
DEMERGER PLAN
of
Bank BPH S.A.

29 April 2016

DEFINITIONS USED IN THE DEMERGER PLAN

Alior Bank, Acquiring Bank	Alior Bank S.A., with its registered seat in Warsaw, address: ul. Łopuszańska 38D, 02-232 Warsaw, entered into the Register of Business Entities maintained by the District Court in Warsaw, XIII Commercial Division under KRS No.0000305178, NIP 1070010731, with a fully paid-up share capital amounting to PLN 727,074,630.00.
Antitrust Clearance	(i) the issuance by the relevant antitrust authority (the “ Antitrust Authority ”) of a (unconditional or conditional) decision consenting to a concentration involving the acquisition of control over Demerged Business pursuant to the respective competition law; or (ii) the issuance by a competent court (in result of an appeal filed by the Acquiring Bank against the decision of the Antitrust Authority) of a final and non-appealable judgment in favour of the appeal and amending the decision consenting to the concentration; or (iii) the issuance by the Antitrust Authority of a decision on discontinuing the proceedings or the Antitrust Authority returning the clearance request on account of the transaction not being subject to notification pursuant to the respective competition law; or (iv) the lapse of the deadline set out in the respective competition law within which the Antitrust Authority may issue a decision regarding a concentration, provided that under the respective competition law, in the case of the Antitrust Authority’s failure to issue a decision within the specified deadline, the concentration may be implemented without the consent of the Antitrust Authority.
Banking Law	the Act of 29 August 1997 on the banking law (consolidated text: Journal of Laws of 2015, item 128, as amended).
Banks	BPH and the Acquiring Bank.
BPH, Bank Being Divided	Bank BPH S.A., with its registered seat in Gdańsk, address: ul. Płk. Jana Pałubickiego 2, 80-175 Gdańsk, entered in the Register of Business Entities kept by the District Court for Gdańsk-Północ in Gdańsk, VII Commercial Division of the National Court Register, under KRS No. 0000010260, NIP 6750000384, with a fully paid-up share capital amounting to PLN 383,339, 555.00.
CCC	the Commercial Companies Code dated 15 September 2000 (consolidated text: Journal of Laws of 2013, item 1030, as amended).

Demerged Business	an organised part of the enterprise of BPH connected with the pursuit of BPH's business other than the Mortgage Business.
Demerger	the demerger of BPH pursuant to the terms and conditions presented herein.
Demerger Date	the date on which the Demerger becomes effective, i.e. the date of registration of the share capital increase of the Acquiring Bank by way of the issuance of the Demerger Issue Shares as a result of the Demerger.
Demerger Issue Shares	at least one (1) and no more than [Y] (where no more than [Y] (where [Y] means the maximum number) of series J ordinary bearer shares in the Acquiring Bank with a nominal value of PLN 10 (ten zlotys) each issued in connection with the Demerger and subject to the Share Exchange Ratio adjusted in accordance with the Dilution Adjustment Formula specified in point 5.2.
Demerger Plan	this document.
Demerged Shareholders	means any person or entity who holds shares in BPH which, as at the Reference Date, are registered in a securities account or entered in the relevant registers maintained by brokerage houses or banks conducting brokerage activity and, in the case of collective accounts, the entity indicated to the entity maintaining such collective account by the holder of such account as the entity entitled to the BPH shares recorded on such account, other than the GE Shareholders.
GE Shareholders	means: (i) GE Investments Poland sp. z o.o., a limited liability company organised and existing under the laws of the Republic of Poland with its registered office in Gdańsk, entered into the Register of Business Entities under KRS No. 0000103388; and / or (ii) DRB Holdings B.V., a company organised and existing under the laws of the Netherlands, with its registered office in Amsterdam, entered into the commercial register (Kamer van Koophandel) under number 24272907; and / or (iii) Selective American Financial Enterprises, Inc., a corporation organised and existing under the laws of the state of Delaware, registered under number 2241439, with its registered office at 901 Main Avenue, Norwalk, CT 06851; and/or (iv) other affiliates of the entities indicated in points (i) – (iii) above.
Management Boards	the management board of BPH and the management

board of the Acquiring Bank.

Merger Regulation	Council Regulation (EC) No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings.
Mortgage Business	an organised part of the enterprise of BPH conducting banking activity connected with the credit facilities secured by mortgages on real estate which were granted to individuals (<i>osoby fizyczne</i>) (except for the Building Society (<i>Kasa Mieszkaniowa</i>)) for purposes not related to commercial activity (<i>działalność gospodarcza</i>) or farming (<i>gospodarstwo rolne</i>) activity as well as including the rights and liabilities excluded from the scope of the Demerged Business (in accordance with the scope presented in <u>Schedule 1</u>).
NDS	the National Depository for Securities (<i>Krajowy Depozyt Papierów Wartościowych S.A.</i>).
PFSA	the Polish Financial Supervision Authority (<i>Komisja Nadzoru Finansowego</i>).
Public Offering Act	the Act on Public Offerings, the Terms Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies (Journal of Laws of 2013, item 1382, as amended).
Reference Date	the date as of which the list of the entitled shareholders will be established based on the rules specified herein.
Share Exchange Ratio	the agreed exchange ratio of the shares in BPH to the shares in the Acquiring Bank calculated in accordance with the rules described in point 5.
WSE	Warsaw Stock Exchange (<i>Gięlda Papierów Wartościowych w Warszawie S.A.</i>).

1. INTRODUCTION

This Demerger Plan was agreed on 29 April 2016 based on Art. 529 § 1.4, Art. 533 § 1, and Art. 534 of the CCC by BPH and Alior Bank.

2. NAME, LEGAL FORM AND REGISTERED OFFICE OF EACH OF THE BANKS

2.1. The Bank Being Divided

Bank BPH S.A., with its registered seat in Gdańsk, address: ul. Płk. Jana Pałubickiego 2, 80-175 Gdańsk, entered in the Register of Business Entities kept by the District Court for Gdańsk-Północ in Gdańsk, VII Commercial Division of the National Court Register, under KRS No. 0000010260, NIP 6750000384, with a fully paid up share capital amounting to PLN 383,339,555,00.

2.2. Acquiring Bank

Alior Bank S.A., with its registered seat in Warsaw, address: ul. Łopuszańska 38D, 02-232 Warsaw, entered into the Register of Business Entities maintained by the District Court in Warsaw, XIII Commercial Division under KRS No. 0000305178, NIP 1070010731, with a fully paid-up share capital amounting to PLN 727,074,630.00.

3. MANNER IN WHICH THE DEMERGER WILL BE EFFECTED

3.1. Legal Basis of the Demerger

The Demerger will be effected in accordance with the procedure specified in Art. 529 § 1.4 of the CCC. Under the Demerger, a part of the business of BPH, i.e. the Demerged Business, will be transferred to the Acquiring Bank, while the remaining part of the business of BPH, i.e. the Mortgage Business, will remain in BPH.

Pursuant to Art. 530 § 2 of the CCC, the Demerged Business will be transferred to the Acquiring Bank on the date of registration of the share capital increase of the Acquiring Bank by way of the issuance of the Demerger Issue Shares as a result of the Demerger (the “**Demerger Date**”).

As a result of the Demerger, pursuant to Art. 531 § 1 of the CCC, the Acquiring Bank will on the Demerger Date assume all of the rights and obligations of BPH connected with the Demerged Business. Consequently, immediately following the Demerger Date, BPH will conduct activity limited to the Mortgage Business and the activity of the Acquiring Bank will be enlarged by the Demerged Business.

3.2. Required regulatory consents or permits

The Demerger will be executed subject to obtaining the following regulatory approvals:

- obtaining a decision from the PFSA permitting the Demerger in accordance with Article 124c, section 2 of the Banking Law;
- obtaining a decision from the PFSA permitting the amendments to the Acquiring Bank's statute to be made in connection with the Demerger as provided for in Schedule 4 to the Demerger Plan in accordance with Article 34, section 2 and in connection with Article 31, section 3 of the Banking Law;
- obtaining a decision from the PFSA permitting the amendments to BPH's statute to be made in connection with the Demerger in accordance with Article 34, section 2 and in connection with Article 31, section 3 of the Banking Law;
- obtaining a decision from the PFSA stating that there are no grounds to object against the Acquiring Bank exceeding the threshold of 33%, 50% or more of the votes at the general meeting of BPH or, alternatively, the lapse of the statutory deadline for the delivery of a decision containing an objection raised with respect to the above in accordance with Article 25 of the Banking Law;
- if required, obtaining a decision from the PFSA stating that there are no grounds to object against GE Investments Poland sp. z o.o. exceeding the threshold of 50% of the votes at the general meeting of BPH or, alternatively, the lapse of the statutory deadline for the delivery of a decision containing an objection raised with respect to the above in accordance with Article 25 of the Banking Law; and
- obtaining the Antitrust Clearance.

3.3. Resolutions of the general meetings of the Banks

In accordance with Art. 541 of the CCC, the Demerger will require resolutions of the general meetings of the Banks, including resolutions regarding:

- (i) consent to the Demerger Plan;
- (ii) consent to the amendments to the Acquiring Bank's statute to be made in relation to the Demerger as provided for in Schedule 4 to the Demerger Plan; and
- (iii) consent to the amendments to the statute of the Bank Being Divided to be made in relation to the Demerger.

3.4. Increase in the Acquiring Bank's share capital in connection with the Demerger

In connection with the Demerger, the Acquiring Bank's share capital will be increased by at least PLN 10 (ten zlotys) and by no more than PLN [X] (where [X] means the maximum value of the increase of the share capital of the Acquiring Bank in connection with the Demerger, calculated subject to the Share Exchange Ratio adjusted in accordance with the Dilution Adjustment Formula described in point 5.2) through the issuance of the Demerger Issue Shares, which will be granted and allocated to the Demerged Shareholders based on the rules presented herein in points 5 and 6.

The Acquiring Bank will take actions to procure the admission and introduction of the Demerger Issue Shares to trading on the regulated market operated by the WSE. To that end, the Acquiring Bank will file a motion with the PFSA requesting approval of the respective offering document in accordance with the Act on Public Offering, if such offering document will be required, and will file a motion for the registration of the Demerger Issue Shares with the NDS as well as a motion with the WSE for the introduction of the Demerger Shares to trading on the regulated market. Furthermore, if the offering for the Demerger Issue Shares should constitute a public offering within the meaning of the Public Offering Act, the offering document referred to above will also cover such public offering.

3.5. Decrease in BPH's share capital in connection with the Demerger

In connection with the Demerger, BPH's share capital will be decreased so as to cause that the GE Shareholders will be the only shareholders of BPH and all of the BPH shares held by the Demerged Shareholders will cease to exist.

In connection with the Demerger, BPH's share capital will be decreased by the amount equal to the product of the number of shares held by the Demerged Shareholders as at the date of the general meeting of BPH approving the Demerger and their nominal value. Such number of shares held by the Demerged Shareholders as at the date of the general meeting of BPH approving the Demerger will be calculated based on the following formula:

$$S_{DS} = T - S_{GE}$$

where: S_{DS} – means the number of shares held by the Demerged Shareholders, i.e. the number of shares which cease to exist as a result of the Demerger and by which total nominal value the share capital of BPH will be decreased; T – means the total number of shares in the share capital of BPH; and S_{GE} – means the total number of shares held by the GE Shareholders of which the management board of BPH is notified by the GE Shareholders prior to the meeting of the shareholders of BPH approving the Demerger.

The management board of BPH is authorised to: (i) calculate the exact number of shares which will cease to exist as a result of the Demerger; and (ii) calculate the amount of the decrease of the share capital based on the above formula; and (iii) propose a respective supplement to the resolution on the decrease of the share capital of BPH to be adopted by the general meeting of BPH as attached hereto as Schedule 2.

4. ECONOMIC JUSTIFICATION OF THE DEMERGER

The process of exploring strategic options for the sale of the GE Shareholders' interest in BPH was initially communicated in October 2014 (current report of Bank BPH S.A. No. 19/2014 dated 15 October 2014). In April 2015, General Electric Company announced the reduction of

the size of its financial businesses through the sale of most of GE Capital's assets and by focusing on continued investment and growth in its world-class industrial businesses (current report of Bank BPH S.A. No. 6/2015 dated 10 April 2015). In June 2015, General Electric Company announced that it was exploring several potential transaction scenarios in connection with the sale of its majority stake in BPH, including a full carve-out of the BPH mortgage portfolio from the sale (current report of Bank BPH S.A. No. 12/2015 dated 9 June 2015).

On 31 March 2016, after an active sales process lasting several months, the GE Shareholders and Alior Bank entered into a share purchase and demerger agreement. On 1 April 2016, Alior Bank, the GE Shareholders and BPH entered into a pre-demerger cooperation agreement. The Demerger is a consequence of the above agreements.

The GE Shareholders' decision is, as a result of General Electric Company's global strategy, to limit its banking operations and to dispose most of GE Capital's assets.

The Acquiring Bank's acquisition of the Demerged Business from BPH is a consequence of the development strategy presented many times and consistently pursued by the Management Board of the Acquiring Bank, based on a dynamic organic growth and acquisitions, coupled with the achievement of the highest levels of return on equity.

