,5			0,2	0,1	
17	Other instruments	-	-	-					
18	Other forms	-	-	-					
19	**Other identified staff**	0,0	0,0	-	-	-	0,0	0,0	-
20	Cash-based	0,0	0,0	-	-	-	-	0,0	-
21	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
22	Share-linked instruments or equivalent non-cash instruments	0,0	0,0	-	-	-	0,0	0,0	-
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	**Total amount**	**1,7**	0,2	**1,5**	-	-	0,4	0,2	-

The table shows the salaries of persons employed / performing the function as at 31.12.2022.

The total amount of the adjustment during the financial year resulting from indirect ex post adjustments presented in the table, calculated on the basis of the difference between the price of the Bank's shares as at 30.12.2021 and the cashing-in price for the tranche due in 2022 and the difference between the price of the Bank's shares as at 30.12.2021 and price as at 30.12.2022 for tranches due in subsequent years.

EU REM4 - Remuneration of 1 million EUR or more per year

PLN m

	EUR	a
		Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	-
2	1 500 000 to below 2 000 000	-
3	2 000 000 to below 2 500 000	-
4	2 500 000 to below 3 000 000	-
5	3 000 000 to below 3 500 000	-
6	3 500 000 to below 4 000 000	-
7	4 000 000 to below 4 500 000	-
8	4 500 000 to below 5 000 000	-
9	5 000 000 to below 6 000 000	-
10	6 000 000 to below 7 000 000	-
11	7 000 000 to below 8 000 000	-

In 2022, among the people employed at the Bank and belonging to the category of people whose professional activity has a significant impact on the Bank's risk profile - no one has achieved a total remuneration exceeding the equivalent of EUR 1,000,000.

EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

PLN m

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	**Total number of identified staff**	x	x	x	x	x	x	x	x	x	**68**
2	Of which: members of the MB	8	7	15	x	x	x	x	x	x	x
3	Of which: other senior management	x	x	x	2	7	1	11	15	-	x
4	Of which: other identified staff	x	x	x	1	4	1	1	10	-	x
5	**Total remuneration of identified staff**	**1,3**	**7,8**	**9,1**	**1,6**	**4,3**	**1,0**	**6,1**	**9,6**	-	x
6	Of which: variable remuneration										x
7	Of which: fixed remuneration	1,3	7,8	9,1	1,6	4,3	1,0	6,1	9,6	-	x

The table shows the salaries of people employed as at 31 December 2022.

As at the date of publication of this report, the variable remuneration for 2022 for the employees indicated in the table above has not yet been awarded. This document will be amended by the amounts of variable remuneration for 2022, after obtaining the approval required by the Remuneration Policy.

EU AE1 - Encumbered and unencumbered assets

PLN m

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the disclosing institution**	**4 325,4**	**-**	x	x	**79 673,1**	**-**	x	x
030	Equity instruments	-	-	-	-	188,0	-	188,0	-
040	Debt securities	1 973,7	-	932,8	-	12 940,3	-	12 940,3	-
050	of which: covered bonds	-	-	-	-	-	-	-	-
060	of which: securitisations	-	-	-	-	-	-	-	-
070	of which: issued by general governments	1 973,7	-	932,8	-	11 494,0	-	11 494,0	-
080	of which: issued by financial corporations	-	-	-	-	1 063,8	-	1 063,8	-
090	of which: issued by non-financial corporations	-	-	-	-	45,2	-	45,2	-
120	Other assets	2 351,8	-	x	x	66 544,8	-	x	x

EU AE2 - Collateral received and own debt securities issued

PLN m

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered: Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the disclosing institution**	**-**	**-**	**324,8**	**-**
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	324,8	-
170	of which: covered bonds	-	-	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	-	-	324,8	-
200	of which: issued by financial corporations	-	-	-	-
210	of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or securitisations**	-	-	-	-
241	**Own covered bonds and securitisations issued and not yet pledged**	x	x	-	-
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**4 325,4**	**-**	x	x

EU AE3 - Sources of encumbrance

PLN m

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	Carrying amount of selected financial liabilities	1 756,4	3 895,4

EU AE4 - Accompanying narrative information

Legal basis	Row number	
Article 443 CRR	(a)	Information on encumbered and unencumbered assets was prepared on the basis of the European Commission Delegated Regulation (EU) No. 2021/451 of 17 December 2020 supplementing Regulation (EU) No. 575/2013 of the European Parliament and of the Council (CRR) with regard to Regulatory technical standards on disclosure of encumbered and unencumbered assets. The exposure value for disclosure purposes is equal to the net carrying amount. The average exposure values are estimated at the end of the last four quarters of 2022.
Article 443 CRR	(b)	As at 31 December 2022, the Alior Bank SA Group had encumbered assets due to: • financing agreements signed by Alior Bank SA with international financial institutions (EIB), • collateral resulting from the Bank's operations on the derivatives market (ISDA), • security deposit to secure transactions concluded with Alior Trader, • treasury bonds blocked under the BFG.

