Corporate Governance and Credit Rating Services Inc.

2 November 2015

KOÇ FİNANSMAN A.Ş.

Credit Rating

Rating
(National): Long Term

(TR) A+

Outlook:

Stable

Rating
(National): Short Term

(TR) A1

Outlook:

Stable

Rating Summary

The principal activity of Koç Finansman A.Ş. is to provide loans for the purchase of all kinds of goods and services. It is established in Turkey being a part of Koç Group of Companies and it is the first finance company which acquired the financing company operating license. The company is subject to the supervision and regulation of the Banking Regulation and Supervision Agency (BRSA) and has been operating under the provisions of the Law on Financial Leasing, Factoring and Financing Companies no. 6361 (the Law). Koç Finansman A.Ş. is a member of the Financial Leasing, Factoring and Financing Companies Association.

The company mainly provides financing for the purchases of motor vehicles, along with durable consumer goods, services and housing. In addition, Koç Finansman A.Ş. serves as an insurance broker for the loans which it extends.

Under the provisions of the Law dated December 13, 2012 the company also has the opportunity to provide financing for the purchase of all kinds of goods and services and to undertake inventory financing, dealer financing and etc.

Following our comparative analysis of the sector and examination of financial / operational risks carried by the company, as well as the company's domestic market position and analysis of the financial and automotive sectors, KOÇ FİNANSMAN A.Ş. received a national long term rating of (TR) A+ and the short term rating of (TR) A1.

Strengths and Risks

Strengths

- Owing to the knowledge accumulated by being the first finance company in the market, the company strategically focuses on motor vehicle financing which is its core business.
- The parent company (Koç Group of Companies) has a strong and respected place in the country.
- It has one of the highest equity and paid-in capital amounts among the finance companies.
- The company has a satisfactory past performance.
- It is institutionalized with adequate management.

Risks

- Performance of the company is in line with the performance of the highly volatile automotive industry.
- Credit facilities in the market of its core business are highly competitive.

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Outlook

The company effectively utilizes financial derivative instruments against the risks which it might be exposed to. The company does not hold any open foreign currency positions and it hedges its foreign currency loans obtained from both domestic and foreign banks by using swaps, forward contracts and etc. in the derivatives market. It is observed that financial structure of the company has the ability to maintain its stable stance despite the possible exchange and interest rate increases / decreases which could affect the sector. For this reason, the company's short and long-term outlook is defined as 'stable' by us.

Sector Analysis

Highly indebted countries in Europe generated the second stage of the financial crisis which started with the mortgage spell in the US and deepened by the collapse of Lehman Brothers. A third pillar was added to the ring by the inclusion of the developing countries just when exit of US from crisis, or actually from the measures taken in the second and third quarters of 2015 were discussed. Countries among them with high debt ratios (public + private), or with high financing needs to say, composed the perilous bunch in the financial markets for the rest of 2015. Even though the slowdown on China's growth in recent years and an existence of reliable data is on the market agenda, its closed economic model and polity, using similar evaluation methods with other emerging countries is not very possible. The functioning of markets and market interventions, just like the data provided, can also have large diversities. The rein power of the Chinese state on data and the market is reducing the risks similar to free market economies' conventional market and financial crisis. However the slowdown in growth can cause different problems both for China and the rest of the world.

Economic growth was above expectations in both the first and second quarter of 2015 with an increase of 2.5% and 3.8% respectively. Accordingly, Turkish Economy recorded a 3.2% growth in the first half of the year compared to the same period last year. Looking at the details on data of the economic growth seen in the 2nd quarter of 2015; growth mainly resulted from the domestic consumption and government spending, however unlike the first three months of the year, a stiff rise witnessed in private sector investment has attracted attention. On the other hand, net foreign trade balance continued to adversely affect growth. When we look at the share of the basic economic activities in the economic growth over the years, it is seen that the service sector grabbed the highest share. The observed increase in share of the industry in economic growth during the last period is remarkable. In particular this is due to the demand pushed forward in the automotive sector which is one of the leading sectors of the economy.

Growth performance of developed countries in 2015 remained in low levels compared to pre and post global crisis era. In particular, loss of growth momentum in China, the world's second largest economy, has been a factor which increased concerns about the global economy. 4% growth envisaged for this year in the previous medium-term plan was revised to 3% in the new medium-term program. Growth rate for 2016 is revised from 5% to 4% and it is estimated as 4.5% for 2017 and 5% for 2018. According to the medium-term program, domestic demand-driven growth in the second half of the year and the negative affect of external demand on growth is expected.

