

Investor Presentation

30 Sept 2017



Leasing Sector in Turkey





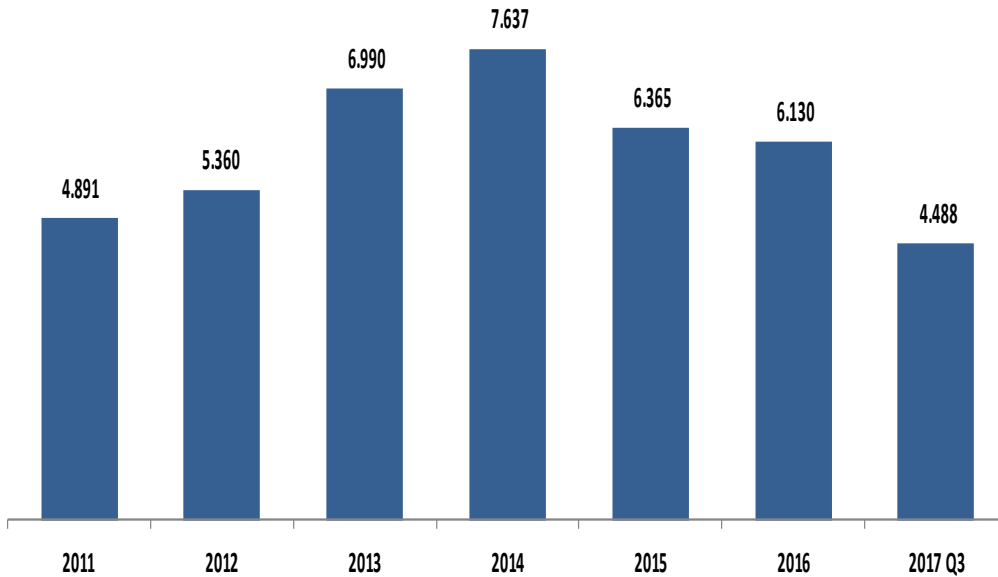
LEASING

- ✓ VAT is %1 for various types of machinery
- ✓ Sale&lease back has been added to product range in 2013
- ✓ 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

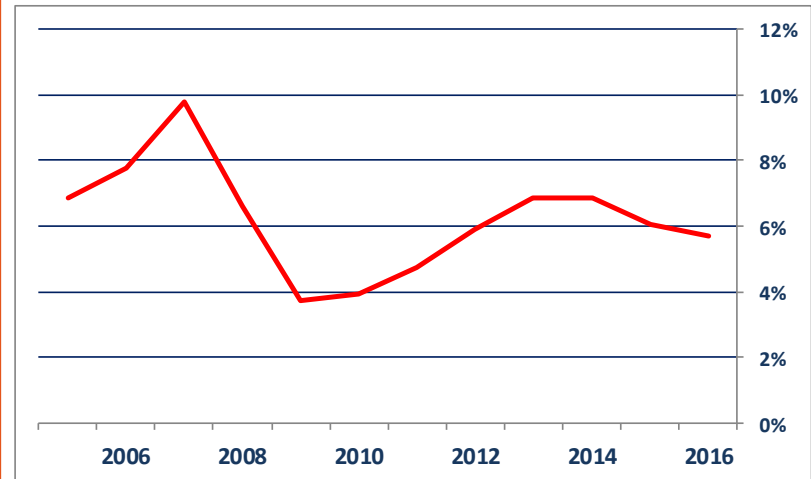


SECTOR NEW LEASING VOLUME

New Leasing Volume
(million USD)



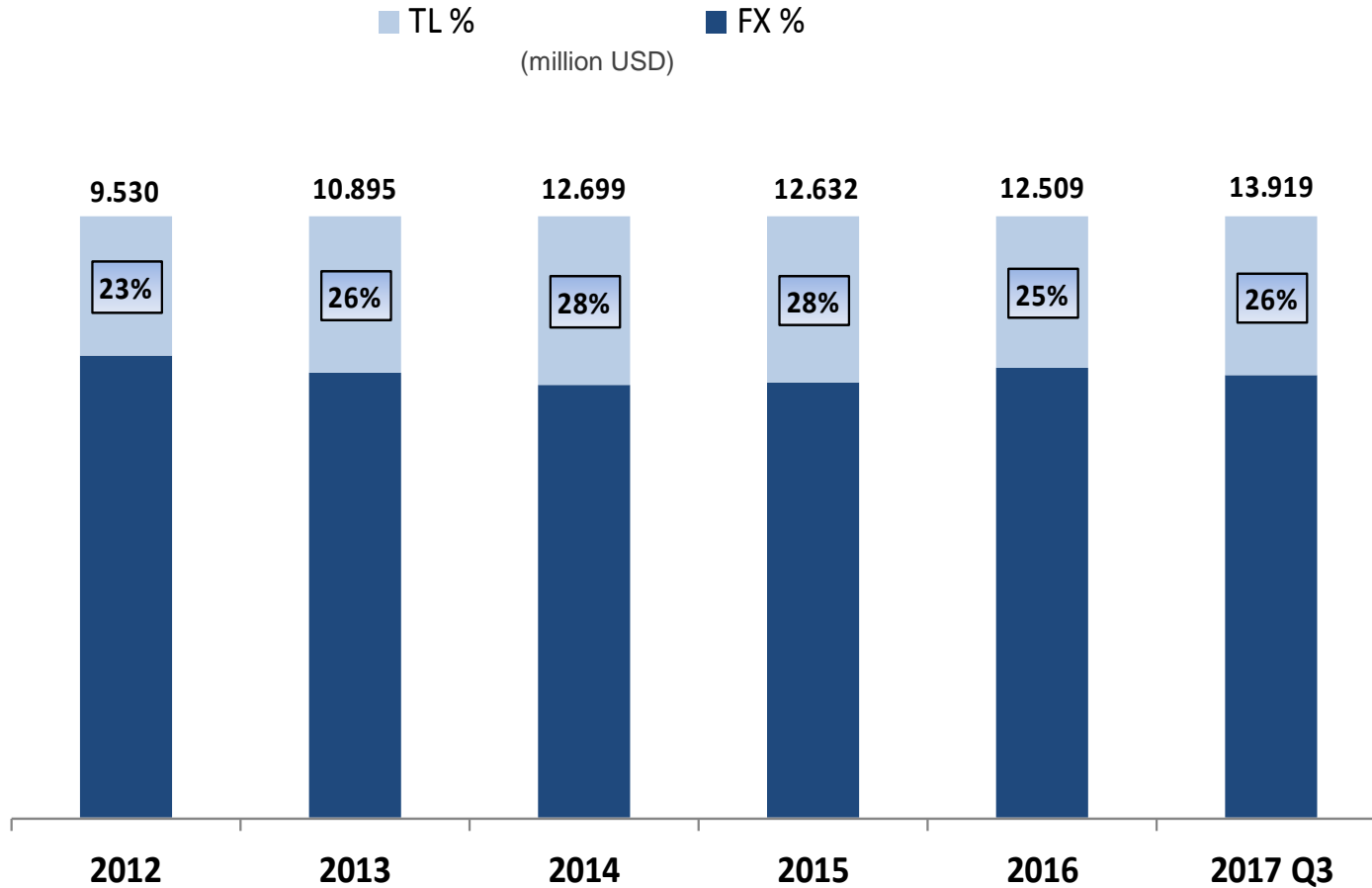
Leasing penetration is still at low levels compared to EU average of 15% and North America average of 18%.



