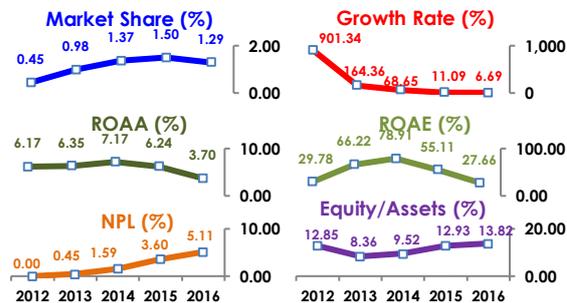


AKFACTORING		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Issue Rating		n.a.	n.a.	
National	Local Rating	BBB+ (Trk)	A-2 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BBB+ (Trk)	A-2 (Trk)	
Sponsor Support		2	-	
Stand Alone		B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by Japan Credit Rating Agency, JCR on October 7, 2016

Analysts: Merve HAYAT/+90 212 352 56 73

merve.bolukcu@jcrer.com.tr



Strengths

- Continuance of above sector average growth rates of the two leading profitability indicators, Return on Average Assets (ROAA) and Return on Average Equity (ROAE), despite their downward trend
- Efficient use of bond issuances diversifying funding structure
- Preservation of above sector interest margins despite a slight drop, amplifying the returns
- Professional senior finance management team and experienced shareholder structure
- Altınhas Holding's broad experience in the field of energy, finance, jewelry, logistics, education, sports activities, textile, construction and real estate and Group support in both financial and operational aspects

Constraints

- Augmenting impaired receivables balance and above sector NPL ratio pressurizing asset quality
- Below sector capitalization level despite its upward trend
- Need for an increase in customer numbers for market expansion
- Sector-wide short term funding structure
- Intensive competitive environment in the sector and scarce network and operating channels compared to bank-related factoring companies
- Ongoing uncertainties arising from domestic and global economic and political risks, pressurizing the risk appetite and asset quality of lenders and narrowed profit margins by deteriorated debt-services capabilities of real sector firms

AK FAKTORİNG A.Ş.					
Financial Data	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	121,239	138,035	155,804	100,560	45,589
Total Assets (000 TRY)	428,192	401,350	361,295	214,233	81,038
Equity (000 TRY)	59,176	51,909	34,399	17,904	10,411
Net Profit (000 TRY)	12,267	19,040	16,494	7,493	2,350
Market Share (%)	1.29	1.50	1.37	0.98	0.45
ROAA (%)	3.70	6.24	7.17	6.35	6.17
ROAE (%)	27.66	55.11	78.91	66.22	29.78
Equity/Assets (%)	13.82	12.93	9.52	8.36	12.85
NPL (%)	5.11	3.60	1.59	0.45	0.00
Growth Rate (%)	6.69	11.09	68.65	164.36	901.34

*End of year

Company Overview

Ak Faktoring Anonim Şirketi (referred to as 'the Company' or 'Ak Faktoring') has operated in the Turkish Factoring sector since 1992 as a non-bank owned factoring company. Since 2006, the Turkish Factoring Sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA). With a staff force of 53 employees, the Company provides funding to its customer portfolio via financing invoiced/documentated receivables based in Turkey.

Altınhas Holding A.Ş., the largest shareholder of the Company, operates in the fields of asset management, education, energy, finance, accessories (jewelry), construction, textile and factoring.

With an increasing total asset size of TRY 428.19mn, the Company indicated a 1.29% market share in the factoring sector worth a total of TRY 33.09bn in FYE2016.