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JCR
Eurasia Rating,
“Birikim Varlık
Yönetim A.Ş.” ve
Muhtemel Tahvil
İhraçları’nın nakit
akımlarını
derecelendirerek
Uzun Vadeli
Ulusal Notu’nu
‘A- (Trk)’
“Stabil” görünüm
olarak teyit
etmiştir.
 ”

Basın Açıklaması

İstanbul – 27 Mart 2019

JCR Eurasia Rating, Birikim Varlık Yönetim A.Ş.’yi ve “Muhtemel Tahvil İhraçları”nın nakit akımlarını derecelendirerek, Uzun Vadeli Ulusal Notu’nu ‘A-(Trk)’ ve ‘Stabil’ görünüm, Kısa Vadeli Ulusal Notu’nu ‘A-2(Trk)’ olarak ‘Stabil’ not görünümleri ile teyit etmiştir. Diğer taraftan, Uzun Vadeli Uluslararası Yabancı Para ve Uzun Vadeli Uluslararası Yerel Para Notları ‘BBB-’ olarak teyit edilmiş olup diğer notlarla birlikte detayları sol sütunda gösterilmiştir.

Bankacılık Düzenleme ve Denetleme Kurumu regülasyonu içerisinde, bankalar ve banka dışı finansal kuruluşların tahsili gecikmiş alacaklarının temlik alınması ve yeniden yapılandırılarak müşterilerin finansal sisteme yeniden kazandırılması amacına yönelik faaliyet gösteren Varlık Yönetim Şirketleri bankacılık sistemi ve ülke ekonomisindeki istikrarın sürdürülebilirliği için önemli bir rol üstlenmiştir. BDDK’nın son regülasyon çalışmaları, etkin gözetim ve denetim açısından sektörün yasal altyapısı iyileştirilerek sektörün kurumsal yapısının gelişimine yönelik çalışmalar sektöre pozitif yönde ivme kazandırmıştır.

Temelleri 2012 yılında Final Varlık Yönetim A.Ş. firmasıyla atılan Birikim Varlık Yönetim A.Ş., müşteri tabanını ağırlıklı olarak bireysel segmentte genişleterek yoğun bir fiyat rekabetinin yaşandığı şartlar altında son yıllarda önemli birikimli büyüme performansı yakalamış portföy büyüklüğü 5 milyar seviyesine yükselterek sektöre yön veren firmalardan biri pozisyonuna gelmiştir. Şirketin sermayeleşme seviyesinin yasal düzenlemelerin ve sektör ortalamalarının oldukça üzerinde olması; bilançosunun ağırlıklı bölümünün getirili aktiflerden oluşması, ılımlı risk profili, istikrarlı yönetimi ve ihtiyatlı duruşu ile edinilen sürdürülebilirlik; müşteri bazında tabana yayılan portföy, aktif ve özkaynak karlılığı göstergelerinin sektör ortalamasının üzerinde olması, yüksek tahsilat oranı, likidite kaynaklarına ulaşım gücü ve banka limitleri, yönetim ekibinin sektördeki tecrübesi, JCR-ER tarafından Uzun Vadeli Ulusal Notu’nu ‘A-(Trk)’ ve ‘Stabil’ görünüm olarak belirlenmesinde etkin rol oynamıştır. İhraç yoluyla elde edilmesi planlanan kaynaklar şirket bilançosunda taşınacağı için ayrı bir ihraç rating raporu düzenlemeyip kredi derecelendirme raporu içerisinde analiz edilmiştir. İhraç edilecek tahvilin, teminat açısından, şirketin diğer yükümlülüklerine göre ilave dışsal kefalet sağlanmış olunmasından dolayı Uzun Vadeli Ulusal İhraç Notu ‘A(Trk)’ olarak şirketin Uzun vadeli notundan daha yukarıda belirlenmiştir.

Borç ödeme kapasitesinin bozulması, artan işsizlik rakamları, yavaşlayan ekonomik büyüme, artan rekabet karlılık seviyelerinde yaşanan daralma, yurt içi ve yurt dışı politik gelişmelerin Şirket ve sektörü olumsuz etkilemeye devam etmektedir. Diğer taraftan, bütçelenen büyüme oranları için içsel öz kaynak yaratma kapasitesinin genişletilmesi, borçlanma kapasitesi ve kaynakları, sermaye düzeyi ve birikimli portföy büyüme performansı ise takip eden dönemlerde izleme hususları olacaktır.

Ortaklık yapısında kontrolü elinde tutan **Altınhas Holding**’in firmayı destekleme arzusu ve finansal güçlülük düzeyi, Şirketin ölçeği, planlanan yatırımların ve sektörel genişlemenin sağlayacağı katkı dikkate alınarak, **Birikim Varlık Yönetim A.Ş.**’nin ‘Desteklenme’ kategorisinde notu **(2)** olarak teyit edilmiştir. Firmanın üstlendiği riskleri kendi imkânlarına dayanarak yönetebilme yeteneği, içsel kaynak yaratma ve mevcut sermayeleşme düzeyi dikkate alındığında, Firmanın ‘Ortaklardan Bağımsızlık’ kategorisindeki notu ise **(B)** olarak teyit edilmiştir.

Derecelendirme neticeleriyle ilgili daha fazla bilgi Kuruluşumuzun <http://www.jcrer.com.tr> adresinden sağlanabilir veya Kuruluşumuz Baş Analisti **Sn. Orkun İNAN** ile iletişim kurulabilir.

JCR EURASIA RATING

Yönetim Kurulu

NOTLAR

		Uzun Vade	Kısa Vade	
Uluslararası	Yabancı Para	BBB-	A-3	
	Türk Parası	BBB-	A-3	
	Görünüm	YP	Negative	Negative
		TP	Negative	Negative
İhraç Notu	-	-	-	
Ulusal	Ulusal Not	A-(Trk)	A-2(Trk)	
	Görünüm	Stabil	Stabil	
	İhraç Notu	A(Trk)	A-1(Trk)	
Desteklenme Notu	2	-	-	
Ortaklardan Bağımsızlık Notu	B	-	-	

Sektör: Varlık Yönetim Sektörü

Rapor Tarihi: 26 Mart 2019

Baş Analist

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“
JCR Eurasia Rating,
 has affirmed on the
 Long-Term National
 Scale at **‘A-(Trk)’**, the
 Short-Term National
 Note at **‘A-2(Trk)’** with
“Stable” outlooks for
**“Birikim Varlık
 Yönetim A.Ş.”** and
 the **“Cash Flows
 Relating to the
 Prospective Bond
 Issues”**
 ”

Press Release

Istanbul – March 27, 2019

JCR Eurasia Rating, has affirmed notes on the Long-Term National Scale at **‘A-(Trk)’**, the Short-Term National Note at **‘A-2(Trk)’** with **“Stable”** outlooks and the Long Term International Foreign and Local Currency ratings were also assigned at **‘BBB-’** for **“Birikim Varlık Yönetim A.Ş.”** and the **“Cash Flows Relating to the Prospective Bond Issues”**. Other notes and details of the ratings are given in the left-hand column.

Asset management companies operates for the purposes of restructuring the non-performing loans of banks and non-bank financial institutions within the regulation of the Banking Regulation and Supervision Agency (BRSA) and also restructuring the customers to the financial system. The Sector of the Asset Management has played an important role in the banking system and the sustainability of stability in the country's economy over the years. Due to BRSA's latest regulation works, the studies on the development of the institutional structure of the sector have accelerated the sector in a positive way through improving the legal infrastructure of the sector in terms of effective supervision and monitoring.

Birikim Varlık, was formerly known as Final Varlık and established in 2012, has expanded its customer base mainly in the individual segment and has become one of the leading companies in the sector by increasing its portfolio size to 5bn TL in recent years despite intense price competition. The level of capitalization of the company is well above the legal regulations and sector averages, earning assets mainly consist of the portion of the balance sheet, a moderate risk profile, sustainability via stable and prudent management, above the sector average the indicators of return on equity and assets, high collection rate, eased liquidity sources and bank limits, experience of the management team in the sector were effective in the assignation of the rating on the Long-Term National Note at **‘A-(Trk)’** with **“Stable”** outlook by JCR-ER. No separate rating report has been compiled as the resources obtained from the bond issue will be carried in the Company's balance sheet and has been subject to analysis in the corporate credit rating report. Due to additional financial collateral guarantee and the external bail in terms of collateral which are provided for the repayment of the bond issued by Birikim Varlık Yönetim, the note as the Company's Long National Local Rating assigned at **‘A (Trk)’** for TRY dominated bond issuance which is determined above the Company's Long-Term National Note.

The deterioration of the debt payment capacity, the rising unemployment figures, the slowing economic growth, contraction in profitability levels, the domestic and foreign political developments continue to adversely affect the Company and the sector. On the other hand, resources to call upon for projected growth rates particularly with regard to financing therein through enhancement of internal equity generation capacity, borrowing capacity, level of capitalization, cumulative portfolio growth performance will be monitoring issues in the following periods.

