

Turkey
Full Rating Report

Optima Faktoring Hizmetleri A.S.

Ratings

National	
Long-Term Rating	BBB-(tur)
Sovereign Risk	
Foreign-Currency Long-Term IDR	BB+
Local-Currency Long-Term IDR	BB+

Outlooks

National Long-Term Rating	Stable
Sovereign Foreign-Currency Long-Term IDR	Stable
Sovereign Local-Currency Long-Term IDR	Stable

Financial Data

	31 Dec 09	31 Dec 08
Optima Faktoring Hizmetleri A.S.		
Total assets (USDm)	47.1	25.0
Total assets (TRYm)	70.3	38.1
Total equity (TRYm)	22.2	11.5
Operating profit (TRYm)	8.8	5.1
Published net income (TRYm)	7.1	4.0
Comprehensive income (TRYm)	7.1	4.0
Operating ROAA (%)	17.03	10.34
Operating ROAE (%)	50.47	45.52
Internal capital generation (%)	31.92	34.91

Analysts

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Related Research

- Applicable Criteria
- [Global Financial Institutions Rating Criteria \(December 2009\)](#)
 - [Finance and Leasing Companies Criteria \(December 2009\)](#)

Rating Rationale

- The National Long-Term Rating of Optima Faktoring Hizmetleri A.S. (Optima) reflects its small size within the local financial system, its limited franchise in its core factoring market and its still weaker (although improved) asset quality compared with rated peers as well as marked improvements in profitability, strong capitalisation and sound liquidity.
- Optima resumed factoring receivables growth in 2009, in parallel with the economic recovery. The company has by far the highest yield on its factoring business among its rated peers due to its focus on small-sized companies in the high-risk and high-return segment of customers. Profitability improved markedly in 2009, helped mainly by a significant reduction in loan impairment charges (LICs). Efficiency improved in 2009 due to cost control, despite some expansion in the workforce.
- Optima's asset quality, following a sharp deterioration in 2008, started to improve in 2009 aided by the fall in impairment charges and increase in collections, but it remained weaker than its rated peers'.
- Funding is short-term and mainly obtained from local banks in TRY to match the currency of receivables. Optima's liquidity was severely tested during Q408 and most of 2009, and the company was able to halve its exposure and increase its liquid assets, in part due to its strong equity and balance sheet flexibility.
- Factoring receivables, despite strong growth, equalled a lower 2.9x of equity at end-2009 compared with 3.1x at end-2008, the result of both higher retained earnings and a cash capital injection, and remained significantly better than the regulatory ceiling of 30x. The equity to assets ratio stood at 32% at end-2009. The strong capital base provides Optima with a buffer against future risk and will help to lessen the pressure on the cost of funding while supporting growth.

Support

- Although the shareholders might have the financial capacity and willingness to support the company if needed, this cannot be ascertained and therefore cannot be relied upon.

Key Rating Drivers

- Upside to the rating is limited given Optima's small size within the Turkish financial system and a limited franchise, making it vulnerable to prolonged stress conditions. Downside risk, although small, could arise from major and persistent asset quality deterioration coupled with a fall in capital.

Profile

Optima only provides "with-recourse" domestic factoring services and focuses on serving SMEs. Optima is a small factoring company: it had less than a 1% market share in total factoring turnover in Turkey in 2009. Since 2006, factoring companies in Turkey have been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA).