



**Consolidated Financial Statements
of Alior Bank Spółka Akcyjna Group
for the year ended 31 December 2025**

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.

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Consolidated income statement

	Note number	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Interest income calculated using the effective interest method		6 401 128	6 663 692
Income of a similar nature		516 622	570 025
Interest expense		-1 782 859	-2 050 006
Net interest income	6	5 134 891	5 183 711
Fee and commission income		1 218 214	1 352 300
Fee and commission expense		-312 492	-485 291
Net fee and commission income	7	905 722	867 009
Dividend income		89	322
The result on financial assets measured at fair value through profit or loss and FX result	8	30 520	33 998
The result on derecognition of financial instruments not measured at fair value through profit or loss	9	19 664	27 477
measured at fair value through other comprehensive income		18 062	26 889
measured at amortized cost		1 602	588
Other operating income	10	105 325	110 184
Other operating expenses	10	-185 366	-162 664
General administrative expenses	11	-2 295 428	-2 117 647
Net expected credit losses	12	-328 098	-403 762
The result on impairment of non-financial assets	13	-13 928	-1 729
Cost of legal risk of FX mortgage loans	14	-151 119	-59 355
Banking tax	15	-285 877	-279 667
Gross profit		2 936 395	3 197 877
Income tax	16	-569 347	-752 855
Net profit		2 367 048	2 445 022
Net profit attributable to equity holders of the parent		2 367 048	2 445 022
Weighted average number of ordinary shares		130 553 991	130 553 991
Basic/diluted earnings per ordinary share (in PLN)	17	18.13	18.73

Consolidated statement of comprehensive income

	Note number	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Net profit		2 367 048	2 445 022
Other comprehensive net income, that may be reclassified to the income statement once the relevant conditions have been met		604 550	92 279
Exchange rate differences from the conversion of entities operating abroad		-256	-1 996
Results of the measurement of financial assets (net)		247 990	-10 323
Gain/loss from fair value measurement	20	262 620	11 457
Gain/loss reclassified to profit or loss after derecognition		-14 630	-21 780
Results on the measurement of hedging instruments (net)		356 816	104 598
Gain/loss from fair value measurement of financial instruments hedging cash flows in the part constituting an effective hedge	21	154 577	-243 391
Gain/loss on financial instruments hedging cash flows reclassified to profit or loss		202 239	347 989
Total comprehensive income, net		2 971 598	2 537 301
- attributable to shareholders of the parent company		2 971 598	2 537 301

Consolidated statement of financial position

ASSETS	Note number	31.12.2025	31.12.2024
Cash and cash equivalents	18	4 062 914	2 123 351
Amounts due from banks	19	2 203 109	1 821 581
Securities and derivatives	20	26 509 328	23 602 885
measured at fair value through other comprehensive income		22 542 955	21 204 007
measured at fair value through profit or loss		370 637	240 942
measured at amortized cost		3 595 736	2 157 936
Derivative hedging instruments	21	659 589	274 711
Loans and advances to customers	22	65 451 458	62 735 968
Assets pledged as collateral	25	0	18 029
Property, plant and equipment	23	829 108	697 757
Intangible assets	23	550 991	471 899
Income tax asset	16	724 098	823 185
current income tax asset		45 812	0
deferred income tax asset		678 286	823 185
Other assets	24	784 410	724 121
TOTAL ASSETS		101 775 005	93 293 487

LIABILITIES AND EQUITY	Note number	31.12.2025	31.12.2024
Amounts due to banks	26	589 204	160 125
Amounts due to customers	27	82 620 585	76 936 600
Financial liabilities held for trading	28	327 124	196 450
Derivative hedging instruments	21	69 034	450 383
Change in fair value measurement of hedged items in hedged portfolio against interest rate risk	21	202 118	-53 015
Provisions	29	403 967	321 794
Other liabilities	30	2 039 704	1 708 435
Income tax liabilities	16	218 422	278 980
current income tax liabilities		216 884	277 359
deferred income tax liabilities		1 538	1 621
Debt securities issued	31	2 321 870	2 087 016
Total liabilities		88 792 028	82 086 768
Share capital		1 305 540	1 305 540
Supplementary capital		8 655 257	7 438 105
Revaluation reserve		407 642	-197 164
Other reserves		161 792	161 792
Foreign currency translation differences		0	256
Accumulated losses		85 698	53 168
Profit for the period		2 367 048	2 445 022
Equity	32	12 982 977	11 206 719
TOTAL LIABILITIES AND EQUITY		101 775 005	93 293 487

Consolidated statement of changes in equity

01.01.2025 - 31.12.2025	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Exchange differences on revaluation of foreign units	Retained earnings	Total equity
As at 1 January 2025	1 305 540	7 438 105	161 792	-197 164	256	2 498 190	11 206 719
Dividend paid	0	0	0	0	0	-1 199 791	-1 199 791
Transfer of last year's profit	0	1 217 152	0	0	0	-1 217 152	0
Comprehensive income incl.	0	0	0	604 806	-256	2 367 048	2 971 598
net profit	0	0	0	0	0	2 367 048	2 367 048
other comprehensive income	0	0	0	604 806	-256	0	604 550
Other changes in equity	0	0	0	0	0	4 451	4 451
As at 31 December 2025	1 305 540	8 655 257	161 792	407 642	0	2 452 746	12 982 977

01.01.2024 - 31.12.2024	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Exchange differences on revaluation of foreign units	Retained earnings	Total equity
As at 1 January 2024	1 305 540	6 027 552	161 792	-291 439	2 252	2 043 893	9 249 590
Dividend paid	0	0	0	0	0	-577 048	-577 048
Transfer of last year's profit	0	1 410 553	0	0	0	-1 410 553	0
Comprehensive income incl.	0	0	0	94 275	-1 996	2 445 022	2 537 301
net profit	0	0	0	0	0	2 445 022	2 445 022
other comprehensive income	0	0	0	94 275	-1 996	0	92 279
Other changes in equity	0	0	0	0	0	-3 124	-3 124
As at 31 December 2024	1 305 540	7 438 105	161 792	-197 164	256	2 498 190	11 206 719

Consolidated statement of cash flow

	Note number	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Operating activities			
Profit before tax for the year		2 936 395	3 197 877
Adjustments:			
Unrealized foreign exchange gains/losses		-256	-1 996
Amortization/depreciation of property, plant and equipment and intangible assets	23	254 786	270 449
Change in property, plant and equipment and intangible assets impairment write-down		13 928	1 729
Net interest income		-5 134 891	-5 183 711
Change in loans and receivables	34.2	-2 997 935	1 213 088
Change in financial assets measured at fair value through other comprehensive income		-892 013	-5 793 899
Change in financial assets measured at fair value through profit or loss		-129 695	182 197
Change in assets pledged as collateral		18 029	28 865
Change in other assets		-60 289	-52 770
Change in deposits		5 701 633	3 856 674
Change in own issue		-221 907	-956 347
Change in financial liabilities		130 674	-80 013
Change in hedging derivative		-119 476	-32 538
Change in other liabilities	34.2	672 509	-867 252
Change in provisions		82 173	11 818
Short-term lease contracts		1 954	1 575
Interest received		6 642 543	6 973 504
Interest paid		-1 769 282	-2 152 279
Dividends		-89	-322
Income tax paid		-618 649	-595 232
Net cash flow from operating activities		4 510 142	21 417
Investing activities			
Outflows:		-2 157 030	-1 357 511
Purchase of property, plant and equipment		-138 237	-90 456
Purchase of intangible assets		-100 390	-98 903
Acquisition of assets measured at amortized cost		-1 918 403	-1 168 152
Inflows:		554 942	1 942 960
Disposal of property, plant and equipment		17 474	12 547
Redemption of assets measured at amortized cost		537 468	1 930 413
Net cash flow from investing activities		-1 602 088	585 449
Financing activities			
Outflows:		-1 818 491	-1 972 774
Principle payments - subordinated and long-term liabilities		-400 000	-1 141 700
Interest payments - subordinated and long-term liabilities		-132 556	-168 517
Principle payments - lease liabilities		-77 237	-75 872
Interest payments - lease liabilities		-8 907	-9 637
Dividend payment		-1 199 791	-577 048
Inflows:		850 000	950 000
Issue of debt securities - long-term liabilities		850 000	950 000
Net cash flow from financing activities		-968 491	-1 022 774
Total net cash flow		1 939 563	-415 908
including: change in cash position due to exchange rate differences		-36 959	-1 256
Balance sheet change in cash and cash equivalents		1 939 563	-415 908
Cash and cash equivalents, opening balance		2 123 351	2 539 259
Cash and cash equivalents, closing balance	18	4 062 914	2 123 351

Notes to the consolidated financial statements

1 Information about the Bank and the Group

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

Alior Bank Spółka Akcyjna ("Bank", "parent company") is the parent company in the Alior Bank Spółka Akcyjna Group ("Group", "Capital Group"). The Bank with its registered office in Warsaw, Poland, ul. Chmielna 69, was entered to the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, Poland, 13th Commercial Division of the National Court Register under KRS number: 0000305178. The Bank was assigned the tax identification number NIP: 107-001-07-31 and the statistical number REGON: 141387142.

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

Alior Bank is a universal deposit and credit bank, providing services to natural and legal persons, and other entities that are domestic and foreign persons. The Bank's core business covers maintenance of bank accounts, granting loans, issue of bank securities, and purchase and sale of foreign currencies. The Bank is also involved in stock broking activity, financial advisory, and intermediation services, and provides other financial services. Information on the companies in the Group is detailed in Note 1.2 of this chapter. In accordance with the provisions of its Articles of Association, Alior Bank has been operating in the territory of the Republic of Poland and the European Economic Area. The Bank provides its services primarily to customers from Poland. The number of foreign customers in the overall number of the Bank's customers is negligible.

1.2 Composition of the Group and its scope of business

In accordance with IFRS 10 "Consolidated Financial Statements", the parent entity of Alior Bank SA is Powszechny Zakład Ubezpieczeń SA, for which the controlling entity is the State Treasury, which holds 34.2% of PZU SA shares, entitling it to 34.2% of votes at the PZU SA General Meeting. Through PZU SA, the Bank is indirectly controlled by the State Treasury. The Bank's shareholding structure is described in detail in Note 32.3. Details of the Bank's shareholding structure are described in Note 32.3.

1.2.1 Operations of the companies in the Group of Alior Bank SA

As at 31 December 2025, the Alior Bank SA Group comprised of: Alior Bank SA, as the parent entity, and the subsidiary companies in which the Bank holds majority interests. During the reporting period, the structure of the Alior Bank SA Capital Group hasn't changed:

Subsidiaries

The Bank assessed its control according to IFRS 10 and defined its status as the parent entity in relation to the below entities. All subsidiaries are fully consolidated. The description of the accounting consolidation principles relating to subsidiaries is provided in Note 3.2.

Company name	Business description
Alior Services sp. z o.o.	The company operates as an insurance agent for 7 insurance companies (contract administration).

Company name	Business description
Alior Leasing sp. z o.o.	The company provides fixed asset financing through operational and financial leasing, as well as lease loans. The company has its own sales network of Leasing Advisors responsible for servicing Alior Bank clients and collaborating with external partners – vehicle, machinery, and equipment dealers. The company's strategic goal is to expand its cooperation with Alior Bank in the corporate client segment, continue its dynamic growth among SME and sole proprietorship clients, and increase its presence among machinery and equipment dealers by tailoring its offerings to the needs of clients in the industrial and medical sectors. The Alior Leasing Capital Group also includes: • AL Finance sp.z o.o., which specializes in property and motor insurance for clients with lease or lease loan agreements • Alior Leasing Individual sp. z o.o., which was established to implement Alior Leasing's strategy for consumer-facing products. Currently, it provides consumer leasing/car rental services on a subscription basis through the internal channels of PZU Group companies and is dedicated to Group employees. Ultimately, the scope of its operations will also include the rental of consumer electronics and household appliances, including consumer electronics, IT equipment, household appliances, and smartphones. Upon broad market entry, distribution will take place through Alior Bank's Trading Partners. This activity will be carried out in close cooperation with Alior Leasing and Alior Bank and will expand the Group's product portfolio.
Meritum Services ICB SA	The company conducts service activities in the field of information and computer technologies and provides IT software services.
Alior TFI SA	The company's core business is asset management. The bank's collaboration with its subsidiary, Alior TFI, primarily involves the distribution of ALIOR SFIO units. The company continues to hold a license to manage portfolios comprising one or more financial instruments.
Corsham sp. z o.o.	A company dedicated to implementing venture capital investments. Pursuant to Resolution No. 434/2023 of the Bank's Management Board dated 13 December 2023, the Bank's Management Board decided to discontinue further investment activities.
RBL_VC sp. z o.o.	A company dedicated to managing companies making venture capital investments has been entered into the register of Alternative Investment Company Managers (ZASI).
RBL_VC sp z o.o. ASI spółka komandytowo-akcyjna	It is an investment vehicle used by Alior Bank SA to make venture capital investments. Pursuant to Resolution No. 434/2023 of the Bank's Management Board dated 13 December 2023, the Bank's Management Board decided to discontinue further investment activities. By Resolution No. 469/2025 of 16 December 2025, the Bank's Management Board granted directional consent to the liquidation of the company as part of the simplification of the structure of the Bank's Capital Group.

Composition of the Group of Alior Bank SA as at 31 December 2025 and 31 December 2024.

Name of company – subsidiaries	31.12.2024	31.12.2023
Alior Services sp. z o.o.	100%	100%
Alior Leasing sp. z o.o.	100%	100%
- AL Finance sp. z o.o.	100%	100%
- Alior Leasing Individual sp. z o.o.	100% - Alior Leasing sp.z o.o.	90% - Alior Leasing sp.z o.o. 10% - AL Finance sp. z o.o
Meritum Services ICB SA	100%	100%
Alior TFI SA	100%	100%
Corsham sp. z o.o.	100%	100%
RBL_VC sp. z o.o.	100%	100%
RBL_VC sp z o.o. ASI spółka komandytowo-akcyjna	100%	100%

*On 30 January 2025, AL Finance sp. z o.o. sold its shares in Alior Leasing Individual sp. z o.o. to Alior Leasing sp. z o.o.

1.2.2 Key financial figures of the Group entities as at 31.12.2025

Company name	Balance sheet total	Net profit
Alior Services sp. z o.o.	8 717	2 272
Alior Leasing sp. z o.o.*	7 506 289	40 334
Meritum Services ICB SA	38 329	2 404
Alior TFI SA	23 382	5 000
Corsham sp. z o.o.	12 692	-58
RBL_VC sp. z o.o.	352	104
RBL_VC sp z o.o. ASI spółka komandytowo-akcyjna	4 011	-288

*with AL Finance sp. z o.o. and Alior Leasing Individual sp. z o.o.

1.3 Information on the composition of the Bank's Management Board and the Bank's Supervisory Board

Compared to the previous reporting period ended on 31 December 2024, there were changes in the composition of the Bank's Management Board.

Compared to the previous reporting period ended on 31 December 2024, there were changes in the composition of the Bank's Management Board.

On 22 April 2025, the Supervisory Board of the Bank appointed Ms. Beata Stawiarska to the Management Board of the Bank for the three-year 6th joint term of office, which began on 1 January 2024, with effect from 5 May 2025, as Vice President of the Management Board of the Bank.

Composition of the Bank's Management Board as at 31 December 2025

First and last name	Function
Piotr Żabski	President of the Management Board
Marcin Ciszewski	Vice President of the Management Board
Jacek Iljin	Vice President of the Management Board
Wojciech Przybył	Vice President of the Management Board
Beata Stawiarska	Vice President of the Management Board
Zdzisław Wojtera	Vice President of the Management Board

Composition of the Bank's Management Board as at 31 December 2024

First and last name	Function
Piotr Żabski	Vice-President of the Bank's Management Board, managing the work of the Bank's Management Board
Artur Chotody	Member of the Bank's Supervisory Board delegated to temporarily perform the duties of the Vice-President of the Bank's Management Board
Marcin Ciszewski	Vice President of the Management Board
Jacek Iljin	Vice President of the Management Board
Wojciech Przybył	Vice President of the Management Board
Zdzisław Wojtera	Vice President of the Management Board

There were changes in the composition of the Bank's Supervisory Board compared to the previous reporting period ended 31 December 2024.

On 12 February 2025, Mr. Artur Chołody, resigned from the position of Member of the Supervisory Board delegated to temporarily perform the duties of Vice President of the Bank's Management Board and from the position of Member of the Bank's Supervisory Board.

On 13 February 2025, Mr Paweł Wajda resigned from further performance of the function of Chairman of the Supervisory Board of the Bank and from further performance of the function of Member of the Supervisory Board of the Bank and from the mandate of Member of the Supervisory Board of the Bank. The resignation was submitted with legal effect at the end of the day on 25 February 2025 (i.e. at midnight).

On 25 February 2025, Mr. Rafał Janczura resigned from the position of Member of the Supervisory Board of the Bank with effect at the end of 4 March 2025.

On 26 February 2025, the Extraordinary General Meeting of the Bank appointed the following persons to the Supervisory Board of the Bank:

- Mr. Tomasz Kulik from 5 March 2025,
- Mr. Waldemar Maj from 5 March 2025, subject to the condition of submitting effective resignations from the functions performed, listed in the statement of Mr. Waldemar Maj dated 20 February 2025.
- Mr. Wojciech Kostrzewa from 5 March 2025, subject to the condition of submitting effective resignations from the functions performed, listed in the statement of Mr. Wojciech Kostrzewa dated 19 February 2025.

On 3 July 2025, Mr. Tomasz Kulik resigned from the position of Member of the Supervisory Board of the Bank with effect at the end of 6 July 2025.

The Annual General Meeting convened on 16 June 2025, continued on 7 July 2025 taking into account the assessment of compliance with the requirements of adequacy, appointed Ms. Agata Mazurowska - Rozdeiczer to the composition of the Bank's Supervisory Board.

The composition of the Bank's Supervisory Board as at 31 December 2025

First and last name	Function
Wojciech Kostrzewa	Chairperson of the Supervisory Board
Jan Zimowicz	Deputy Chairperson of the Supervisory Board
Radostaw Grabowski	Member of the Supervisory Board
Maciej Gutowski	Member of the Supervisory Board
Artur Kucharski	Member of the Supervisory Board
Waldemar Maj	Member of the Supervisory Board
Agata Mazurowska - Rozdeiczer	Member of the Supervisory Board
Robert Pusz	Member of the Supervisory Board

The composition of the Bank's Supervisory Board as at 31 December 2024

First and last name	Function
Paweł Wajda	Chairperson of the Supervisory Board
Jan Zimowicz	Deputy Chairperson of the Supervisory Board
Artur Chołody	Member of the Supervisory Board
Radostaw Grabowski	Member of the Supervisory Board

First and last name	Function
Maciej Gutowski	Member of the Supervisory Board
Rafał Janczura	Member of the Supervisory Board
Artur Kucharski	Member of the Supervisory Board
Robert Pusz	Member of the Supervisory Board

2 Basis of preparation of the financial statements

2.1 Coverage and comparable data

These consolidated financial statements cover the year ended 31 December 2025 and contain comparable data for the year ended 31 December 2024. The consolidated financial statements were prepared in PLN and all the numbers presented herein are in PLN thousand, unless specified otherwise.

2.2 Compliance statement

These consolidated financial statements of the Alior Bank Spółka Akcyjna Capital Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union as at 31 December 2025.

2.3 Going concern

The Group's financial statements for the period from 1 January 2025 to 31 December 2025 have been prepared on a going concern basis on the assumption that the Group will continue its business operations substantially unchanged in scope for a period of at least 12 months from the date of preparation. As at the date of approval of this report, the Bank's Management Board does not identify any circumstances that would indicate a threat to the Group's continued operations in the foreseeable future.

2.4 Presentation of the financial statements

In its consolidated statement of financial position, the Group discloses assets and liabilities according to the liquidity criterion.

The principles of netting off financial assets and liabilities are described in Note 38.1 the Bank does not set off income and expenses, unless so required by law or permitted by accounting standards or interpretation.

2.5 Approval of the financial statements

These consolidated financial statements of the Group of Alior Bank SA were approved for publication by the Bank's Management Board on 20 February 2026.

3 Description of the material accounting policy information

The most important accounting policy information, as well as estimates and judgements applied in the preparation of these financial statements are presented in the Notes and below. The principles were applied on a continuous basis in all presented years. Below is a specification of accounting policy information and major estimates and judgements for the specific items of the consolidated income statement and the consolidated statement of financial position.

Income statement	Note number	Accounting policies*
Interest income and expense	6	Y
Fee and commission income and expense	7	Y
The result on financial assets measured at fair value through profit or loss and FX result	8	Y
The result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	9	Y
Other operating income and expenses	10	Y
General administrative expenses	11	Y
Net expected credit losses,	12	Y
The result on impairment of non-financial assets	13	Y
Cost of legal risk of FX mortgage loans	14	Y
Income tax	16	Y

Statement of financial position	Note number	Accounting policies*	Major estimates and assessments*
Cash and cash equivalents	18	Y	
Amounts due from banks	19	Y	
Investment financial assets and derivatives	20	Y	
Derivative hedging instruments	21	Y	
Loans and advances to customers	22	Y	Y
Property, plant & equipment	23	Y	
Intangible assets	23	Y	
Other assets	24	Y	
Assets hedging liabilities	25	Y	
Income tax assets	16	Y	
Amounts due to banks	26	Y	
Amounts due to customers	27	Y	
Financial liabilities held for trading	28	Y	
Change in fair value measurement of hedged items in portfolio hedge against interest rate risk	21	Y	
Provisions	29	Y	Y
Other liabilities	30	Y	
Debt securities issued	31		
The Bank's equity and shareholding structure	32	Y	

* The letter Y means that the notes to the Financial Statements contain significant information regarding the selected accounting policy and significant estimates.

3.1 Transactions in foreign currencies

Functional currency and reporting currency

The consolidated financial statements were prepared in PLN which is the functional currency of the Bank and the subsidiaries.

Foreign currency denominated transactions and balances

Foreign currency denominated transactions are initially recognised in the functional currency at the exchange rate of the National Bank of Poland prevailing on the transactional date. On the last day of each reporting period, the Bank translates:

- foreign currency denominated monetary assets and liabilities at NBP's mid exchange rate prevailing on that date,
- non-monetary items measured at historical cost in foreign currencies at the exchange rates effective as at the date the transaction was initially recognised,
- non-monetary items measured at fair value in foreign currency at the exchange rate effective as at the date of fair value determination.

Foreign exchange gains and losses resulting from the settlement of transactions and from the year-end translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

3.2 Business combination and consolidation rules

Subsidiary entities

Subsidiary companies are entities (including entities that are not commercial companies like civil partnerships or special purpose vehicles) controlled by the parent entity which means that the parent entity:

- has power over the entity,
- has exposure, or rights, to variable returns from its involvement with the entity, and
- has the ability to use its power over the entity to affect the amount of its returns.

Subsidiaries are consolidated from the date on which the Bank assumes control. Deconsolidation takes place when control no longer exists.

Consolidation

The consolidation process of the financial statements of subsidiaries with the full method consists in summing up individual items in the statement of financial position, the profit and loss account, and other comprehensive income of the parent entity and the subsidiaries in full amounts and making appropriate consolidation adjustments and exclusions. The exclusions apply to the carrying value of the interests held by the Bank in subsidiaries and equity of the entities at the acquisition date. Complete exclusions apply to:

- mutual receivables and payables and other similar settlements of the consolidated entities,
- income and expenses of economic operations between the consolidated entities,
- profit or loss resulting from economic operations between the consolidated entities, included in the value of assets of the consolidated entities, with the exception of losses that indicate impairment,
- dividend accrued or disbursed by subsidiaries to the parent entity and other consolidated entities,
- mutual cash flows in the statement of cash flows.

The financial statements of subsidiaries are prepared for the same reporting period as those of the parent entity. In order to eliminate any discrepancies in the accounting principles applied by the Bank and its subsidiary entities, consolidation adjustments are made. All entities of the of Alior Bank SA Group are consolidated with the full method.

Acquisition method

Acquisitions of subsidiaries by the Group are recognised with the acquisition method in compliance with IFRS 3.

3.3 Recognition of financial assets and liabilities in books

The Group recognises financial assets or liabilities in its statement of financial position, when it becomes a party to a contract covering such instrument. Standard purchase and sale transactions of financial assets (securities) are recognised as at the settlement date.

At the initial recognition, all financial instruments are measured at fair value.

The Group classifies financial assets and liabilities at the initial recognition, subject to the purpose, characteristics, and intention vis-a-vis the acquired financial instrument.

Financial assets are classified by the Group on the date of acquisition or arising to the following categories: financial assets measured at fair value through profit and loss, financial assets measured at fair value through comprehensive income, financial assets measured at amortised cost. Financial liabilities are measured at amortised cost and at fair value through profit and loss.

Detailed for the classification and measurement rules of financial instruments are described in Note 20.1.

3.4 Derecognition of financial assets and liabilities from the statement of financial position

Financial assets

The Group derecognises financial assets from the statement of financial position when:

- contractual rights expire to cash flows from such financial assets,
- such financial assets are transferred to another entity,
- the financial asset is transferred to off-balance sheet records without resigning from future repayment.

When transferring financial assets, the Group assesses to what extent it retains the risks and benefits related to holding such financial assets. In such case:

- if it transfers basically all risks and all benefits related to holding such financial assets, the Group derecognises such financial assets from its statement of financial position,
- if it retains basically all risks and benefits related to holding such financial assets, the Group continues to recognise such financial assets in its statement of financial position,
- if it neither transfers nor retains basically all risks and benefits related to holding such financial assets, the Group determines if it continues to control such financial assets; when control is retained, such financial assets continue to be recognised in the balance sheet, and when there is no control, such financial assets are derecognised from the statement of financial position in the amount resulting from the retained exposure.

The decision to stop recognizing a financial asset and transferring the receivables to off-balance sheet records until their repayment, sold, write-off due to irrecoverability, limitation or redemption may be taken, if:

- there are no reasonable prospects of recovering the financial asset in whole or in part,
- the Group does not identify sources of debt repayment that it could effectively meet.

The decision to write off a claim as irrecoverable may be made in a situation where the claim is fully due and its non-recoverability has been documented in accordance with the provisions of the Act on Corporate Income Tax (writing off with documentation of irrecoverability), i.e.:

- a decision on irrecoverability recognized by the Group as being in line with the factual state issued by the competent enforcement authority,
- court decision to close bankruptcy proceedings involving the liquidation of assets,
- a court decision dismissing an application for declaration of bankruptcy or discontinuing bankruptcy proceedings, when the assets of an insolvent Debtor are insufficient to satisfy the costs of bankruptcy proceedings,
- a protocol prepared by the substantive unit, which shows that the expected legal and enforcement costs would be equal or higher than the amount of receivables obtained.

Financial liabilities

The Group derecognises financial liabilities (in whole or in part) from the statement of financial position if a contractual duty has been discharged or redeemed or has expired.

Modification

The modification of a financial asset measured at amortized cost or at fair value through other comprehensive income and financial liabilities at measured amortized cost is a change in the contractual terms affecting the change in the amount of financing, currency and date of payment, and in the case of assets - also a change in the debtor. Change in cash flows without changing the contractual terms is not a modification (the change is made on the basis of the originally binding contract).

A significance assessment is carried out for each modification.

If the modification is substantial, the carrying amount of the instrument is derecognised. For the new financial asset or financial liability a new effective interest rate should be set or effective interest rate adjusted for credit risk (CAEIR) if the new financial assets recognized as a result of a substantial modification is impaired and. The income or expense arising as at the date of determining the effects of a substantial modification is recognized in the profit and loss account under the item Net interest income.

The modification of a financial asset deemed non- substantial does not result in the exclusion from the statement of financial position and gains or losses from this modification are calculated. The result from an insignificant modification is presented in the note Net interest income. All costs incurred and fees adjust the carrying amount of the modified financial asset and are depreciated in the period remaining until the maturity date of the modified financial asset using the original interest rate.

In order to judge the significance of the modification, the Bank applied quality criteria, such as:

- change of the financing currency,
- change of the debtor,
- introduction of provisions into the contract resulting in the failure to pass the cash flow characteristics test (SPPI test), including (i) the multiplier in the interest rate formula, (ii) making the interest rate dependent on the price of goods, securities or similar (iii) limiting the debtor's contractual liability to selected assets,
- change of legal form, including consolidation of two or more loans into one,
- change of the type of financial instrument.

The Bank also uses quantitative criteria to assess the significance of the modification:

1. for revolving receivables:

- significant increase in the exposure amount,
- significant extension/shortening of the financing period,
- change in the margin.

The Bank assumes a 20% change in the exposure amount or margin or extension/shortening of the crediting period by 365 days as the materiality level.

2. for non-revolving receivables (for scheduled receivables) - 10% test.

The 10% test for financial assets involves comparing cash flows before and after the modification, discounted at the original effective interest rate. If the difference is equal to or exceeds 10%, the modification is considered material.

A material modification of a financial liability is identified if the discounted present value of the cash flows resulting from the new terms, including any fees paid, net of fees received and discounted using the original effective interest rate, differs by no less than 10% from the discounted present value of the remaining cash flows from the original financial liability. A modification of a financial liability that is not considered a material modification is an insignificant modification.

4 Changes in accounting principles

4.1 Changes in accounting standards

New standards and interpretations and modifications to the existing accounting standards and interpretations that became effective on 1 January 2025

Change	Impact on the Group's report
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	These changes specify how an entity should assess whether a currency is convertible into another currency and how it should determine the spot exchange rate if it cannot be converted. The change did not have impact on the Group's financial statements.

Published standards and interpretations that which were not in force as at 31 December 2025 and were not previously applied by the Group

Change	Impact on the Group's report
IFRS 18 Presentation and Disclosure in Financial Statements	The standard is intended to replace IAS 1 – Presentation of Financial Statements. The new standard will be effective from 1 January 2027. The new standard includes: the result of taking into account the voice of investors in the work, who indicated that financial statements still do not have a uniform form and often do not present significant information needed to make investment decisions. In connection with the new IFRS 18 standard, changes to other standards are also planned to harmonize disclosure requirements. The above changes will not affect the Group's net result, only the presentation of individual items in the profit and loss account. The Group is currently analysing the impact of the standard on the presentation of financial statements..
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible entities to elect to apply IFRS 19's reduced disclosure requirements while still applying the recognition,

Change	Impact on the Group's report
	measurement and presentation requirements in other IFRS accounting standards. An entity may elect to apply this Standard in its consolidated or separate financial statements if, and only if, at the end of the reporting period: (a) it is a subsidiary, (b) it does not have public accountability, and (c) it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. These changes will not have an impact on the Group's financial statements.
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through OCI. The implementation of the changes will not have a material impact on the Group's financial statements.
Annual Improvements IFRS Volume 11	The document contains clarifications, simplifications, corrections and changes aimed at improving the consistency of a number of accounting standards (IFRS 1, IFRS 7 and the accompanying "Guidance on the implementation of IFRS 7"; IFRS 9, IFRS 10 and IAS 7). In the Group's opinion, the implementation of the changes will not impact the Group's financial statements.
Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity	Amendments allow companies to better reflect in the financial statements, the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The amendments include: • clarifying the application of the 'own-use' requirements, • permitting hedge accounting if these contracts are used as hedging instruments, • adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The implementation of the changes will not have an impact on the Group's financial statements.

4.2 Restatement of comparative data and explanation of differences in relation to previously published financial statements

Compared to the financial statements prepared as at 31 December 2024, the Group change a presentation in the Statement of Cash Flows, transferring the item: Dividend payment from operating activities to financing activities. This change is consistent with and dictated by the new requirements of IFRS 18: "Presentation and Disclosure in Financial Statements", which will become effective on 1 January 2027.

Cash flow statement items	Published 01.01.2024-31.12.2024	change	Restated 01.01.2024-31.12.2024
Change in other liabilities	-1 444 300	577 048	-867 252
Net cash flow from operating activities	-555 631	577 048	21 417
Dividend payment	0	-577 048	-577 048
Net cash flow from financing activities	-445 726	-577 048	-1 022 774

5 Operating segments

Segment description

Alior Bank Group pursues its business activity within segments offering specific products and services addressed to specified customer groups. The split of business segments provides for consistency with the sale management model and for providing customers with a comprehensive product offer, covering both traditional banking products and more complex investment products.

Banking operations cover three core business segments:

- retail segment,
- corporate segment,
- treasury activities.

The core products for retail segment are as follows:

- credit products: cash loans, credit cards, current account overdraft facilities, mortgage loans,
- deposit products: term deposits, savings deposits,
- brokerage products and investment funds,
- personal accounts,
- transactional services: cash deposits and withdrawals, transfers,
- currency exchange transactions.

The core products for corporate segments are as follows:

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

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

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

Income of the retail segment covers also income from sales of brokerage products (e.g. income for the maintenance of brokerage accounts, brokerage services in securities trading and income from distribution of investment fund units).

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

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

Results and volumes split by segment for the year ended on 31 December 2025

	Retail customers	Corporate customers	Treasury	Total operating segments	Unallocated items	Total
External interest income	2 722 527	1 431 388	980 976	5 134 891	0	5 134 891
external income	3 575 678	1 305 374	1 520 076	6 401 128	0	6 401 128
income of a similar nature	0	412 032	104 590	516 622	0	516 622
external expense	-853 151	-286 018	-643 690	-1 782 859	0	-1 782 859
Internal interest income	249 561	-164 742	-84 819	0	0	0
internal income	2 490 854	990 825	3 396 860	6 878 539	0	6 878 539
internal expense	-2 241 293	-1 155 567	-3 481 679	-6 878 539	0	-6 878 539
Net interest income	2 972 088	1 266 646	896 157	5 134 891	0	5 134 891
Fee and commission income	566 667	648 170	3 377	1 218 214	0	1 218 214
Fee and commission expense	-264 350	-40 808	-7 334	-312 492	0	-312 492
Net fee and commission income	302 317	607 362	-3 957	905 722	0	905 722
Dividend income	0	0	89	89	0	89
The result on financial assets measured at fair value through profit or loss and FX result	74	19 692	10 754	30 520	0	30 520
The result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	0	0	19 664	19 664	0	19 664
measured at fair value through other comprehensive income	0	0	18 062	18 062	0	18 062
measured at amortized cost	0	0	1 602	1 602	0	1 602
Other operating income	71 419	33 906	0	105 325	0	105 325
Other operating expenses	-147 764	-37 602	0	-185 366	0	-185 366
Net expected credit losses	-105 260	-222 838	0	-328 098	0	-328 098
The result on impairment of non- financial assets	-9 796	-4 132	0	-13 928	0	-13 928
Cost of legal risk of FX mortgage loans	-151 119	0	0	-151 119	0	-151 119
General administrative expenses	-1 730 067	-851 238	0	-2 581 305	0	-2 581 305
Gross profit	1 201 892	811 796	922 707	2 936 395	0	2 936 395
Income tax	0	0	0	0	-569 347	-569 347
Net profit	1 201 892	811 796	922 707	2 936 395	-569 347	2 367 048
Assets	67 649 200	33 401 707	0	101 050 907	724 098	101 775 005
Liabilities	63 267 800	25 305 806	0	88 573 606	218 422	88 792 028

Results and volumes split by segment for the year ended on 31 December 2024

	Retail customers	Corporate customers	Treasury	Total operating segments	Unallocated items	Total Group
External interest income	2 830 009	1 599 836	753 866	5 183 711	0	5 183 711
external income	3 671 894	1 500 141	1 491 657	6 663 692	0	6 663 692
income of a similar nature	0	432 847	137 178	570 025	0	570 025
external expense	-841 885	-333 152	-874 969	-2 050 006	0	-2 050 006
Internal interest income	302 531	-271 310	-31 221	0	0	0
internal income	2 654 258	1 054 604	3 677 641	7 386 503	0	7 386 503
internal expense	-2 351 727	-1 325 914	-3 708 862	-7 386 503	0	-7 386 503
Net interest income	3 132 540	1 328 526	722 645	5 183 711	0	5 183 711
Fee and commission income	524 487	829 760	-1 947	1 352 300	0	1 352 300
Fee and commission expense	-262 969	-215 185	-7 137	-485 291	0	-485 291
Net fee and commission income	261 518	614 575	-9 084	867 009	0	867 009
Dividend income	0	0	322	322	0	322
The result on financial assets measured at fair value through profit or loss and FX result	-9 803	19 479	24 322	33 998	0	33 998
The result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	0	0	27 477	27 477	0	27 477
measured at fair value through other comprehensive income	0	0	26 889	26 889	0	26 889
measured at amortized cost	0	0	588	588	0	588
Other operating income	73 544	36 640	0	110 184	0	110 184
Other operating expenses	-126 822	-35 842	0	-162 664	0	-162 664
Net expected credit losses	-128 161	-275 601	0	-403 762	0	-403 762
The result on impairment of non-financial assets	-1 217	-512	0	-1 729	0	-1 729
Cost of legal risk of FX mortgage loans	-59 355	0	0	-59 355	0	-59 355
General administrative expenses	-1 674 229	-723 085	0	-2 397 314	0	-2 397 314
Gross loss	1 468 015	964 180	765 682	3 197 877	0	3 197 877
Income tax	0	0	0	0	-752 855	-752 855
Net loss	1 468 015	964 180	765 682	3 197 877	-752 855	2 445 022
Assets	61 583 981	30 886 321	0	92 470 302	823 185	93 293 487
Liabilities	58 166 307	23 641 481	0	81 807 788	278 980	82 086 768

Notes to consolidated income statement

6 Net interest income

6.1 Accounting policy information

Interest income and expenses include interest on financial instruments measured at amortized cost and instruments measured at fair value through other comprehensive income. Net interest also includes fees and commissions directly related to the origination of financial instruments (both income, including the portion of fees received from insurance companies for distribution of insurance, and costs, including external and internal incremental costs) constituting the integral part of the effective interest rate.

The effective interest rate method consists in accruing the amortised cost of financial assets or financial liabilities and allocation of interest income or expense. The effective interest rate is the interest rate at which estimated future cash payments or receipts over the expected life of the financial asset or financial liability are exactly discounted to the gross carrying amount of the financial asset or to the amortized cost of the financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows considering all contractual terms of a given financial instrument, without taking into account the expected credit losses. This calculation includes all commissions and fees paid or received between the parties, which are an integral part of the effective interest rate, as well as transaction costs and all other bonuses or discounts.

The Group calculates interest income using the effective interest rate to the gross carrying amount of the financial asset, except for the financial assets which are affected by the impairment due to credit risk. When a financial asset or a group of similar financial assets is reclassified to Stage 3, interest income is accrued on the net value of the financial asset and is shown at the effective interest rate at which future cash flows were discounted for the purposes of measuring impairment.

The Group recognizes interest income from derivatives and loans measured at fair value through profit or loss, as well as interest income from finance lease, under income of a similar nature. Interest expense on derivatives measured at fair value through profit or loss is included in interest expense.

6.2 Financial data

	01.01.2025– 31.12.2025	01.01.2024 – 31.12.2024
Interest income calculated using the effective interest method	6 401 128	6 663 692
term deposits	6 142	14 985
loans measured at amortized cost	4 779 571	5 065 540
securities measured at amortized cost	97 519	88 660
securities measured at fair value through other comprehensive income	1 122 772	1 086 166
receivables acquired	23 487	29 638
repo transactions in securities	126 973	91 795
current accounts	159 359	178 544
overnight deposits	4 299	8 475
other	81 006	99 889
Income of a similar nature	516 622	570 025
derivatives instruments	104 590	136 687
leasing	412 032	432 847
loans measured at fair value through profit and loss	0	491
Interest expense	-1 782 859	-2 050 006
term deposits	-755 554	-810 548
own issue	-144 832	-185 923
repo transactions in securities	-93 520	-108 464
cash deposits	-16 863	-5 747
leasing	-8 907	-9 637
other	-2 912	-10 626
current deposits	-393 495	-370 797
derivatives	-366 776	-548 264
Net interest income	5 134 891	5 183 711

In 2025 and 2024 the amount of interest income on loans with recognised impairment amounted to PLN 252 266 thousand and PLN 363 499 thousand.

6.3 Significant estimates and judgements

Recognition of bancassurance income

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

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

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

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

The “relative fair value” model approved by the Group consists in estimating the fair value of each element of the overall service of loan sale with insurance in order to determine the proportion of fair value of both services. In accordance with such proportion of fair value, remuneration under the joint loan and insurance transaction is allocated to each component. Additionally, in order to determine the correct amount of income to be recognised over time as interest income, the model provides for the establishment and update of provisions for remuneration refund for insurance agency services when the customer resigns from insurance. The provision due to the uncertainty related to the customers' option to resign from the insurance cover at any time during the term of the contract is verified periodically by each credit product group. The Group's remuneration for insurance distribution is reduced by uncertain income related to estimated refunds due to the customers' resignation from insurance.

The remuneration for sale of insurance products offered to the Group's customers in combination with credit products in line with the periodically updated “loan relative fair value” model is recognised after deferral of a part of the remuneration to cover the anticipated refunds of remuneration due to the customers resigning or withdrawing from insurance contracts.

