

Leasing Industry Results in 2016

Press Conference

Polish Leasing Association

31st January 2017

Polish Confederation Lewiatan

ul. Zbyszka Cybulskiego 3

Warszawa

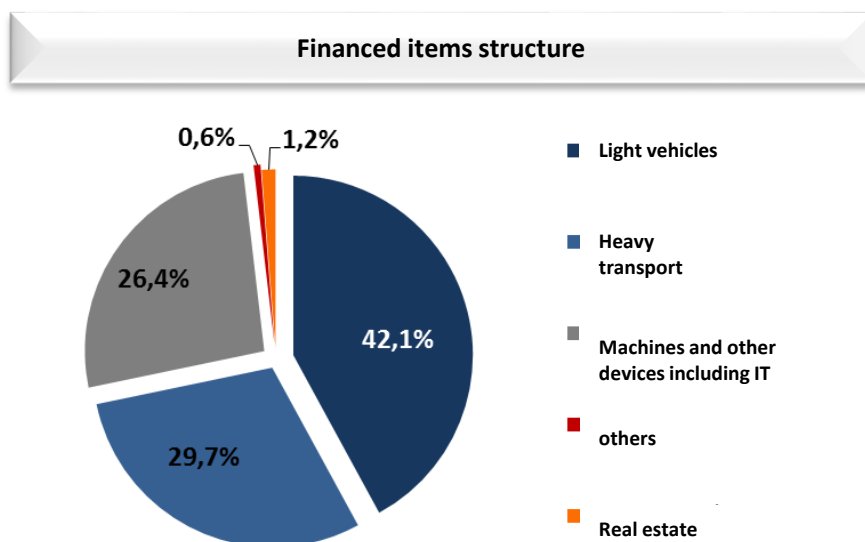
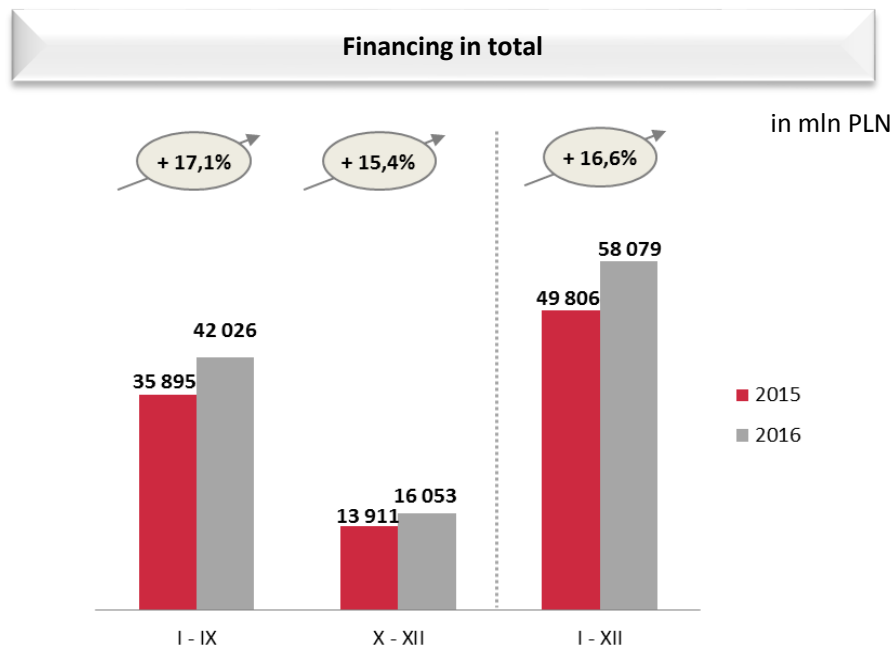


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Leasing Market

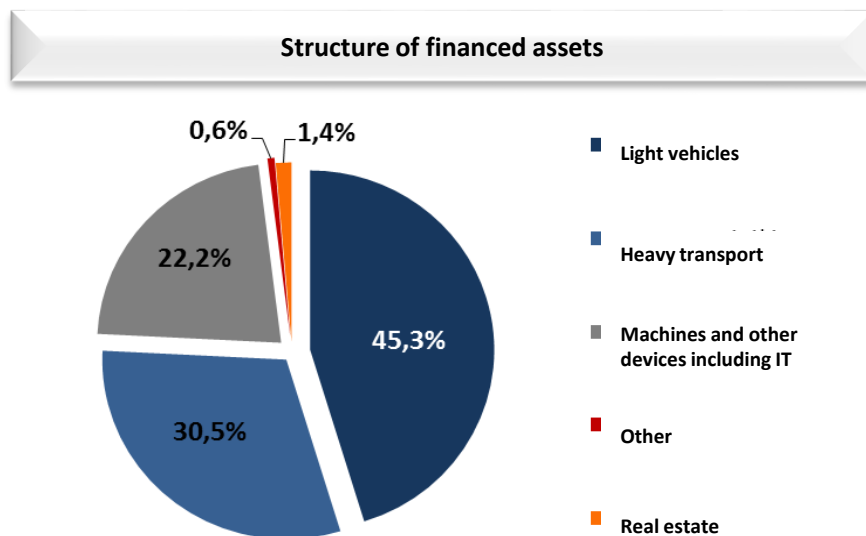
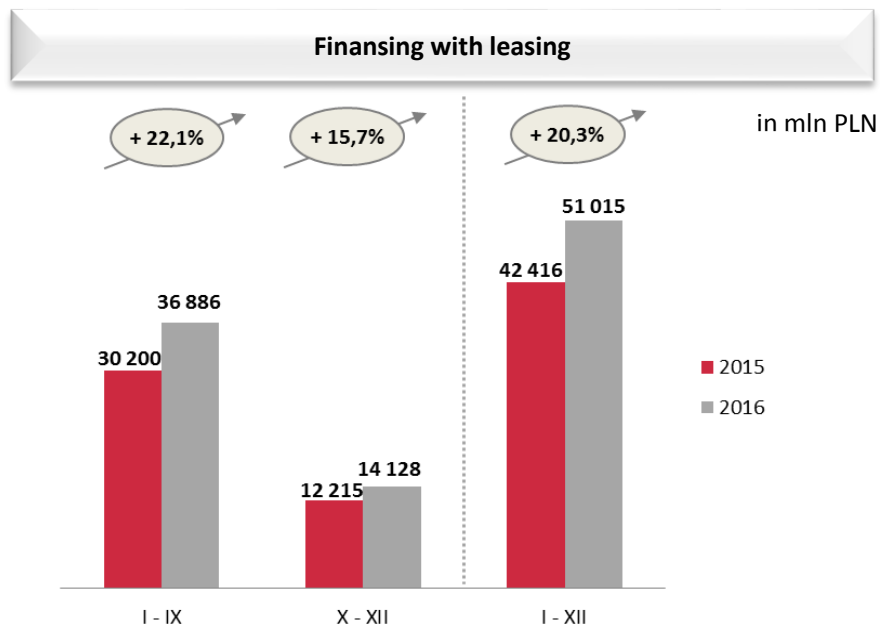


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Comments:

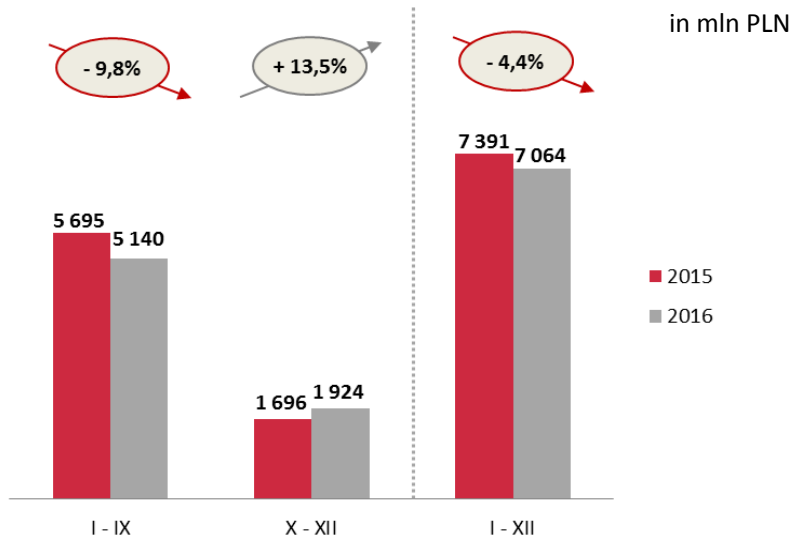
- ✓ After 16,3 % growth obtained last year on the leasing market, in 2015, **in 2016 we can observe a further dynamic development of the market:**
 - 24,2% y/y for Q1
 - 12,6 % y/y for Q2
 - 15,8% y/y for Q3,
 - 15,4% y/y for Q4,
- ✓ **Value of assets financed last year amounted to almost PLN 58,1 bln and exceeded the highest result ever observed in 2015**
- ✓ **The market dynamic obtained this year, mostly in the second half of the year, reflected extensively investment activity of Polish businessmen,** mostly in micro area and small companies. It happens because of the lack of essential new legal factors, which additionally could increase the demand for leasing companies' services.
- ✓ The structure of the total financing market remains quite balanced (light vehicles, machinery, heavy transport), with significantly lower than in Western Europe involvement of real estate financing.



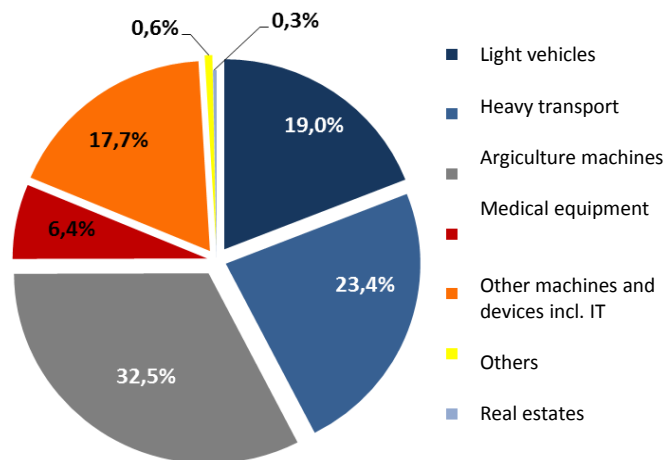
Comments :

- ✓ After the 16,7 % result in 2015, **the dynamic of assets financed with leasing amounted to 20,3 % in 2016.**
- ✓ **Leasing is still the main tool of investment financing by leasing companies.** 87.8% of all assets were financed with leasing, which is more than in 2015, when this share amounted to 85.2%.
- ✓ For this reason, the dynamics of changes on the leasing market and their nature are parallel to the changes observed on the whole market of asset financing. **The results reflect more the businessmen's actual interest in financing investments, as they are not as much distorted by the impact of the end of financial perspective of 2007-2013.**
- ✓ Structure of leasing market is characterized by a greater share of light vehicles and comparable shares of heavy transport and machinery.

