JCR Eurasia Rating

"Global Knowledge Supported by Local Experience"

TURKEY

Corporate Credit Rating (Update)

Intermediary Institutions

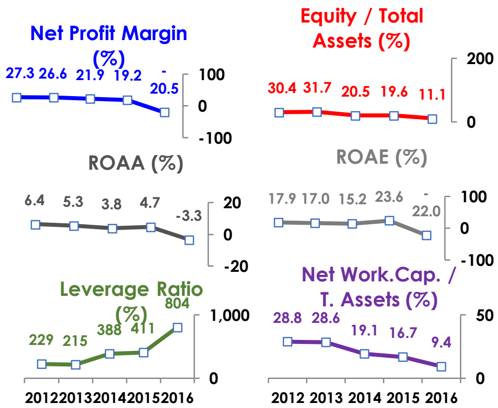
Gedikyatırım			Long Term	Short Term
International	Foreign Currency		BBB-	A-3
	Local Currency		BBB-	A-3
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating		n.a.	n.a.
National	Local Rating		AA- (Trk)	A-1+ (Trk)
	Outlook		Stable	Stable
	Issue Rating		AA- (Trk)	A-1+ (Trk)
Sponsor Support			2	-
Stand Alone			AB	-
Sovereign*	Foreign Currency		BBB-	-
	Local Currency		BBB-	-
	Outlook	FC	Stable	-
		LC	Stable	-

*Assigned by Japan Credit Rating Agency, JCR on October 07, 2016

GEDİK YATIRIM MENKUL DEĞERLER A.Ş.					
Financial Data	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	187,713	202,951	196,880	133,082	144,611
Total Assets (000 TRY)	660,600	590,099	456,544	283,517	257,060
Equity (000 TRY)	73,107	115,537	93,641	89,874	78,065
Net Profit/Loss (000 TRY)	-21,318	19,067	11,020	11,122	10,157
Net Profit Margin (%)	-20.53	19.20	21.90	26.57	27.33
ROAA (%)	-3.32	4.73	3.77	5.30	6.44
ROAE (%)	-22.01	23.64	15.20	17.05	17.89
Equity / T. Assets (%)	11.07	19.58	20.51	31.70	30.37
Assets Size Market Share (%)**	3.43	3.85	3.02	2.03	2.26
T. Debt/Capital Ad. Base (%)	8.80	6.36	4.89	2.54	2.42
Asset Growth Rate (%)	11.95	29.25	61.03	10.29	60.35

*End of the Year**Q32016

Head of Group: Şevket **GÜLEÇ**
+90 212 352 56 73 sevket.gulec@jcrer.com.tr



Overview

Gedik Yatırım Menkul Değerler A.Ş. (hereinafter referred to as Gedik Yatırım or the Company) was established in 1991 to operate in the capital markets. Gedik Yatırım went public on 29 July 2010 and is currently trading on the Borsa Istanbul (BIST) Main market under the ticker "GEDIK". As a "broadly authorized intermediary institution", Gedik Yatırım offers services in Portfolio Management, Investment Consultancy, Execution of Orders, Dealing on Own Account, Intermediation for Public Offerings and Limited Custody activities. Gedik Yatırım operates in the Equity, Debt Securities and Derivatives (VIOP) Markets on the BIST. As of FYE2016, qualified shareholders Hakkı GEDIK (47.05%) and Erhan TOPAÇ (41.52% including indirect shares) owned 88.57% of the Company and 5.72% of shares were free float.

With 25-years operational track record, Gedik Yatırım has attained a leading position among non-bank owned intermediary institutionin terms of customer numbers, branch network and equity trading volumes. The Company further enlarged its branch network with the inauguration of 11 new branches in 2016. The Company ranked 4th amongst all intermediary institutions regarding equity trading volume with a 6.30% market share and 1st among non-bank owned intermediary institutions as in the previous year. Together with two subsidiaries traded on the BIST, Gedik Yatırım employed a staff force of 409 as of FYE2016.

Strengths

- Despite incurred substantial loss in FY2016, preserving income generation power
- Satisfactory capital adequacy base empowering further growth and providing solid buffer against any potential losses
- Wide range services as a broadly authorized intermediary institution and broad customer base
- Largest branch network among non-bank owned intermediary firms
- Over-sector cumulative growth performance and high market presence
- Ranked first among all intermediary institutions with respect to equity trading volume (counting its subsidiary Marbaş's volume)
- High asset quality and healthy receivables portfolio collateralized with tangible assets along with low level of non-performing receivables
- Reputable operational track record and use of cutting edge technological infrastructure

Constraints

- Tenacious weakening in coverage of total income to total expenses
- Short FX position and no usage of hedging instruments
- Intensity of competition throughout the sector
- Increase in OPEX and expansion of branch network likely to accelerate further growth in operating expenses
- Implementation of recent restrictive regulation on the Forex Market likely to exert pressure on incomes derived from those transactions in the future
- Further improvements needed in corporate governance and risk management practices
- Tenacious political and economic stresses and instability in neighboring regions coupled with deteriorating relationship with members of EU countries and domestic uncertainty mainly derived from the continuing state of emergency after the failed coup attempt restraining investment and business prospects

Publication Date: March 30, 2017 *"Global Knowledge supported by Local Experience"*

Copyright © 2007 by JCR Eurasia Rating. 19 Mayıs Mah., 19 Mayıs Cad., Nova Baran Plaza No:4 Kat: 12 Şişli-İSTANBUL Telephone: +90.212.352.56.73 Fax: +90 (212) 352.56.75 Reproduction is prohibited except by permission. All rights reserved. All information has been obtained from sources JCR Eurasia Rating believes to be reliable. However, JCR Eurasia Rating does not guarantee the truth, accuracy and adequacy of this information. JCR Eurasia Rating ratings are objective and independent opinions as to the creditworthiness of a security and issuer and not to be considered a recommendation to buy, hold or sell any security or to issue a loan. This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Turkey), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations. http://www.jcrer.com.tr