
Fitch Affirms Is Faktoring at 'BBB-'; Revises Outlook to Negative

Fitch Ratings, **London**, 24 August 2016: Fitch Ratings has affirmed the Long-Term Issuer Default Ratings (IDRs) of Is Faktoring A.S.. The Outlook has been revised to Negative from Stable. A full list of rating actions is available at the end of this comment. The rating action follows the revision of the Outlook on Turkey's sovereign IDRs to Negative from Stable (see 'Fitch Affirms Turkey at 'BBB-'; Revises Outlook to Negative' dated 19th August 2016 at www.fitchratings.com).

KEY RATING DRIVERS AND SENSITIVITIES – IS FAKTORING

The IDRs of Is Faktoring is equalised with that of its parent, reflecting its strategic importance to and integration within the group. Consequently, the revision of its Outlook to Negative from Stable mirrors the rating action on its parent and indicates a possible weakening of its parent's ability to support it. The ratings of this entity are sensitive to changes in the ratings of its respective parent bank.

KEY RATING DRIVERS AND SENSITIVITIES – NATIONAL RATING

The affirmation of the National Rating with a Stable Outlook reflects Fitch's view that the creditworthiness of Is Faktoring relative to other Turkish entities has not changed significantly as a result of the Sovereign Outlook change.

The rating actions are as follows:

Is Faktoring A.S.:

Long-Term Foreign Currency IDR: affirmed at 'BBB-'; Outlook revised to Negative from Stable

Long-Term Local Currency IDR: affirmed at 'BBB-'; Outlook revised to Negative from Stable

Short-Term Foreign Currency IDR: affirmed at 'F3'

Short-Term Local Currency IDR: affirmed at 'F3'

Support Rating affirmed at '2'

National Long-term Rating affirmed at 'AA+(tur)'; Outlook Stable

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