



PRESS RELEASE

Istanbul – May 12, 2016

JCR Eurasia Rating,

in its periodic review, has affirmed the ratings of '**Creditwest Faktoring A.Ş.**' as '**AA (Trk)**' on the Long Term National Local Scale and determined the outlook on the national ratings as '**Stable**'. The Long Term International Foreign and Local Currency Scale ratings have been affirmed as '**BBB-/Stable**'.

JCR Eurasia Rating, in its periodic review, has evaluated '**Creditwest Faktoring A.Ş.**' in an investment-level category on the national and international scales and affirmed the ratings on the Long Term National Scale as '**AA (Trk)**' and determined the Short Term National Scale as '**A-1+ (Trk)**' with '**Stable**' Outlooks. Additionally, **JCR Eurasia Rating** has affirmed the Long Term International Foreign and Local Currency Ratings as '**BBB-**'. Other notes and details of the ratings are provided below:

Long Term International Foreign Currency	:	BBB-/ (Stable Outlook)
Long Term International Local Currency	:	BBB- / (Stable Outlook)
Long Term National Local Rating	:	AA (Trk) / (Stable Outlook)
Long Term National Issue Rating	:	AA (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) / (Stable Outlook)
Long Term International Issue Rating	:	A-1+ (Trk)
Sponsor Support	:	2
Stand Alone	:	A

The factoring sector provides liquidity and funding solutions for real sector companies and has become an important stakeholder in the economy as a result of its strong legal structure, short cycle of commercial receivables in the market and increasing demand of companies for liquidity. The sector is subject to an increasing number of legal regulations which are expected to contribute to continued growth in the upcoming years. Factoring companies have begun to participate in daily liquidity movements in the Takasbank Money Market and work predominately with companies operating in the real economy. The dependency on real sector companies has led to an exposure to volatility in the political and macroeconomic environment.

Credit west Faktoring, started its operations in 1995, has been quoted in Istanbul Stock Exchange since 1997. The Company is one of the three factoring companies listed in Borsa Istanbul and a pioneer in private sector bond issuances. Creditwest Faktoring, operates with its 4 branches and a head quarter in Istanbul, stands out with its high net profit in the Factoring Sector, which is dominated by bank-subsidiary companies and strong price competition continues in it. The Company maintains corporate governance and risk management exercises proactively and puts maximum effort to align with regulations. The latest regulation, effective as December 2015, has forced factoring companies to increase their paid-in capital at minimum of TRY 20 million. By the time, Creditwest Faktoring has TRY 80 million paid-in capital therefore, no extra action needed for the Company.

The Company's stable net profit for the last years, NPL ratio below the sector average, strong paid-in capital, internal equity generation capacity, diversified debt instruments, successful risk management practices, sufficient collateral level, and experienced top management are seen positive effects on Creditwest Faktoring's long and short term ratings. On the other hand, both the floating interest rate on bonds issued and flexible current interest of bank loans make hard to manage financial costs at a stable level. Although the aforementioned situation creates a burden on profitability, high sales volume relieves the profitability. Experienced top management, the Company's realistic growth strategies and the compensation power of cash flows to cover interest payments serves as a basis of the thought that the stream of Creditwest Faktoring A.Ş.'s cash flows will be realized in accordance with the principal and interest payments. Therefore, the Company's outlooks in the short and long term perspective determined as '**Stable**' and Long Term National Grade is affirmed as '**AA (Trk)**'. No separate rating report has been compiled as the resources obtained from the bond issue will be carried in the Company's balance sheet and was subject to analysis in the corporate credit rating report. The planned bond issue carries no difference in comparison to the Company's other liabilities with respect to its legal standing and collateralization, as such the notations outlined in the corporate credit rating report also reflect the issue rating.

In the case of the macroeconomic indicators to continue in negative outlook and slowdown in economic activity in real sector, the volume of receivables, which represents a big portion of domestic commercial environment, are expected to decline. This situation is expected to have an impact on Creditwest Faktoring A.Ş.'s sales volume and profitability. In this context, **JCR Eurasia Rating** will track the market conditions, market interest rates and strategies of other finance companies together with Creditwest Faktoring's profitability, sales volume, asset quality, NPL level, and debt structure.

The major controlling shareholder, Altinbaş Holding A.Ş., has over 60-year experience in a variety of sectors and increased investments in factoring sector in recent years. The shareholder is considered to have the willingness and experience to ensure long-term liquidity and equity within their financial capability when required and to provide efficient operational support to Creditwest Faktoring A.Ş. In this regard, the Company's Sponsor Support Grade has been affirmed as **(2)** in **JCR Eurasia Rating's** notation.

On the other hand, taking into account the Company's ongoing sales volume, experienced staff, effective risk and corporate governance applications, diversified borrowing structure, low level of NPL, strong asset quality, and internal equity generation capacity, we, as **JCR Eurasia Rating**, state the opinion that the Company has reached the level of adequate experience and facilities to manage the incurred risks on its balance sheet regardless of any assistance from the shareholders, if it preserves its current customer level, efficiency and existing macroeconomic level in the market. Within this context, the Stand Alone grade of the Company has been affirmed as **(A)** in the **JCR Eurasia Rating** notation system.

For detailed information regarding the rating results you may visit our internet site <http://www.jcrer.com.tr> or contact our analyst Mr. **Utku KARAGÜLLE**.

JCR EURASIA RATING
Administrative Board