

Corporate Credit &

Issue Rating

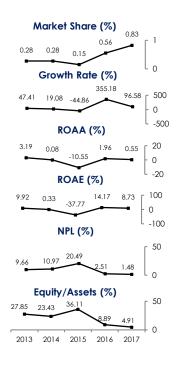
□New ⊠Update

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RATINGS

			Long	Short		
			Term	Term		
	Foreign Currency		BBB-	A-3		
International	Local Currency		BBB-	A-3		
nati	Outlook	FC	Stable	Stable		
nter		LC	Stable	Stable		
-	Issue Rating		-	-		
ıal	Local Rating		BBB-	A-3		
			(Trk)	(Trk)		
National	Outlook		Stable	Stable		
Za	Issue Rating		BBB-	A-3		
			(Trk)	(Trk)		
Sponsor Support			3	-		
Stand-Alone			В	-		
Sovereign*	Foreign Currency		BBB-	-		
	Local Currency		BBB-	-		
	Outlook	FC	Stable	-		
Š		LC	Stable	-		
*Affirmed by JCR on November 10, 2017						



Arena Faktoring A.Ş.

Company Overview

Financial Data	2018Q1	2017*	2016*	2015*	2014*
Total Assets (000 USD)	33,594	95,930	52,117	13,908	31,625
Total Assets (000 TRY)	132,658	361,839	184,068	40,438	73,334
Equity (000 TRY)	12,560	17,764	16,372	14,603	17,186
Net Profit (000 TRY)	-5,204	1,405	1,764	-5,677	32
Market Share (%)	N/A	0.83	0.56	0.15	0.28
ROAA (%)	N/A	0.55	1.96	-10.55	0.08
ROAE (%)	N/A	8.73	14.17	-37.77	0.33
Equity/Assets (%)	9.47	4.91	8.89	36.11	23.43
NPL (%)**	16.96**	1.48	2.51	20.49	10.97
Growth Rate (%)	-63.34	96.58	355.18	-44.86	19.08

*End of year

** This ratio relates to the portfolio acquired from the previous shareholder period.

Arena Faktoring Anonim Şirketi (hereinafter referred to as 'Arena Faktoring', or 'the Company') was founded in 2009, by Hitay Holding, one of the famous investment group in Turkey rooting back to 1980. After 6 years of operations, Hitay Group exited from Arena Faktoring and the shares are bought by the shareholders of Tera Menkul Degerler A.Ş. (Tera Yatırım), widely-known brokerage firm in Turkey. Arena Faktoring had paused its operations during the exchange of shares in 2015, which lasted 7 months. The Company operates through its headquarters located in Istanbul main office, Istanbul Kartal office which is opened in April 9,2018 and one branch in capital, Ankara.

Arena Faktoring promises and carries out factoring operations, receivable and cash management services. The Company is a member of 'Association of Financial Institutions' that is a professional organization of factoring, leasing and financing companies of Turkey. The activities of the Company are regulated and supervised by the Banking Regulation and Supervision Agency (BRSA).

The Company had a total asset size of TRY361.84mn, and a 0.83% asset share in the factoring sector worth a total of TRY 46.50bn in FYE2017. As of December 31, 2017, the Company employed an average workforce of 33 (December 31, 2016: 29).

Strengths	Constraints		
• Committed paid-in capital increase	• Low market share		
strengthening equity level	• Profitability level inadequate to		
• Expanded funding opportunities and	generate internal equity		
efforts to diversify funding channels	• Fierce competition in the market		
through bond issuances	• Need for improvement in corporate		
• Strong sponsor support of	governance practices		
shareholders	• Pressurized global and regional		
• Majority of the balance sheet items	economic outlook with persistent		
being composed of earning assets	uncertainties concerning the monetary		
contributing to asset quality	policy responses		

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