JCR Eurasia Rating

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Corporate Credit Rating & Issue Rating

(Update)

			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			2	-
Stand Alone			В	-
Sovereign*	Foreign Currency		BBB-	-
	Local Currency		BBB-	-
	Outlook	FC	Stable	-
		۲C	Stable	-

KENT FAKTORİNG A.Ş.									
Financial Data	2016*	2015*	2014*	2013*	2012*				
Total Assets (000 USD)	54,307	50,997	66,578	113,377	78,586				
Total Assets (000 TRY)	191,803	148,280	154,387	241,539	139,694				
Equity (000 TRY)	34,553	30,095	29,283	30,796	43,674				
Net Profit (000 TRY)	4,457	813	-12,923	-12,472	4,088				
Market Share (%)	0.58	0.56	0.58	1.11	0.77				
ROAA, pre-tax (%)	2.95	-0.70	-6.28	-6.80	2.87				
ROAE, pre-tax (%)	15.51	-3.58	-41.41	-34.79	11.62				
Equity/Assets (%)	18.01	20.30	18.97	12.75	31.26				
NPL (%)	10.34	22.26	21.83	15.37	8.53				
Growth Rate (%)	29.35	-3.96	-36.08	72.91	-23.22				

Overview

Kent Faktoring (hereinafter referred to as Kent Faktoring or the Company) is a Suzer Group company operating in Turkish Faktoring market since 1997. The Company merged with other Süzer Group non-bank financial companies in Turkey.

Headquartered in Istanbul, Kent Faktoring has recently restructured its organization to focus on profitability and improve operational efficiency & asset quality. In this

regard, the Company has downsized its work force to 30-35 employees as 2016

year-end. The profitability oriented management perspective with an emphasis of

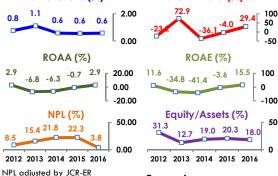
Ali Baran SÜZER is the principal shareholder of the Company with 99.99% of total

shares. Mr. Süzer has holdings in Süzer Group (Süzer Holding A.Ş.) and serves as

asset quality has become the primary objective of the Company.

*Assigned by Japan Credit Rating Agency, JCR on October 7, 2016





<u>Strengths</u>

- Recovered net income and internal resource generation capacity
- Successful restructuring phase in order to reduce the operational costs and improve efficiency
- Improved net interest margin further surpassing the Sector averages and indicating core business profitability
- Shareholder and Group support in both financial and operational aspects
- Süzer Group's broad experience in the field of financial sector and ample credit lines from various institutions

head of the finance group and vice president of the holding company's board. The Süzer Group is a conglomerate operating in various sectors such as finance, energy, construction, real estate development and tourism.

<u>Constraints</u>

- Previous periods of contracting and sizable losses, disrupting positive trend
- Despite notable improvement, relatively higher opex to average assets
- Highly competitive and fragmented market structure
- Concentrated loan book with important gross idiosyncratic firm exposure, while balanced with better credit metrics
- Pressurized global and regional economic outlook with persistent uncertainties concerning the monetary policy responses

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