

Investor Presentation

June 30, 2014





Leasing Sector in Turkey





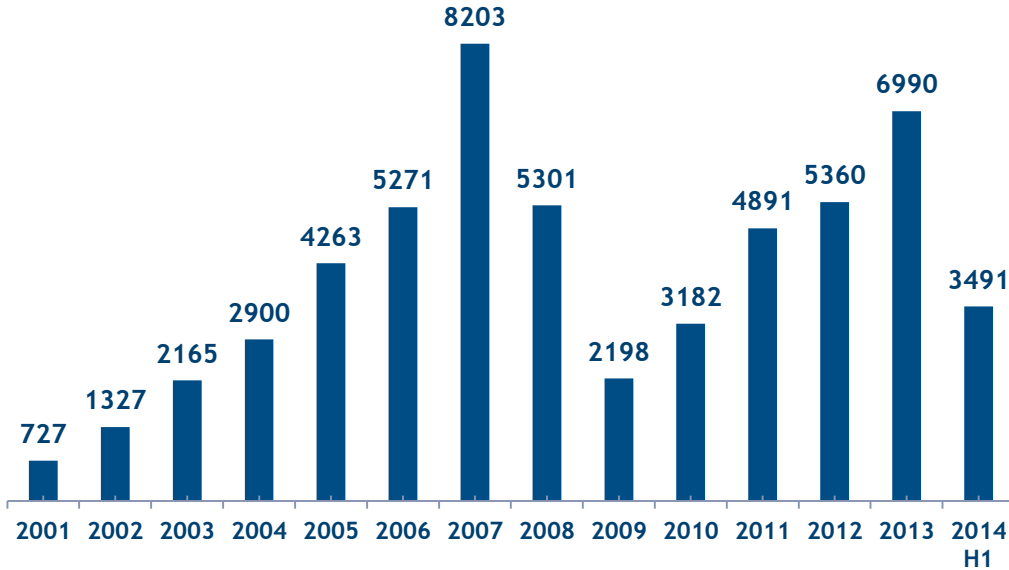
LEASING

- ✓ VAT is %1 for various types of machinery.
- ✓ 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.



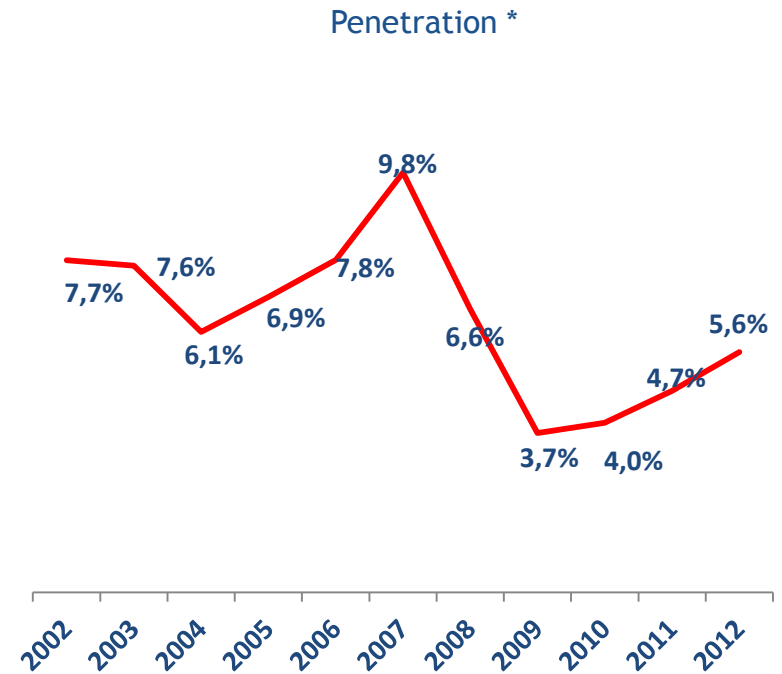
TURNOVER

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%.



*Leasing volume/ Private sector fixed investments



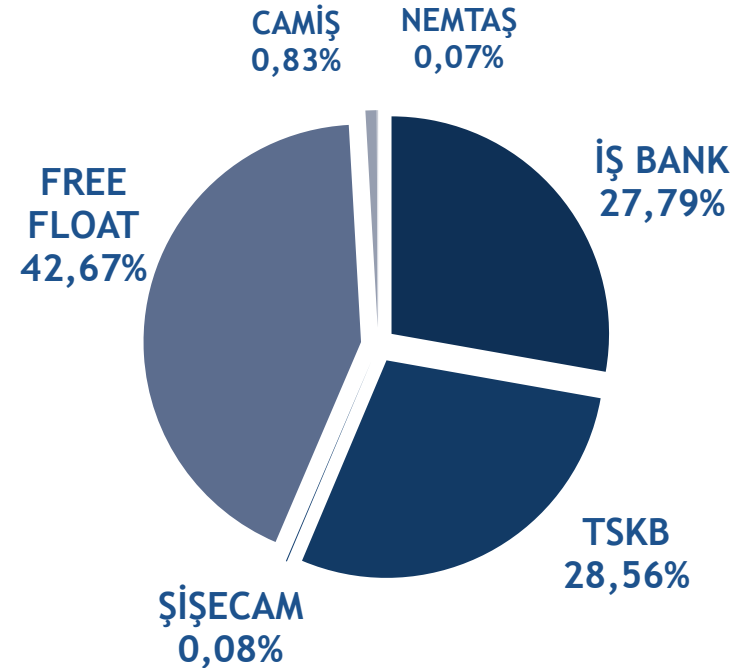
Company Overview





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.

