

Corporate Credit Rating (Update)

Non-Banking Financial Institution Factoring

SARDES FACTORING		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC	Stable
		LC	Stable
National	Local Rating	BBB(Trk)	A-3(Trk)
	Outlook	Positive	Stable
Sponsor Support		3	-
Stand Alone		B	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC	Stable
		LC	Stable

SARDES FACTORING A.Ş.					
Financial Data	2015*	2014*	2013*	2012*	2011*
Total Assets (000 USD)	33,183	46,331	33,228	34,229	9,879
Total Assets (000 TRY)	96,484	107,436	70,788	60,846	18,660
Equity (000 TRY)	21,903	15,990	11,472	9,746	7,581
Net Profit (000 TRY)	813	1,393	1,726	2,165	-169
Market Share (%)	0.36	0.41	0.32	0.34	0.12
ROAA (%)	1.00	1.88	3.45	6.73	-2.25
ROAE (%)	5.38	12.17	21.41	30.89	-5.54
Equity/Assets (%)	22.70	14.88	16.21	16.02	40.63
NPL (%)	9.86	0.33	0.54	0.34	0.00
Growth Rate (%)	-10.19	51.77	16.34	226.08	n.a

*End of year

*Affirmed by Japan Credit Rating Agency, JCR on August 28, 2015

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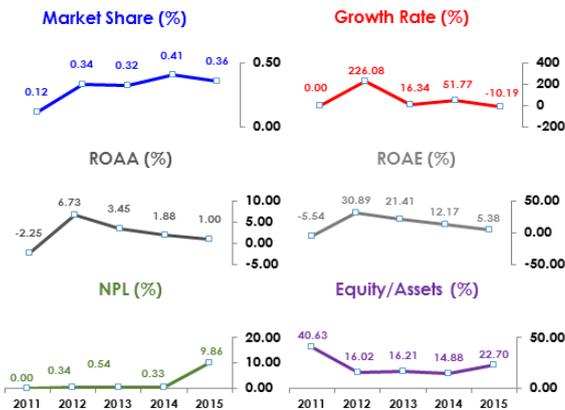
Company Overview

Sardes Faktoring A.Ş. (hereinafter referred to as "Sardes Faktoring", or the "Company") was established in 2010 to operate in the Turkish Factoring Sector. The sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2006.

Sardes Faktoring provides factoring services to companies with advanced payments to sellers against their receivables, based on invoices or other certifying documents representing the domestic sales of goods and services, by undertaking their collection. The Company carries out its fully domestic and revocable factoring transactions through its headquarters in Istanbul.

The Company's current real person shareholding structure covered 2 individuals as of December 31, 2015, Mr. Emin Hakan Eminsoy (76.52%) and Mr. Kazım Cenk Tülüm (23.48%).

The Company carried out its domestic and recourse or non-recourse factoring activities with a staff force of 15 and had no subsidiaries or affiliates as of FYE2015.



Strengths

- Improved free equity to total receivables ratio due to additional cash capital injection
- Diversified funding structure and an additional projected new bond issuance
- Service to many clients in different sectors
- Strong sponsor support of shareholders
- Presence of a professional senior finance management team with specialized knowledge of the Turkish Financial Sector

Constraints

- Remarkably above sector average and severely increasing NPL ratio for FYE2015
- Decreasing factoring receivables impeding asset growth
- Despite complying with the BRSA regulations, low level of loss reserve coverage ratio
- Short term maturity profile of borrowings in the sector
- Though decreasing compared to 2014, total operating expense to income ratio still above sector average
- Ongoing regional conflicts in Turkey and bordering countries creating macroeconomic uncertainties and downward pressure on business prospects.
- Strong competition throughout the sector

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