

1 November 2014

Credit Rating

Rating
(National): Long Term

(TR) A

Outlook:

Stable

Rating
(National): Short Term

(TR) A1

Outlook:

Stable

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KOÇ FİNANSMAN A.Ş

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 consumer durable 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 the 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 finance partnership of the company and Ford Otosan based on extending loans for the purchases of both commercial vehicles and/or passenger cars is considered to be an opportunity.
- The parent company (Koç Group of Companies) has a strong and respected place in the country.
- It has one of 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.

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

Despite the improvement in the US economy, ongoing effects of the global crisis in developing countries and in the EU countries are slowing the recovery trend in the global economy. While a tighter monetary policy is in the agenda for US, the EU opts for easing. Political events that took place around Turkey's region emerges as geopolitical risks. Although the world economy shows a gradual but uneven recovery, the low-growth continues. The growth rate in developed economies gradually improved but the growth performance of the emerging economies has been weakening.

Measures taken to balance domestic and foreign demand in Turkey has slowed the growth rate in 2012, but gained momentum again in 2013 as a result of increasing domestic demand and stood at 4.1 percent. As far as production is concerned, increase in the value added by 3.4 percent in the industrial production sector, 5.6 percent in the services sector and an increase of 3.5 percent in the agricultural sector are recorded. A growth rate of 3.3 percent in 2014 and 4 percent in 2015 is targeted as per the revised Medium-Term Program (MTP).

Along with these; increasing uncertainty in the global economy caused volatility in capital flows to other developing countries and Turkey since May 2013. The Central Bank (CBRT) responded by means of primary tools in the first stage to the negative impact of the said fluctuations in the domestic financial markets. The measures was taken in this context to increase the cost of the liquidity available to the market and the foreign currency liquidity. The Bank maintained its tight stance provided by primary tools until the end of 2013. However the volatility in the financial markets began to increase due to the domestic political events and risks for the global economy towards the end of 2013. The negative impact of these fluctuations caused deviations from the inflation outlook and the forecasts stated in the MTP. As a result, in January 2014 the Central Bank increased the 1-week repo rate by 550 basis points to 10 percent. From May 2014, after the improvement in domestic financial markets, the Bank announced moderate rate reductions without compromising its strict stance against inflationary risks.

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.

As in previous periods, the non-bank financial sectors continue to grow. Separately considered, total assets of the financial leasing sector as of December 2013 is about TRY 28 billion. The transaction volume grew by 40 percent reaching TRY 14 billion compared to TRY 10 billion in 2012. Total assets of the factoring sector grew by 23 percent as of December 2013, reaching TRY 22 billion. The transaction volume of the factoring sector has reached TRY 94 billion creating a funding source of TRY 20 billion for the real economy. Although the share of the financing companies is lacking behind the companies in financial leasing and factoring sectors, it has been increasing over the years. The financing sector has reached total assets of TRY 16 billion as of the end of 2013. According to the data published by the Financial Leasing, Factoring and Financing Companies Association the market reached TRY 11 billion as of the end of 2013 in terms of transaction volume.

Financing Sector

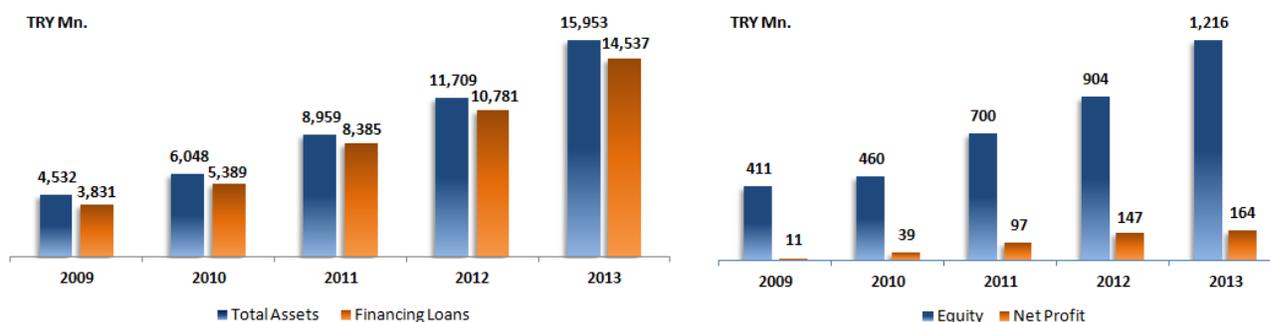
The growth of the sector consisting of 13 companies in recent years is given in the table below.

TRY Mn.

