Corporate Credit Rating

☐New ☒Update

Sector: Factoring
Publishing Date: 24.03.2025

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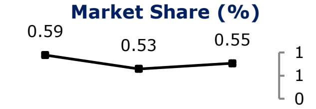
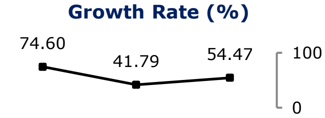
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	**National ICR**	**AA (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Profile)	National ISR	AA (Stable)	J1+ (Stable)
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Assigned by JCR on May 10, 2024*

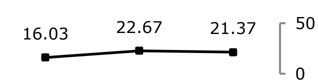
Market Share (%)



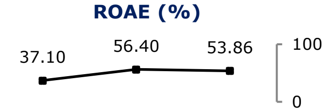
Growth Rate (%)



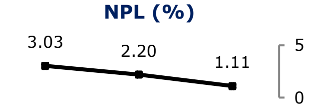
ROAA (%)



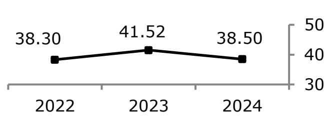
ROAE (%)



NPL (%)



Equity/Assets (%)



EKSPO FAKTORİNG A.Ş.

JCR Eurasia Rating, has evaluated **"Ekspo Faktoring A.Ş."** in the investment level category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at **'AA (tr)'** and the Short-Term National Issuer Credit Rating at **'J1+ (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as **'BB/Stable'** in line with sovereign ratings and outlooks of Republic of Türkiye.

Ekspo Faktoring A.Ş. (hereinafter referred to as **'Ekspo Faktoring'** or **'the Company'**) offers trade finance and export/import factoring and refactoring services to domestic customers since 2000. The Company has an established presence in the Turkish factoring sector which itself is a highly fragmented and predominantly bank-owned subsidiary dominated market. The Sector is supervised by Banking Regulation and Supervision Agency of Türkiye (BRSA) and market players are members of Associations of Financial Institutions, an umbrella organization for factoring, leasing and consumer finance companies.

The Company operates with notable equity to assets, compared to the sector averages and maintains an equity base well above the mandatory capital level required by BRSA. Ekspo Faktoring has arrangements with various international ECAs such as US Ex-Im Bank and Black Sea Trade and Development Bank.

Tümay Family is the primary shareholder of the Company as of FYE2024. The Company maintains its operations by average workforce of 31 employees in FY2024 (FY2023: 32).

Key rating drivers, as strengths and constraints, are provided below.

Strengths	Constraints
• Strong capitalization structure by internal equity generation through the examined years, • Continuously declining NPL ratio standing below the sector averages in FYE2024, thanks to strong collateralization structure, • Maintaining core operational profitability through increasing trend of NIM during the reviewed periods, • Experienced management team and well-established risk management infrastructure.	• Need for increase in customer granularity to reduce high concentration risk, • High competition in the sector dominated by bank-owned factoring companies with wide branch network and easier access to financing, • As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engender considerable uncertainty.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at **'AA (tr)'**. The revenue generation capacity along with the strong operational performance outperforming the sector average, asset quality with highly collateralised receivable level, capital structure and its level in comparison to the sector, risk management infrastructure supported by internal control systems, experienced management team together with the general outlook of the sector have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as **'Stable'**. The Company's budgeted projections, turnover and asset development, interest margin trend, market share, profit margin, capitalization level, maturity and indebtedness structure, the growth in the number of customers in the competitive market, improvements in receivable portfolio granularity to reduce the concentration exposure, the general outlook of the sector collection performance of problematic receivables and the NPL level will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.

1. Rating Rationale

With respect to the factors mentioned below, JCR Eurasia Rating has affirmed the Long-Term National Issuer Credit Rating of the Company at **'AA (tr)'** and the Short-Term National Issuer Credit Rating at **'J1+ (tr)'** in JCR Eurasia Rating's notation system which denote investment grades with very high credit quality.

When the global and national scale rating matching published by JCR Eurasia Rating is considered, the Company's Long-Term International Issuer Credit Ratings is determined as **'BB'** in line with sovereign ratings of Republic of Türkiye.

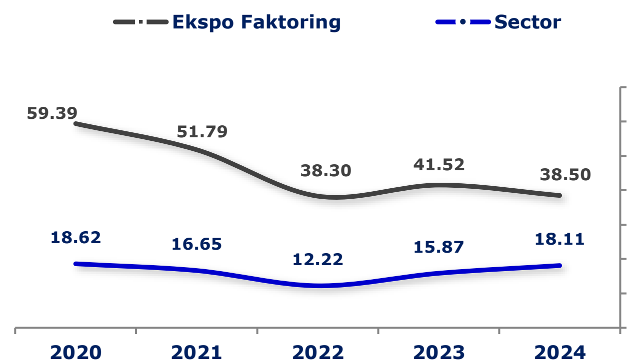
Strong Capitalization Structure by Internal Equity Generation through the Examined Years

Total equity of Ekspo Faktoring increased by 43.23% compared with the previous year-end and reached to TRY 673.11mn as of FYE2024 (FYE2023: TRY 469.94mn). The Company's paid-in capital remained unchanged during the period analysed. 88.58% of the equity was constituted by the net profit and the retained earnings. Equity has been strengthened mainly by the Company's internal fundraising performance.

(TRY 000)	FY2022	FY2023	FY2024
Paid-in-Capital	60,000	60,000	60,000
Profit Reserves	16,846	16,846	16,846
Previous Years Profit or Losses	153,933	218,920	373,094
Net Profit or Loss	74,987	174,174	223,168
Total	**305,766**	**469,940**	**673,108**

Banking Regulation and Supervision Agency of Türkiye (BRSA) regulations require factoring companies operating in Türkiye to have an equity to total assets ratio (standard ratio) of 3%.

Although the equity to asset indicators retreated to 38.50% in FYE2024 (FYE2023: 41.52%), it is still evaluated that the relevant indicator of Ekspo Faktoring remained way above the sector average of 18.11% as of FYE2024. Robust capitalization of the Company diminishes its dependence for external financing and provides a cushion in the case of adverse financial markets related shocks, such as sharp changes in interest rates and a decline in market liquidity and poses a substantial buffer to absorb possible losses.



Continuously Declining NPL Ratio Standing Below the Sector Averages in FYE2024, Thanks to Strong Collateralization Structure

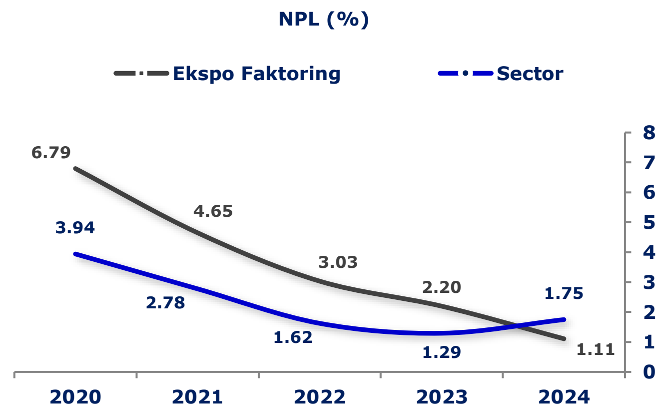
Factoring receivables accounted for 91.69% of total assets, which ties the asset quality directly into the quality of the receivable portfolio. Therefore, the concentration levels, repayment performance of the receivables and NPL ratios are examined in detail to assess overall asset quality. The non-performing loans ratio is considered to be the main indicator of receivables' quality within the financial sector.

Ekspo Faktoring provided TRY 17.12mn of recovery from the default portfolio for more than 1 year. Besides, the Company has recognised TRY 11.92mn of NPL amount during 2024 and the non-performing receivables of the Company diminished by 22.47% reaching to TRY 17.94mn in FYE2024 in comparison to previous year. NPL portfolio of the Company was comprised by 12 different customers and 38.73% of the total amount was consisted of the customers operating in the construction sector. Besides, 60.48% of total NPL portfolio were due to the customers under the scope of concordat.

(TRY 000)	FYE2023	FYE2024
<90 days	323	2,039
90-180 days	-	4,391
180-360 days	1,000	5,491
+1 year	21,820	6,022
Total	**23,143**	**17,943**

In the chart below, the NPL ratio is calculated by the division of gross overdue loans by total receivables including allowances for overdue loans. NPL ratio of the Company has continuously decreased gradually from 6.79% to 1.11% between 2020 and 2024. The

Company's NPL ratio firstly fell below the sector average in FYE2024 during last five years.

