

# Investor Presentation

30 JUNE 2015





# Leasing Sector in Turkey





## LEASING

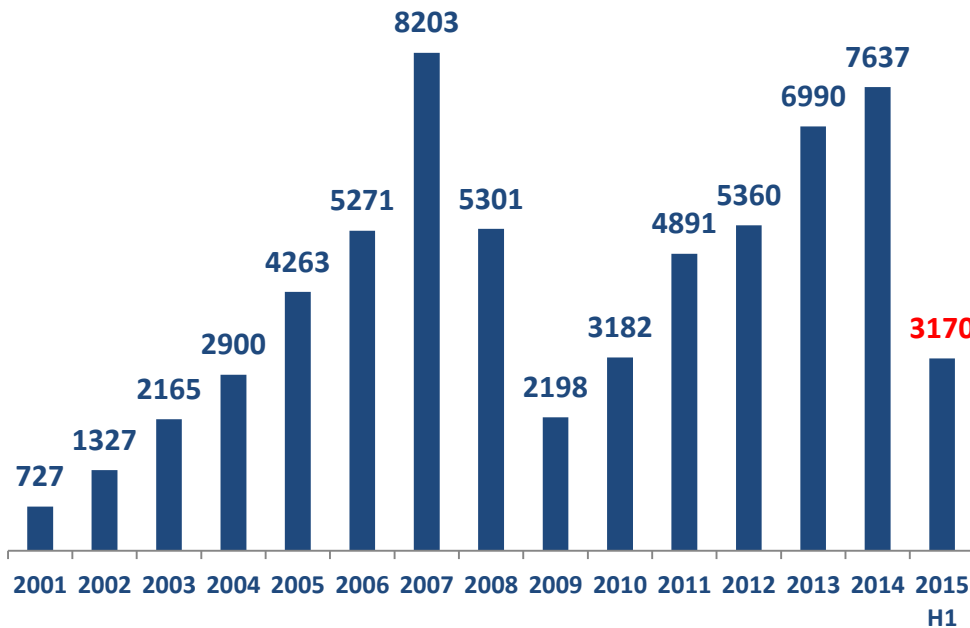
- ✓ VAT is %1 for various types of machinery.
- ✓ New Leasing Law approved (13/12/2012, Law no:6361). Product differentiation; Operating Leases, Sale-and-lease back. Sale-and-lease back demand is strong.
- ✓ Expertise on SMEs, consultancy and know-how support in addition to funding.
- ✓ FX borrowing option (Bank FX loans have some restrictions)
- ✓ Fast credit approvals (leased-asset ownership), flexible payment plans.



# TURNOVER

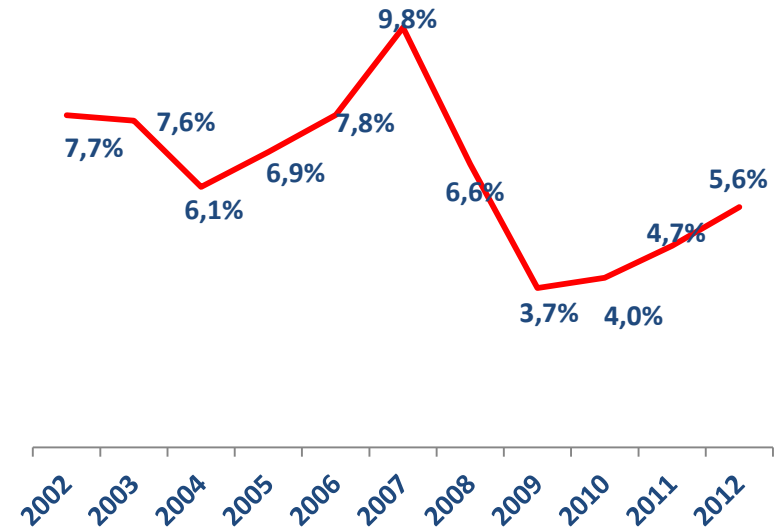
## New Leasing volume of the sector

Million USD



Leasing penetration is still at low levels compared to EU average of 15% and North America average of 18%.

Penetration \*



\*Leasing volume/ Private sector fixed investments



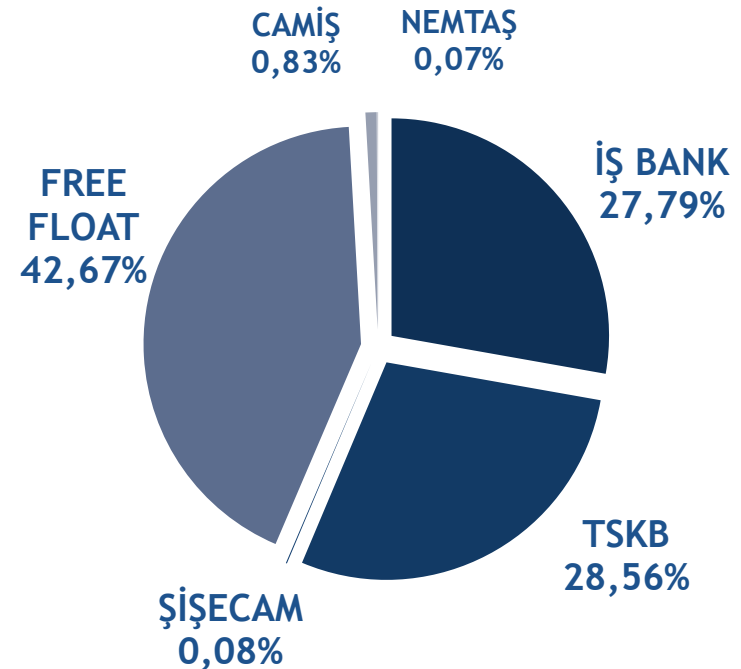
# Company Overview





## MILESTONES & OWNERSHIP

- Financial leasing law enacted in 1985.
- İş Leasing established in 1988 by İş Bank, IFC and Societe Generale.
- IFC and SocGen transferred leasing know-how and expertise, İş Bank branches provided access to the market.
- İş Group took over in 1995.
- 29,4% public offering in 2000.



