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**JCR
Eurasia Rating,**

assigned

**Çağdaş Faktoring
A.Ş.**

Long and Short Term
National Ratings of
‘A (Trk)’

and

‘A-1 (Trk)’,
respectively with
“Stable” outlooks on
both ratings.

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RATINGS

		Long	Short
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	Stable	Stable
	Issue Rating	Stable	Stable
National	Issue Rating	n.a	n.a
	National Rating	A	A-1
	Outlook	Stable	Stable
	Issue Rating	A	A-1
Sponsor Support	2	-	
Stand Alone	B	-	

Sector: Factoring
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Press Release

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JCR Eurasia Rating, assigned Çağdaş Faktoring A.Ş. a Long Term National Credit Rating of “A (Trk)” and Short Term National Credit Rating of “A-1 (Trk)” with “Stable” outlooks on both ratings.

The Factoring Sector is marked by high sensitivity to developments in macroeconomic circumstances. In the recent years, management policies in the sector are strongly influenced by the changes in economic outlook and regulatory procedures from the Banking Regulation and Supervision Agency (BRSA). On the other hand, in line with the undertaken reforms, the sector’s legal infrastructure has been improved with regards to effective surveillance and control. As such, the mandatory installation of information, risk measurement, and internal control systems have made a positive contribution to the improvement of the sector’s institutional set-up, and the quality, standardization, and transparency of financial reporting practices and facilitated fair competition. Considering that the main income of factoring companies is the real sector, the effects of the growth environment supported by the volatility and incentive policies created by the foreign and domestic economic, political and geopolitical developments in the markets on the factoring sector deserve to be closely monitored.

Çağdaş Faktoring was established in 1994 and operates with an office network 14, with a head office in Istanbul. Having a stable capital structure and partners with long track record in the financial sector, the Company continues its growth trend.

The Company has achieved an asset growth rate above the Sector averages simultaneously maintaining a high level of asset quality by maintaining a broad-based loan portfolio with low average loan balance per borrower. The Company, which has established internal control systems and limits to circumvent the turnover to impairment conversion rate, has maintained its net interest margin above the Sector average in an environment of increased pressure on interest rates. Çağdaş Faktoring, funding its balance sheet with funds provided by factoring companies as well as numerous banks, also provides financing via actively participating in capital markets. On the other hand, leverage ratios have increased in recent years as the high-speed growth process is predominantly realized with foreign resources. The Company’s widespread customer base, low average loan balance per borrower, reasonable asset quality, corporate governance structure, prudent lending policies along with high leverage ratios and a slightly declining net interest margin constitute the basic foundations of the Long-term National Rating assigned as “A (Trk)”. JCR-ER will continue to monitor the asset quality, turnover and asset quality trend, funding structure and interest margins of Çağdaş Faktoring.

Considering the experience and competencies of the Tümay Family, primary shareholders of the company, in the financial sector, 'Sponsor Support Grade' indicating the ability and willingness of the shareholders of Çağdaş to provide operational and financial support to the company is determined as (2) indicating 'Adequate' level. 'Stand Alone Rating', expressing the ability of the firm to fulfil the obligations without resorting to shareholder support is determined as (B) by taking into account its equity and profitability ratios, sufficient interest margin and ample borrowing lines.

For more information regarding the rating results, you may visit our internet site <http://www.jcrer.com.tr> or contact our analysts **Mr. Özgür Fuad ENGİN, CFA**.

JCR EURASIA RATING
Administrative Board