

Corporate Credit Rating

New Update

Sector: Banking

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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	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Negative	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign *	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

* Assigned by JCR on August 18, 2022

AKTİF YATIRIM BANKASI A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Aktif Yatırım Bankası A.Ş." in the investment level category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at '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 determined as 'BB/ Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

Aktif Yatırım Bankası A.Ş. (hereinafter referred to as "Aktif Bank" or "the Bank" or "the Company"), was incorporated as an investment bank under the name of Çalık Yatırım Bankası A.Ş. in July 1999 before changing its name to Aktif Yatırım Bankası A.Ş. on August 1, 2008. The Bank carries out operations in the fields of corporate banking, retail banking, leasing, trade finance and consulting through a network of 13 branches along with a workforce of 793 as of FYE2022. The Bank offers a wide range of products and services to the customers through the largest number of alternative delivery channels. Aktif Bank, as the largest privately-owned investment bank, carried out its activities as a great financial technology platform through investment in new technology and varied business segments. Among the 13 subsidiaries of the Bank, asset sizes and revenues demonstrate that core business segment of the banking is paying agent, asset management, electronic payment services lines. Aktif Bank and its consolidated subsidiaries are hereinafter referred to as "the Group".

Çalık Holding A.Ş., the qualified shareholder of the Aktif Bank, holds 99.43% of the Bank's shares. Çalık Holding A.Ş., established by Mr. Ahmet Çalık in 1981, operates in energy, construction, mining, textile, finance, telecommunications and digital sectors. The Group has operations in more than 30 countries across Central Asia, Balkans and MENA.

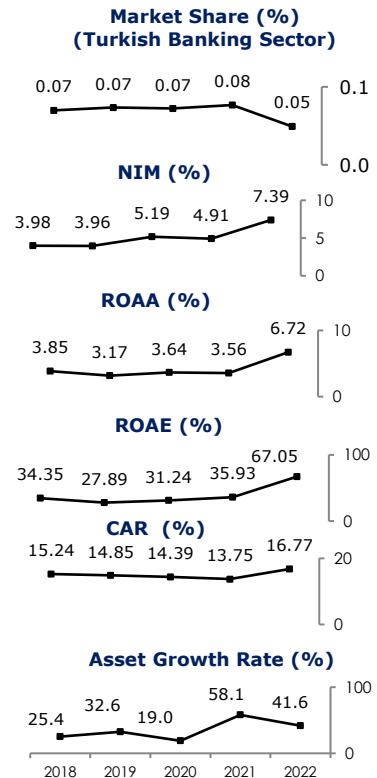
Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Ongoing improvement in the core profitability indicators,
- Maintenance of loan-driven growth strategy underpinning net interest income,
- Diversified funding mix via issued bank bonds, Eurobonds, ABSs and Sukuk, providing financial flexibility,
- Maintaining liquidity position supporting financial position,
- Satisfactory alternative delivery channels and strong income stream supported by digitalization practices,
- Country-specific advantages encouraging investment which contributes to the investment banks' operations.
- High level of compliance with corporate governance best practices and continuity of well-established risk management practices.

Constraints

- Despite improvement, capital adequacy ratios still standing below the sector averages,
- Despite improvement in FYE2022, NPL ratio which is close to the banking sector average, standing above investment banking sector average,
- Short-term weighted borrowing profile of the sector.



Considering the aforementioned points, the Bank's Long-Term National Issuer Credit Rating has been affirmed at 'AA+ (tr)'. Taking into account the capability to independently survive irrespective of the support from the current shareholders and at the system level, adequate capitalization structure, internal resource generation capacity, ability to access international funding markets and roll-over debt, the presence of prudent provisions in addition to the high level of specific loan loss provisions and the asset quality accompanied by selective and efficiency focused credit policies as well as the possible negative effects of the RU-UA war on the Turkish banking sector; the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. Non-performing loans due to downward efficiency in economic activities caused by the geopolitical risks driven uncertainties and the erosion in the debt payment capacity raising provisioning requirement, resulting a higher credit risk cost, and the impact of the decisions taken by the regulatory authorities on the sector will be closely monitored by JCR Eurasia Rating in 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.