



PRESS RELEASE

Istanbul – April 03, 2017

JCR Eurasia Rating
has reviewed and affirmed the credit ratings of
Fiba Faktoring A.Ş. and the Cash Flows of its Debt Instrument Issuances
as '**A+ (Trk)**' on the Long Term National Scale
and as '**BBB-**' on the Long Term International Scale,
and assigned '**Positive**' outlooks for National Grades

JCR Eurasia Rating has reviewed and affirmed the investment grade credit ratings of "Fiba Faktoring A.Ş." and the "Cash Flows of its Debt Instrument Issuances" as '**A+ (Trk)**' on the Long Term National Scale and as '**A-1 (Trk)**' on the Short Term National Scale, and assigned '**Positive**' outlooks for the National grades. On the other hand, the Long Term International Foreign and Local Currency Ratings have been affirmed at the country ceiling level of '**BBB-**'. Other notes and details of the ratings are given in the table below:

Long Term International Foreign Currency	:	BBB- / (Stable Outlook)
Long Term International Local Currency	:	BBB- / (Stable Outlook)
Long Term National Local Rating	:	A+ (Trk) / (Positive Outlook)
Long Term Issue Rating	:	A+ (Trk)
Short Term International Foreign Currency	:	A-3 / (Stable Outlook)
Short Term International Local Currency	:	A-3 / (Stable Outlook)
Short Term National Local Rating	:	A-1 (Trk) / (Positive Outlook)
Short Term Issue Rating	:	A-1 (Trk)
Sponsor Support	:	1
Stand Alone	:	A

The Factoring Sector is marked by a high level of vulnerability to fluctuations in macroeconomic circumstances and instability. Management policies in the sector are strongly influenced by the changes in domestic and global economic outlook and regulatory procedures from the Banking Regulation and Supervision Agency (BRSA). On the other hand, in line with the undertaken reforms, the sector's legal infrastructure has been improved with regards to effective surveillance and control. As such, the mandatory installation of information, risk measurement and internal control systems have made a positive contribution to the improvement of the sector's institutional set-up and of the quality, standardization and transparency of financial reporting practices and facilitated fair competition. Considering the fact that factoring companies generate revenues mainly from real sector firms, the probable adversities of the market volatility and low-growth environment deriving from domestic/overseas economic, political and geopolitical developments on the debt service capability of real sector firms and the factoring sector continued as an issue that should be monitored closely.

Fiba Faktoring A.Ş. was established in 1992 as a subsidiary of the Fiba Group, which has a concern in financial sector through its 43 domestic and overseas investments in diversified fields. As in the bank-affiliated finance companies, the Company enjoys the advantages of its robust and reputable shareholding structure in terms of brand recognition, diversity of funding sources and costs, customer portfolio and level of ability to get financial and operational support. With a comparatively wide product range including international factoring services achieved through its extensive network and supportive infrastructure, the Company improved its profitability indicators through increased interest margin and ongoing improvement in main expense items despite the suppression derived from increased provisions for doubtful receivables and realized FX loss. The Company exhibited a '**Positive**' outlook for the upcoming periods due to its improved internal equity generation capacity, continuously above sector equity level with decreasing trend depending on dividend payments, wide funding sources including debt instrument issuances consistent with its current balance sheet composition, asset growth realized following a three-year contraction period and balance sheet composition relieving liquidity management.

The effects of continuing dividend payments realized in line with the Company's prudent management strategy envisaging an above sector and optimal equity level and improved internal equity generation capacity on its equity level, sustainability of internal equity generation capacity and the possible adverse effects of challenging, volatile and competitive market conditions on asset quality emerged as the issues to be monitored closely.

It is considered that the legal entity shareholders of the Company, Fiba Holding A.Ş. and Fina Holding A.Ş., the holding companies of the Fiba Group, and other Group companies have the willingness and experience to ensure the long term liquidity and equity within their financial capability when required and to provide efficient operational support to the Company. In this regard, the Company's Sponsor Support Grade has been determined as (1) in JCR Eurasia Rating's notation system.

On the other hand, taking into account the Company's operational track record, market experience and effectiveness, organizational structure, asset size and quality, equity level, and ease of access to funding sources, JCR Eurasia Rating has reached the conclusion that the Company has the sufficient experience and infrastructure to manage its obligations regardless of any assistance that may be provided by the shareholders, providing that it maintains its market efficiency and customer base. Within this context, the Stand Alone grade of the Company has been determined as (A) in the JCR Eurasia Rating notation system.

For more information regarding the rating results you may visit our internet site <http://www.jcrer.com.tr> or contact our analyst Mr.Gokhan IYIGUN.

JCR EURASIA RATING Administrative Board