

Corporate Credit Rating

Annual Review Report

Leasing

Vakif Leasing		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
National	Local Rating	A (Trk)	A-1 (Trk)	
	Outlook	Stable	Stable	
Sponsor Support		2	-	
Stand-Alone		AB	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by Japan Credit Rating Agency, JCR on May 23, 2013

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VAKIF FİNANSAL KİRALAMA A.Ş.					
Financial Data	2012*	2011*	2010*	2009*	2008*
Total Assets (000 USD)	453,932	318,032	374,342	232,459	193,874
Total Assets (000 TRY)	806,909	600,731	575,589	345,736	295,038
Equity (000 TRY)	107,400	100,410	86,127	67,869	48,091
Net Profit (000 TRY)	5,416	14,459	17,442	19,778	14,872
Market Share (%)	3.98	3.23	3.65	2.36	1.72
ROAA (%)	1.09	2.40	3.74	-0.31	1.70
ROAE (%)	7.39	15.14	22.36	-1.69	10.86
Equity/Assets (%)	13.31	16.71	14.96	19.63	16.30
NPL (%)	8.07	5.89	11.98	19.31	15.65
Growth Rate (%)	34.32	4.37	66.48	17.18	31.96

*End of year

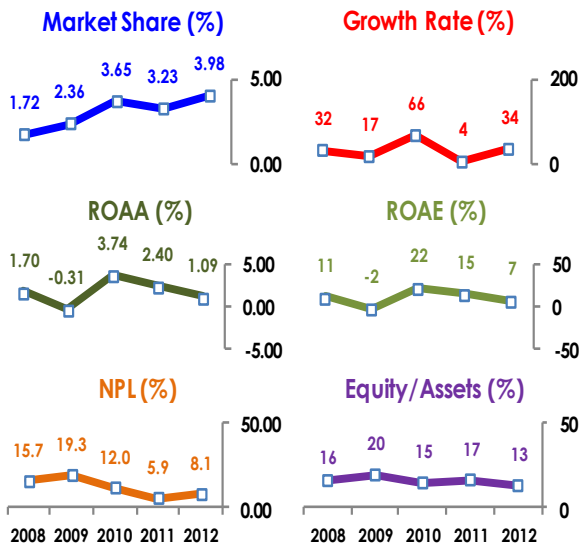
Company Overview

Vakif Finansal Kiralama A.Ş. (hereinafter referred to as Vakif Leasing, or the Company), offering leasing services for the investment support of domestic and international assets and capital goods needed by Small and Medium size Enterprises (SMEs), was founded in 1988 and has been publicly traded since 1991 (with a 22.53% free float of its capital of TL 60mn as of FYE2012).

The Company, one of the five leasing companies in Turkey to be listed on the Borsa Istanbul (BIST) national market, performs its activities via its headquarters and branches in Ankara, Adana, Bursa and Izmir as well as in the widespread branch network of Türkiye Vakıflar Bankası T.A.O. (Vakıfbank). The Company employed a staff force of 58 people as of FYE2012.

The main shareholders of Vakif Leasing are **Vakıfbank** (58.71%), a publicly capitalized large-scale commercial bank in Turkey, and **Güneş Sigorta A.Ş.** (15.65%), both listed on the BIST. The Company has a subsidiary named Vakıf Sigorta Aracılık Hizmetleri Ltd.Şti. (84.85%) and six affiliates recorded in marketable securities account.

Vakif Leasing, with a total asset size of TRY 806.91mn, had a 3.98% market share in the leasing sector worth a total of TRY 20.25bn, involving 31 companies as of FYE2012.



Strengths

- Remarkably above sector average year-end growth rate and an upward trending market share curve
- Improving interest margin approximating sector figures
- Relatively high compliance level to corporate governance principles as a requirement of being one of the few leasing companies listed on the BIST
- Benefits of Vakıfbank weighted shareholding structure regarding funding cost, liquidity, network and customer base
- Relatively low level of FX position and off balance sheet commitments and contingencies contributing to risk level
- Positive outlook of sector growth due to enhanced product diversity through recent legal regulation and relatively low sector penetration level

Constraints

- Diminishing profitability ratios falling below the sector averages
- Deterioration in the NPL ratio compared to improvement in the sector figure along with increasing and exceeding sector figure share of provisions in total income over the last two years
- Ongoing below sector average equity share in total resources and in total assets despite meeting legal requirements
- Ascending and passing over the sector average share of total operating expenses in total income due to high annual growth,
- The requirement of a more result-oriented approach on the collection and outcome of the doubtful receivables
- High level of competition in the sector
- Growing perception of pressure in the markets through persistence and recurrent risks arising from current social unrest

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