

**Investor Presentation**  
**September 30, 2013**





# Leasing Sector in Turkey





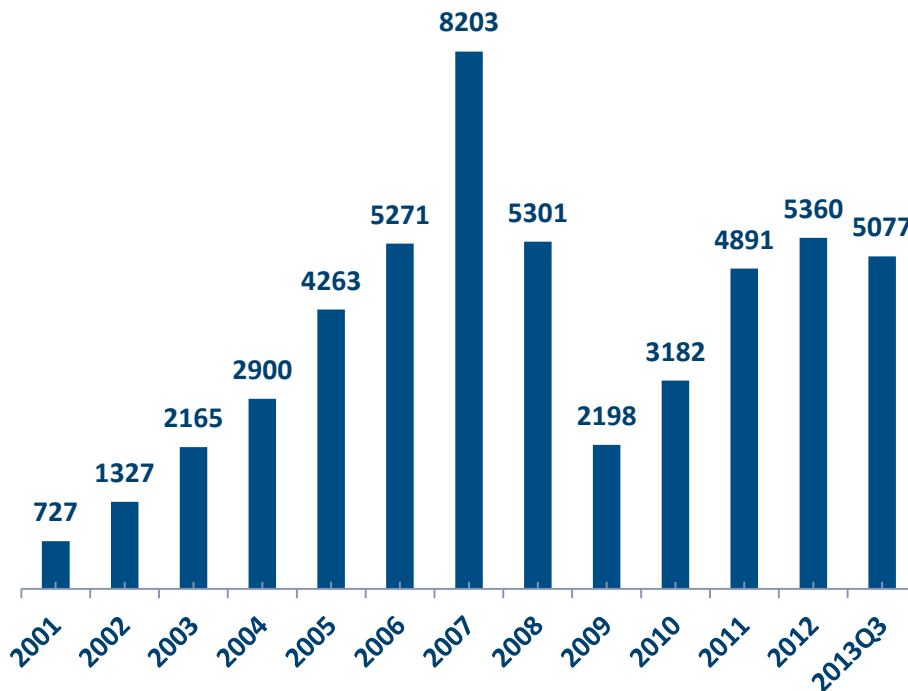
## LEASING

- ✓ 1 % VAT on selected machinery. (Finance Ministry decree dated 27/12/2011)
- ✓ New Leasing Law approved (13/12/2012, Law no: 6361). Product differentiation; Operating Leases, Sale-and-lease back...
- ✓ 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

