



Disclosure of delayed information regarding determining cooperation strategies with Bank Pekao and commencement of negotiations with Bank Pekao

Company: Alior Bank S.A.

Current report no.: 47/2018

Date: August 7th, 2018

Legal basis: Art. 17 sec. 4 in connection with art. 17 sec. 1 MAR – inside information

Content of the report:

Management Board of Alior Bank S.A. with its registered seat in Warsaw ("Alior Bank"), acting pursuant to art. 17 sec. 1 and 4 Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 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 ("MAR"), discloses the following delayed information in respect of determining the cooperation strategies with Bank Polska Kasa Opieki Spółka Akcyjna ("Bank Pekao") and commencement, as of 29 May 2018, by Alior Bank negotiations in respect of determining the potential business combination between Alior Bank and Bank Pekao ("Inside Information"). Public disclosure of the Inside Information was delayed on 29 May, 2018 pursuant to art. 17 sec. 4 of MAR.

Content of the inside information delayed on 29 May, 2018

„Management Board of Alior Bank S.A., with its registered seat in Warsaw ("Alior Bank"), in connection to the current report no. 62/2017 dated as of 24 October 2017, regarding signing with Bank Polska Kasa Opieki Spółka Akcyjna ("Bank Pekao") letter of intent on commencement of preliminary discussions on cooperation, hereby informs that as of 29 May 2018, among analysed cooperation strategies between Alior Bank and Bank Pekao, Alior Bank found possibility of a merger (within which, the shareholders of Alior Bank would obtain shares in the combined bank) as giving an opportunity to bring potentially the largest additional value to its shareholders. Moreover, as of that date, Alior Bank decided to commence negotiation in respect of determining the optimal arrangement of potential merger of Alior Bank with Bank Pekao.

Simultaneously, the Management Board of Alior Bank points out that commencement of the described above negotiations with Bank Pekao does not mean that the business combination transaction of Alior Bank with Bank Pekao will be carried out, as well as it informs that, as of the present moment, no binding decisions were adopted in respect of terms and conditions of potential business combination.

At the same time Alior Bank informs that during the analyses of the various arrangements of cooperation between Alior Bank and Bank Pekao, Alior Bank became aware of the obligation to vote by Powszechny Zakład Ubezpieczeń S.A. („PZU”) and Polski Fundusz Rozwoju S.A. („PFR”) "against" adoption of a resolution on merger of Bank Pekao with other entity or imposing a merger



of Bank Pekao with other entity. The above obligation constitutes a part of shareholders' agreement between PZU and PFR as the shareholders of Bank Pekao, which shareholders' agreement was disclosed by PZU in its current report no. 10/2017 issued as of 23 January 2017. Simultaneously, Alior Bank acknowledged that these obligations may be amended accordingly if the final structure of a business combination agreed between Alior Bank and Bank Pekao will be deemed by PZU and PFR as beneficial for both institutions. In connection with the foregoing, Alior Bank decided to commence the negotiations in question, expecting to develop a business combination model beneficial not only to PZU and PFR, but also to other shareholders of Alior Bank.

In the light of undertaken decision on commencement of negotiations with Bank Pekao, Alior Bank found these information as material from investors' point of view and therefore considered as appropriate to classify them as part of this inside information.”

Management Board of Alior Bank believes that the delay of public disclosure of the Inside Information was justified by the need to secure legally protected interests of Alior Bank due to the fact that an immediate disclosure thereof, could have had a detrimental impact on Alior Bank's position in potential negotiations as well as could have had threatened the possibility of accomplishment of a potential business combination transaction.