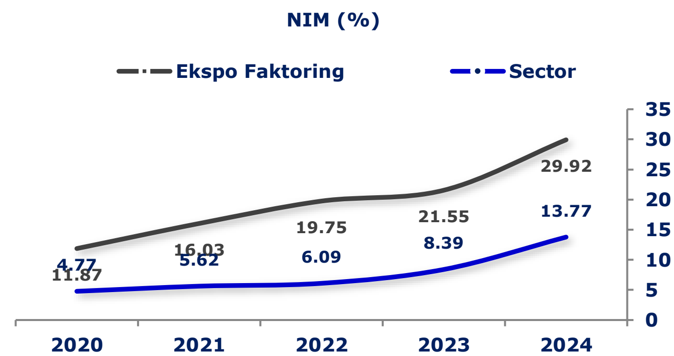


The Company's ratio of collaterals excluding Personal Guarantees to total receivables, continued to remain strong despite retreat as of FYE2024 in comparison to previous period and stood at 66.07% as of FYE2024 (FYE2023: 90.27%). The value of the collaterals received against the Company's total factoring receivables amounting to TRY 1.60bn as of FYE2024 was TRY 1.06bn. Cheques and notes received against factoring receivables contribute positively to both asset quality and risk level.

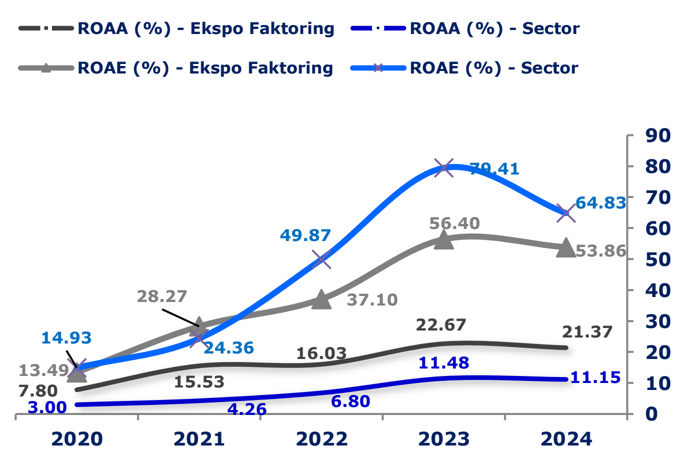
(TRY 000)	FYE2023	FYE2024
Personal warranty	930,545	1,059,187
Collaterals	13,166,647	16,935,188
Total collaterals	14,097,192	17,994,375
Factoring Receivables	1,030,818	1,603,154

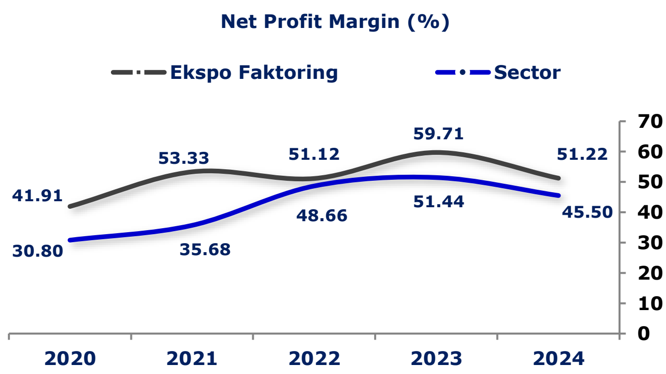
Maintaining Core Operational Profitability through Increasing Trend of NIM During the Reviewed Periods

Ekspo Faktoring's balance sheet were mainly comprised by the earning assets which were almost consisted of the factoring receivables amounted to TRY 1.60bn in FYE2024 (FYE2023: TRY 1.03bn). Correspondingly, the Company succeeded to increase its factoring income and net interest income by 100% and 113% in FY2024 in comparison to previous period, respectively. Ekspo Faktoring operates with notably larger interest margins than the sector averages due to its business model. The Company has been able to maintain an average interest margin, larger than the sector's margin, during the reviewed periods. The net interest margin is calculated as net interest income over average earning assets, excluding net fees and commissions. Whilst the net interest margin has been depicting a continuous upward trend during the reviewed periods, the relevant indicator demonstrated a sharper increase stemming from the higher policy rates in the market and reached to 29.92% in FY2024 (FY2023: 21.55%).



Combined with the growth experienced in FY2024, the Company's wide margin resulted in a solid profitability figure above the sector averages. Nevertheless, the profitability indicators slightly retreated due to the increasing funding costs in FY2024. Whilst ROAA of the Company stood at 21.37%, way above the sector average of 11.15% in FY2024 and the net profit margin realised as 51.22% in FY2024 down from 59.71% in FY2023 for Ekspo Faktoring and as 45.50% in FY2024 for the sector (FY2023: 51.44%). The current business strategy and structure helps the Company to enjoy sustainable profitability at high level.





On the other hand, based on the information given by the Company, the volume on the transaction side needs to be increased even more to achieve the profitability margins of previous periods, because spreads are expected to move downward with the expectation of a reduction in the policy interest rate in 2025. Besides, the Company plans to take advantage of the opportunities with lower funding costs to maintain the profitability.

Experienced Management Team and Well-Established Risk Management Infrastructure

The Company has over twenty years of experience in the factoring sector and operates with a comprehensive risk management infrastructure and framework closely monitoring the risk factors in a timely manner. Decoupling positively from several factoring companies in Türkiye market, Ekspo Faktoring is active in international trade finance, necessitating monitoring of global market risks, interest rates, exchange rates among others.

In addition, the significant sector experience and network of the chairman, Mr. Murat Tümay, and Company senior executives are reflected to the Company operations through their cooperation in daily operations. During the review period, turnover rate of the Company's senior executives was low and no material changes occurred in senior management permanency, ensuring the successful continuity of Company operations.

Need For Increase in Customer Granularity to Reduce High Concentration Risk

The concentration of the Company's receivables is mainly evaluated under sector and customer categories.

Ekspo Faktoring's loan-book constitutes a relatively concentrated profile. The Company works with a relatively limited number of customers compared to the asset size, translating into higher loans underwritten per customer. As of FYE2024, the top 10 customers of the Company account for 47.69% of the total factoring receivables (FYE2023: 39.05%). Additionally, cheque-originator based concentration were lower at 35.00% for top 10 in the same period (FYE2022: 33.13%). In other words, Ekspo Faktoring averts the situation of the possible impact of high levels of customer concentration risk on asset quality despite the strong credit profile of the debtor portfolio through spreading hundreds of invoice customers across the base.

On the other hand, the Company's sector exposure was concentrated in the "Textile", "Wholesale and retail trade" and "Construction" sectors, which is considered reasonable regarding the composition of economy and the highlighted ones in the factoring sector. Although the textile sector's concentration has gradually retreated from 39% in FYE2022 to 17% in FYE2024, and the sector distribution of the factoring receivables provided more balanced outlook and less concentrated structure in 2024 in comparison to previous year, it is still evaluated that the concentration in the manner of customer and sector concentration have continued during the reviewed periods. The sectoral distribution of factoring receivables during last three years is provided below;

Distribution of the receivables by sector(%)	2022	2023	2024
Textile	39	20	17
Wholesale and Retail Trade	8	13	16
Construction	4	6	12
Leather and Leather Products	6	9	11
Transportation, Storage and Communications	1	4	8
Tourism	-	11	7
Non-Metal Minerals	2	3	6
Chemicals and Pharmaceuticals	8	14	6
Financial Institutions	-	-	5
Others	32	20	12

The customer concentration risk is managed with collateral mechanism. The guarantee of factoring receivables is checks/promissory notes, which are also payment instruments. Additionally, the collateral mechanism is strengthened by taking surety bonds and guarantees from the shareholders of companies.

High Competition in the Sector Dominated by Bank-Owned Factoring Companies With Wide Branch Network and Easier Access to Financing

As of FYE2024, 48 companies operated in the factoring sector according to the Banking Regulation and Supervision Agency of Türkiye (BRSA) data. The domination of bank-affiliated factoring companies with advantages in funding resources and costs, wide ranging branch network, access to clients, and strong parental support continued in 2024 as well. Besides, the bank-affiliated factoring companies has more privileged position in the manner of easily access to funding facilities on occasion.

Accordingly, Ekspo Faktoring A.Ş. operates in a sector with intense competitive environment that pressure profitability and asset growth opportunities and thus the Company has inherent disadvantages compared with bank-owned factoring companies.

As Actions for a Global Soft-Landing Gain Prominence, Decisions with the Potential to Adversely Affect Global Trade are Engender Considerable Uncertainty

Companies based in Türkiye face several headwinds, stemming from both global and domestic conditions. Major central banks hiked rates at the most rapid pace in near history and net lending standards tightened as well within a period of approximately 1 year from the second half of 2022. In Türkiye, Central Bank of Republic of Türkiye (CBRT) also joined the hiking central banks in June 2023, at a rapid pace as well. CBRT hiked the rates from 8.5% to 50% in a quick succession targeting ex-ante real interest and gradually lifted previously implemented macroprudential measures affecting bank lending. The aim of administration is to achieve a soft landing via curbing consumption, though selective lending to support exports & investments persist. As such, export-focused growth policies of China loom as a threat to domestic exports, who also face a slow growth in key markets and significant production costs.