Since the commencement of its operations, Alior Bank has always focused on the provision of high-margin, unsecured retail loans. The loan offering is mainly complemented by PLN mortgage and housing loans for retail clients and in the case of corporate clients, working capital loans and investment loans. As a result of the foregoing strategy of operations, Alior Bank's loan portfolio share of high-margin unsecured retail loans is greater as compared to the market average, which enables the Acquiring Bank to maintain a high level of the net interest margin, with an acceptable and manageable level of risk costs.

In view of the above, the acquisition of a sizable, mainly CHF-denominated mortgage loan portfolio, with its relatively low profitability, was of no interest to the Acquiring Bank. Another, equally important factor which contributed to the lack of Alior Bank's interest in acquiring the CHF housing loan portfolio, was Alior Bank's inability to ensure viable sources of its financing given the current market conditions.

Simultaneously, the acquisition of the Demerged Business only, together with an attractive and complementary deposit and loan portfolio, the operational efficiency of Alior Bank in the implementation of the integration processes and the advanced and high-capacity IT infrastructure will enable the Acquiring Bank to strengthen its presence in the market, increase the scale of operations and achieve the highest achievable synergies while minimising integration costs.

The acquisition of the Demerged Business will be beneficial for the clients of both Banks (offering an improved product range, a comprehensive distribution network and effective sales and support processes), the shareholders (a higher rate of return on invested capital achievable thanks to the related cost and income synergies) and will enable Alior Bank become one of the leading players on the Polish banking market. At the same time, the Demerger is the only legal form of the transaction which would provide the expected legal security for all of the parties and stakeholders involved and which would ensure the continuance of the business operations of both the Mortgage Business and the Demerged Business immediately upon the registration of the Demerger.

5. SHARE EXCHANGE RATIO OF THE SHARES IN BPH TO THE SHARES IN THE ACQUIRING BANK

5.1. Exchange ratio of the shares in BPH for the shares in Alior Bank

The Share Exchange Ratio based on which the Demerged Shareholders (subject to Article 550 § 1 of the CCC) will receive the Demerger Issue Shares is as follows: for 1 (one) share in

BPH, the Demerged Shareholders will be granted and allocated 0.44 (forty-four hundredths) of a Demerger Issue Share. The above-mentioned Share Exchange Ratio will be adjusted by dividing it by the dilution adjustment ratio (RF) determined in accordance with the Dilution Adjustment Formula described in point 5.2 below.

5.2. Dilution Adjustment Formula

The dilution adjustment will be calculated based on the following formula:

$$RF = ((SR * PR) + (SI * PI)) / (PR * (SR + SI))$$

where:

RF – the dilution adjustment ratio

SR – the number of Alior Bank shares on the rights issue record date for the series I shares of Alior Bank

PR – the closing price for the Alior Bank shares on the rights issue record date for the series I shares of Alior Bank

SI – the final number of the series I shares of Alior Bank issued in the public rights issue

PI – issue price for the series I shares of Alior Bank

5.3. The methods applied to determine the Share Exchange Ratio

The following three generally accepted valuation methods have been used, *inter alia*, to determine the Share Exchange Ratio:

- the dividend discount model, which presents the value of the Bank as the sum of discounted predicted future dividends;
- the comparable companies method, which is based on multiples of valuations calculated following an analysis of comparable publicly listed companies; and
- market capitalisation, which is based on stock prices on the Warsaw Stock Exchange.

5.4. Recommendation regarding the Share Exchange Ratio

In its appraisal of the values of the Banks and the determination of the Share Exchange Ratio, (i) the management board of BPH took into account the fairness opinion prepared by Ernst & Young spółka z ograniczoną odpowiedzialnością Corporate Finance sp. k.; and (ii) the management board of the Acquiring Bank took into account the fairness opinion prepared by IPOPEMA Securities S.A.

6. RULES ON THE ALLOCATION OF THE SHARES IN THE ACQUIRING BANK

6.1. Shares in BPH following the Demerger

As a result of the Demerger:

- (i) the GE Shareholders will not become shareholders of the Acquiring Bank and will only remain shareholders of BPH together holding 100% of the shares in and 100% of the votes at the general meeting of BPH; and
- (ii) the other shareholders of BPH, i.e. the Demerged Shareholders, will cease to be shareholders of BPH. Subject to the next sentence, as a result of the Demerger and as of the Demerger Date, the Demerged Shareholders will become shareholders of the Acquiring Bank and such Demerged Shareholders will be granted and allocated Demerger Issue Shares based on the Share Exchange Ratio.

Pursuant to Article 550 §1 of the CCC, no Demerger Issue Shares will be issued in exchange for the shares the Acquiring Bank has in BPH and no Demerger Issue Shares will be issued in exchange for the own shares held by BPH, if any.

6.2. Shares in the Acquiring Bank following the Demerger

As a result of the Demerger, the GE Shareholders will not receive any Demerger Issue Shares.

Pursuant to Article 550 § 1 of the CCC, no Demerger Issue Shares will be issued in exchange for the shares the Acquiring Bank has in BPH and no Demerger Issue Shares will be issued in exchange for the own shares held by BPH, if any.

Subject to Article 550 § 1 of the CCC, on the Demerger Date, the Demerged Shareholders will become, by virtue of law, shareholders of the Acquiring Bank and they will be granted and allocated Demerger Issue Shares. The number of Demerger Issue Shares granted and allotted to each Demerged Shareholder will be calculated based on the Share Exchange Ratio and pursuant to the rules indicated below.

6.3. Rules for the calculation of the number of the Demerger Issue Shares and value of the Additional Payments

- 6.3.1 The Demerger Issue Shares will be allotted to the Demerged Shareholders through the intermediation of the NDS based on the Share Exchange Ratio and the number of shares in BPH as at the business day which pursuant to the relevant NDS regulations will be the reference date (the “**Reference Date**”).
- 6.3.2 The Management Boards will be authorised to indicate to the NDS the Reference Date, provided that this date cannot fall later than on the seventh business day following the Demerger Date, unless the provisions of applicable law or the internal regulations of the NDS prescribe otherwise.
- 6.3.3 Additionally, the management board of BPH may decide to take measures to suspend the quotations of the shares in BPH for a term starting no earlier than the day following the day on which a motion is filed to have the Demerger entered into the Register of Business Entities of the National Court Register and, with respect to the shares held by the Demerged Shareholders, ending no later than on the day on which the shares held by the Demerged Shareholders will no longer be listed on the regulated market operated by the WSE.
- 6.3.4 The number of Demerger Issue Shares to be allotted to each and every Demerged Shareholder of BPH will be determined by multiplying the number of shares in BPH held by the relevant Demerged Shareholder as at the Reference Date by the Share Exchange Ratio and by rounding the product thereof down to the nearest integer (if the product is not an integer).
- 6.3.5 Each and every Demerged Shareholder who as a result of the rounding down referred to in sub-clause 6.3.4 has not been allotted a fraction of the Demerger Issue Shares he was entitled to according to the Share Exchange Ratio will receive an additional cash payment (the “**Additional Payment**”).
- 6.3.6 The Additional Payment due and payable to a given Demerged Shareholder will be calculated in accordance with the following formula:

$$\mathbf{D} = \mathbf{A} \times \mathbf{W},$$

where: **D** – means the Additional Payment; **A** – means the fraction by which the product referred to in sub-clause 6.3.4 was rounded down; and **W** – means the arithmetic mean of the volume weighted average price quotation per share in the Acquiring Bank over 30 (thirty) consecutive days of the quotation of the shares in the Acquiring Bank on the WSE preceding the Reference Date.

The amount of the Additional Payment will be rounded up to 1 grosz (PLN 0.01), with each PLN 0.005 being rounded up.

The Additional Payments will be paid to the Demerged Shareholders within up to 14 days from the Reference Date through the intermediation of the NDS.

As pursuant to Article 550 § 1 of the CCC no Demerger Issue Shares will be issued in exchange for the shares the Acquiring Bank has in BPH as at the Reference Date, the Acquiring Bank will also not be entitled to receive an Additional Payment.

- 6.3.7 The restriction referred to in Article 529 § 3 of the CCC will apply to the Additional Payments. The Additional Payments will be paid from the reserve capital (*kapitał zapasowy*) of the Acquiring Bank. The Additional Payments will be reduced by the due amount of income tax if such tax is levied on the Additional Payments under the applicable laws.
- 6.3.8 Before the Demerger Date, the management board of the Acquiring Bank will submit the representation referred to in Article 310 of the CCC, in connection with Article 532 of the CCC, determining the number of the Demerger Issue Shares, provided that the management board of the Acquiring Bank may decide to submit such representation after the Demerger Date. In such case, the representation will be submitted within 15 (fifteen) business days from the Reference Date. The representation will concern: (i) the number of the Demerger Issue Shares allocated to the Demerged Shareholders based on the rules specified in sub-clause 6.3.4; or (ii) the number of shares subscribed for by the financial institution referred to in sub-clause 6.3.9.
- 6.3.9 Within 15 (fifteen) business days from the Reference Date, the management board of the Acquiring Bank will make every effort to ensure that the Demerger Issue Shares that have not been allotted to the Demerged Shareholders as a result of the rounding down in accordance with sub-clause 6.3.4 will be subscribed for by a financial institution selected by the management board of the Acquiring Bank. The Demerger Issue Shares are to be subscribed for in exchange for the price representing the arithmetic mean of the volume weighted average price quotations per share in the Acquiring Bank over 30 (thirty) consecutive days of the quotation of the shares in the Acquiring Bank on the WSE preceding the Reference Date.
- 6.3.10 The management board of the Acquiring Bank will determine, in agreement with the management board of BPH, the detailed procedure for issuing the Demerger Issue Shares through the intermediation of the NDS.

7. DATE FROM WHICH THE DEMERGER ISSUE SHARES WILL PARTICIPATE IN THE ACQUIRING BANK'S PROFIT

The Demerger Issue Shares allocated to the Demerged Shareholders will participate in the profit generated by the Acquiring Bank for the financial year commenced on 1 January of the year in which the Demerger is registered in the court register.

8. RIGHTS GRANTED BY THE ACQUIRING BANK TO THE SHAREHOLDERS AND OTHER PERSONS WITH SPECIAL RIGHTS IN THE BANK BEING DIVIDED

It is not planned to grant any rights to the shareholders of BPH and/or to other persons holding special rights in BPH.

9. SPECIAL BENEFITS FOR THE MEMBERS OF THE CORPORATE BODIES OF THE BANKS AND FOR OTHER PERSONS WHO PARTICIPATED IN THE DEMERGER

In the event of the implementation of the Demerger, the following programmes will be put in place providing for specific benefits for members of the governing bodies of the companies and for other individuals involved in the Demerger:

(i) The Programme of Bonuses for the Continuation of Employment addressed to a selected group of employees of key importance to the Demerged Bank (including Members of the Management Board), under which bonuses will be awarded for continuing the employment relationship with the Demerged Bank, and, subsequently, with respect to the employees transferred in connection with the Demerger to the Acquiring Bank – for continuing the employment relationship with the Acquiring Bank in the course of the special period of time preceding the implementation of the Demerger and during the period of time immediately following the Demerger. The costs of this programme are estimated to be no more than PLN 20 million and will be financed in full by the GE capital group.

(ii) Transactional bonus addressed to a group of employees of the Demerged Bank of key importance during the Demerger process (including Members of the Management Board). The payment of the bonuses under this programme is conditional on, inter alia, the successful completion of the Demerger process and achieving of the targeted business objectives. The costs of the transactional bonus programme should not exceed PLN 13 million, provided that Alior Bank and the GE Shareholders may decide to increase the above-mentioned sum.

As of the date on which the Demerger Plan is agreed, no programme granting any special benefits to the members of the authorities of the Acquiring Bank and other persons participating in the Demerger has been adopted in the Acquiring Bank.

10. DETAILED DESCRIPTION OF THE ASSETS AND LIABILITIES, AND AGREEMENTS, PERMITS, CONCESSIONS AND RELIEFS ASSIGNED TO THE ACQUIRING BANK

- 10.1.** A detailed description of the assets and liabilities as well as agreements, permits, concessions and reliefs of the Bank Being Divided allocated to the Acquiring Bank is presented in Schedule 1 to this Demerger Plan (*Detailed description of assets and liabilities, and agreements, permits, concessions and reliefs assigned to the Acquiring Bank*).
- 10.2.** If any claims to which the Bank Being Divided is a party arise or are disclosed in the period between the date on which the Demerger Plan was prepared and the Demerger Date, such claims will be included in the assets and liabilities of the Acquiring Bank if such claims are connected with the Demerged Business. Subject to the terms and conditions of the Demerger Plan, the Acquiring Bank will become, as of the Demerger Date, a party to the claims connected with the assets and liabilities assigned to it in the Demerger Plan.
- 10.3.** Should any rights, things, liens or liabilities of the Bank Being Divided be disclosed or acquired in the period between the date on which the Demerger Plan was prepared and the Demerger Date, such rights, things, liens or liabilities will be included in the assets and liabilities of the Acquiring Bank if they are connected with the Demerged Business.
- 10.4.** If the Bank Being Divided disposes of or forfeits any assets which pursuant to the Demerger Plan were assigned to the Acquiring Bank, any proceeds or benefits received in exchange for such assets will be allocated to the Acquiring Bank.
- 10.5.** If the Bank Being Divided purchases or acquires any assets or employs any employees in the period between the date on which the Demerger Plan was prepared and the Demerger Date, such assets and employees will be transferred to the Acquiring Bank if they are connected with the Demerged Business.