Nonbank Financial Sectors

Turkish nonbank financial sectors contributing to diversification, development and deepening of financial services are in the development stage, yet their shares in the financial system have been increasing each day. In particular, the innovations introduced by the "Financial Leasing, Factoring and Financing Companies Law" which entered into force on December 13, 2012 are important for the future of these sectors. The Financial Leasing, Factoring and Financing Companies Association was established in July 25, 2013. It is expected to contribute to the development of the institutional structure of these sectors and to increase standardization and transparency.

The non-banking financial sector continued to grow as in previous periods. The consolidated data comparing first half of 2015 to the same period of 2014 is as follows; total assets increased by 26.6% reaching to TL 88,615,000,000, trading volume grew by 18.7% to TL 76,244,000,000, receivables increased by 25.8% reaching to TL 79,688,000,000, the equity size grew by 13.6% to TL 12,643,000,000 and the net profit jumped by 28.6% to TL 958 million.

Financing Sector

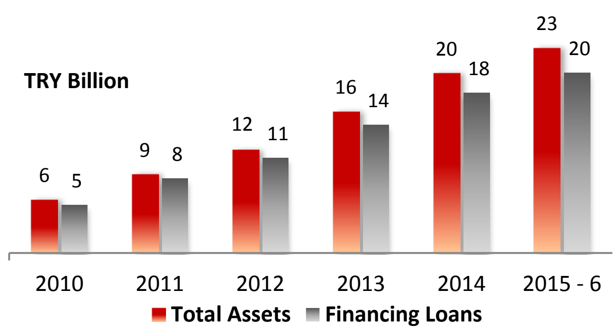
Growth showed by 13 companies of the sector in recent years is given in the table below.

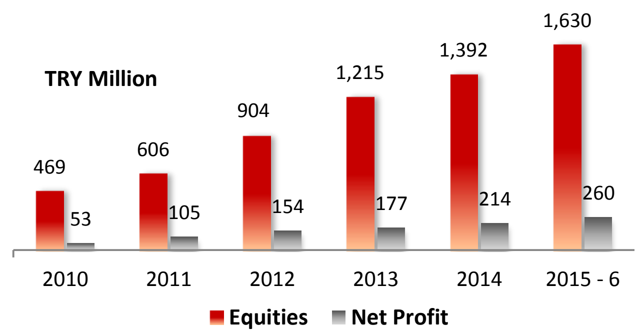
TRY Mn.

Year	Total Assets	Financing Loans	Loans Granted					Equity	Net Profit
			Auto		Mortgage	Other	Total		
			Passenger	Commercial					
2010	6,011	5,374	2,472	1,875	161	84	4,591	469	53
2011	8,869	8,385	3,273	2,291	186	107	5,857	606	105
2012	11,619	10,734	3,863	2,386	290	113	6,651	904	154
2013	15,956	14,475	5,825	2,950	365	115	9,255	1,215	177
2014	20,286	18,053	4,901	8,454	356	38	13,748	1,392	214
2015 - 6	23,149	20,346	3,693	4,792	131	60	8,676	1,630	260

Source: Association of Financial Institutions

The total assets of the financing sector showed a growth of 27% as of the end of 2014 compared to the previous year, reaching TL 20,285,547,000. Financing receivables climbed to TL 18,053,437,000 with a growth rate of 25%. Sector's total equity increased by 15% over the same period reaching TL 1,392,484,000 and net profit was reported as TL 214 million with a 21% increase.





On the other hand, despite the banks' auto loan portfolios decreased by 3%, that of Financing Companies grew by 26.85% as of December 2014. The share of financing companies in total automobile loans is increasing every year. This rate was 40.75% as of end 2013 and increased to the level of 46.87% as of December 2014.

Two separate amending regulations were published on the Official Gazette No. 29398, dated June 26, 2015 on the general reserve requirements set aside by BRSA for the Finance Companies. According to this regulation BRSA has amended the regulation on reserve requirements in line with the development of the sector.

The phrase "rate of the general reserves in total loans issued can be up to 125/10,000" was added to the equity term mentioned on the first sub clause of the third article of the Regulations on Operating Principles of Financial Leasing, Factoring and Financing Companies. This amendment allowed the financing companies to allocate a certain portion of the general reserves to the shareholders' equity.

Unlike the banks, financing companies could not include their general reserves in equity until this amendment. The differences arising from the legislation in a way that may lead to competitive distortions are removed in this context. Since this amendment would increase the size of the equity, ceiling of securities issued, which is the most important source of funding for financing companies, has increased.

In addition, CBRT has initiated a higher interest payment application for the financial institutions with core liabilities higher than the sector average, allowing financing companies to include their general reserves in the equity thus receiving higher interest rates paid by the CBRT to the general reserve requirements.

