

Investor Presentation

June 30, 2012





Leasing Sector in Turkey



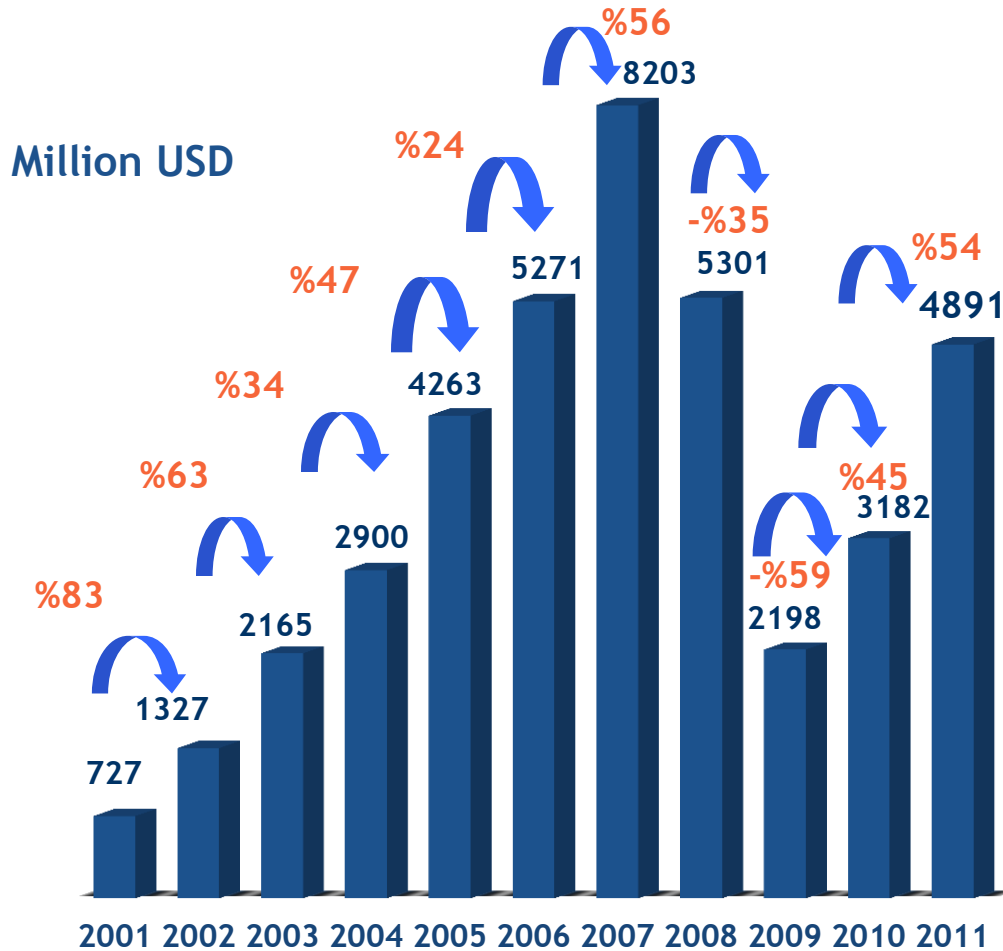


ADVANTAGES OF LEASING

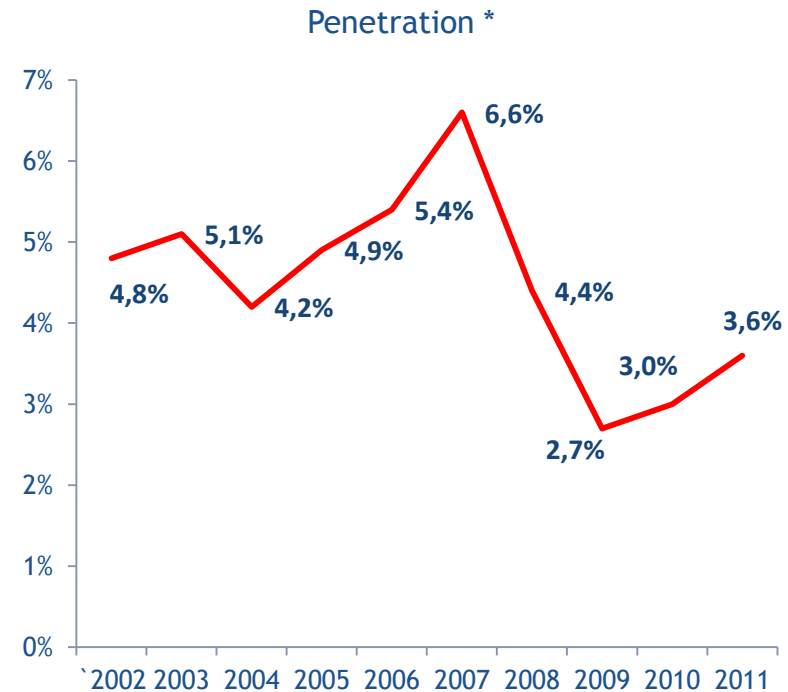
- ✓ 1 % VAT on selected machinery. (Finance Ministry decree dated 27/12/2011)
- ✓ Expertise on SMEs, consultancy and know-how support in addition to funding.
- ✓ FX borrowing option (Bank FX loans have some restrictions)
- ✓ Fast credit approvals (leased asset ownership), flexible payment plans.
- ✓ Banks can fund up to %50 of commercial real estate but there is no limit for leasing companies. (BRSA regulation dated 16/12/2010)



TURNOVER



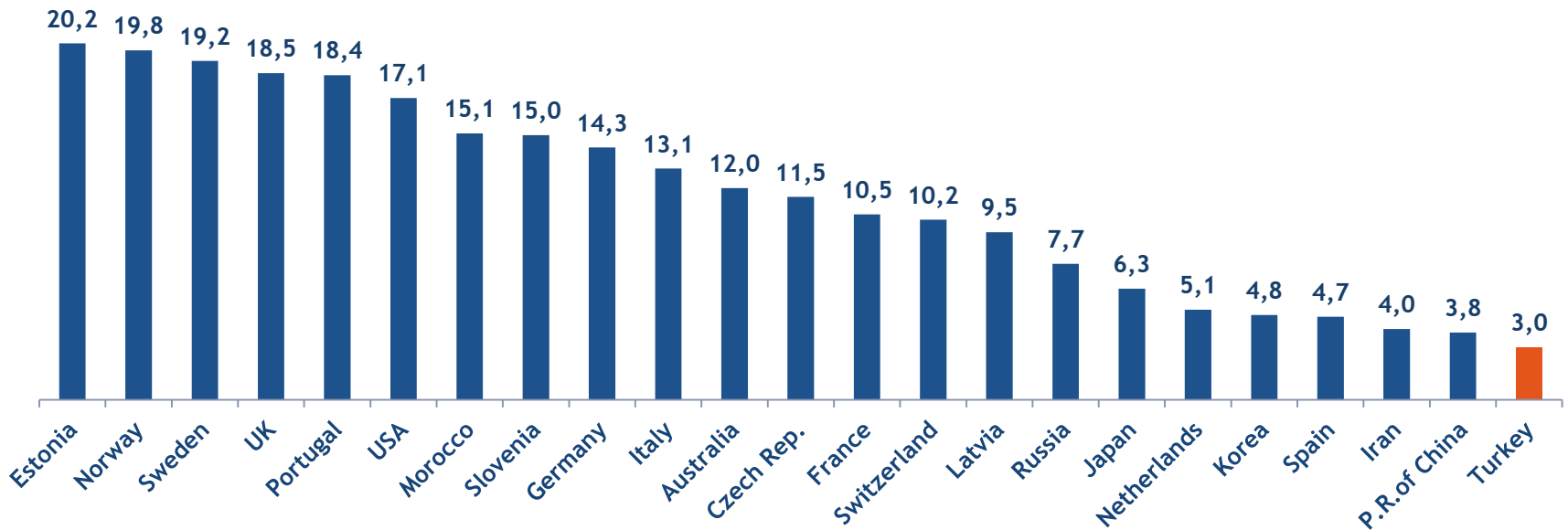
Leasing penetration is still at low levels compared to EU average of 15% and North America average of 18%.



