

ATILIM FAKTORİNG A.Ş.

Long-term National Credit Rating: **TR A+**
Short-term National Credit Rating: **TR A1**
Outlook: **Stable**

Rating History:

LTNCR: **TR A** STNCR: **TR A1** Outlook: **Positive** Date: 29.03.2024

Istanbul, 28 March, 2025 – The Long-term National Credit Rating of Atılım Faktoring A.Ş. (hereafter Atılım Faktoring or the Company) has been upgraded to TR A+ from TR A and its Short-term National Credit Rating of TR A1 has been affirmed. Atılım Faktoring's cautious stance, increasing efficiency, rising net profit and profitability ratios, increasing shareholders' equity and equity ratio are the main factors supporting the rating. Economic uncertainty, higher NPL ratio than sector and peer group¹ averages, and high level of risk concentration are the factors constraining the rating. We view the outlook as stable with the expectation that the Company will continue with its current performance.

Founded on 27.08.1993, the Company's business title was changed from Tekfen Faktoring A.Ş. to Atılım Faktoring A.Ş. with the change in the shareholder structure in 2002. Since 2002, the shareholding structure has remained unchanged and the controlling shareholder of the Company is Doğan Danyel Dinler. As of December 2024, the Company had 161 active customers and 38 employees. In 2024, the Company has provided domestic and international factoring services for which 82.1% of its transaction volume with revocable factoring transactions, and its clients were mainly SMEs and individual companies. The Company has a branch office in Bornova, Izmir. Atılım Faktoring's transaction volume consisted of 88.3% of cash discount products with customer checks, while the rest was overdraft transactions.

Moderate Growth of Trading Volume and Receivables: In 2024, as a result of the increasing nominal NPL amount in the sector in general and the high rate of concordat requests, the Company increased its loan rejection rates to the 50.0%-60.0% band in order to be cautious. It has also chosen to work with known businesses and known clients, as it targets for 2024. In this context, the number of active clients of Atılım Faktoring decreased from 199 to 161. The Company also kept its transaction volume and net factoring receivables growth rate below the sector's growth rate. In the January-December 2024 period, Atılım Faktoring's transaction volume was realized in line with inflation by 47.4% and increased by 23.0% in USD terms. As of December 2024, the Company's net factoring receivables increased by 35.7% to TL1 billion 354 million.

Rising Net Profit and Profitability Ratios: In 2024, Atılım Faktoring's main operating profit increased by 70.6% from TL136.3 million to TL232.4 million, as a result of the increase in operational expenses (64.0%) below net factoring income. This is an indication that the Company was able to generate profit despite its cautious stance. In addition to main operating profit, the Company generated interest income from banks and securities amounting to TL5.5 million and other income including carrying charge and provision for bad debts amounting to TL3.8 million. With the impact of all these income items, net profit after tax increased by 68.6% over inflation to TL171.2 million. Along with increasing net profit, profitability ratios increased, outperforming both the sector (ROAA: 8.0%; ROAE: 76.7%) and peer group averages (ROAA: 11.7%; ROAE: 80.3%).

¹ As a peer group, Akdeniz Faktoring A.Ş., Eko Faktoring A.Ş. and Akın Faktoring A.Ş. were selected as similar companies to Atılım Faktoring in terms of asset size, net factoring receivables, shareholders' equity, personnel and number of branches.

Asset Quality and High-Risk Concentration: In 2024, Atılım Faktoring's nominal NPL amount increased by 105.2% to TL29.0 million, as a result of the increase in transaction volume and net factoring receivables. Nevertheless, the Company's NPL ratio was still low at 2.1%. The ratio of nominal NPL ratio to transaction volume also hovered around 6 per thousand. Atılım Faktoring's NPL ratio was above both peer group and sector averages.

As of 31.12.2024, the ratio of Atılım Faktoring's receivables from the highest risk clients to total receivables increased to 10.5% from 7.8%. As of the same date, the share of the Company's top 10 customers with the highest risk in total receivables increased to 54.4% from 39.9%. Atılım Faktoring's risk concentration is at a high level. This was driven by growth in existing customers.

Increasing Equity and Equity Ratio: In 2024, Atılım Faktoring's paid-in capital was increased to TL150.0 million from TL75.0 million and the shareholders' equity increased by 57.7%, outpacing assets, due to increased net profit. In 2024, Atılım Faktoring's equity ratio was above both sector and peer group averages.

Increased Efficiency: In the January-December 2024 period, Atılım Faktoring's cost/income ratio decreased due to net factoring income exceeding operational expenses. This ratio was below both peer group and sector averages. This shows that Atılım Faktoring operates efficiently.

Experienced and Stable Management Team: The Company's Board of Directors and Senior Management were maintained in 2024 and 2025. The Company's General Manager has nearly 30 years of experience in the field of finance and has been the General Manager of Atılım Faktoring since July 2007.

Atılım Faktoring's Selected Financial Indicators

(1,000 TL)	2020	2021	2022	2023	2024
Total Assets	223,350	324,487	625,700	1,100,165	1,489,001
<i>Asset Growth (%)</i>	7.7	45.3	92.8	75.8	35.3
Total Factoring Receivables (Net)	202,522	285,308	531,275	997,769	1,353,681
<i>NPL Ratio (%)</i>	5.3	4.1	1.8	1.4	2.1
Equity	64,325	76,950	140,616	216,158	340,984
<i>Equity /Total Assets (%)</i>	28.8	23.7	22.5	19.6	22.9
Factoring Income	35,095	72,309	133,302	418,350	784,703
Net Factoring Income*	16,059	28,941	58,740	185,083	312,477
<i>Net Interest Margin (%)**</i>	9.2	12.5	15.0	24.2	27.2
Factoring Operating Income/Loss	4,364	14,812	38,139	136,252	232,380
Net Profit	5,153	13,210	30,279	101,521	171,156
ROAA (%)	2.4	4.8	6.4	11.8	13.2
ROAE (%)	9.3	21.5	34.8	90.3	120.3

Net Factoring Income*: Interest and commission received from factoring receivables-Interest and commission paid to borrowings+/- Foreign exchange profit/loss+/-Derivatives profit/loss-Loan loss provisions

Net Interest Margin**: Interest income was also included in the calculation.