



Termination of negotiations with Bank Polska Kasa Opieki S.A.

Company: Alior Bank S.A.

Current report no.: 48/2018

Date: August 7th, 2018

Legal basis: Article 17 (1) of MAR – confidential information

Content of the report:

In connection with current reports of Alior Bank S.A. (the „**Bank**” or „**Alior Bank**”):

- (i) no. 61/2017 dated as of 24 October 2017, in which the Bank informed of disclosure of a delayed inside information relating to undertaking by the Management Board the decision on: (i) starting a project aiming at analysis of strategic options within the PZU Group, taking into account also a potential business combination with Bank Polska Kasa Opieki S.A. ("**Pekao**", jointly with Alior Bank as the "**Banks**") and decision on (ii) the appointment of an advisor who will be supporting Alior Bank in that process;
- (ii) no. 62/2017 dated as of 24 October 2017, in which the Bank informed on signing of the Letter of Intent with Pekao relating to a will to commence the preliminary discussions concerning potential cooperation strategies;
- (iii) no. 47/2018 dated as of 7 August 2018, in which the Bank informed on disclosure of a delayed inside information regarding recognition of the merger with Pekao (within which, the shareholders of the Bank would obtain the shares of a combined bank) as giving an opportunity to bring potentially the largest additional value to the shareholders of the Bank and on commencement of negotiations in respect of choosing the optimal form of potential merger of the Bank with Pekao,

Management Board of the Bank hereby informs that the Banks did not reach the agreement on terms and conditions of their merger which could allow, in the opinion of the Alior Bank's Management Board, to bring potentially the largest additional value for Alior Bank's shareholders.

In connection with the foregoing, as of 7 August 2018, the Management Board of the Bank withdrawn from further negotiations with Pekao relating to merger of both Banks.

The Bank continues its consistent efforts to implement its current "Digital Disruptor" ("Cyfrowy Buntownik") Strategy and further autonomous development within the PZU Group.