

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

Fitch Ratings-London/Istanbul-03 June 2010: Fitch Ratings has today affirmed Ekspo Faktoring A.S.'s (Ekspo) National Long-term rating at 'BBB+(tur)' with a Stable Outlook.

The rating affirmation reflects its small size within the Turkish financial system, balanced by its strong performance, good asset quality and robust capitalisation.

Ekspo is focused on medium-sized companies supplying local blue-chip companies. In addition to domestic with-recourse factoring services, the company also offers foreign-trade-finance-related services, while foreign transactions contribute about 20% of its business volume.

After resuming growth in Q408, Ekspo increased its receivables by 34% in 2009, albeit below the 50% growth rate of the factoring sector, where bank-owned factoring companies grew more than independent companies. Ekspo maintained its profitability in 2009 despite some narrowing in margins due to its assets repricing faster than its liabilities in addition to interest rate declines. The company benefited from recoveries exceeding loan impairment charges. Ekspo is more efficient than its peers, benefiting from large-ticket transactions, mainly created through the head office. Efficiency improved further in 2009 due to cost controls. Asset quality improved in 2009 and remained better than the sector in general.

In managing liquidity risk, the company monitors funding requirements in relation to business targets and makes use of cash flow and liquidity gap analysis. The company's liquidity was tested in Q408 and the first nine months of 2009. The company took advantage of its balance sheet flexibility and its strong equity base, and it also managed to increase its available limits at banks.

The short-term nature of its receivables and funding provides Ekspo with the flexibility to adapt to changing market conditions, while on the other hand creates a market-sensitive funding structure. In a scenario where the availability and size of funding would be significantly limited, Ekspo's strong capital base gives some comfort in terms of funding and liquidity, as well as providing a competitive edge in terms of cost of funding, and affording a cushion against potential risks. Ekspo maintains a solid capital position with equity standing at 41% of assets at end-2009. Ekspo's factoring receivables/equity ratio was 2.5x (2008: 1.9x), better than the regulatory ceiling of 30x.

Ekspo was Turkey's second-largest independent factoring company and the seventh-largest overall in 2009.

Applicable criteria, 'Global Financial Institutions Rating Criteria', dated 29 December 2009, and 'Finance and Leasing Companies Criteria', dated 30 December 2009, are available on [www.fitchratings.com](http://www.fitchratings.com).

Contact: Gulcin Orgun, Turda Ozmen, Istanbul, Tel: +90 212 279 1065.

Media Relations: Hannah Warrington, London, Tel: +44 (0) 207 417 6298, Email: [hannah.warrington@fitchratings.com](mailto:hannah.warrington@fitchratings.com).

Note to Editors: Fitch's National ratings provide a relative measure of creditworthiness for rated entities in countries with relatively low international sovereign ratings and where there is demand for such ratings. The best risk within a country is rated 'AAA' and other credits are rated only relative to this risk. National ratings are designed for use mainly by local investors in local markets and are signified by the addition of an identifier for the country concerned, such as 'AAA(tur)' for National ratings in Turkey. Specific letter grades are not therefore internationally comparable.

Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

Related Research:

Global Financial Institutions Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=493146](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=493146)

Finance and Leasing Companies Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=493344](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=493344)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE.