🔒 JCR Eurasia Rating

"Global Knowledge Supported by Local Experience"

### **Corporate Credit & Issue Rating**

🚺 SÜMER 🛛 VARLIK			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		BBB+(Trk)	A-2 (Trk)
	Outlook		Positive	Stable
	Issue Rating		BBB+(Trk)	A-2 (Trk)
Sponsor Support			2	-
Stand Alone			В	-
Sovereign*	Foreign Currency		BBB-	-
	Local Currency		BBB-	-
	Outlook	FC	Stable	-
		١C	Stable	-

\*Affirmed by Japan Credit Rating Agency on October 7,2016

Senior Analyst: Zeki Metin ÇOKTAN/ +90 212 352 56 74

zekic@jcrer.com.tr Assistant Analyst: Ersin KILIÇKAP/+90 212 352 56 73 ersin.kilickap@jcrer.com.tr

Sümer Varlık Yönetim A.Ş.		
Ratios	2016	2015
ROA (avg.)	7.92	2.87
ROE (avg.)	31.77	6.34
Total Income / Equity (avg.)	76.29	35.05
Total income / Total Assets(avg.)	19.01	15.9
Total Expense / Total Liabilities(avg.)	14.77	23.84
Net Interest Margin	20.92	21.88
Equity / Total Assets	18.47	45.36
Equity / Total Liabilities	22.65	83.02
Purchased Cost / Purchased Loans (x)	13.01	8.46
Purchase Cost / Collections (x)	2.17	9.49

#### <u>Strengths</u>

- Favourable return on asset and equity ratios
- Significant increase in collections compared to the previous year
- Positive outlook of the Asset Management Sector
- Significant contribution to equity of the level of cash collection to be generated by the company's current portfolio
- Shareholder's success in the finance sector

Publication Date: October 20, 2017

- Contribution of the tax advantage provided for the sector to profitability
- Positive contributions of the anticipated regulations allowing state-owned banks to transfer their non-performing loans to the sector.

# NON-BANKING FINANCIAL INSTITUTIONS

NPL Asset Management Companies

Sümer Varlık Yönetim A.Ş.						
FinancialData	3Q2017**	2016*	2015*			
Total Assets (000 USD)	33,894	20,300	7,778			
Total Assets (000 TRY)	120,325	71,697	22,616			
Equity (000 TRY)	26,447	13,242	10,259			
Pre-Tax Profit (000 TRY)	7,797	3,733	325			
Net Profit (000 TRY)	6,222	2,983	259			
Net Interest Income (000 TRY)	20,116	9,092	1,902			
Total Receivables (000 TRY)	111,960	69,523	17,382			
Equity / T. Assets (%)	21.98	18.47	45.36			
Purchased Cost / Purchase Loans (x)	n.a	13.01	8.46			
Purchase Cost / Collections (x)	n.a	2.17	9.49			
Growth Rate (%)	67.82	217.02	n.a.			

\*End of the Year \*\*End of the period (Unaudited)

#### Company Overview

**Sümer Varlık Yönetim A.Ş** (hereinafter referred to as "Sümer Varlık" or the "Company") began activities with a Banking Regulatory and Supervisory Agency (BRSA) license as of April 28, 2015. With a TRY 20mn paid capital, Sümer Varlık continues its activities under the Banking Law No.5411 and "Regulation on the Establishment and Operation Principles of Asset Management Companies".

The Company was established to carry out the restructuring transactions of debt files received from banks and other financial institutions legally owned by meeting with debtor customers at a common ground and its activities are subject to BRSA regulations. The Asset Management Companies sector, a new classification of the financial institution sector, is experiencing a rapid growth trend. With the increase in activities aimed at monitoring the asset quality of banks, the sector is poised to become more prominent with an increasing growth rate due to the ability for public banks to sell their receivables from 2017.

The Company operates through one branch located in the central Şişli district of Istanbul.

## **Constraints**

- Need for improvement in the level of compliance with corporate governance principles
- As a result of being newly established company, not having a long track record
- Having financing expenses due to the utilization of liabilities arising from the nature of sector
- Ongoing regional conflicts in bordering countries creating macroeconomics uncertainties and downward pressure on business prospects

# "Global Knowledge supported by Local Experience"

Copyright © 2007 by JCR Eurasia Rating. 19 Mayıs Mah., 19 Mayıs Cad., Nova Baran Plaza No:4 Kat: 12 Şişli-İSTANBUL Telephone: +90(212)352.56.73 Fax: +90 (212) 352.56.75 Reproduction is prohibited except by permission. All rights reserved. All information has been obtained from source's JCR Eurasia Rating believes to be reliable. However, JCR Eurasia Rating does not guarantee the truth, accuracy and adequacy of this information. JCR Eurasia Rating rating's are objective and independent opinions as to the creditworthiness of a security and issuer and not to be considered are commendation to buy, hold or sell any security or to issue a loan. This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Turkey), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations. http://www.jcrer.com.tr