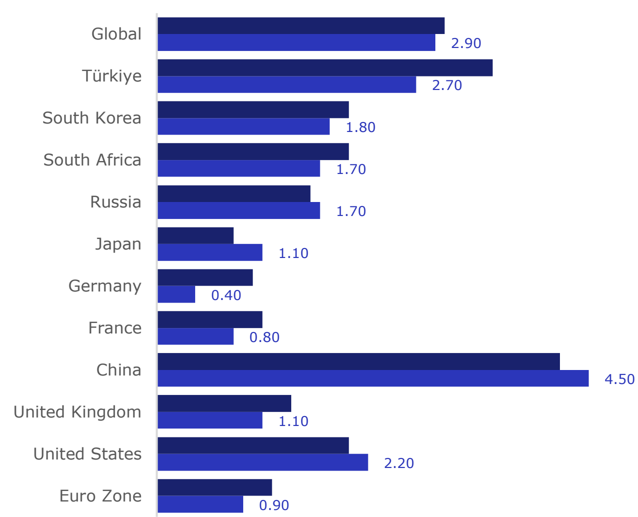
Recently, in line with the major central banks' guidance and the announced macroeconomic data, easing actions has been taking from major central banks with the aim to achieve a soft-landing. While the first easing step came from ECB in June, 2024, Fed followed ECB on September's FOMC meeting. Financial conditions, which have remained tight for an extended period, are expected to continue easing further compared to the past two years with the monetary easing steps.

In order to ensure a soft landing, the CBRT also joined the global monetary expansion cycle at the last meeting of 2024, reducing its the policy rate, which had been at 50% for a prolonged period, by 250bp in each of three consecutive meetings to 42.5%.

On the contrary side, the Bank of Japan hiked its benchmark interest rate from -0.10% to 0.50% in 2024. With major central banks moving in opposite directions, the Bank of Japan's shift towards a tighter monetary policy has been narrowing the interest rate gap that has led to a record weakness in the yen.

In order to fight inflation, the tightening actions of major central banks (increasing interest rates and quantitative tightening), especially the Fed, increased global recession concerns. Accompanied by tightening financial conditions, a weak growth outlook emerged in 2023, especially in Europe. Despite initiated monetary easing steps as of half of 2024, it is estimated that the Eurozone grown by 0.7%, while Germany is expected to concluded with a contraction of 0.2% in 2024.

GDP Outlook for 2025-26 (Annual Average Growth, %)
2025 2026



Source: Refinitiv Datastream, Reuters Poll (Median Forecast)
*As of 04-03-2025

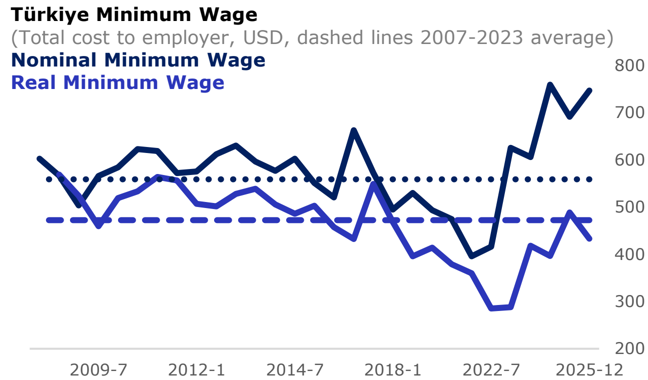
Following post-pandemic reopening, China took full advantage of its massive and integrated manufacturing sector, government subsidies to boost exports. On the other hand, domestic consumption is still weak after decades of investment/manufacturing focused policies. Therefore, for Chinese economy, the way forward is through shifting manufactured goods abroad, its long-term and global implications notwithstanding. In this sense, China was anticipated to double-down on any obstacle to its exports, as boosting domestic consumption requires a long and painful adjustment whereas boosting investment and consumption is more straightforward in the short run. In fact, as export indicators for China deteriorated, China announced monetary and fiscal stimulus measures, recently as we expected. Therefore, Turkish companies face significant export competition from a global powerhouse.

This strong commitment to supporting exports were coupled with freight rates which had normalized in 2023. This reversion of freight costs had helped Chinese manufacturers to compete more easily with exporters close to their trade partners geographically.

Recently, despite the ceasefire between Israel, Hezbollah, and Hamas, the long-standing Russia-Ukraine conflict continues to keep geopolitical risks at the forefront. The potential effects of these ongoing developments on global supply chains will be closely monitored.

Global slowdown's impact on Türkiye

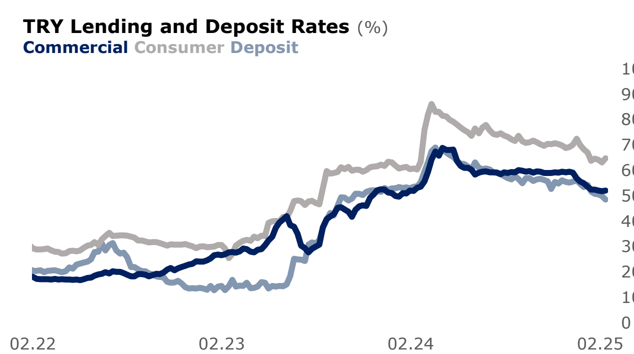
Türkiye's exports has exhibited recovery signs for first half of 2024 and it made a positive contribution to growth after a long break. In 2024, Turkish exports to EU realized as USD 108.5bn which was USD 104.3bn in FY2023. Further pressurizing the Turkish exporters are cost factors, mainly in terms of wages and energy prices. Minimum wage increased to TRY 30,621.48 including total costs to the employer (gross: TRY 26,005.50, net: TRY 22,104.67) for 2025. The latest increase in minimum wage pushed the total cost to employers to USD 747, using expected average USDTRY for the aforementioned year. Therefore, the expected level of minimum wage would realize above the average and would pressurize small scale businesses with labor intensive manufacturing and domestic focus. On the other hand, adjusting for US CPI, real minimum wage in USD terms is actually below the average, implying export focused companies should be able to manage these levels of increasing minimum wage.



Source: Ministry of Labor and Social Security, Refinitiv, JCR-ER Research
Nominal minimum wage for 2025 is calculated using expected average USDTRY for the given year. Real wage for 2025-12 is based on our US CPI and USDTRY forecasts.

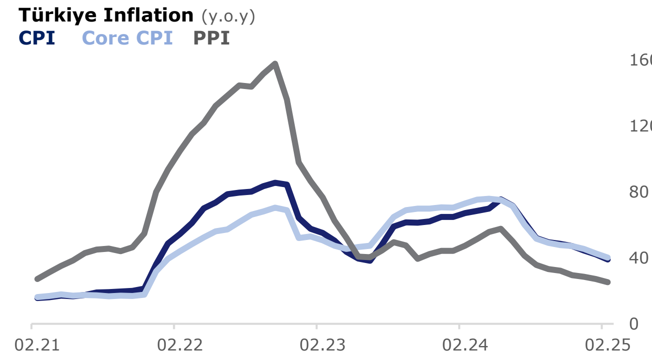
Historically tightened domestic financial conditions have started to ease slightly, particularly in credit costs

Current economic program entails high interest rates at a level that would curb leveraged consumption and inventory hoarding as carrying costs rise. On the fiscal side, tax regulations and additional tightening measures aim to support the efforts to limit consumption. Moreover, long list of previously announced macroprudential regulations in the banking system are lifted, liberating banks to pursue more independent asset-liability management. This resulted in much higher credit interest rates.



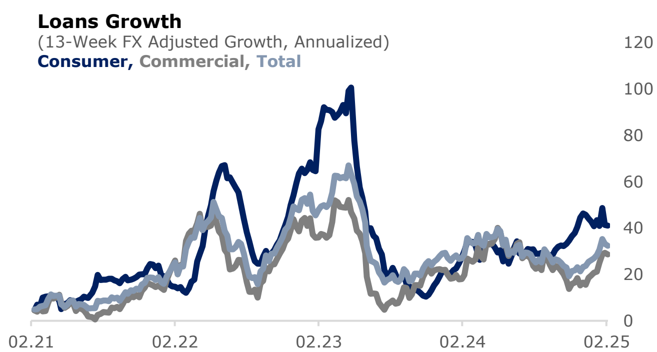
Source: CBRT, JCR-ER

In June 2024, in line with the CBRT's realistic projection, annual inflation realized as 71.6%, marking its first decline after 13 months and continued its decreasing trend and realized as 39.05% as of February, 2025.