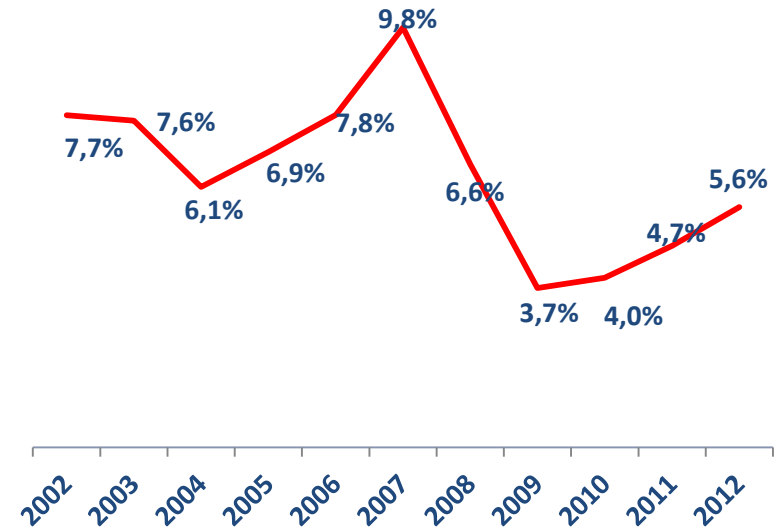
New Leasing contracts of the sector



Million USD

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

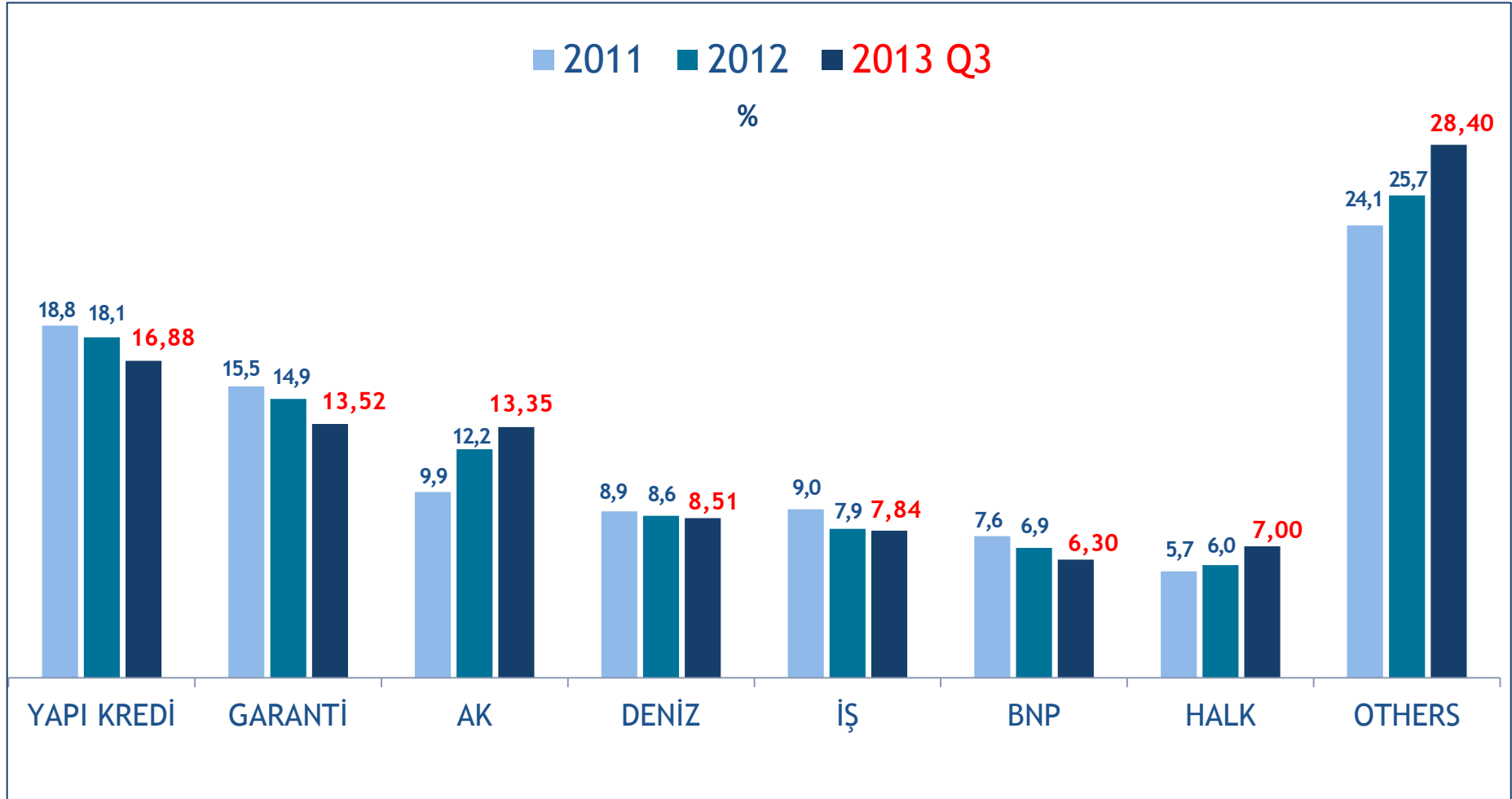
Penetration \*



\*Leasing volume/ Private sector fixed investments

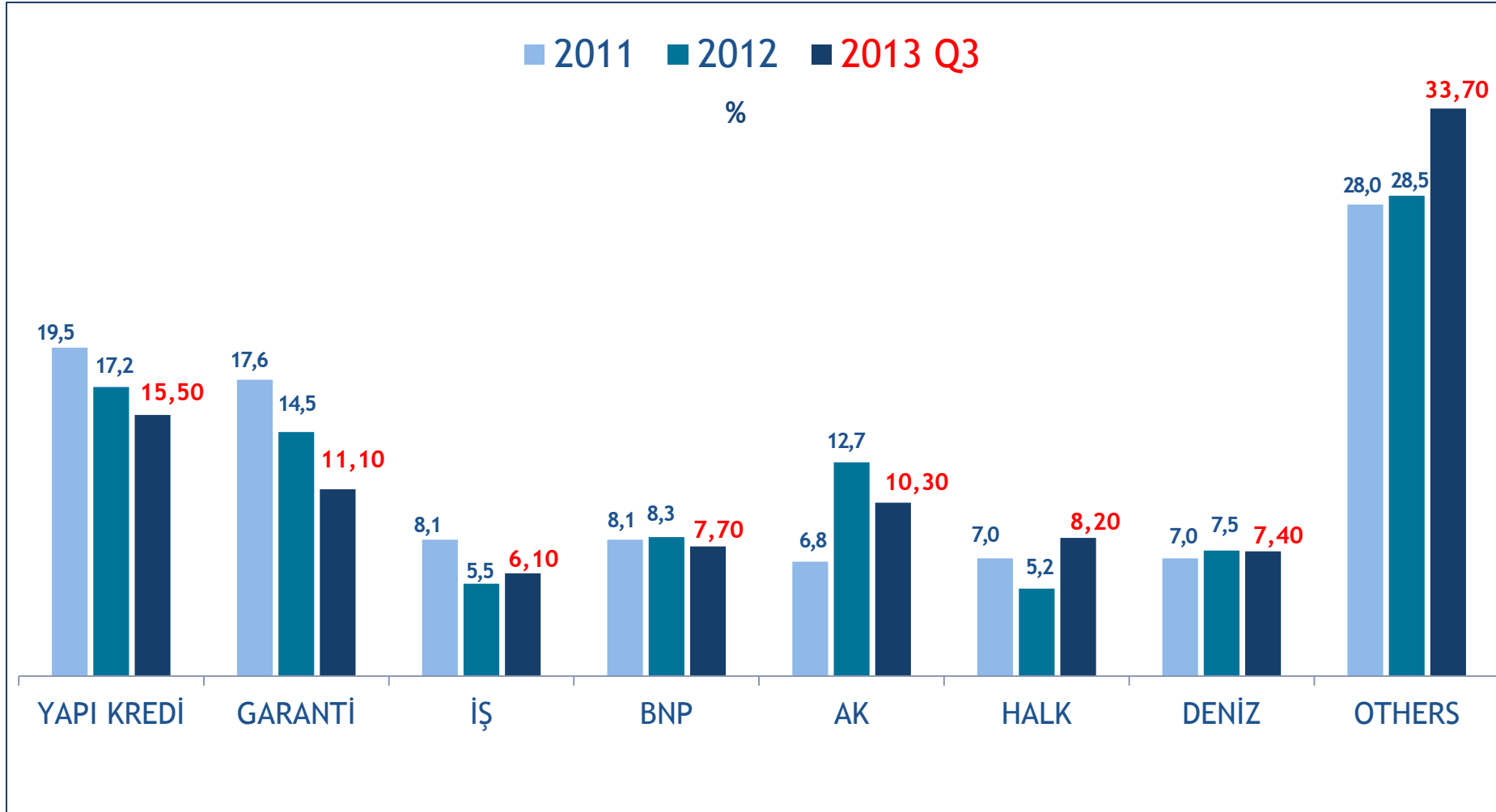


## MARKET SHARES, Leasing Receivables





## MARKET SHARES, New Leasing Transactions





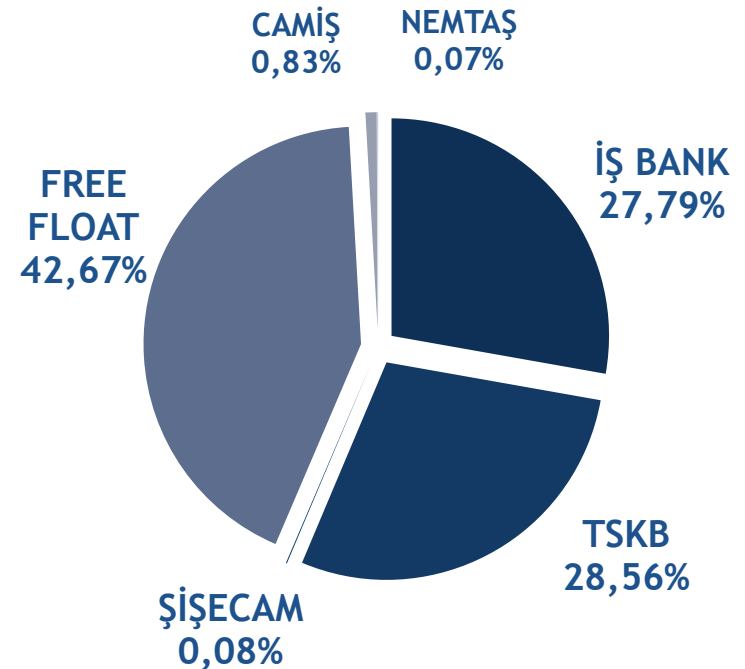