İş Bank group controls 57,3% of the shares.

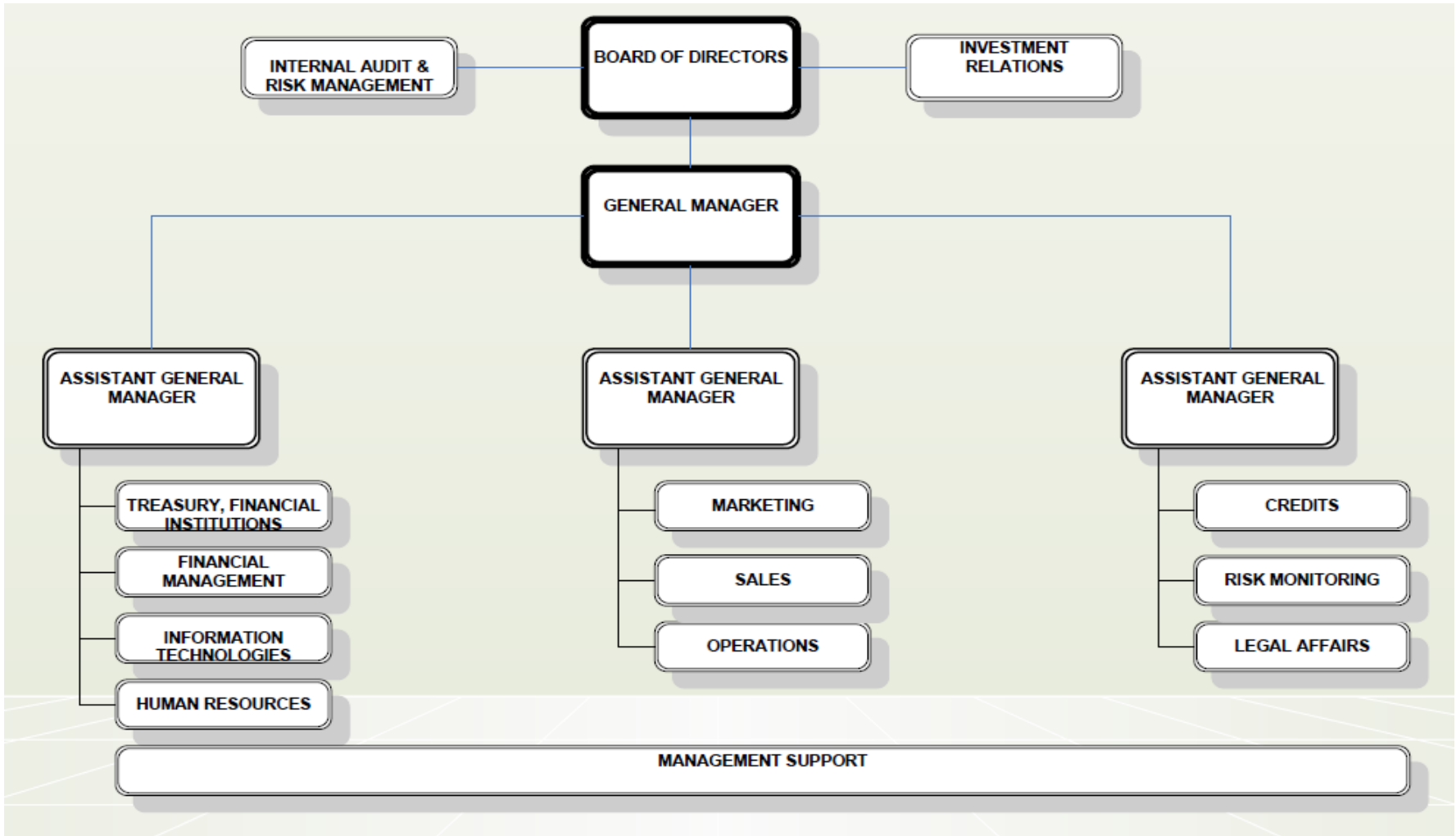


## PARTICIPATIONS

Equity Participations	Ownership Rate (%)
Efes Varlık Yönetimi A.Ş.	10.00
İş Yatırım Menkul Değerler A.Ş. (IS Invest)	4.86
İş Net	1.00
İş Girişim Sermayesi Y.O A.Ş.	0.89
Yatırım Finansman A.Ş.	0.06
Camiş Menkul Değerler A.Ş.	0.05
Subsidiaries	Ownership Rate (%)
İş Factoring Finansman Hiz. A.Ş.	78.23