11. SCHEDULES TO THE DEMERGER PLAN

The following schedules are attached to this Demerger Plan:

- Schedule 1** Detailed description of the assets and liabilities, and agreements, permits, concessions and reliefs assigned to the Acquiring Bank.

- Schedule 2** Draft resolution of the general meeting of the Bank Being Divided concerning the Demerger.
- Schedule 3** Draft resolution of the general meeting of the Acquiring Bank concerning the Demerger.
- Schedule 4** Draft amendment to the statute of the Acquiring Bank.
- Schedule 5** Valuation of the assets and liabilities of the Bank Being Divided as at 1 March 2016.
- Schedule 6** Valuation of the assets and liabilities of the Acquiring Bank as at 1 March 2016.
- Schedule 7** Fairness opinion prepared by Ernst & Young spółka z ograniczoną odpowiedzialnością Corporate Finance sp. k.
- Schedule 8** Fairness opinion prepared by IPOPEMA Securities S.A.

The Bank Being Divided and the Acquiring Bank clarify that no schedule referred to in Art. 534 § 2 item 4 of the CCC has been attached to this Demerger Plan in respect of the Bank Being Divided and the Acquiring Bank due to the application of the exception referred to in Art. 534 § 4 of the CCC.

12. EXECUTION OF THE DEMERGER PLAN

Pursuant to Art. 533 of the CCC, the Management Boards agreed and accepted this Demerger Plan with the contents as set out in Art. 534 of the CCC on 29 April 2016, which is confirmed by the signatures below:

On behalf of BPH:

On behalf of Alior Bank:

Richard Gaskin
President of the Management Board

Wojciech Sobieraj
President of the Management Board

Grzegorz Jurczyk
Deputy President of the Management Board

Witold Skrok
Deputy President of the Management Board

SCHEDULE 1

Detailed description of the assets and liabilities and agreements, permits, concessions and reliefs assigned to the Acquiring Bank.

[attached separately]

SCHEDULE 2

Draft resolution of the general meeting of the Bank Being Divided concerning the Demerger

Resolution No. [●]
of the [Extraordinary] General Meeting
of Bank BPH Spółka Akcyjna, with its registered seat in Gdańsk
concerning the Demerger of Bank BPH Spółka Akcyjna

§ 1

General rules of the demerger

1. Acting on the basis of Art. 541 of the Commercial Companies Code (the “CCC”), it is resolved to demerge Bank BPH Spółka Akcyjna, with its registered seat in Gdańsk (“**BPH**” or the “**Bank Being Divided**”), in accordance with the procedure specified in Art. 529 § 1.4 of the CCC, i.e. through a transfer of a part of the assets and liabilities of the Bank Being Divided to Alior Bank Spółka Akcyjna, with its registered seat in Warsaw (“**Alior Bank**” or the “**Acquiring Bank**”), in the form of an organised part of the enterprise of BPH connected with BPH’s activity other than BPH’s activity of an organised part of the enterprise of BPH conducting banking activity connected with the credit agreements regarding credit facilities secured by mortgages on real estate which were granted to individuals (osoby fizyczne) (except for the Building Society (*Kasa Mieszkaniowa*)) for purposes not related to commercial activity (*działalność gospodarcza*) or farming (*gospodarstwo rolne*) activity as well as including the rights and liabilities excluded from the scope of the Demerged Business (in accordance with the scope presented in Schedule 1 to the agreed demerger plan) (the “**Mortgage Business**”) (such demerged part of BPH’s activity to be referred to as the “**Demerged Business**”) (the “**Demerger**”). Under the Demerger, a part of the business of BPH, i.e. the Demerged Business, will be transferred to the Acquiring Bank, while the remaining part of the business of BPH, i.e. the Mortgage Business, will remain in BPH.
2. Pursuant to Article 541 § 6 of the CCC, approval is hereby granted to the Demerger plan of the Bank Being Divided agreed in writing among the Bank Being Divided as well as the Acquiring Bank on 29 April 2016 and made available since that day up to this date, inclusive, to the public on the website of the Bank Being Divided (www.bph.pl) and (www.aliorbank.pl) (the “**Demerger Plan**”). The Demerger Plan is attached to this resolution as Schedule 1.
3. In connection with the Demerger, approval is hereby granted to the transfer of an organised part of the enterprise of BPH connected with the Demerged Business to the Acquiring Bank in such scope and on such terms as specified in this resolution and in the Demerger Plan.
4. Pursuant to Article 541 § 6 of the CCC, the general meeting hereby approves the amendments to the statute of the Acquiring Bank as specified in Schedule No. 4 to the Demerger Plan and in § 4 below.

§ 2

Capital increase of the Acquiring Bank and the share exchange ratio

1. As a result of the Demerger, the share capital of the Acquiring Bank will be increased by at least PLN 10 (ten zlotys) and by no more than PLN [X] ([X]), i.e. to an amount not lower than PLN [A] ([A]) and not exceeding PLN [B] ([B]), through the issuance of at least 1 (one) series J ordinary bearer share with a nominal value of PLN 10 (ten zlotys) each, and not more than PLN [Y] ([Y]) series J ordinary bearer shares with a nominal value of PLN 10 (ten zlotys) each (the “**Demerger Issue Shares**”),

where:

[X] – means the maximum value of the share capital increase of the Acquiring Bank in connection with the Demerger calculated subject to the Share Exchange Ratio adjusted in accordance with the Dilution Adjustment Formula described in point 4 below;

[A] – means the minimum amount of the share capital of the Acquiring Bank, being the sum of: the amount of the share capital of the Acquiring Bank as at the date of the Demerger Plan, the final amount of the increase of the share capital of the Acquiring Bank through the issuance of series I shares in the course of a public offering, and PLN 10 resulting from the issue of 1 ordinary series J share in connection with the Demerger;

[B] – means the maximum amount of the share capital of the Acquiring Bank, being the sum of: the amount of the share capital of the Acquiring Bank as at the date of the Demerger Plan, the final amount of the increase of the share capital of the Acquiring Bank through the issuance of series I shares in the course of a public offering, and the maximum amount resulting from the issue of series J shares in connection with the Demerger; and

[Y] – means the maximum number of the series J shares in the Acquiring Bank issued in connection with the Demerger, subject to the Share Exchange Ratio adjusted in accordance with the Dilution Adjustment Formula described in point 4 below.

2. As a result of the Demerger, all of the shareholders of BPH being entitled shareholders as at the Reference Date (as defined below) (i.e. entities and persons who as at such Reference Date hold shares in BPH which are registered in a securities account or entered in the relevant registers maintained by brokerage houses or banks conducting brokerage activity and, in the case of collective accounts, who are indicated to the entity maintaining such collective account by the holder of such account as the entity entitled to the BPH shares recorded on such account), other than:

- (i) GE Investments Poland sp. z o.o., a limited liability company organised and existing under the laws of the Republic of Poland, with its registered office in Gdańsk, entered into the Register of Business Entities under KRS No. 103388; and / or
- (ii) DRB Holdings B.V., a company organised and existing under the laws of the Netherlands, with its registered office in Amsterdam, entered into the commercial register (Kamer van Koophandel) under number 24272907; and /or
- (iii) Selective American Financial Enterprises, Inc., a corporation organised and existing under the laws of the state of Delaware, registered under number 2241439, with its registered office at 901 Main Avenue, Norwalk, CT 06851; and /or
- (iv) other affiliates of the entities indicated in points (i) – (iii) above;
(collectively referred to as the “**GE Shareholders**”)

(such shareholders other than the GE Shareholders are referred to as the “**Demerged Shareholders**”)

will cease to be shareholders of BPH and, subject to point 3 below, as a result of the Demerger, they will become shareholders of the Acquiring Bank and will be granted and allocated Demerger Issue Shares.

3. Pursuant to Article 550 §1 of the CCC, no Demerger Issue Shares will be issued in exchange for the own shares held by BPH, if any. Similarly, if the Acquiring Bank holds any BPH shares, no Demerger Issue Shares will be issued in exchange for such shares.

4. The Demerged Shareholders will be granted and allocated Demerger Issue Shares based on the following share exchange ratio: for 1 (one) share in BPH, the shareholders of BPH will be granted and allocated 0.44 (forty-four hundredths) of a Demerger Issue Share (the “**Share Exchange Ratio**”). The above-mentioned Share Exchange Ratio will be adjusted by dividing

it by the dilution adjustment ratio (RF) determined in accordance with the Dilution Adjustment Formula described below

Dilution Adjustment Formula

The dilution adjustment will be calculated based on the following formula:

$$RF = ((SR * PR) + (SI * PI)) / (PR * (SR + SI))$$

where:

RF – the dilution adjustment ratio

SR – the number of the Acquiring Bank shares on the rights issue record date for the series I shares of the Acquiring Bank

PR – the closing price for the Acquiring Bank shares on the rights issue record date for the series I shares of the Acquiring Bank

SI – the final number of the series I shares of the Acquiring Bank issued in the public rights issue

PI – the issue price for the series I shares of the Acquiring Bank.

5. The general meeting hereby approves the above Share Exchange Ratio agreed by the management boards of BPH and the Acquiring Bank.
6. The Demerger Issue Shares allocated to the Demerged Shareholders will participate in the profit generated by the Acquiring Bank for the financial year commenced on 1 January of the year in which the Demerger is registered in the court register.
7. As a result of the Demerger, the GE Shareholders will become the only shareholders of BPH and will together hold 100% of the shares in and 100% of the votes at the general meeting of BPH and will not receive any Demerger Issue Shares.

§ 3

Share allocation rules

1. In accordance with §2 above, as a result of the Demerger:
 - (i) the GE Shareholders will not become shareholders of the Acquiring Bank and will remain the only shareholders of BPH and will together hold 100% of the shares in and 100% of the votes at the general meeting of BPH;
 - (ii) pursuant to Article 550 §1 of the CCC, no Demerger Issue Shares will be issued in exchange for the own shares held by BPH, if any, and, similarly, if the Acquiring Bank holds any BPH shares, no Demerger Issue Shares will be issued in exchange for such shares; and
 - (iii) subject to point (ii), the Demerged Shareholders will become, by virtue of law, shareholders of the Acquiring Bank and will be granted and allocated Demerger Issue Shares. The number of Demerger Issue Shares granted and allotted to each Demerged Shareholder will be calculated based on the Share Exchange Ratio and pursuant to the rules indicated below.
2. The Demerger Issue Shares will be allotted to the Demerged Shareholders through the intermediation of the National Depository for Securities (the “**NDS**”) based on the Share Exchange Ratio and the number of shares in BPH as at the business day which pursuant to the relevant NDS regulations will be the reference date (the “**Reference Date**”).
3. The Management Boards will be authorised to indicate to the NDS the Reference Date, provided that this date cannot fall later than on the seventh business day following the Demerger Date, unless the provisions of applicable law or the internal regulations of the NDS prescribe otherwise.

4. Additionally, the management board of BPH may decide to take measures to suspend the quotations of the shares in BPH for a term starting no earlier than the day following the day on which a motion is filed to have the Demerger entered into the Register of Business Entities of the National Court Register and, with respect to the shares held by the Demerged Shareholders, ending no later than on the day on which the shares held by the Demerged Shareholders are no longer listed on the regulated market operated by the WSE.
5. The number of Demerger Issue Shares to be allotted to each and every Demerged Shareholder of BPH will be determined by multiplying the number of shares in BPH held by the relevant Demerged Shareholder as at the Reference Date by the Share Exchange Ratio and by rounding the product thereof down to the nearest integer (if the product is not an integer).
6. Each and every Demerged Shareholder who as a result of the rounding down referred to in sub-clause 5 has not been allotted a fraction of the Demerger Issue Shares he was entitled to according to the Share Exchange Ratio will receive an additional cash payment (the “**Additional Payment**”).
7. The Additional Payment due and payable to a given Demerged Shareholder will be calculated in accordance with the following formula:

$$D = A \times W,$$

where: **D** – means the Additional Payment; **A** – means the fraction by which the product referred to in sub-clause 5 was rounded down; and **W** – means the arithmetic mean of the volume weighted average price quotation per share in the Acquiring Bank over 30 (thirty) consecutive days of the quotation of the shares in the Acquiring Bank on the Warsaw Stock Exchange (the “**WSE**”) preceding the Reference Date.

The amount of the Additional Payment will be rounded up to 1 grosz (PLN 0.01), with each PLN 0.005 being rounded up.

The Additional Payments will be paid to the Demerged Shareholders within up to 14 days from the Reference Date through the intermediation of the NDS.

As pursuant to Article 550 §1 of the CCC no Demerger Issue Shares will be issued in exchange for the shares the Acquiring Bank has in BPH as at the Reference Date, the Acquiring Bank will also not be entitled to receive the Additional Payment.

