

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	Stable	-
ISRs (Issue Specific Rating Profile)	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
Sovereign *	National ISR	AAA (tr) (Stable)	J1+ (tr) (Stable)
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign *	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

OYAK YATIRIM MENKUL DEĞERLER A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "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/Stable' in line with the sovereign ratings and outlooks of the 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 sound position among non-bank-affiliated intermediary institutions in debt issuance volume in FY2024. As of reporting date, OYAK Yatırım operates through 4 regional directorates, with 13 branches in 11 Turkish cities and 576 bank-affiliated branches nationwide. As of FY2024, 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 Istanbul since 10 June 2021.

As of FY2024, the Company employed a staff force of 294 (FYE2023: 280).

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

Strengths

- Strong capital adequacy base above legal requirements
- Diversified funding structure through debt security issuances, providing financial flexibility
- A comprehensive range of services as a widely authorized intermediary institution, along with a strong position in the debt securities market
- Level of collaterals of common stocks supporting receivables portfolio
- Revenue diversification and collaborative benefits achieved through the Company's subsidiaries, 'OYAK Grup Sigorta', 'OYAK Portföy' and 'OYAK Yatırım Ortaklığı'
- Competitive advantage of being member of 'OYAK Group' and proven track record in the sector
- Compatibility with the corporate governance practices as a publicly traded company

Constraints

- Net financing expenses and net monetary loss pressurizing bottom line in FY2024
- Severe competition in Turkish capital markets
- Susceptibility of risk appetite and capital flows to emerging markets, contingent on potential macroeconomic and geopolitical risks
- 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 competitive advantage obtained through its operating profit generation, strong 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-term 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.

Equity / Total Assets (%)

28.00 35.17

Net Profit Margin (%)

34.39 3.04

ROAE (%)

71.75 7.10

ROAA (%)

19.68 2.22

Leverage Ratio (%)

257.1 184.3

NWC / T. Assets (%)

23.8 33.4

2023 2024