Considering the willingness of the majority shareholder, **“Altınhas Holding A.Ş”** to support Birikim Varlık Yönetim, its financial power and scale, the expected contribution from planned investments and expansion in the sector, the Company's **“Sponsor Support Grade”** has been affirmed at **(2)**. On the other hand, the Group's **“Stand Alone Rating”** has been affirmed at **(B)**, indicating an adequate level considering its internal resource generation capacity and the composition and weight of external resources.

For more information regarding the rating results you may visit our internet site <http://www.jcrer.com.tr> or contact our chief analyst **Mr. Orkun İNAN**.

JCR EURASIA RATING
Administrative Board

NOTES

		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative
Issue Rating	-	-		
National	Local Rating	A- (Trk)	A-2(Trk)	
	Outlook	Stable	Stable	
	Issue Rating	A (Trk)	A-1 (Trk)	
Sponsor Support	2	-		
Stand-Alone	B	-		

Sector: NPL Asset Management

Report Date: March 27, 2019

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Corporate Credit &
 Issue Rating

New Update

Sector: NPL Asset Management

Publishing Date: 27/03/2019

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RATINGS

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

* Affirmed by JCR on November 27, 2018

Birikim Varlık Yönetim A.Ş.

Company Overview

Financial Data	2018*(2)	2017*(2)	2017(1)	2016*(1)	2015*(1)	2014*(1)
Total Assets (000 USD)	54,794	3,051	86,154	83,463	70,843	61,139
Total Assets (000 TRY)	288,265	11,626	328,281	294,776	205,982	141,776
Total Net Loans (000 TRY)	245,566	11,335	278,151	266,005	176,521	135,017
Equity (000 TRY)	76,683	9,279	73,344	53,038	34,408	18,434
Net Profit (000 TRY)	14,052	-761	14,770	18,635	16,013	5,531
Market Share (%)	8.98	n.m.	11.90	7.43	5.54	5.34
ROAA (%)	12.01	n.m.	5.95	9.33	11.58	5.85
ROAE (%)	41.89	n.m.	29.34	53.44	76.19	44.91
Equity/Assets (%)	26.60	79.81	22.34	17.99	16.70	13.00
Purchase Cost / Purchased Loans (%)	9.79	n.m.	7.24	12.89	15.54	5.25
Collections / Total Expenses (%)	3.82	n.m.	3.64	3.03	3.40	3.21
Asset Growth Rate (%)	2,379.49	n.a.	11.37	43.11	45.29	43.26

* End of Year, ** Half of Year, (1) Final Varlık Yönetim Anonim Şirketi, (2) Birikim Varlık Yönetim Anonim Şirketi

Birikim Varlık Yönetim Anonim Şirketi (hereinafter referred to as **"Birikim Varlık"** or the **"Company"**), formerly known as **Final Varlık Yönetim Anonim Şirketi**, founded activities with a Banking Regulatory and Supervisory Agency (BRSA) license in 2016 and started its operations in 2017. Completion of merge between Final Varlık A.Ş. and Birikim Varlık A.Ş. has been registered to the trade registry as of September 21, 2018.

The Company, within the content of BRSA regulations, concentrates in the management of assets it acquired via purchasing over-due receivables of banks and other financial institutions or taking them on with respect to revenue sharing basis including the activities of collection and restructuring of them as well as consultancy.

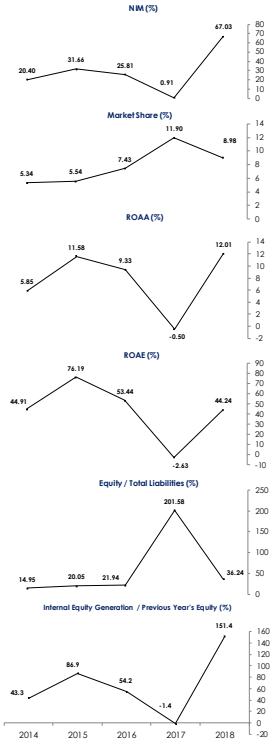
The Company's real person shareholding structure covers 2 individuals and 3 entities. The main controlling shareholder (99.49%) is Altınhas Holding A.Ş. as of December 30, 2018 which is a leading institution in Turkey operating in the jewellery, finance, energy, logistics, education and sports sectors as of. JCR Eurasia Rating has affirmed Birikim Varlık's National Local Rating as **'A-(Trk)'**.

Strengths

- Substantial improvement in market activity supported via increasing efforts thanks to intra-group synergy,
- Diversified funding sources and maturity structure compared to sector providing competitive advantage,
- Strong and reputable shareholding structure,
- Above the sector averages of capitalization and profitability levels,
- Strengthened net interest margin boosted profitability.

Constraints

- Challenging market conditions where investor risk appetite and real sector firms' debt service capabilities decreased.
- Stiff competition leading to margin pressure in view of purchase costs,
- Pressure on profitability from increasing borrowing cost,
- Provisions doubling its share in total
- Income and restraining profitability,



1. Rating Rationale

The Company's independent audit report prepared in conformity with Banking Regulation and Supervision Agency (BRSA) regulations, statistical data on the sector produced by BRSA and Public Disclosure Platform (PDP), JCR Eurasia Rating's own studies and records, information and clarifications provided by the Company and non-financial figures constitute the major basis of **Birikim Varlık Yönetim A.Ş.**'s ratings.

Turkish Non-Performing Loan Asset Management Sector (AMCs) has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since October 1, 2002 in Official Journal No: within the scope of the Law on Restructuring of Debts to Financial Sector numbered 4743 were regulated with Article 143 of the Banking Law numbered 5411 promulgated in the Official Gazette dated 01.11.2005 and numbered 25983.

In the assignment of Birikim Varlık's ratings, quantitative and qualitative assessments regarding profitability figures, asset quality, equity level, liquidity profile, efficiency and risk management practices, the main shareholders' financial and non-financial positions along with expected support, growth strategy and market shares have been taken into consideration.

Fundamental Rating Indicators are;

Sustainability through Moderate Risk Profile, Stability of Management & Prudent Stance

Since its establishment in 2012, Birikim Varlık (formerly known as Final Varlık), as one of the first movers in the sector, has been able to sustain its activities to date partly thanks to its moderate risk profile and stability in its shareholder and management structure.

The collection rate still maintained above the sector averages despite sectorial difficulties experienced during FY2017 and FY2018, improved client concentration level as well as the management's prudent strategy and stance to allow high level of provisions have evidenced the level of the said risk profile.

Net Interest Margin Continuing to Perform Well Above the Sector

The average net interest margin of the Turkish NPL Asset Management Sector has reversed its downward trend during 2018. However, during the same period, the Company NIM, has still performed well above that of the sector. Moreover, Birikim Varlık performed better than the sector during FY2017 and FY2018 with regard to the financial expenses to net interest and commission income ratio.

Main Profitability Indicators Improving and Reversing Below-Sector-Average Pattern

Birikim Varlık's main profitability indicators of ROAA and ROAE continued its above-sector-average pattern particularly beginning in FY2014 and remained well above the averages during FY2018.

Despite a remarkable increase in provision levels, the Company's interest income was in line with that of its financial expenses, improvement of the net interest income in absolute terms, together with the limited OPEX resulted in an overall improvement in the profitability indicators.

High Weight of Earning Assets Contributing to Asset Quality

The Company's assets have been heavily marked with the large weight of earning assets as of FYE2018 in line with the sectorial dynamics. This asset composition contributes to the Company's asset quality with its level slightly above the sector averages.

Moderate Concentration Levels

The Company has spread its loan portfolio across many diverse sectors, the number of active customers mainly in the individual segment. The shares of the sectors within the total portfolio are compatible with the NPL AMCs' figures and stand within the accepted international reference indices.

Sustained Growth Path While Maintaining a Prudential Small Scale

Birikim Varlık, while maintaining its scale within NPL AMCs, has continued to sustain its stable growth trend and outperformed the sector averages in cumulative terms during the previous 6 years by sustaining a stable growth trend.

Birikim Varlık, while maintaining its scale within the Turkish NPL AMCs, has reached a total asset size of TRY288.274 mn as of FYE2018.

Need for Progress in Corporate Governance Practices

Birikim Varlık is not subject to strong governance regulations as a non-publicly traded company. However, to establish transparency and ensure that its customers have the access to current information, the Company should disclose materials concerning the organization.

Short Term Borrowing Profile

The fact that the NPL AMCs has had short-term borrowing structure as a major characteristic thereof holds true for Birikim Varlık as well. The short-term weighted receivables structure

together with maturity matching efforts within the concern of interest rate exposure resulted in a short-term weighted borrowing structure.

High Collection Rate

Ratios of Purchased Cost to Purchased Loans and Collections to Purchased Cost stood at 9.79% and 1.50x, respectively. Birikim Varlık purchased non-performing loans portfolio from Turkish lender banks worth TRY4.9bn since its establishments.

