

FITCH AFFIRMS LIDER FAKTORING AND ASSIGNS UPCOMING FRN EXPECTED 'BBB+(TUR)'

Fitch Ratings-London/Istanbul-03 June 2010: Fitch Ratings has today affirmed Lider Faktoring Hizmetleri A.S.'s (Lider) National Long-term rating at 'BBB+(tur)' with a Stable Outlook and assigned expected 'BBB+(tur)' ratings for its senior unsecured Floating Rate Notes (FRN).

The affirmation of the National Long-term rating reflects Lider's small size within the Turkish financial system as well as improvements in asset quality in 2009, strong profitability, access to long-term funding, sound capitalisation and good corporate governance standards.

Lider plans to issue senior unsecured FRNs, amounting to TRY150m, with two year maturities. The note proceeds will be used to fund its factoring operations. The final rating of the unsecured FRNs is contingent upon the receipt of final documents conforming to information already received.

Lider provides "with-recourse"-based domestic factoring services to its customers and focuses on serving SMEs. Lider continued to increase its asset size in 2009 by 56%, more than the sector average of 50%, with bank-owned factoring companies generally growing at a faster rate than independents. Lider took advantage of its established relations with small-sized manufacturers and also benefited from its long-term funding in 2009, as well as increased short-term funding from domestic banks. It additionally benefitted from a cash capital increase in H109 to support growth. Profitability improved in 2009 with a significant contribution of net fees and commissions and strong recoveries of impaired loans. Asset quality markedly improved in 2009 and remained better than the Turkish factoring segment average.

In managing its liquidity, the company closely monitors the maturity profile of its receivables and borrowings, using cash flow and liquidity gap analysis and has access to long-term funding. Lider has sound capitalisation supported by cash capital injections and retained earnings. Its factoring receivables/equity ratio was significantly better than the regulatory ceiling (30x) at 5.6x at end-2009.

Lider was the largest independent factoring company in Turkey in 2009 and the sixth-largest factoring company overall (including bank-owned companies). Credit Suisse Investments (Netherlands) B.V. of Credit Suisse Group AG (Credit Suisse Group, 'AA-/Negative/ F1+') provided long-term funding to Lider and also became a minority shareholder in 2008 with a 9.9% share.

Applicable criteria, 'Global Financial Institutions Rating Criteria', dated December 2009, and 'Finance and Leasing Companies Criteria', dated December 2009, are available on www.fitchratings.com.

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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.

Related Research:

Global Financial Institutions Rating Criteria

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

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