

Investor Presentation

30 JUNE 2016



Leasing Sector in Turkey





LEASING

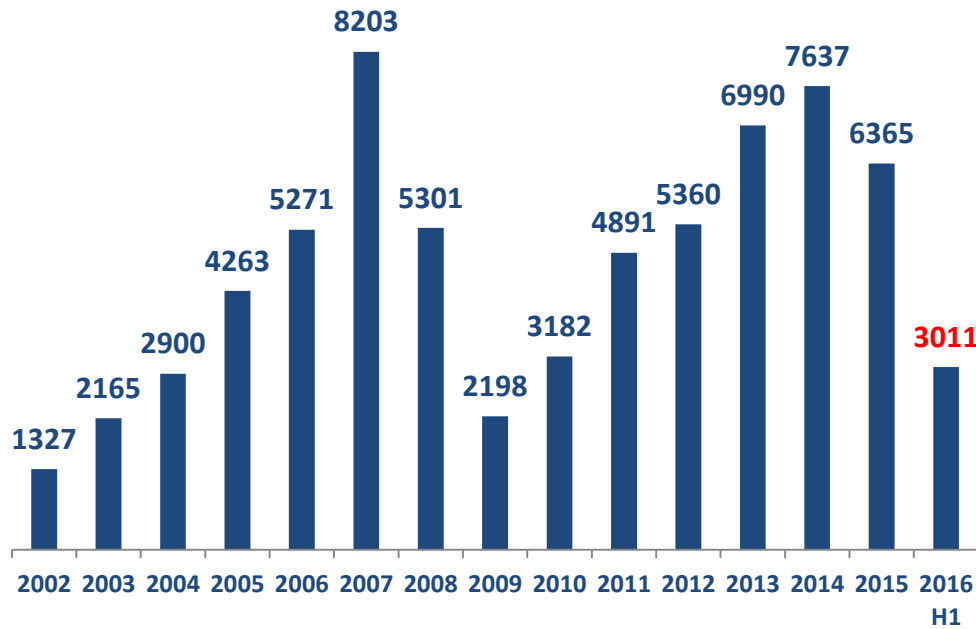
- ✓ VAT is %1 for various types of machinery.
- ✓ Operating Leases and Sale-and-lease back has been added to core product Finance Leases since 2013. Sale-and-lease back demand is strong and supporting business volumes.
- ✓ Expertise on SMEs, consultancy and know-how support in addition to funding.
-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



TURNOVER

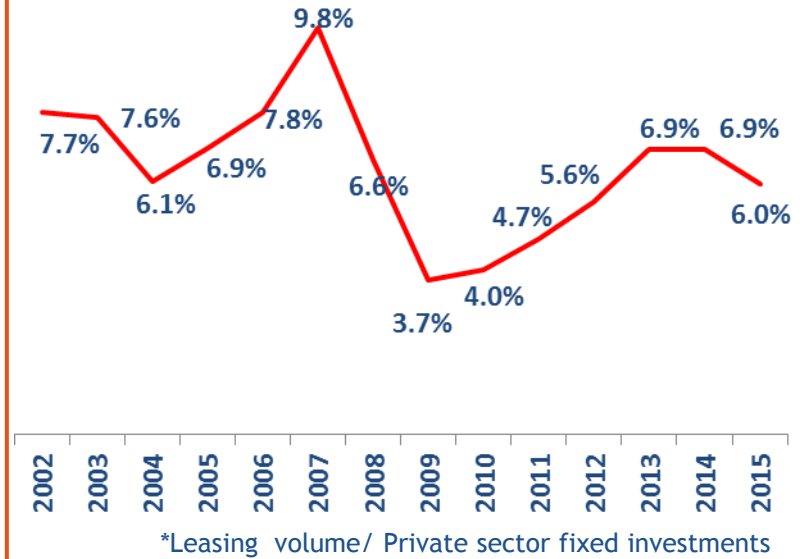
New Leasing volume of the sector

Million USD



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

Penetration *



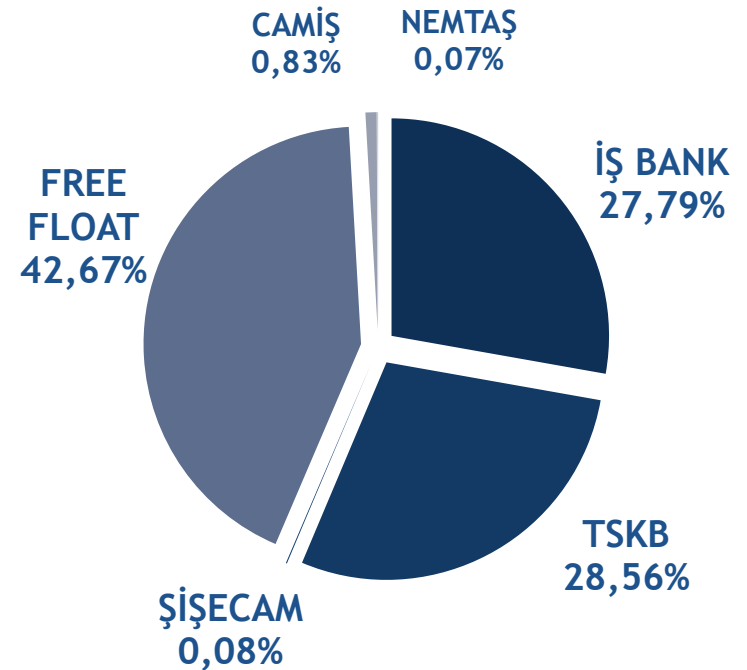
Company Overview





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.

