

Corporate Credit & Issue Rating

New Update

Sector: NPL Asset Management

Publishing Date: 14/03/2018

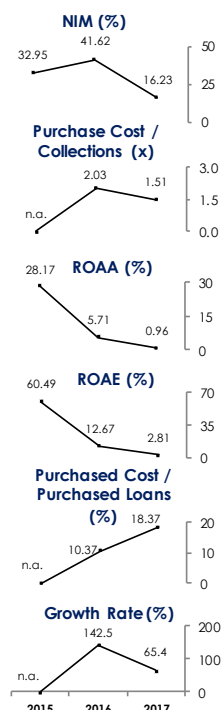
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RATINGS

		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
	Issue Rating	n.a.	n.a.	
National	Local Rating	A-(Trk)	A-2(Trk)	
	Outlook	Positive	Stable	
	Issue Rating	A-(Trk)	A-2(Trk)	
Sponsor Support		2	-	
Stand-Alone		BC	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Affirmed by JCR on November 10, 2017



Mega Varlık Yönetim A.Ş.
Company Overview

Financial Data	2017*	2016*	2015*
Total Assets (000 USD)	59,604	38,890	19,482
Total Assets (000 TRY)	227,115	137,353	56,647
Total Net Loans (000 TRY)	151,369	110,950	53,960
Equity (000 TRY)	63,657	60,947	26,381
Net Profit (000 TRY)	2,656	4,591	6,381
Market Share (%) **	7.59	4.40	2.04
ROAA (%)	0.96	5.71	28.17
ROAE (%)	2.81	12.67	60.49
Equity/Assets (%)	28.03	44.37	46.57
Asset Growth Rate (Annual) (%)	2.81	12.67	60.49
Purchase Cost / Purchase Loans	18.37	10.37	n.a.
Purchase Cost / Collections	1.51	2.03	n.a.

* End of Year ** On Solo Basis

Mega Varlık Yönetim Anonim Şirketi (hereinafter referred to as **“Mega Varlık”** or the **“Company”**), a domestic asset management company, began activities as of August, 2015. The Company 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 NPL Asset Management Sector is regulated and supervised by the Banking Regulation and Supervision Agency (BRSA).

The Company is headquartered in Istanbul, had a staff force of 27 as of December 31, 2017. The Company’s real person shareholding structure covers 4 individuals. The main controlling shareholder, who also hold majority shares in WRE Biofuel and United Fuel Supply, a leading institution in USA operating in the energy sector, Mr. Jacob Ortell Kingston (99.99%) as of December 31, 2017.

JCR Eurasia Rating has affirmed Mega Varlık’s National Local Rating as **‘A-(Trk)’**.

Strengths

- Sound growth performance in assets, portfolio-outperforming the sector average,
- Equity to total assets level base highly above legal the requirements, enabling to buy new distressed portfolios,
- Established strength of diversifying fund sources easing liquidity management,
- Existence of entrepreneurial-oriented management structure with established track record in the financial services industry,
- Effectiveness in analysis and portfolio valuations leading to qualified receivables collection
- Advantage afforded from receivables with a high discount level

Constraints

- Increase in interest expenses and OPEX pressuring profitability ratios,
- Deterioration in Purchase Cost to Purchased Loans,
- Fierce and asymmetric competition throughout the sector,
- Low level of compliance with Corporate Governance Principals,
- Volatility in macroeconomic indicators through ongoing regional tensions.

1. Rating Rationale

The Company's consolidated independent audit report prepared in conformity with BRSA regulations, statistical data on the sector produced by BRSA, JCR Eurasia Rating's own studies and records, information and clarifications provided by the Company and non-financial figures constitute the major basis of **Mega 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 Mega 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 15 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.

Maintaining Financial Results

The Company's cash flow generation capability, low level of purchase cost and strong capital position and low level of credit risk contributed positively to the formation of the short and long-term grades.

The main profitability indicators 'Return of Average Assets (ROAA) and Return on Average Equity (ROAE)' remained below the sector average for the year. A similar trend is noted in the ratios of Net Profit for the Period / Total Assets and Net Interest Margin.

