

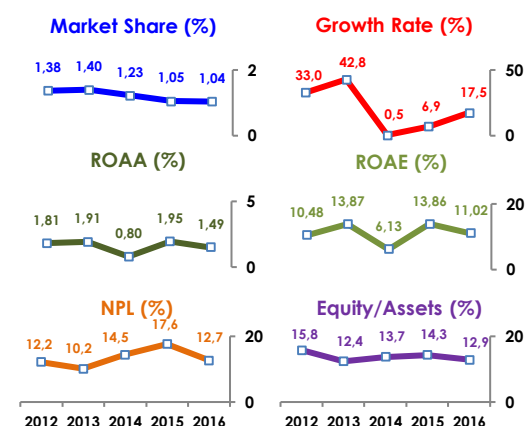
Corporate Credit Rating
Annual Update

Leasing

Şeker Leasing		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Issue Rating		n.a	n.a	
National	Local Rating	BBB+ (Trk)	A-2 (Trk)	
	Outlook	Positive	Stable	
	Issue Rating	BBB+ (Trk)	A-2 (Trk)	
Sponsor Support		2	-	
Stand Alone		AB	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Affirmed by Japan Credit Rating Agency, JCR on October 07, 2016

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Strengths

- Increased operating volume and decreased provisions, contributing positively to solo based profit generation capacity
- Improved asset quality derived from decreased NPL ratio and increased collateral level, contributing positively to risk level
- Long term weighted borrowing structure in contrast to the short term weighted sector composition achieved via continuing bond issuances, relieving liquidity management and lowering risk level
- Improved credit and interest rate risk exposures
- Accelerated asset growth, curtailing the market share erosion
- High compliance with corporate governance principals as one of the few publicly traded leasing companies
- Strong and reputable shareholding structure together with benefits of being a subsidiary of bank regarding funding alternatives & costs, customer base and network

Constraints

- Continuing volatility potential on future profitability figures derived from increasing share of other operating income mainly composed of FX gains
- Above sector average NPL ratio and overdue loans level, restraining asset quality despite improvements
- Restrained pre-tax profit generation capacity due to above sector average operating and financial expenses despite decreased provisions
- Diminishing and approximating sector average interest margin, restraining profit generation capacity
- Highly competitive, volatile and challenging market conditions together with cautious investor appetite leading to more challenging risk management period

ŞEKER FİNANSAL KİRALAMA A.Ş. and ITS SUBSIDIARY						
Financial Data	1Q2017**	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	140,773	143,074	147,366	172,788	186,755	156,994
Total Assets (000 TRY)	511,877	503,506	428,481	400,677	398,592	279,073
Equity (000 TRY)	64,080	64,912	61,462	54,956	49,365	44,150
Net Profit (000 TRY)	3,059	6,864	6,860	5,590	5,248	3,546
Market Share (%)	1.00	1.04	1.05	1.23	1.40	1.38
ROAA (%)	0.14	1.49	1.95	0.80	1.91	1.81
ROAE (%)	1.10	11.02	13.86	6.13	13.87	10.48
Equity/Assets (%)	12.52	12.89	14.34	13.72	12.38	15.82
NPL (%)	12.64	12.67	17.64	14.46	10.17	12.22
Growth Rate (%)	17.93	17.51	6.94	0.52	42.83	32.98

*End of year **YoY

Overview

Şeker Finansal Kiralama A.Ş. (hereinafter referred to as Şeker Leasing, or the Company) is a partially owned subsidiary of Şekerbank T.A.Ş. (the Bank), a mid-scale commercial bank with a long-term national rating of 'AA-(Trk)' assigned by JCR Eurasia Rating. The bank holds a 54.13% stake in Şeker Leasing. The Company was established in 1997 and has been listed on the BIST since 2004. As of 12 May, 2017, the free float rate was 14.87% of the TRY 45mn paid capital, with 8.14% of public shares acquired by the Company within the context of regulations regarding 'liquidity provider'. The Company performs its activities through its headquarters and regional offices in Ankara, Izmir and Gaziantep as well as in the widespread branch network of Şekerbank T.A.Ş.. The Company employed a staff force of 31 people in the group as of FYE2016.

Şeker Leasing, with a total solo asset size of TRY 481.5mn, had a 0.99% market share in the Leasing Sector worth a total of TRY 48.50bn as of FYE2016. The Company has a subsidiary with a 99% stake, named Seker Oto Kiralama Turizm Kargo Taşımacılık Hizmeti ve Tic. Ltd.Şti. as of the report date.

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