Additionally, the Group acting as an agent, provides customers with the insurance cover under other insurance products than related to credit products, including accident insurance, motor, housing, travel insurance and investment products (insurance capital funds).

Revenue from the sale of insurance not linked to the sale of banking products is recognized according to principles analogous to those described for insurance linked to the sale of banking products, excluding the element of estimating the fair value of the financial instrument. In particular:

- in the portion relating to insurance intermediation – the insurance fee is recognized in the income statement on a one-off basis, after adjusting for the deferred portion up to the amount of expected reimbursements,
- in the portion relating to administrative activities during the insurance term – the fee is recognized on a straight-line basis in net fee and commission income.

6.4 Sensitivity analysis of significant estimates and judgements

Bancassurance

In 2025 and 2024, the Group used a method of settling the amount of remuneration from insurance offered in connection with cash and mortgage loans over time, based on the "relative fair value" model reflecting the economic content of the transaction. Details in note 6.3.

An estimated sensitivity analysis of changes of the income recognised by the Bank in 2025 with reference to bancassurance is as follows:

Type of scenario	2025	2024
increased provision for resignations by 5pp	MPLN-8.94 reduced net interest	MPLN-9.66 reduced net interest
decreased provision for resignations by 5pp	MPLN +8.94 increased net interest	MPLN +9.66 increased net interest

7 Net fee and commission income

7.1 Accounting policy information

Fee and commission income arises from the provision of financial services offered by the Bank and includes i.a. fees for granting loans without defined repayment schedules, loan commitment fees, card issue fees, cash management services, brokerage services, insurance product services and asset management services. Commission income also includes margins on currency exchange transactions, i.e. margins on currency purchase/sale transactions with delivery on the spot value date. Revenue generated as part of the provision of custody activities is also an element of commission income. The corresponding customer assets are not part of the Bank's assets and therefore are not recognized in the statement of financial position.

Fees and commissions (both income and costs) directly related to the creation of financial assets with specific repayment schedules are recognized in the income statement as an element of the effective interest rate and are part of interest income.

The Bank includes among others the commissions adjusting the effective interest rate:

- commissions for granting a loan
- commissions for changing the terms of the loan agreement
- commissions for changing the form of financing
- loan restructuring commissions
- commissions for intermediation in granting credits and loans

Fees and commissions (both revenues and costs) related to the creation of assets with undefined schedules of future cash flows are settled on a straight-line basis over the term of the contract and are presented as fee and commission income or expenses. Income settled over time using the straight-line method includes, in particular, commissions received on overdrafts, revolving loans, liabilities granted (guarantees, credit lines), such as:

- commissions for limit granting/extension
- commissions for increasing the limit
- commission for processing a loan application in the case of a positive decision

Commitment fees for loans that are likely to be incurred are deferred and accounted for as an element of the effective interest rate or on a straight-line basis when a financial asset arises.

Other fees and commissions related to financial services, not related to the creation of assets, are recognized in such a way as to reflect the transfer of promised goods and services to the customer in the amount reflecting the remuneration to which the Bank will be entitled in exchange for these goods and services, in accordance with 5 - stepwise revenue recognition model.

Based on the analyzes carried out, the Bank recognizes commission and fee income:

- at the time the service is performed, if the obligation to perform the service is fulfilled at a specific time by transferring the promised good or service to the customer, i.e. when the customer obtains control over it, and these are: transaction fees from securities transactions, payment services, margins on currency exchange transactions, i.e. margins on currency purchase/sale transactions with delivery on the spot value date, brokerage services, investment advisory services, financial planning, investment banking services
- over time, in order to reflect the degree of fulfillment of this obligation, if the provision of services is performed in a specific period of time, these fees and commissions include, among others, commissions for maintaining accounts, servicing insurance, which are received/paid periodically, in periods monthly or quarterly, commissions/fees for cash management services performed as well as fees and commissions related to loans granted, which are not part of the effective interest rate (ESP), i.e. administrative commissions and fees for servicing the loan, commissions for commitment charged on funds unused by clients

The accounting principles regarding the recognition of commission income from the sale of insurance products linked to loans and advances are described in the note "Net interest income".

7.2 Financial data

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Fee and commission income	1 218 214	1 352 300
payment and credit cards service	163 365	327 179
transaction margin on currency exchange transactions	317 877	310 804
maintaining bank accounts	107 768	105 175
brokerage commissions	95 403	77 817
revenue from bancassurance activity	93 441	99 333
loans and advances	142 519	149 348
transfers	63 968	60 590
cash operations	33 833	34 802
guarantees, letters of credit, collection, commitments	17 830	14 337
receivables acquired	4 318	4 318
for custody services	10 759	8 134
repayment of seizure	10 260	9 888
from leasing activities	83 397	86 127
other commissions	73 476	64 448
Fee and commission expenses	-312 492	-485 291

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
costs of card and ATM transactions, including costs of cards issued	-83 990	-264 959
commissions paid to agents	-58 250	-53 181
insurance of bank products	-21 097	-20 651
costs of awards for customers	-34 698	-26 998
commissions for access to ATMs	-28 347	-27 595
commissions paid under contracts for performing specific operations	-24 626	-28 319
brokerage commissions	-5 680	-5 051
for custody services	-4 715	-4 062
transfers	-26 771	-25 418
other commissions	-24 318	-29 057
Net fee and commission income	905 722	867 009

01.01.2025 - 31.12.2025	Retail customers	Business customers	Treasury	Total
Fee and commission income	566 667	648 170	3 377	1 218 214
payment and credit cards service	122 082	41 283	0	163 365
transaction margin on currency exchange transactions	189 545	124 955	3 377	317 877
maintaining bank accounts	49 807	57 961	0	107 768
brokerage commissions	95 403	0	0	95 403
revenue from bancassurance activity	35 809	57 632	0	93 441
loans and advances	21 479	121 040	0	142 519
transfers	20 183	43 785	0	63 968
cash operations	16 456	17 377	0	33 833
guarantees, letters of credit, collection, commitments	0	17 830	0	17 830
receivables acquired	0	4 318	0	4 318
custody services	0	10 759	0	10 759
repayment of seizure	0	10 260	0	10 260
commissions from leasing activities	0	83 397	0	83 397
other commissions	15 903	57 573	0	73 476

01.01.2024-31.12.2024	Retail customers	Business customers	Treasury	Total
Fee and commission income	524 487	829 760	-1 947	1 352 300
payment and credit cards service	118 859	208 320	0	327 179
transaction margin on currency exchange transactions	167 534	145 217	-1 947	310 804
maintaining bank accounts	49 575	55 600	0	105 175
brokerage commissions	77 817	0	0	77 817
revenue from bancassurance activity	42 765	56 568	0	99 333
loans and advances	20 187	129 161	0	149 348
transfers	19 423	41 167	0	60 590
cash operations	15 989	18 813	0	34 802
guarantees, letters of credit, collection, commitments	0	14 337	0	14 337
receivables acquired	0	4 318	0	4 318
custody services	0	8 134	0	8 134
repayment of seizure	0	9 888	0	9 888
from leasing activities	0	86 127	0	86 127

01.01.2024–31.12.2024	Retail customers	Business customers	Treasury	Total
other commissions	12 338	52 110	0	64 448

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

8.1 Accounting policy information

The result on financial assets measured at fair value through profit or loss and FX result includes gains and losses arising from the sale and changes in the fair value of assets and liabilities measured and designated for measurement at fair value through the profit and loss account upon initial recognition. This result also includes foreign exchange gains and losses, both realized and unrealized, resulting from the valuation of currency assets and liabilities. Additionally, this note presents the result from fair value hedge accounting and the amount of ineffectiveness of cash flow hedging.

8.2 Financial data

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
FX result and net income on currency derivatives, including:	42 993	43 068
FX result	61 073	-58 313
currency derivatives	-18 080	101 381
Interest rate derivatives result	-25 018	-28 871
Ineffective part of hedge accounting	-157	3 490
Change in fair value measurement for the hedged risk	5 490	17 805
Net income from other financial instruments	7 212	-1 494
The result on financial assets measured at fair value through profit or loss and FX result	30 520	33 998

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

9.1 Accounting policy information

The result on derecognition of financial instruments not measured at fair value through profit or loss includes gains and losses arising on the sale of debt securities valued at fair value through other comprehensive income, measured at amortized cost and gains and losses resulting from the repurchase of own issue.

9.2 Financial data

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Financial assets measured at fair value through other comprehensive income	18 062	26 889
Financial assets measured at amortized cost	1 602	588
The result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	19 664	27 477

10 Other operating income and expenses

10.1 Accounting policy information

The other operating income and expenses include income and expenses not related directly to core business activities. The other operating income covers primarily income from managing third party assets, damages received, penalties and fines, remuneration under contracts with various counterparties, refunded costs related to pursuance of claims. Other operating costs consist mainly of the costs of provisions created for legal claims, also primarily costs of incidents related to the operational risk, pursuant of claims and third-party asset management.

10.2 Financial data

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
income from contracts with business partners	4 062	6 327
reimbursement of costs of claim enforcement	30 680	32 995
received compensations, recoveries, penalties and fines	1 046	1 111
management of third-party assets	19 364	16 481
from license fees from Partners	2 846	3 049
due to VAT settlement	151	153
reversal of impairment losses on other assets	2 209	2 705
other	44 967	47 363
Total other operating income:	105 325	110 184

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
fees and costs of claim enforcement	-40 511	-49 233
provision for legal claims	-65 580	-54 655
paid compensations, fines, and penalties	-7 310	-3 853
management of third-party assets	-1 780	-1 640
recognition of complaints	-3 382	-3 356
impairment losses on other assets	-4 025	-5 476
due to VAT settlement	-2 418	-149
other	-60 360	-44 302
Other operating expenses:	-185 366	-162 664

11 General administrative expenses

11.1 Accounting principles

Cost type	Description
Employee benefits	Apart from salaries and social insurance (including premiums for retirement insurance as detailed in the note on "Provisions"), employee benefits cover the costs of variable components of remuneration for persons in managerial positions with a part being recognised as a payment liability in shares settled in cash in compliance with IFRS 2. Additionally, the Group establishes a provision for future damages and severance pay due to employees whose employment contracts are terminated for reasons not attributable to employees, as well as periodic recognition of costs falling for the current period, including bonuses and unutilised annual leaves, including all outstanding holiday days.
General and administrative costs	This item covers the following: maintenance and rental costs of fixed assets, (from 2019 due to contracts that have not been classified in accordance with IFRS 16 as lease contracts), IT and telecommunications service costs, administrative expenses, promotion and advertising costs, security services and training costs.

Cost type	Description
	Leasing payments in the short-term lease period are recognized on a straight-line basis as costs in the profit and loss account.
Costs of Banking Guarantee Fund	This item includes mandatory payments to the BFG, including: to the resolution fund and to the bank guarantee fund.
Amortisation/depreciation	Depreciation/amortisation of fixed assets, right-of-use assets and intangible assets accrues with a straight-line method at the approved amortisation/depreciation rates over their anticipated economic life and in the case of the right to use, for the shorter of the economic useful lives or the lease period. The amount subject to amortisation/depreciation shall be understood as the purchase price or manufacturing cost of the asset, net of its residual value. Every year the useful economic life is updated, depreciation rates and the residual value of depreciated fixed assets.
Taxes and charges	The following items are included: real estate tax, municipal and administrative fees and non-deductible VAT.

11.2 Financial data

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Payroll costs	-1 263 434	-1 238 418
salaries and other benefits for employees	-1 030 396	-1 010 908
social security	-204 163	-196 490
costs of bonus for senior executives settled in phantom shares	-2 873	-7 082
other	-26 002	-23 938
General and administrative costs	-741 988	-577 535
building maintenance expenses	-94 664	-86 704
costs of Banking Guarantee Fund	-107 442	-40 644
IT costs	-236 709	-191 227
marketing costs	-109 644	-92 733
cost of advisory services	-45 479	-28 338
external services	-39 427	-36 237
training costs	-13 782	-14 748
costs of telecommunications services	-24 287	-24 649
other	-70 554	-62 255
Amortization and depreciation	-254 787	-270 449
property, plant and equipment	-97 747	-91 936
intangible assets	-77 094	-98 188
right to use the asset	-79 946	-80 325
Taxes and fees	-35 219	-31 245
General administrative expenses	-2 295 428	-2 117 647

12 Net expected credit losses

12.1 Accounting principles

The net expected credit losses result consists of the creation and release of write-downs on financial assets, including mainly credit receivables, other receivables from customers, debt securities and provisions for off-balance sheet liabilities and guarantees subject to the requirement to estimate expected credit losses in accordance with IFRS 9. Recoveries, i.e. amounts received on financial assets previously written off the balance sheet to off-balance sheet records, are also presented here.

Detailed accounting policies for impairment and the concept of expected credit losses are described in Note 22.

12.2 Financial data

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Expected credit losses Stage 3	-605 138	-736 631
retail customers	-281 389	-349 184
business customers	-323 749	-387 447
Expected credit losses Stage 1 and 2(ECL)	63 716	128 521
Stage 2	-14 852	140 776
retail customers	-46 906	86 262
business customers	32 054	54 514
Stage 1	78 568	-12 255
retail customers	65 666	21 055
business customers	12 902	-33 310
POCI	-71 630	-91 589
Recoveries	281 590	267 447
Investment securities	-2 842	-2 840
Off-balance provisions	6 206	31 330
Net expected credit losses	-328 098	-403 762

The result on the net expected credit losses in 2025 and 2024 was affected a.o. by the sale of the NPL portfolio. Information about sales of balance sheet receivables is presented in Note 22.

In 2025, the Group recognized a significant difference in the result of allowances for Stage 2 compared to 2024, resulting from the introduction in 2025 of a conservative approach to the level of the significant deterioration threshold affecting the reclassification of assets to Stage 2, which resulted in an increase in its level and generated costs.

13 The result on impairment of non-financial assets

13.1 Accounting policy information

Pursuant to IAS 36, the Group is obliged, if there are indications of possible impairment, to make revaluation write-offs of the value of assets aimed at bringing the value of a given asset, which results from entries in the accounting books, to the level of the recoverable value. The recoverable amount is one of the two following values, depending on which of them is higher: the fair value of a given asset or cash-generating unit, less costs to sell or the value in use determined for individual assets. As defined in IAS 36.6, value in use is the present value of the estimated future cash flows that is expected to be obtained from the continued use of an asset or a cash-generating unit.

The occurrence of premises indicating the possible impairment of an asset imposes an obligation on the Group to conduct an impairment test. The Group performs a test for impairment of non-financial assets, and in the case of goodwill, the test is carried out at least once a year. As part of the impairment test, the Bank estimates the recoverable amount of a given asset or cash-generating unit (CGU) to which a given asset is assigned, e.g. goodwill. If the carrying amount of a given asset or CGU exceeds its recoverable amount, its impairment is recognized, and a write-down is made to the level of its recoverable amount.

13.2 Financial data

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Tangible fixed assets	-10 497	-1 031
Intangible assets	-3 431	-698
The result on impairment of non-financial assets	-13 928	-1 729

14 Cost of legal risk of FX mortgage loans

14.1 Accounting policy information

The Group identified the legal risk that the planned cash flows from the foreign currency indexed mortgage loan portfolio may not be fully recoverable. In connection with the above, the Group estimated the costs of legal risk and applied the provisions of IFRS 9.B.5.4.6 to its recognition - it treated this estimate as an adjustment to the gross carrying amount of the portfolio of mortgage loans indexed with foreign currencies or created provisions in accordance with the requirements of IAS 37.

In accordance with IFRS 9.B.5.4.6, when an entity changes its estimate of payments or receipts the gross carrying amount of the asset or group of financial instruments so that it reflects the actual and changed estimated cash flows under the contract. This estimations includes both an adjustment in relation to the existing court cases to which the Bank is a party, as well as an estimated portfolio adjustment in relation to foreign currency mortgage loan agreements, which are subject to legal risk related to the nature of these agreements.

If the estimated amount of legal risk costs exceeds the gross carrying amount of the credit exposure or the estimated amount concerns repaid foreign currency mortgage loans or when the estimated amount relates to expected legal claims (costs of legal representation and interest), it is recognized in the Provisions item.

For additional information on the legal risk of mortgage loans denominated in foreign currencies, see Note 39 Legal claims.

14.2 Financial data

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Loans and advances to customers - adjustment decreasing the gross carrying amount of loans	-91 461	-36 305
Provisions	-63 241	-23 562
Other	3 583	512
Cost of legal risk of FX mortgage loans	-151 119	-59 355

14.3 Significant estimates and judgements

Legal risk costs constituting an adjustment to the gross carrying amount and provisions were estimated based on:

- the pace of the inflow of disputes regarding the legal risk of mortgage loans in foreign currencies and the estimated percentage of the portfolio of FX mortgage loans that will be the subject of litigation, observed so far and forecast by the Bank in future periods,

- statistics of the value of the subject matter of the dispute in previous lawsuits.

The number of disputed cases so far is 436, i.e. 4.5% of all foreign currency loans granted (including those repaid as at the balance sheet date), including 278 cases related to disputes that are still pending as at 31.12.2025. The cost of legal risk of FX mortgage loans were estimated assuming that disputes will cover 60.9% of the portfolio of loans denominated in CHF and 9.1% of the portfolio of loans denominated in EUR and 2.7% of the portfolio of loans denominated in other currencies and based on assumptions regarding possible court ruling scenarios. The current level of provisions covers 115.9% of the gross value of the portfolio of loans denominated in CHF and 9.5% of the gross value of the remaining portfolio of loans denominated in other currencies.

14.4 Sensitivity analysis of significant estimates and judgements

The Group conducted a sensitivity analysis of significant assumptions constituting the basis for calculating the adjustment of the gross carrying amount, where a change in the level of the parameter indicated below would have the following impact on the amount of legal risk costs of foreign currency mortgage loans:

	31.12.2025	31.12.2024
increase in the scale of legal claims by 10% in relation to the estimates adopted by the Group	-36 819	-21 267

15 Banking Tax

The Act on Tax from Certain Financial Institutions of 15 January 2016 became effective on 1 February 2016 – the Act applies to banks and insurance companies. The tax accrues on the surplus of assets in excess of PLN 4 billion as detailed in trial balances as at the end of each month. Banks are entitled to reduce the tax base by, among others, the value of own funds, the value of assets in the form of Treasury securities, the value of assets in the form of securities guaranteed by the State Treasury, the value of assets acquired from the NBP, constituting security for a refinancing loan granted by the NBP. The tax is payable monthly (the monthly rate is 0.0366%) by the 25th day of the month following the month to which it applies and is recognised in the profit and loss account in the period to which it applies. Pursuant to the Act of 6 November 2025 amending the Corporate Income Tax Act and the Act on Tax on Certain Financial Institutions (Journal of Laws of 2025, item 1658), the monthly tax rate in 2027 will be 0.0329% and from 2028 – 0.0293%.

16 Income tax

16.1 Accounting policy information

Income tax covers current tax and deferred tax. Income tax is recognised in the profit and loss account, unless the tax is related to:

- transactions recognised in other comprehensive income or directly in equity,
- combination of entities.

Current tax

Liabilities (receivables) under current income tax for the current and prior periods are measured at the amount expected to be paid to tax authorities (or to refunded from tax authorities at the tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period.

Deferred income tax

Deferred income tax is calculated as a balance sheet liability based on identification of time differences between the tax value and the carrying value of assets and liabilities. The Group establishes a deferred income tax provision with reference to all positive temporary differences with the exception of the following:

- when the deferred income tax provision results from the initial recognition of goodwill or initial recognition of an asset or liability coming from a transaction which is not a combination of entities and when the transaction is executed, it does not affect the gross financial profit or taxable income (tax loss),
- the parent entity, investor, or partner in a joint venture are able to control reversal dates of temporary differences and it is likely that the temporary differences are not reversed in the foreseeable future.

With reference to all negative temporary differences, the deferred tax asset is recognised in the amount of probable taxable income which will allow for a set-off of negative temporary differences, with the exception of the following:

- when the deferred income tax results from the initial recognition of an asset or liability coming from a transaction which is not a combination of entities and when the transaction is executed, it does not affect the gross financial profit or taxable income (tax loss),
- when negative temporary differences result from investments in subsidiaries, branches, affiliated entities, and joint ventures outside the extent when it is probable that they will be reversed in the foreseeable future and taxable income will be generated from which such temporary differences can be deducted.

The carrying value of the deferred income tax asset is verified at the end of each reporting period. The Bank reduces its carrying value to the extent it is not probable to generate taxable income sufficient to have it realised in full or in part.

A deferred income tax asset and a deferred income tax provision are measured according to the tax rates which will be applicable when the asset is realised or provision reversed, assuming the tax rates (and tax laws) legally or actually effective as at the end of the reporting period.

Current and deferred income tax is recognised directly in other comprehensive income, if it applies to items that have been recognised in other comprehensive income in the same or another period.

A deferred income tax asset and a deferred income tax provision are offset, if a legally enforceable right exists to set off the current income tax receivables or payables and the deferred income tax relates to the same taxable entity and the same taxation authority.

16.2 Financial data

16.2.1 Tax charge disclosed in the profit and loss account

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Current tax	596 056	615 642
Deferred income tax	-26 709	137 213
Income tax	569 347	752 855

16.2.2 Effective tax rate calculation

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Gross profit	2 936 395	3 197 877
Income tax at 19%	557 915	607 597
Non-tax-deductible expenses (tax effect)	138 383	160 678
Allowances for expected credit losses, written-off receivables	26 027	73 177
Prudential fee to BGF	20 414	7 722
Tax on Certain Financial Institutions	54 317	53 118
Cost of legal risk of FX mortgage loans	28 713	11 277
Other	8 912	15 384
Non-taxable income (tax effect)	-3 325	-7 080
Deferred tax income related to changes in tax rates	-94 615	0
Other	-29 011	-8 340
Income tax recognized in the income statement	569 347	752 855
Effective tax rate	19.39%	23.54%

On 1 January 2026, the Act of 6 November 2025, amending the Corporate Income Tax Act and the Act on Tax on Certain Financial Institutions (Journal of Laws of 2025, item 1658), entered into force, which changes the corporate income tax rate for banks. The Act increases the corporate income tax rate for banks (excluding taxpayers who are cooperative banks) in 2026 from the current 19% to 30%. In 2027, the corporate income tax rate will be 26%, and starting from 2028, it will be 23%. Therefore, in accordance with IAS 12.48, the Bank measured deferred income tax receivables (assets) and liabilities (provisions) as at 31 December 2025 using the amended rates. The total impact on the net profit of 2025 on this account amounted to PLN 94.6 million (increase).

16.2.3 Deferred tax asset and liability

Deferred tax asset	31.12.2024	Changes recognised in financial result	Changes recognised in other comprehensive income	Other changes	31.12.2025
Commissions collected in advance	80 341	-16 609	0	0	63 732
Interest accrued on deposits	25 610	12 128	0	0	37 738
Interest / discount accrued on securities	33 455	38 236	0	0	71 691
Negative valuation of securities	16 434	-992	-14 031	0	1 411
Interest accrued on derivative instruments	64 430	46 385	0	0	110 815
Negative valuation of derivative instruments	110 743	13 658	-54 665	0	69 736
Premium on options	2 046	-1 376	0	0	670
Provision for deferred expenses	102 726	70 046	0	-603	172 169
Impairment allowances on credit receivables	567 389	95 779	0	0	663 168
Lease principal receivables	184 173	-10 058	0	0	174 115

Deferred tax asset	31.12.2024	Changes recognised in financial result	Changes recognised in other comprehensive income	Other changes	31.12.2025
Tax loss	304	8 713	0	0	9 017
Other	36 388	7 105	0	6	43 499
Deferred tax asset	1 224 039	263 015	-68 696	-597	1 417 761
Deferred tax liability	31.12.2024	Changes recognised in financial result	Changes recognised in other comprehensive income	Other changes	31.12.2025
Interest accrued on loans, deposits and operations with the Central Bank	-118 592	-55 713	0	0	-174 305
Interest / discount accrued on securities	-45 299	-81 579	0	0	-126 878
Positive valuation of securities	-26 146	-1 165	-64 499	-9	-91 819
Interest accrued on derivative instruments	-90 675	-81 107	0	0	-171 782
Positive valuation of derivative instruments	-65 480	-6 396	-37 724	0	-109 600
Difference between balance and tax depreciation	-44 305	-6 119	0	0	-50 424
Accrued not received income	-11 978	-4 227	0	0	-16 205
Deferred income tax provisions	-402 475	-236 306	-102 223	-9	-741 013
Total effect of temporary differences	821 564	26 709	-170 919	-606	676 748

Deferred tax asset	31.12.2023	Changes recognised in financial result	Changes recognised in other comprehensive income	Other changes	31.12.2024
Commissions collected in advance	141 650	-61 309	0	0	80 341
Interest accrued on deposits	49 806	-24 196	0	0	25 610
Interest / discount accrued on securities	18 918	14 537	0	0	33 455
Negative valuation of securities	7 716	2 311	6 407	0	16 434
Interest accrued on derivative instruments	52 686	11 744	0	0	64 430
Negative valuation of derivative instruments	158 452	329	-48 038	0	110 743
Premium on options	3 367	-1 321	0	0	2 046
Provision for deferred expenses	97 993	362	0	4 371	102 726
Impairment allowances on credit receivables	633 554	-66 165	0		567 389
Lease principal receivables	161 252	22 921	0	0	184 173
Tax loss	359	8	0	-63	304
Other	66 936	-30 910	0	362	36 388
Deferred tax asset	1 392 689	-131 689	-41 631	4 670	1 224 039
Deferred tax liability	31.12.2023	Changes recognised in financial result	Changes recognised in other comprehensive income	Other changes	31.12.2024
Interest accrued on loans, deposits and operations with the Central Bank	-135 109	16 534	0	-17	-118 592
Interest / discount accrued on securities	-37 245	-8 054	0	0	-45 299
Positive valuation of securities	-22 719	590	-3 988	-29	-26 146
Interest accrued on derivative instruments	-67 159	-23 516	0	0	-90 675
Positive valuation of derivative instruments	-99 066	10 066	23 503	17	-65 480
Difference between balance and tax depreciation	-43 637	-668	0	0	-44 305
Accrued not received income	-7 130	-476	0	-4 372	-11 978
Deferred income tax provisions	-412 065	-5 524	19 515	-4 401	-402 475
Total effect of temporary differences	980 624	-137 213	-22 116	269	821 564

17 Earnings per share

17.1 Accounting policy information

In compliance with IAS 33, basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Bank by the weighted average number of the ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit attributable to equity holders of the Bank by the weighted average number of the ordinary shares outstanding during the given period adjusted for all potential dilution of ordinary shares. As at 31 December 2025 and 31 December 2024 the Bank did not have any diluting instruments.

17.2 Financial data

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Net profit	2 367 048	2 445 022
Weighted average number of ordinary shares	130 553 991	130 553 991
Basic/diluted earnings per ordinary share (PLN)	18.13	18.73

Additional information to the statement of financial position

18 Cash and cash equivalents

18.1 Accounting policy information

Cash and cash equivalents consist of cash, cash in banks in nostro accounts and in term accounts with a maturity of up to 3 months from the date of acquisition, and are valued at amortized cost.

Classification is based on the entity's business model for managing the financial assets and the characteristics regarding the contractual cash flows referred to in Note 20.1.

18.2 Financial data

Structure by type	31.12.2025	31.12.2024
Current account with the central bank	2 979 614	1 397 492
Cash	430 738	434 835
Current accounts in other banks	652 504	291 004
Term deposits in other banks	98	42
Gross carrying amount	4 062 954	2 123 373
Expected credit losses	-40	-22
Carrying amount	4 062 914	2 123 351

By currency structure	31.12.2025	31.12.2024
PLN	3 046 509	1 497 809
EUR	329 078	193 258

By currency structure	31.12.2025	31.12.2024
USD	397 709	174 941
CHF	48 072	31 672
Other currencies	241 586	225 693
Gross carrying amount	4 062 954	2 123 373
Expected credit losses	-40	-22
Carrying amount	4 062 914	2 123 351

The Bank maintains a mandatory reserve on the current account with the National Bank of Poland. During the day the Bank may use funds in the mandatory reserve account for current cash settlements on the basis of instructions placed with the National Bank of Poland, however, the Bank has to maintain an average monthly balance in the account equivalent to the declared mandatory reserve.

The level of the mandatory reserve is determined by the Monetary Policy Council. The mandatory reserve rate has been at:

- 3.5 percent for deposits in PLN and foreign currencies and for funds from issuing securities with a maturity of less than two years,
- 0.0 percent for funds from repo and sell-buy-back transactions acquired for at least 2 years.

The entities that calculate the mandatory reserve deduct the calculated amount by equivalent of EUR 500 thousand.

As at 31 December 2025 the interest rate on the mandatory reserve was 4.0% and as at 31 December 2024 was 5.75%.

19 Amounts due from banks

19.1 Accounting principles

Classification is based on the entity's business model for managing the financial assets and the characteristics regarding the contractual cash flows referred to in Note 20.1.

19.2 Financial data

Structure by type	31.12.2025	31.12.2024
Reverse Repo	1 325 770	971 908
Deposits as derivative transactions (ISDA) collateral	753 864	725 785
Other	123 492	123 892
Gross carrying amount	2 203 126	1 821 585
Expected credit losses	-17	-4
Carrying amount	2 203 109	1 821 581

By maturity	31.12.2025	31.12.2024
up to 1 month	2 161 581	1 782 742
from 1 month to 3 months	41 545	38 843
Gross carrying amount	2 203 126	1 821 585
Expected credit losses	-17	-4
Carrying amount	2 203 109	1 821 581

By currency structure	31.12.2025	31.12.2024
PLN	1 367 816	1 182 486
EUR	775 551	583 815
USD	58 176	54 808
Other currencies	1 583	476
Gross carrying amount	2 203 126	1 821 585
Expected credit losses	-17	-4
Carrying amount	2 203 109	1 821 581

The margin deposits refer to security provided to other banks under CSA agreement (Credit Support Annex).

20 Securities and derivatives

20.1 Accounting principles

According to IFRS 9, upon initial recognition, financial assets are classified to the following measurement categories:

- financial assets measured at amortized cost,
- financial assets measured at fair value through other comprehensive income,
- financial assets measured at fair value through profit or loss.

Financial capital assets are measured at fair value through profit or loss, unless the Group, at the date of first recognition, decides to value other comprehensive income.

The classification of debt financial assets depends on the business model under which the financial instrument is managed and on the characteristics of contractual cash flows. The business model is a method for financial assets management.

When assessing the business model, Alior Bank Group follows the following criteria: (i) the adopted investment strategy, (ii) frequency of sale of receivables from the portfolio of homogeneous assets, (iii) risk profile and measurement.

Business models identified at Alior Bank Group:

- in the corporate client and retail client segments, including Kasa Mieszkaniowa: a business model whose objective is to hold financial assets in order to collect contractual cash flows, exposure sales are allowed due to credit risk,
- in the portfolio of the Treasury: (i) a business model whose objective is to hold financial assets in order to collect contractual cash flows, (ii) a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (iii) other business model than business model whose objective is to hold financial assets in order to collect contractual cash flows and business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- with regard to the portfolio of the Brokerage House: (i) a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) other business model than business model whose objective is to hold financial assets in order to collect contractual cash

flows and business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The product is assigned to the business model in the Alior Bank Group at the product analysis level.

In the case of realization of cash flows as a result of sales, the motive for which the sale is undertaken is also important for the assessment of the business model. A distinction is made between the sale of financial assets with impaired credit quality due to credit risk management, the sale of assets for the purposes of financial liquidity and financial risk management, and sales undertaken to generate financial profits.

Sale of impaired quality assets does not exclude classification to the cash flow model in accordance with contractual terms.

The purpose of the contractual cash flow characteristics assessment of a financial asset is whether the terms of the contract realise cash flows according to schedule, which are only repayment of the principal and interest on the principal amount still to be repaid (the so-called SPPI criterion - solely payments of principal and interest).

The main amount for the purposes of the SPPI test is the fair value of the financial asset at the moment of initial recognition.

The interest on the principal amount includes payment for the time value of money, remuneration for the credit risk incurred and other basic risks and costs associated with granting loans, as well as a profit margin.

Financial assets whose cash flows have the characteristics of solely the repayment of the principal and interest on the principal are classified to the following categories of measurement:

- according to amortized cost, if they are maintained in a business model whose purpose is to realize cash flows in accordance with contractual terms,
- at fair value through other comprehensive income if they are maintained in a business model whose purpose is to realize cash flows in accordance with contractual terms or through sale.

Financial assets whose cash flows are modified in such a way that they have features other than solely repayment of the principal and interest on the principal are classified to the category of measurement at fair value through profit or loss regardless of the business model. This category also classifies financial assets managed in accordance with the business model which involves the sale of assets to generate financial profits, assessment of results based on changes in fair value and sales results. This category also always includes derivative instruments that are not hedging instruments.

20.2 Financial data

	31.12.2025	31.12.2024
Securities and derivatives	26 509 328	23 602 885
measured at fair value through other comprehensive income	22 542 955	21 204 007
measured at fair value through profit or loss	370 637	240 942
measured at amortized cost	3 595 736	2 157 936

20.2.1 Securities and derivatives by type

Measured at fair value through other comprehensive income	31.12.2025	31.12.2024
Debt instruments	22 342 211	21 064 006
Issued by the central governments	19 991 337	16 846 832
T-bonds	19 046 261	16 633 632
T-bills	945 076	213 200
Issued by monetary institutions	2 350 874	4 217 174
eurobonds	679 701	251 781
money bills	1 099 389	3 398 372
bonds	571 784	567 021
Equity instruments	200 744	140 001
Total	22 542 955	21 204 007

Measured at fair value through profit or loss	31.12.2025	31.12.2024
Debt instruments	103 328	1 982
Issued by the central governments	103 324	1 978
T-bonds	103 324	1 978
Issued by other financial institutions	4	4
bonds	4	4
Equity instruments	19 218	26 090
Derivative financial instruments	248 091	212 870
Interest rate transactions	156 801	135 874
SWAP	155 724	134 884
Cap Floor Options	485	786
FRA	577	197
Forward	15	7
Foreign exchange transactions	59 368	70 431
FX Swap	16 386	35 852
FX forward	34 285	8 447
CIRS	1 058	8 092
FX options	7 639	18 040
Other options	146	0
Other instruments	31 776	6 565
Total	370 637	240 942

Measured at amortized cost	31.12.2025	31.12.2024
Debt instruments	3 595 736	2 157 936
Issued by the central governments	3 595 675	2 056 853
T-bonds	3 595 675	2 056 853
Issued by other financial companies	61	101 083
bonds	61	101 083
Total	3 595 736	2 157 936

Expected credit losses for financial assets - debt instruments	31.12.2025		31.12.2024	
	Carrying amount / Gross carrying amount	Expected credit losses	Carrying amount / Gross carrying amount	Expected credit losses
Measured at fair value through other comprehensive income	22 342 211	10 242*	21 064 006	8 382*
Measured at amortized cost	3 597 631	1 895	2 158 971	1 035

*An ECL of debt securities measured at fair value through other comprehensive income is included in the "Revaluation reserve" item and does not reduce the carrying amount

Debt instruments measured at amortized cost	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Gross carrying amount as at 01.01.2025	2 158 834	0	77	60	2 158 971
New / purchased / granted financial assets	1 918 403	0	0	0	1 918 403
Changes due to the sale or expiry of the instrument	-514 579	0	0	0	-514 579
Financial assets written off	0	0	0	0	0
Transfer to Stage 1	0	0	0	0	0
Transfer to Stage 2	0	0	0	0	0
Transfer to Stage 3	0	0	0	0	0
Other changes, including exchange differences	34 836	0	0	0	34 836
Gross carrying amount as at 31.12.2025	3 597 494	0	77	60	3 597 631
Expected credit losses					0
Expected credit losses as at 01.01.2025	958	0	77	0	1 035
New / purchased / granted financial assets	1 098	0	0	0	1 098
Changes due to the sale or expiry of the instrument	-196	0	0	0	-196
Financial assets written off	0	0	0	0	0
Transfer to Stage 1	0	0	0	0	0
Transfer to Stage 2	0	0	0	0	0
Transfer to Stage 3	0	0	0	0	0
Other changes, including exchange differences	-42	0	0	0	-42
Expected credit losses as at 31.12.2025	1 818	0	77	0	1 895
Net carrying amount as at 31.12.2025	3 595 676	0	0	60	3 595 736

Debt instruments measured at amortized cost	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount					
Gross carrying amount as at 01.01.2024	2 926 462	0	77	60	2 926 599
New / purchased / granted financial assets	1 168 152	0	0	0	1 168 152
Changes due to the sale or expiry of the instrument	-1 955 496	0	0	0	-1 955 496
Financial assets written off	0	0	0	0	0
Transfer to Stage 1	0	0	0	0	0
Transfer to Stage 2	0	0	0	0	0
Transfer to Stage 3	0	0	0	0	0
Other changes, including exchange differences	19 716	0	0	0	19 716
Gross carrying amount as at 31.12.2024	2 158 834	0	77	60	2 158 971
Expected credit losses					0
Expected credit losses as at 01.01.2024	844	0	77	0	921
New / purchased / granted financial assets	519	0	0	0	519
Changes due to the sale or expiry of the instrument	-329	0	0	0	-329
Financial assets written off	0	0	0	0	0
Transfer to Stage 1	0	0	0	0	0
Transfer to Stage 2	0	0	0	0	0
Transfer to Stage 3	0	0	0	0	0

Debt instruments measured at amortized cost	Stage 1	Stage 2	Stage 3	POCI	Total
Other changes, including exchange differences	-76	0	0	0	-76
Expected credit losses as at 31.12.2024	958	0	77	0	1 035
Net carrying amount as at 31.12.2024	2 157 876	0	0	60	2 157 936

Debt instruments measured at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	POCI	Total
Carrying amount					
As at 01.01.2025	21 064 006	0	0	0	21 064 006
New / purchased / granted financial assets	181 788 437	0	0	0	181 788 437
Changes due to the sale or expiry of the instrument	-180 594 333	0	0	0	-180 594 333
Financial assets written off	0	0	0	0	0
Transfer to Stage 1	0	0	0	0	0
Transfer to Stage 2	0	0	0	0	0
Transfer to Stage 3	0	0	0	0	0
Other changes, including exchange differences	84 101	0	0	0	84 101
As at 31.12.2025	22 342 211	0	0	0	22 342 211
Expected credit losses*					
As at 01.01.2025	8 382	0	0	0	8 382
New / purchased / granted financial assets	3 365	0	0	0	3 365
Changes due to the sale or expiry of the instrument	-1 531	0	0	0	-1 531
Financial assets written off	0	0	0	0	0
Transfer to Stage 1	0	0	0	0	0
Transfer to Stage 2	0	0	0	0	0
Transfer to Stage 3	0	0	0	0	0
Other changes, including exchange differences	26	0	0	0	26
As at 31.12.2025	10 242	0	0	0	10 242

*An ECL of debt securities measured at fair value through other comprehensive income is included in the "Revaluation reserve" item and does not reduce the carrying amount

Debt instruments measured at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	POCI	Total
Carrying amount					
As at 01.01.2024	15 352 460	0	0	0	15 352 460
New / purchased / granted financial assets	201 041 787	0	0	0	201 041 787
Changes due to the sale or expiry of the instrument	-195 544 224	0	0	0	-195 544 224
Financial assets written off	0	0	0	0	0
Transfer to Stage 1	0	0	0	0	0
Transfer to Stage 2	0	0	0	0	0
Transfer to Stage 3	0	0	0	0	0
Other changes, including exchange differences	213 983	0	0	0	213 983
As at 31.12.2024	21 064 006	0	0	0	21 064 006
Expected credit losses*					
As at 01.01.2024	5 632	0	0	0	5 632
New / purchased / granted financial assets	5 394	0	0	0	5 394
Changes due to the sale or expiry of the instrument	-2 345	0	0	0	-2 345
Financial assets written off	0	0	0	0	0
Transfer to Stage 1	0	0	0	0	0

Debt instruments measured at fair value through other comprehensive income	Stage 1	Stage 2	Stage 3	POCI	Total
Transfer to Stage 2	0	0	0	0	0
Transfer to Stage 3	0	0	0	0	0
Other changes, including exchange differences	-299	0	0	0	-299
As at 31.12.2024	8 382	0	0	0	8 382

*An ECL of debt securities measured at fair value through other comprehensive income is included in the "Revaluation reserve" item and does not reduce the carrying amount

20.2.2 Securities and derivatives by maturity

Measured at fair value through other comprehensive income	31.12.2025	31.12.2024
no specified maturity	200 744	140 001
up to 1 month	1 898 009	3 651 932
from 1 month to 3 months	618 462	425 469
from 3 months to 1 year	798 969	0
from 1 year to 5 years	17 080 126	14 866 159
more than 5 years	1 946 645	2 120 446
Total	22 542 955	21 204 007

Measured at fair value through profit or loss	31.12.2025	31.12.2024
no specified maturity	19 218	26 090
up to 1 month	40 989	33 071
from 1 month to 3 months	29 132	34 422
from 3 months to 1 year	24 448	32 119
from 1 year to 5 years	127 684	93 995
more than 5 years	129 166	21 245
Total	370 637	240 942

Measured at amortized cost	31.12.2025	31.12.2024
up to 1 month	49 876	72 832
from 1 month to 3 months	0	101 022
from 3 months to 1 year	536 135	302
from 1 year to 5 years	2 988 429	1 457 472
more than 5 years	21 296	526 308
Total	3 595 736	2 157 936

20.2.3 Derivative instruments (nominal value)

Derivative transactions are executed for trading purposes and to manage the market risk. The Group enters into the following types of derivative transactions: FX-Forward, FX-Swap, IRS, CIRS, FRA, commodity Futures, commodity Forward, term transactions in securities, EUA futures transactions. Every day the Group measures derivative instruments applying the discounted cash flows model. The Group also enters into option transactions that are measured with option measurement models. The valuation

of derivatives is presented in financial assets at fair value through profit or loss (positive valuation) and financial liabilities (negative valuation) of the Bank's statement of financial position.

