

## Corporate Credit & Issue Rating

New  Update

Sector: Factoring

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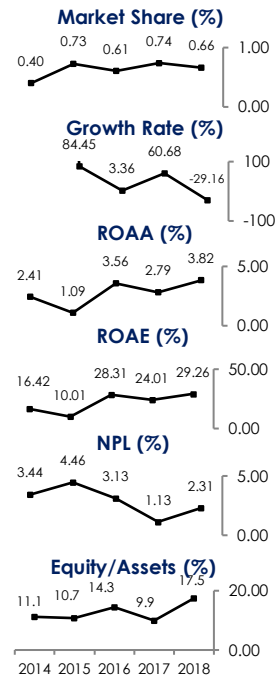
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### RATINGS

	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	BBB+ (Trk)	A-2 (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



\* Growth rate in 2014 was 2,277% due to basis effect

## Sümer Faktoring A.Ş.

### Company Overview

Financial Data	2Q2019**	2018*	2017*	2016*	2015*
Total Assets (000 USD)	45,779	43,583	85,810	57,037	67,028
Total Assets (000 TRY)	263,463	229,285	323,667	201,442	194,892
Equity (000 TRY)	46,771	40,017	32,135	28,881	20,897
Net Profit (000 TRY)	5,308	7,997	5,663	5,554	100
Market Share (%)	n.a	0.66	0.74	0.61	0.73
ROAA (%)	n.a	3.82	2.79	3.56	1.09
ROAE (%)	n.a	29.26	24.01	28.31	10.01
Equity/Assets (%)	17.75	17.45	9.93	14.34	10.72
NPL (%)	2.26	2.31	1.13	3.13	4.46
Growth Rate (%)	n.a	-29.16	60.68	3.36	84.45

\*End of year \*\*Audited Financial Statements

Sümer Faktoring A.S. was founded in 1996 and acquired by the Altınbaş Family, owner of a prominent conglomerate in Turkey operating in the financial and non-financial sectors, in 2014. Company shares were reorganized under ASV Holding A.S. Currently, as a non-bank owned factoring company, the Company continues to operate under the holding structure. The Turkish Factoring Sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2006.

Sümer Faktoring is based in Istanbul with a head office and 4 branches. With the exception of a slowdown in FYE2018, the Company's loan book and assets displayed a positive trend following the acquisition. Sümer Faktoring had a workforce of 39 as of FYE2018 (FYE2017: 49). With a narrowed total asset size of TRY 229.29mn, the Company held a 0.66% market share in a factoring sector worth TRY 34.6bn in FYE2018.

### Strengths

- Strengthened profitability ratios and the success of compensating the sectoral deterioration with the Company's financial performance
- Notably below sector average NPL level and transferring of uncollectible receivables to an asset management company contributing on asset quality and transparency
- Diversified funding profile through successfully issued capital market instruments supporting long-term borrowing
- Low impairment ratio with respect to average receivable balance and turnover
- Financial viability of the owner of the Group, the Altınbaş Family, and the operational and financial support from the parent holding's position
- Well-organized risk management infrastructure and high level of regulatory compliance along with well-defined work flow processes and positive contribution of credit risk analyses through improved intelligence and credit services on assets quality

### Constraints

- Reduction in asset size and transaction volume due to adverse market conditions and deteriorated economic circumstances stemming from sharp currency depreciation and rising inflationary pressures, pressuring on the corporates
- Slightly below sector averages equity level despite being legally adequate and performed a considerable rise in FYE2018
- Decreasing interest margin in the rising interest rate environment, pressurizing returns
- A slight drop in assets-based market share due to a slowdown in activities
- Increasing borrowing costs' limiting effect on profitability
- High customer concentration risk in a deteriorated debt payment environment of the real sector, despite being compensated by high number of drawers
- Macroeconomic uncertainties arising from the local political environment, pressurizing the risk appetite and asset quality of lenders and intensive environment in the Turkish Factoring Sector