



Preliminary information concerning 2013 annual financial results

Current report no. 17/2014 of 26 February 2014

Legal basis: Article 56 (5) of the Polish Act on Public Offerings - change to inside information

Contents of the report: With reference to the current report no 42/2013 as of October 17th 2013 and in order to ensure consistent and comprehensive communication with capital markets participants, the Management Board of Alior Bank S.A. („Bank”) herewith publishes information about substantial decisions influencing Bank’s results in 2013.

As a consequence of on-going discussions with Polish Financial Supervision Authority (“PFSA”) concerning the implementation of PFSA’s guidelines concerning accounting recognition of bancassurance revenue the Management Board of the Bank decided to modify the accounting approach introduced in third quarter 2013 concerning the recognition of bancassurance revenue attached to loan products.

Following further arrangements with PSFA the Management Board of the Bank decided to recognize upfront between 12 and 15 percent of bancassurance revenue attached to cash loans. In fourth quarter of 2013 upfront bancassurance revenue related to cash loans amounted to 13%.

The above mentioned change in scope of model assumptions for fair value of cash loans complies with PSFA guidelines.

Moreover the Management Board of the Bank decided to recognize upfront between 18 and 22 percent of bancassurance revenue attached to mortgage loans. In fourth quarter of 2013 upfront bancassurance revenue attached to mortgage loans amounted to 20%.

The Management Board of the Bank estimates the new accounting approach of bancassurance revenue recognition has a following positive impact:

- Increase of net profit by around 18 m PLN for whole 2013
- Increase of Bank’s equity as of 31.12.2012 by around 34 m PLN
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The Management Board of the Bank would like to underline that the described change will not have any adverse effect on Bank’s business model and growth potential.

The Management Board of the Bank decided to create a provision related to valuation of fixed assets for sale at the amount of 24 m PLN gross value. The amount of the provision has been defined using prudent and conservative valuation approach.

Annual consolidated and individual report for 2013 including the above mentioned adjustments will be published on March 6th 2014.