

# Investor Presentation

June 30, 2011





# Leasing Sector in Turkey



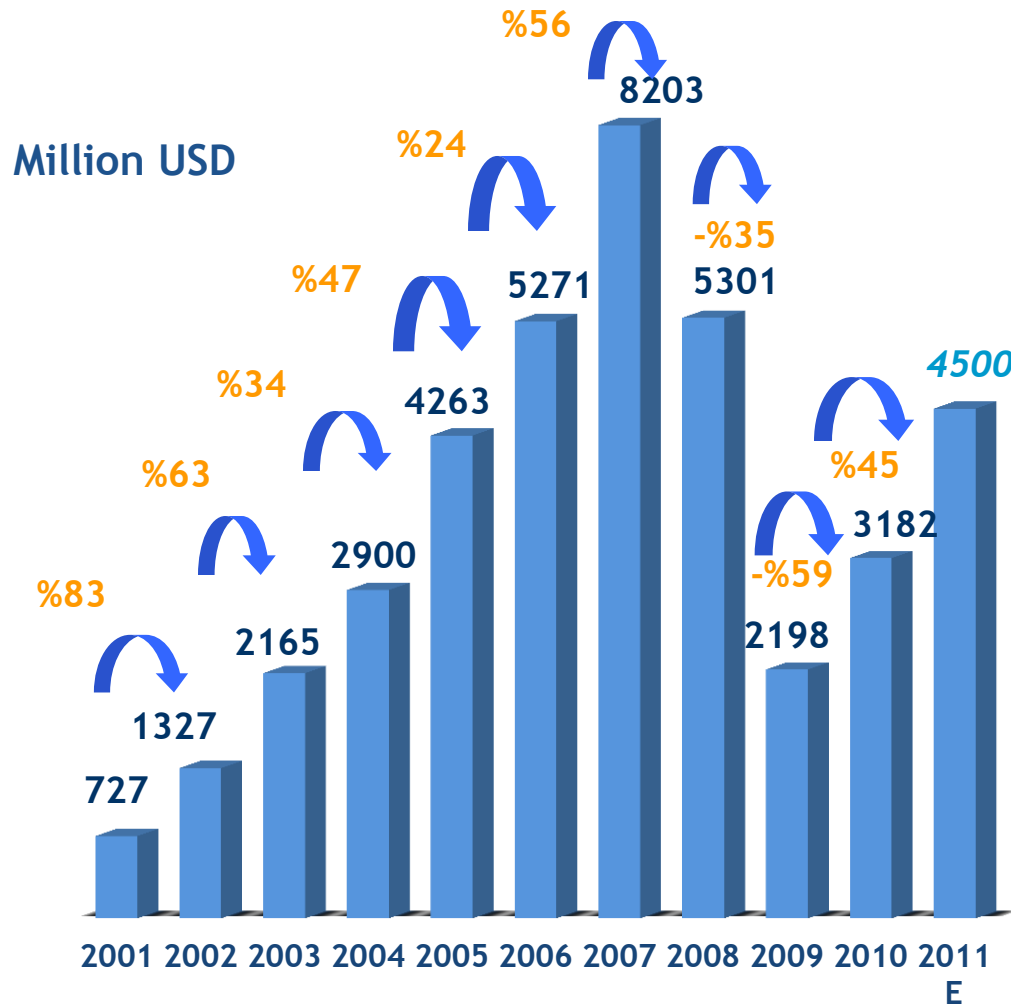


## ADVANTAGES OF LEASING

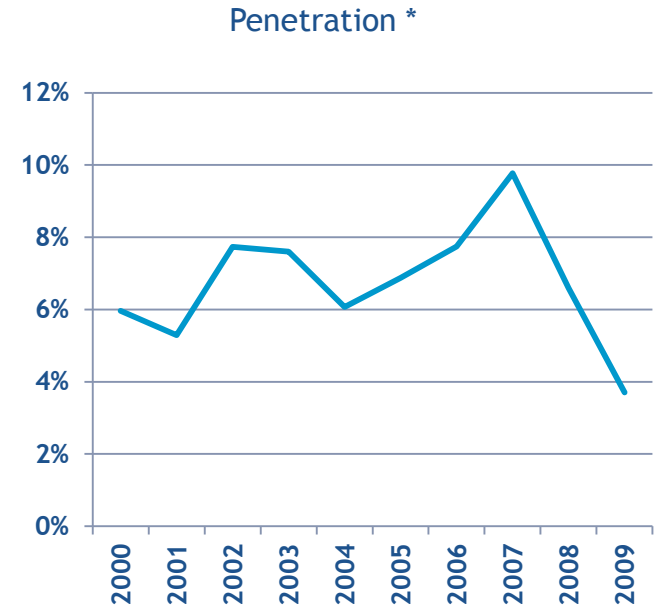
- ✓ Expertise on SMEs, consultancy and know-how support in addition to funding.
- ✓ Fast credit approvals (leased asset ownership), flexible payment plans.
- ✓ FX borrowing option (Bank FX loans have some restrictions)
- ✓ Banks can fund up to %50 of commercial real estate but there is no limit for leasing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



