



Ratings of the Bank by Fitch Ratings Ltd. affirmed on the unchanged level

Current report no 2/2017 of 16 February 2017

Legal basis: Article 17 Section 1 of the MAR – inside information.

Content of the report: With reference to current report no. 38/2013 of 5 September 2013, the Management Board of Alior Bank S.A. (“the Bank”, “Alior Bank”) hereby informs that Fitch Ratings Ltd. (“Fitch”, “the Agency”) affirmed an entity rating of Alior Bank granted at the level of BB with stable outlook on the unchanged level.

The Bank’s full rating granted by Fitch is as follows:

1. Long-term Foreign Currency IDR: BB, stable outlook
2. Short-Term Foreign Currency IDR: B
3. National Long-Term Rating: BBB+(pol), stable outlook
4. National Short-Term Rating: F2(pol)
5. Viability Rating (VR): bb
6. Support Rating: 5
7. Support Rating Floor: ‘No Floor’

In its report, the Fitch Agency has pointed to Alior's VR of 'bb' reflects its rapid credit expansion, higher appetite for credit risk than peers, weak internal capital generation and fast inflow of new impaired loans.

A marked and prolonged weakening in the Polish economy (not Fitch's base scenario) materially affecting the bank’s asset quality, capitalisation and profitability, could lead to its VR being downgraded.

Fitch does not anticipate any positive rating actions in the near term. However, the following factors would be positive for the bank’s credit profile and in combination could lead to upgrade of its VR:

a stronger capitalisation, a moderation of growth rates, stable asset quality and a longer record of solid profitability in an environment of low interest rates and the bank tax.

The Fitch ratings definitions are available on the Agency’s site, under www.fitchratings.com, where ratings, criteria and methodologies are also published.