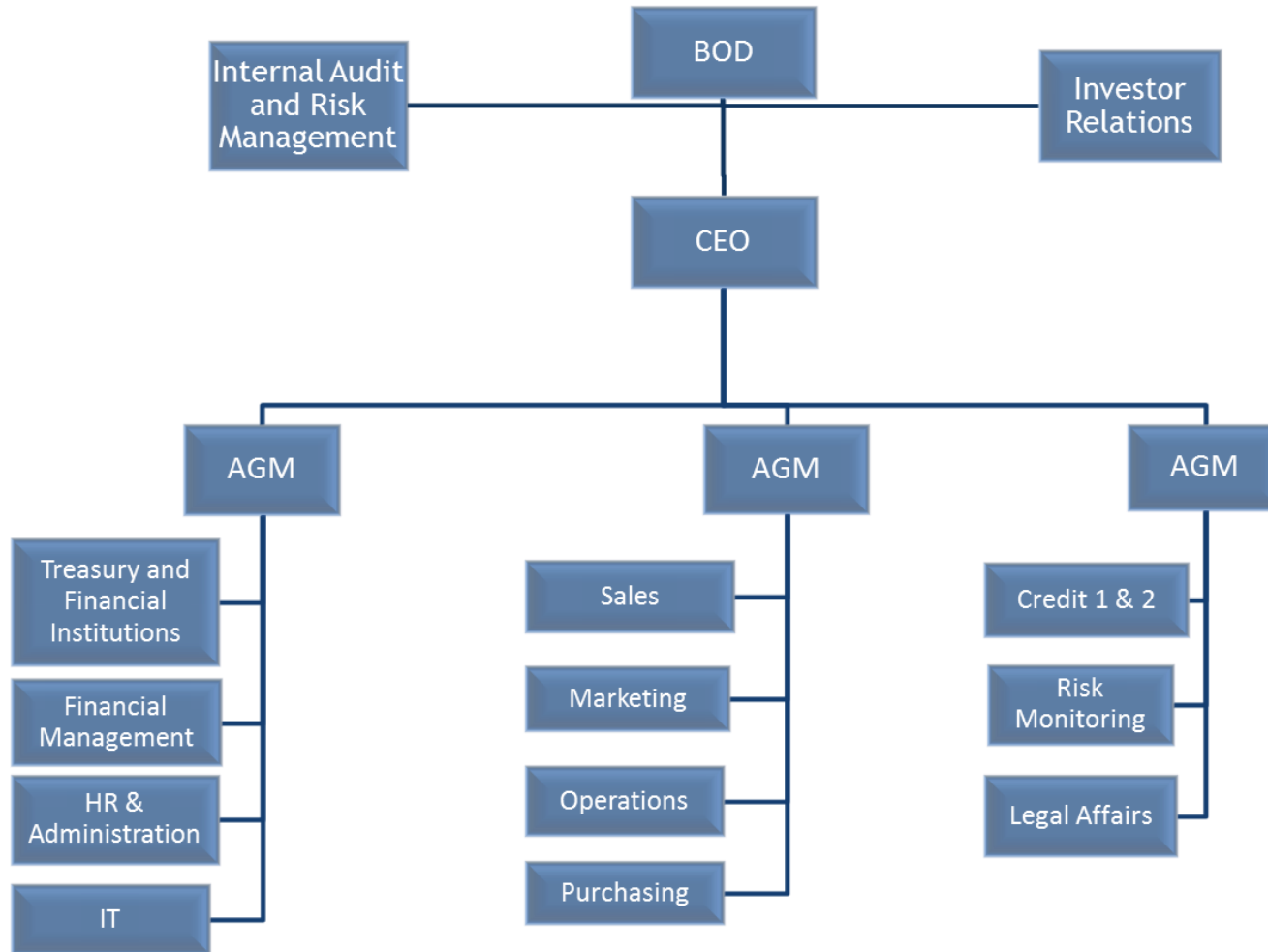


PARTICIPATIONS

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