31.12.2025	Derivative instruments (nominal value)	Fair value measurement ASSETS	Fair value measurement LIABILITIES
Interest rate transactions	12 740 959	156 801	191 538
SWAP	8 940 083	155 724	190 160
Cap floor options	660 088	485	485
FRA	3 120 000	577	893
Forward	20 788	15	0
FX transactions	7 488 423	59 368	46 327
FX Swap	4 045 682	16 386	21 290
FX forward	2 030 499	34 285	8 908
CIRS	134 347	1 058	6 104
FX options	1 277 895	7 639	10 025
Other options	107 713	146	146
Other instruments	880 517	31 776	29 891
Total	21 217 612	248 091	267 902

31.12.2024	Derivative instruments (nominal value)	Fair value measurement ASSETS	Fair value measurement LIABILITIES
Interest rate transactions	8 606 291	135 874	138 634
SWAP	6 985 500	134 884	136 642
Cap floor options	450 587	786	786
FRA	1 160 000	197	1 206
Forwrd	10 204	7	0
FX transactions	8 510 084	70 431	51 592
FX Swap	3 341 193	35 852	15 516
FX forward	755 652	8 447	13 366
CIRS	232 111	8 092	2 383
FX options	4 181 128	18 040	20 327
Other options	186 371	0	0
Other instruments	399 636	6 565	6 224
Total	17 702 382	212 870	196 450

BCVA adjustments

In its measurement of derivative instruments, Alior Bank SA Group applies adjustments for the counterparty's credit risk. The amount of the adjustment reflects the risk of insolvency of each party to the transaction (Bilateral Credit Value Adjustment).

The adjustment is calculated on the basis of estimates of the following parameters: bilateral likelihood of default, PD (Probability of Default), LGD (Loss Given Default), anticipated positive and negative exposure under transaction (EE and NEE). PD indicators are estimated based on the Bank's internal ratings using market quotations of credit risk. The counterparty's exposure is calculated at the present valuation and its projection calculated on the basis anticipated changes to market conditions.

The total amount of the BCVA adjustment consisted of the CVA adjustment (reflecting the exclusion of the contractor's insolvency risk) and the DVA adjustment (reflecting the Bank's insolvency risk).

BCVA adjustment	31.12.2025		31.12.2024	
	CVA	DVA	CVA	DVA
Amount of individual adjustments	-846	249	-1 662	174
Total	-597		-1 488	

21 Hedge accounting

21.1 Accounting policy information

Hedge accounting is applied for symmetrical recognition in the profit and loss account of compensating changes to the fair value of the hedging instruments and the hedged item.

For the purposes of hedge accounting, the Group designates hedging instruments so that changes to their fair value or cash flows covered in whole or in part the changes to the fair value or future cash flows of the hedged item.

According to IFRS 9 7.2.21, the Group decided to continue to apply the principles of hedge accounting in accordance with IAS 39. In accordance with IAS 39.88, hedge accounting may be applied if all the following conditions are met:

- when the hedge is established, formal documentation is made of the hedging relationship specifying the hedging purpose and strategy, the type and identification of the hedged and hedging instrument, the nature of the hedged risk and the assessment method of hedging effectiveness,
- high hedging effectiveness is expected – high efficiency in compensating changes to the fair value or cash flows, in line with the documented risk management strategy concerning the specific hedging relationship,
- it is possible to reliably assess the hedging effectiveness – reliable measurement of the fair value or cash flows of both the hedged item and the hedging item,
- in the case cash flows, a high likelihood occurs that a hedged transaction occurs that is exposed to the risk of changing cash flows affecting the profit and loss account,
- the hedging is assessed on an ongoing basis and its high effectiveness is confirmed in all reporting periods for which the hedging has been established.

21.2 Types of hedge strategies

21.2.1 Cash flow hedge accounting

Cash flow hedges are hedges securing future cash flows fluctuations which can be attributed to a particular kind of risk connected with a given item of assets or liabilities or with a highly probable contemplated transaction, affecting the profit and loss account.

Cash flow hedges are recognised in the books as follows:

- a part of profit or loss related to the hedging instrument constituting effective hedge is recognised in other comprehensive income in the lower amount of the following (absolute values),

- cumulated until the profit or loss hedge is established on the hedging instrument,
 - cumulated until the establishment of a hedge to fair value changes (present value) of the anticipated future cash flows, resulting from the hedger item,
- b) an ineffective part of profit or loss related to the hedging instrument is recognised in the profit and loss account.

The effective part of the hedge is transferred to the profit and loss account in the period or in periods when the hedged contemplated transaction affects the profit and loss account.

The Group discontinues to apply hedge accounting when at least one of the following events occurs:

- the hedging instrument is sold, expires, is terminated or exercised,
- the above requirements of hedge accounting have not been complied with,
- the Group cancels the hedge relationship,
- future cash flows are no longer treated as probable.

In the case any of the above events occurs, the result on the hedging instrument when the hedge has been effective – continues to be recognised in the revaluation reserve until the contemplated transaction occurs and it is recognised in the profit and loss account.

The hedging strategy is aimed at hedging the interest rate risk resulting from changing cash flows from assets with variable interest rates using IRS/FRA transactions. In the established hedging relationships, the hedged items are cash flows from the portfolio of loans, advances and bonds with a variable interest rate, while the hedging items are IRS/FRA transactions under which the Group receives fixed interest based on a fixed rate and pays interest based on a floating rate. The hedged items are measured at the amortised cost, while the hedging items at fair value through other comprehensive income, and as interest accrues to the hedged item, the relevant part of the valuation is transferred from other comprehensive income to the income statement.

In established hedging relationships, hedged items also include cash flows from floating-rate bonds issued by the bank, and hedging items from IRS transactions under which the Group receives interest based on a variable rate and pays interest based on a fixed rate.

Group, by establishing hedging links, identifies groups of loans or advances or bonds with the same parameters as hedging transactions, i.e. currency, maturity date, reference index for interest payments and the date of its revaluation. As part of the preliminary assessment of hedge effectiveness through qualitative assessment, the Group expects a high adjustment of the changes in the valuation of expected interest flows of the secured layer of loans, advances or bonds and the corresponding IRS/FRA hedging leg due to matching the key parameters of these transactions. The Group expects a small ineffectiveness of collateral, which may result from the mismatch of the frequency of interest payments from the hedged loan portfolio or bonds and the IRS/FRA hedging transaction. In addition, the poor ineffectiveness of held hedging relationships may be affected by unmatched re-measurement dates of the reference portfolios of the hedged portfolio and part of the IRS/FRA transaction variable.

The Group analyzes the effectiveness of hedges on a monthly basis on the basis of the accumulated change in the present value of expected interest payments from the secured loan portfolio and interest payments on hedging transactions, using to measure effectiveness the concept of hypothetical derivative.

21.2.2 Fair Value hedge accounting

The Group hedges the risk of changes in the fair value of purchased debt securities with a fixed interest rate measured at fair value through other comprehensive income and measured at amortized cost due to changes in the interest rate swap curve. As part of the above strategy, the Group creates hedging relationships in which the hedged instrument are fixed coupon debt securities denominated in a given currency, and the hedging instrument is interest rate swaps (IRS) in the same currency. The Group hedges the risk arising from changes in the interest rate swap curve (risk of volatility in market swap interest rates), excluding other effects that affect the change in valuation (including asset swap spread). The effectiveness of hedging relationships is tested on a monthly basis as part of prospective and retrospective tests. The effectiveness tests are based on the valuation of the hedging transaction less the value of accrued interest in a given interest period.

The Group expects that the hedging relationship will be highly effective if all of the following criteria are met:

- based on a comparison of the basic parameters of the hedged and hedging transactions, it can be expected that the effectiveness of the hedge will be high,
- the ratio of the change in fair value of the hedged item and the hedging instrument is in the range [80%, 125%] or the share of the ineffectiveness amount in the nominal value of the hedging transaction is in the range [-1%, 1%],
- in each reporting period, the simulation of the hedge effectiveness ratio in the assumed scenarios of market interest rate evolution ranges from [80%, 125%].

The Group identifies potential sources of inefficiency:

- impact of the counterparty credit risk and own credit risk on the fair value of the hedging transaction - minimized by requiring the counterparty to pay a margin and by clearing derivative transactions involving central clearing houses (CCPs),
- different maturities of the hedging transaction and the debt security,
- differences in the dates of revaluation and payment of interest coupons of the IRS hedging transaction and the debt security.

In addition, the Group hedges changes in the fair value of deposits (current accounts, savings accounts without a clearly defined revaluation date) due to risks arising from changes in the interest rate curve (risk of market interest rate volatility), excluding other effects affecting the change in valuation (including asset swap spread). As part of the above strategy, the Group creates hedging relationships in which the hedged instrument is a layer of deposits specified in amount with a security horizon defined in the document establishing the hedging relationship, and the hedging instrument is an IRS/OIS float-to-fixed transaction.

To define the deposit layer, the interest rate revaluation replication profile is used, determined in accordance with the methodology used to refine the measurement of interest rate risk in the banking book.

The fair value of modeled deposits is subject to change due to changes in the market forward interest rate curve.

In order to verify the validity of the established connections, retrospective and prospective effectiveness tests are carried out. The effectiveness of hedging relationships is tested on a monthly basis as part of

prospective (ex-ante) and retrospective (ex-post) tests. Effectiveness tests are based on the valuation of the hedging transaction less the value of accrued interest in a given interest period.

The Group tests the effectiveness retrospectively (ex-post) as part of a two-stage procedure. In the first step, the Group uses the direct compensation method to test effectiveness. If, based on the procedure carried out in the first step, high effectiveness in compensating changes in the valuation of the hedging instrument and the hedged item cannot be established, an additional procedure using linear regression is performed.

The ex-ante test includes verification of linear regression and the significance of maximum valuation changes for this regression. The link passes the ex-ante test if the ex-ante regression test is passed or if the measurement of maximum valuation changes included in the regression is not significant.

The ex-ante regression test and the ex-post regression test are passed if all of the following conditions are met for each test:

- the value of the slope coefficient of the linear regression equation is in the range $[-1.25; -0.8]$,
- the value of the coefficient of determination R^2 of the linear regression equation is ≥ 0.8 ,
- the value of the F test examining the significance of explanatory variables is > 0.05 .

The Group has adopted the following principles:

- amortization of the fair value adjustment resulting from the hedged risk begins on the date the adjustment to the hedged item ceases – in the case of portfolio hedges,
- amortization of the fair value adjustment resulting from the hedged risk begins on the date the adjustment is made – in the case of hedges of financial assets.

In both cases, they are amortized on a straight-line basis to the maturity date of the hedged item specified for this relationship.

21.3 Assessment of the impact of the IBOR reform on hedge accounting

As at 31 December 2025, the Group maintained cash flow hedging relationships, in which the hedged item is interest flows on loans, the amount of which depends on the WIBOR index. The hedging position in the above relationships by IRS interest rate exchange transactions, for which the variable legs are based on WIBOR. The nominal value of cash flow hedging transactions dependent on the WIBOR index as at 31 December 2025 was PLN 17.755 billion and as at 31 December 2024 was PLN 15.95 billion respectively.

For relations related to the WIBOR indicator, the Bank identifies uncertainty related to the IBOR reform, however, it assesses the risk of failure to meet effectiveness tests due to changes in the contractual conditions of the hedged item and hedging transactions as low.

21.4 Financial data

	31.12.2025		31.12.2024	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedging instruments	381 003	56 962	238 954	394 016
Fair value hedging instruments	278 586	12 072	35 757	56 367
Total	659 589	69 034	274 711	450 383

The table below presents fair values and nominal values of hedging instruments and hedged instruments in cash flow hedge accounting (CFH).

	Interest rate	
	CFH Loans / Bonds	
	31.12.2025	31.12.2024
Hedging instruments		
Nominal value	18 410 139	16 761 870
Carrying amount - assets	381 003	238 954
Carrying amount - liabilities	56 962	394 016
The line in the balance sheet in which the hedging instrument was presented	Derivative hedge instruments	Derivative hedge instruments
Changes in the fair value of the hedging instrument being the basis for determining the amount of hedge ineffectiveness	173 207	-218 524
Changes in the fair value of the hedging instrument recognized in other comprehensive income	199 527	-300 483
Amount transferred in the period from comprehensive income to profit and loss account	249 678	429 616
Deferred tax	-92 389	-24 535
The amount of hedge ineffectiveness recognized in the profit and loss statement	-157	3 490
The profit and loss account line in which the amount of hedge ineffectiveness, as described above, was recognized	The result on financial assets measured at fair value through profit or loss and FX result	The result on financial assets measured at fair value through profit or loss and FX result
Hedged items		
The amount of change in the fair value of a hypothetical derivative representing the hedged item, which change is the basis for estimating the ineffectiveness of the hedge in a given period	-168 183	234 418
CFH equity balance for relationships for which hedge accounting will continue beyond the end of the reporting period	128 350	113 960
Balances remaining in the cash flow hedge reserve for hedging relationships for which hedge accounting has been discontinued	-2 229	-9 362

Hedging instruments (nominal value)	31.12.2025	31.12.2024
Interest rate transactions	18 410 139	16 761 870
Total	18 410 139	16 761 870

Distribution profile over time of the notional amounts and the corresponding average interest rates of the hedging instruments

31.12.2025	the nominal value of instruments with a remaining maturity							
	under 1 year		from 1 year to 3 years		from 3 to 5 years		over 5 years	
	nominal (PLN)	average %	nominal (PLN)	average %	nominal (PLN)	average %	nominal (PLN)	average %
Interest rate swaps (IRS/FRA PLN)	12 495 000	2,99%	4 135 000	5,71%	325 000	4,91%	800 000	4,47%
Interest rate swaps (IRS/FRA EUR)	169 068	-0,28%	486 071	3,03%	0	0,00%	0	0,00%

31.12.2024	the nominal value of instruments with a remaining maturity							
	under 1 year		from 1 year to 3 years		from 3 to 5 years		over 5 years	
	nominal (PLN)	average %	nominal (PLN)	average %	nominal (PLN)	average %	nominal (PLN)	average %
Interest rate swaps (IRS PLN)	4 560 000	3.70	8 980 000	3.20	1 415 000	5.13	995 000	4.84
Interest rate swaps (IRS EUR)	149 555	3.58	448 665	1.81	213 650	2.95	0	0.00

Financial assets – hedging instruments	31.12.2025	31.12.2024
Level 2	381 003	238 954
Interest rate transactions	381 003	238 954
Total	381 003	238 954

By maturity	31.12.2025	31.12.2024
from 1 month to 3 months	44 244	2 420
from 3 months to 1 year	25 617	46 976
from 1 year to 5 years	257 035	177 462
over 5 years	54 107	12 096
Total	381 003	238 954

Financial liabilities – hedging instruments	31.12.2025	31.12.2024
Level 2	56 962	394 016
Interest rate transactions	56 962	394 016
Total	56 962	394 016

By maturity	31.12.2025	31.12.2024
up to 1 month	10 721	0
from 1 month to 3 months	5 565	0
from 3 months to 1 year	40 676	74 644
from 1 year to 5 years	0	310 554
over 5 years	0	8 818
Total	56 962	394 016

Other comprehensive income as regards cash flow hedges	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Other gross comprehensive income at the beginning of period	-284 809	-413 942
Gains/losses transferred to other comprehensive income in the period	199 527	-300 483
Amount transferred in the period from comprehensive income to profit and loss account, including:	249 678	429 616
- net interest income	-249 678	-429 616
Accumulated other gross comprehensive income at the end of period	164 396	-284 809
Tax effect	-38 275	54 114
Accumulated other net comprehensive income at the end of period	126 121	-230 695

Other comprehensive income as regards cash flow hedges	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Ineffective part of cash flow hedges recognised in the profit and loss account in position the result on financial assets measured at fair value through profit or loss and trading result	-157	3 490
Impact of other gross comprehensive income in the period	449 205	129 133
Deferred tax under cash flow hedges	-92 389	-24 535
Impact of other net comprehensive income in the period	356 816	104 598

The table below presents fair values and nominal values of hedging instruments and hedged instruments in fair value hedge accounting.

	FVH IRS BONDS - hedging securities measured at	
	fair value through other comprehensive income 31.12.2025	fair value through other comprehensive income 31.12.2024
Hedging instruments		
Nominal value	1 110 365	1 176 762
Carrying amount - assets	18 044	17 885
Carrying amount - liabilities	871	5 077
The line in the balance sheet in which the hedging instrument was presented	Derivative hedge instruments	Derivative hedge instruments
The amount of change in the fair value of the hedging instrument	15 233	5 069
The profit and loss account line in which the change in the fair value of the hedging instrument was recognized	The result on financial assets measured at fair value through profit or loss and FX result, change in fair value measurement for the hedged risk	The result on financial assets measured at fair value through profit or loss and FX result, change in fair value measurement for the hedged risk
Hedged items		
Carrying amount - assets	1 004 041	1 101 039
Cumulative amount of the adjustment to the fair value of the hedged item included in the carrying amount of the hedged item recognized in the balance sheet - assets	0	0
The line in the balance sheet in which the hedged item is presented	Securities measured at fair value through other comprehensive income	Securities measured at fair value through other comprehensive income
The amount of change in the fair value of the hedged item	13 321	2 078
The profit and loss account line in which the change in the fair value of the hedged item was recognized	The result on financial assets measured at fair value through profit or loss and FX result, change in fair value measurement for the hedged risk	The result on financial assets measured at fair value through profit or loss and FX result, change in fair value measurement for the hedged risk

Hedging instruments (nominal value)	31.12.2025	31.12.2024
Interest rate transactions	1 110 365	1 176 762
Total	1 110 365	1 176 762

Financial assets- hedging instruments	31.12.2025	31.12.2024
Level 2	18 044	17 885
Interest rate transactions	18 044	17 885
Total	18 044	17 885

By maturity	31.12.2025	31.12.2024
from 3 months to 1 year	5 478	2 211
from 1 year to 5 years	5 547	7 240
over 5 years	7 019	8 434
Total	18 044	17 885

Financial liabilities – hedging instruments	31.12.2025	31.12.2024
Level 2	871	5 077
Interest rate transactions	871	5 077
Total	871	5 077

By maturity	31.12.2025	31.12.2024
over 5 years	871	5 077
Total	871	5 077

FVH IRS DEPOSITS	31.12.2025	31.12.2024
Hedging instruments		
Nominal value	11 986 184	6 558 300
Carrying amount - assets	260 542	17 872
Carrying amount - liabilities	11 201	51 290
The line in the balance sheet in which the hedging instrument was presented	Derivative hedge instruments	Derivative hedge instruments
The amount of change in the fair value of the hedging instrument	232 065	-42 129
The profit and loss account line in which the change in the fair value of the hedging instrument was recognized	The result on financial assets measured at fair value through profit or loss and FX result, change in fair value measurement for the hedged risk	The result on financial assets measured at fair value through profit or loss and FX result, change in fair value measurement for the hedged risk
Hedged items		
Carrying amount - liabilities	11 986 184	6 558 300
The line in the balance sheet in which the hedged item is presented	Amounts due to customers	Amounts due to customers
The amount of change in the fair value of the hedged item - liabilities	202 118	-53 015
The name of the line in the balance sheet presenting changes in the fair value measurement of the hedged item	Change in fair value measurement of hedged items in hedged portfolio against interest rate risk	Change in fair value measurement of hedged items in hedged portfolio against interest rate risk
The amount of change in the fair value of the hedged item	-255 129	52 787
The profit and loss account line in which the change in the fair value of the hedged item was recognized	The result on financial assets measured at fair value through profit or loss and FX result, change in fair value measurement for the hedged risk	The result on financial assets measured at fair value through profit or loss and FX result, change in fair value measurement for the hedged risk

Hedging instruments (nominal value)	31.12.2025	31.12.2024
Interest rate transactions	11 986 184	6 558 300
Total	11 986 184	6 558 300

Financial assets– hedging instruments	31.12.2025	31.12.2024
Level 2	260 542	17 872
Interest rate transactions	260 542	17 872
Total	260 542	17 872

By maturity	31.12.2025	31.12.2024
from 1 month to 3 months	232	0
from 3 months to 1 year	3 059	14 536
from 1 year to 5 years	39 505	3 235
over 5 years	217 746	101
Total	260 542	17 872

Financial assets– hedging instruments	31.12.2025	31.12.2024
Level 2	11 201	51 290
Interest rate transactions	11 201	51 290
Total	11 201	51 290

By maturity	31.12.2025	31.12.2024
from 3 months to 1 year	279	5 082
from 1 year to 5 years	599	4 155
over 5 years	10 323	42 053
Total	11 201	51 290

22 Loans and advances to customers

22.1 Accounting principles

On 31 December 2025 and 31 December 2024 in that category the Group held receivables under loans, purchased receivables and other receivables from customers. In addition, the Group also presents under this item sell-buy transactions in securities, guided by the economic substance of the transaction. The assessment covers if the securities purchase/sale transaction is combined with transfer of risks and benefits under the security. In the transactions so far entered into by the Group, basically all risks and benefits are retained by the seller of the securities since the risk of change of the present value of net assets is not materially changed as a result of such transfer. This means that both reverse repo and buy-sell-back transactions, as well as repo and sell-buy-back transactions are disclosed in the Group's balance sheet as: securities placed with the securities buyer or deposits received from the securities buyer.

Securities subject to a sale with a repurchase agreement are not derecognised from the statement of financial position and are subject to valuation in accordance with the principles set out for individual securities portfolios. A difference between the sale price and the repurchase price is recognised as interest expense or income respectively.

Loans and advances to customers are measured at amortized cost because they are maintained in a business model whose purpose is to realize cash flows in accordance with contractual terms and contractual cash flows include only repayment of the principal and interest.

Detailed of accounting principles regarding the classification of financial assets are described in Note 20.1.

The classification and estimation of expected credit losses made by the Group take into account the requirements of:

- IFRS 9 "Financial Instruments",
- Recommendation R of the Polish Financial Supervision Authority on the principles of credit exposure classification, estimation and recognition of expected credit losses and credit risk management issued in April 2021,
- EU Regulation No. 575/2013, Art. 178 and EBA / GL / 2016/07 guidelines on the application of the definition of default and the Regulation of the Minister of Finance, Investments and Development of 3/10/2019 on the materiality level of an overdue credit obligation and EU Regulation No. 2021/451, Annex V.

Classification of receivables from customers

According to the expected credit loss model the Group estimates impairment allowance. Principles of estimating expected credit loss include the division the loans and advances to customers into three categories (stages) of quality which influences method and horizon of estimating loss allowance:

- Stage 1, receivables without indications of impairment and without a significant increase of credit risk from the moment of initial recognition,
- Stage 2, receivables without indications of impairment but with a significant increase of credit risk from the moment of initial recognition,
- Stage 3, receivables with indications of impairment.

The horizon for estimating the expected credit losses

Expected credit losses of receivables classified into Stage 1 are estimated at a 12-month horizon. Losses of receivables classified into Stage 2 and Stage 3 are estimated at the life-time horizon (life-time estimated horizon of expectancy life of receivables).

The life-time horizon is also always applied to exposures that were impaired due to credit risk (so-called purchased or originated credit impaired, POCI) as at the acquisition or creation date, regardless of their credit quality as at the valuation date.

Moreover the Group distinguishes a low credit risk group, which are excluded from the assessment of significant credit risk deterioration and are subject to valuation in the horizon of 12 months (or maturity, if shorter). The Group qualifies for this group: State Treasury exposures (Ministry of Finance, National Bank of Poland, BGK, etc.).

Definition of a loss allowances

The loss allowances are the difference between the gross exposure value and expected recoveries after taking into account the status / probability of default in the given horizon. For POCI exposures, a loss

allowances is a positive or negative difference between their cumulative on estimation date of expected credit losses and the cumulative level set at the acquisition/creation date of the exposure.

If financial assets are proven to be uncollectible, the Group writes-off the receivables or parts thereof against the impairment allowance. The amounts of such written-off receivables that may be recovered in the future reduce the value of the impairment allowances in the income statement. Detailed are described in Note 3.4.

22.2 Principles of classification credit quality (stages)

The Group assesses the credit quality of receivables and classifies them into the appropriate risk categories (stages) at each balance sheet date.

Stage 3, receivables with triggers of impairment

The Group defines the impairment triggers based on supervisory regulations and 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 overdue credit obligations 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 taking into account its own experience related to credit risk management.

The Group applies the default definition in line with the definition of credit-impaired exposures (Stage 3) and the definition of non-performing exposures..

The Group, in accordance with Art. 178 sec. 1, second paragraph of Regulation (EU) No. 575/2013:

- for retail exposures, it applies the default definition at the level of individual credit instruments (including contagion in the case of significant arrears for the entire relationship),
- for non-retail exposures, the definition of default is applied at the obligor level..

Key impairment triggers are as follows:

- a significant delay in payment, understood as a delay in repayment exists for over 90 days, while the overdue amount meets the materiality criterion of the outstanding amount (i.e. PLN 400 for retail clients and PLN 2 thousand for commercial clients and 1% of the outstanding amount to the total exposure),
- a major deterioration of the customer's economic and financial condition (including significant deterioration of internal scoring/rating) that can affect that client's is not able to realise contractual terms regarding the liabilities towards the Bank,
- restructuring understood as an improvement 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 above 1%, introduces a balloon installment or significantly postpones the servicing of capital installments,
- business application for restructuring, bankruptcy and liquidation proceedings,
- effective termination of the contract,
- individual consumer bankruptcy,

- death of an individual customer (taking into account the impact on debt service threat in the case of common obligations of many debtors),
- lack of information about the whereabouts of an individual client, if it has a negative impact on the timely handling of the engagement,
- loss of retail client work (recognized on the basis of an assessment of the customer's inability to pay the debt due to job loss),
- initiation of court or enforcement proceedings,
- challenging exposure by the debtor,
- frauds,
- cessation of activities,
- writing off / sale at a loss,
- implementation of guarantees,
- default of an individual client as a result of recognizing a default in his sole proprietorship.

The above mentioned list of indicators is an open set.

In the case of an event that could be a sign for impairment, not covered by the above mentioned the catalog assesses its significance for the risk of the client defaulting on the basis of the original contractual terms and, if it is reasonable should determine the impairment's indicators.

The Group reviews all client's credit exposures in terms of identifying objective premises for impairment on a daily basis in terms of quantitative and procedural premises and, according to the most recent data on the date of the assessment, in terms of premises relating to the assessment of the client's financial condition.

The process of identifying defaults 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 2025, despite the occurrence of significant negative external phenomena (post-pandemic period, war in Ukraine, environment of high interest rates and other macroeconomic challenges), the Group did not identify the validity of the introduction any changes to the rules for recognizing impairment triggers.

Stage 2, without triggers of impairment, with a significant deterioration from the initial recognition

As at each balance date, Group assesses whether the credit risk related to a given financial instrument has significantly increased since the day of its initial recognition. In order to make such an assessment, the Group compares the estimated life-time default risk for a given financial instrument determined as at the reporting date with the risk of default of that financial instrument in the same period as at the initial recognition date.

Starting 31 December 2021, the Group introduced the requirements of Recommendation R of the Polish Financial Supervision Authority as regards the rules for identifying exposures with a significant deterioration in credit risk.

The rules for identifying a significant increase in credit risk from the initial recognition are based on:

- qualitative criterias and
- quantitative criterias.

The Group includes as qualitative criteria:

- occurrence of overdue exceeding 30 days,
- classification of the client on the higher risk list ("watch list"),
- forbearance (if customer staying in the post-restructuring period probation),
- identification of significant risk (industry, sector or customer group),
- no initial or ongoing scoring,
- achieving the current scoring or rating above the established masterscale levels,
- occurrence of an overdue period exceeding 90 days, which due to insignificance does not constitute a premise for default,
- procedural phenomena / events which are not accompanied by arrears/overdue, which do not result in default classification (including e.g. loss of job, lack of information about the debtor's whereabouts),
- default on another retail customer account.

The Group includes as quantitative criteria:

- increase above the defined materiality thresholds, the cumulative probability of default in the period to maturity as at the measurement date as compared to the corresponding determination at the date of commitment, where the cumulative probability of default is determined using life-time PD models.

In determining the significance of the deterioration of credit risk, the Bank applies a relative threshold.

Relative materiality thresholds for credit risk deterioration are defined at the moment of exposure and assume a fixed level, which is diversified according to the original credit quality described by the master rating scale, separately for the segment of retail and corporate customers. The deterioration significance thresholds tend to decrease with increasing initial risk levels, where the lowest threshold level (for exposures with the highest initial risk levels) is 1.2, illustrating the scale of deterioration in the cumulative probability of default by maturity established on the valuation date relative to the same measure and period established on the origination date.

In the process of defining the relative materiality thresholds, the Group uses a wide range of analyzes, which generally include: minimization of classification errors, distribution of credit risk assessments, default rate, concentration of credit risk assessments, migration of credit risk assessments, quality of models used to assess credit risk, return on assets, dependence of the default rate on macroeconomic factors, reference to the supervisory backstop, benchmark of the credit risk deterioration materiality thresholds applied by other banks.

Exposures classified to Stage 2 are reclassified to Stage 1 if all events classifying them to Stage 2 have ceased. Observation periods adequate for a given phenomenon are applied for particular types of indications, including e.g. "classification of the client on the high-risk list" periods confirming the stable disappearance of the causes of the event. In particular, after the "restructuring" condition for impairment has expired, the exposure for at least 24 months is classified as forbearance, which results in this period being classified into Stage 2.

Identification of premises for a significant deterioration of credit risk is performed on the level of a single exposure.

Stage 1, without indications of impairment, without significant deterioration from the initial recognition

Credit exposures of customers for which impairment triggers are not identified and for which the Group has not identified a significant credit quality deterioration from the initial recognition are classified in Stage 1.

Classification forbearance

Exposures with facilities granted to clients due to a deteriorated financial situation are classified as forbearance exposures.

For the purposes of classification for forbearance, the Group considers a deteriorated financial situation of the customer when the following occurs at the time of granting the facility:

- during three months before the date of granting the facility, the overdue period on the restructured client's account exceeded 30 days or
- on the client's restructured account, the quality assessment indicated the occurrence of a deterioration in credit risk since initial recognition within three months before the facility was granted or,
- the client was on a watch list in the three months prior to granting the facility.

For the purposes of classifying a forbearance exposure as non-performing (resulting in the identification of an impairment trigger), the Group recognizes an event when at the time of granting the facility at least the following are present:

- the exposure is considered non-performing (ie there are other indications of impairment) or
- as a result of the application of the facility, the financial liabilities are reduced by the redemption of a significant part of the exposure or the granted facility reduces the NPV of the restructured exposure by more than 1%, or
- the applied repayment plan is not based on credible macroeconomic assumptions and the borrower's assessment of the borrower's ability and readiness to repay, or
- the amended contract contains significant deferrals as regards the commencement of repayment (for principal over 2 years) or
- the amended contract 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 premise are classified to Stage 3.

Rules for classifying exposures covered by key statutory customer support instruments

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

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

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

22.3 Material estimates and judgments - allowances for expected impairment losses

In accordance with IFRS 9, for all financial instruments measured at amortized cost or at fair value through other comprehensive income, as well as financial guarantees and commitments to provide financing and for lease receivables, the Group estimates allowances for expected credit losses.

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

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

The estimated expected credit loss for exposures designated for Stage 1 or Stage 2 are based on:

- estimated exposure value at the time of default (EAD model),
- estimated distribution of risk of default within the life-time of the exposure (life-time PD model based on scoring and rating models),
- estimated level of loss in case of default of the client (LGD model).

The EAD model shows the expected distribution of exposure of a given financial assets in the period to maturity. The model for products with repayment schedules is based on contractual cash flows adjusted for the effects of prepayment / underpayment. For products without repayment schedules, the model is based on the average expected use of the credit limit in the period until maturity, and for products without defined maturity, additionally on the average expected use of the limit over the behavioral life-time.

The life-time PD illustrates the expected, in the life-time horizon, default probability distribution of each exposure. The model uses the following sources of information:

- the rating grade determined in the rating system adequate for the client, which is the best estimate of his current standing,
- information about the segment / product group,
- risk factors that provide information on the timing of exposure over the life cycle.

These three sources of information are used to determine homogeneous pools for which the default probability distribution is estimated. The model is used both to determine the initial level of expected credit losses when the asset is initially recognized and to estimate the current level of risk.

The LGD model illustrates the expected level of loss from the exposure where the customer defaults. As part of the construction of LGD models, the Group aims to cover the portfolio of non-working exposures as fully as possible with advanced statistical models that enable the forecast of recovery for individual exposures. The final LGD value takes into account risk factors specific to the exposure risk profile, determining the expected result of the recovery process, taking into account the value of collateral for each transaction. The Bank applies the so-called minimum level of loss (LGD floor), preventing the occurrence of zero write-offs.

The estimation of particular parameters is made at the same level of homogeneous groups of exposures indicating common features in the described range.

The estimate horizon covers the period of the next 12 months (or the maturity if shorter) for Stage 1 and the estimated horizon covers the period up to the expected maturity for Stage 2.

Principles of estimating impairment allowance for exposures with identified impairment triggers (Stage 3).

Impaired exposures are split into those that are measured individually or in groups (collectively).

For the purposes of collective measurement, groups are identified with similar credit risk features that are assessed collectively for impairment. Group measurements based on LGD models takes into account, inter alia, behavioral behavior in the field of debt servicing and the time the exposure remains 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.

Depending on the LGD model used by the Group, the loss allowance parameters are determined:

- individually as a recovery level for each account, based on its individual characteristics resulting from historical payments on the account, debt collection process, customer history at the Group, customer history at BIK and the structure of premises or
- pooled based on information on the product segment / duration of the exposure in the state of impairment.

The methodology and assumptions of LGD models used to estimate future cash flows are regularly analyzed, calibrated and validated in order to reduce the discrepancy between expected and actual losses.

Individual measurement applies to exposures of corporate customers threatened with impairment exceeding the threshold of a total commitment of PLN 3 million. Individual measurement is also allowed to other exposures that may be impaired with respect to which the Group is not able to identify a group of assets with similar credit risk features or does not have an adequate sample to assess group parameters.

Individual assessments are based on an analysis of scenarios. Each scenario has an assigned the likelihood of occurrence and anticipated recoveries reflecting restructuring and debt recovery strategies conducted towards the client.

Exposures covered by an individual or group method of estimation for which the Group does not identify a individual loss, they are grouped into homogeneous populations for which the Group sets a minimum level of loss (the so-called LGD floor).

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

Principles of taking macroeconomic factors

In accordance with IFRS 9, the assessment of significant credit quality deterioration and the estimation of write-offs, apart from reflecting the current quality of the loan portfolio, take into account the expected macro-economic factors (FLI, forward-looking-information) that will occur in the future.

The Group 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 Group developed econometric solutions and sensitivity analyzes enabling the assessment of the impact of macroeconomic scenarios on the behavior of the loan portfolio.

The Group uses econometric models describing changes in DR (default rate) and LGD (loss given default) parameters depending on macroeconomic scenarios.

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

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

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

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

The models used in the area of the PD parameter assume the influence of factors such as GDP dynamics, real wage dynamics, reference rate, unemployment rate and EUR/PLN exchange rate on the disposable income of households. In addition, CPI inflation may affect other macroeconomic variables, e.g. interest rates. Interdependencies between macroeconomic variables are taken into account at the stage of creating scenarios.

Macroeconomic scenarios

In order to take into account changes in the business environment, the Group uses macroeconomic scenarios showing possible trajectories of the economic situation. The scenarios used by the Group are developed internally by the Macroeconomic Analysis Department and consistent with those taken into account in the financing planning process. As at 31 December 2025, the Group adopts 3 scenarios of the future macroeconomic situation:

- base, with a probability of 50%,
- negative, with a probability of 25%,
- optimistic, with a probability of 25%.

The number of scenarios and weightings remain unchanged from 31 December 2024.

The scenario probabilities were selected by the Department of Macroeconomic Analyzes so that their weights correspond to the probability of achieving the state of the economy expressed by all the macroeconomic factors included in the scenarios.

As at 31 December 2025, the Group adopted the following macroeconomic scenarios:

	2026	2027
Base scenario		
GDP growth rate (annual average)	3.8%	3.3%
Private consumption (annual average)	3.4%	3.1%
NBP base rate (end of period)	3.3%	3.3%
Unemployment rate (annual average)	5.8%	5.7%
CPI inflation (annual average)	2.6%	2.3%
EUR/PLN exchange rate (annual average)	4.25	4.26
Wage growth in the national economy (annual average)	6.6%	5.9%
Negative scenario		
GDP growth rate (annual average)	2.3%	1.8%
Private consumption (annual average)	1.4%	1.5%
NBP base rate (end of period)	4.5%	4.0%
Unemployment rate (annual average)	6.2%	6.3%
CPI inflation (annual average)	4.1%	3.1%
EUR/PLN exchange rate (annual average)	4.52	4.54
Wage growth in the national economy (annual average)	5.5%	4.6%
Optimistic scenario		
GDP growth rate (annual average)	5.2%	4.8%
Private consumption (annual average)	4.8%	4.8%
NBP base rate (end of period)	2.5%	2.5%
Unemployment rate (annual average)	5.6%	5.4%
CPI inflation (annual average)	2.0%	1.9%
EUR/PLN exchange rate (annual average)	4.19	4.15
Wage growth in the national economy (annual average)	8.1%	8.0%

As at 31 December 2024, the Group adopted the following macroeconomic scenarios:

	2025	2026
Base scenario		
GDP growth rate (annual average)	3.7%	3.6%
Private consumption (annual average)	3.6%	3.4%
NBP base rate (end of period)	5.0%	3.5%
Unemployment rate (annual average)	5.3%	5.4%
CPI inflation (annual average)	4.5%	3.2%
EUR/PLN exchange rate (annual average)	4.25	4.26
Wage growth in the national economy (annual average)	7.7%	7.2%
Negative scenario		
GDP growth rate (annual average)	1.7%	2.2%
Private consumption (annual average)	0.5%	1.3%
NBP base rate (end of period)	6.3%	4.3%
Unemployment rate (annual average)	5.6%	6.0%
CPI inflation (annual average)	6.9%	4.8%
EUR/PLN exchange rate (annual average)	4.54	4.62
Wage growth in the national economy (annual average)	6.0%	4.9%
Optimistic scenario		
GDP growth rate (annual average)	5.1%	5.3%
Private consumption (annual average)	5.3%	5.5%
NBP base rate (end of period)	4.3%	3.0%

	2025	2026
Unemployment rate (annual average)	4.8%	4.7%
CPI inflation (annual average)	3.4%	2.5%
EUR/PLN exchange rate (annual average)	4.23	4.17
Wage growth in the national economy (annual average)	11.5%	9.5%

Key macroeconomic factors for the portfolio

The Group currently considers significant, unprecedented changes in the macroeconomic environment (changes in interest rates, inflation, exchange rates, energy prices) as key risk areas, resulting from the long-term effects of the pandemic and other global challenges, as well as the effect of the war in Ukraine.

As at 31 December 2025, the above risk areas – taking into account future expected macroeconomic factors – did not have a significant impact on the deterioration of the quality of credit portfolios.

22.5 Quality and structure of the loan portfolio

Key credit portfolio quality indicators as at 31 December 2025

As at 31 December 2025, despite the negative macroeconomic environment, the Group does not observe any negative impact on the quality of the loan portfolio. The share of 30-day overdue loans in the regular portfolio as at 31 December 2025 was 0.33% compared to 0.35% observed as at 31 December 2024.

In the Group's opinion, this situation is largely due to:

- insignificant, negative transmission of high interest rates on debt servicing capacity, debt,
- insignificant impact on the quality of the loan portfolio of the armed conflict in Ukraine,
- the scale of support clients receive in terms of payment moratoriums and the borrowers' support fund.

