

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	A (tr)	J1 (tr)
	National ICR Outlooks	Positive	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	National ISR	A (tr) (Positive)	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

Tera Yatırım Menkul Değerler A.Ş.

JCR Eurasia Rating has evaluated "Tera 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)' with 'Positive' outlook and the Short-Term National Issuer Credit Rating at 'J1 (tr)' with 'Stable' outlook. 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.

Tera Yatırım Menkul Değerler A.Ş. ('Tera Yatırım' or 'the Company') was founded in 1990. After the acquisition of the Company by its current shareholders in 2005, the Company's title has been changed to 'Tera Yatırım Menkul Değerler A.Ş.'. (formerly; 'Stok Menkul Değerler A.Ş.'). Licensed as a "broadly authorized intermediary institution" in accordance with the approval by the Capital Market Board on 02 January 2015, the Company offers services in the fields of execution of orders, reception & transmission of orders, dealing on own account, intermediation for public offering (underwriting and best effort), limited custody services and derivatives trading.

Tera Yatırım conducts its operations via its headquarters in Istanbul and five liaison offices in Antalya, Ankara, Bodrum/Muğla, Üsküdar/İstanbul and Kadıköy/İstanbul. In addition, Tera Yatırım has targets to expand its branch networks by keeping risk management a priority. As of December 31, 2022, Tera Yatırım employed a staff force of 45 (FYE2021: 41).

In December 2022, 16,500,000 Group B shares with a total nominal value of TRY 16.50mn were offered to the public and the Company's issued capital was increased from TRY 37.50mn to TRY 52.50mn. The size of the public offering was TRY 165.00mn. The shares of the Company have been traded on Borsa Istanbul since December 22, 2022, and 31.43% of the shares are publicly traded. The Company's other shareholders are Oğuz Tezmen with 31.43% share, Emre Tezmen with 28.62% share and Gül Ayşe Çolak with 8.52% share as of the report date.

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

Strengths

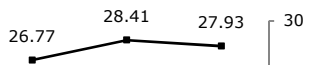
- Satisfactory profit generation capacity supported with corporate financing incomes
- Sufficient capital adequacy base above legal requirements
- Healthy receivables portfolio backed largely by collaterals of common stocks
- Wide range of services as a broadly authorized intermediary institution
- Diversified funding structure through debt security issuances, providing financial flexibility

Constraints

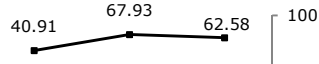
- Low level of market share in the intermediary sector according to trading volumes as of 1H2023
- Pressure of high financing expenses on bottom-line in 1H2023
- Intensity of competition throughout the sector
- Vulnerability of risk appetite towards EMs to potential economic and geopolitical risks
- 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 adequate liquidity levels, satisfactory profitability performance, diversified funding structure through debt security issuances, income diversity created through "Tera Portföy", the subsidiary of the Company, successful completion of large-scale IPOs in 2023 and expected revenue streams have been evaluated as important indicators for 'Positive' outlook of the Long-Term National Issuer Credit Rating. 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.

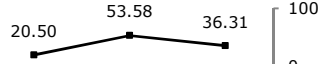
Equity / Total Assets (%)



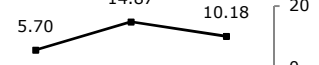
Net Profit Margin (%)



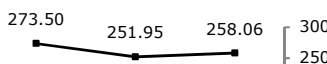
ROAE (%)



ROAA (%)



Leverage Ratio (%)



NWC / T. Assets (%)

