

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)	
Sponsor Support	2	-		
Stand-Alone	B	-		
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negative	-
LC		Negative	-	

*Assigned by JCR on August 14, 2018

Birikim Varlık Yönetim A.Ş.
Company Overview

Financial Data	1H2018**(2)	1H2018**(1)	2017*(2)	2017(1)	2016*(1)	2015*(1)	2014*(1)
Total Assets (000 USD)	55,416	58,835	3,051	86,154	83,463	70,843	61,139
Total Assets (000 TRY)	252,738	266,281	11,626	328,281	294,776	205,982	141,776
Total Net Loans (000 TRY)	250,947	946	n.a.	278,151	266,005	176,521	135,017
Equity (000 TRY)	32,874	41,790	9,277	73,344	53,038	34,408	18,434
Net Profit (000 TRY)	13,595	-1,554	13,595	14,770	18,635	16,013	5,531
Market Share (%)	5.77(β)	6.07(β)	0.42(β)	11.90(β)	7.43	5.54	5.34
ROAA (%)	n.a.	n.a.	-0.26	5.95	9.33	11.58	5.85
ROAE (%)	n.a.	n.a.	-1.05	29.34	53.44	76.19	44.91
Equity/Assets (%)	13.01	16.53	79.80	22.34	17.99	16.70	13.00
Purchase Cost / Purchased Loans (%)	12.17	n.m	n.m	7.24	12.89	15.54	5.25
Collections / Total Expenses (%)	1,657	3.24	n.m	3.64	3.03	3.40	3.21
Asset Growth Rate (%)	2,074	-29.89	-96.06	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, (β) Incl. Merger Effect

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. 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.

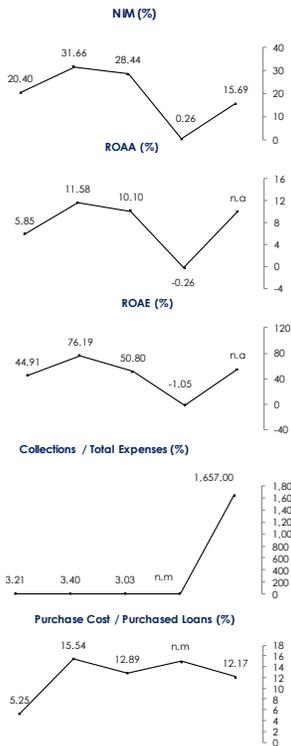
The Company’s real person shareholding structure covers 2 individuals and 3 entities. The main controlling shareholder (99.60%) is Altınhas Holding A.Ş June 30, 2018 which is a leading institution in Turkey operating in the jewellery, finance, energy, logistics, education and sports sectors as of. JCR Eurasia Rating has assigned Birikim Varlık’s National Local Rating as ‘**A-(Trk)**’.

Strengths

- A gradual acceleration of activity in collection rates strengthening net interest margin
- Benefiting tax advantages which have the dual advantages of both lowering operational costs and gaining competitiveness,
- High asset quality, backed by significant amounts of purchased loan portfolio,
- Competitive strength and sturdy market position,
- Advantage afforded from receivables with a high discount level,
- Promising recent legal regulations contributing to sector outlook,

Constraints

- Volatility in macroeconomic indicators through weakened TL and higher interest rates pressure on borrowing costs,
- Liquidity management pressuring maneuver capability due to limited source,
- High level of fixed costs due to organizational structure requiring stable cash flow generation,
- Increasing competition due to growing numbers of NPL AMCs throughout the sector,
- Low level of compliance with Corporate Governance Principals,
- Due to the slowdown in GDP and the company bankruptcies, collection capability effecting negatively



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. Moreover, the Regulation on the establishment and operating principles of asset management companies entered into force on November 01, 2006. Legislative regulations reinforced the representative capability and power of the Non-Banking Financial Sector. This legal infrastructure is expected to increase the efficiency of supervision and effectiveness of audit systems in the sector. BRSA regulates all NPL AMCs and allows to purchase NPLs from private banks and financial institutions- located in Turkey.

In the assignment of Birikim Varlık'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;

Positive Outlook of Turkish NPL AMCs

NPL Asset Management Companies in Turkey have started to operate in 2008, have a key role in the banking sector of Turkey. The low level of NPL ratio of Turkish Banks to date was mainly driven by repeated restructuring exercises. NPL volume growth is expected to increase in the following years due to credit guarantee fund (CGF) and the current macro structure.

The regulator, BRSA, has created no barriers for market entrant. However, NPL AMCs are now required to maintain the level of share capital (TRY20mn.). Additionally, 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, consisting of 18 NPL AMCs, by gathering them 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. Sector-wide 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.

Continuation of Improved Operating Performance

The Company's operating efficiency, mostly NIM, triggering its financial position positively lateen and generates improved operating income during 1H2018 thanks to progressively increased revenue stream, improvement in interest Income. Ongoing of profitability ratios supports the Company's internal resource generation capacity.

In line with increase in the Company's interest income, a slight growth of its financial expenses, improved of the net interest income in absolute terms, significant decrease in provisions in an overall maintenance in the profitability indicators.

Cumulative Asset Growth Outperforming the Sector

Birikim Varlık has continued to sustain its stable growth trend and outperformed the sector averages in cumulative terms while increasing its scale and market share within the NPL AMC Sector.

The Company's assets have been heavily marked with the large weight of earning assets as of 1H2018 in line with the sectorial dynamics. This asset composition contributes to the Company's asset quality with its level slightly above the sector averages. The driving force behind the growth performance is the net loan portfolio balance sheet item, constituting the 99.29% of the total assets as of 1H2018.

High Quality Liquidity Opportunities

Birikim Varlık uses credit lines from some financial institutions in order for sufficient liquidity to be at the disposal of the Company. As of September,2018, the Company had a cash credit line of more than TRY 120mn available.

Birikim Varlık has continued its efforts to diversify and extend the maturity of provided funds. The Company's total liabilities reached TRY219.86mn. as of 1H2018.

Birikim Varlık's balance sheet is sufficient liquid, and is managed with internal profitability. Debt is used mostly to fund the Company's distressed assets transfer.

