

## Corporate Credit & Issue Rating

New  Update

Sector: Factoring

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### Analyst

Utku Karagülle

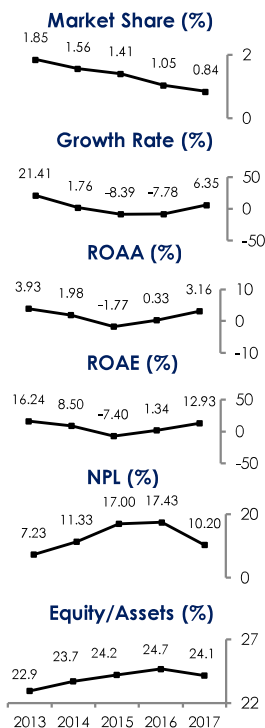
+90 212 352 56 73

utku.karagulle@jcrer.com.tr

### 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	BBB+ (Trk)	A-2 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BBB+ (Trk)	A-2 (Trk)	
Sponsor Support	3	-		
Stand-Alone	B	-		
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
LC		Stable	-	

\*Affirmed by JCR on November 10, 2017



## Eko Faktoring A.Ş.

### Company Overview

Financial Data	2017	2016	2015	2014	2013
Total Assets (000 USD)	97,882	98,299	129,478	177,210	189,551
Total Assets (000 TRY)	369,201	347,172	376,470	410,932	403,819
Equity (000 TRY)	89,115	85,669	91,085	97,388	92,667
Net Profit (000 TRY)	10,078	1,015	-5,168	6,868	11,420
Market Share (%)	0.84	1.05	1.41	1.56	1.85
ROAA (%)	3.16	0.33	-1.77	1.98	3.93
ROAE (%)	12.93	1.34	-7.40	8.50	16.24
Equity/Assets (%)	24.14	24.68	24.19	23.70	22.95
NPL (%)	10.20	17.43	17.00	11.33	7.23
Growth Rate (%)	6.35	-7.78	-8.39	1.76	21.41

**Eko Faktoring A.Ş.** (referred to as 'the Company' or 'Eko Faktoring') was founded in 1994 to run as a factoring services supplier for commercial transactions to customers by undertaking their collection. The Company continues its operations under the regulations of Banking Regulation and Supervision Agency (BRSA). The Company had 73 employees as of FYE2017 and operates in its headquarters in Istanbul and 4 branches located nationwide (Ankara, İzmir, Konya and Bursa). The Company issued total of bonds amounted to TRY 729mn since 2012 and successfully paid on time.

The Turkish Factoring Sector was worth a total of TRY 43.7bn. and Eko Faktoring has a total asset size of TRY 369.2mn as of FYE2017.

With the exit of Coöperatieve BVS Financial Services U.A. (Bancroft Group) in 2016 and 2017, shareholder structure of the Company has been changed and Eko Faktoring bought its own shares from Bancroft Group. Valansi, Kondu and Franco families are standing as controlling shareholders. Eko Faktoring did not have any subsidiaries as of reporting date.

### Strengths

- Boost in bottom line profit and other profitability indicators
- Considerable recovery in NPL ratio despite its weak performance against the sector average.
- Diversified funding mix via bond issuances
- Strong equity level backed by high level of paid-in capital.
- Experienced management team and adoption of regulations drawn out by local authorities

### Constraints

- Decline in both asset-based and turnover-based market share despite good level of profitability
- Increasing tension and conflicts in the local political environment, together with negatively impacted cost of funding
- Intensive competitive environment dominated by bank-owned companies which have a comparative advantage with wide branch networks and low borrowing costs