

## Corporate Credit Rating

New  Update

**Sector:** Intermediary Institutions

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	National ICR	A+ (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Profile)	National ISR	A+ (tr)	J1 (tr)
	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. and Its Subsidiaries

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

**Gedik Yatırım Menkul Değerler A.Ş.** (referred to as 'the Company' or 'Gedik Yatırım' 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 (VIOF) Markets in the BIST. As of FYE2022, Inveo Yatırım Holding A.Ş. holds 84.87% of shares, the remaining 15.13% is listed. As of reporting date, Mr. Erhan TOPAÇ holds 81.29% shares of Inveo Yatırım Holding A.Ş. and controls 68.99% 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 8<sup>th</sup> among all intermediary institutions regarding equity trading volume with a 4.56% market share (together with the share of its subsidiary Marbaş) as of 3Q2022 (FYE2021: 5.65%). Gedik Yatırım and its subsidiaries employed a staff force of 577 (FYE2021: 553) and carried out its operations with a total network of 55 branches (including 10 branches of Marbaş) as of FYE2022.

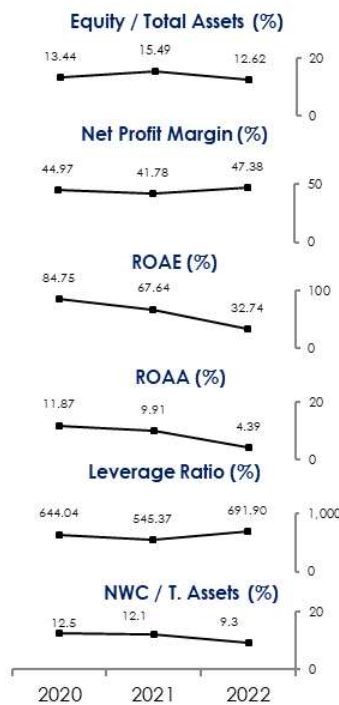
Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Satisfactory level of liquid assets and appropriate liquidity management approach in line with the CMB parameters
- Largest branch network among non-bank owned intermediary firms and significant emphasis on technological innovation
- Enlarging financial investment portfolio during the review period
- Funding diversity through effective utilization of bond issuances

### Constraints

- Decrease in market share regarding equity trading volume
- Significant suppression of net profit due to high level of doubtful trade receivable allowance recorded in FY2022
- Despite an uptick in equity figures stemming from capital injection and net income growth in 2022, the equity-to-total-asset ratio decreased
- 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 '**A+ (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, and global interest rate hiking cycle have been evaluated as important indicators for the stability of the ratings and outlooks for Long and Short-Term National Issuer Credit Ratings '**Stable**'. The Company's sales performance, profit margins, 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.