*Leasing volume / Private sector fixed investments (Buildings excluded)

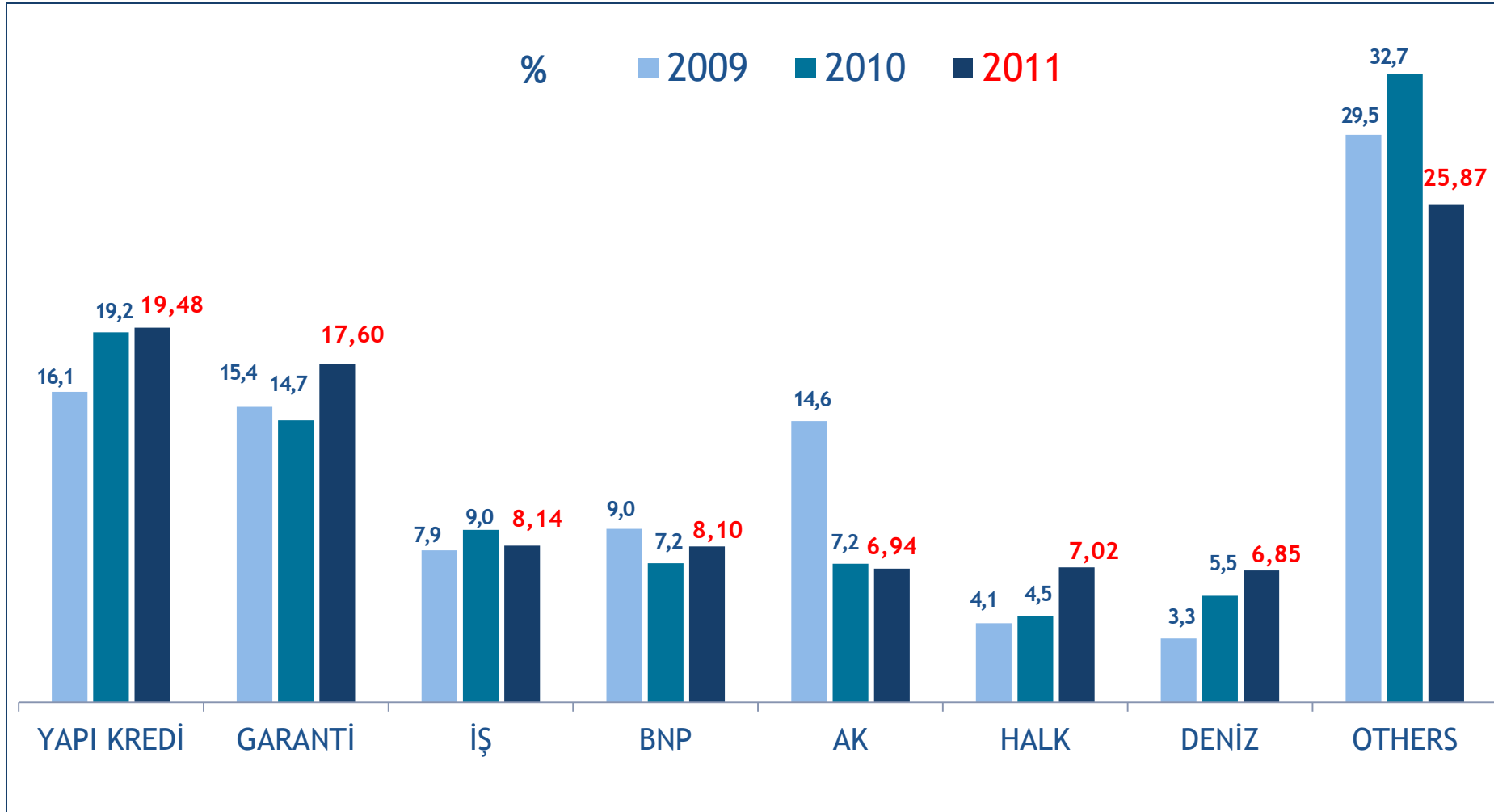


LEASING PENETRATION RATES COMPARED 2010





MARKET SHARES, New Leasing Transactions





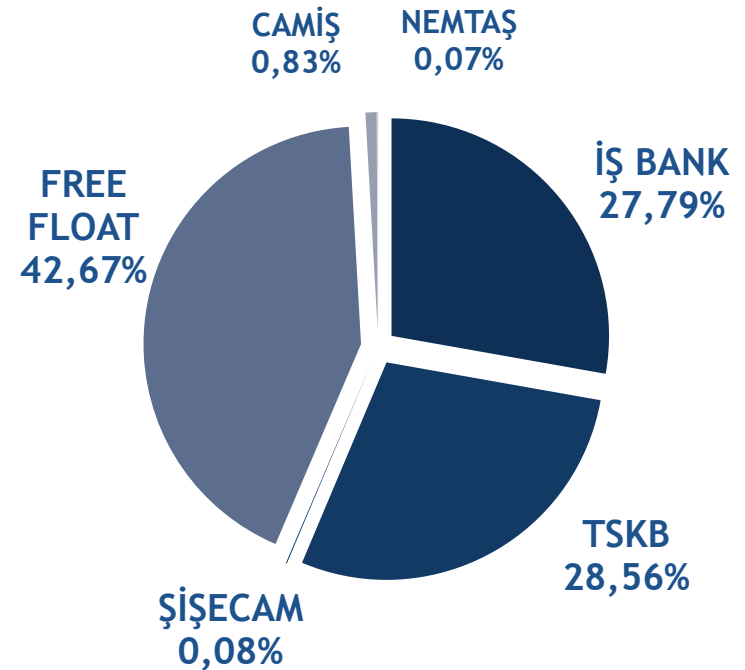
Company Overview





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.

