

Investor Presentation

31 DECEMBER 2015





Leasing Sector in Turkey





LEASING

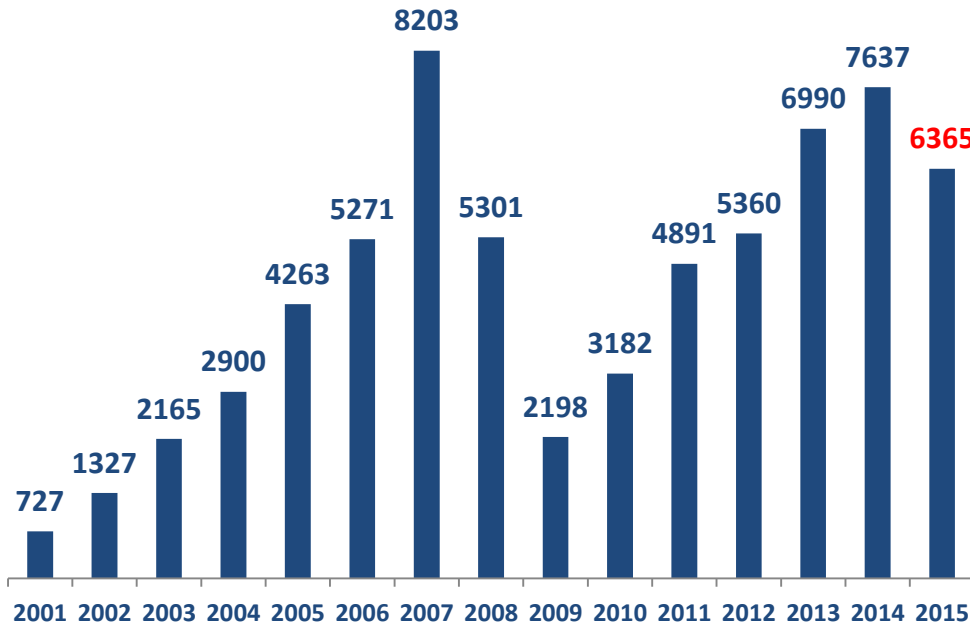
- ✓ VAT is %1 for various types of machinery.
- ✓ Operating Leases and Sale-and-lease back has been added to core product Finance Leases since 2013. Sale-and-lease back demand is strong and supporting business volumes.
- ✓ Expertise on SMEs, consultancy and know-how support in addition to funding.
-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



TURNOVER

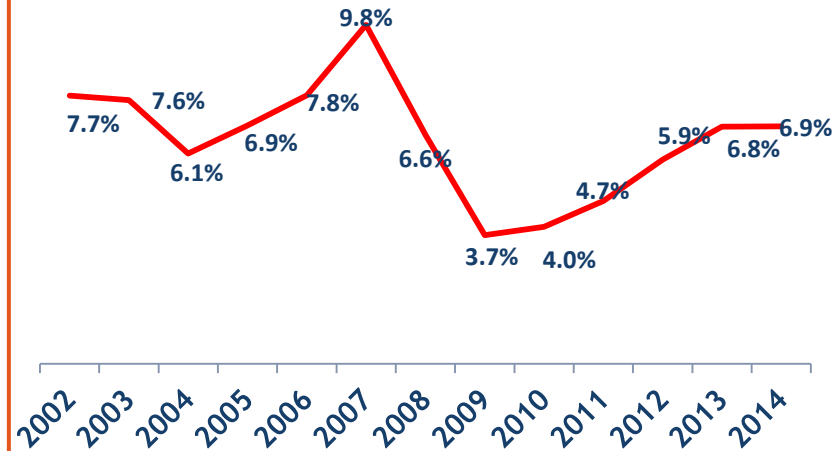
New Leasing volume of the sector

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

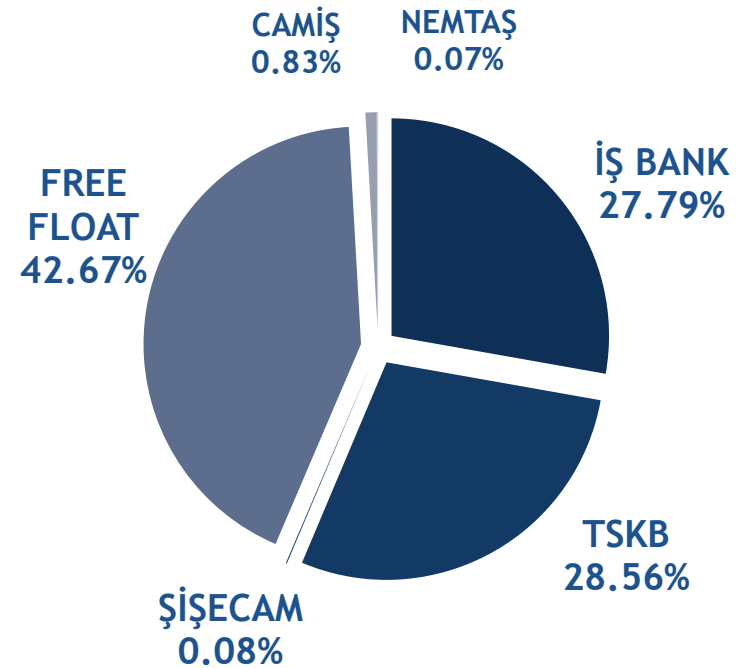
Company Overview





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.

