

Corporate Credit & Issue Rating

□New ⊠Update

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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	-	-
	International FC ICR Outlooks	-	-
	International LC ICR	-	-
	International LC ICR Outlooks	-	-
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 Aug 18, 2022			

Equity / Total Assets (%) 52.19 50.56 19.43 29.23 32.56 Net Profit Margin (%) 45.11 44.67 47.20 26.67 30.72 50 0 ROAE (%) 100 0 ROAA (%) 29.06 27.65 27.15 8.08 11.31 0 Leverage Ratio (%) 91.60 97.77 207.10 NWC / T. Assets (%) 100 46.3 26.2 0 2018 2019 2020 2021 2022

QNB Finans Yatırım Menkul Değerler A.Ş.

JCR Eurasia Rating, has evaluated "QNB Finans Yatırım Menkul Değerler A.Ş." in 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.

QNB Finans Yatırım Menkul Değerler A.Ş. ('QNB Finans Yatırım' or 'the Company') incorporated under the Capital Market Law and licensed to provide services as an intermediary institution, commenced activities in 1996 as a subsidiary of QNB Finansbank. Licensed as a "broadly authorized intermediary institution" in accordance with the decision taken at the meeting on 28 December 2015 by the Capital Market Board, the Company offers services in equity trading, public offering intermediation, portfolio management, investment consultancy, repo-reverse repo transactions, margin trading, securities lending, leveraged FX and derivatives trading. QNB Finans Yatırım operates in the Equity, Debt Securities and Derivatives Markets on the BIST. The Company also enjoys a leading position in the Turkish corporate finance market, particularly in the fields of Public Offerings (IPOs/SPOs), mergers and acquisitions (M&A), and debt issuance. The Company has a strong presence in the IPO market, having completed landmark public offering projects, corresponding to a total size of TRY 3.1bn IPO size in 2022. The Company ranked 9th among 64 intermediary institutions regarding equity trading volume as of 31 December, 2022.

QNB Finansbank is the qualified shareholder of the Company and currently holds a 99.80% stake. QNB Finansbank is the part of the QNB Group, a leading financial institution in the MENA region with regards to brand value and market capitalization. As of December 31, 2022, QNB Finans Yatırım employed a staff force of 206 including the subsidiaries (FYE2021: 184).

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

Strengths

- Improvement in profitability indicators in
- Wide range of services as well as nationwide geographical outreach through QNB Finansbank's branch network
- Healthy receivables portfolio backed by collaterals of common stocks
- Strong capital adequacy above legal requirements
- Funding diversity through effective utilization of bond issuances
- Prominent position in the corporate finance market following successful completion of large-scale IPOs, domestic bond and sukuk issuances
- · Strong shareholding structure and benefits of being a bank subsidiary company and QNB Group

- Constraints • Intensity of competition in Turkish capital markets
- Vulnerability of risk appetite towards to potential economic geopolitical risks
- 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 Issuer Credit Rating has been affirmed at 'AAA (tr)'. The Company's notable profitability performance, satisfactory capitalization level, internal resource generation power and diversified funding mix 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 profitability, internal equity generation capacity, liquidity profile, market position and cost management practices 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.

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