

Corporate Credit & Issue Rating

**Non-Banking Financial Institutions
Factoring**

		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating	N/A	N/A	
National	Local Rating	A (Trk)	A-1 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	A (Trk)	A-1 (Trk)	
Sponsor Support		3	-	
Stand Alone		B	-	
Sovereign*	Foreign currency	BBB-	-	
	Local currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

YEDİTEPE FAKTORİNG A.Ş.						
Financial Data	2016Q2	2015*	2014*	2013*	2012*	2011*
Total Assets (000 USD)	112,440	109,229	87,428	94,629	76,742	42,485
Total Assets (000 TRY)	325,356	317,593	202,737	201,598	136,416	80,249
Equity (000 TRY)	82,653	76,258	60,316	45,733	35,127	26,734
Net Profit (000 TRY)	6,395	15,942	14,583	10,616	8,393	4,258
Market Share (%)	1.11	1.19	0.77	0.92	0.75	0.51
ROAA (%)	n.a.	7.67	9.03	7.84	9.74	8.04
ROAE (%)	n.a.	29.23	34.43	32.78	34.12	23.49
Equity/Assets (%)	25.40	24.01	29.75	22.69	25.75	33.31
NPL (%)	4.13	3.21	4.36	2.59	2.81	3.38
Growth Rate (%)	2.44	56.65	0.56	47.78	69.99	26.50

*Affirmed by Japan Credit Rating Agency, JCR on July 19, 2016

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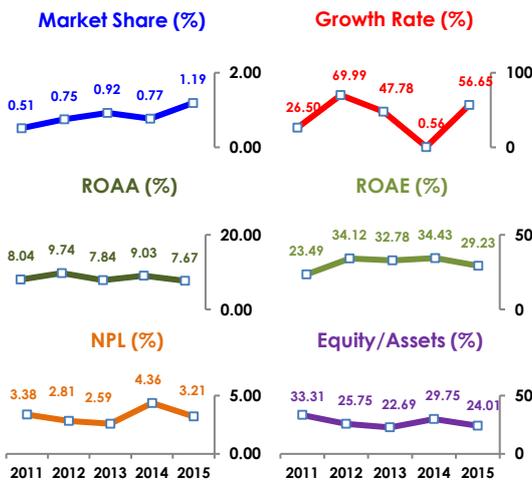
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*Audited Year-End

Company Overview

Yeditepe Faktoring A.Ş. (hereinafter referred to as 'Yeditepe Faktoring' or 'the Company') was founded in 1997 to provide factoring services. The Turkish Factoring Sector in which the Company operates has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2006.

The chairman of the Company, **Mr. Fevzi ÖZTÜRKMEN**, owns a 98.9% stake in the Company's shareholding structure. Yeditepe Faktoring carries out its mostly domestic and revocable factoring transactions through its headquarters and recently established two branches in Istanbul. The Company realized its first bill and bond issuances in FY2015 and had three outstanding bill/bonds as of the report date. Cooperation with Denizbank, a middle-scaled Turkish Bank, supports the Company's operations. The Company employed a staff force of 83 as of June-end 2016 and had no subsidiaries or affiliates.



Strengths

- Continuously increasing market efficiency exceeding sector averages
- Continuously above sector average profitability ratios and pre-tax profit generation capacity through on-going below sector financial and operating expenses levels and above average interest margin
- Comparatively high asset quality and reduced risk level due to below sector NPL ratio, improved customer risk concentration, full protection providing collateral level, negligible levels of FX position, and off-balance sheet commitments and contingencies
- Above sector 'standard ratio' along with robust external funding capacity enabling room for future growth
- No dividend distribution and hence profit retaining policy, contributing to the sustained growth performance, supporting the equity level
- Improved term structure of liabilities through debt instrument issuances, relieving the liquidity management
- Possible future benefits of recently established branches

Constraints

- Intensive competitive environment dominated by bank-owned companies that have comparative advantage with wide branch network and low borrowing costs
- Macroeconomic uncertainties, arising from tensions and conflicts in the local political and economic environment and neighbouring regions, creating volatility in terms of foreign exchange and interest rates
- Short-term weighted composition of liabilities inherit in the sector, despite improvement through debt instrument issuances
- Accelerating geopolitical risks leading to decreasing risk appetite of investors and risk of limited growth that might pressure profit margins through lowering the debt-services capabilities of the real sector

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"Global Knowledge supported by Local Experience"