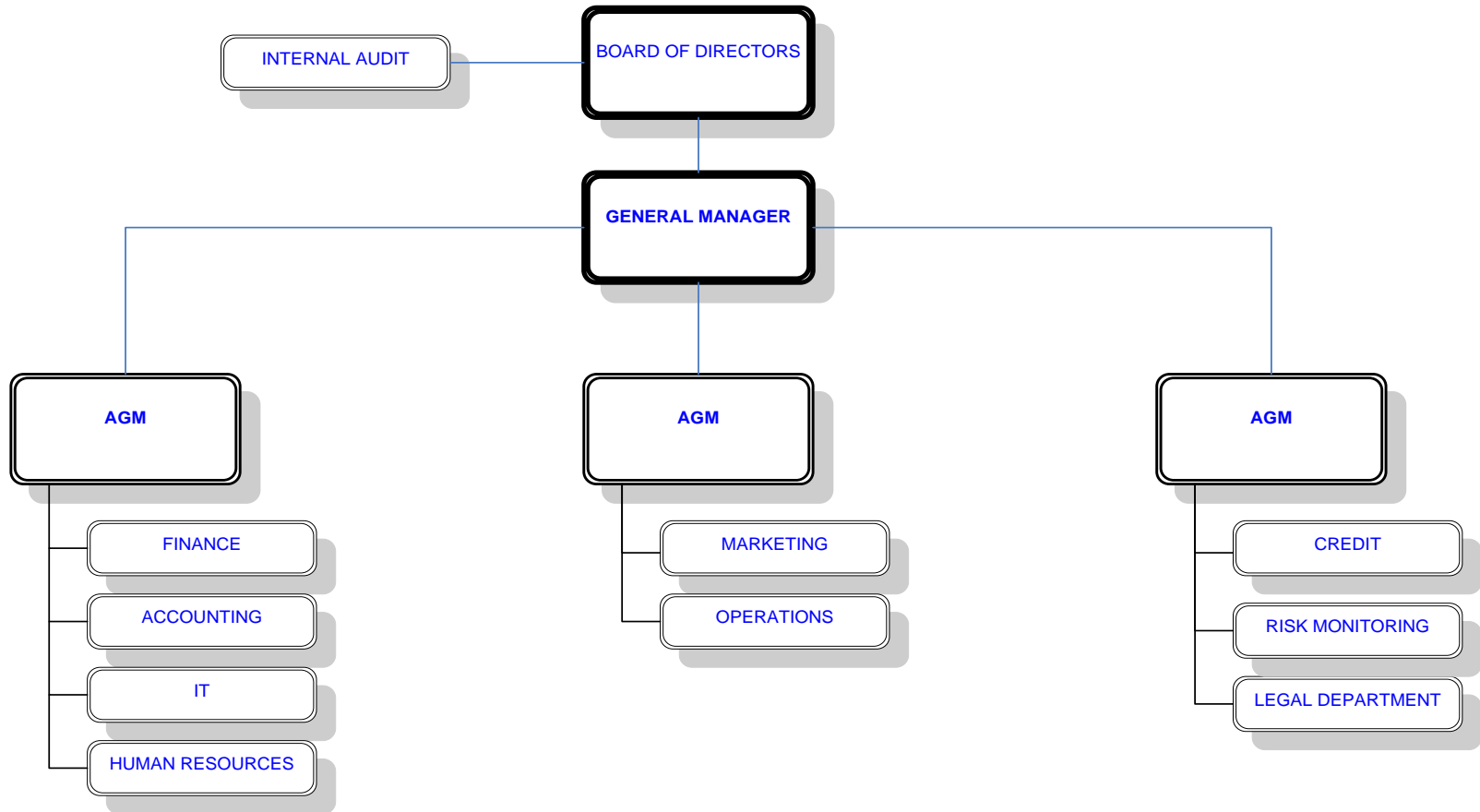


PARTICIPATIONS

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



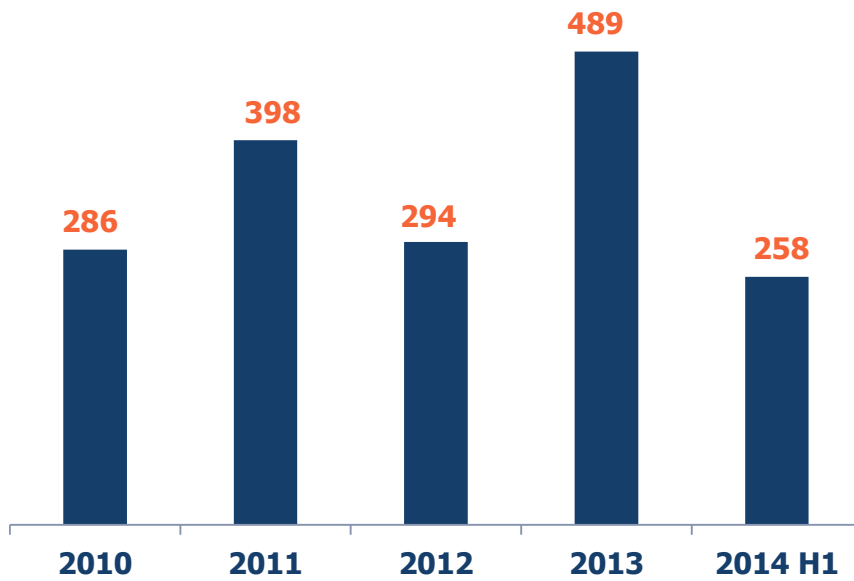


Lease Portfolio

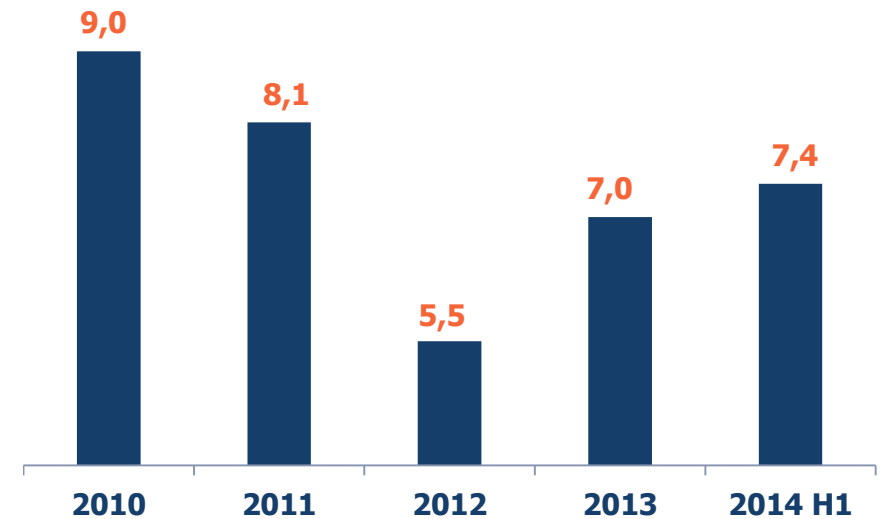