8. The restriction referred to in Article 529 § 3 of the CCC will apply to the Additional Payments. The Additional Payments will be paid from the reserve capital (*kapitał zapasowy*) of the Acquiring Bank. The Additional Payments will be reduced by the due amount of income tax if such tax is levied on the Additional Payments under the applicable laws.
9. Before the Demerger Date, the management board of the Acquiring Bank will submit the representation referred to in Article 310 of the CCC, in connection with Article 532 of the CCC, determining the number of the Demerger Issue Shares, provided that the management board of the Acquiring Bank may decide to submit such representation after the Demerger Date. In such case, the representation will be submitted within 15 (fifteen) business days from the Reference Date. The representation will concern: (i) the number of the Demerger Issue Shares allocated to the Demerged Shareholders based on the rules specified in clause 5; or (ii) the number of shares subscribed for by the financial institution referred to in clause 10.
10. Within 15 (fifteen) business days] from the Reference Date, the management board of the Acquiring Bank will make every effort to ensure that the Demerger Issue Shares that have not been allotted to the Demerged Shareholders as a result of the rounding down in accordance with clause 5 will be subscribed for by a financial institution selected by the management board of the Acquiring Bank. The Demerger Issue Shares are to be subscribed for in exchange for the price representing the arithmetic mean of the volume weighted average price quotation per share in the Acquiring Bank over 30 (thirty) consecutive days of the quotation of the shares in the Acquiring Bank on the WSE preceding the Reference Date.

11. The management board of the Acquiring Bank will determine, in agreement with the management board of BPH, the detailed procedure for issuing the Demerger Issue Shares through the intermediation of the NDS.

§ 4

Consent for the proposed amendments to the Acquiring Bank's statute

1. In connection to the Demerger, the general meeting hereby consents to and approves the following changes to the statute of the Acquiring Bank:

§ 7 section 1 of the statute of the Acquiring Bank shall read as follows:

"1. The Bank's business comprises performing the following banking activities:

- 1) accepting cash deposits payable on demand or on a specified date, and maintaining accounts for said deposits,*
- 2) maintaining other bank accounts,*
- 3) granting loans,*
- 4) granting and confirming bank guarantees and opening and approving letters of credit,*
- 5) issuing bank securities,*
- 6) clearing banking cash transactions,*
- 7) granting cash loans,*
- 7¹) transactions involving cheques and bills of exchange and transactions involving warrants,*
- 8) issuing payment cards and conducting transactions with the use of cards,*
- 9) forward financial transactions,*
- 10) purchasing and selling cash receivables,*
- 11) custody services in respect of objects and securities, and providing safe deposit facilities,*
- 12) buying and selling foreign-currency monetary instruments,*
- 13) granting and confirming warranties,*
- 14) intermediation in transferring cash and making foreign currency settlements,*
- 15) issuing e-money instruments,*
- 16) performing commissioned tasks related to issuing securities."*

§ 7 section 2 of the statute of the Acquiring Bank shall read as follows:

"2. The Bank's business also comprises performing the following actions:

- 1) incurring liabilities related to issuing securities,*
- 2) trading in securities,*
- 3) providing consulting and advisory services on financial issues,*
- 4) providing the following other financial services:*
 - a) factoring services,*
 - b) forfaiting services,*
 - c) intermediation services in respect of lease contracts,*
 - d) intermediation services in granting loans and credit facilities,*
 - e) services consisting of performing factual actions in respect of intermediation in the purchase and sale of foreign currencies,*
 - f) intermediation services in respect of monetary settlements provided to banks, financial institutions, settlement agents, and to brokerage houses, entities providing leasing services, investment fund management companies, and investment funds,*
 - g) financial services connected with securities issued abroad and other financial instruments and the keeping thereof, including the maintenance of a register of financial instruments registered by foreign financial institutions, foreign lending institutions, and depositary and settlement institutions,*
- 5) engaging in brokerage operations,*
- 6) performing insurance intermediation actions,*
- 7) performing actions related to issuing and servicing financial instruments which are not securities,*

- 8) *providing specialist services to companies related to the Bank in terms of equity consisting specifically of making available IT systems and technologies, including data processing services, creating, using and maintaining computer software and IT infrastructure, and other services to make cooperation with those entities in the area of the financial services they offer more efficient,*
- 9) *sales of coins, banknotes and numismatic coins issued by the National Bank of Poland (NBP) for collections and for other purposes,*
- 10) *operating as a settlement agent,*
- 11) *conducting custody activities,*
- 12) *acting as a depository for pension funds and investment funds, keeping, based on an order, registers of investment fund participants and registers of pension fund participants,*
- 13) *collection activities,*
- 14) *performing the activities of a representative-bank within the meaning of the Act on Bonds,*
- 15) *accepting orders to buy and repurchase investment fund units or participation titles in foreign funds, and accepting subscription orders for units of investment certificates of investment funds,*
- 16) *maintaining registered savings and credit accounts and granting contract loans within the scope of activities of a building society.”*

The following § 7 section 2¹ will be added to the statute of the Acquiring Bank:

“2¹. The Bank may perform commissioned activities that are within the scope of the Bank’s business for other domestic or foreign banks, and lending or financial institutions.”

§ 9 section 1 of the statute of the Acquiring Bank shall read as follows:

“1. The share capital of the Bank amounts to at least PLN [A] ([A]) and not more than PLN [B] ([B]) and shall be divided into at least [C] ([C]) ordinary shares with a nominal value of PLN 10 (ten zlotys) each, and not more than [D] ([D]) ordinary shares with a nominal value of PLN 10 (ten zlotys) each, including:

- 1) *50,000,000 (fifty million) ordinary series A shares;*
- 2) *1,250,000 (one million, two hundred and fifty thousand) ordinary series B shares;*
- 3) *12,332,965 (twelve million, three hundred and thirty-two thousand, nine hundred and sixty-five) ordinary series C shares;*
- 4) *6,358,296 (six million, three hundred and fifty-eight thousand, two hundred and ninety-six) ordinary series G shares;*
- 5) *410,704 (four hundred and ten thousand, seven hundred and four) ordinary series D shares;*
- 6) *2,355,498 (two million, three hundred and fifty-five thousand, four hundred and ninety-eight) ordinary series H shares;*
- 7) *[E] ([E]) ordinary series I shares; and*
- 8) *at least one (1) and up to [Y] ([Y]) ordinary series J shares.”*

where:

[A] – means the minimum amount of the share capital of the Acquiring Bank, being the sum of: the amount of the share capital of the Acquiring Bank as at the date of the Demerger Plan, the final amount of the increase of the share capital of the Acquiring Bank through the issuance of series I shares in the course of a public offering, and PLN 10 resulting from the issue of 1 ordinary series J share in connection with the Demerger;

[B] – means the maximum amount of the share capital of the Acquiring Bank, being the sum of: the amount of the share capital of the Acquiring Bank as at the date of the Demerger Plan, the final amount of the increase of the share capital of the Acquiring Bank through the issuance of series I shares in the course of a public offering, and the maximum amount resulting from the issue of series J shares in connection with the Demerger;

[C] – means the minimum number of shares in the Acquiring Bank being the sum of: the number of shares in the Acquiring Bank at the date of the Demerger Plan 1 series J share issued in connection with the Demerger;

[D] – means the maximum number of shares in the Acquiring Bank being the sum of: the number of shares in the Acquiring Bank as at the date of the Demerger Plan and the maximum number of the series I shares issued in connection with the Demerger and [Y];

[E] – means the final number of series I shares issued in the course of a public offering; and

[Y] - means the maximum number of the series J shares in the Acquiring Bank issued in connection with the Demerger, subject to the Share Exchange Ratio adjusted in accordance with the Dilution Adjustment Formula described in §2 point 4 above.

§ 5

Decrease of the share capital of BPH and consent for the proposed amendments to the BPH's statute

1. As a result of the Demerger, the share capital of the Bank Being Divided is hereby decreased by PLN [A] ([A]) to PLN [B] ([B]),

where:

[A] – means the sum by which the share capital of the Bank Being Divided will be decreased as a result of the Demerger; and

[B] – means the amount to which the share capital of the Bank Being Divided will be decreased in result of the Demerger.

2. The general meeting hereby amends paragraph 8 of the statute of BPH to be worded as follows:

“The Bank’s share capital amounts to PLN [C] ([C]) and is divided into [D] ([D]) series [•] bearer shares with a nominal value of PLN 5.00 (five) each.”

where:

[C] – means the share capital of the Bank Being Divided after the Demerger; and

[D] – means the number of shares in the share capital of the Bank Being Divided after the Demerger.

§ 6

Final provisions

1. Pursuant to Article 530, §2 of the CCC, the Demerger shall be effected as of the demerger date (i.e. on the date of registration of the share capital increase of the Acquiring Bank as a result of the Demerger through the issuance of the Demerger Issue Shares (the “**Demerger Date**”).
2. The completion of the Demerger depends on:
 - (i) obtaining a decision from the Polish Financial Supervisory Authority (the “**PFSA**”) permitting the Demerger in accordance with Article 124c, section 2 of the act of 29 August 1997 - the banking law (the “**Banking Law**”);

- (ii) obtaining a decision from the PFSA permitting the amendments to the Acquiring Bank's statute to be made in connection with the Demerger as provided for in Schedule 4 to the Demerger Plan in accordance with Article 34, section 2 and in connection with Article 31, section 3 of the banking law;
- (iii) obtaining a decision from the PFSA permitting the amendments to BPH's statute to be made in connection with the Demerger in accordance with Article 34, section 2 and in connection with Article 31, section 3 of the banking law;
- (iv) obtaining a decision from the PFSA that there are no grounds to object against the Acquiring Bank exceeding the threshold of 33%, 50% or more of the votes at the general meeting of BPH or, alternatively, the lapse of the statutory deadline for the delivery of a decision containing an objection raised with respect to the above in accordance with Article 25 of the banking law;
- (v) if required, obtaining a decision from the PFSA that there are no grounds to object against GE Investments Poland sp. z o.o. exceeding the threshold of 50% of the votes at the general meeting of BPH or, alternatively, the lapse of the statutory deadline for the delivery of a decision containing an objection raised with respect to the above in accordance with Article 25 of the banking law; and
- (vi) obtaining antitrust clearance, i.e.: (i) the issuance by the relevant antitrust authority (the "**Antitrust Authority**") of a (unconditional or conditional) decision consenting to a concentration involving the acquisition of control over the Demerged Business pursuant to the respective competition law, or (ii) the issuance by a competent court (in result of an appeal filed by the Acquiring Bank against the decision of the Antitrust Authority) of a final and non-appealable judgment in favour of the appeal and amending the decision consenting to the concentration, or (iii) the issuance by the Antitrust Authority of a decision on discontinuing the proceedings or the Antitrust Authority returning the clearance request on account of the transaction not being subject to notification pursuant to the respective competition law, or (iv) the lapse of the deadline set out in the respective competition law within which the Antitrust Authority may issue a decision regarding a concentration, provided that under the respective competition law, in the case of the Antitrust Authority's failure to issue a decision within the specified deadline, the concentration may be implemented without the consent of the Antitrust Authority.

SCHEDULE 3

Draft resolution of the general meeting of the Acquiring Bank concerning the Demerger

Resolution No. [●]
of the [Extraordinary] General Meeting
of Alior Bank S.A., with its registered seat in Warsaw
concerning the Demerger of Bank BPH Spółka Akcyjna

§ 1

General rules of the demerger

1. Acting on the basis of Art. 541 of the Commercial Companies Code (the “CCC”), it is resolved to demerge Bank BPH Spółka Akcyjna, with its registered seat in Gdańsk (“BPH” or the “**Bank Being Divided**”), in accordance with the procedure specified in Art. 529 § 1.4 of the CCC, i.e. through a transfer of a part of the assets and liabilities of the Bank Being Divided to Alior Bank Spółka Akcyjna, with its registered seat in Warsaw (“**Alior Bank**” or the “**Acquiring Bank**”), in the form of an organised part of the enterprise of BPH connected with BPH’s activity other than BPH’s activity of an organised part of the enterprise of BPH conducting banking activity connected with the credit agreements regarding credit facilities secured by mortgages on real estate which were granted to individuals (osoby fizyczne) (except for the Building Society (*Kasa Mieszaniowa*)) for purposes not related to commercial activity (*działalność gospodarcza*) or farming (*gospodarstwo rolne*) activity as well as including the rights and liabilities excluded from the scope of the Demerged Business (in accordance with the scope presented in Schedule 1 to the agreed demerger plan) (the “**Mortgage Business**”) (such demerged part of BPH’s activity to be referred to as the “**Demerged Business**”) (the “**Demerger**”). Under the Demerger, a part of the business of BPH, i.e. the Demerged Business, will be transferred to the Acquiring Bank, while the remaining part of the business of BPH, i.e. the Mortgage Business, will remain in BPH.
2. Pursuant to Article 541 § 6 of the CCC, approval is hereby granted to the Demerger plan of the Bank Being Divided agreed in writing among the Bank Being Divided as well as the Acquiring Bank on 29 April 2016 and made available since that day up to this date, inclusive, to the public on the website of the Bank Being Divided (www.bph.pl) and (www.aliorbank.pl) (the “**Demerger Plan**”). The Demerger Plan is attached to this resolution as Schedule 1.
3. In connection with the Demerger, approval is hereby granted to the transfer of an organised part of the enterprise of BPH connected with the Demerged Business to the Acquiring Bank in such scope and on such terms as specified in this resolution and in the Demerger Plan.
4. Pursuant to Article 541 § 6 of the CCC, the general meeting hereby approves the amendments to the statute of the Acquiring Bank as specified in Schedule No. 4 to the Demerger Plan and in § 4 below.