Penetration: Leasing volume/ Private sector fixed investments

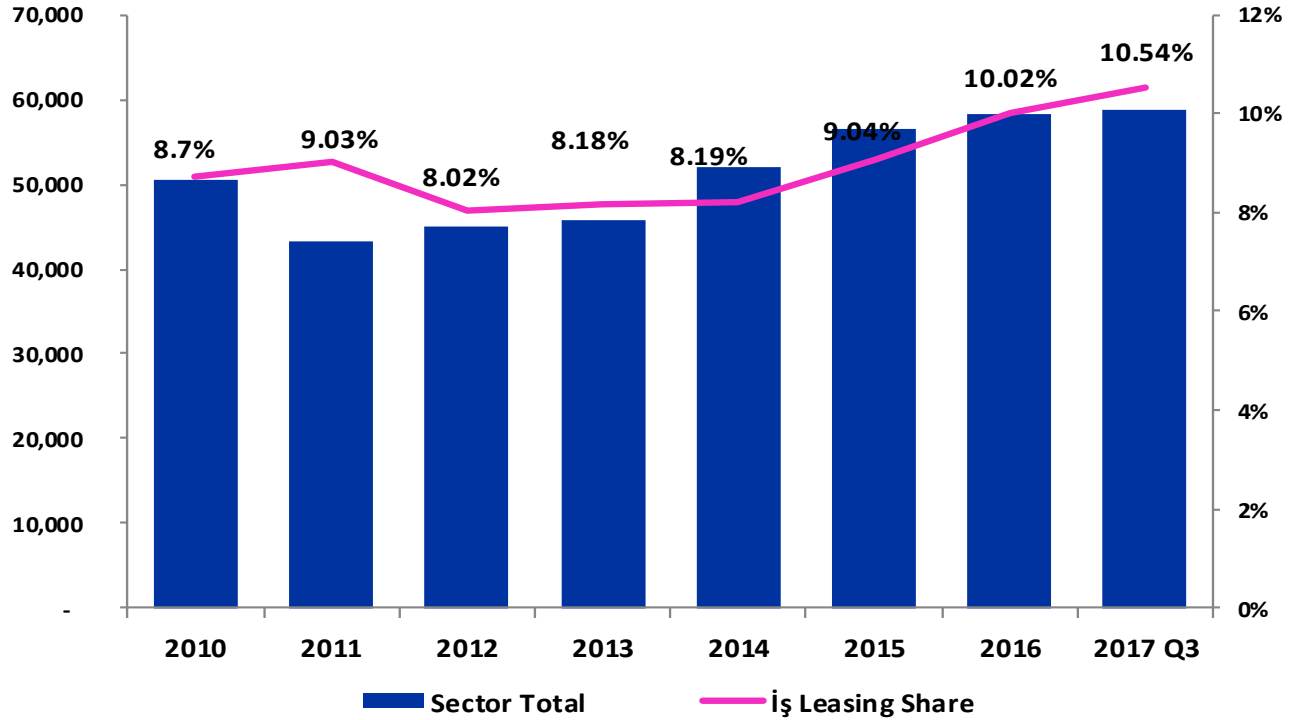


LEASING RECEIVABLES





CUSTOMER BASE



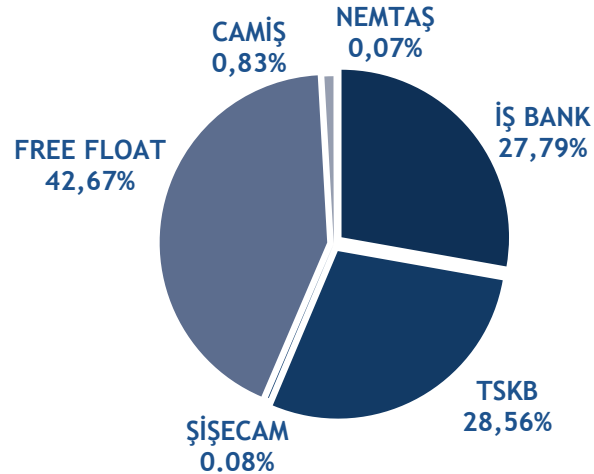
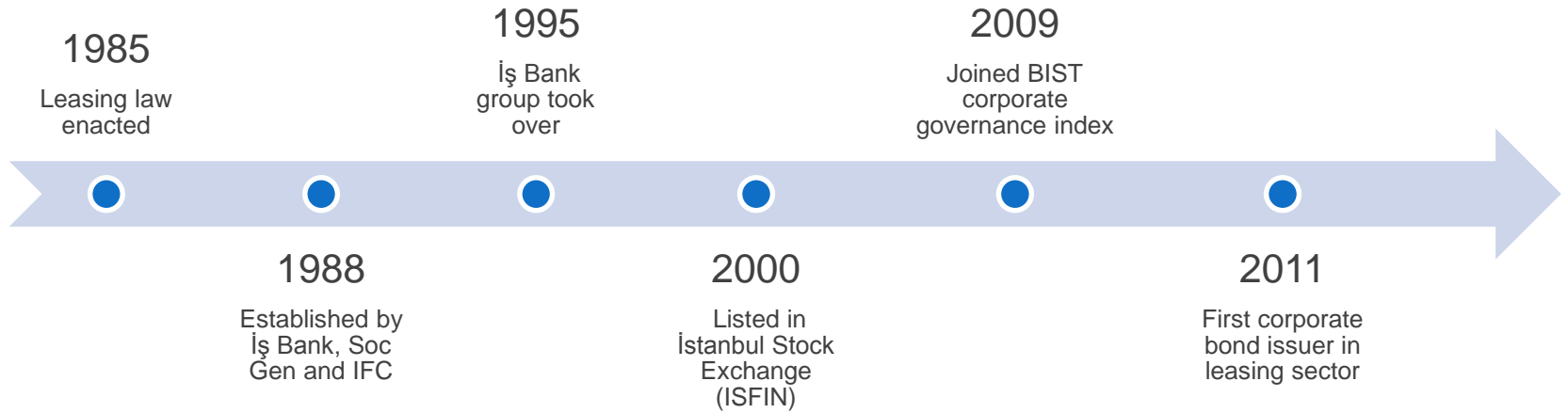
Fastest customer growth in the sector	2016 vs. 2015	
	Customers Δ	Contracts Δ
İŞ LEASING	15%	15%

