

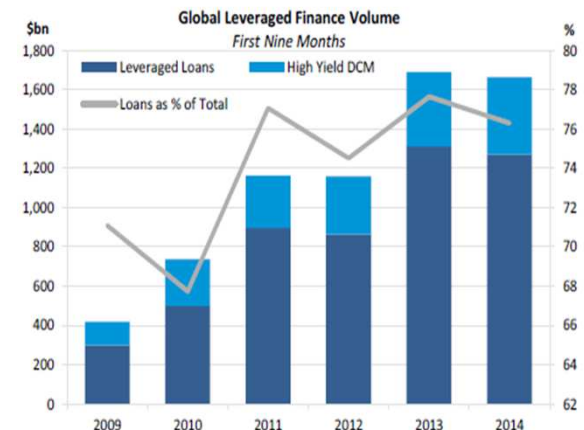
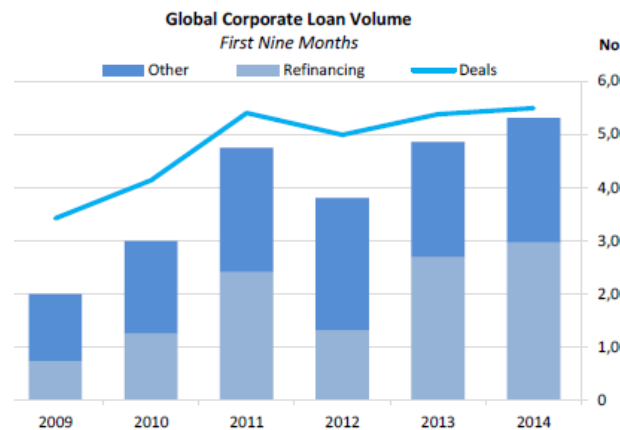
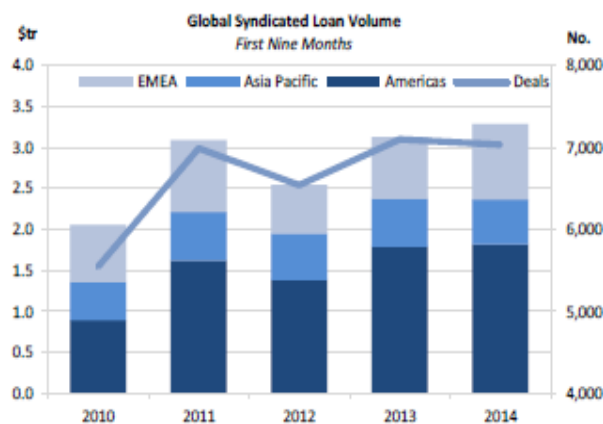
International Markets for Polish & CEE Borrowers

Syndicated Lending in CEE

Michael Bures, Head of DCM Corporates, RBI

Cbonds Poland & CEE Bond Conference
October 16th, 2014

Global Loan Market Overview – Key drivers for the first nine months 2014



- **Syndicated loan volume** reached ca. \$3.3tr (up 5% y-o-y from 2013)
- **Corporate volume** stood at \$2.66tr (up 9% from 2013)
- **Refinancing and Amendments** volume of \$1.48tr (up 10% y-o-y 2013)
- **Average margin for corporate loans** decreased to 293bps in 3Q2014
- **Leveraged finance** (loans and high yield bonds) totalled \$1.66tr

- >>> **best opening period for lending since 2007**
- >>> **highest volume totalled since comparable 2007 period**
- >>> **highest first nine month total on record**
- >>> **lowest quarterly average since 3Q 2011 (277bps)**
- >>> **loans account for 76% of Lev. Fin. down 2% from 2013**