Tax Advantages

As required by law, NPL Asset Management Companies have tax advantages such as stamp tax, mortar, BITT for 5 years after establishment which have the dual advantages of both lowering operational costs and gaining competitiveness.

Legally Adequate While Below Sector Average Equity Level

The Company's equity level has had a downward trend during recent years due to the fact that funding needs of the Company have been met mostly with external sources. However, during 2018, Birikim Varlık 's equity to total asset level improved and stood at 26.60%. The Company could have met the legal requirements by far while above/below the sector averages. As for the other channels within the funding mix, the Company has facilities to benefit from ample amount of free lines out of currently extended credit lines by many different banking institutions. Additionally, the Company's internal equity generation capacity is expected to underpin current equity level in line with the stable profitability in FYE2018.

Operational Environment Still Exposed to Uncertainties

Increasing risks of a weakened TL, higher interest rate and downside risks to growth also exert pressure on profit margins while continuing to deteriorate asset quality through weakened debt-servicing capabilities of the real sector, which have been further aggravated by the recent upward trend in bankruptcy postponements.

Rising interest rates in the country may pose a trouble for NPL AMCs due to the risk of currency depreciation and reduced access to capital markets.

Completion of merge between Final Varlık A.Ş. and Birikim Varlık A.Ş. have been registered to the trade registry as of September 21, 2018 and has been published in the Trade Registry Gazette as of September 27, 2018. With respect to the above-mentioned factors, JCR Eurasia Rating has affirmed the long term national local rating of Birikim Varlık Yönetim A.Ş.'s

as **'A-(Trk)** and the short term national local rating as **'A-2 (Trk)**'. JCR Eurasia Rating has also assigned **'BBB'** for the long term international foreign currency and local currency ratings, the same as that of the sovereign ratings of the Republic of Turkey within the JCR Eurasia Rating's notation system.

No separate rating report has been compiled as the resources obtained from the bond issue will be carried in the Company's balance sheet and has been subject to analysis in the corporate credit rating report. Due to additional financial collateral guarantee provided for the repayment of the bond issued by Birikim Varlık Yönetim, the note of the Company's Long National Local Rating assigned at **'A(Trk)**' for TRY dominated bond issuance. Issue ratings are assigned for both outstanding and prospective debt instruments and incorporate assessments until their maturities.

JCR Eurasia Rating continues to monitor developments in regard to the proposed projection of Birikim Varlık Yönetim A.Ş.'s growth strategy, projected collection rates, the progress of portfolio and assess the impact of any deterioration in collection rate.

2. Outlook

JCR Eurasia Rating has affirmed **'Stable'** outlooks on the national long and short term rating perspectives of Birikim Varlık Yönetim A.Ş. based on its long business track record and high level of sustainability of activities bolstered by particularly the Company's low level of risk appetite, sustenance of capitalization level, net interest margin having settled above the sector averages in previous years, maintenance of profitability indicators, continuing growth trend and continuation in risk management implementations together with low level of risk exposure.

JCR Eurasia Rating has also affirmed a **'Negative'** outlook on the international long-term local currency rating perspectives of Birikim Varlık Yönetim A.Ş., which is that of the long-term sovereign rating outlook of the Republic of Turkey.

The main driving forces that can call forth a revision in the current outlook status include the Company related issues regarding level of profitability particularly its extent to contribution to internal equity generation capacity, development of collection rate of portfolio in view of its historically above-sector-average level, maintenance of liquidity profile with regard to available lines and external funding sources, level of improvement in implementation phase of already taken decisions with a view to enhancing the corporate governance compliance level and consequences to arise out of planned issuance of debt instruments with its possible effects therein along with Turkey's

sovereign rating which has become highly responsive to domestic and foreign political and economic uncertainties, tensions and developments.

On the other hand, resources to call upon for projected growth rates particularly with regard to financing therein through enhancement of internal equity generation capacity and results of the planned bond issue on the Company's financial statements will be monitoring issues in the following periods.

3. Sponsor Support and Stand Alone

Sponsor support notes and their risk estimations reflect the financial and non-financial state and expected support of the major controlling shareholder of Birikim Varlık, Altınbaş Holding. It is considered that Company's entity shareholder has the willingness to supply long term liquidity and equity within their financial capability when financial needs arise and have sufficient experience to provide productive operational support to the Company when required.

The Stand-Alone Note has been constituted particularly with respect to Birikim Varlık's organizational structure, level of capitalization, asset quality, risk management and corporate governance practices, market shares, growth rates and profitability ratios and the development of existing risks in the markets and business environment.

Under these assessments, JCR Eurasia Rating has affirmed the Sponsor Support Note of '2' reflecting the financial and non-financial states and realized/expected support by the shareholders and has affirmed as well the Stand-Alone Note of 'B' with the opinion that Birikim Varlık has maintained its level of adequate experience and facilities to manage the incurred risks on its balance sheet without any assistance from its shareholders provided that it improves its current customer base and effectiveness in the market.

4. Sponsor Support and Stand Alone

a. History

Final Varlık Yönetim A.Ş. acquired by family owned enterprise-Altınbaş Holding-in July 2012 with over 60 years of experience in the education, retail, and real estate in Turkey; agricultural and textile production for the industry abroad and subsequently invested in the fields of financial sector. Final Varlık Yönetim A.Ş. was founded under BRSA licensing in 1Q2011 for the purchase of receivables and other assets of banks, private financial corporations and non-bank financial institutions, collection of these assets from the debtor and their restructuring as well as consultancy.

Birikim Varlık Yönetim A.Ş. founded activities with a Banking Regulatory and Supervisory Agency (BRSA) license in 2016 and started its operations in 2017. Merger decision of Final Varlık A.Ş. and Birikim Varlık A.Ş. have been registered to the trade registry as of September 21, 2018 and has been published in the Trade Registry Gazette as of September 27, 2018. Birikim Varlık Yönetim A.Ş. operations are performed in Istanbul and it has no representative office.

b. Organization & Employees

Birikim operations are performed locally in Istanbul under Atınbaş Holding. As of December 31, 2018, Birikim had a staff force of 257 employees. The Board of Birikim Varlık consists of five members with the utmost shareholder Mr. İnan Altınbaş serving as chairman and a general manager elected from among its members Birikim Varlık's management organization was established through the decision of the Board of Directors. The General Manager and the Risk Monitoring and Control Department report directly to the Board.

The Company's senior management consists of a general manager and the departments of a legal consultancy department individual and commercial collection, financial and administrative affairs, analysis and operation, HR.

Unlike the sector tendency, Birikim Varlık benefit from call center due to its strategy of providing funding from different customer segments. The majority of employees have experience in the field of finance promoting the quality of its services.

Birikim Varlık continues to work with 85 attorney's offices across Turkey.

c. Shareholders, Subsidiaries & Affiliates

The following table provides the Company's FYE2017-FYE2018 shareholder structure and realized changes over time.

Shareholders	FYE2018	FYE2017
	Share %	
Altınbaş Holding A.Ş.	99.49	99.60
İnan Altınbaş	0.07	-
Hüseyin Altınbaş	0.07	-
Ak Faktoring A.Ş.	1.28	0.10
Paladyum Madencilik A.Ş.	0.10	0.10
Yusuf Taylan Çelik	-	0.10
Serdar Nerezoglu	-	0.10
Share Capital / TRY	40,000,000	10,000,000

- **Altınbas Holding**

Altınbas Holding A.Ş., established under the guidance of Mr. Inan Altınbas with the aim of creating market leader brands, has an operational history dating back to the 1950s and over 60 years of sector experience. Altınbas Holding is the principal shareholder of Altınbaş Holding.

The holding carries out its operations with both domestic and overseas investments in the main fields of energy, finance, jewellery, logistics, education, sports activities, textiles, construction, and real estate. Group operations in the field of education in particular have accelerated. The Holding's main investment strategy is to invest in companies with a high growth tendency in order to strength profitably.

The table below shows shareholder structure of Altınbas Holding A.Ş.;

Shareholder Structure	FYE2018(%)
Inan Altınbaş	124,999.997
Hüseyin Altınbaş	124,999.997
Trona İç ve Dış Ticaret Danışmanlık A.Ş.	6,00
Paid Capital (TRY / 000)	250,000.000

d. Corporate Governance

Regarding the fact that Birikim Varlık is not a publicly traded company, the corporate governance discipline is not a field that is required to be taken legally into consideration with regard to the Capital Market Law.

On the other hand, latest official regulations about NPL Asset Management Companies along with BRSA's enforcements of strict regulation and supervision on the NPL AMC Sector have provided the Company with a corporate organizational structure, a comprehensive internal control system, and an internal audit and risk management system. The Company has internal audit and internal control departments which regularly report to the Board. The organizational chart of the Company consists of two units structured to report to the general management. The Company aligns all of its records and reports in line with BRSA regulations and procures an independent audit service. The periodical financial statements are regularly disclosed to the public via its website. The Company's all information is securely stored in an electronic environment that provides the needed information to be reported and sufficient integration has been performed between the departments of collection, law, asset

valuation, credit monitoring, financial affair, allocation and operation.