YEAR	TOTAL ASSETS	FINANCING LOANS	LOANS GRANTED					EQUITY	NET PROFIT
			AUTO		MORTGAGE	OTHER	TOTAL		
			PASSENGER	COMMERCIAL					
2009	4,532	3,831	1,198	1,326	109	109	2,743	411	11
2010	6,048	5,389	2,472	1,875	161	84	4,591	460	39
2011	8,959	8,385	3,273	2,291	186	107	5,857	700	97
2012	11,709	10,781	3,863	2,386	290	113	6,651	904	147
2013	15,953	14,537	5,825	2,950	365	115	9,255	1,216	164
2014/3	16,079	14,353	869	728	81	36	1,714	1,205	21

Source: Financial Leasing, Factoring and Financing Companies Association

The total assets of the financing sector showed a growth of 36 percent as of the end of 2013 compared to the previous year, reaching TRY 15,952,912,000. Financing receivables climbed to TRY 14,536,891,000 with a growth rate of 35 percent. Sector's total equity increased by 34 percent over the same period reaching TRY 1,216,345,000 and the net profit was reported as TRY 163,880,000 with an 11 percent increase.



On the other hand, the auto loan portfolios of the banks increased by 4.3 percent and that of financing companies grew by 37.3 percent. The share of financing companies in total auto loans has been increasing every year. This ratio was 30.4 percent as of the end of 2011, 34.7 percent at the end of 2012 and reached 41.2 percent as of December 2013.

In accordance with the growing trend of the financing sector, BRSA and CBRT introduced additional regulations during this period;

- The regulation amendment by the Central Bank dated October 4, 2013 brought the reserve requirements of financing companies within the scope of the current rate of the banks. (On October 21, 2014 the Central Bank declared that TRY denominated reserve requirements would be paid an interest rate of 500-700 basis points less than the average cost of funding.)
- The regulation enacted on December 24, 2013 by BRSA made personal auto loans subject to the general reserve requirements.
- The regulation enacted on December 31, 2013 by BRSA specified the criteria to set downpayments required and longest maturities allowed on vehicle loans.
- The regulation enacted on October 3, 2014 by BRSA arranged the fees and commissions charged on the consumer loans.

These regulations are likely to result in a reduction of demand and a negative impact on the profitability of the sector companies in the coming periods.

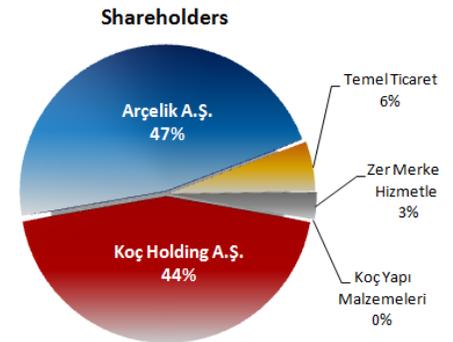
Company Overview

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 217th 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	SHARE 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	2014'6
Number of Employees	142	131	128	127	126

98 percent of the loans extended by the company consists of vehicle loans. The market shares of Koç Finansman A.Ş. over the years are as follows:

Vehicle Loans (TRY Mn.)	2011	2012	2013	2014'6
Koçfinans (Outstanding)	1.3	1.5	1.7	1.8
Share of Koçfinans (Banks and Financing Companies)	4.7%	5.0%	4.9%	5.4%
Share of Koçfinans (Financing Companies)	15.6%	14.4%	12.1%	12.4%

Balance Sheet and Income Statement

Comparative Balance Sheets of Koç Finansman A.Ş.

	Limited Audit	Full Audit	
	30.06.2014	31.12.2013	31.12.2012
Assets (Thousand TRY)			
1. Cash and Cash Equivalents	13,561	4,855	-
2. Financial Assets at Fair Value Through Profit and Loss (Net)	-	-	-
3. Banks	23,444	10,370	47,720
4. Receivables from Reverse Repo Transactions	-	-	-
5. Available for Sale Financial Assets(Net)	-	-	-
6. Financing Loans	1,844,122	1,730,831	1,520,422
7. Other Receivables	2,738	3,343	2,061
8. Non-Performing Loans	32,217	26,207	27,120
9. Derivative Financial Assets for Hedging Purposes	532	15,699	1,116
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)	743	786	1,025
15. Intangible Assets (Net)	365	450	248
16. Pre-Paid Expenses	1,584	1,042	355
17. Current Tax Asset	-	-	-
18. Deferred Tax Asset	2,493	0	1,265
19. Other Asset	77	97	154
Subtotal	1,921,889	1,793,692	1,601,500
20. Assets Held for Sale and Discontinued Operations (Net)	1,557	671	1,329
Total Assets	1,923,447	1,794,363	1,602,828

