JCR-ER JCR Eurasia Rating
"Global Knowledge Supported by Local Experience"

TURKEY

Corporate Credit Rating

Factoring

ÇAĞDAŞ 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		A- (Trk)	A–1 (Trk)
	Outlook		Stable	Stable
Sponsor Support			2	-
Stand Alone			B	-
Sovereign*	Foreign Currency		BBB-	-
	Local Currency		BBB-	-
	Outlook	FC	Stable	-
		LC	Stable	-

*Affirmed by Japan Credit Rating Agency, JCR on July 11, 2014

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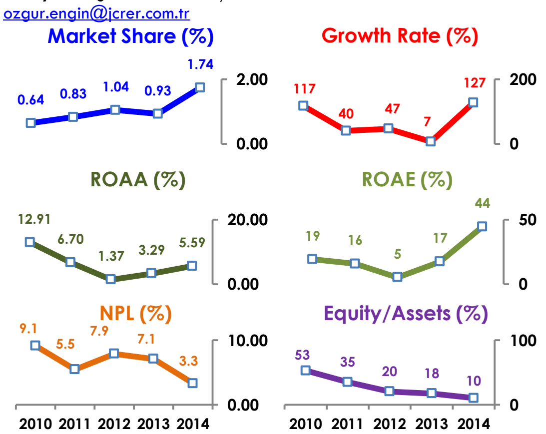


ÇAĞDAŞ FAKTORİNG A.Ş.

Financial Data	2014*	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	197,897	94,781	106,626	68,440	60,107	197,897
Total Assets (000 TRY)	458,904	201,921	189,538	129,277	92,421	458,904
Equity (000 TRY)	47,531	35,489	38,597	45,343	48,937	47,531
Net Profit (000 TRY)	14,407	3,657	2,079	5,817	6,941	14,407
Market Share (%) (by asset size)	1.74	0.93	1.04	0.83	0.64	1.74
ROAA (%)	5.59	3.29	1.37	6.70	12.91	5.59
ROAE (%)	44.46	17.36	5.20	15.74	19.18	44.46
Equity/Assets (%)	10.36	17.58	20.36	35.07	52.95	10.36
NPL (%)	3.31	7.11	7.90	5.46	9.13	3.31
Growth Rate (%)	127.27	6.53	46.61	39.88	116.81	127.27

*Audited, Year-End

Overview

Founded in 1994 as one of the first factoring companies, **Çağdaş Faktoring A.Ş.** (hereinafter referred to as Çağdaş Faktoring or the Company), offers domestic and revocable factoring services to its continuously growing customer base. The Turkish Factoring Sector is regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2006.

The Company changed its trade name to Çağdaş Faktoring A.Ş. in July 2012. The existing shareholding structure is defined by the majority ownership of Dikran GÜLMEZGİL and Metin BAROKAS with stakes of 58.80% and 20%, respectively. The utmost shareholder, Dikran **GÜLMEZGİL**, is also the chairman of the Company. The Company increased its paid-in capital, which already satisfied the legal requirement of TRY 20mn, to TRY 28mn funded with the internally generated revenues.

The Company performs its fully domestic and revocable operations through its headquarters (Istanbul) and 12 branches (Istanbul-9, Ankara, Antalya and Samsun), 9 of which were established in 2014 and 2015 while 1 branch was under construction as of report date. Çağdaş Faktoring employed a staff of 120 and had no subsidiaries or affiliates as of the report date.

Strengths

- Favourable and better than sector average interest margins, supporting profitability and internal resource generation capacity,
- Noteworthy asset and turnover growth, exceeding sector performance,
- Resilience to fluctuations in the foreign currency risks owing to insignificant net FX position
- Growing branch network and national presence, diversifying geographical risk and supporting loan book growth
- Improvement in the NPL ratio due to doubtful receivables sales and more than doubling loan balance,
- Progress in compliance levels with corporate governance and efforts to establish an effective internal control systems
- Fair concentration risk in terms of customers and cheques & bill drawers

Constraints

- Increasing leverage due to growing share of external funds among resources, while the capital adequacy is above the legal threshold,
- Sizable operational expenses and higher than sector average opex/total income ratio pressurizing the profitability,
- Large share of relatively costly factoring borrowings, increasing the total financing costs
- Conservative economic growth forecasts and the impact of anticipated tightening of FED's monetary policy on the emerging markets,
- Short-term borrowing profile, though commonly observed in the Sector
- Intense competition in Turkish Factoring Sector

Publication Date: April 6, 2015 *"Global Knowledge supported by Local Experience"*

1. Rating Rationale

The Banking Regulation and Supervision Agency (BRSA) regulates and oversees the activities of the Turkish Factoring Sector since 2006. The Leasing, Factoring and Financing Companies Law No. 6361, the Factoring Sector's first, came into effect on December 13, 2012. Moreover, a regulation regarding organization and operating principals of financial leasing, factoring and financing companies entered into force on April 24, 2013. According to BRSA statistics updated February 13, 2015, the total asset size of the Turkish Factoring Sector was TRY26.41 bn and involved 76 factoring companies, two of which were publicly traded on Borsa İstanbul (BIST) national market as of FYE2014.

The rating analysis is based on the independent audit report of Çağdaş Faktoring, in addition to the statistical data on the sector produced by BRSA and updated on February 13, 2015. JCR Eurasia's own studies and calculations were also utilized along with the information and clarification provided by the Company.

The national and international ratings are determined with respect to the Company's asset quality, loan book growth, profitability indicators, interest margin, capitalization level, indebtedness ratio and funding sources on the financial side; while the business position, branch network, risk management system and processes, projections of the management and external factors such as macroeconomic outlook and regional developments are integrated into the analysis.

Fundamental Rating Indicators are;

Comfortable Interest Margin Enhancing Profitability

Çağdaş Faktoring's net interest margin stood at 9.57% as of 2014 compared to the 4.41% of the Turkish Factoring Sector. Combined with the radical growth experienced in 2014, the Company's wide margin resulted in a solid profitability figure. Compared to the factoring sector, dominated by the weight of bank-related factoring companies, Çağdaş Faktoring incurred a higher cost for its liabilities. Nevertheless, the fact that the Company was able to command a sizable rate of 24.58% over its earning assets defined the Company's satisfactory bottom-line.

Noteworthy Asset Growth Driven by Aggressive Expansion in Loan Book

The Company's total assets more than doubled (127.27%) in 2014, powered by 129.03% growth of loans and receivables. Comparing the Turkish Factoring Sector's asset growth rate of 21.14% and loan & receivables expansion of 23.03%, the Company achieved an increase in its market share. The new branches established in 2014 were the pillars of the unprecedented loan growth, and the agenda including additional branches to be opened in the upcoming period is evaluated as a positive factor for future performance.

Positive Externalities Arising from the Regulations of Supervisory Bodies and Sector Organization

The Sector's representative capacity and power is increased by the foundation of the Financial Institutions Association (FKB). FKB provides higher reporting standards, corporate governance compliance and standardization throughout the sector. In this regard, the legal infrastructure, the efficiency of supervision and effectiveness of audit systems in the sector are improving. In addition to the low penetration levels, the additional funding channel such as Takasbank (Istanbul Settlement and Custody Bank) Money Market is expected to benefit the sector as a whole.

Manageable Customer and Drawer Concentration, Supporting Asset Quality

The concentration of the Company's loans and receivables are mainly evaluated under customer, drawer and sector categories. As of 2014, the top 10, 20 and 50 customers of the Company by total loan size accounted for 10.72%, 16.08 and 26.13% of the total loans and receivables. The concentration of the cheque and bill drawers even less with the top 10, 20 and 50 drawers constituting the 6.15%, 8.92% and 13.57% of the loan book. The Company's sector exposure was most noticeable on wholesale & commodity brokerage, construction and textiles, which is considered as reasonable.

Diversified Funding Base Through Bond Issue

Çağdaş Faktoring, through its access to capital markets, provided alternative funding resources to support its growth. Even though factoring borrowings and bank loans take the lion's share among the financial sources, the Company's TRY 50mn bond issue in 2015, in addition to the outstanding bonds issued in the previous years, and planned TRY 40mn for the upcoming quarters is diversifying the funding base.

Resilience to Foreign Currency Risk, Owing to TRY Dominated Balance Sheet

As the foreign currency assets and liabilities were nonexistent as of 2014 and negligible in the previous periods, the Company is fairly impervious to the fluctuations in the foreign currency markets, even though the volatilities have might affect the asset quality of the Company via an indirect channel via through the impact on the debtors. Nevertheless, Çağdaş Faktoring's risk position is supported by the lack of foreign currency exposure.

Decline in NPL Ratio Following the Sizable Loan Growth and Sales of Doubtful Receivables

Çağdaş Faktoring's NPL ratio, 3.31%, fell below the Sector average of 4.29% in 2014, as the more than doubling loans and receivables pulled the figure downwards. Moreover, the sales of doubtful receivables amounting to TRY 4.78mn on a revenue sharing basis further reduced the NPL ratio of the Company. On the other hand, the possible rise in the impaired receivables due to aggressive loan book growth and unfavourable economic outlook will be monitored.