## TURNOVER



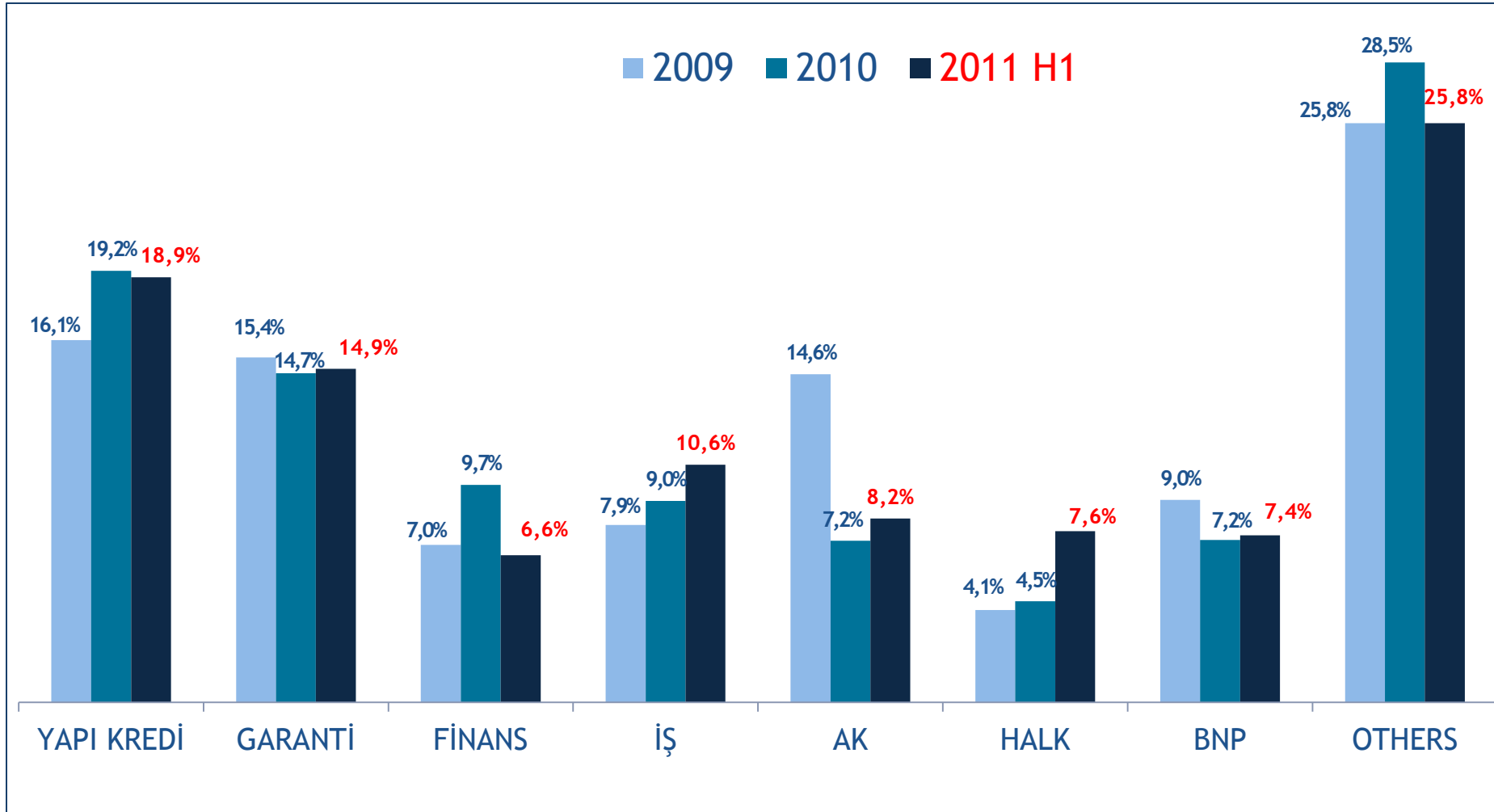
Leasing penetration is still at low levels compared to EU average of 15% and North America average of 18%.



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



## MARKET SHARES, New Leasing Transactions





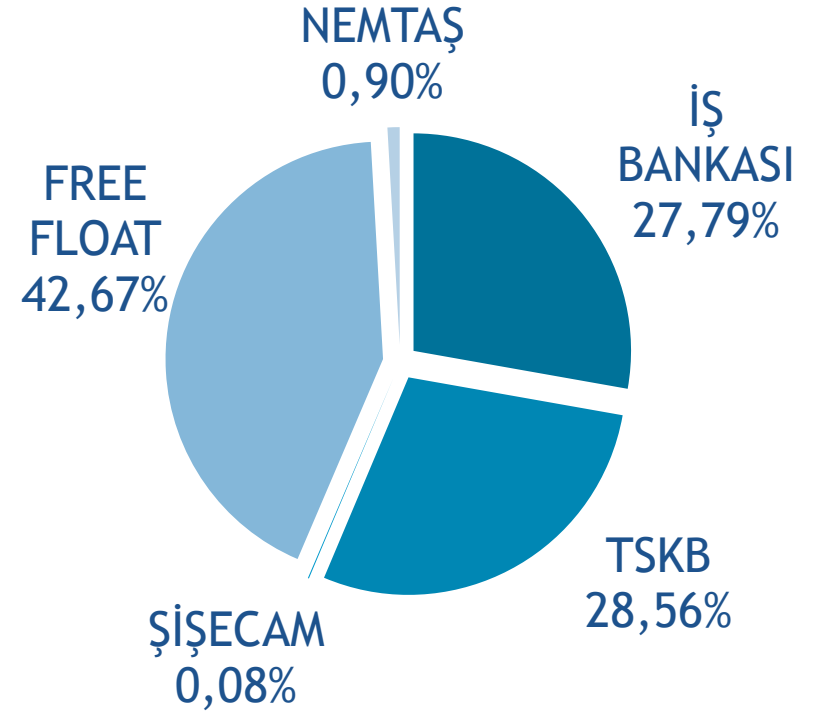
# Company Overview





## 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

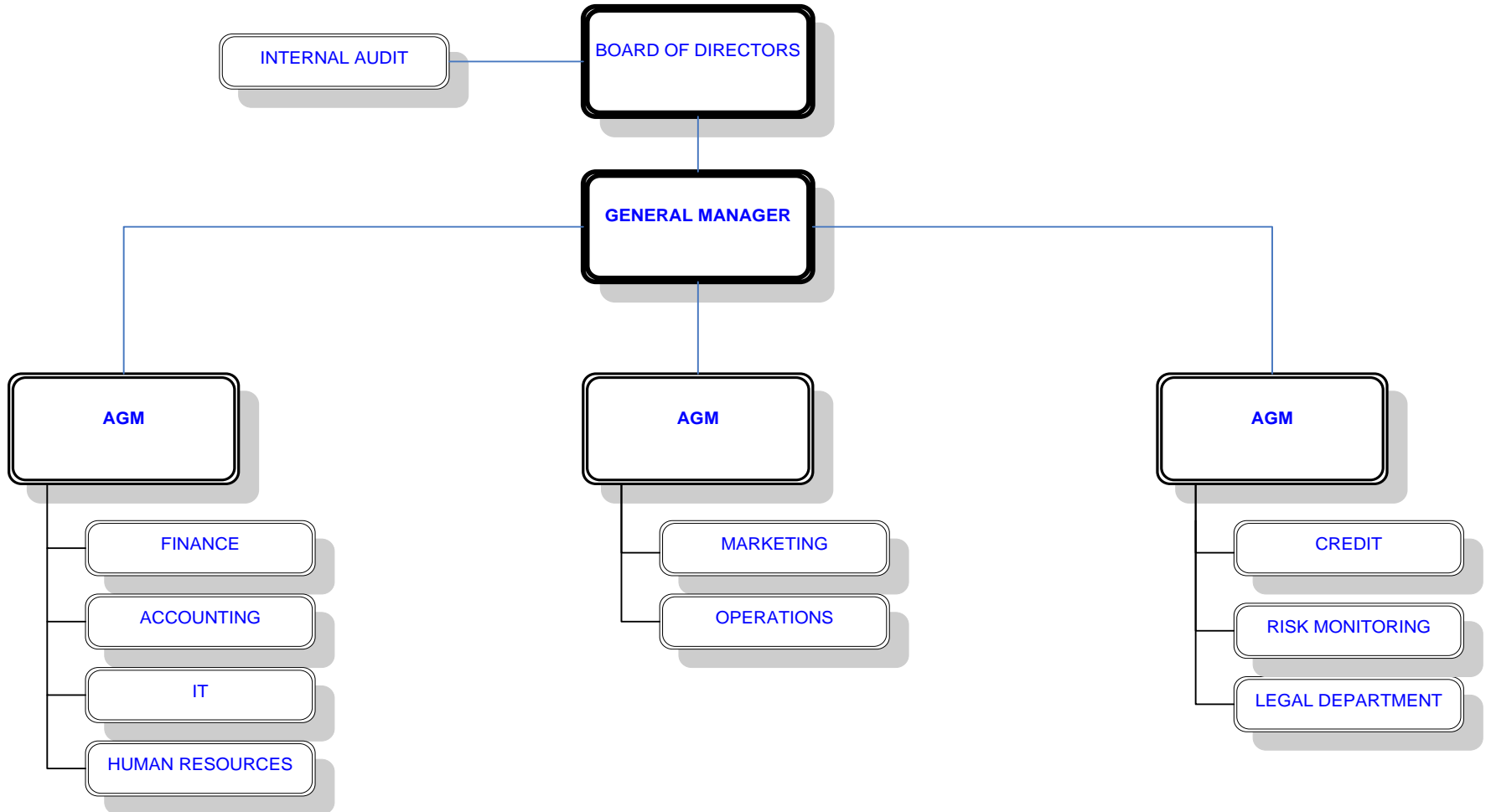
<u>Equity Participations</u>	<u>Total Share Capital (TL)</u>	<u>İş Leasing</u>	<u>Share %</u>
İş Yatırım Menkul Değerler A.Ş.	200.000.000	4.864.851	2,43
Camiş Menkul Değerler A.Ş.	4.696.000	2.471	0,05
<u>Subsidaire</u>			
İş Factoring Finansman Hiz. A.Ş.	16.000.000	12.517.000	78,23

