

NOTLAR

			Uzun Vade	Kısa Vade
	Yabancı Par	a	BB	В
rusi	Türk Parası		BB	В
Ulushrarası	Görünüm	YP	Negative	Negative
5	Gorunum	TP	Negative	Negative
	İhraç Notu			-
	Ulusal Not		A-(Trk)	A-2(Trk)
Ullised	Görünüm		Stabil	Stabil
	İhraç Notu		A(Trk)	A-1(Trk)
Deste	klenme Notu		2	- 6
Ortal Notu	dardan Bağım	sızlık	В	ä

Sektör: Varlık Yönetim Sektörü Rapor Tarihi: 30 Mart 2020

Baş Analist Orkun İNAN +90 212 352 56 73 orkun.inan@jcrer.com.tr

Basın Açıklaması İstanbul – 30 Mart 2020

JCR Eurasia Rating, Birikim Varlık Yönetim A.Ş.'yi ve "Tahvil İhraçları" 'nın nakit akımlarını derecelendirerek, Uzun Vadeli Ulusal Notu 'nu 'A-(Trk)', Kısa Vadeli Ulusal Notu 'nu 'A-2(Trk)' olarak 'Stabil' not görünümleri ile teyit etmiştir. Diğer taraftan, Uzun Vadeli Uluslararası Yabancı Para ve Uzun Vadeli Uluslararası Yerel Para Notları 'BB' olarak teyit edilmiş olup diğer notlarla birlikte detayları sol sütunda gösterilmiştir.

Bankacılık Düzenleme ve Denetleme Kurumu (BDDK) regülasyonu içerisinde, bankalar ve banka dışı finansal kuruluşların tahsili gecikmiş alacaklarının temlik alınması ve yeniden yapılandırılarak müşterilerin finansal sisteme yeniden kazandırılması amacına yönelik faaliyet gösteren Varlık Yönetim Şirketleri bankacılık sistemi ve ülke ekonomisindeki istikrarın sürdürülebilirliği için önemli bir rol üstlenmiştir.

Banka dışı finansal kuruluşlar arasından görece yeni sayılabilecek bir alan olan varlık yönetim hizmetleri sektörü Türkiye'de BDDK tarafından regüle edilmektedir. Başta bankalar olmak üzere, çoğunlukla finans kesimine ait tahsili gecikmiş alacakları satın alıp, sonrasında bu alacaklardan sağladığı tahsilatlar ile kar elde eden varlık yönetim şirketleri, özellikle bankacılık kesiminin aktif kalitesinin geliştirilmesinde önemli bir rol oynamaktadırlar. BDDK tarafından kuruluş ve faaliyetlerine ilişkin yapılan yönetmelik çalışmaları ile birlikte, asgari sermaye düzeyi ile etkin gözetim ve denetim açısından sektörün yasal altyapısı iyileştirilmiş; bilgi sistemleri, risk ölçüm teknikleri ve iç kontrol süreçlerinin kurulması zorunlu hale getirilmiştir. Söz konusu gelişmeler ışığında sektörün kurumsallık yapısı gelişmiş, finansal raporlamaların kalitesi, standardizasyonu ve şeffaflığının artırılmasına yönelik adımlar atılmıştır. İlaveten, bu düzenlemeler neticesinde, rekabet eşitliğinin sağlanmasına yönelik olarak sektöre pozitif yönde ivme kazandırılmıştır.

Makro ekonomik gelişmelerin reel sektörün finansal bünyesine olumsuz etkisi, sektörün alacak tahsilâtı üzerinde baskı oluşturmuştur. Birikim Varlık Yönetimi A.Ş. portföy dağılımını bireysel ve ticari segment tabanına yaymış, yüksek aktif müşteri sayısının katkısıyla elde ettiği müşteri başına düşük ortalama risk konsantrasyon seviyesini koruyabilmiştir.Birikimli büyüme performansı sonucunda portföy büyüklüğü 5 milyar seviyesini aşmıştır. Tahsilat seviyelerinin portföy büyüklüğüne orandaki pozitif ivme, başarılı tahvil ihracı ile fon çeşitliliği yaratarak likidite ihtiyacını rahatlatması, ilave dış kaynak erişim gücünün varlığı, aktif kalitesi, içsel kaynak yaratma kapasitesi, istikrarlı yönetimi ve ihtiyatlı duruşu ile edinilen sürdürülebilirliliğin korunması, JCR-ER tarafından Uzun Vadeli Ulusal Notu 'nun 'A-(Trk)' ve 'Stabil' görünüm olarak teyit edilmesinde etkin rol oynamıştır. İhraç yoluyla elde edilmesi planlanan kaynaklar şirket bilançosunda taşınacağı için ayrı bir ihraç rating raporu düzenlemeyip kredi derecelendirme raporu içerisinde analiz edilmiştir. İhraç edilecek tahvilin, teminat açısından, şirketin diğer yükümlülüklerine göre ilave dışsal kefalet sağlanmış olunmasından dolayı Uzun Vadeli Ulusal İhraç Notu 'A(Trk)' olarak şirketin Uzun vadeli notundan daha yukarıda teyit edilmiştir.

Makroekonomik veriler ve piyasa koşullarındaki dalgalanma, finansman maliyetleri ve tahsilat kapasitesi açısından sektörün geneline negatif yönde etki etmektedir. Bütçelenen büyüme oranları için içsel öz kaynak yaratma kapasitesinin genişletilmesi, borçlanma kapasitesi ve kaynakları, sermaye düzeyi ve birikimli portföy büyüme performansı ile beraber Covid-19 salgınının yaygınlık ve etkinlik seviyesinin küresel ekonomiye ve Türkiye ekonomisine etkileri JCR-ER tarafından yakından takip edilecek hususlardır.

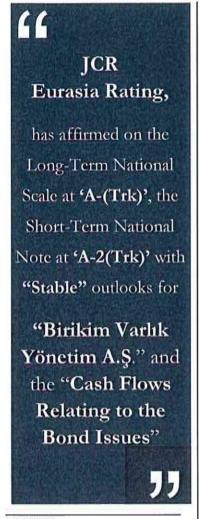
Ortaklık yapısında kontrolü elinde tutan Altınhas Holding'in firmayı destekleme arzusu ve finansal güçlülük düzeyi, Şirketin ölçeği, planlanan yatırımların ve sektörel genişlemenin sağlayacağı katkı dikkate alınarak, Birikim Varlık Yönetim A.Ş.'nin 'Desteklenme' kategorisinde notu (2) olarak teyit edilmiştir. Firmanın üstlendiği riskleri kendi imkânlarına dayanarak yönetebilme yeteneği, içsel kaynak yaratma ve mevcut sermayeleşme düzeyi dikkate alındığında, Firmanın 'Ortaklardan Bağımsızlık 'kategorisindeki notu ise (B) olarak teyit edilmiştir.

Derecelendirme neticeleriyle ilgili daha fazla bilgi Kuruluşumuzun http://www.jcrer.com.tr adresinden sağlanabilir veya Kuruluşumuz Baş Analisti Sn. Orkun İNAN ile iletişim kurulabilir.

ICR EURASIA RATING

Genel Müdür





NOTES

			Long Term	Short Term
BT.	Foreign Cu	rrency	BB	В
ų,	Local Curre	ency	ВВ	В
nternation	Outlook	FC	Negative	Negative
ote	Contook	LC	Negative	Negative
	Issue Ratin	g	72	
-	Local Ratin	g	A- (Trk)	A-2(Trk)
ationa	Outlook		Stable	Stable
Z.	Issue Rann	g	A (Trk)	A-1 (Trk)
Spon	or Support		2	12
Stand	-Alone		В	-

Sector: NPL Asset Management

Report Date: March 30, 2020

Chief Analyst

Orkun İNAN

+90 212 352 56 73

orkun.inan@jcrer.com.tr

Press Release

Istanbul - March 30, 2020

JCR Eurasia Rating, has reaffirmed notes on the Long-Term National Scale at 'A-(Trk)', the Short-Term National Note at 'A-2 (Trk)' with "Stable" outlooks and the Long Term International Foreign and Local Currency ratings were also assigned at 'BB' for "Birikim Varlık Yönetim A.Ş." and the "Cash Flows Relating to the Bond Issues". Other notes and details of the ratings are given in the left-hand column.

NPL Asset Management Companies within the regulation of the Banking Regulation and Supervision Agency (BRSA), which operate for the purpose of purchasing the overdue receivables of banks and non-bank financial institutions, and reconstructing them into the financial system, have assumed an important role for the sustainability of the banking system and the stability of the country's economy.