Company Overview





MILESTONES & SHAREHOLDERS



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

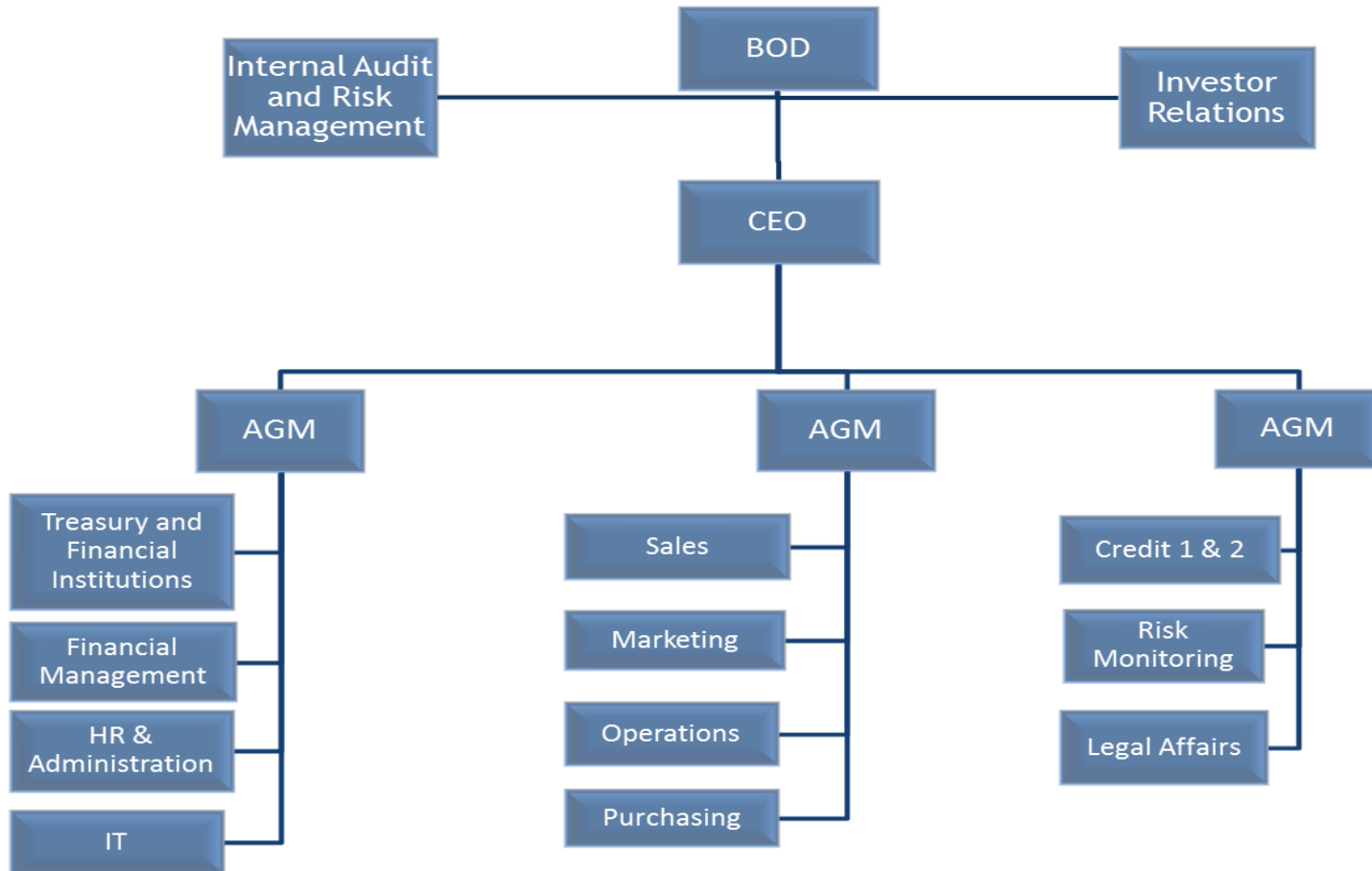


PARTICIPATIONS

Subsidiaries and Participations	Ownership %
İş Faktoring A.Ş.	78,23
Efes Varlık Yönetimi A.Ş.	10,00
İş Yatırım Menkul Değerler A.Ş. (IS Invest)	4,86
İş Net	1,00
İş Girişim Sermayesi Yatırım Ort. A.Ş.	0,89
Yatırım Finansman A.Ş.	0,06