Financing with loans



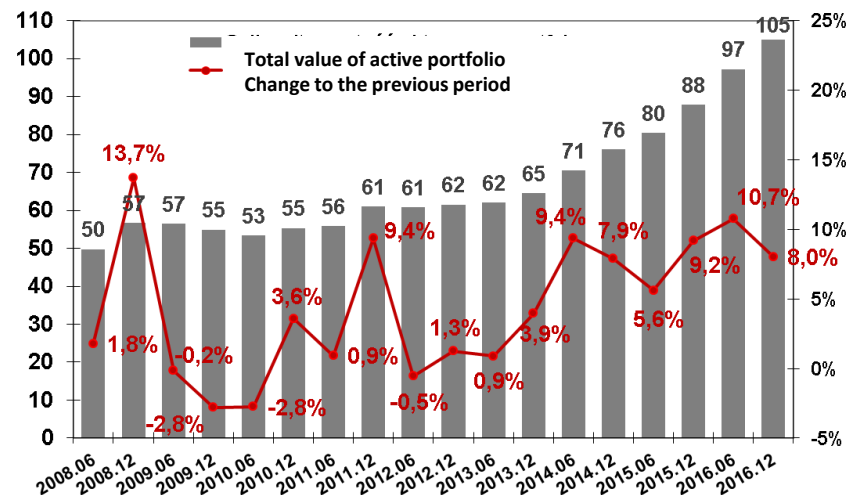
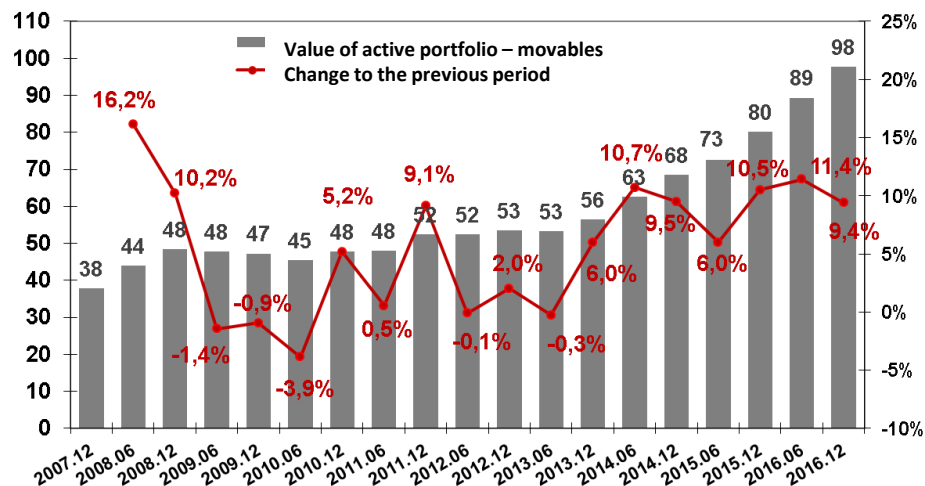
Structure of items financed with loans



Comments:

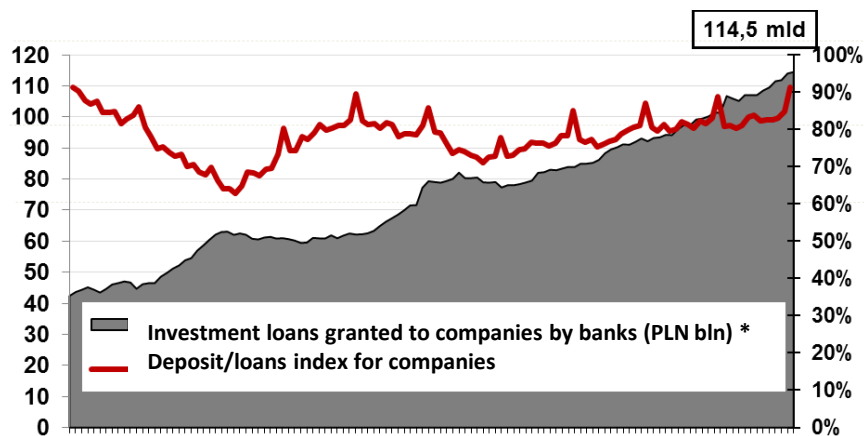
- ✓ **After high growth rate of assets financed with loan to 14.1% in 2015, the dynamics decreased to -4,4 % this year.**
- ✓ **The evident slowdown of loan market in Q1 2016** because of the break of EU funds spending between the next financial perspectives as well as very high base of Q2 2015, when there were the agriculture investments financed from the 2007-2013 EU perspective.
- ✓ In the second half of 2016 the loan market dynamic increased up to 6,5% y/y, mostly in vehicle market up to 70,1% y/y. Still increasing of financing agriculture machines means this part of the market is more and more independent towards agricultural bailout.
- ✓ **We can still observe the diversity of loan market. Purchase of machinery is still the main type of investments financed with loans, but its share successively decreases every year.** This year its share is 32,75 % of all movable assets financed with loans, while in 2015 it was 44,8 % and 2 years back – 52,5 %.
- ✓ The lower dynamics of loan segment resulted in the decline of loan share in financing the movable assets: up to 12,3 % this year, 14,8% in 2015 and 15,6% in 2016.

Investment financing – leasing vs investment credit



Comments:

- ✓ **The total value of active portfolio** as on 31st of December 2016 amounting to PLN 105.1 billion (PLN 97.8 billion for movables and PLN 7.3 billion for real estate) **is comparable with the value of the balance within investment loans granted by banks to companies** (PLN 114.5 billion as on the end of 2016). Leasing is still the main, next to the loan, external source of investment financing in the economy.
- ✓ **The value of active portfolio in the past 12 months has increased by 19.7%**, increasing within this period by PLN 17,3 billion.
- ✓ Data provided by the National Bank of Poland indicates slight acceleration of the dynamics within the lending actively of banks in the area of investments. Within the past 12 months the balance of investment loans in banks has increased by 12,9%, comparing to 10,0% in the whole 2015.



* Without investment credits for households

Assets financed by the leasing companies – division according to annual turnover criteria

| FINANCING WITH LEASING | | | | | |
|-------------------------------|---|----------------------|-----------------|---------------|-----------------|
| Individual clients | Enterprises* | | | | Public sector** |
| | Total value in mln PLN (according to average client's turnover) | | | | |
| | Till 5 mln PLN | From 5 to 20 mln PLN | Over 20 mln PLN | | |
| Vehicles | 133 | 21,930 | 6,847 | 8,717 | 11 |
| light vehicles | 131 | 15,779 | 3,390 | 3,777 | 8 |
| heavy transport | 0 | 5,936 | 3,403 | 4,842 | 2 |
| other vehicles | 2 | 215 | 54 | 98 | 0 |
| Machines | 0 | 3,564 | 1,968 | 5,142 | 9 |
| IT | 0 | 240 | 112 | 300 | 1 |
| Places, ships, railway | 0 | 92 | 135 | 802 | 0 |
| Other movables | 0 | 57 | 69 | 189 | 0 |
| Movables | 133 | 25,883 | 9,130 | 15,151 | 21 |
| Property | 0 | 310 | 280 | 107 | 0 |
| Leasing in total | 133 | 26,193 | 9,410 | 15,258 | 21 |
| Financing structure | 0.3% | 51.3% | 18.4% | 29.9% | 0.0% |

| FINANSOWANIE POŻYCZKA | | | | | |
|-------------------------------|---|----------------------|-----------------|--------------|-----------------|
| Individual clients | Enterprises* | | | | Public sector** |
| | Total value in mln PLN (according to average client's turnover) | | | | |
| | Till 5 mln PLN | From 5 to 20 mln PLN | Over 20 mln PLN | | |
| Vehicles | 313 | 1,609 | 575 | 479 | 0 |
| light vehicles | 312 | 774 | 72 | 187 | 0 |
| heavy transport | 0 | 833 | 503 | 291 | 0 |
| other vehicles | 2 | 2 | 0 | 1 | 0 |
| Machines | 0 | 2,797 | 359 | 770 | 0 |
| IT | 0 | 23 | 2 | 49 | 0 |
| Places, ships, railway | 0 | 10 | 1 | 12 | 0 |
| Other movables | 0 | 20 | 1 | 24 | 0 |
| Movables | 313 | 4,458 | 938 | 1,333 | 0 |
| Property | 0 | 1 | 3 | 17 | 0 |
| Leasing in total | 313 | 4,459 | 941 | 1,351 | 0 |
| Financing structure | 4.4% | 63.1% | 13.3% | 19.1% | 0.0% |

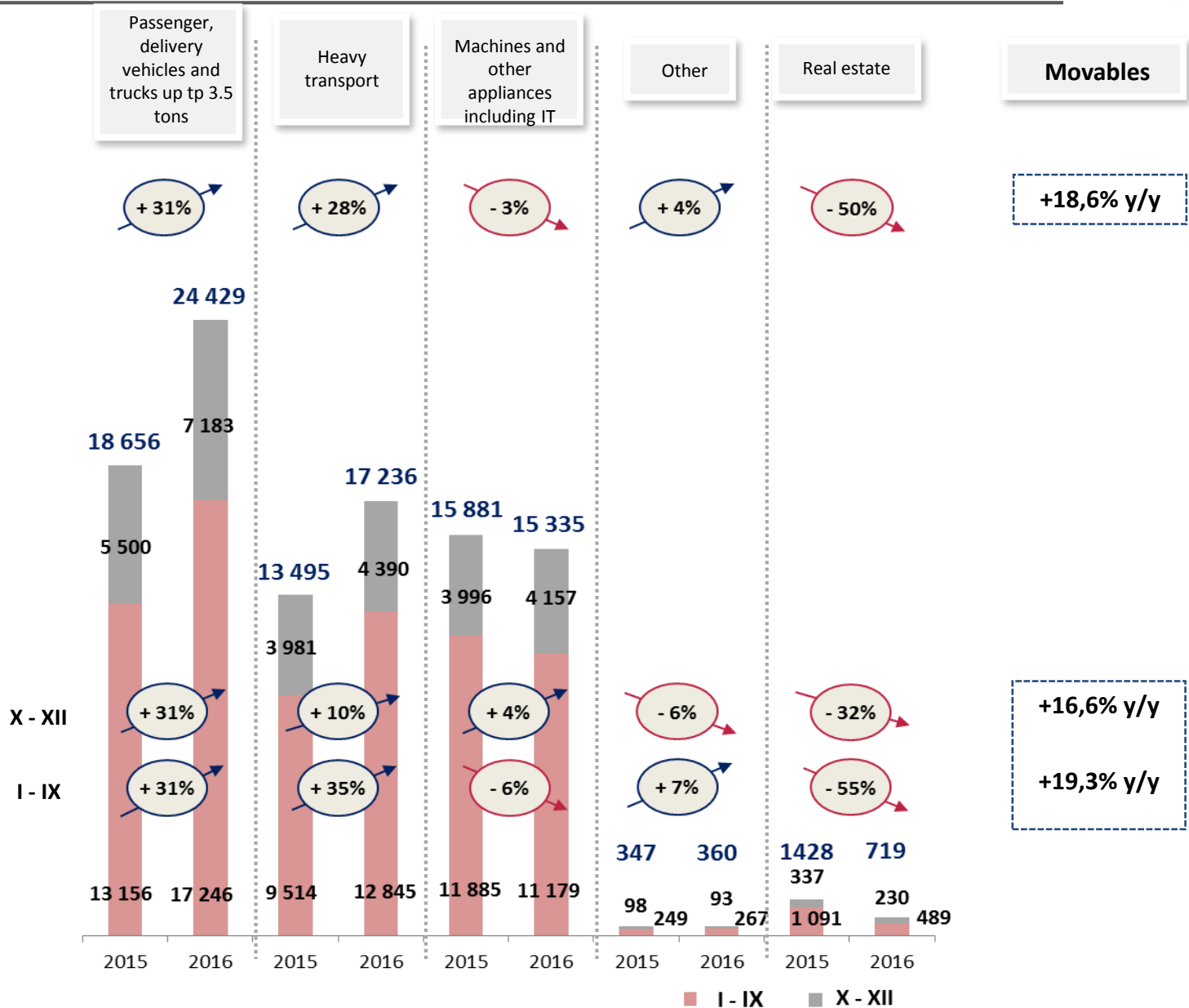
Comments :

- ✓ Presented results are **approximative**, because of relatively low market representation (there are gathered data of 39% of companies of the market).
- ✓ The provisional numbers show that the **leasing market supports mostly micro sector and small companies**. Those are the clients whose annual turnover is up to 5 mln PLN and the numbers are: 51,3% for leasing and 63,1% for loans. They are classified as micro companies according to Ministry of Economy criteria.
- ✓ The most common category of fixed assets which is leased are **light vehicles** for the clients of average rate to 5 mln PLN. They make a 30,9% of total financing in leasing (out of 25,7% for passenger cars). For financing **machinery** for clients of average rate to 5 mln PLN, including 31% share in total production of leasing companies in loans.
- ✓ Leasing market in marginal extent finances the public sector.
- ✓ Also the individual clients are a marginal area of leasing companies' operation, and their investment needs are financed mainly with loans (most commonly passenger cars).