High Collection Rate

Ratios of Purchased Cost to Collections and Collections to Total Expenses stood at 12.17% and 1,657% in 1H2018, respectively. Birikim Varlık purchased non-performing loans portfolio from Turkish lender banks worth TRY3.7bn for TRY450mn. in 1H2018.

Short Term Borrowing Profile of Sector

The fact that the Turkish NPL AMC Sector has had short-term borrowing structure as a major characteristic thereof holds true for Birikim Varlık 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.

Legally Adequate While Below Sector Average Equity Level

Under the BRSA legislation, NPL AMCs's paid-up capital must be minimum TRY20mn. The Company's equity to total assets had a downward trend since 2015 the fact that funding needs of the Company have been met mostly with external sources. Birikim Varlık could have met the legal requirements by far while below the sector average of 13% in 1H2018.

Beginning of Tax Advantages

As required by law, NPL Asset Management Companies have tax advantages such as stamp tax, mortar, BİTT for 5 years after establishment which have the dual advantages of both lowering operational costs and gaining competitiveness. However, Birikim Varlık, has started its activities with a Banking Regulatory and Supervisory Agency (BRSA) license since 2017, has tax advantages following years of FYE2017.

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.

Operational Environment Still Exposed to Uncertainties

Increasing risks of a weakened TL, higher interest rate 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, which have been

further aggravated by the recent upward trend in bankruptcy postponements.

Rising interest rates in the country may pose a trouble for NPL AMCs due to the risk of currency depreciation and reduced access to capital markets.

Completion of merge between 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. With respect to the above-mentioned factors, JCR Eurasia Rating has assigned 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 '**BBB-**' for the long term international foreign currency and local currency ratings, the same as that of the sovereign ratings of the Republic of Turkey within the JCR Eurasia Rating's notation system.

This rating report which has been updated due to the inter-company take-over and merger activity will be valid until the expiry of the original report issued for Final Varlık Yönetim A.Ş. on March 21,2018.

As there are no additional legal and/or financial collateral guarantees provided separately for the repayment of the bond issued by Birikim Varlık Yönetim, the note assigned for the TRY dominated bond issuance has been assigned as the same as the Company's Long and Short Term National Local Ratings.

JCR Eurasia Rating continues to monitor developments in regard to the proposed projection of Birikim Varlık Yönetim A.Ş.'s growth strategy, projected collection rates, the progress of portfolio and assess the impact of any deterioration in collection rate.

2. Outlook

JCR Eurasia Rating has assigned '**Stable**' outlooks on the national long and short term rating perspectives of Birikim Varlık Yönetim A.Ş. based on its long business track record and high level of sustainability of activities bolstered by particularly the Company's low level of risk appetite, sustenance of capitalization level, net interest margin having settled above the sector averages in previous years, maintenance of profitability indicators, continuing growth trend and continuation in risk management implementations together with low level of risk exposure.

JCR Eurasia Rating has also affirmed 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.

The main driving forces that can call forth a revision in the current outlook status include the Company related issues regarding level of profitability particularly its extent to contribution to internal equity generation capacity, development of collection rate of portfolio in view of their currently above-sector-average level, maintenance of liquidity profile with regard to available lines and external funding sources, level of improvement in implementation phase of already taken decisions with a view to enhancing the corporate governance compliance level and consequences to arise out of planned issuance of debt instruments with its possible effects therein along with Turkey's sovereign rating which has become highly responsive to domestic and foreign political and economic uncertainties, tensions and developments.

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 Varlık'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 assigned the Sponsor Support Note of '2' reflecting the financial and non-financial states and realized/expected support by the shareholders and has assigned 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-Altınbaş 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. The Company operates under Birikim Varlık A.Ş. due to registration of merge.

Birikim Varlık Yönetim A.Ş. operations are performed in Istanbul and it has no representative office.

b. Organization & Employees

Birikim operations are performed locally in Istanbul under Altınbaş Holding. As of September 30, 2018, Birikim had a staff force of 265 employees. The Board of Birikim Varlık consists of five members with the utmost shareholder Mr. İnan Altınbaş serving as chairman and a general manager elected from among its members Birikim Varlık's management organization was established through the decision of the Board of Directors. The General Manager and the Risk Monitoring and Control Department report directly to the Board.

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 Varlık 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 Varlık continues to work with 85 attorney's offices across Turkey.

c. Shareholders, Subsidiaries & Affiliates

The following table provides the Company's FYE2017-1H2018 shareholder structure and realized changes over time.

Shareholders	1H2018	FYE2017
	Share %	
Altınhas Holding A.Ş.	99.60	99.60
İnan Altınbaş	0.10	-
Hüseyin Altınbaş	0.10	-
Ak Faktoring A.Ş.	0.10	0.10
Paladyum Madencilik A.Ş.	0.10	0.10
Yusuf Taylan Çelik	-	0.10
Serdar Nerezoglu	-	0.10
Share Capital / TRY	20,000,000	10,000,000

- **Altınhas Holding**

Altınhas Holding A.Ş., established under the guidance of Mr. İnan Altınbaş 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, jewelry, logistics, education, sports activities, textile, construction and real estate. Specifically, Group operations in the field of education have been 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.;

Shareholders	FYE2017
	Share %
İnan Altınbaş	49.999
Hüseyin Altınbaş	49.999
Trona İç ve Dış Ticaret Danışmanlık A.Ş.	0.6
Share Capital / TRY	100,000,000

d. Corporate Governance

Regarding the fact that Birikim Varlık 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, latest 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. 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.

The Board of Birikim Varlık 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.

The Board of the Birikim Varlık does not contain the required committees, Corporate Governance and Early Detection of Risks, stated in the Corporate Governance Principals.

Birikim Varlık'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. AMCs are one of the structural ways that financial system use in restructuring their financials by solving their NPL through a direct sale or in a form of revenue sharing.