İş Yatırım (ISMEN) is a listed company.





# ORGANIZATION CHART



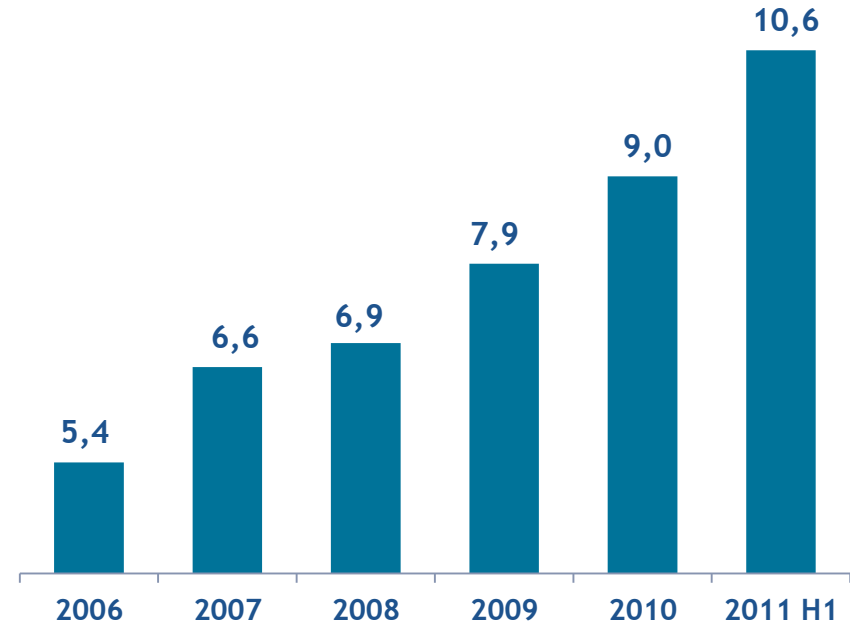
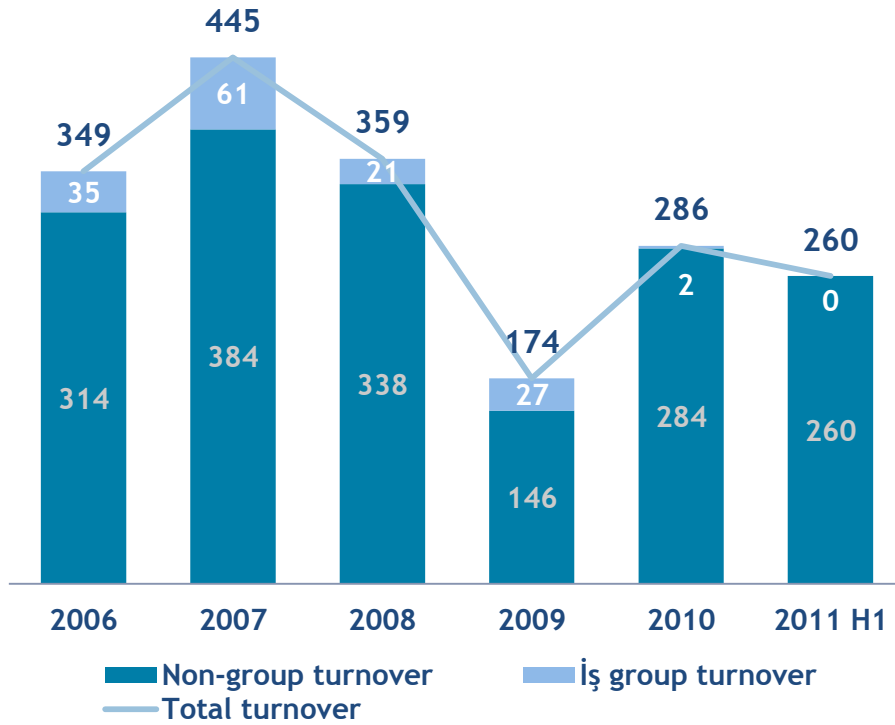