High-Paced Loan Growth Financed with External Funds Increased Leverage Considerably

The TRY 250.19mn increase in Company's receivables was mainly funded with factoring and bank loans, while the debt instruments increased the diversity of the financing options. As of 2014, Çağdaş Faktoring's leverage ratio reached 8.65, compared to 4.69 in the previous year. In this regard, even though the Company's capitalization level was above the legal threshold levels, the increased indebtedness structure due to rapid expansion in the previous periods is pressurizing the rating.

Potential and Ongoing Uncertainties Arising from Domestic and Global Economic and Political Risks, Disrupting the Risk Appetite and Asset Quality of Lenders

The economic outlook of Turkey, which seems to be strongly linked with the outcome of the general elections that will be held in June 7, 2015 and the recovery and monetary policy decisions of the EU member countries, is further pressurized with the ongoing political and economic turmoil in Middle East and Russia, volatile foreign currency rates. The negative impact of these factors on the economy is expected to be accentuated in the second half of 2015, depending on the general elections. The deterioration of the companies' balance sheets and their solvency levels might hinder the asset quality and growth prospects of the financial sector.

In the light of the aforementioned factors, upgraded Çağdaş Faktoring's Long Term National Grade as **'A- (Trk)'**. The Company's Long Term International Foreign and Currency ratings are affirmed at the country ceiling, **"BBB-"**.

2. Outlook

JCR Eurasia Rating has assigned a **'Stable'** outlook on the National Long Term Rating perspectives of **Çağdaş Faktoring A.Ş.** based on the macroeconomic prospects of Turkey, volatilities in the FX markets, the Sector's growth projections, capitalization level of the Company, risk management structure. The existing and planned debt instruments i.e. bonds and asset backed securities are also evaluated in the assignment of the outlook.

JCR Eurasia Rating evaluated The Company's International Long and Short Term Local Currency Ratings in line with the Long Term Sovereign Rating outlook of the Republic of Turkey.

We acknowledge certain factors such as potential loss of flexibility in financing, deteriorating asset quality and liquidity profile, decreasing investor appetite and growing turmoil in the domestic and international markets possible arguments for downward pressure on the outlook.

On the contrary, ameliorating profitability indicators, solid growth, reduction in the financing costs and robust economic growth in the domestic and international markets are possible factors a positive rating outlook.

3. Sponsor Support & Stand Alone Assessment

Sponsor Support grades and risk assessments reflect the utmost shareholders **Mr. Dikran GÜLMEZGİL's** and **Mr. Metin BAROKAS's** financial strength and willingness to support the Company in case of need. The shareholders of the Company are considered to be willing to support and capable of assisting Çağdaş Faktoring. In this regard, JCR Eurasia Rating has assigned the Sponsor Support grade as **'2'** reflecting financial and non-financial states and expected support by the shareholders.

The Stand Alone grade has been constituted particularly with respect to Çagdaș Faktoring's internal resource generation capacity, equity level, funding alternatives and channels, asset quality, profitability indicators and risk management policies. In this sense, JCR Eurasia Rating has assigned the Stand Alone grade as **'B'** indicating that Çağdaş Faktoring possesses sufficient liquidity and profitability position to meet its commitments and obligations without resorting to its shareholders.

4. Company Profile

a) History & Activities

Founded as Çağdaş Finans Faktoring Hizmetleri A.Ş. on February 3, 1994, Çağdaş Factoring continued its operations until April 2009, when BRSA suspended its activities for approximately one year. The Company resumed its activities in July 2010, and assumed Çağdaş Faktoring A.Ş. trade name in 2012.

The Company operates as a factoring company offering recourse domestic factoring services, including monitoring and collection of receivables. Following the restructuring initiated in the late 2013, Çağdaş Factoring is expanding its activities through a developing organization network.

b) Organization & Employees

The Company's senior management is comprised of four assistant general managers and a coordinator, supervising Public Relations & Legal Affairs, Credit Risk Monitoring & Financial Analysis, Fund Management, Financial Affairs, Operations and Human Resources, Informational Technologies, Corporate Marketing and SME Marketing. The internal control department and Credit Committee reports to the Board of Directors directly.

The Company had 13 branches in 9 cities, including Istanbul, Ankara, Bursa, Izmir, Gaziantep, Samsun, Antalya, Konya, Kocaeli and a headquarters in Istanbul. The majority of these branches were established in 2014 (8) and 2015 (1). Furthermore, the Company's Adana branch was under construction as of March 2015.

The Board of Directors of Çağdaş Faktoring is comprised of 5 members, one of which is independent. The general manager also sits on the Board, while the largest shareholder Dikran GÜLMEZGİL chairs the Board of Directors. As of December 2014, the Company employed 120, on average.

c) Shareholders, Subsidiaries & Affiliates

The Company's capital base is increased in 2014 by TRY 8mn to reach TRY 28mn. The GÜLMEZGİL Family retained their majority shareholder status. The Company did not have any subsidiaries or affiliates as of FYE2014. The details of the shareholding structure are displayed in the table below.

Çağdaş Faktoring A.Ş.	Share %			
Shareholding Structure	2014	2013	2012	2011
Dikran GÜLMEZGİL	58.80	59.77	59.74	80.74
Metin BAROKAS	20.00	30.00	30.00	9.00
Melissa GÜLMEZGİL BAĞ	19.00	9.00	9.00	9.00
Nadya GÜLMEZGİL	1.20	1.20	1.20	1.20
Other	1.00	0.03	0.06	0.06
Total	100.00	100.00	100.00	100.00
Paid Capital (TRY 000)	28,000	20,000	20,000	20,000

d) Corporate Governance

The factoring sector is regulated and supervised by the BRSA. Therefore, even though the Company is not publicly traded and legally required to comply with corporate governance principles, its activities, reporting standards and organization is subject to regulations governed by the BRSA. In this sense, the financial statements, senior management composition, the members of the Board of Directors, minutes of annual general assemblies are publicized and made accessible through the Company's webpage. Furthermore, Çağdaş Faktoring has a clearly defined risk management, credit allocation and internal control policy where the responsibilities of the functions are organized within a certain framework. The Company's financial reporting is done in accordance with the BRSA template and is audited by independent audit companies.

Çağdaş Faktoring's documented and written human resources policy defines the baseline for fundamental HR activities such as recruitment, performance appraisal, promotion, compensation and dismissals, and it aims to establish an objective and widely accepted management structure. The job descriptions and responsibilities are stated in the aforementioned policy. Moreover, it is thought that the Company's senior management's experience and skills are commensurate with their position.

The Board of Directors is the ultimate authority to strategically manage and supervise the Company. Çağdaş Faktoring's Board of Directors consists of 5 members, including the general manager of Çağdaş Faktoring. In 2014 the Company increased the count of independent Board Members to 2. While the Company did not form the committees defined in the corporate governance best practices such as Early Detection of Risk, Internal Audit or Corporate Governance, Çağdaş Faktoring relied on the Internal Audit division reporting directly to the Board of Directors.

The Company's corporate webpage displays information about its organization chart, ownership structure, the resumes of the senior managers and the members of the Board of Directors audit reports for the last two years and details of its debt instruments. Furthermore, with the launch of e-Company portal supported by MKK (Central Registry Agency) the Company disseminates the general assembly minutes, the names of the members of the Board of Directors and the name of the independent audit company. The Company has recorded a noteworthy progress in improving the information scope and quality provided through its corporate webpage. Nevertheless, the absence of a disclosure policy and ethics code is restricting the overall compliance level with corporate governance best practices.

e) The Company & Its Group Strategies

The Company's projections for the upcoming periods reflect an emphasis on the efficiency and profitability to ensure sustainable growth. In this sense, Çağdaş Faktoring's strategy is to establish sufficient risk management systems and focus on maintaining solid profitability indicators powered by satisfactory interest margin and sustainable loan growth based on a wide customer portfolio. The Company diversifies its funding sources with factoring borrowings, bank loans and bond issues, to achieve flexibility and engender various liquidity channels.

5. Sector Overview & Operational Environment

The Turkish Factoring Sector is comprised of 76 companies differing in terms of shareholding and management structure, customer base, scope of service, operational business models and strategies, profitability and risk preferences, extent of branching, access opportunities to customers and markets and operational capacity on a local and international scale. As of FYE2014, the sector reached a total asset size of TRY 26.4bn and equity of TRY 4.4bn.

The Factoring Sector provides faster guarantee, financing and collection services compared to banks in return for the assignment of spot and term receivables arising from the sale of products and services domestically and overseas. Throughout 2014, the sector maintained its institutionalization, branching and expansion of customer base. However, a significant portion of companies operating in the sector do not possess the necessary capabilities to provide "collection" services and export factoring. The certification of part of the assignment claims via postdated checks has transformed the business model of some factoring companies into one which is predominantly occupied with the discount of small volume checks.

The practice of bad debt write off (selling non-performing receivables to asset management companies) is increasingly utilized by factoring companies in a similar fashion to that of banks. The Factoring Sector displays a higher level of sensitivity to changes in the economic conjecture in comparison to banks. In addition, regulatory pressures from the Banking Regulation and Supervision Agency (BRSA) along with the changes in the economic conjecture have created difficulties in management policies across the sector.