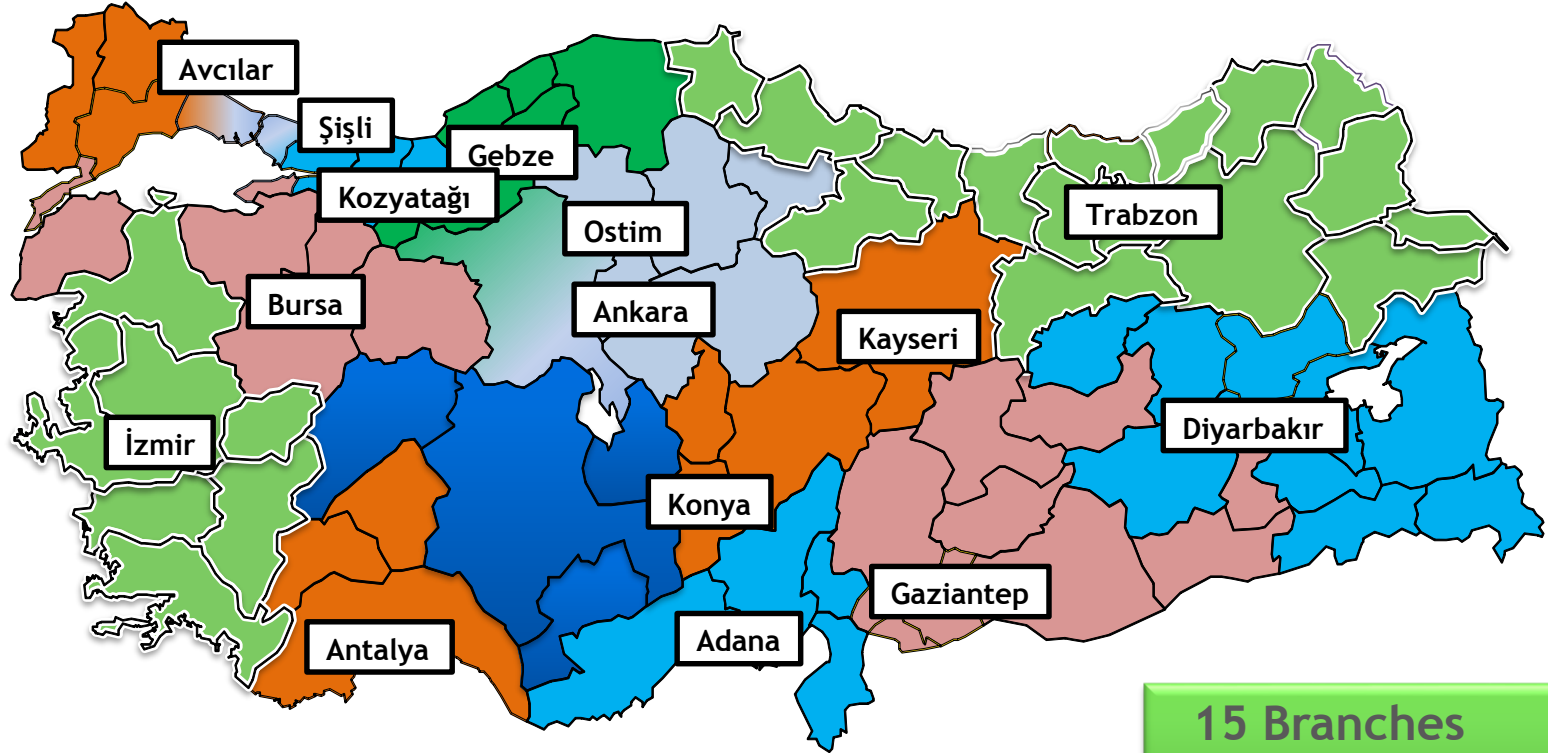


ORGANIZATION CHART





BRANCH NETWORK



15 Branches
51 Sales staff
151 Total staff

Lease Portfolio

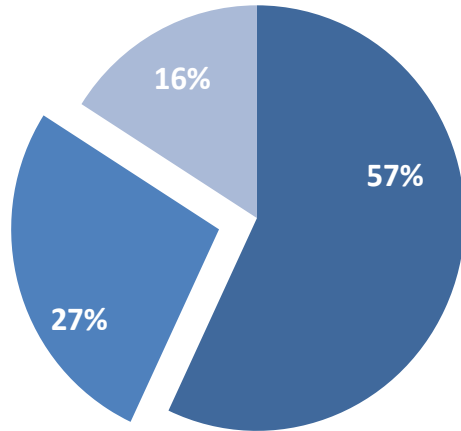




SALES CHANNELS

2016

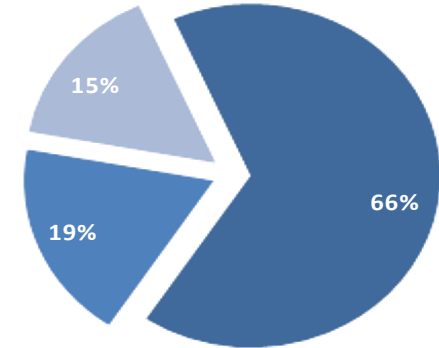
■ İŞ BANK ■ VENDORS ■ DIRECT MARKETING



İşbank: 1348 local and 22 foreign branches, largest network among private banks.

2017 Q3

■ İŞ BANK ■ DIRECT MARKETING ■ VENDORS



Çevreci Enerji Yolunda Bir Adım Daha

Datca Rüzgar Enerjisi Santrali (RES) projesinin finansmana için sözleşme imzalandık, yenilenebilir enerji alanında önemli bir adım daha attık.



Leasing'te KDV

22.12.2011 tarihli Resmî Gazete'de Bakanlar Kurulu Kararı ile KDV oranı %1 olarak uygulanmaya başlanmıştır.



İş'te Ürünlerimiz İş'te Biz

Kendi işi yenitalize sahip olmak ve işinizi teknoloji ile hızla büyütmek için mümkün. İhtiyaçınız olan her şey İş Leasing'de!



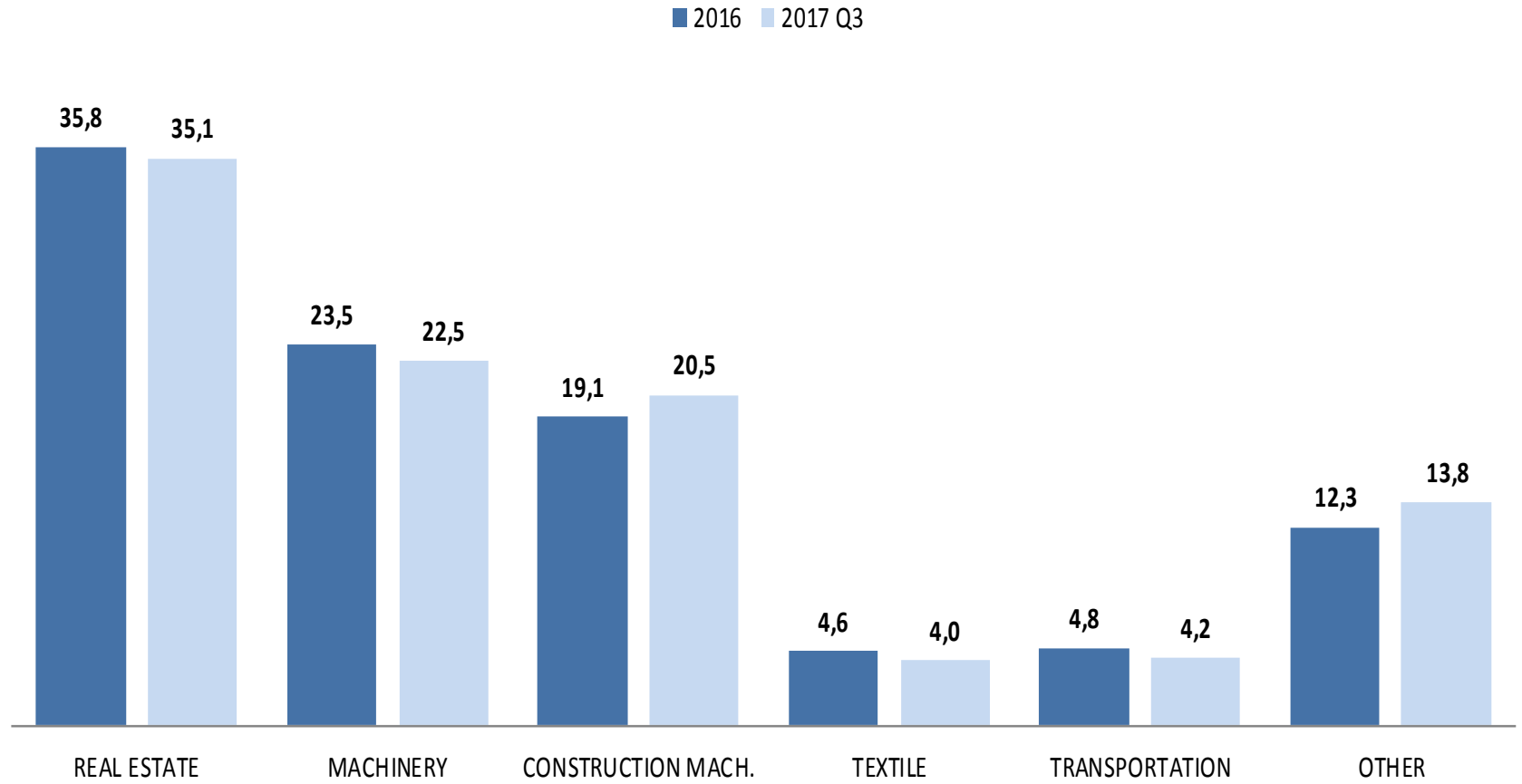
Finansal Kiralama Kanununun Getirdikleri

6361 sayılı Finansal Kiralama, Faktoring ve Finansman Şirketleri Kanunu 13.12.2012 tarih ve 28496 sayılı Resmî Gazetede yayımlanarak yürürlüğe girmiştir.



