

Corporate Credit &

Issue Rating

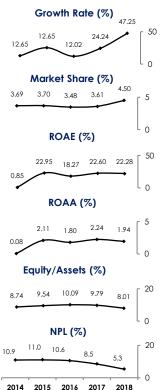
 \Box New \boxtimes Update

Sector: Factoring Publishing Date: 21/03/2019

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RATINGS

			Long	Short	
	Foreign Currency		BBB-	A-3	
onal	Local Currency		BBB-	A-3	
International	Outlook	FC	Neg.	Neg.	
Inte		LC	Neg.	Neg.	
	Issue Rating		n.a	n.a	
IJ	Local Rating		A-(Trk)	A-1(Trk)	
National	Outlook		Stable	Stable	
2	Issue Rating		A-(Trk)	A-1(Trk)	
Spo	nsor Support	1	-		
Star	Stand-Alone		AB	-	
	Foreign Currency		BBB-	-	
cign*	Local Currency		BBB-	-	
Sovereign	Outlook	FC	Neg.	-	
		LC	Neg.	-	
*Affir	med by JCR on N	ovember	27, 2018		



Vakıf Finansal Kiralama A.Ş. And Its Subsidiary

Company Overview

Financial Data	2018*	2017*	2016*	2015*	2014*
Total Assets (000 USD)	584,269	555,521	477,528	517,811	518,160
Total Assets (000 TRY)	3,085,523	2,095,369	1,686,534	1,505,588	1,201,561
Equity (000 TRY)	247,159	205,138	170,103	143,644	104,972
Net Profit (000 TRY)	40,015	33,847	23,281	23,679	-3,822
Market Share (%)	4.50	3.61	3.48	3.70	3.69
ROAA (%)	1.94	2.24	1.80	2.11	0.08
ROAE (%)	22.28	22.60	18.27	22.95	0.85
Equity/Assets (%)	8.01	9.79	10.09	9.54	8.74
NPL (%)	5.32	8.45	10.56	11.03	10.93
Growth Rate (%)	47.25	24.24	12.02	25.30	12.65

* Audited consolidated financial statements

The Company, **Vakıf Finansal Kiralama A.Ş.**, was founded in 1988 to provide leasing services to real sector firms, particularly to Small and Medium Size Enterprises (SMEs), for their investments regarding assets and capital goods. The Company has been publicly traded since 1991 (with a 22.53% free float rate of its TRY 140mn paid-capital as of FYE2018).

The Company is a subsidiary of **Türkiye Vakıflar Bankası T.A.O.**, a large-scale and mostly publicly capitalized commercial bank in Turkey, with a 58.71% stake. **Güneş Sigorta A.Ş.** holds 15.65% of the Company shares. Both the stated shareholders of the Company are listed on the Borsa Istanbul (BIST). Vakıf Leasing had a subsidiary named **Vakıf Sigorta Aracılık Hizmetleri Ltd.Şti.** with a 84.85% stake and a staff force of 75 as of FYE2018.

The Company performs its activities 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 affirmed as 'A- (Trk)' with a 'Stable' outlook.

Strengths	Constraints		
• Noteworthy increase in market share supported with rising efforts aiming to increase intra-group synergy	• Below sector average equity level, which is common to bank related financial		
 Ongoing improvement in equity quality 	institutions		
• Improved asset quality thanks to NPL ratio falling	• Provisions doubling its share in tota		
below the sector averages and increased collateral	income and restraining profitability		
level	• Increased volatility potential on future		
• Diversified funding sources and better maturity	income generation level		
structure of total liabilities compared to sector,	• Above sector average financial and		
relieving liquidity management and risk exposure	operating expenses level		
• Opportunities of being a bank affiliate company	• Challenging market conditions where		
	intractor right apposite and real costor firms		

- Comparatively high compliance level with corporate governance principles
- Strong and reputable shareholding structure
- Improved operating profitability figures resulted in increased income generation level
- Challenging market conditions where investor risk appetite and real sector firms' debt service capabilities decreased

Vakıf Leasing

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