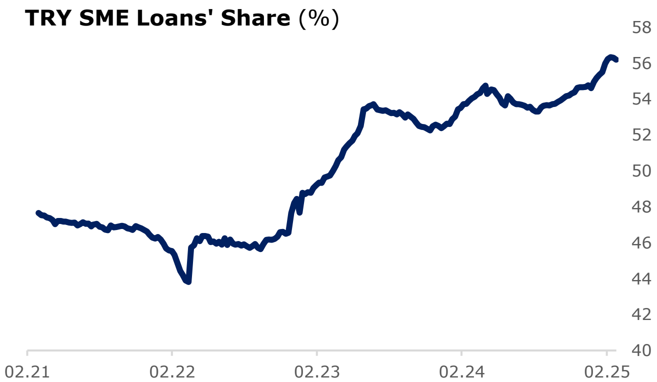


Source: Turkstat

Current economic program has affected loan growth and the growth rate is not as high as the excessive pace observed in the first half of 2023, as intended by the administration.

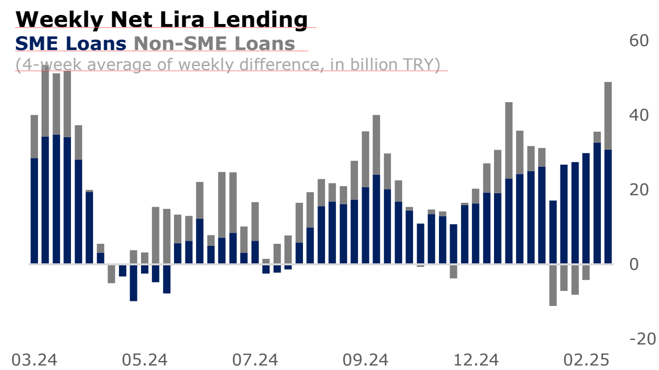


Source: BRSA, JCR-ER

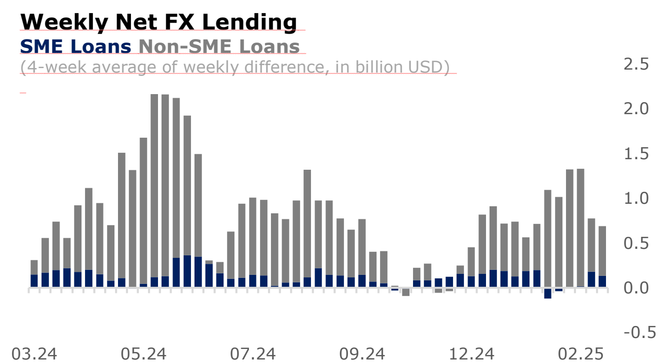


Source: BRSA, JCR-ER

Due to high TRY loan interest rates, lending in local currency had slowed quite notable particularly in early 2Q2024, substituted for FX lending by large firms with access. As a result, CBRT had imposed monthly lending limits to FX lending. In March, 2025, the monthly growth limit for FX commercial loans has been reduced from 1% to 0.5% by CBRT. Recently, Lira lending has gained a bit more strength though in real terms the lending volume is still quite restrictive compared to the 2023.



Source: BRSA, JCR-ER



Source: BRSA, JCR-ER

Determined to fight inflation, CBRT has taken the measures in order to preserve macro financial stability, support the monetary transmission mechanism, and sterilize excess liquidity while keeping interest rates at high levels. Therefore, the slowdown in both FX and LCY lending and prohibitively high TL interest rates have been keeping fresh liquidity flows to the non-financial corporates at a low level.

Access to finance and the cost of financing are still substantial topics affecting Turkish corporates, as the selective lending policies aimed to supporting exports, agricultural production, investments and high-tech have resulted in a divergence in financial conditions. Recently, in order to facilitate access to financing for high value-added export firms, the CBRT increased the daily limits of rediscount credits from TRY 3bn to TRY 4bn. In this sense, current outlook is more accommodative for export, technology and investment-oriented firms. On the other, real appreciation of Lira as intended to support disinflation is a headwind for exporters particularly in highly competitive sectors.

On the other hand, in January, 2025, CBRT announced changes on macroprudential framework on behalf of SMEs. Accordingly, monthly growth limit for SME loans has been increased from 2% to 2.5%, whilst reduced monthly growth limit for other commercial loans from 2% to 1.5%. Furthermore, it was announced that TRY SME loans granted through the Small and Medium Enterprises Development Organization or funded by international development finance institutions to promote sustainability will be exempt from the loan growth limit.

Within the scope of reducing of inflation, tightening financial conditions has been contributing to a weakening of demand, as expected, and exerting pressure on economic activity. While leading indicators clearly illustrate the impact of the economic slowdown, a further deterioration in activity is expected. In this context, as mentioned before, the CBRT reduced its the policy rate, which had been at 50% for a prolonged period, to 42.5% in order to facilitate a soft landing for the economy. On the other hand, despite monetary expansion, loan growth rate is not as high as the excessive pace observed in the first half of 2023. Consequently, although it is too soon to conclude that financial conditions are loose, it is projected that the CBRT will maintain its easing steps for the rest of the year. The effects of future policy adjustments on economic activity will be closely monitored.

2. Rating Outlook

The Company's revenue generation capacity along with the strong operational performance outperforming the sector average, asset quality with highly collateralised receivable level, capital structure and its level in comparison to the sector, risk management infrastructure supported by internal control systems, experienced management team together with the general outlook of the sector have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as **'Stable'**.

Additionally, Ekspo Faktoring's outlook on the International Foreign and Local Currency Issuer Credit Ratings have been determined as **'Stable'** in line with the sovereign rating outlooks of the Republic of Türkiye.

Significant factors that may be taken into consideration for any future change in ratings and outlook status include;

Factors that Could Lead to an Upgrade

- Robust increase in the market share,
- Continued improvement in profitability margins,
- Further increase in equity ratio,
- Continuity of the current NPL ratio below the sector average,
- Diversification of loan book to obtain a more granular structure,
- Upgrades in sovereign ratings and economic growth prospects of Türkiye.
- Improvement of the operating environment in market,

Factors that Could Lead to a Downgrade

- Difficulties in accessing financing channels,
- Upward trend in non-performing loans,
- Deterioration in net interest margin and core profitability ratios,
- Significant increases in leverage,
- Changes in the sovereign rating level of Türkiye.
- Sharp decline in domestic and international demand,

JCR Eurasia Rating will monitor developments in the periods to come with regard to budgeted projections, turnover and asset development, interest margin trend, market share, profit margin, capitalization level, maturity and indebtedness structure, the growth in the number of customers in the competitive market, improvements in receivable portfolio granularity to reduce the concentration exposure, the general outlook of the sector collection performance of problematic receivables and the NPL level.

3. Projections

The balance sheet and financial statement projections as of FY2025 procured from the Company are depicted below in the table. Based on the data provided by the Company, asset size of Ekspo Factoring is projected to reach to TRY 3.25bn with 85.77% of growth mainly driven by the factoring receivables which is expected to reach to TRY 3.07bn in FYE2025. Besides, bank loans are expected to increase to TRY 2.24bn with 120.04% of growth in comparison to previous period.

Balance Sheet (TRY mn)	**2024A**	**2025E**	**(%)**
Cash and Cash Equivalents	12.16	34.34	182.48
Factoring Receivables	1,603.15	3,070.36	91.52
-Overdue Loans	17.94	29.94	66.88
Others	133.13	143.44	7.74
Total Assets	**1,748.44**	**3,248.13**	**85.77**
Bank Loans	1,018.19	2,240.40	120.04
Factoring Payables	4.92	19.55	297.08
Others	52.22	62.19	19.09
Equity	673.11	926.00	37.57
-Net Profit	223.17	355.66	59.37
Total Liabilities	**1,748.44**	**3,248.13**	**85.77**

The Company projected a cautious growth and profitability in line with an expected decline of the policy rates in the market. The level of non-performing loans is projected to continue to be negligible. We expect the continuation of the positive trend given equity cover, liquidity, reasonable NIM, and prudent management.

Income Statement (TRY mn)	**2024A**	**2025E**	**Growth (%)**
Factoring Income	**699.17**	**979.10**	**40.04**
Financial Expenses (-)	294.97	462.18	56.69
Gross Profit (Loss)	**404.20**	**516.91**	**27.89**
Operating Expenses (-)	*115.88*	*156.10*	*34.71*
Gross Operating Profit (Loss)	**288.32**	**360.82**	**25.14**
Other Operating Income	32.57	9.94	- 69.47
Provisions	12.02	12.00	- 0.13
Other Operating Expenses (-)	1.08	3.10	188.38
Pre-Tax Profit	**307.80**	**355.66**	**15.55**
Taxes	84.63	106.70	26.07
Net Profit of the Period	**223.17**	**248.96**	**11.56**

Thanks to the successful track record, the Company's path shows that a sustainable profitability has been achieved and the operational costs are under control. For this reason, the Company does not need an aggressive growth strategy in the market. The Company's realistic approach on financial and strategic projections are enough to maintain its healthy asset structure and profitability.

