

Corporate Credit & Issue Rating

New Update

Sector: Intermediary Institutions
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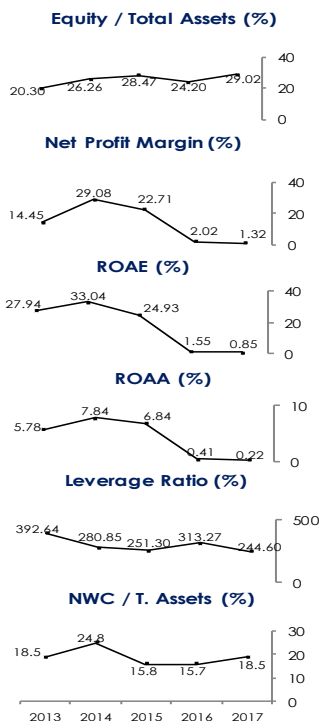
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RATINGS

		Long	Short	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Negt.	Negt.
		LC	Negt.	Negt.
Issue Rating	-	-		
National	Local Rating (Trk)	A-	A-1	
	Outlook	Stable	Stable	
	Issue Rating (Trk)	A-	A-1	
Sponsor Support	3	-		
Stand-Alone	B	-		
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negt	-
LC		Negt	-	

*Affirmed by JCR on November 27, 2018



Tera Yatırım Menkul Değerler A.Ş.

Summary Financial Data	Sept,2018**	2017*	2016*	2015*	2014*
Total Assets (000 USD)	17,070	29,649	37,870	38,700	42,649
Total Assets (000 TRY)	102,255	111,832	133,272	112,524	98,899
Equity (000 TRY)	37,373	32,453	32,248	32,030	25,968
Principal Act. Revenues (000 TRY)	12,008	13,305	19,328	26,087	19,400
Net Profit (000 TRY)	4,948	175	391	5,925	5,642
Net Profit Margin (%)	41.21	1.32	2.02	22.71	29.08
ROAA (%)	n.a.	0.22	0.41	6.84	7.84
ROAE (%)	n.a.	0.85	1.55	24.93	33.04
Equity / T. Assets (%)	36.55	29.02	24.20	28.47	26.26
Asset Size Market Share (%)	0.41	0.49	0.63	0.73	0.65
Leverage Ratio (%)	173.61	244.60	313.27	251.30	280.85
Asset Growth Rate (%)	-8.56	-16.09	18.44	13.78	36.90

*End of Year, **:audited third quarter results

Company Overview

With a track record dating back to establishment of Stok Menkul Değerler A.Ş. in 1990, **Tera Yatırım Menkul Değerler A.Ş.** (hereinafter referred to as **Tera Yatırım** or **the Company**) was taken over by its current shareholders and adopted its current trade name in 2005. The Company is licensed by the CMB as a broadly authorized intermediary institution and provides services in the fields of Execution of Orders, Reception&Transmission of Orders, Dealing on Own Account, Intermediation for Public Offering (Underwriting and Best Effort) and Limited Custody Services. The Company operates in the Equity, Debt Securities and Derivatives markets in Borsa Istanbul A.Ş.

Headquartered in Istanbul with a liaison office based in Antalya, the Company which had no other consolidated subsidiaries or affiliates, employed 21 personnel across its operations as of the report date. Mr. Oğuz TEZMEN is the Chairman of the Company which had no listed shares as of the reporting date.

Strengths

- Maintenance of above sector average equity level in the examined period with upward trend throughout FY2018
- Notable improvement in profitability indicators in the current financial year following the deterioration in FY2017
- Asset quality supported by absence of impaired receivables, FX risk and collateralization of receivables portfolio
- Strong capital adequacy base sufficient to cover risk provisions and liquidity level compliant with CMB regulations
- Diversified resource composition supported by successive bond issuances
- Focus on operating efficiency in comparison to peers, established track record in the corporate finance market supported by experienced senior management team

Constraints

- Contraction of market share in the completed fiscal year stemming from fall in FX leverage and equity trading volumes following restrictive FX regulations across the sector in FY2017
- Competitive pressures inherent in the sector exhibiting high market concentration dominated by bank-affiliated companies
- Ongoing economic and political volatility at the global and domestic level exerting upward pressure on interest rates and reducing investor risk appetite
- Underdeveloped domestic capital markets in comparison to the size of GDP along with static investor base
- Further improvement needs in compliance level with Corporate Governance Practices in the long-term