Well-Diversified Portfolio and Sound Asset Quality

The Company has been able to maintain its asset growth rates during the previous years The Company's 66.65% assets marked with earning assets as of FYE2017 in line with the sectorial dynamics.

Mega Varlık's board of directors determines the Company's risk appetite and approves all general principles relating to risk control, management and limits. The Company had a low level of credit risk historically despite aggressive growth rates.

Sound 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 thanks to generation of internal equity through retention of net profit and cash injection. The Company maintained its relatively strong level of equity, having attained a figure of 28.03% for its equity to total assets, higher than the sector-average figure of 26.04%. In addition, the Company ratio of equity to total liabilities realized a value of 38.94% which was above the sector-average of 35.22%. The funds will enable the company to buy new distressed portfolios from financial institutions.

Diversified Debt Profile

Mega Varlık has continued its efforts to diversify and extend the maturity of provided funds. The Company's total liabilities grew by 113.93% to TRY163.46mn. as of FYE2017.

22.92 %, 19.07 and 17.38% of total liabilities were composed of bank loans, issued bonds and miscellaneous debts, respectively in FYE2017. Additionally, 40.63% of total liabilities driven by other debts, including advance received for real estate sales. There is no liquidity shortage in almost any maturity on balance sheet transaction.

Cost bearing resources held a 30.22% share in total liabilities (excluding equity). Internal resource generation capacity of the Company and the strong shareholder structure are expected to support the equity level of and the ongoing growth in the following periods. The maturities of assets and liabilities are reasonably matched and JCR Eurasia considers refinancing risk to be limited.

Adequate Collection Rate Easing Liquidity Management

Purchase Cost to Collections ratio stood at 1.51x in FYE2017 (FYE2016: 2.03x) while Purchase Cost to Purchased Loans standing at 18.37x (FYE2016:10.37x) in the same year.

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.

Recent amendments in the draft legislation on NPL Asset Management Companies, NPL Asset Management Companies will have tax advantages such as stamp tax, mortar, BİTT permanently.

Strong Financial Management Team

Experienced and well-resourced management team with a conveniently-defined internal control structure were developed in line with the size of its assets Mega Varlık benefits from its highly qualified senior management who have experience in the fields of finance and law.

Shareholders' Commitment and Support

JCR Eurasia Rating expects that the shareholder from Mr. Jacob Ortell Kingston given its 99.99% ownership in Mega Varlık, offering a comparatively high sponsor support level and will support the Company if required.

Available Three Years Financial Statements

The Company's solo independent audit report, year-end financial statements prepared in conformity with BRSA regulations and three years historical data which Mega Varlık is now able to present form the major basis of the Company's ratings.

Need for Progress in Corporate Governance Practices

Mega 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:

While the tension in international relations through political upheavals and the unrest in some bordering countries persist, concurring tension and the one peculiar to Turkey through successive elections and referendum have resulted in excessively embedded discounts of political risks in the domestic markets compared to those in the emerging countries.

Following a period of rising political tensions after the failed coup attempt and the economy facing a sharp contraction, adversities are expected to be exerted on the debt-servicing capabilities through still subdued growth accompanied by weakened demand and significantly rising unemployment rates although a recovery process has been taking place regarding the policy makers having taken notable measures to partially ease the effects thereon involving counter-cyclical fiscal stimulus package like facilities within the credit guarantee fund and wealth fund.

With respect to the above-mentioned factors, JCR Eurasia Rating has affirmed the long term national local rating of Mega Varlık Yönetim A.Ş.'s as '**A-(Trk)**' and the short term national local rating as '**A-2 (Trk)**' JCR Eurasia Rating has also affirmed '**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.

As there are no additional legal and/or financial collateral guarantees provided separately for the repayment of the bond issued by Mega 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 will monitor developments in regard to the proposed projection of Mega Varlık Yönetim A.Ş.'s growth strategy, planned cash injection, the progress of portfolio and assess the impact of any deterioration in collection rate.

