

## PRESS RELEASE

Istanbul –April 7, 2016

## JCR Eurasia Rating,

has upgraded the Long Term National Ratings of “**Final Varlık Yönetim A.Ş.**” and the **Planned Bond Issues** to ‘**BBB+ (Trk)/Positive**’ in the annual rating review and affirmed the ratings on the Long Term International Scale as ‘**BBB-/Stable**’.

JCR Eurasia Rating has upgraded the ratings of **Final Varlık Yönetim A.Ş.** to ‘**BBB (Trk)+ /Positive**’ on the Long Term National Local Scale and upgraded the ratings to ‘**A-2 (Trk)/Stable**’ on the Short Term National Local Scale in the annual rating review Scale in JCR Eurasia Rating’s notation system. Other notes and details of the ratings are given in the table below:

Long Term International Foreign Currency	:	BBB- / (Stable Outlook)
Long Term International Local Currency	:	BBB-/ (Stable Outlook)
Long Term National Local Rating	:	BBB+ (Trk) / (Positive Outlook)
Short Term International Foreign Currency	:	A-3 / (Stable Outlook)
Short Term International Local Currency	:	A-3 / (Stable Outlook)
Short Term National Local Rating	:	A-2 (Trk) / (Stable Outlook)
Sponsor Support	:	2
Stand Alone	:	B

The asset management industry displays one of the highest rates of susceptibility to fluctuations in Turkey’s macroeconomic circumstances in a context described by liquidity conditions triggered by issues in international credit markets and changes in investor risk appetite and their role in the maintenance of financial stability. Following the completion of the regulatory studies regarding their establishment and activities by the BRSA in 2016, the sector’s corporate structure, the quality of financial reporting standards, the increase in standardization and transparency and provision of fair competition underwent a positive acceleration due to the minimum capital requirements, improvements in effective supervision and audit through improvements in legal infrastructure, and obligations regarding the foundation of risk management and internal control systems.

The detrimental effects of macroeconomic developments, high levels of rigid foreign exchange movements and instability, on the financial structure of real sector throughout FY2015 exerted pressure on the collection of receivables across the sector. However, **Final Varlık Yönetimi A.Ş.** managed to preserve the low levels of risk concentration through the contribution of numerous clients positioned pre-dominantly in the personal loan portfolio segment despite the ongoing growth period. The Company which bought 25% of TRY2.67bn asset sales in 2015 has significantly increased the size of its portfolio. The level of collection level created by the Company, internal equity generation capacity, effective risk management, strengthened corporate structure and effective management team, diversified funding structure supported via above sector average interest margin and asset return and rising asset growth performance have been the major factors underlying the upgrade of the Long Term National Rating and outlook to “**BBB+/Positive**” level. On the other hand, the high levels of leverage due to the liquidity requirements in the asset purchase process and the rising trend of financial expenses and the deterioration in collection capabilities due to the current economic conjecture will continue to represent the principal risk factors and be kept under review.

It is considered that the financial strength of the major controlling real person shareholders Mr. İnan ALTINBAŞ and Mr. Hüseyin ALTINBAŞ to support the Company, the scale of the Group, planned investments and sectorial expansion, Final Varlık Yönetim A.Ş.’s Sponsor Support grade has been determined as **(2)**. The Stand Alone grade has been determined as **(B)** considering the ability of the Company to manage its undertaken incurred risks based on its own resources, levels of internal resource generation and current capitalization.

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 İNAN**.

JCR EURASIA RATING  
Administrative Board