

Corporate Credit & Issue Rating

New Update

Sector: Factoring

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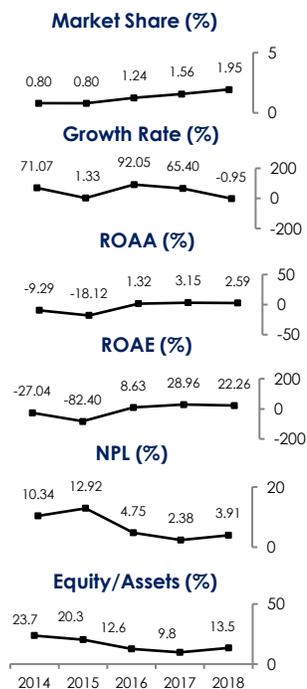
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RATINGS

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

*Affirmed by JCR on November 27, 2018



Tam Faktoring A.Ş.

Company Overview

Financial Data	2018*	2017*	2016*	2015*	2014*
Total Assets (000 USD)	128,155	180,461	116,520	73,698	91,194
Total Assets (000 TRY)	674,210	680,681	411,524	214,283	211,469
Equity (000 TRY)	90,875	66,625	52,050	43,549	50,089
Net Profit (000 TRY)	14,641	14,595	7,747	-31,557	-15,004
Market Share (%)	1.95	1.56	1.24	0.80	0.80
ROAA (%)	2.59	3.15	1.32	-18.12	-9.29
ROAE (%)	22.26	28.96	8.63	-82.40	-27.04
Equity/Assets (%)	13.48	9.79	12.65	20.32	23.69
NPL (%)	3.91	2.38	4.75	12.92	10.34
Growth Rate (%)	-0.95	65.40	92.05	1.33	71.07

*Audited financial statements

Tam Faktoring A.Ş. (hereinafter referred to as “Tam Faktoring”, or the “Company”) started its operations in 2012 to provide the financing of receivables under the regulatory framework of the BRSA of Turkey. Mainly targeting the micro and small SME segment with high financing needs, Tam Faktoring rapidly increased its customer base to over 17,000, the highest in the sector, through a branch network of 33 in 21 cities as of report date. The Company’s strategy has led to access to both SMEs currently utilizing factoring services and to first-time users, ultimately expanding the size of the market.

The shares of the Company are totally held by Vector Yatırım Holding A.Ş. The Company is headquartered in Istanbul and its employee base was 500 as of FYE2018.

Strengths

- Efficient customer diversification in different sectors
- Low NPL level compared the sector average
- Strong funding structure including banks, financial institutions, domestic factoring companies, Takasbank facility, and EBRD
- Continuous increase in market share since 2015 till 2018
- Easily adopt new technology with R&D center improving the output of IT systems
- Shareholding structure including EBRD and competence in complying in corporate governance best practices

Constraints

- Downward pressure on profitability figures below sector averages
- Fierce competition in the market
- Short term maturity profile of borrowings in the sector
- Weakened economic circumstances stemming from sharp currency depreciation and rising inflationary pressures
- Macroeconomic uncertainties arising from the local political environment, pressurizing the risk appetite and asset quality of lenders