No separate rating report has been compiled as the resources to be obtained from potential debt issues will be carried in the Company's balance sheet and has been subject to analysis in the corporate credit rating report. The debt instruments to be issued carry no difference in comparison to the Company's other liabilities with respect to its legal standing and collateralization. As such, the notations outlined in the corporate credit rating report also reflect the issue rating considering aggregated exposure of the issues. The issue ratings do not cover any structured finance instruments. Issue ratings are assigned for both outstanding and prospective debt instruments and incorporate assessments until their maturities.

Considering the assumption that there will be no additional legal or financial collateral guarantees provided separately for the repayment of the bonds-to-be- issued by Ekspo Faktoring A.Ş., the note assigned for the TRY dominated bond issuance has been revised as **'AA (tr)'** and **'J1+ (tr)'** which are the same as the Company's Long and Short-Term National Issuer Credit Ratings'.

4. Company Profile & Industry

a. History and Activities

Ekspo Faktoring has a track record of more than 20 years in the market and offers both domestic and international trade financing. As a factoring services provider, the Company's main operations include revocable factoring services, guaranteeing, intermediating to collection and consulting by purchase, sale, assignment or acquisition of the customer receivables based on invoices or other certifying documents representing the domestic or international commercial sales of goods and services. The Company has a network of foreign correspondent financial institutions, facilitating various import/export finance products. Notwithstanding, the majority of Company's operations concern domestic factoring activities, typically accounting for 80-85% of total factoring receivables. Ekspo Faktoring is among the relatively fewer factoring companies in Türkiye providing international trade services. As such, it has a customer base with a strong demand for international trade financing.

As a financing institution with services facilitating international trade, Ekspo Faktoring developed business ties with international trade financing institutions comprising a network of ECA's and multinational development banks so as to facilitate international trade factoring services.

The Company had an average workforce of 31 employees in FY2024 (FY2023: 32).

b. Shareholders, Subsidiaries & Affiliates

Ekspo Faktoring maintains the founding shareholders in its current ownership structure. The majority shareholders are Tümay Family, who have a long history in finance sector. The shareholder structure of the Company is as follows.

Ekspo Faktoring's Shareholder Structure

	FYE2023		FYE2024	
TRY, 000	**Amount-TRY**	**%**	**Amount-TRY**	**%**
M. Semra Tümay	29,400	49.00	29,400	49.00
Murat Tümay	15,300	25.50	15,300	25.50
Zeynep Ş. Akçakayalıoğlu	15,300	25.50	15,300	25.50
Total	**60,000**	**100.00**	**60,000**	**100**

Ekspo Faktoring's current BoD is listed below in the chart:

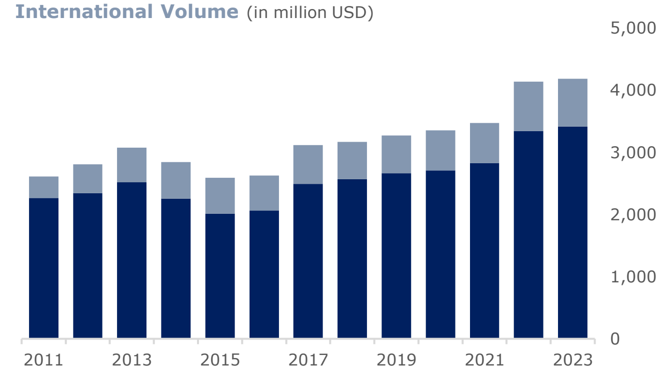
Board of Directors	Duty
Murat Tümay	Chairman and CEO
Zeynep Ş. Akçakayalıoğlu	Board Member
M. Semra Tümay	Board Member
Şerif Orhan Çolak	Board Member
İsmail Hasan Akçakayalıoğlu	Board Member

The Company does not have subsidiary or affiliate company as of FYE2024. (FYE2023: None.)

c. Industry Assessment

High inflation rates, strict monetary policies, and tight liquidity conditions have significantly shaped sectoral outlooks. Inflationary pressures have elevated the working capital requirements, making alternative financing essential. Meanwhile, as liquidity contracted, extended trade terms have driven businesses toward factoring transactions. Consequently, global demand for factoring surged in FYE2022 and stood flat in FYE2023, with transaction volumes rising by 19.1% and 1.2%, respectively.

Global factoring volume was about USD 4.2 trillion.

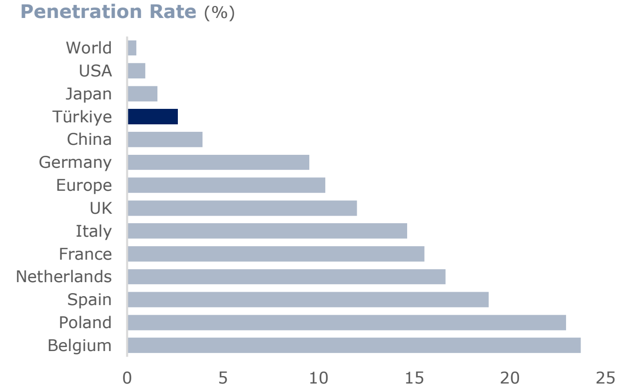


Source: AFI, JCR-ER

Although volume-based calculations gave positive outlook, penetration rate which is measured as the share of the sector's turnover as percentage of GDP, was calculated as 0.5% for the world in FYE2023 (0.5%, FYE2022). The striking point here was that there was a significant decline compared to previous years.

Türkiye, on the other hand, had a penetration rate of 2.7% in FYE2023, surpassing the global average. However, a comparison with the FYE2022 indicates Türkiye's factoring environment did not perform as well relative to GDP growth.

Penetration rate in developed countries perform well-above the global average in 2023.



Source: AFI, JCR-ER

General Outlook of the Sector in Türkiye

In order to ensure a soft landing, the CBRT also joined the global monetary expansion cycle at the last meeting of 2024, reducing its the policy rate, which had been at 50% for a prolonged period, by 250bp in each of three consecutive meetings to 42.5%. Although rates are still high, the factoring sector's ability to pass on both high rates and potential future cuts to its borrowing and lending costs will be a key factor in determining profitability going forward.

Meanwhile, the CBRT's restrictions on commercial bank loan growth are expected to push real sector companies toward alternative financing options, including factoring. Given these dynamics, it will be crucial for the sector to closely monitor market conditions and adapt accordingly.

Turkish Factoring sector contains 48 companies of various sizes with a total of 395 branches and 4,379 employees. Among them, certain factoring companies are subsidiaries or associates of banks. The fundamental characteristic of factoring companies which are bank subsidiaries is that they operate with a lower level of equity, higher level of external resources, wide capability to reach loans and customers, higher level of assets, take-over of risks belonging to lower profile firms, and low profitability. On the other hand, non-bank subsidiary companies have common fundamental characteristics that are operating with a lower level of assets, higher NPL level and interest margin, lower external financing, and higher equity level and profitability, and have a narrow credit-customer reaching capability.

Selected Balance Sheet Items for Factoring Companies
(in million TRY)

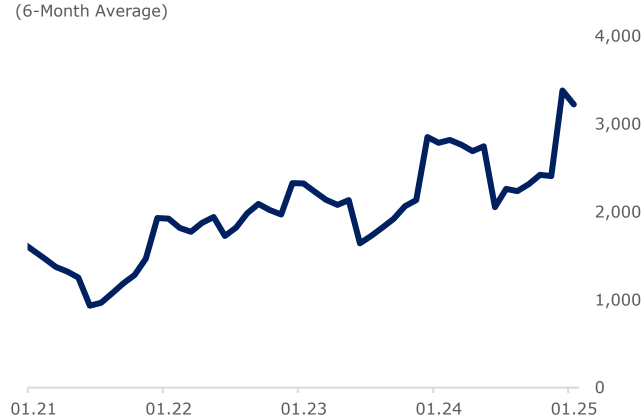
	2022	2023	2024
Cash, Cash Equivalents and Central Bank	2,713	6,763	9,203
Financial Assets	127,394	197,207	289,248
Factoring Receivables	127,287	196,909	287,992
Discounted Factoring Receivables	*65,240*	*100,129*	*154,828*
Other Factoring Receivables	*62,047*	*96,780*	*133,164*
Non-Performing Receivables	2,099	2,576	5,122
Allowances for Expected Credit Loss	2,252	2,813	4,660
Tangible Assets	1,237	2,127	4,420
Other Assets	4,285	7,997	13,109
Total Assets	**135,629**	**214,094**	**315,980**
Funds Borrowed	104,005	148,185	218,748
Securities Issued	9,724	20,859	21,090
Other Liabilities	5,329	11,077	18,921
Shareholders' Equity	16,571	33,973	57,221
Paid-in Capital	5,030	8,933	12,405
Total Liabilities and Equity	**135,629**	**214,094**	**315,980**

Source: BRSA, JCR-ER

The total asset size of the factoring sector grew by 47.6% in nominal term which is slightly higher than year-end CPI figure in FYE2024.

