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Press release

RA Expert Rating confirms the rating of bond issues of series A, B and C of the Company 'AUZ Factoring' at the level uaBBB- following Q1 2011

On May, 23rd, 2011 Rating agency 'Expert-rating' has confirmed the rating of bond issues of series A, B and C of the Company 'AUZ Factoring' at the level **uaBBB-** on the national scale. Confirming the credit rating, the Agency was guided by the results of company work in the first quarter of 2011.

Table

Data on the factoring portfolio of LLC AUZ Factoring (th. UAH)

Indicators	Q1 2011 01.04.2011	Q1 2010 01.04.2010	Change	Growth rate
Factoring portfolio volume (face-value of assigned claims)	20 872,5	5 432,9	15 439,6	+ 384%
Volume of financing provided**	14 516,3	3 769,2	+ 9 083,4	+ 385%
Volume of financing provided/Factoring portfolio volume	69,5%	69,4%	0,01%	-
Earnings from factoring operations (interests, commission, etc)	1 263,3	154,6	+1 108,7	+ 717%
Earnings from factoring operations/Factoring portfolio volume	8,7%	4,1%	+4,6	+ 212%
Effective rate on the portfolio***	34,6	36	-1,4	- 3,8%
Volume of transactions with payments outstanding for more than 1 month.	2	0	+2	--
Amount submitted for recourse	300,5	0	+300,5	-
Other sanctions used, judicature included	300,5	0	+300,5	-

** average amount of granted financing is specified with account for receivables turnover and the established limits;

*** the effective rate on the portfolio is calculated proceeding from average receivables turnover of 60 days and average load of the portfolio (issued financing) per every accounting period.

Source: LLC AUZ Factoring data, calculations by RA 'Expert-rating'

Confirming the credit rating, the Agency relied on the following conclusions:

1. During the period from 4/1/2010 to 4/1/2011 the Company managed to increase the volume of factoring portfolio from 5,4 to 20,9 m UAH., i.e. in 4,8 times. The portfolio growth allowed the company in the first quarter to get incomes which covered development expenses and fixed charges. Also the volume of granted financing grew in 4,8 times in the first quarter 2011 compared with the first quarter 2010.

2. As of the beginning of Q2 2011 the volume of troubled debt was 1,45 % from total amount of factoring portfolio. The agency has not regarded troubled debt in the amount UAH 300,5 th. as bad debt. The Company has undertaken a number of timely measures to provide recourse of the previously bought out debt.

3. Despite decrease in bank market rates, the effective rate on the portfolio of factoring financing remains still high enough and on the second quarter beginning was 34,6% annually, having reduced compared to 4/1/2010 by 1,4% only. Namely growth of granted financing volumes along with insignificant decrease of the effective rate has allowed the Issuer during the quarter to increase incomes of factoring operations in 8 times, to UAH 1,2 m.

Analytical service of RA 'Expert-rating'