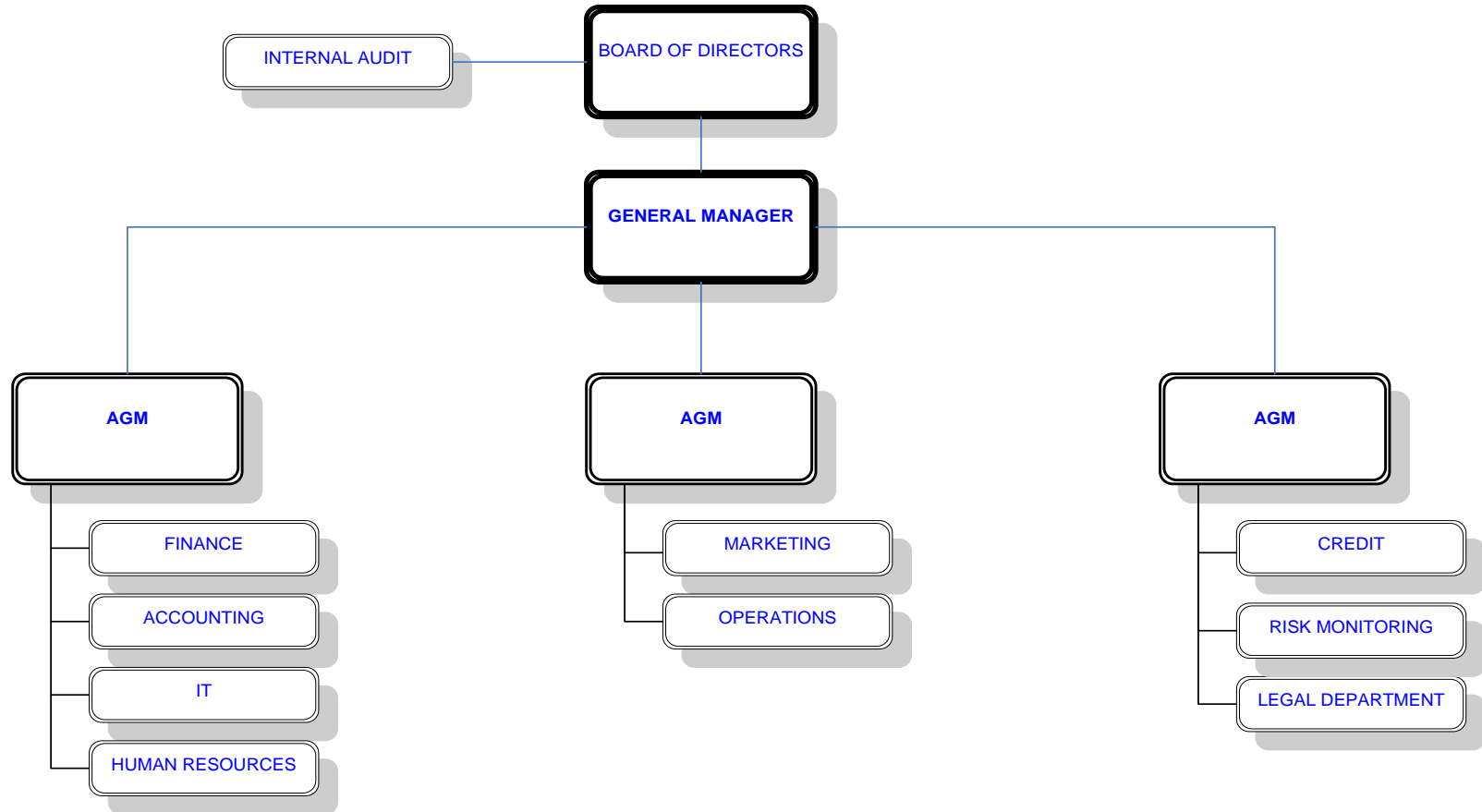


PARTICIPATIONS

Equity Participations	Total Share Capital (TRY)	İş Leasing (TRY)	Share (%)
İş Yatırım Menkul Değerler A.Ş.	200,000,000	4,864,851	2.43
Camiş Menkul Değerler A.Ş.	4,696,000	2,471	0.05
Subsidiaries	Total Share Capital (TRY)	İş Leasing (TRY)	Share (%)
İş Factoring Finansman Hiz. A.Ş.	16,000,000	12,517,000	78.23