# ORGANIZATION CHART





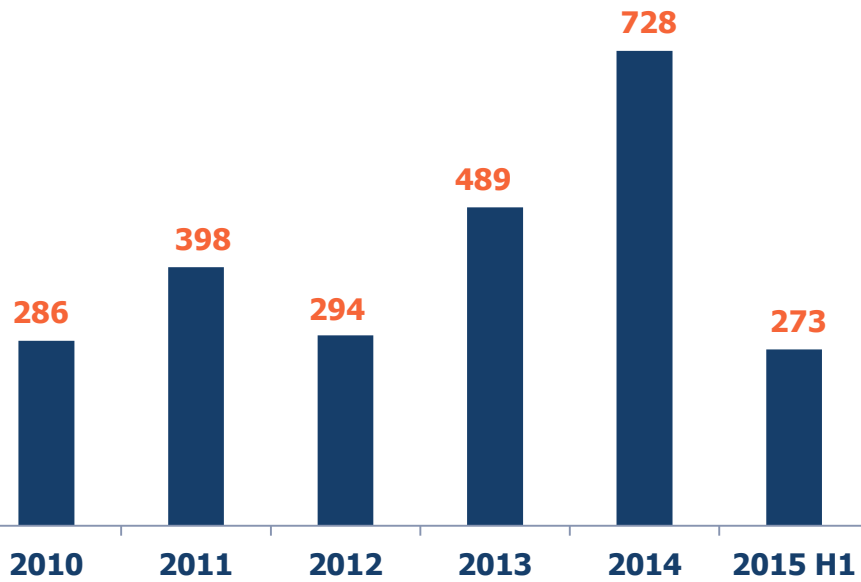


# Lease Portfolio

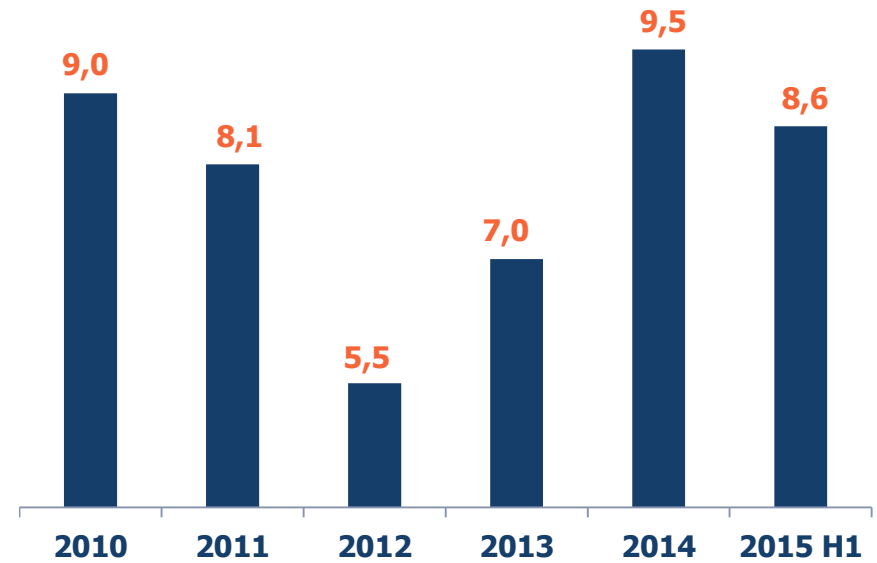




## TURNOVER & MARKET SHARE



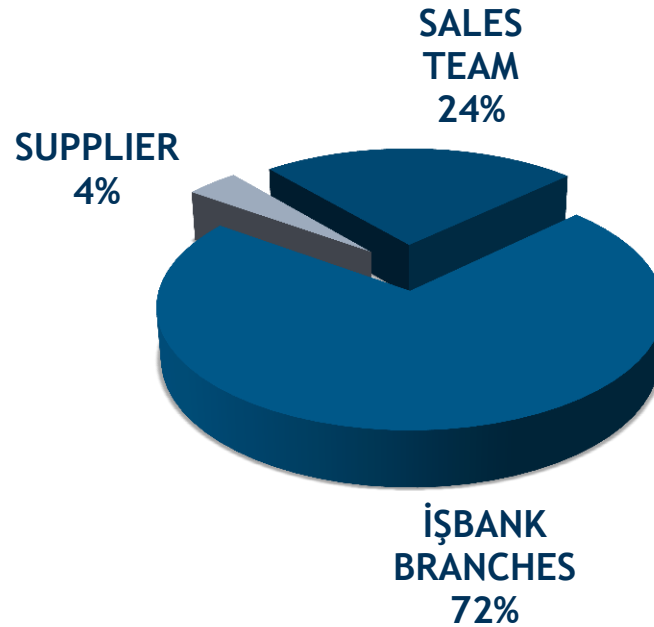
Million USD



Percentage



## SALES CHANNELS

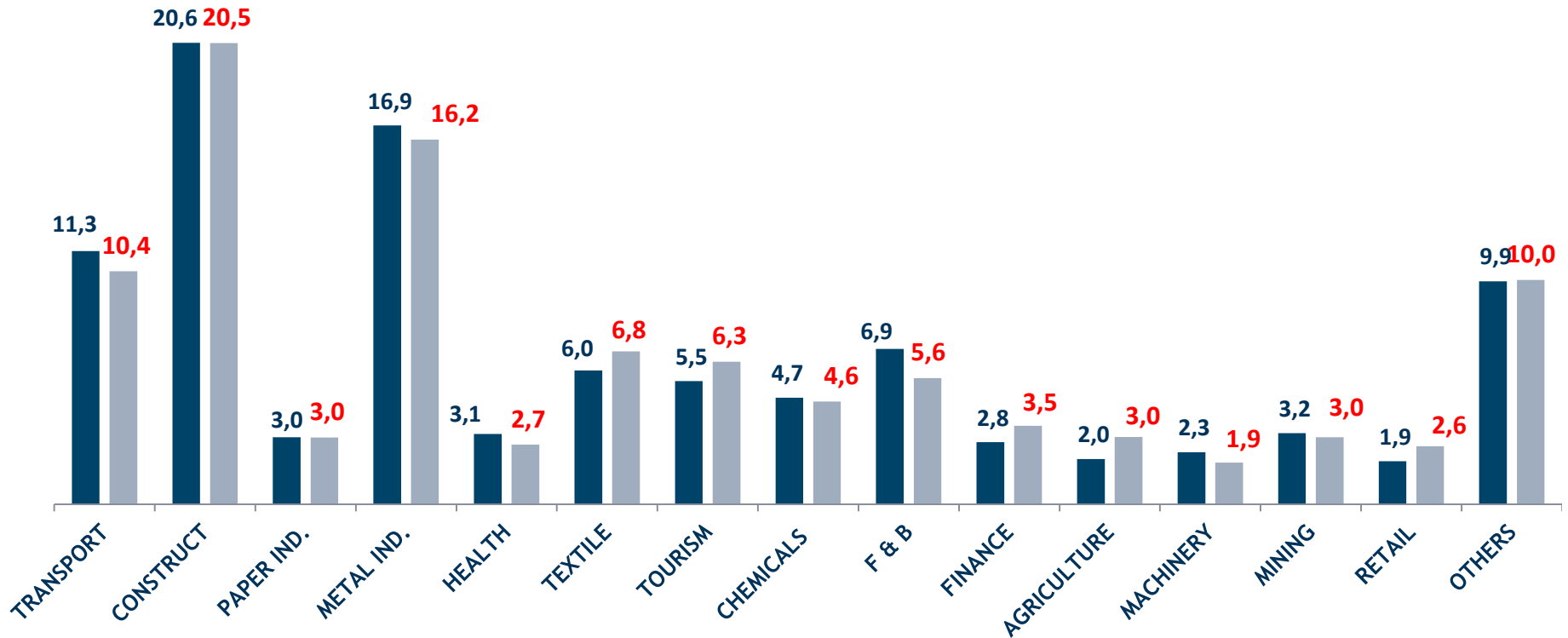


