Lider Faktoring A.S.

Key Rating Drivers

Standalone Credit Profile Drives Rating: Lider Faktoring A.S.'s rating is driven by its standalone credit profile as a small, independent factoring company in Turkiye. The rating also factors in Lider's sound operating performance in a highly competitive factoring sector dominated by bank subsidiaries, good asset quality, and an increasing, but still-small, capital base. The company is listed on Borsa Istanbul with a free float of about 40% and is majority-owned by private investors.

Small Independent Factoring Company: Lider is among the 10 largest Turkish factoring companies, with a receivables market share of 3% at end-2025. It solely offers factoring in local currency (LC) to local Turkish SMEs. The industry is fragmented even though there are some large competitors, allowing smaller companies to profitably operate in their niches. Lider fully consolidates Denge Asset Management Company, a non-performing loan (NPL) purchaser that accounted for 8% of Lider's income-earning assets at end-2025.

Short-Term LC Balance Sheet: Lider's focus on factoring services in LC mitigates foreign exchange (FX)-induced credit risks, as it is not exposed to foreign-currency (FC) receivables or FX funding. Concentration in large clients is mainly related to refactoring receivables from other factoring companies, but concentration risk is mitigated by recourse capacity to ultimate originators. Exposure is diversified by economic sector.

Strong Asset Quality: Lider's impaired loans ratio marginally increased to 0.5% at end-2025 from 0.3% at end-2024. Its impairment charges/average gross loans ratio was also low at 0.8% in 2025, better than the sector average of 1.6%. Impaired receivables were fully covered by provisions. Fitch Ratings expects some deterioration in asset quality in 2026, due mainly to a continued economic slowdown and lower nominal asset growth, but we believe Lider has the capacity to absorb additional credit losses.

Strong Profitability: Lider's pre-tax income/average assets ratio remained high at 13.3% in 2025, supported by wide margins, limited credit losses and good cost control. Fitch views sound inflation-adjusted profitability and earnings stability as critical for Lider's credit profile, given the boost of high inflation in Turkiye to nominal profitability. Lider's small scale, focus on SMEs and volatility in its debt purchasing subsidiary may weigh on its profitability at times of increased market stress.

Low Leverage Ratio: Prudent credit underwriting and full profit retention support Lider's consolidated capitalisation. The gross debt/tangible equity ratio remained low at 3.5x at end-2025 (end-2024: 2.9x). Fitch expects leverage to increase moderately over the medium term as the balance sheet grows.

Limited Refinancing Risk: Lider's short-dated balance sheet and the absence of maturity mismatches between assets and liabilities offset refinancing risk. The funding base is diversified across local banks, domestic bond issuance and access to the money market of Istanbul Takas ve Saklama Bankasi A.S. (Takasbank; BB-/Positive/AAA(tur)), Turkiye's central clearing house. All funding is in Turkish lira, matching the receivables portfolio.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

A material and sustained deterioration in the standalone credit profile, such as portfolio growth resulting in leverage consistently above 7x, weakened capitalisation, increased volatility of operational performance, greater risk appetite, rapidly widening credit losses, refinancing difficulties or liquidity constraints, may lead to a rating downgrade.

Deterioration of the above factors relative to domestic peers, or a recalibration of Fitch's National Rating mapping, could lead to a downgrade of the National Rating.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Rating upside is limited unless there is a substantial improvement in the operating environment (most likely to be driven by an upgrade of the sovereign rating), in conjunction with a strengthening of Lider's business profile and franchise, while maintaining low leverage and strong operational performance.

A recalibration of Fitch's National Rating mapping could also result in an upgrade of the National Rating.

