

Corporate Credit Rating

New Update

Sector: Intermediary Institutions

Publishing Date: Mar. 28, 2025

Senior Analyst

Ezgi Çiçek Yılmaz
 +90 212 352 56 73

ezgi.yilmaz@jcrer.com.tr

Analyst

Ömer Emre Yücel
 +90 212 352 56 73

omeremre.yucel@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating 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

PHILLIPCAPITAL MENKUL DEĞERLER A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "PhillipCapital Menkul Değerler A.Ş." in the investment level category with high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'A (tr)' and the Short-Term National Issuer Credit Rating at 'J1 (tr)' with 'Stable' outlooks. The Long-Term International Foreign and Local Currency ratings and outlooks were also determined as 'BB/Stable' as parallel to sovereign ratings and outlooks of the Republic of Türkiye.

PhillipCapital Menkul Değerler A.Ş. (hereinafter referred to as "PhillipCapital Menkul" or "the Group" or "the Company") was founded in 1990 under the name 'Hak Menkul Kıymetler A.Ş.', with the objective of conducting activities in the capital markets in accordance with applicable laws and regulations. On September 5, 2012, the Group adopted its current name. Operating as a "Broadly Authorized Intermediary Institution" under the provisions of the Capital Market Law, PhillipCapital Menkul provides a range of services, including transaction intermediation, portfolio intermediation, individual portfolio management, and limited custody. Furthermore, as of January 1, 2017, its authorization scope expanded to include investment advisory services.

The Company maintains an extensive presence across Türkiye, with 16 branches in 11 cities: İstanbul, Adana, Ankara, Antalya, Ayvalık (Balıkesir), Denizli, İzmir, İzmit (Kocaeli), Fethiye, Ordu, and Trabzon. As of FYE2024, PhillipCapital Menkul employed a workforce of 183 (As of FYE2023: 183). The Company operates alongside its subsidiaries: Phillip Sigorta ve Reasürans Brokerliği A.Ş., Phillip Portföy Yönetimi A.Ş., and CQ Teknoloji Bilişim A.Ş., holding full ownership in all of them. PhillipCapital Menkul is fully owned by Phillip Brokerage Pte. Ltd. (hereinafter "PhillipCapital Group"), a global financial services provider established in Singapore in 1975. The PhillipCapital Group serves its clients across 15 countries, leveraging the expertise of more than 6,500 employees and operating with equity capital exceeding USD 2.5bn.

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

Strengths

- Satisfactory profit generation capacity, despite a decline in FY2024,
- Robust capital adequacy base standing above legal requirements,
- Ability to diversify funding structure supporting financial flexibility,
- Healthy receivables portfolio backed by collaterals of common stocks,
- A broad suite of services provided by being a widely authorized intermediary entity, reinforced by digitalization strategies,
- Existence of Phillip Brokerage PTE. Ltd. as sole shareholder and the synergy created within the Group.

Constraints

- Relatively low and decreasing trend in the level of market share in the intermediary sector according to trading volumes,
- Intensity of competition in Turkish capital markets,
- 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 Group's Long-Term National Issuer Credit has been affirmed at 'A (tr)'. The Group's sufficient capital adequacy base with relatively low leverage, high asset quality and strong shareholder structure as well as competition in the market, global interest rate hiking cycle and the existing risks in the markets and the business environment 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 Group's attainability of the indebtedness indicators, capital and funding structure, profitability margins and sustainability of demand in the market will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators in national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.