# Company Overview





## 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.



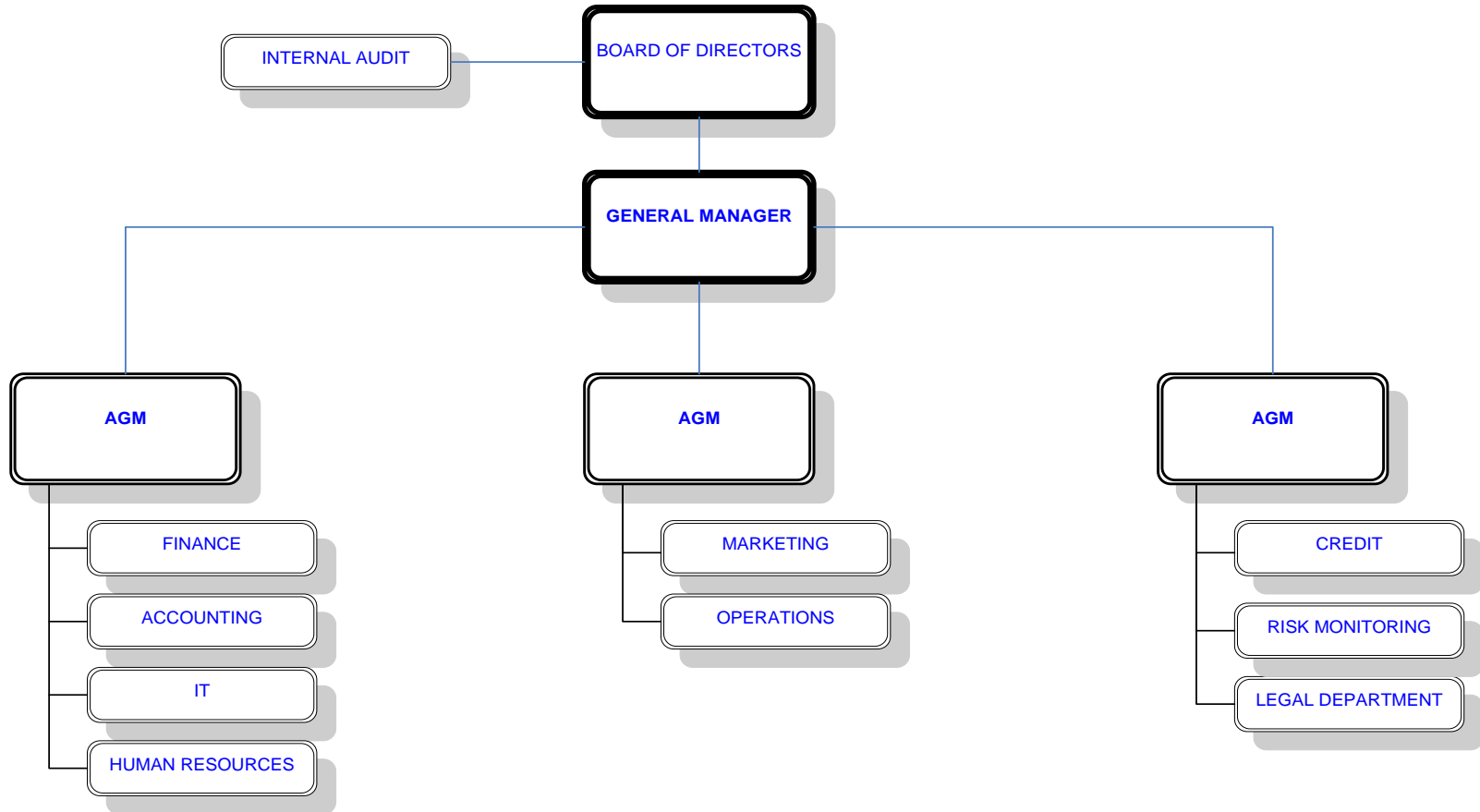


## PARTICIPATIONS

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



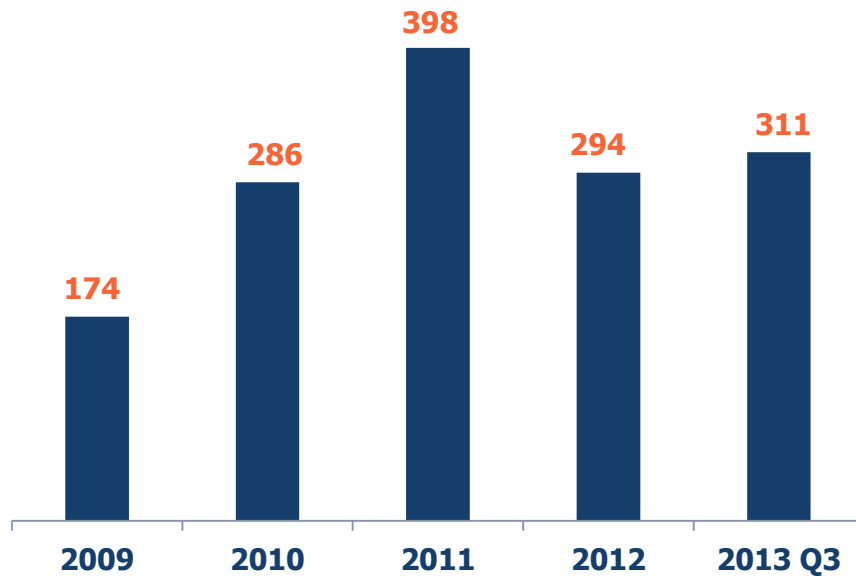


# Lease Portfolio

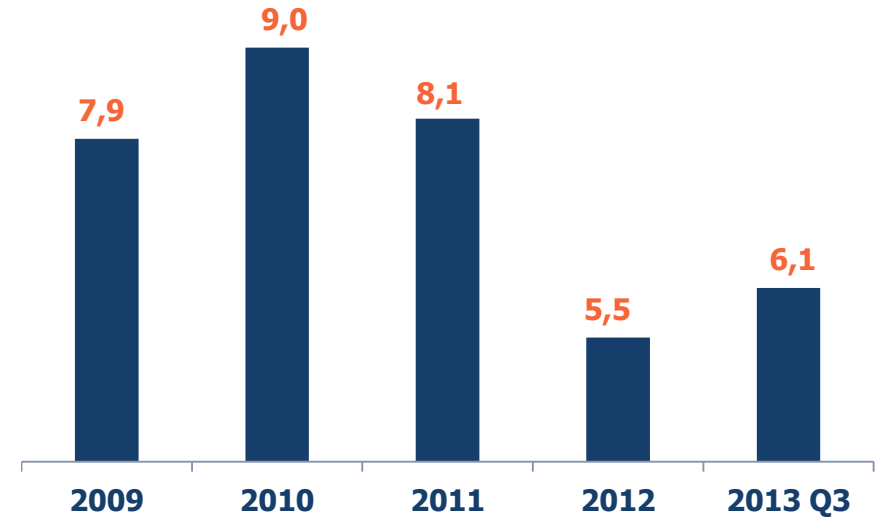




## TURNOVER & MARKET SHARE



Million USD



Percentage



