

Corporate Credit Rating
(Annual Review)

Factoring

FIBA FAKTORİNG		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	Positive	Positive	
	Issue Rating	A+ (Trk)	A-1 (Trk)	
Sponsor Support		1	-	
Stand Alone		A	-	
Sovereign*	Foreign currency	BBB-	-	
	Local currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Affirmed by Japan Credit Rating Agency, JCR on October 07, 2016

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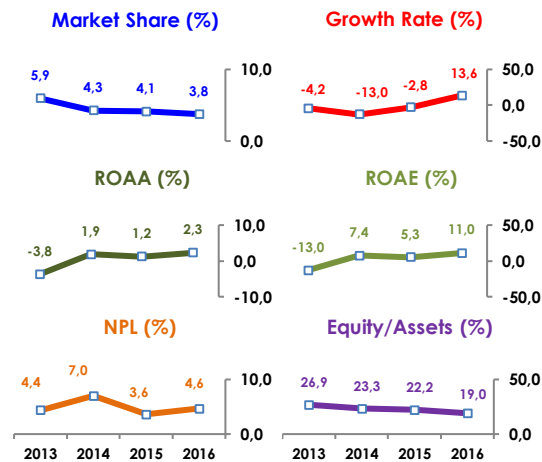
FIBA FAKTORİNG A.Ş.					
Financial Data	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	353,547	376,663	485,886	608,019	760,853
Total Assets (000 TRY)	1,244,204	1,095,185	1,126,720	1,295,324	1,352,493
Equity (000 TRY)	236,921	243,547	262,968	347,955	416,900
Net Profit (000 TRY)	19,318	10,382	17,198	-40,097	32,492
Market Share (%)	3.76	4.10	4.27	5.94	7.45
ROAA (%)	2.25	1.21	1.87	-3.76	4.80
ROAE (%)	10.96	5.32	7.40	-13.01	15.59
Equity/Assets (%)	19.04	22.24	23.34	26.86	30.82
NPL (%)	4.64	3.63	7.01	4.36	4.47
Growth Rate (%)	13.61	-2.80	-13.02	-4.23	n.a.

*End of year

Overview

The Company, **Fiba Faktoring A.Ş.** or **Fiba Faktoring**, was founded in 1992 to operate in the Turkish Factoring Sector and is a subsidiary of **Fiba Holding A.Ş.** The Company merged with Girişim Faktoring A.Ş., Fiba Group's other factoring company, on December 31, 2014.

Fiba Holding, the parent holding company, and **Fina Holding**, the Fiba Group holding company concerning energy operations, held 56.96% and 43.04% shares, respectively, in the Company's 2016 year-end shareholding structure. The Fiba Group consists of 43 group companies, 18 of which operate in finance and 25 in non-finance sectors, and its financial sector investments are composed of banking, factoring, leasing, insurance and asset management. Retail, real estate, renewable energy and hotels are the Group's main non-financial sector investments. Fiba Faktoring performs its activities through its headquarters and 5 branches along with a staff force of 111 people as of the report date (FYE2015: 125). The Company had no subsidiaries and affiliates and is a member of Factors Chain International (FCI), a global network of factoring companies with more than 400 international factoring companies in 90 countries.



Strengths

- Improved profit and internal equity generation capacity through increasing interest margin and diminishing major expense items
- Remarkably above sector equity level despite a decreasing trend together with the broad and diversified funding sources, comforting liquidity management and maintaining capability for future growth
- Infrastructure and network enabling export factoring and contributing positively to the product range and customer base
- Above sector average liquid assets level relieving liquidity management
- Negligible level of year-end FX position and improved customer concentration, relieving market and credit risk exposures
- Advantages of being a member of a group with broad financial sector experience and having a reputable and strong shareholding structure

Constraints

- Declining market share regarding asset size in line with the Company's cautious management strategy
- Downtrend in equity level due to continuing dividend payments despite the improved and positive internal equity generation capacity in accordance with the Company strategy envisaging an above sector and optimal equity level
- Increased and approximated sector average NPL ratio and its suppressing effect on asset quality partially balanced through increased collaterals and provisions, restraining profitability indicators
- Highly competitive and volatile market conditions together with cautious investor risk appetite leading to more challenging risk management period

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