

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-2 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BBB+ (Trk)	A-2 (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	3Q2017**	2016*	2015*	2014*	2013*
Total Assets (000 USD)	44,615	39,902	38,701	81,445	76,516
Total Assets (000 TRY)	158,701	140,425	112,526	188,862	163,308
Equity (000 TRY)	43,148	43,014	39,148	39,627	37,638
Net Profit (000 TRY)	2,372	3,969	-399	2,099	1,077
Net Profit Margin (%)	8.04	10.42	-1.38	7.58	3.90
ROAA (%)	3.07	3.72	-0.13	1.54	0.77
ROAE (%)	10.65	11.44	-0.50	7.01	3.57
Equity / T. Assets (%)	27.19	30.63	34.79	20.98	23.05
Assets Size Market Share (%)**	n.a.	0.66	0.73	1.25	1.17
T. Debt/Capital Ad. Base(%)	4.50	5.10	2.70	2.89	2.06
Leverage Ratio (%)	267.81	226.47	187.44	376.60	333.89
Asset Growth Rate (%)	13.02	24.79	-40.42	15.65	-8.42

*Assigned by Japan Credit Rating Agency, JCR on November 10, 2017

*End of the Year **End of 3Q2017

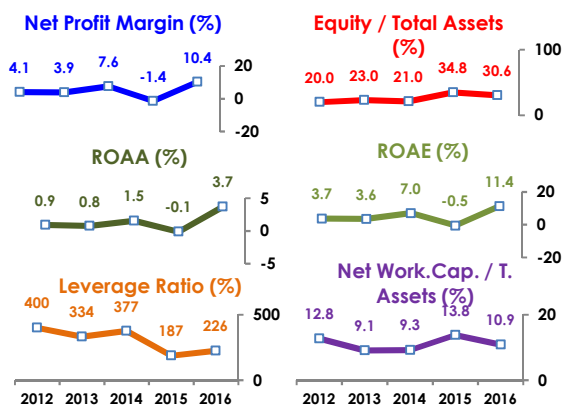
Analyst: Bora PAKYÜREK / +90 212 352 56 74
bora.pakyurek@jcrer.com.tr

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. Licensed 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 offers 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 (BIST).

Şeker Yatırım is one of the leading intermediary institutions in the sector and stands at the forefront in terms of branch network organization, research services, and customer portfolio with over 20 years of activity. 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 99.04% stake. Company headquarters are located in Levent İstanbul, a financial and business district. As of September 30, 2017, Şeker Yatırım employed a staff force of 91 (FYE2016: 89).



Strengths

- Increase in core operating profitability in the completed financial year
- Satisfactory capital adequacy base and liquidity level, in line with CMB regulations, promising further growth and providing a buffer against incidental losses
- High asset quality, healthy receivables portfolio backed by collaterals along with lack of non-performing receivables
- Wide range of services as a broadly authorized intermediary institution with a proven track record and sector expertise
- Strong shareholding structure and benefits of being a bank subsidiary company
- Successful realized bond issuance in the current financial year diversifying funding structure
- Broad customer base and nationwide geographical outreach through its owner Şekerbank's branch network contributing to sustainable revenue generation

Constraints

- Implementation of recent restrictive regulation on the forex market likely to exert pressure on incomes derived from those transactions in the future
- Volatility in asset size and profitability indicators
- Operational expenses exerting pressure on profitability
- High level of competition in the Turkish intermediary sector and pressures to continuously squeeze costs
- 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