

PRESS RELEASE

Istanbul – June 14, 2016

JCR Eurasia Rating
has revised the credit ratings of **“Atılım Faktoring A.Ş.”** and **‘Cash Flows on Prospective Bond Issue’** within the scope of periodic review and affirmed its rating as **“A- (Trk)/Stable”** on the Long Term National Local Scale and **“BBB- / Stable”** on the Long Term International Foreign Currency Scale.

JCR Eurasia Rating has revised the credit ratings of **“Atılım Faktoring A.Ş.”** and **‘Cash Flows on Prospective Bond Issue’** within the scope of periodic revision and affirmed its Long Term National rating as **“A- (Trk)/Stable”**. Other grades and details of the ratings are given in the table below:

Long Term International Foreign Currency Rating	:	BBB- / (Stable Outlook)
Long Term International Local Currency Rating	:	BBB- / (Stable Outlook)
Long Term National Local Rating	:	A- (Trk) / (Stable Outlook)
Long Term Issue Rating	:	A- (Trk)
Short Term International Foreign Currency Rating	:	A-3 / (Stable Outlook)
Short Term International Local Currency Rating	:	A-3 / (Stable Outlook)
Short Term National Local Rating	:	A-1 (Trk) / (Stable Outlook)
Short Term Issue Rating	:	A-1 (Trk)
Sponsor Support	:	3
Stand Alone	:	B

The Factoring Sector exhibits one of the highest levels of vulnerability to fluctuations in macroeconomic circumstances and instability. Management policies in the sector are strongly influenced by the changes in economic outlook and regulatory pressures from the Banking Regulation and Supervision Agency (BRSA). In line with the undertaken reforms, the sector’s legal infrastructure has been improved with regards to effective surveillance and control. As such, the mandatory installation of information, risk measurement and internal control systems made a positive contribution to the improvement of the sector’s institutional set-up, and the quality, standardization and transparency of financial reporting practices and facilitated fair competition.

Atılım Faktoring offers financing services to customers through the transfer of their trade receivables stemming from domestic sales, in recourse fashion since 1993. Atılım operates with its current ownership structure as of 2001. Headquartered in Istanbul and managing a satellite office in the same city, the Company has offices in Ankara, Antalya, Samsun and serves mostly medium sized enterprises.

Due to decreasing risk appetite and tightening liquidity conditions in the Factoring Sector at large, Atılım Faktoring maintained a controlled growth policy so as to preserve the asset quality and limit the risk exposure. Managing to sustain its above average interest rate margin, the Company supported its equity base with internally generated revenues while maintaining its return on equity to a certain extent. Actively using capital and money markets, Atılım Faktoring continues to diversify its funding structure with frequent bond and bill issuances. On the other hand, as a result of the reflection of the uncertainties and contracting liquidity conditions faced by the real industry to the financial sector, Atılım Faktoring’s impaired receivable balance increased and pressurized the asset quality. The Company closely follows on developments concerning the debtors of the impaired receivables and exerts considerable effort to ensure collections.

Preserved net interest margin in a pressured environment, the positive collection performance concerning impaired receivables as of 1Q2016, risk and profitability oriented management policies, dynamically managed and diversified funding resources with bond and bill issuances and the adequate capitalization levels are the primary drivers of Atılım Faktoring’s Long Term National Rating and outlook affirmed as **“A- (Trk) / Stable”**. The trend and collection performance of the past-due receivables, loan book and turnover growth, the impact of the monetary policies of the global and domestic market on the net interest margin of the Company will be continued to be monitored by JCR-ER. A separate rating report has not 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.

We preserve our opinion that the controlling shareholders of Atılım Faktoring A.Ş. have the willingness to provide long-term funds or equity along with delivering operational support, should such a need arises. In this perspective, the Company’s Sponsor Support Rating is affirmed as **(3)** within **JCR Eurasia Rating** scale.

JCR Eurasia Rating believes that the Company possesses the capacity and the experience to manage its commitments without external support, considering the Company’s internal resource generation capacity and profitability potential, achieved growth rates, asset quality, capitalization level, liquidity profile, term structure and risk management applications and provided that the macroeconomic outlook does not concentrate on the negative direction. In this regard, **Atılım Faktoring A.Ş.’s** Stand Alone Rating is affirmed as **(B)**, indicating a sufficient level within **JCR Eurasia Rating** notation.

For more information regarding the rating results, you may visit our internet site <http://www.jcrer.com.tr> or contact our analysts **Sn. Zeki M. ÇOKTAN** and **Mr. Özgür Fuad ENGİN**.

JCR EURASIA RATING
Administrative Board