TURNOVER & MARKET SHARE



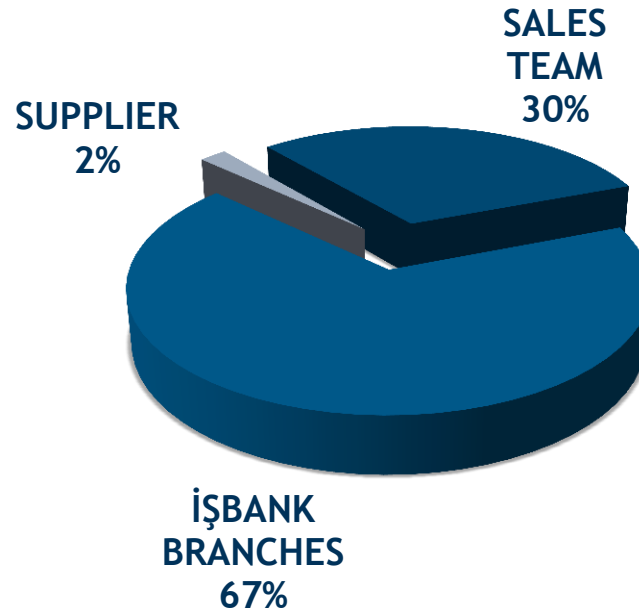
Million USD



Percentage



SALES CHANNELS

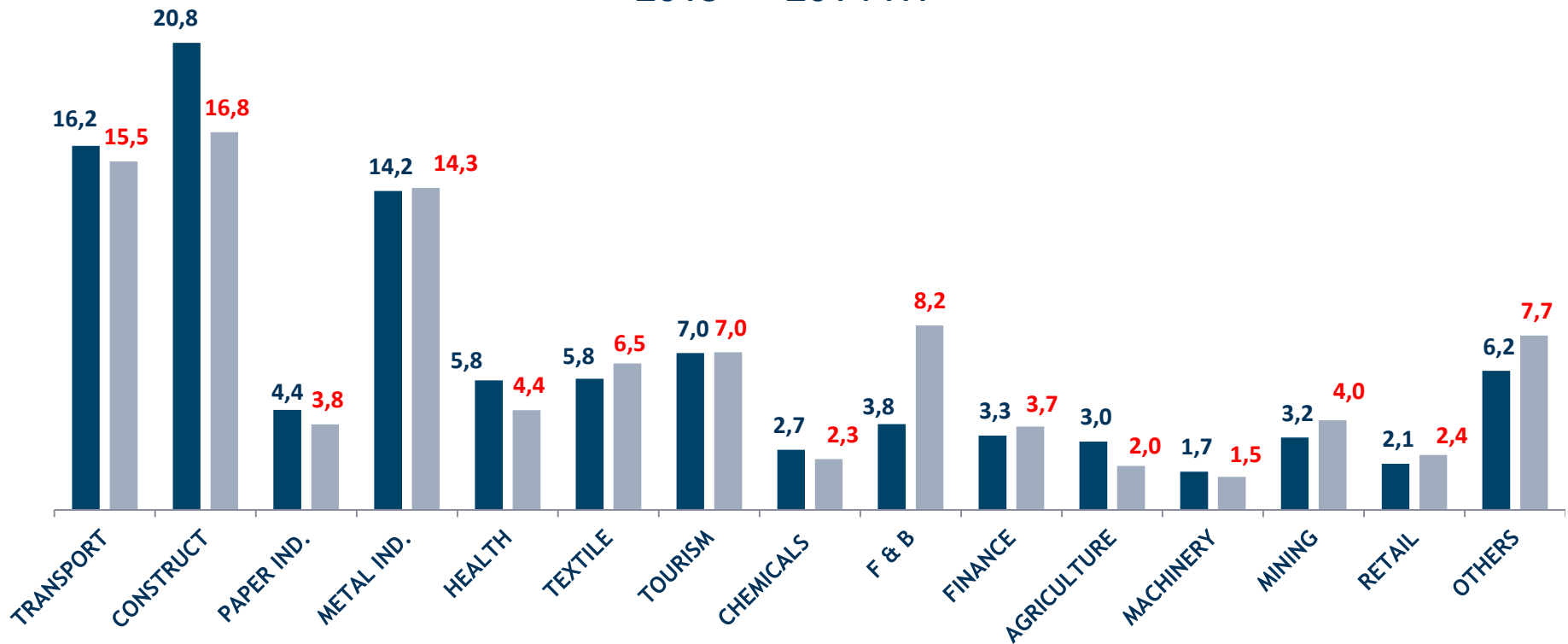


İşbank has 1.317 branches throughout Turkey.



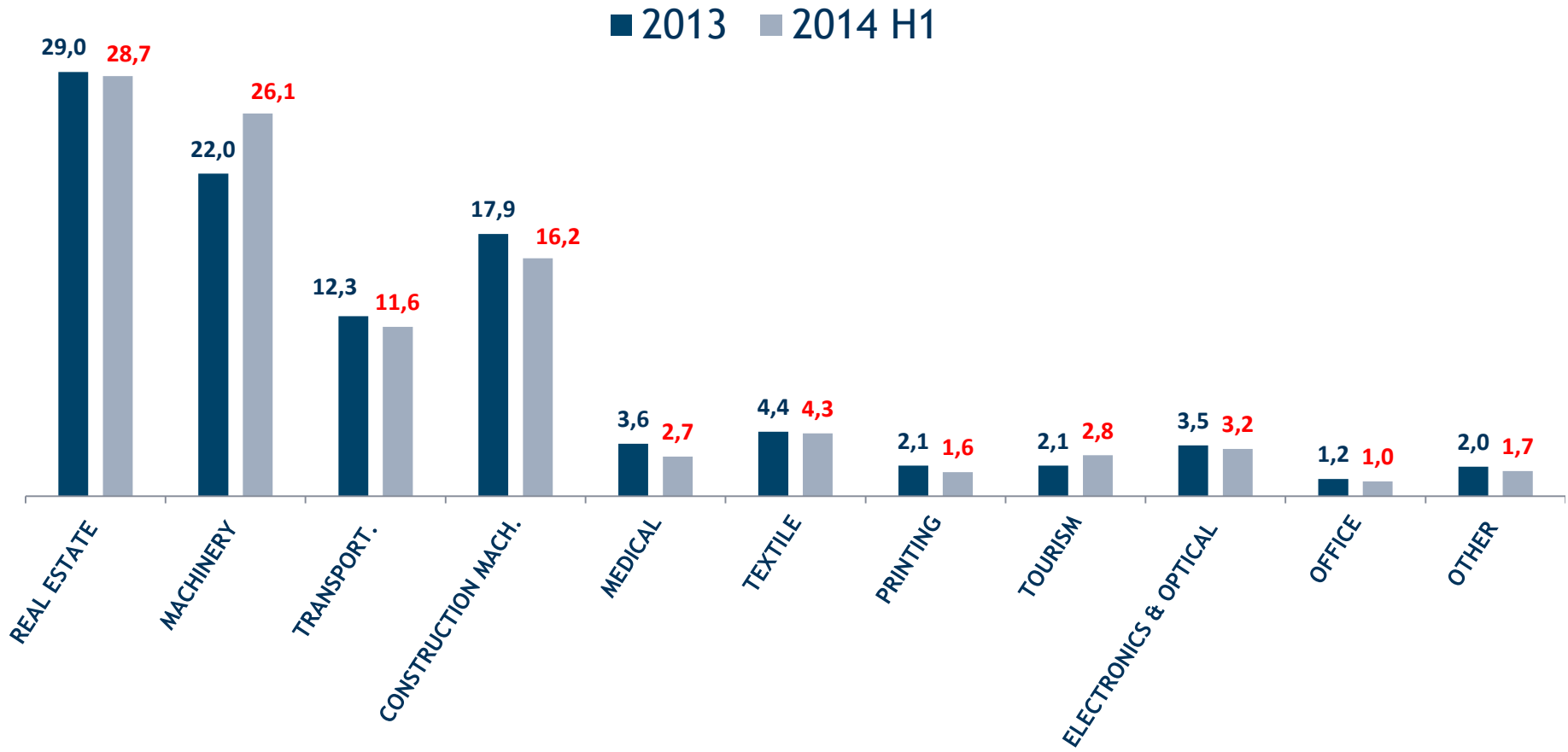
SECTORAL DISTRIBUTION , %

■ 2013 ■ 2014 H1



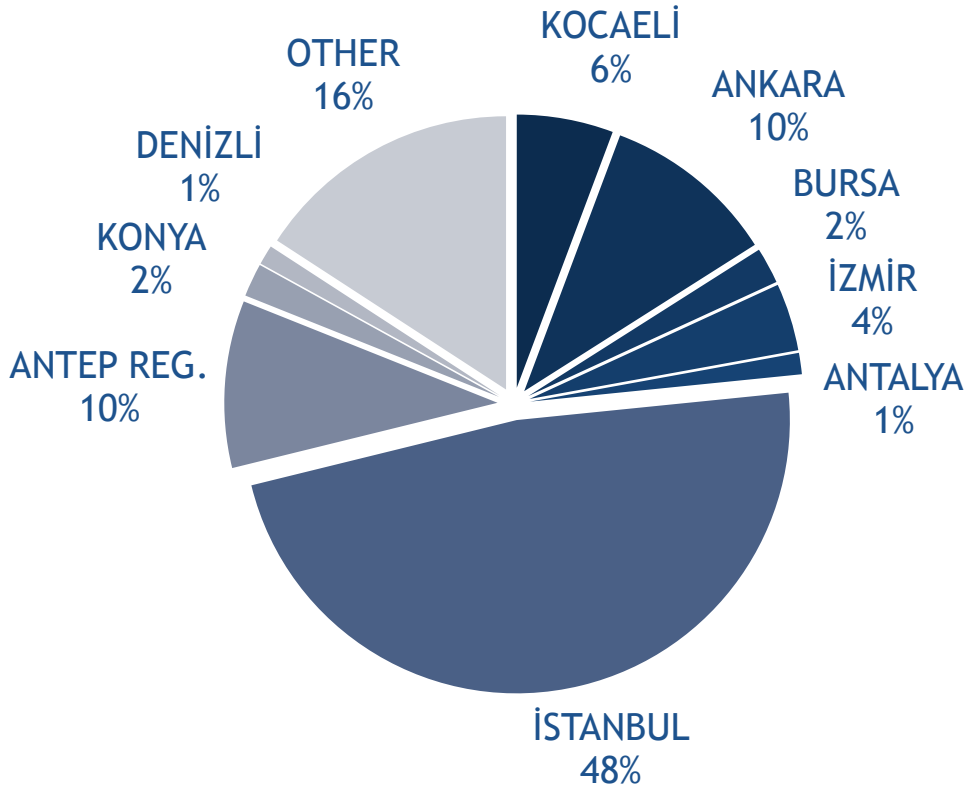


ASSET DISTRIBUTION , %





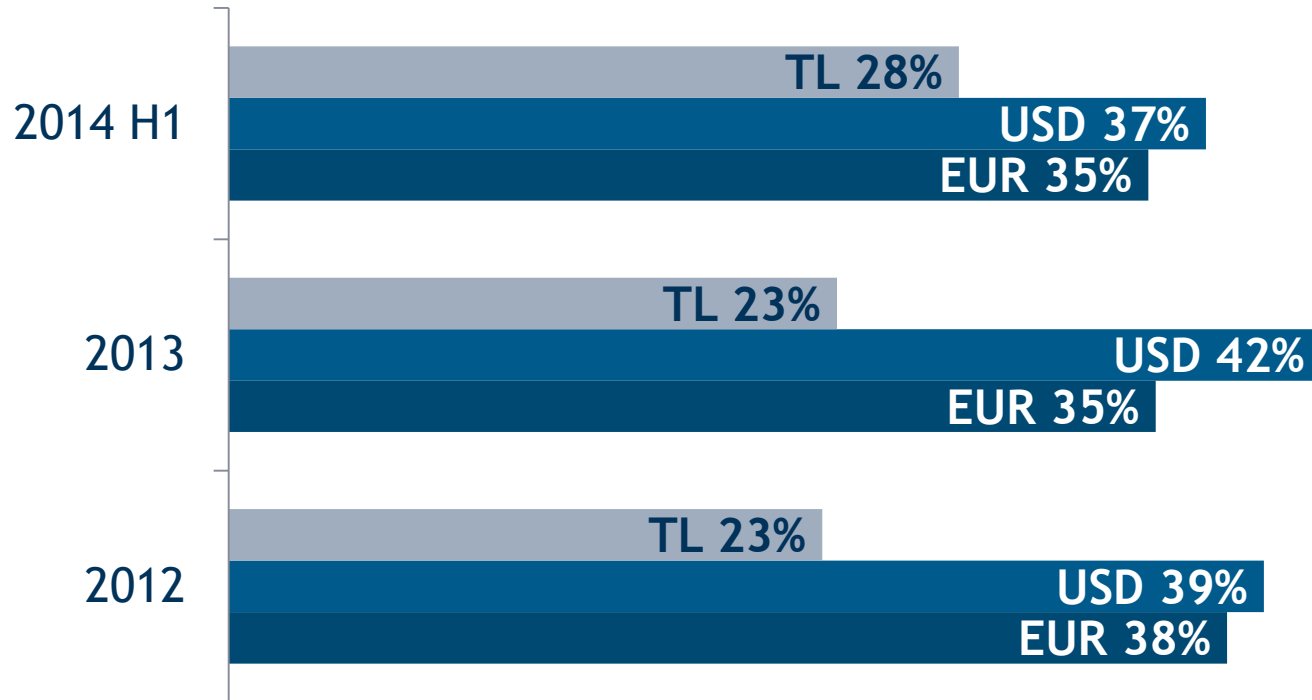
GEOGRAPHICAL DISTRIBUTION



BRANCHES	MARKETING & SALES STAFF
Head Office	2
Istanbul (A) - Kozyatağı & Gebze	9
Istanbul (E) - Şişli & Avcılar	9
Ankara & Central Anatolia	7
Çukurova	3
South Anatolia	3
Marmara	3
Aegean	4
Mediterranean	3
Trabzon	2
Konya	2
Denizli	1
Kayseri	1
Diyarbakır	1
TOTAL M & S STAFF	50
TOTAL HEADCOUNT	134