* Public and private enterprises, including sole proprietorships

** JST (local authority), state administration

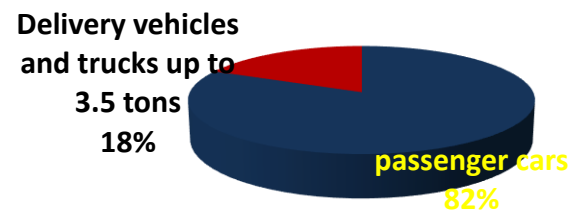
Trends in groups – financing in total



Total value of financing light vehicles (leasing + loan) [mln PLN]

| Total financing | I-XII 2015 | I-XII 2016 | I-XII 16 / I-XII 15 |
|---|---------------|---------------|------------------------|
| passenger cars | 15,174 | 19,992 | 31.7% |
| Delivery vehicles and trucks up to 3.5 tons | 3,481 | 4,437 | 27.4% |
| Light vehicles in total | 18,656 | 24,429 | 30.9% |
| Financing OSD with leasing | 18,003 | 23,085 | 28.2% |
| Financing OSD with loan | 653 | 1,344 | 105.9% |

Objective structure of light vehicle market



Comments:

- ✓ **Light vehicles – longterm growth of leasing in in Q2 2015.** The result of leasing market is highly correlated with the increase of registered new passenger and delivery vehicles: of 16,6% y/y for the whole 2016, to 475,9 thousands of pcs. Good results on automotive markets can be observed in most of European countries.
- ✓ **Growth of light transport is related with the trends in Polish economy:** domestic demand grows based on the consumers' expenses (which drives the retail trade turnover), shapes up the finance condition of enterprises, shapes up the consumers' mood. The **fiscal impulse for vehicle purchase** is still valid, especially in premium segment (**50% VAT- while purchasing + 50% VAT from fuel**). This is evident in the increasing number of vehicle registrations for companies (mostly passenger cars of premium segment) than for individuals.
- ✓ **OSD financing segment deals mostly with passenger vehicles, but this year we can observe the growth of meaning of light vehicles. The growing dynamic of delivery vehicles and trucks up to 3.5 tons** result from the one hand from higher interest in financing vehicles from this segment with loans, and on the other hand – from significant growth of retail trade turnover.

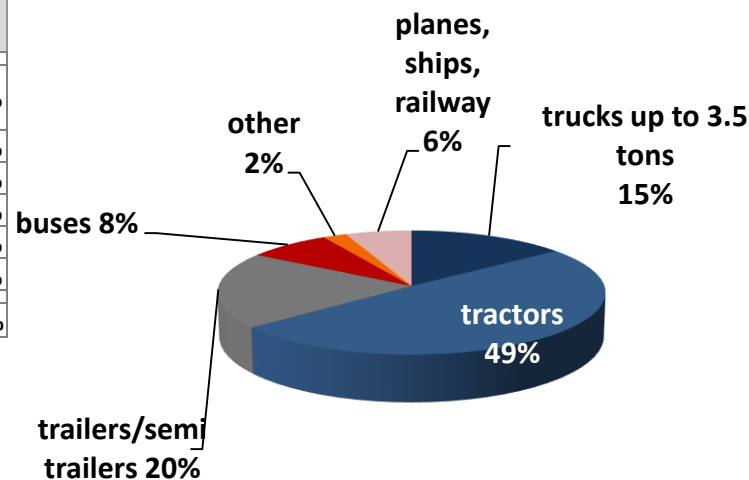
Total value of financing heavy vehicles (leasing + loan) [mln PLN]

| Financing in total | I-XII 2015 | I-XII 2016 | I-XII 16 / I-XII 15 | share I-XII 15 | share I-XII 16 |
|---------------------------------|-----------------|-----------------|---------------------|----------------|----------------|
| trucks up to 3,5 tons | 2,033.0 | 2,518.9 | 23.9% | 15.1% | 14.6% |
| tractors | 6,669.3 | 8,528.4 | 27.9% | 49.4% | 49.5% |
| trailers/semi-trailers | 2,741.8 | 3,423.5 | 24.9% | 20.3% | 19.9% |
| buses | 948.1 | 1,339.2 | 41.3% | 7.0% | 7.8% |
| other vehicles | 432.8 | 374.5 | -13.5% | 3.2% | 2.2% |
| planes, ships, railway | 669.5 | 1,051.2 | 57.0% | 5.0% | 6.1% |
| Heavy transport in total | 13,494.5 | 17,235.7 | 27.7% | 100.0% | 100.0% |

| | | | |
|--|--------|--------|-------|
| Financing heavy transport with leasing | 12,302 | 15,581 | 26.7% |
|--|--------|--------|-------|

| | | | |
|--------------------------------------|-------|-------|-------|
| Financing heavy transport with loans | 1,192 | 1,654 | 38.8% |
|--------------------------------------|-------|-------|-------|

Objective structure of heavy transport market



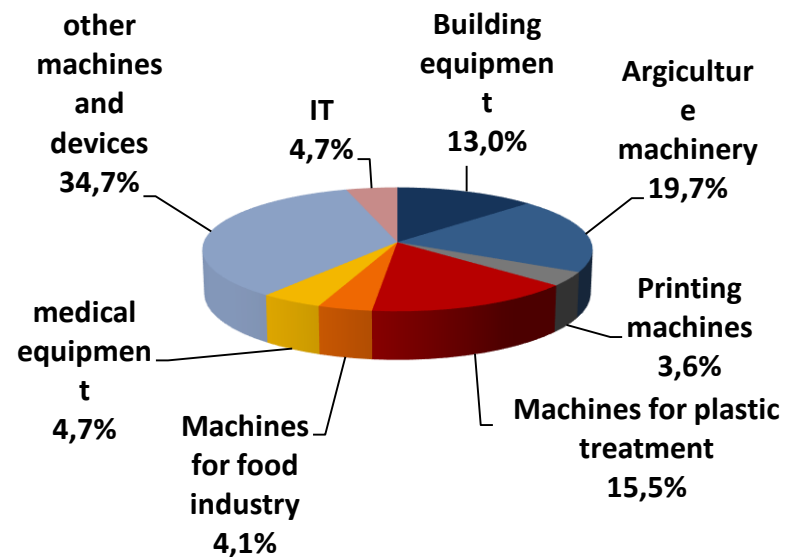
Comments:

- ✓ **Dynamic growth of financing heavy transport in 2016**, in most categories of this segment. The progress is correlated with 22,5% dynamics of vehicle registration in past year.
- ✓ **This year's increase of financing result from the exchange the old vehicles for the new ones, which meet the Euro 6 standards** (it's important in international transport because of lower tolls) **and from processes happening within the economy**: thanks to eurozone's revival (and also our export) and domestic demand growth in Poland. Also the cooperation with leasing companies with municipal transport companies matter (city bus financing) as well as the stability of fuel prices (oil price below 50 USD/b in average) as well as single transactions of plane leasing.
- ✓ The mood in the financing the transport industry remains good and shows **the tolerance of Polish transport market**, despite the problems with growing protectionism of EU countries, Russia putting embargo on Polish transport and food.

Total value of financing machines and IT (leasing + loan) [mln PLN]

| Financing in total | I-XII 2015 | I-XII 2016 | I-XII 16 / I-XII 15 |
|--|---------------|---------------|---------------------|
| Building equipment | 1,884 | 1,988 | 5.6% |
| Agriculture machinery | 3,904 | 3,023 | -22.6% |
| Printing machines | 619 | 560 | -9.6% |
| Machines for plastic treatment | 2,330 | 2,381 | 2.2% |
| Machines for food industry | 675 | 621 | -8.0% |
| Medical equipment | 619 | 715 | 15.4% |
| Other machines and devices | 5,114 | 5,320 | 4.0% |
| IT | 735 | 727 | -1.1% |
| Machines and IT in total | 15,881 | 15,335 | -3.4% |
| Financing machines and IT with leasing | 10,611 | 11,336 | 6.8% |
| Financing machines and IT with loans | 5,270 | 3,999 | -24.1% |

Objective structure of machines and IT market



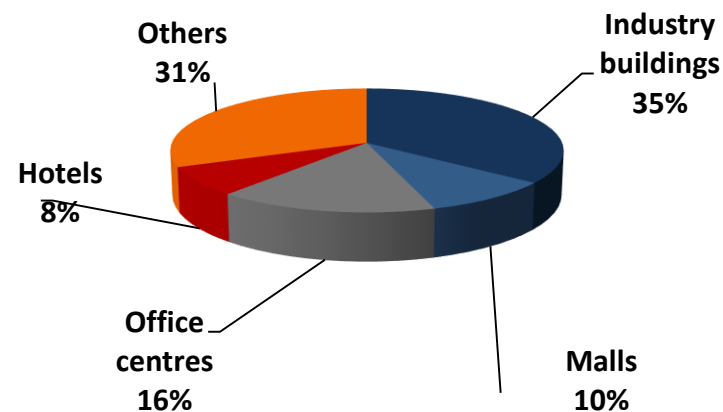
Comments:

- ✓ *Machines financing this year was influenced by the transition period between perspectives of financing with EU funds . It is seen mainly when we observe the agriculture machines' turnover in loan segment, where the financing lowered from 46,8% in Q2 by 38,9% y/y in Q1 2016.* Such declines happened also in other categories associated with EU funds absorption.
- ✓ *The sector of Machines financed with leasing was rather low in Q1 2016 (2,1% increase in the whole year). The dynamics of financing jumped to 12,3% y/y in Q2, with 26,2% sum only in December.* In Q2 2016 the outcome was equal to economy development more and more based on domestic demands and high utilisation of production capacity in Polish companies. This means we can expect higher dynamics of machines in leasing in 2017.

