

Corporate Credit Rating

Factoring

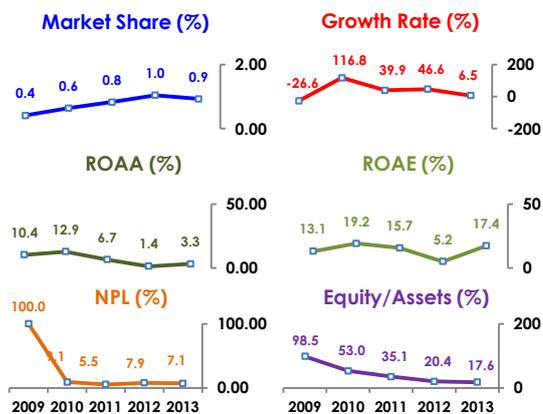
ÇAĞDAŞ faktoring		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
National	Local Rating	BBB (Trk)	A-3 (Trk)	
	Outlook	Positive	Stable	
Sponsor Support		3	-	
Stand Alone		BC	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

ÇAĞDAŞ FAKTORİNG A.Ş.						
Financial Data	June, 2014**	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	175,676	94,781	106,626	68,440	60,107	28,661
Total Assets (000 TRY)	372,890	201,921	189,538	129,277	92,421	42,628
Equity (000 TRY)	41,596	35,489	38,597	45,343	48,937	41,996
Net Profit (000 TRY)	6,110	3,657	2,079	5,817	6,941	4,669
Market Share (%) (by asset size)	n.a.	0.93	1.04	0.83	0.64	0.41
ROAA (%)	n.a.	3.29	1.37	6.70	12.91	10.36
ROAE (%)	n.a.	17.36	5.20	15.74	19.18	13.15
Equity/Assets (%)	11.16	17.58	20.36	35.07	52.95	98.52
NPL (%)	3.61	7.11	7.90	5.46	9.13	100.00
Growth Rate (%)	84.67	6.53	46.61	39.88	116.81	-26.57

*Affirmed by Japan Credit Rating Agency, JCR on July 11, 2014

*Audited Year-End ** Semi-annual BRSA Notice

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Overview

Çağdaş Faktoring A.Ş. (hereinafter referred to as Çağdaş Faktoring or the Company), founded in 1994 under the trade name Çağdaş Finans Faktoring Hizmetleri A.Ş., operates in the Turkish Factoring Sector which was regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2006.

The Company changed its trade name to Çağdaş Faktoring A.Ş. in July 2012. The existing shareholding structure includes Dikran GÜLMEZGİL and Metin BAROKAS with stakes of 59.77% and 30%, respectively. The utmost shareholder, Dikran GÜLMEZGİL, is also the chairman of the Company.

The Company performs its fully domestic and revocable operations through its headquarters (Istanbul) and 8 branches (Istanbul-5, Ankara, Antalya and Samsun), 5 of which were established in the current year. Çağdaş Faktoring employed a staff of 125 and had no subsidiaries or affiliates as of the report date.

Strengths

- Continuously above sector interest margin together with improving and exceeding sector average profitability ratios contributing to profit generation capacity
- Comparatively low credit risk concentration contributing to asset quality and risk level
- Negligible levels of risk exposure arising from changes in the interest rate and foreign exchange rates
- Absence of off-balance sheet commitments and contingencies contributing to risk level
- Above sector four-year cumulative assets growth leading to increasing market efficiency together with a noteworthy semi-annual figure despite last year's below average figure
- Turkey's SME-dominated commercial structure and recent sector legislation together with low level of sector penetration promising room for future sector growth

Constraints

- Downward trend in equity level falling below the sector averages despite meeting the legal requirements regarding standard ratio and minimum paid-capital by the end of 2015
- Funding needs for further growth together with the short-term projections of debt security insurance and improving loan limits
- Above sector operating and total expenses level despite improvements pressuring profit generation capacity
- Relatively high movement range of provisions and deferred taxes generating volatility potential on profitability
- High level of competition in Turkish Factoring Sector
- Volatile market indicators and decelerated growth in national economy leading to sector-wide potential of diminishing profit margin through rising NPLs

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