

Corporate Credit Rating
(Annual Review)

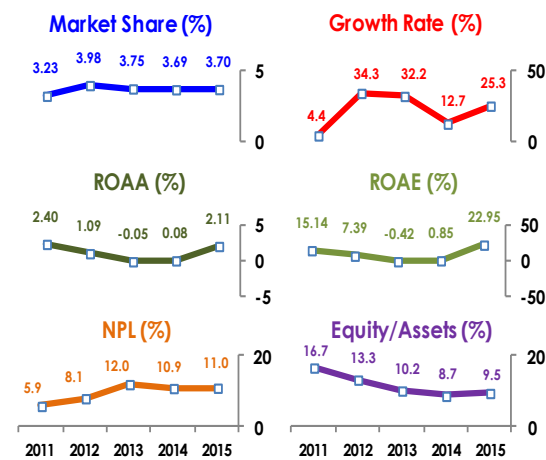
Leasing

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-2 (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 August 28, 2015

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Strengths

- Reputable and robust shareholding structure
- Improved income generation capacity through decreasing operating expenses and provisions levels, contributing to profitability
- Comparatively high market recognition, persistent market efficiency, expanding branch network and enhanced operational efficiency furnishing basis and providing opportunity for future growths
- Benefits of being a bank affiliate company regarding funding sources and costs, liquidity, network and customer base
- Comparatively high compliance to corporate governance practices as one of the few leasing companies listed on the BIST together with effectual and legislation compatible risk management structure and practices
- Over one hundred percent realisation ratios of previous year projections indicating an effective managerial foresight ability

Constraints

- Borrowing structure changing from long-term to short-term weighted dispersion, a common feature of the sector, together with a high level of available funding sources eliminating liquidity risk exposure
- Remarkably above sector and exceeding equity NPL ratio, restraining asset quality
- Improved but considerably below sector equity level inherit in the bank related companies, despite meeting legal requirements
- Comparatively high level of other operating income, generating volatility potential in the upcoming periods' total income
- Highly competitive operating environment
- Arduous market conditions leading to slowed down economic growth, diminishing risk appetite of investors and cash flow problems that might shrink profit margins by deteriorated debt-services capabilities of real sector firms

VAKIF FİNANSAL KİRALAMA A.Ş. and ITS SUBSIDIARY					
Financial Data	2015*	2014*	2013*	2012*	2011*
Total Assets (000 USD)	515,948	516,378	500,660	453,932	318,032
Total Assets (000 TRY)	1,505,588	1,201,561	1,066,607	806,909	600,731
Equity (000 TRY)	143,644	104,972	109,114	107,400	100,410
Net Profit (000 TRY)	23,679	-3,822	1,348	5,416	14,459
Market Share (%)	3.70	3.69	3.75	3.98	3.23
ROAA (%)	2.11	0.08	-0.05	1.09	2.40
ROAE (%)	22.95	0.85	-0.42	7.39	15.14
Equity/Assets (%)	9.54	8.74	10.23	13.31	16.71
NPL (%)	11.03	10.93	12.04	8.07	5.89
Growth Rate (%)	25.30	12.65	32.18	34.32	4.37

*End of year

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 rate of its TRY 65mn paid-capital as of FYE2015).

Türkiye Vakıflar Bankası T.A.O., a large-scale and mostly publicly capitalized commercial bank in Turkey, is the controlling shareholder of the Company with a 58.71% stake, followed by **Güneş Sigorta A.Ş.** with 15.65%. Both the stated shareholders of the Company listed on the Borsa İstanbul (BIST). Vakif Leasing had a staff force of 56 and a subsidiary named **Vakif Sigorta Aracılık Hizmetleri Ltd.Şti.** with a 84.85% stake as of FYE2015.

The Company carries out its operations through its headquarters in Istanbul and six branches in Ankara, Adana, Bursa, Izmir, Gebze and Antalya, two of which were established recently, as well as in the widespread branch network of Vakıfbank.

The Company's long term national grade was upgraded one notch to '**BBB+ (Trk)**' with a '**Stable**' outlook.

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