	Limited Audit	Full Audit	
	30.06.2014	31.12.2013	31.12.2012
Liabilities and Equity (Thousand TRY)			
1. Derivative Financial Liabilities - Held for Trading	-	-	-
2. Funds Borrowed	1,116,429	969,908	743,179
3. Lease Payables	-	-	-
4. Marketable Securities Issued (Net)	593,701	604,970	649,804
5. Miscellaneous Payables	2,750	6,141	5,546
6. Other Liabilities	4,556	6,160	12,542
7. Derivative Financial Liabilities for Hedging	4,201	-	3,713
8. Taxes and Duties Payable	3,624	4,419	5,004
9. Provisions	33,240	21,286	9,914
10. Deferred Income	8,716	5,924	1,677
11. Current Tax Liabilities	4,103	904	1,289
12. Deferred Tax Liabilities	-	1,676	-
13. Subordinated Loans	-	-	-
Subtotal	1,771,319	1,621,388	1,432,668
14. Liabilities for the Assets Held for Sale and Discontinued Operations (Net)	-	-	-
15. Shareholders' Equity	152,128	172,975	170,161
Total Liabilities and Equity	1,923,447	1,794,363	1,602,828

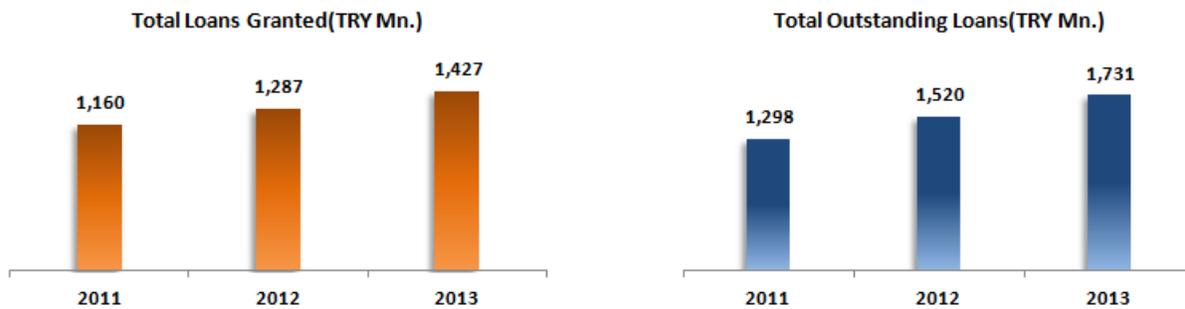
Comparative Income Statements of Koç Finansman A.Ş.

	Limited Audit	Full Audit	
	30.06.2014	31.12.2013	31.12.2012
Statement of Income (Thousand TRY)			
I. Gross Operating Income - Income from Financing Loans	127,063	233,446	214,497
II. Financial Expenses (-)	(82,580)	(151,171)	(145,521)
III. Gross Profit/(Loss) (I+II)	44,484	82,275	68,977
IV. Esas Faaliyet Giderleri (-)	(23,895)	(39,171)	(30,346)
V. Gross Operating Profit/(Loss) (III+IV)	20,589	43,104	38,631
VI. Other Operating Income	7,013	47,670	47,635
VII. Specific Provisions for Non-Performing Loans (-)	(2,941)	(10,623)	(7,088)
VIII. Other Operating Expenses (-)	(5,328)	(38,916)	(34,893)
IX. Net Operating Profit/(Loss) (V+VI+VII+VIII)	19,333	41,235	44,286
X. Birleşme İşlemi Sonrasında Gelir Olarak Kaydedilen Fazlalık Tutarı	-	-	-
XI. Income/(Loss) on Net Monetary Position	-	-	-
XII. Profit/Loss Before Taxes from Continuing Operations (IX+X+XI)	19,333	41,235	44,286
XIII. Provision for Taxes on Income from Continuing Operations (±)	(5,953)	(10,503)	(8,846)
XIV. Net Profit/Loss for Continuing Operations (XII±XIII)	13,380	30,732	35,440
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)	13,380*	30,732	35,440

*In accordance with the regulations which entered into force on December 24, 2013, the general provisions are set aside at the ratios 4%-8% for personal vehicle loans on BRSA financial statements. However, on IFRS financial statements, the general provision ratios which are consistent with the ratios applied by the company in prior years remain to be utilized. The company's net profit on IFRS financial statements as of June 30, 2014 is reaching TRY 22 Million.