*1,342 local and 25 foreign branches, largest network among private banks*



## SECTORAL DISTRIBUTION , %

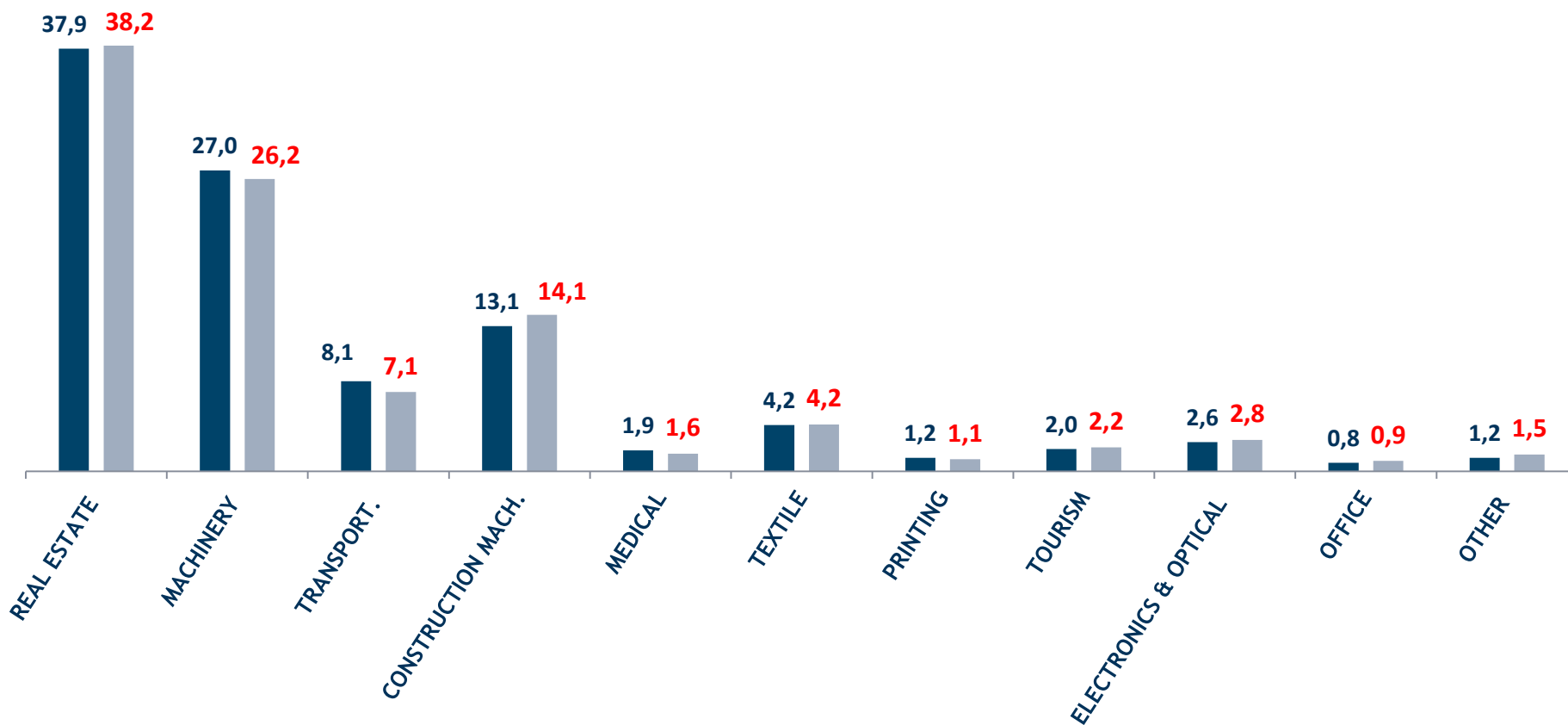
■ 2014 ■ 2015 H1





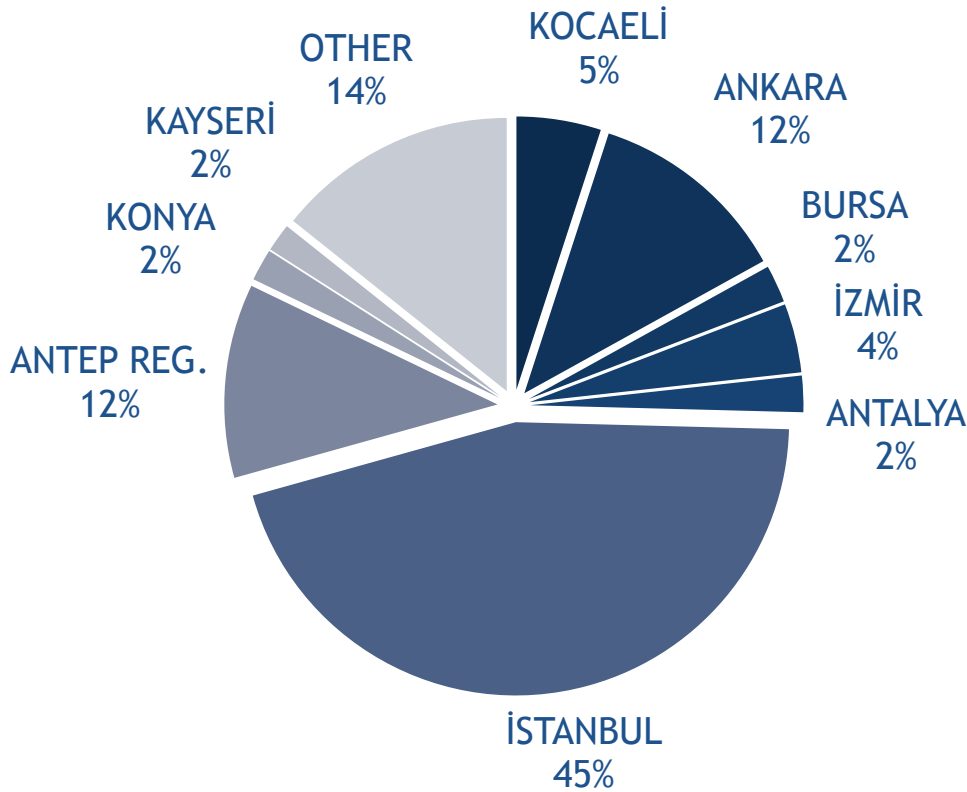
## ASSET DISTRIBUTION , %

■ 2014 ■ 2015 H1





