

Corporate Credit & Issue Rating

New Update

Sector: Intermediary
Institutions
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Analysts

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RATINGS

	Long	Short		
International	Foreign	BB+	B	
	Local Currency	BB+	B	
	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	BB+	-	
	Local Currency	BB+	-	
	Outlook	FC	Negative	-
		LC	Negative	-

*Affirmed by JCR on April 10, 2020

Gedik Yatırım Menkul Değerler A.Ş.

Company Overview

Financial Data	2019*	2018*	2017*	2016*	2015*
Total Assets (000 USD)	187,604	120,258	182,372	153,550	202,951
Total Assets (000 TRY)	1,114,403	632,664	694,911	540,375	590,099
Equity (000 TRY)	170,573	117,877	90,325	73,107	115,537
Net Profit/Loss (000 TRY)	65,339	28,270	17,197	-21,318	19,067
Net Profit Margin (%)	41.64	20.99	16.80	-25.07	19.20
ROAA (%)	8.77	5.60	2.53	-3.67	4.73
ROAE (%)	53.12	35.70	19.11	-22.01	23.64
Equity / Total Assets (%)	15.31	18.63	13.00	13.53	19.58
Asset Size Market Share (%)**	3.50	3.21	2.89	2.55	3.85
T. Debt/Capital Ad. Base (%)	5.18	7.02	6.60	9.70	6.36
Asset Growth Rate (%)	76.14	-8.96	28.60	-8.43	29.25

*End of the Year, **Q32019

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 "GEDİK". 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. At FYE2019, when the publicly traded and non-public shares are considered together, Gedik Yatırım Holding A.Ş., Mr. Erhan TOPAÇ and Mr. Hakkı GEDİK hold 52.26%, 22.72% and 20.27% of shares, respectively. The remaining 4.75% belong to numerous other investors. Mr. Erhan TOPAÇ holds 91.48% shares of Gedik Yatırım Holding A.Ş., 99.90% of which were traded on the BIST, and controls 70.53% of the Company. Gedik Yatırım is at the forefront in the market among non-bank owned intermediary institutions with respect to customer numbers, branch network and equity trading volumes.

The Company ranked 1st amongst non-bank owned intermediary institutions and 4th among all intermediary institutions regarding equity trading volume with a 7.31% (FYE2018: 8.39%) market share (together with the share of its subsidiary Marbaş) at FYE2019. Gedik Yatırım and its subsidiaries employed a staff force of 400 (FYE2018: 419) and carried out its operations with a total network of 46 branches (including 7 branches of Marbaş) at FYE2019. At the beginning of FY2020, two branches of Marbaş were closed.

Strengths

- Noteworthy growth in net profit and core profitability indicators, such as ROAA and ROAE in particular
- Well capitalization level providing solid buffer against incidental losses
- Established franchise and sound technological infrastructure
- Despite the continuity of declining share in equity trading volume, sustained uppermost position among non-bank owned brokerage firms
- Largest branch network among non-bank owned intermediary firms
- Wide range of services as a broadly authorized intermediary institution with a proven track record, broad customer base and sector expertise

Constraints

- Pressure on both the financial and non-financial sectors due to macro uncertainties and global recession concerns
- Intensity of competition throughout the sector
- Progress needed in the corporate governance field
- Higher operating expenses to gross profit ratio than the sector average, though it remains within reasonable boundaries considering the wide branch network
- Uncertainty due to the nature of the investment processes, intricate and structured products, 24-hour activity increasing the risk levels

