

İŞ LEASING



Investor Presentation

30 September 2016



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Leasing Sector in Turkey





LEASING

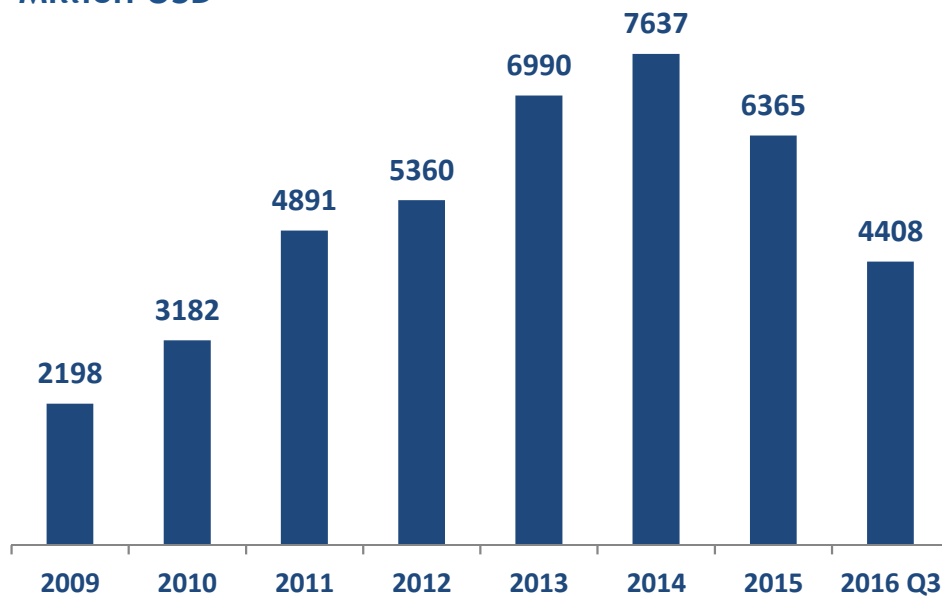
- ✓ VAT is %1 for various types of machinery.
- ✓ Operating Leases and Sale-and-lease back has been added to core product Finance Leases since 2013. Sale-and-lease back demand is strong and supporting business volumes.
- ✓ Expertise on SMEs, consultancy and know-how support in addition to funding.
- ✓ FX borrowing option (Bank FX loans have some restrictions)
- ✓ Fast credit approvals (leased-asset ownership), flexible payment plans.