## Leasing Receivables 30.September.2013

Leasing industry total receivables= \$ 11.296.534.000.-

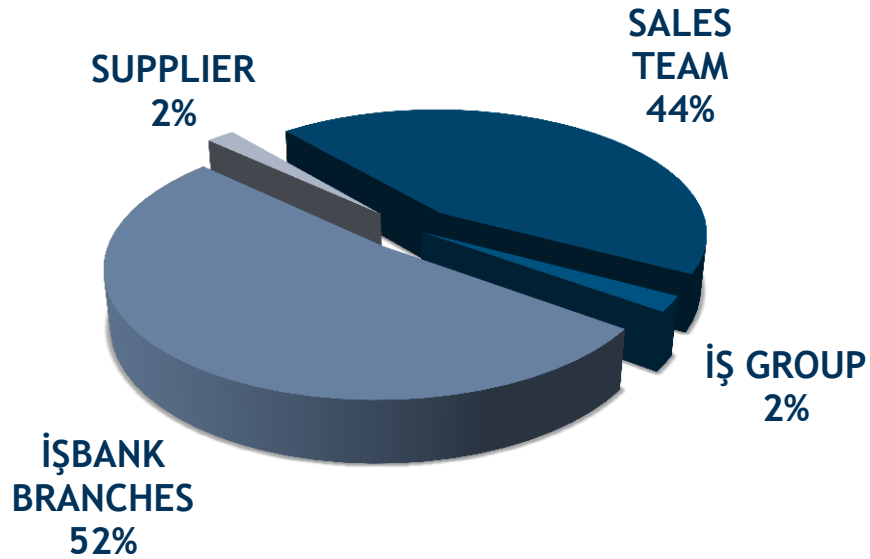
YAPI KREDİ LEASING	1.907.021	16,9 %
GARANTİ LEASING	1.527.612	13,5 %
AKLEASE	1.507.806	13,3 %
DENİZ LEASING	961.457	8,5 %
<b>İŞ LEASING</b>	<b>885.111</b>	<b>7,8 %</b>
HALK LEASING	793.320	7,0 %
BNP PARIBAS LEASING	712.245	6,3 %
ZİRAAT LEASING	602.778	5,3 %
FİNANS LEASING	587.732	5,2 %
VAKIF LEASING	434.875	3,8 %

