

## Corporate Credit & Issue Rating

New  Update

Sector: Intermediary  
 Institutions  
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### Analysts

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### RATINGS

		Long	Short
International	Foreign	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC Negative	Negative
	LC	Negative	Negative
	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 Negative	-
	LC	Negative	-

\*Affirmed by JCR on November 27, 2018

## Gedik Yatırım Menkul Değerler A.Ş.

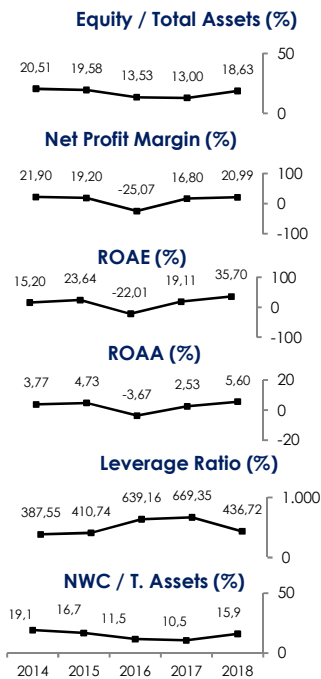
### Company Overview

Financial Data	2018*	2017*	2016*	2015*	2014*
Total Assets (000 USD)	120,258	182,372	153,550	202,951	196,880
Total Assets (000 TRY)	632,664	694,911	540,375	590,099	456,544
Equity (000 TRY)	117,877	90,325	73,107	115,537	93,641
Net Profit/Loss (000 TRY)	28,270	17,197	-21,318	19,067	11,020
Net Profit Margin (%)	20.99	16.80	-25.07	19.20	21.90
ROAA (%)	5.60	2.53	-3.67	4.73	3.77
ROAE (%)	35.70	19.11	-22.01	23.64	15.20
Equity / Total Assets (%)	18.63	13.00	13.53	19.58	20.51
Asset Size Market Share (%)**	3.21	2.89	2.55	3.85	3.02
T. Debt/Capital Ad. Base (%)	7.02	6.60	9.70	6.36	4.89
Asset Growth Rate (%)	-8.96	28.60	-8.43	29.25	61.03

\*End of the Year\*\*Q32018

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 Istanbul (BIST) Main market under the ticker "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. As of FYE2018, considering both the publicly traded and non-public shares, Gedik Yatırım Holding A.Ş., Mr. Erhan TOPAÇ and Mr. Hakkı GEDİK hold 52.00%, 22.72% and 20.27% of shares, respectively. The remaining 5.01% belong to numerous other investors. In addition, Mr. Erhan TOPAÇ holds 90.72% shares of Gedik Yatırım Holding A.Ş., 99.90% of which were traded on the BIST. Accordingly, qualified shareholder Mr. Erhan TOPAÇ controls 74.72% of the Company.

Gedik Yatırım leads the market among non-bank owned intermediary institutions with respect to customer numbers, branch network and equity trading volumes. The Company ranked 1<sup>st</sup> amongst non-bank owned intermediary institutions and 3<sup>rd</sup> among all intermediary institutions regarding equity trading volume with an 8.39% market share (including share of its subsidiary Marbaş) at FYE2018. Gedik Yatırım and its subsidiaries employed a staff force of 419 (FYE2017: 411) and carried out its operations with a total network of 47 branches (including 5 branches of Marbaş) at FYE2018.



### Strengths

- Notable growth in net profit and core profitability indicators despite the challenging operating environment
- Strong capitalization structure promising further growth and providing solid buffer against incidental losses
- Established franchise and sound technological infrastructure
- Despite the decreasing share in equity trading volume, sustained uppermost position among non-bank owned brokerage firms
- Largest branch network among non-bank owned intermediary firms
- Extensive service offering as a broadly authorized institution and broad customer base

### Constraints

- Implementation of restrictive regulations on the Forex Market pressurizing income from that segment for both the firm and the sector
- Persistent political and economic tensions along with regional stiffnesses harboring uncertainties and exerting downward pressure on risk appetite of investors
- Intensity of competition throughout the sector
- Further improvements needed in corporate governance fields
- Uncertainty due to the nature of the investment processes, intricate and structured products, 24-hour activity increasing the risk levels