§ 2

Capital increase of the Acquiring Bank and the share exchange ratio

1. As a result of the Demerger, the share capital of the Acquiring Bank is hereby increased by at least PLN 10 (ten zlotys) and by no more than PLN [X] ([X]), i.e. to an amount not lower than PLN [A] ([A]) and not exceeding PLN [B] ([B]), through the issuance of at least 1 (one) series J ordinary bearer share with a nominal value of PLN 10 (ten zlotys) each and not more than [Y] ([Y]) series J ordinary bearer shares with a nominal value of PLN 10 (ten zlotys) each (the “**Demerger Issue Shares**”),

where:

[X] – means the maximum value of the share capital increase of the Acquiring Bank in connection with the Demerger calculated subject to the Share Exchange Ratio adjusted in accordance with the Dilution Adjustment Formula described in point 4 below;

[A] – means the minimum amount of the share capital of the Acquiring Bank, being the sum of: the amount of the share capital of the Acquiring Bank as at the date of the Demerger Plan, the final amount of the increase of the share capital of the Acquiring Bank through the issuance of series I shares in the course of a public offering, and PLN 10 resulting from the issue of 1 ordinary series J share in connection with the Demerger;

[B] – means the maximum amount of the share capital of the Acquiring Bank, being the sum of: the amount of the share capital of the Acquiring Bank as at the date of the Demerger Plan, the final amount of the increase of the share capital of the Acquiring Bank through the issuance of series I shares in the course of a public offering, and the maximum amount resulting from the issue of series J shares in connection with the Demerger; and

[Y] – means the maximum number of the series J shares in the Acquiring Bank issued in connection with the Demerger, subject to the Share Exchange Ratio adjusted in accordance with the Dilution Adjustment Formula described in point 4 below.

2. As a result of the Demerger, all of the shareholders of BPH being entitled shareholders as at the Reference Date (as defined below) (i.e. entities and persons who as at such Reference Date hold shares in BPH which are registered in a securities account or entered in the relevant registers maintained by brokerage houses or banks conducting brokerage activity and, in the case of collective accounts, who are indicated to the entity maintaining such collective account by the holder of such account as the entity entitled to the BPH shares recorded on such account), other than:

- (i) GE Investments Poland sp. z o.o., a limited liability company organised and existing under the laws of the Republic of Poland, with its registered office in Gdańsk, entered into the Register of Business Entities under KRS No. 103388; and / or
- (ii) DRB Holdings B.V., a company organised and existing under the laws of the Netherlands, with its registered office in Amsterdam, entered into the commercial register (Kamer van Koophandel) under number 24272907; and / or
- (iii) Selective American Financial Enterprises, Inc., a corporation organised and existing under the laws of the state of Delaware, registered under number 2241439, with its registered office at 901 Main Avenue, Norwalk, CT 06851; and / or
- (iv) other affiliates of the entities indicated in points (i) – (iii) above;
(collectively referred to as the “**GE Shareholders**”)

(such shareholders other than the GE Shareholders are referred to as the “**Demerged Shareholders**”)

will cease to be shareholders of BPH and, subject to point 3 below, as a result of the Demerger, they will become shareholders of the Acquiring Bank and will be granted and allocated Demerger Issue Shares.

3. Pursuant to Article 550 §1 of the CCC, no Demerger Issue Shares will be issued in exchange for the own shares held by BPH, if any. Similarly, if the Acquiring Bank holds any BPH shares, no Demerger Issue Shares will be issued in exchange for such shares.

4. The Demerged Shareholders will be granted and allocated Demerger Issue Shares based on the following share exchange ratio: for 1 (one) share in BPH, the shareholders of BPH will be granted and allocated 0.44 (forty-four hundredths) of a Demerger Issue Share (the “**Share Exchange Ratio**”). The above-mentioned Share Exchange Ratio will be adjusted by dividing

it by the dilution adjustment ratio (RF) determined in accordance with the Dilution Adjustment Formula described below.

The dilution adjustment will be calculated based on the following formula:

$$RF = ((SR * PR) + (SI * PI)) / (PR * (SR + SI))$$

where:

RF – the dilution adjustment ratio

SR – the number of the Acquiring Bank shares on the rights issue record date for the series I shares of the Acquiring Bank

PR – the closing price for the Acquiring Bank shares on the rights issue record date for the series I shares of the Acquiring Bank

SI – the final number of the series I shares of the Acquiring Bank issued in the public rights issue

PI – the issue price for the series I shares of the Acquiring Bank.

5. The general meeting hereby approves the above Share Exchange Ratio agreed by the management boards of BPH and the Acquiring Bank.
6. The Demerger Issue Shares allocated to the Demerged Shareholders will participate in the profit generated by the Acquiring Bank for the financial year commenced on 1 January of the year in which the Demerger is registered in the court register.
7. As a result of the Demerger, the GE Shareholders will become the only shareholders of BPH and will together hold 100% of the shares in and 100% of the votes at the general meeting of BPH and will not receive any Demerger Issue Shares.

§ 3

Share allocation rules

1. In accordance with §2 above, as a result of the Demerger:
 - (i) the GE Shareholders will not become shareholders of the Acquiring Bank and will remain the only shareholders of BPH and will together hold 100% of the shares in and 100% of the votes at the general meeting of BPH;
 - (ii) pursuant to Article 550 §1 of the CCC, no Demerger Issue Shares will be issued in exchange for the own shares held by BPH, if any, and, similarly, if the Acquiring Bank holds any BPH shares, no Demerger Issue Shares will be issued in exchange for such shares; and
 - (iii) subject to point (ii), the Demerged Shareholders will become, by virtue of law, shareholders of the Acquiring Bank and will be granted and allocated Demerger Issue Shares. The number of Demerger Issue Shares granted and allotted to each Demerged Shareholder will be calculated based on the Share Exchange Ratio and pursuant to the rules indicated below.
2. The Demerger Issue Shares will be allotted to the Demerged Shareholders through the intermediation of the National Depository for Securities (the “NDS”) based on the Share Exchange Ratio and the number of shares in BPH as at the business day which pursuant to the relevant NDS regulations will be the reference date (the “**Reference Date**”).
3. The Management Boards will be authorised to indicate to the NDS the Reference Date, provided that this date cannot fall later than on the seventh business day following the Demerger Date, unless the provisions of applicable law or the internal regulations of the NDS prescribe otherwise.

4. Additionally, the management board of BPH may decide to take measures to suspend the quotations of the shares in BPH for a term starting no earlier than the day following the day on which a motion is filed to have the Demerger entered into the Register of Business Entities of the National Court Register and, with respect to the shares held by the Demerged Shareholders, ending no later than on the day on which the shares held by the Demerged Shareholders will no longer be listed on the regulated market operated by the WSE.
5. The number of Demerger Issue Shares to be allotted to each and every Demerged Shareholder of BPH will be determined by multiplying the number of shares in BPH held by the relevant Demerged Shareholder as at the Reference Date by the Share Exchange Ratio and by rounding the product thereof down to the nearest integer (if the product is not an integer).
6. Each and every Demerged Shareholder who as a result of the rounding down referred to in clause 5 has not been allotted a fraction of the Demerger Issue Shares he was entitled to according to the Share Exchange Ratio will receive an additional cash payment (the “**Additional Payment**”).
7. The Additional Payment due and payable to a given Demerged Shareholder will be calculated in accordance with the following formula:

$$D = A \times W,$$

where: **D** – means the Additional Payment; **A** – means the fraction by which the product referred to in clause 5 was rounded down; and **W** – means the arithmetic mean of the volume weighted average price quotation per share in the Acquiring Bank over 30 (thirty) consecutive days of the quotation of the shares in the Acquiring Bank on the Warsaw Stock Exchange (the “**WSE**”) preceding the Reference Date.

The amount of the Additional Payment will be rounded up to 1 grosz (PLN 0.01), with each PLN 0.005 being rounded up.

The Additional Payments will be paid to the Demerged Shareholders within up to 14 days from the Reference Date through the intermediation of the NDS.

As pursuant to Article 550 §1 of the CCC no Demerger Issue Shares will be issued in exchange for the shares the Acquiring Bank has in BPH as at the Reference Date, the Acquiring Bank will also not be entitled to receive the Additional Payment.

8. The restriction referred to in Article 529 § 3 of the CCC will apply to the Additional Payments. The Additional Payments will be paid from the reserve capital (*kapitał zapasowy*) of the Acquiring Bank. The Additional Payments will be reduced by the due amount of income tax if such tax is levied on the Additional Payments under the applicable laws.
9. Before the Demerger Date, the management board of the Acquiring Bank will submit the representation referred to in Article 310 of the CCC, in connection with Article 532 of the CCC, determining the number of the Demerger Issue Shares, provided that the management board of the Acquiring Bank may decide to submit such representation after the Demerger Date. In such case, the representation will be submitted within 15 (fifteen) business days from the Reference Date. The representation will concern: (i) the number of the Demerger Issue Shares allocated to the Demerged Shareholders based on the rules specified in clause 5; or (ii) the number of shares subscribed for by the financial institution referred to in clause 10.
10. Within 15 (fifteen) business days from the Reference Date, the management board of the Acquiring Bank will make every effort to ensure that the Demerger Issue Shares that have not been allotted to the Demerged Shareholders as a result of the rounding down in accordance with clause 5 will be subscribed for by a financial institution selected by the management board of the Acquiring Bank. The Demerger Issue Shares are to be subscribed for in exchange for the price representing the arithmetic mean of the volume weighted average price quotation per share in the Acquiring Bank over 30 (thirty) consecutive days of the quotation of the shares in the Acquiring Bank on the WSE preceding the Reference Date.

11. The management board of the Acquiring Bank will determine, in agreement with the management board of BPH, the detailed procedure for issuing the Demerger Issue Shares through the intermediation of the NDS.

§ 4

Amendments to the Acquiring Bank's statute

1. The general meeting hereby consents to and adopts the following changes to the statute of the Acquiring Bank:

§ 7 section 1 of the statute of the Acquiring Bank shall read as follows:

“1. The Bank's business comprises performing the following banking activities:

- 1) accepting cash deposits payable on demand or on a specified date, and maintaining accounts for said deposits,*
- 2) maintaining other bank accounts,*
- 3) granting loans,*
- 4) granting and confirming bank guarantees and opening and approving letters of credit,*
- 5) issuing bank securities,*
- 6) clearing banking cash transactions,*
- 7) granting cash loans,*
- 7¹) transactions involving cheques and bills of exchange and transactions involving warrants,*
- 8) issuing payment cards and conducting transactions with the use of cards,*
- 9) forward financial transactions,*
- 10) purchasing and selling cash receivables,*
- 11) custody services in respect of objects and securities, and providing safe deposit facilities,*
- 12) buying and selling foreign-currency monetary instruments,*
- 13) granting and confirming warranties,*
- 14) intermediation in transferring cash and making foreign currency settlements,*
- 15) issuing e-money instruments,*
- 16) performing commissioned tasks related to issuing securities.”*

§ 7 section 2 of the statute of the Acquiring Bank shall read as follows:

“2. The Bank's business also comprises performing the following actions:

- 1) incurring liabilities related to issuing securities,*
- 2) trading in securities,*
- 3) providing consulting and advisory services on financial issues,*
- 4) providing the following other financial services:*
 - a) factoring services,*
 - b) forfeiting services,*
 - c) intermediation services in respect of lease contracts,*
 - d) intermediation services in granting loans and credit facilities,*
 - e) services consisting of performing factual actions in respect of intermediation in the purchase and sale of foreign currencies,*
 - f) intermediation services in respect of monetary settlements provided to banks, financial institutions, settlement agents, and to brokerage houses, entities providing leasing services, investment fund management companies, and investment funds,*
 - g) financial services connected with securities issued abroad and other financial instruments and the keeping thereof, including the maintenance of a register of financial instruments registered by foreign financial institutions, foreign lending institutions, and depositary and settlement institutions,*
- 5) engaging in brokerage operations,*
- 6) performing insurance intermediation actions,*
- 7) performing actions related to issuing and servicing financial instruments which are not securities,*

- 8) *providing specialist services to companies related to the Bank in terms of equity consisting specifically of making available IT systems and technologies, including data processing services, creating, using and maintaining computer software and IT infrastructure, and other services to make cooperation with those entities in the area of the financial services they offer more efficient,*
- 9) *sales of coins, banknotes and numismatic coins issued by the National Bank of Poland (NBP) for collections and for other purposes,*
- 10) *operating as a settlement agent,*
- 11) *conducting custody activities,*
- 12) *acting as a depository for pension funds and investment funds, keeping, based on an order, registers of investment fund participants and registers of pension fund participants,*
- 13) *collection activities,*
- 14) *performing the activities of a representative-bank within the meaning of the Act on Bonds,*
- 15) *accepting orders to buy and repurchase investment fund units or participation titles in foreign funds, and accepting subscription orders for units of investment certificates of investment funds,*
- 16) *maintaining registered savings and credit accounts and granting contract loans within the scope of activities of a building society.”*

The following § 7 section 2¹ will be added to the statute of the Acquiring Bank:

“2¹. The Bank may perform commissioned activities that are within the scope of the Bank’s business for other domestic or foreign banks, and lending or financial institutions.”

