

Corporate Credit &
 Issue Rating

New Update

Sector: NPL Asset Management

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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	n.a.	n.a.	
National	Local Rating	A-(Trk)	A-2(Trk)	
	Outlook	Stable	Stable	
	Issue Rating	A-(Trk)	A-2(Trk)	
Sovereign*	Sponsor Support	2	-	
	Stand-Alone	B	-	
	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negative	-
LC		Negative	-	

* Affirmed by JCR on November 27, 2018

Birikim Varlık Yönetim A.Ş.

Company Overview

Financial Data	2018*(2)	2017*(2)	2017(1)	2016*(1)	2015*(1)	2014*(1)
Total Assets (000 USD)	54,794	3,051	86,154	83,463	70,843	61,139
Total Assets (000 TRY)	288,265	11,626	328,281	294,776	205,982	141,776
Total Net Loans (000 TRY)	245,566	11,335	278,151	266,005	176,521	135,017
Equity (000 TRY)	76,683	9,279	73,344	53,038	34,408	18,434
Net Profit (000 TRY)	14,052	-761	14,770	18,635	16,013	5,531
Market Share (%)	8.98	n.m.	11.90	7.43	5.54	5.34
ROAA (%)	12.01	n.m.	5.95	9.33	11.58	5.85
ROAE (%)	41.89	n.m.	29.34	53.44	76.19	44.91
Equity/Assets (%)	26.60	79.81	22.34	17.99	16.70	13.00
Purchase Cost / Purchased Loans (%)	9.79	n.m.	7.24	12.89	15.54	5.25
Collections / Total Expenses (%)	3.82	n.m.	3.64	3.03	3.40	3.21
Asset Growth Rate (%)	2,379.49	n.a.	11.37	43.11	45.29	43.26

* End of Year, ** Half of Year, (1) Final Varlık Yönetim Anonim Şirketi, (2) Birikim Varlık Yönetim Anonim Şirketi

Birikim Varlık Yönetim Anonim Şirketi (hereinafter referred to as “**Birikim Varlık**” or the “**Company**”), formerly known as **Final Varlık Yönetim Anonim Şirketi**, founded activities with a Banking Regulatory and Supervisory Agency (BRSA) license in 2016 and started its operations in 2017. Completion of merge between Final Varlık A.Ş. and Birikim Varlık A.Ş. has been registered to the trade registry as of September 21, 2018.

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 shareholder (99.49%) is Altınhas Holding A.Ş as of December 30, 2018 which is a leading institution in Turkey operating in the jewellery, finance, energy, logistics, education and sports sectors as of. JCR Eurasia Rating has affirmed Birikim Varlık’s National Local Rating as ‘**A-(Trk)**’.

Strengths

- Substantial improvement in market activity supported via increasing efforts thanks to intra-group synergy,
- Diversified funding sources and maturity structure compared to sector providing competitive advantage,
- Strong and reputable shareholding structure,
- Above the sector averages of capitalization and profitability levels,
- Strengthened net interest margin boosted profitability.

Constraints

- Challenging market conditions where investor risk appetite and real sector firms' debt service capabilities decreased.
- Stiff competition leading to margin pressure in view of purchase costs,
- Pressure on profitability from increasing borrowing cost,
- Provisions doubling its share in total
- Income and restraining profitability,

