

Corporate Credit & Issue Rating

New Update

Sector: Intermediary Institutions

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

*Assigned by JCR on August 18, 2022

OYAK YATIRIM MENKUL DEĞERLER A.Ş.

JCR Eurasia Rating has evaluated "OYAK Yatırım Menkul Değerler A.Ş." in the investment grade category with the highest credit quality 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 have been assigned as 'BB/Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

OYAK Yatırım Menkul Değerler A.Ş. ('OYAK Yatırım', 'the Company' or 'the Group') is one of the oldest intermediary institutions in Türkiye with its roots dating back to 1982. The Company was founded as a subsidiary of the Armed Forces Pension Fund (Ordu Yardımlaşma Kurumu/OYAK) in order to provide brokerage services in capital markets. The Company offers a wide range of services such as trading, portfolio management, corporate finance, investment consultancy, and leveraged trading transactions via its "broadly authorized intermediary institution" license. The Company preserved its leading position among non-bank-owned intermediary institutions in debt issuance volume in FY2022 and 9M2023. Currently, OYAK Yatırım carries out its operations through a total network of 4 regional directorates incorporating 13 branches in 11 cities in Türkiye. As of the report date, OYAK is the qualified shareholder of OYAK Yatırım with an ownership of 69.65% while the rest (30.35%) of the shares are publicly traded. The shares of the Company have been traded on Borsa İstanbul since 10 June 2021.

As of September 30, 2023, the Company employed a staff force of 283 (FYE2022: 294).

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

Strengths

- Strong profit margins in FY2022, sustained in 3Q2023,
- Satisfactory capital adequacy base above legal requirements,
- Funding diversity through effective utilization of bond issuances,
- Strong network and sectoral position as a broadly authorized intermediary institution among non-bank entities,
- High compatibility with the corporate governance practices as a publicly traded company,
- Synergy created through its subsidiaries of 'OYAK Grup Sigorta', 'OYAK Portföy' and 'OYAK Yatırım Ortaklığı', supporting income diversification,
- Reputable brand name with a proven track record, financial and operational strength of OYAK Group.

Constraints

- Intense competition in the sector,
- Vulnerable nature of risk appetite and capital flows in emerging markets,
- Uncertainty due to the nature of the investment processes, intricate and structured products increasing the risk levels and operational risks.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. The Company's sustained profitability performance, adequate level of capital base, sectoral position among non-bank entities and strong shareholder structure along with intense competition environment in the sector have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings have been determined as 'Stable'. The Company's profitability, cost management capabilities, equity base, liquidity profile and market position 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.

