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**JCR
Eurasia Rating,**

has evaluated the credit ratings of “**Atılım Faktoring A.Ş.**” and “**Planned and Outstanding Bond Issuances**” and affirmed its rating as “**A- (Trk)**” on the Long Term National Local Scale and determined its outlook as “**Positive**”.

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RATINGS

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

Sector: Factoring
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JCR Eurasia Rating, in its periodic review, has evaluated **Atılım Faktoring A.Ş.**” in an investment-level category on the national and international scales and affirmed the ratings of ‘**A- (Trk)**’ on the Long Term National Scale and determined its outlook as ‘**Positive**’. In addition, JCR Eurasia Rating has affirmed the Long Term International Foreign and Local Currency Ratings as ‘**BBB-**’. Other notes and details of the ratings are provided below.

The Factoring Sector is marked by high level of vulnerability to fluctuations in macroeconomic circumstances and instability. 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.

Atılım Faktoring, with activities dating back to 1993 as one of the first institutions operating in the Turkish Factoring sector, has operated under its current ownership structure as of 2001. Headquartered in Istanbul, the Company has offices in Ankara, Antalya and Samsun and offers financing services to mostly medium and large sized enterprises through the transfer of their trade receivables stemming from domestic sales.

The factoring receivables and turnover significantly increased as of 2017, while the NPL ratio relative declined and the rate of impaired receivables added displayed a fall in absolute terms. As net interest margin surpassed the sector average, the Company’s return on equity and return on assets ratios continued to benefit from the margin. Actively using capital and money markets, the Company continues to diversify its funding structure with frequent bond issuances. On the other hand, in order to control the risk weight of the credit portfolio, **Atılım Faktoring** has opted primarily to underwrite loans with institutional and large-scale customers.

Superior net interest margin spread over the sector average, improvement in the NPL ratio and recovering asset quality, productivity improvement due to the limitation of costs compared to past periods, risk and profitability oriented management policies, dynamically managed and diversified funding resources with bond issuances and the adequate capitalization levels were factors leading to the determination of Atılım Faktoring’s Long Term National Rating as “**A- (Trk)/Positive**”. JCR-ER will continue to monitor Atılım Faktoring’s asset quality, leverage level, operational efficiency and interest margin trend along with the domestic and global economic environment. The Company’s International Foreign Currency and Local Currency ratings have been restricted with the Turkey’s sovereign ratings as “**BBB-**”, where the Company’s activities are being carried out.

Taking into account the Company’s balance sheet composition, scale attained in the intermediary sector, presence of an experienced management team, future projections and reputable shareholding structure expanding and facilitating funding opportunities, it is anticipated that the Company will meet the financial liabilities arising from its planned and outstanding bond issuances. No separate rating report has been compiled as the resources obtained from the bond issue will be carried in the Company’s balance sheet and has been subject to analysis in the corporate credit rating report. The planned bond issue carries no difference in comparison to the Company’s other liabilities with respect to its legal standing and collateralisation. As such, the notations outlined in the corporate credit rating report also reflect the issue rating but do not cover any structured finance instruments. Issue ratings are assigned for both outstanding and prospective debt instruments and incorporate assessments until their maturities.

We preserve our opinion that the controlling shareholders of **Atılım Faktoring A.Ş.** have the willingness to provide long-term funds or equity along with delivering operational support should such a need arises. In this perspective, the Company’s Sponsor Support Rating has been affirmed as **(3)** within the **JCR Eurasia Rating** scale.

JCR Eurasia Rating believes that the Company possesses the capacity and experience to manage its commitments without external support, considering the Company’s internal resource generation capacity and profitability potential, achieved growth rates, asset quality, capitalization level, liquidity profile, term structure and risk management applications and provided that the macroeconomic outlook does not concentrate on the negative direction. In this regard, **Atılım Faktoring A.Ş.**’s Stand Alone Rating is affirmed as **(B)**, indicating a sufficient level within **JCR Eurasia Rating** notation.

JCR EURASIA RATING
Administrative Board