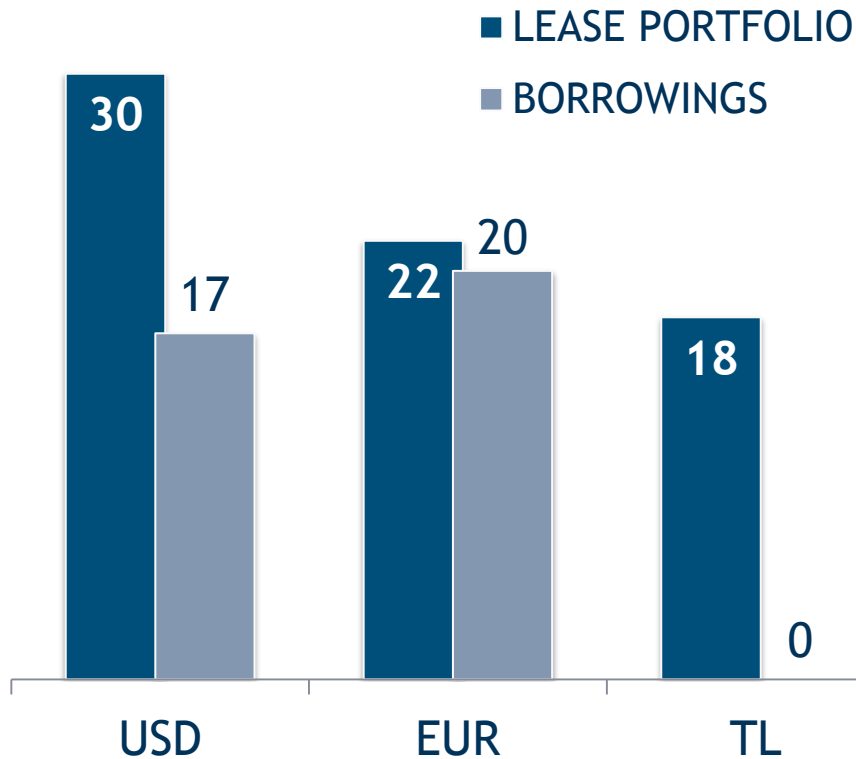
CURRENCY DISTRIBUTION



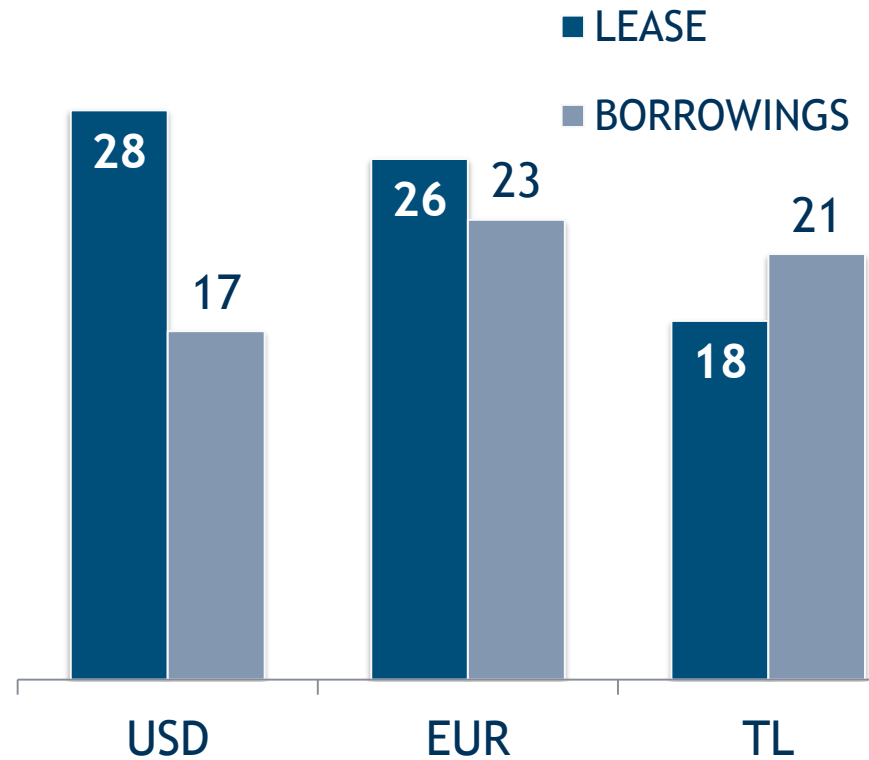


MATURITY DISTRIBUTION

2013



2014 H1



average, months



FUNDING POLICY

- ✓ 21 % of debt portfolio is funded via İşbank. İşbank has available lines to fund İş Leasing when necessary.
- ✓ İş Leasing has outstanding bond issuances amounting 250 million TRY. Initial terms for all is 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	31 December 2013	30 June 2014
Leasing Receivables, Net	1,391	2,232	2,336
Factoring Receivables, Net	1,015	946	1,302
Non Performing Receivables	113	124	130
Provisions	-69	-67	-79
Total Assets	2,820	3,493	3,999
Financial Liabilities	2,213	2,668	3,249
Equity	566	604	633
Net Interest Income			
	70	78	32
Provisions			
	-22	-18	-16
Operating Expenses			
	-24	-30	-19
İş Leasing solo Profit			
	37,2	49,0	46
Consolidated net Profit			
	41	40	45
RATIOS			
Non Performing Loans/ Receivables			
	4,6%	3,8%	3,5%
Provision Ratio			
	61,2%	53,9%	60,5%
Return On Equity			
	7,5%	6,8%	14,7%



BALANCE SHEET (consolidated) mio TL

Million TRY	2012	2013	2014/H1		2012	2013	2014 H1
Current Assets				Current Liabilities			