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

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

The level of allowance for exposures classified to Stage 1 and Stage 2 as at 31 December 2025 amounts to approx. PLN 881 million and represents a decrease of approx. 7% compared to the level maintained as at 31 December 2024. The key credit parameters of the regular portfolio are presented below (non-default):

Date	DPD 30+*	PD	LGD	Stage 2 share in the regular portfolio	Coverage of regular portfolio write-offs
31.12.2024	0.35%	2.5%	29.8%	12.5%	1.5%
31.12.2025	0.33%	2.03%	29.0%	12.9%	1.4%

*according to the EBA definition

As at 31 December 2025 and 31 December 2024, the structure of the portfolio with evidence of impairment, together with the structure of the recoverable amount of collateral, was as follows (in MPLN):

Date	individual portfolio			collective portfolio		
	exposure value	% of collateral coverage*	% coverage with write-offs	exposure value	% of collateral coverage*	% coverage with write-offs
31.12.2024	1 328	47%	48%	2 945	34%	54%
31.12.2025	1 135	45%	49%	2 484	33%	54%

*expressed at the economic recoverable amount

In 2025 the Group realized a significant reduction of the collective portfolio with evidence of impairment due to significant NPL portfolio sale processes (which was possible due to the significant demand and favorable price conditions on the market in this regard in 2025) and derecognition processes.

The scale of expert judgement

In determining the expected credit losses, the Group aims to make the fullest possible use of statistical solutions that objectify the impact of current and future conditions on the values of credit risk parameters. Expert judgment is used as a tool supporting model management in situations of increased market volatility. Regardless of the scale of application of expert judgment, it is managed in a standardized manner in accordance with the Model Risk Management Policy adopted by the Bank and subject to independent validation. Decisions based on expert judgment are approved at dedicated decision-making levels in the form of the Model Risk Committee and the Bank's Management Board.

Parameter changes

In 2025, the Group made changes in parameters, which included calibration to the current profile of customer behavior in terms of payment trends and recoverability trends, as well as adaptation to updated assumptions regarding the future macroeconomic environment and calibration to the adopted scenarios.

As a result of changes in parameters, taking into account essentially the effect of assumptions regarding future macroeconomic scenarios, due to the recalibration of the PD, LGD and EAD models, the Group released provisions for the regular portfolio in the amount of PLN 47 million, due to the conservation of the SICR component, the Group created provisions for the regular portfolio in the amount of PLN 62 million and also released provisions for the default portfolio in the amount of PLN 16 million.

22.6 Financial data

Loans and advances granted to customers	31.12.2025	31.12.2024
Retail segment	43 866 251	41 083 887
Consumer loans	20 862 061	20 545 323
Mortgage loans	23 004 190	20 538 564
Corporate segment	24 383 541	24 847 907
Finance lease receivables	6 292 815	5 833 675
Other loans and advances	18 090 726	19 014 232
Gross carrying amount	68 249 792	65 931 794
Expected credit losses	-2 798 334	-3 195 826
Carrying amount	65 451 458	62 735 968

Loans and advances granted to customers 31.12.2025	Stage 1	Stage 2	Stage 3	POCI	Total
Retail segment	39 428 926	3 423 401	1 001 015	12 909	43 866 251
Consumer loans	17 938 288	2 116 225	796 694	10 854	20 862 061
Mortgage loans	21 490 638	1 307 176	204 321	2 055	23 004 190
Corporate segment	16 651 724	4 856 218	2 617 835	257 764	24 383 541
Finance lease receivables	5 381 750	591 291	319 774	0	6 292 815
Other loans and advances	11 269 974	4 264 927	2 298 061	257 764	18 090 726
Gross carrying amount	56 080 650	8 279 619	3 618 850	270 673	68 249 792
Expected credit losses	-325 895	-555 403	-1 901 689	-15 347	-2 798 334
Carrying amount	55 754 755	7 724 216	1 717 161	255 326	65 451 458

Loans and advances granted to customers 31.12.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Retail segment	37 236 339	2 649 477	1 175 673	22 398	41 083 887
Consumer loans	17 943 094	1 663 438	920 082	18 709	20 545 323
Mortgage loans	19 293 245	986 039	255 591	3 689	20 538 564
Corporate segment	16 509 247	4 998 708	3 097 073	242 879	24 847 907
Finance lease receivables	5 016 586	481 977	335 112	0	5 833 675
Other loans and advances	11 492 661	4 516 731	2 761 961	242 879	19 014 232
Gross carrying amount	53 745 586	7 648 185	4 272 746	265 277	65 931 794
Expected credit losses	-402 948	-541 367	-2 217 542	-33 969	-3 195 826
Carrying amount	53 342 638	7 106 818	2 055 204	231 308	62 735 968

In 2025 the Group sold loans with a total gross value amounting to PLN 435 903 thousand, while the impairment allowance recorded for this portfolio amounted to PLN 299 537 thousand. The impact of debt sales on the cost of risk in 2025 amounted to PLN (+) 46 765 thousand (profit).

In 2024 the Group sold loans with a total gross value amounting to PLN 569 111 thousand, while the impairment allowance recorded for this portfolio amounted to PLN 385 352 thousand. The impact of debt sales on the cost of risk in 2024 amounted to PLN (+) 63 124 thousand (profit).

All risks and benefits related with these receivables have been transferred to the purchaser and there is no further involvement of the Group in these assets.

In 2025 the Group wrote off the financial assets amounted to PLN 863 769 thousand. The financial assets that are written off concerned both the loan portfolio of retail and corporate customers.

In 2024 the Group wrote off the financial assets amounted to PLN 1 428 667 thousand. The financial assets that are written off concerned both the loan portfolio of retail and corporate customers.

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Retail segment					
Consumer loans					
Gross carrying amount					
As at 01.01.2025	17 943 094	1 663 438	920 082	18 709	20 545 323
New / purchased / granted financial assets	10 016 605	0	0	1 846	10 018 451
Changes due to the sale or expiry of the instrument	-5 650 664	-230 919	-272 000	-4 037	-6 157 620
Transfer to Stage 1	192 875	-185 048	-7 827	0	0

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Transfer to Stage 2	-1 186 465	1 245 700	-59 235	0	0
Transfer to Stage 3	-276 274	-180 072	456 346	0	0
Valuation changes including partial repayments	-3 100 481	-197 106	-47 143	-3 910	-3 348 640
Assets written off the balance sheet	0	0	-193 421	-1 754	-195 175
Other changes, including exchange differences	-402	232	-108	0	-278
As at 31.12.2025	17 938 288	2 116 225	796 694	10 854	20 862 061
Expected credit losses					
As at 01.01.2025	271 944	232 658	596 776	-543	1 100 835
New / purchased / granted financial assets	190 175	0	0	5 206	195 381
Changes due to the sale or expiry of the instrument	-84 591	-33 535	-183 176	-4 928	-306 230
Transfer to Stage 1	36 892	-32 921	-3 971	0	0
Transfer to Stage 2	-70 907	98 109	-27 202	0	0
Transfer to Stage 3	-39 323	-38 395	77 718	0	0
Change in the estimate of expected credit losses*	-89 077	35 987	405 185	5 519	357 614
Net expected credit losses in the income statement	-56 831	29 245	268 554	5 797	246 765
Assets written off the balance sheet	0	0	-193 421	-1 754	-195 175
Fair value evaluation at the moment of initial recognition	0	0	0	-6 211	-6 211
Other changes, including exchange differences	1 395	-12	-143 390	-1 626	-143 633
As at 31.12.2025	216 508	261 891	528 519	-4 337	1 002 581
Carrying amount as at 31.12.2025	17 721 780	1 854 334	268 175	15 191	19 859 480

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Retail segment					
Consumer loans					
Gross carrying amount					
As at 01.01.2024	17 881 785	1 854 685	1 404 457	25 222	21 166 149
New / purchased / granted financial assets	8 827 144	0	0	7 213	8 834 357
Changes due to the sale or expiry of the instrument	-5 046 619	-270 635	-266 015	-6 443	-5 589 712
Transfer to Stage 1	301 961	-288 973	-12 988	0	0
Transfer to Stage 2	-718 276	797 699	-79 423	0	0
Transfer to Stage 3	-233 879	-192 048	425 927	0	0
Valuation changes including partial repayments	-2 989 291	-219 636	-56 942	-3 340	-3 269 209
Assets written off the balance sheet	0	0	-483 957	-3 855	-487 812
Other changes, including exchange differences	-79 731	-17 654	-10 977	-88	-108 450
As at 31.12.2024	17 943 094	1 663 438	920 082	18 709	20 545 323
Expected credit losses					
As at 01.01.2024	284 009	345 675	908 104	1 264	1 539 052
New / purchased / granted financial assets	183 844	0	0	9 203	193 047
Changes due to the sale or expiry of the instrument	-79 565	-57 955	-247 689	-7 347	-392 556
Transfer to Stage 1	77 706	-71 569	-6 137	0	0
Transfer to Stage 2	-49 221	83 881	-34 660	0	0
Transfer to Stage 3	-35 045	-51 006	86 051	0	0
Change in the estimate of expected credit losses*	-107 436	-11 999	531 193	13 442	425 200
Net expected credit losses in the income statement	-9 717	-108 648	328 758	15 298	225 691
Assets written off the balance sheet	0	0	-483 957	-3 855	-487 812
Fair value evaluation at the moment of initial recognition	0	0	0	-11 335	-11 335
Other changes, including exchange differences	-2 348	-4 369	-156 129	-1 915	-164 761
As at 31.12.2024	271 944	232 658	596 776	-543	1 100 835

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Carrying amount as at 31.12.2024	17 671 150	1 430 780	323 306	19 252	19 444 488

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Retail segment					
Mortgage loans					
Gross carrying amount					
As at 01.01.2025	19 293 245	986 039	255 591	3 689	20 538 564
New / purchased / granted financial assets	4 349 523	0	0	479	4 350 002
Changes due to the sale or expiry of the instrument	-1 095 615	-62 045	-90 949	-1 840	-1 250 449
Transfer to Stage 1	176 443	-171 706	-4 737	0	0
Transfer to Stage 2	-614 641	631 200	-16 559	0	0
Transfer to Stage 3	-59 007	-35 418	94 425	0	0
Valuation changes including partial repayments	-511 489	-39 126	-4 312	-199	-555 126
Assets written off the balance sheet	0	0	-28 824	-59	-28 883
Other changes, including exchange differences	-47 821	-1 768	-314	-15	-49 918
As at 31.12.2025	21 490 638	1 307 176	204 321	2 055	23 004 190
Expected credit losses					0
As at 01.01.2025	20 399	45 113	111 019	92	176 623
New / purchased / granted financial assets	3 716	0	0	190	3 906
Changes due to the sale or expiry of the instrument	-1 877	-4 000	-66 258	-2 095	-74 230
Transfer to Stage 1	7 290	-6 167	-1 123	0	0
Transfer to Stage 2	-6 688	11 053	-4 365	0	0
Transfer to Stage 3	-1 280	-3 268	4 548	0	0
Change in the estimate of expected credit losses*	-9 996	20 043	80 033	1 888	91 968
Net expected credit losses in the income statement	-8 835	17 661	12 835	-17	21 644
Assets written off the balance sheet	0	0	-28 824	-59	-28 883
Fair value evaluation at the moment of initial recognition	0	0	0	-252	-252
Other changes, including exchange differences	-57	-120	-24 282	-21	-24 480
As at 31.12.2025	11 507	62 654	70 748	-257	144 652
Carrying amount as at 31.12.2025	21 479 131	1 244 522	133 573	2 312	22 859 538

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Retail segment					
Mortgage loans					
Gross carrying amount					
As at 01.01.2024	17 340 908	901 058	303 506	6 774	18 552 246
New / purchased / granted financial assets	3 288 740	0	0	1 842	3 290 582
Changes due to the sale or expiry of the instrument	-852 824	-44 071	-91 889	-4 233	-993 017
Transfer to Stage 1	295 863	-287 656	-8 207	0	0
Transfer to Stage 2	-471 250	488 953	-17 703	0	0
Transfer to Stage 3	-53 869	-38 092	91 961	0	0
Valuation changes including partial repayments	-224 146	-32 264	-5 322	-207	-261 939
Assets written off the balance sheet	0	0	-16 191	-498	-16 689
Other changes, including exchange differences	-30 177	-1 889	-564	11	-32 619
As at 31.12.2024	19 293 245	986 039	255 591	3 689	20 538 564
Expected credit losses					

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
As at 01.01.2024	31 777	22 815	129 309	-308	183 593
New / purchased / granted financial assets	2 913	0	0	768	3 681
Changes due to the sale or expiry of the instrument	-2 688	-2 043	-62 708	-2 681	-70 120
Transfer to Stage 1	7 386	-5 395	-1 991	0	0
Transfer to Stage 2	-4 489	9 022	-4 533	0	0
Transfer to Stage 3	-1 006	-2 157	3 163	0	0
Change in the estimate of expected credit losses*	-13 454	22 957	86 495	4 486	100 484
Net expected credit losses in the income statement	-11 338	22 384	20 426	2 573	34 045
Assets written off the balance sheet	0	0	-16 191	-498	-16 689
Fair value evaluation at the moment of initial recognition	0	0	0	-830	-830
Other changes, including exchange differences	-40	-86	-22 525	-845	-23 496
As at 31.12.2024	20 399	45 113	111 019	92	176 623
Carrying amount as at 31.12.2024	19 272 846	940 926	144 572	3 597	20 361 941

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Corporate segment					
Finance lease receivables					
Gross carrying amount					
As at 01.01.2025	5 016 586	481 977	335 112	0	5 833 675
New / purchased / granted financial assets	2 687 549	0	0	0	2 687 549
Changes due to the sale or expiry of the instrument	-557 208	-49 453	-57 663	0	-664 324
Transfer to Stage 1	73 376	-70 440	-2 936	0	0
Transfer to Stage 2	-535 196	552 878	-17 682	0	0
Transfer to Stage 3	-124 956	-106 508	231 464	0	0
Valuation changes including partial repayments	-1 179 543	-60 964	-61 978	0	-1 302 485
Assets written off the balance sheet	0	0	-36 050	0	-36 050
Other changes, including exchange differences	1 142	-156 199	-70 493	0	-225 550
As at 31.12.2025	5 381 750	591 291	319 774	0	6 292 815
Expected credit losses					
As at 01.01.2025	25 920	26 552	131 745	0	184 217
New / purchased / granted financial assets	34 593	0	0	0	34 593
Changes due to the sale or expiry of the instrument	-2 201	-1 226	-11 990	0	-15 417
Transfer to Stage 1	482	-388	-94	0	0
Transfer to Stage 2	-13 351	14 337	-986	0	0
Transfer to Stage 3	-6 004	-8 444	14 448	0	0
Change in the estimate of expected credit losses*	-11 691	831	51 471	0	40 611
Net expected credit losses in the income statement	1 828	5 110	52 849	0	59 787
Assets written off the balance sheet	0	0	-36 050	0	-36 050
Other changes, including exchange differences	50	-71	-23 152	0	-23 173
As at 31.12.2025	27 798	31 591	125 392	0	184 781
Carrying amount as at 31.12.2025	5 353 952	559 700	194 382	0	6 108 034

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Corporate segment					
Finance lease receivables					
Gross carrying amount					

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
As at 01.01.2024	4 526 911	541 859	433 023	0	5 501 793
New / purchased / granted financial assets	2 499 387	0	0	0	2 499 387
Changes due to the sale or expiry of the instrument	-593 306	-75 202	-66 215	0	-734 723
Transfer to Stage 1	124 655	-110 883	-13 772	0	0
Transfer to Stage 2	-393 698	412 804	-19 106	0	0
Transfer to Stage 3	-133 200	-101 644	234 844	0	0
Valuation changes including partial repayments	-999 164	-59 569	-57 750	0	-1 116 483
Assets written off the balance sheet	0	0	-101 563	0	-101 563
Other changes, including exchange differences	-14 999	-125 388	-74 349	0	-214 736
As at 31.12.2024	5 016 586	481 977	335 112	0	5 833 675
Expected credit losses					
As at 01.01.2024	23 874	27 318	203 136	0	254 328
New / purchased / granted financial assets	28 221	0	0	0	28 221
Changes due to the sale or expiry of the instrument	-3 161	-1 936	-14 327	0	-19 424
Transfer to Stage 1	629	-383	-246	0	0
Transfer to Stage 2	-11 590	12 334	-744	0	0
Transfer to Stage 3	-5 489	-7 463	12 952	0	0
Change in the estimate of expected credit losses*	-6 502	-3 244	54 498	0	44 752
Net expected credit losses in the income statement	2 108	-692	52 133	0	53 549
Assets written off the balance sheet	0	0	-101 562	0	-101 562
Other changes, including exchange differences	-62	-74	-21 962	0	-22 098
As at 31.12.2024	25 920	26 552	131 745	0	184 217
Carrying amount as at 31.12.2024	4 990 666	455 425	203 367	0	5 649 458

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Corporate segment					
Other loans and advances					
Gross carrying amount					
As at 01.01.2025	11 492 661	4 516 731	2 761 961	242 879	19 014 232
New / purchased / granted financial assets	4 911 243	0	0	61 012	4 972 255
Changes due to the sale or expiry of the instrument	-2 967 802	-977 504	-297 169	-3 511	-4 245 986
Transfer to Stage 1	355 853	-352 732	-3 121	0	0
Transfer to Stage 2	-2 003 529	2 051 526	-47 997	0	0
Transfer to Stage 3	-251 260	-422 631	673 891	0	0
Valuation changes including partial repayments	-250 361	-523 396	-176 568	-26 987	-977 312
Assets written off the balance sheet	0	0	-589 352	-14 308	-603 660
Other changes, including exchange differences	-16 831	-27 067	-23 584	-1 321	-68 803
As at 31.12.2025	11 269 974	4 264 927	2 298 061	257 764	18 090 726
Expected credit losses					
As at 01.01.2025	84 685	237 044	1 378 002	34 420	1 734 151
New / purchased / granted financial assets	107 931	0	0	53 825	161 756
Changes due to the sale or expiry of the instrument	-24 496	-40 108	-280 935	-4 250	-349 789
Transfer to Stage 1	11 323	-11 072	-251	0	0
Transfer to Stage 2	-41 102	50 406	-9 304	0	0
Transfer to Stage 3	-46 900	-49 447	96 347	0	0
Change in the estimate of expected credit losses*	-21 486	13 057	465 043	16 275	472 889
Net expected credit losses in the income statement	-14 730	-37 164	270 900	65 850	284 856
Assets written off the balance sheet	0	0	-589 353	-14 308	-603 661

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Fair value evaluation at the moment of initial recognition	0	0	0	-55 020	-55 020
Other changes, including exchange differences	127	-613	117 481	-11 001	105 994
As at 31.12.2025	70 082	199 267	1 177 030	19 941	1 466 320
Carrying amount as at 31.12.2025	11 199 892	4 065 660	1 121 031	237 823	16 624 406

Loans and advances to customers	Stage 1	Stage 2	Stage 3	POCI	Total
Corporate segment					
Other loans and advances					
Gross carrying amount					
As at 01.01.2024	12 009 221	4 387 970	3 159 654	282 923	19 839 768
New / purchased / granted financial assets	4 769 441	0	0	53 559	4 823 000
Changes due to the sale or expiry of the instrument	-2 977 025	-665 557	-195 102	-9 197	-3 846 881
Transfer to Stage 1	299 263	-289 639	-9 624	0	0
Transfer to Stage 2	-2 038 360	2 129 605	-91 245	0	0
Transfer to Stage 3	-350 981	-563 211	914 192	0	0
Valuation changes including partial repayments	-204 327	-455 236	-219 222	-33 311	-912 096
Assets written off the balance sheet	0	0	-810 304	-12 300	-822 604
Other changes, including exchange differences	-14 571	-27 201	13 612	-38 795	-66 955
As at 31.12.2024	11 492 661	4 516 731	2 761 961	242 879	19 014 232
Expected credit losses					
As at 01.01.2024	53 525	293 136	1 757 034	14 191	2 117 886
New / purchased / granted financial assets	135 676	0	0	37 476	173 152
Changes due to the sale or expiry of the instrument	-13 465	-30 077	-222 288	-8 364	-274 194
Transfer to Stage 1	8 069	-6 996	-1 073	0	0
Transfer to Stage 2	-48 582	91 903	-43 321	0	0
Transfer to Stage 3	-59 784	-69 704	129 488	0	0
Change in the estimate of expected credit losses*	9 288	-38 946	472 508	44 606	487 456
Net expected credit losses in the income statement	31 202	-53 820	335 314	73 718	386 414
Assets written off the balance sheet	0	0	-810 304	-12 300	-822 604
Fair value evaluation at the moment of initial recognition	0	0	0	-35 077	-35 077
Other changes, including exchange differences	-42	-2 272	95 958	-6 112	87 532
As at 31.12.2024	84 685	237 044	1 378 002	34 420	1 734 151
Carrying amount as at 31.12.2024	11 407 976	4 279 687	1 383 959	208 459	17 280 081

*The change in the estimate of expected losses includes changes in the level of credit risk

By maturity	31.12.2025	31.12.2024
up to 1 month	8 063 158	8 299 023
from 1 month to 3 months	2 685 343	2 537 876
from 3 months to 1 year	9 141 458	8 834 081
from 1 year to 5 years	23 152 233	22 574 141
more than 5 years	25 207 600	23 686 673
Gross carrying amount	68 249 792	65 931 794
Expected credit losses	-2 798 334	-3 195 826
Carrying amount	65 451 458	62 735 968

By currency	31.12.2025	31.12.2024
PLN	59 866 335	57 570 921
EUR	7 919 470	7 700 253
USD	210 590	314 559
CHF	6 991	39 437
Other	246 406	306 624
Gross carrying amount	68 249 792	65 931 794
Expected credit losses	-2 798 334	-3 195 826
Carrying amount	65 451 458	62 735 968

22.7 The Group as lessor

The Group performs leasing operations via its Group company – Alior Leasing sp. z o.o. Alior Leasing Sp. z o.o., established in April 2015 and has been operating since October 2015. The company's core business is providing financing for the purchase of movable property through leasing and providing loans to businesses. The company also offers ancillary services related to its core business. The company's mission is to support the development of entrepreneurs by providing the best solutions that meet the expectations of modern companies seeking a comprehensive leasing offer tailored to their individual needs. Alior Leasing offers companies the most popular forms of financing for fixed assets, primarily vehicles, essential for operation and development. Products such as operating and financial leasing, as well as leasing loans, provide entrepreneurs with easy and quick access to vehicles, machinery, and equipment. Alior Leasing has a large sales network and collaborates with an extensive network of business partners, dealers, and vendors, as well as with the Alior Bank sales network. The company primarily works with sole proprietors and SMEs, but its clients also include large companies. In line with its strategy, the Company is also expanding its operations into the consumer market. Therefore, at the end of 2023, the Company established a subsidiary, Alior Leasing Individual Sp. z o.o.

In the case of financial lease contracts, the Group as the lessor recognises receivables in amounts equal to the present value of contractual lease payments, determined at the beginning of the lease contract. The receivables are disclosed as "Loans granted to customers". Financial lease payments are split into interest income and a reduction of receivables so that a fixed interest rate is achieved in the outstanding receivables.

In the case of operational leases, the initial costs incurred at negotiation of operational lease contracts are added to the carrying value of the leased asset and recognised throughout the lease contract on the same basis as income. Conditional lease fees are recognised as income in the period they are due and payable. Lease payments due under contracts that do not meet the requirements of financial lease contracts (operational lease contracts) are recognised as income in the profit and loss account throughout the lease term.

The amount of gross lease investments and minimum lease payments due on financial lease contracts as at 31 December 2025 was as follows:

The amount of net lease investments and minimum lease fees receivable	Net lease investment	Present value of minimum lease fees:	Unrealised income
Gross lease receivables:			
up to 1 year	2 428 498	2 831 175	402 677

The amount of net lease investments and minimum lease fees receivable	Net lease investment	Present value of minimum lease fees:	Unrealised income
from 1 to 2 years	1 668 606	1 911 340	242 734
from 2 to 3 years	1 171 519	1 295 912	124 393
from 3 to 4 years	640 948	693 102	52 154
from 4 to 5 years	303 934	319 573	15 639
above 5 years	79 310	84 036	4 726
Total gross	6 292 815	7 135 138	842 323
Expected credit losses	-184 781	-184 781	0
Total net	6 108 034	6 950 357	842 323

The amount of lease investments and minimum lease payments due on financial lease contracts as at 31 December 2024 was as follows:

The amount of net lease investments and minimum lease fees receivable	Net lease investment	Present value of minimum lease fees:	Unrealised income
Gross lease receivables:			
up to 1 year	2 244 513	2 695 432	450 919
from 1 to 2 years	1 578 555	1 851 279	272 724
from 2 to 3 years	1 088 948	1 227 779	138 831
from 3 to 4 years	600 061	657 352	57 291
from 4 to 5 years	263 736	279 610	15 874
above 5 years	57 862	61 991	4 129
Total gross	5 833 675	6 773 443	939 768
Expected credit losses	-184 217	-184 217	0
Total net	5 649 458	6 589 226	939 768

As at 31 December 2025 and 31 December 2024, there are no unguaranteed residual values attributable to the lessor.

22.8 Sensitivity analysis of material estimates and judgements

Estimation of the expected credit losses under IFRS 9 due to the life-time horizon and using of scenarios, are generally characterized by significant sensitivity.

The tables below indicate the main areas at sensitivity with their impact on the level of allowances.

- Sensitivity of results to macroeconomic assumptions**

Estimation of the expected credit losses in the IFRS 9 regime due to the long forecast horizon (life-time) and the dependence of the calculations on macroeconomic scenarios is characterized by a significant sensitivity to the assumptions made. If one of the considered scenarios becomes more probable, the estimates are updated. In particular, the trajectory of changes in the Gross Domestic Product, the impact of interest rates on debt service by clients and the prospects of the labor market will be of key importance for the variability of the estimate.

The Group estimates credit losses based on 3 scenarios of the future macroeconomic environment, where the baseline scenario assumes a 50% probability, and the optimistic and pessimistic scenarios each have a 25% probability.

Below is presented the sensitivity (in relation to the base scenario) of the estimated losses expected for the portfolio of credit exposures, in the case of assuming the implementation of stress scenarios (MPLN) as at 31.12.2025 and 31.12.2024:

Changing the probability of scenarios 31.12.2025	Difference in the share of Stage 2 in the regular portfolio	Impact on expected credit losses due to:		
		PD	LGD for non- default portfolio	LGD for the default portfolio
Change in expected losses in the case of the pessimistic scenario with 100% probability	+0,27 pp	+70	+3	+3
Change in expected losses in the case of the optimistic scenario with 100% probability	-0,20 pp	-46	-6	-4

Changing the probability of scenarios 31.12.2024	Difference in the share of Stage 2 in the regular portfolio	Impact on expected credit losses due to:		
		PD	LGD dla portfela regularnego	PD
Change in expected losses in the case of the pessimistic scenario with 100% probability	+0,27 pp	+117	+4	+9
Change in expected losses in the case of the optimistic scenario with 100% probability	-0,20 pp	-64	-5	-9

• Sensitivity of results to assumptions / estimates

Estimation of expected credit losses reflecting the future behavior of credit portfolios (both in terms of customer behavior and the potential of recoverability processes) is subject to uncertainty resulting from the limitations of future modeling.

The sensitivity of the expected credit losses estimates for individual components / parameters based on a hypothetical 10% change/deviation in assumptions is presented below.

Impact of increasing/decreasing the ECL level in the event of a hypothetical change in PD or LGD risk parameters for the regular portfolio, taking into account the impact on individual stages (in MPLN):

	31.12.2025	31.12.2024
	Change	Change
	-/+10%	-/+10%
Estimated change in the impairment of loans and advances due to a change in the probability of default by +/- 10% or LGD by +/- 10% - Stage 1	+/-30	+/-37
Estimated change in the impairment of loans and advances due to a change in the probability of default by +/- 10% or LGD by +/- 10% - Stage 2	+/-49	+/-50

The impact of increased/decreased cash flows (including flows from execution of collateral) on impairment of the loan portfolio classified into Stage 3 and measured by the Group with the individual method is presented in the table below (in MPLN):

	31.12.2025	31.12.2024
	Change	Change
	-/+10%	-/+10%
The estimated change to the impairment of loans as a result of a changed present value of the estimated cash flows under loans measured by the Group with the individual method	+59/-52	+76/-70

The impact of increased/decreased cash flows (including flows from execution of collateral) on impairment of the loan portfolio classified into Stage 3 and measured by the Group with the portfolio method is presented in the table below (in MPLN):

	31.12.2025	31.12.2024
	Change	Change
	-/+10%	-/+10%
The estimated change to the impairment of loans as a result of a changed present value of the estimated cash flows under loans measured by the Group with the group method	+128/-116	+147/-135

23 Tangible fixed assets and intangible assets

23.1 Accounting policy information

Tangible fixed assets

Property, plant and equipment cover assets with the anticipated useful life of over one year, complete and use for service provision. They are initially measured according to their purchase price or construction cost. Following the initial recognition, property, plant and equipment are carried at the purchase cost or construction cost, less any accumulated depreciation and any cumulated impairment allowances.

Outlays incurred after the initial recognition of property, plant and equipment are recognised as assets only when they increase future economic benefits from the asset. Otherwise, the outlays are recognised in profit and loss as expenses when incurred.

The Group evaluates tangible assets in terms of the existence of premises indicating their impairment. If the carrying amount of a given asset exceeds its recoverable amount, it is considered impaired and an impairment loss is made to the level of its recoverable amount.

The Group also includes property, plant and equipment in relation to which it holds the right to use, in accordance with IFRS 16.

Intangible assets

Intangible assets with a defined useful economic life, including those manufactured internally, following the initial recognition are disclosed at the purchase price or construction cost, less depreciation and impairment allowances.

The Group reviews assets for impairment indications. Should such indications exist, the Group formally assesses the recoverable value. If the carrying value of an asset is higher than its recoverable value, an impairment is recognised, and an impairment allowance is made to the recoverable value.

Goodwill is a surplus of the purchase cost over the fair value of the acquired net assets in a business combination transaction. Following the initial recognition, the goodwill is recognised at the purchase cost, less all accumulated impairment allowances. In the case of sale of a subsidiary entity, the goodwill recognised at acquisition is included in the financial result settling the sale.

With reference to goodwill, impairment allowances are determined on the basis of an estimated value of each cash generating centre to which the goodwill has been allocated. When the recoverable value of a cash generating centre is lower than its carrying value, an impairment allowance is recognised. The

impairment identified in tests is not reversed in subsequent periods. Goodwill is analysed for impairment as at each balance sheet date ending each financial year or more frequently – if impairment indications have been identified.

The other intangible assets are identifiable assets without tangible form. Initially, they are measured according to their purchase price or construction cost. The Group capitalises:

- expenses incurred in for the purchase of licences for software and development of licences or modules for the acquired licence,
- internal manufacturing costs of assets covering all outlays, including costs of employee benefits that may directly attributed to the manufacturing and preparation of the asset for use in line with its intended use.

The cost of an intangible asset acquired under a separate transaction cover:

- purchase price, including import duties and non-deductible purchase taxes, reduced by commercial rebates and discounts,
- outlays directly related to the preparation of an asset for use in line with its intended use.

Outlays incurred after the initial recognition of intangible assets are recognised as assets only when they increase future economic benefits from an asset. Internal development costs of a licence or an additional module include all outlays which may be directly attributed to creation, production, and adaptation of an asset for the use intended by the management.

Otherwise, they are recognised through profit and loss.

Depreciation

Depreciation accrues on all fixed assets with a determined useful life, with a straight-line method over the estimated useful life of the asset. The approved depreciation method and useful life are verified at least annually.

Property, plant and equipment and intangible assets begin to be depreciated/amortised from the first day of the month following the month when such asset has been brought for use, and it ends not later than:

- when the depreciation/amortisation charges equal the initial value of the asset, or
- when the asset is to be liquidated or
- when it is sold or
- when it is found missing or
- when as a result of verification, it is found that a residual value of the asset is higher than it's carrying value (net) subject to the residual value of the asset anticipated at liquidation – the net amount that the Group expects to obtain at the end of use, net of the anticipated sales costs.

Useful time of tangible fixed assets and intangible assets

Item	Use period in years
Property, Plant & Equipment	
Premises	5-40
Parking, elevation	1-10
Asset due to the right to use land	5-95

Item	Use period in years
Improvements in third-party buildings or structures (economic useful life but not longer than the lease period)	5–16.5
Plant and machinery	4–10
Equipment	2–15
Means of transport	2.5–7
Intangible assets	
Licenses	2–12.5
Software of IT systems	2–10
Development Costs	2–12.5
Copyright and other intangible assets	2–10

Impairment allowances

Impairment occurs when the carrying value of an asset is higher than its realisable value. The resultant impairment allowance is recognised in profit and loss.

The realisable value is the higher of fair value reduced by sales costs and the value in use of the asset.

The value in use is determined with a discount of the estimated future cash flows for the asset, at the discount rate before taxes. For assets that do not generate cash flows on their own, the Group determines their realisable value at the level of the cash generating unit that owns a specific asset.

Impairment allowances may be reversed through profit and loss to the level at which the book value of the assets is not higher than the book value of the asset, assuming that no impairment allowance has been recognised.

Impairment allowances relating to goodwill may not be reversed. Otherwise, the allowance may be reversed as long as a change has occurred to the estimates used to determine the realisable value.

23.2 Financial data

Tangible fixed assets

31.12.2025	Plant and machinery (including IT hardware)	Means of transport	Fixed assets under construction	Owned buildings	Leasehold improvements	Other	Total
Value at the purchase price as at 01.01.2025	526 029	29 792	20 032	740 435	231 836	86 864	1 634 989
Gross value of right-of-use assets as at 01.01.2025	0	11 167	0	572 522	0	0	583 689
Change, due to:	17 860	30 143	21 726	132 471	-22 594	420	180 027
Purchases	749	35 655	101 534	0	85	213	138 237
Increases / decreases in right-of-use assets	0	-195	0	107 216	0	0	107 021
Sale and liquidation	-37 605	-4 975	-288	-3 454	-20 116	-7 548	-73 986
Reclassifications	55 000	0	-88 901	28 709	-2 563	7 754	0
Other changes	-284	-342	9 381	0	0	0	8 755
Value at the purchase price as at 31.12.2025	543 889	59 936	41 758	872 907	209 242	87 284	1 815 015
Cumulated depreciation as at 01.01.2025	353 438	10 091	0	406 953	101 387	47 330	919 200

31.12.2025	Plant and machinery (including IT hardware)	Means of transport	Fixed assets under construction	Owned buildings	Leasehold improvements	Other	Total
Cumulative depreciation of right-of-use assets as at 01.01.2025	0	8 242	0	365 098	0	0	373 340
Change, due to:	17 952	-1 611	0	18 643	2 632	1 237	38 852
Depreciation	53 145	4 532	0	6 392	26 374	7 304	97 747
Depreciation in relation to right-of-use assets	0	2 200	0	77 746	0	0	79 946
Sale and liquidation	-37 448	-8 098	0	-65 685	-19 990	-7 316	-138 536
Other changes	2 255	-246	0	189	-3 752	1 249	-305
Cumulated depreciation as at 31.12.2025	371 390	8 479	0	425 596	104 019	48 568	958 052
Impairment allowance as at 01.01.2025	5 067	47	285	1 419	8 118	3 095	18 031
Change, due to:	3 045	-47	-212	17	5 381	1 640	9 824
Changes to allowances	3 140	0	76	17	5 488	1 776	10 497
Other changes	-95	-47	-288	0	-107	-136	-673
Impairment allowances as at 31.12.2025	8 112	0	73	1 436	13 499	4 735	27 855
Net value as at 01.01.2025	167 523	19 655	19 747	332 063	122 331	36 438	697 757
Net value as at 31.12.2025 incl:	164 386	51 456	41 685	445 875	91 725	33 981	829 108
Net value of right-of-use assets	0	530	0	299 807	0	0	300 337

31.12.2024	Plant and machinery (including IT hardware)	Means of transport	Fixed assets under construction	Owned buildings	Leasehold improvements	Other	Total
Value at the purchase price as at 01.01.2024	507 082	22 996	40 372	706 762	240 084	97 298	1 614 594
Gross value of right-of-use assets as at 01.01.2024	0	14 947	0	540 200	0	0	555 147
Change, due to:	18 946	6 797	-20 340	33 674	-8 248	-10 434	20 395
Purchases	842	16 322	72 745		99	448	90 456
Increases / decreases in right-of-use assets		-3 781		32 322			28 541
Sale and liquidation	-29 725	-5 744	-6	-1 519	-28 842	-13 677	-79 514
Reclassifications	47 905		-74 060	2 865	20 495	2 795	0
Other changes	-76		-19 019	6	0	0	-19 089
Value at the purchase price as at 31.12.2024	526 029	29 792	20 032	740 435	231 836	86 864	1 634 989
Cumulated depreciation as at 01.01.2024	331 367	8 485	0	353 991	104 413	54 198	852 454
Cumulative depreciation of right-of-use assets as at 01.01.2024	0	8 485	0	316 680	0	0	325 165
Change, due to:	22 071	1 606	0	52 963	-3 026	-6 868	66 745
Depreciation	51 583	3 511	0	5 122	24 987	6 733	91 936
Depreciation in relation to right-of-use assets	0	2 880	0	77 445	0	0	80 325
Sale and liquidation	-29 443	-4 641	0	-29 690	-28 022	-13 601	-105 397
Other changes	-69	-144	0	86	9	0	-118

31.12.2024	Plant and machinery (including IT hardware)	Means of transport	Fixed assets under construction	Owned buildings	Leasehold improvements	Other	Total
Cumulated depreciation as at 31.12.2024	353 438	10 091	0	406 953	101 387	47 330	919 200
Impairment allowance as at 01.01.2024	5 477	47	59	1 418	8 559	3 082	18 642
Change, due to:	-410	0	226	1	-441	13	-611
Changes to allowances	-104		232	501	378	24	1 031
Other changes	-306		-6	-500	-819	-11	-1 642
Impairment allowances as at 31.12.2024	5 067	47	285	1 419	8 118	3 095	18 031
Net value as at 01.01.2024	170 238	14 464	40 313	351 353	127 112	40 018	743 497
Net value as at 31.12.2024 incl:	167 523	19 655	19 747	332 063	122 331	36 438	697 757
Net value of right-of-use assets	0	2 878	0	205 908	0	0	208 786

The Group as a lessee

Right to use	premises	perpetual usufruct fees / annual fees	parkings	elevations	means of transport	total
Value at the purchase price as at 01.01.2025	522 897	26 006	21 470	2 150	11 167	583 689
Change, due to:	91 868	1 215	13 985	148	-195	107 021
Increase*	153 381	1 509	17 451	148	7 172	179 661
Decrease*	-61 513	-294	-3 466	0	-7 367	-72 640
Value at the purchase price as at 31.12.2025	614 765	27 221	35 455	2 298	10 972	690 710
Cumulative depreciation as at 01.01.2025	345 075	3 413	15 359	1 251	8 242	373 340
Depreciation	73 532	772	3 183	259	2 200	79 946
Other changes	-60 994	-32	-3 403	0	0	-64 429
Cumulated depreciation as at 31.12.2025	357 613	4 153	15 139	1 510	10 442	388 857
Impairment allowance as at 01.01.2025	1 516	0	0	0	47	1 563
Changes to allowances	0	0	0	0	-47	-47
Impairment allowances as at 31.12.2025	1 516	0	0	0	0	1 516
Net value as at 31.12.2025	255 636	23 068	20 315	788	530	300 337

Right to use	premises	perpetual usufruct fees / annual fees	parkings	elevations	means of transport	total
Value at the purchase price as at 01.01.2024	492 255	26 077	20 157	1 712	14 947	555 147
Change, due to:	30 642	-71	1 313	438	-3 780	28 542
Increase*	58 455	2 686	1 638	642	995	64 416
Decrease*	-27 813	-2 757	-325	-204	-4 775	-35 874
Value at the purchase price as at 31.12.2024	522 897	26 006	21 470	2 150	11 167	583 689
Cumulative depreciation as at 01.01.2024	297 264	5 441	12 771	1 204	8 485	325 165
Depreciation	73 596	714	2 885	250	2 880	80 325
Other changes	-25 785	-2 742	-297	-203	-3 123	-32 150
Cumulated depreciation as at 31.12.2024	345 075	3 413	15 359	1 251	8 242	373 340
Impairment allowance as at 01.01.2024	1 516	0	0	0	47	1 563
Changes to allowances	0	0	0	0	0	0

Right to use	premises	perpetual usufruct fees / annual fees	parkings	elevations	means of transport	total
Impairment allowances as at 31.12.2024	1 516	0	0	0	47	1 563
Net value as at 31.12.2024	176 306	22 593	6 110	899	2 878	208 786

* The "increase" item includes new contracts and modifications. The item "decrease" includes modifications, write-offs.

The balance of liabilities due to lease agreements are disclosed in Note 30.2 "Other liabilities - financial data".

Interest costs of liabilities due to leasing agreements are disclosed in Note 6.2 "Net interest income - financial data".

Costs related to short-term leasing contracts and contracts with low value objects are recognized as general administrative expenses in the profit and loss account.

In 2025 and 2024, the Group incurred costs for short-term contracts and for low-value contracts in the amount of PLN 1 954 thousand and PLN 1 575 thousand respectively.

The Group did not identify variable leasing payments that would not be part of the measurement of lease liabilities.

