

Corporate Credit & Issue Rating

New Update

Sector: Factoring

Publishing Date: 16/03/2020

Analyst(s)

Merve Hayat

+90 212 352 56 73

merve.bolukcu@jcrer.com.tr

RATINGS

		Long	Short	
International	Foreign	B	C	
	Local Currency	B	C	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative
Issue Rating	-	-		
National	Local Rating	BBB+	A-2(Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BBB+	A-2(Trk)	
Sponsor Support	Stand-Alone	2	-	
	Stand-Alone	B	-	
Sovereign*	Foreign	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negative	-
		LC	Negative	-

*Affirmed by JCR on December 6, 2019

Ak Faktoring A.Ş.

Company Overview

Financial Data	2019*	2018*	2017*	2016*	2015*
Total Assets (000 USD)	32,847	31,736	116,630	121,239	138,035
Total Assets (000 TRY)	195,119	166,959	439,918	428,192	401,350
Equity (000 TRY)	69,799	66,216	62,954	59,176	51,909
Net Profit (000 TRY)	3,604	10,846	11,330	12,267	19,040
Market Share (%)	0.53	0.48	1.01	1.29	1.50
ROAA (%)	2.48	4.57	3.26	3.70	6.24
ROAE (%)	6.59	21.46	23.18	27.66	55.11
Equity/Assets (%)	35.77	39.66	14.31	13.82	12.93
NPL (%)	7.95	7.80	7.36	5.11	3.60
Growth Rate (%)	16.87	-62.05	2.74	6.69	11.09

*Audited financial statements

Ak Faktoring Anonim Şirketi (referred to as 'the Company' or 'Ak Faktoring') has operated in the Turkish Factoring sector since 1992 as a non-bank owned factoring company. Since 2006, the Turkish Factoring Sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA). With a staff force of 40, the Company provides funding to its customer portfolio via financing invoiced/documentated receivables based in Turkey.

Altınhas Holding A.Ş., the main shareholder of the Company, operates in the fields of asset management, education, energy, finance, accessories (jewellery), construction, textiles, and factoring. With a narrowed total asset size over the last two year period, of TRY 195.12mn, the Company held a 0.53% market share in a factoring sector worth TRY 37.02bn in FYE2019.

Strengths

- Significantly above sector averages capitalization level and increasing paid-in capital to meet legal requirements
- Ability to maintain the interest margin above sector averages
- Steady transfer of uncollectable receivables to asset management company for transparent balance sheet
- Financial viability of the owner Group and qualified management team
- Capital market instruments providing resource diversification in addition to available bank limits
- Comprehensive internal reporting procedures

Constraints

- Continuation of declining trend in transaction volume due to adverse market conditions and low market share
- Deteriorated and below sector profitability ratios and need for improvement in internal resource generation capacity
- Falling considerably short of the sector averages provision coverage of impaired loans, distressing asset quality
- Need for customer granularity increase despite efforts in improving concentration level on client basis
- Continuously above sector NPL ratios despite a continuous bad debt transfer
- Economic challenges weighing on the corporates and potential deceleration in sector and firm assets in response to the macroeconomic risk factors