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 minimum paid-in capital per company has been increased to TRY 20mn from TRY10mn.
- 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 10% 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 by the banks between 2013-2017 is shown below:

Non-Performing Loans	2013	2014	2015	2016	2017
Development and Investment Banks	425	481	479	602	732
Participation Banks	2,261	3,190	4,335	3,175	3,392
Deposit-Government Banks	8,251	10,449	12,024	15,770	18,988
Deposits-Foreign Banks	6,734	7,467	14,936	17,287	21,936
Deposits-Domestic Private Banks	11,950	14,838	15,766	21,046	22,926
Total (000,000/TRY)	29,622	36,426	47,541	57,880	64,585

Source: BRSA

Sectorial financial disclosure statements of year-end 2017 are not disclosed by BRSA yet. 2017 data was created by 7 main companies (*Destek Varlık, Güven Varlık, Final Varlık, Mega Varlık, Vera Varlık, Hayat Varlık, Sümer Varlık*) for

sector comparison which dominate the market with approximately 80% market share.

*Balance Sheet (TRY/000)	FYE2017	FYE2016
TOTAL EARNING ASSETS	2,613,575	2,307,925
NON-EARNING ASSETS	513,768	363,327
TOTAL ASSETS	3,127,343	2,671,252
COST BEARING RESOURCES	2,061,689	1,851,701
NON-COST BEARING RESOURCES	254,680	180,127
EQUITY	810,974	639,424
TOTAL LIABILITIES AND EQUITY	3,127,343	2,671,252

Source: Public Disclosure Platform, *(including 7-AMC)

*Income Sheet (TRY/000)	FYE2017	FYE2016
Net Interest Income	963,905	711,456
Net Fee Commission	-45,871	-25,844
Profit Before Tax	165,368	111,618
Net Profit	125,405	89,061

Source: Public Disclosure Platform, *(including 7-AMC)

As of FYE2017, the total asset size of 7-Asset Management Companies was TRY 3.13bn, with an equity of TRY811mn. Throughout its over 10-year history the Sector has maintained a consistent growth trend. Earning Assets constitute the largest item among the sector's assets with a share of 83.57%, whilst cost bearing resources enjoyed the largest share among its resources with a 65.92% share.

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 main largest NPL AMCs, Güven and Hayat Varlık(Turkasset), dominate the market with approximately 50% market share. A new legislation has been published in January, 2017 authorising 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, consisting of 18 NPL AMCs, by gathering them 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. Sector-wide 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.

Asset Management Companies – December,2017	
1	ARMADA VARLIK YÖNETİM A.Ş.
2	ARSAN VARLIK YÖNETİM A.Ş.
3	BİRİKİM VARLIK YÖNETİM A.Ş.
4	BİRLEŞİM VARLIK YÖNETİM A.Ş.
5	BOĞAZIÇI VARLIK YÖNETİM A.Ş.
6	DESTEK VARLIK YÖNETİM A.Ş.
7	EFES VARLIK YÖNETİM A.Ş.
8	EMİR VARLIK YÖNETİM A.Ş.
9	GÜVEN VARLIK YÖNETİM A.Ş.
10	HAYAT VARLIK YÖNETİM A.Ş.
11	HEDEF VARLIK YÖNETİM A.Ş.
12	İSTANBUL VARLIK YÖNETİM A.Ş.
13	MEGA VARLIK YÖNETİM A.Ş.
14	MERKEZ VARLIK YÖNETİM A.Ş.
15	MET-AY VARLIK YÖNETİM A.Ş.
16	SÜMER VARLIK YÖNETİM A.Ş.
17	VERA VARLIK YÖNETİM A.Ş.
18	YUNUS VARLIK YÖNETİM A.Ş.

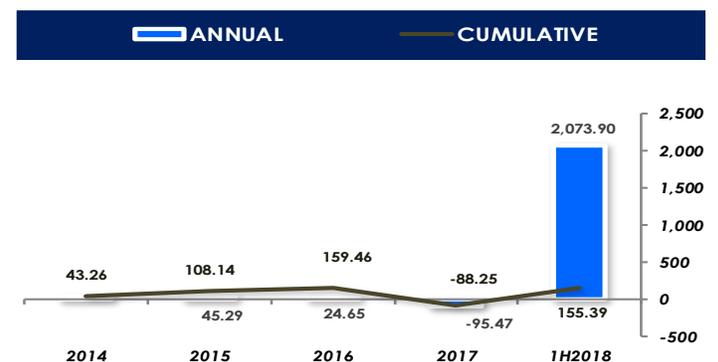
Source: BRSA

6. Financial Analysis

a. Financial Indicators & Performance

i. Indices Relating to Size

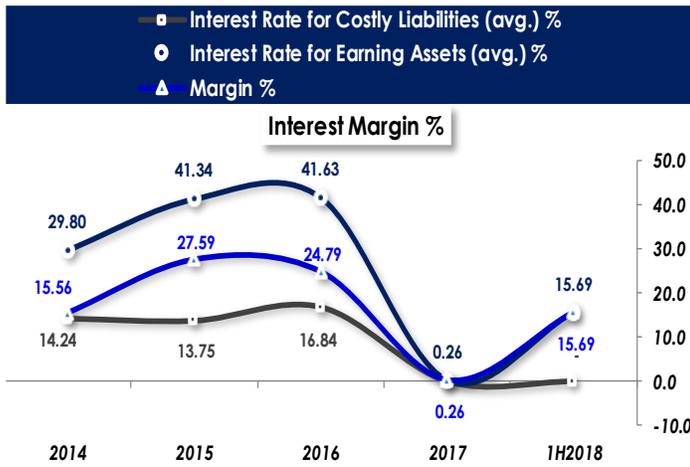
Sectorial financial data was created by 7 main companies (**Destek Varlık, Güven Varlık, Final Varlık, Mega Varlık, Vera Varlık, Hayat Varlık, Sümer Varlık**) for sector comparison which dominate the market with approximately 80% market share. As of June 30,2018, Birikim Varlık exhibited a sharp asset growth of 2,073.9%, raising total assets to TRY252.74mn (FYE2017: TRY11.63mn).