Information on cash flows related to lease contracts is explicitly included in the cash flow statement.

Intangible assets

31.12.2025	Goodwill	Capital expenditure	Software, licences, R&D works	Trademark	Other	Total
Value at the purchase price as at 01.01.2025	117 264	254 270	673 080	43	49 939	1 094 595
Changes to intangible assets due to:	0	-11 456	169 653	0	0	158 197
Purchases	0	99 929	461	0	0	100 390
Reclassifications	0	-171 070	171 070	0	0	0
Capitalised construction costs	0	41 777	0	0	0	41 777
Liquidations	0	-1 194	-1 878	0	0	-3 072
Other changes	0	19 102	0	0	0	19 102
Value at the purchase price as at 31.12.2025	117 264	242 814	842 733	43	49 939	1 252 792
Cumulated depreciation as at 01.01.2025	0	0	412 708	0	49 114	461 822
Depreciation	0	0	77 077	0	17	77 094
Other changes	0	0	262	0	0	262
Cumulated depreciation as at 31.12.2025	0	0	490 047	0	49 131	539 178
Impairment allowance as at 01.01.2025	116 288	18 415	26 172	0	0	160 875
Changes to allowances	0	2 089	1 342	0	0	3 431
Other changes	0	-1 194	-488	0	0	-1 682
Impairment allowances as at 31.12.2025	116 288	19 310	27 026	0	0	162 624
Net value as at 01.01.2025	976	235 855	234 200	43	824	471 899
Net value as at 31.12.2025	976	223 504	325 660	43	807	550 991

According to the best state of knowledge and the assumptions adopted at the end of 2025, there is no basis to assume that the incurred expenditures, which have not yet been recorded in the accounting books as settled, show impairment triggers and require an impairment allowances.

31.12.2024	Goodwill	Capital expenditure	Software, licences, R&D works	Trademark	Other	Total
Value at the purchase price as at 01.01.2024	117 264	150 035	702 537	3 681	50 421	1 023 938
Changes to intangible assets due to:	0	104 235	-29 457	-3 638	-482	70 658
Purchases	0	98 393	510	0	0	98 903
Reclassifications	0	-39 586	39 586	0	0	0
Capitalised construction costs	0	32 277	0	0	0	32 277
Liquidations	0	-636	-69 553	-3 638	-482	-74 309
Other changes	0	13 787	0	0	0	13 787
Value at the purchase price as at 31.12.2024	117 264	254 270	673 080	43	49 939	1 094 595
Cumulated depreciation as at 01.01.2024	0	0	378 283	14	49 552	427 849
Depreciation	0	0	98 144	0	44	98 188
Other changes	0	0	-63 720	-14	-482	-64 216
Cumulated depreciation as at 31.12.2024	0	0	412 708	0	49 114	461 822
Impairment allowance as at 01.01.2024	116 288	17 289	47 075	3 367	0	184 019
Changes to allowances	0	95	345	258	0	698
Other changes	0	1 031	-21 248	-3 625	0	-23 842
Impairment allowances as at 31.12.2024	116 288	18 415	26 172	0	0	160 875
Net value as at 01.01.2024	976	132 746	277 179	300	868	412 070
Net value as at 31.12.2024	976	235 855	234 200	43	824	471 899

23.3 Material estimates and judgements

Accounting estimates are made on the basis of a judgment, based on reliable information, and using methods of estimation appropriate in the given conditions.

The subject of the estimate are the useful lives of the following: fixed assets and intangible assets as well as their recoverable amount.

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

24 Other assets

24.1 Accounting policy information

Financial assets in this item are include trade receivables, including remuneration from insurance companies for the service of insurance and other receivables. The Group applied a simplified approach to estimating the allowance for expected credit losses and recognizes an allowance in the amount equal to

the expected credit losses over the life-time of the receivable. The level of the allowance is periodically verified.

The current applicable rates for each overdue level are presented below:

Bank	Brokerage Office
current - 1 %	current - 1 %
1 - 30 days - 20 %	1 - 30 days - 4 %
31 - 60 days - 30 %	31 - 60 days - 5 %
61 - 90 days - 40 %	61 - 90 days - 8 %
91 - 180 days - 100 %	91 - 180 days - 100 %

Non-financial assets are costs settled in time and relate to individual types of expenses, with an initial value exceeding PLN 4 thousand, the settlement of which will be charged to the profit and loss account according to the passage of time in future reporting periods. The components of costs settled over time are mainly: maintenance and support costs of IT systems as well as the Group's property insurance costs and rents paid in advance (unless they are within the scope of IFRS 16).

24.2 Financial data

	31.12.2025	31.12.2024
Sundry debtors	651 519	647 989
Other settlements	291 480	309 554
Receivables related to sales of services (including insurance)	26 790	18 709
Guarantee deposits	25 144	21 988
Settlements due to cash in ATMs	308 105	297 738
Costs recognised over time	105 410	93 968
Maintenance and support of systems, servicing of plant and equipment	73 282	62 881
Other deferred costs	32 128	31 087
VAT settlements	69 095	34 826
Other assets (gross)	826 024	776 783
Allowance	-41 614	-52 662
Other assets (carrying amount)	784 410	724 121
including financial assets (gross)	651 519	647 989

Change in allowances on other financial assets

	31.12.2025	31.12.2024
Value at the beginning of the period	52 662	66 574
allowances recorded	4 025	5 476
allowances released	-2 209	-2 705
assets written off from the balance sheet	-12 509	-16 728
other changes	-355	45
Value at the end of the period	41 614	52 662

25 Assets pledged as collateral

25.1 Accounting policy information

Those assets that secure liabilities the Group is disclosed separately in the statement of financial position when the receiving party may sell or exchange the assets for other security.

25.2 Financial data

	31.12.2025	31.12.2024
Financial assets pledged as collateral in the EIB loan	0	18 029
Total	0	18 029

The Bank had a loan agreement with the European Investment Bank (EIB) with its seat in Luxembourg to support the financing of corporate customers activities. In connection with the above, it had established a pledge on securities in order to secure the repayment of this liability. In 2025, the Bank repaid the loan and therefore no longer has any assets pledged as collateral.

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

	presentation in the statement of financial position	31.12.2025	31.12.2024
Treasury bonds blocked with BFG	Securities and derivatives	266 829	394 681
Deposits as derivative transactions (ISDA) collateral	Amounts due from bank	753 864	725 785
Deposit as collateral of transactions performed in Alior Trader	Loans and advances to customers	0	2
Total		1 020 693	1 120 468

26 Amounts due to banks

26.1 Accounting policy information

The liabilities due to banks are measured at amortised cost with the effective interest rate.

26.2 Financial data

Structure by type	31.12.2025	31.12.2024
Current deposits	0	582
Received loans	0	118 534
Other liabilities*	589 204	41 009
Total	589 204	160 125

*In this item, the deposits received at the end of 2025 amounted to PLN 583 million and at the end of 2024 – PLN 35 million.

By maturity	31.12.2025	31.12.2024
up to 1 month	589 204	48 556
1 month to 3 months	0	12 486
3 months to 1 year	0	56 757

By maturity	31.12.2025	31.12.2024
from 1 year to 5 years	0	42 326
Total	589 204	160 125

By currency structure	31.12.2025	31.12.2024
PLN	554 396	124 706
EUR	24 719	21 579
USD	10 089	13 840
Total	589 204	160 125

27 Amounts due to customers

27.1 Accounting policy information

Amounts due to customers are measured at amortised cost at the effective interest rate.

27.2 Financial data

Structure by type and customer segment	31.12.2025	31.12.2024
Retail segment	59 112 643	54 171 904
Current deposits	43 137 688	38 776 717
Term deposits	15 678 809	15 100 510
Other liabilities	296 146	294 677
Corporate segment	23 507 942	22 764 696
Current deposits	15 636 326	15 016 295
Term deposits	7 535 674	7 390 257
Other liabilities	335 942	358 144
Total	82 620 585	76 936 600

By maturity	31.12.2025	31.12.2024
up to 1 month	69 068 866	63 523 782
from 1 month to 3 months	8 445 589	8 092 260
from 3 months to 1 year	5 037 125	5 256 943
from 1 year to 5 years	67 442	62 637
more than 5 years	1 563	978
Total	82 620 585	76 936 600

By currency structure	31.12.2025	31.12.2024
PLN	67 600 771	61 926 171
EUR	8 879 180	9 144 603
USD	4 194 508	3 896 164
CHF	492 065	460 504
Other	1 454 061	1 509 158
Total	82 620 585	76 936 600

28 Financial liabilities held for trading

28.1 Accounting policy information

The Group classified derivative instruments and financial liabilities due to short sales as financial liabilities as at 31 December 2025 and 31 December 2024. Those instruments are measured at fair value through the profit and loss account.

Derivative transactions are executed for trading purposes and to manage the market risk. The Group enters into the following types of derivative transactions: FX-Forward, FX-Swap, IRS, CIRS, FRA, commodity Futures, commodity Forward, term transactions in securities and EUA, EUAE futures transactions. Every day the Group measures derivative instruments applying the discounted cash flows model. The Group also enters into option transactions that are measured with option measurement models.

28.2 Financial data

	31.12.2025	31.12.2024
Short sale of T-bonds	59 222	0
Interest rate transactions	191 538	138 634
SWAP	190 160	136 642
Cap Floor Options	485	786
FRA	893	1 206
Foreign exchange transactions	46 327	51 592
FX Swap	21 290	15 516
FX forward	8 908	13 366
CIRS	6 104	2 383
FX options	10 025	20 327
Other options	146	0
Other instruments	29 891	6 224
Total	327 124	196 450

By maturity	31.12.2025	31.12.2024
up to 1 month	21 362	28 484
from 1 month to 3 months	26 127	13 580
from 3 months to 1 year	28 305	25 445
from 1 year to 5 years	209 964	98 431
more than 5 years	41 366	30 510
Total	327 124	196 450

29 Provisions

29.1 Accounting principles

Provisions are liabilities with an uncertain payment date or an uncertain amount. The Group establishes provisions when the entity is charged with a (legal or customary) obligation relating to past events, and when it is likely that satisfaction of such obligation shall result in a necessity of an outflow of funds containing economic benefits and the amount of such obligation may be reliably estimated. If the above conditions are not satisfied, no provision is established.

Provisions for retirement benefits

Provisions for retirement benefits are set up individually for each employee on the basis of actuarial valuation made by an independent actuarial company. The provision is determined on the basis of the anticipated amount of a retirement benefit that the Group shall pay in line with the remuneration regulations.

In compliance with IAS 19, the discount rate to calculate the provisions has been set on the basis of market rates of return on Treasury bonds in the currency and with maturity are congruent with the currency and close to the disbursement of such retirement benefit.

Provisions for legal claims

This is a provision for disputes with employees, counterparties, customers and external institutions which is created due to the high probability of losing the court case by the Group.

Details are specified in Note 39.

Provisions for disputes are established in the amounts of the anticipated outflows of economic benefits.

Provisions for granted financial and guarantee obligations

The provision for off-balance sheet credit exposures is created in accordance with IFRS 9. Detailed principles of risk assessment are described in Note 22. Off-balance sheet provisions are created based on the EAD model (describing the estimated use of the exposure on the default date), and cover the risk of exposure constituting a surplus of EAD over the balance sheet exposure. In the process of valuation of provisions, the Group applies risk parameters and estimation principles identical with the valuation of amounts due to customers.

Restructuring provision

The restructuring provision is established for disbursement of statutory severance pay for termination of employment contracts as a result of group lay-offs and for so-called additional damages resulting from an agreement with the trade unions and a provision for restructuring costs of the branch network and abandonment of franchise outlets located too close (the provision covers the costs of damages and expenses related to abandoning of the branch and its restoration to the original condition).

Provision for reimbursement of commissions and fees related to the loan prepayment - judgment of the Court of Justice of the European Union ('CJEU') of 11 September 2019

On 11 September 2019, the Court of Justice of the European Union judgment in case C-383/18 (so-called Lexitor case) was published. In deciding the case, the CJEU ruled that Article 16 (1) 1 of Directive 2008/48

/ EC of the European Parliament and of the Council of 23 April 2008 on consumer credit agreements and repealing Council Directive 87/102 / EEC should be interpreted as meaning that the consumer's right to reduce the total cost of credit in the event of an earlier loan repayment includes all costs that have been imposed on the consumer.

On the basis of the legal interpretations held, the Bank's Management Board applies a linear formula for settling loan costs with borrowers, which proportionality refers to the period between the actual loan repayment date and the repayment date specified in the contract and requires an equal division of the one-off cost into individual payment dates.

In the case of prepayments of consumer and mortgage loans made before the date of the CJEU judgment, the Group estimates the amount of expected payments in accordance with IAS 37 and creates a provision for this purpose, which is charged to other operating costs. The provision takes into account the Group's expected future inflow of customer orders for reimbursement of prepaid loan costs before the date of the CJEU judgment and was estimated based on the historically observed trend of loan reimbursement based on orders submitted by customers.

29.2 Financial data

	Provisions for legal claims	Provisions for retirement benefits	Provisions for off-balance sheet liabilities granted	Provision for reimbursement of credit costs (TSUE)	Total provisions
As at 01.01.2025	216 126	9 510	42 419	53 739	321 794
Established provisions	144 744	27 819	112 074	1 017	285 654
Reversal of provisions	-15 923	-11 555	-118 280	-399	-146 157
Utilized provisions	-30 646	-11 759	0	-14 728	-57 133
Other changes	-98	0	-93	0	-191
As at 31.12.2025	314 203	14 015	36 120	39 629	403 967

	Provisions for disputes	Provisions for retirement benefits	Provisions for off-balance sheet liabilities granted	Restructuring provision	Provision for reimbursement of credit costs (CJEU)	Total provisions
As at 01.01.2024	157 197	8 362	73 878	894	69 645	309 976
Established provisions	99 640	17 977	104 766	4 574	8 385	235 342
Reversal of provisions	-21 423	-8 926	-136 096	-382	-5 019	-171 846
Utilized provisions	-19 291	-7 903	0	-5 086	-19 272	-51 552
Other changes	3	0	-129	0	0	-126
As at 31.12.2024	216 126	9 510	42 419	0	53 739	321 794

29.3 Material estimates and judgements

Actuarial provision

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

Provision for reimbursement of commissions and fees related to the loan prepayment - judgment of the Court of Justice of the European Union ('CJEU') of 11 September 2019

The estimation of the provision for the reimbursement of loan costs required the Group to adopt a number of expert assumptions as to the future inflow of complaints, which are associated with a significant uncertainty resulting from the risk of changes in customer behavior compared to the historical trend as well as the possible evolution of market practice or the position of the regulator. The amount of the provision was estimated assuming the continuation of the existing trend of declining returns. The amount of the provision will be updated in subsequent periods depending on the trend in the amount of returns.

29.4 Sensitivity analysis of material estimates and judgements

Actuarial provision

The Group updated the estimates as at 31 December 2025 using calculations performed by an external independent actuary. An important element influencing the amount of the provision is the adopted financial discount rate, which was adopted by the Group in 2025 at the level of 5.0% and in 2024 respectively 5.6%.

The impact of an increased/decreased discount rate and the fundamental actuarial assumptions by 1 pp on the increase/decrease of the retirement provision as at 31 December 2025 and as at 31 December 2024 is presented in the tables below.

Estimated change of provision as at 31.12.2025	Financial discount rate		Planned growth of basis	
	Scenario +1pp	Scenario -1pp	Scenario +1pp	Scenario -1pp
Provisions for retirement benefits	-12 604	+15 258	+15 249	-12 589

Estimated change of provision as at 31.12.2024	Financial discount rate		Planned growth of basis	
	Scenario +1pp	Scenario -1pp	Scenario +1pp	Scenario -1pp
Provisions for retirement benefits	- 8 556	+10 209	+10 227	-8 529

Provision for reimbursement of commissions and fees related to the loan prepayment - judgment of the Court of Justice of the European Union ('CJEU') of 11 September 2019

Significant assumptions adopted by the Group to estimate the provision for reimbursement of credit costs as at 31 December 2025 and 31 December 2024 include:

- a change in the pace of decline in the amounts of reimbursement.

The table below contains information on how much the balance of the provision for future reimbursement would change if the Bank assumed in its estimates that the historically observed downward trend in returns, on which the Bank's estimates are based, would deepen or weaken by 10%.

Change in the pace of decline in the amount of reimbursement	2025		2024	
	+10%	-10%	+10%	-10%
The impact of the change in the rate of decline on the amount of the provision	MPLN -0.5	MPLN +0.5	MPLN -1.2	MPLN +1.3

30 Other liabilities

30.1 Accounting policy informations

The liabilities in this item are accruals, revenues collected in advance and provisions for future payments. Provisions for future payments are measured at the justified, reliably estimated value necessary to fulfill the present obligation at the end of the reporting period. Contract liabilities are measured at the amount of probable liabilities for the current reporting period, resulting from:

- services provided for the benefit of the Group by the Group's counterparties, if the liability amount can be reliably estimated,
- performance obligations related to day-to-day business operations, the amount of which can be estimated, although the date when the obligation arises is not yet known.

Income charged in advance comprises mainly commissions settled on a straight-line basis and other income charged in advance which will be settled in the profit and loss account in future reporting periods.

30.2 Financial data

	31.12.2025	31.12.2024
Interbank settlements	505 686	450 117
Settlements of payment cards	266	245
Liability for reimbursement of credit costs	45 257	39 325
Liabilities due to lease agreements	322 737	226 371
Taxes, customs duty, social and health insurance payables and other public settlements	82 086	65 087
Settlements of issues of bank certificates of deposits	375	236
Liabilities due to contributions to the Bank Guarantee Fund	236 491	204 259
Accrued expenses	233 118	187 636
Income received in advance	49 455	51 124
Provision for bancassurance resignations	30 636	52 132
Provision for bonuses	153 287	138 365
Provision for unutilised annual leaves	31 680	27 048
Provision for bonuse settled in phantom shares	21 268	18 395
Other employee provisions	11 642	15 114
Other liabilities	315 720	232 981
Total	2 039 704	1 708 435

Change in lease liabilities

	31.12.2025	31.12.2024
Value at the beginning of the period	226 371	252 938
Changes resulting from cash flows	-86 144	-85 509
Increases	179 661	64 416
Exchange rate differences	0	1 153
Other changes	2 849	-6 627
Value at the end of the period	322 737	226 371

31 Debt securities issued

31.1 Accounting policy information

Debt securities issued are measured at amortized cost using the effective interest rate method.

31.2 Financial data

Structure by type	31.12.2025	31.12.2024
Bonds issued liabilities	2 268 934	1 809 233
Bank securities issued liabilities("BPW")	0	277 783
Bank structured securities issued liabilities("BPP")	52 936	0
Total	2 321 870	2 087 016

By maturity	31.12.2025	31.12.2024
up to 1 month	0	63 548
from 1 month to 3 months	0	146 420
from 3 months to 1 year	0	67 815
from 1 year to 5 years	2 321 870	1 809 233
Total	2 321 870	2 087 016

By currency structure	31.12.2025	31.12.2024
PLN	2 321 870	2 001 478
EUR	0	43 491
USD	0	42 047
Total	2 321 870	2 087 016

	Nominal value in the currency 31.12.2025	Nominal value in the currency 31.12.2024	Currency	Term	Interest	Status of liabilities	
						31.12.2025	31.12.2024
Series M Bonds	0	400 000	PLN	26.06.2023-26.06.2026	WIBOR6M +3.10	0	400 584
Series N Bonds	450 000	450 000	PLN	20.12.2023-15.06.2027	WIBOR6M +2.81	451 415	451 800
Series O Bonds	550 000	550 000	PLN	27.06.2024-09.06.2028	WIBOR6M +1.99	552 066	552 693
Series P Bonds	400 000	400 000	PLN	14.11.2024-14.04.2028	WIBOR6M +2.07	405 653	404 156
Series R Bonds	400 000	0	PLN	17.06.2025-17.04.2029	WIBOR6M +1.95	405 280	0
Series S Bonds	450 000	0	PLN	30.10.2025-19.10.2029	WIBOR6M +1.50	454 520	0
BPW	0	9 950	EUR	12.2022 – 02.2025	The interest rate is calculated by the BPW Issuer according to the formula described in the final terms and conditions of a given series. The payment and interest rate may be fixed, variable or dependent on the conditions of the valuation of the underlying instrument, such as a stock exchange	0	43 491
BPW	0	182 407	PLN	07.2021-04.2025		0	192 245
BPW	0	9 884	USD	07.2021-04.2025		0	42 047

	Nominal value in the currency 31.12.2025	Nominal value in the currency 31.12.2024	Currency	Term	Interest	Status of liabilities	
						31.12.2025	31.12.2024
					index or the valuation of company shares.		
BPP	52 620	0	PLN	03.2025-05.2027	The amount of the benefit is calculated by the BPP Issuer according to the formula described in the final terms of a given series. The payment and amount of the benefit depend on the conditions of the valuation of the underlying instrument, such as a stock exchange index, valuation of company shares.	52 936	0
Total						2 321 870	2 087 016

Issues in the reporting periods

01.01.2025-31.12.2025	Currency	Issues - original currency	Issues - in PLN	Redemptions - original currency	Redemptions - in PLN
Series M Bonds	PLN	0	0	400 000	400 000
Series R Bonds	PLN	400 000	400 000	0	0
Series S Bonds	PLN	450 000	450 000	0	0
BPP	PLN	53 238	53 238	618	618
BPW	PLN	0	0	140	140
BPW	USD	0	0	55	228
Total			903 238		400 986

01.01.2024-31.12.2024	Currency	Issues - original currency	Issues - in PLN	Redemptions - original currency	Redemptions - in PLN
Series O Bonds	PLN	550 000	550 000	0	0
Series P Bonds	PLN	400 000	400 000	0	0
BPW	EUR	9 950	42 956	0	0
BPW	PLN	28 256	28 256	8 294	8 294
BPW	USD	0	0	115	453
Total			1 021 212		8 747

On 26 June 2025, the Bank made an early redemption of series M bonds.

32 Equity

32.1 Accounting principles

Equity is composed of the share capital, the supplementary capital, the revaluation reserves, other reserves and profit for the current year and retained profit.

Share capital

The share capital is disclosed at its nominal value in line with the Articles of Association and the entry to the National Court Register.

Supplementary capital

The supplementary capital is established from profit allocations, pursuant to resolutions of the General Meeting. The supplementary capital also includes the share issue agio, net of the issue costs. The supplementary capital may be applied to cover balance sheet losses that may result from the Bank's operations.

Revaluation reserve

The revaluation reserve is established as a result of measurement of:

- financial instruments measured at fair value through other comprehensive income,
- the effective part of hedge for cash flow hedge accounting programme,
- deferred income tax related to the above items.

The revaluation reserve is not subject to distribution.

Other reserves

The other reserves are established from profit allocations. They may be used for the purposes specified in the Bank's Articles of Association or in applicable regulations.

Current profit and retained profit

Net profit attributable to the parent entity is gross profit in the profit and loss account of the current year adjusted with income tax and the profit attributable to non-controlling holdings.

On 16 June 2025, the Ordinary General Meeting of the Bank adopted resolution No. 7/2025 on the method of dividing the Bank's profit for the financial year 2024.

In accordance with the resolution, the Bank's net profit from operations in the financial year 2024, in the total amount of PLN 2 417 499 553.87, was allocated as follows:

- part of the profit in the amount of PLN 1 199 791 177.29 to the payment of dividend,
- remaining part of the profit in the amount of PLN 1 217 708 376.58 to supplementary capital, including the non-distributable profit achieved on the activities of the Housing Fund in the amount of PLN 17 136 562.53.

The dividend amount per share was PLN 9.19.

Dividend

A dividend for the year, approved by the General Meeting, not disbursed until the balance sheet date, is disclosed as a dividend liability in other liabilities.

32.2 Financial data

Equity	31.12.2025	31.12.2024
Share capital	1 305 540	1 305 540
Supplementary capital	8 655 257	7 438 105
Revaluation reserve	407 642	-197 164
financial assets measured at fair value through other comprehensive income	281 521	33 531
from measurement of hedging instruments	126 121	-230 695
Other reserves	161 792	161 792

Equity	31.12.2025	31.12.2024
Exchange rate differences on revaluation of foreign entities	0	256
Retained profit/loss	85 698	53 168
Current year profit/loss	2 367 048	2 445 022
Total	12 982 977	11 206 719

Revaluation reserve	31.12.2025	31.12.2024
Valuation of financial assets measured at fair value through other comprehensive income	281 521	33 531
Treasury bonds	213 081	-48 779
Other debt instruments	-9 162	-13 066
Equity instruments	163 986	103 230
Deferred income tax	-86 384	-7 854
Valuation of hedging derivatives	126 121	-230 695
IRS/FRA	164 396	-284 809
deferred income tax	-38 275	54 114
Total	407 642	-197 164

32.3 Shareholders of Alior Bank Spółka Akcyjna

As at 31 December 2025, the shareholders holding 5% or more of the overall number of votes at the General Meeting were as follows

Shareholder	Number of shares	Nominal value of shares [PLN]	Percentage in the share capital	Number of votes	Number of votes in the total number of votes
31.12.2025					
PZU SA Group*	41 658 850	416 588 500	31.91%	41 658 850	31.91%
Nationale-Nederlanden OFE (with DFE)**	12 915 615	129 156 150	9.89%	12 915 615	9.89%
Allianz OFE**	11 526 440	115 264 400	8.83%	11 526 440	8.83%
Generali OFE (with DFE)**	6 692 039	66 920 390	5.13%	6 692 039	5.13%
Other shareholders	57 761 047	577 610 470	44.24%	57 761 047	44.24%
Total	130 553 991	1 305 539 910	100%	130 553 991	100%

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

**Information regarding the number of shares and votes held at the General Meeting of the Bank by entities managed by Nationale – Nederlanden PTE, Generali PTE and Allianz PTE was provided on the basis of reports published by these entities on the structure of OFE and DFE assets as at 31 December 2025..

As at 31 December 2024 and as at the date of preparation of financial statements, the shareholders holding 5% or more of the overall number of votes at the General Meeting were as follows:

Shareholder	Number of shares	Nominal value of shares [PLN]	Percentage in the share capital	Number of votes	Number of votes in the total number of votes
31.12.2024					
PZU SA Group*	41 658 850	416 588 500	31.91%	41 658 850	31.91%
Nationale-Nederlanden**	12 841 601	128 416 010	9.84%	12 841 601	9.84%
Allianz OFE***	11 526 440	115 264 400	8.83%	11 526 440	8.83%
Other shareholders	64 527 100	645 271 000	49.42%	64 527 100	49.42%

Shareholder	Number of shares	Nominal value of shares [PLN]	Percentage in the share capital	Number of votes	Number of votes in the total number of votes
Total	130 553 991	1 305 539 910	100%	130 553 991	100%

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

**Information on the number of shares and votes held at the Bank's General Meeting by managed entities by Nationale – Nederlanden PTE has been updated based on the Bank's Shareholder Identification Report as at 31 December 2024.

***Based on the Bank's Shareholder Identification Report as of 31 December 2024.

32.4 Share capital structure

Series	Type of shares	Number of shares	Number of shares	Nominal value of shares	Series value at nominal prices (PLN)	
		31.12.2025	31.12.2024		31.12.2025	31.12.2024
Series A	Ordinary	50 000 000	50 000 000	10	500 000 000	500 000 000
Series B	Ordinary	1 250 000	1 250 000	10	12 500 000	12 500 000
Series C	Ordinary	12 332 965	12 332 965	10	123 329 650	123 329 650
Series D	Ordinary	863 827	863 827	10	8 638 270	8 638 270
Series E	Ordinary	524 404	524 404	10	5 244 040	5 244 040
Series F	Ordinary	318 701	318 701	10	3 187 010	3 187 010
Series G	Ordinary	6 358 296	6 358 296	10	63 582 960	63 582 960
Series H	Ordinary	2 355 498	2 355 498	10	23 554 980	23 554 980
Series I	Ordinary	56 550 249	56 550 249	10	565 502 490	565 502 490
Series J	Ordinary	51	51	10	510	510
Total		130 553 991	130 553 991		1 305 539 910	1 305 539 910

As at 31 December 2025 and 31 December 2024, the Bank did not have any preference shares.

Other additional information

33 Off-balance sheet items

33.1 Accounting principles

In this item, the Group presents financing and guarantee commitments.

In the item of financial liabilities, the Group has commitments to grant loans. These commitments include approved loans, credit card limits and overdraft limits.

In this item, the Group did not present liabilities resulting from positive credit decisions constituting a unilateral offer of the Bank, of an irrevocable nature, concerning the financing of mortgage loans, which as at 31 December 2025 amounted to PLN 293 million and as at 31 December 2024 - PLN 267 million.

In the guarantee position, guarantees are presented which secure the performance of the Group's clients with their obligations towards third parties.

The Group charges commissions for liabilities granted, which are accounted for in accordance with the characteristics of the instrument.

The guarantee values as specified in the table above reflect the maximum potential loss that would be disclosed on the balance sheet date if all customers defaulted.

33.2 Financial data

Off-balance sheet liabilities granted to customers	31.12.2025	31.12.2024
Granted off-balance liabilities	14 509 631	12 640 995
Concerning financing	13 659 580	11 683 706
Guarantees	850 051	957 289
Performance guarantees	280 740	354 471
Financial guarantees	569 311	602 818

By maturity – concerning financing	31.12.2025	31.12.2024
up to 1 month	5 229 734	5 559 239
from 1 month to 3 months	175 207	273 152
from 3 months to 1 years	1 530 489	893 943
from 1 year to 5 years	5 511 485	4 213 628
more than 5 years	1 212 665	743 744
Total	13 659 580	11 683 706

By maturity – guarantees	31.12.2025	31.12.2024
up to 1 month	51 858	13 179
from 1 month to 3 months	64 146	138 148
from 3 months to 1 years	235 375	327 745
from 1 year to 5 years	412 591	382 427
more than 5 years	86 081	95 790
Total	850 051	957 289

31.12.2025	Nominal amount			Provision		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Concerning financing	11 627 517	1 971 330	60 733	19 246	16 112	0
Guarantees	703 209	139 192	7 650	166	123	473
Total	12 330 726	2 110 522	68 383	19 412	16 235	473

31.12.2024	Nominal amount			Provision		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Concerning financing	10 306 661	1 319 895	57 150	18 324	14 196	0
Guarantees	744 767	196 046	16 476	150	462	9 287
Total	11 051 428	1 515 941	73 626	18 474	14 658	9 287

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

Change in off-balance sheet liabilities concerning financing (nominal value)	Stage 1	Stage 2	Stage 3	Total
As at 01.01.2025	10 306 661	1 319 895	57 150	11 683 706
New / purchased / granted financial assets	5 886 532	0	0	5 886 532
Changes due to the sale or expiry of the instrument	-2 621 774	-342 934	-46 437	-3 011 145
Transfer to Stage 1	182 887	-182 804	-83	0
Transfer to Stage 2	-1 170 919	1 171 489	-570	0
Transfer to Stage 3	-10 010	-36 201	46 211	0
Changing commitment	-941 125	42 784	4 462	-893 879
Other changes, including exchange rate differences	-4 735	-899	0	-5 634
As at 31.12.2025	11 627 517	1 971 330	60 733	13 659 580

Change in off-balance sheet liabilities guarantees (nominal value)	Stage 1	Stage 2	Stage 3	Total
As at 01.01.2025	744 767	196 046	16 476	957 289
New / purchased / granted financial assets	298 766	0	0	298 766
Changes due to the sale or expiry of the instrument	-313 120	-59 489	-12 075	-384 684
Transfer to Stage 1	40 922	-40 922	0	0
Transfer to Stage 2	-64 470	64 470	0	0
Transfer to Stage 3	-514	-216	730	0
Changing commitment	-2 998	-20 536	2 542	-20 992
Other changes, including exchange rate differences	-144	-161	-23	-328
As at 31.12.2025	703 209	139 192	7 650	850 051

Change in off-balance sheet liabilities concerning financing (nominal value))	Stage 1	Stage 2	Stage 3	Total
As at 01.01.2024	10 203 297	1 268 205	152 765	11 624 267
New / purchased / granted financial assets	5 201 527	0	0	5 201 527
Changes due to the sale or expiry of the instrument	-3 303 514	-472 160	-101 712	-3 877 386
Transfer to Stage 1	111 900	-109 637	-2 263	0
Transfer to Stage 2	-802 162	831 927	-29 765	0
Transfer to Stage 3	-6 993	-23 445	30 438	0
Changing commitment	-1 094 009	-174 140	6 938	-1 261 211
Other changes, including exchange rate differences	-3 385	-855	749	-3 491
As at 31.12.2024	10 306 661	1 319 895	57 150	11 683 706

Change in off-balance sheet liabilities guarantees (nominal value)	Stage 1	Stage 2	Stage 3	Total
As at 01.01.2024	621 161	148 711	53 561	823 433
New / purchased / granted financial assets	416 607	0	0	416 607
Changes due to the sale or expiry of the instrument	-155 432	-53 968	-40 553	-249 953
Transfer to Stage 1	12 985	-12 985	0	0
Transfer to Stage 2	-115 570	115 707	-137	0
Transfer to Stage 3	-1 232	0	1 232	0
Changing commitment	-33 369	-1 099	2 486	-31 982
Other changes, including exchange rate differences	-383	-320	-113	-816
As at 31.12.2024	744 767	196 046	16 476	957 289

Change in the provision for off-balance sheet liabilities concerning financing	Stage 1	Stage 2	Stage 3	Total
As at 01.01.2025	18 324	14 196	0	32 520
New / purchased / granted financial assets	33 989	0	0	33 989
Changes due to the sale or expiry of the instrument	-11 284	-13 919	0	-25 203
Transfer to Stage 1	1 237	-1 237	0	0
Transfer to Stage 2	-10 920	10 920	0	0
Transfer to Stage 3	-28	-2 303	2 331	0
Change in the estimate of the provision for off-balance sheet liabilities	-12 042	8 504	-2 331	-5 869
Other changes, including exchange rate differences	-30	-49	0	-79
As at 31.12.2025	19 246	16 112	0	35 358

Change in the provision for off-balance sheet liabilities guarantees	Stage 1	Stage 2	Stage 3	Total
As at 01.01.2025	150	462	9 287	9 899
New / purchased / granted financial assets	599	0	0	599
Changes due to the sale or expiry of the instrument	-101	-216	-9 336	-9 653
Transfer to Stage 1	42	-42	0	0
Transfer to Stage 2	-242	242	0	0
Transfer to Stage 3	-231	-1	232	0
Change in the estimate of the provision for off-balance sheet liabilities	-50	-322	303	-69
Other changes, including exchange rate differences	-1	0	-13	-14
As at 31.12.2025	166	123	473	762

Change in the provision for off-balance sheet liabilities concerning financing	Stage 1	Stage 2	Stage 3	Total
As at 01.01.2024	13 246	25 700	1 825	40 771
New / purchased / granted financial assets	21 620	0	0	21 620
Changes due to the sale or expiry of the instrument	-12 708	-31 487	-3 354	-47 549
Transfer to Stage 1	1 985	-1 971	-14	0
Transfer to Stage 2	-13 697	14 765	-1 068	0
Transfer to Stage 3	-57	-2 941	2 998	0
Change in the estimate of the provision for off-balance sheet liabilities	3 373	15 175	-795	17 753
Other changes, including exchange rate differences	4 562	-5 045	408	-75
As at 31.12.2024	18 324	14 196	0	32 520

Change in the provision for off-balance sheet liabilities guarantees	Stage 1	Stage 2	Stage 3	Total
As at 01.01.2024	192	324	32 591	33 107
New / purchased / granted financial assets	1 630	0	0	1 630
Changes due to the sale or expiry of the instrument	-42	-181	-31 202	-31 425
Transfer to Stage 1	4	-4	0	0
Transfer to Stage 2	-404	779	-375	0
Transfer to Stage 3	-1 347	0	1 347	0
Change in the estimate of the provision for off-balance sheet liabilities	-133	-205	6 979	6 641
Other changes, including exchange rate differences	250	-251	-53	-54
As at 31.12.2024	150	462	9 287	9 899

The distribution of off-balance sheet liabilities granted to customers according to the aggregated PD scale is presented below.

Concerning financing	31.12.2025			31.12.2024		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
< 0.28%	2 319 844	354 182	2 674 026	1 991 588	126 469	2 118 057
0.28% - 0.44%	706 956	79 638	786 594	791 808	128 970	920 778
0.44% - 0.85%	1 911 382	150 456	2 061 838	1 341 118	180 500	1 521 618
0.85% - 1.33%	3 564 608	183 766	3 748 374	2 254 411	138 966	2 393 377
1.33% - 2.06%	1 636 262	451 775	2 088 037	2 149 653	136 323	2 285 976
2.06% - 3.94%	1 067 311	325 649	1 392 960	1 157 875	272 842	1 430 717
3.94% - 9.1%	331 996	275 080	607 076	474 892	217 111	692 003
> 9.1%	60 374	80 791	141 165	116 362	118 714	235 076
No scoring	28 784	69 993	98 777	28 954	0	28 954
Total	11 627 517	1 971 330	13 598 847	10 306 661	1 319 895	11 626 556

Guarantees	31.12.2025			31.12.2024		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
< 0.28%	34 457	0	34 457	143 204	0	143 204
0.28% - 0.44%	131 051	112	131 163	42 876	475	43 351
0.44% - 0.85%	97 912	2 000	99 912	148 152	10 603	158 755
0.85% - 1.33%	112 821	9 445	122 266	144 313	21 733	166 046
1.33% - 2.06%	188 771	41 131	229 902	204 415	13 974	218 389
2.06% - 3.94%	85 700	16 506	102 206	46 435	69 437	115 872
3.94% - 9.1%	41 930	13 294	55 224	13 995	25 703	39 698
> 9.1%	10 567	56 704	67 271	1 377	54 121	55 498
Total	703 209	139 192	842 401	744 767	196 046	940 813

34 Additional information to the cash flow statement

34.1 Accountig principles

The Group makes its statement of operating cash flows with an indirect method in which the gross profit for the reporting period is adjusted by the effects of cashless transactions and accruals concerning future or past inflows or payments of cash funds concerning operating activities.

34.2 Financial data

Operating activity

Cash flows from the Group's operating activities cover primarily lending, deposits, FX exchange transactions, and purchase and sale of securities. The Group in addition, include also Bank securities issued liabilities and Bank structured securities issued liabilities.

Change of balances of loans and other receivables

	01.01.2025– 31.12.2025	01.01.2024– 31.12.2024
Change of receivables from customers – statement of financial position	-2 616 407	-1 580 751
Change of receivables from banks – statement of financial position	-381 528	2 793 839

	01.01.2025– 31.12.2025	01.01.2024– 31.12.2024
Total	-2 997 935	1 213 088

Change of other liabilities

	01.01.2025– 31.12.2025	01.01.2024– 31.12.2024
Change of other liabilities – statement of financial position	331 269	-945 465
Change of other liabilities – measured at amortised cost – statement of financial position	408 929	-11 552
Liabilities for expenses related to the acquisition of fixed assets	-114 464	34 291
Liabilities for expenses related to the acquisition of intangible assets	-59 227	-59 812
Other changes	106 002	115 286
Total	672 509	-867 252

Investing activities

Investing activities include the acquisition and disposal of intangible assets, tangible fixed assets and equity instruments measured at fair value through other comprehensive income, as well as debt securities measured at amortized cost (excluding short-term treasury bills).

Financial activity

Cash flows from financing activities include inflows and outflows related to both obtaining and repayment of own and external sources of financing, as well as inflows from the issue of long-term debt financial instruments, subordinated issues and repayment of long-term liabilities, including finance lease liabilities and dividend payments to shareholders.

	31.12.2024	Cash flows			Non-cash changes		31.12.2025
		Inflows	Principal outflows	Interest outflows	Accrued interests	Exchange rate differences	
Long-term liabilities	1 809 233	850 000	-400 000	-132 556	142 257	0	2 268 934

	31.12.2023	Cash flows			Non-cash changes		31.12.2024
		Inflows	Principal outflows	Interest outflows	Accrued interests	Exchange rate differences	
Subordinated and long-term liabilities	2 011 857	950 000	-1 141 700	-168 517	157 593	0	1 809 233

35 Fair value

35.1 Accounting principles and estimates and judgments

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

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

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

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

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

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

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

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

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

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

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

options embedded in structured instruments is offset by changes in the valuation of options concluded on the interbank market. Instruments of this level also include unlisted shares held by the Group.