The Board of Birikim Varlık is composed of 5 members including the general manager. It is concluded that the Board Members have the adequate qualifications to administer their duties and that the Board successfully performs its duties of leading, supervising and inspecting. Additionally, Birikim's business activities and the current risks are audited by Altınbas Holding's Control director quarterly and internal the audit results are presented to in the reports.

Birikim Varlık's website provides information and disclosed documentation such as Company's history, asset, services, references, legislation, trade registration, working principles, documents related to the general meetings, HR policy, ethical rules, social responsibility, mission and vision. The Company's annual financial results are kept in line with international standards and financial results and credit rating report are disclosed to the public through the Company's website. On the other hand, the dividend and disclosure policies and remuneration policy regarding board members and executive managers as well as articles of association and all of the general assembly meeting records should be disclosed to the public via the website to improve the level of compliance with the principles of corporate governance.

The Company provides continuing in-service training. Accordingly, the motivation of employees, continuity of their development, career planning, equal opportunities and performance-fee balance are the keystones of the Company's human resource policies.

5. Sector Analysis

The Asset Management Sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2003. Asset management Companies (AMCs), beginning in 2006, have a serious role in the banking and other financial sectors of Turkey through liquidating non-performing loans (NPL) into cash. AMCs are one of the structural ways that financial system use in restructuring their financials by solving their NPL through a direct sale or in a form of revenue sharing.

The main drivers of the sector were banks and other financial institutions realizing the benefits of selling NPLs and increasing maturity and sophistication of AMCs in the market NPL purchasing market has exercised remarkable growth over the years with the rise in the figures of banks selling portfolios, entrance of new AMCs to the market, as well as banks selling larger portfolios. In 2017-18, private banks, factoring, leasing and

other financial institutions sold approximately TRY 8.5bn-9bn. NPLs.

The first portfolio sales related with Asset Management Companies were provided with the transfer and assignment of bank-owned receivables by the Savings Deposit Insurance Fund. Asset Management Companies increase the collection possibilities of debts of all maturities acquired by tender from banks and other financial institutions as a consequence of restructuring. BRSA holds a very stringent and lengthy due diligence process in order to issue the license required for purchasing NPLs under the stated regulations, the minimum paid-in capital per company has been increased to TRY 20mn. NPL AMCs in Turkey are granted a five-year exemption period from transaction taxes and certain legal fees by law.

Regulation changes of establishment and operating principles of NPL Asset Management Companies came into effect as of March 5, 2016. The law has presented positive developments in the sector's corporate structure, quality of financial reports, standardization and transparency, and the assurance of competitive equality. This legal infrastructure is expected to increase the efficiency of supervision and effectiveness of audit systems in the sector.

Under the stated regulations;

- The minimum paid-in capital per company has been increased to TRY 30mn from TRY20mn.
- The establishment and operations of AMCs has been consolidated under a single law and these companies are defined as 'non-bank financial institutions',
- Companies have been required to establish the necessary legal infrastructure, information systems, risk assessment and internal control systems in order to carry out effective supervision and audit,
- Establishment requirements for new companies have been aggravated,
- The minimum professional experience and education levels required for the company board members, general managers and assistant general managers have been updated.

The rates of entry and exit and change in ownership structure and executive staff remain relatively low in the sector. The NPL AMC Sector is based on intensive competitive working conditions. The Sector is one of the industries that exhibit the highest level of vulnerability to fluctuations in macroeconomic circumstances and instability. Management policies in the sector

become more difficult mainly stemming from changes in economic conjuncture and regulatory pressures from the BRSA.

NPL Asset Management Companies buy non-performing loans (NPL) from the banks with a tender offer at a high discount and then they try to collect as much as they can via contacting customers to convince them to pay back loans and negotiate with them by pressuring them with laws to be enforced.

Typically, NPL Asset Management Companies purchased loans approximately 8-9% of the face value, which enables them to negotiate much better with customers than banks. Selling loans to asset management firms facilitate to bunch high & lower quality debts and get rid of the bad debts and also to write off the losses which bring tax advantage.

Non-performing loans portfolio by the banks between 2013-2018 is shown below:

Non-Performing Loans	2013	2014	2015	2016	2017	2018
Development and Investment Banks	425	481	479	602	732	1,618
Participation Banks	2,261	3,190	4,335	3,175	3,392	5,075
Deposit-Government Banks	8,251	10,449	12,024	15,770	18,988	26,726
Deposits-Foreign Banks	6,734	7,467	14,936	17,287	21,936	34,153
Deposits-Domestic Private Banks	11,950	14,838	15,766	21,046	22,926	35,717
Total (TRY/000)	29,622	36,426	47,541	57,880	64,585	96,597

Source: BRSA

Similar to loans, the primary contributor to NPL volume is Turkey's banking sector, at 92%, specifically the country's private banks.

Consolidated financial results of the sector as of FYE2018 are not disclosed by the BRSA yet. The following tables including the data of 2018 are prepared with reference to the financial statements of the 7 main companies (*Birikim Varlik, Destek Varlik, Güven Varlik, Hayat Varlik, Sümer Varlik, Vera Varlik, Yunus Varlik*) which constitute 90% of the market by means of their asset size.

*Balance Sheet (TRY/000)	FYE2018	FYE2017
Total Earning Assets	2,788,963	2,183,609
Non- Earning Assets	419,785	427,818
Total Assets	3,208,748	2,611,427
Cost Bearing Resources	1,886,114	1,663,165
Non- Cost Bearing Resources	326,758	243,306
Equity	995,876	704,956
Total Liabilities & Equity	3,208,748	2,611,427

Source: Public Disclosure Platform, *(including 7-AMC)

*Income Sheet (TRY/000)	FYE2018	FYE2017
Net Interest Income	1,073,432	762,215
Net Fee Commission	-50,347	-35,532
Profit Before Tax	140,237	147,463
Net Profit	112,334	109,887

Source: Public Disclosure Platform, *(including 7-AMC)

As of FYE2018, the total asset size of 7-Asset Management Companies was TRY 3,209mn., with an equity of TRY 996mn.. Despite the macroeconomic volatility during 2018, the sector continued its growth trend as in its last 10 years. Earning Assets constitute the largest item among the sector's assets with a share of 86.92%, whilst cost bearing resources enjoyed the largest share among its resources with a 58.78% share.

As of FYE2017, the total asset size of 7-Asset Management Companies was TRY 3.13bn, with an equity of TRY811mn. Throughout its over 10-year history the Sector has maintained a consistent growth trend. Earning Assets constitute the largest item among the sector's assets with a share of 83.57%, whilst coast bearing resources enjoyed the largest share among its resources with a 65.92% share.

The bond market in Turkey has provided NPL AMCs with the opportunity to diversify their funding resources since 2010. Non-Banking Financial Institutions exhibit the fundamental characteristic of obtaining funding externally and from the Turkish Banking System. However, their tendency to raise funding from capital markets via debt issuances is on an increasingly upward trend.

The sector enjoys a small share across the wider Turkish Financial Services Sector. Funds offered by the NPL AMC Sector largely belong to companies that are subsidiaries of banks or ones that have banks in among their wider group, making it more difficult for non-bank affiliated Asset Management Companies to carry out their intermediary function. The two main largest NPL AMCs, Güven and Hayat Varlık(Turkasset), dominate the market with approximately 50% market share. A new legislation has been published in January, 2017 authorising the BRSA to resolve the principles of state banks' such as TC. Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş. and Türkiye Vakıflar Bankası T.A.O. receivable sales to AMCs. State banks' portfolios are expected to be traded in the market.

Recent legislative regulations reinforced the representative capability, consisting of 18 NPL AMCs, by gathering them under a single roof. Thanks to the aggravation of establishment requirements for new companies and enhanced professional experience and education levels, the quality of the sector has improved Turkish NPL AMCs. Sector-wide high profitability rates and the high growth potential due to the small size of the Asset Management Companies in the Turkish financial markets triggers the rating formation.

Asset Management Companies – December,2017	
1	ARMADA VARLIK YÖNETİM A.Ş.
2	ARSAN VARLIK YÖNETİM A.Ş.
3	BİRİKİM VARLIK YÖNETİM A.Ş.
4	BİRLEŞİM VARLIK YÖNETİM A.Ş.
5	BOĞAZIÇI VARLIK YÖNETİM A.Ş.
6	DESTEK VARLIK YÖNETİM A.Ş.
7	EFES VARLIK YÖNETİM A.Ş.
8	EMİR VARLIK YÖNETİM A.Ş.
9	GELECEK VARLIK YÖNETİM A.Ş.
10	HAYAT VARLIK YÖNETİM A.Ş.
11	HEDEF VARLIK YÖNETİM A.Ş.
12	İSTANBUL VARLIK YÖNETİM A.Ş.
13	MEGA VARLIK YÖNETİM A.Ş.
14	MERKEZ VARLIK YÖNETİM A.Ş.
15	MET-AY VARLIK YÖNETİM A.Ş.
16	SÜMER VARLIK YÖNETİM A.Ş.
17	VERA VARLIK YÖNETİM A.Ş.
18	YUNUS VARLIK YÖNETİM A.Ş.