ORGANIZATION CHART



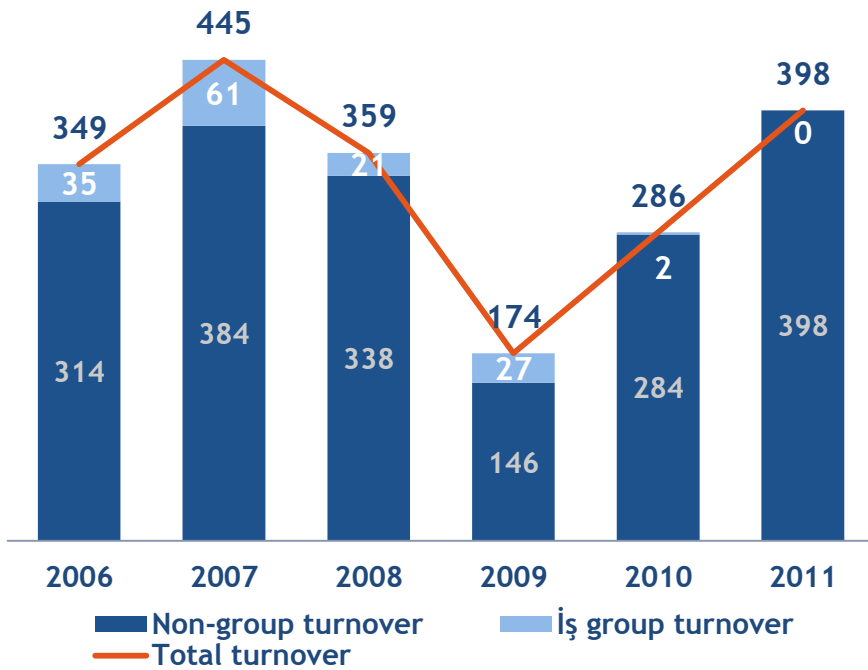


Lease Portfolio

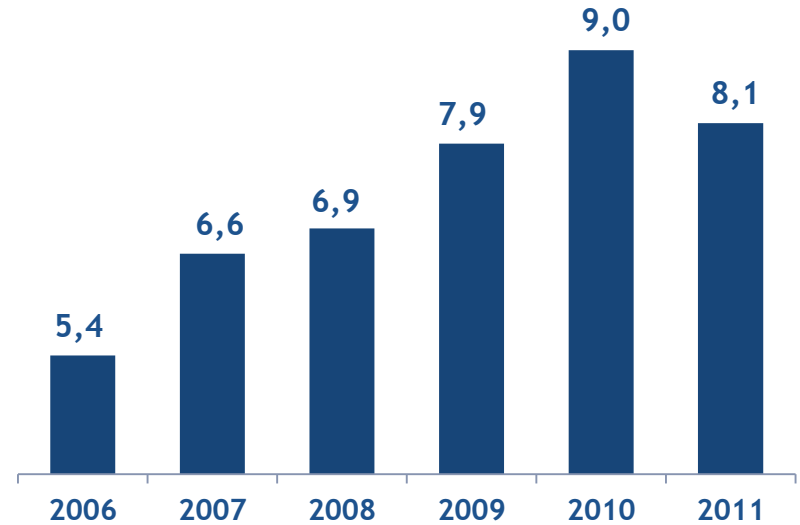




TURNOVER & MARKET SHARE



Million USD



Percentage



2012 H1 Leasing Volumes

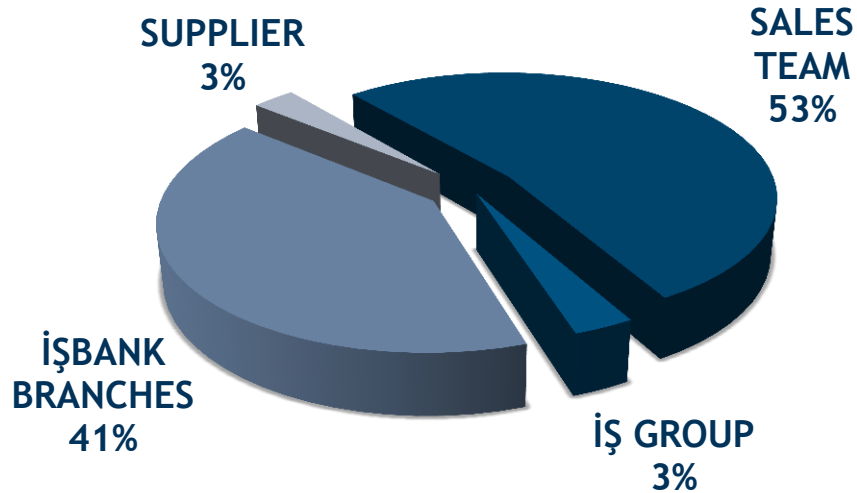
2012 H1 total volume was \$ 2,594,550

	Share %	Leasing volume \$
YAPI KREDİ LEASING	17,8 %	462.411
GARANTİ LEASING	14,3 %	373.252
BNP PARIBAS	10,2 %	263.978
AKLEASE	9,9 %	255.839
DENİZ LEASING	7,7 %	199.986
FİNANS LEASING	6,2 %	161.478
İŞ LEASING	5,1 %	133.165
ZİRAAT LEASING	4,7 %	121.434
HALK LEASING	3,8 %	119.030
SIEMENS LEASING	3,0 %	76.977

A time lag of 2-3 months on average exists between leasing agreement and start of rental payments (delivery). The decrease in İş Leasing's transaction volume in Q1 mainly resulted from the increased risk awareness in the last 2 months of 2011 when the European debt crisis was moving to an unpredictable outcome.



SALES CHANNELS

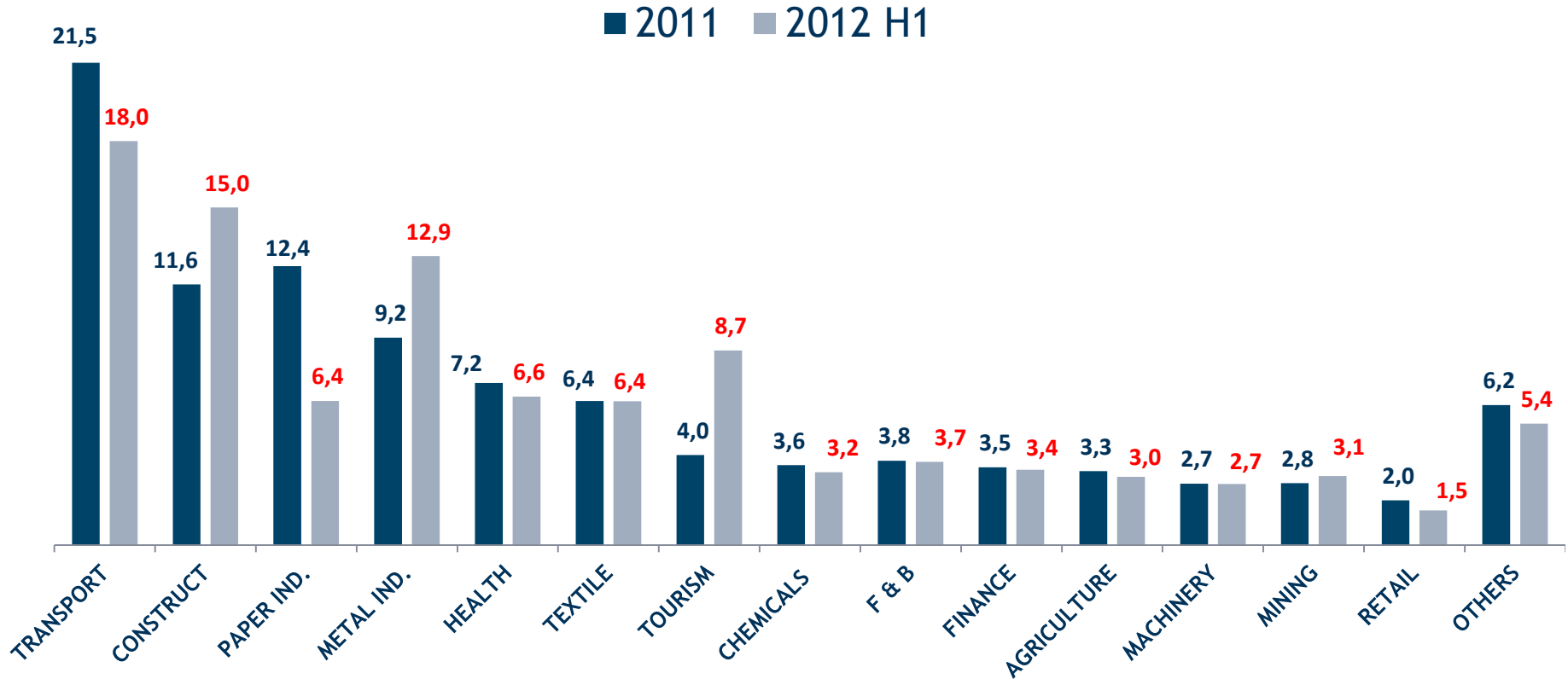


İşbank has 1,184 branches

No of customers in CRM database	58.280
Customers with outstanding leasing transaction	4.107

