

Corporate Credit & Issue Rating

New Update

Sector: Banking

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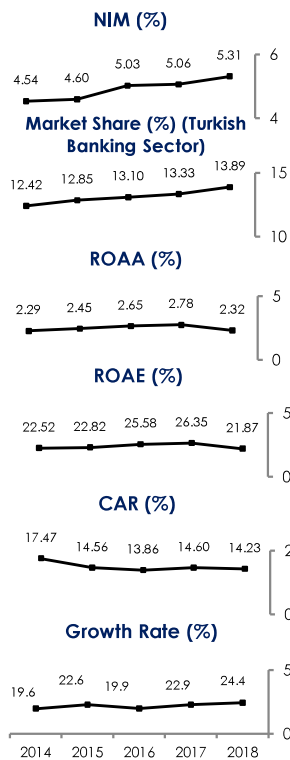
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RATINGS

		Long	Short
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC LC	Negt. Negt.
National	Local Rating	AAA (Trk)	A-1+ (Trk)
	Outlook	Stable	Stable
Sponsor Support		1	-
Stand-Alone		A	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC LC	Negt. Negt.

*Assigned by JCR on November 27, 2018



T.C. ZİRAAT BANKASI A.Ş. And Its Consolidated Subsidiaries

Company Overview

Financial Data (1)	June, 2019	2018	2017	2016	2015	2014
Total Assets (000,000 USD)	112,257	108,040	121,140	105,295	106,709	109,107
Total Assets (000,000 TRY)	646,052	568,387	456,926	371,882	310,268	253,009
Total Deposit (000,000 TRY)	418,910	354,375	282,570	232,912	190,920	156,145
Total Net Loans (000,000 TRY)	445,598	402,317	319,902	246,558	194,872	147,373
Equity (000,000 TRY)	63,185	60,129	48,483	38,912	31,753	28,617
Net Profit (000,000 TRY)	2,844	9,344	8,884	6,885	5,378	4,110
Market Share (%) (2)	14.42	13.89	13.33	13.10	12.85	12.42
ROAA (%) (3)	1.66	2.32	2.78	2.65	2.45	2.29
ROAE (%) (3)	16.43	21.87	26.35	25.58	22.82	22.52
Equity/Assets (%)	9.78	10.58	10.61	10.46	10.23	11.31
CAR - Capital Adequacy Ratio (%)	15.41	14.23	14.60	13.86	14.56	17.47
Asset Growth Rate (Annual) (%) (4)	22.99	24.39	22.87	19.86	22.63	19.57

(1) Consolidated figures (2) Solo based among the Turkish Banking Sector regarding asset size

(3) Pre-tax Profit to Avg. Total Assets and Equity, June 2019 figures are YoY (4) June 2019 figure is YoY

T.C. Ziraat Bankası A.Ş. (hereinafter Ziraat Bank or the Bank), one of the oldest banks in Turkish Banking Sector with its 156-year history, is the largest bank in Turkey and leads the sector regarding asset size, loans, deposits, equity, net profit and number of branches and employees as of FYE2018. The Bank's shares which were entirely owned by the Prime Ministry Undersecretariat of Treasury were decided to be transferred to the Turkish Wealth Fund under the Prime Ministry with the decree decision of the Council of Ministers dated January 24, 2017 and the transfer has been finalized as of September 21, 2017. Accordingly, Turkish Wealth Fund is the sole shareholder of the Bank.

As of 1H2019, the Bank served customers with 24,533 employees. The Bank services through a branch network of 1,764, the widest of the Turkish Banking Sector, over 7,200 automatic teller machine (ATM), and online, mobile, telephone and SMS banking systems. The Bank serves in 18 different countries at 100 service points and has an international service network consisting of 9 international banking subsidiaries, 23 international branches and 1 representative office and has a broad portfolio of domestic and international subsidiaries in the fields of banking, insurance, private pension, investment services, portfolio management, venture capital and real estate investment trusts and financial technologies.

Strengths

- Steady improvement in financial intermediary function and market share
- Continuously above sector average NIM and profitability ratios, despite the above sector average deterioration in the last year
- Leading market efficiency and solid market position
- Comparatively high asset quality mostly thanks to NPL ratio standing at almost half of the sector average
- Diversified funding sources, above sector average and continuously improving average maturity of deposits
- First-rate support level

Constraints

- Sector-wide structural maturity mismatches and short maturity profile of deposits despite the Bank's improved and above sector average term structure
- Improved but continuously below sector average service income level
- Restrained profitability indicators
- Exceeding sector average OPEX level regarding total income
- Comparatively high sensitivity level of balance sheet composition to probable impacts of public authorities
- Continuing unrest with bordering countries aggravating geopolitical tension in international politics