Source : Fider

000 USD



## SALES CHANNELS

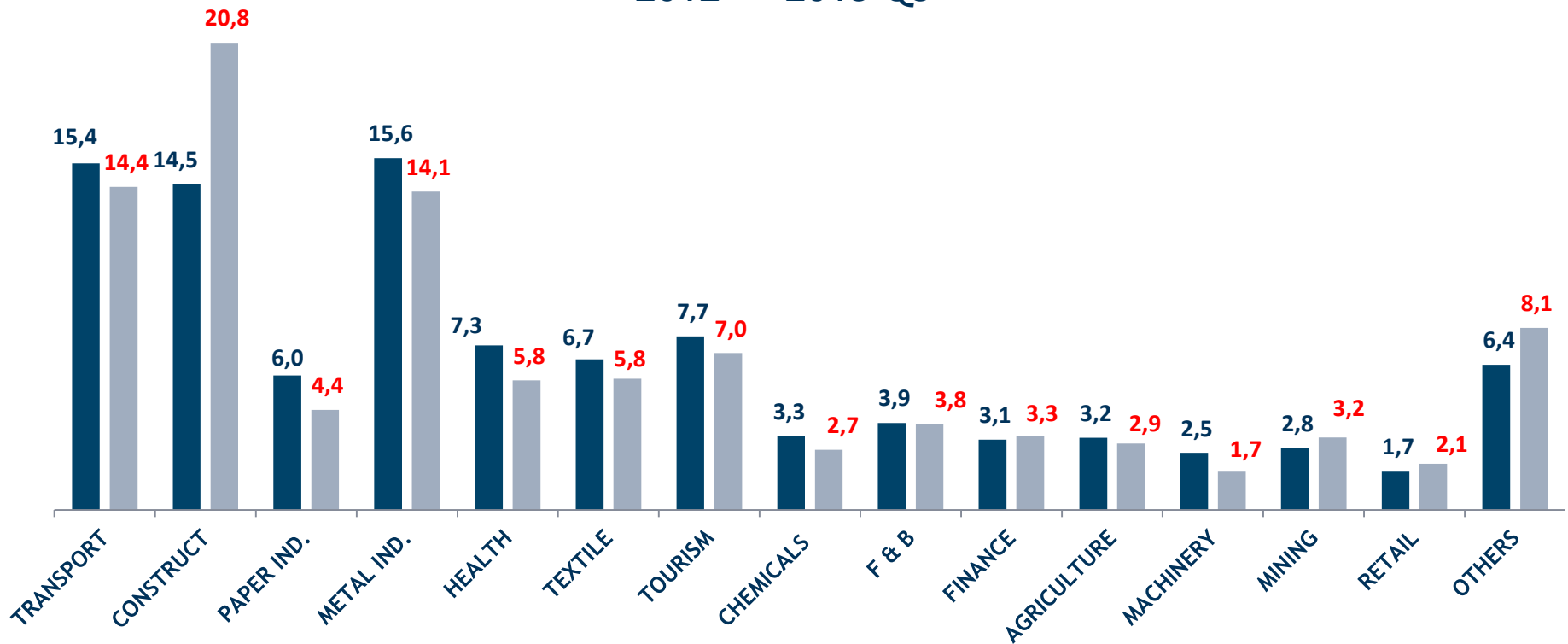


*İşbank has 1,250 branches*



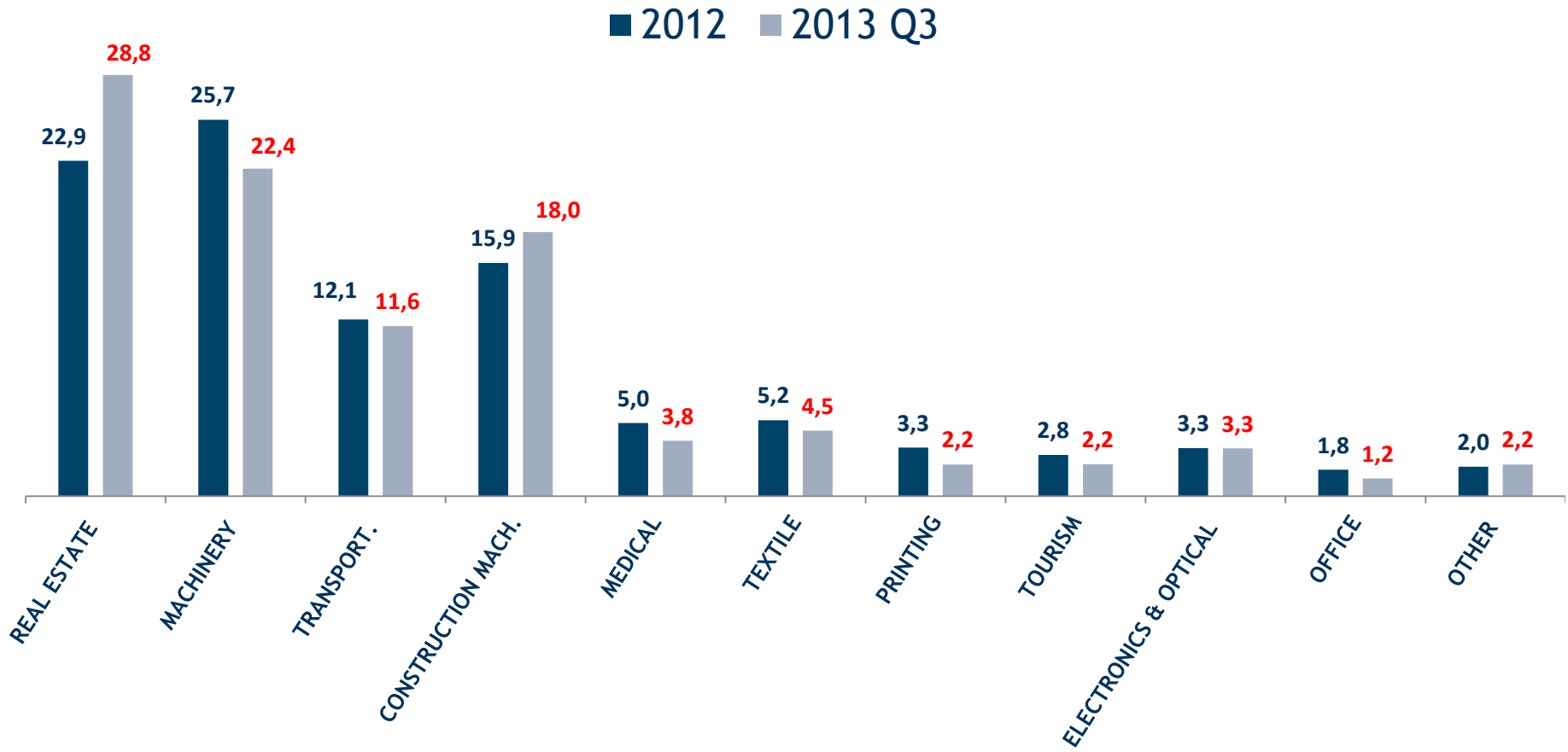
## SECTORAL DISTRIBUTION , %

■ 2012 ■ 2013 Q3





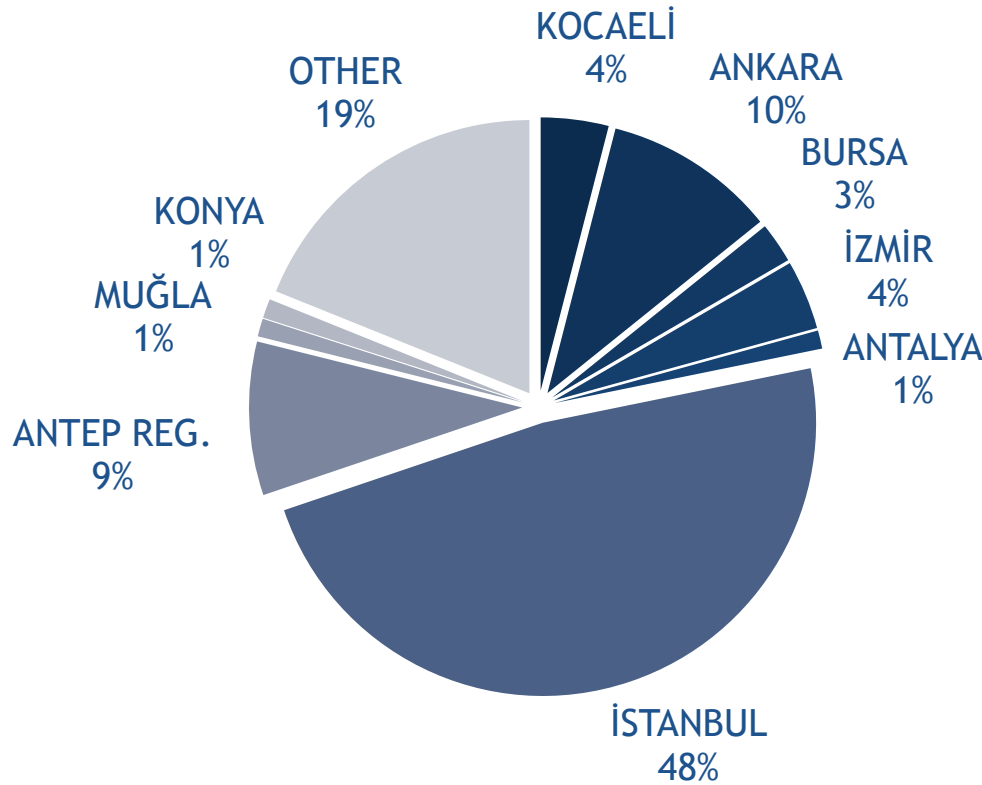