# Lease Portfolio





# TURNOVER & MARKET SHARE



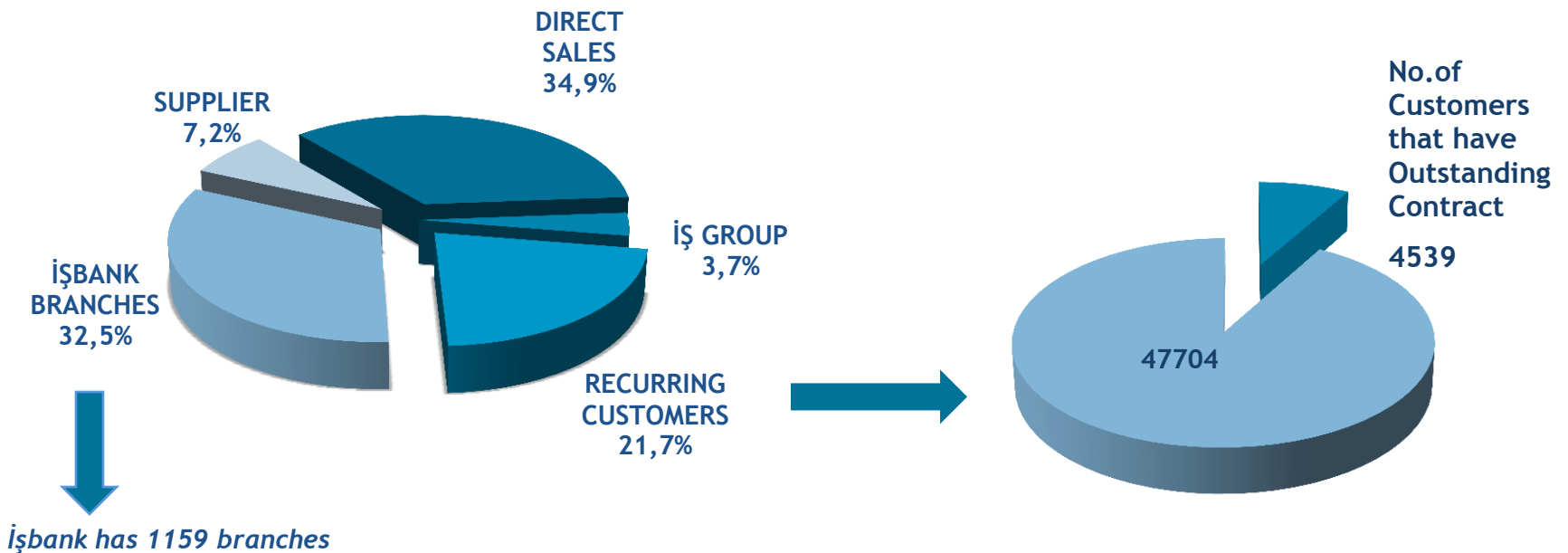
Percentage

Million USD



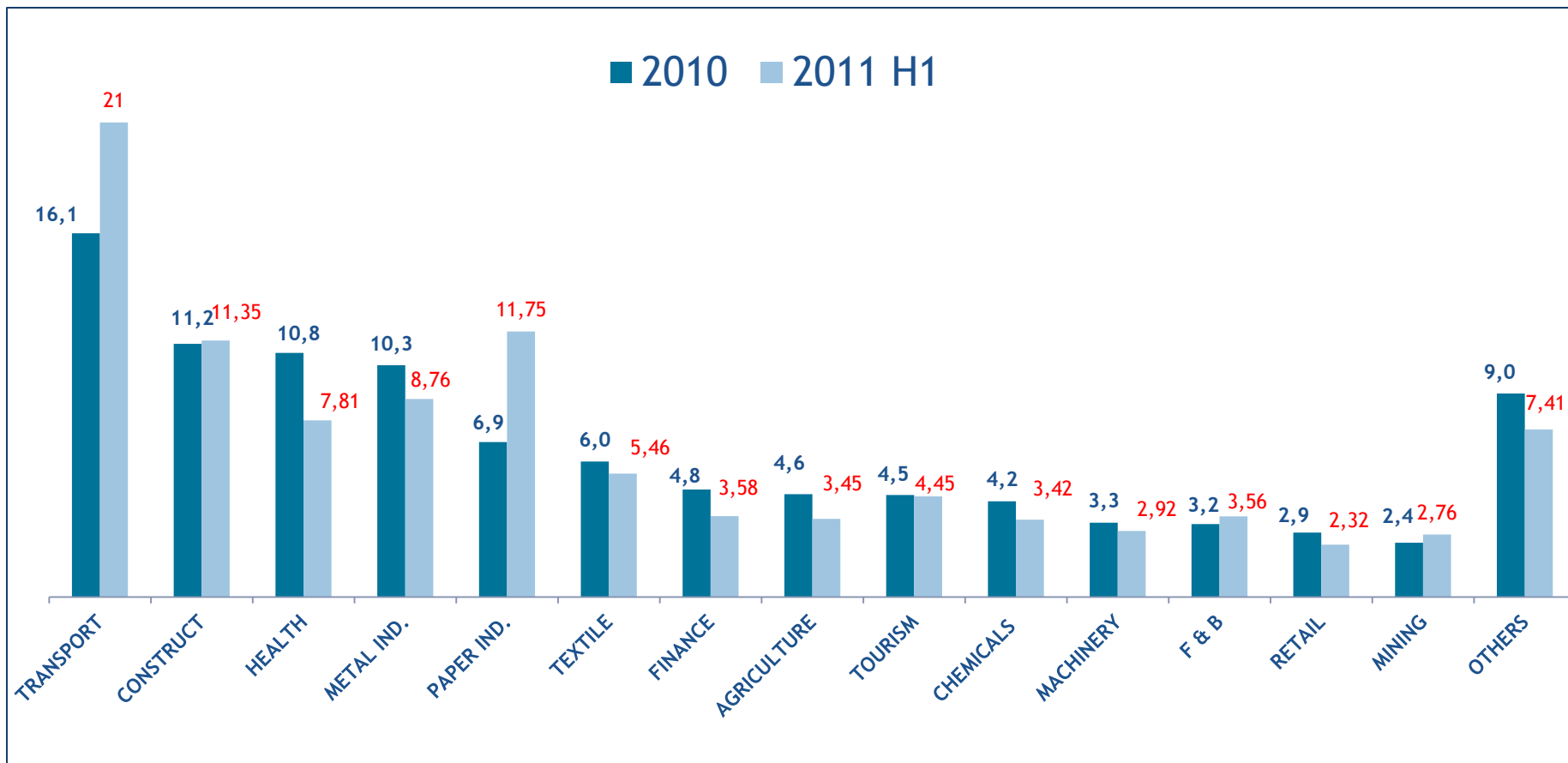
## SALES CHANNELS

Total number of customers in CRM database: 51.927



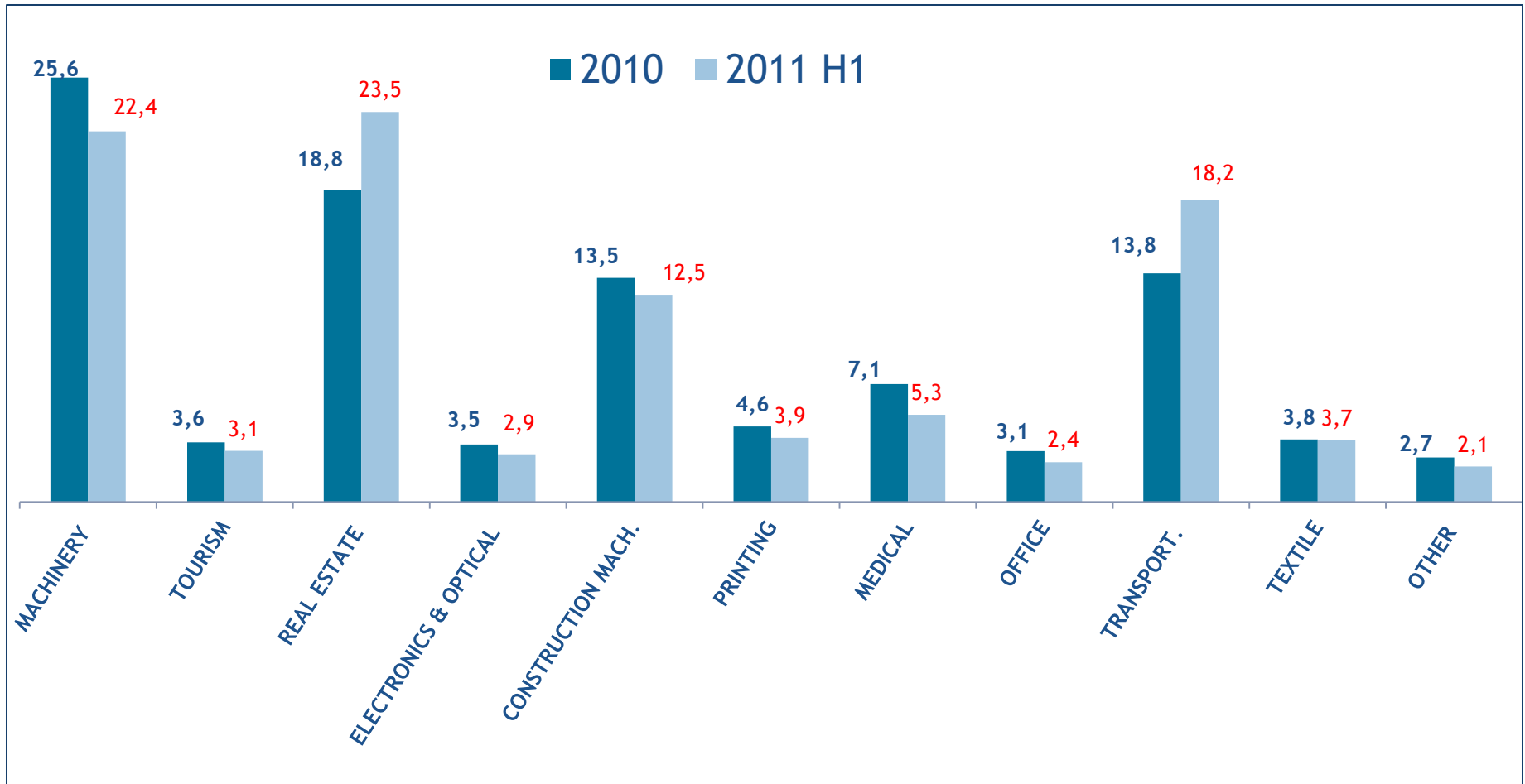