Key Qualitative Factors

Nascent NBFI Sector

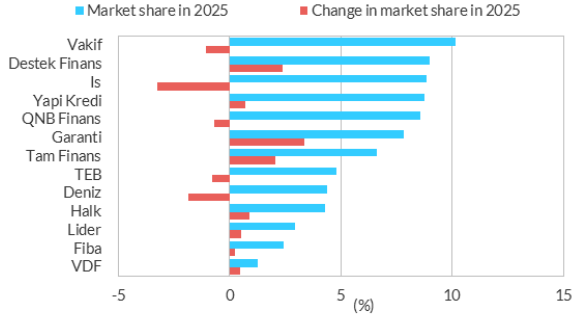
Captive factoring entities with ties to parent banking institutions dominate the sector, channelling most of their operations through these established banking relationships. In contrast, standalone factoring providers rely on their proprietary distribution networks and focus mainly on the SME and micro-SME segments. These segments require more intensive operational resources and have heightened risk profiles.

Factoring companies are active in Turkiye's domestic bond market. They issue debt instruments with tenors of 3–18 months, with six-month maturities being most prevalent. The investor base encompasses domestic pension funds, asset management firms, high-net-worth individuals, and related-party shareholders. These short-dated lira-denominated bonds accounted for about 8% of sector funding at end-2025, consistent with the prior year.

FC funding availability has eased since the beginning of 2024, with FC-denominated sources (encompassing both bank facilities and FC bonds) maintaining a stable 21% of sector funding at end-2025 (end-2024: 21%; end-2023: 14%). Nevertheless, this proportion remains notably lower than that in the leasing and banking sectors, reflecting the factoring industry's mainly lira-focused operational structure.

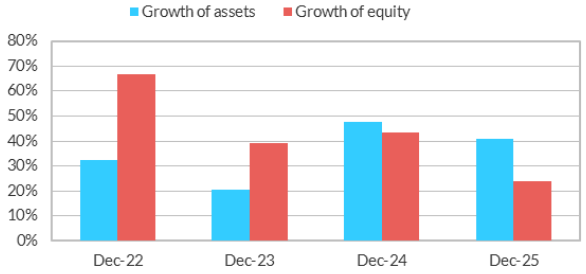
We consider Turkiye's non-bank financial institution (NBFI) sector to be nascent and lacking depth. Medium- and long-term lira funding is still not available, with long-term FC financing mostly sourced from international financial institutions. The regulatory framework governing leasing and factoring companies is less stringent than for banking and investment firms. NBFIs face only a single direct prudential requirement of a 3% minimum equity/assets ratio, which we assess as permissive, and are not subject to any liquidity requirements.

Factoring Companies by Receivables Market Share in 2025



Source: Fitch Ratings, company filings, BRSA

Lider's Growth
(USD terms)



Source: Fitch Ratings, Company fillings

Small Independent Factoring Company with Small Franchise as NPL Purchaser

Lider is a small independent Turkish factoring company with about a 3% market share in 2025. It provides almost exclusively domestic, with-recourse factoring, focusing on SMEs and maintaining a moderately sized, granular client base. The company operates 16 branches and serves customers in 50 cities across Turkiye. Since 2014, 42% of Lider has been listed on Borsa Istanbul, although control remains with a group of private shareholders. Its organisational structure is simple and financial transparency is adequate for its business model. Lider is regulated by the Banking Regulation and Supervision Agency and is also overseen by the Capital Markets Board given its public listing and local bond issuance.

Lider's wholly owned subsidiary, Denge Varlik Yonetim AS, purchases non-performing unsecured retail debt (mainly credit card receivables) from local banks. Denge's NPL portfolio has expanded rapidly in recent years, reaching a book value of TRY945 million at end-2025 (about 8% of total interest-earning assets). Growth has slowed since 2024 in line with inflation. The segment's share of gross operating revenue fell to 11% in 2025 (2024: 14%; 2023: 29%), which Fitch viewed as an unusually strong year for debt purchasing. While the segment remained profitable, Fitch expects its medium-term contribution to stay modest.

