

Corporate Credit Rating
 (Update)

Non-Banking Financial Institution
Factoring

Kredi Finans Faktoring Hizmetleri A.Ş.		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC	Stable
LC		Stable	Stable
National	Local Rating	BBB+ (Trk)	A-3 (Trk)
	Outlook	Stable	Positive
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign currency	BBB-	-
	Local currency	BBB-	-
	Outlook	FC	Stable
LC		Stable	-

KREDİ FİNANS FAKTORİNG HİZMETLERİ A.Ş.						
Financial Data	1H2015**	2014*	2013*	2012*	2011*	2010*
Total Assets (000 USD)	81,565	78,675	85,622	77,529	23,310	14,154
Total Assets (000 TRY)	219,003	182,439	182,409	137,815	44,030	21,763
Equity (000 TRY)	32,625	20,086	18,856	16,687	9,726	6,040
Net Profit (000 TRY)	1,111	1,188	2,642	1,961	686	199
Market Share (%)	N.A	0.69	0.84	0.76	0.28	0.15
ROAA (%)	N.A	1.23	2.55	2.62	2.96	0.49
ROAE (%)	N.A	11.53	22.94	18.03	12.34	1.14
Equity/Assets (%)	14.90	11.01	10.34	12.11	22.09	27.75
NPL (%)	9.10	9.44	7.03	4.49	2.97	5.74
Growth Rate (%)	20.04	0.02	32.36	213.00	102.31	250.07

*End of year

**Unaudited - Half of the Year

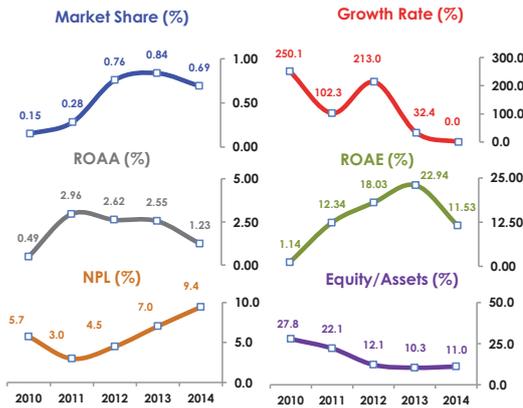
*Assigned by Japan Credit Rating Agency, JCR on July 11, 2014

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Company Overview

Kredi Finans Faktoring Anonim Şirketi (hereinafter referred to as "Kredi Finans Faktoring", or "the Company"), is founded on 1998 and continues its services within the Başaran Group since 2010 through its headquarters in İstanbul with a staff force of 34 people as of July, 2014.

The Company has a customer portfolio comprised mainly of corporate clients and carries out its fully domestic and revocable operations through its headquarters without branch network. The activities of the Company are regulated and supervised by the Banking Regulation and Supervision Agency (BRSA).

Kredi Finans is owned by two families, Başaran and Kumla Families, controlling 84.0% and 14.0%, some additional individual. The Company, with a total asset size of TRY182.44mn, had a 0.69% market share in the factoring sector worth a total of TRY 26.410bn in FYE2014.


Strengths

- Diversified funding mix with bank borrowings and longer term bonds and bills,
- Adequate capitalization level sufficient profits reserves facilitating paid-in capital increase without resorting to cash injection so as to comply with the upcoming legal regulation,
- Optimum level of balanced assets and liabilities in terms of maturity dates,
- Experienced management team and well organized risk management infrastructure through committees settled under the Board of Directors as well as high level of regulatory compliance along with well-defined work flow processes,
- Below sector figure short term borrowings level stemmed from the roll of bond issuance in the diversification of external fund resources diversifying borrowing structure through enabling long term funding and relieving liquidity management.

Constraints

- Relatively higher NPL ratios despite of the write-offs, reflecting a carrying balance from the previous periods, while displaying satisfactory performance in 1H2015,
- A highly competitive sector structure dominated by bank owned companies,
- Noticeable increase in financial expenses due to interest payments for bank loans and bond issuances, pressuring profitability,
- Limited geographic penetration and branch network, constraining the diversification across different local markets,
- Political uncertainties arising from the upcoming parliamentary elections and the tensions & conflicts in the neighboring regions, coupled with the anticipated tapering policy.

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