NPL Asset Management services, which can be considered a relatively new service of non-bank financial institutions are regulated by BRSA in Turkey. NPL Asset Management Companies, which purchase non-performing loans from the finance sector-particularly the banks, and obtain the cash flow with the collections from these receivables, play an important role especially in the improvement of the asset quality of the banking sector. With the regulation exercises carried out by the BRSA regarding NPL Asset Management establishment and activities, the legal infrastructure of the sector has been improved in terms of minimum capital level and effective surveillance and control; establishment of information systems, risk measurement techniques and internal control processes have become mandatory. In the light of these developments, the institutional structure of the sector has improved and steps have been taken to increase the quality, standardization and transparency of financial reporting. In addition, thanks to these regulations, the sector has been given a positive momentum in order to ensure equality of competition.

The negative impact of macroeconomic developments on the financial structure of the real sector put pressure on the sector's debt collection ratio. Birikim Varlık Yönetim A.Ş. has spread its portfolio distribution to the individual and commercial segment base and has been able to maintain the low average risk concentration level per customer with the contribution of the high number of active customers. As a result of cumulative growth performance, portfolio size exceeded TRY5bn. Maintaining the sustainability gained via the positive momentum in the ratio of the collection levels to the total portfolio size, the successful bond issuance and the diversity of funds, presence of additional access to external funds, asset quality, internal resource generation capacity, maintaining the sustainability gained through its stable management team and prudent stance were effective in the affirmation of the rating on the Long-Term National Note at 'A-(Trk)' with "Stable" outlook by JCR-ER. No separate rating report has been compiled as the resources obtained from the bond issue will be carried in the Company's balance sheet and has been subject to analysis in the corporate credit rating report. Due to additional financial collateral guarantee and the external bail in terms of collateral which are provided for the repayment of the bond issued by Birikim Varlık Yönetim, the note as the Company's Long National Local Rating affirmed at 'A (Trk)' for TRY dominated bond issuance which is determined above the Company's Long-Term National Note.

The fluctuations in macroeconomic development and market conditions affect the sector in a negative way in terms of financing costs and collection capacity. Expanding the capacity to create internal equity for budgeted growth rates, debt capacity and its resources, capitalization level, and cumulative portfolio growth performance along with prevalence & activity level of Covid-19 outbreak and its effects on the global economy and Turkish Economy are issues that will be followed closely by JCR-ER.

Considering the willingness of the majority shareholder, "Altunhas Holding A.Ş" to support Birikim Varlik Yönetim, its financial power and scale, the expected contribution from planned investments and expansion in the sector, the Company's "Sponsor Support Grade" has been affirmed at (2). On the other hand, the Group's "Stand Alone Rating" has been affirmed at (B), indicating an adequate level considering its internal resource generation capacity and the composition and weight of external resources.

For more information regarding the rating results you may visit our internet site http://www.jcrer.com.tr or contact our chief analyst Mr. Orkun INAN.

JCR EURASIA RATING

General Manager





Corporate Credit & Issue Rating

□New ⊠Update

Sector: NPL Asset Management

Publishing Date: 30/03/2020

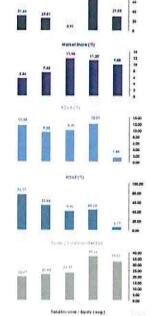
Chief Analyst

Orkun INAN +90 212 352 56 73 orkun.inan@icrer.com.tr

RATINGS

-	TATIAL	10		
		NV W	Long Term	Short Term
	Foreign C	urrency	BB	В
[Dist.	Local Cur	rency	ВВ	В
math	Outlook	FC	Negative	Negative
Interior	Cittook	LC	Negative	Negative
_[Issue Rati	ng	n.a.	n.a.
-	Local Rat	ing	A-(Trk)	A-2(Trk)
Trons	Outlook		Stable	Stable
Z	Issue Rati	ng	A (Trk)	A-1 (1'rk)
Spc	nsor Suppo	rt	2	*
Star	nd-Alone		В	9
W	Foreign C	urrency	BBB-	4)
F	Local Cur	rency	BBB-	-
D.V.O.	Outlook	FC	Negative	
٥.	Coutlook	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	nm.	11.90	7.43	5.54
ROAA (%)	1.48	12.01	n.m.	5.95	9.33	11.58
ROAE (%)	5.77	41.89	nm.	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.



1. Rating Rationale

The Company's independent audit report prepared in conformity with Banking Regulation and Supervision Agency (BRSA) regulations, statistical data on the sector produced by BRSA and Public Disclosure Platform (PDP), JCR Eurasia Rating's own studies and records, information and clarifications provided by the Company and non-financial figures constitute the major basis of Birikim Varlık Yönetim A.Ş.'s ratings.

Turkish Non-Performing Loan Asset Management Sector (AMCs) has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since October 1, 2002 in Official Journal No: within the scope of the Law on Restructuring of Debts to Financial Sector numbered 4743 were regulated with Article 143 of the Banking Law numbered 5411 promulgated in the Official Gazette dated 01.11.2005 and numbered 25983.

In the assignment of Birikim Varlik's ratings, quantitative and qualitative assessments regarding profitability figures, asset quality, equity level, liquidity profile, efficiency and risk management practices, the main shareholders' financial and non-financial positions along with expected support, growth strategy and market shares have been taken into consideration.

Fundamental Rating Indicators are;

Sustainability through Moderate Risk Profile, Stability of Management & Prudent Stance

Since its establishment in 2012, Birikim Varlik (formerly known as Final Varlik), as one of the first movers in the sector, has been able to sustain its activities to date partly thanks to its moderate risk profile and stability in its shareholder and management structure.

The collection rate still maintained above the sector averages despite sectorial difficulties experienced during FY2017 and FY2018, improved client concentration level as well as the management's prudent strategy and stance to allow high level of provisions have evidenced the level of the said risk profile.

Maintaining Market Share

Well-established Company enjoys asset growth over the past 6 years, experienced cumulative asset growth rate of 96.53 percent in 2019-mantaining the market share and becoming 3rd among the 14 AMCs in terms of portfolio size.

Profitability Ratios Remained Resilient

Historically, Birikim Varlik is one of the most profitable financial institutions in the sector with respective ROAA and ROAE ratios thanks to its remarkable interest & fee and commission

income growth rates while the sector experienced unusually sluggish growth in profitability ratios.

The Company's interest income declined while expenses maintaining during FY2019 in line with the decrease in the general interest rate level. While the Company was not affected to a great extent in the gross profit level, its net profitability figures declined significantly.

Internal Resource Generation Capacity Requiring Strong Improvement:

Depending on the abovementioned factors regarding net profit level, equity generation capacity of the Company has continued to be impeded and exhibited a declining trend during the previous years.

Well-Diversified Portfolio and Sound Asset Quality

The Company had a total assets size of TRY278.64 mn with a distribution of 88.34% earning assets as of FYE2019 against FY2018 year-end sector figure of 87.68%. The large weight of earning assets in line with the sectorial dynamics contributes to the Company's asset quality.

The level of provisions compared to loan portfolio had also exhibited a fluctuating pattern until FYE2019 but afterwards has converged more to the sector averages. The Company's provision for losses covered 18.69% of total loan portfolio in 2019.

The Current portfolio of the Company provides sustainable cash generation to meet its debt payments. The Company's resilient provisioning and profitability levels are foreseen to be the first line of protection against unexpected losses.

Inherent Flexibility

Birikim Varlik's cash flow generation and autonomous rate provide liquidity management with significant financial flexibility.

Improvement in Liquidity Management

As for the alternative channels within the funding base, Birikim Varlik has facilities to benefit from ample amount of free lines out of currently extended credit lines by many different banking institutions. With the utilization of other funding channels via issuing bonds during FY2019, the liquidity management was eased.

Need for Progress in Corporate Governance Practices

Birikim Varlık is not subject to strong governance regulations as a non-publicly traded company. However, to establish transparency and ensure that its customers have the access to current information, the Company should disclose materials concerning the organization.



Satisfactory Debt Structure

In tandem with the sector, Birikim Varlik's debt burden is expected to remain manageable despite having TRY209.81mn. of total debt outstanding as of FYE2019. Nonetheless limited current equity level drives Birikim Varlik's capital is vulnerable to economic slump.