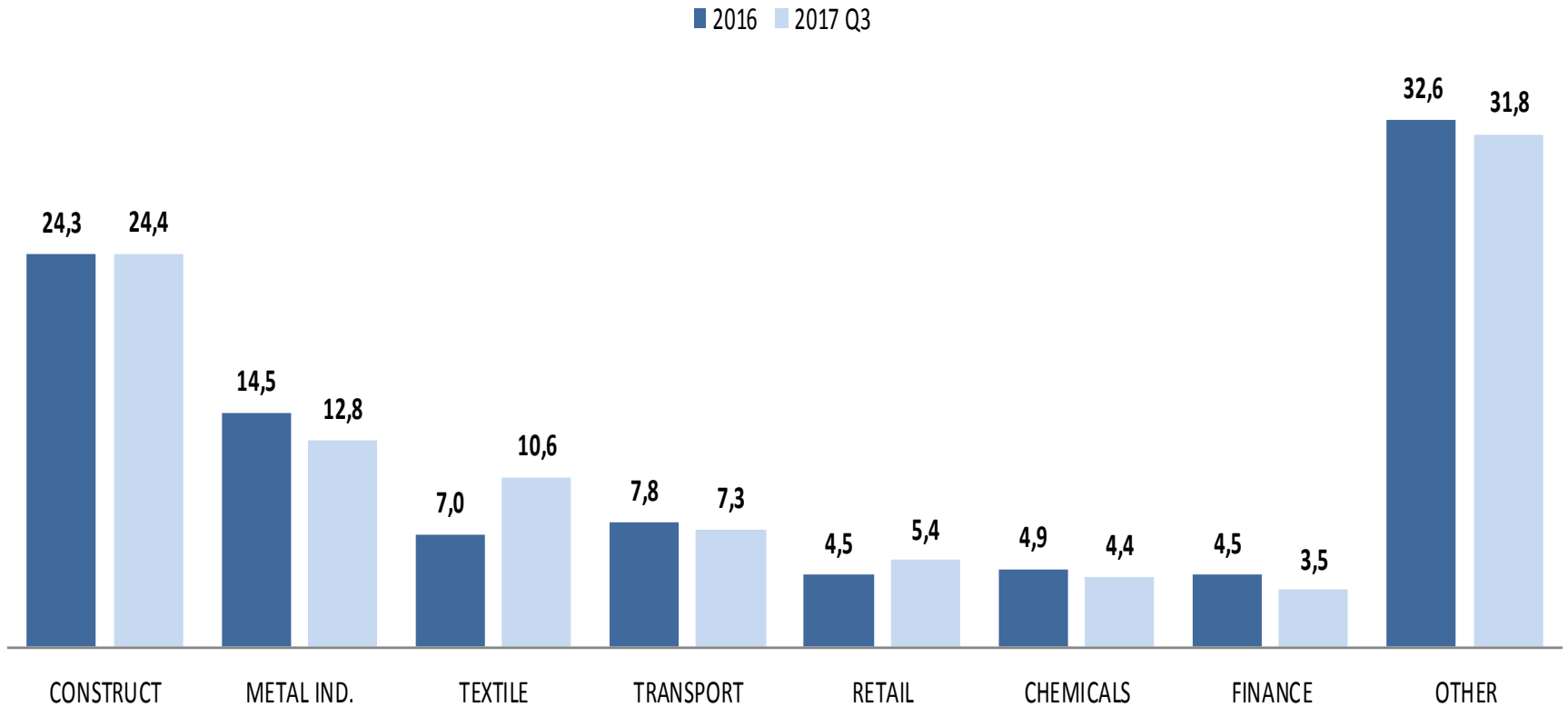


ASSET DISTRIBUTION , %



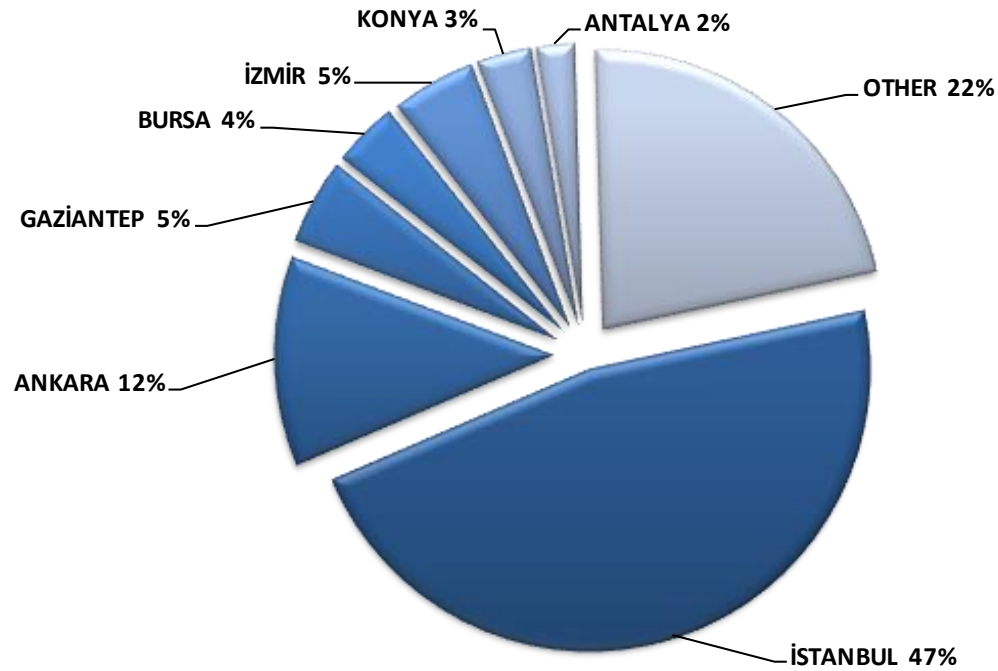


SECTORAL DISTRIBUTION , %





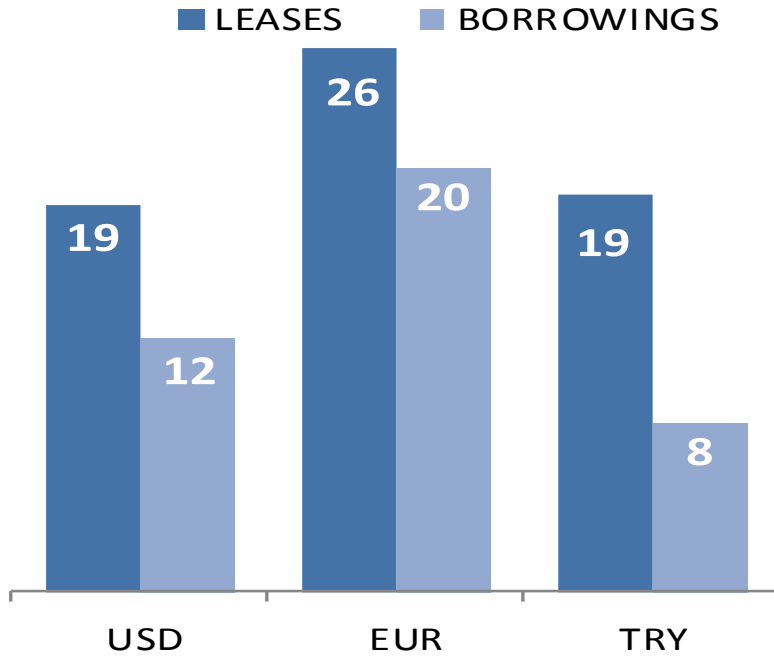