2. Outlook

JCR Eurasia Rating has affirmed a **'Positive'** outlook on the national long term local currency rating perspectives of Mega Varlık Yönetim A.Ş. based on the level of cooperation with banks and other financial institutions with the potential to transfer receivables and assets, the high level of creditworthiness of the qualified shareholder and asset management that offers sustainable profitability in the future; successful growth performance over the last 2 years combined with the maintenance of a comparatively high level of collection ratio, despite probable adverse effects of competitive nature of the operating environment and ongoing economic and political volatility .

Additionally, JCR Eurasia Rating has affirmed a **'Stable'** outlook on the national short term local currency perspective of Mega Varlık Yönetim A.Ş. based on the above average line of credit balances constantly, growth projections, asset quality, market share and current economic conditions.

Additionally, JCR Eurasia Rating has affirmed **'Stable'** outlooks on the international long and short term local currency rating perspectives of Mega Varlık, respectively, which are the Sovereign Ratings Outlooks of the Republic of Turkey

The main driving forces that can call forth a revision in the current outlook status include Company related issues affecting asset quality and liability profile and profitability, cash flow generation as well as other issues concerning Turkey's sovereign rating which is highly responsive to domestic and foreign political and economic uncertainties, tensions and developments.

3. Sponsor Support and Stand Alone

Sponsor Support grades and risk assessments reflect financial and non-financial state and expected support of the main shareholders of Mega Varlık, Mr. Jacob Ortell Kingston who also hold majority shares in WRE Biofuel and United Fuel

Supply, a leading institution in USA operating in the energy sector. It is considered that the shareholders have the sufficient propensity to supply long term liquidity or equity to Mega Varlık Yönetim A.Ş. in case of any need and possess sufficient experience to offer efficient operational support. Therefore, the Company's Sponsor Support rating has been affirmed at **'2'**.

The Stand-Alone Grade has been constituted particularly with respect to Mega Varlık's organizational structure, equity level, asset quality, collection rate, risk management practices, market shares, growth rates and profitability ratios and the development of existing risks in the markets and business environment.

The Stand-Alone rating is formed depending on the Company's collection rate, equity structure, risk management applications, market shares, growth rates and occurring risks in the business environment. It is assumed that Mega Varlık A.Ş. has enough experience and accumulation of infrastructure to manage risks incurred in the balance sheet without shareholder support, provided that they monitor their existing portfolio positions. In this respect, the Stand-alone rating of Mega Varlık has been affirmed at **'BC'** in JCR Eurasia Rating notation system.

4. Company Profile

Mega Varlık Yönetim Anonim Şirketi established as of March, 2015 started its operations as of August 2015, operates as one of twelve asset management companies authorized by the Banking Regulation and Supervision Agency (BRSA) to acquire distressed and non-performing loans of banks and other financial institutions in Turkey and converting these assets into cash at optimum values and maximize the values of these assets.

b. Organization & Employees

The Board of Mega Varlık has 5 members, including a general manager elected from among its member. Mega Varlık has a staff force of 27 personnel as of December 31, 2017. Mega Varlık continues to work with 58 attorney's offices across Turkey.

The organization chart is divided into four main groups, including legal counsel, asset and receivable management, financial and administrative affairs, information technologies. The Company has maintained its organizational policies aiming to maximize operational productivity and as such has created 4-person call center under the Asset and Accounts Receivable department in 2017.

c. Shareholders, Subsidiaries & Affiliates

The following table shows the current shareholder structure of Mega Varlık Yönetim A.Ş. as of FYE2017-16. The Company's real person shareholding structure covers 5 individuals. and Mr. Jacob Ortell Kingston holds the largest share as of December 31, 2017. As indicated below, there has been no significant change in the Company's capital structure.

As of December 31, 2017, the Company's share capital reached TRY50mn.(FYE2016:50mn.). The Company's all shares are registered shares. There is no privileged share within the company's capital.