TURNOVER

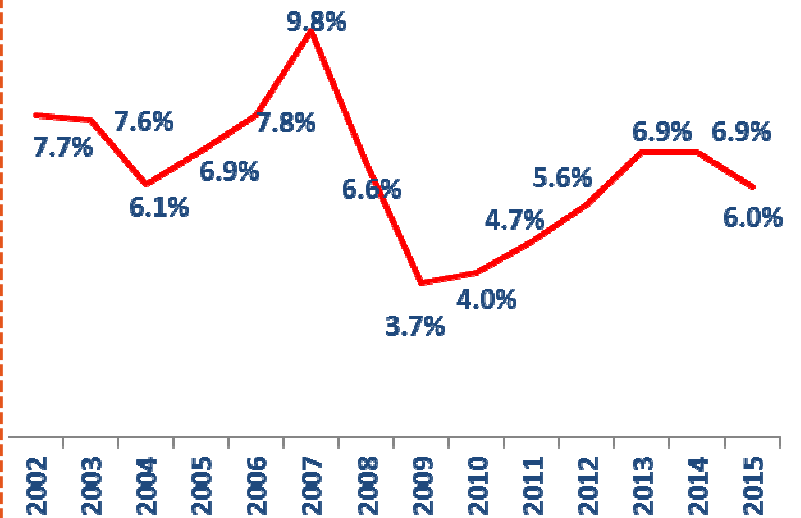
New Leasing volume of the sector

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

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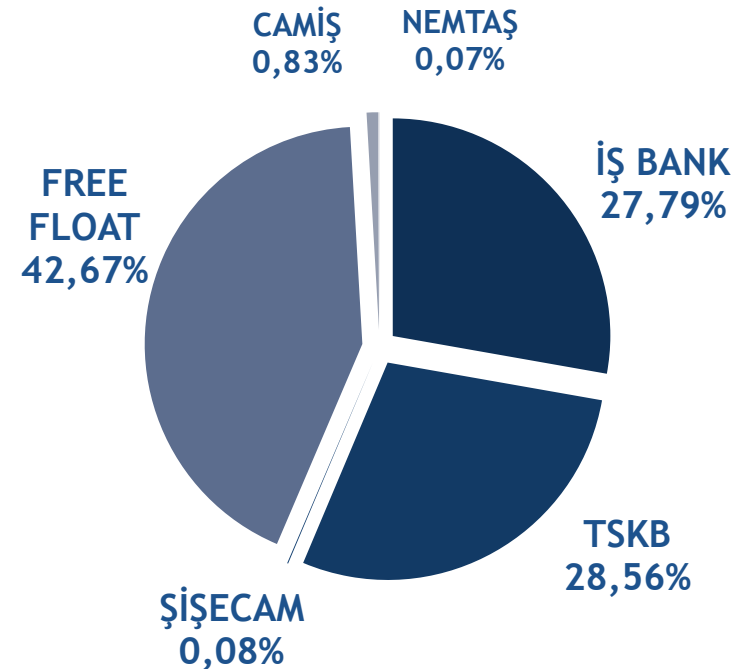
Company Overview





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.

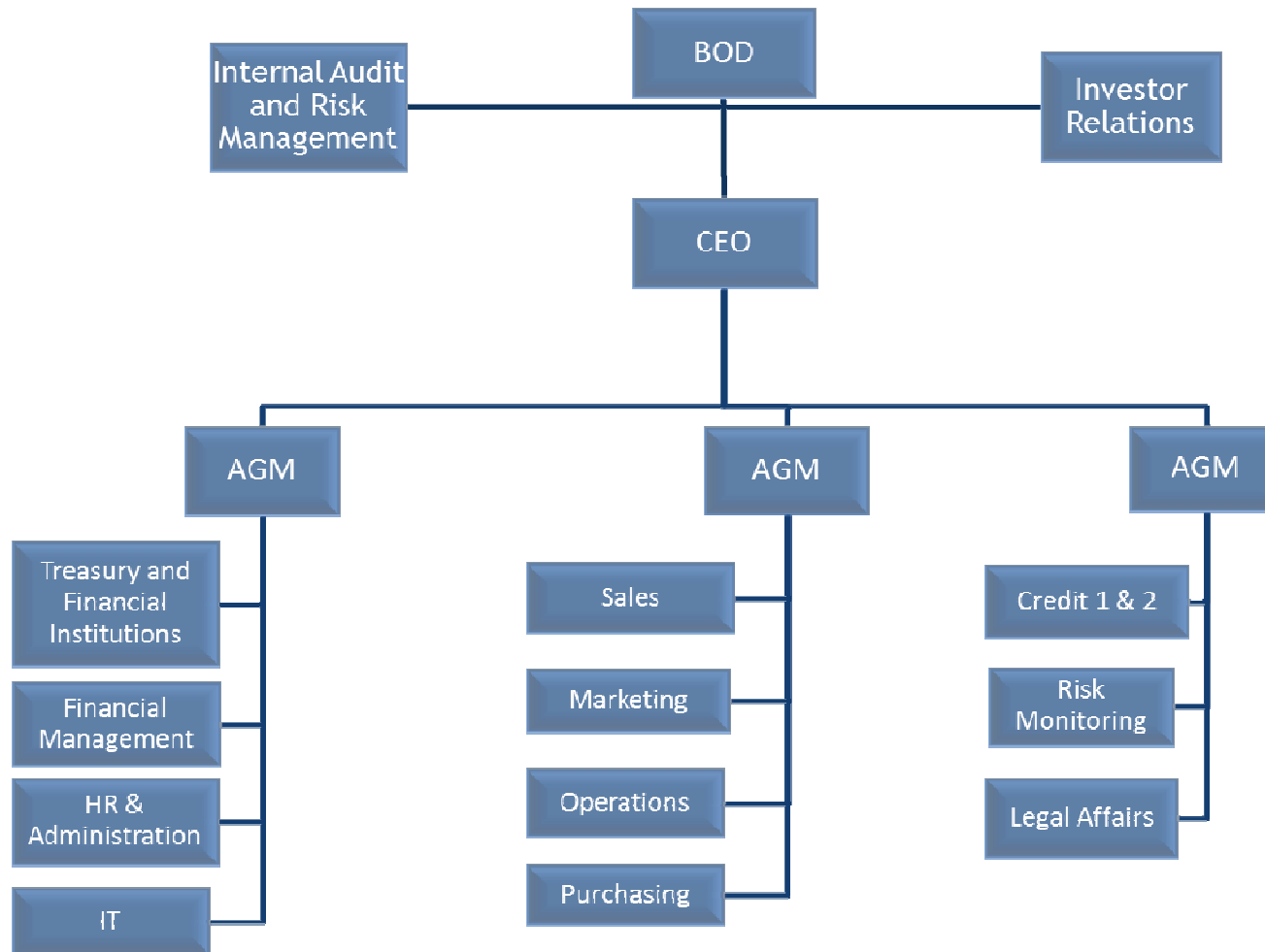


PARTICIPATIONS

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
Subsidiaries	Ownership Rate (%)
İş Factoring Finansman Hiz. A.Ş.	78.23



