



PRESS RELEASE

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JCR Eurasia Rating,

has affirmed the credit ratings of '**Creditwest Faktoring A.Ş.**' and '**Cash Flows on Prospective Bond Issue**' as "**AA(Trk)/Stable**" on the Long Term National Local Scale and Outlook and "**BBB- / Stable**" on the Long Term International Foreign and Local Currency Scale and Outlook.

JCR Eurasia Rating has affirmed the credit ratings of "**Creditwest Faktoring A.Ş.**" as "**AA (Trk)**" on the Long Term National Scale and '**A-1+ (Trk)**' on the Short Term National Local Scale along with a '**Stable**' Outlook. In addition, JCR Eurasia Rating has also 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	:	AA (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-1+(Trk) / (Stable Outlook)
Sponsor Support	:	2
Stand Alone	:	A

The factoring sector continues to entail a significant future growth potential taking into account low levels of domestic penetration along with increase in the effectiveness of the supervisory and regulatory authorities and the increased representational powers and effectiveness of the "Financial Institutions Union" which brings together all factoring, leasing, consumer financing companies constituted by legal obligations put in place at FYE2012. Furthermore, the new Takasbank Money Market (TMM) Procedure which came into force on 10 April 2015 enabling the Leasing, Factoring and Financing Companies to join the membership of Takasbank Money Markets (TMM) is estimated to provide factoring companies with alternative methods of funding and improve systemic support levels in the subsequent period. On the other hand, the intensely competitive operating environment that prevails throughout the sector necessitates tailor made solutions for customers, rapid conclusion of business procedures and sustainable growth, while increasing transactional volume and pressure require emphasis on effective risk management procedures. The possibility of damage to the balance sheets and liquidity flows in line with the economic and political volatility observed in the international and domestic markets will stimulate factoring companies to be more conservative with respect to their operations in 2015.

Creditwest Faktoring has been operating as an institute of Altınbaş Holding as a publicly traded company since 1997 and began activities in 1995. With the advantage of being one of the few publicly traded companies in the factoring sector, the Company carries out its activities through its increased employee base in three branches and head office in İstanbul in a bank-dominated and highly competitive sector. The Company performed an above sector growth performance through risk management and internal control systems based on maximum active customer-maximum risk distribution, low level of customer concentration thanks to a customer base diversified into various sectors and growth in line with prudent management strategy despite a slowdown in the economy. The Company sold its 50% shared subsidiary '**West Finance And Credit Bank**' (with a rating of **AA-(Ukr)** assigned by JCR Eurasia on July 21, 2014 on a long term national scale and **BB-** on foreign currency international scale) to the main shareholder Altınbaş Holding A.Ş. in 1Q2015.

The Company continued to augment its net profit and market share through above sector asset growth, profitability ratios, net profit margin and internal equity generation capacity. In addition, a below sector average NPL level supported by prudent risk management practices and infrastructure, adequate level, nonperforming loans transferred to asset management company, effective and rapid decision-taking process in the funding process have contributed positively to the **Creditwest Faktoring A.Ş.**'s short and long term grade formation by continuing to support the existence of asset quality. Despite increased interest payments derived from bank loans and issued bonds pressuring financial expenses and a declining equity level due to external funding needs, the Company has differentiated itself through an increased interest income due to a hike in transaction volume and creation of long-term funding diversification through bond issuances in comparison to the sector's highly weighted short term funding structure. The existence of an experienced management team together with the high probability of the realization of the Company's growth strategies and expected coverage of internal resources and projected cash flows regarding debt services are factors contributing to the affirmation of the ratings on the Short and Long Term National scales.

Taking into account the growth and profitability contribution of planned investments, the major controlling shareholder, **Altınbaş Holding A.Ş.**, with a good reputation and over 60 year experience in a variety of activities, 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 expanding customer portfolio and low level of concentration, experienced management team, positive contribution to asset quality of the below sector NPL levels, efficient risk and corporate governance applications, enhanced collateral level, equity structure, privileged position in the sector as a publicly traded company, long term borrowing structure supported by on-going bond issuances, independent funding processes regarding the Holding and the growth trend, we, as JCR Eurasia Rating, are of the opinion that **Creditwest 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 affirmed as **(A)** in the JCR Eurasia Rating notation system, indicating the highest level.

For more information regarding the rating results you may visit our internet site <http://www.jcer.com.tr> or contact our analysts **Mr. Zeki Metin ÇOKTAN** and **Ms. Merve HAYAT**.

JCR EURASIA RATING
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