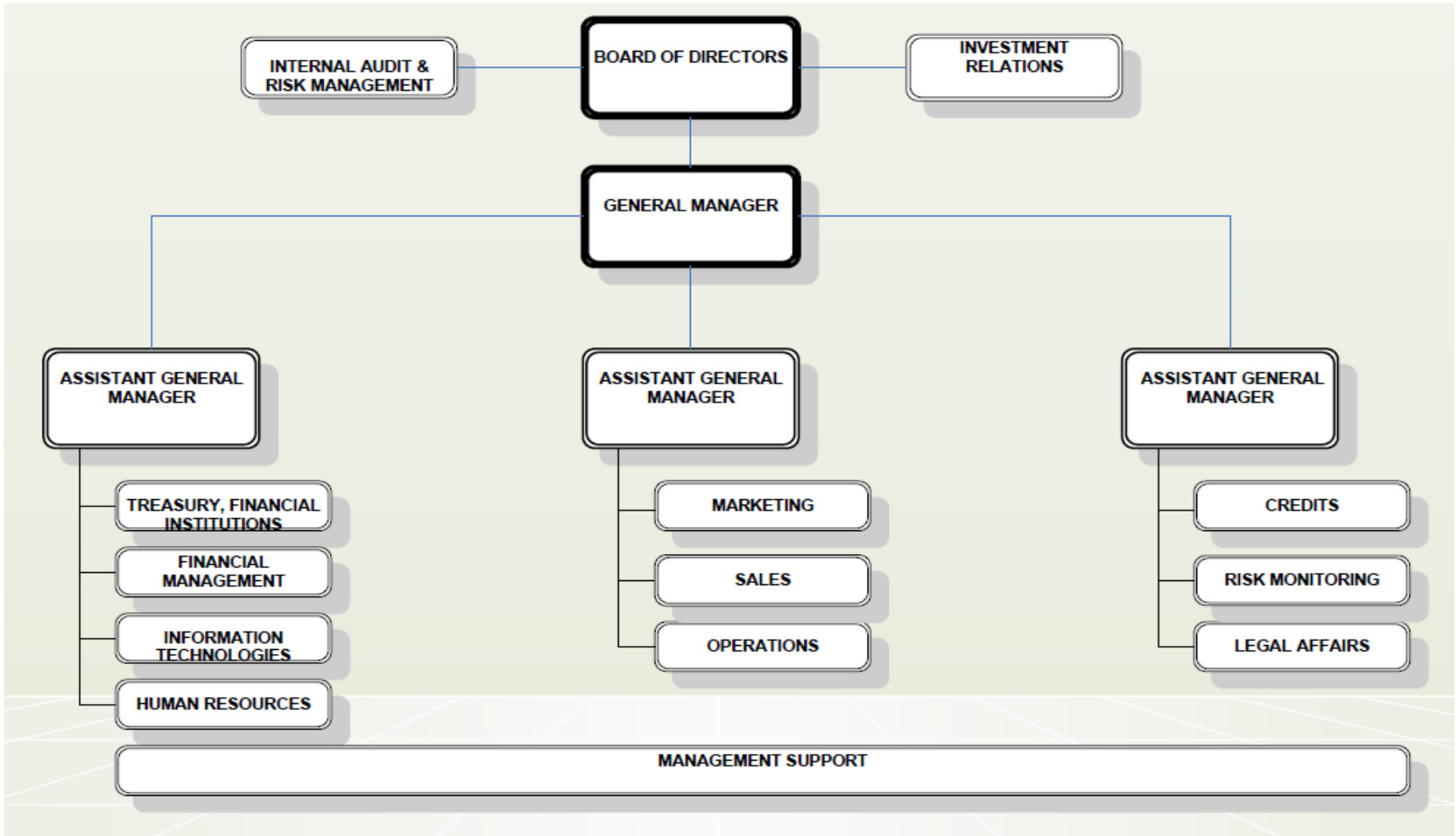


PARTICIPATIONS

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



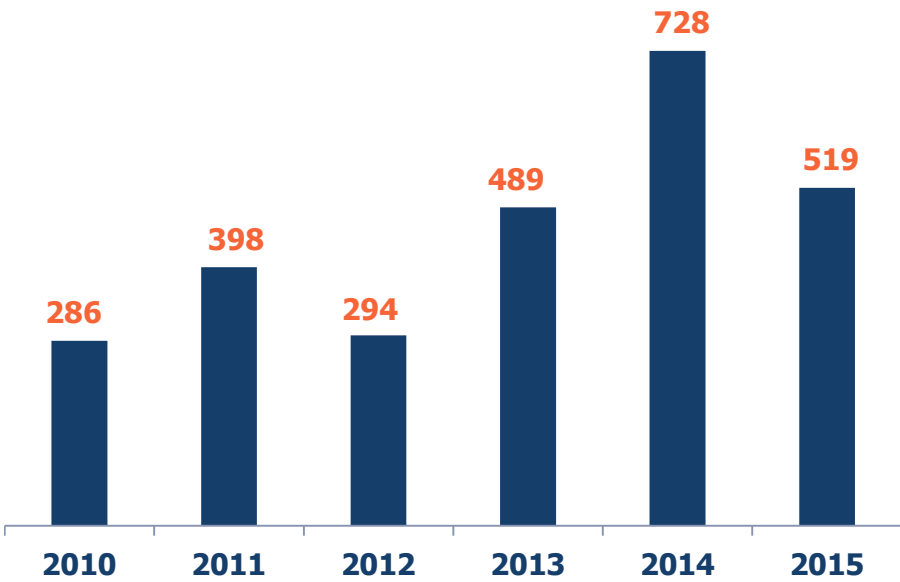


Lease Portfolio

