

Corporate Credit Rating

New □Update

Sector: Banking

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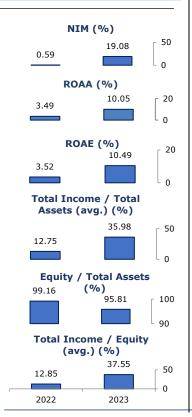
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB+ (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	ВВ	-
	International LC ICR 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.S.

JCR Eurasia Rating has evaluated "Hedef Yatırım Bankası A.Ş." in the investment level category, assigned the Long-Term National Issuer Credit Rating as 'BBB+ (tr)' and the Short-Term National Issuer Credit Rating at '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 other affiliates or subsidiaries as of the reporting date. As of 1Q2024, the Bank had a workforce of 40 employees (FYE2023: 38).

As of reporting date, 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 "Hedef Portföy Yönetimi A.Ş." which aims to provide portfolio management services in line with risk preferences of individual and institutional investors to achieve their return targets.

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

Strengths

- Majority of the balance sheet items being composed of earning assets expected to contribute to revenue generation,
- Generating net profit in the year of operations started,
- 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 trend analysis and low level of predictability as a newly established bank,
- Lack of customer and product diversification,
- Volatile environment for Turkish Banking Sector due to tight monetary policies of CBRT.

Considering the aforementioned points, the Bank's Long-Term National Issuer Credit has been assigned as 'BBB+ (tr)'. The Bank's balance sheet with an earning asset-weighted structure, bottom-line profit generation ability, the experience and synergy of Hedef Group as well as limited ability to be analysed and gradual process of acquiring customer base 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'. 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.