Source: BRSA

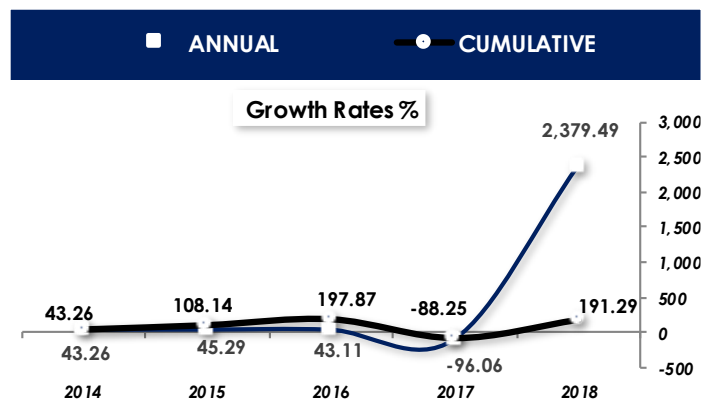
6. Financial Analysis

a. Financial Indicators & Performance

i. Indices Relating to Size

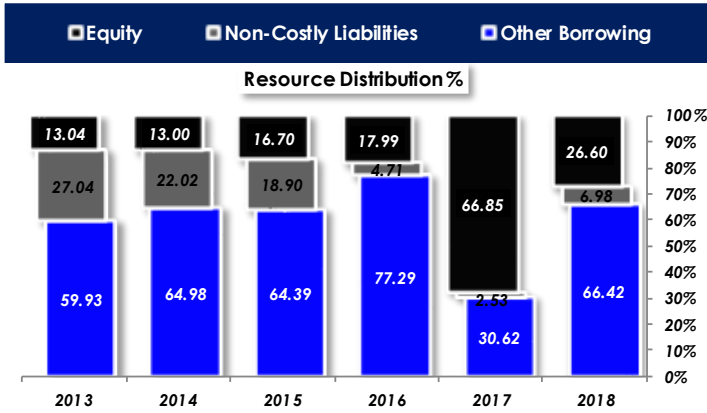
Sectorial financial data was created by 7 main companies (Birikim Varlik, Destek Varlik, Güven Varlik, Hayat Varlik, Sümer Varlik, Vera Varlik, Yunus Varlik) for sector comparison which dominate the market with approximately 80-85% market share.

Birikim Varlık experienced a remarkable annual asset growth of 2.379.49% as of December,2018, raising total assets to TRY288.27mn (FYE2017: TRY11.63mn).



The Compound annual growth rate of Birikim Varlık between FYE2018-2014 was 191.29%. Birikim Varlık has succeeded to be more effective in the sector in 2018 by maintaining a low risk

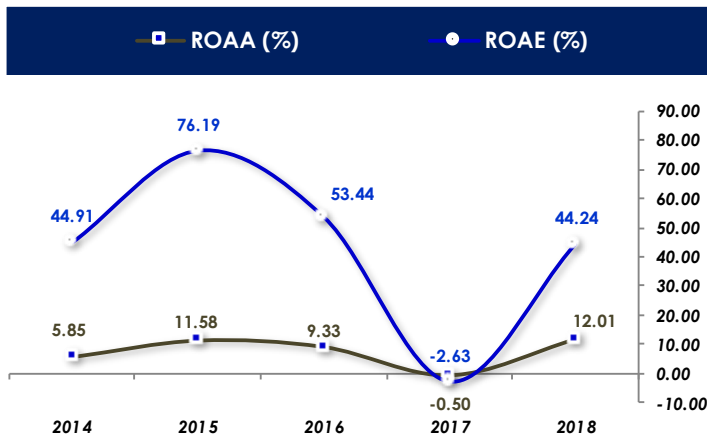
profile with regard to adverse circumstances in the market despite re-organization. The driving force behind the growth performance is the 'net loan portfolio' balance sheet item, constituting 88% of the total assets in FYE2018.



The Company's resource distribution development with regard to its equity, following limited deterioration during FY2018, stood at 26.60% of its total resources as of FYE2018 from 40.66% as of FYE2017 mostly through the abovementioned completion of merge process and hence asset size.

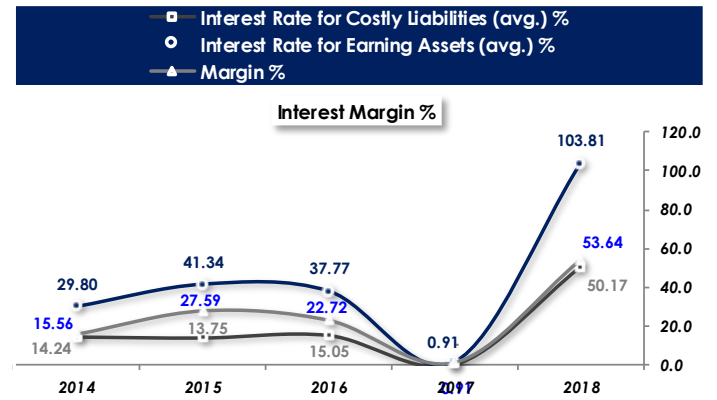
ii. Indices Relating to Profitability

Birikim Varlık's main profitability indicators of ROAA and ROAE, following a reversal period of its below-sector-average pattern particularly in FY2017 due to re-organization, deteriorated as well during FY2018 and its ROAA & ROAE remained below the sectorial averages, improved during FY2018 and remained above the sectorial averages.

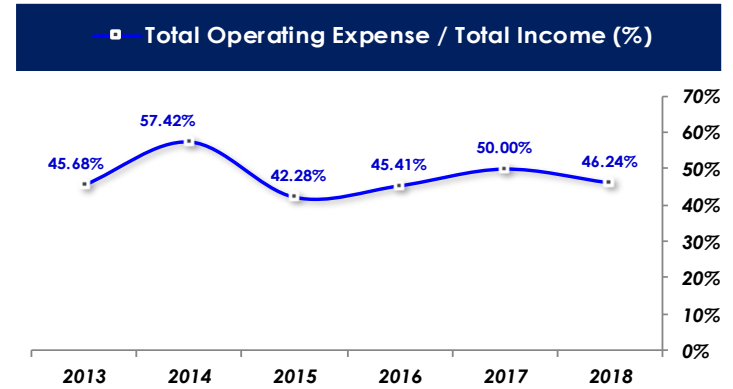


Interest income has remained the main determining item of the Company's revenue streams. During the same period, the Company interest margin continued to follow its downward path in FYE2016-17. However, the Company realized an interest margin of 53.64% at the end of FYE2018 despite the environment of fluctuation in interest rates. Yields had improved

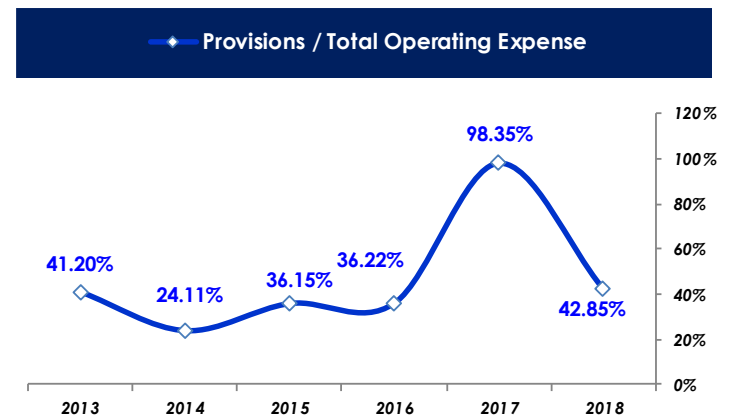
on the back of TRY137.08mn. of interest income as most of its portfolio overdue loan portfolio.



The total operating expenses to total income coverage decreased to 46.24% in FYE2018 from 50% in FYE2017. In addition, a higher growth of income than expense growth led the decline of the coverage ratio.



The level of provisioning, following of a period of a smoother pattern during periods with the exception of 2017, had significantly reversed its trend and declined to 42.85% in FYE2018 from 98.35% in FYE2017.



b. Asset Quality

Due to upward trend level of NPLs and correspondingly growing pressure over the CAR, Turkish banks sold over TRY8.5bn. their non-performing loans in 2018.