The sectors of wholesale/retail trade, energy and construction represent the three largest fields of concentration in banks and the Factoring Industry, a trend that is expected to be maintained throughout FY2014 and FY2015. Textiles, metals and automotive supply industries also constitute the traditional client base for the Factoring Sector. Logistics and telecommunications represented new areas of growth for the sector in FY2014.

Expectations regarding mergers in the sector due to the legal requirement to raise minimum capital levels to TRY 20mn have not been realized as such aforementioned risks were reduced. Mainly the funding costs together with the risk preferences and risk management skills are major determinants of the sector's end-of-year performance.

The predomination of Small and Medium Sized Enterprises (SMEs) in production represents the major factor for the buoyant demand for factoring services.

A significant number of factoring companies operate as subsidiaries of banks or bank affiliated firms. The principal feature of such factoring companies is their ability to carry out operations with lower equity, higher external resources, access to large loans and customers, large asset levels and possession of risks with lower profile and lower levels of profitability. On the other hand, non-bank related factoring companies are characterized by low asset and high NPL levels, high interest margin, low external financing, high equity and profitability levels along with narrow opportunities for access to loans and customers.

The establishment and operation conditions of factoring companies are determined by the BRSA and are organized under the Financial Institutions Union. The formation of educated and highly qualified management structure, the establishment of sound information technologies and the identification and evaluation of risk exposures are the issues legally required. Following the adoption of a centralized billing record system, the dublicate assignment of receivables arising from the sale of products and services have been prevented, thus increasing transparency. The law foresees the establishment of a Centralized Billing Record System under the **"Financial Institutions Union"** along with the enhanced opportunities to gather data from the Risk Center under the Turkish Banking Union will improve the sector's ability to access higher quality data, contributing to its asset quality.

In line with the undertaken reforms, the sector's legal infrastructure has been improved with regards to effective surveillance and control. As such, the mandatory installation of information, risk measurement and internal control systems made a positive contribution to the improvement of the sector's institutional set-up as well as the quality, standardization and transparency of financial reporting practices and providing fair competition. Greater progress than the current achievements regarding the sector's effectiveness and standardization will be in line with the performance expected from the **"Financial Institutions Union"**.

The Turkish bond market has provided Turkish factoring companies with opportunities for diversifying their funding streams since FY2010. However, the principal source of funding for non-banking financial institutions is external with the Turkish Banking System while the trend to access funds from capital markets via debt instruments remains rather weak.

Taiwan and Turkey are the two countries with the largest membership of Factors Chain International after China. Currently, 2 banks and 13 factoring companies are members of FCI. Turkey is ranked 2nd on a global basis in export factoring transactions with a share of 15%.

The shareholder structure and management teams of factoring companies are subject to comparatively high rate of change during their market entry and exit due to the intensely competitive environment in which they operate.

The Factoring Sector is one of the industries that exhibits the highest level of vulnerability to fluctuations in macroeconomic circumstances and instability. Management policies in the sector become more difficult mainly stemming from changes in economic conjuncture and regulatory pressures from the BRSA.

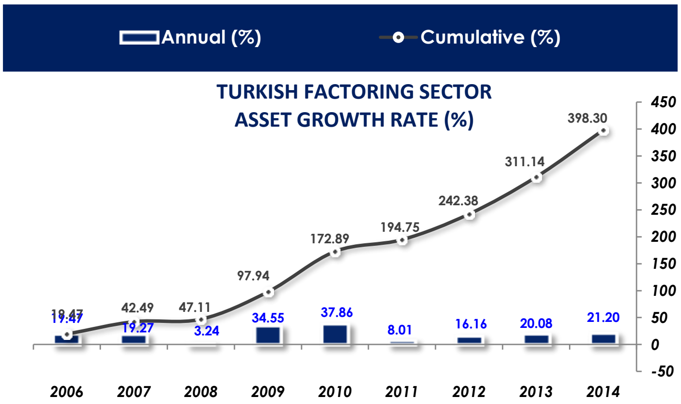
THE KEY INDICATORS OF TURKISH FACTORING SECTOR

(000,000)	2014	2013	2012	2011	2010	2009	2008
Asset Size-TRY	26,410	21,790	18,146	15,622	14,463	10,491	7,797
Asset Size-USD	11,350	10,228	10,208	8,270	9,406	7,054	5,123
Equity-TRY	4,422	4,015	3,856	3,377	2,941	2,537	2,374
P/L-TRY	645	389	610	493	412	329	439
ROAA %	3.31	3.06	4.50	3.43	3.98	4.62	6.49
ROAE %	18.90	15.54	21.00	16.87	18.11	17.22	21.32
NPL Ratio %	4.26	4.70	4.69	3.94	4.07	5.88	8.25
Equity / T. Sources	16.74	18.42	21.25	21.00	20.33	24.19	30.45

The sector has a relatively low free float rate and enjoys a small share across the wider Turkish Financial Services Sector. 73 companies are located in Istanbul whilst the remaining 3 firms are based in Izmir and Ankara.

Funds offered by the Factoring Sector largely belong to companies that are subsidiaries of banks or ones that have banks in among their wider group, making it more difficult for non-bank affiliated factoring companies to carry out their intermediary function. However, in recent years the Factoring Sector has increased its appeal for investors with a rising number of applications to obtain licenses from the BRSA.

As of FYE2014, the total asset size of all Factoring Companies was TRY 26.41bn, with an equity of TRY 4.42bn. Throughout its 25-year history the Factoring Sector has maintained a consistent growth trend with the exception of 1994 and 2001 in which it underwent contractions of 10.31% and 40.23%, respectively. On a cumulative basis, the Factoring Sector exhibited a growth rate of 398.30% for the 2006-2014 period. The growth recorded in the last financial year attained a value of 21.20%.



Factoring receivables constitute the largest item among the sector's assets with a share of 95.03%, whilst loans enjoyed the largest share among its resources with a 69.75% share. The sector primarily utilizes short-term bank loans in order to meet its funding requirements and its inability to diversify its resource base remains an inherent feature of the sector. However, bond issues began to slowly gather momentum since FY2008 and accelerated in FY2012. As such, issued bonds accounted for 10.96% of total resources across the sector as of FYE2014.

The share of equity among total resources of the sector stood at 16.74% and displayed a downward trend. In line with the new regulations, the factoring companies were obliged to have a standard ratio which dictates that the share of equity to total assets should not fall below 3%.

The risk concentration of factoring companies primarily focuses on the manufacturing industry with a share of 56.50%. The largest subsectors of manufacturing industry were the nuclear fuel, oil and coal products, textile and textile products, metal industry, processed material products and the transportation vehicles industry. Across the services sector, the largest levels of concentration was observed in wholesale and retail trade, motor vehicle services, construction sector, logistics, storage and communications.
The ratio of non-performing receivables to total receivables across the sector realized a value of 4.26% as of FYE2014, which remained above the Banking Sector. In addition, the ratio of non-performing receivables to total equity which attained a value of 25.06% is a factor that raises risk perception among the Factoring Sector, weakening its asset quality. The most important reason for the rise in non-performing receivables was the decelerating growth in the general economy in a macro context.

Factoring Sector profitability indicators stood above those of the Banking Industry as of FY2014, and maintained an upward trend in comparison to FY2013. As such, the indicators **ROAA** (Return on Average Assets) and **ROAE** (Return on Average Equity) attained values of 1.69% and 14.82% for the Banking Sector in comparison to the Factoring Sector's ratios of 3.31% and 18.90%, respectively. When the share of equity to total assets is taken into consideration, the Factoring Sector has a higher level of equity compared to the Banking Sector. As such, the Equity/Total Assets ratio for the Factoring Sector attained a value of 16.74% in comparison to the Banking Sector's value of 11.64%. The provision rates for non-performing loans across the Factoring Sector outpaced that of the Banking Sector from FY2012.

Bank affiliated factoring companies carry a competitive advantage in comparison to non-bank affiliated firms with regards to competition, access to funding, scale of service provision and alternative distribution channels, resulting in unfair competition. The return on loans and assets across the sector did not undergo any significant changes throughout FY2014. In addition, the absorption of rising costs across interest bearing resources by increases in returns on assets, led to the conservation of break-even interest rates in comparison to the previous year and resulted in an equilibrium at 10.61%.