Short Term Borrowing Profile

The fact that the NPL AMCs has had short-term borrowing structure as a major characteristic thereof holds true for Birikim Varlik as well. The short-term weighted receivables structure together with maturity matching efforts within the concern of interest rate exposure resulted in a short-term weighted borrowing structure.

High Collection Rate

Historically, the ratios of purchased cost to collections and collection to total portfolio stood at 57.07% and 17.07%, respectively. Birikim Varlık purchased non-performing loans portfolio from Turkish lender banks worth TRY5,077mn. since its establishments.

Low Customer Concentration Risk

Customer concentration risk is one of the biggest risks in NPL Asset Management Sector. Revenue diversification via differentiated portfolio and reduction in customer concentration continues. Birikim Varlik purchases non-performing loan (NPL) portfolio from domestic banks.

Moderate Risk Profile

Birikim Varlık's board of directors determines the Company's risk appetite and approves all general principles relating to risk control, management and limits

Still Challenging Operating Environment

As fallout from the Covid-19 outbreak spreads around the World, the global economy has started to face a recession. The sudden stop to economic activity due to quarantines, event cancellations, and social distancing is going to result in a shock to demand. Concerns over a liquidity shock will remain high despite government and FED& ECB stimuli. Turkey was quick to enact similar measures An unveiled a package of fiscal policy measures, which was roughly \$1bn. Dubbed as the Economic Stability Shield, the package involves measures to relieve primarily companies, including a six-month deferral of various taxes and social security premiums, a three-month deferral of loan repayments to public banks and other assistance for those indebted to private lenders.

However, upside risks of weakened TL and downside risks to growth also exert pressure on profit margins while continuing to deteriorate asset quality through weakened debt-servicing capabilities of the real sector.

Legally Adequate While Below Sector Average Equity Level Under the BRSA legislation, a Company's paid-up capital must be minimum TRY20mn. The Company's equity amount maintained has followed an upward trend during recent years due to generation of internal equity through retention of net profit. Birikim Varlik 's equity to total asset level stood at 24.70% as of FYE2019. The Company could have met the legal requirements by far while below the sector averages.

JCR Eurasia Rating has reaffirmed the long term national local rating of Birikim Varlık Yönetim A.Ş.'s as 'A-(Trk) and the short term national local rating as 'A-2 (Trk)'. JCR Eurasia Rating has also assigned 'BB' for the long term international foreign currency and local currency ratings within the JCR Eurasia Rating's notation system.

No separate rating report has been compiled as the resources obtained from the bond issue will be carried in the Company's balance sheet and has been subject to analysis in the corporate credit rating report. Due to additional financial collateral guarantee provided for the repayment of the bond issued by Birikim Varlık Yönetim, the note of the Company's Long National Local Rating affirmed at 'A (Trk)'for 'TRY dominated bond issuance. Issue ratings are assigned for both outstanding and prospective debt instruments and incorporate assessments until their maturities.

Significant factors that may be taken into consideration for any future change in ratings and outlook status.

Positive – Sustained improvement in the (a) purchased cost to collections and collection to total portfolio ratios in the following period (b) Strengthening in the debt to equity ratio (c) Controlling operational costs (d) Portfolio & Revenue diversification through purchased loans and (e) Acceleration conditions in NPL Asset management Sector could lead to possible upgrades in the rating notes in the future.

Negative - Significant factors that may be taken into consideration for any future negative change in ratings and outlook status include (a) Deterioration in collateral ratio (b) Downward ROAA and ROAE trends (e) Weakening of the debt to equity ratio (c) Slowdown conditions in the asset management sector.

2. Outlook

JCR-Eurasia has affirmed "Stable" outlooks for the long and short term national ratings of "Birikim Varlık Yönetim

2



Anonim Şirketi" considering the ongoing cash inflow structure from loan portfolio, sustainable level of profitability, growth projections, asset quality, shareholder structure, effective operational workflow, maintaining market share.

The general key considerations which would impede the ratings are (i) the sovereign rating level of Turkey, (ii) probable adversities through downside risks to the already contracting interest margin of the sector and (iii) the level of COVID-19 outbreak impact on the sector.

JCR Eurasia Rating has also reaffirmed a 'Negative' outlook on the international long-term local currency rating perspectives of Birikim Varlık Yönetim A.Ş., which is that of the long-term sovereign rating outlook of the Republic of Turkey.

On the other hand, resources to call upon for projected growth rates particularly with regard to financing therein through enhancement of internal equity generation capacity and results of the planned bond issue on the Company's financial statements will be monitoring issues in the following periods.

3. Sponsor Support and Stand Alone

Sponsor support notes and their risk estimations reflect the financial and non-financial state and expected support of the major controlling shareholder of Birikim Varlık, Altınbaş Holding. It is considered that Company's entity shareholder has the willingness to supply long term liquidity and equity within their financial capability when financial needs arise and have sufficient experience to provide productive operational support to the Company when required.

The Stand-Alone Note has been constituted particularly with respect to Birikim Varlik's organizational structure, level of capitalization, asset quality, risk management and corporate governance practices, market shares, growth rates and profitability ratios and the development of existing risks in the markets and business environment.

Under these assessments, JCR Eurasia Rating has reaffirmed the Sponsor Support Note of '2' reflecting the financial and non-financial states and realized/expected support by the shareholders and has reaffirmed as well the Stand-Alone Note of 'B' with the opinion that Birikim Varlık has maintained its level of adequate experience and facilities to manage the incurred risks on its balance sheet without any assistance from its shareholders provided that it improves its current customer base and effectiveness in the market.

4. Sponsor Support and Stand Alone a. History

Final Varlık Yönetim A.Ş. acquired by family owned enterprise-Altinhas Holding-in July 2012 with over 60 years of experience in the education, retail, and real estate in Turkey; agricultural and textile production for the industry abroad and subsequently invested in the fields of financial sector. Final Varlık Yönetim A.Ş. was founded under BRSA licensing in 1Q2011 for the purchase of receivables and other assets of banks, private financial corporations and non-bank financial institutions, collection of these assets from the debtor and their restructuring as well as consultancy.

Birikim Varlık Yönetim A.Ş. founded activities with a Banking Regulatory and Supervisory Agency (BRSA) license in 2016 and started its operations in 2017. Merger decision of Final Varlık A.Ş. and Birikim Varlık A.Ş. have been registered to the trade registry as of September 21, 2018 and has been published in the Trade Registry Gazette as of September 27, 2018. Birikim Varlık Yönetim A.Ş. operations are performed in Istanbul and it has no representative office.

b. Organization & Employees

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 Board of Birikim Varlik consists of five members with the utmost shareholder Mr. İnan Altınbaş serving as chairman and Mr. Fahrettin Özyapar as a general manager elected from among its members Birikim Varlik's management organization was established through the decision of the Board of Directors.

The Company's senior management consists of a general manager and the departments of a legal consultancy department individual and commercial collection, financial and administrative affairs, analysis and operation, HR.

Unlike the sector tendency, Birikim Varlik benefit from call center due to its strategy of providing funding from different



customer segments. The majority of employees have experience in the field of finance promoting the quality of its services.

Birikim Varlik continues to work with 80 attorney's offices across Turkey. These offices work within the scope of the contractual relationship based on the fee payment according to the legal service received.

c. Shareholders, Subsidiaries & Affiliates

The following table provides the Company's FYE2018-FYE2019 shareholder structure and realized changes over time.

Sharcholders	FYE2019 (%)	FYE2018 (%)
Altınhas Holding A.Ş.	95.65	99.49
İnan Altınbaş	0	0.07
Hüseyin Altınbaş	0	0.07
Ak Faktoring A.Ş.	4.35	1.28
Paladyum Madencilik A.Ş.	0	0.1
Share Capital (TRY / 000)	40,000	40,000

Alunhas Holding A.Ş

Altınhas Holding A.Ş., established under the guidance of Mr. Inan Altınbas with the aim of creating market leader brands, has an operational history dating back to the 1950s and over 60 years of sector experience. Altınhas Holding is the principal shareholder of Altınbaş Holding.

The holding carries out its operations with both domestic and overseas investments in the main fields of energy, finance, jewellery, logistics, education, sports activities, textiles, construction, and real estate. Group operations in the field of education in particular have accelerated. The Holding's main investment strategy is to invest in companies with a high growth tendency in order to strength profitably.

