

## Corporate Credit Rating

New Update

**Sector:** Intermediary Institutions

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 10, 2024

## Halk Yatırım Menkul Değerler A.Ş.

JCR Eurasia Rating, has evaluated **Halk Yatırım Menkul Değerler A.Ş.** in investment-level category and affirmed the Long-Term National Issuer Credit Rating at '**AAA (tr)**' and the Short-Term National Issuer Credit Rating at '**J1+ (tr)**' with '**Stable**' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as '**BB/Stable**' as parallel to international ratings and outlooks of Republic of Türkiye.

**Halk Yatırım Menkul Değerler A.Ş.** (hereinafter referred to as 'Halk Yatırım' or 'the Company') was incorporated in 1997 to operate in the Turkish capital markets. As a "Broadly Authorized Intermediary Institution" Halk Yatırım offers services in portfolio management, investment consultancy, execution of orders, proprietary trading, full fledge services regarding initial public offering (through underwriting/best efforts) and limited custody activities. The Company extended its services through execution of orders in overseas markets to include equities, other securities, derivative instruments based on equities, derivative instruments based on equity indices and other derivatives following approval by the CMB in 2019. Halk Yatırım is among the leading intermediary institutions in the Turkish corporate finance market, particularly in the fields of debt and Sukuk issuance with a volume of TRY 62bn in the market in 2023. Halkbank, one of the largest state-owned banks in Türkiye, holds a 100% share of the Company. Halk Yatırım employed a staff force of 166 (FYE2022: 165) and carried out its operations with a total network of 10 branches at 2023.

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

### Strengths

- Improvement in profitability indicators in FY2023 compared to previous period
- Strong capital adequacy above legal requirements
- Satisfactory level of liquid assets and appropriate liquidity management approach in line with the CMB parameters
- Funding diversity through effective utilization of bond issuances
- Being one of the leading intermediary institutions in the issuance of debt instruments and Sukuk
- Reputable shareholding structure and benefits of being a bank subsidiary company
- Extensive services as a broadly authorized intermediary institution as well as a nationwide geographical outreach through its parent Bank's branch network
- High level of compliance with the corporate governance practices

### Constraints

- Intensity of competition throughout the sector
- Vulnerable nature of risk appetite and capital flows towards emerging markets depending upon potential macroeconomic and geopolitical risks
- Uncertainty due to the nature of the investment processes as well as intricate and structured products increasing the risk levels and operational risks

### Equity / Total Assets (%)



### Net Profit Margin (%)



### ROAE (%)



### ROAA (%)



### Leverage Ratio (%)



### NWC / T. Assets (%)



Considering the aforementioned points together with synergy generated within Halkbank, the Company's Long-Term National Issuer Credit Rating has been affirmed at '**AAA (tr)**'. The Company's sound profitability indicators, strong capital structure, internal resource generation capacity, satisfactory liquidity level, diversified funding mix, proven track record and market power along with ongoing uncertainties arisen from geopolitical tensions as well as global tight financial conditions have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as '**Stable**'. The Company's growth strategy, profitability indicators, financial leverage and asset quality will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.