

## Corporate Credit & Issue Rating

New  Update

Sector: Factoring

Publishing Date: 07/04/2020

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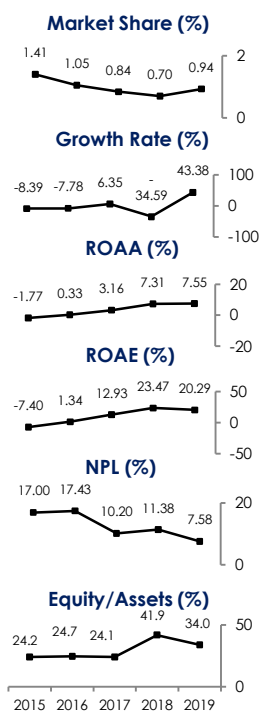
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### RATINGS

		Long Term	Short Term	
International	Foreign Currency	B	C	
	Local Currency	B	C	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative
Issue Rating	-	-		
National	Local Rating	BBB+ (Trk)	A-2 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BBB+ (Trk)	A-2 (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



## Eko Faktoring A.Ş.

### Company Overview

Financial Data	2019	2018	2017	2016	2015
Total Assets (000 USD)	58,294	45,903	97,882	98,299	129,478
Total Assets (000 TRY)	346,264	241,493	369,201	347,172	376,470
Equity (000 TRY)	117,739	101,130	89,115	85,669	91,085
Net Profit (000 TRY)	16,992	17,238	10,078	1,015	-5,168
Market Share (%)	0.94	0.70	0.84	1.05	1.41
ROAA (%)	7.55	7.31	3.16	0.33	-1.77
ROAE (%)	20.29	23.47	12.93	1.34	-7.40
Equity/Assets (%)	34.00	41.88	24.14	24.68	24.19
NPL (%)	7.58	11.38	10.20	17.43	17.00
Growth Rate (%)	43.38	-34.59	6.35	-7.78	-8.39

**Eko Faktoring A.Ş.** (referred to as 'the Company' or 'Eko Faktoring') was founded in 1994 and it operates as a factoring company in the headquarters located in Istanbul and a branch in Konya (city). The Company continues its operations under the regulations of Banking Regulation and Supervision Agency (BRSA). The Company had 60 employees as of financial year-end 2019 (2018: 58). The Company issued total of bonds over TRY 1bn since 2012 and one of the most active players of Turkish bond market.

The Turkish Factoring Sector was worth a total of TRY 37bn as of 2019, which grew around 7% compared to last year's figure of 34.6bn. In the same period, Eko Faktoring's assets expanded more than the sector average and exhibited a growth over 40%. In addition, the Company achieved to preserve its net profit and succeeded to reduce the non-performing loan pile.

Eko Faktoring is owned by Valansi, Kondu and Franco families. 9.99% of the shares are possessed by the Company itself. Eko Faktoring did not have any subsidiaries as of reporting date.

### Strengths

- Strong growth in total asset size in 2019
- Repeated success in bottom line profit
- Decline in non-performing loan balance
- Diversified funding mix via bond issuances
- Sufficient paid-in capital
- Qualified management team and well-organized risk management infrastructure

### Constraints

- Projected contraction on global and local economy in 2020, triggered by coronavirus outbreak
- Expected decline in interest margin in 2020
- Intensive competitive environment dominated by bank-owned companies which have a comparative advantage with wide branch networks and low borrowing costs