

## Corporate Credit & Issue Rating

New  Update

**Sector:** Intermediary Institutions

**Publishing Date:** 23/11/2023

**Team Leader**

Deniz Ustabaş

+90 212 352 56 73

[deniz.ustabas@jcrer.com.tr](mailto:deniz.ustabas@jcrer.com.tr)

**Senior Analyst**

Demet Kizginel

+90 212 352 56 73

[demet.kizginel@jcrer.com.tr](mailto:demet.kizginel@jcrer.com.tr)

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

\* Assigned by JCR on Aug 18, 2022

## Şeker Yatırım Menkul Değerler A.Ş.

JCR Eurasia Rating has evaluated "Şeker Yatırım Menkul Değerler A.Ş." in the investment grade 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. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as '**BB/Negative**', as parallel to international ratings and outlooks of Republic of Türkiye.

Şeker Yatırım Menkul Değerler A.Ş. ('Şeker Yatırım' or 'the Company') incorporated in 1997 under the Capital Market Law as a subsidiary of Şekerbank T.A.Ş., continues its activities with its extensive sales and distribution network, widespread customer portfolio, research services and sector expertise. The Company was authorized as a "Broadly Authorized Intermediary Institution" in a decision taken by the Capital Market Board at a meeting on 4 December 2015 and actively provides services to corporate and individual customers in equity trading, public offering intermediation, portfolio management, investment consultancy, repo-reverse repo transactions, securities lending, leveraged FX and derivatives trading. In addition to the nationwide network of Şekerbank branches, the Company has 2 branches in Ankara and İzmir. The Company also reaches its clients through alternative channels such as online trading and mobile platforms. As of the second quarter of 2023, Şeker Yatırım ranked 26<sup>th</sup> in terms of volume in equity transactions and ranked 10<sup>th</sup> in terms of number of branches.

As of September 30, 2023, Şeker Yatırım employed a staff force of 97 (FYE2022: 90).

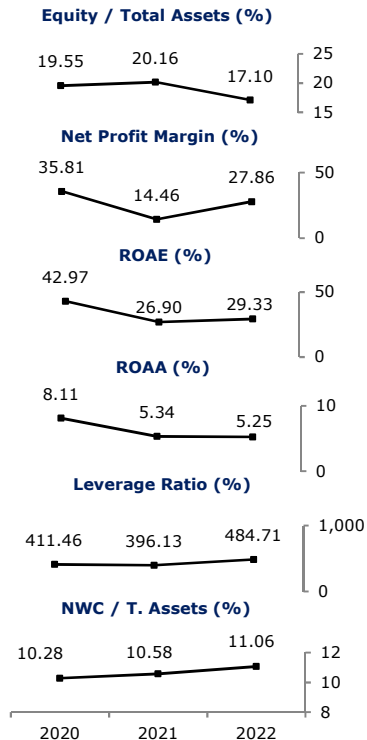
Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Improvement in profit generation capacity in FY2022 and 3Q2023 compared to same period of the previous years
- Satisfactory capital adequacy base above legal requirements as well as paid-in capital increases through cash injection in FY2022
- Healthy receivables portfolio backed largely by collaterals of common stocks, bonds and other instruments
- Diversified funding structure through debt security issuances, providing financial flexibility
- Wide range of services as a broadly authorized intermediary institution
- Expected revenue streams from the Company's planned IPO
- Benefits of being a bank subsidiary company and nationwide geographical outreach through its owner Şekerbank's branch network

### Constraints

- Low level of market share in the sector according to trading volumes
- Intensity of competition throughout the sector
- Vulnerability of risk appetite towards EMS to potential economic and 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 '**A (tr)**'. The Company's satisfactory profitability performance as well as the intense competition environment in the sector have been evaluated as important indicators for '**Stable**' outlook of the Long and Short-Term National Issuer Credit Ratings. The Company's revenue and profitability performance, internal equity generation capacity, liquidity profile, market position, cost management practices and local and global financial conditions 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.