Through another Regulation published in the Official Gazette of the same date, general reserve requirements of the financing companies are reduced to the same level as banks by the amendment on the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies. Prior to the said

Regulation financing companies were obliged to hold a reserve of 4% on all consumer loans, with the exception of housing, and a reserve of 8% of loans with delay of more than 30 but less than 90 days. These rates applied to the banks are 1 and 2% respectively. The amendment brought the general reserve requirement levels of the financing companies to the same level as the banks providing consumer loans and eliminated the differences arising from the legislation in a way that may lead to competitive disparity.

These regulations are likely to result in an increase in demand in the coming period and have a positive impact on the profitability of the companies in the sector.

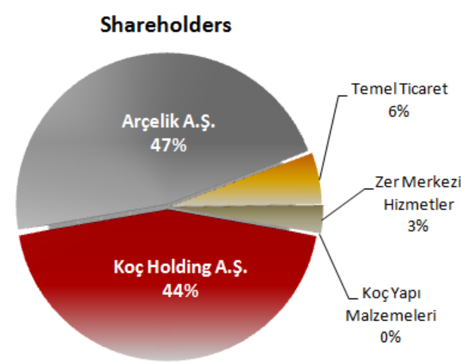
Company Overview

Koç Finansman A.Ş. is established in Istanbul on January 3, 1995 under the name of Koç Tüketici Finansmanı A.Ş. It is an affiliate of Koç Group of Companies and it is the first finance company in Turkey which acquired the financing company operating license. Koç Group is the largest conglomerate of Turkey in terms of its sales, exports, share in the Borsa İstanbul (BIST), number of employees and also 381th largest company of the world on Fortune Global 500 list.

The company is subject to the provisions and the related legislation of the Financial Leasing, Factoring and Financing Companies Law Nr. 6361 which came into force on December 13, 2012. Koçfinans supplies credit facilities for all kinds of goods and services, especially offering vehicle loans for a wide range of brands by gradually expanding its existing network of dealers.

The company has been renamed as Koç Finansman A.Ş. as announced with the change of title statement on the Trade Registry Gazette No. 8284 dated March 22, 2013. The company was established with a capital of TRY 1 million and its current paid-in capital is TRY 100 million. As of June 30, 2014 the company's capital structure is as follows:

Shareholders	Amount(TRY)	Number of Shares	Percentage
1. Koç Holding A.Ş.	44,500,000	4,450,000,000	44.5%
2. Arçelik A.Ş.	47,000,000	4,700,000,000	47.0%
3. Temel Ticaret ve Yatırım A.Ş.	5,500,000	550,000,000	5.5%
4. Zer Merkezi Hizmetler ve Ticaret A.Ş.	2,999,900	299,990,000	3.0%
5. Koç Yapı Malzemeleri Ticaret A.Ş.	100	10,000	0.0%
Total	**100,000,000**	**10,000,000,000**	**100%**



During the course of rapid growth and institutionalization, the company gained the ISO 9001 certificate in 1998, the ISO 9001:2000 version in 2001, and finally the ISO 9001:2008 version in 2009. Koçfinans is the first finance company in Turkey which qualified to obtain the ISO certificate.

Over the years the number of employees of the company shaped up as follows:

	2010	2011	2012	2013	2014	2015'6
Number of Employees	142	131	128	127	124	117

98% of the loans extended by the company are vehicle loans. Market share of Koç Finansman A.Ş. as of the first half of 2015 is as follows:

Vehicle Loans (TRY Billion)	2011	2012	2013	2014	2015'6
Koçfinans (Outstanding)	1.3	1.5	1.7	2.3	2.5
Share of Koçfinans (Banks and Finance Companies)	4.7%	5.0%	4.9%	6.2%	6.2%
Share of Koçfinans (Finance Companies)	15.6%	14.4%	12.1%	12.9%	12.5%

Balance Sheet and Income Statement

Koç Finansman A.Ş. Comparative Balance Sheets:

