

Corporate Credit Rating

New Update

Sector: Intermediary Institutions

Publishing Date: Jan. 20, 2025

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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

ÜNLÜ MENKUL DEĞERLER A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "ÜNLÜ 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.

ÜNLÜ Menkul Değerler A.Ş. (hereinafter referred to as "ÜNLÜ Menkul" or "the Group" or "the Company") was founded in 1990 under the name "Işıklar Menkul Kıymetler A.Ş." to operate in the capital markets in accordance with the Capital Market Law and applicable regulations. The Company has undergone several name changes over the years, including "Dundas Ünlü Menkul Değerler A.Ş." and "Standard Ünlü Menkul Değerler A.Ş.," before adopting its current name on November 15, 2012. On August 4, 2015, ÜNLÜ Menkul was authorized by the Capital Market Board (CMB) as a "Broadly Authorized Intermediary Institution."

The Company provides a comprehensive range of capital market services, including equity trading, market-making for warrants, public offering intermediation, portfolio management, investment advisory, repo-reverse repo transactions, margin trading and short selling, derivatives trading, and limited custody services. On March 10, 2016, the CMB also authorized ÜNLÜ Menkul to conduct intermediation and leveraged trading activities abroad. Headquartered in İstanbul, the Company maintains branch offices in four Turkish cities: İstanbul, İzmir, Ankara, and Antalya. As of 3Q2024, the Group employed 165 personnel (FYE2023: 158), including staff from its wholly-owned subsidiaries, ÜNLÜ Securities Inc. and ÜNLÜ Securities UK Ltd.

ÜNLÜ Menkul is wholly owned by ÜNLÜ Yatırım Holding A.Ş. ("the Holding" or "Ünlü & Co") (JCR Eurasia Corporate Credit Rating: 26.08.2024 / Long-Term National Scale / AA+ (tr)), which operates through subsidiaries and investments. Ünlü & Co delivers a wide array of financial services, including corporate finance (covering M&A, ECM, and DCM), institutional sales, trading, and research (encompassing ECM, DCM, and block trades), investment advisory and portfolio management, non-performing loan (NPL) services, treasury operations, and alternative investments. These offerings cater to both local and international qualified individual and institutional clients.

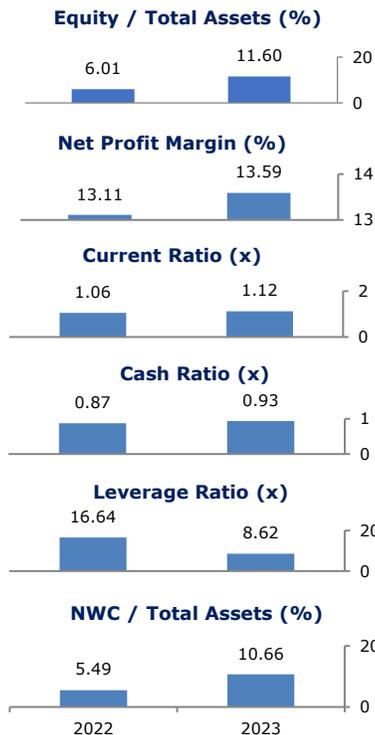
Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Improvement in profitability indicators in FY2023, while deterioration expected in 2024 financials,
- Sufficient capital adequacy base above legal requirements as well as paid-in capital increase in 2024,
- Maintaining funding diversity through effective utilization of bond issuances,
- Healthy receivables portfolio backed by collaterals of common stocks along with lack of non-performing receivables,
- Comprehensive arrangement of services offered by a widely authorized intermediary entity,
- Reputable brand name with a proven track record, financial and operational strength of ÜNLÜ Yatırım Holding A.Ş. and the synergy created.

Constraints

- Relatively low 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 and 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 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 Company's attainability of the indebtedness indicators, cash flow metrics, 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.