Total value of financing Real Estate (leasing + loan) [mln PLN]

| Financing in total | I-XII 2015 | I-XII 2016 | I-XII 16 / I-XII 15 | udział I-XII 15 | udział I-XII 16 |
|--|--------------|------------|------------------------|--------------------|--------------------|
| Industry buildings | 256 | 255 | -0.5% | 17.9% | 35.4% |
| Malls | 411 | 69 | -83.2% | 28.8% | 9.6% |
| Office centers | 451 | 116 | -74.2% | 31.6% | 16.2% |
| Hotels | 274 | 55 | -80.1% | 19.2% | 7.6% |
| Others | 37 | 224 | 510.7% | 2.6% | 31.2% |
| Real estates in total | 1,428 | 719 | -49.6% | 100.0% | 100.0% |
| Financing real estates with leasing | 1,192 | 698 | -41.5% | 83.5% | 97.0% |
| Financing real estates with loans | 235 | 21 | -90.9% | 16.5% | 3.0% |

Objective structure of Real Estate market



Comments:

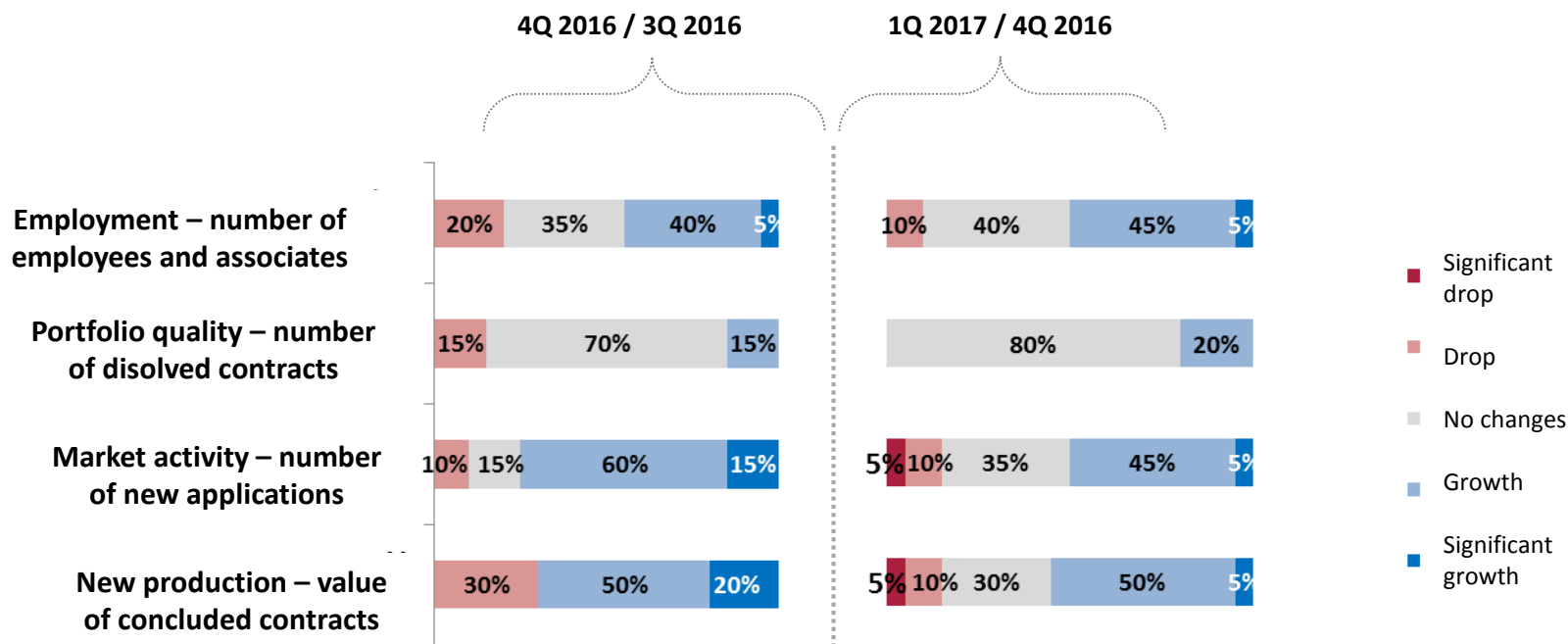
- ✓ **Decline of financing real estate in 2016 for 49,6% y/y, because of leasing and loan segments.** Poor outcome of last 6 months mostly because of Q1 when there were financed assets worth only 82,5 MPLN.
- ✓ This year's decline of assets' value results from lower average transaction (5,3 mln PLN in 2016 vs 8,1 mln PLN 2015, which is a decrease of 34,2%). The number of signed contracts also declined of 19,3% (reported 134 toward 166 in 2015).
- ✓ Financing real estate becomes a niche market for leasing companies – this year there were 10 contracts signed by companies belonging to PLA, while in 2015 there were 11. **Real estate share in financed assets in total was of 1,2% this year, comparing 2,9% for the whole 2015.**
- ✓ Objective structure of the real estate market remains stable (the main share belongs to industrial buildings)..

Results of Evaluation of Economic Situation



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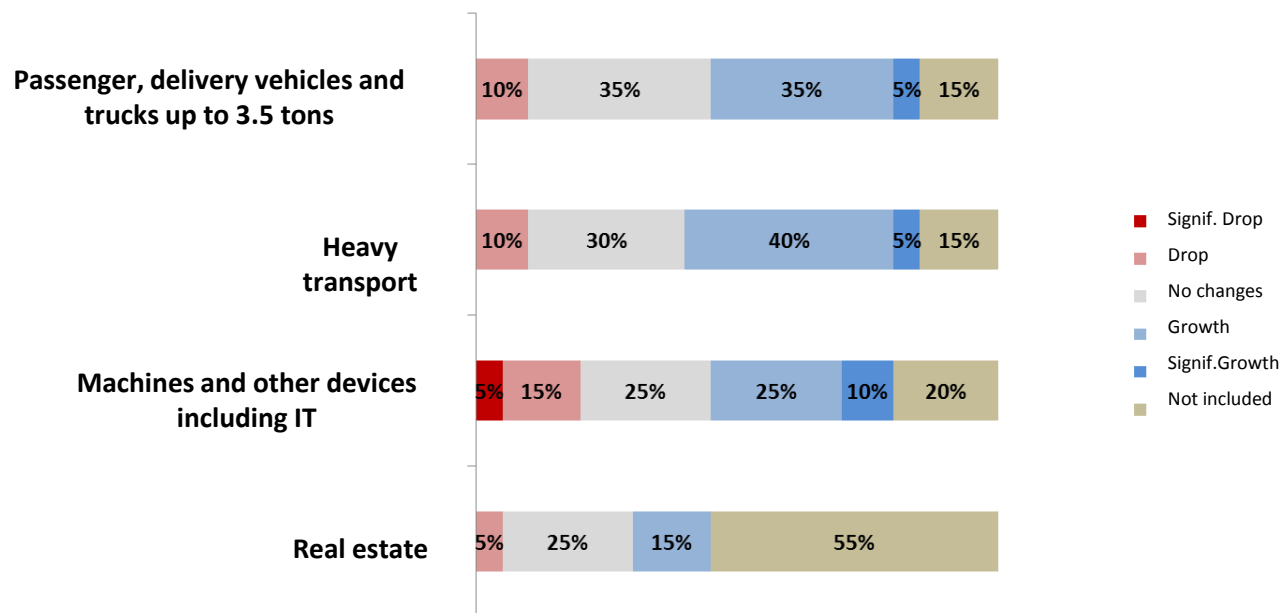
Evaluation of leasing industry economic situation



Comments:

- ✓ The study concerns the assessment of the economic situation and is conducted among the people responsible for sale in leasing companies associated in the Polish Leasing Association.
- ✓ The data refer to the evaluation of the passing period, and trends for the next quarter. The percent amounts determine what share of the surveyed companies have chosen a particular answer.
- ✓ *The surveyed companies expect stabilisation of the quality of the leasing portfolio, a gradual increase of employment and positive dynamics for the new production in in current time. Moreover, they expect slight decrease of leasing portofio's value in Q1 2017.*

New production – predicted nature of changes within the groups



Comments:

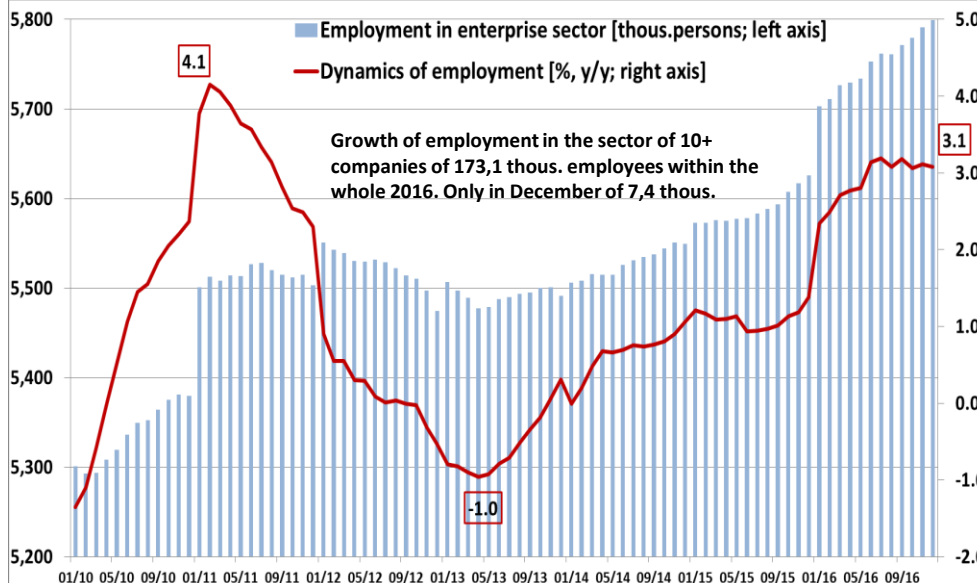
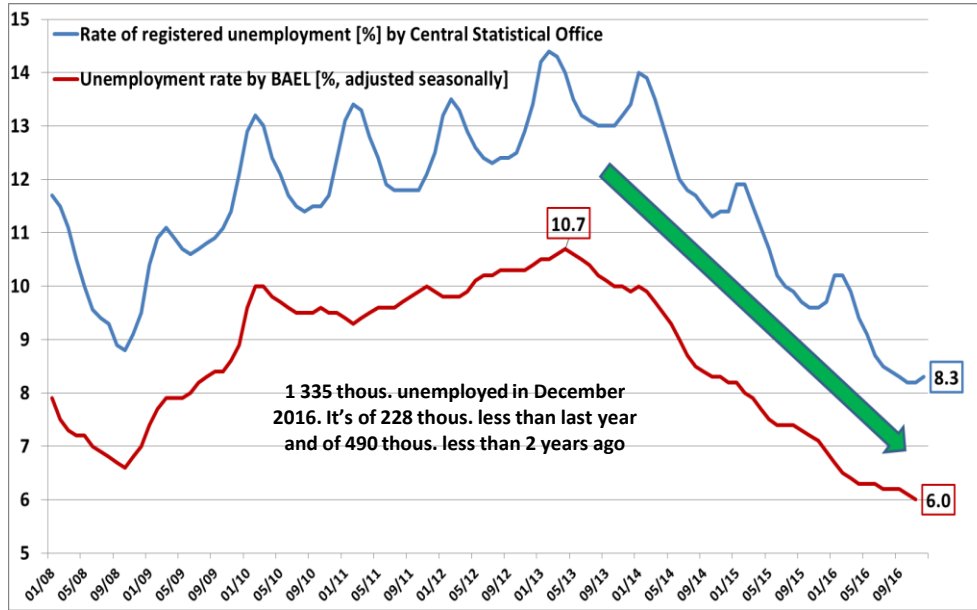
- ✓ The study determines how, by representatives of leasing companies, the value of financed assets in Q1 2017 will change comparing to Q4 2016
- ✓ The predicted nature of the changes was specified by main groups of fixed assets financed by the leasing industry.
- ✓ In Q1 2017 the surveyed companies expect higher level of financing within all categories of fixed assets and forecast the best perspective for the growth within heavy transport and light vehicles financing. They expect lower growth for the financing machinery and IT equipment. As for the real estate sector the surveyed companies don't see any decreases (as seen in the last survey) and they expect even a slight increase.