## SECTORAL DISTRIBUTION , %



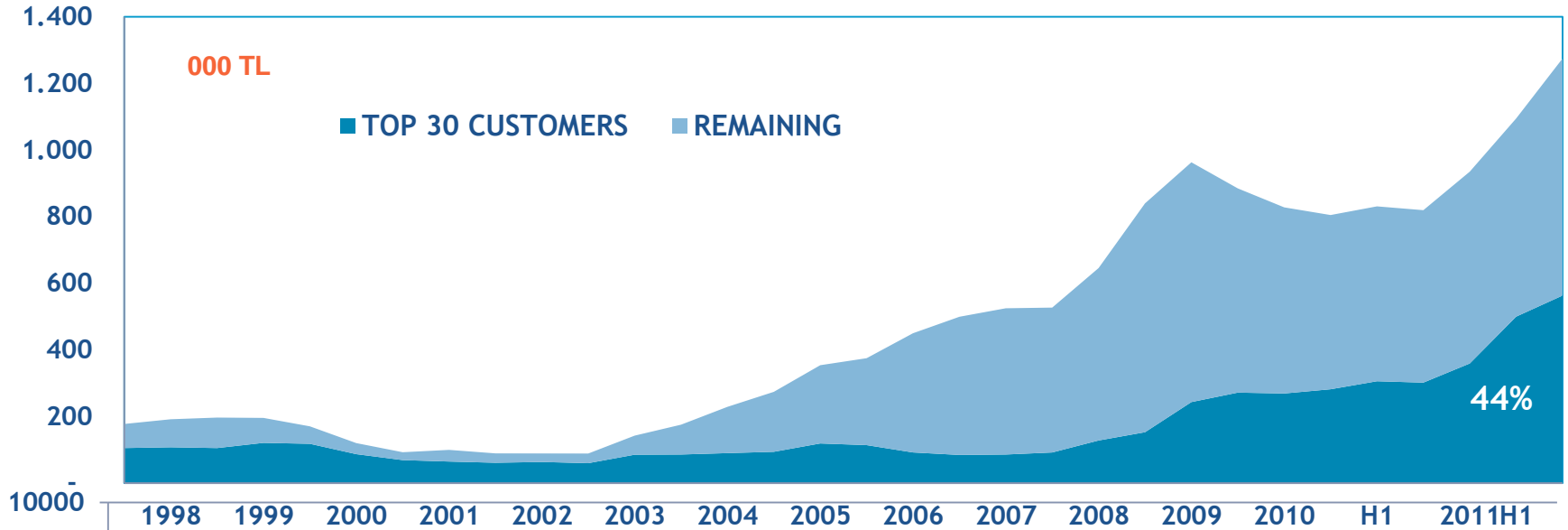


## ASSET DISTRIBUTION , %



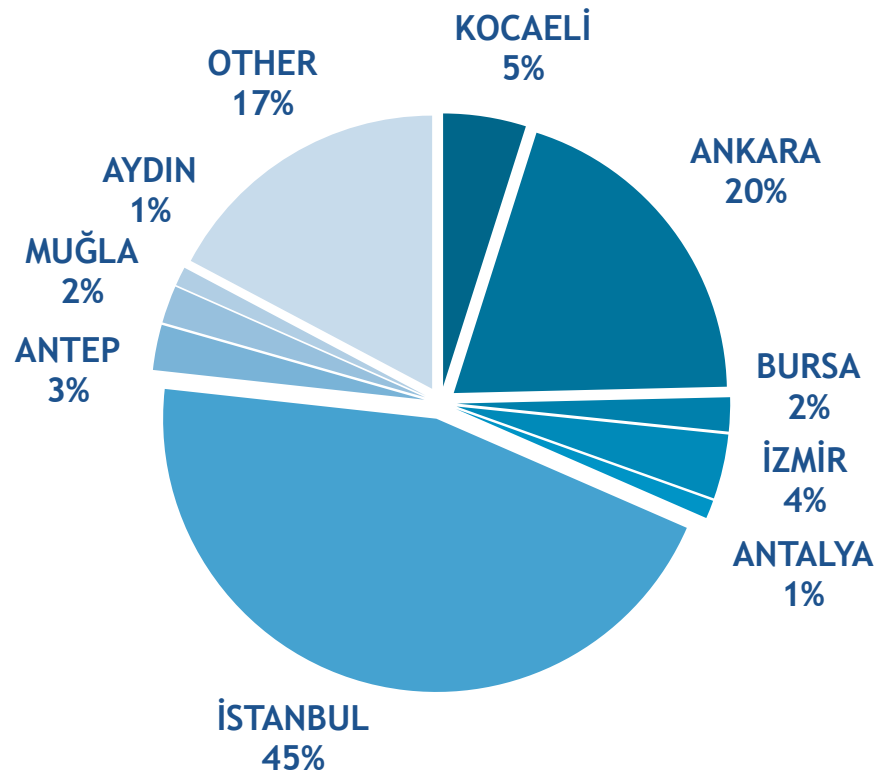


# PORTFOLIO DEVELOPMENT





## GEOGRAPHICAL DISTRIBUTION

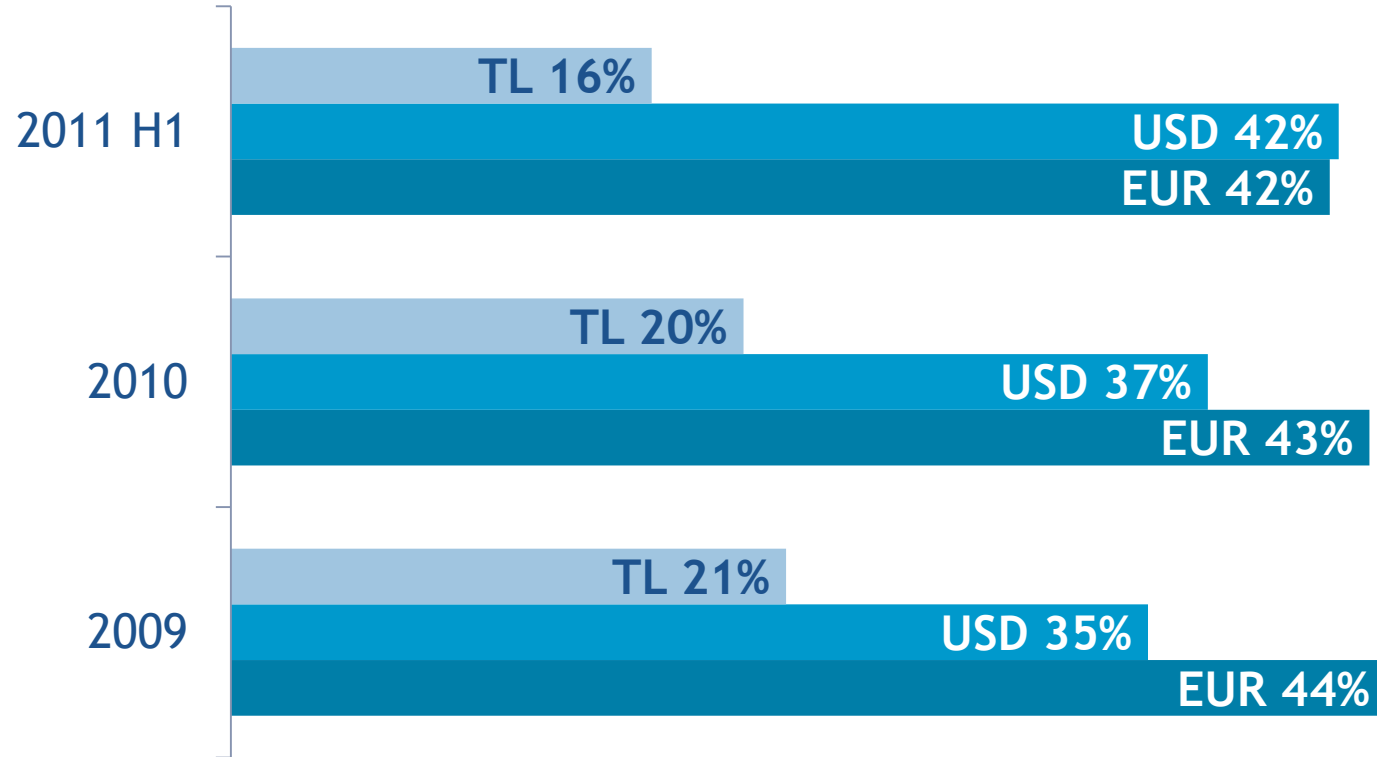


OFFICES	# STAFF
Head Office	4
Istanbul Europe	5
Istanbul Asia	4
Ankara Rep. Office	6
Antep	4
Bursa	2
İzmir	4
Antalya	3
<b>TOTAL SALES STAFF</b>	<b>32</b>
<b>TOTAL HEADCOUNT</b>	<b>95</b>





## CURRENCY DISTRIBUTION



TL 000	2010	2011 H1
Net FX position (Long)	526	5794
Net FX position / Equity	0,1%	1,2%