ORGANIZATION CHART



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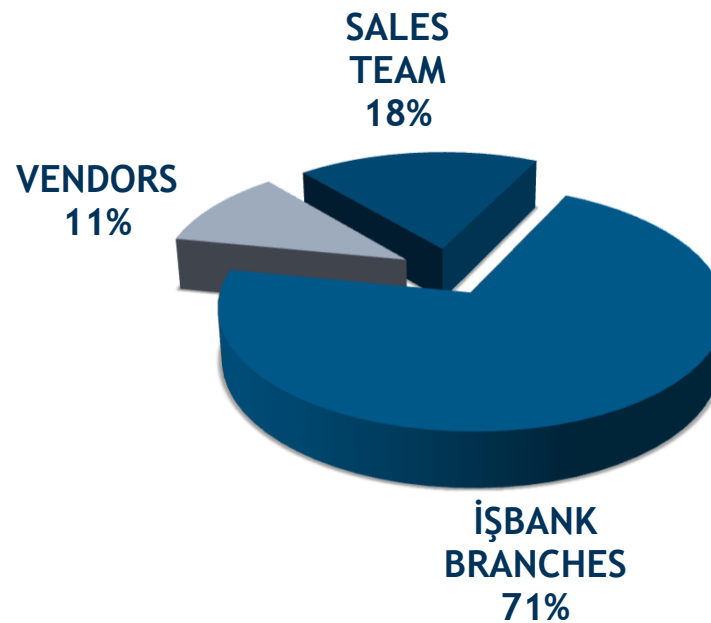