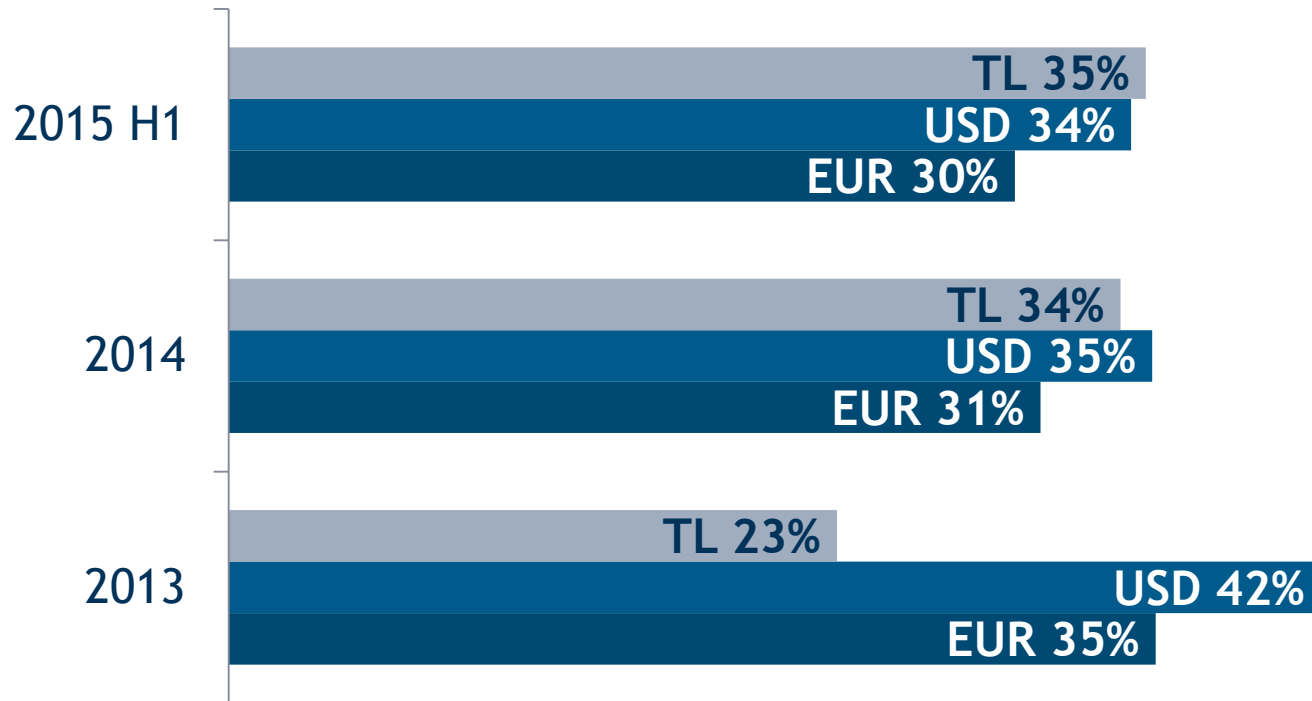
## GEOGRAPHICAL DISTRIBUTION



BRANCHES	MARKETING & SALES STAFF
Head Office	2
Istanbul (A) - Kozyatağı & Gebze	7
Istanbul (E) - Şişli & Avcılar	10
Ankara & Central Anatolia	8
Çukurova	3
South Anatolia	4
Marmara	3
Aegean	4
Mediterranean	3
Trabzon	2
Konya	2