SME-Focused Portfolio, Higher Growth

Receivables are diversified by sector, with about 20% due from large corporates and 80% from SMEs. Large-borrower concentration is moderate and broadly stable: the 20 largest receivables represented 33% of total receivables at end-2025 (end-2024: 31%). Average contractual receivables maturity shortened to about 106 days at end-2025 (end-2024: 120 days), broadly matching the average funding maturity of 102 days.

Lider has resumed growth following deleveraging in prior years and amid an improving operating environment in Turkiye. Total assets rose by 41% in US dollar terms at end-2025 (end-2024: 48%). Leverage remains comfortably low, with debt/tangible equity at 3.5x at end-2025, providing capacity for further balance-sheet expansion. Fitch expects the Turkish factoring sector to keep growing, albeit at a slower pace than in recent years.

No Direct FX Risk; Matching Assets and Liabilities

Lider operates solely in Turkish lira. However, it could still face indirect FX risk if currency depreciation weakens clients' and originators' repayment capacity and, in turn, asset quality. Both assets and liabilities are mostly fixed-rate, resulting in broadly matched maturities and low interest-rate risk.

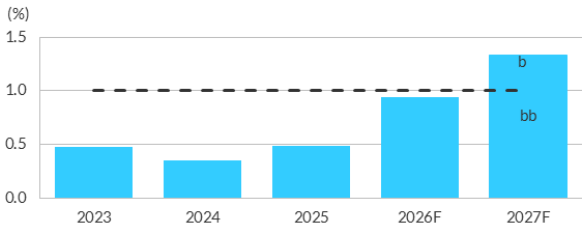
Financial Profile

Asset Quality

Lider's NPL ratio edged up to 0.5% at end-2025 from 0.3% at end-2024, reflecting a more vulnerable SME client base and slower economic growth. Provisioning is adequate, with NPL coverage increasing to 132% at end-2025 (end-2024: 100%), in line with prudent risk policies. Fitch expects a moderate sector-wide deterioration in asset quality in 2026 as economic growth is forecast to slow.

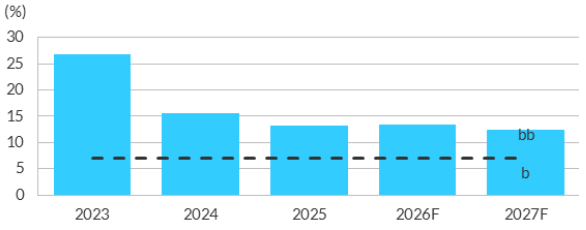
Lider's NPL management (debt purchasing) portfolio had a book value of TRY945 million at end-2025, with estimated remaining collections of TRY2.1 billion over the next 120 months. Collections slowed in 2025 to 32% of 120-month estimated remaining collections from 45% at end-2024, normalising as inflation eased. Lider expects the portfolio to decline further in 2026 amid weaker price dynamics. Fitch expects the segment's medium-term contribution to fall below 10% of total income.

Impaired and Non-Performing Loans



Source: Fitch Ratings, Fitch Solutions, Lider Faktoring A.S.

Pre-Tax Income/Average Assets



Source: Fitch Ratings, Fitch Solutions, Lider Faktoring A.S.

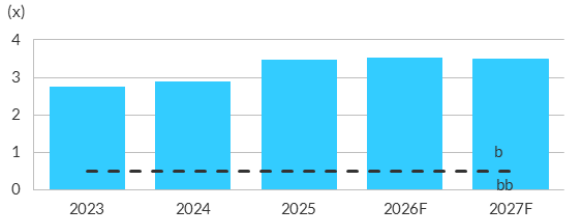
Earnings and Profitability

Core factoring generated 88% of revenue in 2025, while the debt purchasing segment provided some diversification (11% of revenue). Lider remained consistently profitable and delivered strong performance in 2025. Pre-tax income/assets was 13.3% (2024: 15.6%), supported by solid factoring margins and improved cost efficiency. Net interest income/average assets declined to 18.4% (2024: 22.8%) but remained high, reflecting the SME-focused portfolio. The operating expenses/total revenue ratio improved to 35% (2024: 39.2%). Fitch expects profitability to be broadly stable in 2026, as lower interest rates are likely to offset a moderate rise in impairment charges.