	Measurement method (techniques)	Material observable input data	Factor unobservable	Range of unobservable factors	Impact on valuation
EXOTIC OPTIONS	The prices of exotic options embedded in structured products are determined on the basis of market prices or measured with the internal model subject to both observable parameters (e.g. price of the base instrument, secondary quotations of options) and non-observable (e.g. variability, correlations between base instruments)	The prices of exotic options embedded in structured products are acquired from the market	Volatility of prices of underlying instruments, correlations of prices of underlying instruments	Back-to-back closed options, changes in unobservable factors without affecting the total portfolio valuation	none
SHARES VISA INC C SERIES	The current market value of listed ordinary shares of Visa Inc. subject to the conversion ratio and discount, considering changing prices of the shares of Visa Inc.	Market value of the listed ordinary shares of Visa Inc	Discount due to the illiquid nature of the securities, common stock conversion factor	Discount +/-19% ; conversion rate <- 0.047;0>	+23.5%/-28.5%
Shares PSP SA	Fair value estimation is based on the current value of the company's forecast results	Risk free rate	Risk premium, financial performance forecast	Risk premium +/- 25bps. ; Financial forecasts +/- 10%	+9.6%/-9.6%

Fair value valuation is performed directly by the Financial Risk Management Department. It is an entity independent of the entities concluding individual transactions. The fair value valuation methodology, including changes to its parameterization, is subject to approval by the Capital, Assets and Liabilities Management Committee (CALCO). The Financial Risk Management Department assesses the adequacy and significance of risk factors in terms of assigning valuation models to the appropriate level of the fair value valuation hierarchy in accordance with the established classification principles. However, the assessment of the adequacy of valuation methods is subject to cyclical reviews as part of model risk management, and input data is subject to the DQM (Data Quality Management) process.

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

Alior Bank Group made an irrevocable decision to designate investments from the portfolio of equity investments available for sale as being measured at fair value through other comprehensive income. Equity investments, in relation to which the Group chose the option of fair value valuation by other comprehensive income, were acquired with the goal of long-term and strategic maintenance of their investment portfolio without intending to realize profit on sales in the short or medium time horizon.

35.2 Financial data

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

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

31.12.2025	Level 1	Level 2	Level 3	Total
Securities and derivatives	21 346 191	2 006 854	220 136	23 573 181
Securities measured at fair value through profit and loss	103 369	247 876	19 392	370 637
SWAP	0	155 724	0	155 724
Cap Floor Options	0	485	0	485
FRA	0	577	0	577
Forward	15	0	0	15
FX Swap	0	16 386	0	16 386
FX forward	0	34 285	0	34 285
CIRS	0	1 058	0	1 058
FX options	0	7 615	24	7 639
Other options	0	0	146	146
Other instruments	30	31 746	0	31 776
Financial derivatives	45	247 876	170	248 091
Treasury bonds	103 324	0	0	103 324
Other bonds	0	0	4	4
Equity instruments	0	0	19 218	19 218
Securities	103 324	0	19 222	122 546
Securities measured at fair value through other comprehensive income	21 242 822	1 099 389	200 744	22 542 955
Money bills	0	1 099 389	0	1 099 389
Treasury bonds	19 046 261	0	0	19 046 261
Treasury bills	945 076	0	0	945 076
Other bonds	1 251 485	0	0	1 251 485
Equity instruments	0	0	200 744	200 744
Derivative hedging instruments	0	659 589	0	659 589
Interest rate transactions	0	659 589	0	659 589

31.12.2024	Level 1	Level 2	Level 3	Total
Securities and derivatives	17 667 648	3 885 891	166 121	21 719 660
Securities measured at fair value through profit and loss	2 014	212 808	26 120	240 942
SWAP	0	134 884	0	134 884
Cap Floor Options	0	786	0	786
FRA	0	197	0	197
Forward	7	0	0	7
FX swap	0	35 852	0	35 852
FX forward	0	8 447	0	8 447
CIRS	0	8 092	0	8 092
FX options	0	18 014	26	18 040
Other instruments	29	6 536	0	6 565
Financial derivatives	36	212 808	26	212 870
Treasury bonds	1 978	0	0	1 978
Other bonds	0	0	4	4

31.12.2024	Level 1	Level 2	Level 3	Total
Equity instruments	0	0	26 090	26 090
Securities	1 978	0	26 094	28 072
Securities measured at fair value through other comprehensive income	17 665 634	3 398 372	140 001	21 204 007
Money bills	0	3 398 372	0	3 398 372
Treasury bonds	16 633 632	0	0	16 633 632
Treasury bills	213 200	0	0	213 200
Other bonds	818 802	0	0	818 802
Equity instruments	0	0	140 001	140 001
Assets pledged as collateral	18 029	0	0	18 029
Derivative hedging instruments	0	274 711	0	274 711
Interest rate transactions	0	274 711	0	274 711

Issuer	Hierarchy level	Fair value on 31.12.2025	Fair value on 31.12.2024
PSP SA	III	197 472	136 715
SWIFT	III	822	831
Other shares	III	2 450	2 455
Usługi Logistyczne SA w likwidacji	III	0	0
Total		200 744	140 001

31.12.2025	Level 1	Level 2	Level 3	Total
Financial liabilities held for trading	59 239	267 564	321	327 124
Bonds	59 222	0	0	59 222
SWAP	0	190 160	0	190 160
Cap Floor Options	0	485	0	485
FRA	0	893	0	893
FX Swap	0	21 290	0	21 290
FX forward	0	8 908	0	8 908
CIRS	0	6 104	0	6 104
FX options	0	9 850	175	10 025
Other options	0	0	146	146
Other instruments	17	29 874	0	29 891
Derivative hedging instruments	0	69 034	0	69 034
Interest rate transactions	0	69 034	0	69 034

31.12.2024	Level 1	Level 2	Level 3	Total
Financial liabilities held for trading	64	196 267	119	196 450
SWAP	0	136 642	0	136 642
Cap Floor Options	0	786	0	786
FRA	0	1 206	0	1 206
FX Swap	0	15 516	0	15 516
FX forward	0	13 366	0	13 366
CIRS	0	2 383	0	2 383
FX options	0	20 208	119	20 327
Other instruments	64	6 160	0	6 224

31.12.2024	Level 1	Level 2	Level 3	Total
Derivative hedging instruments	0	450 383	0	450 383
Interest rate transactions	0	450 383	0	450 383

Reconciliation of changes at level 3 of fair value hierarchy

Changes in financial assets and liabilities	Assets			Liabilities
	Equity instruments	Debt instruments	Derivatives	Derivatives
As at 01.01.2025	166 091	4	26	119
Acquisitions/Reclassification of assets	0	0	169	321
Net changes recognized in other comprehensive income	60 757	0	0	0
Net changes recognized in profit and loss	2 940	0	0	0
Exchange rate differences	-1 654	0	0	0
Settlement / redemption	-8 172	0	-25	-119
As at 31.12.2025	219 962	4	170	321

Changes in financial assets and liabilities	Assets			Liabilities
	Equity instruments	Debt instruments	Derivatives	Derivatives
As at 01.01.2024	161 676	4	3 179	3 179
Acquisitions/Reclassification of assets	0	0	26	119
Net changes recognized in other comprehensive income	20 975	0	0	0
Net changes recognized in profit and loss	7 109	0	-1 053	-1 053
Exchange rate differences	657	0	0	0
Settlement / redemption	-24 326	0	-2 126	-2 126
As at 31.12.2024	166 091	4	26	119

In 2025 the Group did not reclassify financial instruments between levels of the fair value hierarchy.

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

31.12.2025	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Assets					
Cash and cash equivalents	4 062 914	430 738	3 632 176	0	4 062 914
Amount due from banks	2 203 109	0	2 203 109	0	2 203 109
Loans and advances to customers	65 451 458	0	0	67 472 605	67 472 605
Retail segment	42 719 018	0	0	44 276 349	44 276 349
Consumer loans	19 859 480	0	0	19 856 657	19 856 657
Mortgage loans	22 859 538	0	0	24 419 692	24 419 692
Corporate segment	22 732 440	0	0	23 196 256	23 196 256
Finance lease receivables	6 108 034	0	0	6 143 585	6 143 585
Other loans and advances	16 624 406	0	0	17 052 671	17 052 671
Securities measured at amortized cost	3 595 736	3 633 979	0	61	3 634 040
Liabilities					
Amounts due to banks	589 204	0	589 204	0	589 204
Amounts due to customers	82 620 585	0	0	82 620 585	82 620 585

31.12.2025	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Debt securities issued	2 321 870	0	0	2 321 640	2 321 640

31.12.2024	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Assets					
Cash and cash equivalents	2 123 351	434 835	1 688 516	0	2 123 351
Amount due from banks	1 821 581	0	1 821 581	0	1 821 581
Loans and advances to customers	62 735 968	0	0	62 574 329	62 574 329
Retail segment	39 806 429	0	0	39 450 565	39 450 565
Consumer loans	19 444 488	0	0	19 421 327	19 421 327
Mortgage loans	20 361 941	0	0	20 029 238	20 029 238
Corporate segment	22 929 539	0	0	23 123 764	23 123 764
Finance lease receivables	5 649 458	0	0	5 391 039	5 391 039
Other loans and advances	17 280 081	0	0	17 732 725	17 732 725
Securities measured at amortized cost	2 157 936	2 151 387	0	61	2 151 448
Liabilities					
Amounts due to banks	160 125	0	160 124	0	160 124
Amounts due to customers	76 936 600	0	0	76 936 600	76 936 600
Debt securities issued	2 087 016	0	0	2 086 957	2 086 957

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

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

Receivables from customers

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

In the case of receivables from customers based on a fixed rate or a periodically fixed rate, in the method of calculating their fair value, in addition to the component based on margins, the Group also uses a component that takes into account changes in the level of market interest rates.

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

Financial liabilities measured at amortised cost

Deposits are accounted for in the fair value estimate using a contractual approach, with sight deposits and savings accounts being short-term deposits available on demand. Term deposits are accounted for at their contractual maturity date. Virtually all term deposits from individual customers mature in up to 6 months, while those from business customers mature in up to 1 year, with a predominant concentration of maturities up to 6 months. Deposits are accepted as part of the bank's ongoing operations on a daily basis, so their terms are similar to the current market conditions for identical transactions. The time to maturity of these items is short, so there is no significant difference between their carrying amount and their fair value. Furthermore, the Bank assumed that the fair value of bank deposits and other financial liabilities with maturities of up to 1 year is also approximately equal to their carrying amount.

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

Other financial assets and liabilities

For other financial assets and liabilities, the Group assumes that the carrying value is close to fair value.

36 Transactions with related entities

In accordance with IFRS 10 "Consolidated Financial Statements", the parent entity of Alior Bank SA is Powszechny Zakład Ubezpieczeń SA, of which the State Treasury is a 34.2% shareholder. Related entities include: PZU SA and entities related to it and entities related to members of the Bank's Management Board and Supervisory Board. Via PZU SA, the Bank is indirectly controlled by the State Treasury.

The tables below present the type and values of transactions with related entities. Transactions between the Bank and its subsidiaries that are its related parties have been eliminated as a result of consolidation and are not disclosed in this note.

Nature of transactions with related entities

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

Parent company	31.12.2025	31.12.2024
Other assets	4 892	7 455
Total assets	4 892	7 455
Amounts due to customers	1 059	4 122
Other liabilities	1 806	641
Total liabilities	2 865	4 763

Subsidiaries of the parent company	31.12.2025	31.12.2024
Cash and cash equivalents	1 128	358

Subsidiaries of the parent company	31.12.2025	31.12.2024
Loans and advances to customers	67 280	52 682
Other assets	905	908
Total assets	69 313	53 948
Amounts due to customers	10 736	30 462
Provisions	0	13
Other liabilities	8 385	6 443
Total liabilities	19 121	36 918

Subsidiaries of the parent company	31.12.2025	31.12.2024
Off-balance liabilities granted to customers	15 632	33 353
Relating to financing	15 632	33 353

Joint control by persons related to the Group	31.12.2025	31.12.2024
Loans and advances to customers	1 534	4
Total assets	1 534	4
Amounts due to customers	304	11
Total liabilities	304	11

Parent company	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Interest income	22 558	22 315
Interest expenses	-86	-83
Fee and commission income	33 797	39 853
Fee and commission expense	-16 584	-15 577
The result on financial assets measured at fair value through profit or loss and FX result	-4	-10
Other operating income	76	135
Other operating expenses	-530	0
General administrative expenses	-6 992	-5 266
Total	32 235	41 367

Subsidiaries of the parent company	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Interest income	72 062	74 189
Income of a similar nature	284	286
Interest expenses	-391	-2 362
Fee and commission income	31 476	23 648
Fee and commission expense	-758	-1 102
The result on financial assets measured at fair value through profit or loss and FX result	518	466
Other operating income	1	41
General administrative expenses	-26 405	-22 486
Net expected credit losses	-67	-72
Total	76 720	72 608

Joint control by persons related to the Group	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Interest income	112	0
Interest expenses	-1	
Fee and commission income	6	0
Net expected credit losses	-1	0
Total	116	0

Transactions with the State Treasury and related entities

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

Transactions with the State Treasury and related entities as at 31 December 2025

Name	Loans to customers/debt instruments	Interest and commission income
State Treasury	18 959 083	851 703
Customer 1	668 138	200 034
Customer 2	217 554	14 127
Customer 3	161 257	11 505
Customer 4	134 146	11 969
Customer 5	95 583	4 815
Customer 6	81 165	3 414
Customer 7	68 864	6 548
Customer 8	56 324	4 156
Customer 9	42 051	7 092
Customer 10	20 158	4 517

Name	Amounts due to customers	Interest costs
Customer 1	136 514	-4 038
Customer 2	71 474	-2 712
Customer 3	64 888	-1 608
Customer 4	45 473	-1 164
Customer 5	41 152	-1 113
Customer 6	23 905	-377
Customer 7	23 847	-2 598
Customer 8	22 942	-164
Customer 9	21 864	-1 552
Customer 10	20 968	-138

Name	Off-balance sheet items	Commission income
Customer 1	788 856	1 386
Customer 2	200 000	0
Customer 3	178 359	0
Customer 4	102 900	0
Customer 5	85 000	0
Customer 6	60 000	0

Name	Off-balance sheet items	Commission income
Customer 7	50 000	339
Customer 8	50 000	0
Customer 9	46 165	0
Customer 10	29 712	0

Transactions with the State Treasury and related entities as at 31 December 2024

Name	Loans to customers/debt instruments	Interest and commission income
State Treasury	14 741 404	783 794
Customer 1	660 736	171 630
Customer 2	201 151	14 045
Customer 3	178 669	1 889
Customer 4	168 107	14 796
Customer 5	97 303	4 710
Customer 6	95 601	6 466
Customer 7	82 238	15 048
Customer 8	60 255	2 061
Customer 9	57 991	5 008
Customer 10	43 934	5 058

Name	Amounts due to customers	Interest costs
Customer 1	151 229	-7 145
Customer 2	139 786	-2 632
Customer 3	81 179	-1 801
Customer 4	48 215	-1 447
Customer 5	45 951	-639
Customer 6	41 584	-643
Customer 7	34 458	-649
Customer 8	34 394	-871
Customer 9	33 580	-276
Customer 10	31 620	-26

Name	Off-balance sheet items	Commission income
Customer 1	614 493	186
Customer 2	200 000	0
Customer 3	189 173	0
Customer 4	100 000	24
Customer 5	85 000	0
Customer 6	69 309	0
Customer 7	50 000	387
Customer 8	47 727	0
Customer 9	33 793	47
Customer 10	33 353	0

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

37 Benefits for the for senior executives

37.1 Accounting principles

Short-term employee benefits are those that are accounted for within 12 months of the end of the annual reporting period in which the employees have performed work. As a short-term employee benefit, apart from the basic salary, the non-deferred part of the variable remuneration component in the form of cash was recognized.

As long-term employee benefits, the Bank recognizes the non-deferred (stopped) part of variable remuneration in phantom shares and the part of variable remuneration deferred for subsequent periods, both in phantom shares and in cash.

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

The Bank has a Remuneration Policy covering all employees. The Remuneration Policy is reviewed by the Nomination and Remuneration Committee and adopted by the Management Board and approved by the Supervisory Board. With respect to people who affect the risk profile, (MRT) identified on the basis of the criteria defined in the Commission Delegated Regulation (EU) No. 2021/923 of 25 March 2021, the Policy has been determined on the basis of the regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system as well as remuneration policy in banks.

The main policy submissions in relation to the MRT:

- the remuneration is composed of fixed remuneration and variable remuneration,
- not grant MRT unidentified retirement benefits,
- MRT's commitment not to use individual hedging strategies or insurance concerning the remuneration and responsibility in order to undermine the effects of risk in the remuneration system applicable to them,
- maximum ratio of MRT variable remuneration to fixed remuneration: 100%,
- at least 50% of the MRT's variable remuneration is an incentive to pay special attention to the Bank's long-term good and is therefore composed of financial instruments related to the Bank's shares; the remaining part of the variable remuneration paid in cash as cash variable remuneration,
- at least 40% of the variable MRT remuneration, and if the variable remuneration of the MRT amounts to a particularly high amount, at least 60% of the variable remuneration - is deferred remuneration,
- variable remuneration of the Management Board is adapted to the provisions of the Act of 9 June 2016 about the principles of determining the remuneration of persons managing certain companies.

37.2 Financial data

Below are presented the items of the statement of financial position, which include the balances of the Bank's transactions with the Bank's Management Board and Supervisory Board. All transactions with

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

31.12.2025	Supervising, managing persons	Supervisory Board	Bank's Management Board
Amounts due to customers	1 453	237	1 216
Total liabilities	1 453	237	1 216

31.12.2024	Supervising, managing persons	Supervisory Board	Bank's Management Board
Amounts due to customers	575	355	220
Total liabilities	575	355	220

Remuneration of the Supervisory Board and Management Board in reporting period	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Management Board		
short-term employee benefits	10 761	9 761
long-term employee benefits	6 774	5 148
post-employment benefits	1 126	4 529
termination benefits	0	2 715
Management Board, total	18 661	22 153
Supervisory Board		
short-term employee benefits	1 521	1 092
Supervisory Board, total	1 521	1 092

The amounts in the table above include remuneration representing the cost of a given period (due or paid).

At the end of the reporting period, i.e. 31 December 2025 and as at the date of publication of the report, members of the Supervisory Board and members of the Management Board of Alior Bank did not hold the Bank's shares.

Agreements of members of the Management Board in accordance with the resolution of the Extraordinary General Meeting of the Bank of 5 December 2017 regarding the regulation of remuneration principles for members of the Management Board of Alior Bank (amended by the resolution of the Extraordinary General Meeting of the Bank of 28 June 2019) and the principles adopted by the Supervisory Board:

- contracts for time of performing functions, relating to the Act of 9 June 2016 about the principles of determining the remuneration of persons managing certain companies,
- Management Board Member's contract for the time of performing functions,
- termination period:
 - 1 month in case of performing Management Board member function for less than 12 months effective at the end of calendar month,
 - 3 months in case of performing Management Board member function for at least 12 months,
- severance pay in the amount of 3 times the fixed remuneration in the event of termination of the contract or termination of the contract by the Bank for reasons other than the violation of basic duties by the Management Board member, provided that the Management Board member performs the function for a period of at least 12 months before the termination of the contract,

- non-compete clause based on which Management Board member is obliged (assuming he performed the function for at least 3 months) not to perform any activities deemed competitive with reference to the Company for the period of 6 months since the date of contract termination. As a consequence Management Board Members are entitled to severance in the amount of six months fixed salary.

37.3 Bonus system for senior executives

Since 2016, the Management Board has been covered by the bonus system for the Management Board. The purpose of the program is to create additional incentive stimuli for its participants to effectively perform the duties entrusted to them, in particular, managing the Bank and making efforts aimed at the continued stable development of the Bank and its capital group, while maintaining appropriate and effective risk management at the Bank, stability of the Bank's management personnel and realization of long-term interests of the shareholders by bringing about a stable growth of the stock exchange valuation of the Bank's shares, while maintaining an increase in the net assets of the Bank and its companies. The Management Board's variable remuneration is granted and paid in accordance with the Remuneration Policy described above.

The other members of senior executives, with particular emphasis on those having an impact on the risk profile (MRT), are covered by an annual bonus. With the exception of persons exercising control functions, the basis for determining the total amount of variable remuneration is the assessment of the MRT and organizational unit results as well as the Bank's results in the area of the person's responsibility, taking into account the results of the entire Bank.

In accordance with the Remuneration Policy in force at the time of grant, the variable remuneration of the Management Board and other MRTs in the part granted in the form of phantom shares is a cash-settled programme.

	Number of phantom shares	The average share price for the completed phantom shares	Number of phantom shares	The average share price for the completed phantom shares
	01.01.2025 - 31.12.2025		01.01.2024 - 31.12.2024	
At the beginning of the period	118 287	-	157 092	-
Granted during the period	91 540	-	28 763	-
Forfeited during the period	4 863	-	0	-
Realized during the period	50 735	0.01	67 568	0.01
At the end of the period	154 229	-	118 287	-
Exercisable at end of period	0		0	-

	Phantom shares as at 31.12.2025	Phantom shares as at 31.12.2024
The fair value of the instrument at the end of the period (PLN)	110.45	85.98
The exercise price of the instrument (for instruments outstanding at the end of the period) (PLN)	0.01	0.01

	Phantom shares as at 31.12.2025	Phantom shares as at 31.12.2024
The average maturity date of the instrument occurring at the end of the period	15.11.2027	28.09.2026

The carrying amount of liabilities arising from cash-settled phantom shares amounted to PLN 17.0 million as at 31 December 2025 (as at 31 December 2024 - PLN 10.2 million).

The remuneration expenses for 2025 relating to the realized phantom shares amounted to PLN 2.93 million (in 2024 - PLN 6.81 million).

Deferred tranches are paid in accordance with the Remuneration Policy after confirming that there were no events causing their reduction or suspension.

38 Offsetting of financial assets and liabilities

38.1 Accounting policy information

The Group offsets financial assets and liabilities and discloses them in the statement of financial position in net value if it is possible to enforce the right to set off the disclosed amounts and an intention to settle them in net amounts or the asset and liability may be realised at the same time.

The Group enters into offset agreements – ISDA agreements (International Swaps and Derivatives Association Master Agreements) and GMRA agreements (Global Master Repurchase Agreement) that provide for: set-off of financial assets and liabilities (close out netting) in the case of a default by any party to the agreement. The agreements are of special importance to mitigating the risk related to derivative instruments since they provide for netting of both payable (mitigation of settlement risk) and not yet payable liabilities of the parties (mitigation of pre-settlement risk). However, those agreements do not meet the requirements specified in IAS 32 concerning recognition of the set-off effects in the statement of financial condition since the set-off is subject to the occurrence of a specific event in the future (events of default).

The exposures under derivative instruments are additionally secured with deposits placed by the counterparties under CSA (Credit Support Annex).

38.2 Financial data

Financial assets	31.12.2025		31.12.2024	
	Derivatives	Reverse repo transactions	Derivatives	Reverse repo transactions
Carrying amount of items from the statement of financial position	907 680	1 740 927	487 581	1 526 174
Carrying amount of items not subject to any offsetting	55 882	415 174	27 084	554 269
Net carrying amount – subject to any offsetting	851 798	1 325 753	460 497	971 905
Potential compensation amounts	829 457	1 323 380	456 607	970 187
- financial instruments (includes received collateral on securities)	275 035	1 323 380	427 453	968 528
- received cash collateral	554 422	0	29 154	1 659
Net value	22 341	2 373	3 890	1 718
Financial liabilities held for trading				
Carrying amount of items from the statement of financial position	336 936	0	646 833	0

Carrying amount of items not subject to any offsetting	17 694	0	25 967	0
Net carrying amount – subject to any offsetting	319 242	0	620 866	0
Potential compensation amounts	286 479	0	601 214	0
- financial instruments (includes received collateral on securities)	275 035	0	427 453	0
- received cash collateral	11 444	0	173 761	0
Net value	32 763	0	19 652	0

Compare to 2024, the Bank has amended the above note to better reflect the data aggregation components of this disclosure: derivatives and repurchase agreements. Furthermore, the potential offset amount also includes the market value of securities securing repurchase agreements.

39 Legal claims

In the Group's opinion, no single court, arbitration court or public administration body proceedings in progress during the 2025, and none of the proceedings jointly, could pose a threat to the Group's financial liquidity.

In accordance with IAS 37, the Group each time assesses whether a past event gave rise to a present obligation. In legal claims, the Group additionally uses expert opinions. If, based on expert judgment and taking into account all circumstances, the Group assesses that the existence of a present obligation as at the balance sheet date is more likely than not and the Group is able to reliably estimate the amount of the obligation in this respect, then it creates a provision. As at 31 December 2025, the Group created provisions for legal claims brought against the Group's entities, which, according to the legal opinion, involve the risk of outflow of funds due to fulfillment of the obligation in the amount of PLN 314 203 thousand and as at 31 December 2024 in the amount of PLN 216 126 thousand.

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

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

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

On 21 November 2017, the Polish Financial Supervision Authority ("PFSA") issued a decision to withdraw the permit to operate by FinCrea TFI SA, which is the managing body of the Funds. The Polish Financial Supervision Authority justified the issuance of a decision found in the course of administrative proceedings for gross violations of the provisions of the Act on investment funds and management of alternative investment funds. The decision was immediately enforceable. No society has decided to take over the management of the Funds, which, pursuant to Art. 68 paragraph 2 in connection with Art. 246 paragraph 1 point 2 of the Act on Investment Funds and Management of Alternative Investment Funds was the reason for the dissolution of the Funds. The dissolution of an investment fund takes place after liquidation.

Investment funds were liquidated in 2024 by Raiffeisen Bank International AG with its registered office in Vienna - the liquidator. The liquidator paid out the funds obtained from the liquidation in proportion to the number of investment certificates held by the fund participants. The payments mean the remission of investment certificates held by fund participants.

Claims for payment

As at 31.12.2025, the Bank is defendant in 172 cases brought by the buyers of the Fund's investment certificates for payment (compensation for damage). The total value of the dispute in these cases is PLN 55.8 million.

As at 31.12.2024, the Bank is defendant in 170 cases brought by the buyers of the Fund's investment certificates for payment (compensation for damage). The total value of the dispute in these cases is PLN 56.6 million.

In the Bank's opinion, each claims for payment requires an individual approach. The Bank conducted an analysis, selected cases and singled out those with specific risk factors, which the Bank took into account in its approach to the provision created on this account. The Bank has changed the estimate of the provisions held as of the balance sheet date in connection with the cases brought against the Bank by purchasers of the Funds' investment certificates for payment and for determining liability. The Bank will analyse the judgments issued on an ongoing basis, taking into account the impact of the liquidation and payments on this account on court judgments and will shape the amount of provisions accordingly.

Liability claims

The Bank is the defendant in 1 collective action brought by a natural person - a representative of a group of 328 natural and legal persons, for determination of the Bank's liability for damage and in 2 individual cases for establishing the Bank's liability for damage.

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

On 8 March 2023, the District Court in Warsaw issued a decision establishing the composition of the class. Following appeals from both parties, on 4 March 2024, the Court of Appeal in Warsaw issued a decision, which, among other things, amended the composition of the group. Thus, the composition of the group was legally determined, with 328 group members. In 2025, the District Court in Warsaw conducted evidentiary proceedings involving the examination of witnesses. The date of the next hearing has not been set. The value of the subject of the extended claim amounts to approx. PLN 103.9 million. The lawsuits were filed to establish liability (not for payment, i.e. compensation for damage), therefore the Bank does not anticipate any outflow of cash from these proceedings, other than litigation costs, the amount of which the Bank estimates at PLN 600 thousand.

The total amount of the provision as at 31 December 2025 amounted PLN 61.1 million. and as at 31 December 2024 – PLN 72.1 million.

Court proceedings of FX mortgage loans

According to the established case law of the Court of Justice of the European Union and common courts in Poland regarding loans indexed to foreign currencies, conversion clauses included in loan agreements are considered unlawful. Subsequent rulings have strengthened the position of borrowers, including:

- consumers are not required to submit additional declarations to benefit from protection against unfair clauses,
- banks cannot demand compensation beyond the repayment of principal and default interest,
- banks are not entitled to demand compensation from consumers beyond the repayment of the principal plus any default interest, which means that banks are not entitled to capital indexation if the loan agreement is found invalid,
- after finding the loan agreement invalid, banks may demand the repayment of principal and interest from the date of the demand, but not an additional amount equal to the purchasing power of the currency.

The Supreme Court's case law has so far held that the two-condition theory applies and that legal provisions cannot be used to fill a gap in a contract resulting from the removal of abusive clauses. Furthermore, the Supreme Court has held that the limitation period for banks' claims for repayment of amounts paid under a loan begins on the day following the date on which the borrower contests the validity of the loan agreement. If the agreement is deemed invalid, there is no legal basis for either party to demand interest or other compensation for the use of its funds during the period from the provision of the undue benefit until the default in repayment of that benefit. However, in June 2025, the Court of Justice of the European Union issued a judgment challenging the two-condition theory as a basis for settling claims between the parties after a loan agreement is deemed invalid, and the Court of Justice of the European Union ruled in favor of the balance theory. However, the lack of uniform case law means that the CJEU judgment may not yet be widely applied by Polish courts.

Additional information on the legal risk of mortgage loans in foreign currencies is described in note 14 Cost of legal risk of FX mortgage loans.

As at 31 December 2025, there were 278 court proceedings pending against the Group (as at 31 December 2024 - 168) concerning mortgage loans granted in previous years in foreign currencies with a total value of the subject matter of the dispute of PLN 232 million (as of 31 December 2024 - PLN 149 million).

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

	31.12.2025	31.12.2024
Loans and advances to customers - adjustment decreasing the gross carrying amount of loans	186	133
Provisions	109	58
Total	295	191

Court proceedings regarding free credit sanction

The banking sector is facing the problem of the growing number of lawsuits filed by consumers or specialized entities purchasing receivables from consumers, covering the reimbursement of consumer credit costs due to defects in the consumer credit agreement. The basic objection of the plaintiffs, present in all cases, is the allegation of the lack of possibility of crediting and charging interest (capital interest) on credit costs, in particular the arrangement fee.

On 13 February 2025, the CJEU issued a judgment based on preliminary questions from a Polish court regarding the sanction of a free loan. The theses of the judgment are as follows:

- firstly, the CJEU did not rule that the interest rate on credited costs is inadmissible, according to the CJEU, the circumstance according to which the APR would turn out to be excessive does not in itself constitute a breach of the information obligation,
- secondly, the CJEU stated that it is for the national court to assess to what extent the average consumer - properly informed and sufficiently observant and prudent - was able to assess, on the basis of the terms of the contract regarding the change of fees, how the amount of his obligation may change,
- thirdly, the Court emphasized that the severity of the sanction provided for in national law should be adequate to the gravity of the infringements and the general principle of proportionality, which results from EU law, should be observed (paragraph 49 of the judgment).

In addition, the CJEU confirmed that the sanction of free credit may be considered disproportionate if the breach of information obligations does not affect the consumer's decision to conclude the contract. The CJEU also confirmed that the sanction of free credit cannot be applied automatically, it is up to the national court to assess the gravity of the breached obligations by the creditor and their impact on the consumer's decision to conclude the contract.

In the Bank's opinion, the CJEU judgment confirms the Bank's previous position that crediting credit costs, in particular commissions, is permissible, even if deemed inadmissible (regardless of the type of sanction), and does not result in a free credit sanction. The Bank assesses that the CJEU judgment is beneficial for the sector and as such will not negatively affect the previous national case law.

As at 31 December 2025, there were pending 4371 court proceedings against the Bank regarding the sanction of a free loan with the value of the subject matter of the dispute amounting PLN 195.2 million (as at 31 December 2024, 2746 proceedings with the value of the subject matter of the dispute amounting PLN 115.1 million). These proceedings are mainly initiated by customers or entities that have purchased receivables from customers and concern the provisions of cash loan agreements. The total amount of the provision in this respect as at 31 December 2025 is PLN 104.2 million (as at 31.12.2024 – MPLN 50.6) and includes both the provision for currently pending disputes and the future inflow of disputes assumed by the Bank.

Significant estimates and judgments

Significant assumptions used to estimate the Bank's provision for reimbursement of consumer credit costs due to defects in the consumer credit agreement as at 31 December 2025 and 31 December 2024 include:

- the rate of inflow of disputes observed to date and forecasted by the Bank in future periods,
- the value of the subject matter of the dispute,
- statistics of resolved cases.

Sensitivity analysis of significant estimates and judgements

The Bank conducted a sensitivity analysis of significant assumptions constituting the basis for calculating the provision. The table below contains information on how much the balance of the provision for future reimbursement of consumer credit costs would change if the Bank assumed in its estimates that the observed inflow of disputes, on which the Bank's estimates are based, would deepen or weaken by 10%.

Change in the pace of case inflow	2025		2024	
	+10%	-10%	+10%	-10%
The impact of the change in the rate of case inflow on the amount of the provision	MPLN +5.3	MPLN -5.3	MPLN +1.2	MPLN -1.2

40 Contingent liability

According to IAS 37 contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group,
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Therefore, a contingent liability reflects the effect of fulfilling possible obligations, because only future events will confirm whether the entity has a present obligation, the fulfillment of which could lead to an outflow of resources embodying economic benefits.

The Group presents below a description of the most important proceedings conducted against the Group as of 31 December 2025, which constitute contingent liabilities.

The total value of the subject matter of the disputed claims as at 31 December 2024 in court proceedings conducted against the Group is PLN 1 088 483 thousand and as at 31 December 2024, PLN 971 024 thousand.

Case claimed by a client

Case claimed by a limited company for a payment of PLN 109 967 thousand in respect of compensation for damage incurred in connection with the conclusion and settlement of treasury transactions. The claim dated 27 April 2017 was brought against Alior Bank SA and Bank BPH SA. In the Bank's opinion, the claim has no valid factual and legal basis therefore, the Bank did not create a provision as at 31 December 2025.

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

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

On 27 September 2019, the President of the Office of Competition and Consumer Protection (UOKiK) initiated ex officio proceeding against Alior Bank SA to recognize a standard contract as illegal (reference number RPZ.611.4.2019.PG) the subject of which is 11 clauses (the so-called modification clauses) included in contract templates used by the Bank, on the basis of which the Bank made unilateral changes to contracts concluded with consumers. The President of UOKiK questioned the wording of the provisions in question, among others as imprecise and not allowing consumers to verify the occurrence of premises for the change being made. The Bank corresponds with the President of the Office of Competition and Consumer Protection in this case. In a letter dated 30 December 2025, the Office of Competition and

Consumer Protection decided to extend the deadline for completing the proceedings until 31 May 2026. As at 31 December 2025, the Bank did not create any provisions for this proceeding. The Bank is unable to make a reliable estimate of the value of the contingent liability in this respect due to the inability to estimate the potential consequences of the violation and the amount of the potential penalty that may be imposed by the Office of Competition and Consumer Protection. The maximum amount of the financial penalty is 10% of the Bank's turnover achieved in the financial year preceding the year in which the penalty was imposed.

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

The President of the Office of Competition and Consumer Protection is conducting proceedings against the Bank regarding practices violating the collective interests of consumers (reference number: RWR.610.3.2024.KŚ) consisting of:

- failure - after the consumer reports the transaction as unauthorized - to refund the amount of the unauthorized payment transaction or restore the debited payment account to the state that would have existed if the unauthorized payment transaction had not taken place in the manner and within the time limit specified in Art. 46 section 1 of the Act on Payment Services, despite the absence of any grounds entitling the Bank not to perform the above-mentioned activities,
- making a conditional refund to a consumer who is a client of the Bank of the payment transaction amount reported by the consumer as unauthorized, only for the time the Bank considers the complaint, and then, if the Bank finds in the complaint procedure that the transaction was authorized by the consumer or, that the consumer is liable for an unauthorized payment transaction, withdrawing a conditional refund and withdrawing this amount from the consumer's savings and current account or credit card account, excluding situations in which this amount was simultaneously returned to the consumer as part of a chargeback or the consumer withdrawn the claim,
- providing consumers - in responses to their reports regarding the occurrence of unauthorized payment transactions - with information about the correct authorization of the transaction, which was confirmed only after the payment service provider verified the correct use of the payment instrument, by using individual authentication data in a way that suggests that the Bank's demonstration that correct authentication has occurred excludes the Bank's obligation to refund the amount of the unauthorized transaction, which may mislead consumers regarding the Bank's obligations under Art. 46 section 1 of the Payment Services Act, as well as regarding the distribution of the burden of proving that the payment transaction has been authorized,
- providing consumers - in responses to their reports regarding unauthorized payment transactions - with information about the correct authentication of the transaction by the user and the Bank's lack of responsibility for its execution, as it occurred as a result of the consumer's breach of the terms of the contract with the Bank, which may mislead consumers into error regarding the Bank's obligations under Art. 46 section 1 of the Payment Services Act, including the distribution of the burden of proof to the extent that the Bank should demonstrate that the consumer led to the disputed transaction as a result of an intentional or grossly negligent breach of at least one of the obligations referred to in Art. 42 of the Payment Services Act,

- providing consumers - in responses to their reports regarding the occurrence of unauthorized payment transactions - with information about the inability to consider card transactions reported after 120 days from the date of the transaction as unauthorized payment transactions and the inability to complain about more than 15 transactions,

- which, in the opinion of the President of the Office of Competition and Consumer Protection, may harm the collective interests of consumers and, consequently, constitute practices violating the collective interests of consumers referred to in the Act on Competition and Consumer Protection. The maximum amount of the financial penalty is 10% of the Bank's turnover achieved in the financial year preceding the year in which the penalty was imposed.

As at 31 December 2025, the Bank did not create provisions in this respect.

The Bank, in response to the expectations of the President of the Office of Competition and Consumer Protection, presented a proposal to undertake specific actions aimed at ending the infringement of which the Bank is accused and removing its effects.

As at 31 December 2025, the Bank had created a provision for this matter in the amount of PLN 15.5 million(as at 31.12.2024 – PLN 9.8 million). However, due to the ongoing negotiations between the Bank and the Office of Competition and Consumer Protection, the amount of the provision may change.

Proceedings in the case of recognizing the provisions of the model agreement regarding the change of interest rates on bank accounts as prohibited

On 03.02.2025, the President of the Office of Competition and Consumer Protection issued a decision to initiate proceedings against Alior Bank SA in the case of recognizing the provisions of the model agreement as prohibited (reference number RWR-1.611.1.2025.ZR previously RŁO-2.611.1.2025.JZ), the subject of which is the clause on the change of interest rates on bank accounts. The President of the Office of Competition and Consumer Protection questioned the wording of the provisions of paragraph 11, sections 9 and 10 of the model agreement "Regulations for savings and settlement accounts, savings and fixed-term savings deposits", among others, as giving the Bank too much freedom in terms of the rights to change the interest rate and not allowing consumers to independently check whether the change in interest rate is in accordance with the agreement. The Bank is in correspondence with the President of the Office of Competition and Consumer Protection regarding this matter. As at 31 December 2025, the Bank did not create any provisions for this proceeding. The Bank is unable to make a reliable estimate of the value of the contingent liability in this respect due to the inability to estimate the potential consequences of the violation and the amount of the potential penalty that may be imposed by the Office of Competition and Consumer Protection. The maximum amount of the financial penalty is 10% of the Bank's turnover achieved in the financial year preceding the year in which the penalty was imposed.

Proceedings of the Polish Financial Supervision Authority (KNF)

On 8 August 2025, the Polish Financial Supervision Authority (KNF) initiated administrative proceedings concerning the application of sanctions specified in the Banking Law against the Issuer, based on a suspected violation of the provisions of the Trading Act and its implementing regulations, in connection with activities conducted pursuant to Article 70, Section 2 of the Trading in Financial Instruments Act, regarding cooperation with third parties, the provision of information to clients, the adequacy of solutions related to the acquisition of financial instruments, and the designation of a negative target group. Due to

the early stage of the proceedings, a reliable estimate of the potential sanctions against the Bank is not possible.

On 5 September 2025, the Polish Financial Supervision Authority initiated administrative proceedings to impose an administrative penalty on Alior Bank pursuant to Article 147, point 4, letters a and b, and point 13 of the Act on Counteracting Money Laundering and Terrorism Financing, concerning the conduct resulting from the inspection. As at 31 December 2025, the Bank created a provision in this respect in the amount of PLN 2 million. However, due to the early stage of the proceedings, the amount of the reserve may change.

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

In December 2021, the Bank and the leasing company received another (new) summons from the former members of the Management Board of Alior Leasing to an ad hoc arbitration court under the management program; the summons was based on the same factual and legal circumstances as the previous ones. On 1 March 2024, the Bank received a partial award in an ad hoc arbitration case between former members of the Management Board of Alior Leasing and the Bank and the leasing company, dismissing claims under the management program in full. The partial judgment ends the substantive proceedings. Final judgment awarding in favor of the Bank and Alior Leasing Sp. z o. o. from the plaintiffs, the refund was due on 29 April 2024. On 10 June 2024, the Bank and Alior Leasing Sp. z o. o. received information from the Court of Appeal in Warsaw that a complaint was registered to set aside the arbitration award, filed by former members of the Management Board of Alior Leasing Sp. z o. o. The Bank submitted a response to the complaint in question in due time. On 14 July 2025, the Court of Appeal in Warsaw dismissed the plaintiffs' appeal to set aside the preliminary and final arbitration awards in its entirety. The award is final and binding. The plaintiffs have the right to appeal against it as an extraordinary remedy in the form of a cassation appeal.

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

Explanatory notes concerning risk

Objectives and principles of risk management

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

The objective of risk management within the adopted tolerance level is:

- protection of the shareholders' equity,
- protection of customers' deposits,

- support to the Group in pursuing effective activities.