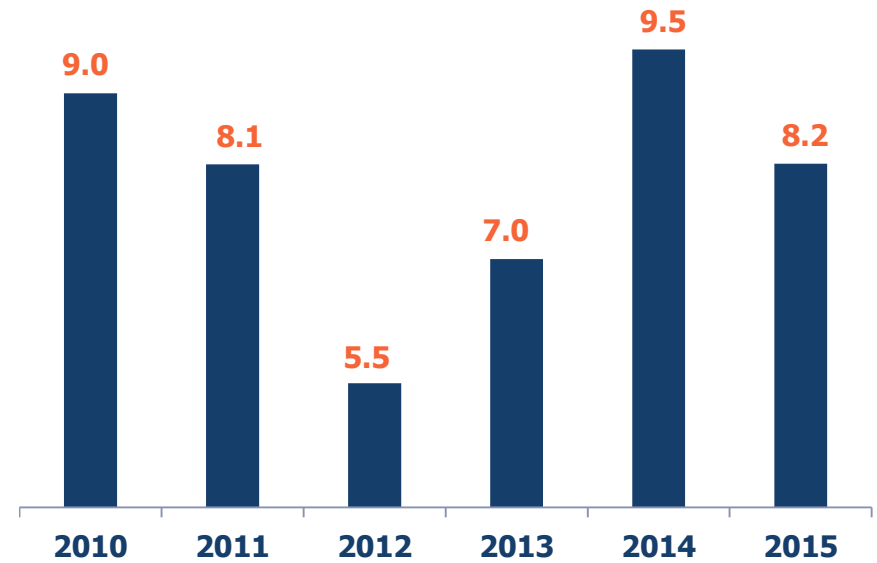




TURNOVER & MARKET SHARE



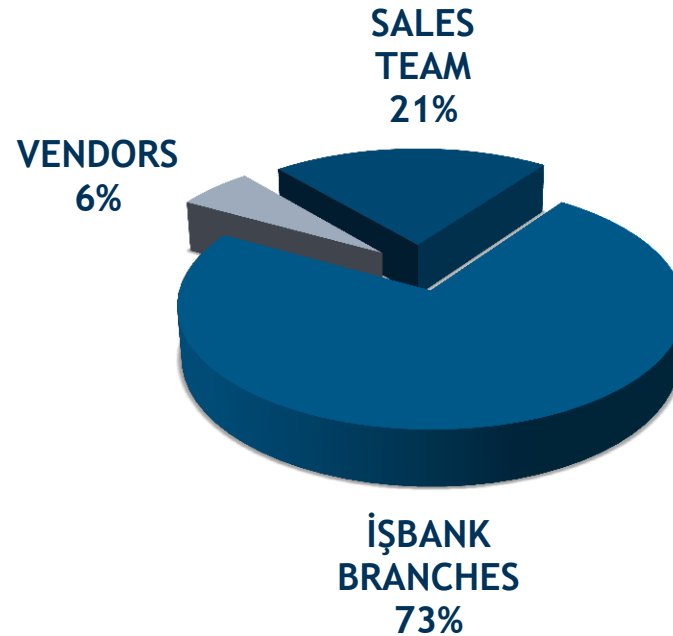
Million USD



Percentage



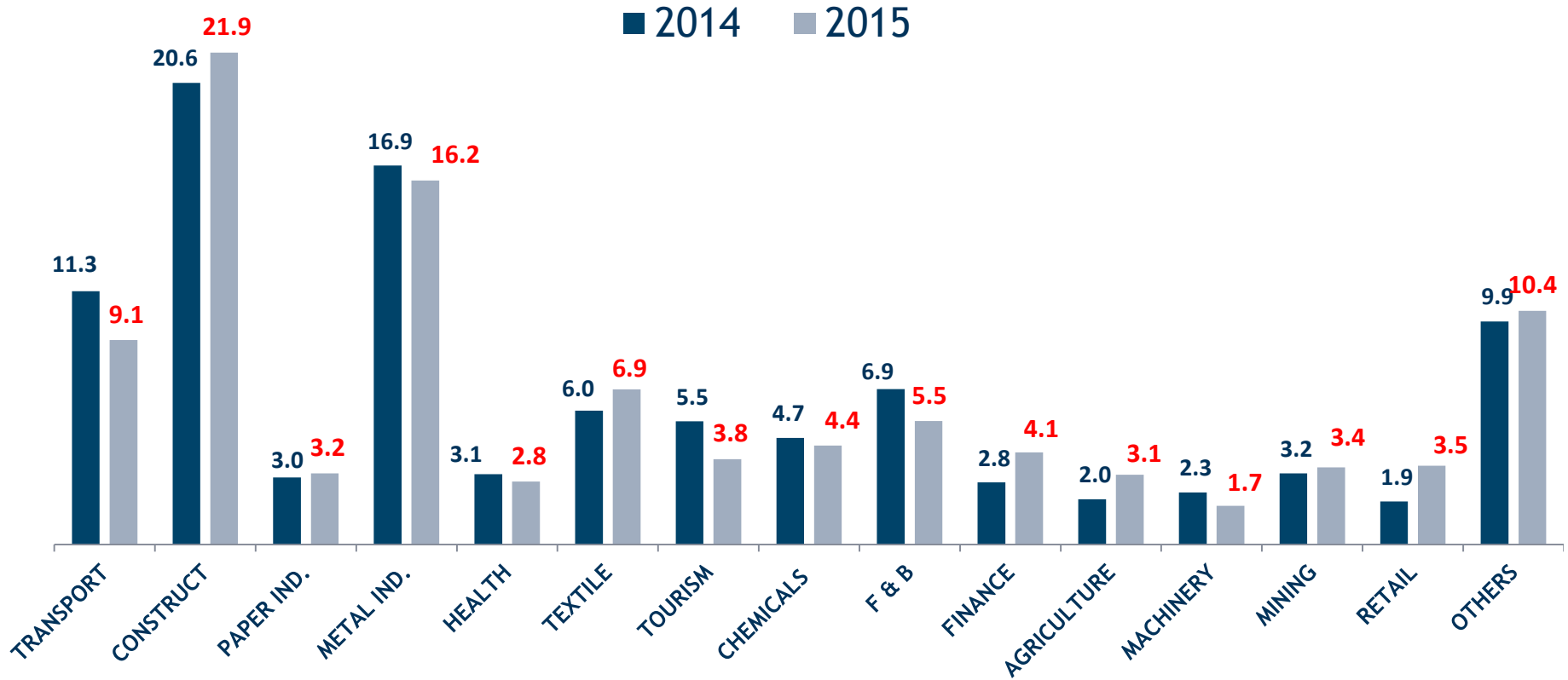
SALES CHANNELS



