

**Corporate Credit Rating**

**Factoring**

(Update)

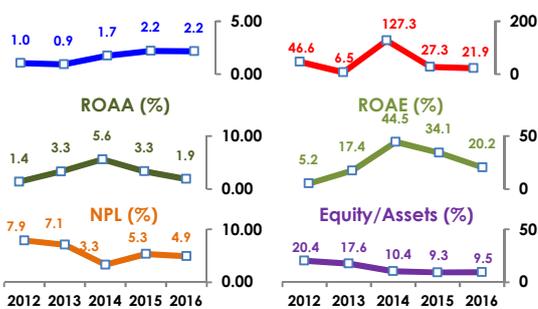
<b>CAGDAS</b> faktoring		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC Stable	A-3 Stable
	Issue Rating	n.a.	n.a.
National	Local Rating	A- (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
	Issue Rating	A- (Trk)	A-1 (Trk)
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC Stable	- -

\*Affirmed by Japan Credit Rating Agency, JCR on October 7, 2016

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Market Share (%)



**Strengths**

- Sustainable loanbook and turnover growth, supported with healthy interest margin
- Notable improvement in the borrower and check underwriter concentration ratios, granulating the bulk loans and reducing idiosyncratic credit risk
- Experienced and well-functioning management team with an emphasis on adoption of corporate governance best practices & efficient internal control mechanisms
- Favourable positive liquidity gap and absence of short foreign currency exposure

**Constraints**

- Provision expenses stemming from sporadic impaired loans granted to large-ticket size customers, a terminated practice looking forward
- Upward pressure on the borrowing rates, and preference to overweight less risky hence lower margin customers on the profitability,
- Highly competitive and fragmented market structure,
- Persisting economic pressures and uncertainties pertaining to the economic and political reform agenda

<b>ÇAĞDAŞ FAKTORİNG A.Ş.</b>					
Financial Data	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	201,556	200,891	197,897	94,781	106,626
Total Assets (000 TRY)	711,854	584,110	458,904	201,921	189,538
Equity (000 TRY)	67,823	54,231	47,531	35,489	38,597
Net Profit (000 TRY)	12,706	13,426	14,407	3,657	2,079
Market Share (%) (by asset size)	2.15	2.19	1.74	0.93	1.04
ROAA (%)	1.90	3.32	5.59	3.29	1.37
ROAE (%)	20.21	34.07	44.46	17.36	5.20
Equity/Assets (%)	9.53	9.28	10.36	17.58	20.36
NPL (%)	4.92	5.33	3.31	7.11	7.90
Growth Rate (%)	21.87	27.28	127.27	6.53	46.61

\*Audited, Year-End

**Overview**

Çağdaş Faktoring A.Ş. (hereinafter referred to as Çağdaş Faktoring or the Company), is one of the prominent non-bank owned factoring companies with its average market share qualifying for the 2% bracket in the highly fragmented market. Founded in 1994, the Company's is among the first factoring companies in Turkey. Since 2006, the Turkish Factoring Sector is regulated and supervised by the Banking Regulation and Supervision Agency (BRSA).

The Company is owned by the Gülmezgil and Barokas Families, with 80% and 20% respective shares and several projects to improve its corporate governance policies and standards have been undertaken in the recent years.

Çağdaş Faktoring provides funding to its customer portfolio based in Turkey via financing their invoiced/documentated receivables. The Company is headquartered in Istanbul and operates through 14 branches located in major cities. As of FYE2016, the Company had 156 employees.

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