The company's total assets at the end of 2013 increased by 12 percent compared to the previous year. Koç Finansman A.Ş. is one of the top-ranked companies in vehicle financing in terms of asset size amounting TRY 1,794,362,805 as of December 31, 2013. 98 percent of its total assets consists of financing loans. The company also provides loans for durable goods and housing but 97 percent of its portfolio is composed of auto loans. Koç Finansman A.Ş. is a part of Koç Group of Companies but the structure of the company is not captive. It differentiates from the sector in general by providing funding for a diverse array of brands.

The progress of the loans granted and the outstanding loans of the company over the years are as follows:



Outstanding loan portfolio of the company reached TRY 1,844,121,943 as of June 30, 2014.

The maturity structure of the financing loans is as follows:

TRY Mn.	30.06.2014	31.12.2013
TRY Denominated Loans	1,765.9	1,678.2
Foreign Currency Indexed Loans	59.5	38.5
	1,825.3	1,716.7
Accrued Interest on TRY Denominated Loans	16.6	14.0
Accrued Interest on Foreign Currency Indexed Loans	2.1	0.1
Total Financing Loans	1,844.1	1,730.8

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, 2014, the company had total vehicle pledges amounting to TRY 1,829,103,558 for its vehicle loans including the non-performing.

The company funds its 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, 2014, 14 different banks in Turkey and abroad had loans to the company and all of them are unsecured.

The maturity structure of the Company's borrowings are as follows:

TRY Mn.	30.06.2014	31.12.2013
Short-Term Bank Borrowings:		
Short-Term Bank Borrowings	128.2	243.3
Short-Term Portion of Long Term Borrowings	420.1	359.9
Accrued Interest Payable	30.3	30.2
Total Short-Term Bank Borrowings	578.6	633.4
Long-Term Bank Borrowings:		
Long-Term Bank Borrowings	391.3	109.8
Total Bank Borrowings	969.9	743.2

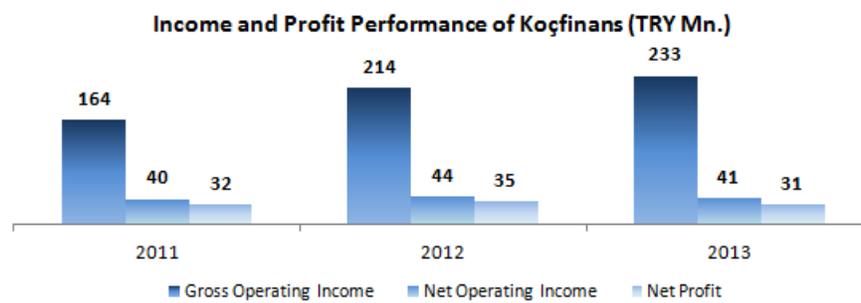
In addition to the loans received from domestic and foreign banks, the company issues bonds in capital markets to meet its funding needs. Total principal amount of bonds issued and their accrued interest as of June 30, 2014 was TRY 593,701,414. This figure was TRY 604,970,142 as of December 31, 2013. 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, 2014 the company's net foreign currency position was TRY +764,714. As of December 31, 2013 the net foreign currency position was TRY +2,862,480.

Company's paid-in capital was TRY 100,000,000 and as of December 31, 2013 its shareholders' equity was TRY 172,974,568 with a 2 percent increase compared to the previous year.

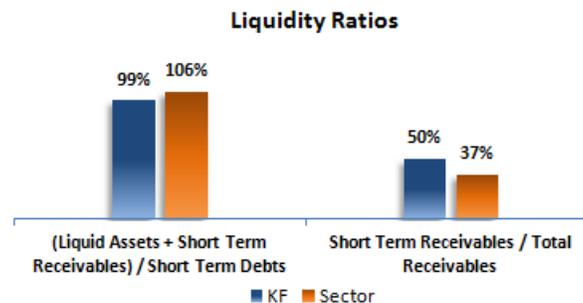
The gross operating income was reported as TRY 233,446,188 as of December 31, 2013 with an increase of 11 percent compared to the previous period. The company's gross operating income, total assets and shareholders' equity have been in an increasing trend for the last 3 periods.



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 2013 compared to the previous year is regarded to be positive.