Access to finance has been one of the top items for non-financial corporations. While the overall credit growth moderated in 2024, cost of Lira funding was prohibitive for most firms, leading to increases in FX lending by banks. However, FX lending is limited to firms satisfying FX revenue and/or size criteria meaning SMEs with little or no FX income were restricted to Lira funding only. Consequently, factoring companies were one of the funding sources for real sector firms. The asset composition of the sector's balance sheet is primarily driven by its core activity, factoring receivables, which accounts for 91.5% of total sector assets.

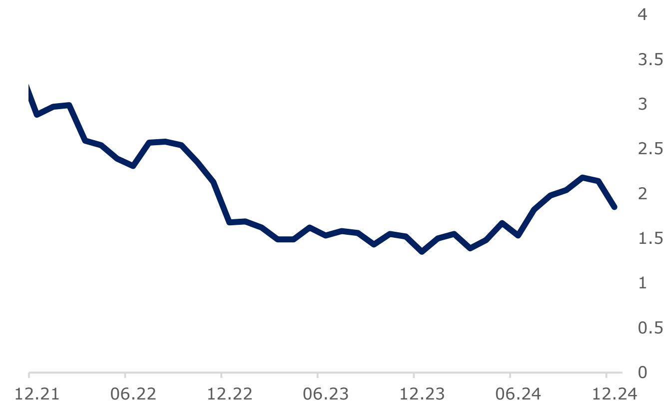
Number of Business Terminated
(6-Month Average)



Source: TOBB, JCR-ER

A key challenge in the factoring sector is the issue of non-performing receivables (NPLs), which have risen by 98.8% since the end of 2023. On the other hand, the NPL ratio of the sector, representing non-performing receivables as a percentage of total receivables, has been around the 1.85% as of FYE2024 (FYE2023:1.35%). The graph below illustrates the trends in NPL rates, offering a clearer view of their development over time.

NPL Rate (%)



Source: BRSA, JCR-ER

On the right-hand side of the balance sheet, the sector mainly meets its financing needs from two sources. While financing obtained through borrowing from banks is a significant part of the source of financing for factoring companies, the sector has also had the ability access to finance through issuing securities. As of FYE2024, bank borrowings kept a share of 69.2% in total assets. Subsequently, total liabilities-to-total assets ratio declined to 81.9% from 84.1%, resulting in lower leverage.

As of FYE2024, the share of manufacturing sectors in sectoral factoring turnover decreased from 48.4% to 40.1% compared to FYE2023. The share of the service sectors in the total sector turnover increased to 56.9% in the same period. The sectoral breakdown of factoring revenues which is provided by BRSA are presented in the table below.

Sectoral Breakdown of Factoring Revenues
(in million TRY)

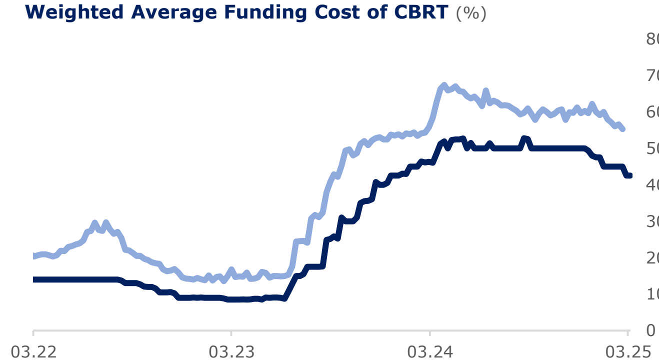
	2022		2023		2024	
	Domestic	**Foreign**	**Domestic**	**Foreign**	**Domestic**	**Foreign**
Manufacturing Total	**161,325**	**45,634**	**340,566**	**56,563**	**271,363**	**62,346**
Textile and Textile Products Industry	*17,393*	*19,455*	*29,513*	*26,458*	*30,422*	*31,265*
Transportation Vehicles Industry	*13,179*	*10,335*	*51,589*	*2,775*	*40,856*	*2,878*
Extracting of Mines Producing Energy	*20,869*	*556*	*46,082*	*715*	*10,432*	*281*
Other	*109,883*	*15,288*	*213,383*	*26,616*	*189,653*	*27,922*
Services Total	**170,394**	**12,601**	**388,304**	**10,461**	**461,027**	**12,092**
Wholesale and Retail Trading Motor Vehicles Services	*84,697*	*11,266*	*221,619*	*9,441*	*260,390*	*10,163*
Construction	*28,441*	*0*	*58,665*	*174*	*77,170*	*138*
Other	*57,256*	*1,335*	*108,021*	*846*	*123,467*	*1,792*
Agriculture Total	**7,497**	**208**	**14,314**	**268**	**14,588**	**273**
Other Sectors	**5,660**	**508**	**8,088**	**1,345**	**9,647**	**692**
TOTAL	**344,876**	**58,951**	**751,272**	**68,637**	**756,626**	**75,404**

Source: BRSA, AFI, JCR-ER

The total business volume of the 5 sectors with the highest business volume increased by 1% (FYE2023:54.8%, FYE2024:55.8%). The concentration in retail and wholesale trade and textile sectors draw particular attention. Concentrating on certain sectors poses risks for factoring companies.

Inflationary environment that prevailed in 2022 and 2023 has continued in 2024, boosting income statements as well balance sheets in nominal terms. In fact, factoring income jumped by 88.6% and reached to TRY 115,089mn and interest income received from factoring receivables of reached to TRY 106mn (FYE2023: TRY 46,728) in FYE2024. As a result, net interest margin of the sector increased to 17.1% by the as of FYE2024 (FYE2023: 14.8%) as per nominal figures not adjusted for inflation. We expect the inflation adjusted NIM to fall to single digits.

Interest Rates
Weighted Average Funding Cost of CBRT (%)



Source: BRSA, JCR-ER

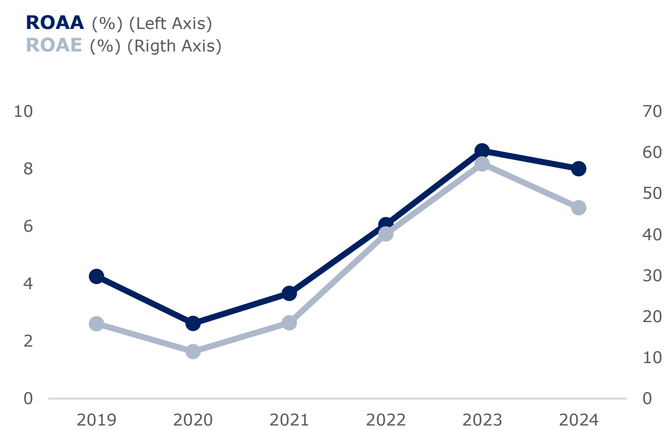
On the other hand, the high-interest-rate environment continues to exert pressure on the factoring sector. Although the CBRT has been cutting policy rate, commercial loan rates reflect it in slow way. In such an environment, the cost of funding would be challenging issue, resulting in substantial financing expenses for factoring companies throughout 1H2025. However, interest rate cuts from the CBRT could eventually help the sector, provided that companies have the pricing power to reflect these reductions in their services. Factoring companies with strong market positions, effective cost management, and the ability to adjust prices in response to changing funding costs will be better positioned to navigate these challenges and improve profitability.

Selected Income Statement Items for Factoring Companies
(in million TRY)

	2022	2023	2024
Operating Income	22,607	61,025	115,089
Factoring Income	*22,607*	*61,025*	*115,089*
Financial Expenses	13,504	37,108	74,240
Gross Profit/Loss	9,103	23,917	40,848
Operating Expenses	2,495	5,115	9,687
Other Operating Profit/Loss	1,517	3,072	2,271
Net Operating Profit/Loss	6,818	20,069	29,558
Profit Before Tax	6,817	20,072	29,562
Net Profit	5,201	14,235	21,196

Source: BRSA, JCR-ER

The sector's profitability indicators increased along with the net profit figure, recovered significantly in the FYE2022 and FYE2023. The high profitability ratios kept higher levels in FYE2024, as well. The ROAA realizes as 8.0%, which was 8.6% as of FYE2023. In addition, ROAE has been calculated as 46.5% which is a little low from FYE2023 levels (57.2%).



Source: BRSA, JCR-ER

Lastly, it is worth the mentioned here that since inflation accounting rule has not been adopted for the financial institutions, profitability metrics could be turned to normal trend. The accurate trend would be observed after inflation adjustments.

