

Corporate Credit Rating

**NON- BANKING FINANCIAL INSTITUTIONS**  
**NPL Asset Management Companies**

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

Final Varlık Yönetim A.Ş.					
Financial Data	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	83,463	70,843	61,139	46,367	19,470
Total Assets (000 TRY)	294,776	205,982	141,776	98,962	34,609
Total Net Loans (000 TRY)	266,005	176,521	135,017	93,531	32,945
Equity (000 TRY)	53,038	34,408	18,434	12,903	9,921
Net Profit (000 TRY)	18,635	16,013	5,531	2,976	199
Market Share (%)	n.a.	7.43	5.54	5.34	0.24
ROAA (%)	9.33	11.58	5.85	5.46	0.82
ROAE (%)	53.44	76.19	44.91	31.95	1.86
Equity/Assets (%)	17.99	16.7	13	13.04	28.67
Purchase Loans / Purchased Cost(x)	7.76	6.43	5.25	n.m.	n.m.
Collections / Purchase Cost (x)	13.74	7.28	12.38	n.m.	n.m.
Operating Expenses / Collections (x)	0.43	0.38	0.49	n.m.	n.m.
Asset Growth Rate (%)	43.11	45.29	43.26	185.94	244.06

\*End of the Year

**Company Overview**

**Final Varlık Yönetim Anonim Şirketi** (hereinafter referred to as "Final Varlık" or the "Company"), founded activities with a Banking Regulatory and Supervisory Agency (BRSA) license in 2011. 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.

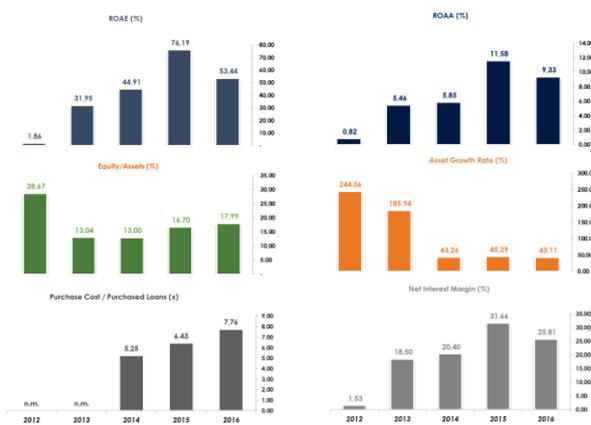
The Company's real person shareholding structure covers 2 individuals and 3 entities, the main controlling shareholders, who also hold majority shares in Altınhas Holding A.Ş. and had shares in Altınbaş Holding A.Ş., a leading institution in Turkey operating in the jewellery, finance, energy, logistics, education and sports sectors, Mr. İnan ALTINBAŞ (53.00%) and Mr. Hüseyin ALTINBAŞ (43.99%), as of December 31, 2016. JCR Eurasia Rating has upgraded Final Varlık's National Local Rating by one notch to 'A-(Trk)' from 'BBB+(Trk)'.

**Constraints**

- High lending concentrations posing a potential risk for the current equity level despite high levels of operating profit generation supports which results in strong internal capital generation,
- Funding needs for further growth together with the short-term projections of new portfolios,
- Expectation a rise in operating costs due to no more tax advantages for stamp tax, mortar, BİTT,
- Stiff competition leading to margin pressure in view of portfolio costs,
- Domestic and international political instability, which like a domino effect hampered macro indicators and translated into national currency depreciation and more expensive funding.

**Strengths**

- Stronger reserve coverage of impaired loans compared with peers,
- Continuously above sector interest margin together with improving and exceeding sector average profitability ratios contributing to profit generation capacity,
- Comparatively low credit risk concentration contributing to asset quality and risk level,
- Above sector four-year cumulative assets growth leading to increasing market efficiency,
- Upward trend of portfolio sales by bank and recent sector legislation together with low level of sector penetration promising room for future sector growth,
- Effective and efficient operating processes leading to high collection rate,
- Eased liquidity management regarding term structure of borrowings via bond issue.



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"Global Knowledge supported by Local Experience"