Corporate Credit Rating

□New ⊠Update

Sector: Factoring Publishing Date: 30/03/2022 Chief Analyst Bora Pakyürek +90 212 352 56 73 bora.pakyurek@jcrer.com.tr

Team Leader Deniz Ustabaş +90 212 352 56 73 deniz.ustabas@jcrer.com.tr

Assistant Analyst Melda Narin +90 212 352 56 73 melda.narin@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	33
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BB	33
	International LC ICR Outlooks	Stable	Stable
ISRs (Issue Specific Profile)	National ISR	A	J1
	International FC ISR		
	International LC ISR		
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

Market Share (%) 0.73 0.53 0.56 0.46 0.50 1 0 Growth Rate (%) 45.28 34.11 12.19 7.65 100 42.03 0 -100 **ROAA** (%) 7.13 5.49 6.42 10 2.94 Λ **ROAE (%)** 36.53 18.98 10.31 24.90 50 NPL (%) 11.41 6.09 5.31 4.09 20 Λ Equity/Assets (%) 50 28.2 29.8 28.8 23.7 13.6 0

2017 2018 2019 2020 2021

Atılım Faktoring A.Ş.

JCR Eurasia Rating, has evaluated the **"Atılım Faktoring A.Ş."** in the high-investment level category and affirmed the Long-Term National Issuer Credit Rating at **'A (tr)'** and the Short-Term National Issuer Credit Rating at **'J1 (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as **'BB/Stable'** according to JCR-ER's national-global mapping methodology.

Atılım Faktoring A.Ş. (hereinafter referred to as Atılım Faktoring, or the Company) was founded on 1993 and gained its current ownership status in 2002. The Company's experience in the sector exceeds 28 years, underpinning its profile as one of the first factoring companies in Turkey. Since 2006, the Turkish Factoring Sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA).

Atılım Faktoring provides funding to its customer portfolio based in Turkey through the financing of their invoiced/documented receivables. The Company is mainly focused on funding medium and large sized enterprises. The Company actively uses capital markets as means of alternative financing source. Total nominal outstanding issue volume amounted to TRY 23mn as of FYE2021.

The Dinler and Dalva Families are the utmost shareholders of the Company, each owning 50% of the total shares. The Company is headquartered in Istanbul, where the majority of the operations take place with a 33 staff force.

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

Strengths	Constraints
 Ability to generate and preserve interest margins outperforming the sector, underpinning core operational profitability, Notable asset growth outperforming the industry in FYE2021, Satisfactory equity level promoting funding profile, High level of received collaterals against to net factoring receivables contributing to covering of credit risk, Well-Defined work flow processes and 	 Short term borrowing profile in line with sector NPL ratios though improved still exceeding the sector averages, Intensive competitive environment dominated by Bank-Owned companies which have a comparative advantage with wide branch networks and low borrowing costs, Economical concerns and geopolitical risks stemming from the Russia-Ukraine tension.

risk management infrastructure.

Considering the aforementioned points, together with such additional support factors as long business track record and high level of sustainability of activities bolstered by particularly the Company's adequate level of risk appetite, capitalization level, net interest margin level, expected projections, geopolitical risks-driven uncertainties and the general outlook of the sector, the Company's the Long-Term National Issuer Credit Rating has been affirmed "A (tr)". The Company's internal resource generation capacity and profitability potential, achieved growth rates, asset quality, capitalization level, liquidity profile, term structure have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's trend and collection performance of the past-due receivables, turnover growth and profitability indicators as well as market conditions regarding the sector and geopolitical matters will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.

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