

Corporate Credit & Issue Rating

New Update

Sector: Factoring

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Senior Chief Analyst

Gökhan İYİĞÜN

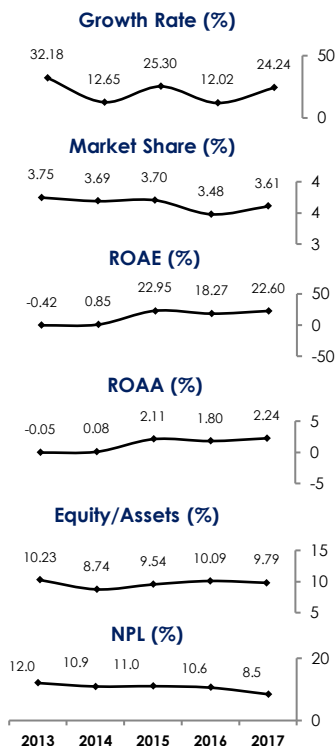
+90 212 352 56 73

gokhan.iyigun@jcrer.com.tr

RATINGS

		Long	Short	
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	A-(Trk)	A-1(Trk)	
	Outlook	Stable	Stable	
	Issue Rating	A-(Trk)	A-1(Trk)	
Sponsor Support		2	-	
Stand-Alone		AB	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
LC		Stable	-	

*Affirmed by JCR on November 10, 2017



Vakıf Finansal Kiralama A.Ş. And Its Subsidiary

Company Overview

Financial Data	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	549,908	477,528	517,811	518,160	500,660
Total Assets (000 TRY)	2,095,369	1,686,534	1,505,588	1,201,561	1,066,607
Equity (000 TRY)	205,138	170,103	143,644	104,972	109,114
Net Profit (000 TRY)	33,847	23,281	23,679	-3,822	1,348
Market Share (%)	3.61	3.48	3.70	3.69	3.75
ROAA (%)	2.24	1.80	2.11	0.08	-0.05
ROAE (%)	22.60	18.27	22.95	0.85	-0.42
Equity/Assets (%)	9.79	10.09	9.54	8.74	10.23
NPL (%)	8.45	10.56	11.03	10.93	12.04
Growth Rate (%)	24.24	12.02	25.30	12.65	32.18

* Audited consolidated financial statements

Vakıf Finansal Kiralama A.Ş. (hereinafter referred to as Vakıf 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 22.54% free float rate of its TRY 109mn paid-capital as of FYE2017).

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). Vakıf Leasing had a staff force of 74 (FYE2016: 54) and a subsidiary named **Vakıf Sigorta Aracılık Hizmetleri Ltd.Şti.** with an 84.85% stake as of FYE2015.

The Company carries out its operations through its headquarters in Istanbul and five branches in Ankara, Adana, Bursa, Izmir and Antalya as well as in the widespread branch network of Vakıfbank.

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

Strengths

- Reputable and robust capital structure
- Better profitability indicators despite the deteriorated sector figures
- Improved sustainability of profit generation capacity
- Ascending asset quality and relieved liquidity position leading to decrease in risk perception
- Diversified funding sources
- Benefits of being a bank affiliate company
- High compliance to corporate governance practices

Constraints

- Improved but above sector NPL ratio together with comparatively high collateral level, restraining asset quality but also generating potential of positive impact on future profitability indicators
- Below sector average equity level, common characteristic of bank related companies
- Increasing interest and foreign exchange rates environment, potentially tightening the net interest margin
- Volatilities imposed on non-bank FIs' asset and net income growth by several incentives such as Credit Guarantee Fund (CGF)