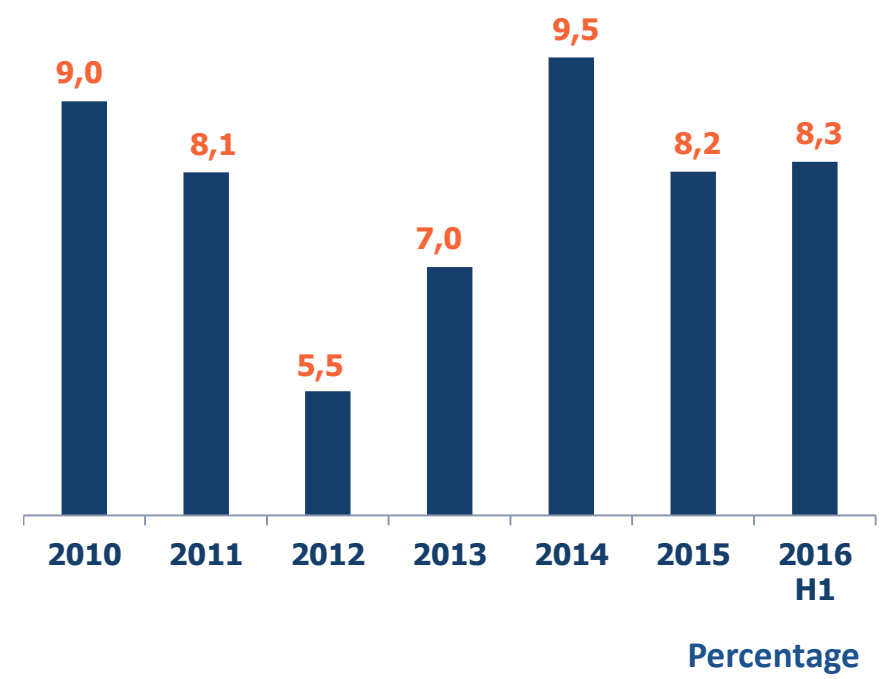
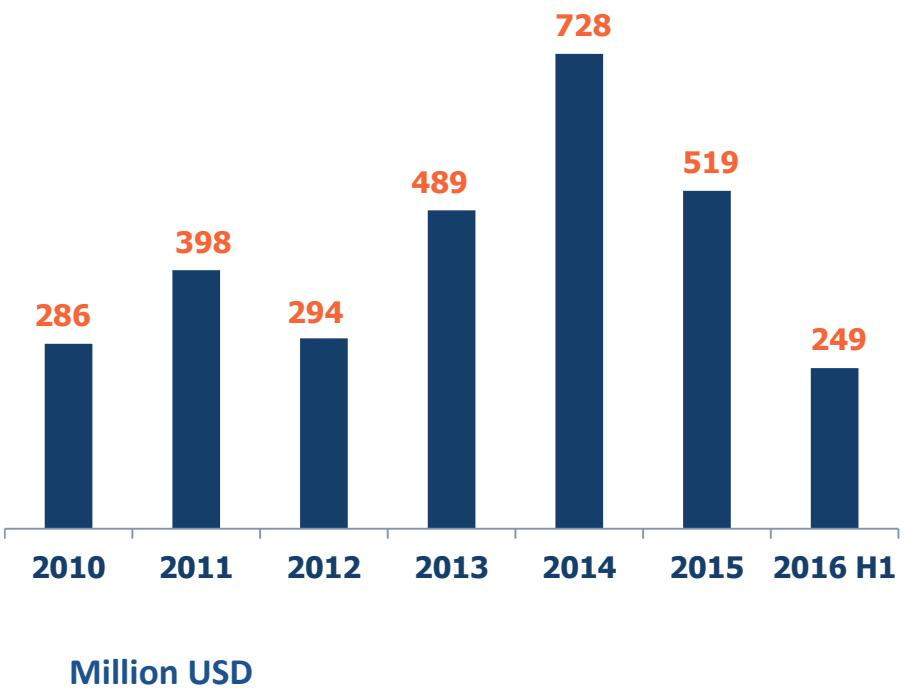


