

Corporate Credit Rating

New Update

Sector: Banking

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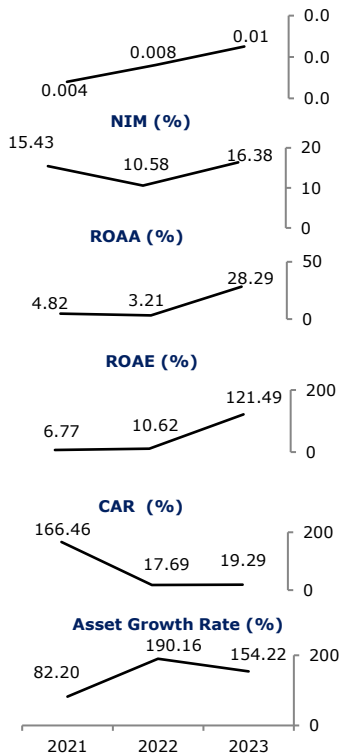
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR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

* Assigned by JCR on August 18, 2022

Asset Market Share (%) (Turkish Banking Sector)



D Yatırım Bankası A.Ş.

JCR Eurasia Rating has evaluated "D Yatırım Bankası A.Ş." in the high investment level category and revised the Long-Term National Issuer Credit Rating to 'A+ (tr)' from 'A (tr)' and Short-Term National Issuer Credit Rating to 'J1+ (tr)' from '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/Negative', as parallel to sovereign ratings and outlooks of Republic of Türkiye.

D Yatırım Bankası A.Ş. (hereinafter referred to as 'D Investment Bank', or 'the Bank') was founded with an initial capital of TRY 200mn and registered in the Istanbul Trade Register on June 22, 2020 with the decision of the Banking Regulation and Supervision Agency (BRSA) dated March 19, 2020 and numbered 8953. The Bank obtained authorization for the establishment from the BRSA which became valid by being published in the Official Gazette dated May 26, 2021, and began the process on banking operations on August 2, 2021. Main pillars of the Bank's operations are Corporate & Commercial Banking, Investment Banking & Structured Finance, Treasury & Markets and Transactional Banking & Digital Solutions.

Doğan Şirketler Grubu Holding A.Ş. (hereinafter referred to as 'Doğan Holding', or 'Doğan Group') is the main controlling shareholder, owning 90.99% of the total shares of the Bank and the remaining shares belong to Doğan Holding's subsidiaries as of reporting date. Doğan Holding was established in 1961 by Mr. Aydın Doğan and has been transformed into an investment holding in 1980. The main field of activity of Doğan Holding consists of electricity production, industry and trade, automotive trade and marketing, financing and investment, internet and entertainment and real estate investments. With over 60 years of activity history, Doğan Group has established collaborative partnerships with internationally well-known domestic and foreign institutions thanks to know-how and network presence.

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

Strengths

- Ongoing improvement in the core profitability indicators,
- Increasing capital adequacy ratios being compatible with the requirements in FYE2023,
- Notably low level of NPL ratio supporting asset quality in the analysed period,
- Diversified funding structure supporting financial flexibility,
- Experienced management team and well-organized management infrastructure,
- Reputable brand name with a proven track record in various business segments, financial and operational strength of Doğan Şirketler Grubu Holding A.Ş. and the synergy created,
- Compliance with corporate governance practices and continuity of well-established risk management organization,
- Country-specific advantages encouraging investment which contributes to the investment banks' operations.

Constraints

- Limited historical data for trend analysis,
- Need for expanding customer base to reduce concentration risk,
- Short-term weighted borrowing profile of the sector,
- Volatile environment for Turkish Banking Sector due to weakened TL and inflationary headwinds despite tighter post-election monetary policies of CBRT including interest rate hikes.

Considering the aforementioned points, the Bank's the Long-Term National Issuer Credit Rating has been revised to 'A+ (tr)' from 'A (tr)'. The Bank's net interest income generation capacity, asset quality, capital adequacy, funding structure, liquidity profile and risk management implementations 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 Bank's financial structure, profitability and solvency ratios, the NPL level along with attainability of the Bank's budgeted projections will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators in national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.