

## Corporate Credit &

Issue Rating

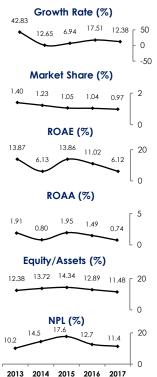
 $\Box$ New  $\boxtimes$ Update

Sector: Leasing Publishing Date: 31/05/2018

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## RATINGS

			Long	Short	
	Foreign Currency		BBB-	A-3	
onal	Local Currency		BBB-	A-3	
International	Outlook	FC	Stable	Stable	
Inte:		LC	Stable	Stable	
	Issue Rating		BBB-	A-3	
al	Local Rating		BBB+ (Trk)	A-2 (Trk)	
National	Outlook		Positive	Stable	
4	Issue Rating		BBB+ (Trk)	A-2 (Trk)	
Spo	nsor Support	2	-		
Star	Stand-Alone		AB	-	
	Foreign Currency		BBB-	-	
eign*	Local Currency		BBB-	-	
Sovereign <sup>4</sup>	Outlook	FC	Stable	-	
	Outlook	LC	Stable	-	
*Affirmed by JCR on November 10, 2017					



## ŞEKER Finansal Kiralama A.Ş. And Its Subsidiary

## **Company Overview**

Financial Data	1 <b>Q</b> 2018	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	147,998	150,016	142,564	147,366	172,788	187,097
Total Assets (000 TRY)	584,428	565,847	503,506	428,481	400,677	398,592
Equity (000 TRY)	68,247	64,984	64,912	61,462	54,956	49,365
Net Profit (000 TRY)	3,069	5,265	6,864	6,860	5,590	5,248
Market Share (%)	0.95	0.97	1.04	1.05	1.23	1.40
ROAA (%)	0.56	0.74	1.49	1.95	0.80	1.91
ROAE (%)	4.65	6.12	11.02	13.86	6.13	13.87
Equity/Assets (%)	11.68	11.48	12.89	14.34	13.72	12.38
NPL (%)	11.44	11.40	12.67	17.64	14.46	10.17
Growth Rate (%)	14.17	12.38	17.51	6.94	0.52	42.83

\* Audited consolidated financial statements

**Şeker Finansal Kiralama A.Ş.** (Şeker Leasing, the Company), offering leasing services for investment support of domestic and international assets and capital goods needed by 'Small and Medium Size Enterprises' (SMEs), was founded in 1997 and has been publicly traded since 2004 (with a 12.10% free float including 8.59% repurchased shares of its capital of TL 45mn as of 1Q2018). The Company, one of the four leasing companies listed on the Borsa Istanbul (BIST), performs its activities via its headquarters and regional offices in Ankara, Izmir and Gaziantep as well as in the widespread branch network of Şekerbank T.A.Ş. (the Bank). The Company employed a staff force of 36 people as of 1Q2018.

The main shareholder of Şeker Leasing with a 54.13% stake is Şekerbank T.A.Ş. (assigned a longterm national rating of 'AA-(Trk)' and a long-term international rating of 'BBB-' by JCR Eurasia Rating on September 27, 2017), a mid-scale commercial bank in Turkey. Şekerbank T.A.Ş. Personel Munzam Sosyal Güvenlik ve Yardımlaşma Sandığı Vakfı (Voluntary Pension Fund) is the ultimate majority shareholder of the Company. The Company has a subsidiary named Sekar Oto Filo Yönetim Hizmetleri ve Ticaret A.Ş. as of the report date.

<sub>97</sub> <sup>2</sup>	Strengths	<ul> <li>Constraints</li> <li>Below sector average equity level, common characteristic of bank related companies</li> <li>Deceasing market share regarding asset size in line with the Company's cautious management strategy</li> <li>Diminished income and pre-tax profit figures resulting in deteriorated profitability indicators</li> </ul>			
$\begin{array}{c} \bullet \\ \\ 0 \\ 12 \\ \bullet \\ 12 \\ 0 \\ 0 \\ 0 \\ 74 \\ 0 \\ 0 \end{array}$	<ul> <li>Reputable and robust capital structure</li> <li>Diversified and long term weighted borrowing structure, positively differentiating the Company from the short- term sector composition</li> <li>The level of provisions in total income, decreasing below sector averages first time in the review period</li> </ul>				
	• Improved asset quality	• Increasing interest and foreign exchange			
• <sup>48</sup> 20	<ul> <li>Improved and above sector average interest margin and decreased FX position</li> <li>Provide a Chain and additional additatina</li></ul>	<ul><li>rates environment, potentially tightening the net interest margin</li><li>Volatilities imposed on non-bank FIs' asset</li></ul>			
4 <sup>20</sup>	<ul><li>Benefits of being a bank affiliate company</li><li>High compliance to corporate governance practices</li></ul>	and net income growth by several incentives such as Credit Guarantee Fund (CGF)			

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