Risk management at Alior Bank Group is based in particular on the following principles:

- the Group manages all types of risk identified as part of its operations,
- organizational structure and method of assigning functions to particular units of the Bank ensure precise division of duties and mitigate the risk of conflicts of interest,
- the risk management process and methods are adequate to the scale of the Group's operations and adjusted to the materiality, scale and complexity of a given risk,
- the risk management process is regularly adjusted to new factors and sources of risk as well as the changing economic and regulatory environment,
- risk management methods are periodically verified and validated,
- risk management is integrated with planning and controlling processes,
- the level of risk is continually monitored and referred to the system of Group's obligatory limits, and the Management Board and Supervisory Board of the Bank receive regular information on the profile and level of risk,
- the Group conducts a periodical process of reviewing the risks identified as part of its operations and regularly evaluates the materiality of respective types of risk.

When determining the criteria for recognizing a given type of risk, the impact of a given type of risk on the Group's activities is taken into account, and three types of risk types are distinguished:

- significant risks - subject to active management,
- potentially significant risks - for which significance monitoring is performed,
- other undefined or non-identifiable risks (irrelevant and unmonitored).

The Group presented details of managing selected risks in the following notes:

Risk type	Note number
Credit risk	41
Market risk including interest rate risk and the FX risk*	42,43
Liquidity risk	44
Operational risk	45

** Market risk is the risk of a negative impact on the current result or the net present value of the Bank's equity as a result of changes in market factors. The Bank distinguishes the following managed market risk factors: exchange rates, interest rate indices, share / index prices, commodity prices, credit spread related to the rating of a given issuer, options volatility parameters. A detailed description of the Bank's market risk management can be found in the Management Report.*

Risk is managed within the risk management policies by the Group and covers risk identification, measurement and evaluation, monitoring, reporting and management activities. The above also applies to control of Treasury operations by determining and verifying the principles of executing, organising, and measuring such transactions.

Within each function, there is a clear segregation of duties and responsibilities and the rules set forth in internal regulations.

The risk management process is supervised by the Bank's Supervisory Board which is kept informed on the risk profile of the Bank and the Group and about the most important activities taken with respect to risk management. The Bank's Supervisory Board is supported by the Remuneration and Appointment Committee of the Supervisory Board, the Risk Committee of the Supervisory Board, and the Audit Committee of the Supervisory Board.

With respect to risk management, the Management Board of Alior Bank SA designs, implements and ensures the operation of a coherent risk management system tailored to the risk profile at the Bank, including the rules for managing individual risk types, ensuring their consistency with the risk management strategy, and determining the risk appetite. In addition, the Management Board defines the organizational structure of the Bank, ensuring the proper division of key roles from the point of view of risk management. In risk management, the Management Board is supported by the following internal committees:

- Credit Risk Committee and Business Initiatives (KRK),
- Capital, Asset and Liability Committee (CALCO),
- Bank's Credit Committee (KKB),
- Operational Risk Committee (KRO),
- Model Risk Committee (KRM).

The purpose of KRK is to support the Bank's Management Board in the effective management of the Bank's credit risk, including the credit concentration risk and ESG risk.

The purpose of the CALCO Committee is to support the Bank's Management Board in the effective management of market risk, liquidity risk, counterparty risk, business risk, capital risk and excessive leverage risk.

The subject of KKB's activity is making credit decisions regarding the Bank's on-balance sheet and off-balance sheet exposure up to the amount of the competence limit granted to KKB and recommending credit decisions to the Bank's Management Board for exposures exceeding the limit granted to the committee.

KRO was established to support the Bank's Management Board in the effective management of operational risk, including issues related to the maladjustment or unreliability of processes, the operation of people and systems or resulting from external threats, including significant subsidiaries. The Committee monitors the level of exposure to operational risk and assesses the situation with regard to operational risk for the entire Bank.

KRM supports the Bank's Management Board in the effective management of model risk, taking into account significant subsidiaries in which model risk has been considered significant under the Internal Capital Adequacy Assessment Process (ICAAP).

At the Group, exposure to the risk is formally mitigated with a system of limits, periodically updated by resolutions of the Supervisory Board or CALCO, covering all risk metrics with the levels thereof monitored and reported by the Bank's organisational units independent of business. There are three types of limits at the Group that differ in terms of coverage and functioning: core limits (approved by the Supervisory Board), supplementary limits and additional limits. Risk management is focused on potential changes to the economic result; with the Group's quality requirements related to the risk management process (internal control system, new product launch, analysis of the legal risk, analysis of the operational risk), non-quantifiable risks are mitigated that are related to treasury operations.

41 Credit Risk

41.1 Description of the risk

Definition of the credit risk

The credit risk is understood as a risk of loss due to the customer's default to the Group or a risk of decreased economic value of the receivables of the Group as a result of the customer's deteriorated potential to service its debt.

Objective of credit risk management

The objective credit risk management is to reduce losses in the loan portfolio and to minimise the risk of occurrence of impaired credit exposures, while maintaining the anticipated profitability level and value of loan portfolio.

Management of the credit risk and its maintenance at a safe level is of fundamental importance for a stable operation of the Bank and the Group. For this purpose, the Group takes actions to secure credit risk against various internal and external risk factors, including ESG risk (also related to climate), which may have a negative impact on credit risk.

The credit risk is controlled by the regulations applicable at the Group, in particular loan application analysis procedures, lending methodologies and risk valuation models adapted to the customer segment, type of product and transaction, rules for monitoring customers and the loan portfolio, rules for establishing and monitoring legal collateral for loans as well as monitoring and debt recovery. The Bank takes measures to fully centralise and optimise the processes within the systemic infrastructure, while relying on available external and internal information on customers.

The credit risk management system is comprehensive and integrated with the Bank's operational processes. The core stages of the credit risk management process include the following:

- identification,
- measurement,
- control,
- monitoring,
- reporting.

The Group has and uses the tools to quickly respond to changes in the economic environment, in particular by adapting its credit risk management processes to the current macroeconomic and legal situation, including the applied credit policies, processes of reducing the risk of default and recovery of overdue receivables.

In the retail customer segment, the Group also followed the above approach in 2025 by optimizing the credit risk of transactions based on the customer's exposure and credit risk, while maintaining the Group's competitive credit policy.

In the area of corporate loans, in 2025, the Group implemented initiatives aimed at increasing the efficiency of lending processes (including a text message loan agreement signing module and remote identity confirmation). It also adapted its systems to the new classification of economic activities based on

PKD2025, enabling the opening of accounts and processing of loan applications for new clients with new PKD codes.

As part of its product development, the Bank launched products and offers supporting the energy transition process, including loans co-financed in partnership with BGK.

Credit risk measurement and assessment

The level of the credit risk is limited in line with the restrictions set forth in external and internal regulations, rules set by the Group, in particular concerning restrictions for credit exposures to one customer, a group of customers related by capital and organisation and economic sectors.

The Group analyses the risk, both on an individual and portfolio basis, and it takes actions aimed at:

- minimising the level of the credit risk of a single loan with an assumed profitability level,
- reducing the overall credit risk resulting from holding a specific loan portfolio by the Group.

In order to minimize the level of risk of a single exposure, the Group each time grants a loan or other product carrying credit risk:

- assesses credibility and creditworthiness, taking into account, among others, a detailed analysis of the exposure's repayment source,
- in the field of corporate loans, each transaction involving credit risk is assessed in the context of environmental (including climate risk), social and management risk and, based on the assumptions adopted by the Group, the level of these risks is determined,
- evaluates collateral, including verifying their formal, legal and economic status, taking into account, among others, adequacy of collateral LTV (loan exposure to real estate value) / LTVc (loan exposure to collateral value) adequacy.

The assessment of the potential impact of ESG risks on the client is aimed at revealing possible threats resulting from them in the perspective of the assumed lending period of the transaction financed by the Bank. The process of identifying ESG risk factors begins at the stage of verification of the loan application, then appropriate procedures are applied on the risk side.

A complementary step in the assessment of a business client's credit process is the analysis of ESG risk levels. In the credit process, the identification of ESG risk factors is conducted in accordance with the Bank's detailed regulations, applying proportionality principles. Each transaction bearing credit risk is assessed, and the potential impact of ESG risk factors on the borrower's financial situation is considered in the final credit risk assessment. The ESG risk factor identification process begins at the credit application review stage, followed by appropriate risk-related procedures.

To strengthen the risk control of individual exposures, the Bank periodically monitors clients and takes appropriate actions to minimize the risk.

In order to mitigate the credit risk level of its portfolio, the Group:

- sets and controls concentration limits,
- monitors early warning signals within the EWS system,
- regularly monitors the loan portfolio by controlling all relevant credit risk parameters (including PD, LTV, DTI - the ratio of expenses related to the servicing of credit obligations and financial liabilities other than credit obligations to the income of retail customers applying for retail loans,

CoR - risk costs understood as the ratio of the sum of the result on provisions from the last 12 months to the average exposure value for the corresponding period of 12 months (13 points over time), LGD - expected loss level for exposures in default, NPL - receivables with identified impairment, Coverage - the ratio of the write-down value to loans with evidence of impairment to their exposure),

- regularly carries out stress tests.

The Group grants credit products in line with the lending methodologies appropriate for the customer segment and product type/method of financing. The assessment of the customer's creditworthiness preceding credit decisions is performed with a system supporting the credit process, scoring or rating tools; external information (e.g. CBD DZ, CBD BR, BIK) and internal bases of the Bank. Credit products are granted in line with the Group's operational procedures, specifying the steps to take in the lending process, the responsible units of the Bank, and the tools applied.

The Group limits risks related to ESG factors, including financing projects that may have a negative impact on the climate and natural environment or are contrary to the law.

The main areas of exclusion include:

- funding projects involving harmful or exploitative forms of forced labour, child labour, direct discrimination or practices that prevent workers from lawfully exercising their rights of association and collective bargaining,
- enterprises operating contrary to the applicable provisions of Polish law or the law of the country in which they conduct business or do not have licenses, permits or consents or authorizations that are required to conduct a given activity,
- activities that have a negative impact on areas protected under national law or international conventions, habitats of rare/endangered species, as well as negatively impacting places of cultural or archaeological importance.

Credit decisions are taken in accordance with the system of credit competencies in force at the Bank (competence levels adjusted to the level of risk related to the customer and the transaction).

In order to regularly assess the assumed credit risk and to mitigate potential losses on the existing loan exposures, during the lending term the Group monitors the customer's condition by identifying early warning signals and periodic individual reviews of loan exposures.

The Group pursues a policy of dividing the functions related to customer acquisition and sale of credit products from the functions related to the assessment of the credit risk, approving credit decisions, or monitoring of credit exposures.

Credit risk monitoring and reporting

Regular protection of the quality of the loan portfolio is ensured by:

- ongoing monitoring of timely debt servicing,
- periodic reviews, in particular of the customers' financial and economic condition and the value of the accepted collateral.

The monitoring of retail customers covers the following areas:

- assessment of compliance with the terms of the contract,
- assessment of the value of collateral, in particular in relation to the current amount of credit exposure,
- assessment of the credibility and assessment of the economic and financial situation of selected customer groups.

Monitoring of corporate customers covers in particular:

- recognition of symptoms of deterioration of the customer's situation (EWS),
- assessment of the client's economic and financial situation, including:
 - identification of evidence of permanent impairment of exposures and default,
 - identification of reasons for a significant increase in credit risk (watch list),
- assessment of the client's formal and legal situation,
- assessment of compliance with the terms of the loan agreement,
- assessment of the value of collateral.

All credit exposures in the corporate customer segment are additionally subject to portfolio monitoring as follows:

- assessment on the basis of a dedicated model of behavioural assessment,
- the identification process of early warning signals.

All loan exposures of retail and corporate customers are subject to monitoring and ongoing classification to the appropriate process paths. In order to improve the monitoring and control of the operational risk, adequate solutions have been implemented in the Bank's credit systems. Systemic tools have been consolidated to ensure the effective use of the monitoring procedures.

Monitoring of exposures classified as a normal and impaired is applied regularly – such exposures could intensify activities at pre-enforcement or collection proceedings. Accounts are subject to the assessment for a possibility to restructure the debt in order to mitigate the Group's losses due to loan obligations not repaid on time.

The monitoring process ends with recommendations concerning the strategy of further co-operation with the customer.

Monthly and quarterly reports on the credit risk are prepared at Alior Bank Group. Credit risk reporting covers periodic information on exposures of the loan portfolio risk. Apart from the information for the Bank, the reports also contain information on the level of credit risk of the Bank's subsidiaries, in which a significant level of credit risk has been identified (Alior Leasing sp. z o.o.).

Credit risk management tools

The basic tool supporting credit decisions are the acceptance models of risk parameters. They are based on a wide range of information obtained as part of the loan process or processed by the Bank based on internal data. As part of the risk acceptance process, the bank uses PD parameter models, which determine the probability of default by the debtor, and LGD parameter models, which define the percentage of exposure that will be lost in the event of the obligor's default.

Using of risk parameter models allow for:

- assessment of compliance of the risk level of a given client / credit exposure with the adopted risk appetite,
- unification of the criteria underlying credit decisions ensuring impartiality and objectivity,
- shortened time of credit decisions and guarantee of more effective assessment of loan applications (increased productivity and reduced handling costs),
- monitoring and projection of the loan portfolio quality,
- easier assessment of the credit policy and faster modifications to decision processes serving to assess loan applications of corporate and retail customers.

The Group regularly monitors the correct functioning of risk parametr models. The objective of the review is to verify if the applied models appropriately differentiate risks and the estimated risk parameters appropriately reflect the relevant aspects of the client profile.

The Group aims to systematically increase the sophistication of the applied acceptance models by expanding the technological infrastructure for the processes of building and applying models, taking into account a wider range of information and the use of new algorithms.

The risk parametr models applied now have been developed internally by the Bank. They are covered by a formal model risk management process, one of the elements of which is independent validation aimed at confirming the compliance of the model quality with the level of the model risk appetite. The models used in the approval processes comply with the acceptability criteria adopted by the Bank, including, inter alia, the level of accuracy of forecasts based on them.

The knowledge of potential hazards related to exposure concentration at the Group supports correct asset and liability management and development of a safe structure of the loan portfolio. In order to prevent adverse events resulting from excessive concentration, the Group mitigates the concentration risk by setting limits and applying concentration standards resulting from external regulations and internal concentration standards.

The Group has launched:

- identification rules of areas at the concentration risk related to lending activities,
- a process of limit setting and updating,
- a process of limit management with a mode of procedure, if any limit level is exceeded,
- a process to monitor the concentration risk, including reporting,
- control over the concentration risk management process.

In the process of setting and updating the concentration risk, are taken into account:

- information on the credit risk level of the limited portfolio segments and their impact on compliance with the assumptions underlying the risk appetite with respect to the quality of the loan portfolio and the capital position of the Bank and the Group,
- sensitivity of the limited portfolio segments to changes in the macroeconomic environment, reviewed regularly in the stress tests held,
- reliable economic and market information concerning each concentration of exposures, in particular macroeconomic, sectoral ratios, information on economic trends, subject to projected interest rates, FX rates, analysis of political risk, sovereign and financial institutions ratings,

- reliable information on the economic condition of entities, industries, sectors, general economic information, including the economic and political situation of countries, as well as other information required to assess the concentration risk inherent in the Group,
- interactions between various risk types – credit, market, liquidity, and operational risks,
- value of exposures for which ESG risk has been identified.

Application of risk mitigation techniques – collateral

The Group establishes collateral to the credit risk to which the Group is exposed and flexible vis-a-vis customers' potential. No collateral releases the Group from its obligation to verify the customer's creditworthiness.

Loan collateral is to secure that the Group will have the loan repaid along with interest and expenses due should the borrower fail to repay on the contractual dates and any restructuring activities fail to generate the anticipated effects.

In particular, the Group accepts the following collateral:

- guarantees, re-guarantees, and sureties,
- blocked items,
- registered pledge,
- transfer of title,
- assignment of receivables,
- assignment of loan insurance,
- bill of exchange,
- mortgages,
- powers of attorney to the bank account,
- security deposits.

Collateral is verified in the credit process for its effectiveness to secure the Group, its market value is measured as its realisable value in a potential enforcement process.

The dominant collateral for the Bank's credit exposures are mortgages on commercial and residential real estate and BGK guarantees. Both these collaterals as at 31.12.2025 jointly account for over 85% of the value of all collateral for credit exposures (as at 31.12.2024 – 85%).

As at 31 December 2025, the Bank had collateral for credit exposures with an estimated recoverable amount of PLN 29.1 billion. As at 31 December 2024, the Bank had collateral for credit exposures with an estimated recoverable amount of PLN 27.5 billion. The amount of the recoverable value of collateral estimated by the Group is limited to the amount of the exposure.

The estimated financial effect of the adopted collateral for credit exposures (understood as the impact on the increase in allowances for expected credit losses in the no-collateral scenario) as at 31 December 2025 was PLN 1.26 billion and concerned the regular portfolio and the portfolio with identified impairment indicators respectively; PLN 0.24 billion and PLN 1.02 billion.

The collateral held concerned individual groups of assets in the following values

31.12.2025	Retail customer segment	Corporate customer segment	Total
Stage 1	13 655 539	10 593 659	24 249 198

31.12.2025	Retail customer segment	Corporate customer segment	Total
Stage 2	977 974	2 506 752	3 484 726
Stage 3 individual method	0	541 885	541 885
Stage 3 group method	184 980	605 345	790 325
Total	14 818 493	14 247 641	29 066 134

31.12.2024	Retail customer segment	Corporate customer segment	Total
Stage 1	11 823 557	10 817 463	22 641 020
Stage 2	709 146	2 552 378	3 261 524
Stage 3 individual method	0	689 508	689 508
Stage 3 group method	225 643	727 814	953 457
Total	12 758 346	14 787 163	27 545 509

The distribution of LTV in particular segments of the Group's customers for the individual quarters of 2024 and 2025 is presented below.

Customer's segment	1 Q 2025	2 Q 2025	3 Q 2025	4 Q 2025
MICRO	29%	29%	28%	25%
SMALL	43%	47%	42%	39%
MID	51%	50%	49%	48%
LARGE	57%	56%	59%	53%
KB	54%	53%	55%	51%
KI HIP	68%	68%	68%	66%

Customer's segment	1 Q 2024	2 Q 2024	3 Q 2024	4 Q 2024
MICRO	29%	28%	33%	31%
SMALL	36%	44%	47%	48%
MID	48%	48%	48%	48%
LARGE	46%	47%	50%	50%
KB	45%	46%	49%	49%
KI HIP	68%	68%	68%	68%

41.2 Financial data

Maximum credit risk exposure

Items in the statement of financial position	31.12.2025	31.12.2024
Cash and cash equivalents	3 632 176	1 688 516
Securities and derivatives	26 509 328	23 602 885
measured at fair value through other comprehensive income	22 542 955	21 204 007
measured at fair value through profit or loss	370 637	240 942
measured at amortized cost	3 595 736	2 157 936
Derivative hedging instruments	659 589	274 711
Amounts due from banks	2 203 109	1 821 581
Loans and advances to customers	65 451 458	62 735 968

Items in the statement of financial position	31.12.2025	31.12.2024
Retail segment	42 719 018	39 806 429
Consumer loans	19 859 480	19 444 488
Mortgage loans	22 859 538	20 361 941
Corporate segment	22 732 440	22 929 539
Finance lease receivables	6 108 034	5 649 458
Other loans and advances	16 624 406	17 280 081
Assets pledged as collateral	0	18 029
Other financial assets	651 519	647 989
Granted off-balance liabilities	14 509 631	12 640 995
Total	113 616 810	103 430 674

The value that best represents the maximum credit risk exposure of the balance sheet items presented in the table above is their carrying amount.

Financial assets

Internal rating classes

The retail customer segment is covered by a coherent scoring system.

The corporate customer segment is covered by a consistent rating system.

Uniform rating scales have been introduced for both systems. The scale of PD models of retail segment clients consists of 20 classes. The scale of PD models corporate segment clients consists of 25 classes.

The table below presents the distribution of assets according to the above models on an aggregated PD scale, illustrating the probability of default in the next 12 months (the table does not include stage 3 assets for which PD is 100%).

PD (probability of default)	31.12.2025			31.12.2024		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Retail segment						
Consumer loans						
< 0.18%	2 638 900	35 904	2 674 804	1 674 207	42 599	1 716 806
0.18% - 0.28%	1 123 876	61 356	1 185 232	1 032 556	21 509	1 054 065
0.28% - 0.44%	1 013 468	51 351	1 064 819	1 078 479	28 922	1 107 401
0.44% - 0.85%	2 058 605	120 214	2 178 819	2 277 449	75 666	2 353 115
0.85% - 1.33%	2 456 333	150 751	2 607 084	2 818 097	83 984	2 902 081
1.33% - 2.06%	2 372 442	145 576	2 518 018	2 655 947	93 008	2 748 955
2.06% - 3.94%	3 710 943	289 891	4 000 834	3 152 235	178 120	3 330 355
3.94% - 9.10%	1 825 562	237 153	2 062 715	1 970 716	273 665	2 244 381
> 9.1%	701 495	1 015 407	1 716 902	1 253 404	858 523	2 111 927
No scoring	36 664	8 622	45 286	30 004	7 442	37 446
Gross carrying amount	17 938 288	2 116 225	20 054 513	17 943 094	1 663 438	19 606 532
Mortgage loans						
< 0.18%	16 191 903	238 336	16 430 239	15 514 650	276 088	15 790 738
0.18% - 0.28%	1 504 860	77 027	1 581 887	1 252 815	60 683	1 313 498
0.28% - 0.44%	1 699 328	161 329	1 860 657	83 210	382	83 592
0.44% - 0.85%	1 185 884	120 431	1 306 315	535 927	48 534	584 461
0.85% - 1.33%	6 141	772	6 913	489 364	50 638	540 002
1.33% - 2.06%	81 888	33 963	115 851	220 915	18 289	239 204
2.06% - 3.94%	506 033	149 437	655 470	471 859	79 084	550 943
3.94% - 9.10%	208 048	115 343	323 391	594 310	311 600	905 910
> 9.1%	106 553	410 538	517 091	129 603	139 260	268 863

PD (probability of default)	31.12.2025			31.12.2024		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
No scoring	0	0	0	592	1 481	2 073
Gross carrying amount	21 490 638	1 307 176	22 797 814	19 293 245	986 039	20 279 284

PD (probability of default)	31.12.2025			31.12.2024		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Corporate segment						
Finance lease receivables						
< 0.28%	217 238	546	217 784	1 561	0	1 561
0.28% - 0.44%	387 296	508	387 804	0	0	0
0.44% - 0.85%	2 152 311	1 160	2 153 471	0	0	0
0.85% - 1.33%	13 593	1 036	14 629	882 388	0	882 388
1.33% - 2.06%	967 785	3 418	971 203	56 301	0	56 301
2.06% - 3.94%	1 001 173	11 204	1 012 377	1 027 488	0	1 027 488
3.94% - 9.1%	310 826	29 241	340 067	2 979 430	0	2 979 430
> 9.1%	331 528	544 178	875 706	69 418	481 977	551 395
Gross carrying amount	5 381 750	591 291	5 973 041	5 016 586	481 977	5 498 563
Other loans and advances						
< 0.28%	599 235	412	599 647	575 279	1	575 280
0.28% - 0.44%	275 796	46 278	322 074	355 894	29 860	385 754
0.44% - 0.85%	1 355 073	165 385	1 520 458	795 998	40 937	836 935
0.85% - 1.33%	2 281 811	209 533	2 491 344	1 605 743	201 121	1 806 864
1.33% - 2.06%	2 128 216	337 101	2 465 317	1 935 657	490 163	2 425 820
2.06% - 3.94%	2 339 989	977 992	3 317 981	1 883 421	584 729	2 468 150
3.94% - 9.1%	1 146 913	1 192 558	2 339 471	2 400 254	1 659 965	4 060 219
> 9.1%	564 759	1 333 211	1 897 970	1 229 360	1 507 507	2 736 867
No ratingu	578 182	2 457	580 639	711 055	2 448	713 503
Gross carrying amount	11 269 974	4 264 927	15 534 901	11 492 661	4 516 731	16 009 392

As at 31 December 2025 in the corporate segment - other loans and advances, the main items reported as no rating are short-term transactions, including: repurchase transactions in the amount of PLN 416 million and settlements with the National Depository for Securities (KDPW) in the amount of PLN 148 million (as at 31 December 2024, these values amounted to PLN 554 million and PLN 144 million, respectively).

The maximum risk exposure in the scope of derivative instruments is presented in Note 21.4.

External rating classes

	AAA	AA- to AA+	A- to A+	BBB- to BBB+	BB- to BB+	B- to B+	No rating	31.12.2025
Cash and cash equivalents	0	324 340	3 277 577	6 306	0	0	454 691	4 062 914
Amounts due from banks	0	1 674	2 201 435	0	0	0	0	2 203 109
Securities measured at fair value through other comprehensive income, of which:	730 254	3 358 622	18 253 335	0	0	0	0	22 342 211
Debt securities	730 254	3 358 622	18 253 335	0	0	0	0	22 342 211
issued by central government institutions	104 889	3 358 622	16 527 826	0	0	0	0	19 991 337

	AAA	AA- to AA+	A- to A+	BBB- to BBB+	BB- to BB+	B- to B+	No rating	31.12.2025
issued by monetary institutions	625 365	0	1 725 509	0	0	0	0	2 350 874
Securities measured at amortised cost	0	482 048	3 113 627	0	0	0	61	3 595 736
Debt securities	0	482 048	3 113 627	0	0	0	61	3 595 736
issued by central government institutions	0	482 048	3 113 627	0	0	0	0	3 595 675
issued by other financial institutions	0	0	0	0	0	0	61	61
Securities and derivatives measured at fair value through profit and loss account, of which:	0	1 091	952 786	0	632	0	56 499	1 011 008
Debt securities	0	0	103 324	0	0	0	4	103 328
issued by central government institutions	0	0	103 324	0	0	0	0	103 324
issued by other financial institutions	0	0	0	0	0	0	4	4
Derivative instruments	0	1 091	849 462	0	632	0	56 495	907 680
Total	730 254	4 167 775	27 798 760	6 306	632	0	511 251	33 214 978

Portfel/Rating	AAA	AA- to AA+	A- to A+	BBB- to BBB+	BB- to BB+	B- to B+	No rating	31.12.2024
Cash and cash equivalents	0	88 972	1 593 702	2 357	0	0	438 320	2 123 351
Amounts due from banks	0	478 072	1 343 460	49	0	0	0	1 821 581
Securities measured at fair value through other comprehensive income, of which:	197 321	3 700 384	17 166 301	0	0	0	0	21 064 006
Debt securities	197 321	3 700 384	17 166 301	0	0	0	0	21 064 006
issued by central government institutions	0	3 700 384	13 146 448	0	0	0	0	16 846 832
issued by monetary institutions	197 321	0	4 019 853	0	0	0	0	4 217 174
Securities measured at amortised cost	0	481 903	1 675 972	0	0	0	61	2 157 936
Debt securities	0	481 903	1 675 972	0	0	0	61	2 157 936
issued by central government institutions	0	481 903	1 574 950	0	0	0	0	2 056 853
issued by other financial institutions	0	0	101 022	0	0	0	61	101 083
Assets pledged as collateral	0	0	18 029	0	0	0	0	18 029
Securities and derivatives measured at fair value through profit and loss account, of which:	0	15 063	439 489	7 506	0	0	27 505	489 563
Debt securities	0	0	1 978	0	0	0	4	1 982
issued by central government institutions	0	0	1 978	0	0	0	0	1 978
issued by other financial institutions	0	0	0	0	0	0	4	4
Derivative instruments	0	15 063	437 511	7 506	0	0	27 501	487 581

Portfel/Rating	AAA	AA- to AA+	A- to A+	BBB- to BBB+	BB- to BB+	B- to B+	No rating	31.12.2024
Total	197 321	4 764 394	22 236 953	9 912	0	0	465 886	27 674 466

Loans and advances to customers by overdue periods

31.12.2025	no overdue	up to 1 month	from 1 to 3 months	from 3 months to 1 year	from 1 to 5 years	more than 5 years	Total
Stage 1							
Retail segment	38 696 270	696 489	36 166	1	0	0	39 428 926
Consumer loans	17 480 116	447 684	10 487	1	0	0	17 938 288
Mortgage loans	21 216 154	248 805	25 679	0	0	0	21 490 638
Corporate segment	16 125 016	521 581	5 127	0	0	0	16 651 724
Finance lease receivables	5 089 724	291 885	141	0	0	0	5 381 750
Other loans and advances	11 035 292	229 696	4 986	0	0	0	11 269 974
Stage 2							
Retail segment	2 490 814	631 857	276 905	17 233	4 415	2 177	3 423 401
Consumer loans	1 562 966	402 136	137 038	7 685	4 223	2 177	2 116 225
Mortgage loans	927 848	229 721	139 867	9 548	192	0	1 307 176
Corporate segment	4 175 172	552 738	123 811	3 024	628	845	4 856 218
Finance lease receivables	245 381	285 089	60 397	424	0	0	591 291
Other loans and advances	3 929 791	267 649	63 414	2 600	628	845	4 264 927
Stage 3							
Retail segment	142 117	90 096	167 779	363 516	155 862	81 645	1 001 015
Consumer loans	98 981	72 159	123 162	313 507	127 498	61 387	796 694
Mortgage loans	43 136	17 937	44 617	50 009	28 364	20 258	204 321
Corporate segment	735 156	347 506	141 459	505 899	759 537	128 278	2 617 835
Finance lease receivables	47 533	44 079	38 376	101 669	86 752	1 365	319 774
Other loans and advances	687 623	303 427	103 083	404 230	672 785	126 913	2 298 061
POCI							
Retail segment	4 221	2 184	1 017	865	2 550	2 072	12 909
Consumer loans	3 578	1 761	818	865	1 929	1 903	10 854
Mortgage loans	643	423	199	0	621	169	2 055
Corporate segment	89 882	16 063	7 254	32 561	101 089	10 915	257 764
Finance lease receivables	0	0	0	0	0	0	0
Other loans and advances	89 882	16 063	7 254	32 561	101 089	10 915	257 764
Total	62 458 648	2 858 514	759 518	923 099	1 024 081	225 932	68 249 792

31.12.2024	no overdue	up to 1 month	from 1 to 3 months	from 3 months to 1 year	from 1 to 5 years	more than 5 years	Total
Stage 1							
Retail segment	36 397 009	769 460	65 608	4 262	0	0	37 236 339
Consumer loans	17 455 410	476 610	11 074	0	0	0	17 943 094
Mortgage loans	18 941 599	292 850	54 534	4 262	0	0	19 293 245
Corporate segment	16 071 294	434 390	3 563	0	0	0	16 509 247
Finance lease receivables	4 801 067	214 375	1 144	0	0	0	5 016 586
Other loans and advances	11 270 227	220 015	2 419	0	0	0	11 492 661
Stage 2							
Retail segment	1 898 957	503 095	218 981	23 425	3 256	1 763	2 649 477

31.12.2024	no overdue	up to 1 month	from 1 to 3 months	from 3 months to 1 year	from 1 to 5 years	more than 5 years	Total
Consumer loans	1 162 565	359 568	128 238	8 048	3 256	1 763	1 663 438
Mortgage loans	736 392	143 527	90 743	15 377	0	0	986 039
Corporate segment	4 264 538	625 151	104 854	2 696	487	982	4 998 708
Finance lease receivables	90 366	348 556	42 555	489	11	0	481 977
Other loans and advances	4 174 172	276 595	62 299	2 207	476	982	4 516 731
Stage 3							
Retail segment	142 904	102 880	172 968	333 627	275 603	147 691	1 175 673
Consumer loans	110 160	86 389	132 889	275 873	211 951	102 820	920 082
Mortgage loans	32 744	16 491	40 079	57 754	63 652	44 871	255 591
Corporate segment	1 132 867	222 933	161 401	604 563	834 434	140 875	3 097 073
Finance lease receivables	64 568	52 919	43 235	98 843	67 409	8 138	335 112
Other loans and advances	1 068 299	170 014	118 166	505 720	767 025	132 737	2 761 961
POCI							
Retail segment	6 450	3 297	1 658	1 130	6 360	3 503	22 398
Consumer loans	5 950	3 104	1 389	834	4 363	3 069	18 709
Mortgage loans	500	193	269	296	1 997	434	3 689
Corporate segment	69 599	14 449	25 564	11 791	98 346	23 130	242 879
Finance lease receivables	0	0	0	0	0	0	0
Other loans and advances	69 599	14 449	25 564	11 791	98 346	23 130	242 879
Total	59 983 618	2 675 655	754 597	981 494	1 218 486	317 944	65 931 794

Past due more than 90 days do not result in classification to stage 3 due to the intangible amount of overdue.

Loans and advances to customers according to the methods of calculating expected credit losses 31.12.2025	Stage 1	Stage 2	Stage 3		POCI	Total
			individual method	collective method		
Retail segment	39 428 926	3 423 401	24 650	976 365	12 909	43 866 251
Consumer loans	17 938 288	2 116 225	24 650	772 044	10 854	20 862 061
Mortgage loans	21 490 638	1 307 176	0	204 321	2 055	23 004 190
Corporate segment	16 651 724	4 856 218	1 110 669	1 507 166	257 764	24 383 541
Finance lease receivables	5 381 750	591 291	104 034	215 740	0	6 292 815
Other loans and advances	11 269 974	4 264 927	1 006 635	1 291 426	257 764	18 090 726
Total	56 080 650	8 279 619	1 135 319	2 483 531	270 673	68 249 792

Loans and advances to customers according to the methods of calculating expected credit losses 31.12.2024	Stage 1	Stage 2	Stage 3		POCI	Total
			individual method	collective method		
Retail segment	37 236 339	2 649 477	31 110	1 144 563	22 398	41 083 887
Consumer loans	17 943 094	1 663 438	31 110	888 972	18 709	20 545 323
Mortgage loans	19 293 245	986 039	0	255 591	3 689	20 538 564
Corporate segment	16 509 247	4 998 708	1 296 650	1 800 423	242 879	24 847 907
Finance lease receivables	5 016 586	481 977	87 070	248 042	0	5 833 675
Other loans and advances	11 492 661	4 516 731	1 209 580	1 552 381	242 879	19 014 232
Total	53 745 586	7 648 185	1 327 760	2 944 986	265 277	65 931 794

Loans subject to forbearance

The Group treats as forbearance, financing conditions agreed with the client forced by its difficult financial situation (restructuring introducing easements that would not have been accepted otherwise). The objective of forbearance efforts is to restore the debtor's or issuer's potential to meet their obligations vis-a-vis the Group and to maximise the effectiveness of irregular loan management – obtaining maximum recoveries, while minimising the related costs.

In the restructuring process of retail customers, the Group applies the following tools (which can be combined):

- extension of the lending period,
- granting a grace period in repayment (of an instalment in full or in part),
- replacement of the limit in the LOR account/unauthorized overdraft in the ROR/KK account into a loan repayable in installments,
- agreement by rescheduling matured exposures (after maturity or termination).

In specific instances, other tools may be used.

In the restructuring process of corporate customers, no restrictions have been made as to the applied forbearance practices. Due to the specific nature of the customers, the most frequently applied tools include:

- agreement by modifying the repayment schedule of the overdue exposures (after the repayment date or termination),
- an annex reducing the limit in revolving loans,
- an annex modifying the repayment period/instalment amount or grace period for the principal.

The Group considers that the borrower's financial situation deteriorated, resulting in the classification of the granted improvement to forbearance, when:

- within three months before the date of granting the facility, the overdue period on the restructured client's account exceeded 30 days or
- a significant deterioration in credit risk has been recognized for the restructured account since initial recognition (classification to Stage 2) or
- if the customer was on a watch list in the three months prior to granting the facility.

Forbearance practices resulting in a loss (understood as lowering the NPV of an asset below the set thresholds), as well as introducing a balloon payment or a significant deferral of capital payment, result in reclassification to the portfolio with evidence of impairment.

Exposure classified as forbearance, against which the trigger of impairment has been identified (default) maintains such a premise for at least 12 months. After this period, the exposure may come out of the default status if there are no significant delays or any other indications of impairment. Such exposure remains in the forbearance status for 24 months yet. In this period, the identification of impairment triggers is carried out according to more strict criteria.

Loans to customers subject to forbearance	31.12.2025	31.12.2024
Retail segment	606 178	657 780

Loans to customers subject to forbearance	31.12.2025	31.12.2024
without identified impairment	495 366	552 214
with identified impairment	274 717	299 346
Expected credit losses	-163 905	-193 780
assessed as a portfolio	-163 905	-193 780
Corporate segment	737 814	756 059
without identified impairment	356 635	222 831
with identified impairment	640 234	1 006 361
Expected credit losses	-259 055	-473 133
assessed individually	-169 883	-366 331
assessed as a portfolio	-89 172	-106 802
POCI	145 723	150 748
Total	1 489 715	1 564 587

Loans to customers subject to forbearance	31.12.2025	31.12.2024
with identified impairment	542 781	687 637
of which: collateral value	406 914	505 546
without identified impairment	801 211	726 202
of which: collateral value	521 553	488 820
not overdue	695 422	635 992
overdue	105 789	90 210
POCI	145 723	150 748
Total	1 489 715	1 564 587

In 2025 and 2024 the amount of interest income on loans were subject to forbearance amounted to PLN 165 308 thousand and PLN 160 086 thousand, respectively.

Concentration

The table below presents the exposure (capital) towards the 10 largest customers of the Bank's Group.

Ten largest borrowers	Currency	31.12.2025	Currency	31.12.2024
Company 1	PLN	218 068	PLN	224 091
Company 2	PLN	195 911	PLN	216 887
Company 3	EUR	169 068	PLN	202 273
Company 4	PLN	160 660	EUR, USD	187 156
Company 5	EUR, USD	151 562	PLN, EUR	178 623
Company 6	PLN	145 089	PLN	165 000
Company 7	PLN	132 000	EUR	163 068
Company 8	PLN	118 398	EUR	149 555
Company 9	PLN	118 398	PLN	128 175
Company 10	PLN, EUR, USD	112 126	EUR	124 558

The tables below present the balance sheet and off-balance sheet exposures of Alior Bank's Group business customers, subject to internal concentration limits, broken down by PKD section. This exposure is defined in accordance with Article 389 of the CRR.

Section by PKD 2007	Section name	31.12.2025	
		balance sheet commitment	off-balance sheet commitment
Section A	Agriculture, forestry, hunting, and fishery	253 377	252 208
Section B	Mining and quarrying	80 821	12 294
Section C	Manufacturing	2 535 980	2 331 619
Section D	Electricity, gas, steam and air conditioning supply	779 499	883 711
Section E	Water supply, sewage and waste management, and remediation	99 666	329 677
Section F	Construction	1 887 927	4 065 860
Section G	Wholesale and retail trade; repair of motor vehicles and motorcycles	3 164 107	1 662 029
Section H	Transportation and storage	3 118 565	290 839
Section I	Accommodation and food service activities	875 158	90 000
Section J	Information and communication	592 826	135 695
Section K	Financial and insurance activities	7 303 161	841 562
Section L	Real estate activities	2 036 550	329 303
Section M	Professional, scientific and technical activities	524 622	107 850
Section N	Administrative and support service activities	833 294	628 849
Section O	Public administration and defence; compulsory social security	1 936	123 811
Section P	Education	115 538	8 627
Section Q	Human health and social work activities	474 869	47 341
Section R	Arts, entertainment, and recreation	177 161	85 144
Section S	Other service activities	132 396	3 964
Section T	Households employing workers; households producing goods and providing services for their own needs	22	0
Section U	Activities of extraterritorial organisations and bodies	225	0
Total		24 987 700	12 230 383

Section by PKD 2007	Section name	31.12.2024	
		balance sheet commitment	off-balance sheet commitment
Section A	Agriculture, forestry, hunting, and fishery	329 925	199 544
Section B	Mining and quarrying	20 154	248
Section C	Manufacturing	3 995 923	2 799 321
Section D	Electricity, gas, steam and air conditioning supply	605 690	766 080
Section E	Water supply, sewage and waste management, and remediation	110 192	303 212
Section F	Construction	1 612 138	3 828 033
Section G	Wholesale and retail trade; repair of motor vehicles and motorcycles	5 479 129	2 011 194
Section H	Transportation and storage	3 888 980	480 945
Section I	Accommodation and food service activities	1 154 996	152 978
Section J	Information and communication	975 250	255 173
Section K	Financial and insurance activities	6 182 826	1 544 890
Section L	Real estate activities	2 929 671	391 193
Section M	Professional, scientific and technical activities	873 448	257 027
Section N	Administrative and support service activities	987 429	473 809
Section O	Public administration and defence; compulsory social security	1 995	19 601
Section P	Education	153 941	32 774
Section Q	Human health and social work activities	618 283	50 543
Section R	Arts, entertainment, and recreation	172 388	83 269
Section S	Other service activities	170 527	10 612
Section T	Households employing workers; households producing goods and providing services for their own needs	26	0

Section by PKD 2007	Section name	31.12.2024	
		balance sheet commitment	off-balance sheet commitment
Section U	Activities of extraterritorial organisations and bodies	1	0
Total		30 262 912	13 660 446

The tables below present the on-balance sheet and off-balance sheet exposures, subject to internal concentration limits, broken down by country. This exposure is defined in accordance with Article 389 of the CRR.

