

Corporate Credit & Issue Rating

New Update

Sector: Intermediary Institutions
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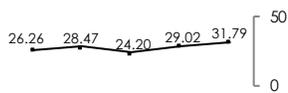
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RATINGS

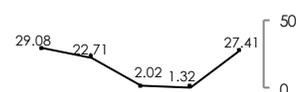
		Long	Short
International	Foreign Currency	BB	B
	Local Currency	BB	B
	Outlook	FC Negt.	Negt.
		LC Negt.	Negt.
National	Issue Rating	-	-
	Local Rating (Trk)	A-	A-1
	Outlook	Stable	Stable
	Issue Rating (Trk)	A-	A-1
Sovereign*	Sponsor Support	3	-
	Stand-Alone	B	-
	Foreign Currency	BBB-	-
	Local Currency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

*Affirmed by JCR on December 6, 2019

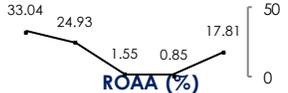
Equity / Total Assets (%)



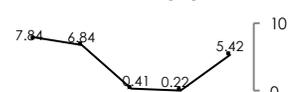
Net Profit Margin (%)



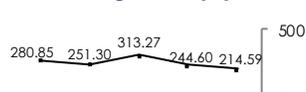
ROAE (%)



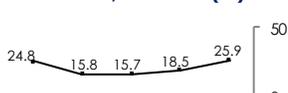
ROAA (%)



Leverage Ratio (%)



NWC / T. Assets (%)



Tera Yatırım Menkul Değerler A.Ş.

Financial 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

- Strong profitability performance in the completed financial year supported by rising commission income
- Notable increase in turn-over and operating profit throughout FY2019 supported by diversity of service provision
- Sound equity level in comparison to non-bank affiliated peers strengthened by paid-capital increase and retention policies
- Collateralization of receivables portfolio and absence of impaired receivables and FX risk strengthening asset quality
- Efficient business model in comparison to sectoral peers with no branches and well controlled opex
- Compliance of capital adequacy base and liquidity metrics with sectoral regulations
- Established track record in the domestic capital markets through successive bill issuances

Constraints

- Notable fall in profitability in the current fiscal year stemming from the rise in financing expenses
- Contraction of market share based on equity and futures trading volume throughout FY2018 and the 1H2019
- Severity of competition inherent across the sector dominated by bank-affiliated companies
- Contraction of activity in the capital markets in the 1H2019 due to the recessionary environment and election cycles
- Rising geo-political tensions, exchange rate volatility and weak GDP growth exerting pressure on investor risk appetite
- Further need for progress in compliance level with Corporate Governance Practices