1,354 local and 23 foreign branches, largest network among private banks

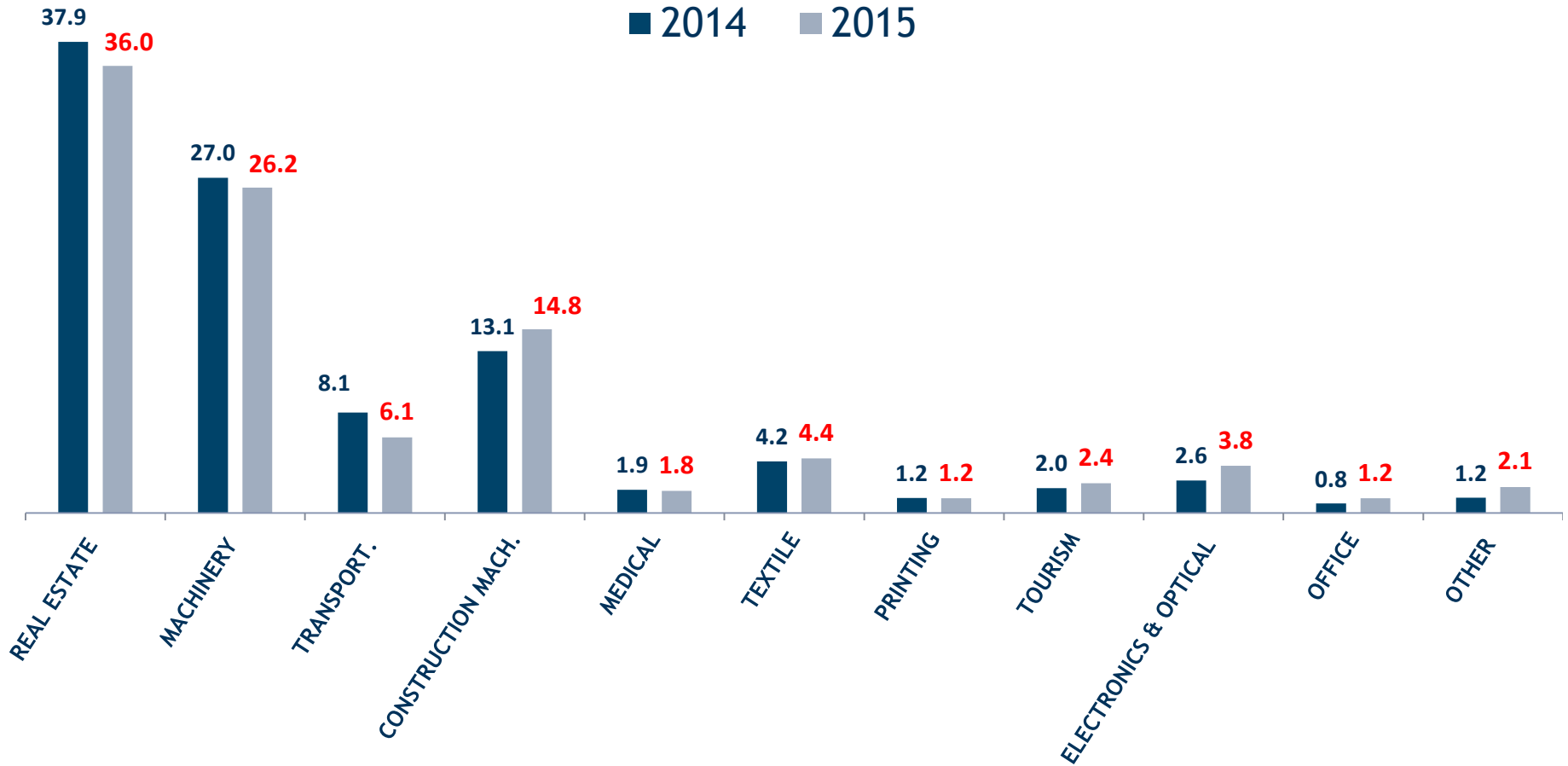


SECTORAL DISTRIBUTION , %



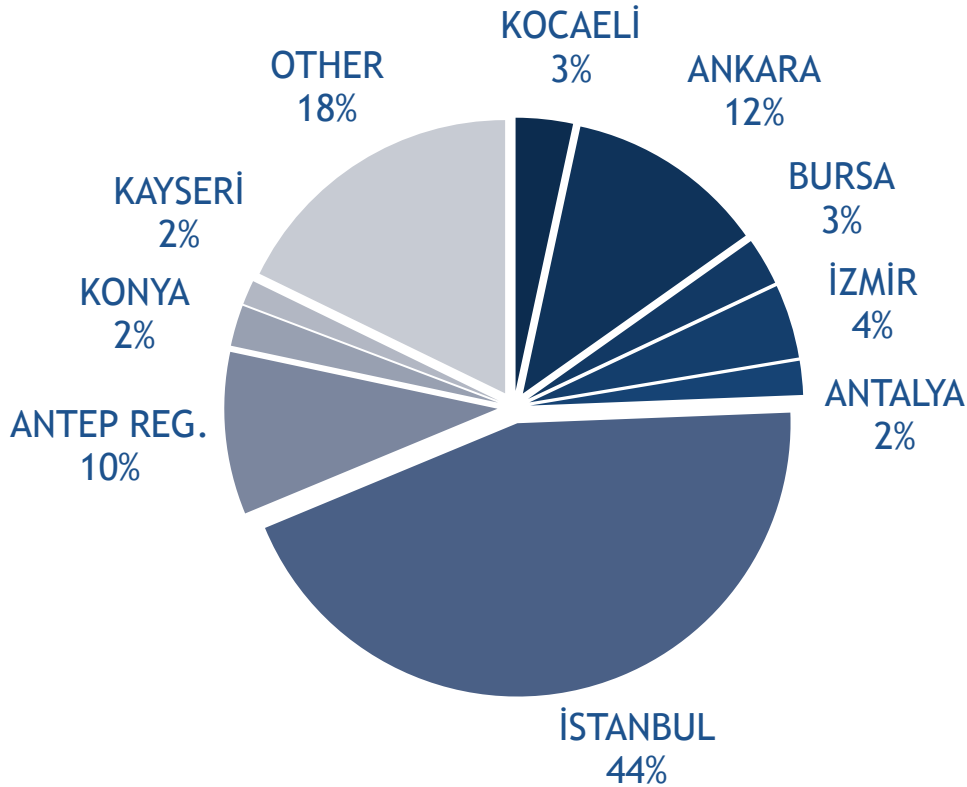