## ASSET DISTRIBUTION , %







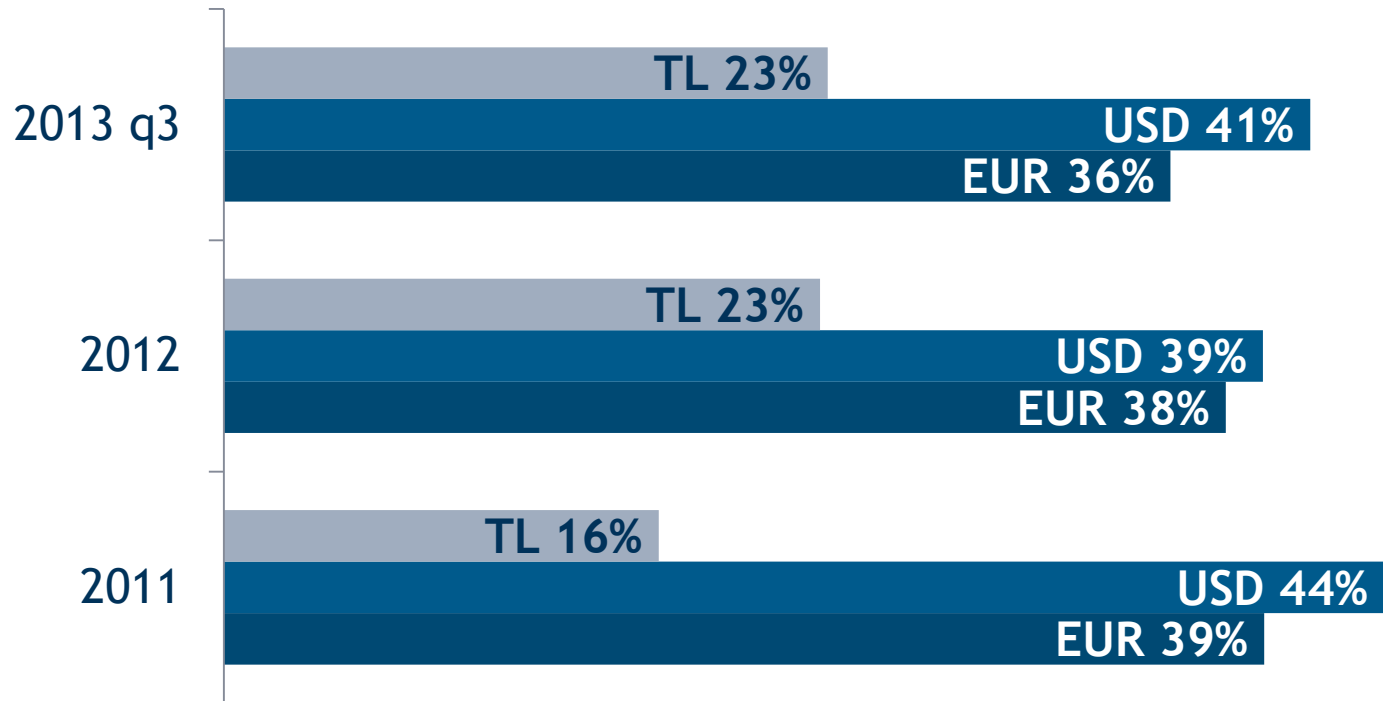
## GEOGRAPHICAL DISTRIBUTION



OFFICES	SALES STAFF
Head Office	2
Istanbul Europe	7
Istanbul Asia	8
Ankara Rep. Office	7
Antep	7
Bursa	3
İzmir	5
Antalya	4
<b>TOTAL SALES STAFF</b>	<b>43</b>
<b>TOTAL HEADCOUNT</b>	<b>116</b>

