

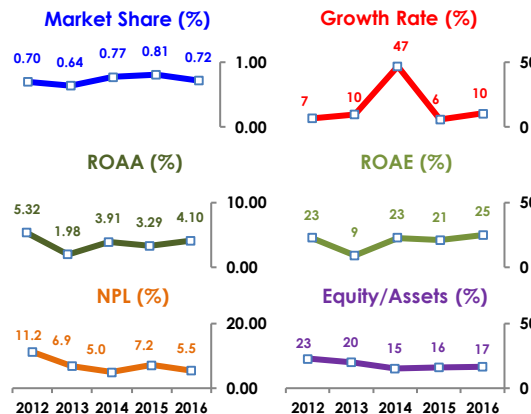
Corporate Credit & Issue Rating (Update)

Factoring

ATILIM FACTORING		Long Term	Short Term
International	Foreign currency	BBB-	A-3
	Local currency	BBB-	A-3
	Outlook	FC	Stable
	LC	Stable	Stable
National	Issue Rating	n.a.	n.a.
	Local Rating	A- (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
	Issue Rating	A- (Trk)	A-1 (Trk)
Sovereign*	Sponsor Support	3	-
	Stand Alone	B	-
	Foreign currency	BBB-	-
	Local currency	BBB-	-
Sovereign*	Outlook	FC	-
	LC	Stable	-

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

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Strengths

- High profitability ratios contributing to internal equity generation capacity and promising further growth
- Diversified funding mix with bank borrowings and longer term bonds and bills
- Sufficient equity level and retention ratio, contributing to funding profile
- Favorable and better than sector average interest margins, supporting core operational profitability
- Resilience to fluctuations in foreign currency risks due to absence of non-TRY denominated liabilities
- Sound asset quality and improvement in the NPL ratio
- Stable and experienced management team with an emphasis on adoption of corporate governance best practices & efficient internal control mechanisms

Constraints

- Limited geographic penetration and branch network, constraining the diversification across different local markets
- Sizable operational expenses and higher than sector average opex/total income ratio pressurizing the profitability, despite notable improvement over the previous year
- Political uncertainties arising from the upcoming referendum and the tensions & conflicts in the neighboring regions, coupled with the anticipated tapering policy
- Short-term borrowing profile, though commonly observed in the sector
- High level of competition in Turkish Factoring Sector and pressures to continuously squeeze costs

ATILIM FAKTORİNG A.Ş.					
Financial Data	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	67,599	74,167	87,954	65,192	71,276
Total Assets (000 TRY)	237,893	215,649	203,956	138,885	126,700
Equity (000 TRY)	39,752	34,846	31,135	28,132	29,126
Net Profit (000 TRY)	6,803	5,465	5,329	1,359	5,194
Market Share (%)**	0.72	0.81	0.77	0.64	0.70
ROAA (%)	4.10	3.29	3.91	1.98	5.32
ROAE (%)	24.95	20.94	22.64	9.17	22.60
Equity/Assets (%)	16.71	16.16	15.27	20.26	22.99
NPL (%)	5.50	7.21	5.03	6.89	11.22
Growth Rate (%)	10.31	5.73	46.85	9.62	6.64

*End of year **by asset size

Company Overview

Atılım Faktoring A.Ş. (hereinafter referred to as Atılım Faktoring, or the Company) was founded on 1993 and gained its current ownership status in 2001. The Company's experience in the sector exceeds 20 years, underpinning its profile as one of the first factoring companies in Turkey. Since 2006, the Turkish Factoring Sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA).

Atılım Faktoring provides funding to its customer portfolio based in Turkey through the financing of their invoiced/documentated receivables. The Company is mainly focused on funding medium and large sized enterprises. The Company actively uses capital markets as means of alternative financing source.

The Dinler and Dalva Families are the utmost shareholders of the Company, each owning 50% of the total shares. The ownership structure of the Company is fairly stable. The Company is headquartered in Istanbul, where the majority of the operations take place, with offices located in Ankara, Antalya and Samsun. As of December 2016, the Company employed a staff of 60 (FYE 2015:68).

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