Lease Portfolio





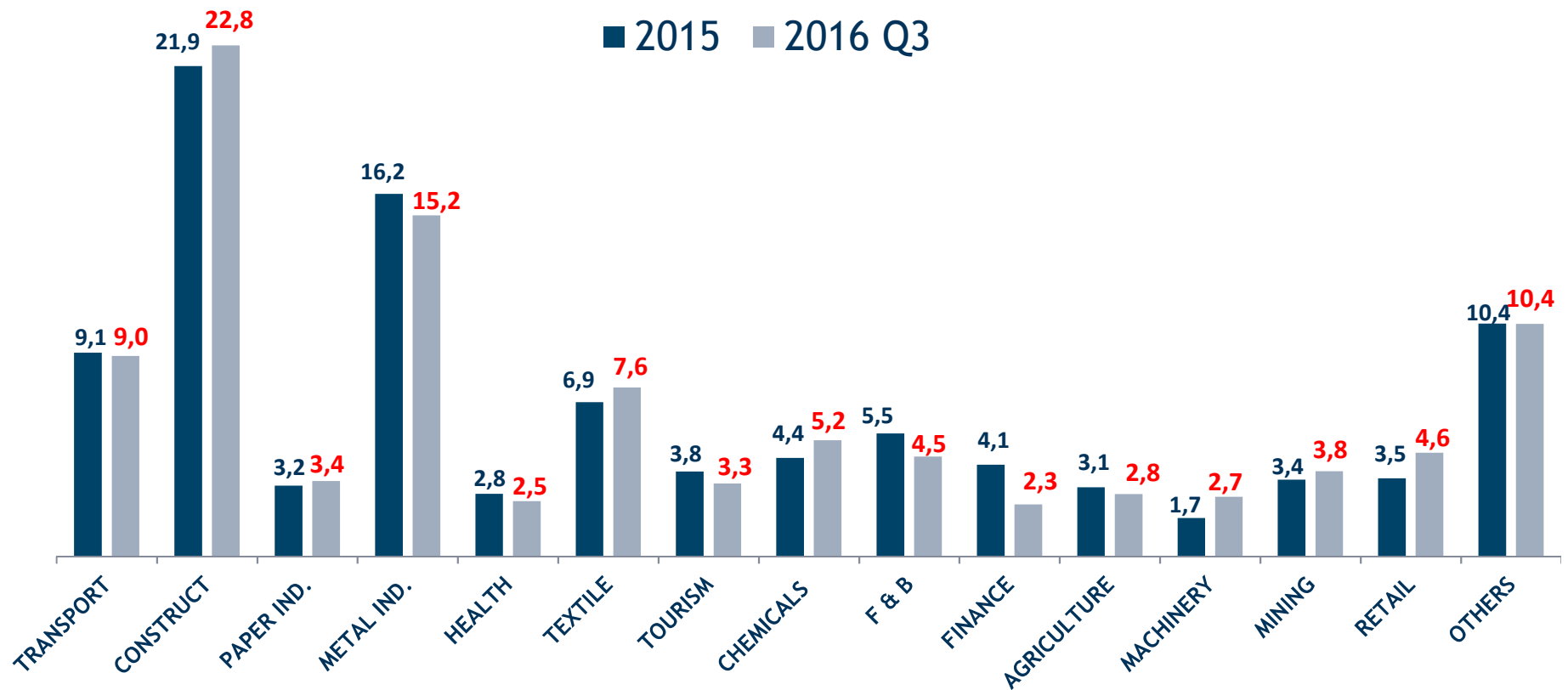
SALES CHANNELS



1,352 local and 23 foreign branches, largest network among private banks

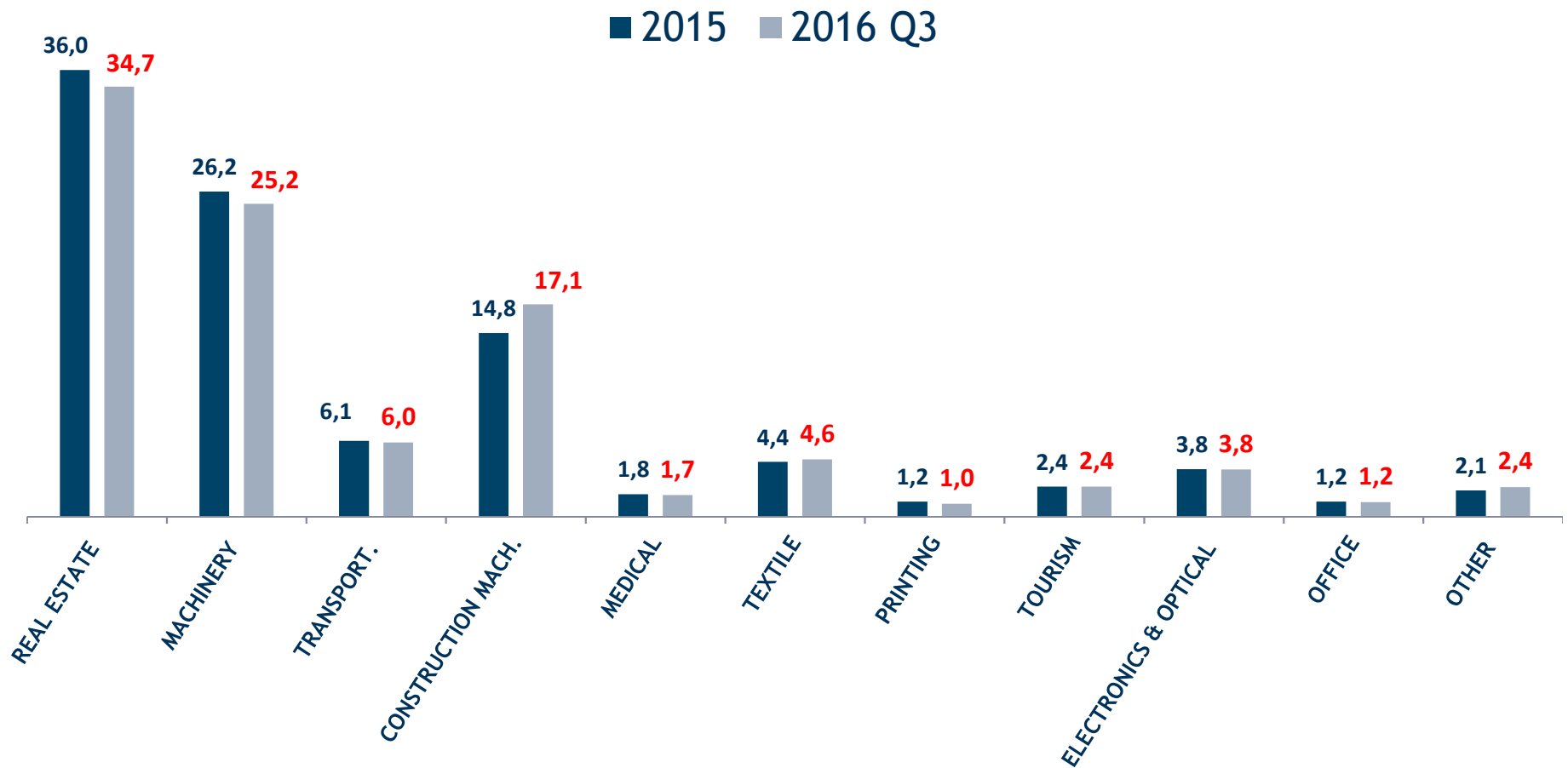


SECTORAL DISTRIBUTION , %