Lease Portfolio



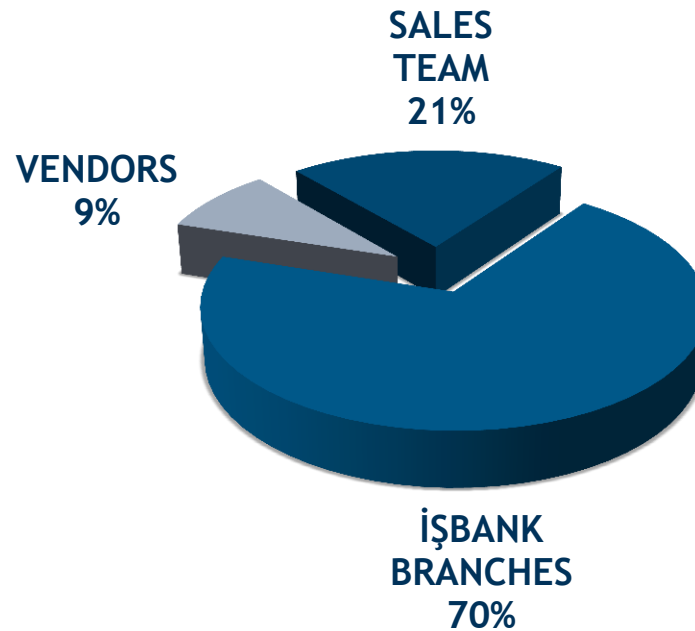


TURNOVER & MARKET SHARE





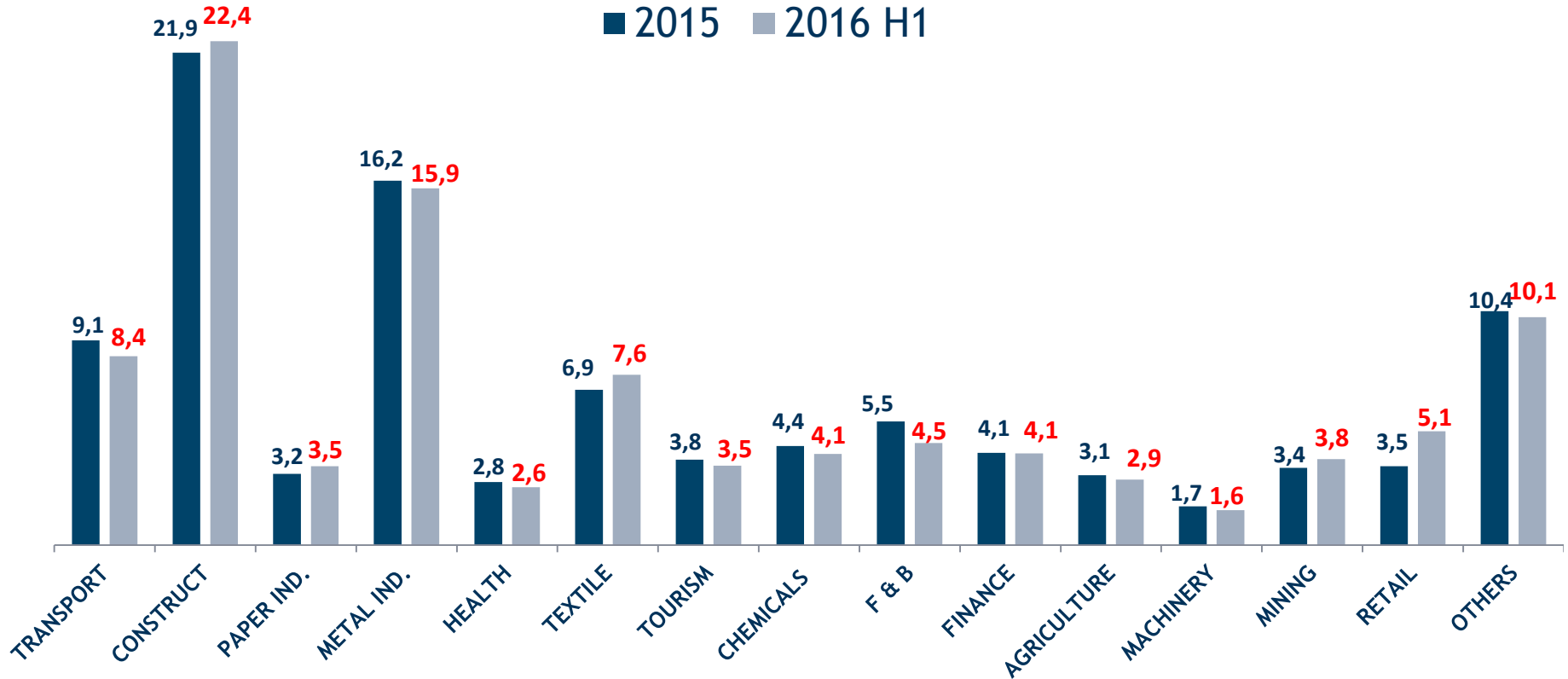
SALES CHANNELS



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

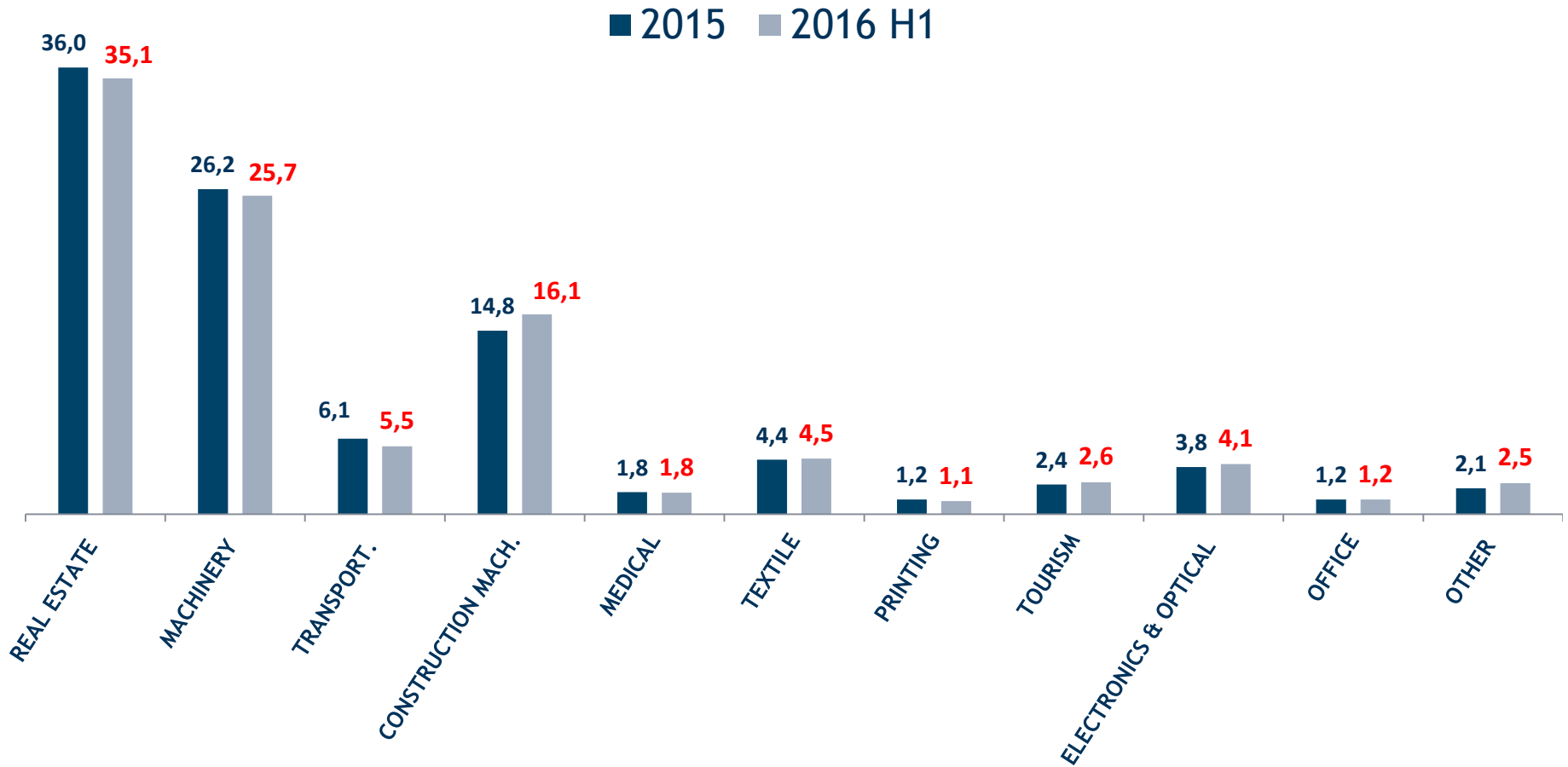


SECTORAL DISTRIBUTION , %



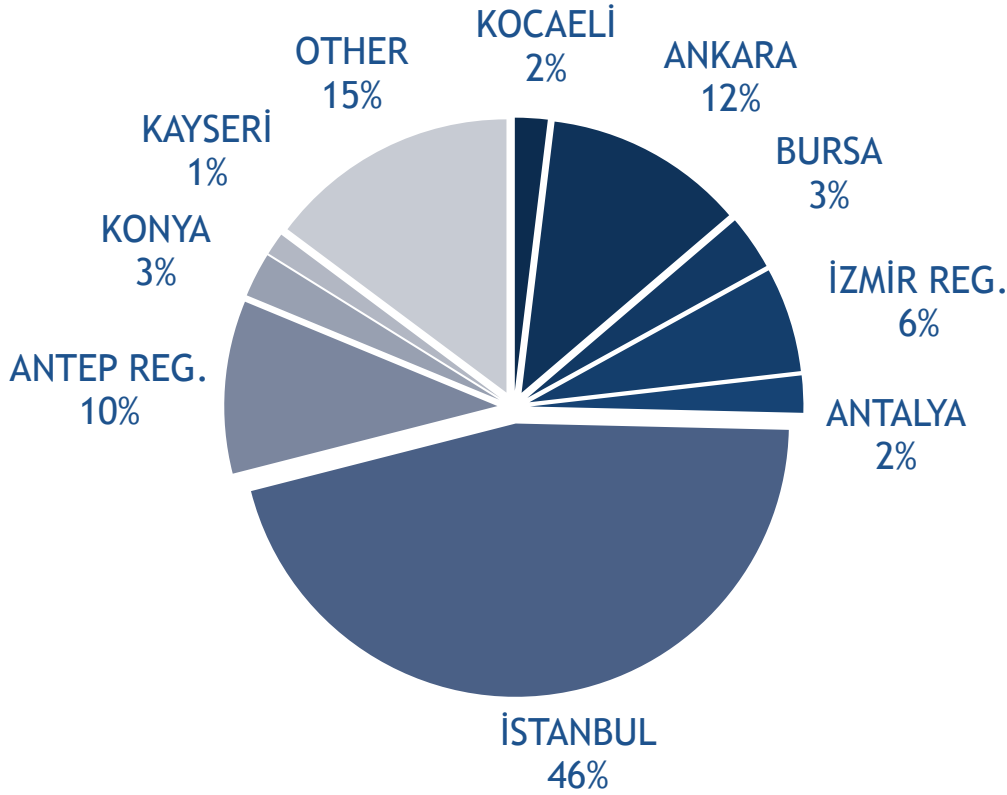


ASSET DISTRIBUTION , %





