JCR Eurasia Rating

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Corporate Credit Rating

Short Long Term Term **Foreign Currency** BBB-A-3 International Local Currency BBB-A-3 FC Stable Stable Outlook LC Stable Stable nal Local Rating A-1 (Trk) A (Trk) lat Outlook Stable Stable **Sponsor Support** 2 **Stand Alone** В -**Foreign Currency** BBB-ereign* Local Currency BBB-FC Stable ŝ Outlook LC -Stable

*Assigned by Japan Credit Rating Agency, JCR on May 23, 2013

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Market Share (%) Growth Rate (%) 113.6 2.00 200 1.16 1.08 0.73 0 -200 0.00 **ROAA (%)** ROAE (%) 36.95 43.03 47.90 12.62 6.54 7.56 8.76 2.93 100 20.00 35 19 -7.01 0 0.00 -100 -20.00 NPL (%) Equity/Assets (%) 20.00 50 15.12 19.66 28.04 15.2 2.01 1.30 1.84 _ -0 0.00 0 2009 2010 2011 2012 2013 2009 2010 2011 2012 2013

Strengths

- Increasing market share through five periods of cumulative above sector growth
- Granular portfolio and wide branch network
- Diversified funding structure and an additional projected long term bond issuance in 2H2014
- Additional cash capital injection and recovery in financial indicators in the first quarter of 2014
- Low level of sector penetration along with recent sector legislation promising further room for future growth
- The Holding's broad experience in the field of financial sector

| KENT FAKTORİNG A.Ş. | | | | | | |
|------------------------|------------------|---------|---------|---------|--------|--------|
| Financial Data | March, 2014** | 2013* | 2012* | 2011* | 2010* | 2009* |
| Total Assets (000 USD) | 103,062 | 110,382 | 74,992 | 96,320 | 51,637 | 24,988 |
| Total Assets (000 TRY) | 222,171 | 235,157 | 133,306 | 181,938 | 79,397 | 37,164 |
| Equity (000 TRY) | 38,211 | 35,960 | 37,380 | 35,774 | 12,004 | 8,468 |
| Net Profit (000 TRY) | 2,251 | -12,424 | 3,782 | 9,462 | 3,536 | 1,838 |
| Market Share (%) | 1.05 | 1.08 | 0.73 | 1.16 | 0.55 | 0.36 |
| ROAA (%) | n.a | -7.01 | 2.93 | 8.76 | 7.56 | 6.54 |
| ROAE (%) | n.a | -35.19 | 12.62 | 47.90 | 43.03 | 36.95 |
| Equity/Assets (%) | 17.20 | 15.29 | 28.04 | 19.66 | 15.12 | 22.79 |
| NPL (%) | 16.93 | 15.37 | 8.54 | 1.84 | 1.30 | 2.01 |
| Growth Rate (%) | n.a | 76.40 | -26.73 | 129.15 | 113.64 | 87.20 |

*End of year, ** 1Q financial results reported to BRSA by the Company

<u>Overview</u>

Kent Faktoring A.Ş. (hereinafter referred to as Kent Faktoring or the Company) was founded in 1997 and merged with Süzer Faktoring A.Ş. (the other Group factoring company) in 2011. The Company provides domestic and revocable factoring services to medium and small sized companies.

The Company carries out its operations through its headquarters in Istanbul and 7 branches in Ankara, Antalya, Bursa and Istanbul (4) and employed a staff of 113 as of FYE 2013.

The Company's utmost qualified shareholder (99.99%) Ali Baran SÜZER also holds a 5.65% share of the Süzer Group (Eksen Holding A.Ş.) and served as head of the finance group and vice president of the holding company's board as of FYE2013. The Group has various business operations in the fields of energy, finance, banking, building and construction, real estate development and tourism.

Kent Faktoring has planned an issuance of a commercial bill with a total nominal value of TRY 75mn in the second half of 2014, in amounts of TRY 25mn in June, September and December.

Constraints

- Remarkably above sector average and increasing NPL ratio for the last two years
- Negative profitability ratios due to allowance for impaired receivables
- Operational expense ratios above the sector average and reference values due to organizational restructuring
- Need for stability in senior management
- Fierce competition in the market
- Financial reflections of the domestic political tension and global economic fluctuations affecting developing countries, in particular the sector, through diminishing profit margins

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TURKEY Factoring