

## Corporate Credit & Issue Rating

New  Update

Sector: Factoring

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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	2	-		
Stand-Alone	B	-		
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
LC		Stable	-	

\*Affirmed by JCR on November 27, 2018

## Çağdaş Faktoring A.Ş.

### Company Overview

Financial Data	2018*	2017*	2016*	2015*	2014*
Total Assets (000 USD)	129,970	241,014	201,556	200,891	197,897
Total Assets (000 TRY)	683,758	918,361	711,854	584,110	458,904
Equity (000 TRY)	114,676	87,054	67,823	54,231	47,531
Net Profit (000 TRY)	27,890	17,047	12,706	13,426	14,407
Market Share (%)	1.98	2.10	2.15	2.19	1.74
ROAA (%)	4.47	2.63	1.90	3.32	5.59
ROAE (%)	35.51	27.64	20.21	34.07	44.46
Equity/Assets (%)	16.77	9.48	9.53	9.28	10.36
NPL (%)	4.61	2.96	4.92	5.33	3.31
Growth Rate (%)	-25.55	29.01	21.87	27.28	127.27

\* Audited financial statements, end of year

Çağdaş Faktoring A.Ş. (hereinafter referred to as Çağdaş Faktoring or the Company), is one of the large-scale non-bank owned factoring companies with its average market share exceeding the 2% bracket in the highly fragmented market. The Company is among the first factoring companies in Turkey, having been founded in 1994. The Turkish Factoring Sector is regulated and supervised by the Banking Regulation and Supervision Agency (BRSA).

Çağdaş Faktoring is owned by the Gülmezgil Family. The Company provides funding to its customer portfolio based in Turkey via financing their invoiced/documentated receivables. The Company is headquartered in Istanbul and operates through 13 branches located in major cities. As of FYE2018, the Company had 150 employees.

### Strengths

- Preservation of net interest margin and resilient commission income, supporting profitability
- Declining leverage albeit due to slowing down lending activities
- Granular loan portfolio with widespread customer base and limited concentration
- Maintained access to financing lines, providing flexibility to adapt market conditions
- Office network reaching various customers across Turkey

### Constraints

- Pressure on the margins as the interest rates increase yet lending rates reversing course faster than borrowing rates
- Highly fragmented market structure
- Deteriorating balance sheets of the borrowers across the Sector in general, due to adverse market conditions
- Higher than average tangible assets in the balance sheet, generating opportunity costs as liquidity gains importance and interest rates increase

