



## Conclusion of Settlement Agreement Regarding Material Agreements

**Company:** Alior Bank S.A.

**Current report no.:** 86/2017

**Date:** December 19<sup>th</sup>, 2017

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

### Content of the report:

The Management Board of Alior Bank S.A. (the “Bank”) hereby gives notice that on 19 December 2017 the Bank entered into a settlement agreement (the “Settlement Agreement”) with Bank BPH S.A. (“BPH”), GE Investments Poland Sp. z o.o. (“GEIP”), DRB Holdings B.V. (“DRB Holdings”) and Selective American Financial Enterprises, LLC (“SAFE”) (GEIP, DRB Holdings and SAFE also collectively referred to as the “Sellers”) regarding the acquisition of a part of the BPH enterprise through a demerger by spin-off carried out on 4 November 2016 (the “Transaction”).

The Settlement Agreement refers to the following agreements entered into by the Bank: (i) the Share Purchase and Demerger Agreement of 31 March 2016, between the Bank and the Sellers; (ii) the Pre-Demerger and Cooperation Agreement of 1 April 2016, between the Bank and BPH with the support of the Sellers; and (iii) the Demerger Implementation and Post-Demerger Cooperation Agreement of 17 October 2016 between the Bank and BPH (the “Transaction Agreements”), as well as to the demerger of BPH by spin-off. The Bank gave notice of the execution of the agreements referred to in items (i) and (ii) above in its Current Report No. 14/2016 of 1 April 2016.

The purpose of the Settlement Agreement is to settle the acquisition of a part of the BPH business and certain other claims, costs and payments related to the Transaction. Pursuant to the Settlement Agreement, the Sellers agreed to pay the Bank the amount of PLN 94.3 million and the Bank confirmed that as of receiving the above amounts, it would not raise certain claims relating to the settlement of the acquisition of a part of the BPH business.

The execution of the Settlement Agreement has no significant impact on the Bank's financial result and does not affect the manner of recognizing the price for the acquisition of a part of the BPH operations in the Bank's accounting records, as the amount specified in the Settlement Agreement corresponds to the amount due under the settlement regarding the acquisition of the demerged part of Bank BPH S.A. in the Bank's accounting records, of which the Bank gave notice in the Financial report of the Alior Bank Spółka Akcyjna Group for the third quarter of 2017, available on the Bank's website: <https://www.aliorbank.pl/en/investor-relations/reports.html>.