AKTİF YATIRIM BANKASI A.Ş.

Corporate Credit Rating

☐New ☒Update

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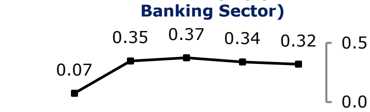
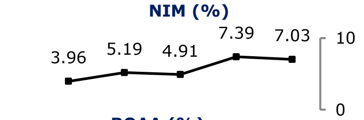
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA+ (tr)	J1+ (tr)
	National ICR Outlooks	Positive	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)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

** Assigned by JCR on May 10, 2024*

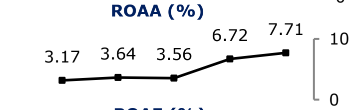
Market Share (%) (Turkish Banking Sector)



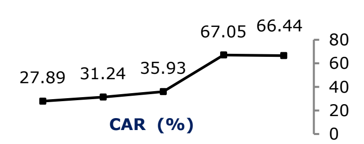
NIM (%)



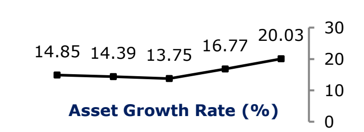
ROAA (%)



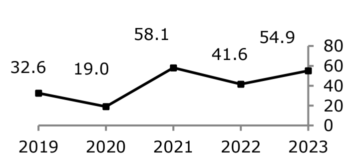
ROAE (%)



CAR (%)



Asset Growth Rate (%)



JCR Eurasia Rating has evaluated the consolidated structure of **"Aktif Yatırım Bankası A.Ş."** in the investment grade category with very high credit quality, affirmed the Long-Term National Issuer Credit Rating at **'AA+ (tr)'** with **'Positive'** outlook and the Short-Term National Issuer Credit Rating at **'J1+(tr)'** with **'Stable'** outlook. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as **'BB/Stable'** as parallel to sovereign 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 15 branches along with a workforce of 665 as of FYE2023. The Bank offers a wide range of products and services to the customers through various alternative delivery channels. Aktif Bank, as the largest privately-held investment bank, carried out its activities as a great financial technology platform through investment in new technology and varied business segments. Among the 11 subsidiaries of the Bank, asset sizes and revenues demonstrate that core business segment of the Group is paying agent, asset management, electronic payment services lines. Aktif Bank and its consolidated subsidiaries are hereinafter referred to as "**the Group**".

As of reporting date, Çalık Holding A.Ş. is the qualified shareholder of the Aktif Bank, holding 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 34 countries across Central Asia, Balkans and MENA.

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

Strengths	Constraints
• Satisfactory core profitability indicators, • Maintenance of loan-driven growth strategy underpinning net interest income, • Increasing capital adequacy ratios in FYE2023, • Decreasing trend in NPL ratio supporting asset quality in the analysed period, • Diversified funding mix via issued bank bonds, Eurobonds, ABSs and Sukuk, providing financial flexibility, • Moderate liquidity structure with increasing liquidity coverage ratios, • Effective alternative delivery channels and robust 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.	• Short-term weighted borrowing profile of the sector, • Volatile environment for Turkish Banking Sector due to tight monetary policies of CBRT together with loan and deposit interest rate hikes in parallel with increasing inflation.

Considering the aforementioned points, the Bank's Long-Term National Issuer Credit Rating has been affirmed at **'AA+ (tr)'**. Taking into account the Bank's capability to independently survive irrespective of the support from the current shareholders, equity structure, internal resource generation capacity, ability to access international funding markets, net interest income generation capacity and liquidity profile, the outlook for Short-Term National Issuer Credit Rating of the Bank has been determined as **'Stable'**. Considering the decline in the Bank's non-performing loans ratio, the increase in capital adequacy levels, and the strong growth projection for the end of 2024, the outlook for Long-Term National Issuer Credit Rating of the Bank has been revised to **'Positive'** from **'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 the 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.