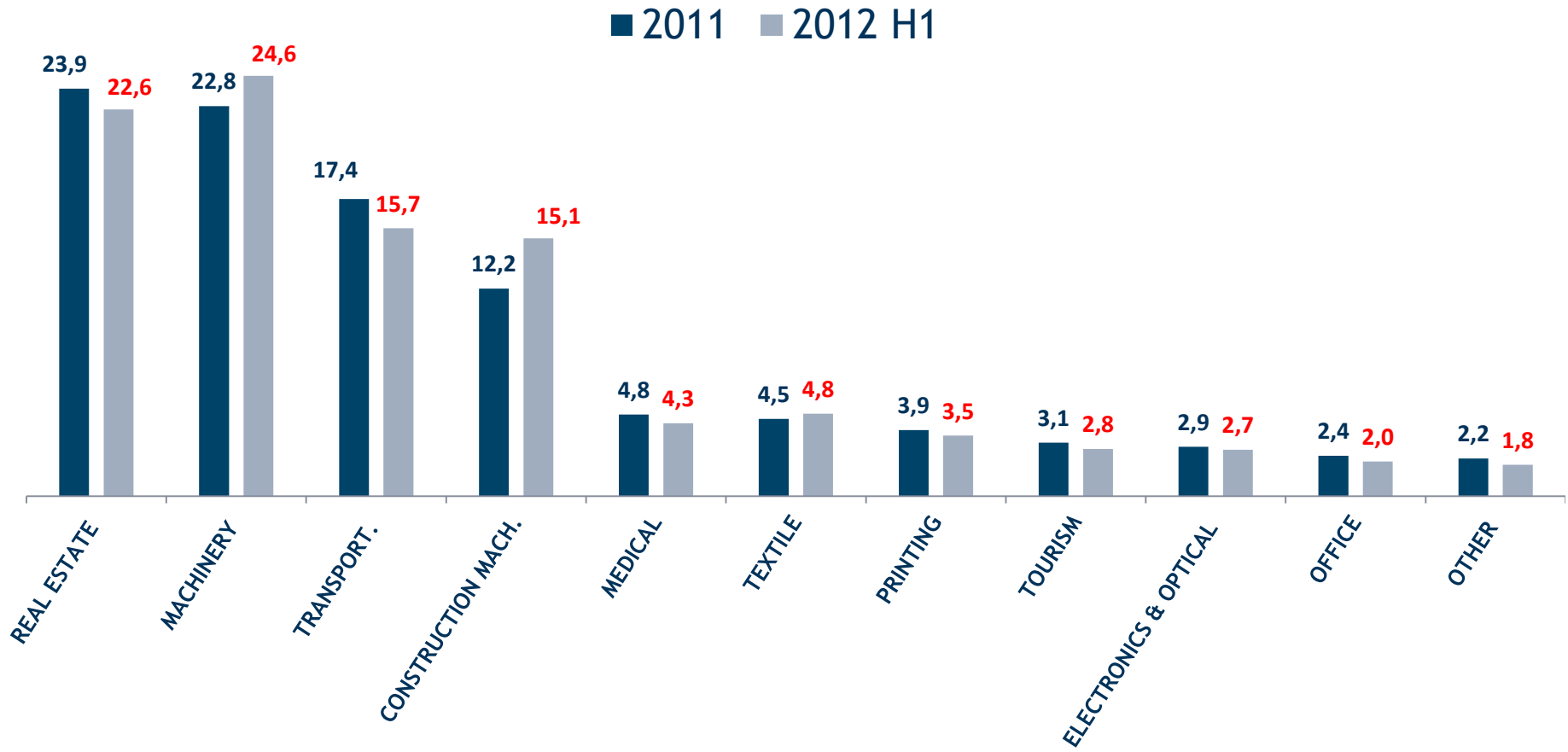


SECTORAL DISTRIBUTION , %



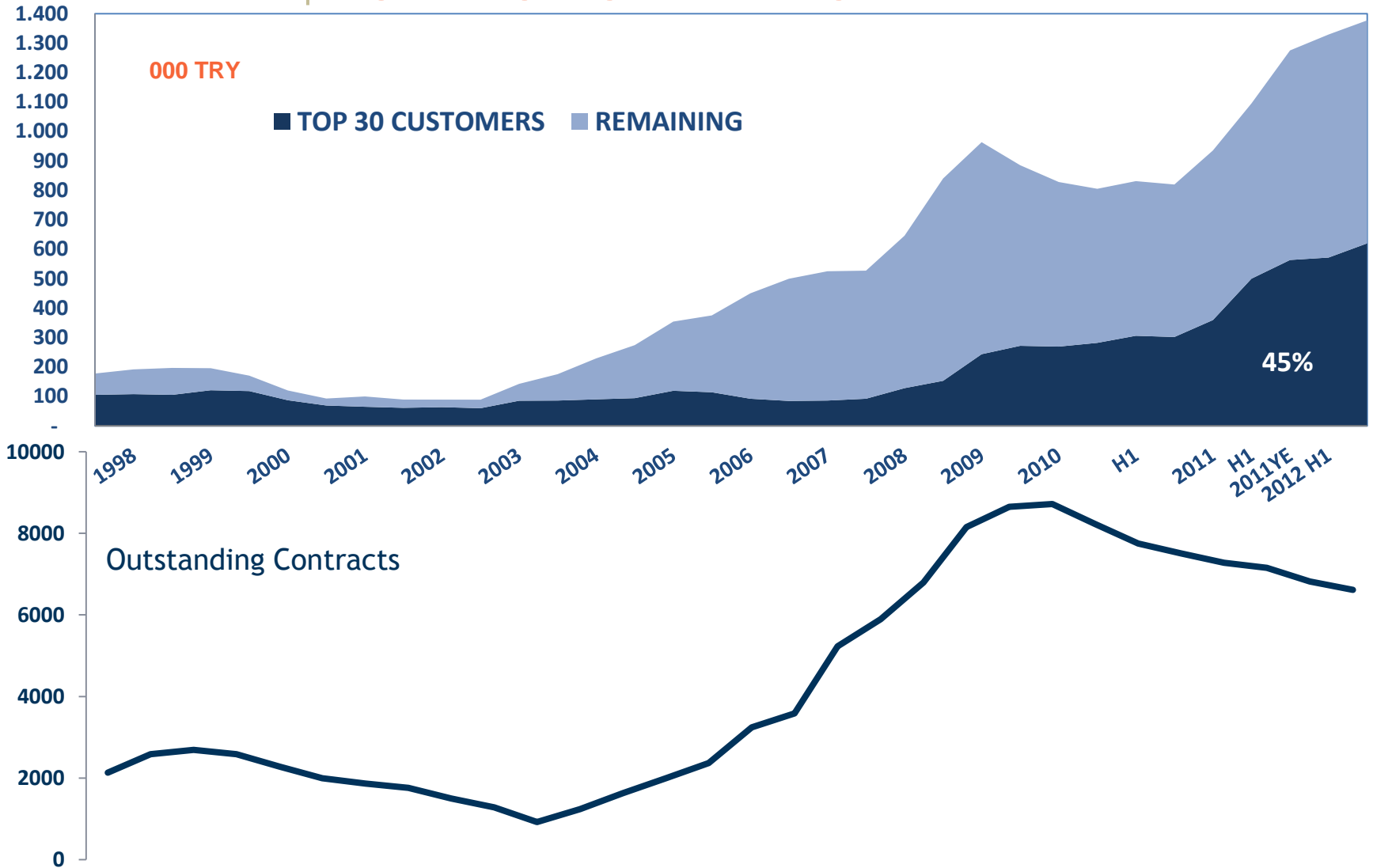


ASSET DISTRIBUTION , %



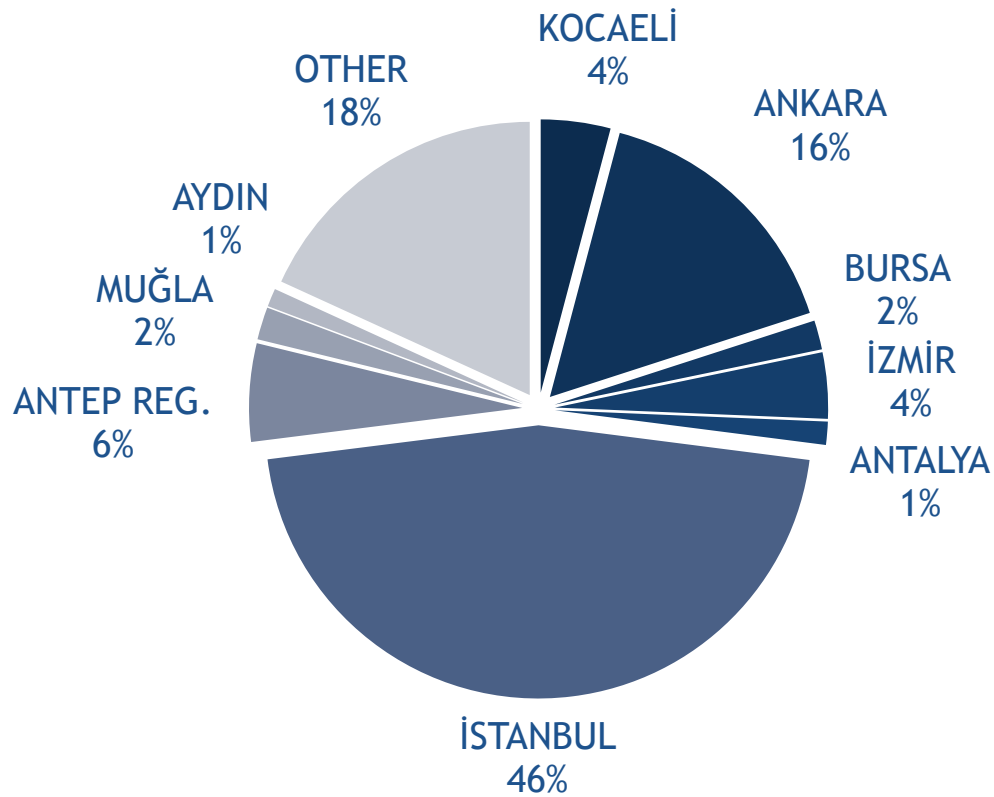


PORTFOLIO DEVELOPMENT