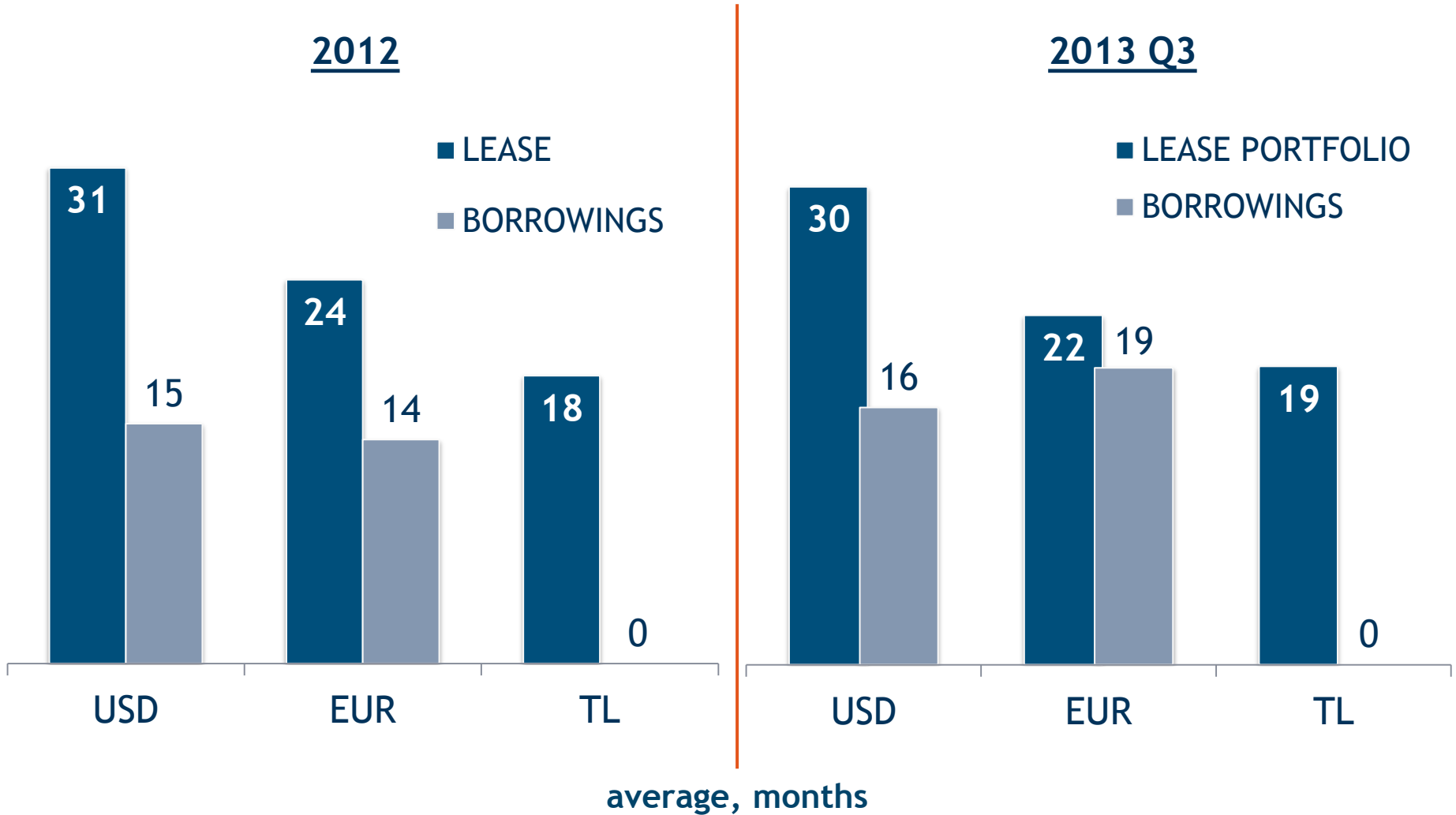


## CURRENCY DISTRIBUTION





## MATURITY DISTRIBUTION





## FUNDING POLICY

- ✓ 30 % of debt portfolio is funded via İşbank. İşbank has available lines to fund İş Leasing when necessary.
- ✓ İş Leasing completed 4 corporate bond issuances amounting 300 million TRY. Terms were 12 and 24 months.
- ✓ IFC renewable energy and energy efficiency facility of 40 million US\$ in 2013.
- ✓ Tapped Islamic Debt market and closed two Murabaha facilities in 2012 and 2013.
- ✓ Bilateral lines from local and foreign banks, SME funds of development banks and World Bank, ECA loans are other major other sources of funding.
- ✓ Syndicated loans and other structured loans will be considered again at competitive pricing levels. 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 2012	30 September 2013
Leasing Receivables, Net	1,391	1,848
Factoring Receivables, Net	1,015	912
Non Performing Receivables	113	126
Provisions	-69	-78
Total Assets	2,820	3,107
Financial Liabilities	2,213	2,388
Equity	566	611
<b>Income Statement</b>		
Net Interest Income	67	62
Provisions	-22	-10
Operating Expenses	-24	-22
İş Leasing solo Profit	37,2	56,5
Consolidated net Profit	41	45
<b>RATIOS</b>		
Non Performing Loans/ Receivables	4,6%	4,5%
Provision Ratio	61,2%	62,1%
Return On Equity	7,5%	10,2%



## BALANCE SHEET (consolidated) mio TL

Million TRY	2011	2012	2013 Q3		2011	2012	2013 Q3
<b>Current Assets</b>				<b>Current Liabilities</b>			
Cash and Cash Equivalents	309.6	317.2	261.9	Short Term Liabilities	1353.4	1874.7	1572.6
Trading Securities(net)	12	8.7	3.9	Trade Payables	15.1	14.8	20.1
Leasing Receivables(net)	418.9	462.4	600.3	Advances Received	7.8	8.4	15.6
Factoring Receivables (net)	404.7	1014.9	911.6	Corporate Tax Payable	3.4	4.6	2.1
Other Current Assets(net)	22.6	9.7	10.1	Other Current Liabilities	20.3	10.1	67.2
<b>Total Current Assets</b>	<b>1167.6</b>	<b>1812.9</b>	<b>1787.8</b>	<b>Total Current Liabilities</b>	<b>1400</b>	<b>1912.6</b>	<b>1677.6</b>
<b>Long Term Assets</b>				<b>Long Term Liabilities</b>			
Leasing Receivables (net)	979.6	928.3	1248	Long Term Borrowings	319.3	338.7	815.4
Assets for Sale(net)	20.2	25.6	25.6	Reserves for emp. benefits	2,7	3.2	3.7
Deferred Tax Assets(net)	72.5	51.4	43.3	Total Long Term Liabilities	<b>322</b>	<b>341.9</b>	<b>819.1</b>
Fixed Assets (net)	1.1	1.3	1.8	Minority Interest	11.5	13	14.8
Other Long Term Assets	1.0	0.8	0.8	<b>Equity</b>			
<b>Total Long Term Assets</b>	<b>1074.4</b>	<b>1007.4</b>	<b>1319.5</b>	Capital	339	389	424.4
				Reserves	117	123	126.3
				Net Profit For The Year	52.5	40.8	45.1
				Total Shareholder's Equity	<b>508.5</b>	<b>552.8</b>	<b>595.8</b>
<b>TOTAL ASSETS</b>	<b>2242</b>	<b>2820.3</b>	<b>3107.3</b>	<b>TOTAL LIABILITIES</b>	<b>2242</b>	<b>2820.3</b>	<b>3107.3</b>



