



Corporate Credit & Issue Rating

New Update

Sector: NPL Asset Management

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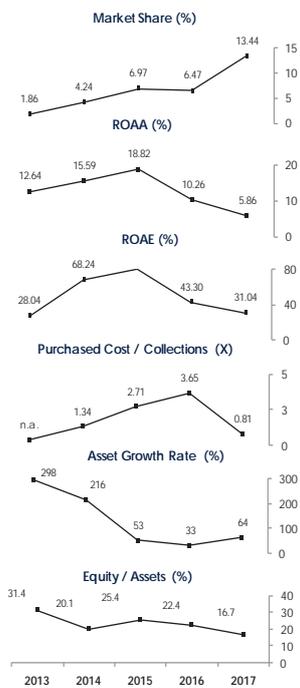
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RATINGS

		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	-

*Affirmed by JCR on November 10, 2017



Vera Varlık Yönetim A.Ş.
Company Overview

Financial Data	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	110,308	72,700	66,550	54,671	18,782
Total Assets (000 TRY)	420,318	256,763	193,500	126,776	40,086
Net Portfolio (000 TRY)	307,061	234,452	168,125	36,505	73
Equity (000 TRY)	70,244	57,590	49,112	25,530	12,577
Net Profit (000 TRY)	12,654	18,478	23,582	10,402	2,533
Market Share (%) **	13.44	6.47	6.97	4.24	1.86
ROAA (%)	5.86	10.26	18.82	15.59	12.64
ROAE (%)	31.04	43.30	80.75	68.24	28.04
Equity/Assets (%)	16.71	22.43	25.38	20.14	31.38
Purchased Cost / Purchased Loans (%)	77.69	60.13	56.48	17.26	10.13
Purchased Cost / Collections (X)	0.81	3.65	2.71	1.34	0.38
Asset Growth Rate (Annual) (%)	63.70	32.69	52.63	216.26	297.52

* End of Year ** On Solo Basis -

Vera Varlık Yönetim Anonim Şirketi (hereinafter referred to as “**Vera Varlık**” or the “**Company**”), operates in the management of assets which acquired via purchasing over-due receivables from 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, within the content of BRSA regulations, has commenced its activities in 2011.

The Company, with a total asset size of TRY420.32mn, had a 13.44% market share in terms of total assets in the NPL Asset Management Sector worth a total of TRY 3.13bn. (*Inc.7-NPL AMC*). The shareholding structure of Vera Varlık covered 6 individuals as of FYE2017, one of which is the main controlling shareholder, namely Mr. Memduh ÖZTÜRK.

JCR Eurasia Rating has affirmed Vera Varlık’s National Local Rating as ‘**A-(Trk)**’.

Strengths

- Remarkable asset growth rate resulting in an outperforming the sector average, increasing market share,
- Ongoing operational profitability thanks to sufficient cash flow generation via portfolio supporting internal equity generation,
- High asset quality backed by significant amounts of purchased loan portfolio,
- Maintaining strong levels of liquidity level through bond issue and credit line strengthened alternative funding source,
- Improvement in purchased costs to collections encouraging sign for future cash flow generation primarily driven by liquid-based portfolio,
- Promising recent legal regulations contributing to sector outlook.

Constraints

- Comparatively high operating expenses stemming from high level of debt ratio restraining internal equity generation capacity
- Stiff competition and fragmented market competition throughout the sector,
- Despite meeting legal requirements and below sector equity level due to fast growth,
- Low level of compliance with corporate governance practices, despite continuing activities of process and procedure formation,
- Volatility in macroeconomic indicators through ongoing regional tensions.