RETURNS - COST RATIOS ANALYSIS FOR FACTORING INDUSTRY

ASSET RETURN	2014	2013	2012
Loans Interest Yield	12.76%	9.37%	10.19%
Return on the Commission	1.15%	1.10%	1.10%
FX Return or cost	-0.04%	0.34%	-0.01%
Return or the cost of other operations	2.32%	1.38%	0.90%
Loans Total Return	16.19%	12.19%	12.18%
Cost of Non-Earning Asset	-0.51%	-0.39%	-0.39%
Asset Return	15.68%	11.80%	11.80%

COST OF LIABILITIES	2014	2013	2012
Interest Cost for Cost Bearing Resources	8.58%	5.24%	5.88%
Cost of the Commission for Cost Bearing Resources	0.00%	0.00%	0.00%
Return on Non cost Bearing Resources	-0.40%	0.64%	0.87%
Cost of Liabilities	**8.18%**	**5.88%**	**6.74%**

NET PROFIT MARGIN	2014	2013	2012
Interest and Commission Margin	7.50%	5.93%	5.05%
The cost of Provisioning Expenses	-1.31%	-1.25%	-1.28%
The cost of Activities Expenses	-4.11%	-3.77%	-2.60%
Net Profit Margin	**2.08%**	**0.90%**	**1.17%**

Break-even point in Terms of Interest	2014	2013	2012
Break-even point in Terms of Interest	10.61%	10.21%	12.86%
Break-even point in Terms of Loan size-TRY	19,400.33	16,962.68	13,532.61

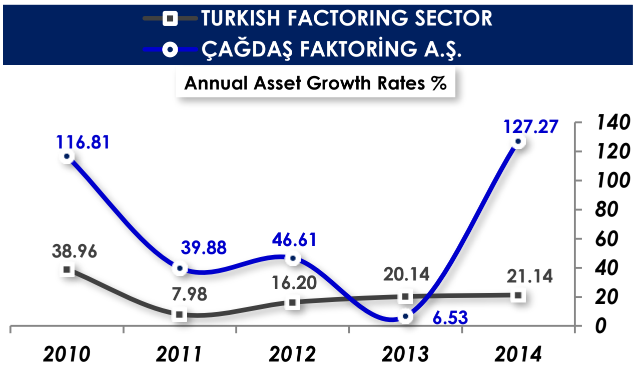
6. Financial Foundation

a) Financial Indicators & Performance

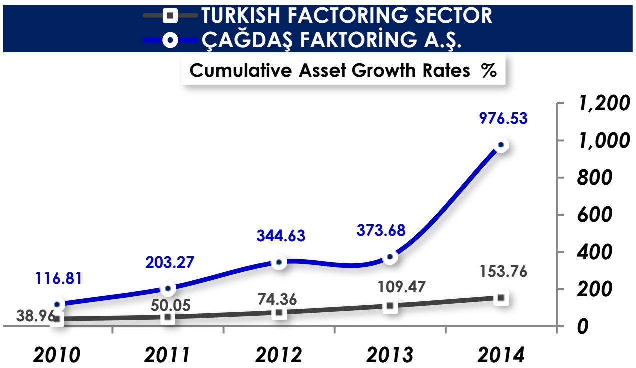
- **Indices Relating to Size**

Çağdaş Faktoring recorded a spectacular asset growth in 2014, fueled by more than doubling (130.75%) factoring receivables. The Company's factoring receivables reached

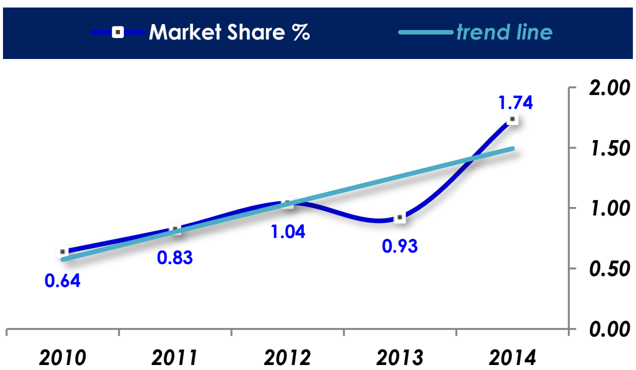
TRY 441.38mn corresponding to 95.54% of its total assets (FY2013: TRY 191.28mn, 94.73%). In 2014, the Sector's assets grew by 21.14%.



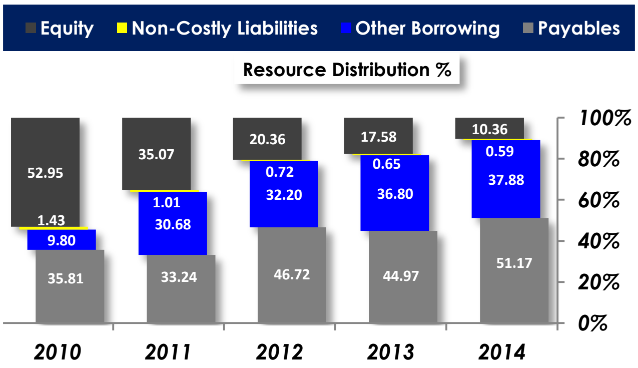
Owing to the noteworthy growth achieved in 2014, the Company easily outperformed the cumulative growth of the Sector. As of FYE2014, Çağdaş Faktoring realized a cumulative growth of 983.72% over the last 5 years. The Company's Compound Annual Growth Rate (CAGR) was 61.06% for the same period, compared to the Sector's 20.45%.



Following the solid growth, Çağdaş Faktoring managed to capture a greater market share measured by asset size. The significantly above Sector average growth realized in 2014 helped the Company boost its market share from 0.93% to 1.75%. The Company might continue to display a positive market share development trend, considering the previous years' performance. On the other hand, the Company management expects to less favorable economic environment and plans to follow a conservative growth strategy in 2015.

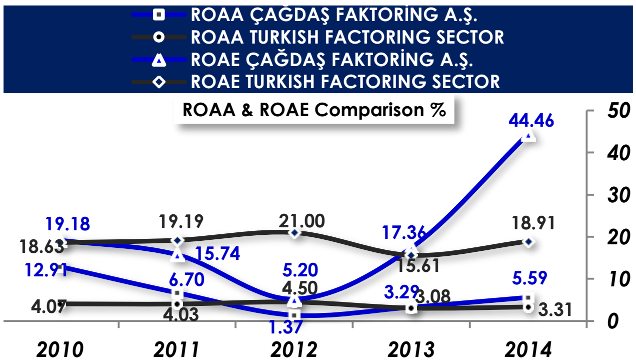


Çağdaş Faktoring financed its rapid growth predominantly with external resources, as indicated by the equity to asset ratio of 10.58 as of FYE2014 (FYE2013: 17.58%). However, despite reliance on the external funds, the Company supported its capital base with a equity increase of TRY 8mn in 2014 supplied from the previous years' profits. Çağdaş Faktoring's leverage ratio of 8.45 is significantly larger than that of the Sector, 4.97 as of FYE2014 (FYE2013: 4.69, 4.43, respectively). While the equity base is supported with a healthy profit in 2014, the Company's equity base would be fortified with a cash capital injection.

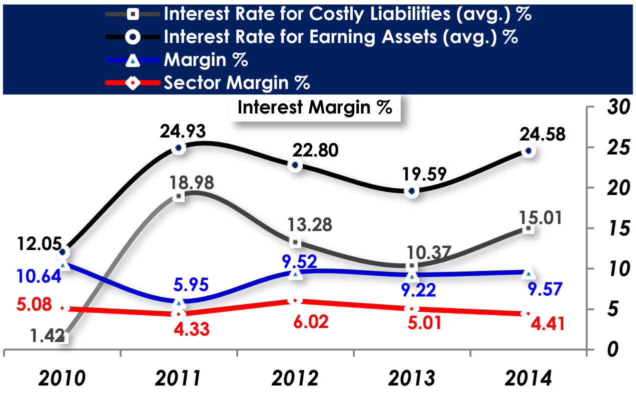


- **Indices Relating to Profitability**

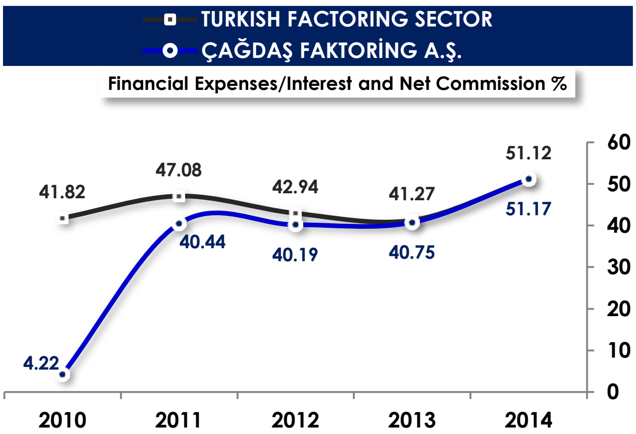
Çağdaş Faktoring's growing factoring receivables were translated into sizable revenues in 2014, increasing the interest income by TRY 42.19mn or 113.79% to TRY 79.26mn. Fuelled by the growing external funds, the interest expenses reached TRY 43.02mn with a 163.62% increase over the previous year. The limited increase in provisions and moderate hike in total operating expenses relative to the asset size contributed to the net growth in the profitability. As a result, Çağdaş Faktoring's ROAE climbed to 43.49% from 17.36% and its ROAA reached to 18.91% from 15.61% on YoY basis. On the other hand, the faster increase in interest expenses as opposed to the interest income might pressurize the margins in the upcoming periods.



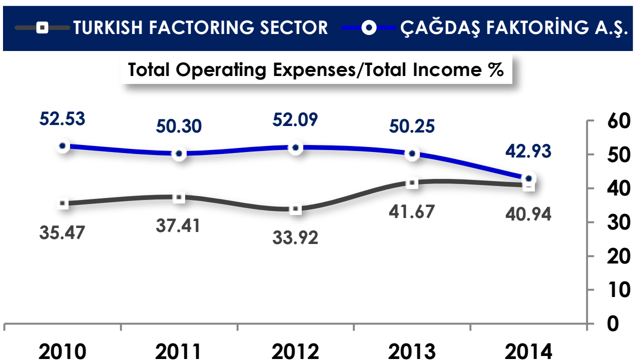
Çağdaş Faktoring's interest margin outperformed the Sector significantly, even though Çağdaş Faktoring's financing costs were higher than that of the Sector due to the Company's ability to charge higher interest rates to the customers. In the 2014 year-end, Çağdaş Faktoring's margin stood at 9.59%, 5.18% larger than the Sector's margin (FYE2013: 9.22%).



