

Corporate Credit Rating

New Update

Sector: Fleet Leasing

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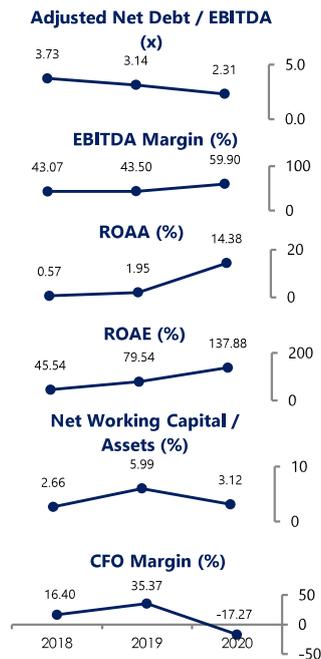
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RATINGS

		Long Term	Short Term
National	Local Rating	A+ (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
	Issue Rating	-	-
International	Foreign Currency	BB	B
	Local Currency	BB	B
	Outlook	FC Stable LC Stable	Stable Stable
Sovereign*	Sponsor Support	1	-
	Stand-Alone	A	-
	Foreign Currency	BB	-
Sovereign*	Local Currency	BB	-
	Outlook	FC Stable LC Stable	- -

*Assigned by JCR on May 31, 2021



Garanti Filo Yönetim Hizmetleri A.Ş. and Its Subsidiaries

JCR Eurasia Rating, has evaluated **Garanti Filo Yönetim Hizmetleri A.Ş.** in investment-level category on the national scales and assigned the ratings on the Long Term National Scale at **'A+ (Trk)'** with **'Stable'** outlook. On the other hand, the Long Term International Foreign and Local Currency Ratings have been assigned as **'BB'** with **'Stable'** outlooks.

Garanti Filo Yönetim Hizmetleri A.Ş., (hereinafter referred to as 'the Company' or 'Garanti BBVA Filo') was established in 2007 to rent or operate all kinds of motorized and non-motorized land vehicles, all kinds of yachts, vessels, boats, and all machinery that can be described as working machine, including tractors. The Company carries out operational fleet leasing services of many brands of motor vehicles. Reaching more than 2,000 customers thanks to its diversified distribution channels, Garanti BBVA Filo also provides second-hand passenger car sales services to its wide customer portfolio, in addition to fleet management services in line with their needs. As of the end of 2020, the Company has an active vehicle park of 16,874. The Company employed a total workforce of 80 as of FYE2020 (FYE2019: 77).

Garanti Finansal Kiralama A.Ş., the Company's sole shareholder, was established in 1990 to carry out financial leasing transactions at home and abroad. Since its establishment, it has been carrying out leasing transactions of corporate, commercial, small and medium-sized enterprises to cover a wide customer base. On the other hand, Garanti Finansal Kiralama A.Ş.'s main partner, Türkiye Garanti Bankası A.Ş. is one of the leading banks in Turkey with its consolidated asset size reaching TRY 541bn as of December 31, 2020. Garanti BBVA operates in all business lines of the banking industry, including corporate, commercial, SME, retail, private and investment banking and payment systems and serves its customers with 884 branches in Turkey, seven branches in Cyprus and one in Malta. With 18 million individual customers, Garanti BBVA has a market share of approximately 11.5% in consumer loans, and is among the leading companies in the sector in mortgage, credit card and automobile loans.

Key rating drivers, as strengths and constraints, are provided below.

Strengths	Constraints
<ul style="list-style-type: none"> Remarkable growth in net profit and sound profitability indicators as of the end of 2020 Steady EBITDA generation capacity Steady improvement in debt service over the reviewed periods Being subsidiary of a reputable and strong shareholding structure Reasonable market share in Turkish Market via strong brand recognition Multiyear contracts providing earnings predictability Positive outlook in the medium and long term of fleet leasing sector High level of compliance with corporate governance principles 	<ul style="list-style-type: none"> Deterioration in cash conversion cycle Global chip shortage stands out as a material risk ahead for the company and industry Exposure to fluctuations in used-car prices in the market Sector-specific regulations and high correlation with macroeconomic dynamics may result fluctuations in demand Pandemic on global and local economies overhang as a systematic risk

Considering the aforementioned points, the Company's the Long Term National Rating has been assigned as **'A+ (Trk)'**. The Company's sound profitability indicators, reasonable market share, reputable brand name, increasing equity level and liquidity position along with ongoing uncertainties due to the Covid-19 pandemic have been evaluated as important indicators for the stability of the ratings and the outlooks for long and short term national ratings are determined as **'Stable'**. On the other hand, the Company's Long Term International Local and Foreign Currency Ratings are assigned as **'BB'** with **'Stable'** outlook. The macroeconomic indicators at national and international markets, as well as market conditions about the sector will be continued to be monitored by JCR Eurasia Rating.

The Sponsor Support notes and risk assessments in this regard reflect the financial and non-financial positions and expected assistance by controlling shareholder within the shareholding structure of the Company. The willingness and financial strength of the Company's shareholders to provide operational and financial assistance have been assessed with respect to the financial capabilities of the shareholders. In this regard, the Company's Sponsor Support Grade has been assigned as **(1)** in JCR Eurasia Rating's notation system.

The Stand Alone grade reflects the Company's financial resilience and capacity to meet its commitments and obligations through internal means and resources without resorting to its shareholders. The Company's 'Stand-Alone Rating' has been constituted with respect to the Company's internal resource generation, solid profitability indicators, upward sales figure, capability to access financing sources, increasing equity level and liquidity position, risk management practices and existing risks in the markets and business environment. Within this context, the Stand-Alone grade of the Company has been assigned as **(A)** in the JCR Eurasia Rating notation system.