

Regional & Local Gov't Credit Rating

New Update

Sector: Subnational

Administrations-Municipalities

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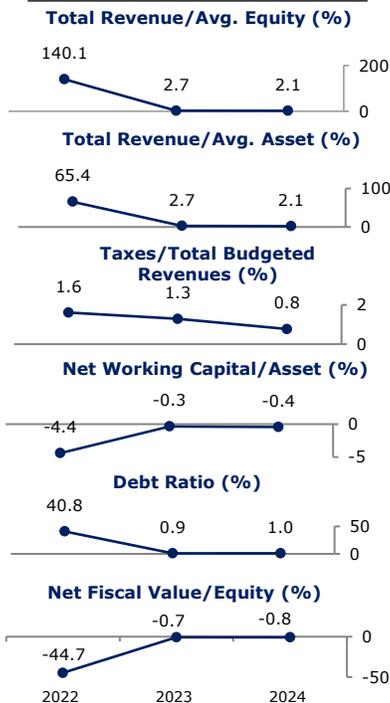
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
System Support		1	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Affirmed by JCR on Sep 01, 2025



Adana Büyükşehir Belediyesi (ABB – The Metropolitan Municipality of Adana)

JCR Eurasia Rating, has evaluated the "Adana Büyükşehir Belediyesi" in the investment grade category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating as 'AA (tr)' and the Short-Term National Issuer Credit Rating as 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Stable', in parallel with international ratings and outlooks of the Republic of Türkiye.

Adana Büyükşehir Belediyesi (hereinafter referred to as 'the Municipality' or 'MMA') is one of the 30 metropolitan municipalities of Türkiye. The MMA's municipal organization and services began operation in 1871 during the Ottoman Empire era. The functions of the Municipality are generally classified under the headings of General Public Services, Security, Economic Affairs, Environmental Services, Settlement Works, and Cultural Services. The MMA has five subsidiaries and an affiliated administration formed under the entity as of the reporting date.

The MMA was established by Law Nr. 3306 in 1986 with two counties, Seyhan and Yüreğir. Boundaries have been extended several times; ultimately, the scope of authority was determined by provincial administrative boundaries in 2012, with the "The Establishment of Thirteen Metropolitan Municipalities, Twenty-seven County Municipalities with the change in the Decree Laws" published in the official gazette on 6 December 2012. Currently, Adana is composed of 15 counties, 5 of which are central municipalities. As of 2024, the total population of Adana was 2.3 million, the seventh most populous province of Türkiye, and has a surface area of 13,844 km². Currently, a council of 78 members administers the MMA. The distribution of seats in the current council is as follows: CHP (53.9%), MHP (20.5%), AK Party (19.2%), YRP (1.3%), İYİP (1.3%), and others (3.8%). The council passed a total of 303 acts across 74 meetings in 2024.

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

Strengths

- The high level of tax revenues transferred from the central government to metropolitan municipalities, which is ensured by law,
- Operating profit in the analyzed years thanks to effective financial management and budget surplus position in 1H2025,
- Solid equity level mainly thanks to the positive effect of inflationary adjustments,
- Contribution of the ongoing efforts to increase the Municipality's own revenues,
- While large-scale industrial investments planned in the region are expected to contribute to employment and prosperity, various social activities raise the city's profile and support local economic development.

Constraints

- Municipality's own revenue's share in total revenues in a decreasing trend over the years, mainly due to the fact that generating own revenue is restricted by law,
- Increase in the uncollectable receivables in FY2024, mainly due to the commencement of the collection of receivables postponed by the 2023 earthquake disaster,
- Pressure on liquidity ratios due to short-term weighted debt structure,
- High level of tangible assets among total assets suppresses balance sheet flexibility,
- Governance risks stemming from legal proceedings involving municipal officials,
- Unforeseen expenditures following the 2023 earthquake disaster and resources allocated for refugees with temporary protection status are putting pressure on the achievement of the budget target.

Considering the aforementioned points, the MMA's Long-Term National Issuer Credit Rating has been affirmed as 'AA (tr)'. Nearly 100% of municipalities' external revenues consist of contributions drawn from total tax revenues included in the government budget. The high level of contributions from the government budget to municipal revenues increases the central government's financial tutelage and impedes the establishment and development of the principle of autonomy throughout the country. In addition, the constant changes observed in the distribution ratios of shares from the budget tax revenues adversely affect the predictability of the municipal revenues. The issues of insufficient municipal revenues, inconsistent support from the central government, low ratios of own revenues, and the inability to determine own revenues prevail in Türkiye. However, all these data, by all means, indicate a high level of central systemic support for all municipalities, and the metropolitan municipalities in particular, across the country, compared to world averages. In this respect, the system support rating for the whole municipal system, particularly for the MMA, is affirmed at the highest level of (1).