Denizli	1
Kayseri	1
Diyarbakır	1
<b>TOTAL M &amp; S STAFF</b>	<b>51</b>
<b>TOTAL HEADCOUNT</b>	<b>143</b>

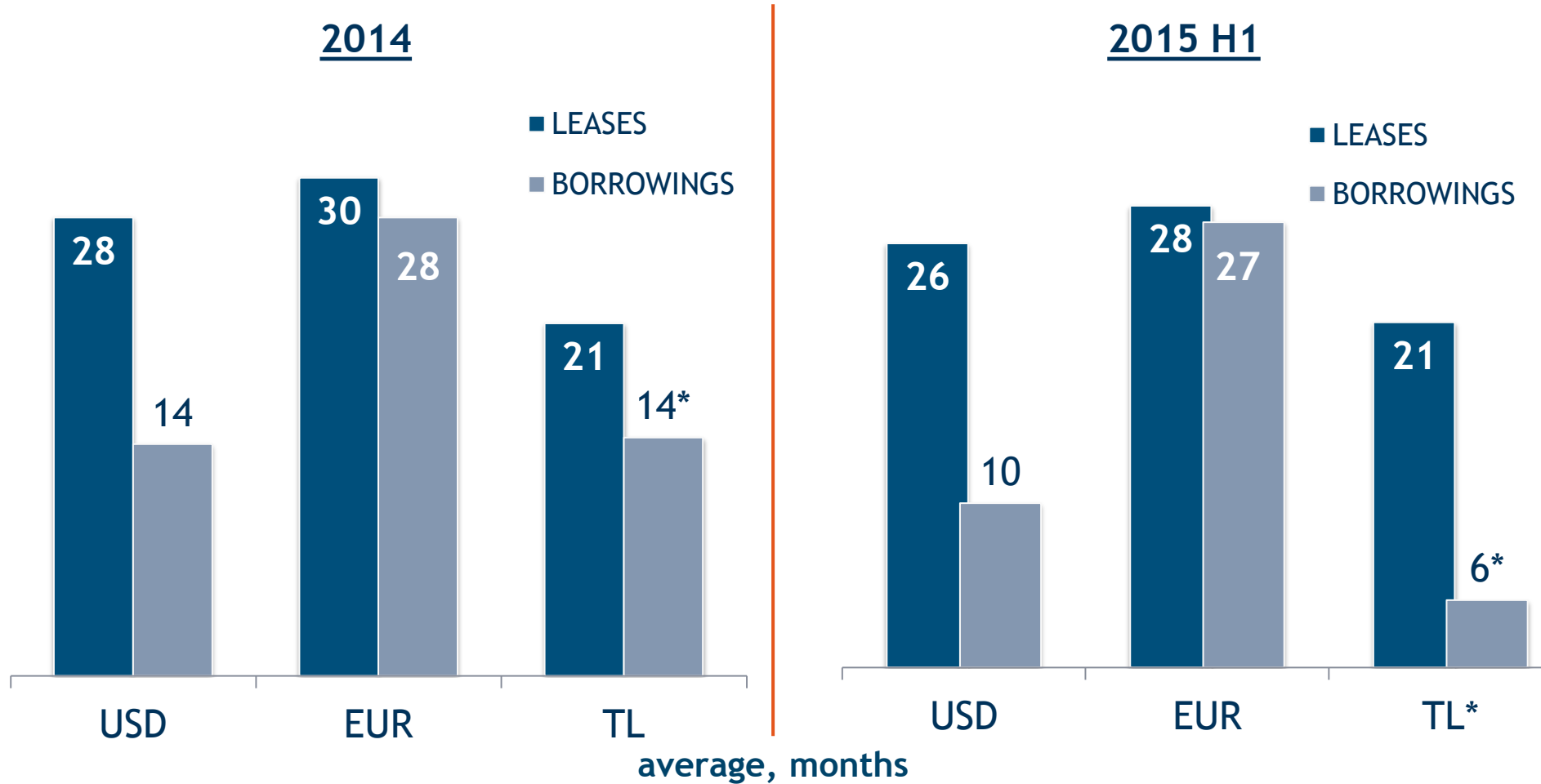


## CURRENCY DISTRIBUTION





## MATURITY DISTRIBUTION



\*TL, funded by Shareholders' equity is not included in the calculation.