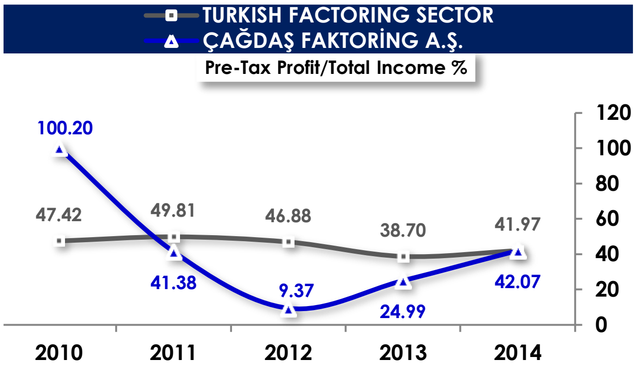
The Company's financing expenses to financing expenses to interest and commission income started to converge with the Sector average in 2011 and onwards. As of 2014, Çağdaş Faktoring's financial expenses corresponded to 51.12% of interest and net commission income while the Sector averaged 50.82%.



As the size of the operations grew, the Company achieved economies of scale, indicated by the ameliorating total operating expenses to total income ratio. The Company's sizable total income growth of 70.47% outpaced the increase in operating expenses, realized at 45.63%. Consequently, Çağdaş Faktoring's OPEX to total income, while still above the Sector average of 40.94%, declined to 43.08% (FYE2013 50.25%).

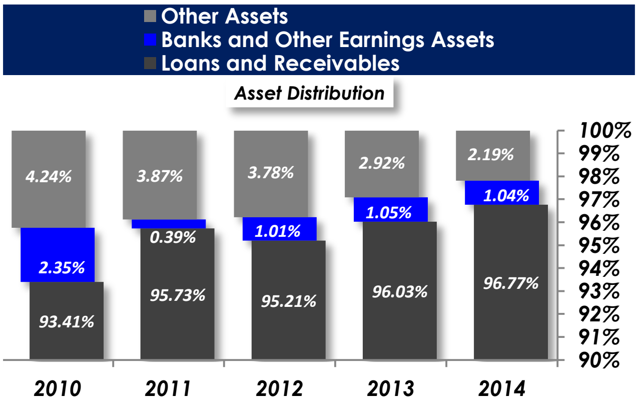


The Company's pre-tax profit to total income ratio maintained its converging trend with the Sector average, reaching up 42.07% in 2014 (FYE2013: 24.99%). The favorable net interest margin and compressing OPEX figures contributed to the amelioration of the ratio.

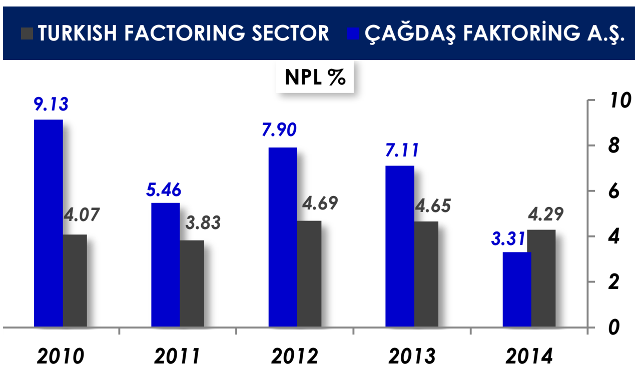


b) Asset Quality

The Company's asset distribution is practically defined by the loans and receivables, reaching 96.77% as of 2014 (FYE2013: 96.03). Therefore, Çağdaş Faktoring's asset quality is directly linked to the quality of the receivables. On the other hand, the fact that the majority of the assets composed of earning assets contributes to the profitability position.



As of FYE2014, the Company's NPL ratio was 3.31, significantly lower than 7.11% realized in the previous year and better than the Sector average of 4.29%, owing to substantial increase in the gross loans. Moreover, the Company transferred TRY 4.78mn of receivables to third party and wrote-off the aforementioned figure from its assets, subsequently reducing the overdue loan balance.

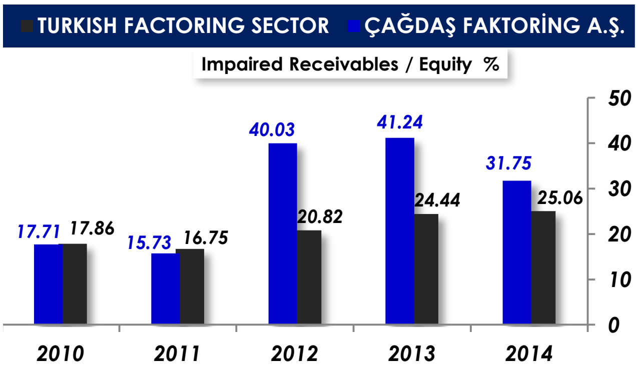


The breakdown of non-performing receivables by years is illustrated in the table below. According to the information provided by the Company, the bulk of the non-performing receivables stemmed from the overdue receivables relating to 2012. The sale and write-offs realized in 2014 and 2013 amounting to TRY 4.78mn and TRY 7.42mn helped reduce the NPL balance.

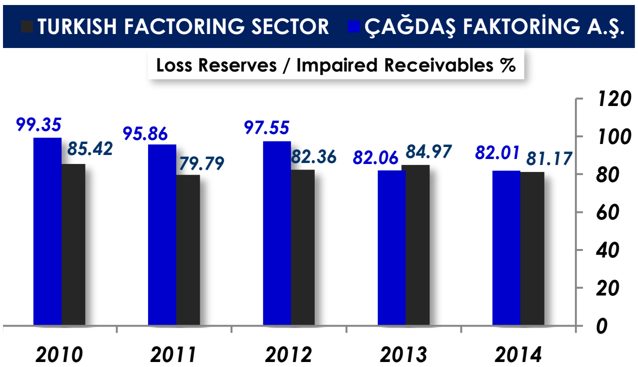
Non-Performing Loans Ageing Table (TRY-000)

Year	Annual Turnover	Non-Performing Loans		Provision Amount
		Amount	# of Customers	
...		6,979		6,979
2008	337,950	5,023	149	1,612
2009	84,337	1,196	328	4,607
2010	118,450	-4,533	277	-4,589
2011	514,715	-1,532	237	-1,771
2012	589,647	8,318	375	8,235
2013	672,293	-816	284	-3,064
2014	1,359,280	457	240	368
TOTAL		**15,092**		**12,377**

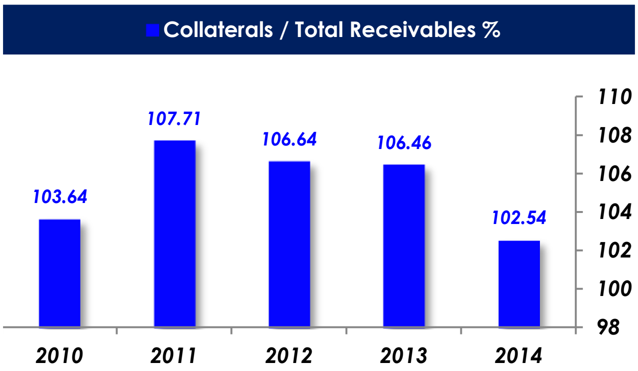
The growth of equity by 33.93% in 2014 significantly surpassed net increase of 3.12% in the overdue loans, in turn reducing the impaired receivables to equity ratio. The non-performing receivable sale to third party receivable collection companies on a revenue sharing basis contributed to the improvement in the aforementioned ratio.



Çağdaş Faktoring's provision coverage ratio of the overdue receivables was 81.02% and 81.06%, contributing to the asset quality. These levels were comparable to those of the Sector in 2014 and 2013. The Company follows the related BRSA regulation for identifying and provisioning for the past-due receivables.

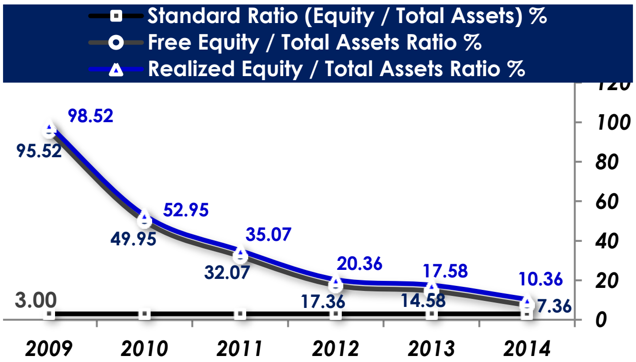


Çağdaş Faktoring's collateral's maintained their minimum 100% coverage threshold level, while exhibiting a decline from 106.46% to 102.54% relative level to the total receivables.