Loan Market - trends in Europe, spilling over to CEE

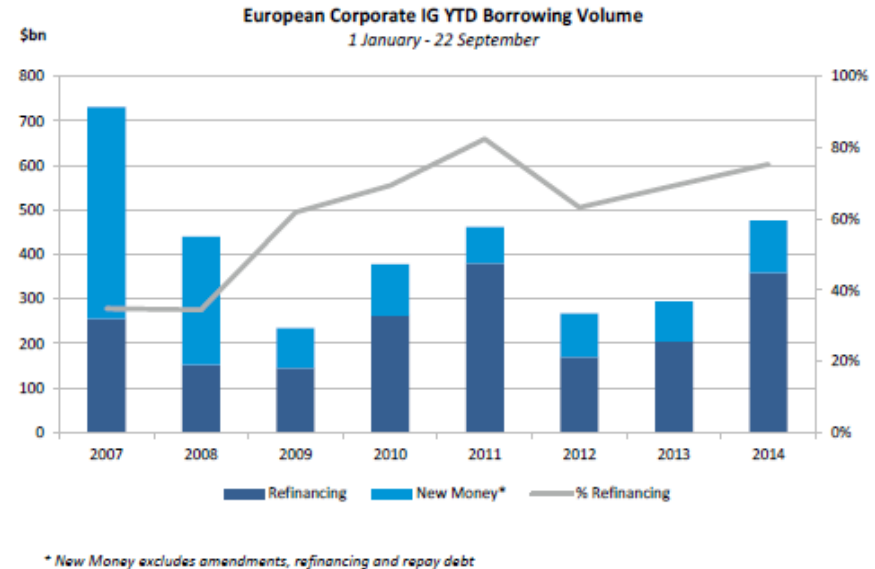
Refinancing & Amendments – “theme of the year”

Under-lent banks
Asset-search by Investors run-up to year end
Historic low rates

create

**Borrowers market - highest European corp.
borrowing since 2007**

**Bank Debt refinancing as “no-brainer” for the IG
borrowers**



M&A pick up - Loans push for corporates' attention

Recent wave of European IG acquisitions
Liquid bond markets
Investors demand for a range of products (hybrids, PIK)
Bridge loans under pressure, more structure-flexibility

carry

Alternatives for IG borrowers

**Pressure on margins through „flex activities“ despite
strongest deal-flow since 2007**

Cov Lite loans back in Europe

Lack of new assets
High levels of liquidity
Depth of term loan B investors (institutionals)

drive

Higher competition for assets

Better terms for borrowers

CEE Snapshot – the year so far

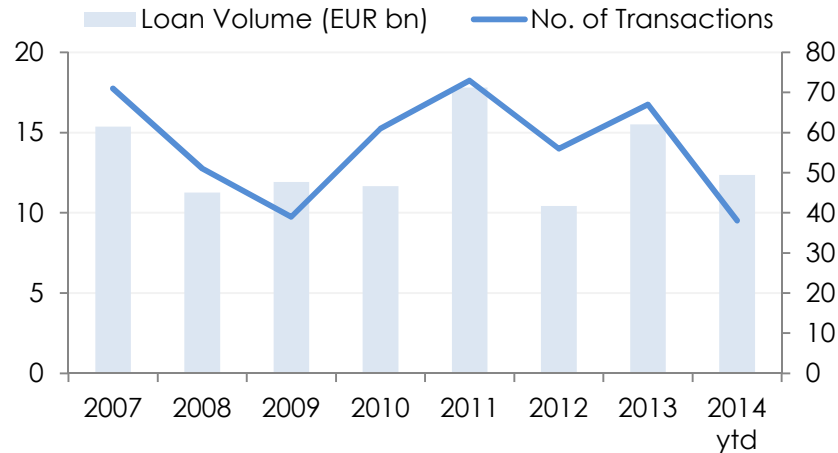
CEE Syndicated loans volumes currently at USD 13bn, increase of 11% y-o-y 2013

