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Corporate Credit &

Issue Rating

 \Box New \boxtimes Update

Sector: Intermediary Institutions Publishing Date: 18/12/2019

Analyst

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RATINGS

			Long	Short		
rl I	Foreign Currency		BB	В		
Internationa	Local Currency		BB	В		
	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			В	-		
Sovereign *	Foreign Currency		BBB-	-		
	Local Currency		BBB-	-		
	Outlook	FC	Negt	-		
		LC	Negt	-		
*Affirmed by JCR on December 6, 2019						

Equity / Total Assets (%) $26.26 - 28.47 - 24.20 - 29.02 - 31.79 \begin{bmatrix} 50 \\ 0 \end{bmatrix}$ Net Profit Margin (%) $29.08 - 22.71 - 2.02 + 3.32 + 7.81 \begin{bmatrix} 50 \\ 0 \end{bmatrix}$ ROAE (%) $33.04 - 24.93 + 1.55 - 0.85 + 7.81 \begin{bmatrix} 50 \\ 0 \end{bmatrix}$ ROAA (%) $7.84 - 6.84 - 5.42 \begin{bmatrix} 10 \\ 0 \end{bmatrix}$ Leverage Ratio (%) $280.85 - 251.30 - 313.27 - 244.60 - 214.59 \begin{bmatrix} 50 \\ 0 \end{bmatrix}$ NWC / T. Assets (%) $24.8 - 15.8 + 15.7 - 18.5 - 25.9 \begin{bmatrix} 50 \\ 0 \end{bmatrix}$

Tera Yatırım Menkul Değerler A.Ş.

Fin an cial Data	Sept,2019**	2018*	2017*	2016*	2015*
Total Assets (000 USD)	25,770	22,278	29,649	37,870	38,700
Total Assets (000 TRY)	145,438	117,203	111,832	133,272	112,524
Equity (000 TRY)	37,594	37,255	32,453	32,248	32,030
Principal Act. Revenues (000 TRY)	16,079	13,305	19,328	26,087	19,400
Net Profit (000 TRY)	84	4,825	175	391	5,925
Net Profit Margin (%)	0.52	27.41	1.32	2.02	22.71
ROAA (%)	0.14	5.42	0.22	0.41	6.84
ROAE (%)	0.46	17.81	0.85	1.55	24.93
Equity / T. Assets (%)	25.85	31.79	29.02	24.20	28.47
Asset Size Market Share (%)	n.a.	0.54	0.49	0.63	0.73
Debt Ratio (%)	286.87	214.59	244.60	313.27	251.30
Asset Growth Rate (%)	42.23	4.80	-16.09	18.44	13.78

*End of Year**audited third quarter results

Company Overview

Established in 1990 under the name of Stok Menkul Değerler A.Ş., **Tera Yatırım Menkul Değerler A.Ş.** (hereinafter referred to as **Tera Yatırım** or **the Company**) continued its operations under its current trade name since FY2005. As a broadly authorized intermediary institution, the Company 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, the Company had no other branches with the exception of a liaison office based in Antalya and employed 25 personnel as of the report date. Mr.Oguz TEZMEN is the Chairman of the Company with no listed shares.

Strengths **Constraints** • Strong profitability performance in the • Notable fall in profitability in the current completed financial year supported by fiscal year stemming from the rise in rising commission income financing expenses · Contraction of market share based on • Notable increase in turn-over and operating profit throughout FY2019 equity and futures trading volume supported by diversity of service provision throughout FY2018 and the 1H2019 • Sound equity level in comparison to non-• Severity of competition inherent across bank affiliated peers strengthened by paidthe sector dominated by bank-affiliated capital increase and retention policies companies • Collateralization of receivables portfolio • Contraction of activity in the capital and absence of impaired receivables and markets in the 1H2019 due to the recessionary environment and election FX risk strengthening asset quality cycles • Efficient business model in comparison to sectoral peers with no branches and well • Rising geo-political tensions, exchange rate volatility and weak GDP growth controlled opex exerting pressure on investor risk appetite • Compliance of capital adequacy base and liquidity metrics with sectoral regulations

• Further need for progress in compliance level with Corporate Governance Practices

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• Established track record in the domestic

issuances

capital markets through successive bill