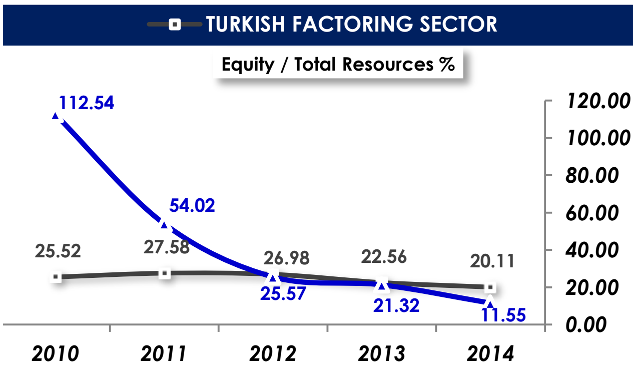


c) Funding & Adequacy of Capital

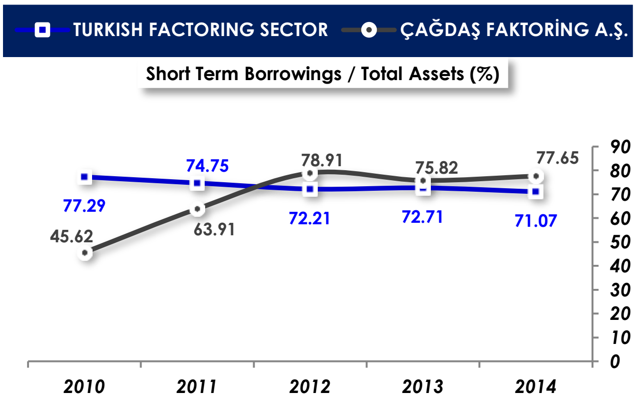
Çağdaş Faktoring's sizable asset growth undermined its standard ratio, which declined to 10.36% from 17.58% in the previous year. While the Sector exhibited a similar move, 18.41% to 16.74%, the fall was less accentuated than that of Çağdaş Faktoring. Nevertheless, the Company's standard ratio was comfortably higher than the BRSA mandated minimum ratio of 3%, indicating room for further growth without facing legal barriers.



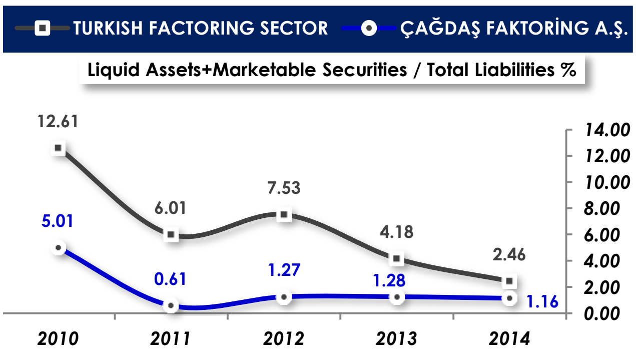
In 2014, the Company's equity to total resources ratio decoupled from the Sector average and fell sharper than that of the Sector as the growth is financed with external funds. As of FYE2014, the share of equity among total resources was 11.55%, where the Sector averaged 20.11%.



The Sector in general and the Company relies on the short term funds to fund their activities and growth, as displayed by the ratio of short term liabilities to the total assets, 77.65% and 71.07%, respectively. The majority of the short-term funds, 57.08% of total liabilities, composed of short-term factoring payables. On the other hand, the use of long term debt instruments might tilt the balance to their favour.



The Company's liquid assets to total liabilities maintained their low level between 0.61-1.28 boundary in the last four years. The Sector had a larger average rate of 2.46% to total liabilities, indicating a greater financial liquidity buffer.



7. Risk Profiles & Management

a) Risk Management Organization & Its Function – General Information

Çağdaş Faktoring's activities and use of financial instruments mainly expose the Company to credit, liquidity, market and operational risks. The risk management policies and overall framework is defined by the Board of Directors. In this regard, the Board of Directors identifies, measures, manages and monitors the risk position of the Company periodically. In this regard, the Board has defined certain controls and provides operational support and assurance from the activities of the Internal Audit department. Moreover, the senior management's efforts to comply with the corporate governance best practices and principles contribute to the effectiveness risk management activities through increased transparency, segregation of duties and information flow.

b) Credit Risk

Credit risk stems from the financial receivables from debtors and other sources of receivables. The Company's credit risk is monitored at the operational level by the Credit Risk Monitoring & Financial Analysis department. The existing and prospective credit lines to the customers are evaluated and monitored at certain threshold limits, indicating the level at which the credit specific action will be taken. The ultimate authority and responsibility for the credit decisions lie with the Board of Directors of Çağdaş Faktoring. The Company does not extend credit to the customers failing to pass the criteria defined by the management and the credit monitoring is supported by designated software.

The credit concentration is measured in terms of customer, drawer of cheque, geographical location and the sector. The customer concentration of the Company is measured in terms of the distribution of total credits to top 10, 20 and 50 customers. As of FYE2014, the top 10, 20 and 50 customers accounted for 10.72%, 16.08% and 26.13% of total credits, indicating relatively low levels of concentration and improvement over the previous year (16.10%, 22.52% and 34.04%, respectively). Moreover, the drawer concentration was confined within 6.15%, 8.92% and 13.57% for top 10, 20 and 50 drawers respectively.

Following the Company's rapid growth powered by new branch offices, the active customer count increased to 6,416. In the light of the reduced risk concentration in the top customers, the expansion helped to diversify credit risk. According to the data prepared by the Company, a large portion of the risk was concentrated on construction (19.80%), wholesale & brokering (19.20%) and textile industry (16.60%), while this concentration figure is evaluated as reasonable considering the composition of economy.

c) Market Risk

Under the scope of market risk, the Company manages currency and interest risk. As the Company did not have any foreign currency denominated assets and liabilities as of FYE2014, the fluctuations in the currency markets did not have a direct impact on the Çağdaş Faktoring's balance sheet.

The interest risk arises from the volatilities in the interest rates and the susceptibility of the earning assets and cost-bearing liabilities to such changes. Çağdaş Faktoring's interest bearing asset and liabilities were predominantly fixed rate items except the bonds issued by the Company. Therefore, the Company's interest obligations and revenues were predictable and stable to a great extent, throughout their maturity. Therefore, the Company's interest rate exposure is thought to be reasonable.

The effect of the alterations in the interest rates on the net profitability of the Company, given a 1% change on the floating rates and all else being equal, was TRY 523K, an immaterial amount considering the asset size and net total income of Çağdaş Faktoring.

d) Liquidity Risk

The liquidity risk arises from the uncertainty regarding maturity profiles of assets and liabilities, in particular the cash inflows and outflows. In this regard, the Company management attempts to ensure the bank credit lines are available and funds provided from factoring companies are realized on a timely manner. The liquidity level of the Company is continuously monitored and forecasts are supported with weekly data.

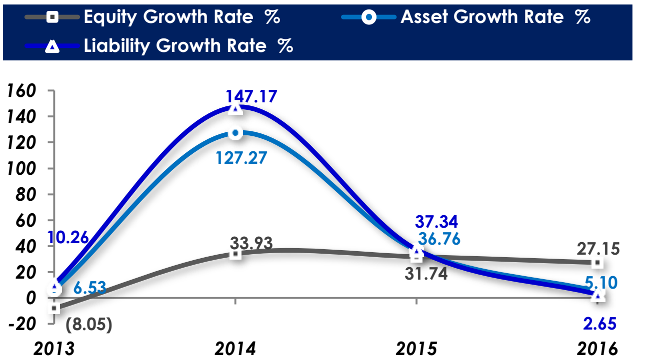
According to the data provided by the Company, Çağdaş Faktoring used approximately 75% of the available credit limits, indicating a slightly tight margin for unexpected liquidity needs.

Upon the application filed before by the Financial Institutions Association (FKB) to Takasbank (Istanbul Settlement and Custody Bank), Leasing, Factoring and Finance Companies will become members in the Clearing System and entitled to enter into borrowing/lending transactions in the Takasbank Money Market (TPP) based on certain limits and identified collaterals beginning with the enactment of the Takasbank Money Market Regulation and Procedure on April 10, 2015. This practice is expected to provide the factoring companies in Turkey with access to alternative funding channels and to improve systemic support level.

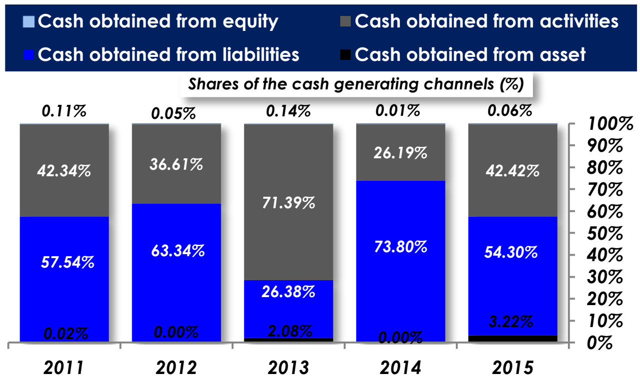
8. Budget & Debt Issue

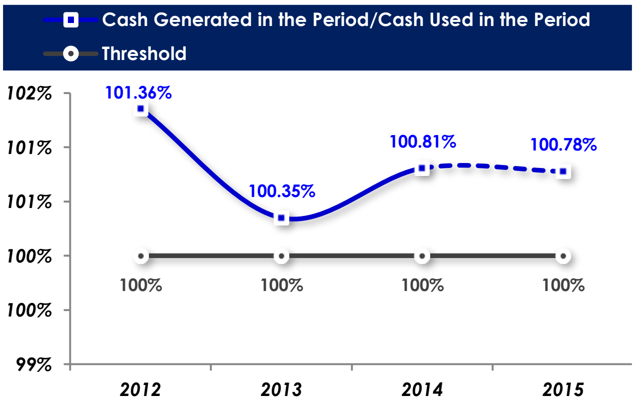
The budget projections of Çağdaş Faktoring for the 2015 and 2016 are displayed below. According to the Company management, the budgeted figures are subject to revision depending on the changes in the economic outlook and fundamental macroeconomic indicators due to the outcome of the general elections that will take place in June 7th, 2015, monetary policy decisions and investment preferences of the developed economies.