As of FYE2024, high credit interest rates with monetary tightening policies directly affected the balance sheets of the factoring sector in terms of both funding and business volume. Consequently, factoring revenues increased along with the business volume. For the first half of 2025, continuation of loan growth cap measurements for the banks, is expected to create a growth opportunity for the factoring sector. Decreasing interest rates would enhance profitability for the factoring companies if they reflect rate cuts in borrowing costs. Besides, in Türkiye, factoring companies still has growth potential in the long term, compared to the international counterparties. Regarding the developments in monetary policy changes and in other areas will be closely monitored by JCR-ER in the coming period.

5. Additional Rating Assessments

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

The principal financial risks that the Company is exposed to include credit, market and liquidity risks along with operational risks which will be examined in greater detail in the following sections.

BRSA and CMB regulations demand certain corporate governance and risk management safeguards. The risk management framework is created and maintained at the Board of Directors level and executed at the senior management level. Underwriting and Internal Audit committees formed under the Board of Directors convene periodically to monitor the activities of the Company and finalize major lending decisions.

Credit Risk

Ekspo Faktoring is exposed to credit risk due to its factoring transactions. The credit and credit monitoring departments are responsible for credit risk management. The Company manages its credit risks by limiting transactions with certain parties when necessary and continuously monitoring creditworthiness of parties involved in the transactions. All of the prospective clients applying for credit lines become subject to credit evaluation processes and sufficient collaterals are obtained where appropriate according to its pre-credit allocation and pre-credit monitoring procedures formed in line with the management's credit policy. As of the report date, the Company's credit risk is not fully concentrated in a specific sector or geographical region. The Company's factoring receivables are spread across diverse sectors, with the highest concentration ratios of 17% (FYE2023: 20%) in textile, 16% (FYE2022: 13%) in wholesale and retail trade and 12% in construction (FYE2022: 6%) sectors as of FYE2024.

As of FY2024, the loan book exhibited a notable concentration, with the top 10 customers accounting for 47.7% of receivables. As such, the credit portfolio seems exposed to high concentration risk. However, customer-based total loans actually stem from a larger number of cheque originators with smaller ticket size per transaction, effectively reducing the counter-party risk. Additionally, cheque-originator based concentration were lower at 35% for top 10 in the same period. Ekspo Faktoring averts the situation of the possible impact of high levels of customer concentration risk on asset quality despite the strong credit profile of the debtor portfolio through spreading hundreds of invoice customers across the base.

Market Risk

The focus with respect to market risk is on the interest and foreign currency exposure. Ekspo, due to its international trade finance services, has significant FX assets financed with FX loans with corresponding notional and structure, hedging the exposure. As of FYE2024, the net FX exposure was at an equivalent of TRY 16.99mn. The Company continuously monitors the foreign currency risk derived from cash flow of its activities and financing agreements denominated in foreign currencies. The Company's foreign currency positions regarding its foreign currency denominated on and off-balance sheet items have not posed significant pressure on its profitability.

TRY, 000	FYE2023	FYE2024
Assets	180,121	312,523
Liabilities	(5,503)	(295,529)
Net FX Position	**174,618**	**16,994**

Bank sourced borrowings, financing export lending and domestic loans are typically fixed rate loans. In this sense, the interest rate exposure at both asset and liability side will likely stem from fixed rates.

Liquidity Risk

Liquidity risk arises from uncertainty regarding maturity profiles of assets and liabilities, in particular cash inflows and outflows. The Company is exposed to liquidity risk during the funding of its operations and manages its liquidity risk by regularly monitoring forecasted and actual cash flows, matching the maturity profiles of financial assets and liabilities and providing the continuation of adequate funding sources.

The Company meets its funding needs through its equity and bank loans and continuously analyses the liquidity risk by monitoring the changes in its funding sources as well as the collection and payment schedules. In this regard, the Company management attempts to ensure that bank credit lines are available and additional funds can be realized in a timely manner.

As of FY2024, the average maturity of the Company's financial borrowings 15 days was less than the average maturity of its factoring receivables (85days), exposing the Company to some liquidity and repricing risks. As Ekspo Faktoring has a diversified funding base with credit lines provided from several domestic and international institutions, including export/import and development banks, it can effectively manage the liquidity profile. Given the uncertain macro environment and plunging global trade, the Company expects to maintain a reasonable cash cushion.

Operational, Legal Regulatory & Other Risks

Operational risk is defined as the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure. The operational risks arising from the nature of the business are well identified and closely monitored by the management. The Company has an adequate level of operational risk control environment in terms of risk management practices thanks to the control mechanisms.

Overall, the Company is highly conscious of the significance of compliance with legal requirements and monitors the recent developments and updates in accordance with relevant regulations. Operational risk is defined as the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure.

EKSPO FAKTORİNG A.Ş. BALANCE SHEET - ASSET TRY (000)	(Year-end) 2024 TRY (Original)	(Year-end) 2024 TRY (Average)	(Year-end) 2023 TRY (Original)	(Year-end) 2023 TRY (Average)	(Year-end) 2022 TRY (Original)	(Year-end) 2022 TRY (Average)
A-TOTAL EARNING ASSETS (I+II+III)	**1,624,288**	**1,327,553**	**1,030,818**	**866,373**	**701,928**	**566,771**
I- LOANS AND RECEIVABLES (net)	**1,603,154**	**1,316,986**	**1,030,818**	**866,373**	**701,928**	**566,771**
a) Factoring Receivables	1,603,154	1,316,986	1,030,818	866,373	701,928	566,771
b) Financing Loans	0	0	0	0	0	0
c) Lease Receivables	0	0	0	0	0	0
d) Over Due Loans	17,943	20,543	23,143	22,548	21,953	21,498
e) Others	0	0	0	0	0	0
f) Receivable from Customer due to Brokerage Activities	0	0	0	0	0	0
g) Allowance for Loan and Receivables Losses (-)	-17,943	-20,543	-23,143	-22,548	-21,953	-21,498
II-BANKS AND OTHER EARNING ASSETS	**0**	**0**	**0**	**0**	**0**	**0**
a) Banks	0	0	0	0	0	0
b) Other	0	0	0	0	0	0
c) Balance With Banks-Current Accounts	0	0	0	0	0	0
III-SECURITIES AT FAIR VALUE THROUGH P/L	**21,134**	**10,567**	**0**	**0**	**0**	**0**
a) Treasury Bills and Government Bonds	0	0	0	0	0	0
b) Other Investment	21,134	10,567	0	0	0	0
c) Repurchase Agreement	0	0	0	0	0	0
B- INVESTMENTS IN ASSOCIATES (net)+EQUITY SHARE	**0**	**0**	**0**	**0**	**0**	**0**
a) Investments in Associates (net)	0	0	0	0	0	0
b) Equity Share	0	0	0	0	0	0
C-NON-EARNING ASSETS	**124,151**	**112,617**	**101,083**	**98,735**	**96,387**	**60,997**
a) Cash and Cash Equivalents	12,155	17,270	22,385	36,749	51,113	33,930
b) Financial Assets at Fair Value through P/L	0	0	0	0	0	0
c) Asset Held For Sale And Discontinued Operations (net)	0	0	0	0	0	0
d) Other	111,996	95,347	78,698	61,986	45,274	27,067
- Intangible Assets	699	470	241	264	286	290
- Property and Equipment	35,578	34,712	33,845	34,076	34,306	19,056
- Deferred Tax	64,769	51,260	37,751	22,723	7,695	5,301
- Other	10,950	8,906	6,861	4,924	2,987	2,421
TOTAL ASSETS	**1,748,439**	**1,440,170**	**1,131,901**	**965,108**	**798,315**	**627,768**

