

Corporate Credit Rating

New Update

Sector: Factoring

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

* Assigned by JCR on May 10, 2024

Vakıf Faktoring Anonim Şirketi

JCR Eurasia Rating, has evaluated "Vakıf Faktoring Anonim Şirketi" in the investment grade category with the highest credit quality, affirmed the Long-Term National Issuer Credit Rating at 'AAA (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 determined as 'BB/Stable', in line with the sovereign ratings and outlooks of Republic of Türkiye.

Vakıf Faktoring Anonim Şirketi (hereinafter referred to as 'Vakıf Faktoring' or 'the Company') has operated in the Turkish Factoring sector since 1998 as a bank owned factoring company. The Turkish Factoring Sector has been regulated and supervised by the Compaigning Regulation and Supervision Agency (BRSA) since 2006. The Company's core business, factoring, is a financing method that involves the sale of commercial receivables from manufacturers, distributors, and service companies to an intermediary organization (factor). In this method, the factor, for a commission, provides financing, monitors customer accounts, collects receivables, and assumes the risk of non-collection. The Company primarily conducts its factoring activities in a single geographic region (Türkiye). Vakıf Faktoring has two branches located in Ankara and İzmir since 2017. The Company's head office is located in Ümraniye, İstanbul, Türkiye and maintains its operations by labour force of 64 employees as of FYE2024 (FYE2023: 59). Vakıf Faktoring has one subsidiary, "Vakıf Enerji ve Madencilik A.Ş.," with 18.58% ownership rate.

Türkiye Vakıflar Bankası T.A.O. ('VakıfBank') is the controlling shareholder of Vakıf Faktoring, holding 92.10% of the total shares of the Company and the remaining shares belong to VakıfBank's subsidiaries as of the reporting date. The parent company, VakıfBank (rated by JCR Eurasia Rating on June 24, 2025 as 'AAA (tr)/Stable' on the Long-Term National Scale), was established in 1954. Through its financial subsidiaries, VakıfBank offers a wide range of financial services, including retail, corporate, commercial, SME, agricultural, and private banking, as well as financial intermediation, factoring, and financial leasing. The Ministry of Treasury and Finance of the Republic of Türkiye, is the controlling shareholder in VakıfBank's capital.

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

Strengths

- Maintaining income and net profit generation capacity in FY2024,
- NPL ratios standing below the sector over the examined period supported by corporate customer base,
- Diversified funding structure through debt instruments providing financial flexibility,
- Strong market influence supported by successful track-record, despite decreasing share in FYE2024,
- Group synergy driven by Türkiye Vakıflar Bankası T.A.O. as the main shareholder,
- Experienced management team and well-organized risk management infrastructure.

Constraints

- Equity to total assets ratio remaining below sector average, despite being compatible with the requirements,
- Short-term borrowing profile in parallel with the sector,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned factors, the Company's Long-Term National Rating has been affirmed at 'AAA (tr)'. The Company's income generation capacity, asset quality supported by low NPL ratio, solid market position and group synergy driven by shareholding structure as well as the general outlook of the sector 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'. Global macroeconomic environment, the impact of the decisions taken by the regulatory authorities on the sector and attainability of the Company's budgeted projections will be closely monitored by JCR Eurasia Rating in the 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.