## FUNDING POLICY

- ✓ 12% of debt portfolio is funded via İşbank. İşbank has available lines to fund İş Leasing whenever necessary,
- ✓ Outstanding local bond issuances are 580 million TRY (nominal value). Maturities are from 6 months to 24 months.
- ✓ Bilateral lines from local and multinational banks,
- ✓ IFI funds such as; IFC renewable energy and energy efficiency facility, World Bank EFIL- SME loans, CEB SME loans, BSTDB SME loan,
- ✓ Tapped Islamic Debt markets and closed two Murabaha facilities,
- ✓ ECA loans,
- ✓ Syndicated loans and Eurobond issuance are being considered. Cost of funding is key to our evaluation,
- ✓ Strategy aims diversification of creditors and debt products,
- ✓ Strategy is not to generate a currency mismatch and to keep maturity mismatch within manageable limits.



# Financial Performance





## FINANCIAL HIGHLIGHTS

<i>TRY Million, consolidated</i>	31 December 2013	31 December 2014	30 June 2015
Leasing Receivables, Net	2,232	2,841	3,199
Factoring Receivables, Net	946	1,433	1,482
Non Performing Receivables	124	160	159
Provisions	-67	104	122
<b>Total Assets</b>	<b>3,493</b>	<b>4,580</b>	<b>5,076</b>
<b>Financial Liabilities</b>	<b>2,668</b>	<b>3,791</b>	<b>4,225</b>
<b>Equity</b>	<b>604</b>	<b>667</b>	<b>687</b>
<b>Net Interest Income</b>	<b>78</b>	<b>81</b>	<b>50</b>
<b>Provisions</b>	<b>-18</b>	<b>-40</b>	<b>-29</b>
<b>Operating Expenses</b>	<b>-30</b>	<b>-40</b>	<b>-23</b>
<b>İş Leasing solo Profit</b>	<b>49</b>	<b>72</b>	<b>42</b>
<b>Consolidated net Profit</b>	<b>40</b>	<b>79</b>	<b>33</b>
<b>RATIOS</b>			
<b>Non Performing Loans/ Receivables</b>	<b>3,80%</b>	<b>3,70%</b>	<b>3,30%</b>
<b>Provision Ratio</b>	<b>53,90%</b>	<b>65,40%</b>	<b>76,55%</b>
<b>Return On Equity</b>	<b>6,80%</b>	<b>12,40%</b>	<b>9,81%</b>



## BALANCE SHEET (consolidated) mio TL

Million TRY	2013	2014	2015 H1		2013	2014	2015 H1
<b>Current Assets</b>				<b>Current Liabilities</b>			
Cash and Cash Equivalents	232.8	180.2	281.0	Short Term Liabilities	1455.4	2138.6	2452.5
Trading Securities(net)	-	-	-	Trade Payables	66.6	38.5	52.9
Leasing Receivables(net)	727.0	902.22	1036,5	Advances Received	20,9	35,9	45.1
Factoring Receivables (net)	946.1	1433.2	1482.0	Corporate Tax Payable	2.5	3.2	5.4
Other Current Assets(net)	11,7	29,6	20,3	Other Current Liabilities	126.7	39.6	55.8
<b>Total Current Assets</b>	<b>1917.6</b>	<b>2545.2</b>	<b>2819,8</b>	<b>Total Current Liabilities</b>	<b>1672.1</b>	<b>2255.8</b>	<b>2611.7</b>
<b>Long Term Assets</b>				<b>Long Term Liabilities</b>			
Leasing Receivables (net)	1505.0	<b>1938.8</b>	<b>2163</b>	Long Term Borrowings	1212.9	<b>1652.4</b>	<b>1772.8</b>
Assets for Sale(net)	23,2	22,4	22,5	Reserves for emp. benefits	4.0	5.4	4.6
Deferred Tax Assets(net)	44.3	36.0	29,9	Total Long Term Liabilities	<b>1216.9</b>	<b>1657.8</b>	<b>1777.4</b>
Fixed Assets (net)	1,7	17,9	17,8	Minority Interest	15,1	16,6	19,0
Other Long Term Assets	0.8	20.2	22.6	<b>Equity</b>			
<b>Total Long Term Assets</b>	<b>1575.0</b>	<b>2035.2</b>	<b>2255,8</b>	Capital	424.4	461.5	530.3
				Reserves	124.5	110.3	104.2
				Net Profit For The Year	39.6	78.5	33.1
				Total Shareholder's Equity	<b>588.5</b>	<b>650.3</b>	<b>667.6</b>
<b>TOTAL ASSETS</b>	<b>3492.6</b>	<b>4580.4</b>	<b>5075.6</b>	<b>TOTAL LIABILITIES</b>	<b>3492.6</b>	<b>4580.4</b>	<b>5075.6</b>



