

AKDENİZ 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	Stable	Stable	
	Issue Rating	A (Trk)	A-1 (Trk)	
Sponsor Support		1	-	
Stand Alone		B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
LC		Stable	-	

AKDENİZ FAKTORİNG A.Ş.					
Financial Data	Q12017	2016*	2015*	2014*	2013*
Total Assets (000 USD)	132,483	130,172	117,890	127,277	122,072
Total Assets (000 TRY)	481,737	459,742	342,777	295,143	260,063
Equity (000 TRY)	60,470	58,457	57,356	34,623	29,308
Net Profit (000 TRY)	2,013	7,148	1,587	5,317	4,058
Market Share (%)	1.48	1.39	1.28	1.12	1.19
ROAA, pre-tax (%)	n.a.	2.25	0.63	2.39	2.50
ROAE, pre-tax (%)	n.a.	15.61	4.37	20.79	24.33
Equity/Assets (%)	12.55	12.72	16.73	11.73	11.27
NPL (%)	3.09	3.34	4.46	2.67	2.21
Growth Rate (%)	n.a.	34.12	16.14	13.49	83.27

\*End of year

**Overview**

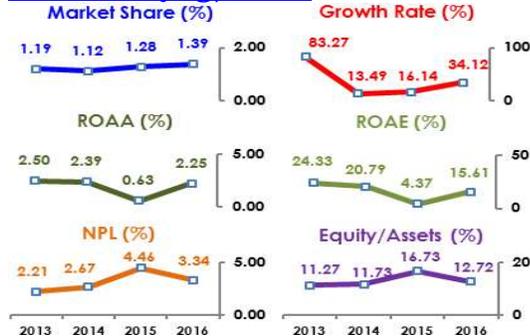
Akdeniz Faktoring A.Ş. provides funding primarily to medium sized entities operating in a wide range of sectors and domestic factoring companies. The Company was established in 1993 and operates within Zülfikarlar Holding A.Ş., a long-established family owned enterprise.

Zülfikarlar Holding has a wide range of activities in the fields of petroleum and petroleum products, energy, and the financial sector. Turkuaz Petrol Ürünleri A.Ş., a fuel distribution company, Akça Kimyevi Maddeler Nakliyat Tic. San. A.Ş., and Tesla Enerji Toptan Satış A.Ş. are the holding's leading companies, along with Akdeniz Faktoring. The acquisition of a 100% stake of TP Petrol Dağıtım A.Ş. in 2017 improved the Holding's market presence in the fuel distribution sector.

Akdeniz Faktoring A.Ş. increased its shares on **Turkuaz Petrol Ürünleri A.Ş.** to 9.42% in 2016 from 6.25%. Akdeniz Faktoring is headquartered in Üsküdar, İstanbul and the Company employed a staff of 16 as of 2016.

\*Assigned by JCR Eurasia Rating, JCR-ER on October 7, 2016

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**Strengths**

- Sound portfolio growth in line with growing share of corporate segment customers in the portfolio
- Prudent risk management which bolsters the asset quality
- Improvement diversification reducing concentration risk
- Increasing utilization of capital market instruments
- Enhancing pricing room thanks to below sector average OPEX to average assets
- Solid capital base comfortably above the mandated capital adequacy level, generating room for further growth
- Leveraging of the main shareholder's financial and operational capabilities

**Constraints**

- Historically below sector interest margins in line with the Board's prudent growth focus
- Frequent changes in the senior management team
- Profit distribution putting a cap on equity level and market penetration
- Highly competitive and fragmented market structure
- Pressurized global and regional economic outlook with persistent uncertainties concerning monetary policy responses

**Publication Date: June 16, 2017**
**"Global Knowledge supported by Local Experience"**

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