Macroeconomic Surrounding



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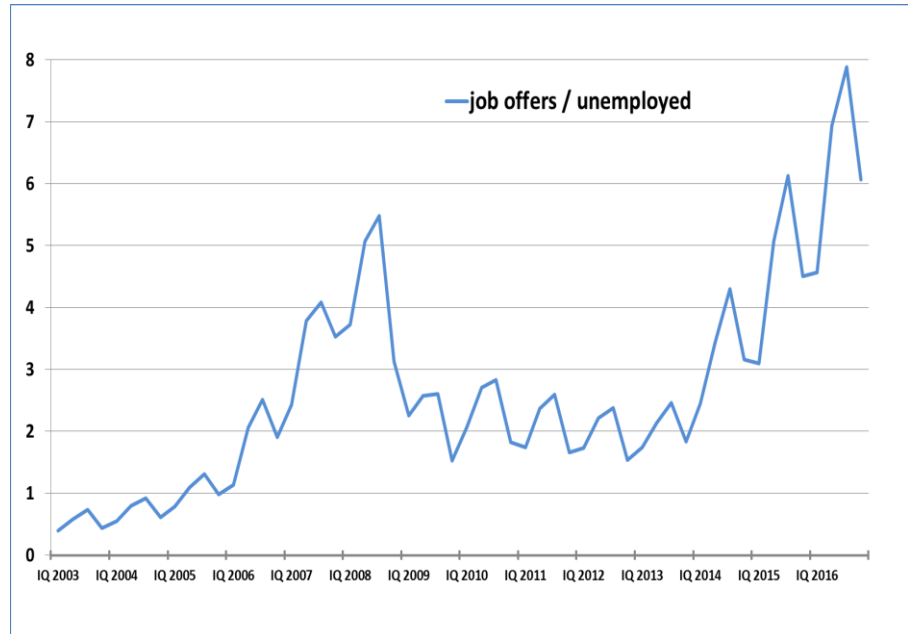
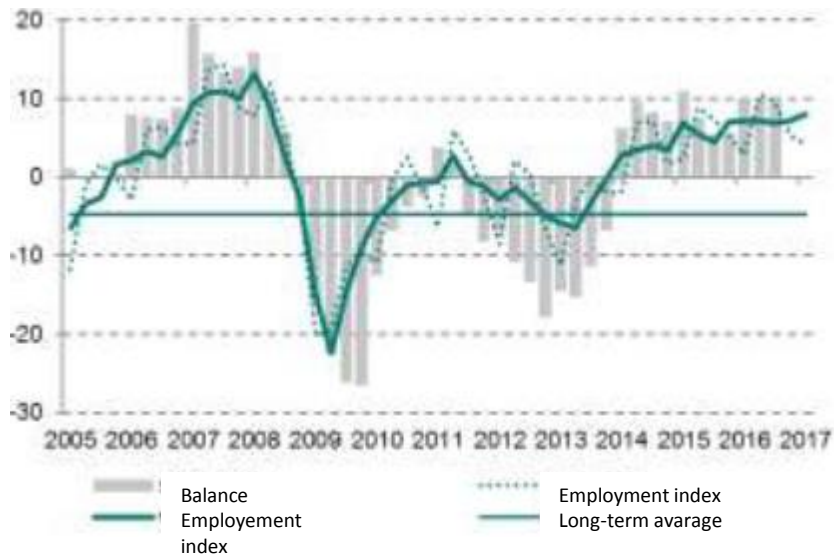
Stable and advantageous trends on the labour market – the main life-blood of Polish economy.



Comments:

- ✓ Polish economy may notice the significantly decreased unemployment rate (of 1,4 points and of 8,3 % in 2016) and stable improvement on the labour market.
- ✓ The positive trends would stay stable in 2017, but the scale of improvement on the labour market won't be as much visible as last year.
- ✓ We expect the unemployment rate to fall at the end of 2017 to 7,9%.

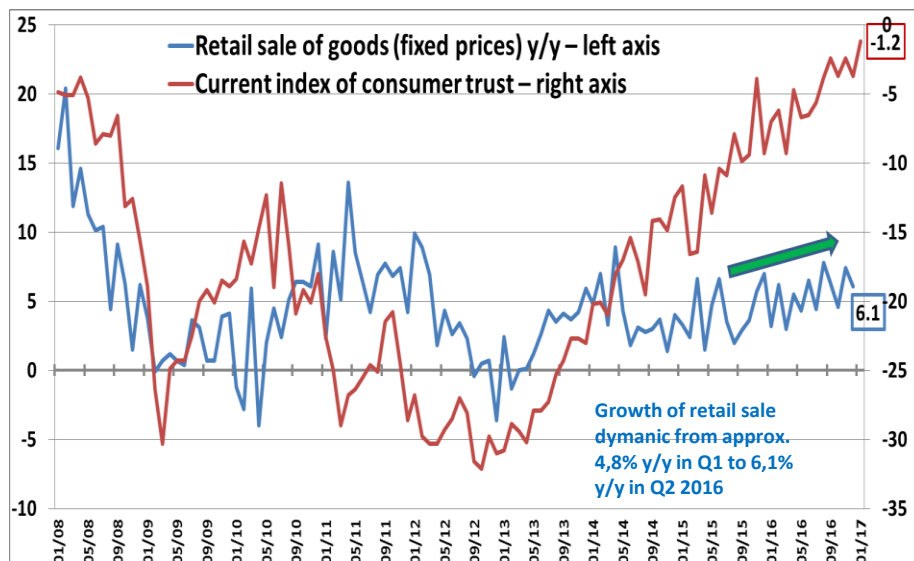
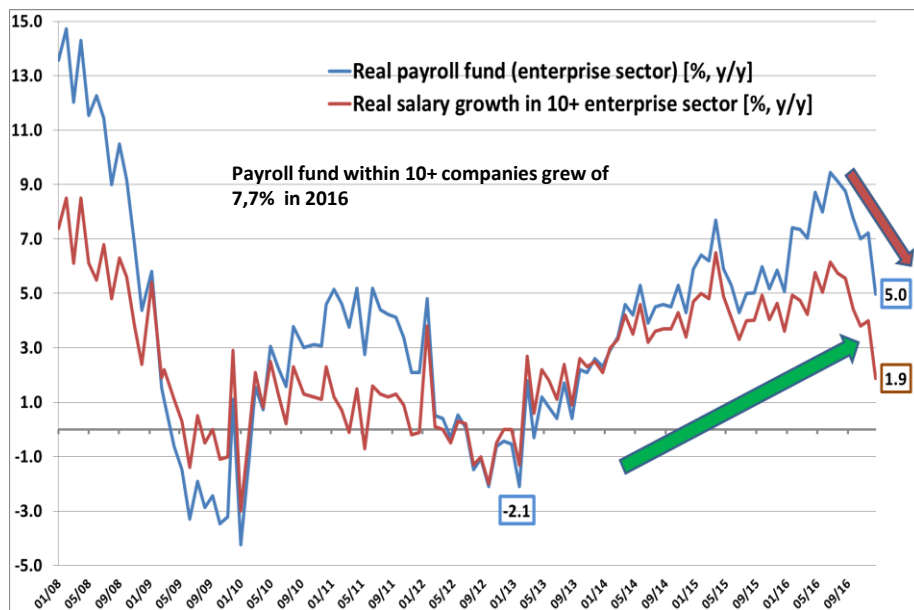
Seasonally balanced index of employment forecast acc. To national bank of Poland on the level of approx. 8% in Q1 2017



Comments:

- ✓ The available indicate a sustained increase in **demand for new employees in companies.**
- ✓ A level of available job offers (record in Q2 2016) and employers plans show, that we can expect the **increase of salaries.**

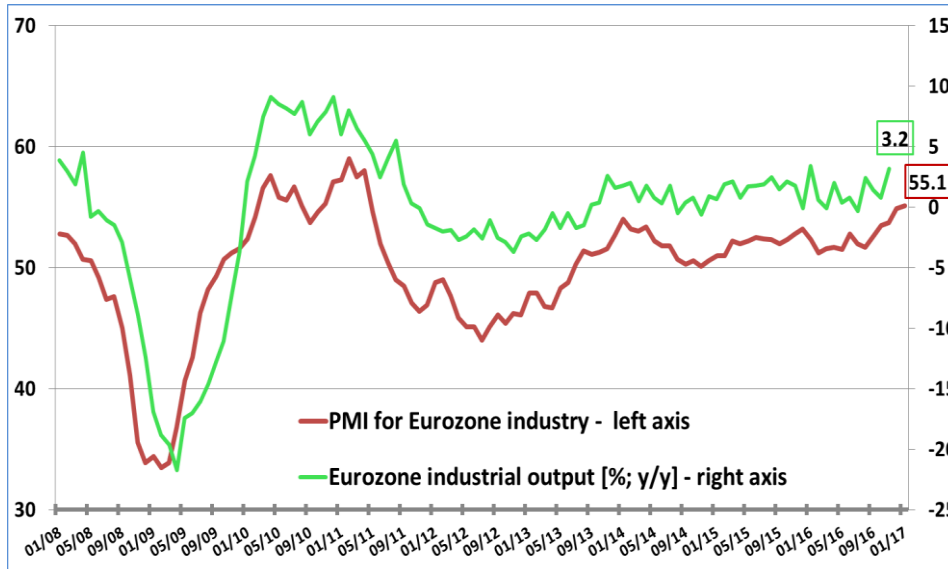
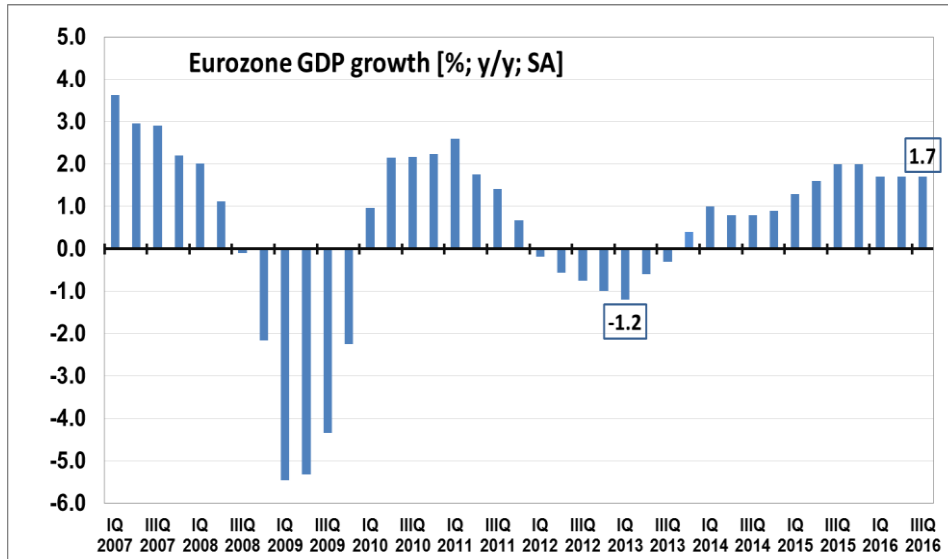
Stable labour market is reflected in growth of private consumption



Comments:

- ✓ Trends on the labour market (employment growth is accompanied by salaries growth) would **increase** in disposable income of households. Inflation stops the dynamic of realistic wage bill.
- ✓ With a projected record consumers mood and beginning of 500+ program we see the **steady growth in private consumption** to 4% y/y in Q2 2016 from approx. 3% seen in the last six quarters.
- ✓ We expect that thanks to this program the dynamics of consumer spendings would increase as show the outcome of retail sale for the last two months (7,4% y/y in November and 6,1% y/y in December).
- ✓ **Consumers' spendings would stabilize the pace of economy growth and would stay a guarantor for SME investments.**