Birikim Varlık Yönetim A.Ş.'s asset quality is defined by factors such as;

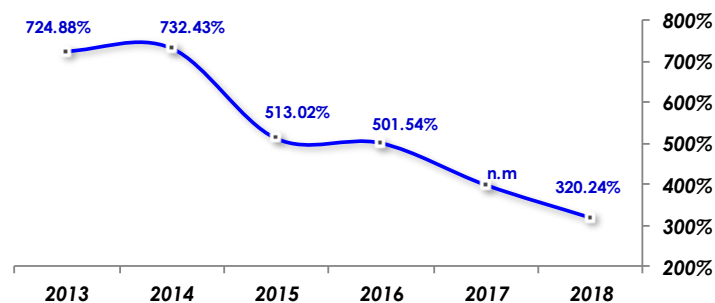
- Pricing approach for distressed loan portfolios,
- Success of restructuring of receivables,
- Ease of collection created and collection capability,
- Maintaining qualified staff.

Birikim Varlık continue to acquire and focuses the type of non-performing assets which is corporate and individual portfolios. Birikim Varlık's main objective is the rapid and efficient collection of purchased loans. The Company's management department are responsible for analysing the viability of borrowers, practices and monitoring the debt restructuring plan.

The Company had a total asset size of TRY288.27mn with a distribution of 87.68% earning assets as of FYE2018. The large share of earning assets within the balance sheet structure in line with the sectorial dynamics continues to be assessed as a factor to contribute to the Company's asset quality.

Birikim Varlık purchased non-performing loans portfolio from Turkish lender banks worth TRY4.92bn for TRY482mn. in during periods. Consequently, the Company's main portfolio detail such as the purchased cost to purchased loans ratio stood at 9.79% as of December 31,2018 purchase cost to collections was 66.71% in the same period.

Net Loan Portfolio / Total Equity (%)



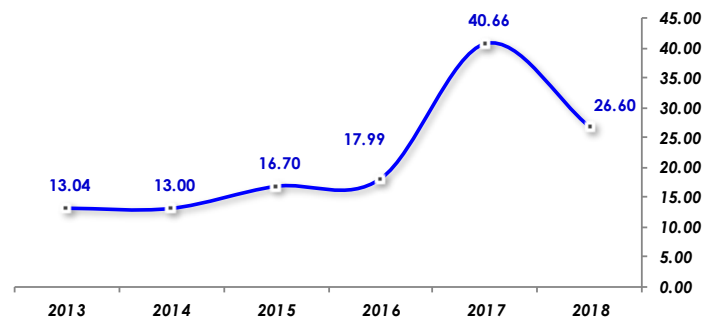
Birikim Varlık's net loan portfolio to total equity ratio stood at 320.42% in FYE2017 which is the above of average between FYE2013 and FYE2018(558.42%) with the exception of FYE2017. Ongoing loan portfolio growth supports higher Net

Interest Income and cash generation. Additionally, the level of provisions compared to impaired receivables stood at 8.56% in FYE2018. It should be noted that the relevant clauses in the current regulations regarding provisioning consider only customers dishonouring their obligations but not the subsequent liability of drawer.

c. Funding & Adequacy of Capital

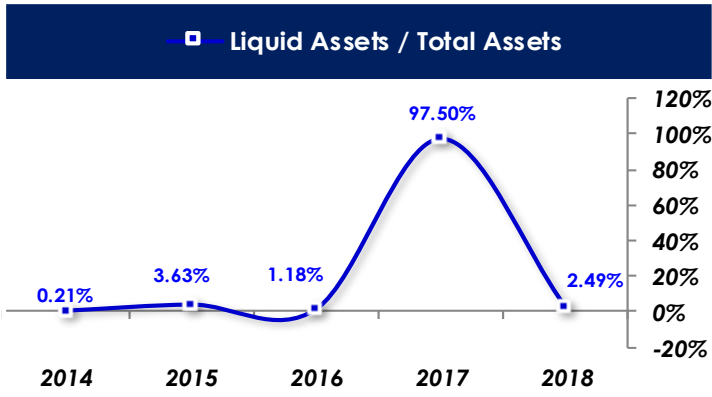
The latest BRSA regulations embrace the ratio of the Company's minimum paid-in capital per company must be at least TRY 30mn. As such, Birikim Varlık increased its paid-in capital through cash injection to TRY40mn. during 2018 observance of the relevant BRSA regulatory obligations together with the profit reserves and improved profitability.

Equity / Total Assets %



Following a period during which the Company's equity to total liabilities ratio had exhibited an upward trend in line with the sector figures since 2014 despite continuously increasing trade volume funded mostly with external sources in the period of diminishing impacts of the global economic crisis, the Company's equity to total assets ratios stood at 26.60% in FYE2018.

In line with the major characteristic of the Turkish NPL AMC Sector, has had short-term borrowing structure. The short-term weighted receivables structure together with maturity matching efforts within the concern of interest rate exposure resulted in a short-term weighted borrowing structure. The Company's ratio of 'short term borrowings to total assets' maintained a smooth path during the previous years but stayed above the sector average of FYE2018 as has been the case mostly in the past.



The Company's total liabilities reached TRY211.58mn. as of FYE2018 compared with FYE2017. 50.61% and 9.30% of total liabilities were composed by bank loans and miscellaneous debts, respectively in FYE2018. The maturities of assets and liabilities are reasonably matched and JCR Eurasia Rating considers refinancing risk to be limited.

7. Risk Profile & Management

a. Risk Management Organization & its Function – General Information

Birikim Varlık's balance sheet was composed of mainly loan portfolio on the assets and short-term borrowings on the liabilities side and its financial results are primarily exposed to interest risk and credit risk. The main strategy of the Company in managing the mentioned risks is the efficient management of its operations and consideration of funding alternatives between liabilities and equity in order to increase the profitability of its operations.

Receivables and bank loans are the major obligations of the Company, which is exposed to market, FX, interest and other operational risks, derived from the use of financial instruments. The Board of Directors is responsible to take the required cautions in management and supervising the activities of the Company.

The risk management policies of the Company are monitored by the Internal Control Department and measures to be taken are reported to the Board of Directors. Operation, law, finance units are formed in the organization structure. Purchased receivable portfolios are the most significant financial instruments of the Company's payable and receivable obligations. Assets evaluation department monitor the operational risks of all activities at the moment of transaction via an internal control method. Within the current Company structure, no provision has been made to compensate for operational risk. The operations of the Company are followed closely on a daily basis. Additionally, on a yearly

base, Company operations are audited by Independent Auditing firms on a 6-month basis.

b. Credit Risk

Credit risk concentration becomes an issue when the number of receivables running in similar business areas and similarly affected by the changes of economics, politics and other conditions increases. If the risk of credit is unpreventable, companies try to diminish credit risk by transacting with parties in a variety of sectors and regions and obtaining sufficient collateral where possible. The asset evaluation committee formed by the decision of the Board of Directors is subject to both legal and financial valuation of the risks to be purchased. The Company has a credit risk strategy created in accordance with the board and credit committee decisions which are taken within the scope of market conditions as well as the company's risk appetite and the level of sources available for purchase operations. Credit risk is continuously monitored through credit risk management methods developed for the processes before credit monitoring.

The Company's major interest-bearing assets and liabilities are receivables and borrowings from banks and bond issuances. Interest rates of the Company's receivables and payables are almost completely changed at the end of their term (fixed interest rated) and the Company tries to minimize the interest rate risk through due date matching efforts of its receivables and payables accordingly. The Company's interest rate risk exposure has a high manageability due to its assets and liabilities with similar repricing maturities and its interest margin. Additionally, the Company has no net foreign exchange position as of December 31, 2018.

c. Market Risk

The Company is not subject to market risk reporting due to its status as an "Asset Management Company".

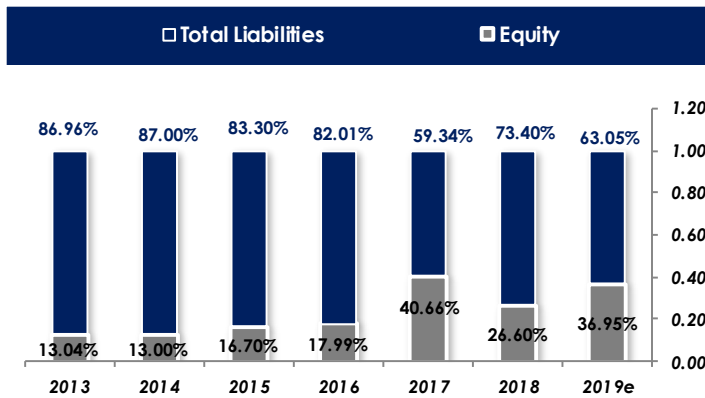
d. Liquidity Risk

Birikim Varlık has afforded cash credit opportunities from, the banking system and its creditworthiness via bond issuance. Diversified funding base ensures operating and strategic flexibility in asset-liability management and sound funding base is expected to continue its credit strength. The Company's contingency funding plan is reasonably accessible during times of financial hardship. The Company continued to generate internal liquidity provided by strong operating cash flows in 1H2018. Birikim Varlık's internal liquidity generation is sufficient to meet its operational expenses. The Company's monthly cash flow chart from operating activities is as follows.

