JCR-ER JCR Eurasia Rating
"JCR-ER, Group of Japan Credit Rating Agency, Ltd." JCR

devir faktoring

Corporate Credit & Issue Rating

☐New ☒Update

Sector: Factoring

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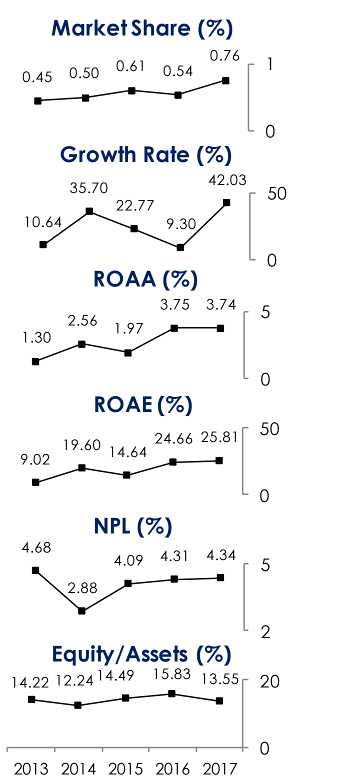
RATINGS

			Long Term	Short Term
International	Foreign Currency		BBB-	A-3
	Local Currency		BBB-	A-3
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	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	Stable	-
		LC	Stable	-

*Affirmed by JCR on November 10, 2017



Devir Faktoring A.Ş.

Company Overview

Financial Data	2017	2016	2015	2014	2013
Total Assets (000 USD)	66,290	50,353	55,959	57,152	45,760
Total Assets (000 TRY)	252,591	177,837	162,706	132,529	97,666
Equity (000 TRY)	34,221	28,147	23,577	16,222	13,890
Net Profit (000 TRY)	6,601	5,079	2,307	2,343	955
Market Share (%)	0.58	0.54	0.61	0.50	0.45
ROAA (%)	3.74	3.75	1.97	2.56	1.30
ROAE (%)	25.81	24.66	14.64	19.60	9.02
Equity / Total Assets (%)	13.55	15.83	14.49	12.24	14.22
NPL (%)	4.34	4.31	4.09	2.88	4.68
Growth Rate (%)	42.03	9.30	22.77	35.70	10.64

*** End of the year**

Devir Faktoring A.Ş. (hereinafter to be referred as Devir Faktoring, Devir or the Company) was founded in 1991 by a partnership with Demirbank to operate in the Turkish Factoring Sector having been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2006.

Following its foundation, the Levi Family acquired all of the shares in 1993 and has since been the sole ultimate shareholder of the Company.

The Company maintains its operations by a staff force of 58 employees as of FYE2017 through its headquarters in Istanbul. In line with adoption of a new strategy in 2011, Devir Faktoring has established three branches in Istanbul (Pendik), Ankara (Ostim) and Izmir (Bornova).

Strengths

- Cumulative asset growth outperforming the sector while maintaining a prudential small scale
- Sustainability through its moderate risk profile, stability of management and prudent stance
- Net interest margin, though declining, having still performed well above sector in view of notably declining average sector margin
- Main profitability indicators settling above the sector averages for two consecutive years
- Majority of the balance sheet items being composed of earning assets contributing to asset quality
- Improved level of corporate governance compliance compared to its peers
- High level of collateral coverage

Constraints

- Limited increase in interest income and decline in fees having impeded internal resource generation
- NPL ratios exceeding the sector averages albeit following a smooth pattern
- Limited capital increases from retained earnings
- High operating expenses by scale
- Increasing concentration level on sector and client bases
- Short term borrowing profile of the sector
- Adversities to be exerted on debt-servicing accompanied by weakened demand and rising unemployment though partially eased by counter-cyclical fiscal stimulus package
- Fierce and asymmetric competition throughout the sector
- Volatility exerted on profitability indicators by provisioning levels