§ 9 section 1 of the statute of the Acquiring Bank shall read as follows:

“1. The share capital of the Bank amounts to at least PLN [A] ([A]) and not more than PLN [B] ([B]) and shall be divided into at least [C] ([C]) ordinary shares with a nominal value of PLN 10 (ten zloty) each, and not more than [D] ([D]) ordinary shares with a nominal value of PLN 10 (ten zloty) each, including:

- 1) *50,000,000 (fifty million) ordinary series A shares;*
- 2) *1,250,000 (one million, two hundred and fifty thousand) ordinary series B shares;*
- 3) *12,332,965 (twelve million, three hundred and thirty-two thousand, nine hundred and sixty-five) ordinary series C shares;*
- 4) *6,358,296 (six million, three hundred and fifty-eight thousand, two hundred and ninety-six) ordinary series G shares;*
- 5) *410,704 (four hundred and ten thousand, seven hundred and four) ordinary series D shares;*
- 6) *2,355,498 (two million, three hundred and fifty-five thousand, four hundred and ninety-eight) ordinary series H shares;*
- 7) *[E] ([E]) ordinary series I shares; and*
- 8) *at least one (1) and up to [Y] ([Y]) ordinary series J shares.”*

where:

[A] – means the minimum amount of the share capital of the Acquiring Bank, being the sum of: the amount of the share capital of the Acquiring Bank as at the date of the Demerger Plan, the final amount of the increase of the share capital of the Acquiring Bank through the issuance of series I shares in the course of a public offering, and PLN 10 resulting from the issue of 1 ordinary series J share in connection with the Demerger;

[B] – means the maximum amount of the share capital of the Acquiring Bank, being the sum of: the amount of the share capital of the Acquiring Bank as at the date of the Demerger Plan, the final amount of the increase of the share capital of the Acquiring Bank through the issuance of series I shares in the course of a public offering, and the maximum amount resulting from the issue of series J shares in connection with the Demerger.

[C] – means the minimum number of shares in the Acquiring Bank being the sum of: the number of shares in the Acquiring Bank as at the date of the Demerger Plan and 1 series J share issued in connection with the Demerger;

[D] – means the maximum number of shares in the Acquiring Bank being the sum of: the number of shares in the Acquiring Bank as at the date of the Demerger Plan and the maximum number of the series I shares issued in connection with the Demerger and [Y];

[E] – means the final number of series I shares issued in the course of a public offering; and

[Y] - means the maximum number of the series J shares in the Acquiring Bank issued in connection with the Demerger, subject to the Share Exchange Ratio adjusted in accordance with the Dilution Adjustment Formula described in §2 point 4 above.

§ 5

Authorisations

1. The Acquiring Bank will apply for the admission and introduction of the Demerger Issue Shares to trading on the regulated market operated by the WSE. The management board of the Acquiring Bank is authorised and required to take all of the actions necessary in relation to the performance of the terms of this subsection.
2. All of the Demerger Issue Shares will be dematerialised pursuant to Article 5.1 of the Act on Trading in Financial Instruments dated 29 July 2005. The management board of the Acquiring Bank will be authorised and required to execute an agreement with the NDS for the registration of the Demerger Issue Shares in the deposit of securities and to take any and all actions necessary in connection with the dematerialisation thereof.
3. The management board of the Acquiring Bank is authorised to make a statement as referred to in Article 310 of the CCC, read in conjunction with Article 532 of the CCC, including information on the number of the Demerger Issue Shares and the final value of the increased share capital of the Acquiring Bank in connection with the Demerger. The management board of the Acquiring Bank is further authorised to offer the Demerger Issue Shares that have not been allotted to the Demerged Shareholders as a result of the rounding down in accordance with §3 item 5 hereof to be subscribed for by a financial institution selected by the management board of the Acquiring Bank.

§ 6

Final provisions

1. Pursuant to Article 530, §2 of the CCC, the Demerger shall be effected as of the demerger date (i.e. on the date of registration of the share capital increase of the Acquiring Bank as a result of the Demerger through the issuance of the Demerger Issue Shares (the “**Demerger Date**”)).
2. The completion of the Demerger depends on:
 - (i) obtaining a decision from the Polish Financial Supervisory Authority (the “**PFSA**”) permitting the Demerger in accordance with Article 124c, section 2 of the act of 29 August 1997 – the banking law (the “**Banking Law**”);

- (ii) obtaining a decision from the PFSA permitting the amendments to the Acquiring Bank's statute to be made in connection with the Demerger as provided for in Schedule 4 to the Demerger Plan in accordance with Article 34, section 2 and in connection with Article 31, section 3 of the banking law;
- (iii) obtaining a decision from the PFSA permitting the amendments to BPH's statute to be made in connection with the Demerger in accordance with Article 34, section 2 and in connection with Article 31, section 3 of the banking law;
- (iv) obtaining a decision from the PFSA that there are no grounds to object against the Acquiring Bank exceeding the threshold of 33%, 50% or more of the votes at the general meeting of BPH or, alternatively, the lapse of the statutory deadline for the delivery of a decision containing an objection raised with respect to the above in accordance with Article 25 of the banking law;
- (v) if required, obtaining a decision from the PFSA that there are no grounds to object against GE Investments Poland sp. z o.o. exceeding the threshold of 50% of the votes at the general meeting of BPH or, alternatively, the lapse of the statutory deadline for the delivery of a decision containing an objection raised with respect to the above in accordance with Article 25 of the banking law; and
- (vi) obtaining antitrust clearance, i.e.: (i) the issuance by the relevant antitrust authority (the "**Antitrust Authority**") of a (unconditional or conditional) decision consenting to a concentration involving the acquisition of control over the Demerged Business pursuant to the respective competition law, or (ii) the issuance by a competent court (in result of an appeal filed by the Acquiring Bank against the decision of the Antitrust Authority) of a final and non-appealable judgment in favour of the appeal and amending the decision consenting to the concentration, or (iii) the issuance by the Antitrust Authority of a decision on discontinuing the proceedings or the Antitrust Authority returning the clearance request on account of the transaction not being subject to notification pursuant to the respective competition law, or (iv) the lapse of the deadline set out in the respective competition law within which the Antitrust Authority may issue a decision regarding a concentration, provided that under the respective competition law, in the case of the Antitrust Authority's failure to issue a decision within the specified deadline, the concentration may be implemented without the consent of the Antitrust Authority.

SCHEDULE 4

Draft amendments to the statute of the Acquiring Bank

§ 7 section 1 of the statute of the Acquiring Bank shall read as follows:

“1. The Bank’s business comprises performing the following banking activities:

- 1) accepting cash deposits payable on demand or on a specified date, and maintaining accounts for said deposits,*
- 2) maintaining other bank accounts,*
- 3) granting loans,*
- 4) granting and confirming bank guarantees and opening and approving letters of credit,*
- 5) issuing bank securities,*
- 6) clearing banking cash transactions,*
- 7) granting cash loans,*
- 7¹) transactions involving cheques and bills of exchange and transactions involving warrants,*
- 8) issuing payment cards and conducting transactions with the use of cards,*
- 9) forward financial transactions,*
- 10) purchasing and selling cash receivables,*
- 11) custody services in respect of objects and securities, and providing safe deposit facilities,*
- 12) buying and selling foreign-currency monetary instruments,*
- 13) granting and confirming warranties,*
- 14) intermediation in transferring cash and making foreign currency settlements,*
- 15) issuing e-money instruments,*
- 16) performing commissioned tasks related to issuing securities.”*

§ 7 section 2 of the statute of the Acquiring Bank shall read as follows:

“2. The Bank’s business also comprises performing the following actions:

- 1) incurring liabilities related to issuing securities,*
- 2) trading in securities,*
- 3) providing consulting and advisory services on financial issues,*
- 4) providing the following other financial services:*
 - a) factoring services,*
 - b) forfeiting services,*
 - c) intermediation services in respect of lease contracts,*
 - d) intermediation services in granting loans and credit facilities,*
 - e) services consisting of performing factual actions in respect of intermediation in the purchase and sale of foreign currencies,*
 - f) intermediation services in respect of monetary settlements provided to banks, financial institutions, settlement agents, and to brokerage houses, entities providing leasing services, investment fund management companies, and investment funds,*
 - g) financial services connected with securities issued abroad and other financial instruments and the keeping thereof, including the maintenance of a register of financial instruments registered by foreign financial institutions, foreign lending institutions, and depository and settlement institutions,*
- 5) engaging in brokerage operations,*
- 6) performing insurance intermediation actions,*
- 7) performing actions related to issuing and servicing financial instruments which are not securities,*
- 8) providing specialist services to companies related to the Bank in terms of equity consisting specifically of making available IT systems and technologies, including data processing services, creating, using and maintaining computer software and IT infrastructure, and other services to make cooperation with those entities in the area of the financial services they offer more efficient,*

- 9) sales of coins, banknotes and numismatic coins issued by the National Bank of Poland (NBP) for collections and for other purposes,
- 10) operating as a settlement agent,
- 11) conducting custody activities,
- 12) acting as a depositary for pension funds and investment funds, keeping, based on an order, registers of investment fund participants and registers of pension fund participants,
- 13) collection activities,
- 14) performing the activities of a representative-bank within the meaning of the Act on Bonds,
- 15) accepting orders to buy and repurchase investment fund units or participation titles in foreign funds, and accepting subscription orders for units of investment certificates of investment funds,
- 16) maintaining registered savings and credit accounts and granting contract loans within the scope of activities of a building society.”

The following § 7 section 2¹ will be added to the statute of the Acquiring Bank:

“2¹. The Bank may perform commissioned activities that are within the scope of the Bank’s business for other domestic or foreign banks, and lending or financial institutions.”

§ 9 section 1 of the statute of the Acquiring Bank shall read as follows:

“1. The share capital of the Bank amounts to at least PLN [A] ([A]) and not more than PLN [B] ([B]) and shall be divided into at least [C] ([C]) ordinary shares with a nominal value of PLN 10 (ten zloty) each, and not more than [D] ([D]) ordinary shares with a nominal value of PLN 10 (ten zloty) each, including:

- 1) 50,000,000 (fifty million) ordinary series A shares;
- 2) 1,250,000 (one million, two hundred and fifty thousand) ordinary series B shares;
- 3) 12,332,965 (twelve million, three hundred and thirty-two thousand, nine hundred and sixty-five) ordinary series C shares;
- 4) 6,358,296 (six million, three hundred and fifty-eight thousand, two hundred and ninety-six) ordinary series G shares;
- 5) 410,704 (four hundred and ten thousand, seven hundred and four) ordinary series D shares;
- 6) 2,355,498 (two million, three hundred and fifty-five thousand, four hundred and ninety-eight) ordinary series H shares;
- 7) [E] ([E]) ordinary series I shares; and
- 8) at least one (1) and up to [Y] ([Y]) ordinary series J shares.”

where:

[A] – means the minimum amount of the share capital of the Acquiring Bank, being the sum of: the amount of the share capital of the Acquiring Bank as at the date of the Demerger Plan, the final amount of the increase of the share capital of the Acquiring Bank through the issuance of series I shares in the course of a public offering, and PLN 10 resulting from the issue of 1 ordinary series J share in connection with the Demerger;

[B] – means the maximum amount of the share capital of the Acquiring Bank, being the sum of: the amount of the share capital of the Acquiring Bank as at the date of the Demerger Plan, the final amount of the increase of the share capital of the Acquiring Bank through the issuance of series I shares in the course of a public offering, and the maximum amount resulting from the issue of series J shares in connection with the Demerger.

[C] – means the minimum number of shares in the Acquiring Bank being the sum of: the number of shares in the Acquiring Bank as at the date of the Demerger Plan and 1 series J share issued in connection with the Demerger;

[D] – means the maximum number of shares in the Acquiring Bank being the sum of: the number of shares in the Acquiring Bank as at the date of the Demerger Plan and the maximum number of the series I shares issued in connection with the Demerger and [Y];

[E] – means the final number of series I shares issued in the course of a public offering; and

[Y] - means the maximum number of the series J shares in the Acquiring Bank issued in connection with the Demerger.

SCHEDULE 5

Valuation of the assets and liabilities of the Bank Being Divided as at 1 March 2016

The value of the assets and liabilities of the Bank Being Divided as at 1 March 2016 understood as the net assets book value is PLN 3,943,031,670.

The above value was determined on the basis of unaudited balance sheet of BPH as at 1 March 2016.

On behalf of BPH:

Richard Gaskin

President of the Management Board

Grzegorz Jurczyk

Deputy President of the Management Board

SCHEDULE 6

Valuation of the assets and liabilities of the Acquiring Bank as at 1 March 2016

Alior Bank S.A. hereby represents that the estimated net assets value of Alior Bank S.A. as at March 1, 2016, defined as the difference between its total assets and total liabilities is PLN 3,581,705,106.

