

Corporate Credit Rating

New Update

Sector: Intermediary Institutions

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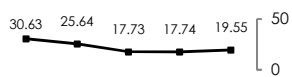
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RATINGS

		Long Term	Short Term
National	Local Rating	A (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
	Issue Rating	A	A-1
International	Foreign Currency	BB	B
	Local Currency	BB	B
	Outlook	FC: Stable LC: Stable	Stable
Sponsor Support	2	-	-
Stand-Alone	AB	-	-
Sovereign*	Foreign	BB	-
	Local Currency	BB	-
	Outlook	FC: Stable LC: Stable	-

*Assigned by JCR on May 31, 2021

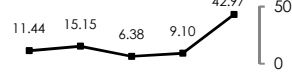
Equity / Total Assets (%)



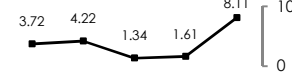
Net Profit Margin (%)



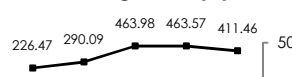
ROAE (%)



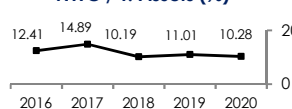
ROAA (%)



Leverage Ratio (%)



NWC / T. Assets (%)



Şeker Yatırım Menkul Değerler A.Ş.

JCR Eurasia Rating has evaluated **Şeker Yatırım Menkul Değerler A.Ş. (Şeker Yatırım)** and the **Current and Planned Debt Instruments** in an high-level investment grade category in the periodic annual review and upgraded the rating on the Long-Term National Scale as **“A (Trk)”** along with a **‘Stable’** outlook. On the other hand, the Long Term International Foreign and Local Currency Ratings have been assigned as **“BB / Stable”**.

Şeker Yatırım, incorporated in 1997 under the Capital Market Law as a subsidiary of **Şekerbank T.A.Ş.**, continues its activities with its extensive sales and distribution network, widespread customer portfolio, research services and sector expertise. The Company was authorized as a **“Broadly Authorized Intermediary Institution”** in a decision taken by the Capital Market Board at a meeting on 4 December 2015 and actively provides services to corporate and individual customers in equity trading, public offering intermediation, portfolio management, investment consultancy, repo-reverse repo transactions, securities lending, leveraged FX and derivatives trading. In addition to the nationwide network of Şekerbank branches, the Company has 2 branches in 2 cities in Turkey. The Company also reaches its clients through alternative channels such as online trading and mobile platforms. As of the second quarter of 2021, Şeker Yatırım ranked 23th in terms of volume in equity transactions and ranked 10th in terms of number of branches.

Key rating drivers, as strengths and constraints, are provided below.

Strengths	Constraints
<ul style="list-style-type: none"> Notable improvement in net profit and core profitability indicators in FY2020 Sustainable commission flow with product diversity Satisfactory capital adequacy base and liquidity level, in line with CMB regulations, promising further growth and providing a buffer against incidental losses 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 Benefits of being a bank subsidiary company and nationwide geographical outreach through its owner Şekerbank’s branch network contributing to sustainable revenue generation Continued ability to raise funds from the capital markets and diversify the financing structure 	<ul style="list-style-type: none"> High level of competition in the Turkish intermediary sector Relatively low level of market share in the intermediary sector Vulnerability of risk appetite towards emerging markets Despite the increasing investor base, the need for further development of domestic capital markets compared to GDP size Increase in operational and financial expenses exerting pressure on profitability as of 3Q2021 Uncertainty due to the nature of the investment processes and intricate and structured products increasing the risk levels and operational risks

Considering the aforementioned points, the Company’s the Long-Term National Rating has been assigned as **‘A (Trk)’**. The Company’s adequate liquidity levels, notable improvement in net profit and core profitability indicators in FY2020 along with rising operational expenses and intense competition environment in the sector have been evaluated as important indicators for **‘Stable’** outlooks of long and short-term national ratings. In addition to local and global financial conditions and risk appetite, profitability and internal equity generation capacity, liquidity profile, trends in the indicators of return on equity and assets in comparison to the sector average, market position, cost management practices, trend in equity levels and their adequacy are the major issues which will be monitored by JCR Eurasia Rating in the upcoming period.

The operational strength and the expected support of the Company’s shareholder constitute the foundation for the Company’s sponsor support evaluation. It is considered that the major controlling entity, **Şekerbank**, has the willingness and capability to ensure long term liquidity and equity to the Company when required. Considering that **Şekerbank** is in the partnership structure in addition to Şeker Yatırım’s sufficient capital, **Şeker Yatırım**’s Sponsor Support note has been determined as **(2)** in **JCR Eurasia Rating**’s notation scale, denoting an adequate level.

The Stand-Alone grade reflects the Company’s financial resilience and capacity to meet its commitments and obligations through internal means and resources without resorting to its shareholders. We, as **JCR Eurasia Rating**, believe that **Şeker Yatırım** has the sufficient experience and facilities to manage the obligations without any assistance from its shareholders, taking into consideration the Company’s asset size and quality, equity level, risk management practices and experienced senior management team and provided that it maintains its efficiency in the market. Within this context, the Stand Alone note of **Şeker Yatırım** has been determined as **(AB)** in the **JCR Eurasia Rating**’s notation scale.