

## Corporate Credit & Issue Rating

New  Update

Sector: Factoring  
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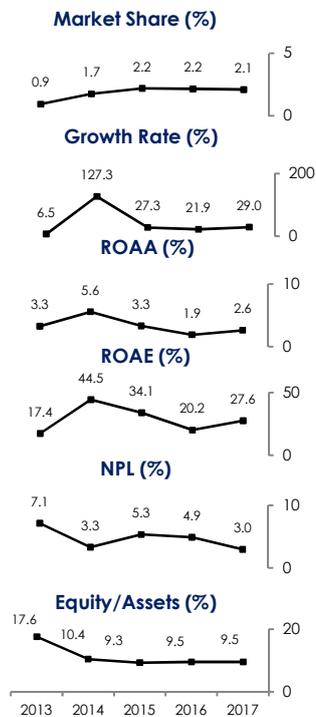
### Analyst(s)

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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 (Trk)	A-1 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	A (Trk)	A-1 (Trk)	
Sponsor Support	Stand-Alone	2	-	
	Stand-Alone	B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
LC		Stable	-	

\*Affirmed by JCR on November 10, 2017



## Çağdaş Faktoring A.Ş.

### Company Overview

Financial Data	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	241,014	201,556	200,891	197,897	94,781
Total Assets (000 TRY)	918,361	711,854	584,110	458,904	201,921
Equity (000 TRY)	87,054	67,823	54,231	47,531	35,489
Net Profit (000 TRY)	17,047	12,706	13,426	14,407	3,657
Market Share (%)	2.10	2.15	2.19	1.74	0.93
ROAA (%)	2.63	1.90	3.32	5.59	3.29
ROAE (%)	27.64	20.21	34.07	44.46	17.36
Equity/Assets (%)	9.48	9.53	9.28	10.36	17.58
NPL (%)	2.96	4.92	5.33	3.31	7.11
Growth Rate (%)	29.01	21.87	27.28	127.27	6.53

\* Audited financial statements, end of year

In the highly fragmented factoring market in Turkey, 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 Family. 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 FYE2017, the Company had 162 employees.

### Strengths

- Well capitalized balance sheet, surpassing the Sector average growth rates
- Reasonable net interest margin, providing internal resource generation capacity
- Moderate turnover to impairment conversion
- Diversified funding base with access to capital markets and various financial institutions
- Office network reaching various customers across Turkey
- Transparent and competent management with strong internal control mechanisms

### Constraints

- High leverage stemming from rapid asset growth achieved in the trailing periods
- 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)