Net Assets Value

Assets	PLN 42,544,019,809
Liabilities.....	PLN 38,962,314,703
Net Assets	PLN 3,581,705,106

On behalf of Alior Bank:

Wojciech Sobieraj

President of the Management Board

Krzysztof Czuba

Vice-President of the Management Board

Witold Skrok

Vice-President of the Management Board

Katarzyna Sulowska

Vice-President of the Management Board

Joanna Krzyżanowska

Vice-President of the Management Board

Barbara Smalska

Vice-President of the Management Board

Małgorzata Bartler

Vice-President of the Management Board

Schedule 7

Fairness opinion prepared by Ernst & Young spółka z ograniczoną odpowiedzialnością Corporate Finance sp. k.



28 April 2016

Confidential,

Management and Supervisory Board

Bank BPH S.A.

Warszawa

Dear Sirs,

Based on the agreement dated 1 April 2016 ("**Agreement**"), Ernst & Young spółka z ograniczoną odpowiedzialnością Corporate Finance sp. k. ("**EY**") was asked by the Management Board of Bank BPH S.A. ("**BPH**", "**the Client**" or the "**Bank Being Divided**") to issue an opinion on the fairness of the exchange ratio of the shares in BPH to the shares in Alior Bank S.A. ("**Alior Bank**" or the "**Acquiring Bank**") agreed between the Client and Alior Bank in the Demerger Plan (as defined below) from the financial point of view for the shareholders of the Client as a whole ("**Fairness Opinion**").

The following sections describe our understanding of the Transaction as defined below, summary of performed analysis, and the basis and limitations of our work.

Our understanding of the Transaction

As we understand, on 31 March 2016 various entities controlled by GE Capital International Holdings Limited ("**GE Shareholders**") and Alior Bank signed the Share Purchase and Demerger Agreement ("**SPA**") regarding the sale of a part of BPH's assets and liabilities in the form of an organised portion of the enterprise connected with the provision of activities other than the mortgage business ("**Core Bank**", "**Demerged Business**", defined further below).

Additionally, BPH and Alior Bank agreed and are to sign a demerger plan dated 29 April 2016 ("**Demerger Plan**") specifying terms and conditions of the demerger of BPH. The Demerger will be effected in accordance with the procedure specified in Art. 529 § 1.4 of the Commercial Companies Code ("**CCC**"). Under the Demerger, a part of the business of BPH, i.e. the Demerged Business, will be transferred to the Acquiring Bank, while the remaining part of the business of BPH, i.e. the Mortgage Business ("**Mortgage Business**"), will remain in BPH.

The **Mortgage Business** is defined as an organized part of the enterprise of BPH conducting banking activity connected with the credit facilities secured by mortgages on real estate, which were granted to individuals (osoby fizyczne) (except for the Building Society

A handwritten signature in blue ink is located in the bottom right corner of the page.

(Kasa Mieszkaniowa)) for purposes not related to commercial activity (działalność gospodarcza) or farming (gospodarstwo rolne) activity as well as including the rights and liabilities excluded from the scope of the Demerged Business.

The **Demerged Business** is defined as an organized part of the enterprise of BPH connected with the pursuit of BPH's business other than the Mortgage Business.

The Demerged Business will be transferred to the Acquiring Bank on the date of registration of the share capital increase of the Acquiring Bank by way of the issuance of Demerger Issue Shares (as defined below) as a result of the Demerger (the "**Demerger Date**").

As a result of the Demerger, the Acquiring Bank will on the Demerger Date assume all of the rights and obligations of BPH connected with the Demerged Business. Consequently, immediately following the Demerger Date, BPH will conduct activity limited to the Mortgage Business and the activity of the Acquiring Bank will be enlarged by the Demerged Business.

The transaction ("**Transaction**") involves the following key steps:

- ▶ the acquisition by Alior Bank from GE Shareholders BPH's shares representing a significant shareholding in BPH; and
- ▶ the transfer of the Demerged Business to the Acquiring Bank by way of the issuance of ordinary bearer shares in the Acquiring Bank issued in connection with the Demerger ("**the Demerger Issue Shares**") to all of the BPH shareholders other than the GE Shareholders and its affiliates ("**Demerged Shareholders**").

As a result of the Demerger:

- ▶ the GE Shareholders and its affiliates will not become shareholders of the Acquiring Bank and will only remain shareholders of BPH together holding 100% of the shares in and 100% of the votes at the general meeting of BPH; and
- ▶ the other shareholders of BPH, i.e. the Demerged Shareholders, will cease to be shareholders of BPH. As a result of the Demerger and as of the Demerger Date, the Demerged Shareholders will become shareholders of the Acquiring Bank and such Demerged Shareholders will be granted and allocated Demerger Issue Shares based on the Share Exchange Ratio indicated below.

The Share Exchange Ratio agreed and defined in the Demerger Plan, based on which the Demerged Shareholders will receive the Demerger Issue Shares is as follows: for 1 (one) share in BPH, the Demerged Shareholders will be granted and allocated 0.44 (forty-four hundredths) of a Demerger Issue Share ("**Share Exchange Ratio**").

Basis of our work

In arriving at the Fairness Opinion, EY conducted analysis of certain financial and other information, documents and data provided by BPH, GE Capital EMEA Services Limited, Alior Bank and their respective professional advisors as well as relevant publicly available data. Our work was based in particular on the agreed final draft Demerger Plan dated 28 April 2016 as well as the valuation report prepared by a professional third party advisor for the Client for the purpose of the Transaction, which included:

- ▶ valuation of BPH as a whole as of 1 March 2016;
- ▶ valuation of Alior Bank as of 1 March 2016;
- ▶ calculation of recommended range of share exchange ratio on the basis of valuation of fair market value of BPH and Alior Bank shares,

dated 25 April 2016 (called jointly “Valuations”).

The Valuations were prepared as of 1 March 2016 assuming BPH and Alior Bank continue their respective businesses without any potential impact of the Transaction and specifically exclude any synergy effects (both positive or negative) and demerger or integration costs related to the Transaction.

This Fairness Opinion concerns only the Share Exchange Ratio as a selected element of the Transaction and was prepared solely for the use of the Management and Supervisory Board of the Client in relation to the Demerger and must not be used or relied upon for any other purpose by any other entities. The Fairness Opinion cannot be treated as an investment recommendation for the shareholders of the Client. Additionally, EY does not express any opinion regarding the possible future share prices of BPH or Alior Bank, therefore, the Fairness Opinion must not constitute the basis for any claims regarding the share prices arising from any shareholders of BPH and/or Alior Bank.

BPH may refer publicly to the fact of the existence of the Fairness Opinion prepared by EY indicating a positive or negative result.

The Fairness Opinion can be made publicly available only in the connection with the publication of the Demerger Plan, subject to the following reservations:

- ▶ the Fairness Opinion will be made publicly available only in full, in a non-editable version, secured from third-party editions or changes; and
- ▶ third parties may not rely on the Fairness Opinion or use it for their own purposes and EY does not bear any responsibility towards any third parties in relation with preparation of the Fairness Opinion or the public availability of the Fairness Opinion.

EY was not involved in the discussions and negotiations between BPH, GE Shareholders and Alior Bank. EY will receive a fixed fee upon delivery of this Fairness Opinion that is independent from the final conclusion of the Fairness Opinion.

Summary of the performed analysis

The Fairness Opinion was based on an assessment of information provided by the Client, GE Capital EMEA Services Limited and Alior Bank, including in particular Valuations prepared for the Client by a professional third party advisor, assuming they are reliable and complete and on which we relied without performing an audit or third party verification procedures. We assumed that all information and data provided to us were prepared with due care, after a thorough analysis. Moreover, EY relied on representations of BPH's Management Board that they are not aware of any facts or circumstances that may result in the provided information being not complete, non-accurate or misleading.

EY has not performed an independent valuation of BPH, the Demerged Business, the Mortgage Business or Alior Bank and in arriving at the Fairness Opinion we have used the

Valuations prepared by the Client's professional third party advisor and we have relied on the Client's Management Board confirming the results and assumptions used for the purpose of the Valuations. The fair values of BPH and Alior Bank as indicated in the Valuations were estimated using, inter alia, the following valuation methods and approaches:

1. Dividend Discount Model;
2. Guideline Listed Companies;
3. Market Capitalization.

In arriving at the Fairness Opinion, EY conducted analysis of certain financial and other information, documents and data provided by BPH, GE Capital EMEA Services Limited, Alior Bank and their respective professional advisors as well as relevant publicly available data. During our work on the Fairness Opinion, the following key documents and assumptions were taken into account:

1. Valuations of BPH and Alior Bank prepared by Client's professional third party advisor;
2. Agreed Final Draft of Demerger Plan dated 28 April 2016 (we assume there will no changes between the agreed Final Draft of Demerger Plan and final signed Demerger Plan);
3. Long term financial forecasts of BPH for the calendar years 2016-2022 approved by BPH Management Board;
4. Financial statements of BPH, including pro-forma financial statements for the Demerged Business and Mortgage Business, as of 30 September 2015, 31 December 2015 and 1 March 2016, and other financial and management information provided by BPH;
5. Financial statements of Alior Bank as of 31 December 2015;
6. Brokerage reports, price recommendations, and market consensus forecasts for Alior Bank provided by Alior Bank for the calendar years 2016-2018;
7. Summary of financial aspects of the Transaction agreed in the Share Purchase and Demerger Agreement signed between GE Shareholders and Alior Bank concerning acquisition of the Demerged Business;
8. Other publicly available information.

The documents and information listed above were not subject to independent verification procedures by EY.

Limitations related to the Fairness Opinion

Notwithstanding the above, the Fairness Opinion was based on the following conditions and assumptions:

1. The Fairness Opinion relates solely to the financial aspects of the Share Exchange Ratio and was prepared solely for the use of the Management and Supervisory Board of BPH in relation to the Demerger and must not be used or relied upon for any other purpose by any other entities. Third parties may not rely on the Fairness

Opinion or use it for their own purposes and EY does not bear any responsibility towards any third parties in relation with preparation of the Fairness Opinion.

2. The Fairness Opinion is based on an assessment of the available information assuming it is reliable and complete. EY relied on the data provided by BPH, GE Capital EMEA Services Limited and Alior Bank without performing an audit or third party verification procedures. EY assumed that all information and data provided was prepared with due care. Moreover, EY relied on the representation of BPH's Management Board that it is not aware of any facts or circumstances that may result in the provided information being not complete, non-accurate or misleading.
3. In preparation of the Fairness Opinion, we assumed that the information provided to us is adequate to our scope of work, complete and reliable and that it does not mislead the readers in any aspects, material from the financial point of view. As part of the engagement, EY has not performed any additional verification procedures in relation to the completeness and reliability of the provided information. Data, information and explanations provided remain the sole responsibility of BPH, GE Capital EMEA Services Limited and Alior Bank. In particular, the scope of our work did not include procedures that are foreseen by law and standards of auditing during the audit of financial statements within the meaning of the Act of 29 September 1994 on accounting in order to issue an opinion on its accuracy and reliability. Therefore, EY does not express such an opinion.
4. We assumed that the work performed by BPH's and GE Capital EMEA Services Limited's professional advisors, other than EY, for the purposes of the Transaction, was done with due care and provides true and fair information that is not misleading. We do not accept any responsibility for any mistakes or omissions with respect to the work performed by any of these advisors.
5. Our work was performed with due professional care; however, neither EY, nor any partner or employee involved in this assignment is responsible for any mistakes or omissions with respect to the preparation of this Fairness Opinion resulting from undisclosed, inaccurate or misleading information presented by BPH's, GE Capital EMEA Services Limited's or Alior Bank's Management, their professional advisors in the Transaction or any other person responsible for disclosing the required data and information, excluding liability for losses arising from intentional fault or gross negligence that could be considered evident to EY without the necessity of conducting any additional work.
6. For the purpose of the Fairness Opinion, we assumed that the Valuations provided to us, including all projections and financial forecasts they were based on, were prepared based on accurate and reliable estimates and to the best knowledge and belief of BPH's Management that they represent the expected future financial results and exclude any potential synergy effects (both positive or negative) and demerger or integration costs related to the Transaction.
7. We assumed that all corporate activity and other operations, necessary to fulfil the conditions of the Transaction and meet the related obligations, are or will be completed and that the Transaction documentation will constitute a valid and legally binding obligation of BPH and Alior Bank.