ASSETS (Thousand TRY)	30.06.2015	31.12.2014	31.12.2013
1. Cash and Cash Equivalents	48,520	36,268	4,855
2. Financial Assets at Fair Value Through Profit and Loss (Net)	-	-	-
3. Banks	58,354	7,744	10,370
4. Receivables from Reverse Repo Transactions	-	-	-
5. Available for Sale Financial Assets(Net)	-	-	-
6. Financing Loans	2,552,579	2,300,794	1,730,831
7. Other Receivables	3,158	7,294	3,343
8. Non-Performing Loans	38,908	36,858	26,207
9. Derivative Financial Assets for Hedging Purposes	30,399	7,474	15,699
10. Held to Maturity Investments (Net)	-	-	-
11. Investments in Subsidiaries (Net)	-	-	-
12. Investments in Associates (Net)	13	13	13
13. Joint Ventures (Net)	-	-	-
14. Tangible Assets (Net)	433	615	786
15. Intangible Assets (Net)	298	291	450
16. Pre-Paid Expenses	1,396	1,430	1,042
17. Current Tax Asset	-	-	-
18. Deferred Tax Asset	-	993	0
19. Other Asset	84	66	97
20. Assets Held for Sale and Discontinued Operations (Net)	538	161	671
TOTAL ASSETS	2,734,680	2,400,001	1,794,363

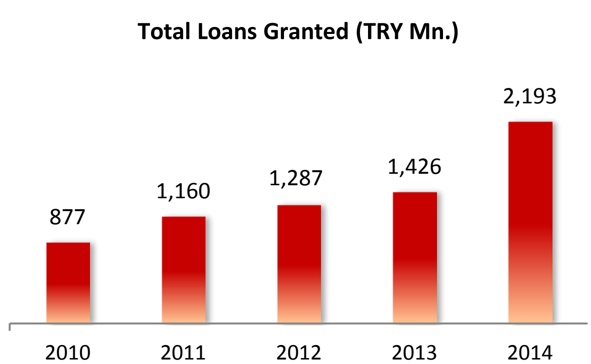
LIABILITIES AND EQUITY (Thousand TRY)	30.06.2015	31.12.2014	31.12.2013
1. Derivative Financial Liabilities - Held for Trading	-	-	-
2. Funds Borrowed	2,005,483	1,571,574	969,908
3. Lease Payables	-	-	-
4. Marketable Securities Issued (Net)	469,636	571,408	604,970
5. Miscellaneous Payables	6,657	10,134	6,141
6. Other Liabilities	2,851	2,956	6,160
7. Derivative Financial Liabilities for Hedging	215	-	-
8. Taxes and Duties Payable	4,745	6,480	4,419
9. Provisions	34,031	48,260	21,286
10. Deferred Income	37,399	30,282	5,924
11. Current Tax Liabilities	822	1,062	904
12. Deferred Tax Liabilities	2,362	-	1,676
13. Subordinated Loans	-	-	-
14. Liabilities for the Assets Held for Sale and Discontinued Operations (Net)	-	-	-
15. Shareholders' Equity	170,480	157,843	172,975
TOTAL LIABILITIES AND EQUITY	2,734,680	2,400,001	1,794,363

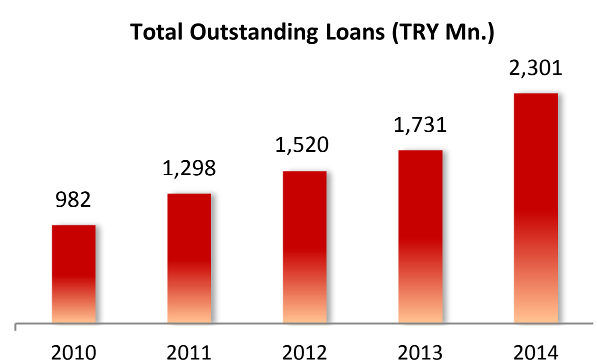
Koç Finansman A.Ş.'s Comparative Statements of Income:

STATEMENT OF INCOME (Thousand TRY)	30.06.2015	31.12.2014	31.12.2013
I. Gross Operating Income - Income from Financing Loans	172,484	283,843	233,446
II. Financial Expenses (-)	-122,262	-190,184	-151,171
III. Gross Profit/(Loss) (I+II)	50,222	93,659	82,275
IV. Operating Expenses (-)	-20,420	-62,632	-39,171
V. Gross Operating Profit/(Loss) (III+IV)	29,802	31,027	43,104
VI. Other Operating Income	29,142	14,716	47,670
VII. Specific Provisions for Non-Performing Loans (-)	-6,094	-9,145	-10,623
VIII. Other Operating Expenses (-)	-11,906	-11,577	-38,916
IX. Net Operating Profit/(Loss) (V+VI+VII+VIII)	40,944	25,022	41,235
X. Excess Amount Recorded as Income After Merger	-	-	-
XI. Income/(Loss) on Net Monetary Position	-	-	-
XII. Profit/Loss Before Taxes from Continuing Operations (IX+X+XI)	40,944	25,022	41,235
XIII. Provision for Taxes on Income from Continuing Operations (±)	-5,088	-10,019	-10,503
XIV. Net Profit/Loss for Continuing Operations (XII±XIII)	35,856	15,003	30,732
XV. Income from Discontinued Operations	-	-	-
XVI. Expenses from Discontinued Operations (-)	-	-	-
XVII. Profit/Loss Before Taxes from Discontinued Operations (XV-XVI)	-	-	-
XVIII. Provision for Taxes on Income for Discontinued Operations (±)	-	-	-
XIX. Net Profit/Loss from Discontinued Operations (XVII±XVIII)	-	-	-
XX. NET PROFIT/LOSS (XIV+XIX)	**35,856**	**15,003**	**30,732**

