

Corporate Credit & Issue Rating

New Update

Sector: Factoring

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Head of Group

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RATINGS

		Long Term	Short Term
International	Foreign Currency	BB	B
	Local Currency	BB	B
	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 December 6, 2019

Devir Faktoring A.Ş.

Company Overview

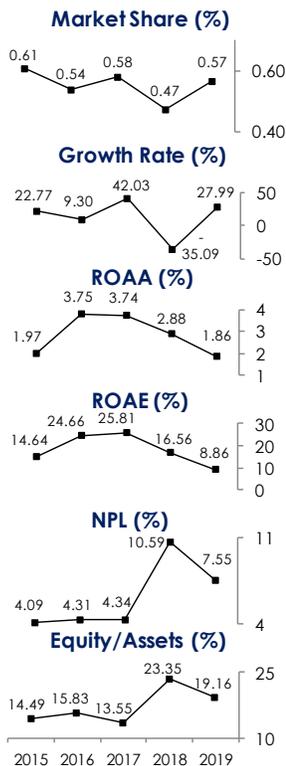
Financial Data	2019*	2018*	2017*	2016*	2015*
Total Assets (000 USD)	35,328	31,166	66,290	50,353	55,959
Total Assets (000 TRY)	209,853	163,960	252,591	177,837	162,706
Equity (000 TRY)	40,211	38,277	34,221	28,147	23,577
Net Profit (000 TRY)	2,580	4,626	6,601	5,079	2,307
Market Share (%)	0.57	0.47	0.58	0.54	0.61
ROAA (%)	1.86	2.88	3.74	3.75	1.97
ROAE (%)	8.86	16.56	25.81	24.66	14.64
Equity / Total Assets (%)	19.16	23.35	13.55	15.83	14.49
NPL (%)	7.55	10.59	4.34	4.31	4.09
Growth Rate (%)	27.99	-35.09	42.03	9.30	22.77

* End of the year

Devir Faktoring A.Ş. (hereinafter to be referred as Devir Faktoring, Devir or the Company) was founded in 1991 by a partnership with Demirbank to operate in the Turkish Factoring Sector having been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2006.

Following its foundation, the Levi Family acquired all of the shares in 1993 and has since been the sole ultimate shareholder of the Company.

The Company maintains its operations by a staff force of 65 employees as of FYE2019 (FYE2018: 61) through its headquarters in Istanbul as well as through its four branches in Istanbul (Pendik), Ankara (Ostim), Izmir (Bornova) and Istanbul (Ikitelli).



Strengths

- Cumulative asset growth outperforming the sector while maintaining a prudential small scale
- Adequate capitalization level though below the sector averages
- High granularity marked by further improved concentration level on client basis
- NIM reversing its pattern while slightly outperforming the sector average
- Majority of the balance sheet items being composed of earning assets contributing to asset quality
- Sustainability through its moderate risk profile and stability of prudent management
- Improved level of compliance with corporate governance principles compared to its competitors in the sector
- High level of collateral coverage

Constraints

- Continuation of declining trend in net profitability indicators
- Internal resource generation capacity requiring strong improvement
- NPL ratios - though improved - still exceeding the sector averages
- High OPEX level exerting pressure on profit generation albeit mitigated to an extent by lowered risk profile through intentional maintenance of its scale
- Short term borrowing profile of the sector
- Fierce and asymmetric competition throughout the sector