GEOGRAPHICAL DISTRIBUTION



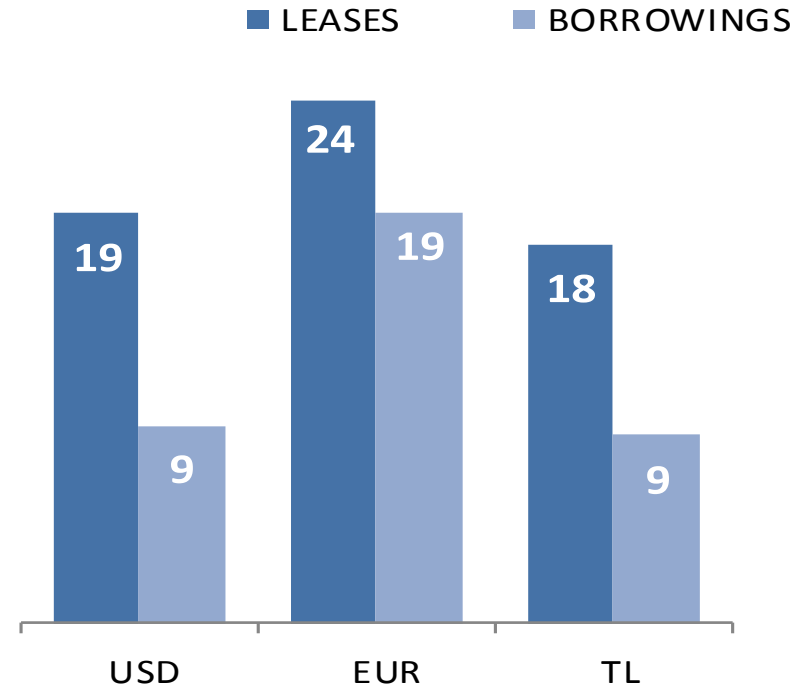


MATURITY DISTRIBUTION

2016



2017 Q3

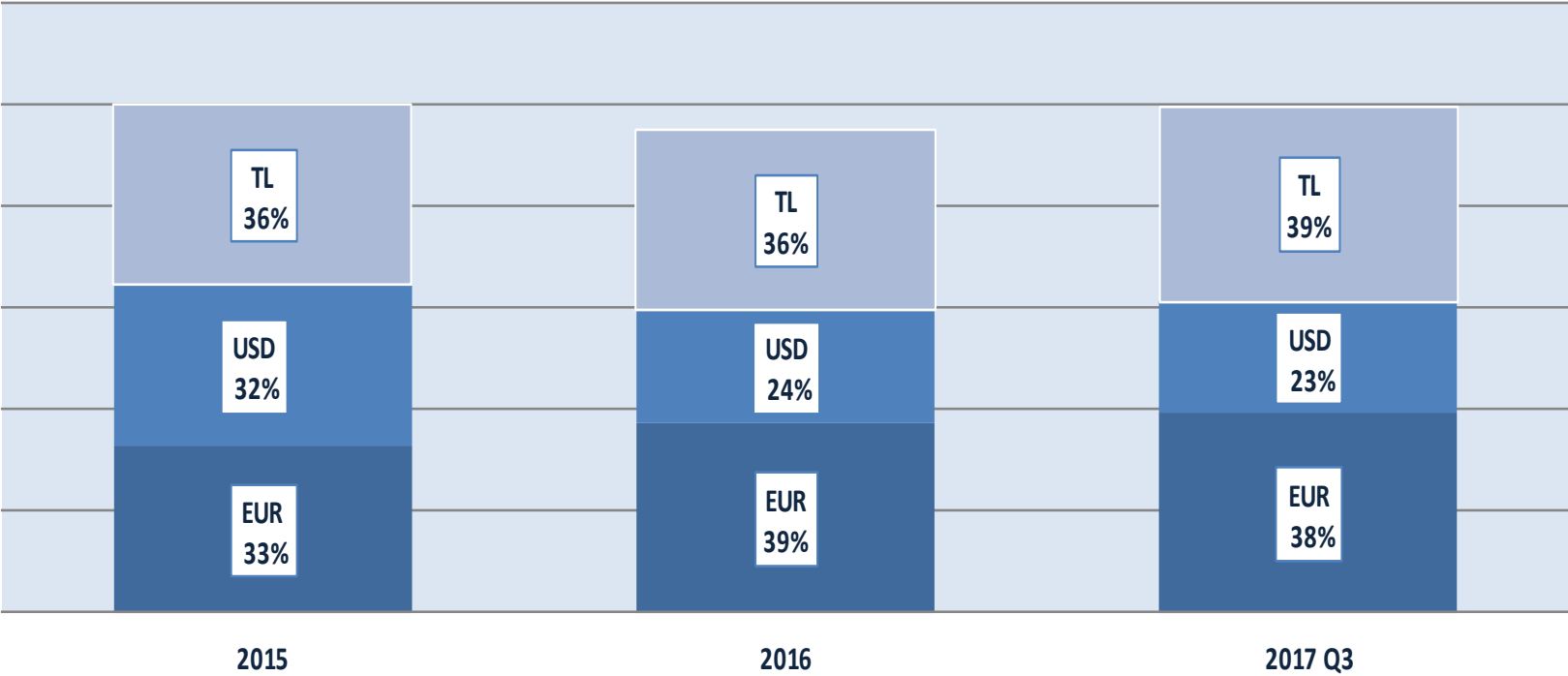


average, months

*Portion funded by equity is included.