Mega Varlık Yönetim A.Ş.		
Shareholders Structure	FYE2017-16	
	Amount	Share %
Jacob Ortell Kingston	49,996	99.99
Mehmet Demir	1	<1.00
Yakup Levent Korkut	1	<1.00
Çağlar Şendil	2	<1.00
Paid Capital (TRY/000)	50,000	100.00

As of the reporting date, Mega Varlık had a 100% subsidiary with the name of Ani Otel İşletmeleri A.Ş. The capital of Ani Otel was TRY50 in FYE2017 (FYE2016:TRY13).

d. Corporate Governance

Mega Varlık Yönetim A.Ş. is not a publicly traded company; therefore, the corporate governance discipline is not a field that is required to be taken into consideration. However, the Banking Regulation and Supervision Agency (BRSA) enforce strict regulations and supervision of the AMCs Sector in which the Company operates. The Company's corporate organizational structure has comprehensive internal control and risk management systems. Additionally, the Company has established an 'Internal Control' department which regularly reports to the Board. The Board also contains an 'Asset Evaluation Committee'. As such, the Company has developed a clear organizational structure with division of responsibility and reports at international standards through the procurement of an annual audit service. However, Corporate Governance, Audit or Early Detection of Risk committees have not yet been established.

The Company aligns all of its records and reports with international standards and procures an independent audit service. The periodical financial statements are disclosed to the

public via its website. The Board of Directors consists of 5 members, which includes the majority shareholder of the Company, the general manager. We, as JCR Eurasia Rating, are of the opinion that the senior management of the Company is adequate in terms of education, experience and managerial skills.

The Company's all information is securely stored in an electronic environment that provides the needed information to be reported. Sufficient integration has been performed between the departments of collection, law, asset valuation, credit monitoring, financial affair, allocation and operation. Mega Varlık also established a comprehensive internal control, credit committee, legal counsel and risk management system reporting directly to the board, enforced by the regulator. The establishment of risk monitoring, legal monitoring are the parts of the Company's in time collection program. Together with this system, data related with collections are simultaneously monitored, debtor balances are processed in the system and monitored in weekly reports, firms' risk and collateral conditions, legal developments/processes, protocol and payment plans and managerial and legal processes are monitored daily. However, extensive investment is required in this field.

The Company does not have an effective policy of social responsibility. These constraints are factors reducing the quality of the Company's total corporate governance practices.

Subsequently, the Company's compliance with the principles of corporate governance necessitates essential improvement, especially in the formation of corporate governance committees.

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 6 main companies (*Destek Varlık, Güven Varlık, Final Varlık, Mega Varlık, Vera Varlık, Hayat Varlık*) for sector comparison which dominate the market with approximately 75% market share.

*Balance Sheet (TRY/000)	FYE2017	FYE2016
TOTAL EARNING ASSETS	2,480,777	2,237,155
NON-EARNING ASSETS	509,762	362,401
TOTAL ASSETS	2,990,539	2,599,556
COST BEARING RESOURCES	1,959,966	1,793,824
NON-COST BEARING RESOURCES	251,701	179,550
EQUITY	778,872	626,182
TOTAL LIABILITIES AND EQUITY	2,990,539	2,599,556

Source: BRSA, * (including 6-AMC)

As of FYE2017, the total asset size of 6-Asset Management Companies was TRY 2.99bn, with an equity of TRY778MN. 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 82.95%, whilst cost bearing resources enjoyed the largest share among its resources with a 65.54% 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 AMC's, 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 AMC's. State banks' portfolios are expected to be traded in the market.

Recent legislative regulations reinforced the representative capability, consisting of 15 NPL AMC's, 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 AMC's. 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	BİRLEŞİM VARLIK YÖNETİM A.Ş.
2	DESTEK VARLIK YÖNETİM A.Ş.
3	EFES VARLIK YÖNETİM A.Ş.
4	EMİR VARLIK YÖNETİM A.Ş.
5	FİNAL VARLIK YÖNETİM A.Ş.
6	GÜVEN VARLIK YÖNETİM A.Ş.
7	İSTANBUL VARLIK YÖNETİM
8	MEGA VARLIK YÖNETİM A.Ş.
9	HAYAT VARLIK YÖNETİM A.Ş.
10	MERKEZ VARLIK YÖNETİM A.Ş.
11	HEDEF VARLIK YÖNETİM A.Ş.
12	MET-AY VARLIK YÖNETİM A.Ş.
13	SÜMER VARLIK YÖNETİM A.Ş.
14	VERA VARLIK YÖNETİM A.Ş.
15	YUNUS VARLIK YÖNETİM A.Ş.

