

## Corporate Credit Rating

New  Update

**Sector:** Banking

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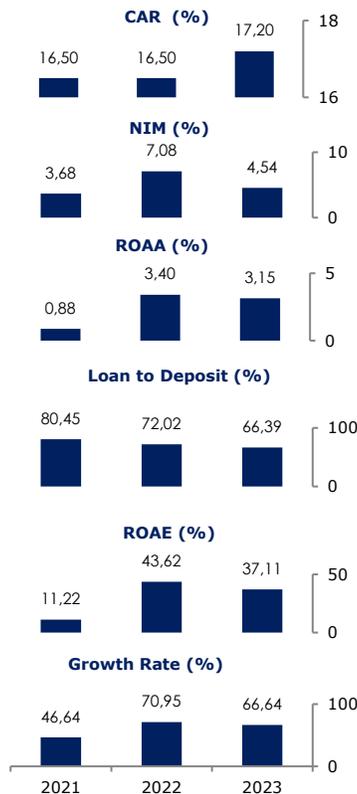
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific 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



## T.C. Ziraat Bankası A.Ş.

JCR Eurasia Rating, has evaluated the consolidated structure of "T.C. Ziraat Bankası A.Ş." in the investment grade category with the highest credit quality, affirmed the Long-Term National Issuer Credit Rating at 'AAA (tr)' and the Short-Term National Issuer Credit Rating at '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/Stable', in line with the sovereign ratings and outlooks of Republic of Türkiye.

T.C. Ziraat Bankası A.Ş. (hereinafter referred to as 'Ziraat Bank', 'the Bank' or 'the Group') one of the oldest national banks, leads the sector with its asset size, loans, deposits, equity and number of branches / employees. All of the Bank's shares belong to Türkiye Wealth Fund as of reporting date.

The Bank provides services through a network of 1,782 branches, 25,150 employees, over 7,656 ATMs, online and mobile systems as of 3Q2024. The Bank also provides services at 123 points in 19 different countries and has an international service network consisting of 9 international banking subsidiaries, 26 overseas as of September 30, 2024. The Bank maintains its position as branches and increasingly expanding integrated financial service provider, including portfolio management, securities brokerage, participation banking, real estate investment trust, digital banking, IT and venture capital activities. Besides, Ziraat Leasing is expected to start its operations in the near future.

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

### Strengths

- Sustainable profitability figures notwithstanding lately decreasing trend in parallel with the sector,
- Maintaining low level of NPL ratio underpinned by the prudent risk approach standing below the sector averages,
- Reasonable liquidity figures supporting financial position,
- Broad-based deposit structure besides diversified funding sources thanks to access capability to international financing resources,
- Widened branch network and high efficiency level supporting its leading market position,
- Competitive advantages in domestic market via strong shareholder structure together with long-standing operating history,
- Digital transformation program supporting operational performance and efforts to develop sustainable banking,
- Compliance in corporate governance practices and continuity of well-established risk management practices.

### Constraints

- Capital adequacy ratio standing below sector average despite being compatible with the requirements,
- Structural maturity mismatch and short-term profile of deposits across the sector,
- Sensitivity of operating environment in Turkish banking sector considering macroeconomic and geopolitical risks.

Considering the aforementioned factors, the Bank's Long-Term National Rating has been affirmed at 'AAA (tr)'. Being one of the pioneers of the Turkish financial system, strong branch network, well diversified loans book, asset quality supported by high provision levels despite its relatively low NPL portfolio, liquidity position above the minimum legal limits, adequate capitalization level and strong shareholder structure as well as the solvency ratios have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. Bank's financial structure and Global macroeconomic environment 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.