The company's total assets at the end of 2014 showed an increase of 34% compared to the previous year. Koç Finansman A.Ş. is one of the top-ranked companies in vehicle financing in terms of asset size with total assets of TL 2,400,001,000 as of December 31, 2014. 96% of its total assets consist of financial loans. The company also provides durable goods and housing loans but 98% of its loan portfolio is vehicle financing. Koç Finansman A.Ş. is a company under the umbrella of Koç Group of Companies but not with a captive structure. It differentiated from the sector in general by providing funding to various brands.

Development as the years of the company's established financial loans and standing loans are as follows:





Standing loan portfolio of the company has reached to TL 2,552,579,413 as of June 30, 2015.

The maturity structure of the financial loans is as follows:

Financing Loans (TRY)	30.06.2015	31.12.2014
TRY Denominated Loans	2,469,790,980	2,216,733,405
Foreign Currency Indexed Loans	55,472,989	64,571,025
Subtotal	**2,525,263,969**	**2,281,304,430**
Accrued Interest on TRY Denominated Loans	23,272,077	19,352,996
Accrued Interest on Foreign Currency Indexed Loans	4,043,367	137,042
Total Financing Loans	**2,552,579,413**	**2,300,794,468**

The company gets collateral security depending on the type of the loan, such as mortgage, letter of guarantee, personal surety, checks and promissory notes. As of June 30, 2015, including non-performing loans, the company had total vehicle pledges amounting to TL 2,556,509,206 for its vehicle loans.

The company funds its credit portfolio by loans received from domestic and foreign banks and by securities issued in capital markets. As of the date of this report the company did not have any outstanding loan syndication or club loan in the international markets. For the reason that such international borrowings are carried out in previous years we are convinced that the company is capable of borrowing from international markets. As of June 30, 2015, 16 different banks in Turkey and abroad had loans to the company and all of them are unsecured.

The maturity structure of loans of the Company is as follows:

Bank Borrowings (TRY)	30.06.2015	31.12.2014
Short-Term Bank Borrowings:		
Short-Term Bank Borrowings	161,727,612	117,058,224
Short-Term Portion of Long Term Borrowings	999,234,965	656,657,130
Accrued Interest Payable	110,737,776	80,329,982
Total Short-Term Bank Borrowings	**1,271,700,353**	**854,045,336**
Long-Term Bank Borrowings:		
Long-Term Bank Borrowings	733,783,000	717,528,940
Total Bank Borrowings	**2,005,483,353**	**1,571,574,276**

In addition to the loans received from domestic and non-resident banks, the company issues bonds in capital markets to meet its funding needs. Total principle amount of bonds issued and their accrued interest as of June 30, 2015 was TL 469,635,500. This figure was TL 571,408,146 as of December 31, 2014. The company officials declared that in addition to bank loans and bond issues, the company also had the opportunity to receive syndicated/club loans and also borrow funds by issuing Eurobonds or by securitization in international markets. They also declared that in proportion to the size of the portfolio of receivables, some alternative funding instruments in equity markets such as Asset Backed and/or Covered Securities could also be utilized and funding could be achieved by these instruments in the coming periods.

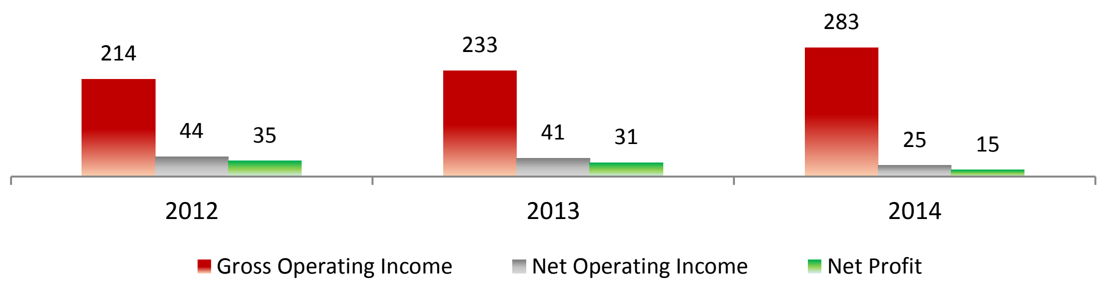
The company mitigates its exchange and interest rates risks by controlling its open position through balancing assets and liabilities and also by derivative transactions such as swaps. As of June 30, 2015 the company's net foreign currency position was TL 161,252. As of December 31, 2014 the net foreign asset position was TL 1,669,298.

