

## Corporate Credit & Issue Rating

☐ New ☒ Update

**Sector:** Intermediary Institutions

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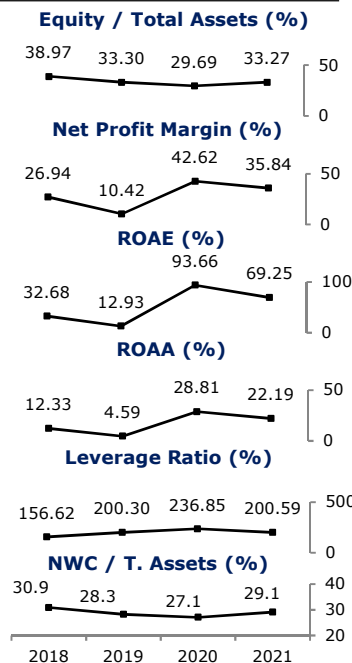
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	J3
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BB	J3
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	Stable
	National ISR	A+ (tr)	J1 (tr)
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 31, 2021



## A1 Capital Yatırım Menkul Değerler A.Ş.

JCR Eurasia Rating, has evaluated the "A1 Capital Yatırım Menkul Değerler A.Ş." in the high investment-level category and revised the Long-Term National Issuer Credit Rating from 'A (tr)' to 'A+ (tr)' and assigned 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 international ratings and outlooks of Republic of Turkey.

**A1 Capital Yatırım Menkul Değerler A.Ş.** ('A1 Capital Yatırım' or 'the Company') was founded in 1990 under the name of 'Form Menkul Değerler A.Ş.'. After the acquisition of the Company by its current shareholders in 2012, the Company's title has been changed to A1 Capital Menkul Değerler A.Ş. on 10 May 2013 and finally has been renamed into A1 Capital Yatırım Menkul Değerler A.Ş. as of 21 May, 2015. Licensed as a "broadly authorized intermediary institution" in accordance with the approval by the Capital Market Board on 26 January 2016, the Company offers services in equity trading, public offering intermediation, portfolio management, investment consultancy, repo-reverse repo transactions, margin trading-short selling, leveraged FX, derivatives trading and limited custody services. The Company ranked 9th amongst intermediary institutions in equity volume as of FYE2021.

The Company conducts its operations via its headquarters in Maslak (Istanbul) and 22 liaison offices located in 13 cities. A1 Capital Yatırım also stands out with its relatively high paid-in capital of TRY 100mn in the market. As of December 31, 2021, A1 Capital Yatırım employed a staff force of 197 (FYE2020: 162). Güler Yatırım Holding A.Ş. is the qualified shareholder of A1 Capital Yatırım and the ultimate controlling party of Güler Yatırım Holding A.Ş. is Murat Güler.

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

### Strengths

- Improvement in profit generation capacity supported with rising interest and commission incomes in FY2021
- Wide range of services as a broadly authorized intermediary institution
- Healthy receivables portfolio backed by collaterals of common stocks
- Satisfactory equity level in comparison to non-bank affiliated peers strengthened by paid-in capital increase and retention policies
- Robust capital adequacy above legal requirements
- Funding diversity through effective utilization of bond issuances

### Constraints

- Competition environment and intense concentration in Turkish capital markets
- Vulnerability of risk appetite towards EMs to potential economic and geopolitical risks
- Despite the increasing investor base, the need for further development of domestic capital markets compared to GDP size
- Uncertainty due to the nature of the investment processes and intricate and structured products increasing the risk levels and operational risks

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been upgraded as 'A+ (tr)'. The Company's notable profitability performance and gradually strengthening equity along with intense competition environment in the sector 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 Company's profitability, internal equity generation capacity, liquidity profile, market position and cost management practices will be closely monitored by JCR Eurasia Rating in 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.