The table below shows shareholder structure of Altınhas Holding A.Ş. as of December 31,2019;

Shareholder Structure	FYE2019
Inan Altınbaş	112,450,000
Hüseyin Altınbaş	112,450,000
Trona İç ve Dış Ticaret Danışmanlık A.Ş.	24,900,000
Final Alacak Yönetim Dan. ve Destek Hizm. A.Ş.	200,000
Paid Capital (TRY / 000)	250,000.000

Ak Faktoring Anonim Şirketi

The Company operates in the Turkish Factoring sector since 1992 as a non-bank owned factoring company. Since 2006, the Turkish Factoring Sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA). With a staff force of 40, the Company provides funding to its customer portfolio via financing invoiced/documented receivables based in Turkey.

The Company held a 0.53% market share in a factoring sector worth TRY 37.02bn in FYE2019.

Ak Faktoring is one of the financial corporations under the control of Altınhas Holding Anonim Şirketi. The paid-in capital of Ak Faktoring increased to TRY 34mn as of FYE2019. On the other hand, the Company planned to increase its paid-in capital to TRY 50mn through internal resources in accordance with the amendment will be made in the Law No. 6361. Details of the shareholding structure are displayed in the table below:

Shareholder Structure	2019 (%)	2018 (%)
Altınhas Holding A.Ş.	99.99	99.99
Inan Altınbaş	>1	>1
Hüseyin Altınbaş	>1	>1
Final Alacak Yönetim Dan. ve Destek Hiz. A.Ş.	>1	0
Paladyum Eğitim Yayıncılık İnş. San. Ve Tic. A.Ş.		>1
Altınhas Gayrimenkul A.Ş.	>1	>1
Paid Capital (TRY / 000)	34,000	25,500

d. Corporate Governance

Regarding the fact that Birikim Varlik is not a publicly traded company, the corporate governance discipline is not a field that is required to be taken legally into consideration with regard to the Capital Market Law.

On the other hand, official regulations about NPL Asset Management Companies along with BRSA's enforcements of strict regulation and supervision on the NPL AMC Sector have provided the Company with a corporate organizational structure, a comprehensive internal control system, and an internal audit and risk management system. Hence, the Company has internal audit and internal control departments which regularly report to the Board. The organizational chart of the Company consists of two units structured to report to the general management. The Company aligns all of its records and reports in line with BRSA regulations and procures an independent audit service. The periodical financial statements are regularly disclosed to the public via its website. The Company's all information is securely stored in an electronic environment that provides the needed information to be reported and sufficient integration has been performed between the departments of collection, law, asset valuation, credit monitoring, financial affair, allocation and operation.



There is no privileged share in the company capital. The owner or his / her representative has 1 (one) voting right for each share considering the provisions of the Turkish Commercial Code.

The Board of Birikim Varlik is composed of 5 members including the general manager. It is concluded that the Board Members have the adequate qualifications to administer their duties and that the Board successfully performs its duties of leading, supervising and inspecting. Additionally, Birikim's business activities and the current risks are audited by Altınhas Holding's Control director quarterly and internal the audit results are presented to in the reports. There are no significant new lawsuits that could affect the Company's operations during 2019.

Birikim Varlik's website provides information and disclosed documentation such as Company's history, asset, services, references, legislation, trade registration, working principles, documents related to the general meetings, HR policy, ethical rules, social responsibility, mission and vision. The Company's annual financial results are kept in line with international standards and financial results and credit rating report are disclosed to the public through the Company's website. On the other hand, the dividend and disclosure policies and remuneration policy regarding board members and executive managers as well as articles of association and all of the general assembly meeting records should be disclosed to the public via the website to improve the level of compliance with the principles of corporate governance.

The Company provides continuing in-service training. Accordingly, the motivation of employees, continuity of their development, career planning, equal opportunities and performance-fee balance are the keystones of the Company's human resource policies.

5. Sector Analysis

The Asset Management Sector has been regulated and supervised by the Banking Regulation and Supervision Agency (BRSA) since 2003. Asset management Companies (AMCs), beginning in 2006, have a serious role in the banking and other financial sectors of Turkey through liquidating non-performing loans (NPL) into cash. NPL AMCs are one of the structural ways that financial system uses in restructuring their financials by solving their NPL through a direct sale or in a form of revenue sharing.

The main drivers of the sector were banks and other financial institutions realizing the benefits of selling NPLs and increasing maturity and sophistication of AMCs in the market NPL purchasing market has exercised remarkable growth over the years with the rise in the figures of banks selling portfolios, entrance of new AMCs to the market, as well as banks selling

larger portfolios. In 2018, total bad receivables bought by AMCs declined by 19% and realized at TRY 7bn. Main rationale behind the decline was the increase in restructured loans by banks that decreases the supply. Another reason was about pricing, where the offers by AMCs in the tenders were lower than previous years, due to the worsened asset quality of the banks' portfolio.

The first portfolio sales related with Asset Management Companies were provided with the transfer and assignment of bank-owned receivables by the Savings Deposit Insurance Fund. Asset Management Companies increase the collection possibilities of debts of all maturities acquired by tender from banks and other financial institutions as a consequence of restructuring. BRSA holds a very stringent and lengthy due diligence process in order to issue the license required for purchasing NPLs under the stated regulations, the minimum paid-in capital per company has been increased to TRY 20mn. NPL AMCs in Turkey are granted a five-year exemption period from transaction taxes and certain legal fees by law.

Regulation changes of establishment and operating principles of NPL Asset Management Companies came into effect as of March 5, 2016. The law has presented positive developments in the sector's corporate structure, quality of financial reports, standardization and transparency, and the assurance of competitive equality. This legal infrastructure is expected to increase the efficiency of supervision and effectiveness of audit systems in the sector.

Under the stated regulations;

- The establishment and operations of AMCs has been consolidated under a single law and these companies are defined as 'non-bank financial institutions',
- Companies have been required to establish the necessary legal infrastructure, information systems, risk assessment and internal control systems in order to carry out effective supervision and audit,
- Establishment requirements for new companies have been aggravated,
- The minimum professional experience and education levels required for the company board members, general managers and assistant general managers have been updated.

The rates of entry and exit and change in ownership structure and executive staff remain relatively low in the sector. The NPL AMC Sector is based on intensive competitive working conditions. The Sector is one of the industries that exhibit the highest level of vulnerability to fluctuations in macroeconomic circumstances and instability. Management policies in the sector



become more difficult mainly stemming from changes in economic conjuncture and regulatory pressures from the BRSA.

NPL Asset Management Companies buy non-performing loans (NPL) from the banks with a tender offer at a high discount and then they try to collect as much as they can via contacting customers to convince them to pay back loans and negotiate with them by pressuring them with laws to be enforced.

Typically, NPL Asset Management Companies purchased loans approximately 8-9% of the face value, which enables them to negotiate much better with customers than banks. Selling loans to asset management firms facilitate to bunch high & lower quality debts and get rid of the bad debts and also to write off the losses which bring tax advantage.

Non-performing loans portfolio of the banks is shown below:

Non-Performing Loans	2015	2016	2017	2018	2019
Dev. & Investment Banks	479	602	732	1,618	2,226
Participation Banks	4,335	3,175	3,392	5,075	7,499
Government Banks	12,024	15,770	18,988	26,726	40,564
Foreign Banks	14,936	17,287	21,936	34,153	42,717
Domestic Private Banks	15,766	21,046	22,926	35,717	55,526
Total (000,000/TRY)	47,541	57,880	61,585	96,597	148,532

Source: BRSA

Consolidated financial results of the sector as of FYE2018 are not disclosed by the BRSA yet. The following tables including the data of 2018 and 2019 are prepared with reference to the financial statements of the 5 main companies (Birikim Varlik, Gelecek Varlik, Hayat Varlik, Sümer Varlik, Vera Varlik).

*Balance Sheet (TRY/000)	2019	2018
Total Assets	3,227,134	1,686,584
Total Liabilities	2,127,308	687,422
Equity	1,099,826	999,162

Source: Public Disclosure Platform - *Including 7-AMCs

As of 2019, the total asset size of 5-Asset Management Companies was TRY 3.22bn., with an equity of TRY 1.1mn. Despite the macroeconomic volatility, the sector continued its growth trend as in its last 10 years.

The bond market in Turkey has provided NPL AMCs with the opportunity to diversify their funding resources since 2010. Non-Banking Financial Institutions exhibit the fundamental characteristic of obtaining funding externally and from the Turkish Banking System. However, their tendency to raise funding from capital markets via debt issuances is on an increasingly upward trend.