Capitalisation and Leverage

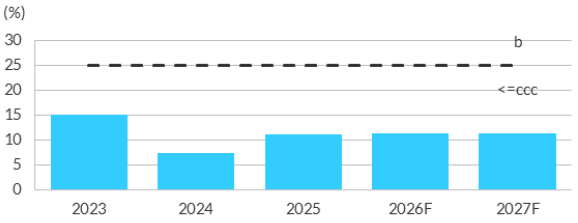
Lider's leverage rose to 3.5x at end-2025 (end-2024: 2.9x), driven by balance-sheet growth. The equity/assets ratio declined to 22% (end-2024: 25%), but Fitch views this as providing a sufficient buffer against moderate potential losses. Lider maintained low leverage relative to peers over the past five years, supported by improved cost efficiency and full earnings retention. Fitch expects leverage to increase slightly over the medium term as Lider's balance sheet grows.

Total Funding/Tangible Equity



Source: Fitch Ratings, Fitch Solutions, Lider Faktoring A.S.

Unsecured Funding/Total Funding



Source: Fitch Ratings, Fitch Solutions, Lider Faktoring A.S.

Funding and Liquidity

Lider is funded mainly by short-term bank loans (85% of total borrowings at end-2025) and bond issuances (11%). All funding is short-term and broadly aligned with the short duration of assets (about 106 days). Turkish lira bonds are also short-dated, with a maximum tenor of one year.

As with other factoring companies, Lider makes significant use of Takasbank funding, as its short maturities and rapid drawdown process fit the business model. Takasbank loans are secured by bank guarantees provided by local banks, so Fitch views this funding as secured.

Financials

Income Statement

	31 Dec 25	31 Dec 25	31 Dec 24	31 Dec 23	31 Dec 22	31 Dec 21
	Year end	Year end	Year end	Year end	Year end	Year end
	(USDm)	(TRYm)	(TRYm)	(TRYm)	(TRYm)	(TRYm)
		Audited	Audited	Audited	Audited	Audited
Revenue						
Interest income on loans	109.1	4,680.5	2,999.7	888.4	494.6	215.0
Total gross operating revenue	125.6	5,386.9	3,499.6	1,706.0	681.7	271.0
Total interest expense	73.8	3,165.5	1,933.6	594.6	284.7	163.4
Total net operating revenue	51.8	2,221.4	1,566.0	1,111.4	397.1	107.6
Memo: net interest income	37.7	1,616.4	1,110.2	302.8	213.3	54.0
Total non-interest operating income	0.8	33.9	-19.4	322.3	-2.3	6.7
Expenses						
Total operating expenses	18.1	776.4	613.2	286.3	115.1	55.8
Pre-impairment/provision operating profit	33.7	1,445.0	952.8	825.1	282.0	51.8
Impairment charges/(reversals) on loans and finance leases	1.6	67.1	23.2	11.8	0.4	1.3
Operating profit	32.1	1,377.9	929.6	813.3	281.6	50.5
Pre-tax income	32.1	1,377.9	929.6	813.3	281.6	50.5
Net income (incl. non-controlling interests)	22.6	969.4	656.7	566.4	206.9	38.2
Total comprehensive income	22.5	964.5	799.1	603.3	291.4	40.0
Adjusted EBITDA	106.4	4,566.5	930.4	816.1	285.5	218.3
Exchange rate		USD1 = TRY42.900	USD1 = TRY35.312	USD1 = TRY29.464	USD1 = TRY18.715	USD1 = TRY13.341

Source: Fitch Ratings, Fitch Solutions, Lider Faktoring A.S.

