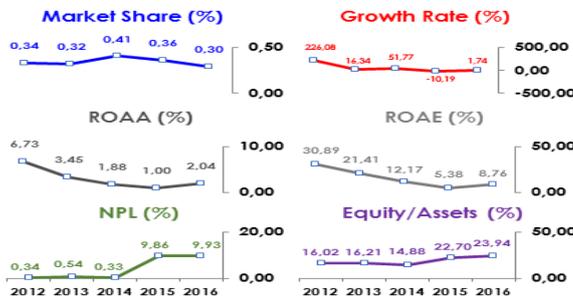


**Corporate Credit Rating  
(Update)**
**Non-Banking Financial Institution  
Factoring**

		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	BBB(Trk)	A-3(Trk)	
	Outlook	Positive	Stable	
	Issue Rating	BBB(Trk)	A-3(Trk)	
Sponsor Support		3	-	
Stand Alone		B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

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

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**Strengths**

- Sharp, almost twofold increase in net profit
- Efficient customer diversification in different sectors
- Shareholders' strong assist capability in both operational and financial conditions
- Absence of FX position
- Senior management team's broad experience in the field of financial sector
- Expanded funding opportunities

**Constraints**

- High NPL ratio above the sector average for FYE2016
- Decreasing market share over the last two years
- Below-sector profitability ratios
- High level of customer concentration risk
- Global and regional economic outlook under pressure with insistent uncertainty about policy responses
- Fierce competition throughout the sector

SARDES FAKTORİNG A.Ş.					
Financial Data	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	27,793	33,183	46,331	33,228	34,229
Total Assets (000 TRY)	98,160	96,484	107,436	70,788	60,846
Equity (000 TRY)	23,504	21,903	15,990	11,472	9,746
Net Profit (000 TRY)	1,601	813	1,393	1,726	2,165
Market Share (%)	0.30	0.36	0.41	0.32	0.34
ROAA (%)	2.04	1.00	1.88	3.45	6.73
ROAE (%)	8.76	5.38	12.17	21.41	30.89
Equity/Assets (%)	23.94	22.70	14.88	16.21	16.02
NPL (%)	9.93	9.86	0.33	0.54	0.34
Growth Rate (%)	1.74	-10.19	51.77	16.34	226.08

\*End of year

**Company Overview**

Sardes Faktoring A.Ş. (hereinafter referred to as "Sardes Faktoring" or "The Company") was founded 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.

The major qualifying shareholders of the company as of December 31, 2016, were Mr. Emin Hakan Eminsoy (73.27%), Mr. Kazım Cenk Tülümen (21.73%) and Mr. Celalettin Çağlar (5.00 %). The Company provides domestic and recourse or non-recourse factoring facilities through a staff force of 13 people as of FYE2016 (As of December 31, 2015: 15). The Company carries out its fully domestic and revocable factoring transactions through its headquarters in Istanbul.

The Company, with a total asset size of TRY 98.16 mn, had a 0.30 % market share in the factoring sector worth a total of TRY 33.08 bn in FYE2016.