

**Corporate Credit Rating**

**Leasing**

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

VAKIF FİNANSAL KİRALAMA A.Ş.					
Financial Data	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	500,660	453,932	318,032	374,342	232,459
Total Assets (000 TRY)	1,066,607	806,909	600,731	575,589	345,736
Equity (000 TRY)	109,114	107,400	100,410	86,127	67,869
Net Profit (000 TRY)	1,348	5,416	14,459	17,442	19,778
Market Share (%)	3.75	3.98	3.23	3.65	2.36
ROAA (%)	-0.05	1.09	2.40	3.74	-0.31
ROAE (%)	-0.42	7.39	15.14	22.36	-1.69
Equity/Assets (%)	10.23	13.31	16.71	14.96	19.63
NPL (%)	12.04	8.07	5.89	11.98	19.31
Growth Rate (%)	32.18	34.32	4.37	66.48	17.18

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

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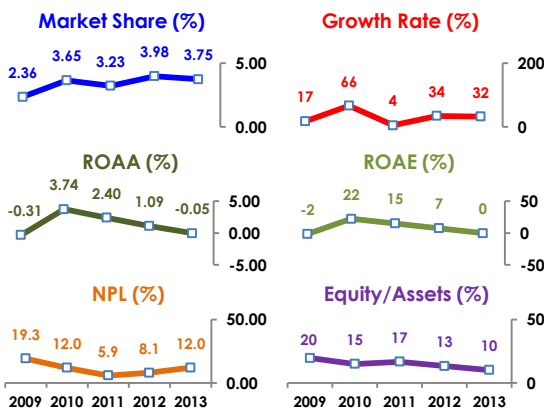
\*End of year

**Overview**

**Vakif Finansal Kiralama A.Ş.** (hereinafter referred to as Vakif Leasing or the Company), was founded in 1988 to operate in the Turkish Leasing Sector which has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2006. The Company has been publicly traded since 1991 (with a 22.53% free float of its capital of TRY 65mn as of FYE2013).

The Company is a partially owned (58.71% stake) subsidiary of **Türkiye Vakıflar Bankası T.A.O. (Vakıfbank)**, a large-scale commercial bank capitalized mostly with public funds in Turkey, and is an affiliate of (15.65% stake) **Güneş Sigorta A.Ş.**, both listed on the BIST. Vakif Leasing employed a staff of 59 and had a fully consolidated subsidiary named **Vakif Sigorta Aracılık Hizmetleri Ltd.Şti.** with a 84.85% stake as of FYE2013.

The Company carries out its operations through its headquarters in Istanbul and four branches in Ankara, Adana, Bursa and Izmir as well as in the widespread branch network of Vakıfbank. Vakif Leasing, with a total asset size of TRY 1,066.61mn, had a 3.75% market share in the Turkish Leasing Sector worth a total of TRY 28.48bn, involving 32 companies as of the reporting date.



**Strengths**

- Remarkably above sector average cumulative asset growth during the last five years, culminating with an increasing trend in market share
- Improvements in favor of long-term borrowings in the liabilities structure, relieving liquidity management and contributing to solvency and risk level
- High compliance to corporate governance principals as one of the few publicly traded leasing companies
- Reputable and robust shareholder structure
- Privileges of being a bank-related company in terms of liquidity, funding costs, clientele and network
- Positive outlook of the sector derived from increasing product diversity and tax incentives from the recent regulations
- High level of available funding sources relieving liquidity management

**Constraints**

- Ongoing decreasing trend in profitability ratios together with negative year-end values
- Continuously below sector average equity share in total resources and total assets, along with remarkable deterioration over the last two years despite meeting legal requirements
- Restrained asset quality due to an NPL ratio almost double that of the sector, a below average provisioning ratio and a non-performing loans figure that exceeded equity
- Increasing volatility of profitability ratios due to rising effects of FX gains and derivative instrument losses
- Increasing volatility in the markets deriving from global economic events, increased political tension and suppressed risk appetite of investors in the pre-elections period

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**"Global Knowledge supported by Local Experience"**