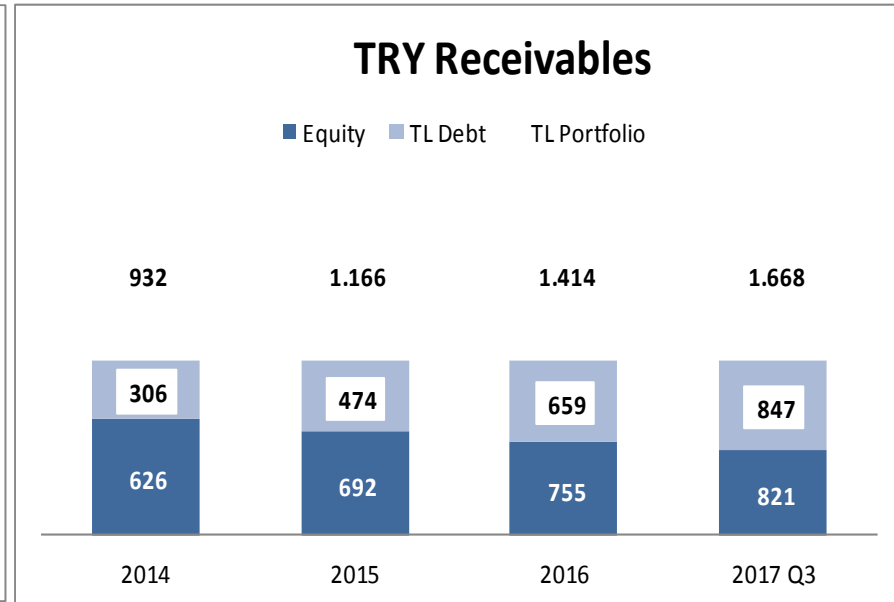
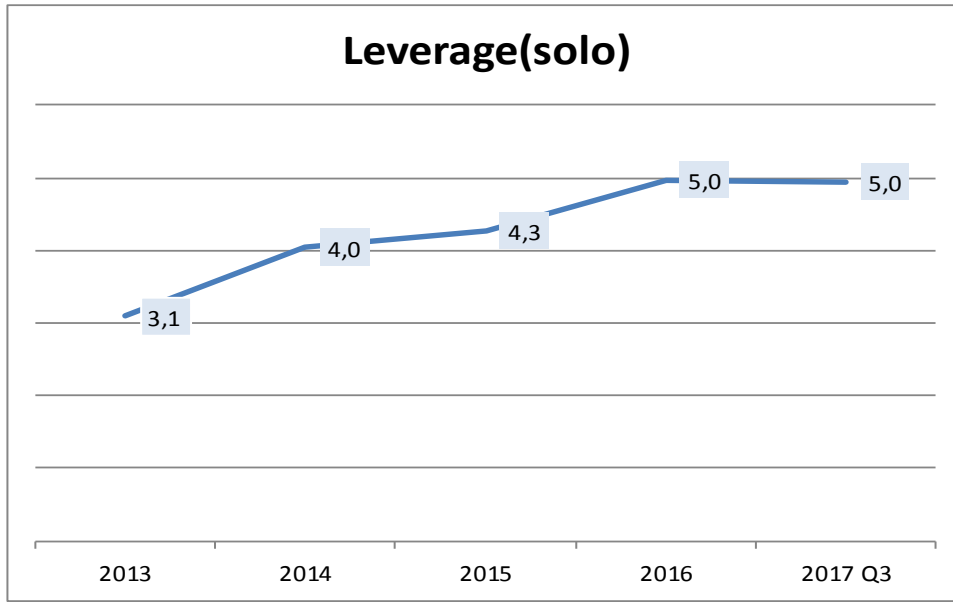


CURRENCY DISTRIBUTION





LEVERAGE



Increased leverage by gaining market share



FUNDING POLICY

- First corporate bond issuer in leasing sector, outstanding nominal balance 1.4 billion TL, maturities range between 3 months to 18 months.
- IFI and ECA Funding
 - IFC renewable energy and energy efficiency facility, World Bank EFIL- SME loans, CEB SME loans, BSTDB SME loan, ECO-Trade Bank,
- Islamic Debt Markets
 - Closed two Murabaha facilities
- Strategy aiming diversification of creditors and debt products, maturity mismatch within manageable limits
- Syndicated loans and eurobond issuance are being considered, cost of funding is key to our evaluation



Financial Performance





FINANCIAL HIGHLIGHTS

<i>TL Million, consolidated</i>	2015	2016	2016/Q3	2017/Q3	Δ
Leasing Receivables, Net	3.287	4.001	3.501	4.483	28,05%
Factoring Receivables, Net	1.951	2.984	2.425	3.500	44,33%
Non Performing Receivables	183	231	191	250	30,89%
Provisions	140	150	150	165	10,00%
Total Assets	5.581	7.480	6.399	8.386	31,05%
Financial Liabilities	4.661	6.394	5.465	7.221	32,13%
Equity	738	830	798	934	17,04%
Net Interest Income	121	146	108	62	-42,59%
Provisions Expenses	-48	-23	-13	-17	30,77%
Consolidated net Profit	82	104	77	86	11,69%
RATIOS					
NPL / Receivables	3,40%	3,23%	3,14%	3,06%	
Provision Ratio	76,30%	65,10%	78,61%	66,11%	
Cost / Income	37%	38%	38%	66%	
ROE	11,70%	13,20%	13,30%	12,99%	
ROA	1,60%	1,60%	1,70%	1,44%	