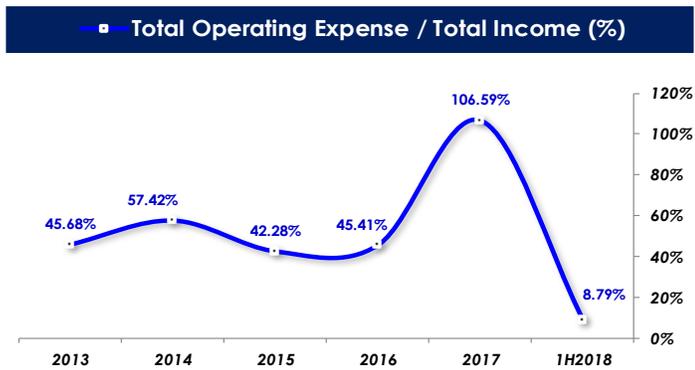
The Compound annual growth rate of Birikim Varlık between 1H2018-2014 was 155.39%. Birikim Varlık has succeeded to be more effective in the sector in 2017. The driving force behind the growth performance is the 'net loan portfolio' balance sheet item, constituting the 99.29% of the total assets in 1H2018.

ii. Indices Relating to Profitability

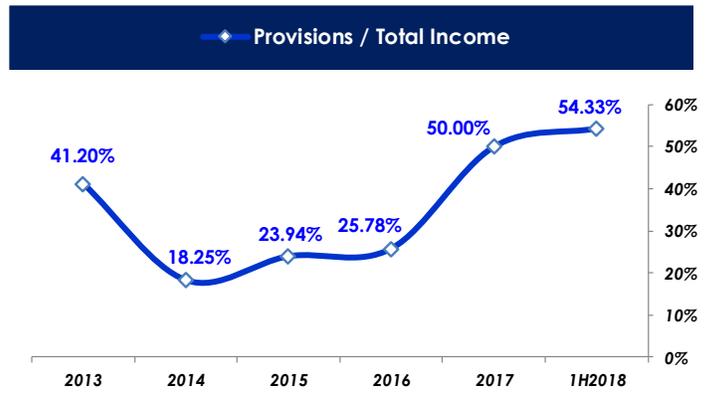
The Company realized a net profit of TRY13.60mn at the end of 1H2018, remarkably higher than the previous year's net profit of -TRY761k. The improvement in net profit figure was principally driven by interest income related with purchase of loan portfolio.



Net Interest Income (NII) is applied to the key revenue generating activities of the Company as follows. Interest rates for earning assets exhibited an increase from 0.26% in FYE2017 to 15.69% from 1H2018 despite fierce competition and rising costs of growth.



The total operating expenses to total income coverage increased to 8.79% in 1H2018 from 106.59% at FYE2017. In addition, a higher growth of income than expense growth led the decline of the coverage ratio.



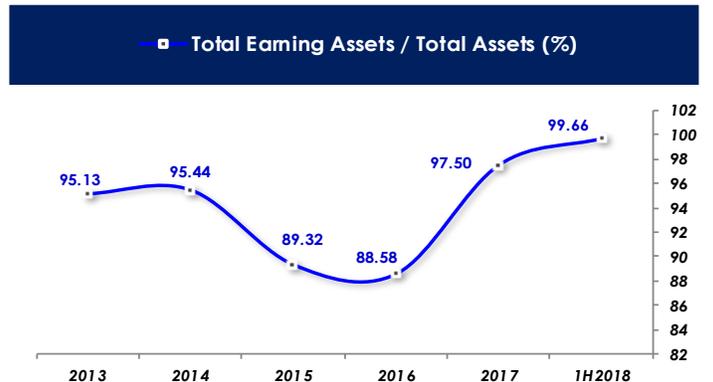
The provisions for impaired receivables reached TRY20.55mn. in 1H2018. Consequently, the Company's provision to total income margin increased by 4.33 % to 54.33% in 1H2018.

b. Asset Quality

Birikim Varlık Yönetim A.Ş.'s asset quality is defined by factors such as;

- Pricing approach for distressed loan portfolios,
- Success of restructuring of receivables,
- Ease of collection created and collection capability,
- Maintaining qualified staff.

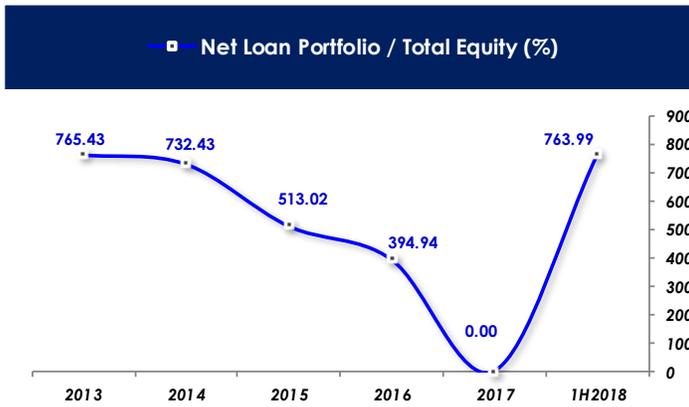
Birikim Varlık has acquired and focused the type of non-performing assets which is corporate and individual portfolios. Birikim Varlık's main objective is the rapid and efficient collection of purchased loans. The Company's management department are responsible for analysing the viability of borrowers, practices and monitoring the debt restructuring plan. Due to upward trend level of NPLs and correspondingly growing pressure over the CAR, Turkish banks sold over TRY9bn. their non-performing loans. Birikim Varlık mainly targets distressed assets transfer from Turkish corporates and individual customers, where competition is intense, in particular from bank-owned NPL AMCs. Moreover, the Company had no off-balance sheet commitments and guarantees contributed to assets quality and risk level in 1H2018.



Total earning assets of the company comprised 99.66% and 97.50% of total assets as of 1H2018 and FYE2017, respectively which are above the sector average of 83.57% in 2017 tying the asset quality directly into the quality of the receivable portfolio.