TRY (000)	2015	2016
Banks, Cash and Cash Equ.	**1,000**	**1,100**
Factoring Receivables	**619,000**	**650,000**
Net Non-Performing Loans	**7,000**	**8,500**
- Non-Performing Loans	22,000	26,500
- Provisions for NPL	-15,000	-18,000
Other Assets	**618**	**18**
Total Assets	**627,618**	**659,618**
Bank Loans	**200,000**	**220,000**
Factoring Borrowings	**225,000**	**180,000**
Issued Debt Instruments	**140,000**	**180,000**
- Bonds	140,000	180,000
Other Liabilities		
Equity	**62,618**	**79,618**
- Paid-In Capital	30,000	33,000
- Net Profit for the Period	20,000	22,000
Total Liabilities	**627,618**	**659,618**
Pre-tax Profit	**25,000**	**27,500**
Annual Asset Growth (%)	**36.76**	**5.10**
Equity/Total Asset (%)	**9.98**	**12.07**
ROAA (%)	**2.58**	**1.07**
ROAE (%)	**11.35**	**9.67**
NPL (%)	**3.47**	**3.97**



The summary of Çağdaş Faktoring's cash inflows in the previous periods and the budgeted 2015 period is displayed below. The breakdown indicates the share of external resources among the financing alternatives.





The underlying assumptions are in accordance with market expectations and previous track record of the Company, provided that the domestic and global economic outlook indicators are maintained within the estimated boundaries.

Çağdaş Faktoring had applied to Capital Markets Board to issue up to TRY 90mn worth of debt instruments and issued a total of TRY 50mn bonds in two tranches as of the report date. The Company plans to issue a TRY 40mn worth of bond in the upcoming quarters. The Company plans to lower the average cost of financing by shifting the weight from factoring borrowings to bond issues. The Company's target is to retain the majority of the internally generated funds, which will support equity base.

In the light of the previous performance and the projections for the upcoming periods, the Company is expected to engender sufficient funds to pay off the interest obligations of the issued bonds without experiencing financial distress.

ÇAĞDAŞ FAKTORİNG A.Ş. BALANCE SHEET - ASSET TRY (000)	(Year end) 2014 USD (Converted)	(Year end) 2014 TRY (Original)	(Year end) 2014 TRY (Average)	(Year end) 2013 TRY (Original)	(Year end) 2013 TRY (Average)	(Year end) 2012 TRY (Original)	(Year end) 2012 TRY (Average)	(Year end) 2011 TRY (Original)	As % of 2014 Assets (Original)	As % of 2013 Assets (Original)	As % of 2012 Assets (Original)	2014 Growth Rate	2013 Growth Rate	2012 Growth Rate
A-TOTAL EARNING ASSETS (I+II+III)	**193,569.36**	**448,868.00**	**322,449.50**	**196,031.00**	**189,205.00**	**182,379.00**	**153,323.50**	**124,268.00**	**97.18**	**97.08**	**96.22**	**129.02**	**7.49**	**46.76**
I- LOANS AND RECEIVABLES (net)	**191,508.04**	**444,088.00**	**318,995.50**	**193,903.00**	**187,179.50**	**180,456.00**	**152,109.00**	**123,762.00**	**96.14**	**96.03**	**95.21**	**129.04**	**7.45**	**45.81**
a) Factoring Receivables	190,337.23	441,373.00	316,325.00	191,277.00	185,677.50	180,078.00	151,772.50	123,467.00	95.54	94.73	95.01	130.75	6.22	45.85
b) Financing Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
c) Lease Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
d) Overdue Loans	6,508.26	15,092.00	14,863.50	14,635.00	15,043.00	15,451.00	11,292.00	7,133.00	3.27	7.25	8.15	3.12	-5.28	116.61
e) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
f) Receivable from Customer due to Brokerage Activities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
g) Allowance for Loan and Receivables Losses (-)	-5,337.44	-12,377.00	-12,193.00	-12,009.00	-13,541.00	-15,073.00	-10,955.50	-6,838.00	-2.67	-5.95	-7.95	2.84	-20.33	120.43
II-BANKS AND OTHER EARNING ASSETS	**2,061.32**	**4,780.00**	**3,454.00**	**2,128.00**	**2,025.50**	**1,923.00**	**1,214.50**	**506.00**	**1.05**	**1.05**	**1.01**	**126.97**	**10.66**	**280.04**
a) Banks	2,061.32	4,780.00	3,454.00	2,128.00	2,025.50	1,923.00	1,214.50	506.00	1.05	1.05	1.01	126.97	10.66	280.04
b) Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
c) Balance With Banks-Current Accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
III-SECURITIES AT FAIR VALUE THROUGH P/L	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**n.a**	**n.a**	**n.a**	n.a	n.a	n.a
a) Treasury Bills and Government Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
b) Other Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
c) Repurchase Agreement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
B- INVESTMENTS IN ASSOCIATES (net)+EQUITY SHARE	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**
a) Investments in Associates (net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
b) Equity Share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
C-NON-EARNING ASSETS	**4,327.91**	**10,036.00**	**7,963.00**	**5,890.00**	**6,524.50**	**7,159.00**	**6,084.00**	**5,009.00**	**2.82**	**2.92**	**3.78**	**121.07**	**-17.73**	**42.92**
a) Cash and Cash Equivalents	2.16	5.00	3.00	1.00	1.00	1.00	2.00	3.00	0.00	0.00	0.00	400.00	0.00	-66.67
b) Financial Assets at Fair Value through P/L	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
c) Asset Held For Sale And Discontinued Operations (net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
d) Other	4,325.76	10,031.00	7,960.00	5,889.00	6,523.50	7,158.00	6,082.00	5,006.00	2.82	2.92	3.78	121.02	-17.73	42.99
- Intangible Assets	79.78	185.00	147.50	110.00	131.00	152.00	129.00	106.00	0.09	0.05	0.08	283.64	-27.63	43.40
- Property and Equipment	832.29	1,930.00	1,792.00	1,654.00	2,022.50	2,391.00	2,356.00	2,321.00	0.33	0.82	1.26	-7.98	-30.82	3.02
- Deferred Tax	479.97	1,113.00	1,813.50	2,514.00	3,275.50	4,037.00	3,039.00	2,041.00	0.05	1.25	2.13	-91.61	-37.73	97.80
- Other	2,933.72	6,803.00	4,207.00	1,611.00	1,094.50	578.00	558.00	538.00	2.35	0.80	0.30	574.18	178.72	7.43
TOTAL ASSETS	**197,897.28**	**458,904.00**	**330,412.50**	**201,921.00**	**195,729.50**	**189,538.00**	**159,407.50**	**129,277.00**	**100.00**	**100.00**	**100.00**	**128.79**	**6.53**	**46.61**