The sector enjoys a small share across the wider Turkish Financial Services Sector. Funds offered by the NPL AMC Sector largely belong to companies that are subsidiaries of banks or ones that have banks in among their wider group, making it more difficult for non-bank affiliated Asset Management Companies to carry out their intermediary function. The two mains largest NPL AMCs, Gelecek (Güven) and Hayat Varlık (Turkasset), dominate the market with approximately 50% market share. A new legislation has been published in January, 2017 authorizing the BRSA to resolve the principles of state banks' such as TC. Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş. and Türkiye Vakıflar Bankası T.A.O. receivable sales to AMCs. State banks' portfolios are expected to be traded in the market.

Recent legislative regulations reinforced the representative capability by gathering AMCs under a single roof. Thanks to the aggravation of establishment requirements for new companies and enhanced professional experience and education levels, the quality of the sector has improved Turkish NPL AMCs. Sectorwide high profitability rates and the high growth potential due to the small size of the Asset Management Companies in the Turkish financial markets triggers the rating formation.

VIOLEN SE LE	Asset Management Companies - March, 2020
1	ADIL VARLIK YÖNETIM A.Ş.
2	ARMADA VARLIK YÖNETIM A.Ş.
3	ARSAN VARLIK YÖNETİM A.Ş.
4	BIRIKIM VARLIK YÖNETİM A.Ş.
5	BIRLEŞÎM VARLIK YÖNETÎM A.Ş.
6	BOĞAZİÇİ VARLIK YÖNETIM A.Ş.
7	DENGE VARLIK YÖNETİM A.Ş.
8	DOĞRU VARLIK YÖNETİM A.Ş.
9	EFES VARLIK YÖNETIM A.Ş.
10	EMIR VARLIK YÖNETİM A.Ş.
11	GELECEK VARLIK YÖNETİM A.Ş.
12	HAYAT VARLIK YÖNETİM A.Ş.
13	HEDEF VARLIK YÖNETİM A.Ş.
14	ISTANBUL VARLIK YÖNETIM A.Ş.
15	MEGA VARLIK YÖNETIM A.S.
16	MET-AY VARLIK YÖNETIM A.Ş.
17	SÜMER VARLIK YÖNETIM A.Ş.
18	VERA VARLIK YÖNETIM A.Ş.
19	YUNUS VARLIK YÖNETIM A.Ş.

Source: BRSA



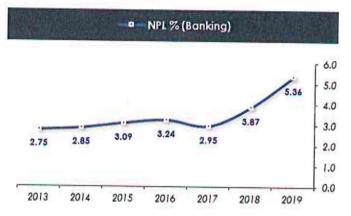
6. Financial Analysis

a. Financial Indicators & Performance

i. Indices Relating to Size

Following the the currency shock occurred in 2018, Turkish economy encountered a fluctuation in macroeconomic level, especially in the last quarter of that year. 2019 was a year to focus on growth, budget balance and currency stabilization. Proactive steps taken by central bank to cut interest rates helped the real sector to reach cheaper resources to step on the gas again. Despite the worsened macroeconomic indicators, Turkish economy achieved to grow in 2019 modestly, at 0.9%. The 6% growth in the last quarter was main determinant for the growth rate of 2019. Parallel to that, especially starting from the second half of 2019, loan growth in financial markets made a upside turn, as an indicator of positive expectations for the current year as well. One of the resident damages on the economy was the higher NPL ratio of the banking sector. For asset management companies, higher NPL can be transformed as an increase in supply of raw material, points out a decline in purchasing costs. On the other hand, a worsened macro economy is an indicator of decreasing capability of collections.

The graph below shows the trend of Non-Performing Loans of Turkish Banking Sector, which can be named as 'raw material' for asset management companies.

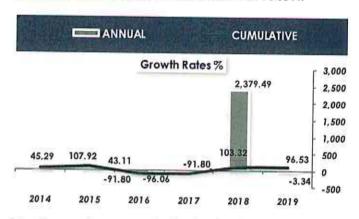


Source: BRSA

It is seen that the non-performing loans ratio of banking system is in an increasing trend. In 2019, the ratio reached to 5.26%. The asset management companies are thought to be in a suitable economic environment for increasing their asset size. In addition, even though the increase on the supply side of problematic receivables is likely to have a positive impact on the costs of asset management companies, the correct evaluation of the collection capabilities is being important for sustainability of profitability and asset quality.

Birikim Varlik is a large size scale institution with a share of 9.88% in FYE2019 and 11.20% in FYE2018 among the 14 asset management companies. The sector is dominated by 3 institutions with the share of 65.33%. While the 14 asset management companies had a FYE2019 annual portfolio growth rate of 13.79%, Birikim Varlik's annual portfolio growth rate stood at 2.30%.

Birikim Varlık experienced an annual asset growth of -3.34% to as of December 31,2019, raising total assets to TRY278.64mn. (FYE2018: TRY288.27mn). The Compound annual growth rate of Birikim Varlık between FYE2019-2013 was 96.53%.



The Company's resource distribution development continued its flat pattern with regard to its equity which decreased by 2.44% to 24.70% of its total resources as of FYE2019.



ii. Indices Relating to Profitability

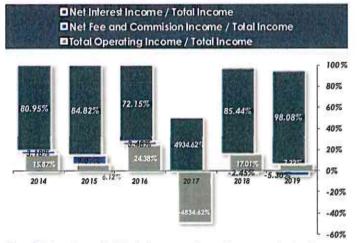
The Company realized a net profit of TRY3.30mn at the end of 2019, remarkably lower than the previous year's net profit of TRY14.05mn. The contraction in net profit figure stood at 326.08% and was principally driven by remaining interest expenses at the same level while there is a contraction in operating income. Additionally, the decline in profitability of 2018-19 was mainly emanated from inclined level of provisions for loan portfolio. The provisions were mainly caused by changes



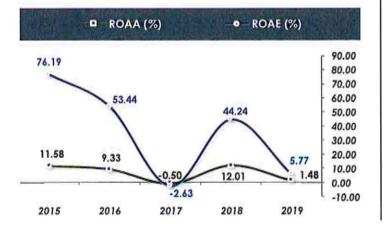
in IFRS 9 transition process. In terms of collection capacity, the Company overperformed the previous year's results.



Net Interest Income (NII) is applied to the key revenue generating activities of the Company as follows. Interest rates for earning assets stood at 54.95% while interest rate for costly liabilities was 25.82% in FYE2019. Consequently, the Company's interest margin stood at 29.13% in FYE2019.



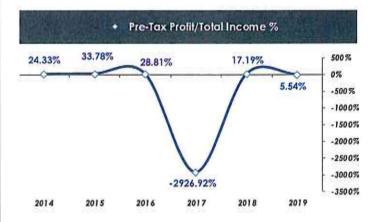
The driving force behind the growth performance is the interest income, constituting the 98.08% of the total income generation in FYE2019.



Accordingly, the Company's profitability ratios of ROAA and ROAE sharply deteriorated to 1.48% and 12.01%, respectively, from 44.24% and 5.77% at the end of FY2019.



The total operating expenses to total income coverage increased to 57.86% in FYE2019 from 46.24% in FYE2018. The Company's high operating expenses level compared to the total income amount resulting mainly from its current scale of business continued to remain above the sector average.



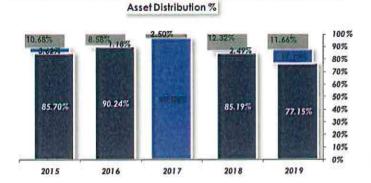
In accordance with the above fact, the pre-tax profit generation capacity of the Company's total income has been positioned at levels well below the sector averages.

b. Asset Quality

Due to upward trend level of NPLs and correspondingly growing pressure over the CAR, Turkish banks sold over TRY10bn, their non-performing loans during 2019. Birikim Varlik mainly targets distressed assets transfer from Turkish corporates and individual customers, where competition is intense, in particular from bank-owned NPL AMCs.







The Company's asset quality is linked to two main factors. One is the valuation and collection projections related to the loans in the portfolio. The Company computes the net present value (NPV) of the overdue receivables at the effective interest rate calculated over the collections projections at the initial purchase date. While the positive values between the calculated collection projection of the loan portfolio and the NPV of the portfolio are recorded as 'interest received from the loans', and provisions are made for the negative values. Therefore, the higher projections lead to lower provisions thus the portfolio becomes healthier. The collection projections are made by Birikim Varlık itself, based on the market experience and calculations.

The Company had a total asset size of TRY278.64mn with a distribution of 88.34% earning assets as of FYE2019. The large share of earning assets within the balance sheet structure in line with the sectorial dynamics continues to be assessed as a factor to contribute to the Company's asset quality.