Information on loans and advances subject to legislative and non-legislative moratoria

PLN m

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
			Performing			Non performing				Performing			Non performing			
				Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
1	**Loans and advances subject to moratorium**	**5 392,7**	**4 299,0**	**276,9**	**1 630,9**	**1 093,7**	**404,9**	**506,1**	**-655,8**	**-200,3**	**-38,4**	**-165,8**	**-455,5**	**-146,5**	**-126,9**	**117,6**
2	of which: Households	3 950,5	3 192,4	245,0	877,0	758,0	222,6	237,2	-569,8	-180,0	-38,2	-146,8	-389,8	-108,8	-85,9	107,5
3	of which: Collateralised by residential immovable propert	1 453,4	1 394,1	94,3	192,5	59,3	20,6	25,1	-25,7	-13,0	-3,0	-7,0	-12,6	-4,4	-5,4	9,9
4	of which: Non-financial corporations	1 438,5	1 103,5	19,1	753,9	335,0	182,1	268,3	-85,8	-20,3	-0,2	-18,9	-65,6	-37,6	-41,0	9,6
5	of which: Small and Medium-sized Enterprises	1 369,5	1 034,5	19,1	705,5	335,0	182,1	268,3	-85,5	-20,0	-0,2	-18,7	-65,6	-37,6	-41,0	9,6
6	of which: Collateralised by commercial immovable prope	1 169,7	902,0	17,4	634,8	267,7	152,8	242,9	-49,8	-10,7	0,0	-10,5	-39,0	-27,2	-34,5	1,6

Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

PLN m

		a	b	c	d	e	f	g	h	i
			Gross carrying amount							
		Number of obligors		Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
						<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	Loans and advances for which moratorium was offered	61 201	8 890,7	x	x	x	x	x	x	x
2	**Loans and advances subject to moratorium (granted)**	**41 137**	**5 392,7**	**476,3**	**5 384,8**	**7,9**	**-**	**-**	**-**	**-**
3	of which: Households	x	3 950,5	476,3	3 942,6	7,9	-	-	-	-
4	of which: Collateralised by residential immovable property	x	1 453,4	154,6	1 453,4	0,0	-	-	-	-
5	of which: Non-financial corporations	x	1 438,5	-	1 438,5	-	-	-	-	-
6	of which: Small and Medium-sized Enterprises	x	1 369,5	-	1 369,5	-	-	-	-	-
7	of which: Collateralised by commercial immovable property	x	1 169,7	-	1 169,7	-	-	-	-	-

Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

PLN m

		a	b	c	d
		Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
1	**Newly originated loans and advances subject to public guarantee schemes**	**4 922,8**	**52,0**	**4 153,1**	**80,7**
2	of which: Households	2 235,6	x	x	56,8
3	of which: Collateralised by residential immovable property	0,7	x	x	-
4	of which: Non-financial corporations	2 686,1	29,9	2 293,1	23,8
5	of which: Small and Medium-sized Enterprises	2 534,7	x	x	23,8
6	of which: Collateralised by commercial immovable property	141,7	x	x	-

Management Board's statement

The Management Board of Alior Bank SA hereby declares that the arrangements described in the Report are adequate to the facts, and the risk management systems used are appropriate from the point of view of the risk profile and strategy of the Alior Bank SA Group.

Management Board's statement on the liquidity risk

In 2022, the Management Board of the Bank reviewed on an annual basis the expected level of liquidity risk tolerance defined by a system of limits imposed on liquidity risk, which results from the risk appetite included in the assumptions of the overall strategy of the Bank's operations and is consistent with it, and by determining the "survival horizon" taking into account scenarios with varying degrees of severity and likelihood of materialization.

Alior Bank, as an institution operating mostly on the retail market and independent of a foreign parent institution, is characterized by a reduced level of liquidity risk resulting from maintaining a stable deposit base (characterized by high stability at the level of 94.7%), as well as a small exposure to long-term mortgage loans denominated in in foreign currencies.

As at 31 December 2022, all liquidity measures were at a safe level, including The LCR was 166%, the NSFR was 133%, and the total liquidity buffer was PLN 15.9 billion against the required level of PLN 8.5 billion resulting from the shock scenario. Detailed information on the Bank's liquidity risk profile is discussed in the Disclosures section on liquidity risk.

The liquidity risk management systems used by the Bank ensured liquidity risk in 2022 at a level consistent with the risk appetite defined by the Supervisory Board. The liquidity adequacy assessment process (ILAAP) in place at the Bank ensured that the Bank had stable funding and appropriate liquidity buffers for timely repayment of liabilities, also in extreme situations, and compliance with supervisory liquidity requirements. Liquidity remained at a safe level throughout the period, which was reflected in the levels of liquidity ratios significantly above the limits. For this reason, the Bank did not identify the need to take extraordinary measures to improve the liquidity situation.

The Management Board of the Bank hereby declares that the liquidity risk management arrangements described in the Disclosures are adequate to the facts and the applied liquidity risk management systems are appropriate from the point of view of the profile, scale of operations, strategy and financial plans of the Alior Bank SA Capital Group.