8. We assumed that all permissions and approvals from the regulatory, administration, creditors and other parties, necessary to complete the Transaction as required by law, will be received and will not have an impact on material aspects of the EY analysis from the financial point of view.
9. EY's work associated with the release of the Fairness Opinion did not include analysis of current financial, legal and tax status of BPH or Alior Bank (i.e. due diligence), nor the possible financial, legal and accounting effects that may be relevant in the context of the Transaction.
10. We assumed that after the closure of the Transaction BPH will be able to meet its obligations towards the creditors and that the Transaction will not constitute violation or potential violation of any debt obligations of BPH.
11. This Fairness Opinion is not an investment recommendation for BPH's shareholders. The Fairness Opinion will not grant any benefits to BPH's shareholders.
12. The Fairness Opinion does not refer to the relative benefits arising from the Transaction as compared to other alternative strategies that might be implemented by the Client or GE Shareholders nor to the influence of any other transactions, in which the Client or GE Shareholders might be involved.
13. This Fairness Opinion was based on the data and information available as of the date of the Fairness Opinion and does not include any impact of any potential future events that might occur after the Fairness Opinion was issued and which might be considered important or relevant for the Fairness Opinion conclusion. In particular, this Fairness Opinion does not take into account Alior Bank's expected new share issue to finance the Transaction nor potential dilution and market price changes of Alior Bank's stock.
14. This Fairness Opinion does not concern the future possible adjusted share exchange ratio and/or the dilution adjustment formula, presented in the Demerger Plan.
15. While future events may influence the results of the Fairness Opinion, EY is not obliged to conduct an update or revision of the Fairness Opinion.
16. We have not performed an independent valuation of shares, assets or liabilities of Alior Bank, Demerged Business, Mortgage Business or Bank BPH as a whole.
17. We have assumed that between the date as of which the Valuations were prepared and the date of this Fairness Opinion, no events took place that could materially impact the results of the Valuations.



The Opinion

On the basis of and subject to the foregoing foundations, assumptions and limitations, and taking into account other issues considered by us to be relevant on the date of this Fairness Opinion, in our opinion the agreed Share Exchange Ratio between BPH and Alior Bank on which the Demerged Shareholders will receive the Demerger Issue Shares in the following way: for 1 (one) share in BPH, the Demerged Shareholders will be granted and allocated 0.44 (forty-four hundredths) of a Demerger Issue Share, is within a recommended range as calculated by the Client's professional third party advisor and on the date of this Fairness Opinion is considered fair from a financial point of view for BPH's shareholders as a whole.

This Fairness Opinion was based on the data and information available to us as of the date of the Fairness Opinion.

Yours sincerely,



Zbigniew Juis

Zbigniew Juis
PARTNER

Ernst & Young spółka z ograniczoną odpowiedzialnością
Corporate Finance sp. k.
(dawniej Ernst & Young Corporate Finance sp. z o.o.)

Ernst & Young spółka z ograniczoną odpowiedzialnością Corporate Finance spółka komandytowa

Schedule 8

Fairness opinion prepared by IPOPEMA Securities S.A.



IPOPEMA Securities Spółka Akcyjna

ul. Prózna 9,
00-107 Warszawa

The Management Board and the Supervisory Board of Alior Bank Spółka Akcyjna

ul. Łopuszańska 38d
02-232 Warszawa

28th April, 2016

Dear Sirs,

IPOPEMA Securities S.A. (“**IPOPEMA**”) was informed that Alior Bank S.A. (“**Alior**”) has reached an agreement to acquire the core banking business (the “**Core Bank**”) of Bank BPH S.A. (“**BPH**”) from various entities controlled by the General Electric Company (“**GE**” or the “**Shareholders**”), and intends to acquire up to all of the BPH shares held by the non-GE related shareholders (the “**Minority Shareholders**”) of BPH.

The terms and conditions of the acquisition are set forth in the Share Purchase and Demerger Agreement signed by Alior and the Shareholders on Thursday, 31st March 2016 (the “**Agreement**” or the “**SPA**”). The SPA outlines, amongst others, various stages of the acquisition process. Pursuant to the SPA, the purchase price for the 87.23% interest in the Core Bank held by the Shareholders amounts to PLN 1,225 million (the “**Price**”). The value of the entire Core Bank was established in the SPA at PLN 1,532 million. The Price is subject to changes in the Adjusted Tangible Book Value of the Core Bank (as defined in the SPA), and the financial impact of certain other specified events and occurrences (the “**Adjustments**”) prior to the closing of the Proposed Transaction. The Price is to be paid to GE, when the latter subscribes up to all its Shares to a Public Tender (the “**Public Tender**”) to be called by Alior, for part or all of the shares of BPH, including some or all of a majority 87.23% shareholding held by GE in BPH (the “**Shares**”), and all of the shares held by the Minority Shareholders. BPH will be demerged (the “**Demerger**”), with the mortgage business and certain other assets and liabilities, including the banking license retained in Bank BPH (the “**Mortgage Bank**”), and the remaining assets and liabilities (the Core Bank) are to be spun-off and merged into Alior. Any shares still held by the Minority Shareholders subsequent to the Public Tender, will be exchanged for new Alior shares (the “**Demerger Shares**”), with the exchange ratio (the “**Exchange Ratio**”) to be established within the range of 0.46 to 0.35 new Alior shares per BPH share. All of the above together is the “**Proposed Transaction**”. After the Proposed Transaction the Mortgage Bank will be wholly-owned by GE. The Proposed Transaction is envisioned to be carried out by the end of 2016.

Alior and BPH have subsequently agreed that the Exchange Ratio in the Demerger will be 0.44 of a Demerger Share per one share of BPH, with the Exchange Ratio adjusted by a formula (the “**Adjustment Formula**”) to reflect any changes to the Alior share capital due to the rights issue of Alior Bank planned prior to the closing of the Proposed Transaction.

IPOPEMA has been requested by the Management Board of Alior to provide its opinion as to whether the Exchange Ratio and Adjustment Formula established in connection with the Demerger are fair and reasonable, from a financial point of view, for the shareholders of Alior in the context of the Proposed Transaction.

In arriving at the opinion contained in this letter, IPOPEMA has conducted an analysis of certain financial and other information, documents and data on BPH provided by Alior and provided to Alior by BPH, GE, and their respective advisors, and reviewed certain other publicly available information. IPOPEMA has also held discussions with senior management representatives of Alior, and other representatives of Alior, regarding the business, prospects and forecasts of Alior and the Core Bank. IPOPEMA has reviewed the SPA and other documents relating to the Proposed Transaction, and taken into consideration various forecasts, calculations, projections, and adjustments to the businesses prepared by Alior and its advisors, including financial and legal due-diligence, forecasts on the post-demerger synergies and costs arising from merging the Core Bank into Alior, and certain other financial and other analyses carried out and prepared by Alior and other advisors (jointly the “**Assumptions**”).

For the purpose of preparation of this opinion, IPOPEMA has performed various analyses on Alior, the Core Bank and BPH, in the context of their business operations, outlook and respective valuations, and in arriving at its opinion, IPOPEMA has made use of a range of valuation methods commonly used for similar analyses, including comparisons with similar, publicly available information on selected banks operating on the Polish market, and other analyses which it deemed appropriate and relevant.

The analyses conducted by IPOPEMA were used solely for the preparation of the opinion on the fairness, from the financial point of view, of the Exchange Ratio and the Adjustment Formula in the context of the Transaction, and shall not be considered as appraising or reflecting the prices at which any business or any securities may or could be sold.

IPOPEMA has assumed that the Assumptions provided to it by Alior have been reasonably prepared on the basis of the best, currently available, estimates, judgments and knowledge of Alior. IPOPEMA does not express any view as to the reasonableness of the Assumptions, or specifically to any financial forecasts, calculations, projections, adjustments to the business, or the assumptions on which they are based.

In preparation of this opinion, IPOPEMA has not carried any further independent enquiries or verification of the completeness, accuracy and reliability of the Assumptions provided to it, discussed with it, reviewed by or for it, or made publicly available. IPOPEMA has relied upon the assurances of the Management Board members that they are not aware of any facts or circumstances that would make the Assumptions inaccurate or misleading. IPOPEMA does not assume any liability for the independent verification of the Assumptions, information, or data received and analyzed.

The opinion contained herein relates solely to whether the Exchange Ratio and Adjustment Formula is fair and reasonable, from a financial point of view as of the date of the date hereof, for the shareholders of Alior in the context of the Proposed Transaction. IPOPEMA specifically does not express any view on the achievability or materialisation of the forecast synergies or costs arising from the Proposed Transaction. Furthermore, IPOPEMA does not express any view on the possible subsequent pricing

adjustments resulting from the Adjustments or any other amendments; the costs and risks associated with partial or non-completion of later stages of the Proposed Transaction, including the Public Tender, the non-completion of the demerger of the Core Bank, or the failure of the Proposed Transaction; the issuance or number of new shares issued, or required to be issued by Alior to partially fund the Proposed Transaction, the use of the proceeds of the capital increase in particular for the Tender Offer, or the valuation implied by such issuance save for the adjustments to the Demerger Shares if any arising from the Adjustment Formula; the potential influence of the successful execution or otherwise of the Proposed Transaction on the business of Alior or BPH, including in particular any change in strategy, at either Alior or BPH; changes in the Price resulting from changes to the broader economy, banking sector, or stock market valuations of Alior or BPH prior to the final closing of the Proposed Transaction; or changes to the share prices or valuations of Alior or BPH, in absolute terms or relative to each other subsequent to the issuance of this opinion.

IPOPEMA has not prepared an independent valuation of the assets or liabilities of Alior or BPH or any of its affiliates. Furthermore, IPOPEMA has not evaluated the solvency or fair value of Alior or BPH under any applicable law relating to bankruptcy, insolvency or similar matters.

For the purposes of rendering the opinion contained herein, IPOPEMA has assumed that all corporate and other approvals and steps required for the completion of the Proposed Transaction have been or will be obtained and taken, that the documents relating to the Proposed Transaction will constitute the valid and binding obligations of Alior and other signing parties, and that the execution and completion of the Proposed Transaction will not be prohibited nor will constitute any breach of any bylaws of Alior or any legal regulations applicable to Alior. Moreover, IPOPEMA has assumed that all required governmental, regulatory or other approvals and consents required in connection with the Proposed Transaction will be obtained, and no material restrictions will be imposed in connection therewith. IPOPEMA has also assumed that the Proposed Transaction will not constitute a breach of any contractual or other obligations of Alior or BPH.

IPOPEMA has also assumed that, in all respects material to its analysis, the Proposed Transaction will be completed in accordance with the terms and conditions set forth in the Agreement, without any material waiver, modification or amendment of such terms and conditions.

IPOPEMA is not acting as advisor to Alior in the Proposed Transaction and is not providing any advice on legal or tax matters, nor is it assisting Alior in acquiring necessary consents and approvals with respect to the Proposed Transaction. IPOPEMA is not assuming any liability for any aspects of work of any of the advisors engaged in connection with the Proposed Transaction by any party. Consequently, IPOPEMA assumed that the results of work conducted by the advisors engaged in connection with the Proposed Transaction are in line with the relevant provisions of law, reliable and are not misleading.

IPOPEMA was instructed by Alior to prepare the opinion contained herein, and will be paid a fixed fee by Alior for providing such opinion. The fee of IPOPEMA is not connected with the execution of the Proposed Transaction. IPOPEMA, as well as its affiliates, have in the past and are currently providing investment banking and other services to Alior. IPOPEMA, as well as its affiliates, may, in the ordinary course of business, actively trade in the securities and other instruments and obligations of Alior for its own accounts and for the accounts of their customers. Accordingly, IPOPEMA and its affiliates may at any time hold a long or short position in such securities, instruments and obligations.

The opinion contained herein has been prepared by IPOPEMA for Alior's Supervisory Board and Management Board, and might be used solely as part of the information required for considering the

execution of the Proposed Transaction, which includes also the explanation of the Proposed Transaction to Alior's shareholders. The opinion however is not to be used (including quoted, or otherwise) or relied on by, nor does it confer any rights to or obligations on any other party, including creditors or shareholders of Alior or BPH and its shareholders. Furthermore, the opinion contained herein does not constitute any kind of recommendation to any party as to whether the Proposed Transaction should be executed, or should be regarded as an opinion within the meaning of the Polish Commercial Companies Code¹ or other relevant regulations, and it should not be regarded as an investment advice.

IPOPEMA does not assume any liability in connection with the issuance or the content of the opinion contained herein towards any persons, entities or authorities, other than to Alior's Management Board and Supervisory Board. Furthermore, Alior has provided IPOPEMA with certain indemnities against potential liabilities resulting from the preparation of the opinion contained herein.

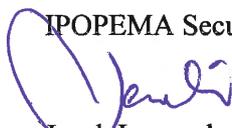
The opinion contained herein has been prepared and expressed by IPOPEMA on the basis of the state of knowledge as of the date of this letter. IPOPEMA has no obligation to update or revise this letter, the opinion or any other information contained herein.

Based upon the above mentioned information, data, documents and assumptions provided to and analyzed by IPOPEMA, as well as the knowledge and experience of IPOPEMA, and subject to the restrictions and limitations indicated herein, IPOPEMA is of the opinion that, as of the date hereof, the Exchange Ratio and Adjustment Formula is fair and reasonable from the financial point of view, to the shareholders of Alior in the context of the Proposed Transaction.

This letter is confidential and its existence as well as its contents may not be disclosed, reproduced, summarized or referred to in any public document or given to any person without the prior written consent of IPOPEMA, save for its intended use as part of the information required for considering the Proposed Transaction or to the extent required by law or otherwise as agreed by IPOPEMA and Alior. This letter was issued in English. In case of any discrepancy between the English language version of this letter and any translation thereof to any other language, the English language version shall prevail.

Yours faithfully,

IPOPEMA Securities S.A.



Jacek Lewandowski
Chief Executive Officer



Mariusz Piskorski
Vice-President of the Management Board

¹ Act dated 15 September 2000, Commercial Companies Code (unified text: Journal of Laws of 2014, item 121, as amended)