

Corporate Credit Rating

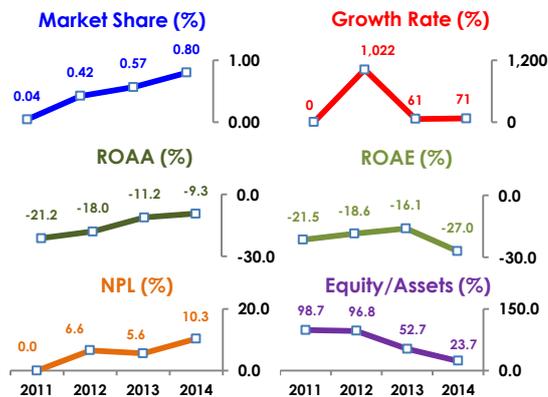
Factoring

tam faktoring		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
National	Local Rating	BBB (Trk)	A-3 (Trk)	
	Outlook	Positive	Positive	
Sponsor Support		2	-	
Stand Alone		BC	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

TAM FAKTORİNG A.Ş.					
Financial Data	1Q2015**	2014*	2013*	2012*	2011*
Total Assets (000 USD)	112,906	91,194	58,023	43,292	3,632
Total Assets (000 TRY)	295,069	211,469	123,613	76,955	6,860
Equity (000 TRY)	52,593	50,089	65,093	74,485	6,772
Net Profit (000 TRY)	2,504	-15,004	-9,395	-7,107	-728
Market Share (%)	n.a	0.80	0.57	0.42	0.04
ROAA (%)	-0.22	-9.29	-11.19	-17.99	-21.22
ROAE (%)	-1.09	-27.04	-16.08	-18.55	-21.50
Equity/Assets (%)	17.82	23.69	52.66	96.79	98.72
NPL (%)	n.a	10.34	5.57	6.56	n.a
Growth Rate (%)	39.53	71.07	60.63	1,021.79	n.a

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

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*End of year audited ** YTD unaudited

Overview

Tam Faktoring A.Ş. (hereinafter referred to as Tam Faktoring or the Company) was founded in July, 2011 as a wholly-owned subsidiary of Vector Yatırım Holding A.Ş., an investment company of Vector Holdings S.a.r.l. (by 90.5%) and European Bank for Reconstruction and Development-EBRD (by 9.5%), with a 100% stake and commenced operations in June, 2012 to provide domestic factoring services in the Turkish Factoring Sector which has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2006.

The Company, a start-up company with a two-year of full operating fiscal year by the end of 2014, established a branch network of 21 positioned in 12 cities with a staff of 306 (FYE2013: 190) in line with its management strategy and adopted operating model and achieved a customer base of 7,458 (FYE2013: 4,636) as of FYE2014, relatively wide organizational structuring and customer base compared with the overall sector. The Company envisages 2015 as the first year in which profits generated through the investments that are slowed down and wide customer base, and attained the break-even point in first quarter of 2015.

Strengths

- Differentiated operating model through broad branch network leading to a rapidly growing micro and small SMEs weighted customer base, ensuring competitive edge in pricing policy and mitigating the adverse effect of sectoral interest rate competition
- Robust standing of equity level despite a downtrend along with a short-term paid-capital increase projection and improved and diversified funding sources through bond issuances, EBRD lines and committed credit lines, enabling room for future growth
- Sustainable profit generation potential in the upcoming periods along with the attained break-even and investments that are slowed down in the current year
- Comparatively high compliance to corporate governance practices through its robust and reputable shareholder structure including indirect shareholding of EBRD
- IT and organizational structure investments, enhancing the effectiveness of operational and risk management processes
- Rising sponsor support level of the Turkish Factoring Sector

Constraints

- Deteriorated NPL ratio despite a write-off along with continuing collection processes, together with its two different impacts, positively on profit generation capacity through the enabled wide spread and adversely on asset quality
- Restrained profitability figures through continuing investments and increasing provisions along with a break-even attained in first quarter of the current year
- Challenging market conditions leading to decreasing risk appetite of investors and risk of limited growth that might pressure profit margins through deteriorated debt-services capabilities of real sector firms

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