

Corporate Credit & Issue Rating

New Update

Sector: NPL Asset Management
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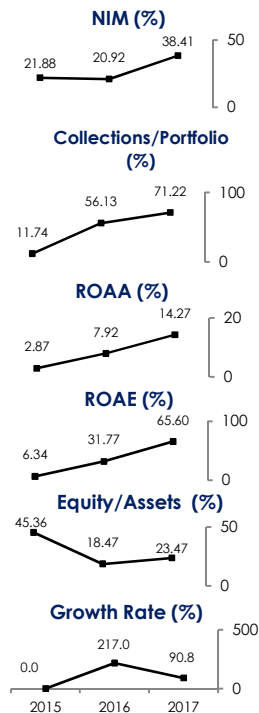
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RATINGS

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

*Affirmed by JCR on August 14, 2018



Sümer Varlık Yönetim A.Ş.

Company Overview

Financial Data	1H2018**	2017*	2016*	2015*
Total Assets (000 USD)	32,914	35,903	20,300	7,778
Total Assets (000 TRY)	150,009	136,804	71,696	22,616
Equity (000 TRY)	34,809	32,102	13,242	10,259
Pre-Tax Profit (000 TRY)	5,270	14,873	3,733	325
Net Profit (000 TRY)	4,097	11,878	2,983	259
Net Interest Income (000 TRY)	22,324	38,564	9,092	1,902
Total Receivables (000 TRY)	142,844	131,260	69,523	17,382
Equity / T. Assets (%)	23.20	23.47	18.47	45.36
Cost / Purchased Loans (%)	n.a	4.37	7.69	11.82
Collections / Total Portfolio (%)	n.a	71.22	56.13	11.74
Growth Rate (%)	9.65	90.81	217.02	n.a

*End of the year **Half of the year

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. The asset management companies sector, which is characterized as new in the classification of financial institutions, has a rapid growth trend. With the increase in activities aimed at monitoring the asset quality of the banks, the sector has become more prominent and promises the future.

The Company had a staff force of 130 employees as of June 30, 2018 in its headquarters located in Istanbul and has no branches.

Strengths

- Sharp increase in net profit
- Strong growth rate
- Diversified funding mix with bond issuances
- Presence of a professional senior finance management team with specialized knowledge of the Turkish Financial Sector
- Favorable tax advantage contributing to competitiveness and profitability positively
- High growth potential of the sector linked to financial markets and new regulations in the long term

Constraints

- Difficulties in the collections due to unfavorable economy
- Increasing risk in the market due to volatilities in foreign exchange rates and depreciation of the TRY
- Dividend payments limiting equity growth
- Weak level of compliance with corporate governance principles
- Increasing cost of funding due to hike in market rates.