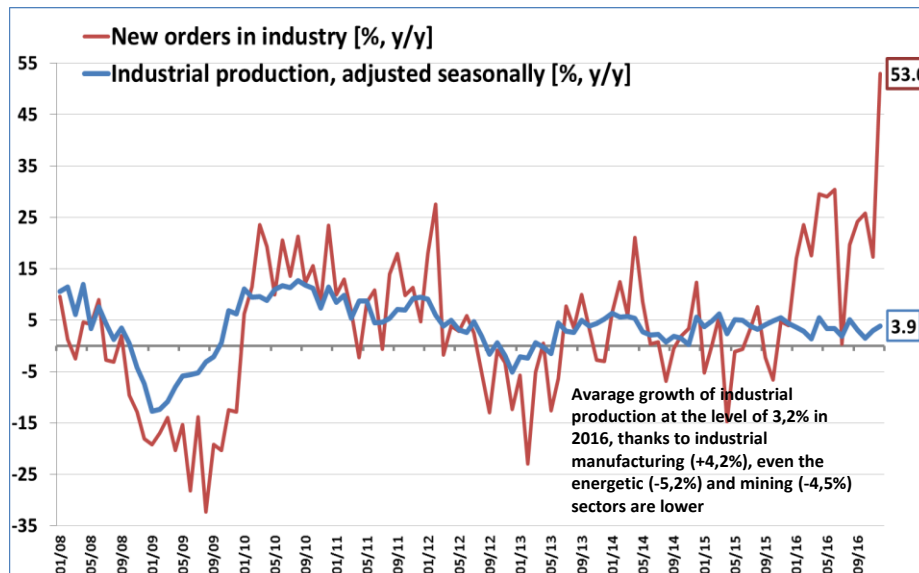
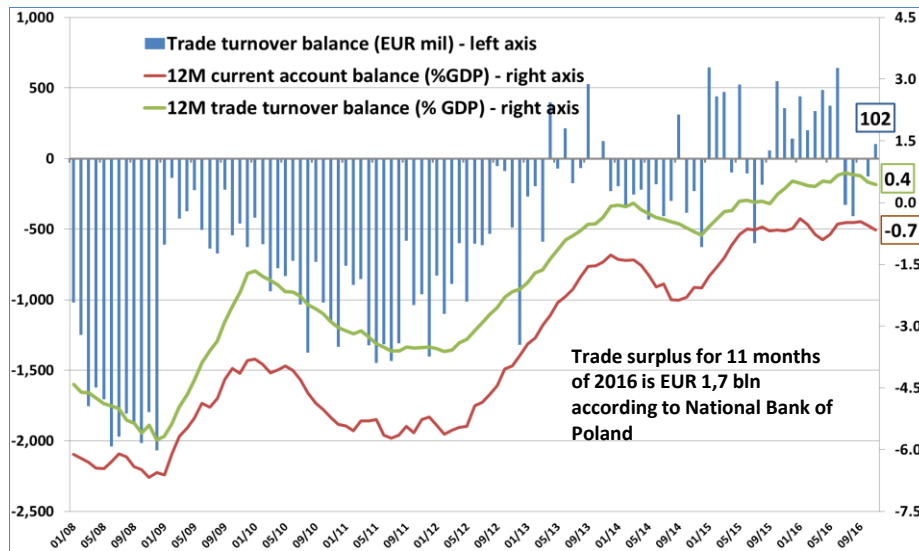
Stable improvement of eurozone economy, including the most important for Poland – German economy



Comments:

- ✓ Stability of **high growth of GDP in eurozone within 6 quarters** (1,7% y/y in Q3 2016). We expect the economy growth based on stable consumer demand thanks to consumers' spendings.
- ✓ In Q4 2016 we will see **the beneficial for Poland shift of economic growth structure from services and consumption to production and export**.
- ✓ The main mood indexes indicate further stable economy situation (PMI, Ifo).
- ✓ **Strong package supporting economy growth in eurozone**: loose financial policy EBC + low oil prices + weak Euro + still good consumers and companies moods. Visible stable growth of economy in China.
- ✓ Still good forecasts for GDP dynamic of eurozone: 1,7% this year according to EBC.

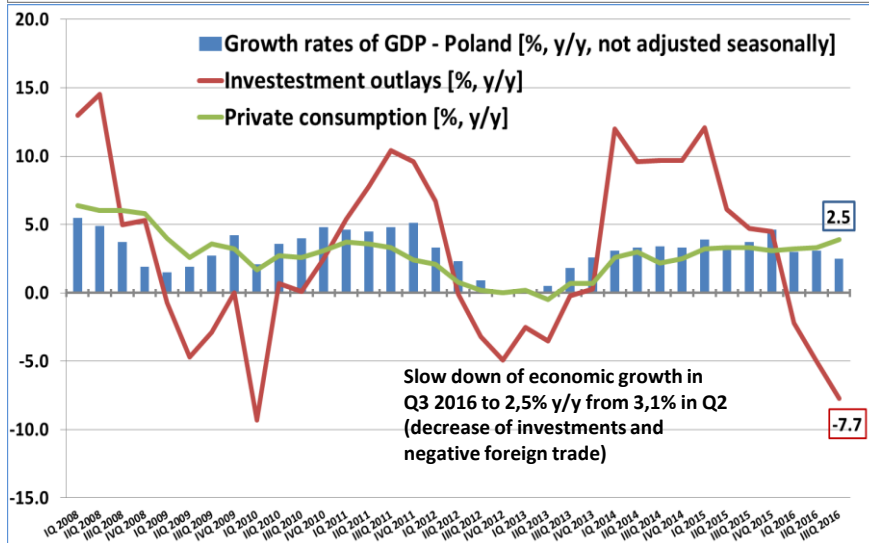
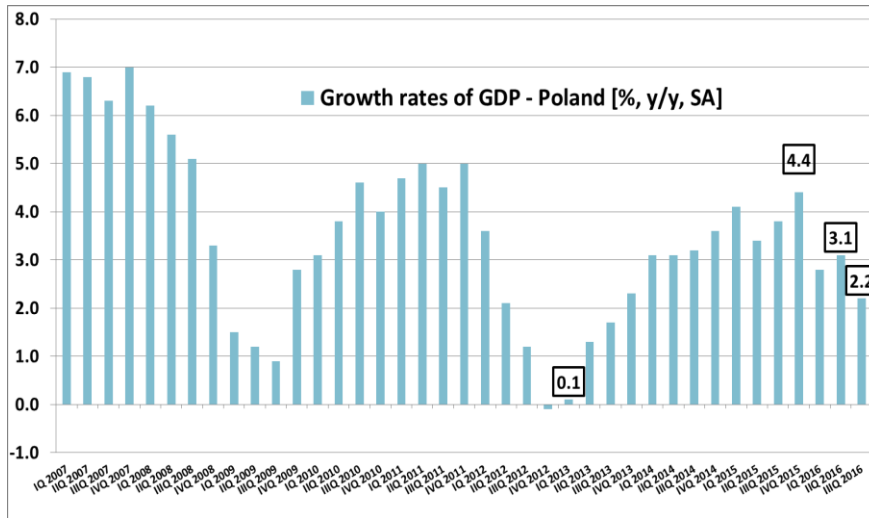
Stable activity in industry and the foreign imbalance elimination



Comments:

- ✓ Stable labour market and relatively positive economic surrounding have an impact on the activity in industry and foreign imbalance elimination.
- ✓ **Export growth from November lower than expected** (2,1% y/y according to EUR, while 8,5% for the whole 2015).
- ✓ Perspectives are good and stable which allows to expect the dynamic up to 6% in 2017.
- ✓ **Data on foreign trade show that the improved economic situation in the Euro area is a strong support for our export** (with 57% part in total foreign trade and 80% for the whole EU). Currently we see positive dynamics of export on Russian and Ukraine markets.
- ✓ Stable consumer demand would still be supported by growing export, which will impact the dynamic of production, which will stay stable in 2017.
- ✓ The indicated growth of foreign orders (according to PMI in Poland) indicate the growth of production of 4% in Q1 2017. In the whole 2017 we expect the dynamic of production on the level of 4,6%.

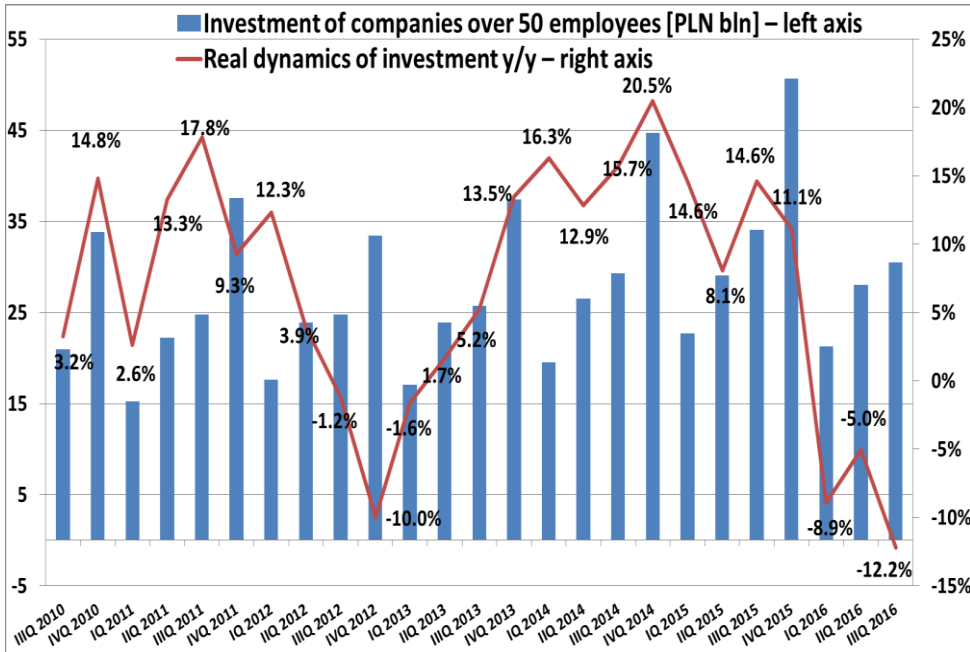
The GDP dynamic slow down to below 3% in 2016, after 8 quarters its stabilization approx. of 3,5% y/y.



| | 2015 | Q1 16 | Q2 16 | Q3 16 |
|------------------------------------|------|-------|-------|-------|
| ➤ GDP [% y/y, nSA]: | 3,9 | 3,0 | 3,1 | 2,5 |
| ➤ Impact of domestic demand [pp.]: | +3,3 | +3,7 | +2,1 | +2,8 |
| ➤ Impact of export net [pp.]: | +0,6 | -0,7 | +1,0 | -0,3 |
| ➤ Private consumption [% y/y]: | 3,2 | 3,2 | 3,3 | 3,9 |
| ➤ Investments [% y/y]: | 6,1 | -2,2 | -5,0 | -7,7 |
| ➤ Export [% y/y]: | 7,7 | 6,7 | 11,4 | 6,8 |
| ➤ Import [% y/y]: | 6,6 | 8,7 | 10,0 | 7,8 |

✓ We expect the economy growth this year up to 3,4% from approx. 2,7% expected for the year 2016.

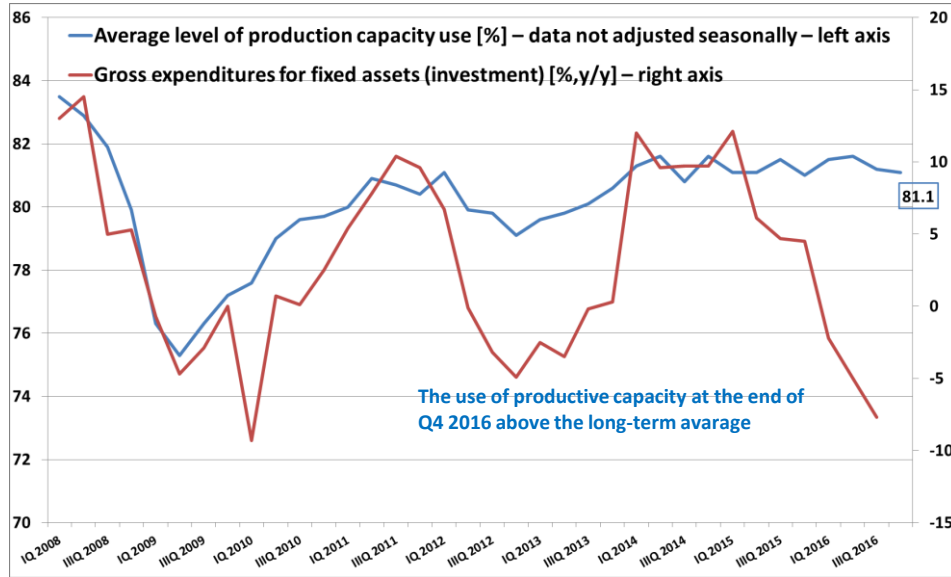
Investments – why do we see the dynamic leasing market development and clear bump of investments in the whole economy?