ASSET DISTRIBUTION , %





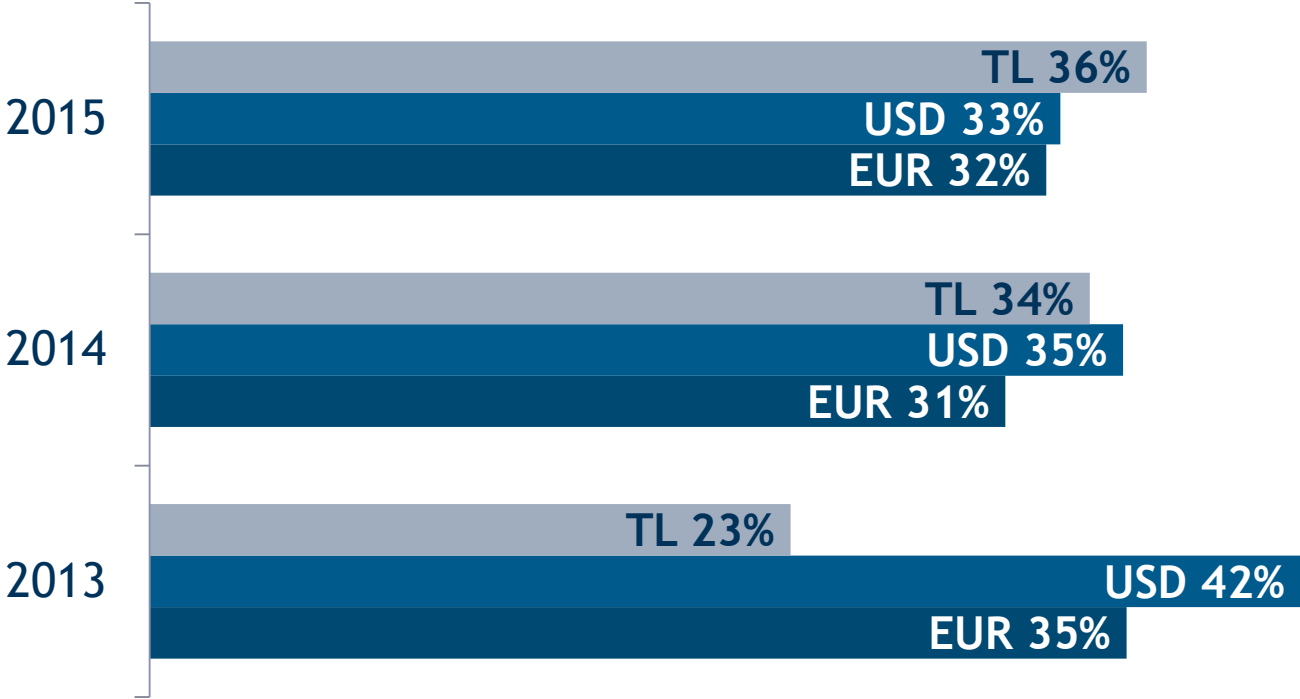
GEOGRAPHICAL DISTRIBUTION



BRANCHES	MARKETING & SALES STAFF
Head Office	3
Istanbul (A) - Kozyatağı & Gebze	8
Istanbul (E) - Şişli & Avcılar	8
Ankara & Central Anatolia	6
Çukurova	3
South Anatolia	4
Marmara	3
Aegean	4
Mediterranean	3
Trabzon	2
Konya	2
Kayseri	1
Diyarbakır	1
TOTAL M & S STAFF	48
TOTAL HEADCOUNT	143