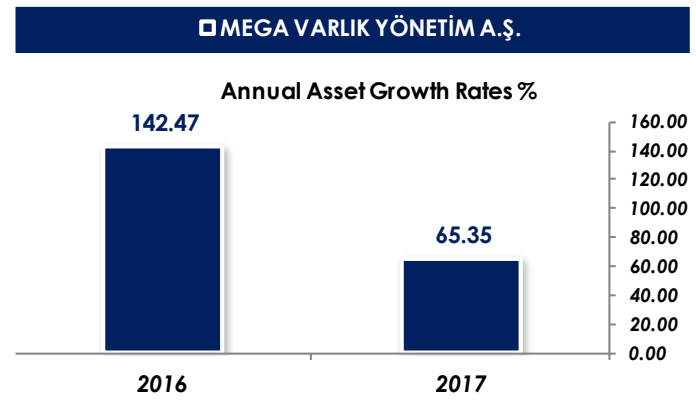
Source: BRSA

6. Financial Analysis

a) Financial Indicators & Performance

i. Indices Relating to Size

Mega Varlık has completed its third financial year, allowing for the measurement and comparison of its balance sheet performance by excluding its initial performance as a start-up company.

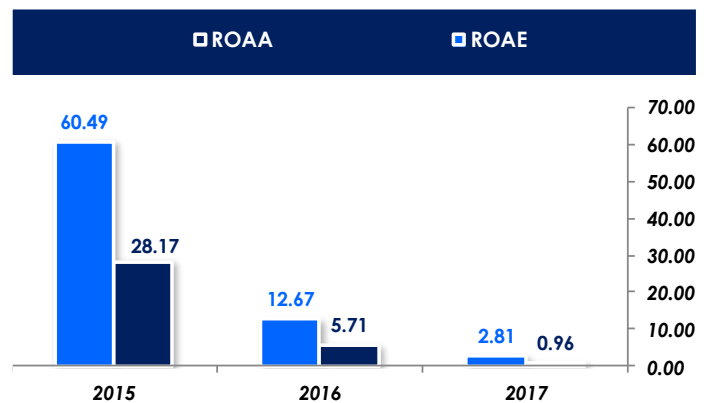


The Company maintained its previous year growth level and realized a 65.35% growth from TRY137.35mn to TRY227.12mn as of FYE2017. A 36.43% increase in 'loan portfolio' from TRY110.95mn. in FYE2016 to TRY151.37mn in FFYE2017 is the main driving force of the above-mentioned Company growth.

In accordance with increasing market share, its annual growth rate as of FYE2017 stayed above that of the sector (15.04%) during the same period.

ii. Indices Relating to Profitability

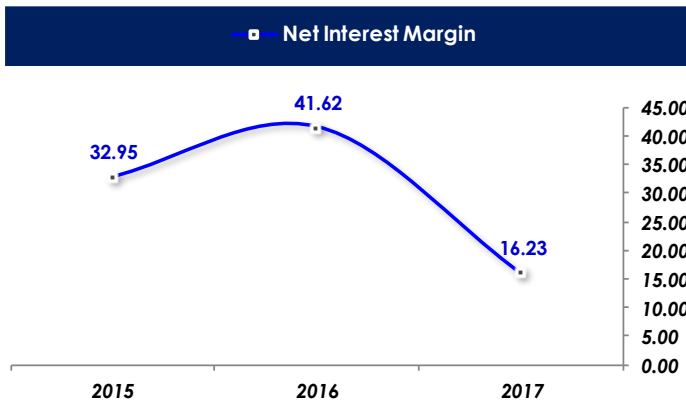
Both sector profitability ratios ROAA and ROAE decreased over the last two years and stood at 0.96% and 2.81%, respectively, as of FYE2017 due to activity expansion, the ratios lagged behind the sector averages of 5.38% and 16.16%.