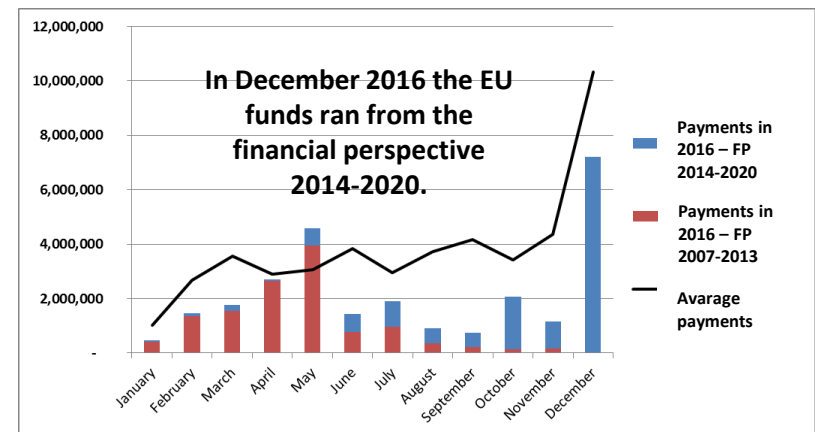
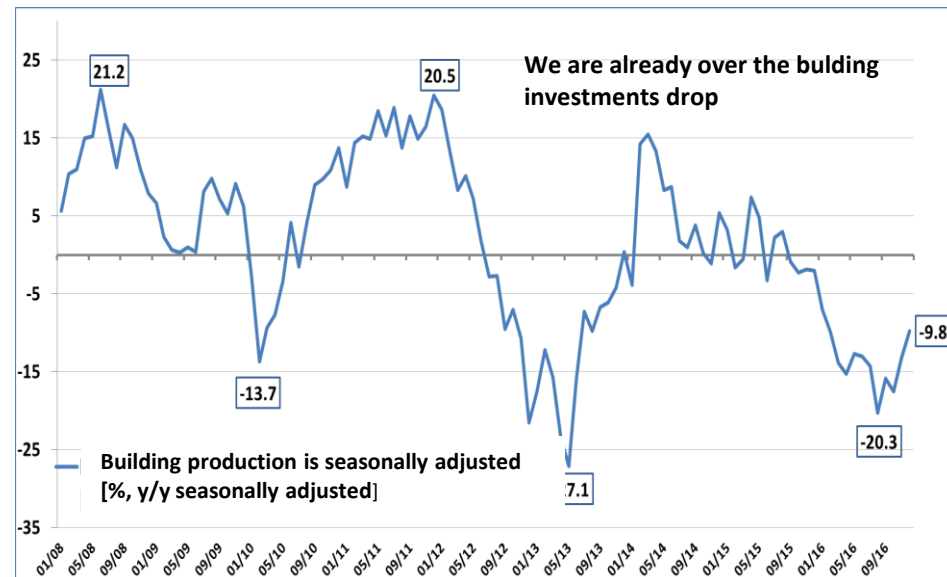
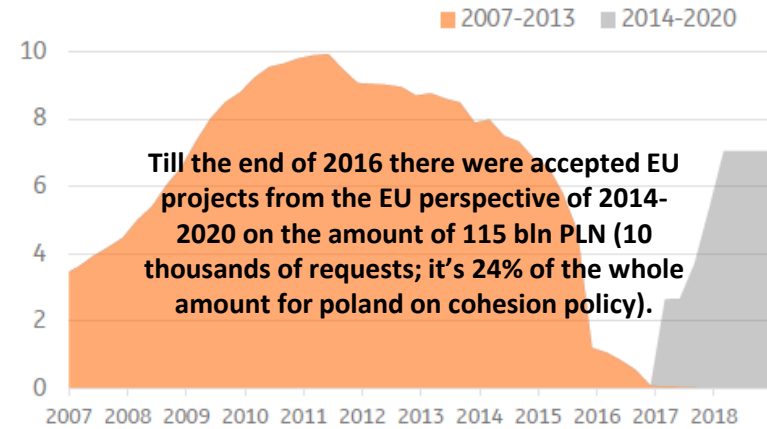
Comments:

- ✓ Investments in movables and real estates.
- ✓ Investments in private and public good.
- ✓ Investments of public sector companies vs private sector companies.
- ✓ Investments of MSP vs investments of big entities.
- ✓ Investments within the brands, where decisions on expenditures arise from the business cycle vs investments in the brands where they are based on absorption of EU funds.

We expect the explicit acceleration of investments – on the level of companies as well as public input.



Investment projects co-financed by EU – expected the retaking of the investment spendings in 2017



| Index | 2016 | 2017 |
|---|--------------|--------------|
| GDP | 2,7% | 3,4% |
| Private consumption | 3,6% | 3,5% |
| Investments | -4,6% | 6,2% |
| Industrial production | 3,2% | 4,6% |
| Registered unemployment rate (at the end of the year) | 8,3% | 7,9% |
| Export (in EUR according to National Bank of Poland) | 2,4% | 5,7% |
| Reference rate of National Bank of Poland (at the end of the year) | 1,50% | 1,50% |

Prognosis for Leasing Industry



Polish Leasing
Association

Total assets financed by Leasing companies

| | 2016 | 2017 (P) | zmiana 2017/2016 |
|---------------------------------|---------------|---------------|------------------|
| Vehicles | 40 613 | 47 487 | 16,9% |
| light vehicles | 24 429 | 28 968 | 18,6% |
| heavy vehicles | 15 810 | 18 089 | 14,4% |
| other vehicles | 374 | 430 | 14,8% |
| Machines | 14 608 | 17 026 | 16,5% |
| IT | 727 | 837 | 15,0% |
| Planes, ships, railway | 1 051 | 1 072 | 1,9% |
| Other movables | 360 | 396 | 10,0% |
| Movables in total | 57 360 | 66 816 | 16,5% |
| Real estates | 719 | 850 | 18,2% |
| Financing in total (L+P) | 58 079 | 67 666 | 16,5% |

Main forecast assumptions :

- ✓ The dynamics of the leasing market in 2017 in line with the expected increase in private investment and expected growth of economy in Poland.
- ✓ *The market growth is supported by:*
 - *Light vehicles* (because of strong domestic demand and lucrative fiscal rules),
 - *Heavy vehicles* (because of the exchange old cars to new ones according to Euro 6 norm, help of eurozone, export growth),
 - *Machines financing in leasing.*
- ✓ Expected the boom of economy growth in 2017 and EU funds run from the perspective of 2014-2020, which will put an impact on financing machines that would become important and stable point in leasing branch growth.

Assets financed with leasing

| | 2016 | 2017 (P) | Change 2017/2016 |
|-------------------------------|---------------|---------------|------------------|
| Vehicles | 37 637 | 43 822 | 16,4% |
| light vehicles | 23 085 | 27 212 | 17,9% |
| heavy vehicles | 14 183 | 16 187 | 14,1% |
| other vehicles | 369 | 423 | 14,6% |
| Machines | 10 683 | 12 451 | 16,6% |
| IT | 653 | 751 | 15,0% |
| Planes, ships, railway | 1 029 | 1 051 | 2,1% |
| Other movables | 315 | 347 | 10,0% |
| Movables in total | 50 317 | 58 421 | 16,1% |
| Real estates | 698 | 821 | 17,7% |
| Leasing in total | 51 015 | 59 242 | 16,1% |

Assets financed with loans

| | 2016 | 2017 (P) | Change 2017/2016 |
|-------------------------------|--------------|--------------|------------------|
| Vehicles | 2 976 | 3 664 | 23,1% |
| light vehicles | 1 344 | 1 756 | 30,7% |
| heavy vehicles | 1 627 | 1 902 | 16,9% |
| other vehicles | 5 | 7 | 25,9% |
| Machines | 3 925 | 4 575 | 16,5% |
| IT | 74 | 86 | 15,5% |
| Planes, ships, railway | 22 | 21 | -4,3% |
| Other movables | 45 | 49 | 9,7% |
| Movables in total | 7 043 | 8 395 | 19,2% |
| Real estates | 21 | 29 | 35,4% |
| Loans in total | 7 064 | 8 424 | 19,3% |

Appendix



Polish Leasing
Association

Total number of assets financed by leasing companies

| | I-IX 2015 | I-IX 2016 | I-IX 16 / I-IX 15 | X-XII 2015 | X-XII 2016 | X-XII 16 / X-XII 15 | I-XII 2015 | I-XII 2016 | I-XII 16 / I-XII 15 |
|---------------------------------|-----------------|-----------------|----------------------|-----------------|-----------------|------------------------|-----------------|-----------------|------------------------|
| vehicles | 22 208,1 | 29 377,7 | 32,3% | 9 272,7 | 11 235,7 | 21,2% | 31 480,7 | 40 613,4 | 29,0% |
| passenger | 10 702,3 | 14 031,4 | 31,1% | 4 472,1 | 5 960,7 | 33,3% | 15 174,4 | 19 992,1 | 31,7% |
| commercial | 2 453,8 | 3 214,7 | 31,0% | 1 027,5 | 1 222,0 | 18,9% | 3 481,3 | 4 436,7 | 27,4% |
| heavy vehicles | 8 722,3 | 11 807,0 | 35,4% | 3 669,9 | 4 003,1 | 9,1% | 12 392,2 | 15 810,1 | 27,6% |
| typical trucks | 1 461,2 | 1 876,5 | 28,4% | 571,8 | 642,5 | 12,4% | 2 033,0 | 2 518,9 | 23,9% |
| truck tractors | 4 641,1 | 6 210,9 | 33,8% | 2 028,2 | 2 317,5 | 14,3% | 6 669,3 | 8 528,4 | 27,9% |
| semi trailers / trailers | 1 973,3 | 2 574,4 | 30,5% | 768,5 | 849,1 | 10,5% | 2 741,8 | 3 423,5 | 24,9% |
| buses | 646,7 | 1 145,3 | 77,1% | 301,4 | 194,0 | -35,6% | 948,1 | 1 339,2 | 41,3% |
| others | 329,7 | 324,7 | -1,5% | 103,1 | 49,8 | -51,7% | 432,8 | 374,5 | -13,5% |
| machines | 11 378,2 | 10 661,2 | -6,3% | 3 767,5 | 3 947,0 | 4,8% | 15 145,7 | 14 608,2 | -3,5% |
| IT | 507,2 | 517,4 | 2,0% | 228,1 | 209,7 | -8,0% | 735,3 | 727,2 | -1,1% |
| ships, aircrafts | 461,5 | 713,8 | 54,7% | 208,0 | 337,4 | 62,2% | 669,5 | 1 051,2 | 57,0% |
| others | 249,2 | 267,3 | 7,3% | 98,3 | 92,8 | -5,5% | 347,4 | 360,2 | 3,7% |
| equipment | 34 804,2 | 41 537,5 | 19,3% | 13 574,5 | 15 822,6 | 16,6% | 48 378,7 | 57 360,0 | 18,6% |
| real estate - financing | 1 091,2 | 488,7 | -55,2% | 336,6 | 230,3 | -31,6% | 1 427,8 | 719,0 | -49,6% |
| total assets - financing | 35 895,4 | 42 026,2 | 17,1% | 13 911,1 | 16 052,8 | 15,4% | 49 806,5 | 58 079,0 | 16,6% |

