

Corporate Credit & Issue Rating

New Update

Sector: Intermediary Inst.
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Analyst

Bora Pakyürek
 +90 212 352 56 73
 bora.pakyurek@jcrer.com.tr

RATINGS

		Long	Short
International	Foreign Currency	BB	B
	Local Currency	BB	B
	Outlook	FC Negative	Negative
		LC Negative	Negative
National	Issue Rating	-	-
	Local Rating	A-(trk)	A-1(trk)
	Outlook	Stable	Stable
	Issue Rating	A-(trk)	A-1(trk)
Sovereign*	Sponsor Support	2	-
	Stand-Alone	B	-
	Foreign Currency	BBB-	-
	Local Currency	BBB-	-
	Outlook	FC Negative	-
		LC Negative	-

*Affirmed by JCR on November 27, 2018

Şeker Yatırım Menkul Değerler A.Ş.

Company Overview

Financial Data	3Q2019**	2018*	2017*	2016*	2015*
Total Assets (000 USD)	45,071	47,292	46,969	39,902	38,701
Total Assets (000 TRY)	254,368	248,799	177,162	140,425	112,526
Equity (000 TRY)	46,313	44,115	45,416	43,014	39,148
Net Profit (000 TRY)	1,675	1,578	4,787	3,969	-399
Net Profit Margin (%)	3.83	2.79	10.78	10.42	-1.38
ROAA (%)	n.a	1.35	4.22	3.72	-0.13
ROAE (%)	n.a	6.41	15.15	11.44	-0.50
Equity / T. Assets (%)	18.21	17.73	25.64	30.63	34.79
Assets Size Market Share (%)**	n.a	1.14	0.77	0.66	0.73
T. Debt/Capital Ad. Base(%)	5.89	8.50	3.90	5.10	2.70
Leverage Ratio (%)	449.24	463.98	290.09	226.47	187.44
Asset Growth Rate (%)	2.24	40.44	26.16	24.79	-40.42

*End of Year **End of 3Q2019

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 Istanbul (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 Istanbul, a financial and business district. As of September 30, 2019, Şeker Yatırım employed a staff force of 80 (FYE2018: 88).

Strengths

- Satisfactory capital adequacy base and liquidity level, in line with CMB regulations, promising further growth and providing a buffer against incidental losses
- Sustainable commission flow with product diversity and proven earning power
- 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
- Diversified resource composition supported by successive bond issuances
- Broad customer base and nationwide geographical outreach through its owner Şekerbank's branch network contributing to sustainable revenue generation

Constraints

- Competitive pressures inherent in the sector exhibiting high market concentration dominated by bank-affiliated companies
- Volatility in asset size and profitability indicators
- Implementation of restrictive regulations in the leveraged FX trading market at the beginning of FY2017, exerting notable pressure on incomes from those transactions for the sector and restricting expansion of forex incomes for the Company
- Operational expenses exerting pressure on profitability
- Underdeveloped domestic capital markets in comparison to the size of GDP along with static investor base
- Persistent political and economic stresses along with regional tensions hosting uncertainties and exerting downward pressure on risk appetite of investors