As of December 31, 2018, Birikim Varlık's internal equity generation stood at 67.98%. Moreover, the Company had a total credit line of TRY102mn. as of February, 2019, relieving liquidity management.

8. Budget & Debt Issue

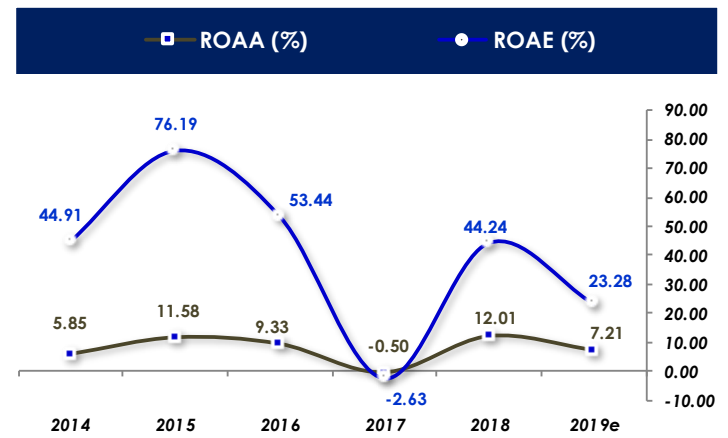
Within the framework of projections and budgeting activities of Birikim Varlık, the financial assumptions and estimations spanning the year 2019 have been established. Birikim Varlık has projected a moderate slowdown in asset size in FY2019 (including bond issue of TRY18mn. in FYE2019). The current projection does not include portfolio expenses during 2019.



Integrating the below stated projected growth with the last five years' growth series results in a seven-year cumulative assets growth rate of 113.37% between FYE2013-19. The company also projected to decrease its assets size to TRY211.15mn. from TRY288.27mn. as of December 31, 2018.

	2019e	2018
Net Interest Income	73,445	88,507
Total Operating Income	14,850	18,759
Provisions	-23,606	-39,514
Profit Before Tax	12,784	15,649

The modest change in the projected balance sheet reflects the contraction in its activities. However, Birikim Varlık, in line with the sector dynamics and the nature of its activities, is expected to maintain the general pattern during 2019. Birikim Varlık generates the majority of the cash used through its portfolio, indicating sustainability and liquidity structure. Portfolio collection is expected to constitute the largest item among the Company's cash inflow in 2019.



The Company has projected 2019 year-end balance sheet figures of TRY 73.45mn NIM and TRY 12.78mn net profit in 2019. Additionally, the company's ROAA and ROAE ratios are expected to stand at 7.21% and 23.28%, respectively in 2019.

Accordingly, we, as JCR Eurasia Rating, believe that the Company has the potential to fulfil its obligations that will stem debt instrument issuance in a timely manner and without experiencing a financial distress depending on the preservation of its market efficiency and income streams as well as absence of severe fluctuations in the financial markets.

BİRİKİM VARLIK YÖNETİM A.Ş. BALANCE SHEET - ASSET (000)	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	As % of	As % of	As % of	FYE	FYE	FYE
	2018 USD (Converted)	2018 TRY (Original)	2018 TRY (Average)	2017 TRY (Original)	2017 TRY (Average)	2016 TRY (Original)	2016 TRY (Average)	2015 TRY (Original)	2018 Assets (Original)	2017 Assets (Original)	2016 Assets (Original)	2018 Growth Rate %	2017 Growth Rate %	2016 Growth Rate %
A- TOTAL EARNING ASSETS (I+II+III)	48,043	252,752	132,044	11,335	140,413	269,491	226,737	183,983	87.68	97.50	91.42	2,129.84	-95.79	46.48
I- LOANS AND LEASING RECEIVABLES (net)	46,678	245,566	122,783	0	133,003	266,005	221,263	176,521	85.19	n.a	90.24	n.a	-100.00	50.69
a) Short Term Loans	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) Lease Assets	51,046	268,548	134,274	0	0	0	0	0	93.16	0.00	n.a	26,854,799,900.00	n.a	n.a
c) Medium & Long Term Loans	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Over Due Loans	0	0	0	0	133,003	266,005	221,263	176,521	0.00	0.00	90.24	0.00	-100.00	50.69
e) Others	-0	-0	-0	0	0	0	0	0	-0.00	n.a	n.a	n.a	n.a	n.a
f) Receivable from Customer due to Brokerage Activities	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
g) Allowance for Loan and Receivables Losses (-)	-4,368	-22,982	-11,491	-0	-0	0	0	0	-7.97	-0.00	n.a	1,149,099,900.00	n.a	n.a
II- OTHER EARNING ASSETS	1,366	7,186	9,261	11,335	7,411	3,486	5,474	7,462	2.49	97.50	1.18	-36.60	225.16	-53.28
a) Balance With Banks -Time Deposits	1,366	7,186	9,261	11,335	7,411	3,486	5,474	7,462	2.49	97.50	1.18	-36.60	225.16	-53.28
b) Money Market Placements	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) Reserve Deposits at CB (*)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Balance With CB- Demand Deposits	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
III- SECURITIES AT FAIR VALUE THROUGH P/L	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
a) Treasury Bills and Government Bonds	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) Other Investment	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) Repurchase Agreement	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
B- INVESTMENTS IN ASSOCIATES (NET) + EQUITY SHARE	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
a) Investments in Associates (Net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) Equity Share	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
C- NON-EARNING ASSETS	6,750	35,513	17,902	291	12,788	25,285	23,642	21,999	12.32	2.50	8.58	12,103.78	-98.85	14.94
a) Cash and Cash Equivalents	0	0	0	0	1	2	10	17	n.a	n.a	0.00	n.a	-100.00	-88.24
b) Balance With Banks - Current Accounts	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) Financial Assets at Fair Value through P/L	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Accrued Interest from Loans and Lease	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
e) Other	6,750	35,513	17,902	291	12,787	25,283	23,633	21,982	12.32	2.50	8.58	12,103.78	-98.85	15.02
- Intangible Assets	0	0	0	0	185	370	228	86	n.a	n.a	0.13	n.a	-100.00	330.23
- Property and Equipment	3,802	20,000	10,000	0	1,065	2,130	1,551	971	6.94	n.a	0.72	n.a	-100.00	119.36
- Deferred Tax	0	0	7	13	7	0	0	0	n.a	0.11	n.a	-100.00	n.a	n.a
- Other	2,949	15,513	7,896	278	11,531	22,783	21,854	20,925	5.38	2.39	7.73	5,480.22	-98.78	8.88
TOTAL ASSETS	54,794	288,265	149,946	11,626	153,201	294,776	250,379	205,982	100.00	100.00	100.00	2,379.49	-96.06	43.11

BİRİKİM VARLIK YÖNETİM A.Ş. BALANCE SHEET LIABILITIES & SHAREHOLDERS' EQUITY (000)	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	As % of	As % of	As % of	FYE	FYE	FYE
	2018	2018	2018	2017	2017	2016	2016	2015	2018	2017	2016	2018	2017	2016
	USD	TRY	TRY	TRY	TRY	TRY	TRY	TRY	Assets	Assets	Assets	Growth	Growth	Growth
	(Converted)	(Original)	(Average)	(Original)	(Average)	(Original)	(Average)	(Original)	(Original)	(Original)	(Original)	Rate %	Rate %	Rate %
A- COST BEARING RESOURCES (I+II)	36,395	191,469	96,818	2,166	115,004	227,841	180,240	132,638	66.42	18.63	77.29	8,739.75	-99.05	71.78
I- DEPOSIT	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
a) TL Deposit	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) FC Deposit	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) FC & LC Banks Deposits	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
II- BORROWING FUNDING LOANS & OTHER	36,395	191,469	96,818	2,166	115,004	227,841	180,240	132,638	66.42	18.63	77.29	8,739.75	-99.05	71.78
a) Borrowing From Domestic Market	28,871	151,885	75,943	0	113,921	227,841	180,240	132,638	52.69	n.a	77.29	n.a	-100.00	71.78
b) Borrowing From Overseas Markets	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) Borrowing from Interbank	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Securities Sold Under Repurchase Agreements	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
e) Subordinated Loans & Others	7,524	39,584	20,875	2,166	1,083	0	0	0	13.73	18.63	n.a	1,727.52	n.a	n.a
B- NON-COST BEARING RESOURCES	3,823	20,113	10,146	179	7,038	13,897	26,417	38,936	6.98	1.54	4.71	11,136.31	-98.71	-64.31
a) Provisions	430	2,264	1,165	66	267	468	362	256	0.79	0.57	0.16	3,330.30	-85.90	82.81
b) Current & Deferred Tax Liabilities	956	5,027	2,570	113	1,960	3,807	2,840	1,872	1.74	0.97	1.29	4,348.67	-97.03	103.37
c) Trading Liabilities (Derivatives)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Other Liabilities	2,437	12,822	6,411	0	4,811	9,622	23,215	36,808	4.45	n.a	3.26	n.a	-100.00	-73.86
C- TOTAL LIABILITIES	40,218	211,582	106,964	2,345	122,042	241,738	206,656	171,574	73.40	20.17	82.01	8,922.69	-99.03	40.89
D- MINORITY INTEREST	0	0	1	2	1	0	0	0	n.a	0.02	n.a	-100.00	n.a	n.a
E- EQUITY	14,576	76,683	40,705	4,727	28,883	53,038	43,723	34,408	26.60	40.66	17.99	1,522.23	-91.09	54.14
a) Prior Year's Equity	1,764	9,279	31,159	53,038	43,723	34,408	26,421	18,434	3.22	456.20	11.67	-82.50	54.14	86.66
b) Equity (Added From Internall & External Resourses At This Year)	10,141	53,352	2,901	-47,550	-23,778	-5	-22	-39	18.51	-409.00	-0.00	-212.20	950,900.00	-87.18
c) Profit & Loss	2,671	14,052	6,646	-761	8,937	18,635	17,324	16,013	4.87	-6.55	6.32	-1,946.52	-104.08	16.37
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	54,794	288,265	147,670	7,074	150,925	294,776	250,379	205,982	100.00	60.85	100.00	3,974.99	-97.60	43.11
(*) This item is included in Other Item	USD Rates 1=TRY	5.2609		3.8104		3.5318		2.9076						

