

Corporate Credit & Issue Rating

New Update

Sector: Factoring

Publishing Date: 28/03/2019

Analyst

Bora Pakyürek

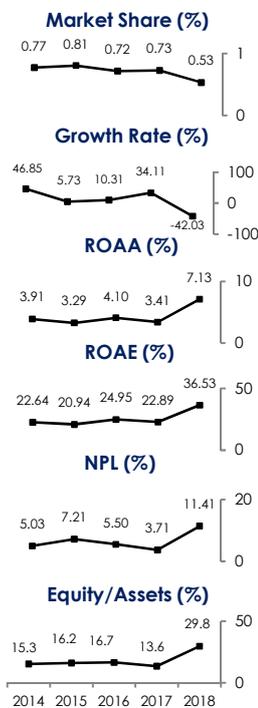
+90 212 352 56 73

bora.pakyurek@jcrer.com.tr

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	A (trk)	A-1 (trk)	
	Outlook	Stable	Stable	
	Issue Rating	A (trk)	A-1 (trk)	
Sponsor Support	Stand-Alone	2	-	
	Stand-Alone	B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negative	-
LC		Negative	-	

*Affirmed by JCR on November 27, 2018



Atılım Faktoring A.Ş.

Company Overview

Financial Data	2018*	2017*	2016*	2015*	2014*
Total Assets (000 USD)	35,153	84,581	67,357	74,167	87,954
Total Assets (000 TRY)	184,935	319,031	237,893	215,649	203,956
Equity (000 TRY)	55,114	43,250	39,752	34,846	31,135
Net Profit (000 TRY)	13,907	7,249	6,803	5,465	5,329
Market Share (%)	0.53	0.73	0.72	0.81	0.77
ROAA (%)	7.13	3.41	4.10	3.29	3.91
ROAE (%)	36.53	22.89	24.95	20.94	22.64
Equity/Assets (%)	29.80	13.56	16.71	16.16	15.27
NPL (%)	11.41	3.71	5.50	7.21	5.03
Growth Rate (%)	-42.03	34.11	10.31	5.73	46.85

*End of year

Atılım Faktoring A.Ş. (hereinafter referred to as Atılım Faktoring, or the Company) was founded on 1993 and gained its current ownership status in 2001. The Company's experience in the sector exceeds 25 years, underpinning its profile as one of the first factoring companies in Turkey. Since 2006, the Turkish Factoring Sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA).

Atılım Faktoring provides funding to its customer portfolio based in Turkey through the financing of their invoiced/documentated receivables. The Company is mainly focused on funding medium and large sized enterprises. The Company actively uses capital markets as means of alternative financing source. Total nominal outstanding issue volume amounted to TRY 22.5mn as of FYE2018.

The Dinler and Dalva Families are the utmost shareholders of the Company, each owning 50% of the total shares. The ownership structure of the Company is fairly stable. The Company is headquartered in Istanbul, where the majority of the operations take place, with an extra office located in Antalya. As of December 2018, the Company employed a staff of 44 (FYE 2017:61).

Strengths

- High profitability ratios supporting the equity base with internally generated resources
- Reasonably strong net interest margin, underpinning core operational profitability
- Sufficient equity level and retention ratio, contributing to funding profile
- Diversified funding opportunities through debt issuances contributing to borrowings term structure and relieving liquidity management
- Resilience to fluctuations in foreign currency risks due to absence of non-TRY denominated liabilities
- High level of collateral coverage
- Stable and experienced management team with an emphasis on adoption of corporate governance best practices & efficient internal control mechanisms

Constraints

- Sharp contraction in asset size and cumulative asset growth below the sector while maintaining a prudential scale
- Provision expenses having exerted pressure on profitability
- High operating expenses by scale and pressures to continuously squeeze costs despite notable improvement over the previous year
- Rising financial expenses pressurizing profitability
- Upwards tilting NPL ratio, exceeding the sector averages considerably
- Intensive competitive environment dominated by bank-owned companies
- Aggravating circumstances to exert adversities on debt-servicing capabilities of real sector accompanied by weakened demand and rising unemployment