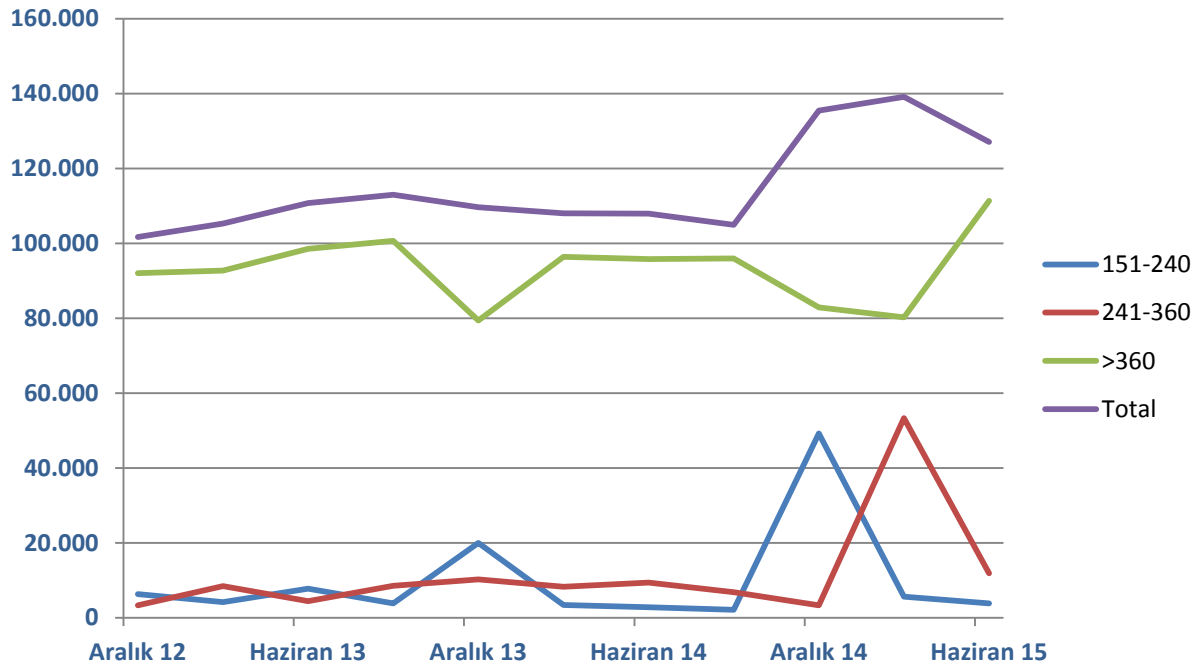
## INCOME STATEMENT (consolidated) 000 TL

Million TRY	2013	2014	2015 H1
Interest Income	125,745	186,567	124,489
Interest Expense	-115,448	-200,485	-136,676
Foreign Currency Gains/(Losses)	13,829	74,273	35,546
<b>Total</b>	<b>24,126</b>	<b>60,355</b>	<b>23,359</b>
Factoring Income	58,489	89,248	58,65
General and Administrative Expenses	-30,444	-40,34	-22,911
Provision Expenses	-17,608	-39,938	-29,107
Other income/(expenses) (net)	18,481	23,838	13,834
<b>Profit before taxation</b>	<b>53,044</b>	<b>93,163</b>	<b>43,825</b>
Tax	-10,855	-12,989	-8,060
<b>Profit after taxation</b>	<b>42,189</b>	<b>80,174</b>	<b>35,765</b>
Minority Interest	-2,6	-1,688	-2,571
<b>Net Profit for the Year</b>	<b>39,589</b>	<b>78,486</b>	<b>33,194</b>



## NPL

Consolidated	2012	2013	2014	2015 H1
Gross NPL / Total Receivables	4,60%	3,80%	3,70%	3,28%
Net NPL / Net Receivables	1,80%	1,80%	1,30%	0,78%



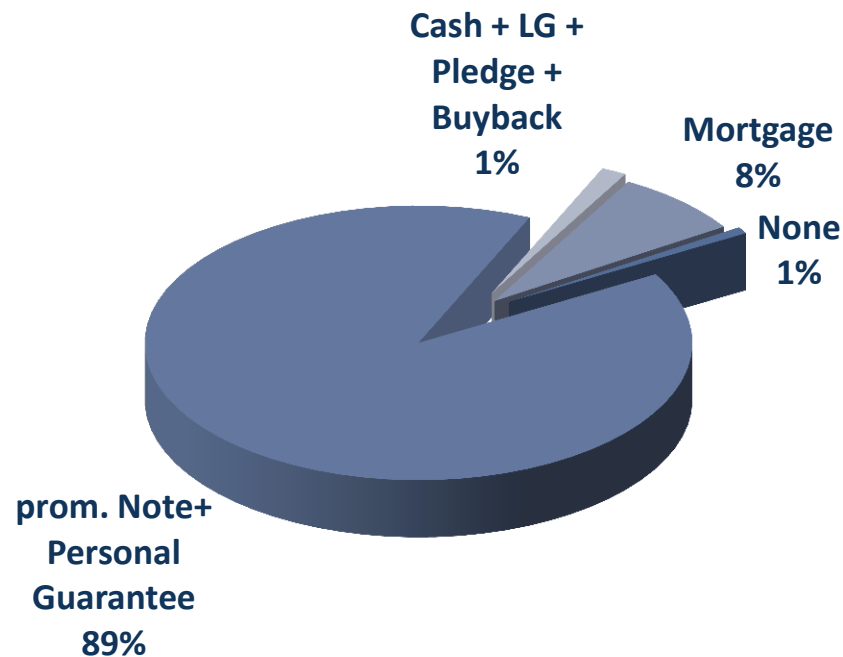
000 TL	LOSS RESERVE
2015 Opening	(104.490)
Reversals	11.762
New provisions	(28.776)
Write-off (*)	-
Transfer	-
<b>31.03.2015 Closing</b>	<b>(121.504)</b>



## COLLATERALS\*

Leased assets are legally possessed by the lessor so they are the collateral of the leasing loan. Depending on the lessee's credit ratings and second hand value of the leased asset, additional collaterals might be demanded.

### Collaterals



\*İş Bank group excluded



# RATINGS



## Foreign Currency

Long-Term IDR	BBB -
Short-Term IDR	F3
Outlook	Stable

## Local Currency

Long-Term IDR	BBB -
Short-Term IDR	F3
Outlook	Stable

## National

Long-Term Rating	AA + (tur)
Outlook	Stable
Support Rating	2





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