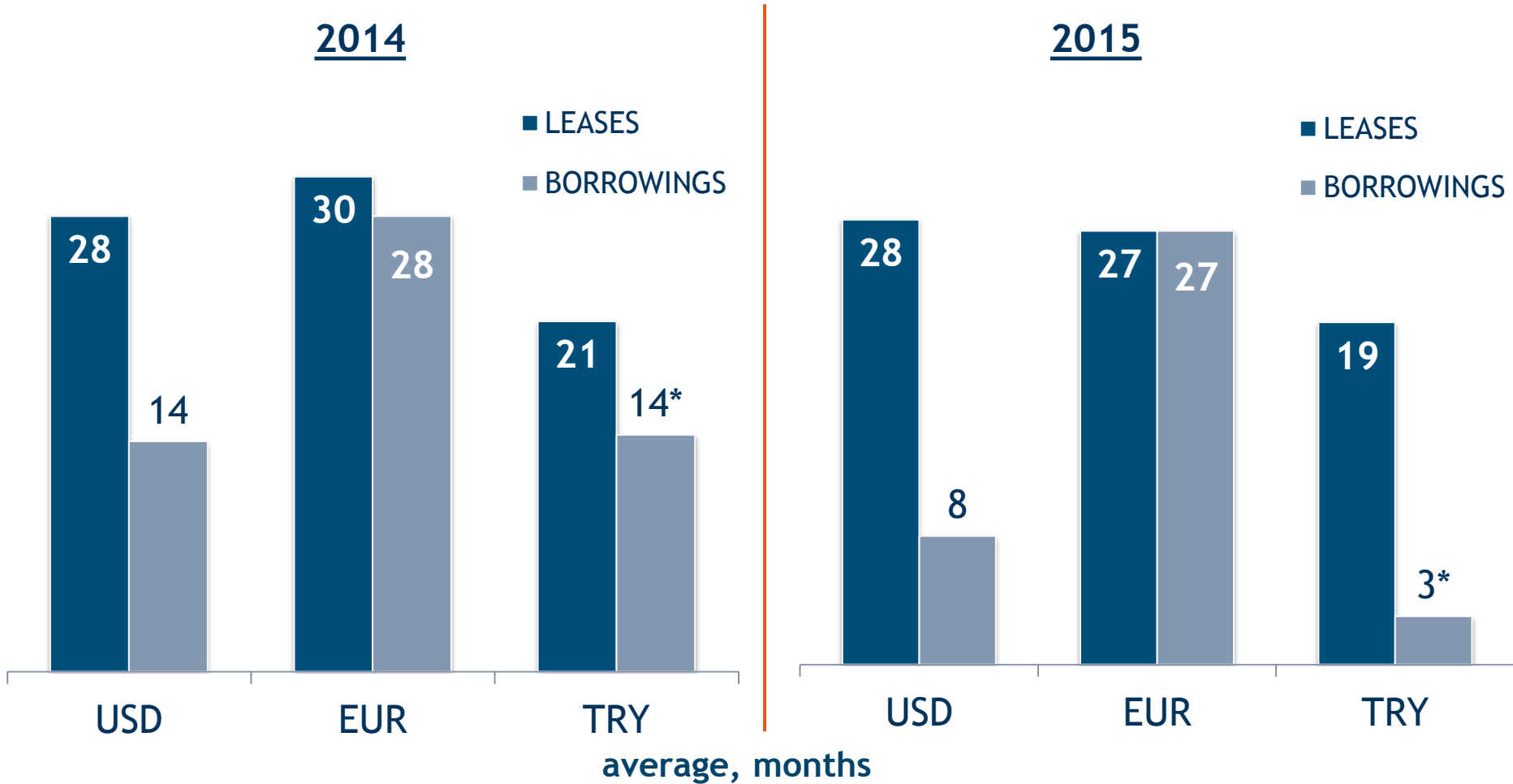


CURRENCY DISTRIBUTION





MATURITY DISTRIBUTION



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



FUNDING POLICY

- ✓ 11% of debt portfolio is funded via İşbank. İşbank has available lines to fund İş Leasing whenever necessary.
- ✓ Outstanding local bond issuances are 662 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	31 December 2015
Leasing Receivables, Net	2,232	2,841	3,287
Factoring Receivables, Net	946	1,433	1,951
Non Performing Receivables	124	160	183
Provisions	-67	104	140
Total Assets	3,493	4,580	5,581
Financial Liabilities	2,668	3,791	4,661
Equity	604	667	738
Net Interest Income	78	81	121
Provisions Expenses	-18	-40	-48
Operating Expenses	-30	-40	-47
iŞ Leasing solo Profit	49	72	81
Consolidated net Profit	40	79	82
RATIOS			
Non Performing Loans/ Receivables	3,80%	3,65%	3,40%
Provision Ratio	53,90%	65,40%	76,32%
Return On Equity	6,80%	12,40%	11,67%

BALANCE SHEET (consolidated) mio TL

Million TRY	2013	2014	2015		2013	2014	2015
Current Assets				Current Liabilities			
Cash and Cash Equivalents	232.8	180.2	225.7	Short Term Liabilities	1455.4	2292.0	3795.9
Trading Securities(net)	-	-	-	Trade Payables	66.6	38.5	49.8
Leasing Receivables(net)	727.0	889.6	1141.6	Advances Received	20.9	35.9	36.8
Factoring Receivables (net)	946.1	1433.2	1951.2	Corporate Tax Payable	2.5	3.2	17.4
Other Current Assets(net)	11.7	27.1	15.9	Other Current Liabilities	126.7	39.6	71.9
Total Current Assets	1917.6	2530.1	3334.4	Total Current Liabilities	1672.1	2409.2	3971.8
Long Term Assets				Long Term Liabilities			
Leasing Receivables (net)	1505.0	1951.4	2145.4	Long Term Borrowings	1212.9	1498.9	864.7
Assets for Sale(net)	23.2	22.4	22.9	Reserves for emp. benefits	4.0	5.4	6.0
Deferred Tax Assets(net)	44.3	36.0	33.4	Total Long Term Liabilities	1216.9	1504.3	870.7
Fixed Assets (net)	1.7	17.9	17.1	Minority Interest	15.1	16.6	21.7
Other Long Term Assets	0.8	22.6	27.6	Equity			
Total Long Term Assets	1575.0	2050.3	2246.4	Capital	424.4	461.5	530.3
				Reserves	124.5	110.3	104.3
				Net Profit For The Year	39.6	78.5	82.0
				Total Shareholder's Equity	588.5	650.3	716.6
TOTAL ASSETS	3492.6	4580.4	5580.8	TOTAL LIABILITIES	3492.6	4580.4	5580.8