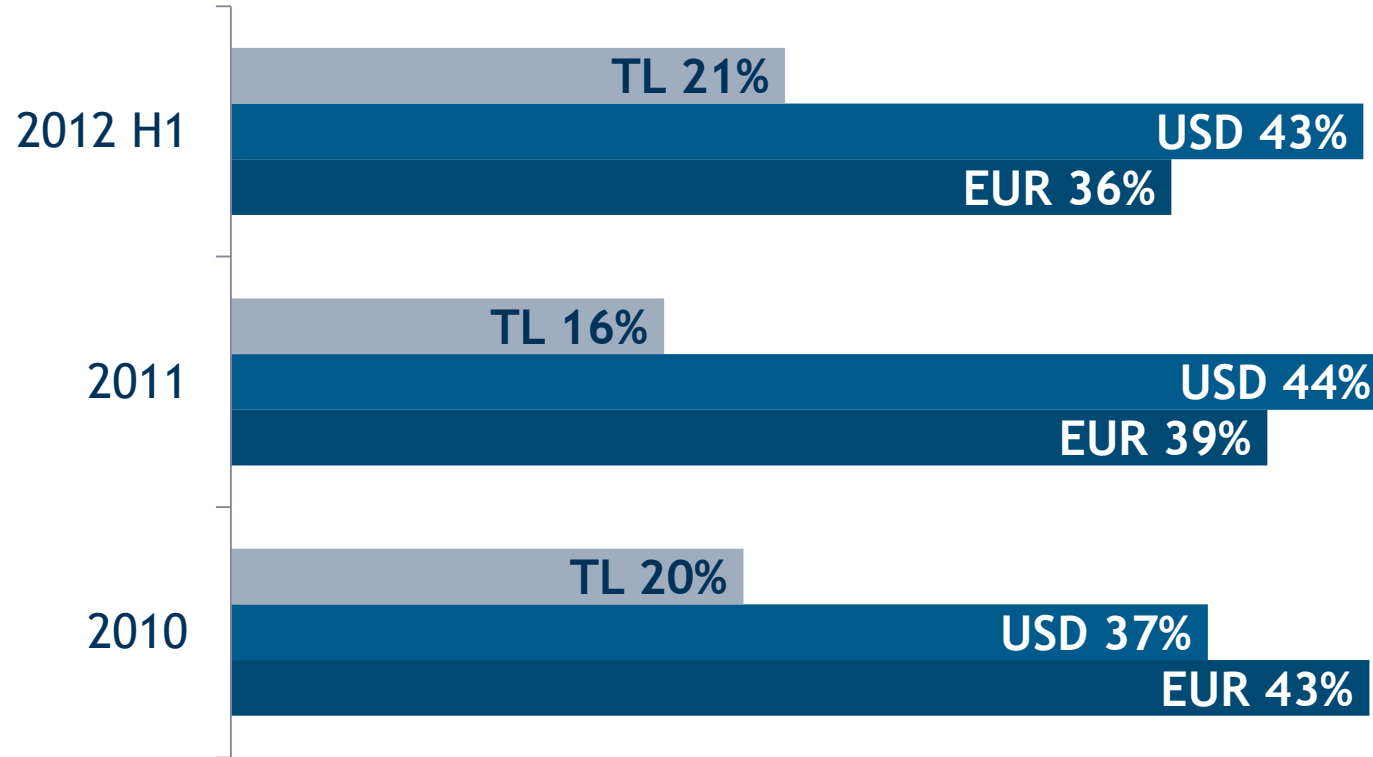
GEOGRAPHICAL DISTRIBUTION



OFFICES	SALES STAFF
Head Office	2
Istanbul Europe	6
Istanbul Asia	4
Ankara Rep. Office	6
Antep	5
Bursa	2
İzmir	4
Antalya	2
TOTAL SALES STAFF	31
TOTAL HEADCOUNT	105