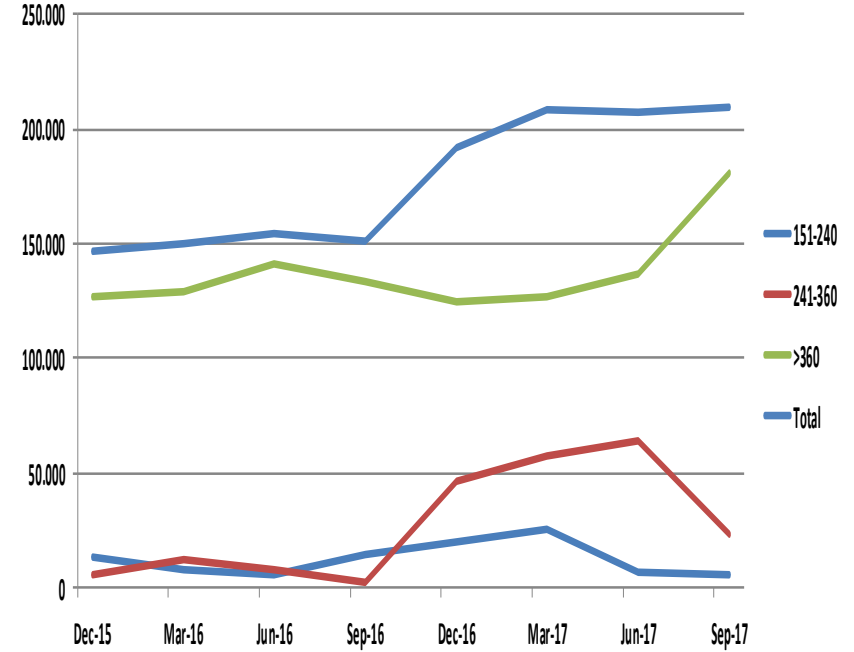
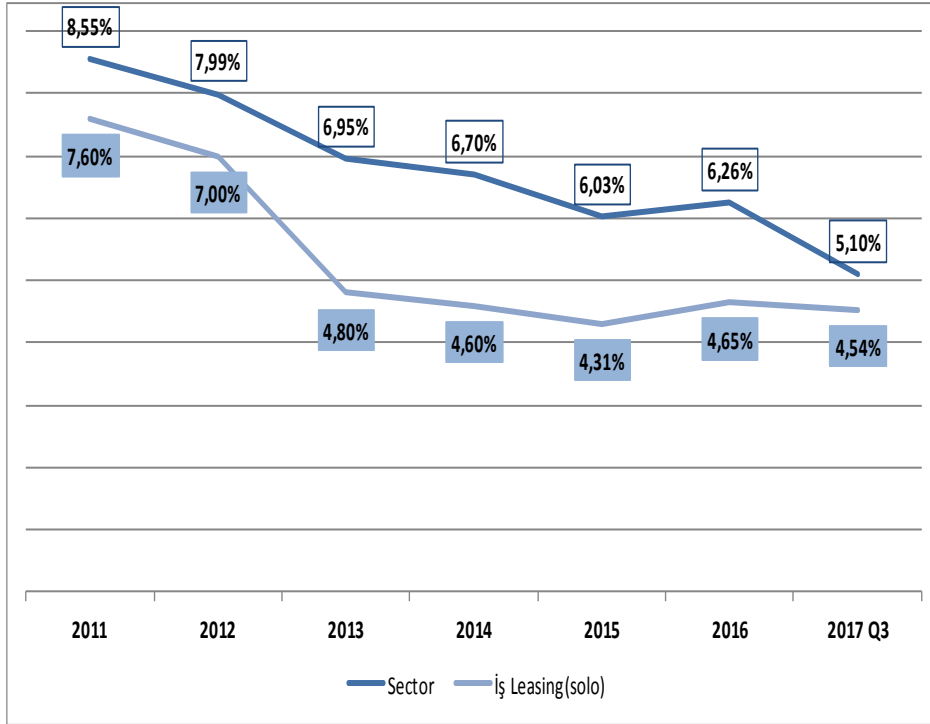
SOLO KEY FIGURES

(Million TL)	2015	2016	2016 Q3	2017 Q3		2015	2016	2016 Q3	2017 Q3	
Financial Highlights	İş				Δ	Sector				Δ
Leasing Receivables	3.249	3.921	3.465	4.399	27%	36.728	44.022	39.872	49.472	24%
Total Assets	3.656	4.508	4.000	4.884	22%	40.655	48.500	44.367	54.469	23%
Equity	692	755	733	821	12%	6.930	7.800	7.639	8.569	12%
Net Profit	81	82	61	60	-2%	809	922	765	881	15%
NPL Ratio	4,31%	4,65%	4,17%	4,54%		6,03%	6,26%	6,34%	5,10%	
Debt/Equity	4,28	4,97	4,46	4,95		4,87	5,22	4,81	5,36	
ROE *	10,29%	11,72%	13,75%	11,21%		12,35%	12,61%	13,35%	12,96%	
ROA	2,39%	2,00%	2,08%	1,71%		2,21%	2,07%	2,35%	2,28%	

*: Bonus shares from İş Factoring (19 million TL) in 2015 have been off-set



NPL



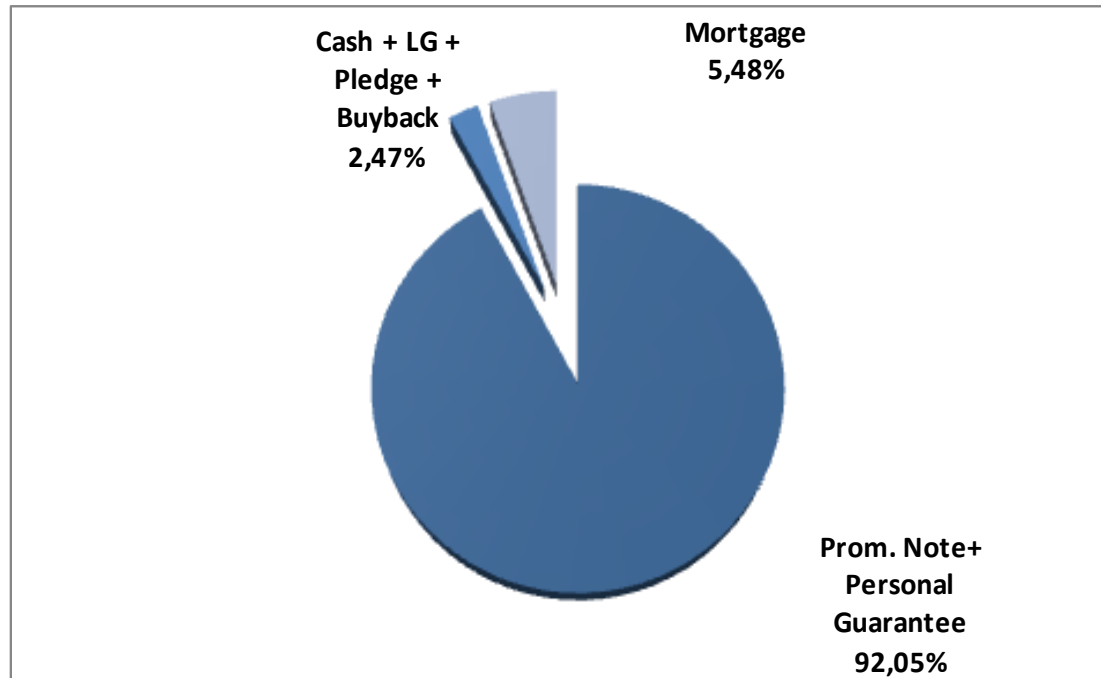
Consolidated	31.12.2015	31.12.2016	31.03.2017	30.06.2017	30.09.2017
Gross NPL /Total Receivables	3,40%	3,23%	3,28%	2,98%	3,06%
Net NPL / Net Receivables	0,83%	1,15%	1,28%	1,10%	1,06%

000 TL	LOSS RESERVE
2017 Opening	(150.231)
Reversals	2.473
New provisions	(17.236)
30.09.2017 Closing	(164.994)



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.



*Group leasing transactions excluded



RATING



Foreign Currency	
Long-Term IDR	BB+
Short-Term IDR	B
Outlook	Stable
Local Currency	
Long-Term IDR	BB+
Short-Term IDR	B
Outlook	Stable
National	
Long-Term Rating	AA + (tur)
Outlook	Stable
Support Rating	3

Corporate Governance Rating (Saha) : 9.17



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