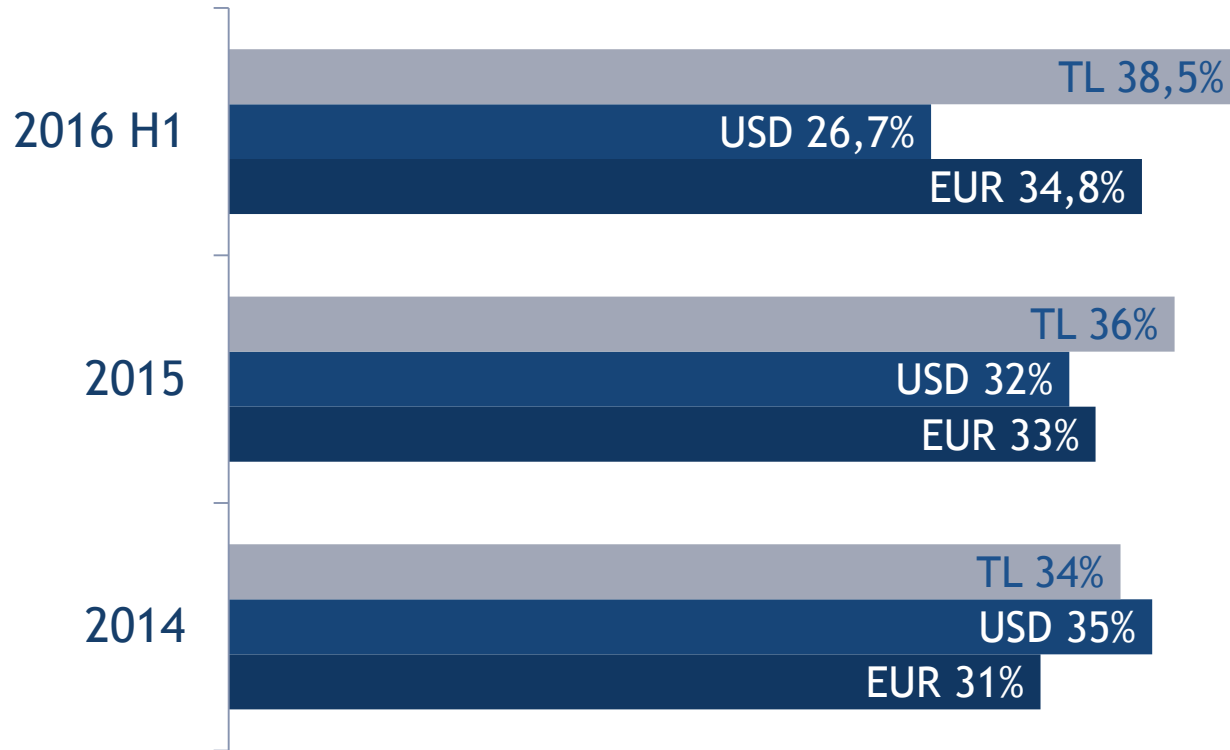
GEOGRAPHICAL DISTRIBUTION



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

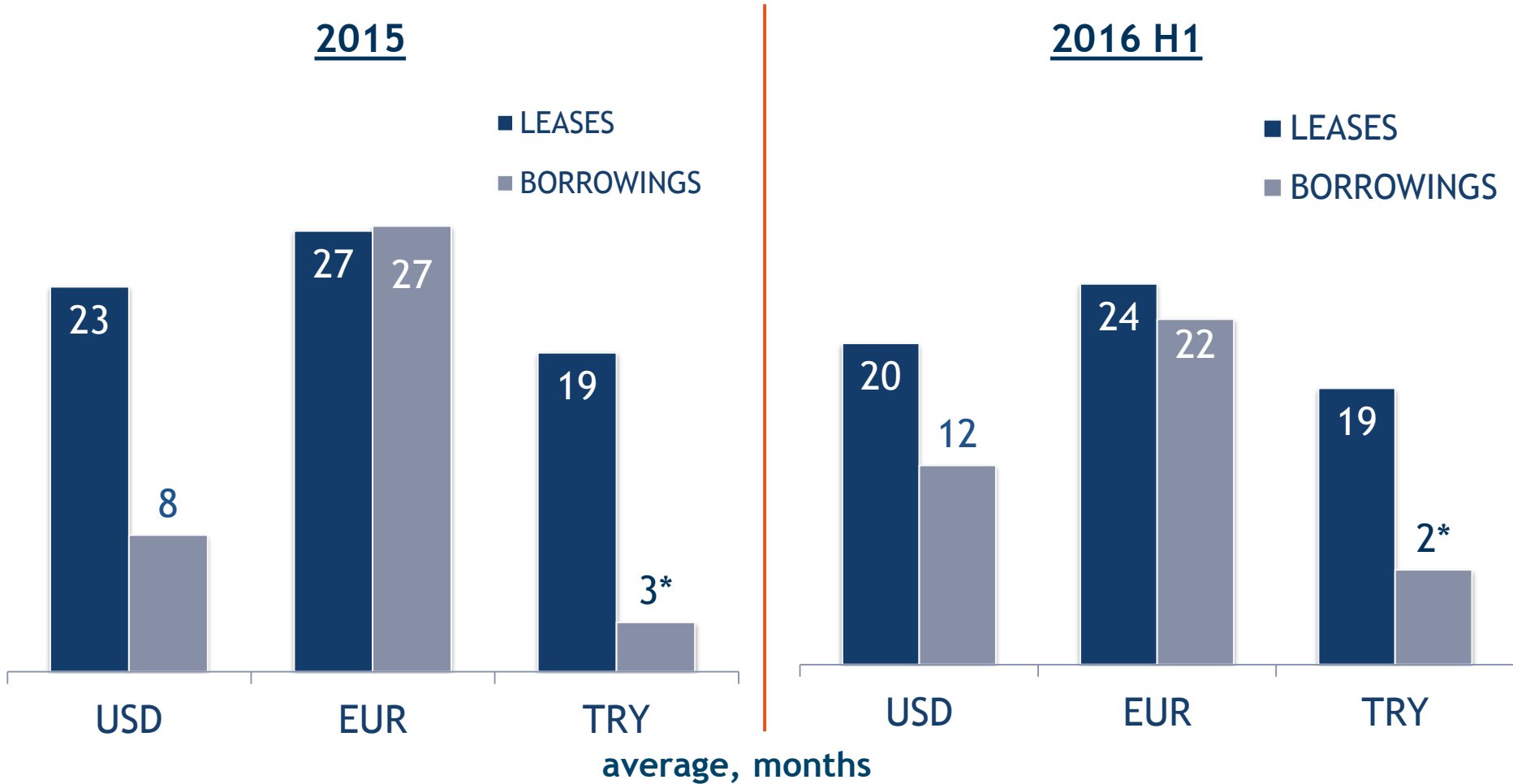


CURRENCY DISTRIBUTION





MATURITY DISTRIBUTION



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



FUNDING POLICY

- ✓ 7% of debt portfolio is funded via İşbank. İşbank has available lines to fund İş Leasing whenever necessary.
- ✓ Outstanding local bond issuances are 737 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 2014	31 December 2015	30 June 2016
Leasing Receivables, Net	2,841	3,287	3,393
Factoring Receivables, Net	1,433	1,951	2,064
Non Performing Receivables	160	183	192
Provisions	104	140	150
Total Assets	4,580	5,581	5,896
Financial Liabilities	3,791	4,661	5,011
Equity	667	738	771
Net Interest Income	81	121	75
Provisions Expenses	-40	-48	-12
Operating Expenses	-40	-47	-27
iŞ Leasing solo Profit	72	81	43
Consolidated net Profit	79	82	53
RATIOS			
Non Performing Loans/ Receivables	3,65%	3,40%	3,43%
Provision Ratio	65,40%	76,32%	77,95%
Return On Equity	12,40%	11,67%	14,0%



