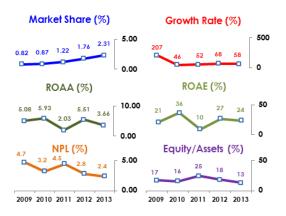
JCR Eurasia Rating

Global Knowledge Supported by Local Experience

Corporate Credit Rating

Long Short **ULUSAL FAKTORING** ᠾᠮ Term Term Foreign Currency BBB-A-3 International **Local Currency** BBB-A-3 FC Stable Stable Outlook LC Stable Stable Vational Local Rating A+ (Trk) A-1 (Trk) Outlook Positive Stable **Sponsor Support** 2 -**Stand Alone** В -**Foreign Currency** BBB--**Local Currency** BBB-Sovereign -FC Stable -Outlook LC Stable _

*Assigned by Japan Credit Rating Agency, JCR on May 23, 2013 Senior Analyst: Gökhan IYIGUN/+90 212 352 56 74 gokhan.iyiqun@jcrer.com.tr Analyst: Abdurrahman TUTGAÇ/+90 212 352 56 73 abdurrahman.tutgac@jcrer.com.tr



Strengths

- Continuously increasing market share through above average sector growth
- Sound asset quality with a below sector figure and decreasing NPL ratios
- Well diversified portfolio through expanding branch network
- Comparatively high internal resource generation capacity due to ongoing above sector interest margin
- Diversified funding opportunities through debt issuances contributing to borrowings term structure and reliving liquidity management
- Good practices of corporate governance principals
- Advantages of the partnership with a private equity fund

Publication Date: April 30, 2014

Factoring

TURKEY

ULUSAL FAKTORİNG A.Ş.					
Financial Data	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	236,713	179,239	100,494	81,402	57,575
Total Assets (000 TRY)	504,293	318,616	189,824	125,164	85,631
Equity (000 TRY)	67,631	57,913	46,693	19,656	14,626
Net Profit (000 TRY)	12,019	11,220	2,653	5,030	1,751
Market Share (%)	2.31	1.76	1.22	0.87	0.82
ROAA (%)	3.66	5.51	2.03	5.93	5.08
ROAE (%)	23.97	26.76	9.62	36.47	21.18
Equity/Assets (%)	13.41	18.18	24.60	15.70	17.08
NPL (%)	2.41	2.83	4.46	3.20	4.74
Growth Rate (%)	58.28	67.85	51.66	46.17	206.78

*End of year

<u>Overview</u>

Ulusal Faktoring A.Ş. (hereinafter referred to as Ulusal Faktoring or the Company), founded in 1999, began operations in 2001 following the acquisition of the Company by its current shareholders from the Saving Deposits Insurance Funds (SDIF). In December 2011, the investment company **PineBridge Eurasia Financial Investment S.a.r.I.** purchased 46.99% of its shares.

Ulusal Faktoring is focused on funding small-and-medium sized companies and providing fully domestic and revocable factoring services through its headquarters in Maslak (Istanbul) and ten branches in Istanbul, Ankara, Gaziantep, Kocaeli, Izmir, Antalya and Adana. The Company's work force was 132 as of FYE2013.

PineBridge Eurasia Financial Investment S.a.r.l. is a special purpose investment company managed by PineBridge Investments. PineBridge Investments was part of the investment advisory and asset management business of AIG prior to the sale to the Pacific Century Group, a Hong Kong based private investment firm, in March 2010. The firm manages approximately USD 73.5bn in investments of institutional and retail clients in more than 30 countries, as of December 31, 2013.

Ulusal Faktoring issued a TRY 65mn bond in April and a TRY 50mn commercial bill in October 2013.

<u>Constraints</u>

- Despite remarkable asset growth suppressing profitability ratios, a relatively lower revenue increase due to competitive pricing policy
- Operational expense ratios above sector and our reference values due to extension of branch network
- Fierce competition throughout the sector
- Financial reflection of the domestic political tension and global economic fluctuations affecting developing countries, in particular the sector through diminishing profit margins

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