Cash and Cash Equivalents	317.2	232.8	257.6	Short Term Liabilities	1874.7	1455.4	1813.4
Trading Securities(net)	8.7	-	-	Trade Payables	14.8	66.6	39.1
Leasing Receivables(net)	462.4	727.0	784.7	Advances Received	8.4	20.9	30.1
Factoring Receivables (net)	1014.9	946.1	1302.1	Corporate Tax Payable	4.6	2.5	2.7
Other Current Assets(net)	9.7	11.7	31.8	Other Current Liabilities	10.1	126.7	41.3
Total Current Assets	1812.9	1917.6	2376.2	Total Current Liabilities	1912.6	1672.1	1926.6
Long Term Assets				Long Term Liabilities			
Leasing Receivables (net)	928.3	1505.0	1551.7	Long Term Borrowings	338.7	1212.9	1435.3
Assets for Sale(net)	25.6	23.2	23.6	Reserves for emp. benefits	3.2	4.0	3.8
Deferred Tax Assets(net)	51.4	44.3	32.5	Total Long Term Liabilities	341.9	1216.9	1439.1
Fixed Assets (net)	1.3	1.7	2.0	Minority Interest	13	15.1	14.9
Other Long Term Assets	0.8	0.8	12.9	Equity			
Total Long Term Assets	1007.4	1575.0	1622.7	Capital	389	424.4	461.5
				Reserves	123	124.5	111.4
				Net Profit For The Year	40.8	39.6	45.4
				Total Shareholder's Equity	552.8	588.5	618.3
TOTAL ASSETS	2820.3	3492.6	3998.9	TOTAL LIABILITIES	2820.3	3492.6	3998.9



