



**JCR
Eurasia Rating,**

assigned

**Ekspo Faktoring
A.Ş.**

Long and Short Term
National Ratings of
'A (Trk)'

and

'A-1 (Trk)',
respectively with
"Stable" outlooks on
both ratings.



RATINGS

		Long	Short
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	Stable	Stable
	Issue Rating	Stable	Stable
National	Issue Rating	n.a	n.a
	National Rating	A	A-1
	Outlook	Stable	Stable
	Issue Rating	A	A-1
Sponsor Support		2	-
Stand Alone		B	-

Sector: Factoring

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JCR Eurasia Rating, assigned Ekspo Faktoring A.Ş. Long Term National Credit Rating of "A (Trk)" and Short Term National Credit Rating of "A-1 (Trk)" with "Stable" outlooks on both ratings.

The Factoring Sector is marked by high level of vulnerability to fluctuations in macroeconomic circumstances and instability. Management policies in the sector are strongly influenced by the changes in economic outlook and regulatory procedures from the Banking Regulation and Supervision Agency (BRSA). On the other hand, in line with the undertaken reforms, the sector's legal infrastructure has been improved with regards to effective surveillance and control. As such, the mandatory installation of information, risk measurement, and internal control systems have made a positive contribution to the improvement of the sector's institutional set-up, and the quality, standardization, and transparency of financial reporting practices and facilitated fair competition. Considering that the main income of factoring companies is the real sector, the effects of the growth environment supported by the volatility and incentive policies created by the foreign and domestic economic, political and geopolitical developments in the markets on the factoring sector deserve to be closely monitored.

Ekspo Faktoring was established in 2000 and currently serves in a central office in Istanbul with a wide range of products and services such as factoring, foreign trade financing, payment guarantee, structured financing. In addition to traditional factoring services, Ekspo, owned by the Tumay Family which has been operating in the finance sector for many years, provides intermediation of foreign trade financial transactions of local firms through its correspondent network.

Ekspo, with its customer portfolio of predominantly large-scale firms, has high asset quality due to its prudent lending policy within the framework of internal standards. The non-performing loans ratio, well below the sector average, balances the high customer-based concentration ratio. Ekspo, which has a diversified financing structure with a maturity in tandem with its short-term debt structure, also maintains financing lines from various Ex-Im banks at home and abroad. The net interest margin, at a reasonable level, creates a strong asset return with the manageable funding cost supported by the contribution of the low leverage ratio. Ekspo's stable and sector-wise diverse customer portfolio, rich product and service framework, strong corporate governance structure and rigorous lending policies, high asset quality, equity funding ratio above the sector average and effective cost management forms the basis of its Long Term National rating assigned as **"A (Trk)"**. **JCR-ER** will continue to monitor Ekspo's asset quality, turnover and asset development, funding structure and interest margin trend.

Considering the experience and competencies of the Tumay Family, primary shareholders of the company, in the financial sector, 'Sponsor Support Grade' indicating the ability and willingness of the shareholders of Ekspo to provide operational and financial support to the company is determined as **(2)** indicating 'Adequate' level. 'Stand Alone Rating', expressing the ability of the firm to fulfill the obligations without resorting to shareholder support is determined as **(B)** by taking into account its equity and profitability ratios, sufficient interest margin and ample borrowing lines.

For more information regarding the rating results, you may visit our internet site <http://www.jcrer.com.tr> or contact our analysts **Mr. Özgür Fuad ENGİN, CFA**.

JCR EURASIA RATING
Administrative Board