

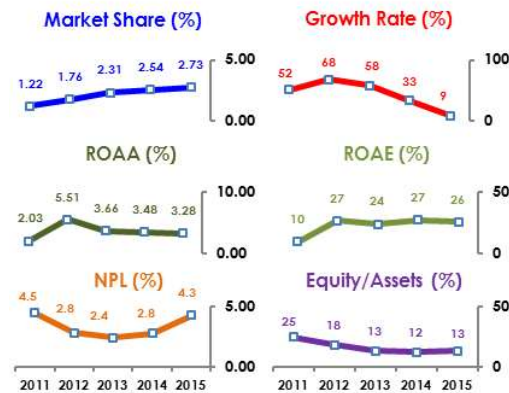
**Corporate Credit & Issue Rating
(Update)**
Factoring

ULUSAL FAKTORİNG Finansal Çözüm Ortaklığı		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Issue Rating	n.a	n.a		
National	Local Rating	AA- (Trk)	A-1+ (Trk)	
	Outlook	Stable	Stable	
Sponsor Support		2	-	
Stand Alone		B		
Issue Rating		AA- (Trk)	A-1+ (Trk)	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Affirmed by Japan Credit Rating Agency, JCR on August 28, 2015

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Strengths

- Growing branch network and national presence, diversifying geographical risk and supporting the loan book and turnover growth
- Continuation of above sector average growth rates leading to a steady improvement in market share
- Well diversified portfolio and fair concentration risk in terms of customers
- Favourable and above sector average interest margins
- High profitability ratios contributing to internal equity generation capacity and promising further growth
- Resilience to fluctuations in foreign currency risks
- Realized bond issuances overcoming the major sector disadvantage of scarce alternative funding sources
- Professional senior finance management team and experienced shareholder structure, enhancing the portfolio value
- Adoption of corporate governance best practices & efficient internal control mechanisms

Constraints

- High leverage due to growing share of external funds among resources, while the capital adequacy is above the legal threshold
- Above sector operational expense ratios due to recent expansion of the branch network
- Increasing financial costs due to both floating rates of the bonds and the interests for loans that are affected by market interest rates
- Upward trend in NPL deteriorating asset quality but still standing below sector averages
- High level of competition in the Turkish Factoring Sector and pressures to continuously squeeze costs
- Ongoing economic and political turmoil and regional tensions hosting uncertainties on SMEs and the Factoring Sector through sector-wide increases in overdue loans

ULUSAL FAKTORİNG A.Ş.						
Financial Data	2015*	2014*	2013*	2012*	2011*	2010*
Total Assets (000 USD)	251,093	289,586	236,713	179,239	100,494	81,402
Total Assets (000 TRY)	730,077	671,521	504,293	318,616	189,824	125,164
Equity (000 TRY)	97,130	82,125	67,631	57,913	46,693	19,656
Net Profit (000 TRY)	18,361	16,365	12,019	11,220	2,653	5,030
Market Share (%) (by asset size)	2.73	2.54	2.31	1.76	1.22	0.87
ROAA (%)	3.28	3.48	3.66	5.51	2.03	5.93
ROAE (%)	25.67	27.34	23.97	26.76	9.62	36.47
Equity/Assets (%)	13.30	12.23	13.41	18.18	24.60	15.70
NPL (%)	4.27	2.79	2.41	2.83	4.46	3.20
Growth Rate (%)	8.72	33.16	58.28	67.85	51.66	46.17

*Audited, Year-End

Overview

Ulusal Faktoring A.Ş. (hereinafter referred to as Ulusal Faktoring or the Company) is a prominent non-bank owned factoring company with a steadily increasing market share. Founded in 1999, the Company began operations in 2001 following its acquisition by its current shareholders from the Saving Deposits Insurance Funds (SDIF). In December 2011 the investment company **PineBridge Eurasia Financial Investment S.a.r.l.** purchased 46.99% of its shares. Together with the experienced global partnership of **PineBridge**, the Company reinforced its growing trend in the market. Consequently, the Company ranked 3rd among non-bank affiliated factoring companies in terms of factoring receivables as of the first quarter of 2016. The Factoring Sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2006.

Ulusal Faktoring provides funding to its customer portfolio based in Turkey through the financing of their invoiced/documentated receivables. The Company is mainly focused on funding micro, small and medium sized enterprises (**MSMEs**). The Company is headquartered in Maslak (Istanbul) and has sixteen branches in the cities of Istanbul, Ankara, Bursa, Gaziantep, Kocaeli, Izmir, Antalya, and Adana. The Konya, Samsun, and Çorlu branches became operational in the first quarter of 2016. The Company increased its paid-in capital, which already satisfied the legal requirement of TRY 20mn, to TRY 50mn through internally generated revenues. As of 6 May 2016, the Company employed a staff of 239, a significant increase from 2014 (FYE 2014:171).

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