

## **FITCH AFFIRMS EKSP0 FAKTORING AT 'BBB+(TUR)'**

Fitch Ratings-London/Istanbul-28 May 2008: Fitch Ratings has today affirmed Ekspo Faktoring A.S.'s National Long-term rating at 'BBB+(tur)' with Stable Outlook.

The rating reflects Ekspo Faktoring's small size within the Turkish financial system and exposure to a volatile operating environment. These are balanced by its solid operating performance, cost efficiency, good asset quality and adequate capitalisation.

The company's assets are almost totally composed of short-term factoring receivables. The management looks to optimise its market share, profitability and asset quality. Ekspo Faktoring has strong operating profitability from its core operations, supported by an efficient cost base. Although Ekspo Faktoring's asset quality track record is good, Fitch considers that the trend could be volatile due to exposure to big-coupon loans, with the five largest clients accounting for 11% of the company's total factoring receivables at end-Q108. The capitalisation is adequate, with equity at 21% of total assets at end-2007, mostly being free capital. Factoring companies do not have to maintain a minimum capital ratio but must comply with a regulatory maximum loan/equity ratio of 30x. Ekspo Faktoring's FYE07 ratio was considerably lower at 2.6x.

Ekspo Faktoring was established in 2000 as a joint-stock company to provide factoring services. At end-2007, its market share was 3.1%, placing the company seventh in industry rankings. The company undertakes its own marketing and distribution activities.

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