

Corporate Credit Rating

New Update

Sector: Banking

Publishing Date: 23.09.2024

Senior Analyst

Ezgi Çiçek Yılmaz
 +90 212 352 56 73

ezgi.yilmaz@jcrer.com.tr

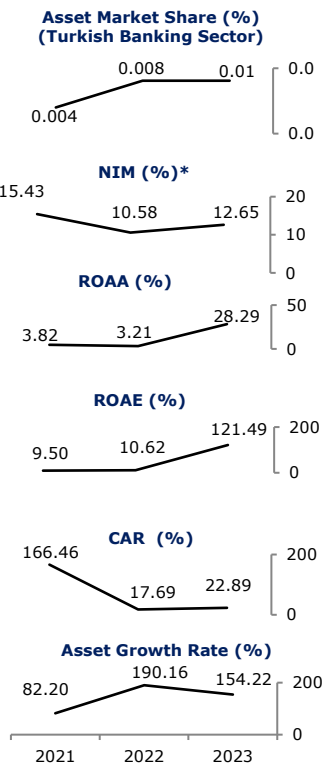
Assistant Analyst

Barbaros Dişci
 +90 212 352 56 73

barbaros.disci@jcrer.com.tr

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	-
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



*According to the data provided by the Bank

D Yatırım Bankası A.Ş.

JCR Eurasia Rating has evaluated "D Yatırım Bankası A.Ş." in the investment grade category with high credit quality, affirmed the Long-Term National Issuer Credit Rating at 'A+ (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 assigned as 'BB/Stable' as parallel to sovereign ratings and outlooks of Republic of Türkiye.

D Yatırım Bankası A.Ş. (hereinafter referred to as 'D Investment Bank', or 'the Bank') was founded with an initial capital of TRY 200mn and registered in the Istanbul Trade Register on June 22, 2020 with the decision of the Banking Regulation and Supervision Agency (BRSA) dated March 19, 2020 and numbered 8953. The Bank obtained authorization for the establishment from the BRSA which became valid by being published in the Official Gazette dated May 26, 2021, and began the process on banking operations on August 2, 2021. Main pillars of the Bank's operations are Corporate & Commercial Banking, Investment Banking & Structured Finance, Treasury & Markets and Transactional Banking & Digital Solutions.

Doğan Şirketler Grubu Holding A.Ş. (hereinafter referred to as 'Doğan Holding', or 'Doğan Group') is the main controlling shareholder, owning 90.99% of the total shares of the Bank and the remaining shares belong to Doğan Holding's subsidiaries as of reporting date. Doğan Holding was established in 1961 by Mr. Aydın Doğan and has been transformed into an investment holding in 1980. The main field of activity of Doğan Holding consists of electricity production, industry and trade, automotive trade and marketing, financing and investment, internet and entertainment and real estate investments. With over 60 years of activity history, Doğan Group has established collaborative partnerships with internationally well-known domestic and foreign institutions thanks to know-how and network presence.

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

Strengths

- Satisfactory core profitability indicators,
- Capital adequacy ratios in line with requirements, despite decline towards 1H2024,
- Asset quality supported by notably low level of impaired loans in the analysed period,
- Diversified funding structure supporting financial flexibility,
- Reputable brand name with a proven track record in various business segments, financial and operational strength of Doğan Şirketler Grubu Holding A.Ş. and the synergy created,
- Experienced management team and well-organized management infrastructure,
- Compliance with corporate governance practices and continuity of well-established risk management organization.

Constraints

- Need for increasing customer granularity to reduce concentration risk,
- Volatile environment for Turkish Banking Sector due to weakened TL and inflationary headwinds despite tighter post-election monetary policies of CBRT including interest rate hikes.

Considering the aforementioned points, the Bank's Long-Term National Issuer Credit Rating has been affirmed at 'A+ (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, the outlook for Short-Term National Issuer Credit Rating of the Bank has been 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 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.