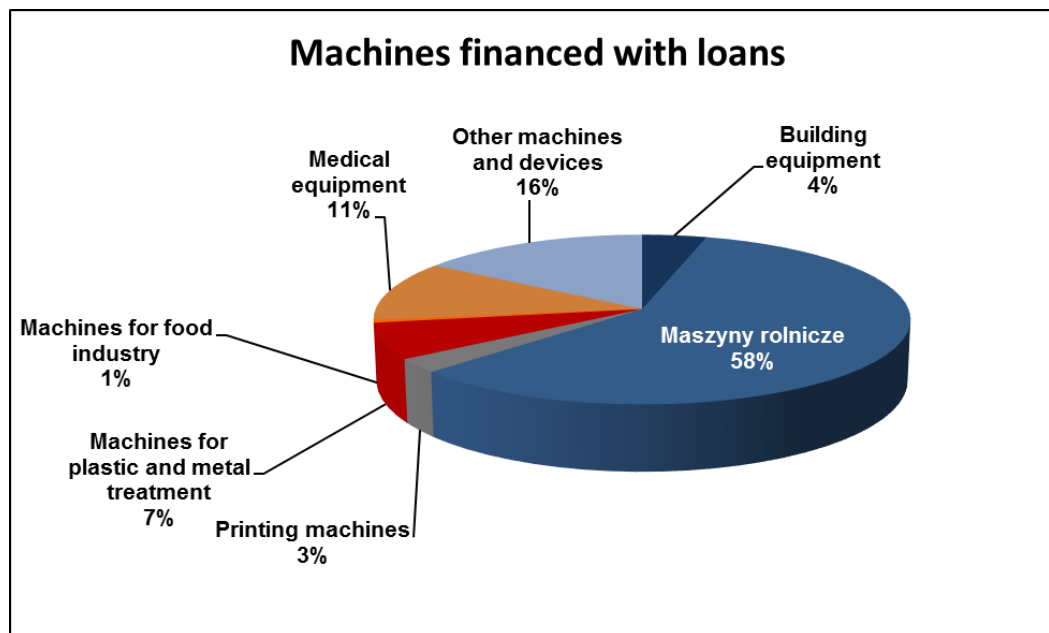
Assets financed with leasing



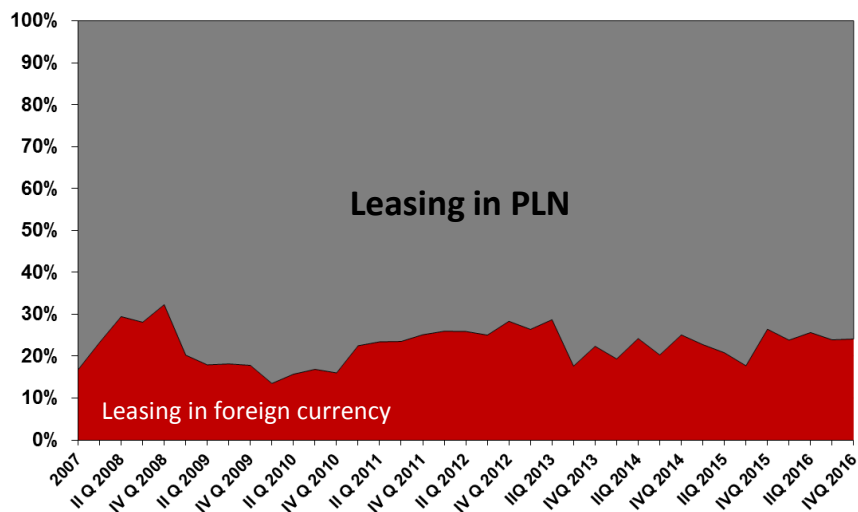
| | I-IX 2015 | I-IX 2016 | I-IX 16 / I-IX 15 | X-XII 2015 | X-XII 2016 | X-XII 16 / X-XII 15 | I-XII 2015 | I-XII 2016 | I-XII 16 / I-XII 15 |
|----------------------------------|-----------------|-----------------|----------------------|-----------------|-----------------|------------------------|-----------------|-----------------|------------------------|
| vehicles | 20 871,1 | 27 258,9 | 30,6% | 8 784,8 | 10 378,2 | 18,1% | 29 655,9 | 37 637,1 | 26,9% |
| passenger | 10 352,7 | 13 402,3 | 29,5% | 4 327,0 | 5 723,4 | 32,3% | 14 679,7 | 19 125,8 | 30,3% |
| commercial | 2 341,7 | 2 909,5 | 24,2% | 981,5 | 1 049,6 | 6,9% | 3 323,2 | 3 959,1 | 19,1% |
| heavy vehicles | 7 865,5 | 10 626,2 | 35,1% | 3 376,3 | 3 556,7 | 5,3% | 11 241,8 | 14 182,9 | 26,2% |
| typical trucks | 1 358,5 | 1 748,0 | 28,7% | 544,5 | 574,0 | 5,4% | 1 902,9 | 2 322,1 | 22,0% |
| truck tractors | 4 202,0 | 5 585,4 | 32,9% | 1 864,9 | 2 077,7 | 11,4% | 6 066,9 | 7 663,1 | 26,3% |
| semi trailers / trailers | 1 695,0 | 2 204,1 | 30,0% | 671,6 | 715,1 | 6,5% | 2 366,7 | 2 919,2 | 23,3% |
| buses | 610,0 | 1 088,7 | 78,5% | 295,2 | 189,8 | -35,7% | 905,2 | 1 278,5 | 41,2% |
| others | 311,2 | 320,7 | 3,1% | 100,1 | 48,5 | -51,5% | 411,3 | 369,3 | -10,2% |
| machines | 7 311,8 | 7 738,3 | 5,8% | 2 636,6 | 2 944,5 | 11,7% | 9 948,4 | 10 682,8 | 7,4% |
| IT | 450,8 | 468,3 | 3,9% | 211,5 | 184,8 | -12,6% | 662,2 | 653,1 | -1,4% |
| ships, aircrafts | 443,3 | 697,7 | 57,4% | 206,0 | 331,6 | 61,0% | 649,3 | 1 029,3 | 58,5% |
| others | 235,7 | 238,5 | 1,2% | 71,6 | 76,6 | 7,1% | 307,3 | 315,1 | 2,5% |
| equipment | 29 312,7 | 36 401,7 | 24,2% | 11 910,5 | 13 915,6 | 16,8% | 41 223,2 | 50 317,3 | 22,1% |
| real estate - financing | 887,3 | 484,7 | -45,4% | 305,0 | 212,8 | -30,2% | 1 192,3 | 697,6 | -41,5% |
| total leasing - financing | 30 200,1 | 36 886,4 | 22,1% | 12 215,5 | 14 128,5 | 15,7% | 42 415,6 | 51 014,9 | 20,3% |

Assets financed with loans

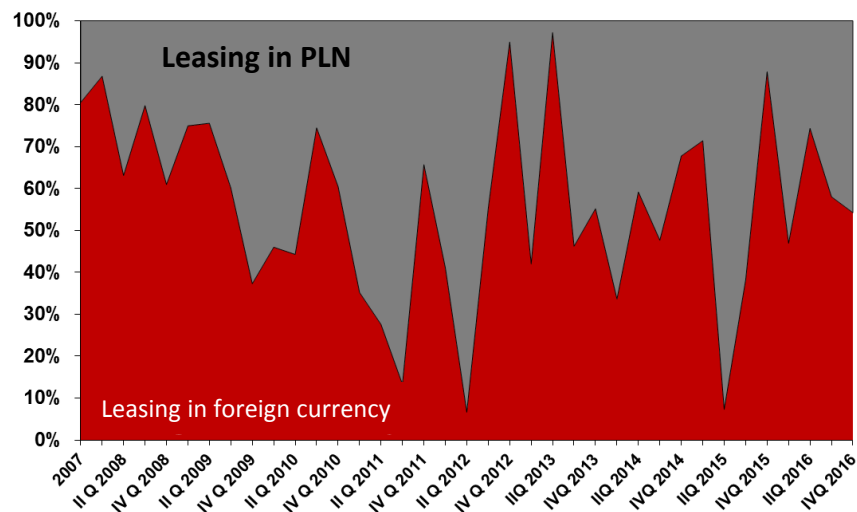
| | I-IX 2015 | I-IX 2016 | I-IX 16 / I-IX 15 | X-XII 2015 | X-XII 2016 | X-XII 16 / X-XII 15 | I-XII 2015 | I-XII 2016 | I-XII 16 / I-XII 15 |
|--------------------------|-----------|-----------|-------------------|------------|------------|---------------------|------------|------------|---------------------|
| vehicles | 1 337,0 | 2 118,8 | 58,5% | 487,8 | 857,5 | 75,8% | 1 824,8 | 2 976,3 | 63,1% |
| passenger | 349,7 | 629,0 | 79,9% | 145,1 | 237,3 | 63,6% | 494,8 | 866,3 | 75,1% |
| commercial | 112,1 | 305,1 | 172,2% | 46,0 | 172,5 | 274,7% | 158,1 | 477,6 | 202,1% |
| heavy vehicles | 856,8 | 1 180,7 | 37,8% | 293,6 | 446,4 | 52,0% | 1 150,4 | 1 627,1 | 41,4% |
| typical trucks | 102,7 | 128,4 | 25,0% | 27,3 | 68,5 | 150,3% | 130,1 | 196,9 | 51,3% |
| truck tractors | 439,1 | 625,4 | 42,4% | 163,3 | 239,8 | 46,9% | 602,4 | 865,3 | 43,6% |
| semi trailers / trailers | 278,3 | 370,3 | 33,1% | 96,9 | 133,9 | 38,3% | 375,1 | 504,2 | 34,4% |
| buses | 36,7 | 56,6 | 54,1% | 6,1 | 4,2 | -31,6% | 42,8 | 60,8 | 41,9% |
| others | 18,5 | 3,9 | -78,8% | 3,1 | 1,3 | -57,6% | 21,5 | 5,2 | -75,8% |
| machines | 4 066,4 | 2 922,9 | -28,1% | 1 130,8 | 1 002,5 | -11,4% | 5 197,2 | 3 925,4 | -24,5% |
| IT | 56,5 | 49,2 | -13,0% | 16,6 | 25,0 | 50,2% | 73,1 | 74,1 | 1,4% |
| ships, aircrafts | 18,2 | 16,1 | -11,5% | 2,0 | 5,8 | 190,4% | 20,2 | 21,9 | 8,5% |
| others | 13,4 | 28,8 | 115,0% | 26,7 | 16,2 | -39,3% | 40,1 | 45,0 | 12,3% |
| equipment | 5 491,4 | 5 135,8 | -6,5% | 1 664,0 | 1 906,9 | 14,6% | 7 155,4 | 7 042,7 | -1,6% |
| real estate | 203,9 | 4,0 | -98,0% | 31,6 | 17,4 | -44,9% | 235,5 | 21,4 | -90,9% |
| total loans | 5 695,3 | 5 139,8 | -9,8% | 1 695,6 | 1 924,4 | 13,5% | 7 390,9 | 7 064,1 | -4,4% |



Currency structure of new production – movables



Currency structure of new production – real estate



Comments:

- ✓ In 2016, similarly to previous years, financing in PLN prevailed within the structure of the new production for movables leasing.
- ✓ After a gradual increase in the share of leasing in foreign currency: from 16.0% in 2010 to 26.3% in 2012, the share fell to 23.6% in 2013 and 22.3% in 2014. The share of mobile assets financed in foreign currency amounted to 22.5% and it increased to 24.4% in 2016.
- ✓ In the case of loans this year share of the movables financing in foreign currency amounted to 19.9% from 20.2% in 2015. It was higher than the result in the years 2012-2014 (on the level of 14.0%).
- ✓ The share of foreign currency in the financing of real estate leasing in 2016 amounted to 61.6%, which is much above average of the years 2008-2015 amounting to 58.6%.

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