

## PRESS RELEASE

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**JCR Eurasia Rating**, in its periodic review, has upgraded the ratings of "Ak Faktoring A.Ş." and the 'Cash Flows on Prospective Bond Issue' as 'BBB+ (Trk)/ Stable' on the Long Term National Local Scale. The Long Term International Foreign and Local Currency Scale ratings have been affirmed as 'BBB-/Stable'.

JCR Eurasia Rating, in its periodic review, has upgraded the credit ratings of "Ak Faktoring A.Ş." and the 'Cash Flows on Prospective Bond Issue' as "BBB+ (Trk)/Stable" on the Long Term National Scale and determined Short Term National Outlook as 'Stable'. In addition, JCR Eurasia Rating has affirmed the Long Term International Foreign and Local Currency Ratings as 'BBB-'. Other notes and details of the ratings are given in the table below:

Long Term International Foreign Currency	: BBB- / (Stable Outlook)
Long Term International Local Currency	: BBB- / (Stable Outlook)
Long Term National Local Rating	: BBB+ (Trk) / (Stable Outlook)
Short Term International Foreign Currency	: A-3 / (Stable Outlook)
Short Term International Local Currency	: A-3 / (Stable Outlook)
Short Term National Local Rating	: A-2 (Trk) / (Stable Outlook)
Sponsor Support	: 2
Stand Alone	: B

Ak Faktoring, following changes in its shareholder structure and renewed organizational structure in 2011, has made steps towards becoming a corporate brand and increased its market share in the Factoring Sector. Despite being one of the highest growing non-banking financial sectors, the Factoring Sector is highly vulnerable to fluctuations in macroeconomic circumstances and instability. Management policies in the bank-dominated sector adapted to changes in economic conjuncture and regulatory pressures from the Banking Regulatory and Supervision Agency (BRSA). In parallel with 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 as well as facilitating fair competition.

Altınhas Holding A.Ş., taking its roots from Altınbaş Holding A.Ş. with an operational history dating back to 1950, is the main shareholder Ak Faktoring A.Ş. The Company, established in 1992, operates on a local basis under a management team with a wide variety of experience. Ak Faktoring continues to meet the credit needs of its customers, mainly corporate companies and SMEs. As a result of obligatory increases in minimum paid-in capital levels, the Company has strengthened its capital structure and continued to increase its equity level with internal resources. An increase in non-performing receivables and a high concentration risk resulted from the decreasing growth rate of the economy, performing a trend under sector averages and despite its down going profitability ratios indicating far above sector averages, promising further growth for the Company. On the other hand, despite the ongoing upward trend in its impaired receivables, the high provisioning level and strong collateral structure continued to positively contribute to asset quality. While the trend to access funds from capital markets via debt instruments remains rather weak, the Company creates fund diversification through successful bond issuances. Additionally, the Company continues to relive its liquidity needs, supports its sustainable asset growth and profitability.

Potential downward pressures on the sector's profitability due to macroeconomic fluctuations and the stress on asset quality possibly derived from a probable increase in overdue loans of the Company are factors that will be monitored and can exert downward pressure on the ratings. The high probability of realization relating to the Company's future growth plan along with the positive synergy which is created by the supporting power of the main shareholder structure of Altınhas Holding A.Ş. and experienced management teams, the generation of internal resources and cash flows to meet the interest expenses are the principle factors in the determination of the Company's outlook as "Stable" in Long and Short Term and upgrade of the Company's Long term National Grade by one level.

On the other hand, it is considered that the major controlling legal entity shareholder, **Altınhas Holding A.Ş.**, along with real person shareholder, the Altınbaş Family, 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 **Ak Faktoring A.Ş.** Therefore, the Company's Sponsor Support grade has been determined as **(2)** in **JCR Eurasia Rating's** notation.

On the other hand, taking into account the Company's increasing equity level, transaction volume, sustainable asset growth and internal equity generation capacity, efficient risk management despite the increasing trend in NPL and concentration risk, the below sector average impaired receivables' support of asset quality thanks to collateral level, strengthened capital structure, market popularity, we, as JCR Eurasia Rating, are of the opinion that Ak Faktoring A.Ş. 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, provided that it improves its current customer level, efficiency and existing macroeconomic level in the market. Within this context, the Stand Alone grade of the Company has been upgraded as **(B)** in the JCR Eurasia Rating notation system.

For more information regarding the rating results, you may visit our internet site <http://www.jcrer.com.tr> or contact our analysts **Mr. Abdurrahman Tutgaç** and **Mrs. Merve Hayat**.

#### JCR EURASIA RATING Administrative Board