

Corporate Credit &  
 Issue Rating

New Update

Sector: NPL Asset Management

Publishing Date: 30/03/2020

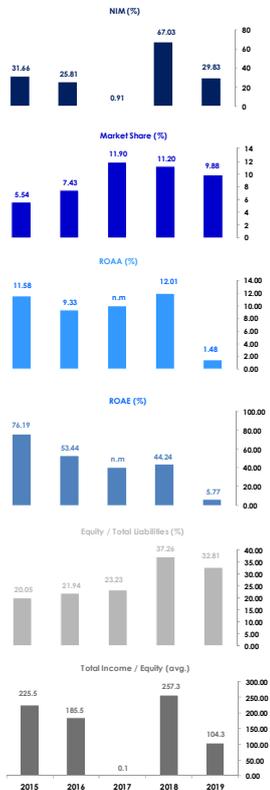
Chief Analyst

Orkun INAN  
 +90 212 352 56 73  
[orkun.inan@jcrer.com.tr](mailto:orkun.inan@jcrer.com.tr)

RATINGS

		Long Term	Short Term	
International	Foreign Currency	BB	B	
	Local Currency	BB	B	
	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-1 (Trk)	
	Sponsor Support	2	-	
	Stand-Alone	B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negative	-
		LC	Negative	-

\* Affirmed by JCR on December 6, 2019



**Birikim Varlık Yönetim A.Ş.**  
 Company Overview

Financial Data	2019* (2)	2018* (2)	2017* (2)	2017(1)	2016*(1)	2015*(1)
Total Assets (000 USD)	46,932	54,794	3,051	86,154	83,463	70,843
Total Assets (000 TRY)	278,635	288,265	11,626	328,281	294,776	205,982
Total Net Loans (000 TRY)	214,979	245,566	11,335	278,151	266,005	176,521
Equity (000 TRY)	68,828	76,683	9,279	73,344	53,038	34,408
Net Profit (000 TRY)	3,298	14,052	-761	14,770	18,635	16,013
Market Share (%)	9.88	11.20	n.m.	11.90	7.43	5.54
ROAA (%)	1.48	12.01	n.m.	5.95	9.33	11.58
ROAE (%)	5.77	41.89	n.m.	29.34	53.44	76.19
Equity/Assets (%)	24.70	26.60	79.81	22.34	17.99	16.70
Asset Growth Rate (%)	-3.34	2,379.49	n.a.	11.37	43.11	45.29

\* End 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 maintains its operations by a staff force of 206 employees as of FYE2019.

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 entities. The main controlling shareholder (95.65%) is Altınhas Holding A.Ş. as of December 31, 2019 which is a leading institution in Turkey operating in the jewellery, finance, energy, logistics, education and sports sectors as of. JCR Eurasia Rating has reaffirmed Birikim Varlık's National Local Rating as **'A-(Trk)'**.

Strengths

- The level of provision providing a buffer to absorb unexpected losses,
- High granularity marked by further improved concentration level on client base,
- Majority of the balance sheet items being composed of earning assets contributing to asset quality,
- Maintaining strong levels of liquidity level through bond issue and credit line,
- Sustained collection capability as indicated by large portfolio value
- Favorable tax advantages contributing competitive position with regard to cost management supporting the bottom line,
- Shareholder and Group support in both financial and operational aspects,

Constraints

- Internal resource generation capacity requiring strong improvement,
- High level of financial expenses resulting restrain profitability,
- Economic dislocation caused by the COVID-19 outbreak, potentially impact on asset quality,
- Short term borrowing profile of the sector.