

Corporate Credit Rating

Intermediary Institutions

Şeker Yatırım		Long Term	Short Term	
International	Foreign currency	BBB-	A-3	
	Local currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Issue Rating	n.a	n.a.		
National	Local Rating	BBB (Trk)	A-3 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BBB (Trk)	A-3 (Trk)	
Sponsor Support		2	-	
Stand Alone		B	-	
Sovereign*	Foreign currency	BBB-	-	
	Local currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

Şeker Yatırım Menkul Değerler A.Ş.					
Financial Data	3Q2016**	2015*	2014*	2013*	2012*
Total Assets (000 USD)	45,477	38,701	81,445	76,516	100,314
Total Assets (000 TRY)	136,245	112,526	188,862	163,308	178,319
Equity (000 TRY)	41,883	39,148	39,627	37,638	35,633
Net Profit (000 TRY)	2,675	-399	2,099	1,077	825
Net Profit Margin (%)	10.68	-1.44	8.20	3.90	4.14
ROAA (%)	n.a	-0.13	1.54	0.77	0.91
ROAE (%)	n.a	-0.50	7.01	3.57	3.75
Equity / T. Assets (%)	30.74	34.79	20.98	23.05	19.98
Assets Size Market Share (%)**	0.67	0.73	1.25	1.17	1.57
T. Debt/Capital Ad. Base(%)	3.44	2.70	2.89	2.06	2.18
Leverage Ratio (%)	225.30	187.44	376.60	333.89	400.43
Asset Growth Rate (%)	21.08	-40.42	15.65	-8.42	92.90

*End of the Year **End of 3Q2016

*Assigned by Japan Credit Rating Agency, JCR on October 7, 2016

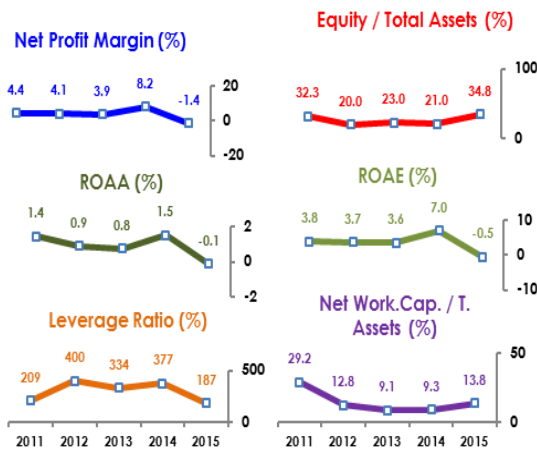
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Overview

Şeker Yatırım A.Ş. (hereinafter referred to as Şeker Yatırım or the Company), incorporated under the Capital Market Law and licensed to provide services as an intermediary institution, commenced activities in 1997 as a subsidiary of Şekerbank. The Company has been authorized as a broadly authorized intermediary institution in accordance with the decision taken at the meeting on 4 December 2015 by the Capital Market Board. The Company provides services in equity trading, public offering intermediation, portfolio management, investment consultancy, repo-reverse repo transactions, margin trading-short selling, securities lending, leveraged FX and derivatives trading. Şeker Yatırım operates in the Equity, Debt Securities and Derivatives Markets on the Borsa İstanbul (BİST).

Şeker Yatırım is among the leading intermediary institutions in the sector with almost 20 years of experience and stands at the forefront in terms of branch network organization, research services, and customer portfolio. Şeker Yatırım was ranked 30th amongst all intermediary institutions regarding equity trading volume with a 1.02% market share as of the third quarter of 2016. Currently, the Company carries out its operations through a total network of 2 branches in 2 cities in addition to the nationwide network of Şekerbank branches.

Şekerbank is the qualified shareholder of the Company and currently holds a 99.03% stake. Company headquarters is located in Levent İstanbul, a financial and business district. As of September 30, 2016, Şeker Yatırım employed a staff force of 79 (FYE2015: 97).



Strengths

- Significant revenue growth mainly derived from the leveraged transactions field as of 3Q2016
- Satisfactory capital adequacy base and liquidity level promising further growth and providing buffer against potential losses
- High asset quality, healthy receivables portfolio backed by collaterals along with lack of non-performing receivables
- Strong shareholding structure and benefits of being a bank subsidiary company
- Respectable operational track record with strong organization in the sector
- Strong emphasis on risk management approach and implementations along with conscious asset growth strategy
- Wide range of services as a broadly authorized intermediary institution
- Broad customer base and nationwide geographical outreach through its owner Şekerbank's branch network contributing to sustainable revenue generation

Constraints

- Volatility in net profit figures and profitability ratios
- Low level in return on assets and equity ratios over the last five-year period staying below sector averages
- Higher increase in activity expenses than the revenue growth pressuring profitability level
- Intense competition in the sector in parallel with the high number of intermediary institutions
- Relatively low level of market share in the intermediary sector
- Geopolitical and economic concerns along with persisting regional tensions harboring uncertainties and wielding pressure on business prospects

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