Portfolio Details	1H2018
Purchased Cost / Purchased Loans	12.17%
Purchased Cost / Collections	81.69%

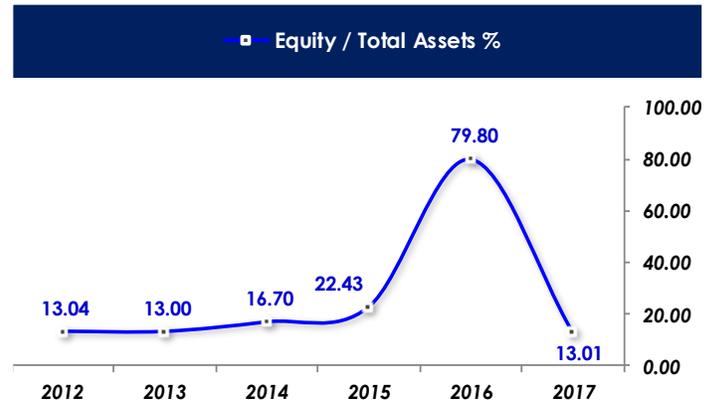
Birikim Varlık purchased non-performing loans portfolio from Turkish lender banks worth TRY3.7bn for TRY450mn. in 1H2018. Consequently, the Company's main portfolio detail such as the purchased cost to purchased loans ratio stood at 12.17% as of June 30,2018 purchase cost to collections was 81.69% in the same period.



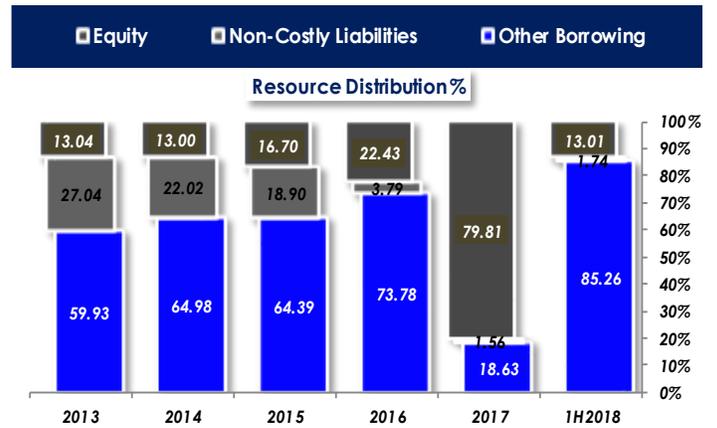
Birikim Varlık's net loan portfolio to total equity ratio stood at 763.99x in FYE2017 which is the above of average between FYE2013 and 1H218 with the exception of FYE2017. Ongoing loan portfolio growth supports higher Net Interest Income.

c. Funding & Adequacy of Capital

The latest BRSA regulations embrace the ratio of the Company's minimum paid-in capital per company must be at least TRY 20mn. As such, Birikim Varlık increased its paid-in capital through cash injection to TRY20mn. in 2018.



The Company's total liabilities grew sharply to TRY219.86mn. as of 1H2018 compared with FYE2017 due to merge process.



85.26% and 13.01% of total liabilities were composed by miscellaneous debts and equity, respectively in 1H2018. Trend of profitability ratios strikes improvement in the Company's internal resource generation capacity. Birikim Varlık's internal equity generation stood at 67.98% in 1H2018. Capitalisation is tight in the sector, especially as their low profits are vulnerable to a further downturn in Turkey. 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 Varlık'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.

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 yearly basis.

b. Credit Risk

Credit risk concentration becomes an issue when the number of receivables running in similar business areas and similarly affected by the changes of economics, politics and other conditions increases. If the risk of credit is unpreventable, companies try to diminish credit risk by transacting with parties in a variety of sectors and regions and obtaining sufficient collateral where possible. 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.

Birikim Varlık purchased TRY450.27mn for credit files from bank and other financial companies in 1H2018.

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. Additionally, the Company has no net foreign exchange position as of December 31, 2017.

c. Market Risk

The Company is not subject to market risk reporting due to its status as an "Asset Management Company".

d. Liquidity Risk

Birikim Varlık has afforded cash credit opportunities from, the banking system and its creditworthiness via bond issuance. Diversified funding base ensures operating and strategic flexibility in asset-liability management and sound funding base is expected to continue its credit strength. The Company's contingency funding plan is reasonably accessible during times of financial hardship. The Company continued to generate internal liquidity provided by strong operating cash flows in 1H2018. Birikim Varlık's internal liquidity generation is sufficient to meet its operational expenses. The Company's monthly cash flow chart from operating activities is as follows.

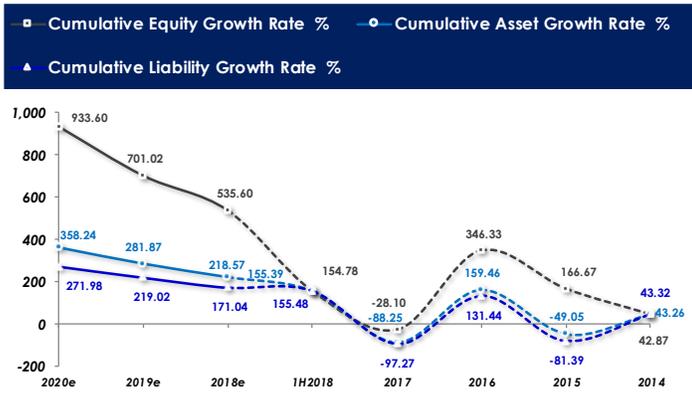
Cash Flow Table (TRY /000)	2018				2019								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Cash for the Period	7,500	3,793	7,333	17,363	3,165	10,715	9,915	16,015	10,665	2,115	12,715	5,465	10,115
Cash Inflows	12,055	14,350	44,850	15,350	43,350	13,350	40,350	14,350	34,350	26,350	34,350	14,850	37,350
Portfolio Collection	12,500	14,000	14,500	15,000	13,000	13,000	14,000	14,500	14,500	13,500	14,000	14,500	15,000
Bond Issue	-	-	30,000	-	30,000	-	35,000	-	-	-	-	-	-
Real Estate Securities Sales Amount	405	300	300	300	300	300	300	300	300	300	300	300	300
Credits	-	-	-	-	-	-	-	-	20,000	12,500	20,000	-	22,500
Interest Income	50	50	50	50	50	50	50	50	50	50	50	50	50
Cash Outflows	16,072	10,600	34,818	20,750	35,800	14,250	42,250	21,000	43,600	15,750	41,600	10,200	45,750
Interest Expenses	6,500	2,450	3,018	6,500	2,750	4,250	6,500	2,750	3,250	6,500	2,750	2,750	6,500
Bond Principal and Coupon Payment	-	-	-	-	-	2,000	-	2,600	32,600	3,000	32,600	-	33,000
Credit Principal Payments	4,072	2,600	15,000	2,500	20,000	600	10,000	10,000	600	500	500	500	500
Portfolio Purchase Fee	-	-	10,000	15,000	7,500	-	20,000	-	-	-	-	-	-
Current Account Payments	5,500	5,550	6,800	5,750	5,550	6,800	5,750	5,750	6,950	5,750	5,750	6,950	5,750
Cash at End of Period	3,793	7,333	17,363	3,165	10,715	9,915	16,015	10,665	2,115	12,715	5,465	10,115	2,215