Historically, the ratios of purchased cost to collections and collection to total portfolio stood at 57.07% and 17.07%, respectively. Birikim Varlık purchased non-performing loans portfolio from Turkish lender banks worth TRY5,077mn. since its establishments. It indicates that in a case where the collection

ability of the portfolio decreases, the Company will have an extra room to absorb possible losses in asset quality.

Another factor for the asset quality reveals during the process of purchasing the loans. Obviously, the Company's projections may not to be equal to the realized values and the portfolio may be at worse than the expected collection capacity. In order to prevent the likelihood of encountering a less healthy portfolio, the Company expects to purchase the loans at better deals.



Birikim Varlik's net loan portfolio to total equity ratio stood at 3.12x in FYE2019 which is the below of average between FYE2015 and FYE2019 (4.12x) with the exception of since FYE2018. The provision allocated for non-performing loans in the portfolio was TRY49.4mn. in FYE2019 and TRY22.98mn. in FYE2018. The difference caused by new implementation of IFRS 9 standard in which the loans classified under 3rd phase, named default category.

c. Funding & Adequacy of Capital

Birikim Varlık's paid-in capital increased to TRY 40mn after the consolidation observance of the relevant BRSA regulatory obligations together with the profit reserves and improved profitability.





Following a period during which the Company's equity to total assets ratio had exhibited an upward trend, peaked at 27.15% as of FYE2018 and stood at 24.70% as of FYE2019.



The fact that the Turkish NPL AMC Sector has had short term borrowing structure as a major characteristic thereof holds true for the Company as well. The short-term weighted receivables structure together with maturity matching efforts within the concern of interest rate exposure resulted in a short-term weighted borrowing structure. The Company's total liabilities drop by 0.84% to TRY209.8mn. in FYE2019.

47.44 %, 25.02% and 27.53% of total liabilities were composed of bank loans, issued bonds and other debts, respectively in FYE2019. Borrowing to banks still remains the major source of financing of the Company's operations.

The loan principal used from Halk Leasing with the sell back lease method of TRY5.9mn, is included in other liabilities.

At the Ordinary General Assembly Meeting of 2018, it was decided to distribute 10 million TL to the shareholders, and on 17.07.2019 profit distribution was made to the shareholders.

The maturities of assets and liabilities are reasonably matched and JCR Eurasia Rating considers refinancing risk to be limited.

7. Risk Profile & Management

a. Risk Management Organization & its Function – General Information

Birikim Varlik's balance sheet was composed of mainly loan portfolio on the assets and short-term borrowings on the liabilities side and its financial results are primarily exposed to interest risk and credit risk. The main strategy of the Company in managing the mentioned risks is the efficient management of its operations and consideration of funding alternatives between liabilities and equity in order to increase the profitability of its operations. The Company's business model is collecting the unpaid receivables purchased from banks and financial institutions. When the debt service performance of the purchased receivables below the expectations, it may have a significant negative impact on the Company's business, financial status, operating results or outlook.

Receivables and bank loans are the major obligations of the Company, which is exposed to market, FX, interest and other operational risks, derived from the use of financial instruments. The Board of Directors is responsible to take the required cautions in management and supervising the activities of the Company.

The risk management policies of the Company are monitored by the Internal Control Department and measures to be taken are reported to the Board of Directors. Operation, law, finance units are formed in the organization structure. Purchased receivable portfolios are the most significant financial instruments of the Company's payable and receivable obligations. Assets evaluation department monitor the operational risks of all activities at the moment of transaction via an internal control method. Within the current Company structure, no provision has been made to compensate for operational risk. The operations of the Company are followed closely on a daily basis. Additionally, on a yearly base, Company operations are audited by Independent Auditing firms on a 6-month basis.

b. Credit Risk

The asset evaluation committee formed by the decision of the Board of Directors is subject to both legal and financial valuation of the risks to be purchased. The Company has a credit risk strategy created in accordance with the board and credit committee decisions which are taken within the scope of market conditions as well as the company's risk appetite and the level of sources available for purchase operations. Credit risk is continuously monitored through credit risk management methods developed for the processes before credit monitoring.

The Company's major interest-bearing assets and liabilities are receivables and borrowings from banks and bond issuances. Interest rates of the Company's receivables and payables are almost completely changed at the end of their term (fixed interest rated) and the Company tries to minimize the interest rate risk through due date matching efforts of its receivables and payables accordingly. The Company's interest rate risk exposure has a high manageability due to its assets and liabilities with similar repricing maturities and its interest margin.



c. Market Risk

The Company is not subject to market and operational risks reporting due to its status as an "Asset Management Company". Additionally, the Company has no net foreign exchange position as of December 31, 2019.

d. Liquidity Risk

The Company's contingency funding plan is reasonably accessible during times of financial hardship. At the basis of the Birikim Varlık in liquidity management is the balance between the collections from the purchased loans and the repayment period of the loans used from the banks. When the company's contractual revenues and projections and liabilities to be paid together are classified according to their maturities.

2019-Balance Sheet shows that the liquidity risk the Company is exposed to is at a manageable level.

8. Budget & Debt Issue

Within the framework of projections and budgeting activities of Birikim Varlik, the financial assumptions and estimations spanning the year FY2020-21 have been established. Birikim Varlik has projected a moderate slowdown in asset size in FY2020. The current projection includes new portfolio expenses of TRY25mn. and TRY50mn. during FY2020 and FY2021, respectively. The funds will enable the company to purchase new distressed portfolios from financial institutions.



Integrating the above stated projected cumulative assets growth rate of 59.59% between FYE2013 and FYE2021. In this structure plan, the capital adequacy ratios such as equity to total assets and equity to total liabilities based on the assumptions and parameters are expected to fluctuate between 27.83% & 29.60% and 38.57% & 42.05% as of FYE2020-21, respectively.

	2021e	2020e
Portfolio Collections	160,752	133,960
Portfolio Costs (-)	31,653	26,378
Operational Profit / Loss	79,475	64,268
Pre-tax Profit	17,810	10,627

Accordingly, we, as JCR Eurasia Rating, believe that the Company has the potential to fulfil its obligations that will stem debt instrument issuance in a timely manner and without experiencing a financial distress depending on the preservation of its market efficiency and income streams as well as absence of severe fluctuations in the financial markets.



