

Corporate Credit & Issue Rating

New Update

Sector: Factoring

Publishing Date: 29/03/2019

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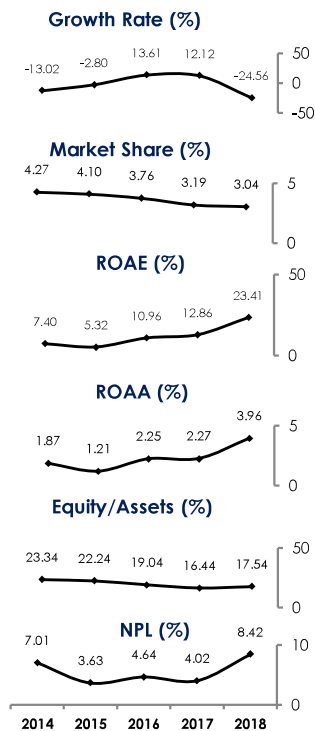
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RATINGS

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

* Affirmed by JCR on November 27, 2018



Fiba Faktoring A.Ş.

Company Overview

Financial Data	2018*	2017*	2016*	2015*	2014*
Total Assets (000 USD)	200,051	369,853	353,547	376,663	485,886
Total Assets (000 TRY)	1,052,447	1,395,048	1,244,204	1,095,185	1,126,720
Equity (000 TRY)	184,647	229,368	236,921	243,547	262,968
Net Profit (000 TRY)	37,435	22,114	19,318	10,382	17,198
Market Share (%)	3.04	3.19	3.76	4.10	4.27
ROAA (%)	3.96	2.27	2.25	1.21	1.87
ROAE (%)	23.41	12.86	10.96	5.32	7.40
Equity/Assets (%)	17.54	16.44	19.04	22.24	23.34
NPL (%)	8.42	4.02	4.64	3.63	7.01
Growth Rate (%)	-24.56	12.12	13.61	-2.80	-13.02

* Audited Year-end Financial Statements

The Company, **Fiba Faktoring A.Ş.** or **Fiba Faktoring**, was founded in 1992 to operate in the Turkish Factoring Sector and is a subsidiary of **Fiba Holding A.Ş.** Fiba Faktoring performs its activities through its headquarters and 5 branches along with a staff force of 107 people as of FYE2018 (FYE2017: 109). The Company had no subsidiaries and is a member of Factors Chain International (FCI), a global network, set up in 1968, of factoring companies with more than 400 international factoring companies in 90 countries.

Fiba Holding, the parent holding company, and **Fina Holding**, the holding company coordinating the decision making, planning, management and control of the companies serving in the financial sector within the Group, held 56.96% and 43.04% shares, respectively, in the Company's 2018 year-end shareholding structure. The **Fiba Group** consists of 41 group companies, 19 of which operate in finance and 22 in non-finance sectors, and its financial sector investments are composed of banking, factoring, leasing, insurance and asset management. Retail, real estate, renewable energy and hotels are the Group's main non-financial sector investments.

Strengths

- Noteworthy improvement in profitability indicators
- Below average financing and operating expenses together with above sector interest margin, contributing positively to income/profit generation and dividend payout capability
- High level of collateral coverage and improved drawer concentration
- Continuing improvement in sustainability of income generation capacity
- Strong and reputable shareholder structure
- Advantages of being part of a group with extensive financial sector experience
- Diversified and extended funding sources together with improvement in exposure to market and liquidity risk

Constraints

- Sector parallel sharp contraction in asset size and continuing downtrend in market share compatible with the cautious management strategy
- Restrained equity with above average quality, positioned below the averages for the first time despite the improvement and satisfactory internal equity generation capacity
- Remarkably increased and above sector average NPL ratio suppressing asset quality together with increased provisions restraining profitability indicators
- Challenging market conditions where funding costs and dishonoured checks increased and real sector firms' debt service capabilities decreased