As of June 30, 2018, credit lines worth TRY120mn. were provided by different financial institutions. Over 50% of this total line has been drawn upon, with a free line amounting to approximately TRY60mn, relieving liquidity management.

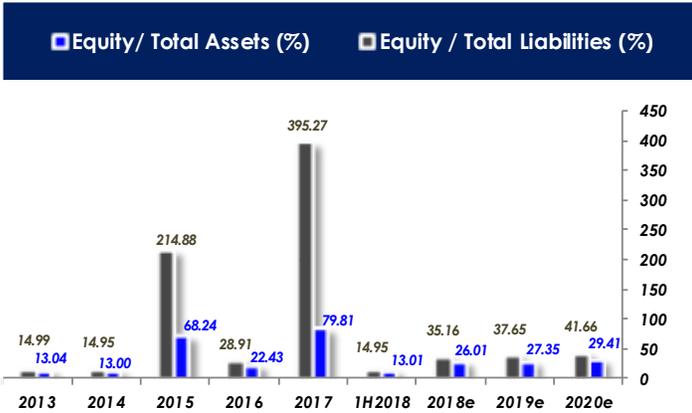
8. Budget & Debt Issue

Within the framework of projections and budgeting activities of Birikim Varlık, the financial assumptions and estimations spanning the years 2018 and 2020 have been established. Birikim Varlık has projected a moderate growth in FY2018 and FY2020 (including bond issues of TRY30mn., TRY65mn. and TRY70mn. in FYE2018-19 and FYE2020). The funds will

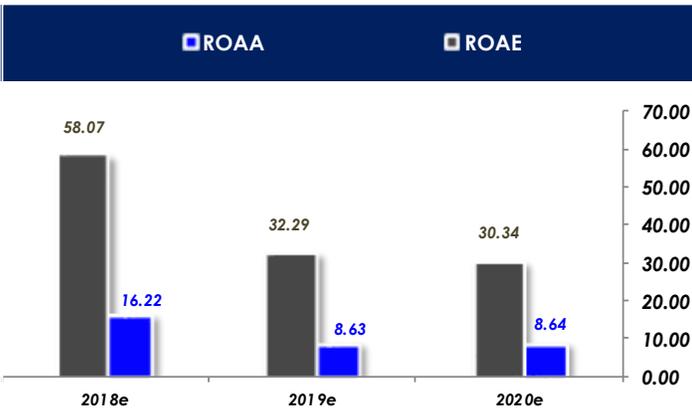
enable the company to buy new distressed portfolios from financial institutions.



Integrating the above stated projected growth with the last six years' growth series results cumulative assets growth rate of 932% compared to FYE2014 as of FYE2020e.



In this structure plan, the capital adequacy ratios, mainly equity to total assets and equity to total liabilities based on the assumptions and parameters are expected to fluctuate between 26.01% and 27.35%, and 35.16% and 37.65% as of FYE2018e-2019e, respectively.



BİRİKİM VARLIK YÖNETİM A.Ş. BALANCE SHEET - ASSET (000)	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	As % of	As % of
	1H2018	1H2018	1H2018	2017	2017	2016	2016	2015	1H2018	2017
	USD	TRY	TRY	TRY	TRY	TRY	TRY	TRY	Assets	Assets
	(Converted)	(Original)	(Average)	(Original)	(Average)	(Original)	(Average)	(Original)	(Original)	(Original)
A- TOTAL EARNING ASSETS (I+II+III)	55,228	251,880	131,608	11,335	119,391	227,447	205,715	183,983	99.66	97.50
I- LOANS AND LEASING RECEIVABLES (net)	55,069	251,155	125,578	0	113,724	227,447	201,984	176,521	99.37	n.a
a) Short Term Loans	0	0	0	0	0	0	0	0	n.a	n.a
b) Lease Assets	55,069	251,155	125,578	0	113,724	227,447	201,984	176,521	99.37	0.00
c) Medium & Long Term Loans	0	0	0	0	0	0	0	0	n.a	n.a
d) Over Due Loans	0	0	0	0	0	0	0	0	n.a	0.00
e) Others	0	0	0	0	0	0	0	0	0.00	n.a
f) Receivable from Customer due to Brokerage Activities	0	0	0	0	0	0	0	0	n.a	n.a
g) Allowance for Loan and Receivables Losses (-)	-0	-0	-0	-0	-0	-0	-0	0	-0.00	-0.00
II- OTHER EARNING ASSETS	159	725	6,030	11,335	5,668	0	3,731	7,462	0.29	97.50
a) Balance With Banks -Time Deposits	159	725	6,030	11,335	5,668	0	3,731	7,462	0.29	97.50
b) Money Market Placements	0	0	0	0	0	0	0	0	n.a	n.a
c) Reserve Deposits at CB (*)	0	0	0	0	0	0	0	0	n.a	n.a
d) Balance With CB- Demand Deposits	0	0	0	0	0	0	0	0	n.a	n.a
III- SECURITIES AT FAIR VALUE THROUGH P/L	0	0	0	0	0	0	0	0	n.a	n.a
a) Treasury Bills and Government Bonds	0	0	0	0	0	0	0	0	n.a	n.a
b) Other Investment	0	0	0	0	0	0	0	0	n.a	n.a
c) Repurchase Agreement	0	0	0	0	0	0	0	0	n.a	n.a
B- INVESTMENTS IN ASSOCIATES (NET) + EQUITY SHARE	0	0	0	0	0	0	0	0	n.a	n.a
a) Investments in Associates (Net)	0	0	0	0	0	0	0	0	n.a	n.a
b) Equity Share	0	0	0	0	0	0	0	0	n.a	n.a
C- NON-EARNING ASSETS	188	858	575	291	14,804	29,316	25,658	21,999	0.34	2.50
a) Cash and Cash Equivalents	0	0	0	0	0	0	9	17	n.a	n.a
b) Balance With Banks - Current Accounts	0	0	0	0	7,925	15,850	7,925	0	n.a	n.a
c) Financial Assets at Fair Value through P/L	0	0	0	0	0	0	0	0	n.a	n.a
d) Accrued Interest from Loans and Lease	0	0	0	0	0	0	0	0	n.a	n.a
e) Other	188	858	575	291	6,879	13,466	17,724	21,982	0.34	2.50
- Intangible Assets	0	0	0	0	24	47	67	86	n.a	n.a
- Property and Equipment	8	35	18	0	3,503	7,005	3,988	971	0.01	n.a
- Deferred Tax	80	367	190	13	7	0	0	0	0.15	0.11
- Other	100	456	367	278	3,346	6,414	13,670	20,925	0.18	2.39
TOTAL ASSETS	55,416	252,738	132,182	11,626	134,195	256,763	231,373	205,982	100.00	100.00