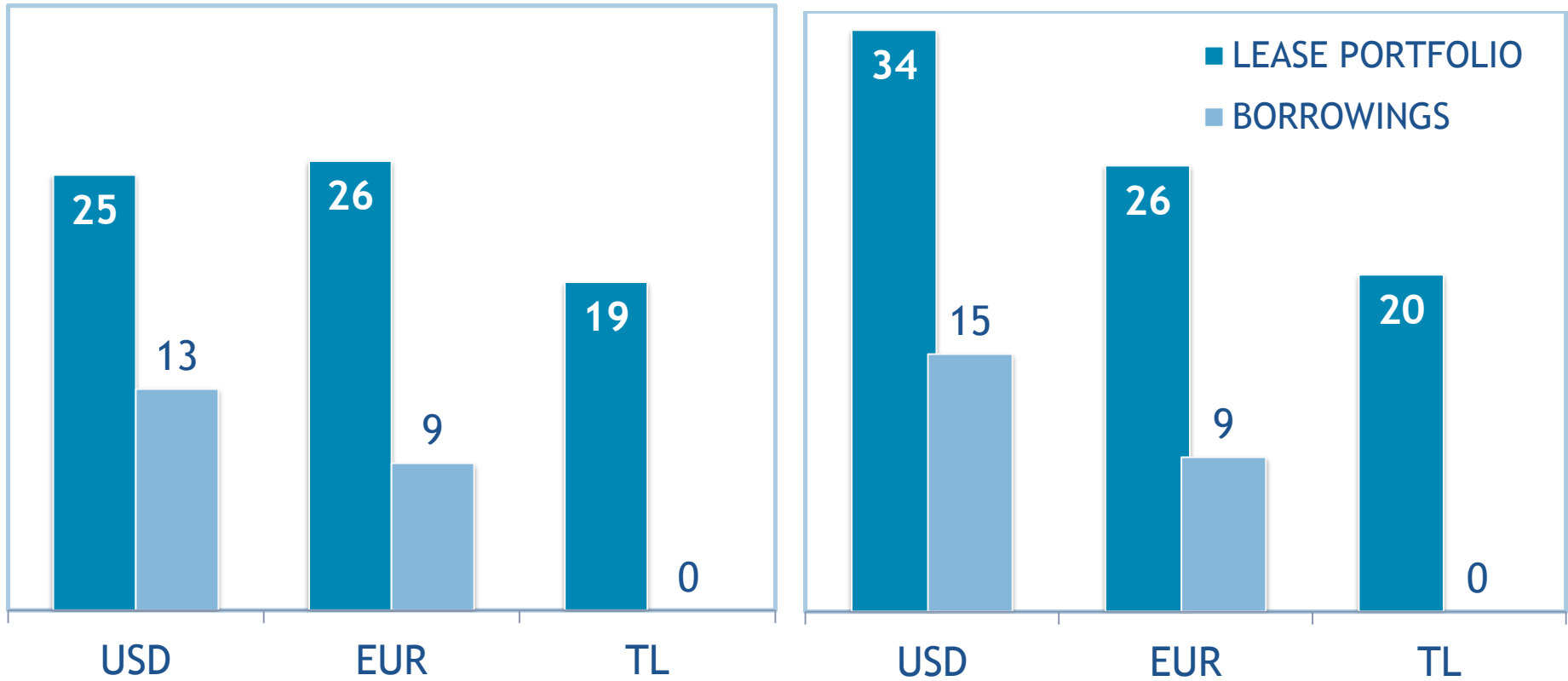


# MATURITY DISTRIBUTION

2010

average, months

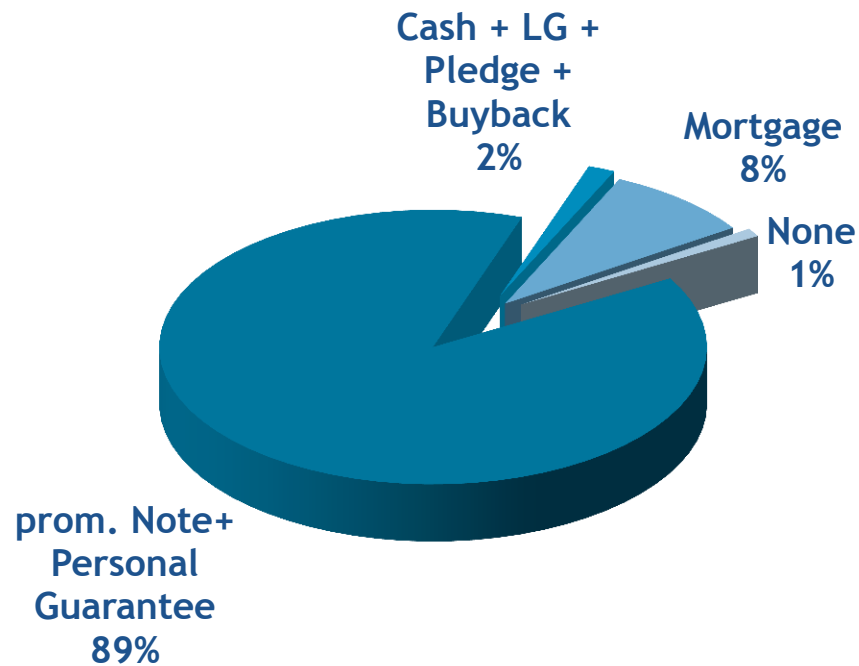
2011 H1





## 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.



\*İş Bank group excluded



# Financial Performance





## FINANCIAL HIGHLIGHTS

TL Million	31 December 2010	30 June 2011	Change (%)
Leasing Receivables, Net	936	1.275	36%
Non Performing Receivables	89	87	-2%
Provisions	-45	-49	10%
Total Assets	2.093	2.266	8%
Financial Liabilities	1.587	1.721	8%
Equity	476	504	6%
<b>INCOME STATEMENT</b>			
Net Interest Income	83	44	6%
Provisions	-12	-6	0%
Operating Expenses	-18	-10	11%
Net Profit	64	35	9%
<b>RATIOS</b>			
Gross Non-Performing Rec. / Gross Receivables	9,0%	6,6%	
Provision Ratio	50,4%	56,3%	
Return on Equity	14,5%	14,1%	
Return on Assets	3,6%	3,2%	



## BALANCE SHEET (consolidated) 000 TL

	2009	2010	2011 H1
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	363.754	691.285	388.497
Trading Securities (net)	139	4.364	15.699
Leasing Receivables (net)	348.149	323.529	372.109
Factoring Receivables	142.899	331.321	451.990
Other current assets (net)	20.987	24.423	27.455
<b>Total Current Assets</b>	<b>875.928</b>	<b>1.374.922</b>	<b>1.255.750</b>
<b>LONG TERM ASSETS</b>			
Factoring Receivables (net)	0	0	0
Leasing receivables (net)	480.567	612.091	902.643
Assets for sale (net)	18.086	26.516	23.369
Fixed assets (net)	778	448	1.104
Intangible assets (net)	74	640	801
Deferred tax assets (net)	64.981	78.615	82.235
Goodwill	166	166	166
<b>Total Long Term Assets</b>	<b>564.652</b>	<b>718.476</b>	<b>1.010.318</b>
<b>TOTAL ASSETS</b>	<b>1.440.580</b>	<b>2.093.398</b>	<b>2.266.068</b>

	2009	2010	2011 H1
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	893.554	1.416.398	1.473.139
Trade payables	12.524	14.480	13.106
Advances received	9.524	8.588	15.996
Other current liabilities	630	2.066	5.658
Corporate tax payable	4.039	3.186	4.339
<b>Total Current Liabilities</b>	<b>920.271</b>	<b>1.444.718</b>	<b>1.512.238</b>
<b>LONG TERM LIABILITIES</b>			
Long term borrowings	114.244	170.501	247.426
Trade payables	0	0	0
Reserves for employee benef	1.563	2.218	1.984
Deferred tax liabilities (net)	0	0	0
<b>Total Long Term Liabilities</b>	<b>115.807</b>	<b>172.719</b>	<b>249.410</b>
Minority Interest	8.945	10.861	10.966
<b>SHAREHOLDERS' EQUITY</b>			
Capital	250.000	295.000	339.000
Reserves	40.168	106.398	119.795
Net profit for the year	105.388	63.702	34.659
<b>Total Shareholders' Equity</b>	<b>395.557</b>	<b>465.100</b>	<b>493.454</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1.440.580</b>	<b>2.093.398</b>	<b>2.266.068</b>