ÇAĞDAŞ FAKTORİNG A.Ş. BALANCE SHEET-LIABILITIES+EQUITY TRY (000)	(Year end) 2014 USD (Converted)	(Year end) 2014 TRY (Original)	2014 TRY (Average)	(Year end) 2013 TRY (Original)	2013 TRY (Average)	(Year end) 2012 TRY (Original)	2012 TRY (Average)	(Year end) 2011 TRY (Original)	As % of 2014 Assets (Original)	As % of 2013 Assets (Original)	As % of 2012 Assets (Original)	2014 Growth Rate	2013 Growth Rate	2012 Growth Rate
C- COST BEARING RESOURCES (I+II)	**176,230.11**	**408,660.00**	**286,885.00**	**165,110.00**	**157,340.00**	**149,570.00**	**116,098.50**	**82,627.00**	**88.47**	**81.77**	**78.91**	**147.55**	**10.39**	**81.02**
I-PAYABLES	**101,265.69**	**234,825.00**	**162,816.50**	**90,808.00**	**89,677.50**	**88,547.00**	**65,758.00**	**42,969.00**	**0.00**	**44.97**	**46.72**	**-100.00**	**2.55**	**106.07**
a) Factoring Payables	101,265.69	234,825.00	162,816.50	90,808.00	89,677.50	88,547.00	65,758.00	42,969.00	0.00	44.97	46.72	-100.00	2.55	106.07
b) Lease Payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
c) Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
II-BORROWING FUNDING LOANS & OTHER	**74,964.42**	**173,835.00**	**124,068.50**	**74,302.00**	**67,662.50**	**61,023.00**	**50,340.50**	**39,658.00**	**88.47**	**36.80**	**32.20**	**450.08**	**21.76**	**53.87**
a) Fund Borrowed-Short Term	52,410.19	121,534.00	91,912.50	62,291.00	61,657.00	61,023.00	50,340.50	39,658.00	77.15	30.85	32.20	472.19	2.08	53.87
b) Fund Borrowed-Long Term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
c) Marketable Securities For Issued (net)	22,554.23	52,301.00	32,156.00	12,011.00	6,005.50	0.00	0.00	0.00	11.32	5.95	n.a	335.44	n.a	n.a
d) Securities Sold Under Repurchase Agreements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
e) Subordinated Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
D- NON COST BEARING RESOURCES	**1,169.95**	**2,713.00**	**2,017.50**	**1,322.00**	**1,346.50**	**1,371.00**	**1,339.00**	**1,307.00**	**0.94**	**0.65**	**0.72**	**228.59**	**-3.57**	**4.90**
a) Provisions	102.20	237.00	228.50	220.00	209.50	199.00	186.50	174.00	0.62	0.11	0.10	1,202.27	10.55	14.37
b) Current & Deferred Tax Liabilities	872.83	2,024.00	1,295.50	567.00	604.00	641.00	653.00	665.00	0.23	0.28	0.34	90.12	-11.54	-3.61
c) Trading Liabilities (Derivatives)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
d) Other Liabilities	194.92	452.00	493.50	535.00	533.00	531.00	499.50	468.00	0.09	0.26	0.28	-25.05	0.75	13.46
E- TOTAL LIABILITIES	**177,400.06**	**411,373.00**	**288,902.50**	**166,432.00**	**158,686.50**	**150,941.00**	**117,437.50**	**83,934.00**	**89.42**	**82.42**	**79.64**	**148.19**	**10.26**	**79.83**
F- MINORITY INTEREST	**0.00**		**0.00**		0.00		**0.00**		**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**
F- EQUITY	**20,497.22**	**47,531.00**	**41,510.00**	**35,489.00**	**37,043.00**	**38,597.00**	**41,970.00**	**45,343.00**	**10.58**	**17.58**	**20.36**	**37.78**	**-8.05**	**-14.88**
a) Prior Year's Equity	15,304.24	35,489.00	37,043.00	38,597.00	41,970.00	45,343.00	47,140.00	48,937.00	7.68	19.11	23.92	-8.05	-14.88	-7.34
b) Equity (Internal & external resources added during the year)	-1,019.88	-2,365.00	-4,565.00	-6,765.00	-7,795.00	-8,825.00	-9,118.00	-9,411.00	-0.00	-3.35	-4.66	-99.96	-23.34	-6.23
c) Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
d) Profit & Loss	6,212.86	14,407.00	9,032.00	3,657.00	2,868.00	2,079.00	3,948.00	5,817.00	2.90	1.81	1.10	266.75	75.90	-64.26
TOTAL LIABILITIES+EQUITY	**197,897.28**	**458,904.00**	**330,412.50**	**201,921.00**	**195,729.50**	**189,538.00**	**159,407.50**	**129,277.00**	**100.00**	**100.00**	**100.00**	**128.79**	**6.53**	**46.61**
USD 1 = TRY		**2.3269**		**2.1304**		**1.7776**		**1.8889**						

ÇAĞDAŞ FAKTORİNG A.Ş. INCOME STATEMENT TRY (000)	2014	2013	2012	2011
Net Interest Income	**36,244**	**20,757**	**19,543**	**14,676**
A) Interest income	79,259	37,074	34,958	26,517
a) Factoring Interest Income	79,259	37,069	34,958	26,515
b) Financing Loans Interest Income	0	0	0	0
c) Lease Income	0	0	0	0
d) Banks	0	5	0	2
B) Financial Expense	43,015	16,317	15,415	11,841
Net Fee and Commission Income	**5,380**	**2,967**	**3,393**	**2,761**
a) Fee and Commission Income	5,380	2,967	3,393	2,761
b) Fee and Commission Expense	0	0	0	0
Total Operating Income	**2,175**	**2,010**	**368**	**498**
Interest Income from Other Operating Field	0	0	0	0
Foreign Exchange Gain or Loss (net) (+/-)	104	43	31	275
Gross Profit from Retail Business	0	0	0	0
Gains or Loss on Derivative Instruments (+/-)	0	0	0	0
Income on Sale of Equity Participations and Consolidated Affiliates	0	0	0	0
Gains from Investment Securities (net)	0	0	0	0
Other Operating Income	2,071	1,967	337	223
Taxes other than Income Tax	0	0	0	0
Dividend	0	0	0	0
Provisions	**6,583**	**6,371**	**8,981**	**1,491**
Provision for Impairment of Loan and Trade Receivables	6,583	6,371	8,981	1,491
Other Provision	0	0	0	0
Total Operating Expense	**18,867**	**12,931**	**12,140**	**9,022**
Salaries and Employee Benefits	10,905	7,156	6,187	4,826
Depreciation and Amortization	0	619	605	547
Other Expenses	7,962	5,156	5,348	3,649
Profit from Operating Activities before Income Tax	**18,349**	**6,432**	**2,183**	**7,422**
Income Tax – Current	2,634	1,252	2,100	2,220
Income Tax – Deferred	2,303	1,523	-1,996	-615
Net Profit for the Period	**13,412**	**3,657**	**2,079**	**5,817**
Total Income	**43,799**	**25,734**	**23,304**	**17,935**
Total Expense	**18,867**	**12,931**	**12,140**	**9,022**
Provision	**6,583**	**6,371**	**8,981**	**1,491**
Pre-tax Profit	**18,349**	**6,432**	**2,183**	**7,422**

ÇAĞDAŞ FAKTORİNG A.Ş. FINANCIAL RATIOS %	2013	2012	2011
I. PROFITABILITY & PERFORMANCE			
1. ROAA – Pre-tax Profit / Total Assets (avg.)	5.53	3.29	1.37
2. ROAE – Pre-tax Profit / Equity (avg.)	43.49	17.36	5.20
3. Total Income / Equity (avg.)	103.81	69.47	55.53
4. Total income / Total Assets (avg.)	13.19	13.15	14.62
5. Provisions / Total Income	15.03	24.76	38.54
6. Total Expense / Total Resources (avg.)	6.51	8.15	10.34
7. Net Profit for the Period / Total Assets (avg.)	4.04	1.87	1.30
8. Total Income / Total Expenses	232.15	199.01	191.96
9. Non Cost Bearing Liabilities + Equity- Non Earning Assets / Assets	8.71	15.31	17.31
10. Non Cost Bearing Liabilities - Non Earning Assets / Assets	-1.88	-2.26	-3.05
11. Total Operating Expenses / Total Income	43.08	50.25	52.09
12. Interest Margin	11.24	10.97	12.75
13. Operating ROAA = Operating Net Incomes / Assets (avg.)	18.49	11.62	11.04
14. Operating ROAE = Operating Net Incomes / Equity Capital (avg.)	145.43	61.41	41.93
15. Interest Coverage = EBIT / Interest Expenses	142.66	139.42	114.16
16. Net Profit Margin	30.62	14.21	8.92
17. Gross Profit Margin	41.89	24.99	9.37
18. Market Share	1.75	0.93	1.04
19. Growth Rate	128.79	6.53	46.61
II. CAPITAL ADEQUACY			
1. Equity Generation / Prior Year's Equity	-0.01	-17.53	-19.46
2. Internal Equity Generation / Previous Year's Equity	37.79	9.47	4.59
3. Equity / Total Assets (Standard Ratio)	10.58	17.58	20.36
4. Equity / Total Liabilities	11.84	21.32	25.57
5. Free Equity / Total Receivables Ratio	10.57	17.39	19.98
6. Tangible Assets / Total Assets	0.33	0.82	1.26
7. Intangible Assets / Total Assets	0.09	0.05	0.08
8. Equity / Total Guarantees and Commitments + Equity	100.00	100.00	100.00
III. LIQUIDITY			
1. Liquid Assets + Marketable Securities / Total Assets	1.05	1.05	1.02
2. Liquid Assets + Marketable Securities / Total Liabilities	1.17	1.28	1.27
3. Short Term Borrowings / Total Assets	77.15	75.82	78.91
4. Net Interest and Commission / Total Assets	9.01	11.75	12.10
5. Liquid Assets + Marketable Securities / Equity	9.89	6.00	4.98
IV. ASSET QUALITY			
1. Loan and Receivable's Loss Provisions / Total Loans and Receivables	2.71	5.83	7.71
2. Total Provisions / Profit Before Provision and Tax	26.40	49.76	80.45
3. Impaired Receivables / Gross Receivables	3.31	7.11	7.90
4. Impaired Receivables / Equity	30.86	41.24	40.03
5. Loss Reserves for Receivables / Impaired Receivables	81.84	82.06	97.55
6. Collaterals / Total Receivables	0.11	106.46	106.64
7. Total FX Position / Total Assets	0.00	0.01	0.08
8. Total FX Position / Equity	0.00	0.06	0.38
9. Assets / Total Guarantees and Commitments + Assets	100.00	100.00	100.00