BİRİKİM VARLIK YÖNETİM A.Ş. BALANCE SHEET LIABILITIES & SHAREHOLDERS' EQUITY (000)	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	As % of	As % of	As % of	FYE	FYE	FYE
	1H2018	1H2018	1H2018	2017	2017	2016	2016	2015	1H2018	2017	2016	1H2018	2017	2016
	USD	TRY	TRY	TRY	TRY	TRY	TRY	TRY	Assets	Assets	Assets	Growth	Growth	Growth
	(Converted)	(Original)	(Average)	(Original)	(Average)	(Original)	(Average)	(Original)	(Original)	(Original)	(Original)	Rate %	Rate %	Rate %
A- COST BEARING RESOURCES (I-II)	47,246	215,477	108,822	2,166	95,801	189,435	161,037	132,638	85.26	18.63	73.78	9,848.15	-98.86	42.82
I- 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	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) FC Deposit	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) FC & LC Banks Deposits	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
II- BORROWING FUNDING LOANS & OTHER	47,246	215,477	108,822	2,166	95,801	189,435	161,037	132,638	85.26	18.63	73.78	9,848.15	-98.86	42.82
a) Borrowing From Domestic Market	0	0	0	0	94,718	189,435	161,037	132,638	n.a	n.a	73.78	n.a	-100.00	42.82
b) Borrowing From Overseas Markets	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) Borrowing from Interbank	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Securities Sold Under Repurchase Agreements	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
e) Subordinated Loans & Others	47,246	215,477	108,822	2,166	1,083	0	0	0	85.26	18.63	n.a	9,848.15	n.a	n.a
B- NON-COST BEARING RESOURCES	962	4,387	2,285	183	4,961	9,738	24,337	38,936	1.74	1.57	3.79	2,297.27	-98.12	-74.99
a) Provisions	910	4,149	2,108	66	66	65	161	256	1.64	0.57	0.03	6,186.36	1.54	-74.61
b) Current & Deferred Tax Liabilities	52	238	178	117	59	0	936	1,872	0.09	1.01	n.a	103.42	n.a	-100.00
c) Trading Liabilities (Derivatives)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Other Liabilities	0	0	0	0	4,837	9,673	23,241	36,808	n.a	n.a	3.77	n.a	-100.00	-73.72
C- TOTAL LIABILITIES	48,208	219,864	111,107	2,349	100,761	199,173	185,374	171,574	86.99	20.20	77.57	9,259.90	-98.82	16.09
D- MINORITY INTEREST	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
E- EQUITY	7,208	32,874	21,076	9,277	33,434	57,590	45,999	34,408	13.01	79.80	22.43	254.36	-83.89	67.37
a) Prior Year's Equity	4,385	20,000	34,556	49,112	49,112	49,112	33,773	18,434	7.91	422.43	19.13	-59.28	0.00	166.42
b) Equity (Added From Internall & External Resources At This Year)	-158	-721	-19,917	-39,112	-24,556	-10,000	-5,020	-39	-0.29	-336.42	-3.89	-98.16	291.12	25,541.03
c) Profit & Loss	2,981	13,595	6,436	-723	8,878	18,478	17,246	16,013	5.38	-6.22	7.20	-1,980.36	-103.91	15.39
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	55,416	252,738	132,182	11,626	134,195	256,763	231,373	205,982	100.00	100.00	100.00	2,073.90	-95.47	24.65
(*) This Item Is Included In Other Item	USD Rates 1=TRY	4.5607		3.7719		3.5318		2.9076						