BIRIKÍM VARLIK VÖNETÍM AŞ BALANCE SHEET - ASSET	FNE 2019 USD	FYE 2019 TRY	FYE 2019	FYE 2018 TRY	FYE 2018 TRN	PYE 2017	FYE 2017	FYE 2016 TRY	As % of 2019 Assets	As 74 of 2018 Assets	As "s of 2017 Assets	FYE 2019 Growth	FYE 2018 Growth	FYE 2017 Growth
(660)	(Converted)	(Original)		(Average) (Original) (Average) (Original) (Average) (Original)	(Аметаде)	(Original)	(Аметадо)	(Original)	(Original)	(Original) (Original) (Original)	(Original)	Rate 74	Rate %	Rate "s
A- TOTAL EARNING ASSETS (1+II+III)	41,461	246,155	249,454	252,752	132,044	11,335	140,413	269,491	88.34	87.68	97.50	-2.61	2,129.84	-95.79
I-LOANS AND LEASING RECEIVABLES (net)	36,210	214,979	230,273	245,566	122,783	0	133,003	266,005	77.15	85.19	5,0	-12.46	n.a	-100.00
a) Short Tenn Loans	0	0	0	0	O.	0	0	0	n.a	n.a	0.3	n.a	п.а	7.3
b) Lease Assets	44,531	264,382	266,465	268,548	134,274	0	0	0	94.88	93.16	0.00	-1.55	п.а	1.2
c) Medium & Long Term Loans	0	0	0	0	0	0	0	0	n.a	n.a	0.3	กาล	п.л	n.a
d) Over Due Loans	0	0	0	0	0	0	133,003	266,005	0.00	0.00	0.00	0.00	0.00	100.00
e) Others	9	9	9-	9	0-	0	0	0	-0.00	-0.00	n.a	0.00	n.a	n.a
f) Receivable from Customer due to Brokerage Activities	0	D	0	0	0	n	D	0	n.a	n.a	n.2	ก.ล	n.a.	11.2
g) Allowance for Loan and Receivables Losses (-)	-8,321	-49,403	-36,193	-22,982	-11,491	9	9	0	-17.73	-7.97	-0.00	114.96	п.а	n.a
II- OTHER EARNING ASSETS	5,251	31,176	181,61	7,186	9,261	11,335	7,411	3,486	11.19	2.49	97.50	333.84	-36.60	225.16
a) Balance With Banks -Time Deposits	3,628	21,541	14,364	7,186	9,261	11,335	7,411	3,486	7.73	2.49	97.50	199.76	-36.60	225.16
b) Money Market Placements	1,623	9,635	4,818	0	0	0	0	0	3.46	n.a	n.	n.a	1.1	na na
c) Reserve Deposits at CB (*)	0	D	0	0	0	0	0	0	n.a	п.3	1.1	n.a	n.2	n.a
d) Balance With CB- Demand Deposits	0	0	0	0	0	0	0	0	1.1	n.1	п.1	na	n.1	n.a
III- SECURITIES AT FAIR VALUE THROUGH P/L	0	0	0	0	0	0	0	0	n.a	n.a	n n	n.a	n.a	n.a
a) Treasury Bills and Government Bonds	0	6	0	0	0	0	0	0	n.a	n.2	11.3	ъз	13.1	ья
b) Other Investment	0	0	0	0	0	0	0	0	1.1	11.2	11.1	п.а	11.3	n a
c) Repurchase Agreement	0	0	0	0	0	0	0	0	n.a	n.3	11.3	п.а	11.3	n.a
B- INVESTMENTS IN ASSOCIATES (NET) + EQUITY SHARE	0	0	0	0	0	0	0	0	n.a	na	ก.ล	D.3	n.a	n.a
a) Investments in Associates (Net)	0	0	0	0	0	0	0	0	1.3	11.2	n.2	п.я	11.3	n.a
b) Equity Share	0	0	0	0	0	0	0	0	11.3	n.a	11.3	n.a	11.3	D.a
C- NON-EARNING ASSETS	5,471	32,480	33,997	35,513	17,902	291	12,788	25,285	11.66	12.32	2.50	-8.54	12,103.78	-98.85
a) Cash and Cash Equivalents	о	0	0	0	0	0	-	2	n.a	n.a	11.3	11.3	11.3	-100,00
b) Balance With Banks - Current Accounts	0	0	0	u	0	0	0	0	n.a	n.a	n.a	п.а	EZ.	n.a
c) Financial Assets at Fair Value Through P/L.	0	0	0	0	0	0	0	0	n.a	n.a	n.a	п.а	11.3	n.a
d) Accrued Interest from Loans and Lease	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
e) Other	5,471	32,480	33,997	35,513	17,902	291	12,787	25,283	11.66	12.32	2.50	-8.54	12,103.78	-98.85
- Intangible Assets	0	0	0	0	0	o	185	370	na	n.a	n.a	n.1	n.a	-100.00
- Property and Equipment	3,706	22,000	21,000	20,000	10,000	0	1,065	2,130	7.90	6.94	n.a	10.00	n.a	-100.00
- Deferred Tax	0	0	0	0	۲	13	7	0	n.a	na	0.11	11.3	-100.00	n.a
- Other	1,765	10,480	12,997	15,513	7,896	278	11,531	22,783	3.76	5.38	2.39	-32.44	5,480.22	-98.78
TOTALASSETS	46,932	278,635	283,450	288,265	149,946	11,626	153,201	294,776	100.00	100.00	100.00	-3.34	2,379.49	-96.06
(*) Included in Other item														



BIRIKIM VARLIK VÕNETIM AŞ	PVE 2019	FYE 2019	FYE 2019	FYE 2018	FYE 2018	FYE 2017	FVE 2017	FYE 2016	As % of 2019	As %of 2018	As % of 2017	FVE 2019	FYE 2018	FYE 2017
BALANCE SHEET LIABILITIES & SHAREHOLDERS' EQUITY	OSD	TRY	TRY	TRY	TRY	TRY	TRN	TRY	Assets	Assets	Assets	Growth	Growth	Growth
(600)	(Converted)	(Original)	(Аметаде)	(Original)	(Average) (Original) (Average) (Original)	(Original)	(Average)	(Original)	(Average) (Original) (Original) (Original)	(Dringino)	(Original)	Rate %	Rate %	Rate %
A- COST BEARING RESOURCES (1+II)	31,109	184,694	188,082	191,469	96,818	2,166	115,004	227,841	66.29	66.42	18.63	-3.54	8,739.75	-99.05
1-DEPOSIT	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
a) Tl. Deposit	0	0	0	9	0	0	o	0	11.1	B.3	n.n	n.a	n.n	n.a
b) FC Deposit	0	0	0	0	0	0	0	0	173	n.a	n.a	n.a	n.a	n.1
c) FC & LC Banks Deposits	0	0	0	0	0	0	0	0	11.3	n.a	n.3	n.a	0.3	11.3
II. BORROWING FUNDING LOANS & OTHER	31,109	184,694	188,082	191,469	818,96	2,166	115,004	227,841	66.29	66.42	18.63	3.34	8,739.75	-99.05
a) Borrowing From Domestic Market	22,266	132,194	142,040	151,885	75,943	0	113,921	227,841	47.4	52.69	n.3	-12.96	n.a	-100.00
b) Borrowing From Overseas Markets	0	0	o	0	0	0	0	0	1.1	n.a	n.a	n.a	n.a	p.a
c) Borrowing from Interbrak	0	0	0	0	0	0	Q	0	0.1	0.3	0.3	0.0	0.3	n.a
d) Securities Sold Under Repurchase Agreements	0	0	0	0	0	0	0	0	11.3	11.3	f.3	п.3	n.a	0.3
e) Subordinated Loans & Others	8,843	52,500	46,042	39,584	20,875	2,166	1,083	0	18.84	13.73	18.63	32.63	1,727.52	n.a
B-NON-COST BEARING RESOURCES	4,230	25,113	22,613	20,113	12,422	4,731	9,314	13,897	10'6	86'9	40.69	24.86	325.13	96'59-
a) Proxisions	+43	2,629	2,447	2,264	1,165	99	267	468	0.94	0.79	0.57	16.12	3,330.30	-85.90
b) Corrent & Deferred Tax Liabilities	266	4,549	4,788	5,027	2,570	113	1,960	3,807	1.63	1.74	76.0	-9.51	1,348.67	-97.03
c) Tading Labilities (Denvarives)	0	0	0	0	0	0	0	0	11.3	n.3	E'U	e,	n.a	n,3
d) Other Liabilities	3,021	17,935	15,379	12,822	8,687	4,552	7,087	9,622	6.41	4.45	39.15	39.88	181.68	-52.69
C. TOTAL LIABILITIES	35,339	209,807	210,695	211,582	109,240	6,897	124,318	241,738	75.30	73.40	59.32	18.0-	2,967.74	-97.15
D-MINORITY INTEREST	0	0	0	0	1	2		0	2.0	n.a	0.02	6.0	-100.00	n.a
E- EQUITY	11,593	68,828	72,756	76,683	40,705	4,727	28,883	53,038	24.70	26.60	40.66	-10.24	1,522.23	-91.09
a) Prior Year's Equity	12,916	76,683	42,981	9,279	31,159	53,038	43,723	34,408	27.52	3,22	456.30	726.41	-82.50	34.14
b) Equity (Added From Internal & External Resourses At This Year)	-1,879	(11,153.00)	21,100	53,332	2,901	-47,530	-23,778	'n	(i)	18.51	409.00	-120.90	-212.30	950,900.00
c) Profit & Loss	355	3,298	8,675	14,052	6,646	-761	8,937	18,635	1.18	4.87	-6.55	-76.53	-1,946.52	-104.08
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	46,932	278,635	283,450	288,265	149,946	11,626	153,201	294,776	100.00	100.00	100.00	-3.34	2,379.49	-96.06
(*) This item is included in Other Item	USD Rates 1=TRY	5.9370		5,2609		3.8104		3.5318						



