

Corporate Credit Rating

New Update

Sector: Factoring
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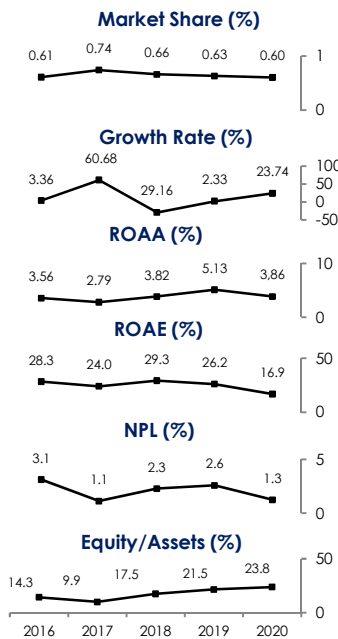
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RATINGS

		Long Term	Short Term
National	Local Rating	A-(Trk)	A-1 (Trk)
	Outlook	Stable	Stable
	Issue Rating	A-(Trk)	A-1 (Trk)
International	Foreign Currency	BB	B
	Local Currency	BB	B
	Outlook	FC Stable LC Stable	Stable
Sovereign	Sponsor Support	2	-
	Stand-Alone	B	-
	Foreign Currency	BB	-
Sovereign	Local Currency	BB	-
	Outlook	FC Stable LC Stable	-

*Assigned by JCR on May 31, 2021



Sümer Faktoring A.Ş.

JCR Eurasia Rating has upgraded the Long Term National credit rating of Sümer Faktoring A.Ş. ('Sümer Faktoring' or 'the Company') in the investment-level category to 'A- (Trk)' on the long-term national scale from 'BBB+ (Trk)' and affirmed the short-term national ratings as 'A-1 (Trk)' with 'Stable' outlooks. International ratings of the Company are determined with respect to the global to local mapping methodology of JCR-ER and Long Term International Foreign and Local Currency Ratings and their Outlooks have been assigned at 'BB/Stable'

Sümer Faktoring A.S. was founded in 1996 and acquired by the Altınbaş Family, owner of a prominent conglomerate in Turkey operating in the financial and non-financial sectors, in 2014. Company shares were reorganized under ASV Holding A.S. The Turkish Factoring Sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2006.

Sümer Faktoring, with its based in Istanbul and 5 branches throughout Turkey, has been provides receivable financing to domestic firms for more than 20 years. Sümer Faktoring had a workforce of 35 as of FY2020 (FY2019: 35). The Company held a 0.60% market share in a factoring sector worth TRY 48bn in FY2020.

As of 2020, the main shareholder of the company is ASV Holding, which owns 94% of the total shares. The ASV Group is a conglomerate operating in various sectors such as finance, energy, logistics, jewelry and education.

Key rating drivers, as strengths and constraints, are provided below.

Strengths	Constraints
<ul style="list-style-type: none"> Reasonable share of equities in assets financing comfortably above the sector average Despite slight decline, above industry profitability ratios and reasonable profit margin The steady decline in the ratio of non-performing loans falling below Sector averages Diversified borrowing profile through debt security issuances contributing to borrowings term structure and relieving the liquidity Experienced management team and well-organized risk management infrastructure High level of collateral coverage diminishing the credit risk 	<ul style="list-style-type: none"> Pressure on global economic outlook and asset quality of companies due to uncertainties arising from the global Covid-19 pandemic Asset growth performance below sector averages and continuing downtrend in market share Short-term borrowing profile of the Sector High competition in the Sector dominated by bank-owned factoring companies with wide branch network and lower borrowing costs

Considering the aforementioned factors, Company's the Long Term National Rating has been assigned at 'A-(Trk)'. The Company's revenue generation capacity, asset quality, capital adequacy, leverage level, liquidity profile, net interest margin level, improvement in risk management implementations together with low level of risk exposure and the general outlook of the sector are primary pillars of the rating and the outlooks for Long and Short Term National ratings are determined as 'Stable'. JCR-ER will monitor the global and domestic macroeconomic indicators, Covid-19 pandemic and geopolitical risks-driven uncertainties and collection performance of problematic receivables and the NPL level.

It is considered that the Company's main shareholder, ASV Group has the propensity to offer financial support within their financial capability when liquidity needs arise in the short or long-term perspective. In this regard, the Company's Sponsor Support grade has been affirmed as (2) on JCR Eurasia Rating's notation scale.

Sümer Faktoring's 'stand-alone rating' has been determined with regard to the Company's organizational structure, level of capitalization, asset quality, risk management policies, corporate governance practices, market shares, growth rates, profitability ratios and the trends of the existing risks in the markets and the business environment. Within this context, the Stand Alone note of Sümer Faktoring has been determined as (B) in the JCR Eurasia Rating notation system.