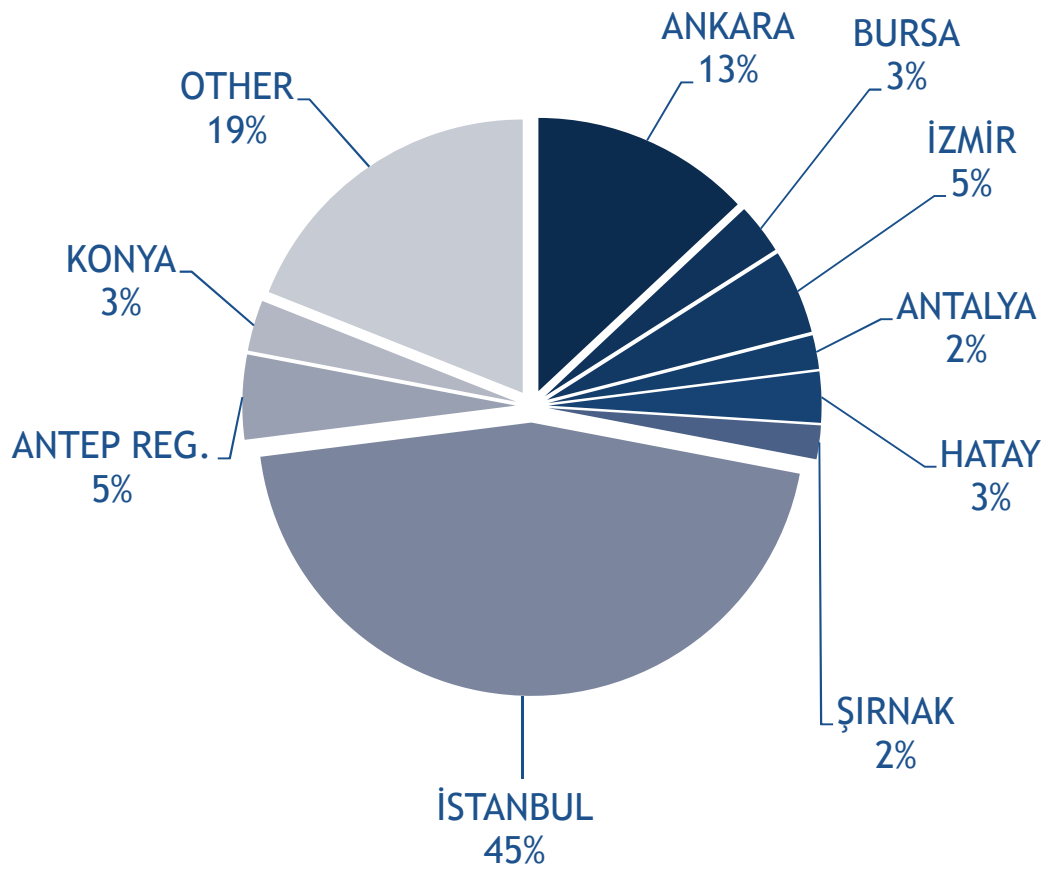


ASSET DISTRIBUTION , %





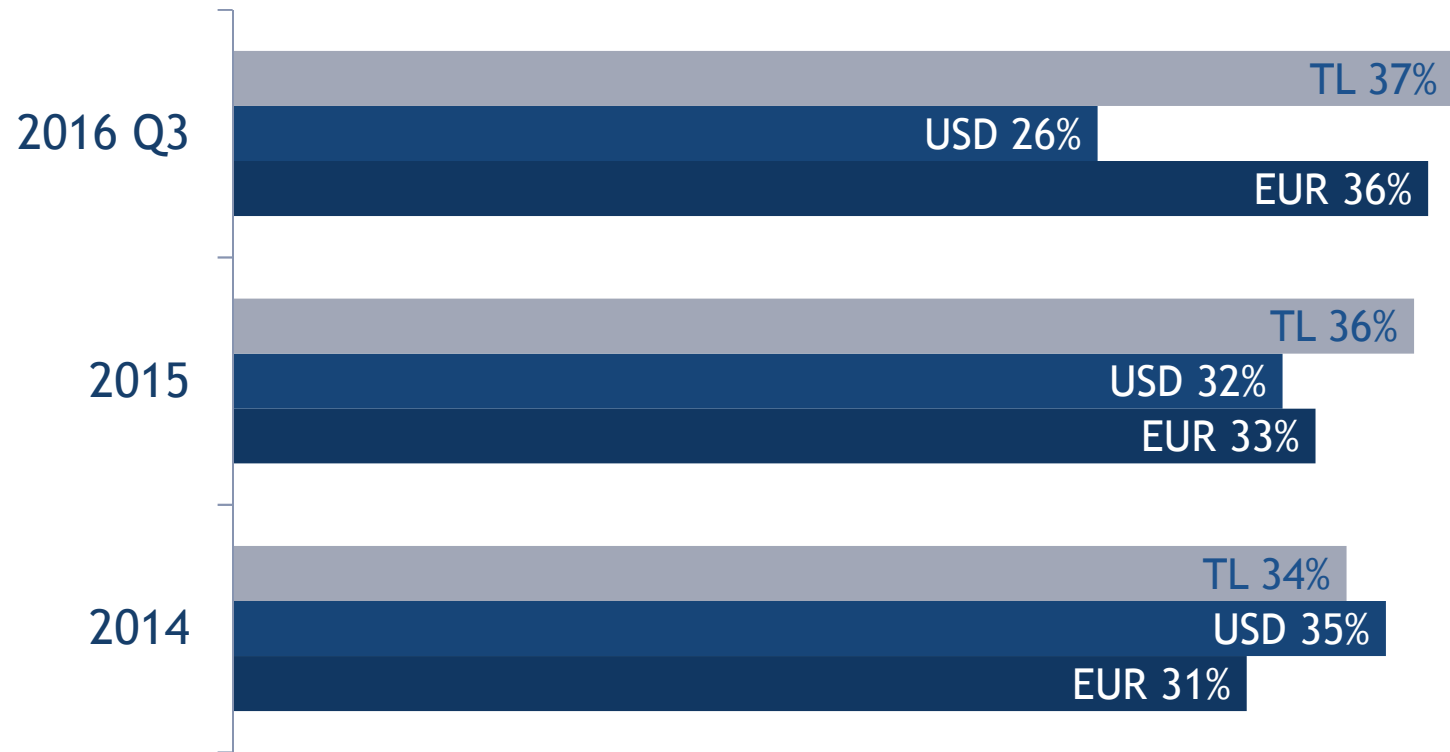
GEOGRAPHICAL DISTRIBUTION



BRANCHES	MARKETING & SALES STAFF
Head Office	3
Istanbul (A) - Kozyatağı & Gebze	8
Istanbul (E) - Şişli & Avcılar	10
Ankara & Central Anatolia	5
Çukurova	3
South Anatolia	5
Marmara	3
Aegean	5
Mediterranean	3
Trabzon	2
Konya	2
Kayseri	2
TOTAL M & S STAFF	54
TOTAL HEADCOUNT	149