Liquidity Ratios	2012	2013
(Liquid Assets + Short Term Receivables) / Short Term Debts	95%	99%
Short Term Receivables / Total Receivables	53%	50%

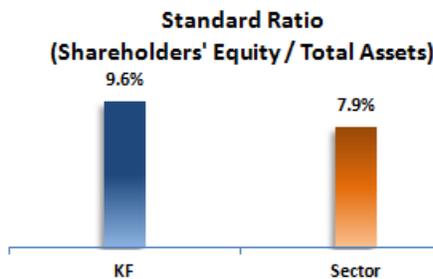
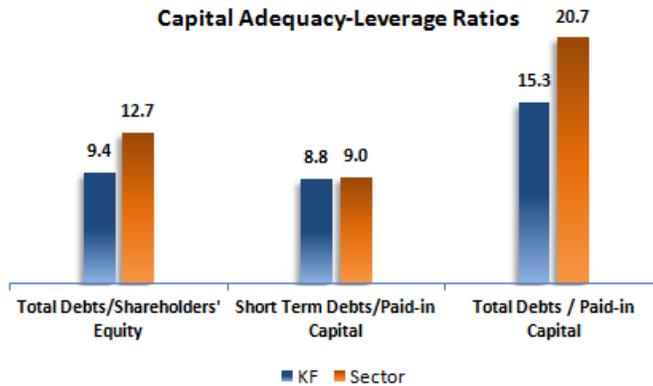


Capital Adequacy and Leverage Ratios:

The company's financial leverage is below 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	2012	2013
Total Debts / Shareholders' Equity	8.42	9.37
Total Debts / (Shareholders' Equity + Specific Provisions)	7.74	8.17
Short Term Debts / Paid-in Capital	8.98	8.83
Long Term Debts / Paid-in Capital	4.45	6.46
Total Debts / Paid-in Capital	14.33	16.21
Standard Ratio (Shareholders' Equity / Total Assets) *	10.62%	9.60%

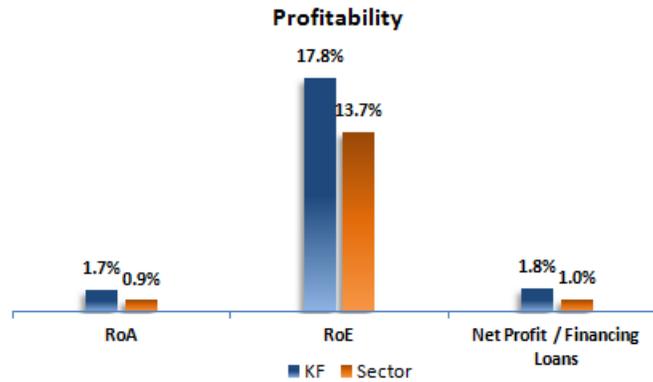
* In accordance with the Article 12 titled Standard Ratio of the "Regulation on Procedures and Principles for Establishment and Operations of Financial Leasing, Factoring and Financing Companies" which is published in the Official Gazette no. 28627 on 24 April 2013, it is obligatory to succeed and maintain the ratio of a financing company's equity to total assets as minimum 3 percent.



Profitability:

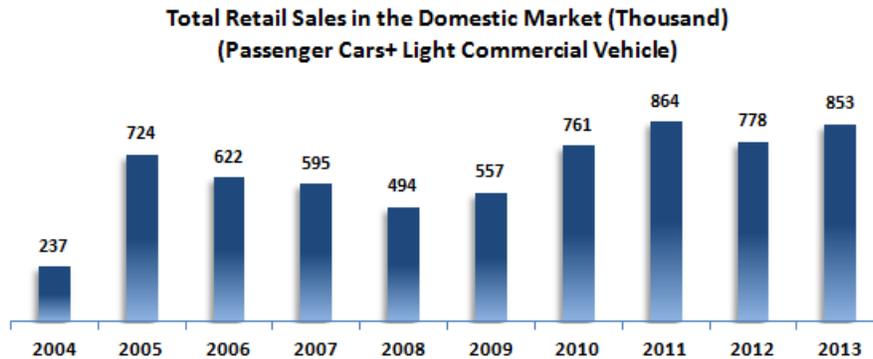
Koç Finansman A.Ş. has performed above the sector average in terms of return on equity and reported a net profit of TRY 30.7 million as of December 31, 2013. In addition, the rise in net operating income and net profit in recent years is regarded as positive facts by us.

Profitability Ratios	2012	2013
RoA	2.2%	1.7%
RoE	20.8%	17.8%
Net Profit / Financing Loans	2.3%	1.8%



Volatility:

The company’s business volume shows an upward trend along with 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 (cars, light commercial vehicles and commercial vehicles) grew by 9.2 percent in 2013 reaching 893,124 total vehicles. Total sales in 2012 was 817,620. 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 the collection of receivables is performed 101 percent. Therefore, we could say that the collection of receivables is achieved by a high rate.

Asset Quality	2012	2013
Specific Provisions / Loan Receivables	1.0%	1.5%
Non-Performing Loans / Loan Receivables	2.8%	3.0%

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.

<u>Short Term</u>	<u>Long Term</u>	
(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.

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