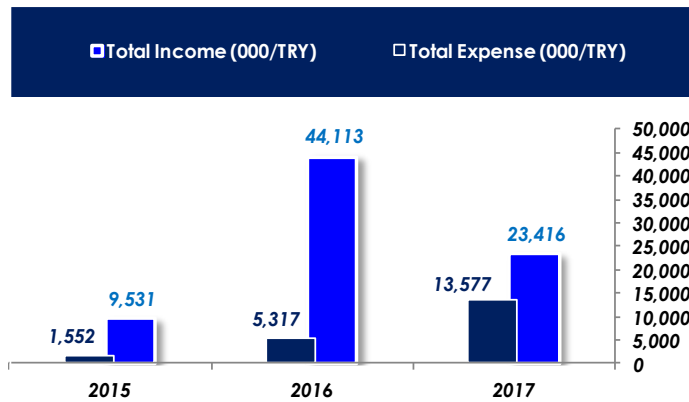
The net present value of the overdue receivables decreased to TRY63.03mn. in FYE2017 from TRY106.41 mn. The amount of TRY17.59mn. in FYE2017 (FYE2016:TRY33.90mn.) between the net present value and carrying value of the overdue receivables has recorded TRY 12.19mn. as the interest income in FY2017 (FY2016: 2.91mn.)

Period	Portfolio	Purchased Cost	Discounted Amount Before Provision	Provision
2017	355,308	56,147	23,549	8,281
2016	722,367	74,878	80,026	22,024
2015	67,221	52,923	806	22,215

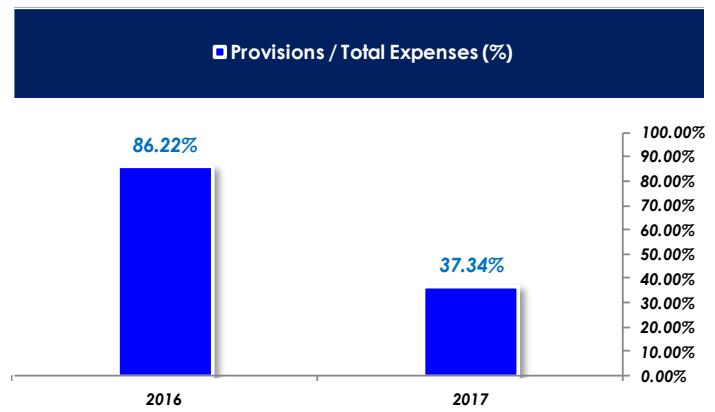
Mega Varlik has collected a total of TRY122.63mn. in FYE2017 (FY2016: TRY32.91mn.) from overdue receivables. The Company estimates to record amount of TRY156.84mn. discounted collection between FY2018-FY2021.



The current high interest environment, coupled with Mega Varlik's funding mix, has pushed up its interest costs. The net interest margin decreased to 16.23% in FYE2017 from 41.62% in FYE2016 due to decrease of interest income despite increasing of earning assets. Mega Varlik's Net interest income growth rate underperformed the sector average of 30.81% during FY2017.



The Company's total income was composed of 93.85% net interest income as of FYE2017. Mega Varlik's total expenses-to-total income ratio increased to 92.53% FYE2017 from 87.45% in FYE2016 amidst the high escalation in debt ratio.

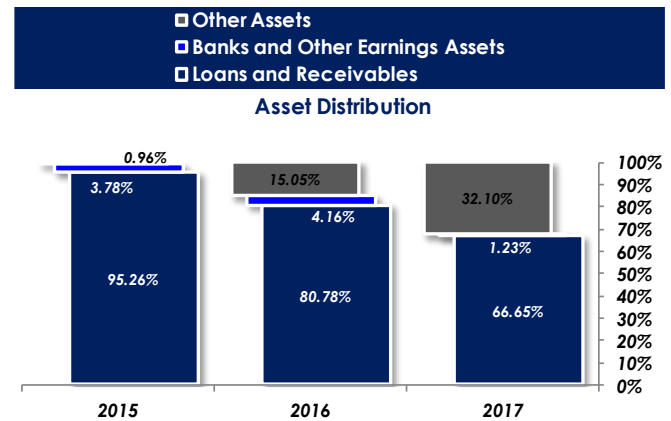


The provisions for impaired receivables, amounting to TRY8.09mn. in FYE2017, had the high effect of the deterioration on the profitability ratios. The Company's provision to total operation expense margin decreased by 48.88% to 37.34 % in FYE2017.