## INCOME STATEMENT (consolidated) 000 TL

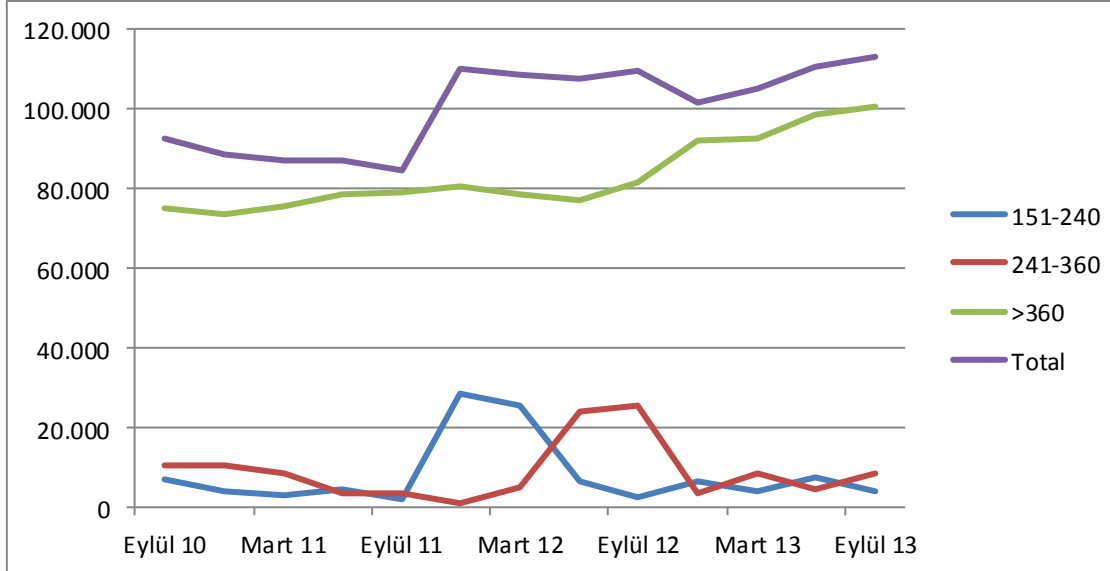
Million TRY	2011	2012	2013/Q3
Interest Income	100,636	106,067	96,867
Interest Expense	(79,613)	(96,954)	(77,033)
Foreign Currency Gains/(Losses)	9,927	24,758	21,244
<b>Total</b>	<b>30,950</b>	<b>33,872</b>	<b>41,078</b>
Factoring Income	34,801	51,984	41,963
General and Administrative Expenses	(21,978)	(24,363)	(22,033)
Provision Expenses	(15,273)	(22,058)	(10,431)
Other income/(expenses) (net)	32,275	15,141	7,167
<b>Profit before taxation</b>	<b>60,774</b>	<b>54,576</b>	<b>57,744</b>
Tax	(6,508)	(12,775)	(10,613)
<b>Profit after taxation</b>	<b>54,266</b>	<b>41,800</b>	<b>47,131</b>
Minority Interest	(1,793)	(995)	(2,038)
<b>Net Profit for the Year</b>	<b>52,473</b>	<b>40,805</b>	<b>45,093</b>





## NPL

Consolidated	2010	2011	2012	2013 Q3
Gross NPL / Total Receivables	% 6,9	% 6,1	% 4,6	% 4,9
Net NPL / Net Receivables	% 3,5	% 2,9	% 1,8	% 2,0



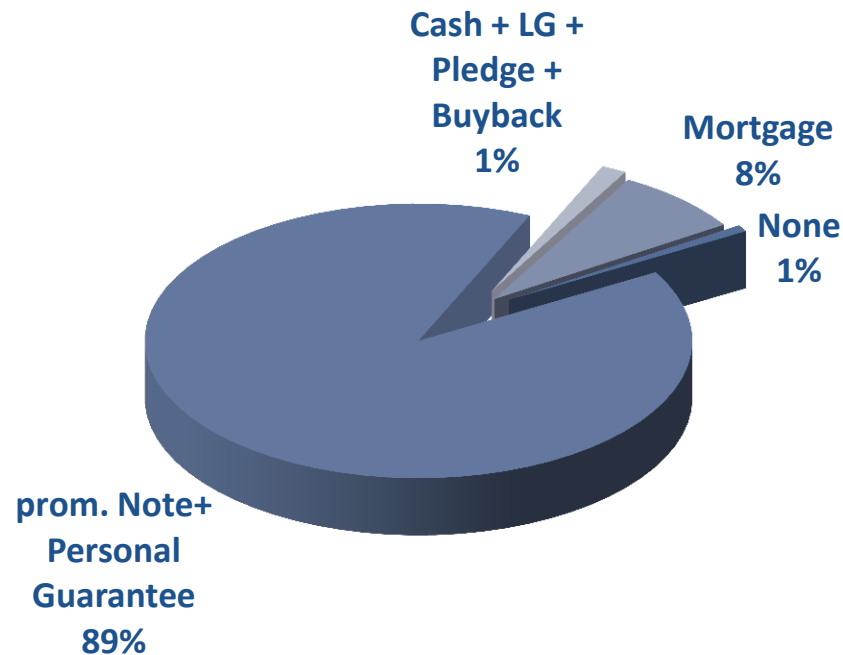
000 TL	LOSS RESERVE
2013 Opening	(57.966)
Reversals	180
New provisions	(7.376)
Write-off	-
Transfer	-
<b>30.09.2013 Closing</b>	<b>(65.162)</b>



## COLLATERALS\*

- Leased asset, since legally possessed by the lessor, is a collateral. 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	AAA (tur)
Outlook	Stable
Support Rating	2



## DISCLAIMER

The information in this document has been obtained by İş Finansal Kiralama A.Ş. (“İş Leasing”) from sources believed to be reliable, however, İş Leasing can not guarantee the accuracy, completeness, or correctness of such information. This document has been issued for information purposes only. The financial reports and statements announced by İş Leasing to the public and the relevant corporations are accepted to be the sole material. İş Leasing does not accept any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents due to the misleading information in this document. All estimations, if any, contained in this document are the opinions of İş Leasing and can be subject to change without notice. This document can not be interpreted as an advice to the investors and İş Leasing can not be held responsible for the results of the investment decisions made on the account of this document.