

Corporate Credit Rating

☐ New ☒ Update

Sector: Banking

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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	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

HEDEF YATIRIM BANKASI A.Ş.

JCR Eurasia Rating has evaluated "Hedef Yatırım Bankası A.Ş." in the investment level category with high credit quality, revised the Long-Term National Issuer Credit Rating to 'A- (tr)' from 'BBB+ (tr)' and the Short-Term National Issuer Credit Rating to 'J1 (tr)' from 'J2 (tr)' with 'Stable' outlooks. The Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were also determined as 'BB/Stable' as parallel to sovereign ratings and outlooks of the Republic of Türkiye.

Hedef Yatırım Bankası A.Ş. (hereinafter referred to as "Hedef Yatırım" or "the Company" or "the Bank") was established with an initial capital of TRY 500mn and registered in the Istanbul Trade Register on June 23, 2022 with the decision of the Banking Regulation and Supervision Agency (BRSA) dated April 28, 2022 and numbered 10189. The Bank was granted an operating license with the Decision taken at the Board meeting of the BRSA dated August 3, 2023 and the aforementioned decision became valid after being published in the Official Gazette dated August 5, 2023 and numbered 32270. The Bank started its operations on January 2, 2024. The Bank had no affiliates or subsidiaries as of the reporting date. As of FYE2024, the Bank had a workforce of 50 employees (FYE2023: 38).

The shareholders of the Bank are "Hedef Holding A.Ş." (41%), "Hedef Girişim Sermayesi Yatırım Ortaklığı A.Ş." (30%), "Sibel Gökalp" (10%), "Namık Kemal Gökalp" (10%) and "İnfo Yatırım Menkul Değerler A.Ş." (9%). Hedef Yatırım is a member of Hedef Group whose members operate in finance sector. "Hedef Holding A.Ş." is the roof company of the Group while "İnfo Yatırım Menkul Değerler A.Ş." is the biggest member of the Group and operates in capital markets and related instruments. Furthermore, "Hedef Girişim Sermayesi Yatırım Ortaklığı A.Ş." which aims to make direct or indirect investments in various fields, with a focus on finance and technology and "Colendi Menkul Değerler A.Ş." which is a financial services company are the other important companies that operate under the umbrella of Hedef Group.

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

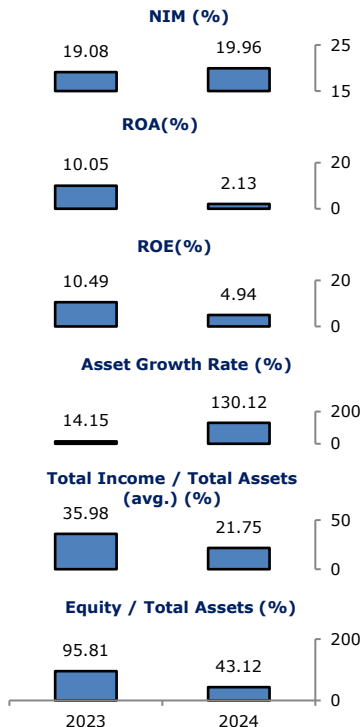
Strengths

- Loan-driven asset growth while preserving net interest margin in FY2024,
- Sufficient capital ratios continuing to indicate the capacity to absorb incidental losses,
- Bank's experienced management team with a proven background and Hedef Group's long-lasting presence in the finance sector and capital markets,
- Country specific advantages encouraging investment which contributes to the investment banks' operations,
- Compliance with corporate governance practices.

Constraints

- Limited customer and product diversification, despite gradual customer acquisition,
- Short-term borrowing profile of the sector,
- Sensitivity of operating environment in Turkish Banking Sector considering macroeconomic and geopolitical risks.

Considering the aforementioned points, the Bank's Long-Term National Issuer Credit has been revised to 'A- (tr)' from 'BBB+ (tr)'. The Bank's growing balance sheet with an earning asset-weighted structure, bottom-line profit generation ability, the experience and synergy of Hedef Group as well as gradual process of acquiring customer base and sectoral limitations have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings has been determined as 'Stable'. The Bank's attainability of the indebtedness indicators, cash flow metrics, profitability margins and sustainability of demand in the market 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.



