

Corporate Credit Rating

New Update

Sector: Banking

Publishing Date: Jul 30, 2024

Senior Analyst

Ezgi Çiçek Yılmaz
 +90 212 352 56 73

ezgi.yilmaz@jcrer.com.tr

Analyst

Ömer Emre Yücel
 +90 212 352 56 73

omeremre.yucel@jcrer.com.tr

TERA YATIRIM BANKASI A.Ş.

JCR Eurasia Rating has evaluated "Tera 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 as '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.

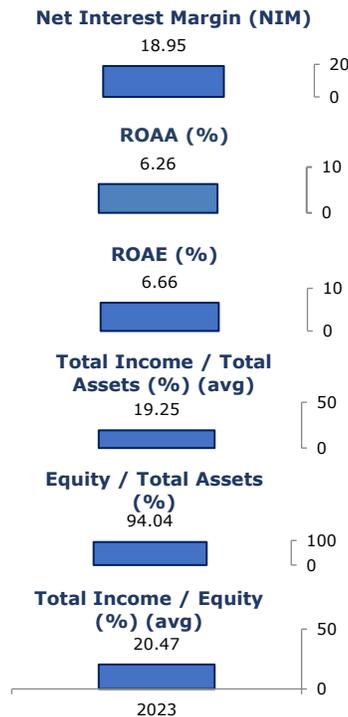
Tera Yatırım Bankası A.Ş. (hereinafter referred to as "Tera Bank" or "the Company" or "the Bank") was established with an initial capital of TRY 300mn and registered in the Istanbul Trade Register on July 07, 2022 with the decision of the Banking Regulation and Supervision Agency (BRSA) dated October 27, 2021. The capital increase to TRY 500mn was announced on February 24, 2023. The Bank was granted an operating license with the Decision taken at the Board meeting of the BRSA on April 07, 2023 and the Bank started its operations on October 02, 2023. The Bank had no other affiliates or subsidiaries as of the reporting date. As of FYE2023, the Bank had a workforce of 35 employees.

The shareholders of the Bank are "Emre Tezmen" (95.00%), "Arena Finans Faktoring A.Ş." (4.97%), "Oğuz Tezmen" (0.01%), "Gül Ayşe Çolak" (0.01%) and "Fatma Nurcan Taşdelenler" (0.01%). Tera Bank is a member of Tera Group whose members operate in finance sector. "Tera Yatırım Menkul Değerler A.Ş." is the biggest member of Tera Group and offers services in the fields of execution of orders, reception & transmission of orders, dealing on own account, intermediation for public offering (underwriting and best effort), limited custody services and derivatives trading. Furthermore, another important company that operate under the umbrella of Tera Group, "Arena Finans Faktoring A.Ş." gives revocable factoring services, guaranteeing, intermediating to collection and consulting by purchase, sale, assignment or acquisition of the customer receivables based on invoices or other certifying documents representing the domestic or international commercial sales of goods and services.

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

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	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024



Strengths

- The Bank's balance sheet primarily consisting of earning assets, which are expected to generate future revenue streams,
- Profitability in its first year of banking operations,
- Benefitting the management team's extensive experience and proven track record, as well as Tera Group's presence in the financial 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 Tera 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.