- *Including JCR Eurasia Rating's adjustments where applicable,*

EKSPO FAKTORİNG A.Ş. BALANCE SHEET-LIABILITIES+EQUITY TRY (000)	(Year-end) 2024 TRY (Original)	(Year-end) 2024 TRY (Average)	(Year-end) 2023 TRY (Original)	(Year-end) 2023 TRY (Average)	(Year-end) 2022 TRY (Original)	(Year-end) 2022 TRY (Average)
C- COST BEARING RESOURCES (I+II)	**1,023,111**	**822,193**	**621,275**	**549,296**	**477,317**	**343,861**
I-PAYABLES	**4,923**	**21,368**	**37,812**	**24,332**	**10,852**	**9,277**
a) Factoring Payables	4,923	21,368	37,812	24,332	10,852	9,277
b) Lease Payables	0	0	0	0	0	0
c) Other	0	0	0	0	0	0
II-BORROWING FUNDING LOANS & OTHER	**1,018,188**	**800,826**	**583,463**	**524,964**	**466,465**	**334,584**
a) Fund Borrowed-Short Term	1,018,188	800,826	583,463	524,964	466,465	334,584
b) Fund Borrowed-Long Term	0	0	0	0	0	0
c) Marketable Securities For Issued (net)	0	0	0	0	0	0
d) Securities Sold Under Repurchase Agreements	0	0	0	0	0	0
e) Subordinated Loans	0	0	0	0	0	0
D- NON COST BEARING RESOURCES	**52,220**	**46,453**	**40,686**	**27,959**	**15,232**	**12,635**
a) Provisions	6,345	5,380	4,415	3,693	2,971	2,148
b) Current & Deferred Tax Liabilities	41,981	35,608	29,234	19,916	10,598	9,187
c) Trading Liabilities (Derivatives)	0	0	0	0	0	0
d) Other Liabilities	3,894	5,466	7,037	4,350	1,663	1,301
E- TOTAL LIABILITIES	**1,075,331**	**868,646**	**661,961**	**577,255**	**492,549**	**356,495**
F- EQUITY	**673,108**	**571,524**	**469,940**	**387,853**	**305,766**	**271,273**
a) Prior Year's Equity	469,940	387,853	305,766	271,273	236,779	214,024
b) Equity (Internal & external resources added during the year)	-20,000	-15,000	-10,000	-8,000	-6,000	-3,000
c) Minority Interest	0	0	0	0	0	0
d) Profit & Loss	223,168	198,671	174,174	124,581	74,987	60,249
TOTAL LIABILITY+EQUITY	**1,748,439**	**1,440,170**	**1,131,901**	**965,108**	**798,315**	**627,768**

- *Including JCR Eurasia Rating's adjustments where applicable,*

EKSPO FAKTORİNG A.Ş. INCOME STATEMENT TRY (000)	2024	2023	2022
Net Interest Income	**397,251**	**186,707**	**111,953**
A) Interest income	683,784	299,388	183,794
a) Factoring Interest Income	683,784	299,388	183,794
b) Financing Loans Interest Income	0	0	0
c) Lease Income	0	0	0
d) Banks	0	0	0
B) Financial Expense	286,533	112,681	71,841
Net Fee and Commission Income	**6,948**	**33,932**	**1,380**
a) Fee and Commission Income	15,387	49,683	7,114
b) Fee and Commission Expense	8,439	15,751	5,734
Total Operating Income	**31,490**	**71,075**	**33,355**
Interest Income from Other Operating Field	1,887	3,915	12
Foreign Exchange Gain or Loss (net) (+/-)	11,861	66,694	33,278
Gross Profit from Retail Business	0	0	0
Gains or Loss on Derivative Instruments (+/-)	0	0	0
Income on Sale of Equity Participations and Consolidated Affiliates	0	0	0
Gains from Investment Securities (net)	0	0	0
Other Operating Income	17,742	466	65
Taxes other than Income Tax	0	0	0
Dividend	0	0	0
Provisions	**12,016**	**1,584**	**1,984**
Provision for Impairment of Loan and Trade Receivables	12,016	1,584	1,984
Other Provision	0	0	0
Total Operating Expense	**115,875**	**71,380**	**44,068**
Salaries and Employee Benefits	88,849	52,742	32,687
Depreciation and Amortization	0	0	0
Other Expenses	27,026	18,638	11,381
Profit from Operating Activities before Income Tax	**307,798**	**218,750**	**100,636**
Income Tax – Current	84,630	44,576	25,649
Income Tax – Deferred	0	0	0
Net Profit for the Period	**223,168**	**174,174**	**74,987**

- *Including JCR Eurasia Rating's adjustments where applicable,*

EKSPO FAKTORİNG A.Ş. FINANCIAL RATIO %	2024	2023	2022
I. PROFITABILITY & PERFORMANCE			
1. ROA - Pretax Profit / Total Assets (avg.)	21.37	22.67	16.03
2. ROE - Pretax Profit / Equity (avg.)	53.86	56.40	37.10
3. Total Income / Equity (avg.)	76.23	75.21	54.07
4. Total income / Total Assets (avg.)	30.25	30.23	23.37
5. Provisions / Total Income	2.76	0.54	1.35
6. Total Expense / Total Resources (avg.)	13.34	12.37	12.36
7. Net Profit for the Period / Total Assets (avg.)	15.50	18.05	11.95
8. Total Income / Total Expenses	376.00	408.68	332.87
9. Non Cost Bearing Liabilities + Equity- Non Earning Assets / Assets	34.38	36.18	28.14
10. Non Cost Bearing Liabilities - Non Earning Assets / Assets	-4.11	-5.34	-10.17
11. Total Operating Expenses / Total Income	26.60	24.47	30.04
12. Interest Margin	29.92	21.55	19.75
13. Operating ROAA = Operating Net Incomes / Assets (avg.)	41.27	34.34	27.47
14. Operating ROAE = Operating Net Incomes / Equity Capital (avg.)	103.99	85.45	63.58
15. Interest Coverage – EBIT / Interest Expenses	207.42	294.13	240.08
16. Net Profit Margin	51.22	59.71	51.12
17. Gross Profit Margin	70.65	74.99	68.61
18. Market Share	0.55	0.53	0.59
19. Growth Rate	54.47	41.79	74.60
II. CAPITAL ADEQUACY (year-end)			
1. Equity Generation / Prior Year's Equity	-4.26	-3.27	-2.53
2. Internal Equity Generation / Previous Year's Equity	47.49	56.96	31.67
3. Equity / Total Assets (Standard Ratio)	38.50	41.52	38.30
4. Equity / Total Liabilities	62.60	70.99	62.08
5. Free Equity / Total Receivables Ratio	39.72	42.28	38.63
6. Tangible Assets / Total Assets	2.03	2.99	4.30
7. Intangible Assets / Total Assets	0.04	0.02	0.04
8. Equity / Total Guarantees and Commitments + Equity	100.00	100.00	100.00
III. LIQUIDITY (year-end)			
1. Liquid Assets + Marketable Securities / Total Assets	1.90	1.98	6.40
2. Liquid Assets + Marketable Securities / Total Liabilities	3.10	3.38	10.38
3. Short Term Borrowings / Total Assets	58.52	54.89	59.79
4. Net Interest and Commission / Total Assets	23.12	19.49	14.20
5. Liquid Assets + Marketable Securities / Equity	4.95	4.76	16.72
IV. ASSET QUALITY			
1. Loan and Receivable's Loss Provisions / Total Loans and Receivables	1.11	2.20	3.03
2. Total Provisions / Profit Before Provision and Tax	3.76	0.72	1.93
3. Impaired Receivables / Gross Receivables	1.11	2.20	3.03
4. Impaired Receivables / Equity	2.67	4.92	7.18
5. Loss Reserves for Receivables / Impaired Receivables	100.00	100.00	100.00
6. Collaterals / Total Receivables	1,110.60	1,337.54	1,448.86
7. Total FX Position / Total Assets	0.97	15.43	15.82
8. Total FX Position / Equity	2.52	37.16	41.30
9. Assets / Total Guarantees and Commitments + Assets	100.00	100.00	100.00

Rating Info

Rated Company:	: Ekspo Faktoring A.Ş. : Ayazağa Mah. Maslak Meydan Sokak Spring Giz Plaza B Blok, 34398 Sarıyer/İstanbul : Telephone: +90 212 276 39 59
Rating Report Preparation Period:	01.03.2025-20.03.2025
Rating Publishing Date:	24.03.2025
Rating Expiration Date:	1 full year after publishing date, unless otherwise stated
Financial Statements:	FYE2024-FYE2023-FYE2022-FYE2021- FYE2020 | Solo Audit Report
Previous Rating Results:	25.03.2024 / Long Term National Scale / 'AA (tr)'
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Disclaimer

The ratings affirmed by JCR Eurasia Rating are a reflection of the Company's independent audit reports prepared in conformity with Turkish Financial Reporting Standards (TFRS) and International Financial Reporting Standards (IFRS), on and off-balance sheet figures, general market conditions in its fields of activity, unaudited financial statements, information and clarifications provided by the Company, and non-financial figures. Certain financial figures of the Company for previous years have been adjusted in line with the JCR Eurasia Rating's criteria.

The Company's balance sheet composition, asset quality, risk management practices, business profile, liquidity management, history in the sector, profitability figures, revenues, debt structure
e, growth rates, off-balance sheet commitments, and the financial and non-financial positions of the main shareholders were taken into consideration while determining the risk assessment of the long-term international local currency and foreign currency ratings as well as national ratings.

Considering the fact that there are no additional legal or financial collateral guarantees provided separately for the repayment of the bonds issued, the note assigned for the TRY dominated bond issuance is assigned as the same as the Company's Long and Short Term National Local Ratings, unless otherwise stated.

Previous rating results and other relevant information can be accessed on www.jcrer.com.tr

This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Türkiye), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations.

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