

## CREDIT RATING REPORT

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ISUER: İŞ FAKTORİNG A.Ş.

ISSUE: -

CORE BUSINESS

FACTORİNG

NEW:

☐

UPDATE:

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İŞ FAKTORİNG A.Ş. İş Kuleleri, Kule 1 Kat:10 34330 Levent / İstanbul Tel: (0212) 317 00 99 <a href="http://www.isfaktoring.com.tr">www.isfaktoring.com.tr</a>	RATINGS*					
	ISSUER RATING		OUTLOOK	ISSUE RATING		OUTLOOK
	LONG TERM	SHORT TERM		LONG TERM	SHORT TERM	
INTERNATIONAL FOREIGN CURRENCY	-	-	-	-	-	-
INTERNATIONAL LOCAL CURRENCY	-	-	-	-	-	-
NATIONAL RATING	TR AAA TR AA+	TR A-1 TR A-1	Stable Stable			

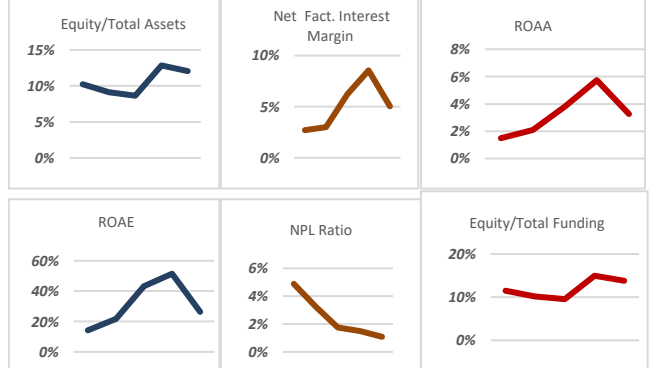
\*Previous ratings are at the bottom right of the cells. **NR:** Not rated by DRC RATING. **Outlook:** Positive, Negative, Stable, Developing.

**SUMMARY:** İş Faktoring A.Ş.(hereafter İş Faktoring or the Company)'s Long-Term National Credit Rating has been upgraded to **TR AAA**, Short-Term National Credit Rating has been confirmed as **TR A-1** with a **Stable** Outlook.

The credit ratings reflect our view that the Company is the sector leader in terms of total assets and receivables outstanding, ranks second in the sector in terms of shareholders' equity, ranks first among private equity factoring companies in terms of average factoring receivables and annual transaction volume, has diversified funding sources through the issuance of commercial papers, and that the Company's indirect parent Türkiye İş Bankası A.Ş. is one of the most well-established and powerful institutions in Türkiye. Strong shareholders' equity with the retention of profit for the period, high asset quality, the imminent completion of software development and digital transformation efforts that are expected to increase operational efficiency, rapidly declining non-performing loans (NPLs) and reasonable borrowing ratios are among the highlights.

### Key Financial Data (Million ₺)

	2020	2021	2022	2023	2024
Total Assets	4,645	6,950	16,429	24,005	37,798
Factoring Receivables	4,417	6,672	15,632	22,155	35,124
Financial Liabilities	4,146	6,266	14,876	20,609	32,985
Equity	477	634	1,420	3,084	4,556
Non Performing Loans (NPL)	227	223	277	337	386
Net Profit	55	121	445	1,160	1,007



İstanbul, June 18<sup>th</sup> 2025**Financial Data**December 31<sup>st</sup>, 2024

(Million ₺)

Total Assets	37,798
Factoring Receivables	35,124
Equity	4,556
Net Factoring Income	1,439
Net Profit/Loss	1,007

**Financial Ratios**

ROAA (%)	3.3
ROAE (%)	26.4
NPL/Gross Fact. Receive. (%)	1.1
Equity/Total Assets (%)	12.1
Net Fact. Interest Margin (%)	5.0

**Ratings Rationale, Outlook and Important Factors for the Future:**

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According to the Company's independently audited financial statements dated 31.12.2024, in the 2023-2024 comparison period; asset size increased by 57.5% to ₺ 37,798 million, factoring receivables increased by 58.5% to ₺ 35,124 million, and shareholders' equity increased by 47.7% to ₺ 4,556 million. Since the Company considers 2024 as a year to preserve the gains achieved in the previous two years, the Company prioritized the preservation of asset quality within the economic conjuncture and profitability ratios<sup>(1)</sup> were therefore realized below the peer group and sector average.

DRC RATING has confirmed the outlook of İş Faktoring's National Long-Term Rating as **"Stable"**. The Company's liquidity ratios are at a sufficient level and there is a large number of credit limit gaps with many domestic and foreign banks, despite

the risk of centralization the low collection risks of corporate customers operating in the motor vehicles, energy, technology, industry and finance sectors, the NPL ratio, which is at the same level with the peer group<sup>(2)</sup> and well below the sector average (1.75%) have been taken into consideration and positive/negative factors have been evaluated in determining the outlook.

Key factors to consider for the future change in rating and outlook are:

**Positive**

- Continued sustainable profitable growth in factoring receivables,
- Increase in collections from non-performing receivables and decrease in provision expenses,
- Improvement in net factoring interest margin, average asset and average equity profitability ratios,
- Increase in productivity with the realization of the Company's digital transformation projects,

**Negative:**

- Possible contraction in trade volume depending on the conjuncture,
- Corporate customers becoming insolvent,
- Difficulties in accessing financing due to restrictive measures that may be imposed by the regulatory authority.

<sup>(1)</sup> Net factoring interest margin, return on average assets (ROAA) and return on average equity (ROAE) ratios are calculated by taking into account the net profit for the period and the average of the beginning and end of the period balances of the related balance sheet items.

<sup>(2)</sup> Garanti Faktoring, Deniz Faktoring, QNB Finans Faktoring, TEB Faktoring, Vakıf Faktoring and Yapı Kredi Faktoring have been chosen as peer group.



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