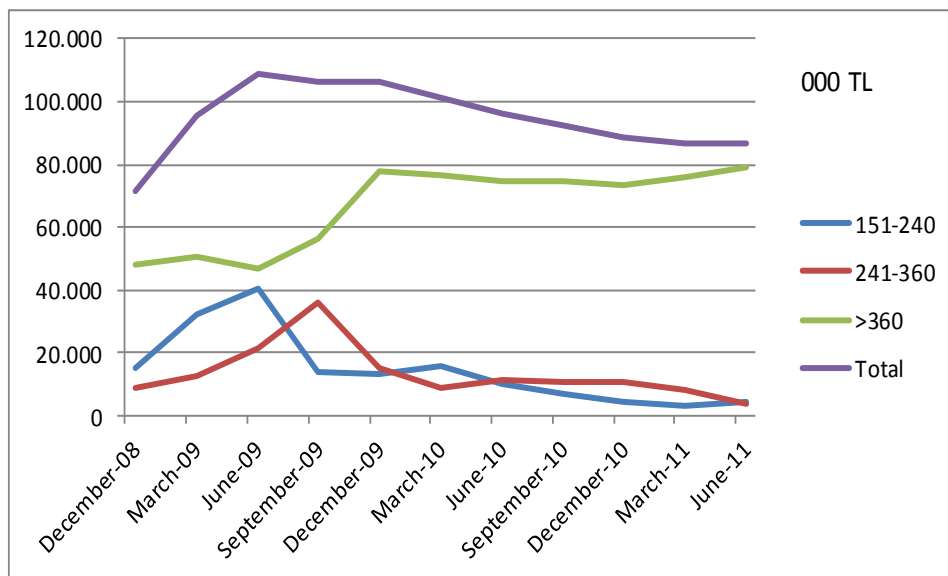
## INCOME STATEMENT (consolidated) 000 TL

	2009	%	2010	%	2011 H1	%
Interest income	97.986	10,9	81.488	9,2	47.366	8,6
Interest Expense	(50.739)	(5,2)	(60.230)	(4,6)	(37.015)	(4,5)
Foreign currency gains/(losses)	1.666		912		6.845	
	<b>48.913</b>	<b>5,5</b>	<b>22.170</b>	<b>2,5</b>	<b>17.196</b>	<b>3,1</b>
Factoring Income	14.147		18.671		13.129	
General and administrative expenses	(15.450)	(1,7)	(18.352)	(2,1)	(10.304)	(1,9)
Provision Expenses	(17.886)	(2,0)	(12.372)	(1,4)	(5.869)	(1,1)
Other income/(expenses) (net)	28.003	3,1	52.330	5,9	23.990	4,3
<b>Profit before taxation</b>	<b>57.727</b>	<b>6,4</b>	<b>62.447</b>	<b>7,1</b>	<b>38.142</b>	<b>6,9</b>
Taxation	49.107		2.422		(2.611)	
<b>Profit after taxation</b>	<b>106.834</b>	<b>11,9</b>	<b>64.869</b>	<b>7,4</b>	<b>35.531</b>	<b>6,4</b>
Net profit before minority interest	106.834		64.869		35.531	
Minority Interest	(1.446)		(1.167)		(872)	
<b>Net profit for the year</b>	<b>105.388</b>	<b>11,8</b>	<b>63.702</b>	<b>7,2</b>	<b>34.659</b>	<b>6,3</b>



## NPL

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



000 TL	LOSS RESERVE
2011 Opening	(47.258)
Reversals	1.448
New provisions	(5.535)
Write-off	-
<b>2011/Q2 Closing</b>	<b>(51.345)</b>



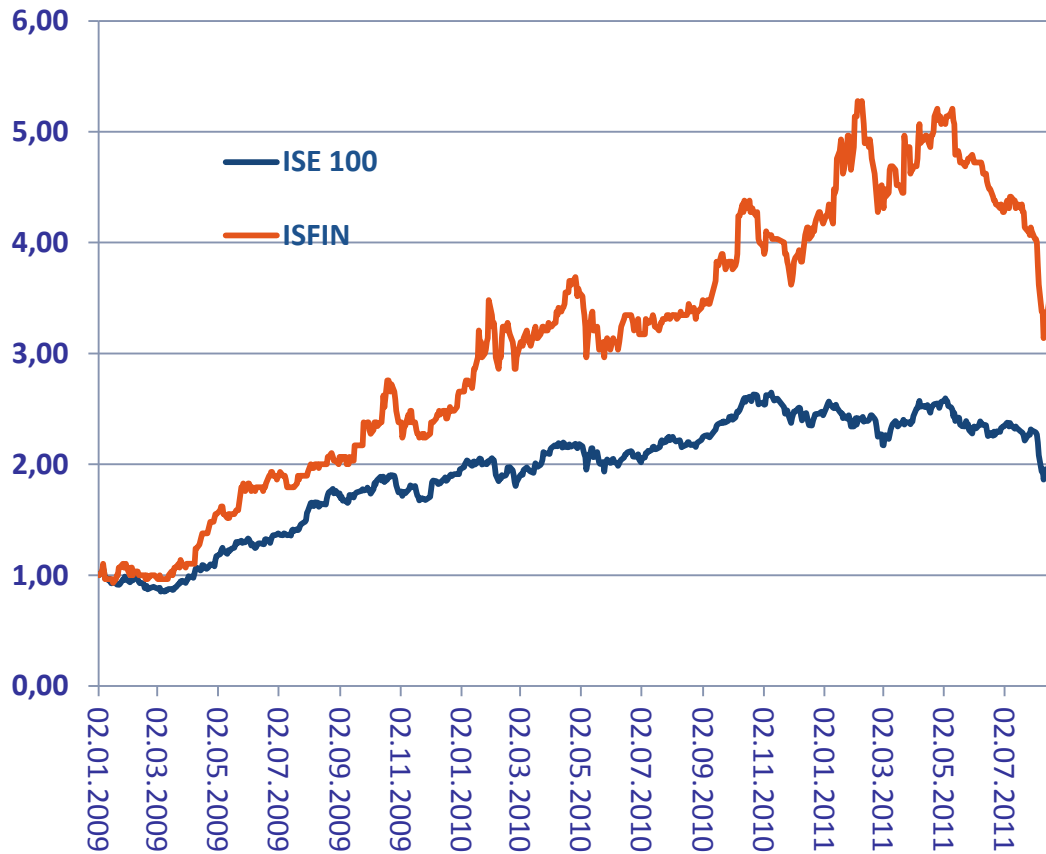


## Other Issues





# RELATIVE SHARE PERFORMANCE



(TL mn) 22/8/2011	2011 H1
Net income	34.7
Book value	504
Mcap @1.02	346
P/BV	0.69
Outstanding Shares	339 mio



# RATINGS



## Foreign Currency

Long-Term IDR	BBB-
Short-Term IDR	F3
Outlook	Positive

## Local Currency

Long-Term IDR	BBB-
Short-Term IDR	F3
Outlook	Positive

## National

Long-Term Rating	AAA (tur)
Outlook	Stable
Support Rating	2



## AGENDA

- ✓ Increasing synergy with İşbank branches. By 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. Although the timing of the change is not clear, it is expected to include new products like Sale and Lease back, Operating Lease, Lease of complementary parts and software leasing.
- ✓ Energy efficiency and renewable energy projects in cooperation with IFI's.
- ✓ Strategic partnerships with vendors to cover new customers. These relations will be an asset for operating leasing when available.



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