

## Corporate Credit & Issue Rating

New  Update

Sector: Factoring

Publishing Date: 09/05/2019

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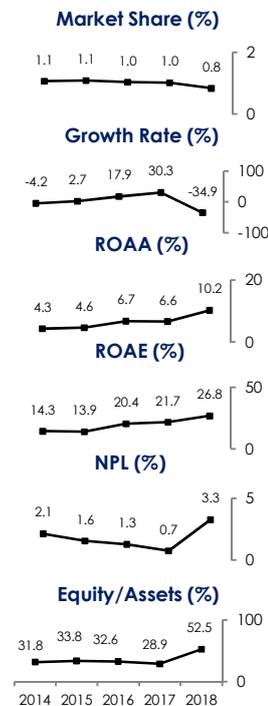
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### RATINGS

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

\*Affirmed by JCR on November 27, 2018



## Ekspo Faktoring A.Ş.

### Company Overview

Financial Data	2019/4**	2018*	2017*	2016*	2015*
Total Assets (000 USD)	51,267	55,081	118,061	96,751	99,687
Total Assets (000 TRY)	305,363	289,774	445,314	341,704	289,850
Equity (000 TRY)	167,951	152,200	127,695	111,308	97,880
Net Profit (000 TRY)	14,991	29,305	20,887	17,028	10,424
Market Share (%)	n.a	0.84	1.02	1.03	1.08
ROAA (%)	n.a	10.24	6.62	6.75	4.56
ROAE (%)	n.a	26.83	21.74	20.37	13.90
Equity/Assets (%)	55.00	52.52	28.86	32.57	33.77
NPL (%)	2.78	3.27	0.74	1.27	1.55
Growth Rate (%)	n.a	-34.93	30.32	17.89	2.69

\* Audited financial statements in compliance with BRSA \*\* Unaudited interim financials

Founded in 2000, 'Ekspo Faktoring A.Ş.', (hereinafter referred to as 'Ekspo' or 'the Company') provides trade finance and export/import factoring and refactoring services to domestic customers. Ekspo has an established presence in the Turkish factoring sector, a 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 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 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 34 as of YE2018.

### Strengths

- Strong equity base supported with retained earnings, exceeding the Sector averages
- Low impairment to turnover ratio, underpinning asset quality
- High provision and equity cover of the impaired loans, supporting financial integrity
- Lower borrowing costs resulting in health interest margins
- Access to various financing sources including local and foreign Ex-Im banks
- Wide service offering range allowing access to a stable customer portfolio
- Prudent management and investments in IT infrastructure

### Constraints

- Concentrated loanbook due to business model, though mitigated with credit profile of the borrowers
- Headwinds on the margins as the trend of borrowing rates decouple from the lending rates across the Sector
- Significant competition in the Sector due to fragmented market structure
- Aggravating circumstances to exert pressures on debt-servicing capabilities of real sector accompanied by weakened demand and rising unemployment