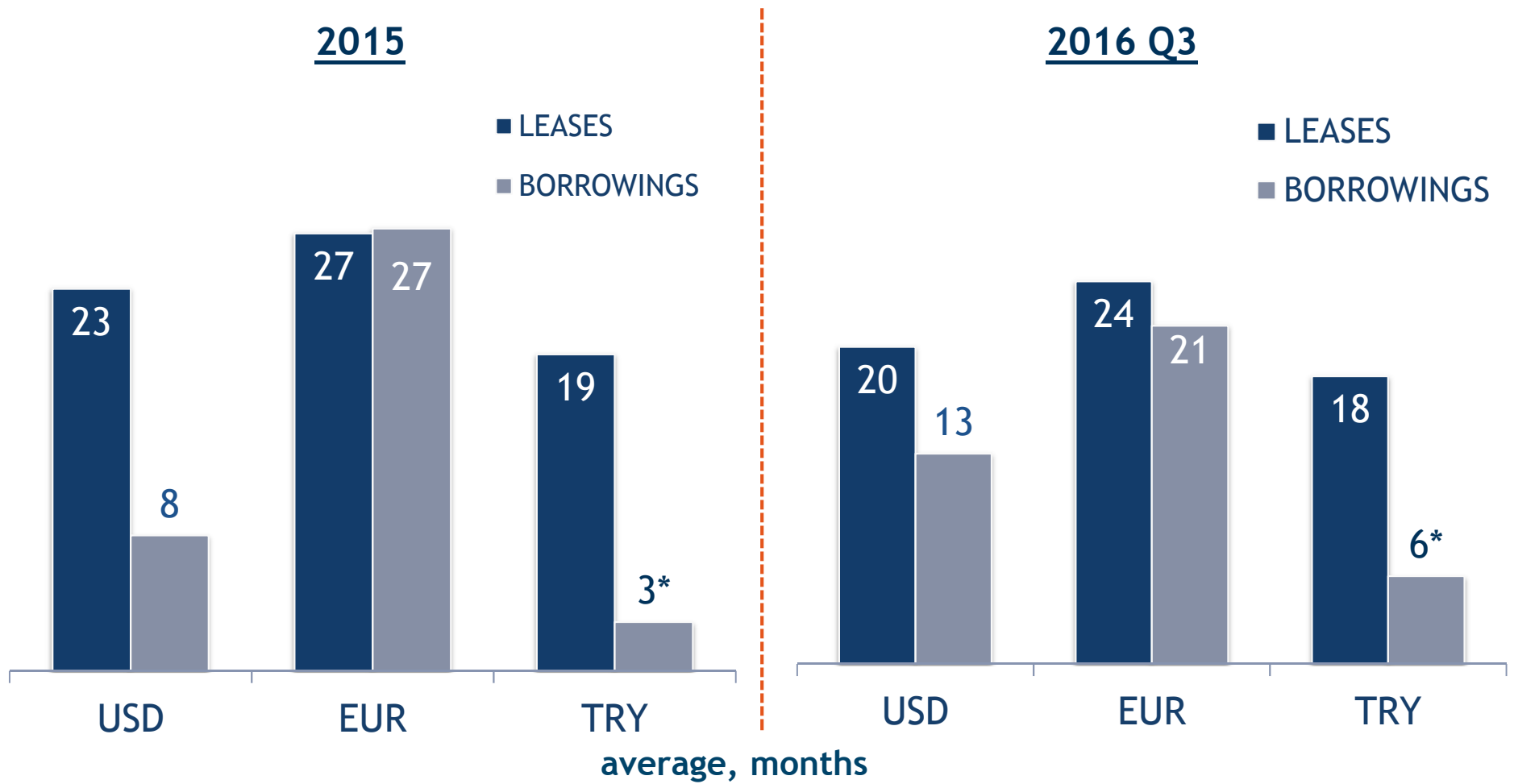


CURRENCY DISTRIBUTION





MATURITY DISTRIBUTION



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



FUNDING POLICY

- ✓ Outstanding local bond issuances are 898 million TRY (nominal value). Maturities are from 6 months to 18 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.

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Financial Performance





FINANCIAL HIGHLIGHTS

	31 December	31 December	30 September
<i>TRY Million, consolidated</i>	2014	2015	2016
Leasing Receivables, Net	2,841	3,287	3,501
Factoring Receivables, Net	1,433	1,951	2,425
Non Performing Receivables	160	183	191
Provisions	104	140	150
Total Assets	4,580	5,581	6,399
Financial Liabilities	3,791	4,661	5,465
Equity	667	738	798
Net Interest Income	81	121	108
Provisions Expenses	-40	-48	-13
Operating Expenses	-40	-47	-41
iŞ Leasing solo Profit	72	81	61
Consolidated net Profit	79	82	77
RATIOS			
Non Performing Loans/ Receivables	3,65%	3,40%	3,14%
Provision Ratio	65,40%	76,32%	78,61%
Return On Equity	12,40%	11,67%	13,30%



BALANCE SHEET (consolidated) mio TL

Million TRY	31.12.2014	31.12.2015	30.09.2016		31.12.2014	31.12.2015	30.09.2016
Current Assets				Current Liabilities			
Cash and Cash Equivalents	180.2	225.7	365.0	Short Term Liabilities	2292.0	3795.9	4215.5
Trading Securities(net)	-	-	-	Trade Payables	38.5	49.8	40.5
Leasing Receivables(net)	889.6	1141.6	1325.8	Advances Received	35.9	36.8	61.3
Factoring Receivables (net)	1433.2	1951.2	2424.6	Corporate Tax Payable	3.2	17.4	15.5
Other Current Assets(net)	27.1	15.9	8.6	Other Current Liabilities	39.6	71.9	13.5
Total Current Assets	2530.1	3334.4	4124.0	Total Current Liabilities	2409.2	3971.8	4346.3
Long Term Assets				Long Term Liabilities			
Leasing Receivables (net)	1951.4	2145.4	2175.3	Long Term Borrowings	1498.9	864.7	1249.1
Assets for Sale(net)	22.4	22.9	21.2	Reserves for emp. benefits	5.4	6.0	6.3
Deferred Tax Assets(net)	36.0	33.4	22.0	Total Long Term Liabilities	1504.3	870.7	1255.4
Fixed Assets (net)	17.9	17.1	21.7	Minority Interest	16.6	21.7	25.7
Other Long Term Assets	22.6	27.6	35.0	Equity			
Total Long Term Assets	2050.3	2246.4	2275.2	Capital	461.5	530.3	600.3
				Reserves	110.3	104.3	94.9
				Net Profit For The Year	78.5	82.0	76.6
				Total Shareholder's Equity	650.3	716.6	771.8
TOTAL ASSETS	4580.4	5580.8	6399.2	TOTAL LIABILITIES	4580.4	5580.8	6399.2



