

Corporate Credit Rating
**NON- BANKING FINANCIAL INSTITUTIONS
NPL Asset Management Companies**

		Long Term	Short Term	Vera Varlık Yönetim A.Ş.		
				Financial Data		
				2013*	2012*	
International	Foreign Currency	BBB- (Trk)	A-3 (Trk)	Total Assets (000 USD)	18,782	5,657
	Local Currency	BBB- (Trk)	A-3 (Trk)	Total Assets (000 TRY)	40,086	10,084
	Outlook	FC	Stable	Equity (000 TRY)	12,577	10,044
		LC	Stable	Net Profit (000 TRY)	2,533	44
National	Local Rating	BBB- (Trk)	A-3 (Trk)	Interest Income (000 TRY)	6,233	117
	Outlook	Positive	Stable	Interest & Commission Income / T. Assets (%)	16.17	1.03
Sponsor Support		3	-	Purchase Price / Loan Principal (%)	10.13	n.a
Stand Alone		B	-	Market Share (%)	2.15	0.70
Sovereign*	Foreign Currency	BBB-	-	ROAA (%)	12.64	n.a.
	Local Currency	BBB-	-	ROAE (%)	28.04	n.a.
	Outlook	FC	Stable	Equity/Assets (%)	31.38	99.60
		LC	Stable	Growth Rate (%)	297.52	n.a.

*Assigned by Japan Credit Rating Agency, JCR on May 23, 2013

*End of the year

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Company Overview

Vera Varlık Yönetim Anonim Şirketi (hereinafter referred to as Vera Varlık or the Company), a small-scale domestic asset management company, founded in 2012, operates as one of eleven asset management companies authorized by the Banking Regulation and Supervision Agency to acquire distressed and non-performing loans of banks and other financial institutions in Turkey and converting these assets into cash at optimum values and maximize the values of these assets.

The Company's real person shareholding structure covers 6 individuals, the main controlling shareholders, Mr. Memduh Öztürk, Mr.Ekin ÖZORAN and Mr.Halil Alper AKÖZ and a corporate entity (Bosphorus Capital A.Ş.), a leading portfolio management institution in Turkey operating in the fields of investment funds, hedge funds and discretionary portfolio management.

The Company provides NPL asset management through a staff force of 9-employee as of March, 2014. With a total asset size of TRY 40.08mn, it had a 2.15% market share in the Asset Management Sector worth a total of TRY 1.86bn as of FYE2013.

Strengths

- Total assets size almost fourfold compared to prior year's figure due to enthralling growth,
- Well-developed business model having resulted in a high level of collection rate through conscious growth strategy,
- Upward trend in net interest and fee & commission income strengthening profitability ratios,
- Effectiveness in secured loans of corporate and commercial institutions supporting the bottom line and leading to qualified receivables collection management,
- Favorable tax advantages contributing competitive position with regard to cost management,
- Eased liquidity management via bond issue,
- Professional senior finance and law management team.

Constraints

- Lack of required historical data of at least three years as a natural consequence of being a relatively new company,
- Despite meeting legal requirements and above sector equity level, descending and due to fast growth,
- Growing market competition dominated by 3 companies, and exiguous operational channels compared with bank-related companies,
- Upward trend perception of pressure in the markets through persistent risk of the social unrest and likelihood of a depreciation in the market outlook increasing funding costs,
- Low level of compliance with corporate governance practices, despite continuing activities of process and procedure formation

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