Hedef Yatırım Bankası A.Ş.
Balance Sheet

(000' TRY)	FYE2022	FYE2023	FYE2024
Total Earning Assets	509,147	555,650	1,177,385
<i>Loans and Leasing Receivables</i>	<i>0</i>	<i>0</i>	<i>796,698</i>
<i>Securities At Fair Value</i>	<i>124,895</i>	<i>316,087</i>	<i>356,927</i>
<i>Other Earning Assets</i>	<i>384,252</i>	<i>239,563</i>	<i>23,760</i>
Non-Earning Assets	13,501	40,931	195,458
Total Assets	522,648	596,581	1,372,843
Cost Bearing Resources	0	2,799	715,686
Non-Cost Bearing Resources	4,386	22,182	65,152
Total Liabilities	4,386	24,981	780,838
Equity	518,262	571,600	592,005
Total Liabilities and Shareholders' Equity	522,648	596,581	1,372,843

- Including JCR Eurasia Rating's adjustments where applicable,

Hedef Yatırım Bankası A.Ş.
Income Statement

(000' TRY)	FY2022	FY2023	FY2024
Net Interest Income	2,981	106,031	235,053
a) Interest Income	2,981	106,031	340,011
b) Interest Expense	0	0	104,958
Net Fee and Commission Income	-12,863	-5,847	4,142
a) Fee and Commission Income	0	0	6,269
b) Fee and Commission Expense	12,863	5,847	2,127
Total Operating Income	43,191	114,438	59,378
Foreign Exchange Gain or Loss (net) (+/-)	1,003	38,700	13,400
Net trading income (+/-)	0	0	0
Gains from Investment Securities (Net)	42,176	74,957	44,875
Other Operating Income	12	781	1,103
Total Income	33,309	214,622	298,573
Provisions	0	0	17,306
Provision for Impairment of Loan and Trade Receivables	0	0	17,306
Other Provision	0	0	0
Total Operating Expense	15,047	154,643	252,038
Salaries and Employee Benefits	11,130	80,785	134,075
Other Expenses	3,917	73,858	117,963
Profit from Operating Activities before Income Tax	18,262	59,979	29,229
Income Tax – Current	0	-5,469	-19,254
Income Tax – Deferred	0	-1,172	10,579
Net Profit for the Period	18,262	53,338	20,554

- Including JCR Eurasia Rating's adjustments where applicable,

Hedef Yatırım Bankası A.Ş.

Financial Ratios

(%)	FYE2022	FYE2023	FYE2024
I. PROFITABILITY & PERFORMANCE			
Total Income / Total Expenses	221.37	138.79	118.46
Total Operating Expenses / Total Income	45.17	72.05	84.41
Net Profit Margin	54.83	24.85	6.88
Gross Profit Margin	54.83	27.95	9.79
Asset Growth Rate	N.A.	14.15	130.12
II. CAPITAL ADEQUACY (year-end)			
Internal Equity Generation / Previous Year's Equity	N.A.	10.29	3.60
Equity / Total Assets	99.16	95.81	43.12
Capital Adequacy Ratio	254.02	66.56	44.55
III. LIQUIDITY (year-end)			
Liquidity Management Success (On Demand)	98.37	98.12	97.03
Liquidity Management Success (Up to 1 Month)	52.39	74.57	99.28
Liquidity Management Success (1 to 3 Months)	98.28	95.99	92.86
Liquidity Management Success (3 to 12 Months)	100.00	98.63	78.39
Liquidity Management Success (Over 1 Year & Unallocated)	50.76	67.32	83.28

- N.A.: Not Available
- Including JCR Eurasia Rating's adjustments where applicable,

Rating Info

Rated Company:	Hedef Yatırım Bankası A.Ş. Barbaros Mah. İhlamur Bul. No: 3 İç Kapı No: 199 Ataşehir, İstanbul, Türkiye Telephone: +90 (216) 501 11 00
Rating Report Preparation Period:	01.03.2025 – 26.03.2025
Rating Publishing Date:	28.03.2025
Rating Expiration Date:	27.06.2025
Financial Statements:	FYE2024-FYE2023-FYE2022 Solo Audit Report
Previous Rating Results:	27.06.2024 Long-Term National Issuer Credit Rating at BBB+ (tr)
Rating Committee Members:	Z. M. Çoktan (Executive Vice President) zeki.coktan@jcrer.com.tr , M. Hayat (Manager) merve.hayat@jcrer.com.tr , Ö. Sucu (Manager) omer.sucu@jcrer.com.tr

Disclaimer

The ratings revised by JCR Eurasia Rating are a reflection of the Company's independent audit reports prepared in conformity with Turkish Financial Reporting Standards (TFRS) and International Financial Reporting Standards (IFRS), on and off-balance sheet figures, general market conditions in its fields of activity, unaudited financial statements, information and clarifications provided by the Company, and non-financial figures. Certain financial figures of the Company for previous years have been adjusted in line with the JCR Eurasia Rating's criteria.

The Company's balance sheet composition, asset quality, risk management practices, business profile, liquidity management, history in the sector, profitability figures, revenues, debt structure e, growth rates, off-balance sheet commitments, and the financial and non-financial positions of the main shareholders were taken into consideration while determining the risk assessment of the long-term international local currency and foreign currency ratings as well as national ratings.

Considering the fact that there are no additional legal or financial collateral guarantees provided separately for the repayment of the bonds issued, the note assigned for the TRY dominated bond issuance is assigned as the same as the Company's Long and Short-Term National Local Ratings, unless otherwise stated.

Previous rating results and other relevant information can be accessed on

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This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Türkiye), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations.

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