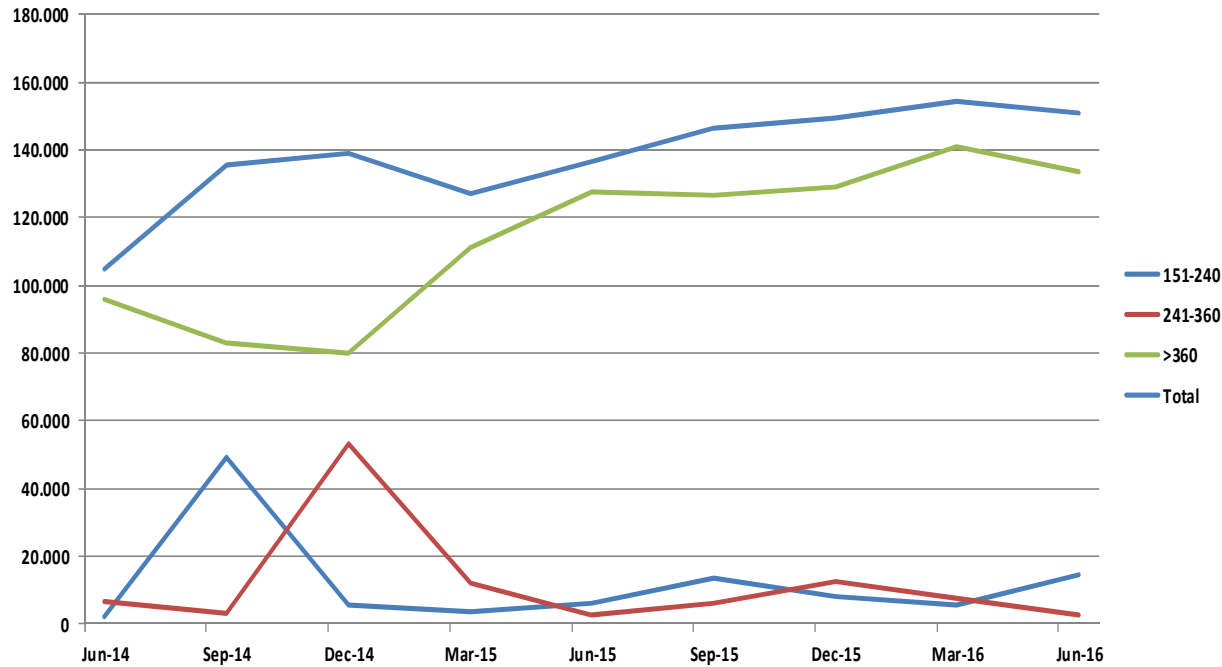
INCOME STATEMENT (consolidated) 000 TL

Million TRY	31.12.2014	31.12.2015	30.09.2016
Interest Income	186,567	264,839	207,024
Interest Expense	-200,485	-284,800	-226,068
Foreign Currency Gains/(Losses)	74,273	68,533	41,717
Total	60,355	48,572	22,673
Factoring Income	89,248	134,492	121,696
General and Administrative Expenses	-40,340	-46,916	-41,345
Provision Expenses	-39,938	-48,482	-12,805
Other income/(expenses) (net)	23,838	22,112	14,638
Profit before taxation	93,163	109,778	104,857
Tax	-12,989	-22,514	-22,934
Profit after taxation	80,174	87,264	81,923
Minority Interest	-1,688	-5,261	-5,316
Net Profit for the Year	78,486	82,003	76,607



NPL

Consolidated	31.12.2013	31.12.2014	31.12.2015	30.09.2016
Gross NPL /Total Receivables	3,80%	3,70%	3,40%	3,14%
Net NPL / Net Receivables	1,80%	1,30%	0,83%	0,69%



000 TL	LOSS RESERVE
2016 Opening	(139,750)
Reversals	2,500
New provisions	(12,805)
Write-off (*)	-
Transfer	-
30.09.2016 Closing	(150,055)



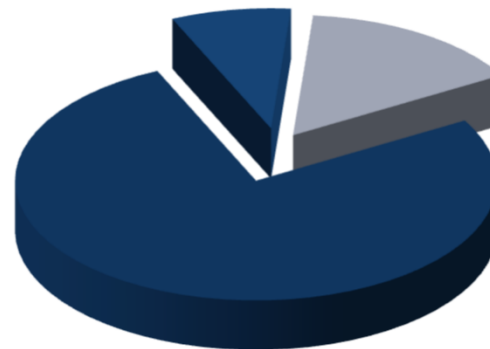
COLLATERALS*

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

Cash + LG +
Pledge +
Buyback
5,35%

Mortgage
5,59%



prom. Note+
Personal
Guarantee
89,06%

*İş Bank group excluded



RATINGS



Foreign Currency

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

Local Currency

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

National

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



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