

## Corporate Credit Rating

New  Update

**Sector:** Intermediary Institutions

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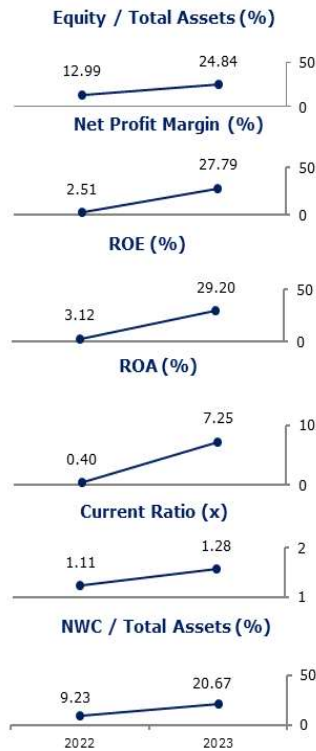
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA- (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific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

\* Assigned by JCR on August 18, 2022



## Gedik Yatırım Menkul Değerler A.Ş.

JCR Eurasia Rating has evaluated **Gedik Yatırım Menkul Değerler A.Ş.** in the investment level category and revised the Long-Term National Issuer Credit Rating from '**A+ (tr)**' to '**AA- (tr)**' and the Short-Term National Issuer Credit Rating from '**J1 (tr)**' to '**J1+ (tr)**' with '**Stable**' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed as '**BB/Negative**'.

**Gedik Yatırım Menkul Değerler A.Ş.** (referred to as 'the Company' or 'Gedik Yatırım' or 'Gedik Investment') was established in 1991 to operate in the capital markets. Gedik Yatırım underwent an IPO on 29 July 2010 and is currently trading on the Borsa Istanbul (BIST) main market under the ticker of "GEDIK". As a "broadly authorized intermediary institution", Gedik Yatırım offers services in asset management, investment consultancy, execution of orders, dealing on own account, intermediation for public offerings (underwriting and best effort) and limited custody activities. Gedik Yatırım operates in the Equity, Debt Securities and Derivatives (VIOP) Markets in the BIST. According to the book value of Gedik Investment's issued and paid capital amounts as of December 31, 2023; Inveo Investment Holding's ownership rate in Gedik Investment is 50.85%, and 49.15% of the remaining shares are open to the public. After the distribution of public shares belonging to the partners, the total share of Inveo Yatırım Holding AŞ is 84.87% and the remaining 15.13% consists of other public shares. As of reporting date, Mr. Erhan TOPAÇ holds 81.02% shares of Inveo Yatırım Holding A.Ş. and controls 68.76% of Gedik Yatırım. Gedik Yatırım is one of the leading intermediary institutions in the market among non-bank owned intermediary institutions with respect to customer numbers, branch network and equity trading volumes.

The Company ranked 2<sup>nd</sup> amongst non-bank owned intermediary institutions and 10<sup>th</sup> among all intermediary institutions regarding equity trading volume with a 3.77% market share (together with the share of its subsidiary Marbaş) as of 3Q2023 (FYE2022: 4.32%). Gedik Yatırım and its subsidiaries employed a staff force of 659 as of FYE2023 (FYE2022: 577) and carried out its operations with a total network of 57 branches (including 9 branches and contact offices of Marbaş) as of FYE2023.

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

### Strengths

- Improvement in profitability indicators in FY2023 compared to previous period
- Satisfactory capital adequacy base above legal requirements as well as paid-in capital increases through cash injections
- Largest branch network among non-bank owned intermediary firms and significant emphasis on technological innovation
- Financial and equity investments portfolio consisting wide range of sectors
- Diversified funding structure through debt security issuances

### Constraints

- Decreasing trend of market share regarding equity trading volume during the review period
- Intensity of competition throughout the sector
- Vulnerable nature of risk appetite and capital flows towards emerging markets depending upon potential macroeconomic 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 Long-Term National Issuer Credit Ratings has been revised as '**AA- (tr)**'. The Company's upward trend of revenue and net profit figures, strengthening equity via capital increases in the current period and continuing satisfactory liquidity level and sound capital structure have been evaluated as important indicators for the stability of the ratings and outlooks for Long and Short-Term National Issuer Credit Ratings as '**Stable**'. The Company's profitability indicators and liquidity level 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.