Balance Sheet

	31 Dec 25	31 Dec 25	31 Dec 24	31 Dec 23	31 Dec 22	31 Dec 21
	Year end	Year end	Year end	Year end	Year end	Year end
	(USDm)	(TRYm)	(TRYm)	(TRYm)	(TRYm)	(TRYm)
		Audited	Audited	Audited	Audited	Audited
Assets						
Gross loans and finance leases	263.0	11,283.5	6,254.9	3,493.9	1,814.3	1,037.8
Less: loss allowances for loans, leases and receivables	1.7	72.6	21.7	17.4	16.6	29.7
Total interest earning assets	263.9	11,320.5	6,300.9	3,496.5	1,797.8	1,008.1
Total assets	306.2	13,137.9	7,674.3	4,340.2	2,283.4	1,230.6
Liabilities and equity						
Short-term borrowings (maturing within 12 months)	231.7	9,941.5	5,520.0	3,031.4	1,691.0	994.4
Long-term borrowings (maturing after 12 months)	0.0	1.2	1.1	2.5	0.0	0.0
Total borrowings	231.8	9,942.7	5,521.1	3,033.9	1,691.0	994.4
Total liabilities	239.3	10,264.6	5,765.5	3,230.4	1,777.0	1,014.1
Total equity	67.0	2,873.4	1,908.8	1,109.7	506.5	216.4
Total liabilities and equity	306.2	13,137.9	7,674.3	4,340.2	2,283.4	1,230.6
Exchange rate		USD1 = TRY42.900	USD1 = TRY35.312	USD1 = TRY29.464	USD1 = TRY18.715	USD1 = TRY13.341

Source: Fitch Ratings, Fitch Solutions, Lider Faktoring A.S.

Summary Analytics

	31 Dec 25	31 Dec 24	31 Dec 23	31 Dec 22	31 Dec 21
	Year end	Year end	Year end	Year end	Year end
Asset quality (%)					
Impaired loans and finance leases/gross loans and finance leases	0.5	0.3	0.5	1.0	2.9
Growth of gross loans and finance leases YoY	80.4	79.0	92.6	74.8	35.4
Loss allowances/impaired loans and finance leases	131.7	100.0	105.0	91.2	100.0
Impairment charges on loans and finance leases/average gross loans and finance leases	0.8	0.5	0.5	0.0	0.1
Earnings and profitability (%)					
Pre-tax income/average assets	13.3	15.6	26.8	16.6	4.6
Operating expenses/total net revenue	35.0	39.2	25.8	29.0	51.9
Pre-tax income/average equity	58.4	62.5	105.4	86.4	25.7
Impairment charges/pre-impairment operating profit	4.6	2.4	1.4	0.1	2.6
Capitalisation and leverage (%)					
Total funding/tangible equity (x)	3.5	2.9	2.7	3.4	4.6
Tangible equity/tangible assets	21.8	24.8	25.5	22.1	17.5
(Net income - dividends - share repurchases)/beginning equity	50.8	59.2	111.8	95.6	21.6
Funding, liquidity and coverage (%)					
Unsecured funding/total funding	11.3	7.5	15.1	6.0	4.7
Short-term funding/total funding	100.0	100.0	99.9	100.0	100.0

Source: Fitch Ratings, Fitch Solutions, Lider Faktoring A.S.

Ratings

National Rating	
National Long-Term Rating	BBB+(tur)
Sovereign Risk (Turkiye)	
Long-Term Foreign-Currency IDR	BB-
Long-Term Local-Currency IDR	BB-
Country Ceiling	BB-
Outlooks	
National Long-Term Rating	Stable
Sovereign Long-Term Foreign-Currency IDR	Positive
Sovereign Long-Term Local-Currency IDR	Positive

Applicable Criteria

National Scale Rating Criteria (December 2020)
Non-Bank Financial Institutions Rating Criteria (January 2025)

Related Research

Fitch Affirms Lider at 'BBB+(tur)'; Outlook Stable (March 2026)
Emerging Europe Finance and Leasing Companies Outlook 2026 (November 2025)

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