

Corporate Credit & Issue Rating

New Update

Sector: Factoring

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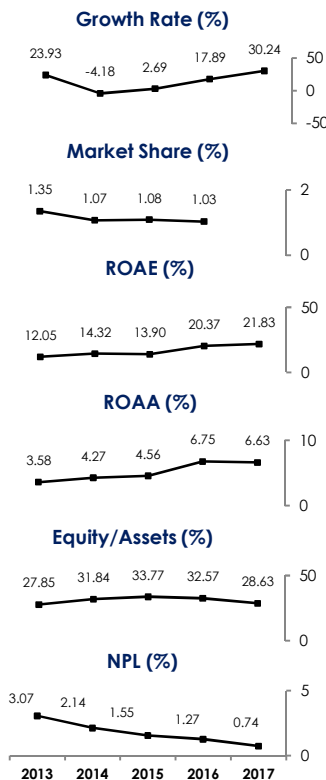
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RATINGS

		Long	Short	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating	-	-	
National	Local Rating	A	A-1	
	Outlook	Stable	Stable	
	Issue Rating	A	A-1	
Sponsor Support	Stand-Alone	2	-	
		B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
LC		Stable	-	

*Affirmed by JCR on November 10, 2017



Ekspo Faktoring A.Ş.

Company Overview

Financial Data	2017**	2016*	2015*	2014*	2013*
Total Assets (000 USD)	116,798	96,751	99,687	121,715	138,270
Total Assets (000 TRY)	445,047	341,704	289,850	282,245	294,570
Equity (000 TRY)	127,428	111,308	97,880	89,856	82,039
Net Profit (000 TRY)	20,620	17,028	10,424	9,817	7,861
Market Share (%)	n.a	1.03	1.08	1.07	1.35
ROAA (%)	6.63	6.75	4.56	4.27	3.58
ROAE (%)	21.83	20.37	13.90	14.32	12.05
Equity/Assets (%)	28.63	32.57	33.77	31.84	27.85
NPL (%)	0.74	1.27	1.55	2.14	3.07
Growth Rate (%)	30.24	17.89	2.69	-4.18	23.93

* Audited financial statements ** Audited figures based on draft report

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

The Company is well capitalized, compared to the sector averages and the mandatory capital level required by BRSA (TRY 20mn). Ekspo has arrangements with various international ECAs such as US Ex-Im Bank and Black Sea Trade and Development Bank. Ekspo operates from its central office based in Istanbul with a workforce of 32 as of 3Q2017.

Strengths

- Well capitalized balance sheet, surpassing the Sector averages
- Reasonable net interest margin, supporting internal resource generation capacity
- Low NPL ratios, well below Sector averages
- Diversified funding base with access to local and foreign Ex-Im banks
- Wide service offering range allowing access to a stable customer portfolio
- Transparent and competent management with strong internal control mechanisms

Constraints

- High single party risk generating notable gross risk, though mitigated with credit profile of the borrowers
- Highly fragmented market structure
- Persistent headwinds in the medium term macroeconomic outlook despite significant incentives and solid growth
- Increasing interest rate environment, potentially tightening the net interest margin
- Volatilities imposed on the non-bank FIs' asset and net income growth by several incentives such as Credit Guarantee Fund (CGF)