BİRİKİM VARLIK YÖNETİM A.Ş. INCOME STATEMENT (000) TRY	FY	FY	FY	FY	FY
	1H2018	2017	2016	2015	2014
	Net Interest Income	20,646.00	308.00	58,512.00	50,544.00
a) Interest Income	20,646.00	308.00	85,635.00	65,999.00	34,189.00
b) Interest Expense	0.00	0.00	27,123.00	15,455.00	10,782.00
Net Fee and Commission Income	-148.00	0.00	2,821.00	5,402.00	920.00
a) Fee and Commission Income	0.00	0.00	4,848.00	6,500.00	1,402.00
b) Fee and Commission Expense	148.00	0.00	2,027.00	1,098.00	482.00
Total Operating Income	17,326.00	314.00	19,770.00	3,645.00	4,590.00
Net trading income (+/-)	0.00	0.00	0.00	0.00	0.00
Foreign Exchange Gain or Loss (net) (+/-)	0.00	0.00	557.00	127.00	109.00
Gross Profit from Retail Business	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
Income on Sale of Equity Participations and Consolidated Affiliates	0.00	0.00	0.00	0.00	0.00
Gains from Investment Securities (Net)	0.00	0.00	0.00	0.00	0.00
Other Operating Income	52.00	314.00	19,213.00	3,518.00	4,481.00
Taxes from Other Income	-1.00	0.00	0.00	0.00	0.00
Dividend	17,275.00	0.00	0.00	0.00	0.00
Provisions	20,549.00	311.00	20,911.00	14,265.00	5,276.00
Provision for Impairment of Loan and Trade Receivables	20,549.00	311.00	20,911.00	14,265.00	5,276.00
Other Provision	0.00	0.00	0.00	0.00	0.00
Total Operating Expense	3,326.00	663.00	36,825.00	25,195.00	16,605.00
Salaries and Employee Benefits	1,587.00	645.00	16,353.00	13,346.00	8,710.00
Depreciation and Amortization	0.00	0.00	737.00	532.00	468.00
Other Expenses	1,739.00	18.00	19,735.00	11,317.00	7,427.00
Profit from Operating Activities before Income Tax	13,949.00	-352.00	23,367.00	20,131.00	7,036.00
Income Tax – Current	354.00	0.00	4,732.00	4,034.00	1,472.00
Income Tax – Deferred	0.00	0.00	0.00	84.00	33.00
Net Profit for the Period	13,595.00	-352.00	18,635.00	16,013.00	5,531.00
Total Income	37,824.00	622.00	81,103.00	59,591.00	28,917.00
Total Expense	3,326.00	663.00	36,825.00	25,195.00	16,605.00
Provision	20,549.00	311.00	20,911.00	14,265.00	5,276.00
Pre-tax Profit	13,949.00	-352.00	23,367.00	20,131.00	7,036.00

BİRİKİM VARLIK YÖNETİM A.Ş. FINANCIAL RATIOS %	FY 1H2018	FY 2017	FY 2016
I. PROFITABILITY & PERFORMANCE			
1. ROA - Pretax Profit / Total Assets (avg.)	10.55	-0.26	10.10
2. ROE - Pretax Profit / Equity (avg.)	66.19	-1.05	50.80
3. Total Income / Equity (avg.)	179.47	1.86	176.31
4. Total income / Total Assets (avg.)	28.62	0.46	35.05
5. Provisions / Total Income	54.33	50.00	25.78
6. Total Expense / Total Liabilities (avg.)	2.99	0.66	19.87
7. Net Profit for the Period / Total Assets (avg.)	10.29	-0.26	8.05
8. Total Income / Total Expenses	1,137.22	93.82	220.24
9. Non Cost Bearing Liabilities + Equity- Non Earning Assets / Total Assets	14.40	78.87	14.80
10. Non Cost Bearing Liabilities - Non Earning Assets / Total Assets	1.40	-0.93	-7.62
11. Total Operating Expenses / Total Income	8.79	106.59	45.41
12. Net Interest Margin	15.69	0.26	28.44
13. Operating ROAA (avg.)	n.a.	-0.26	21.82
14. Operating ROAE (avg.)	n.a.	-1.05	109.76
16. Net Profit Margin	35.94	-56.59	22.98
17. Gross Profit Margin	36.88	-56.59	28.81
20. Growth Rate	2,073.90	-95.47	24.65
II. CAPITAL ADEQUACY			
1. Equity Generation / Prior Year's Equity	-3.61	-79.64	-20.36
2. Internal Equity Generation / Previous Year's Equity	67.98	-1.47	37.62
3. Equity / Total Assets	13.01	79.80	22.43
4. Equity / Total Liabilities	14.95	394.93	21.94
5 Free Equity / Total Assets	12.99	79.80	16.19
6.Purchased Cost / Purchased Loans	12.17	n.m	12.89
7.Purchase Cost / Collections	0.82	n.m	10.55
III. LIQUIDITY			
1.Loan Portfolio / Total Assets	99.37	0.00	90.24
2. Collections / Total Expenses	1,657.00	n.m	3.03
3.Net Interest and Commission Income / T.Asset	8.11	2.65	20.81
4.Total Earning Assets / Equity	766.20	122.18	508.11
IV. ASSET QUALITY			
1. Total Provisions / Profit Before Provision and Tax	59.57	-758.54	47.23
2. Impaired Loans / Gross Loans	n.a	n.a	85.33
3. Impaired Loans / Equity	n.a	n.a	501.54
4. Total FX Position / Total Assets	n.a	n.a	0.05
5. Total FX Position / Equity	n.a	n.a	0.31

Ratings Issued by JCR Eurasia Rating		Birikim Varlık Yönetim AŞ		Final Varlık Yönetim AŞ												
		October 11,2018		March 21, 2018		March 28,2017		April 7,2016		April 3,2015		May 2,2014		July 05,2013		
		Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	
	Local Currency	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	
	Issue Rating	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
	Outlook	FC	Negative	Negative	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
		LC	Negative	Negative	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Issue Rating	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
National	Local Rating	A- (Trk)	A-2 (Trk)	A- (Trk)	A-2 (Trk)	A- (Trk)	A-2 (Trk)	BBB+ (Trk)	A-2 (Trk)	BBB (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Positive	Stable	Stable	Stable	Positive	Positive	Stable	Positive	
	Issue Rating	A- (Trk)	A-2 (Trk)	A- (Trk)	A-2 (Trk)	A- (Trk)	A-2 (Trk)	BBB+ (Trk)	A-2 (Trk)	BBB (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	BBB- (Trk)	A-3 (Trk)	
Sponsor Support		2	-	2	-	2	-	2	-	2	-	2	-	2	-	
Stand-Alone		B	-	B	-	B	-	B	-	B	-	BC	-	BC	-	
Sovereign*	Foreign Currency	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	
	Local Currency	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	
	Outlook	FC	Negative	-	Stable	-	Stable	-	Stable	-	Stable	-	Stable	-	Stable	-
		LC	Negative	-	Stable	-	Stable	-	Stable	-	Stable	-	Stable	-	Stable	-