Refinancing and Project Finance deals prevail

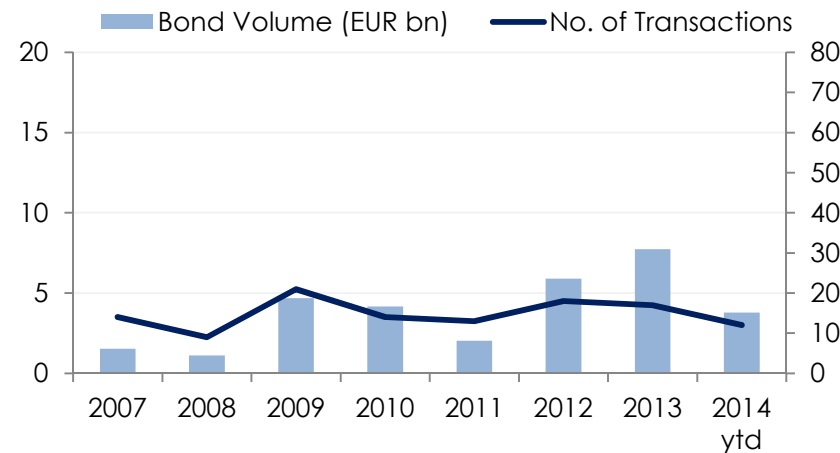
Largest deals of Q3 2014					
DEAL	SIZE (mn)	SIGN DATE	MATURITY	STRUCTURE	INDUSTRY
KGHM	USD 2,500	Jul 11 2014	2019	Rev	Basic Metals
Budapest Airport	EUR 275	Aug 15 2014	2020	Term & Rev	Consumer
Hrvatske Ceste	EUR 180	Jul 24 2014	2021	Term	Industrials
Other notable deals in Q3 2014					
DEAL	DEAL SIZE (mn)	SIGN DATE	MATURITY	STRUCTURE	INDUSTRY
Hancock Tire	EUR 120	Aug 11 2014	2017	Term	Consumer
B8	USD 240	Aug 25 2014	2021	Term & Rev	Energy
Empik	PLN 400	Jul 24 2014	2017	Term & Rev	Consumer
Logicor	EUR 174	Jul 22 2014	2019	Term	Financial
Gorenje	EUR 55	Jul 09 2014	2021	Term	Consumer
Podravka	EUR 73	Jul 07 2014	2019	Term	Consumer
TOP 2014 Deals					
DEAL	DEAL SIZE (mn)	SIGN DATE	MATURITY	STRUCTURE	INDUSTRY
PKN Orlen S.A.	EUR 2,000	Apr 25 2014	2019	Revolv	Energy
Slovenske Elektrane	EUR 870	May 30 2014	2021	Term & Rev	Utilities
Cyfrowy Polsat SA	PLN 3,000	Apr 11 2014	2019	Term & Rev	Communications
Lukoil	EUR 420	Jan 02 2014	2024	Term	Energy
RCS&RDS SA	EUR 300	Jan 07 2014	2019	Term & Rev	Communications

Bond vs. Loan Markets – loans dominating as source of financing but bonds are catching up...

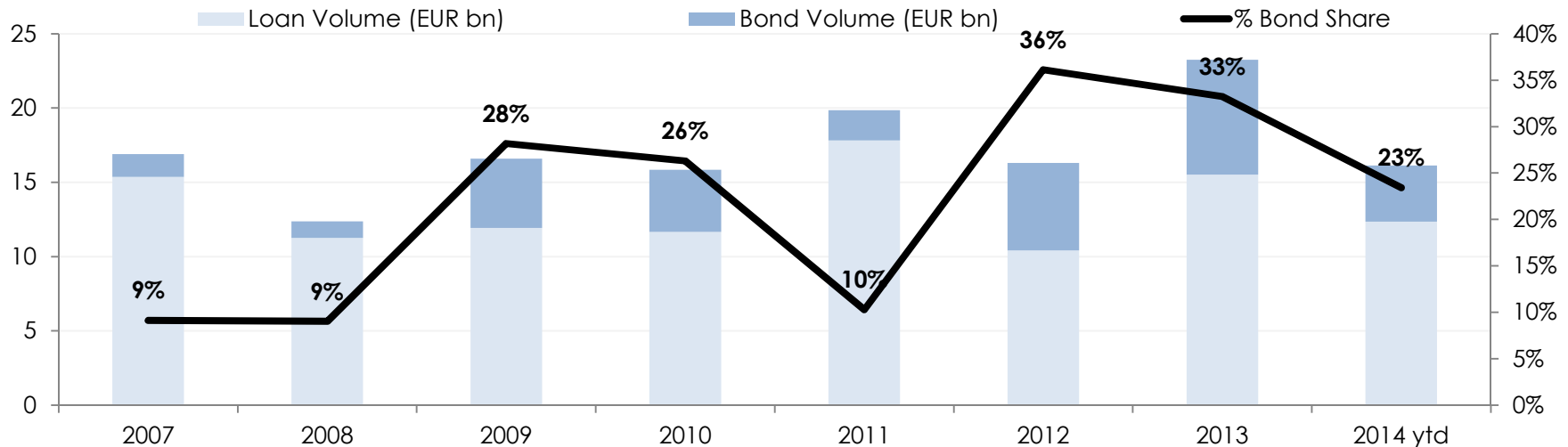
Corporate Loan Volumes in CEE



Corporate Bond Volumes



Evolution of Bond Share as % of Total Volume



Bond Supply from the CEE and CIS Region by Broad Sector (excl. Turkey)

