Resolution of the Alior Bank's Management Board on the Series K and Series K1 subordinated bonds issuance

Company: Alior Bank S.A.

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

Content of the report:

The Management Board of Alior Bank S.A. with its registered office in Warsaw ('the Company', 'the Bank' or 'the Issuer') hereby informs that after the completion of the book building process, started on the basis of the decision of the Management Board of September 14th, 2017, about which the Issuer informed about in the current report no 51/2017 of September 14th, 2017, the Issuer took a decision on the issue of subordinated bonds ('Bonds') under the bond issuance program described in the current report no 68/2015 of August 10th, 2015. In relation with the foregoing, the Management Board of the Bank adopted a resolution on the issuance of not more than 400,000 (four hundred thousand) K series subordinated bearer Bonds without a documentary form of the nominal value of PLN 1,000 (one thousand Polish zlotys) each and the total nominal value not higher than PLN 400,000,000 (four hundred million Polish zlotys) ('K Series Bonds').

The Management Board of Alior Bank S.A. informs that due to the high demand for Series K Bonds declared by the investors during the book building process, it took a decision on the additional issuance of not more than 200,000 (two hundred thousand) K1 Series subordinated bearer Bonds without a documentary form of the nominal value of PLN 1,000 _one thousand Polish zlotys) each and the total nominal value not higher than PLN 200,000,000 (two hundred million Polish zlotys) ('K1 Series Bonds').

The K Series and K1 Series Bonds will be issued in accordance with Polish law and all legal relations ensuing from them will be governed by Polish law.

The issue price of one K Series and K1 Series Bonds will be equal to its nominal value that will be equal to its nominal value.

The K Series and K1 Series Bonds will not be secured and will entitle exclusively to cash benefits. The Bonds will not have a documentary form pursuant to Art. 8 of the Bonds Act of January 15th, 2015 ('Bonds Act'), and the rights under the Bonds can be assigned without any restrictions.

The Series K Bonds and Series K1 Bonds will be subordinated bonds within the meaning of art. 22 Bonds Act. The Bonds will comply with the requirements of 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 ('CRR Regulation') with regard to the instruments taken into account for the calculation of Tier II as referred to in art. Article 71 of the CRR Regulation and shall meet the conditions referred to in Art. 63 CRR Regulations. After obtaining the consent of the Polish Financial Supervision Authority, pursuant to Art. Article 127 of the Banking Law, the Bonds will be classified as instruments in the Tier II capital referred to in Art. 63 CRR Regulations.

The K Series and K1 Series Bonds issue will take place in accordance with the procedure provided for in Art. 33 (2) of the Bonds Act. The Bonds are not and will not be an object of public offer of the Company and no application will be made to admit them to public trading on a regulated market.

The K Series and K1 Series Bonds issue date will be October 20th, 2017, and the K Series and K1 Series Bonds redemption date will be October 20th, 2025.

The Bonds will yield interest payable on a semi-annual basis. The Bond will yield variable interest determined on the basis of the WIBOR for 6 months deposits (WIBOR 6M), rate plus a margin of 2.70%.

The value of past due liabilities, in accordance with the unit financial statement, was set at the last day of the quarter preceding not more than 4 months of making available the acquisition proposal, ie as of June 30th, 2017 and is equal to PLN 0 (zero Polish zlotys).

Perspectives of shaping the Issuer's obligations until the total redemption of the Bonds are as follows: the sum of liabilities of the Issuer to the redemption date will not exceed PLN 106,000,000 (one hundred and six million Polish zlotys).

The Bonds will be registered with the deposit of securities maintained by the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A. - 'KDPW') in accordance with Art. 5a _1_ of the Financial Instrument Trade Act of July 29th, 2005. All activities related to the K Series and K1 Series Bonds registration with KDPW and the performance of rights under the Bonds registered with KDPW will be made by KDPW on the basis of an agreement made with the Company. The intention of the Company is to have K Series Bonds and K1 Series Bonds assimilated under one ISIN Code.

The Company will apply for the admission of the Bonds to trading at the alternative trading system of the Catalyst market 'ASO Catalyst' maintained by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) or BondSpot S.A. in accordance with ASO Catalyst regulations, about which the Company will inform about in the current report.

Legal basis: Art. 17 (1) of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16th, 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.