Corporate Credit & Issue Rating

☐New ☒Update

Sector: Factoring
Publishing Date: 10/04/2018

Senior Chief Analyst
Gökhan İYİGÜN
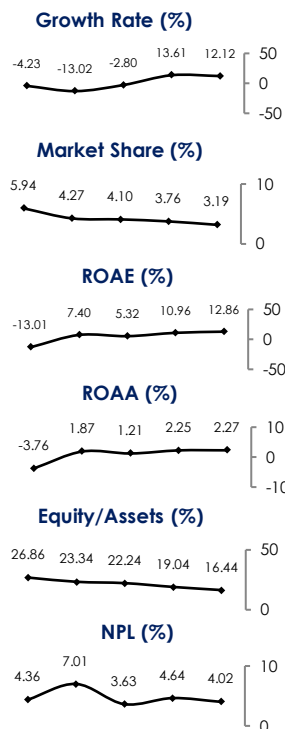+90 212 352 56 73
gokhan.iyigun@jcrer.com.tr

RATINGS

		Long	Short
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook FC	Stable	Stable
	Outlook LC	Stable	Stable
	Issue Rating	n.a	n.a
National	Local Rating	AA-(Trk)	A-1(Trk)
	Outlook	Stable	Stable
	Issue Rating	AA-(Trk)	A-1(Trk)
Sponsor Support		1	-
Stand-Alone		A	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook FC	Stable	-
	Outlook LC	Stable	-

*Affirmed by JCR on November 10, 2017

Growth Rate (%)
-4.23 -13.02 -2.80 13.61 12.12

Market Share (%)
5.94 4.27 4.10 3.76 3.19

ROAE (%)
-13.01 7.40 5.32 10.96 12.86

ROAA (%)
-3.76 1.87 1.21 2.25 2.27

Equity/Assets (%)
26.86 23.34 22.24 19.04 16.44

NPL (%)
4.36 7.01 3.63 4.64 4.02

Fiba Faktoring A.Ş.

Company Overview

Financial Data	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	369,853	353,547	376,663	485,886	608,019
Total Assets (000 TRY)	1,395,048	1,244,204	1,095,185	1,126,720	1,295,324
Equity (000 TRY)	229,368	236,921	243,547	262,968	347,955
Net Profit (000 TRY)	22,114	19,318	10,382	17,198	-40,097
Market Share (%)	3.19	3.76	4.10	4.27	5.94
ROAA (%)	2.27	2.25	1.21	1.87	-3.76
ROAE (%)	12.86	10.96	5.32	7.40	-13.01
Equity/Assets (%)	16.44	19.04	22.24	23.34	26.86
NPL (%)	4.02	4.64	3.63	7.01	4.36
Growth Rate (%)	12.12	13.61	-2.80	-13.02	-4.23

* Audited Year-end Financial Statements

Fiba Faktoring A.Ş. (hereinafter referred to as the Company or Fiba Faktoring)**,** a subsidiary of **Fiba Holding A.Ş.**, was founded in 1992 to operate in the Turkish Factoring Sector. The Company merged with Fiba Group's other factoring company, Girişim Faktoring A.Ş., on December 31, 2014.

Fiba Holding and **Fina Holding**, Fiba Group holding company concerning energy operations, held stakes of 56.96% and 43.04%, respectively, in the Company's 2017 year-end shareholding structure. Fiba Group covers 41 group companies, 19 of which operate in finance and 22 in non-finance sectors. Banking, leasing, factoring, insurance, and asset management constitute Fiba Group's financial sector investments whilst retail, real estate, renewable energy, port services & management, and hotel management are non-financial sector investments. **Fiba Faktoring** carries out its activities through its headquarters and 5 branches along with a staff force of 109 people as of FYE2017 (FYE2016: 111). The Company had no subsidiaries and affiliates and is a member of Factors Chain International (FCI), a global network of factoring companies with a network of above 400 members in 90 countries.

The Company's long term national grade was upgraded one notch to **'AA- (Trk)'** with a **'Stable'** outlook.

Strengths	Constraints
• Above sector equity level despite a decreasing trend	• Continuously below sector average asset growths compatible with the management strategy
• High and continuous dividend payout capability	• Diminishing equity level that cannot benefit from satisfactory internal equity generation capacity
• Below sector average levels of main expense items and effective pricing leading to improved profitability indicators together with continuing below sector standing	• Increasing interest and foreign exchange rates environment, potentially tightening the net interest margin
• Increased sustainability of income generation capacity	• Sector-wide volatility potential imposed on non-bank FIs' asset and net income growth by several incentives such as Credit Guarantee Fund (CGF)
• Reputable and robust shareholding structure	
• Advantages of inclusion in a group with broad financial sector experience	
• Diversified funding sources and product range	