

Corporate Credit & Issue Rating

New  Update

Sector: Intermediary Inst.  
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**RATINGS**

		Long	Short	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative
Issue Rating	-	-		
National	Local Rating	BBB (trk)	A-3(trk)	
	Outlook	Positive	Positive	
	Issue Rating	BBB (trk)	A-3(trk)	
Sponsor Support		2	-	
	Stand-Alone	B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negative	-
LC		Negative	-	

\*Affirmed by JCR on November 27, 2018

**Invest-AZ Yatırım Menkul Değerler A.Ş.**

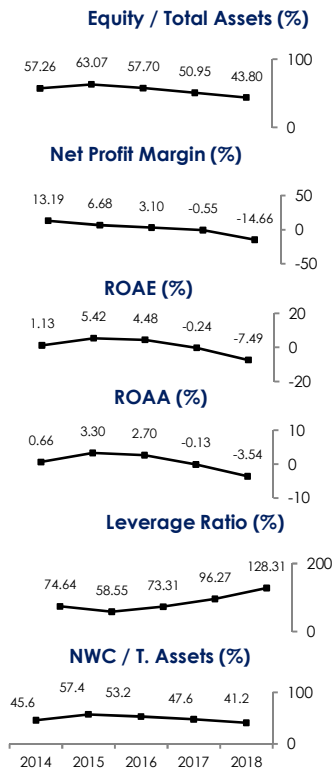
**Company Overview**

Financial Data	2018*	2017*	2016*	2015*	2014*
Total Assets (000 USD)	11,197	14,458	13,724	14,861	10,350
Total Assets (000 TRY)	58,907	54,534	48,298	43,210	24,000
Equity (000 TRY)	25,801	27,784	27,868	27,254	13,742
Net Profit (000 TRY)	-1,984	-81	604	881	1,054
Net Profit Margin (%)	-14.66	-0.55	3.10	6.68	13.19
ROAA (%)	-3.54	-0.13	2.70	3.30	0.66
ROAE (%)	-7.49	-0.24	4.48	5.42	1.13
Equity / T. Assets (%)	43.80	50.95	57.70	63.07	57.26
T. Debt/Capital Ad. Base(%)	1.31	0.97	0.79	0.64	0.92
Leverage Ratio (%)	128.31	96.27	73.31	58.55	74.64
Asset Growth Rate (%)	8.02	12.91	11.77	80.04	28.29

\*End of Year

**Invest-AZ Yatırım Menkul Değerler A.Ş.** (herein referred to as 'Invest-AZ' or 'the Company'), incorporated under the Capital Market Law and licensed to provide services as an intermediary institution, commenced activities in 2012. Licensed as a "broadly authorized intermediary institution" in accordance with the decision taken at the meeting on 28 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, leveraged FX, derivatives trading and limited custody services. The utmost shareholder is the chairman of the Board of Directors since the foundation of Invest-AZ.

Company headquarters are located in the financial district of Esentepe-Şişli in Istanbul. Invest-AZ has opened a liaison office in Adana as of first quarter of 2019. Invest-AZ offers a wide range of products in several markets including FX, futures, funds, commodities, stocks. Technological infrastructure and educational programs for investors' financial literacy are primary comparative advantages of Invest-AZ in the intermediary institutions market. Invest-AZ also stands out with its relatively high paid-in capital of TRY 30mn in the market. As of December 31, 2018, Invest-AZ employed a staff force of 45 (FYE2017: 53).



**Strengths**

- Sustainable commission flow with product diversity and proven earning power
- Strong capital adequacy base sufficient to cover risk provisions and liquidity level compliant with CMB regulations
- High asset quality, healthy receivables portfolio backed by collaterals
- Wide range of services as a broadly authorized intermediary institution with a proven sector expertise
- Strong shareholding structure with its relatively high paid-in capital
- Successive realized bond issuance diversifying funding structure
- High level of financial literacy within the Company and well-experienced management team

**Constraints**

- Competitive pressures inherent in the sector exhibiting high market concentration dominated by bank-affiliated companies
- Operational expenses exerting pressure on profitability
- Underdeveloped domestic capital markets in comparison to the size of GDP along with static investor base
- Relatively low level of market share in the intermediary sector
- Persistent political and economic stresses along with regional tensions hosting uncertainties and exerting downward pressure on risk appetite of investors