BİRİKİM VARLIK YÖNETİM A.Ş	FY	FY	FY	FY	FY	FY
INCOME STATEMENT (000) TRY	2019	2018	2017	2016	2015	2014
Net Interest Income	74,404.00	88,507.00	1,283.00	58,512.00	50,544.00	23,407.00
a) Interest Income	122,606.00	137,079.00	1,283.00	85,635.00	65,999.00	34,189.00
b) Interest Expense	48,202.00	48,572.00	0.00	27,123.00	15,455.00	10,782.00
Net Fee and Commission Income	-4,017.00	-2,542.00	0.00	2,821.00	5,402.00	920.00
a) Fee and Commission Income	0.00	0.00	0.00	4,848.00	6,500.00	1,402.00
b) Fee and Commission Expense	4,017.00	2,542.00	0.00	2,027.00	1,098.00	482.00
Total Operating Income	5,475.00	17,622.00	-1,257.00	19,770.00	3,645.00	4,590.00
Net Trading Income (+/-)	5,463.00	18,759.00	41.00	0.00	0.00	0.00
Foreign Exchange Gain or Loss (net) (+/-)	12.00	-1,137.00	0.00	557.00	127.00	109.00
Gross Profit from Retail Business	0.00	0.00	0.00	0.00	0.00	0.00
Premium Income from Insurance Business	0.00	0.00	0.00	0.00	0.00	0.00
Income on Sale of Equity Participations and Consolidated Affiliates	0.00	0.00	0.00	00.0	0.00	0.00
Gains from Investment Securities (Net)	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Income	0.00	0.00	-1,298.00	19,213.00	3,518.00	4,481.00
Taxes Other than Income	0.00	0.00	0.00	0.00	0.00	0.00
Dividend	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	27,767.00	37,157.00	774.00	20,911.00	14,265.00	5,276.00
Provision for Impairment of Loan and Trade Receivables	27,767.00	37,157.00	774.00	20,911.00	14,265.00	5,276.00
Other Provision	0.00	0.00	0.00	0.00	0.00	0.00
Total Operating Expense	43,895.00	48,424.00	13.00	36,825.00	25,195.00	16,605.00
Salaries and Employee Benefits	25,418.00	26,376.00	13,00	16,353.00	13,346.00	8,710.00
Depreciation and Amortization	0.00	0.00	0.00	737.00	532.00	468.00
Other Expenses	18,477.00	22,048.00	0.00	19,735.00	11,317.00	7,427.00
Profit from Operating Activities before Income Tax	4,200.00	18,006.00	-761.00	23,367.00	20,131.00	7,036.00
Income Tax – Current	772.00	2,357.00	0.00	4,732.00	4,034.00	1,472.00
Income Tax – Deferred	130.00	1,597.00	0.00	0.00	84.00	33.00
Net Profit for the Period	3,298.00	14,052.00	-761.00	18,635.00	16,013.00	5,531.00
Total Income	75,862.00	104,724.00	26.00	81,103.00	59,591.00	28,917.00
Total Expense	43,895.00	49,561.00	13.00	36,825.00	25,195.00	16,605.00
Provision	27,767.00	37,157.00	774.00	20,911.00	14,265.00	5,276.00
Pre-tax Profit	4,200.00	18,006.00	-761.00	23,367.00	20,131.00	7,036.00



BİRİKİM VARLIK YÖNETİM A.Ş FINANCIAL RATIOS %	FY 2019	FY 2018	FY 2017
I. PROFITABILITY & PERFORMANCE	INDER DIAMETER		
1. ROA - Pretax Profit / Total Assets (avg.)	1.48	12.01	-0.50
2. ROE - Pretax Profit / Equity (avg.)	5.77	44.24	-2.63
3. Total Income / Equity (avg.)	104.27	257.28	0.09
4. Total income / Total Assets (avg.)	26.76	69.84	0.02
5. Provisions / Total Income	36.60	35.48	2,976.92
6. Total Expense / Total Liabilities (avg.)	20.83	45.37	0.01
7. Net Profit for the Period / Total Assets (avg.)	1.16	9.37	-0.50
8. Total Income / Total Expenses	172.83	211.30	200.00
9. Non Cost Bearing Liabilities + Equity- Non Earning Assets / Total Assets	22.06	21.26	78.85
10. Non Cost Bearing Liabilities - Non Earning Assets / Total Assets	-2.64	-5.34	38.19
11. Total Operating Expenses / Total Income	57.86	46.24	50.00
12. Net Interest Margin (avg.)	29.83	67.03	0.91
13. Operating ROAA (avg.)	18.49	44.40	-0.50
14. Operating ROAE (avg.)	72.02	163.56	-2.63
15. Net Profit Margin	4.35	13.42	-2,926.92
16. Operating Activities / Total Income	5.54	17.19	-2,926.92
17. Growth Rate	-3.34	2,379.49	-96.06
II. CAPITAL ADEQUACY (year end)			
Equity Generation / Prior Year's Equity	14.54	9.31	-44.83
2. Internal Equity Generation / Previous Year's Equity	4.30	21.33	20.44
3. Equity / Total Assets	24.70	27.15	18.85
4. Equity / Total Liabilities	32.81	37.26	23.23
5 Free Equity / Total Assets	16.81	20.48	18.04
IV. ASSET QUALITY			
1. Total Provisions / Profit Before Provision and Tax	86.86	67.36	5,953.85
2. Impaired Loans / Gross Loans	18.69	8.56	n.m.
3. Impaired Loans / Equity	0.72	0.30	n.m.
4. Total FX Position / Total Assets	n.a.	n.a.	n.a.
5. Total FX Position / Equity	n.a.	n.a.	n.a.
6.Net Interest and Commission Income / T.Asset	25.26	29.82	11.04
7.Total Earning Assets / Equity	357.64	329.61	239.79



Ratii	Ratings Issued by		Bi	Birikim Varlık Yönetim AŞ	k Yonetim	A.S.	T NATE OF				No.	占	al Varlık	Final Varlsk Yonctim AŞ					
JCR1	JCR Eurasia Rating	Long	Short	Long	Short	Long	Short	Long	Short	Long	Short	Long	Short	Long	Short	Long	Short	Long	Short
		March	March 30,2020	March	March 26,2019	October	11,2018	March 21,2018	21,2018	March 28,2017	18,2017	April 7,2016	,2016	April 3, 2015	, 2015	May 2, 2014	,2014	July 5, 2013	2013
	Foreign Currency	88	В	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	.BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB.	Α-3
	Local Currency	BB	В	BBB-	A-3	BBB-	A.3	BBB	A-3		A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB.	A-3
lanoit	Issue Rating	n'i	na.	1.3	n.a.	117	0.3	na	n.1	na	n.a.	n.a.	n.a.	n.a.	E ^D	n.a.	n.n.	uu	na
ruioju	Æ	Negative	Negative	Negative	Negative	Negative	Negative	Scable	Scable	Seable	Stable	Stable	Seable	Stable	Stable	Stable	Stable	Stable	Stable
	Outlook	Negative	Negative	Negative	Negative	Negative	Negative	Scable	Stable	Stable	Stable	Stable	Scable	Stable	Stable	Stable	Stable	Stable	Stable
	Issue Rating	n.a.	n.a.	пл	n.a.	па	170	n.a.	na	n.a.	14	17	n.a.	n.a.	na	n.1.	r u	Ę.	11.3
IV.	Local Rating	4 (Jak)	A-2 (Trk)	A. (Trik)	A-2 (Trk)	A- (Trik)	A-2 (Trk)	A- (Trk)	A-2 (Trk)	A- (Trik)	A-2 (Trk)	BBB+ (Trk)	A-2 (Trk)	BBB (Trk)	A-3 (Trk)	BBB- (Trik)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)
uom	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Positive	Stable	Scable	Stable	Postive	Positive	Stable	Positive
Ž	Issue Rating	(Tak)	A-1 (Trk)	A (Tek)	A-1 (Tek)	A- (Tek)	A-2 (Tek)	A- (Trk)	A-2 (Tek)	A- (Trk)	A-2 (Trk)	BBB+ (Trk)	A-2 (Tek)	BBB (Trk)	A-3 (Tek)	BBB- (Tek)	A-3 (Trk)	BBB- (Trk)	A-3 (Tek)
Sponsor Support	upport	rı	74	es	å	5		7	X	7		2		71	1	e1	X	2	5
Stand-Mone	пе	ж	ř	m	ľ.	89		pg.	160	æ	14	В	Ä	B		BC		BC	,
	Foreign Currency	BBB-		BBB.		BBB-	į.	BBB-		BBB-		BBB-	i	BBB-		BBB-		BBB-	9
+ugia	Local Currency	BBB.	4	BBB.	0	1988-	y.	BBB-	3	BBB-		BBB.		BBB		BBB.		BBB-	,
oaxog	<u>2</u>	Negative		Negative	V	Negative	i	Stable		Stable	i.	Stable		Stable	ř	Stable		Stable	*
	Cuttook	Negative		Negative	¥	Negative		Stable	6	Stable		Stable	ř	Stable	-	Stable	· ·	Stable	t