BALANCE SHEET (consolidated) mio TL

Million TRY	31.12.2014	31.12.2015	30.06.2016		31.12.2014	31.12.2015	30.06.2016
Current Assets				Current Liabilities			
Cash and Cash Equivalents	180.2	225.7	327.7	Short Term Liabilities	2292.0	3795.9	3958.6
Trading Securities(net)	-	-	-	Trade Payables	38.5	49.8	35.0
Leasing Receivables(net)	889.6	1141.6	1246.7	Advances Received	35.9	36.8	53.8
Factoring Receivables (net)	1433.2	1951.2	2063.7	Corporate Tax Payable	3.2	17.4	4.30
Other Current Assets(net)	27.1	15.9	24.9	Other Current Liabilities	39.6	71.9	14.0
Total Current Assets	2530.1	3334.4	3663.0	Total Current Liabilities	2409.2	3971.8	4065.7
Long Term Assets				Long Term Liabilities			
Leasing Receivables (net)	1951.4	2145.4	2145.9	Long Term Borrowings	1498.9	864.7	1052.8
Assets for Sale(net)	22.4	22.9	20.2	Reserves for emp. benefits	5.4	6.0	5.7
Deferred Tax Assets(net)	36.0	33.4	21.5	Total Long Term Liabilities	1504.3	870.7	1058.5
Fixed Assets (net)	17.9	17.1	17.3	Minority Interest	16.6	21.7	24.2
Other Long Term Assets	22.6	27.6	27.6	Equity			
Total Long Term Assets	2050.3	2246.4	2232.5	Capital	461.5	530.3	600.3
				Reserves	110.3	104.3	94.0
				Net Profit For The Year	78.5	82.0	52.9
				Total Shareholder's Equity	650.3	716.6	747.2
TOTAL ASSETS	4580.4	5580.8	5895.5	TOTAL LIABILITIES	4580.4	5580.8	5895.6



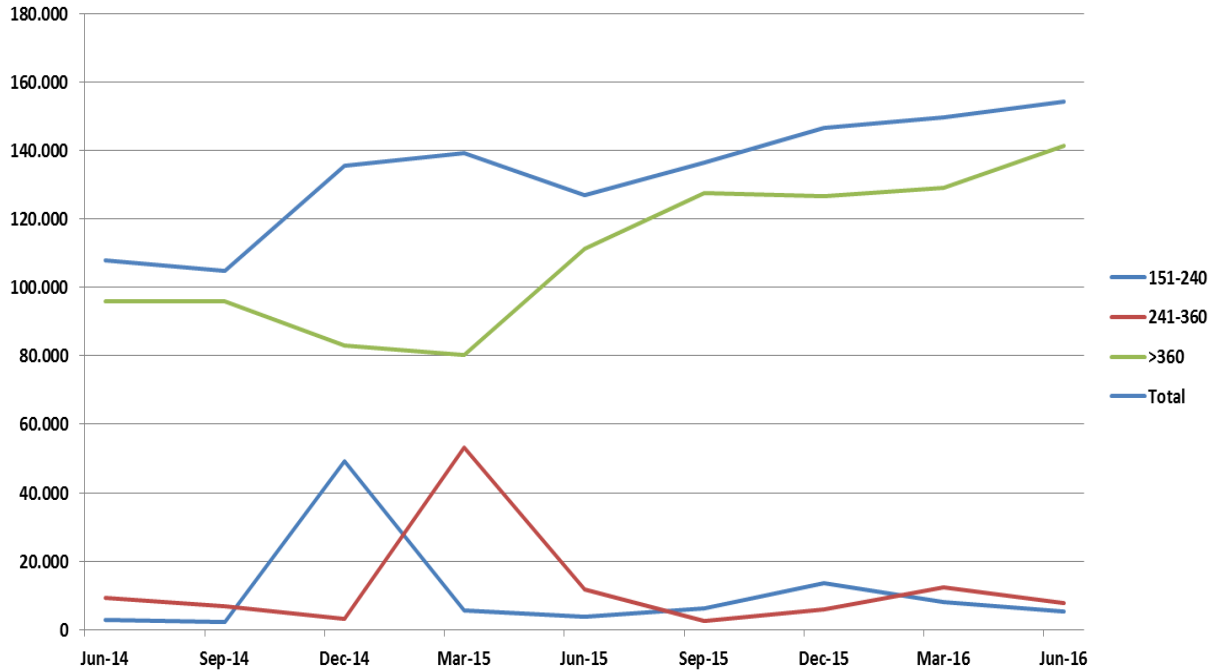
INCOME STATEMENT (consolidated) 000 TL

Million TRY	31.12.2014	31.12.2015	30.06.2016
Interest Income	186,567	264,839	135,983
Interest Expense	-200,485	-284,800	-143,925
Foreign Currency Gains/(Losses)	74,273	68,533	29,704
Total	60,355	48,572	21,762
Factoring Income	89,248	134,492	80,433
General and Administrative Expenses	-40,340	-46,916	-27,061
Provision Expenses	-39,938	-48,482	-12,346
Other income/(expenses) (net)	23,838	22,112	9,600
Profit before taxation	93,163	109,778	72,388
Tax	-12,989	-22,514	-15,591
Profit after taxation	80,174	87,264	56,797
Minority Interest	-1,688	-5,261	-3,920
Net Profit for the Year	78,486	82,003	52,877



NPL

Consolidated	31.12.2013	31.12.2014	31.12.2015	30.06.2016
Gross NPL /Total Receivables	3,80%	3,70%	3,40%	3,43%
Net NPL / Net Receivables	1,80%	1,30%	0,83%	0,78%



000 TL	LOSS RESERVE
2016 Opening	(139.750)
Reversals	2.202
New provisions	(12.346)
Write-off (*)	
Transfer	
30.06.2016 Closing	(149.894)



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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