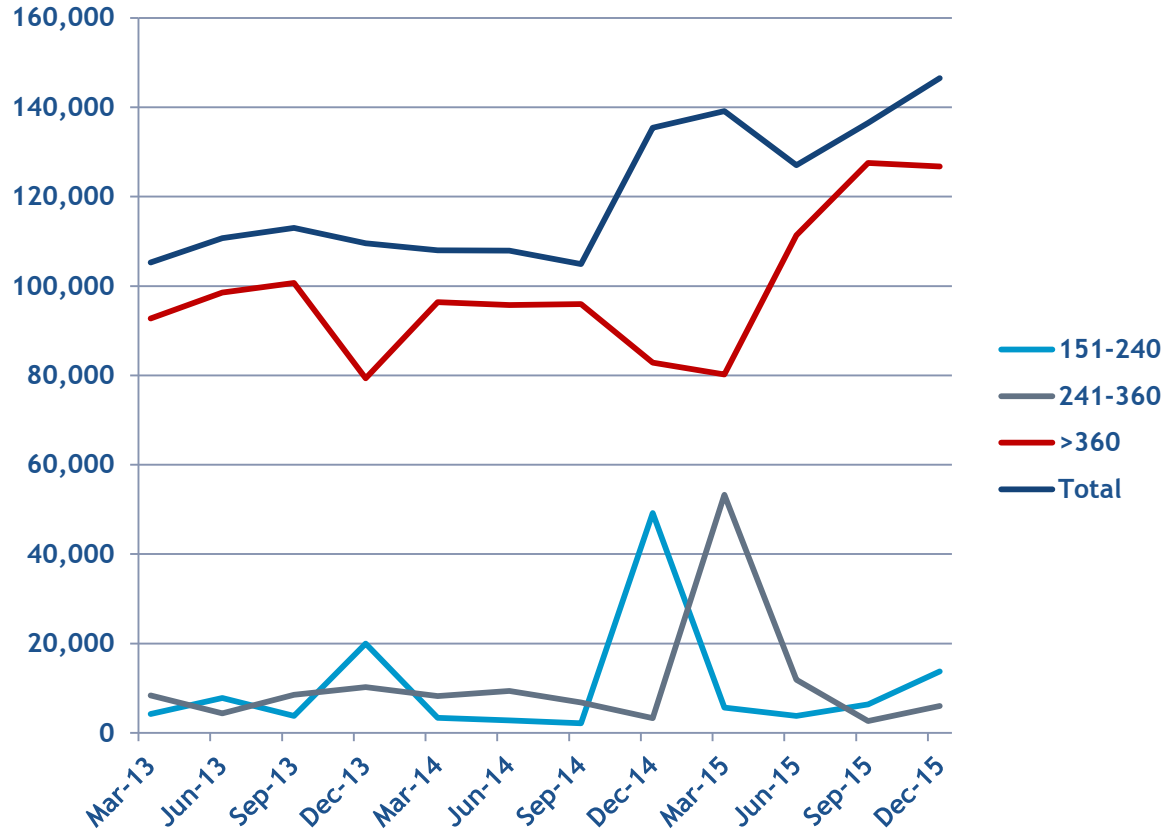
INCOME STATEMENT (consolidated) 000 TL

Million TRY	2013	2014	2015
Interest Income	125,745	186,567	264,869
Interest Expense	-115,448	-200,485	-284,800
Foreign Currency Gains/(Losses)	13,829	74,273	68,533
Total	24,126	60,355	48,572
Factoring Income	58,489	89,248	134,492
General and Administrative Expenses	-30,444	-40,340	-46,916
Provision Expenses	-17,608	-39,938	-48,482
Other income/(expenses) (net)	18,481	23,838	22,714
Profit before taxation	53,044	93,163	109,778
Tax	-10,855	-12,989	-22,514
Profit after taxation	42,189	80,174	87,264
Minority Interest	-2,6	-1,688	5,261
Net Profit for the Year	39,589	78,486	82,003



NPL

Consolidated	2012	2013	2014	2015
Gross NPL / Total Receivables	4,60%	3,80%	3,70%	3,40%
Net NPL / Net Receivables	1,80%	1,80%	1,30%	0,83%

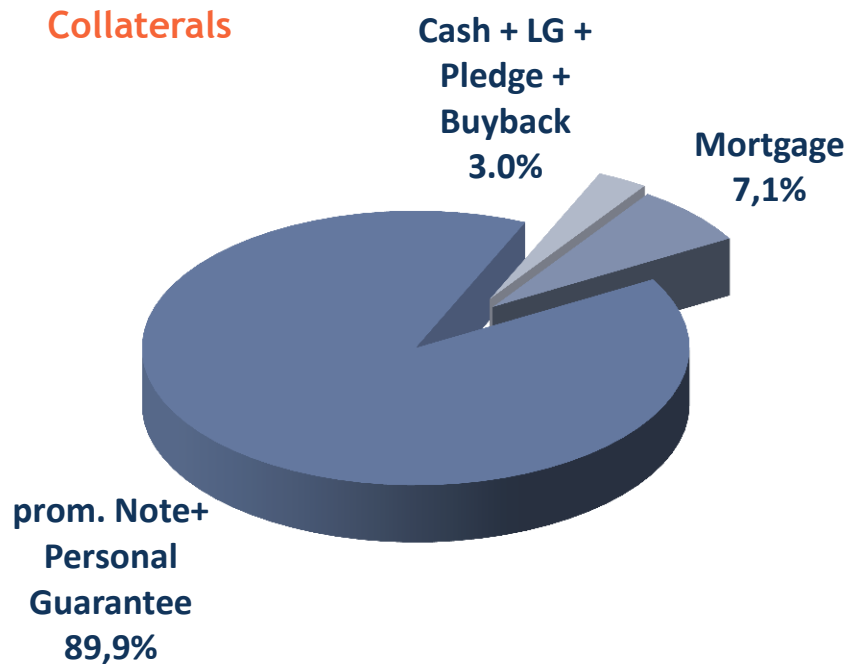


000 TL	LOSS RESERVE
2015 Opening	(104.490)
Reversals	12.745
New provisions	(48.482)
Write-off (*)	-
Transfer	-
31.12.2015 Closing	(140.227)



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.



*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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