Company’s paid-in capital was TL 100,000,000 and as of December 31, 2014 its shareholders’ equity was TL

157,843,398 with a 9% decrease compared to the previous year.

The gross operating income was reported as TL 283,533,992 as of December 31, 2014 with an increase of 21% compared to the previous period. The company's gross operating income and total assets have been in an increasing trend for the last 3 periods.

Income and Profit Performance (TRY Mn.)

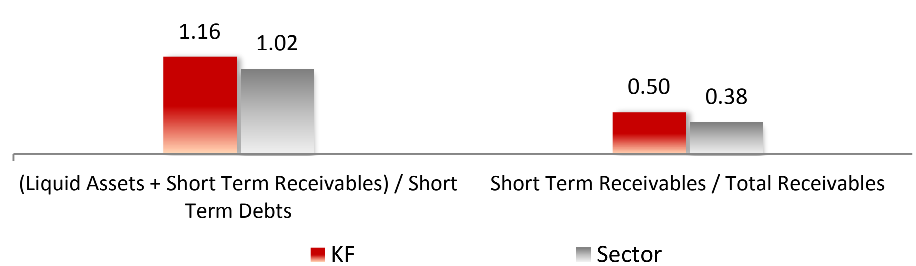


Liquidity:

In terms of liquidity ratios, the company is performing above the total balance sheet of the financing sector in general. In addition, the improvement in 2014 compared to the previous year is regarded to be positive.

Liquidity Ratios	2013	2014
(Liquid Assets + Short Term Receivables) / Short Term Debts	0.99	1.16
Short Term Receivables / Total Receivables	0.50	0.50

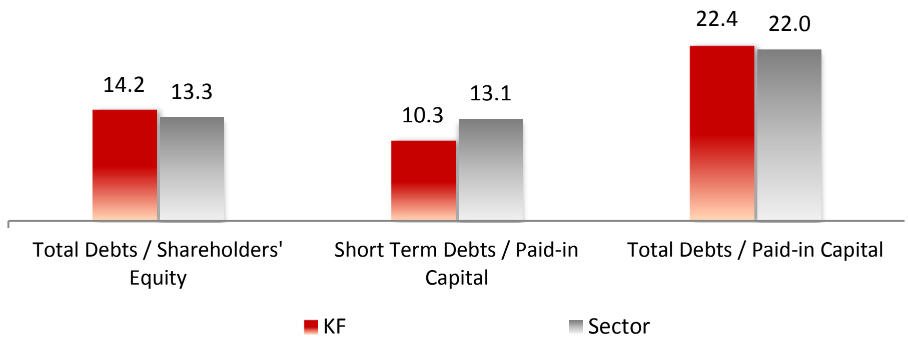
Liquidity Ratios



Capital Adequacy and Leverage Ratios:

The company's financial leverage is within the sector average and when compared to companies in the sector it is observed that Koç Finansman A.Ş. is among the companies with high amount of equity and sound capital adequacy ratio.

Capital Adequacy-Leverage Ratios



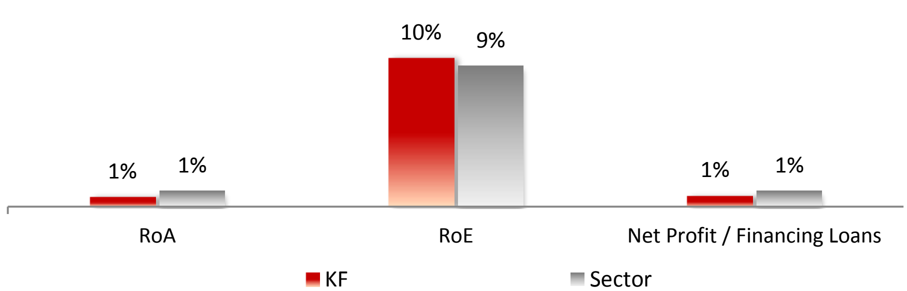
Standard Ratio (Shareholders' Equity / Total Assets)

Profitability:

Koç Finansman A.Ş. has performed above the sector average in terms of return on equity and reported a net profit of TL 15 million on 2014. In fact, operating income and net profit recorded for end 2014 showed a decrease compared to the previous year due to legislative changes in the general reserve requirements. This decrease is assessed by us as a negative factor.

