

Corporate Credit & Issue Rating

New Update

Sector: Factoring

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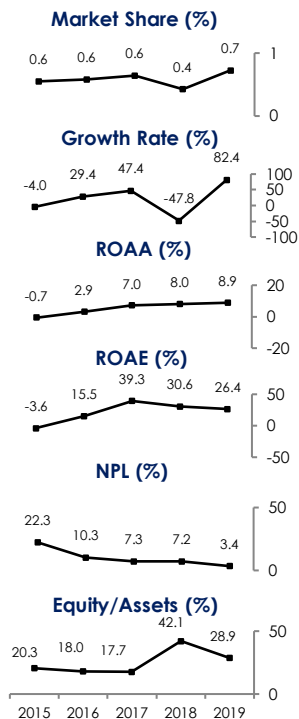
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RATINGS

		Long	Short	
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	Positive	Positive	
	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



Kent Faktoring A.Ş.

Company Overview

Financial Data	2019*	2018*	2017*	2016*	2015*
Total Assets (000 USD)	45,290	28,031	74,938	54,307	50,997
Total Assets (000 TRY)	269,032	147,470	282,660	191,803	148,280
Equity (000 TRY)	77,670	62,132	50,028	34,553	30,095
Net Profit (000 TRY)	15,195	12,104	15,475	4,457	813
Market Share (%)	0.73	0.43	0.65	0.58	0.56
ROAA (%)	8.86	7.99	7.01	2.95	-0.70
ROAE (%)	26.41	30.63	39.33	15.51	-3.58
Equity/Assets (%)	28.87	42.13	17.70	18.01	20.30
NPL (%)	3.42	7.17	7.33	10.34	22.26
Growth Rate (%)	82.43	-47.83	47.37	29.35	-3.96

* Audited financial statements

Kent Faktoring (Kent Faktoring or the Company) is a Süzer Group company operating in Turkish Faktoring market since 1997. The ultimate parent Süzer Group is a conglomerate operating in various sectors such as finance, energy, construction, real estate development and tourism.

Based in Istanbul, Kent Faktoring provides receivable financing to domestic firms for more than 20 years. In 2019, the Company joined FCI as a member and commenced offering international trade finance with its partners. Kent Faktoring's business model comprises of underwriting to large-scale companies after a thorough credit analysis. As a Süzer Group company, Kent Faktoring has a strong and experienced partnership structure.

The Süzer Group is a conglomerate operating in various sectors such as finance, energy, construction, real estate development and tourism. The Company's principal shareholder is Mr. Ali Baran SÜZER who owns 99.99% of total shares. Mr. Süzer has holdings in Süzer Group (Süzer Holding A.Ş.) and serves as head of the finance group and vice president of the holding company's board.

Strengths

- Resilient interest margins, surpassing the Sector averages and dynamically adjusting to the market conditions
- Comparatively lower leverage owing to retention of profits, despite recent increase in response to growing loan book
- High provision coverage of impaired assets
- Shareholder and Group support in both financial and operational aspects
- Recent membership in FCI

Constraints

- Global recessionary concerns and negative shock of the pandemic
- Medium term pressure on the net interest margin
- Pressure on the non-financial sector due to demand shock, macro uncertainties and global recession concerns, potentially weighing on asset quality
- Significant competition in the Sector due to fragmented market structure