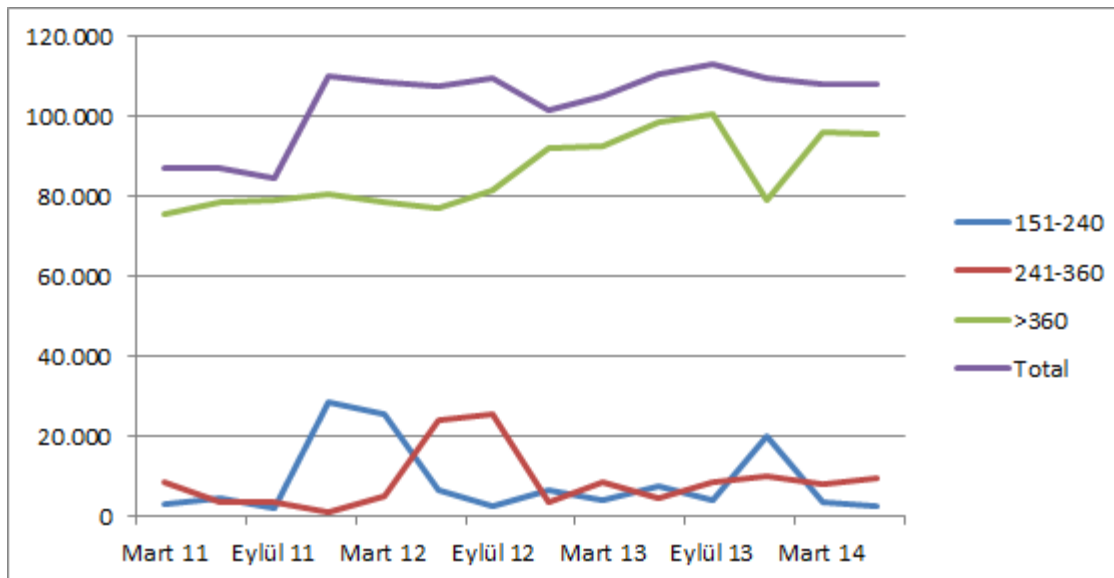
INCOME STATEMENT (consolidated) 000 TL

Million TRY	2012	2013	2014 H1
Interest Income	106,067	125,745	85,161
Interest Expense	(96,954)	(115,448)	(93,534)
Foreign Currency Gains/(Losses)	24,758	13,829	51,444
Total	33,872	24,126	43,071
Factoring Income	51,984	58,489	41,067
General and Administrative Expenses	(24,363)	(30,444)	(18,785)
Provision Expenses	(22,058)	(17,608)	(15,558)
Other income/(expenses) (net)	15,141	18,481	8,837
Profit before taxation	54,576	53,044	58.632
Tax	(12,775)	(10,855)	(13.365)
Profit after taxation	41,800	42,189	45.267
Minority Interest	(995)	(2,600)	127
Net Profit for the Year	40,805	39,589	45.394



NPL

Consolidated	2011	2012	2013	2014 H1
Gross NPL / Total Receivables	% 6,1	% 4,6	% 3,8	3,5%
Net NPL / Net Receivables	% 2,9	% 1,8	% 1,8	1,4%



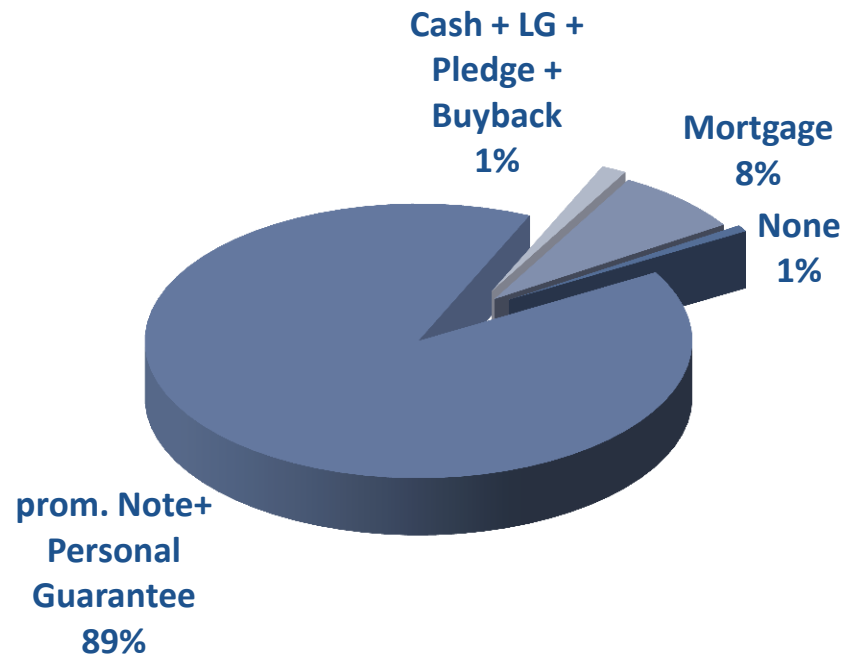
000 TL	LOSS RESERVE
2014 Opening	(66.622)
Reversals	3.358
New provisions	(15.558)
Write-off (*)	-
Transfer	-
30.09.2013 Closing	(78.822)



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	AA + (tur)
Outlook	Stable
Support Rating	2



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