CREDIT RATING REPORT

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ISUER: İŞ FAKTORING A.Ş.

İSSUE: -

CORE BUSINESS FACTORING

NEW: ☐ **UPDATE**: ☒

İŞ FAKTORING A.Ş. İş Kuleleri, Kule 1 Kat:10 34330 Levent / İstanbul Tel: (0212) 317 00 99 www.isfaktoring.com.tr	**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 AAA**	**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.

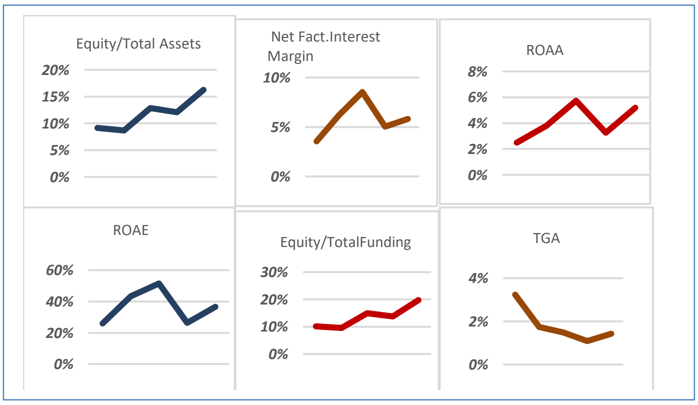
SUMMARY:İş Faktoring A.Ş. (hereinafter referred to as İş Faktoring or the Company) has had its **Long-Term National Credit Rating** confirmed at **TR AAA,** its Short-Term National Credit Rating at **TR A-1**, and its outlook as **Stable.**

The credit ratings reflect our view of the Company's experienced and stable management team, its period net profit growth exceeding twice the sector average, its leadership in terms of average factoring receivables, its market share gain in factoring turnover achieved in 2025, its ability to maintain strong asset quality with an NPL ratio remaining below the sector average, its diversified funding structure through the issuance of corporate bonds, and the fact that its indirect principal shareholder, Türkiye İş Bankası A.Ş., is one of the most well-established and strongest financial institutions in Türkiye.

The strengthening of the Company's equity base driven by period net profit, its diversified funding sources and ability to access these sources rapidly, the increase in its non-performing loan (NPL) balance remaining below the sector growth rate, the continued high quality of its assets, and the commencement of operations of three new branches during the first half of 2026 as part of its branch expansion strategy were the key factors supporting the rating assessment.

Key Financial Data (Million ₺)

	2021	2022	2023	2024	2025
Total Assets	6,950	16,429	24,005	37,798	38,822
Factoring Receivables	6,672	15,632	22,155	35,124	36,455
Financial Liabilities	6,265	14,873	20,605	32,985	32,037
Equity	634	1,420	3,084	4,556	6,321
Non Performing Loans (NPL)	223	277	337	386	527
Net Profit	121	445	1,160	1,007	1,991



İstanbul, July 13th 2026

Financial Data

December 31st, 2025

(Million ₺)	
Total Assets	38,822
Factoring Receivables	36,455
Equity	6,321
Net Factoring Income	2,076
Net Profit/Loss	1,991

Financial Ratios

ROAA (%)	5.2
ROAE (%)	36.6
NPL/Gross Fact. Receive. (%)	1.4
Equity/Total Assets (%)	16.3
Net Fact. Interest Margin (%)	5.8

Ratings Rationale, Outlook and Important Factors for the Future:

The credit ratings reflect our view of the Company's experienced and stable management team, its period net profit growth exceeding twice the sector average, its leadership in terms of average factoring receivables, its market share gain in factoring turnover achieved in 2025, its ability to maintain strong asset quality with an NPL ratio remaining below the sector average, its diversified funding structure through the issuance of corporate bonds, and the fact that its indirect principal shareholder, Türkiye İş Bankası A.Ş., is one of the most well-established and strongest financial institutions in Türkiye.

The strengthening of the Company's equity base driven by period net profit, its diversified funding sources and ability to access these sources rapidly, the increase in its non-performing loan (NPL) balance remaining below the sector growth rate, the continued high quality of its assets, and the commencement of operations of three new branches during the first half of 2026 as part of its branch expansion strategy were the key factors supporting the rating assessment. According to the Company's audited financial statements dated December 31, 2025, compared to the previous year, annual factoring turnover increased by 60% to TRY 155.5 billion, average factoring receivables rose by 58% to TRY 37,216 million, shareholders' equity increased by 38.7% to TRY 6,321 million, and net profit grew by a remarkable 98% to TRY 1,991 million. Although profitability ratios(1) remained below the peer group and sector averages due to the impact of equity investment valuation gains and dividend income, they improved significantly year-on-year, supported by period net profit growth exceeding twice the factoring sector average, and converged toward sector averages.

DRC Rating has affirmed the Outlook on İş Faktoring's National Long-Term Rating as **Stable**. In determining the Outlook, DRC Rating has taken into consideration the Company's successful implementation of prudent risk management practices, its strong equity base and balance sheet structure, expanding service network, customer-oriented business model, adequate liquidity ratios, ample available credit lines with numerous domestic and international banks, the positive impact of measures implemented during the monitoring period to mitigate concentration risk, the low collection risk profile of its corporate customers operating in the automotive, energy, technology, industrial, and financial sectors, and its non-performing loan (NPL) ratio, which remained in line with the peer group(2) average and significantly below the sector average of 2.5%. These factors, together with other positive and negative considerations, formed the basis for the assessm.ent of the Outlook.

Key Factors Considered for Potential Future Changes in the Rating and Outlook:

Positive:

- The sustainability of the positive impact of the organizational transformation implemented in the Marketing and Sales functions,
- The continuation of non-performing loan (NPL) balance growth remaining below the sector growth rate and the maintenance of high asset quality,
- The continued improvement in the net factoring interest margin, average return on assets, and average return on equity achieved during the monitoring period,
- The continuation of the effective pricing and funding policy successfully implemented during the monitoring period,
- A further reduction in funding costs, should the Central Bank of the Republic of Türkiye (TCMB) continue its monetary easing cycle,
- A further increase in the share of debt securities within the Company's funding structure, building on the momentum achieved during the monitoring period,
- The continuation of the increase in the number of active customers, driven by the intensive promotional activities carried out during the monitoring period,

Negative:

- A potential increase in funding costs resulting from a rise in market interest rates,
- A potential contraction in trade volume resulting from adverse macroeconomic conditions,
- Increased payment difficulties among customers resulting from macroeconomic volatility and potential liquidity constraints,
- Potential difficulties in accessing funding arising from restrictive measures that may be introduced by the regulatory authorities,

(1) Net factoring interest margin, average return on average assets (ROAA), and average return on average equity (ROAE) were calculated using the average of the relevant balance sheet items as of the 2024 and 2025 year-end reporting dates.
(2) The Company's principal peers (peer group) comprise Garanti BBVA Faktoring, Deniz Faktoring, QNB Faktoring, TEB Faktoring, Vakıf Faktoring, and Yapı Kredi Faktoring.