CURRENCY DISTRIBUTION

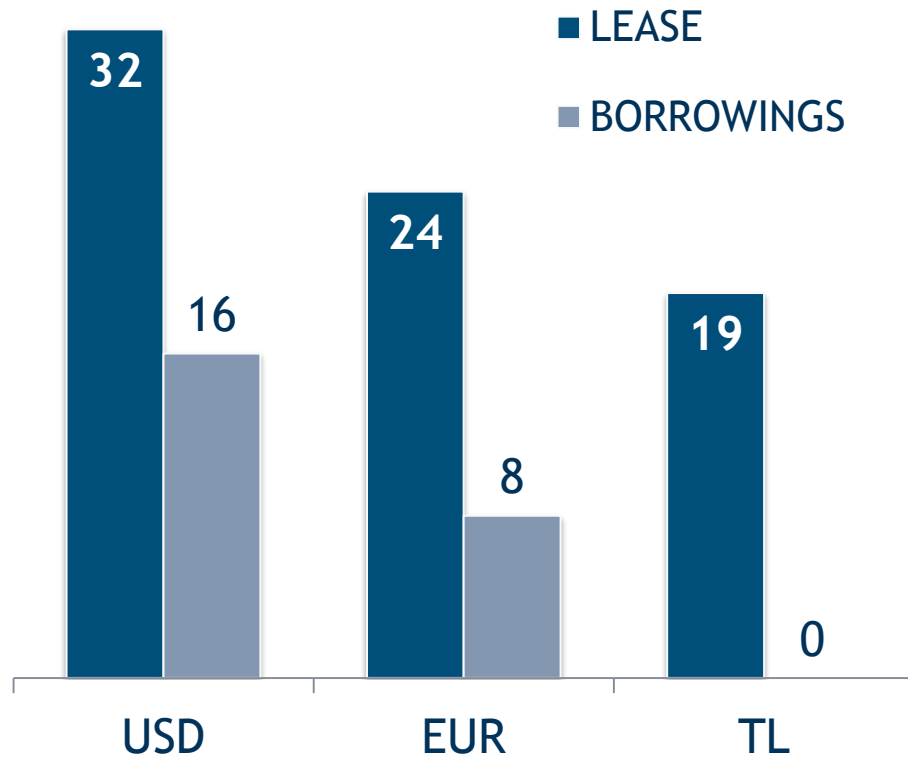


('000 TRY)	2011	2012 H1
Net FX Position (Long)	2.232	(8.349)
Net FX Position/Equity	0,4 %	1,5 %

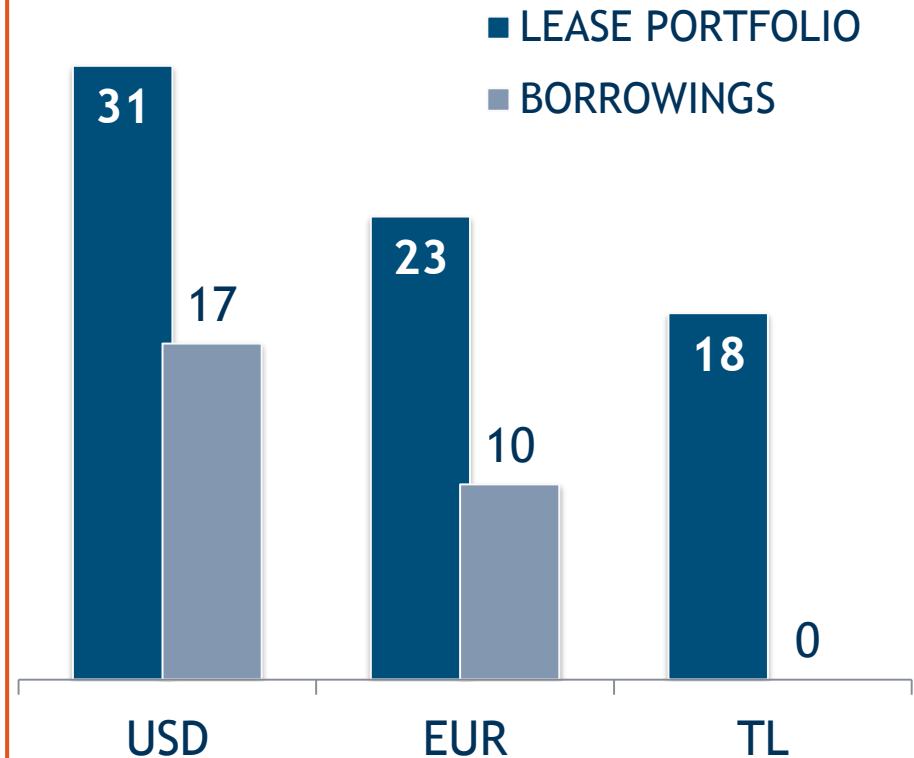


MATURITY DISTRIBUTION

2011



2012 H1



average, months



FUNDING POLICY

- ✓ 22 % of debt portfolio is funded via İşbank. İşbank has available lines to fund İş Leasing when necessary.
- ✓ İş Leasing completed 3 corporate bond issuances amounting 250 million TRY. Terms were 12 and 24 months.
- ✓ 40 million USD murabaha syndicated loan was closed in June 2012.
- ✓ 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. ECA and IFI facilities are also being negotiated. 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

TRY Million	31 December 2011	30 June 2012	Change(%)
Leasing Receivables, Net	1,398	1,377	-1%
Factoring Receivables, Net	405	667	65%
Non Performing Receivables	110	107	-3%
Provisions	-58	-60	3%
Total Assets	2,242	2,277	2%
Financial Liabilities	1,673	1,688	1%
Equity	520	543	4%
INCOME STATEMENT			
Net Interest Income	119	24	-60%
Provisions	-15	-9	15%
Operating Expenses	-22	-12	9%
İş Leasing solo Profit	46	20,6	-21%
Consolidated net Profit	52,4	20,6	-21%
RATIOS			
Non Performing Loans/ Receivables (solo)	7,6 %	7,4%	
Provision Ratio	52,7 %	56,1%	
Return On Equity	10,5 %	7,7%	