BİRİKİM VARLIK YÖNETİM A.Ş INCOME STATEMENT (000) TRY	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Net Interest Income	88,507.00	1,283.00	58,512.00	50,544.00	23,407.00
a) Interest Income	137,079.00	1,283.00	85,635.00	65,999.00	34,189.00
b) Interest Expense	48,572.00	0.00	27,123.00	15,455.00	10,782.00
Net Fee and Commission Income	-2,542.00	0.00	2,821.00	5,402.00	920.00
a) Fee and Commission Income	0.00	0.00	4,848.00	6,500.00	1,402.00
b) Fee and Commission Expense	2,542.00	0.00	2,027.00	1,098.00	482.00
Total Operating Income	17,622.00	-1,257.00	19,770.00	3,645.00	4,590.00
Net trading income (+/-)	18,759.00	41.00	0.00	0.00	0.00
Foreign Exchange Gain or Loss (net) (+/-)	-1,137.00	0.00	557.00	127.00	109.00
Gross Profit from Retail Business	0.00	0.00	0.00	0.00	0.00
Premium income from insurance business	0.00	0.00	0.00	0.00	0.00
Income on Sale of Equity Participations and Consolidated Affiliates	0.00	0.00	0.00	0.00	0.00
Gains from Investment Securities (Net)	0.00	0.00	0.00	0.00	0.00
Other Operating Income	0.00	-1,298.00	19,213.00	3,518.00	4,481.00
Taxes other than Income	0.00	0.00	0.00	0.00	0.00
Dividend	0.00	0.00	0.00	0.00	0.00
Provisions	37,157.00	774.00	20,911.00	14,265.00	5,276.00
Provision for Impairment of Loan and Trade Receivables	37,157.00	774.00	20,911.00	14,265.00	5,276.00
Other Provision	0.00	0.00	0.00	0.00	0.00
Total Operating Expense	48,424.00	13.00	36,825.00	25,195.00	16,605.00
Salaries and Employee Benefits	26,376.00	13.00	16,353.00	13,346.00	8,710.00
Depreciation and Amortization	0.00	0.00	737.00	532.00	468.00
Other Expenses	22,048.00	0.00	19,735.00	11,317.00	7,427.00
Profit from Operating Activities before Income Tax	18,006.00	-761.00	23,367.00	20,131.00	7,036.00
Income Tax – Current	2,357.00	0.00	4,732.00	4,034.00	1,472.00
Income Tax – Deferred	1,597.00	0.00	0.00	84.00	33.00
Net Profit for the Period	14,052.00	-761.00	18,635.00	16,013.00	5,531.00
Total Income	104,724.00	26.00	81,103.00	59,591.00	28,917.00
Total Expense	49,561.00	13.00	36,825.00	25,195.00	16,605.00
Provision	37,157.00	774.00	20,911.00	14,265.00	5,276.00
Pre-tax Profit	18,006.00	-761.00	23,367.00	20,131.00	7,036.00

BİRİKİM VARLIK YÖNETİM A.Ş. FINANCIAL RATIOS %	FY 2018	FY 2017	FY 2016
I. PROFITABILITY & PERFORMANCE			
1. ROA- Pretax Profit / Total Assets (avg.)	12.01	-0.50	9.33
2. ROE- Pretax Profit / Equity (avg.)	44.24	-2.63	53.44
3. Total Income / Equity (avg.)	257.28	0.09	185.49
4. Total income / Total Assets (avg.)	69.84	0.02	32.39
5. Provisions / Total Income	35.48	2,976.92	25.78
6. Total Expense / Total Liabilities (avg.)	46.33	0.01	17.82
7. Net Profit for the Period / Total Assets (avg.)	9.37	-0.50	7.44
8. Total Income / Total Expenses	211.30	200.00	220.24
9. Non Cost Bearing Liabilities + Equity- Non Earning Assets / Total Assets	21.26	39.70	14.13
10. Non Cost Bearing Liabilities- Non Earning Assets / Total Assets	-5.34	-0.96	-3.86
11. Total Operating Expenses / Total Income	46.24	50.00	45.41
12. Net Interest Margin	67.03	0.91	25.81
13. Operating ROAA (avg.)	44.40	-0.50	20.17
14. Operating ROAE (avg.)	163.56	-2.63	115.48
15. Net Profit Margin	13.42	-2,926.92	22.98
16. Operating Activities / Total Income	17.19	-2,926.92	28.81
17. Growth Rate	3,974.99	-97.60	43.11
II. CAPITAL ADEQUACY (FYE)			
1. Equity Generation / Prior Year's Equity	574.98	-152.61	-0.01
2. Internal Equity Generation / Previous Year's Equity	151.44	-1.43	54.16
3. Equity / Total Assets	26.60	66.82	17.99
4. Equity / Total Liabilities	36.24	201.58	21.94
5 Free Equity / Total Assets	19.66	40.66	17.14
6.Purchased Cost / Purchased Loans	24.42	n.m	12.89
7.Purchase Cost / Collections	3.82	n.m	10.55
III. LIQUIDITY			
1.Loan Portfolio / Total Assets	85.19	n.m	90.24
2. Collections / Total Expenses	3.82	n.m	3.03
3.Net Interest and Commission Income / T.Asset	29.82	18.14	20.81
4.Total Earning Assets / Equity	329.61	239.79	508.11
IV. ASSET QUALITY			
1. Total Provisions / Profit Before Provision and Tax	67.36	5,953.85	47.23
2. Impaired Loans / Gross Loans	8.56	n.m.	85.33
3. Impaired Loans / Equity	0.30	n.m.	501.54
4. Total FX Position / Total Assets	n.a.	n.a.	0.05
5. Total FX Position / Equity	n.a.	n.a.	0.31

Ratings Issued by		Birikim Varlık Yönetim AŞ				Final Varlık Yönetim AŞ												
		March 26, 2019		October 11,2018		March 21, 2018		March 28,2017		April 7,2016		April 3,2015		May 2,2014		July 05,2013		
				Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	
	Local Currency	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	
	Issue Rating	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
	Outlook	FC	Negative	Negative	Negative	Negative	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
		LC	Negative	Negative	Negative	Negative	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Issue Rating	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
National	Local Rating	A- (Trk)	A-2 (Trk)	A- (Trk)	A-2 (Trk)	A- (Trk)	A-2 (Trk)	A- (Trk)	A-2 (Trk)	BBB+ (Trk)	A-2 (Trk)	BBB (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Positive	Stable	Stable	Stable	Positive	Positive	Stable	Positive	
	Issue Rating	A (Trk)	A-1 (Trk)	A- (Trk)	A-2 (Trk)	A- (Trk)	A-2 (Trk)	A- (Trk)	A-2 (Trk)	BBB+ (Trk)	A-2 (Trk)	BBB (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	
Sponsor Support		2	-	2	-	2	-	2	-	2	-	2	-	2	-	2	-	
Stand-Alone		B	-	B	-	B	-	B	-	B	-	B	-	BC	-	BC	-	
Sovereign*	Foreign Currency	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	
	Local Currency	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	
	Outlook	FC	Negative	-	Negative	-	Stable	-	Stable	-	Stable	-	Stable	-	Stable	-	Stable	-
		LC	Negative	-	Negative	-	Stable	-	Stable	-	Stable	-	Stable	-	Stable	-	Stable	-