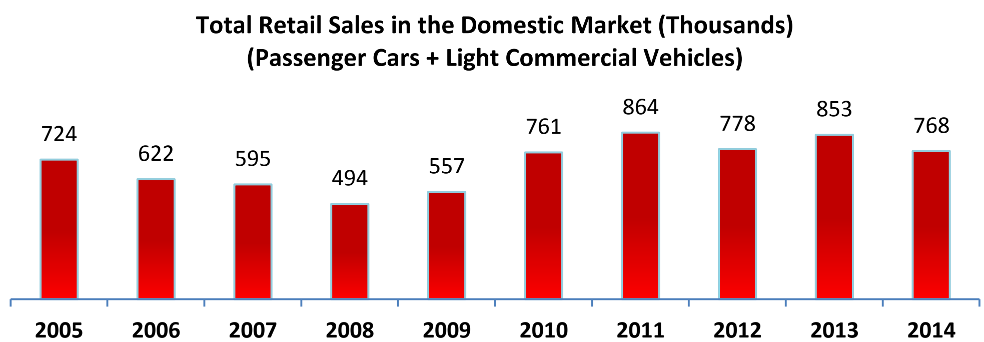
Profitability Ratios	2013	2014
RoA	2%	1%
RoE	18%	10%
Net Profit / Financing Loans	2%	1%

Profitability Ratios



Volatility:

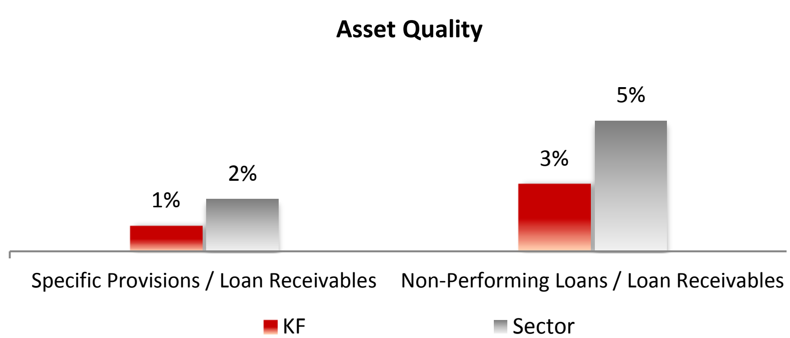
The company's business volume shows high volatility. The high volatility of the auto sales, both domestic and abroad, seems to be the main factor. The trend of the rapid increase in recent years could be followed by a decrease at a similar pace in line with the global economic outlook and changes in the demand for the products of the automotive sector. According to the data published by The Association of Automotive Distributors, total sales in Turkish automotive market grew by 5.7% in 2014 compared to EU (28) and EFTA countries and reached to 14,926,262 units. Total sales realized in 2013 were 14,126,508. Turkey was the maximum shrinking market in 2014 with a rate of 9.59% and occupied the 6th place in the European automotive sales rankings. The figures for total retail market in Turkey over the years are as follows.



Asset Quality:

It is observed that the ratios regarding the asset quality of the company are close to the average level of the industry in general. Non-Performing Loans / Credit Receivables ratio is lower than the industry average and it is regarded positively by us. Company officials declared that the collection of receivables is performed 106% as of June 2015. Therefore, we could say that the collection of receivables is achieved by a high rate.

Asset Quality	2013	2014
Specific Provisions / Loan Receivables	1.5%	1.0%
Non-Performing Loans / Loan Receivables	3.0%	2.6%



Corporate Governance

Since Koç Finansman A.Ş. shares have not been offered to the public the company is not subject to the provisions of the CMB's Communiqué on the Establishment and Implementation of Corporate Governance Principles, but still it has provided substantial compliance with the CMB's Corporate Governance Principles and has implemented most of the necessary policies and measures. A Corporate Governance Committee is established within the Board of Directors. Corporate Governance Principles are identified and approved by the Board. The rights of shareholders and stakeholders are protected in a fair manner. The company's shares are not offered to the public but since it has carried out offering of bonds to qualified investors it is subject to the obligations of the CMB and BIST and it publishes financial reports and public disclosures on Public Disclosure Platform (KAP) on regular basis. Therefore, the company’s public disclosure and transparency is at superior levels and the structure and operation of the board of directors is based on solid foundations.

