

Corporate Credit & Issue Rating

New Update

Sector: Intermediary

Institutions

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Analyst(s)

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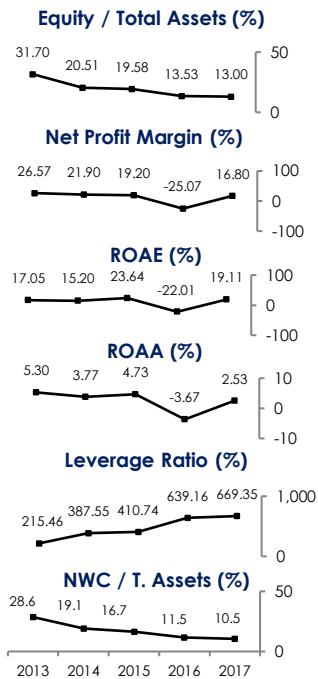
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RATINGS

	Long	Short		
International	Foreign	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Issue Rating	-	-		
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	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Affirmed by JCR on November 10, 2017



Gedik Yatırım Menkul Değerler A.Ş.

Company Overview

Financial Data	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	182,372	153,550	202,951	196,880	133,082
Total Assets (000 TRY)	694,911	540,375	590,099	456,544	283,517
Equity (000 TRY)	90,325	73,107	115,537	93,641	89,874
Net Profit/Loss (000 TRY)	17,197	-21,318	19,067	11,020	11,122
Net Profit Margin (%)	16.80	-25.07	19.20	21.90	26.57
ROAA (%)	2.53	-3.67	4.73	3.77	5.30
ROAE (%)	19.11	-22.01	23.64	15.20	17.05
Equity / Total Assets (%)	13.00	13.00	19.58	20.51	31.70
Asset Size Market Share (%)**	2.89	2.55	3.85	3.02	2.03
T. Debt/Capital Ad. Base (%)	6.60	9.70	6.36	4.89	2.54
Asset Growth Rate (%)	28.60	-8.43	29.25	61.03	10.29

*End of the Year**Q32017

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 underwent an IPO on 29 July 2010 and is currently trading on the Borsa İstanbul (BIST) Main market under the ticker "GEDİK". 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 in the BIST. As of FYE2017, qualified shareholders HAKKI GEDİK (47.27%), Gedik Yatırım Holding A.Ş. (25%) and Erhan TOPAÇ (22.70%) s) owned 94.97% of the Company's shares whilst the remaining 5.03% of shares belong to numerous investors. As per to BoD decision dated 8 December 2017, Gedik Yatırım Holding A.Ş.' shares will be increased to 52% through acquisition of 27% shares owned by HAKKI GEDİK. When the transaction is finalized, Erhan TOPAÇ will control 69.83% of the Company.

Gedik Yatırım enjoys the leading position among non-bank owned intermediary institutions in terms of customer numbers, branch network and equity trading volumes. The Company ranked 1st amongst all intermediary institutions regarding equity trading volume with a 9.18% market share (including share of its subsidiary Marbaş) as in the previous year. Together with two subsidiaries traded on the BIST, Gedik Yatırım employed a staff force of 411 as of FYE2017. The Long Term National Local Rating Note has been upgraded to "AA (Trk)" from "AA- (Trk)" considering improvement in profitability metrics, equity base and the preservation of asset quality.

Strengths

- Robust capitalization level promising further growth and providing solid shield against incidental losses
- Satisfactory internal resource generating capacity
- Established franchise and sound technological infrastructure
- Extensive service offering as a broadly authorized institution and broad customer base
- Sustained uppermost position among non-bank owned brokerage firms with respect to equity trading volume
- Largest branch network among non-bank owned intermediary firms
- High asset quality and healthy receivables portfolio collateralized with tangible assets

Constraints

- Above sector average operating expenses to gross profit ratio
- Implementation of restrictive regulations on the Forex Market at the beginning of FY2017, exerting notable pressure on incomes from those transactions for both the firm and the sector and likely to persist in the upcoming period
- Delay and deficiencies in structural reforms coupled with tenacity of geopolitical risks pressurizing business prospects, despite the revival in the economy in 2017 thanks to counter-cyclical fiscal stimulus packages-like facilities within the credit guarantee fund
- Intensity of competition throughout the sector
- Further improvements needed in corporate governance fields