Country	31.12.2025	
	balance sheet commitment	off-balance sheet commitment
Poland	73 383 870	16 553 464
United Kingdom	229 122	130 219
Cyprus	133 286	46 328
Luxembourg	59 847	68 672
Germany	56 562	12 385
Liberia	42 859	0
The Czech Republic	2 165	377
Ireland	29 999	1 185
The Netherlands	23 662	5 039
France	6 614	13 960
Other countries	54 600	20 381
Total	74 022 586	16 852 010

Country	31.12.2024	
	balance sheet commitment	off-balance sheet commitment
Poland	67 257 040	18 710 939
United Kingdom	224 848	28 018
Cyprus	75 334	24 621
Liberia	76 692	0
Germany	57 065	9 676
Luxembourg	50 798	6 798
Ireland	32 865	228
Romania	1	27 325
The Netherlands	21 633	3 317
France	5 104	15 786
Other countries	65 267	15 731
Total	67 866 647	18 842 439

Financial assets subject to modification

The table below presents information on financial assets that were subject to modification that did not result in derecognition from the balance sheet and for which the allowance for expected credit losses was calculated as a credit loss over the life of the exposure.

	31.12.2025	31.12.2024
Financial assets subject to modification in a given period		

	31.12.2025	31.12.2024
Carrying amount at amortized cost before modification	1 202 225	795 816
Profit / loss recognized on modification	-5 048	-67 552
Financial assets that were subject to modification from the moment of initial recognition		
Gross carrying amount of financial assets for which the Bank changed the method of calculating the impairment loss in the period - from the life-time horizon to the 12 months	494 392	154 604

42 Interest rate risk

42.1 Description of the risk

Definition of the interest rate risk

The interest rate risk (including the interest rate risk in the banking book) is defined as the risk of adverse impact of market interest rates on the current results or the net present value of the Group's equity. The Group attaches special importance to specific interest rate risk aspects related to the banking book, such as:

- mismatch risk,
- base risk,
- risk of customers' options,
- credit spread risk (CSRBB).

Additionally, with respect to the interest rate risk, the Group pays special attention to modelling repayment of loans with a fixed interest rate and accounts with unspecified maturities and interest rates set by the Bank (e.g. for current deposits), as well as the impact of non-interest items in the risk (e.g. equity, fixed assets).

Objective of interest rate risk management

The objective of interest rate risk management is to mitigate potential losses due to changes of market interest rates to the acceptable level with an appropriate structure of on- and off-balance sheet items.

In order to manage the interest rate risk, the Group differentiates between trading activity covering securities and derivative instruments, concluded for commercial purposes, and banking activity covering other securities, own issues, loans, deposits, and derivative transactions uses to hedge the risk of the banking book risk.

In 2025, Alior Leasing was considered a significant company in the Alior Bank SA Capital Group from the point of view of interest rate risk management in the Group. The interest rate risk in the company is monitored, controlled and reported on the basis of internal market risk management rules, including the determination of the appetite for interest rate risk and preparation of periodic reports. Reports on the interest rate risk in the company prepared by Alior Leasing constitute, in particular, the starting point for decisions regarding the management of the company's interest rate risk and are used to consolidate the interest rate risk at the Group level.

Measurement and assessment of the interest rate risk

Interest rate of the banking portfolio is measured and assessed by limiting the volatility of net interest income (NII) and by limiting changes to the economic value of the Bank's equity (EVE). Apart from NII and EVE, in its interest rate measurements the Group applies BPV and Expected Shortfall and stress tests.

BPV identifies the estimated change to the measurement of a transaction/position as a result of a shift of the profitability curve at the relevant point by 1bp. The BPV value is measured on a daily basis at each point of the curve with reference to each currency.

Expected Shortfall identifies the potential loss on the existing positions, related to changes of interest rates, while maintaining the assumed confidence level position maintenance period. In order to calculate Expected Shortfall, the Group applied a 10-day horizon and a confidence level of 97.5%. The value is determined daily for each area responsible for risk assumption and management, individually and jointly.

Monitoring and reporting of the interest rate risk

Regular reports are made at Alior Bank Group of the following:

- interest rate risk measurement level,
- utilisation degree of the internal capital allocated to the interest rate risk,
- utilisation degree of internal limits and warning threshold for the interest rate risk,
- results of stress tests.

Reports concerning the interest rate risk are made on a daily, weekly, monthly, and quarterly basis.

Tools for interest rate risk management

The core of interest rate risk management tools at Alior Bank Group are as follows:

- internal procedures relating to interest rate risk management,
- interest rate risk metrics like NII, EVE, Expected Shortfall, BPV,
- limits and warning thresholds for each interest rate risk metric,
- stress tests (including scenario analyses covering, among other, the impact of specified changes to interest rates on future net interest income, the economic value of equity, reverse tests and dynamic forecasts of sensitivity to changes in interest rates).

42.2 Assessment of the impact of the IBOR reform on the Group's situation

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

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

- the contingency plan was amended, which in particular includes a scheme of actions in the event of a significant change or discontinuation of the development of a given benchmark and a list of benchmarks used with their alternatives,
- priorities for annexing contracts to replace expired indicators were adopted,
- templates of annexes were prepared and introduced for contracts to which the IBOR relates,
- the process of annexing the contracts was carried out,
- an information and reminding campaign aimed at clients was conducted,
- employee training in the field of IBOR was conducted,
- the hedge accounting policy was adjusted.

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

The Steering Committee of the National Working Group (KS NGR) decided to select the proposal for an index from the WIRS family with the technical name "WIRF" - based on unsecured deposits of Credit Institutions and Financial Institutions, as the target interest rate reference indicator, which would replace the WIBOR reference indicator. After reviewing the opinions on legal, market and marketing aspects, KS NGR decided on 24 January 2025 to select the target name POLSTR. The administrator of POLSTR - within the meaning of the BMR Regulation will be GPW Benchmark SA, entered in the register of the European Securities and Markets Authority (ESMA). Thus, KS NGR verified and modified its previous decision to select WIRON (originally WIRD) based on the premises indicated below, as well as those mentioned in previous NGR communications. KS NGR has updated the Road Map as part of the current schedule of actions aimed at replacing the WIBOR reference index with the target POLSTR index.

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

Legal events

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

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

Interest rate risk

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

Currency	Benchmark before reform	Benchmark status at 01.01.2026	Benchmark used by the Bank after reform	31.12.2025	31.12.2024
PLN	WIBOR	Compatible with BMR	In accordance with the resolution of the NGR (more information on the website https://www.knf.gov.pl/dla_rynku/Wskazniki_referencyjne/prace_grupy)	Portfolio annexation in progress (in terms of fallback clauses)	Portfolio annexation in progress (in terms of fallback clauses)

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

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

The impact of the IBOR reform on hedge accounting is assessed in Note 21.3.

The Group's exposure by individual IBOR reference ratios

as at 31 December 2025

Reference indicator	Assets (gross carrying amount)	Liabilities (gross carrying amount)	Off-balance sheet liabilities – granted (nominal value)	Derivatives (nominal value)
WIBOR	53 174 025	17 142 937	6 156	21 142 325

as at 31 December 2024

Reference indicator	Assets (gross carrying amount)	Liabilities (gross carrying amount)	Off-balance sheet liabilities – granted (nominal value)	Derivatives (nominal value)
WIBOR	51 409 955	15 993 309	5 611	18 122 188

Group's exposure of transactions concluded under hedge accounting broken down by reference ratios as at 31 December 2025

Reference indicator	Derivatives (nominal value)
WIBOR	24 357 000

as at 31 December 2024

Reference indicator	Derivatives (nominal value)
WIBOR	18 381 000

42.3 Financial data

Sensitivity metrics

BPV statistics

	01.01.2025-31.12.2025			01.01.2024-31.12.2024		
Book	Minimal	Medium	Maximum	Minimal	Medium	Maximum
Banking book	-2 882	-2 411	-1 434	-2 760	-1 653	-802
Trading book	-49	-19	22	-86	-24	22

	01.01.2025-31.12.2025			01.01.2024-31.12.2024		
Book	Minimal	Medium	Maximum	Minimal	Medium	Maximum
CALCO*	-2 689	-1 095	1 530	-1 536	802	2 214
Total	-2 899	-2 431	-1 412	-3 883	-875	1 337

*The Calco portfolio includes the equivalents of the NII adjustment - model deposits, NII adjustments, hedge accounting, natural hedge. This reflects the division of appetite into linear NII and making NII more realistic.

Bank's ES values in 2025 and 2024 are presented in the table below (97.5% VaR with a horizon of 10 days).

	01.01.2025-31.12.2025			01.01.2024-31.12.2024		
	Minimal	Medium	Maximum	Minimal	Medium	Maximum
Trading book	891	1 274	1 842	722	1 913	3 801

Change to the economic value of capital

Use of the change of economic value of equity with a parallel shift of interest rate curves by +/- 200bps and with scenarios specified by the EBA for Alior Bank Group as at the end of December 2025 and 2024 are presented below:

Scenario	Change to the economic value of equity 31.12.2025	Change to the economic value of equity 31.12.2024
most adverse scenario as %Tier 1	-10.12%	-6.56%

Net interest volatility

The volatility of net interest income over a horizon of up to 1 year with a 100 bp change in interest rates (negative scenario) and the result of the SOT NII supervisory test in two scenarios of parallel shift to the end of 2025 and the end of 2024 are presented below:

	31.12.2025	31.12.2024
NII - total, adjusted sensitivity of interest income to interest rate changes in the +/- 100 b.p. scenario	121 683	-106 404
SOT NII - as % of Tier1 capital	-4.48%	-3.93%

43 Foreign exchange risk (FX risk)

43.1 Description of the risk

Definition of the foreign exchange risk

The FX risk is defined as a risk of a loss resulting from changing FX rates. Additionally, the Group identifies the impact of FX rates on its results over a long-time perspective as a result of conversion of future FX-denominated income and expenses at potentially disadvantageous FX rates. The risk related to future results may be managed within the FX model portfolio.

The objective of foreign exchange risk management

The core objective of FX risk management is to identify those areas at the Group's business that may be exposed to the risk and to take measures to mitigate potential related losses as much as possible. The Bank's Management Board identifies the FX risk profile which must be compliant with the Group's applicable financial plan.

In 2025, Alior Leasing was considered a significant company in the Alior Bank SA Capital Group from the point of view of currency risk management in the Group. The currency risk in the company is monitored, controlled and reported on the basis of internal market risk management principles, including the determination of the appetite for currency risk and preparation of periodic reports. Reports on the company's currency risk prepared by Alior Leasing constitute, in particular, the starting point for decisions regarding the company's currency risk management and are used to consolidate the currency risk at the Group level.

Foreign exchange risk measurement and assessment

The FX risk is measured and assessed by limiting the FX positions opened by the group. In order to measure the FX risk, the Group uses Expected Shortfall and stress tests.

Expected Shortfall identifies the potential loss on existing positions, related to changes of FX rates, while maintaining the assumed confidence level and the position maintenance period. The value is determined daily for each area responsible for risk assumption and management, individually and jointly.

Foreign exchange risk monitoring and reporting

Alior Bank Group regularly monitors and reports:

- FX risk measure levels,
- utilisation degree of the internal limits and warning threshold for the FX risk,
- results of stress tests.

Reports concerning the FX risk are made on a daily, weekly, monthly, and quarterly basis.

FX risk limits are set so that the risk remains at a restricted level.

The Group may also execute transactions to hedge future FX cash flows with adequate realisation certainty (e.g. rental costs, FX currency denominated net interest income). The objective is to mitigate volatility of the results in the current financial year.

Foreign exchange risk management tools

The core FX risk management tools at Alior Bank Group are as follows:

- internal procedures relating to FX risk management,
- internal FX risk models and metrics,
- limits and warning threshold for the FX risk,
- limitations to allowable FX transactions,
- stress tests.

43.2 Financial data

Sensitivity metrics

As at the end of December 2025, the maximum loss on the FX portfolio held by the Group (managed within the trading book), determined on the basis of Expected Shortfall over a time horizon of 10 days, could be amounted to PLN 71 thousand, with the assumed confidence level of 97.5%.

	31.12.2025	31.12.2024
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Horizon [days]	10	10
ES [TPLN]	71	149

Expected Shortfall statistics in the Group's trading book in 2025 and 2024

	31.12.2025	31.12.2024
Minimum	36	54
Medium	88	605
Max	140	1 431
On date	71	149

An assumed normal distribution of the values of risk factors in the Expected Shortfall model may in practice result in underestimation of losses in stress scenarios (the phenomenon of “the long tail”). As a result, the Group performs stress tests.

In measuring the exposure of the Alior Bank Group to the risk of changes in foreign exchange rates, the Group conducts stress tests. The results of stress tests of the Alior Bank Group examining the impact of changes to FX rates versus PLN by +/- 30% are presented below:

	31.12.2025	31.12.2024
FX rates + 30%	27 821	30 113
FX rates -30%	-26	-4 287

Foreign exchange position

The total amounts of FX positions in the Alior Bank Group as at 31.12.2025 and 31.12.2024 are presented in the table below:

Fx position	Balance sheet item		Off -balance sheet item		Net position	
	Long	Short	Long	Short	Long	Short
31.12.2025	15 664 796	-15 475 600	5 419 781	-5 610 206	5 251	-6 480
31.12.2024	14 500 163	-15 470 934	4 615 054	-3 621 229	25 005	-1 951

The volume of FX positions is the core factor (apart from FX rate volatility) determining the FX risk level to which the Bank and Group is exposed. All concluded FX transactions, both on- and off-balance sheet ones, affect the level of FX positions. The Group's exposure to the FX risk is low (with reference to equity of Alior Bank Group), the 10-day Expected Shortfall for the currency portfolio of Group as at 31 December 2025 was about ca. 0.0007% and as at 31 December 2024 ca. 0.0016%, respectively.

44 Liquidity risk

44.1 Description of risk

Definition of liquidity risk

The liquidity risk means a risk of failure by the Group to meet – subject to comfortable conditions and at adequate prices – its payment obligations resulting from the Group'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.

Purpose of liquidity risk management

The purpose of liquidity risk management is to provide the necessary amount of financial resources necessary to meet current and future (also potential) liabilities, taking into account the specifics of the business and the needs that may arise as a result of changes in market or macroeconomic conditions.

Organization of the liquidity risk management process

Assets and liabilities at Bank are managed by the dedicated CALCO. A liquidity risk strategy, including the acceptable risk level, the assumed balance sheet structure and the funding plan, is approved by the Bank's Management Board and further validated by the Bank's Supervisory Board. Interbank treasury transactions are concluded by the Treasury Department, transactions are settled and booked in the Operations and Settlements Division and the liquidity risk is monitored and measured in the Financial Risk Management Department. The competences related to liquidity risk management are segregated in a transparent manner up to the Management Board level which ensures complete independence of operation. In 2025, treasury activities and liquidity risk management were fully centralized at the level of the Alior Bank SA Group.

Organization of the liquidity risk management process in subsidiaries

In 2025, Alior Leasing was considered a significant company in the Alior Bank SA Capital Group from the point of view of liquidity risk management in the Group. The liquidity risk in the company is monitored, controlled and reported on the basis of internal liquidity risk management rules, including determination of the appetite for liquidity risk, liquidity contingency plans and preparation of 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 management and are used to consolidate the liquidity risk at the Group level.

Liquidity risk management

Thus, the policy of liquidity risk management at the Group consists of maintaining its own liquidity positions so that payment obligations can be met at any time with the available cash on hand, proceeds from transactions with specific maturities or with sales of marketable assets while minimising the costs of liquidity maintenance.

The Group 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 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 Group's exposure to liquidity risk by setting internal liquidity limits, consistent with the appetite and strategy of the Group, taking into account the results of stress tests,
- minimising the risk of trespassing on the liquidity limits defined at the Group,
- monitoring the Group'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 Group with regulatory requirements concerning liquidity risk management.

As part of ILAAP Group:

- 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 Group'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 Group is prepared to settle liabilities in a stress situation,
- includes in the fund transfer rates system adjustments supporting liquidity risk management.

Individual elements of ILAAP are integrated with each other and constitute a coherent whole. Each identified type of liquidity risk is measured using a number of analyzes and defined indicators. Specific ratios are subject to a liquidity limit system, which limits the risk taken by the Group and provides warning signals to identify a threat situation that could lead to emergency plans or Recovery Plans. When determining the level of limits and the required liquidity buffer, the results of stress tests are taken into account. The contingency and Recovery Plan tests are compared with the results of stress tests and are used to ensure that the Group is able to maintain liquidity both in a normal and an extreme situation.

Such relationships between the individual elements of ILAAP allow for effective management of liquidity risk, limiting it and ensuring access to sufficient sources of liquidity, even in an extreme situation.

The components of the ILAAP are consistent with the Group's overall strategy and risk appetite. The ILAAP elements determine the liquidity risk tolerance, i.e. the level of risk that the Group intends to bear. Risk tolerance is defined as a system of limits imposed on liquidity risk, which results from the risk appetite included in the assumptions of the overall strategy of the Group's operations and is consistent with it, and by setting a survival horizon that takes into account e.g. results of liquidity stress tests. The elements of ILAAP are taken into account when constructing the Group's financial plan in such a way that the assumptions regarding the future structure of the balance sheet take into account the need to ensure a safe liquidity position of the Group.

Identification and measurement and assessment of liquidity risk

As part of the identification of liquidity risk, the Group recognizes risk factors that significantly determine its ability to maintain an adequate level of liquidity and the ability to finance liabilities resulting from operating activities.

The measurement of liquidity risk at the Group is performed taking into account all material items, both on-balance and off-balance sheet (including in particular derivatives). Among the applied liquidity management metrics, the Group identifies indicators and related limits to the following liquidity types:

- intraday liquidity - the ability to perform all monetary obligations on the current day,
- current liquidity – the ability to finance assets and timely discharge obligations in the course of the Bank's normal operations or in other conditions that can be predicted, without incurring a loss within the next 7 calendar days,
- short-term liquidity – ability to comply with all financial liabilities falling due within a period of the next 30 days,
- medium-term liquidity – ability to comply with all financial liabilities falling due within a period of 1 to 12 months,
- long-term liquidity – ability to comply with all financial liabilities falling due within a period of over 12 months.

The 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 Group's compliance with quantitative supervisory requirements,
- forecasts for the development of supervisory liquidity measures - ensuring that the Group 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 Group determines the contractual and adjusted liquidity gap,
- 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 deposit and weights of cash flow realities in the Group,
- analysis of stable external funds concentration - indication of the potential risk of excessive dependence of the Group on financing sources characterized by an insufficient degree of diversification, which could have a negative impact on the stability of external funds,
- 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,

- 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.

Liquidity risk control, monitoring and reporting

Liquidity risk control involves setting liquidity risk limits adjusted to the scale and complexity of the Group's operations, in particular the limits of the appetite for liquidity risk.

Alior Bank Group regularly monitors and reports the level of liquidity risk measures and the degree of use of internal limits and threshold values. Liquidity risk reports are prepared on a daily, weekly, monthly, quarterly and annual basis. Their frequency, scope and list of recipients (including CALCO, Management Board and the Supervisory Board) is regulated in the Group's internal regulations. The limits set the boundaries of the Group's operations, which cannot be exceeded. The selected limits are extended by the Group with 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.

Liquidity risk stress tests

Stress testing is an important element of the Group's liquidity risk management. The main part of stress tests is a scenario analysis, which consists in examining the impact of a given scenario on the liquidity, taking into account various risk factors and a different level of severity of individual risk factors (while maintaining the overriding principle of a conservative approach to scenario construction). Additionally, the Bank conducts separate scenarios for intraday liquidity. The scenario tests are supplemented with sensitivity analyzes, where the Bank tests only selected risk factors which, in its opinion, have the greatest impact on the liquidity situation, and reverse tests, where the Bank tests what level of the most important risk factors causes the Bank to lose liquidity. The Bank conducts reverse tests, analyzing two aspects: loss of liquidity, meaning the inability to settle liabilities, and a decrease in liquidity, resulting in non-compliance with supervisory liquidity requirements. The results of the stress tests are accepted by 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 in which 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, 1 related to the geopolitical crisis and 1 related to the geopolitical and fiscal crisis),
- combination of an internal crisis and a systemic crisis - a situation that 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 stress tests are used in particular to assess the extent to which the Group is prepared to settle liabilities in a stressed situation, to assess the adequacy of surplus liquidity by comparing the existing liquidity buffer with the required liquidity buffer in a stressed 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 that assumed by the Group. Comparing the demand for liquid funds for each scenario with the values that can be obtained based on the tests of contingency plans allows you to check whether the Group is able to settle liabilities in longer horizons (beyond the survival horizon) using contingency actions. In addition, the results of stress tests are used to set internal limits, adapt and improve internal regulations, and the daily practice of liquidity risk management by using the results of stress tests to currently assess the Group's liquidity situation and shape the liquidity contingency plan.

Liquidity risk contingency plans tests

In the event of a liquidity crisis, understood as a hypothetical risk and the real occurrence of a situation in which the Group will not be able to meet its current or anticipated future payment obligations in a timely manner, liquidity contingency plans have been developed, the purpose of which is to identify solutions ensuring the survival of the liquidity crisis, including actions corrective. The Bank monitors the liquidity situation on an ongoing basis in terms of identifying a threatening situation by defining and monitoring a wide range of indications regarding the situation inside the Bank, 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. The Bank reviews and tests contingency plans at least once a year or when required by changes in market conditions. As part of the tests of contingency plans, the Bank determines: the feasibility and feasibility of actions, decision-making process, competences of individual units, the amount of funds that can be obtained and the time necessary to implement the actions.

44.2 Financial data

Contractual cash flows of financial liabilities (excluding derivative financial instruments)

The tables below present a summary of undiscounted future cash flows from the Group's financial liabilities (excluding derivative financial instruments), which means that the presented values include future interest payments. Financial liabilities and off-balance sheet commitments granted are recognized in a time frame consistent with the due date, and in the absence of such a date, these liabilities have been assigned the earliest possible date in which the outflow of funds from the Group is expected.

Contractual cash flows of the Group's financial liabilities as at 31 December 2025 (in PLN million)

31.12.2025	1M	3M	1Y	5Y	5Y+	Total
Financial liabilities	-69 680	-8 589	-5 291	-2 799	-198	-86 557
Amounts due to banks	-648	0	0	0	0	-648
Amounts due to customers	-69 031	-8 587	-5 140	-76	-3	-82 837
Debt securities issued	0	0	-140	-2 549	0	-2 689
Finance lease liabilities	-1	-2	-11	-174	-195	-383
Off-balance sheet liabilities	-14 510	0	0	0	0	-14 510
Off -balance guarantee lines	-13 660	0	0	0	0	-13 660
Off- balance financing lines	-850	0	0	0	0	-850

Contractual cash flows of the Group's financial liabilities as at 31 December 2024 (in PLN million)

31.12.2024	1M	3M	1Y	5Y	5Y+	Total
Financial liabilities	-63 660	-8 314	-5 631	-2 311	-54	-79 970
Amounts due to banks	-44	-2	-5	0	0	-51
Amounts due to customers	-63 552	-8 164	-5 389	-75	-1	-77 181
Debt securities issued	-64	-147	-214	-2 062	0	-2 487
Finance lease liabilities	0	-1	-23	-174	-53	-251
Off-balance sheet liabilities	-12 641	0	0	0	0	-12 641
Off -balance guarantee lines	-11 684	0	0	0	0	-11 684
Off- balance financing lines	-957	0	0	0	0	-957

Contract cash flows from off-balance sheet derivative transactions for which the valuation at the reporting date was negative

The Group includes IRS, FRA transactions, options, including currency and interest rate options, and commodity derivative transactions among derivative financial instruments settled in net amounts. In the case of IRS transactions, undiscounted future cash flows from interest were presented, while in the case of other transactions, the valuation value as at 31 December 2025 and 31 December 2024 was assumed as the cash flow amount, respectively (in PLN million).

	1M	3M	1Y	5Y	5Y+	Total
31.12.2025	79	153	193	85	18	528
31.12.2024	135	206	166	59	0	566

The Group classifies CIRS, FX Swap and FX Forward transactions as derivative financial instruments settled in gross amounts. The tables below present a summary of undiscounted future cash flows from nominal amounts, and in the case of CIRS transactions, additionally interest, as at 31 December 2025 and 31 December 2024, respectively (in PLN million).

	1M	3M	1Y	5Y	5Y+	Total
31.12.2025						
inflows	2 266	805	333	151	0	3 556
outflows	2 284	812	343	168	0	3 607
31.12.2024						
inflows	2 272	107	68	29	130	2 606
outflows	2 295	112	74	44	134	2 659

Liquidity gap realised

The tables below present the cumulative adjusted liquidity gap for the Group (in PLN million). Adjustment of cash flows is made as a result of applying adjustment weights to contractual cash flows in order to determine the most probable (economic) maturity/due date. Adjustment of values and terms is applied to both balance sheet and off-balance sheet items, including: assets for which there is a possibility of early

disposal, items without contractual maturity dates, banking products for which the analysis of trends and customer behavior indicates differences between the contractual maturity date and the actual payment date, off-balance sheet liabilities under granted credit lines and guarantees.

31.12.2025	1D	1M	3M	6M	1Y	2Y	5Y	>5Y	Total
Periodic gap made real	5 173	16 514	-2 587	400	1 446	3 942	5 776	-30 367	297
Accumulated gap real	5 173	21 687	19 100	19 500	20 946	24 888	30 664	297	

31.12.2024	1D	1M	3M	6M	1Y	2Y	5Y	>5Y	Total
Periodic gap made real	4 085	14 629	-2 074	340	1 626	4 508	7 221	-30 252	84
Accumulated gap real	4 085	18 715	16 641	16 981	18 607	23 115	30 335	84	

In all ranges, the Group's adjusted cumulative liquidity gap showed positive values as at 31 December 2025 and 31 December 2024. This means a surplus of maturing assets over due liabilities.

Regulatory liquidity measures and sensitivity measures

Regulatory liquidity measures	31.12.2025	31.12.2024
LCR	245%	202%
NSFR	149%	148%*

* On 11 April 2025, the Polish Financial Supervision Authority approved the inclusion of part of the profit generated in 2024 in the Tier 1 capital of Alior Bank SA. The inclusion of the net profit generated in 2024 as at 31 December, 2024 resulted in a change in the supervisory liquidity measure NSFR, as presented in the table above.

Between 31 December 2024 and 31 December 2025, the regulatory liquidity measures were above the regulatory limits. The Group uses prudential consolidation for the purposes of calculating the LCR and NSFR ratio, which includes Alior Bank SA and Alior Leasing sp. z o.o.

The stability of the deposit base

As at 31 December 2025 the balance of deposits over a 30-day horizon was about 95.1% of the Bank's deposit base.

As at 31 December 2024 the balance of deposits over a 30-day horizon was about 95.1% of the Bank's deposit base.

Financing structure

The main source of financing for the Group is the deposit base, which as at 31 December 2025 amounted to approx. PLN 80 billion, which accounts for approx. 79% of the Group's liabilities. The deposit base is dominated by current accounts approx. 72% of the base, most of which (approx. 74%) are accounts of retail clients, compared to 26% of corporate clients. The remaining part of the deposit base, ie approx. 28%, are term deposits, including 69% term deposits of retail clients and 31% deposits of corporate clients. Liabilities to financial customers amount to approx. PLN 1.1 billion and constitute approx. 1% of liabilities. Own issues, worth PLN 2 billion, account for approx. 2% of liabilities.

In the following years, the Group assumes a moderate increase in total assets and maintaining customer deposits as the main source of financing (in particular from individual customers).

Despite the predominance of current accounts in the deposit base, the diversification of these deposits in terms of the number and type of depositors and the Group's experience to date indicate that these accounts constitute a long-term and stable source of financing for the Group's operations.

In 2025 the Group's liquidity condition was at a safe level. The situation was closely monitored and maintained at a level adequate to the needs by adjusting the level of the deposit base and launching additional sources of financing depending on the development of lending and other liquidity needs, taking into account changing market and macroeconomic conditions.

45 Operational Risk

45.1 Description of risk

Definition of the operational risk

The operational risk is a risk of a potential loss occurrence due to inappropriateness or failure of internal processes, humans, and systems or external events. The operational risk covers the legal risk but does not include the reputational risk and the strategic risk.

The objectives of operational risk management

The objective of operational risk management in the Group is to maintain the operational risk at a safe and adequate level for the Group's business, objectives, strategy and development, as well as acceptable by the Bank's Management Board and Supervisory Board.

Operational risk management

The Group has a formalised operational risk management system within which it prevents the occurrence of operational events and incidents and mitigates losses should the risk materialise.

Operational risk management includes identification, measurement and assessment of operational risk, control, monitoring, reporting and management activities.

The Bank implements uniform and consistent principles of operational risk management in subsidiaries and supervises the management of operational risk related to their operations.

Identification of operational risk

As part of operational risk identification, risk factors that significantly influence its level are identified. At the identification stage, various methods of obtaining information are used, including:

- data on internal events and losses,
- risk identification in processes, products, systems, contracts and business requests,
- analysis of external operational risk events.

Measurement and assessment of operational risk

Measurement and assessment of operational risk is carried out using quantitative and qualitative measures and includes, among others:

- the capital requirement for operational risk in accordance with the CRR, using the standardised approach (SMA) and prudential consolidation,

- estimation of internal capital for operational risk using the results of the internal model for the Bank, for the company Alior Leasing sp. z o.o. subject to prudential consolidation using the standardized approach (SMA),
- the target and limit for operational risk costs,
- business target for operational risk costs,
- scenario analysis,
- operational risk self- assessment of products, processes, systems, contracts and business requests,
- valuation of actual and potential losses related to the identified ones events,
- key risk indicators (KRI),
- stress testing.

Operational risk control

The purpose of the control is to maintain the operational risk at the level acceptable to the Group. Operational risk control is performed on several levels: organizational units responsible for operational risk management in their areas, operational risk unit, the Operational Risk Committee, the Management Board, the Risk Committee of the Supervisory Board and the Supervisory Board.

Risk control includes, collecting information on operational risk, exercising supervision over operational risk management and its level, accepting the results of operational risk management and implementing the adopted assumptions, analyzing cyclical reports in the area of operational risk and accepting the most important assumptions and verification of their implementation.

Monitoring and reporting of operational risk

Monitoring of operational risk is aimed at diagnosing areas requiring management actions. Monitoring enables the monitoring of the operational risk profile and ensures that the necessary information on operational risk is regularly provided to the management body. It is carried out on a continuous basis at the level of individual organizational units and by the operational risk unit as part of the ongoing analysis and supervision of the operational risk management process.

The duty to monitor and mitigate operational risk in daily work applies to all employees and organisational units of the Bank. On an ongoing basis, the employees control the level of the operational risk in their processes and actively mitigate the risk, taking actions to avoid/mitigate operational losses. They are responsible for ongoing registration of events and financial operational effects concerning their areas at operation and report the values of Key Risk Indicators (KRIs) versus the tolerance level for processes exposes to the operational risk.

The results of operational risk monitoring are presented in reports addressed to the Operational Risk Committee, the Management Board, the Risk Committee of the Supervisory Board and the Supervisory Board. The reports present the level of operational risk and are prepared on a monthly, quarterly and annual basis.

Reporting information on events and consequences of operational risk is performed for internal and external purposes. Information on operational risk supports the Group's management system by taking it into account when making business decisions. The scope of management reporting on operational risk is

wide and cross-sectional, which makes it possible to properly assess the implementation of the risk management and control system and to take actions supporting this process.

Management activities

Based on the conducted identification, measurement and assessment, the Group undertakes adequate management actions aimed at shaping the operational risk management process and the level of this risk. Management activities include:

- setting acceptable risk levels in the form of limits to reduce the risk,
- making decisions on the use of tools supporting risk management,
- issuing internal regulations regarding operational risk management,
- organizational and procedural changes, including changes to existing processes or introduction of new ones, employee training necessary for the proper performance of operations, raising awareness of operational risk and methods of limiting its impact,
- limitation of operational risk, including transfer, outsourcing and risk insurance,
- avoiding operational risk.

The Group, seeking to limit the risk of materialization of the effects of rare but potentially severe operational events, purchased a number of insurance policies. Mentioned policies included insurance in the scope of property (including electronic equipment), civil liability, fiscal liability and professional liability.

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

46 Capital Management

Definition of the capital adequacy

Capital adequacy is a process aimed at ensuring that the level of risk taken by the Bank and the Group as part of its operations remains covered with own funds and Tier 1 capital at a level consistent with the risk appetite and long-term capital objectives. The capital adequacy management process includes in particular: setting, monitoring and planning capital adequacy levels, including compliance with applicable regulations of supervisory authorities.

Within its risk appetite, the Bank and Group determines the anticipated coverage levels of a potential unexpected loss for various risks, with equity and Tier 1 capital, as specified in Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending Regulation (EU) No. 648/2012 (as amended) (CRR Regulation), as well as individual risk types identified within the internal capital adequacy assessment process (ICAAP). The potential unexpected loss is determined with the regulatory capital with the methodology specified in the CRR Regulation and with the internal capital determined with the methods specified below.

The process of capital management is supervised by the Bank's Supervisory Board, Management Board, Risk Committee of the Supervisory Board and the Capital, Assets and Liabilities Management Committee.

Capital adequacy metrics

The core measures used in the Group for capital management are as follows:

- total capital ratio and Tier 1 capital ratio,
- value of regulatory capital requirement,
- internal capital (ICAAP) and a coverage ratio of the internal capital with own funds.

Total capital adequacy ratio

The total capital ratio and Tier 1 ratio as at 31 December 2025 were calculated in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and Regulation (EU) No 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements on credit risk, credit valuation adjustment risk, operational risk, market risk and the minimum capital threshold ("CRR3") as well as other regulations implementing "national options", including the Banking Law Act of 29 August 1997 (as amended).

For the purposes of calculating the consolidated financial result and the capital adequacy ratio in 2025 prudential consolidation was applied – the consolidation covered Alior Bank SA and Alior Leasing sp. z o.o. In the opinion of the Bank's Management Board, the other subsidiary entities, not subject to prudential consolidation, are marginal for the Bank's core activity from the viewpoint of monitoring of credit institutions.

The prudentially consolidated profit and loss account is prepared in compliance with the accounting principles applied by the Bank.

	01.01.2025-31.12.2025
Interest income calculated using the effective interest method	6 400 995
Income of a similar nature	516 622
Interest expense	-1 783 539
Net interest income	5 134 078
Fee and commission income	1 196 034
Fee and commission expense	-312 481
Net fee and commission income	883 553
Dividend income	7 676
The result on financial assets measured at fair value through profit or loss and FX result	30 470
The result on derecognition of financial instruments not measured at fair value through profit or loss	19 664
measured at fair value through other comprehensive income	18 062
measured at amortized cost	1 602
Other operating income	105 378
Other operating expenses	-185 314
General administrative expenses	-2 283 658
Net expected credit losses	-328 098
The result on impairment of non-financial assets	-13 928
Cost of legal risk of FX mortgage loans	-151 119
Banking tax	-285 877
Gross profit/loss	2 932 825
Income tax	-567 625
Net profit/loss	2 365 200

Equity for the purposes of the capital adequacy

	31.12.2025	31.12.2024*	31.12.2024
Total equity for the capital adequacy ratio	10 515 442	9 741 870	9 417 913
Tier I core capital (CET1)	10 515 442	9 741 870	9 417 913
Paid-up capital	1 305 540	1 305 540	1 305 540
Supplementary capital	8 648 809	7 431 101	7 431 101
Other reserves	174 447	174 447	174 447
Current year's reviewed by auditor	557 943	1 243 278	925 473
Accumulated losses	78 455	48 421	48 421
Revaluation reserve – unrealised losses	-139 524	-187 076	-187 076
Intangible assets measured at carrying value	-449 910	-427 912	-427 912
Revaluation reserve – unrealised profit	420 997	220 816	220 816
Additional value adjustments - AVA	-24 029	-22 451	-22 451
Other adjustments items	-57 286	-44 294	-50 446

* On 11 April 2025, the Polish Financial Supervision Authority approved the inclusion of part of the net profit of the prudentially consolidated Alior Bank SA Capital Group for 2024 in the Own Funds of the Alior Bank Capital Group. Including part of the net profit generated in 2024 as at 31 December 2024 resulted in an increase in own funds to the level of PLN 9,7 billion and a change in the coefficients, which is presented in the table above.

As at 31.12.2025 and 31.12.2024 the Group's capital ratios remain at levels exceeding the minimum regulatory requirements and allow the Bank to operate safely.

MREL

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

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

As at 31 December 2025, the Group met the MREL requirements set out by the Bank Guarantee Fund.

Analysis of regulatory capital requirement

In the calculation process of its capital adequacy ratio, the Group analyses the level of regulatory capital requirement and the relation of equity to internal capital. The analysis consists of a comparison of actual values with the budgeted values and identification of reasons of potential differences (the scale of operations of the Bank and Group different than planned, in particular the volume of the loan portfolio or an assets risk profile different than planned). The equity of the Alior Bank Group exceeded the total capital requirement throughout 2025.

Internal capital

Within the ICAAP process, the Group identifies and assesses the materiality of all types of risk to which it is exposed in connection with its business.

Material risk types as at 31 December 2025:

- Credit risk – insolvency
- Credit risk – sectoral concentration

- Credit risk – concentration to customers
- Credit risk – currency concentration
- Credit risk – collateral concentration
- Operational risk
- Liquidity risk
- Interest rate risk in the banking book
- Market risk
- Settlement/delivery risk with a deferred settlement date
- Model risk
- Reputational risk
- Business model risk
- Capital risk
- Leverage risk.

For each risk identified as material, the Group allocates the internal capital with the use of the internal risk estimation models.

The internal capital is estimated:

- for the credit risk using the methodology of loss distribution in the loan portfolio,
- on the basis of the ES methodology for the market risk,
- for interest rate risk based on the economic value of capital measure,
- on the basis of a liquidity gap model for the liquidity risk assuming a stress scenario,
- estimating the Bank's internal capital for operational risk using the results of the internal model.

The designated total internal capital is secured with the value of the available capital subject to appropriate security buffers.

CRD IV/ CRR packet

As at 31 December 2025 the Group fully complied with the CRR Regulation in the sphere of capital management, including the calculations of equity and capital requirements for each type of risks.

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Other

47 Events significant to the business operations of the Bank's Group

Adoption of the Strategy of Alior bank SA Capital Group for 2025-2027

On 24 March 2025, the Strategy of the Alior Bank SA Capital Group for 2025-2027 "Alior Bank. Or nothing" was adopted by the Bank's Management Board and approved by the Bank's Supervisory Board.

Impact of Equalization Tax Regulations (Pillar 2)

The regulations regarding equalization taxation (the so-called global equalization tax, Pillar 2), resulting from the OECD's work as part of the BEPS 2.0 project, are intended to limit tax competition between countries and ensure a minimum global corporate income tax rate of 15%. These regulations apply to international and domestic capital groups with consolidated

revenues exceeding EUR 750 million in at least two of the four years preceding the given tax year.

In Poland, the regulations implementing Pillar 2 were introduced by the Act of 6 November 2024, on equalization taxation of constituent entities of international and domestic groups, effective 1 January 2025 (Journal of Laws of 2024, item 1685).

The PZU Group, together with the Bank and the Group's entities, meet the criteria for inclusion in the scope of these regulations.

The parent company of Alior Bank announced that, based on available preliminary financial data for 2025, it had verified the feasibility of applying the so-called equalization tax. Temporary safe harbors for constituent entities located in all jurisdictions where the PZU Group conducts business. For the Polish jurisdiction, the conditions for applying the temporary safe harbor CBC-R have been met, which means that the Bank and the Group entities will not be required to pay the domestic equalization tax for 2025.

Information required in connection with Article 35 Section 1b of the Bonds Act

The Bank as the issuer, pursuant to Article 35 Section 1b of the Bonds Act, is required to indicate and explain in each annual financial report published in the period from the date of issue to the date of redemption of bonds any significant differences between the published information concerning the forecast of financial liabilities as of the last day of the financial year and the financial liabilities of the issuer resulting from the issuer's accounting records as of that day.

	Estimation 31.12.2025	Realization 31.12.2025
The value of Alior Bank's financial liabilities	86 703 836	88 792 028
Alior Bank's financing structure (value and percentage share of liabilities under credits and loans, issue of debt securities, leasing in total liabilities of the Issuer's balance sheet)	2 971 654 3.0%	2 644 607 2.6%

The value of Alior Bank's financial liabilities was higher than estimated, mainly due to a higher level of amounts due to customers. The value of liabilities under credits and loans, issuance of debt securities and leasing of Alior Bank was lower than estimated, mainly due to a lower level of issuance of debt securities.

The above information is not subject to audit.

48 Significant events after the end of the reporting period

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