Methodology

SAHA's credit rating methodology is composed of quantitative and qualitative sections to affect the final note with specific weights. Quantitative analysis components consist of company's distance from the point of default, its performance compared to the sector, analysis of the financial risks, and the assessment of cash flow projections in conjunction with the related financial instrument. Default point analysis measures the distance from the point of default and it is based on relevant sector firms' past financial performances, ratios derived from a distinctive default statistics, and statistically derived coefficients. This analysis is based on genuine statistical study of SAHA, covering consumer finance, factoring and leasing companies in Turkey. Comparative performance analysis of the sector determines the position of the company concerned in comparison with the sector firms' recent financial performances. Financial risk analysis covers the evaluation of the company's financial ratios on the basis of objective criteria. Liquidity, leverage, asset quality, profitability, volatility and concentration are treated as sub-headings in this analysis. Finally, scenario analysis tackles the company's future base and stress scenario projections subject to scrutiny in the context of the firm's financing tool and assesses the risks of fulfillment of obligations.

Qualitative analysis covers operational issues such as sector and company risks as well as administrative risks in the context of corporate governance practices. Sector analysis evaluates the nature and rate of growth of the sector, its competitive structure, structural analysis of customers and creditors, and sensitivity of the sector to risks at home and abroad. Company analysis discusses market share and efficiency, growth trend, cost structure, service quality, organizational stability, access to domestic and foreign funding sources, off-balance sheet liabilities, accounting practices, and parent / subsidiary company relationships.

Corporate governance plays an important role in our methodology. The importance of corporate governance and transparency outshines once again in the current global financial crisis we witness. Our methodology consist of four main sections; shareholders, public disclosure and transparency, stakeholders, and board of directors. The corporate governance methodology of SAHA can be accessed at www,saharating,com.

Rating Definitions

Our long term credit rating results start from AAA showing the highest quality and continue all the way to the lowest rating of D (default). Plus (+) and minus (-) signs are used to make a more detailed distinction between the categories of AA and CCC.

Companies and securities rated with long-term AAA, AA, A, BBB and short-term A1 +, A1, A2, A3 categories should be considered "investment worthy" by the market.

Short Term	Long Term	
(TR) A1+	(TR) AAA (TR) AA+ (TR) AA (TR) AA-	The highest credit quality. Ability to meet financial obligations is extremely high. If securities; carries a little more risk than the risk-free government bonds.
(TR) A1	(TR) A+ (TR) A	Credit quality is very high. Very high ability to fulfill financial obligations. Sudden changes at the company and economic and financial conditions may increase investment risk, but not at a significant level.
(TR) A2	(TR) A- (TR) BBB+	High ability to fulfill financial obligations, but may be affected by adverse economic conditions and changes.
(TR) A3	(TR) BBB (TR) BBB-	Sufficient financial ability to fulfill its obligations, but carries more risk in adverse economic conditions and changes. If securities; has adequate protection parameters, but issuer's capacity to fulfill its obligations may weaken due to adverse economic conditions and changes.

Companies and securities rated with long-term BB, B, CCC, and short-term B, C categories should be considered "speculative" by the market.

(TR) B	(TR) BB+ (TR) BB (TR) BB-	Carries minimum level of speculative features. Not in danger in the short term, but face to face with negative financial and economic conditions. If securities; under the investment level, but on-time payment exist, or under less danger than other speculative securities. However, if the issuer's capacity to fulfill its obligations weakens, serious uncertainties may appear.
(TR) C	(TR) B+ (TR) B (TR) B-	Currently has the capacity to fulfill financial obligations, but highly sensitive to adverse economic and financial conditions. If securities; there is a risk of on-time payment. Financial protection factors can show high fluctuations according to the status of the economy, the sector, and the issuer.
(TR) C	(TR) CCC+ (TR) CCC (TR) CCC-	Well below the category of investment. In danger, and economic, sectoral and financial conditions should have a positive development to fulfill its financial obligations. If securities; there are serious uncertainties about the timely payment of principal and interest.
(TR) D	(TR) D	Event of default. Company cannot meet its financial obligations or cannot pay the principal and/or interest of the relevant securities.

Disclaimer

This Credit Rating Report has been prepared by Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. (SAHA Corporate Governance and Credit Rating Services, Inc.) in collaboration with Koç Finansman A.Ş. and is based on information disclosed to public by Koç Finansman A.Ş.

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SAHA A,Ş, has embraced and published on its web site (www,saharating,com) the IOSCO (International Organization of Securities Commissions) Code of Conduct for Credit Rating Agencies and operates on the basis of independence, objectivity, transparency, and analytic accuracy.

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