BALANCE SHEET (consolidated) mio TL

Million TRY	2010	2011	2012 H1		2010	2011	2012 H1
Current Assets				Current Liabilities			
Cash and Cash Equivalents	691.3	309.6	112.6	Short Term Liabilities	1,416.4	1,353.4	1,411.1
Trading Securities(net)	4.4	12	22.8	Trade Payables	14.5	15.1	20.7
Leasing Receivables(net)	323.5	418.9	451.2	Advances Received	8.6	7.8	14
Factoring Receivables (net)	331.3	404.7	667.3	Corporate Tax Payable	3.2	3.4	3.7
Other Current Assets(net)	24.4	22.6	17.1	Other Current Liabilities	2,1	20.3	5.7
Total Current Assets	1374.9	1167.6	1271	Total Current Liabilities	1444.7	1400	1455.3
Long Term Assets				Long Term Liabilities			
Leasing Receivables (net)	612.1	979.6	925.9	Long Term Borrowings	170.5	319.3	276.4
Assets for Sale(net)	26.5	20.2	24.3	Reserves for emp. benefits	2,2	2,7	2.3
Deferred Tax Assets(net)	78.6	72.5	54.2	Total Long Term Liabilities	172.7	322	278.7
Fixed Assets (net)	0.4	1.1	1.0	Minority Interest	10.9	11.5	11.3
Other Long Term Assets	0.9	1.0	1.0	Equity			
Total Long Term Assets	718.5	1074.4	1006	Capital	295.0	339.0	389.0
				Reserves	106.4	117	121.9
				Net Profit For The Year	63.7	52.5	20.6
				Total Shareholder's Equity	465.1	508.5	531.5
TOTAL ASSETS	2,093.4	2,242	2,277.3	TOTAL LIABILITIES	2,093.4	2,242	2,277.3



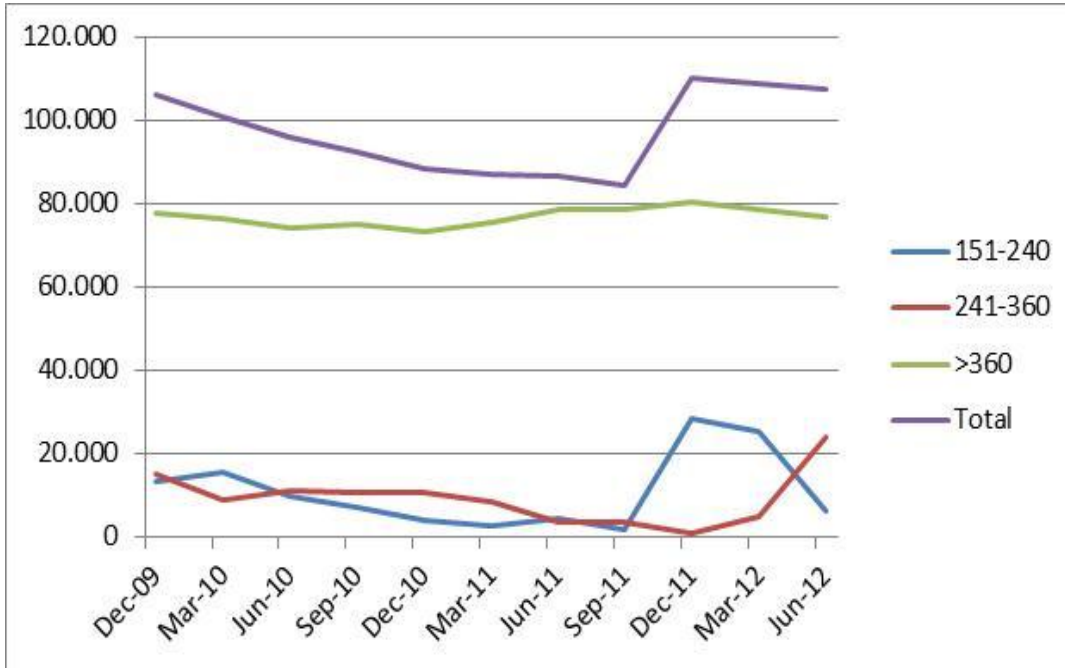
INCOME STATEMENT (consolidated) 000 TL

Million TRY	2010	2011	2012 H1
Interest Income	81,488	100,636	49,869
Interest Expense	(60,230)	(79,613)	(48,441)
Foreign Currency Gains/(Losses)	912	9,927	15,648
Total	22,170	30,950	17,076
Factoring Income	18,671	34,801	23,444
General and Administrative Expenses	(18,352)	(21,978)	(12,222)
Provision Expenses	(12,372)	(15,273)	(8,626)
Other income/(expenses) (net)	52,330	32,275	8,725
Profit before taxation	62,447	60,774	28,396
Tax	2,422	(6,508)	(7,863)
Profit after taxation	64,869	54,266	20,533
Minority Interest	(1,167)	(1,793)	21
Net Profit for the Year	63,702	52,473	20,554



NPL

Consolidated	2008	2009	2010	2011	2012 H1
Gross NPL / Total Receivables	% 7,0	% 10,8	% 6,9	% 6,1	% 5,5
Net NPL / Net Receivables	% 4,3	% 6,9	% 3,5	% 2,9	% 2,3



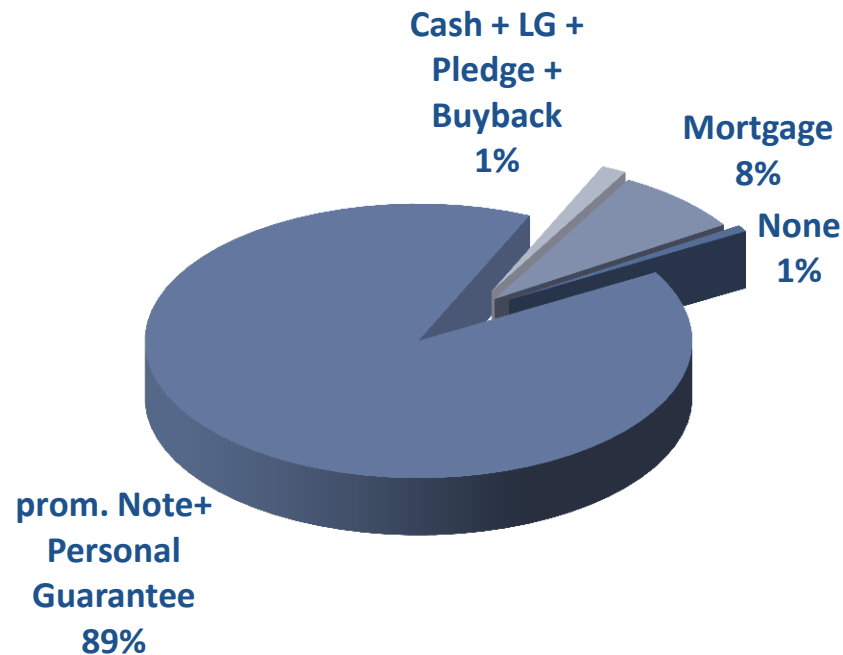
000 TL	LOSS RESERVE
2011 Opening	(55.527)
Reversals	877
New provisions	(3.298)
Write-off	-
2011 Closing	(57.948)



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



Other Issues





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



AGENDA

- ✓ Increasing synergy with İşbank branches. By more efficiently using the wide branch network of İşbank, reaching uncovered SME's therefore **smaller ticket sizes and higher spreads are targeted.**
- ✓ Regulatory changes are on the agenda. Draft law is at final stage waiting to be approved by the parliament. The change is expected to include new products like **Sale and Lease back, Operating Lease, Lease of complementary parts and software leasing.**



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