The Company net profit decreased to TRY2.66mn. in FYE2017 from TRY 4.59mn. due to increase in operating expenses. The Company's business has certainly been stabilized and purchased loans has started to generate sufficient cash flow.

b) Asset Quality

The share of earning assets in the Company's total assets continued to decrease and stood at 67.88% (FYE2016: 84.94%). However, in absolute terms, Mega Varlik's total earning assets reached TRY154.17mn. in FYE2017 (FYE2016: TRY116.67mn.).



As of FYE2017, the total asset size of the Company was TRY 227.12mn. and consisted of 15.06% non-earning assets. The dominance of earning assets among the Company's total assets is a factor that contributes positively to asset quality.

Mega Varlik's receivables are constituted of credits assigned and transferred from nonperforming loans of banks and non-

bank financial institutions. Mega Varlık Yönetim A.Ş.'s asset quality is characterized by key factors such as;

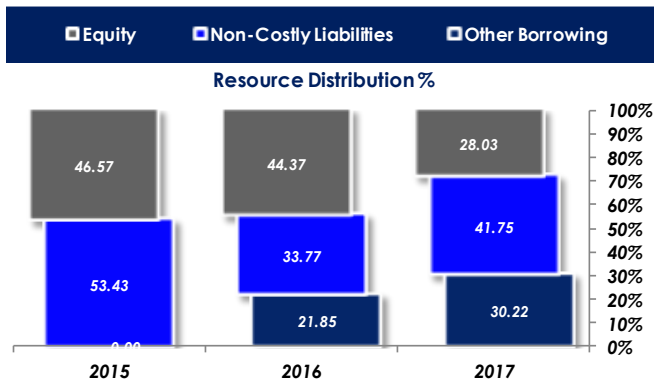
- Establishing correct transfer pricing of assets,
- Success of restructuring of receivables,
- Ease of collection created and collection capability,
- Maintaining qualified staff,

Mega Varlık's main strategy is purchasing corporate nonperforming assets which provide the rapid and efficient collection process. The Company's management department are responsible for analyzing the viability of borrowers, practices and monitoring the debt restructuring plan. Effective use of monitoring channels is another factor in maintaining asset quality.

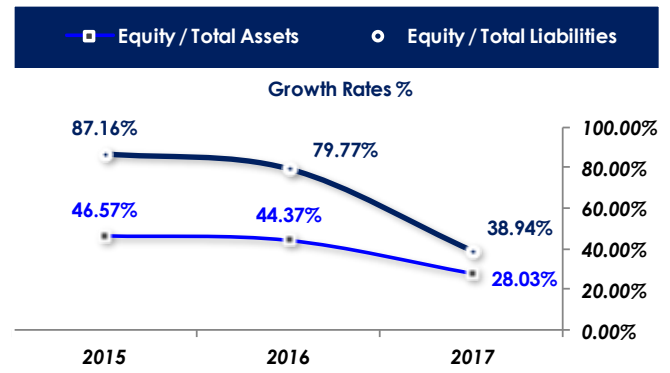
Mega Varlık's NII was mainly driven by level of collection rate and the discount advantage obtained in the tenders. The Company's main portfolio detail such as the purchase cost to purchase loans ratio stood at 18.37% in FYE2017 (FYE2016: 10.37%). Additionally, purchase cost to collections decreased to 1.51% in FYE2017 from 2.03% in FYE2016.

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, Mega Varlık increased its paid-in capital amount to TRY50mn. as of August 19,2016.



The Company's total liabilities grew by 113.93% to TRY163.46mn. as of FYE2017. 22.92 %, 19.07% and 17.38% of total liabilities were composed of bank loans, issued bonds and miscellaneous debts, respectively in FYE2017. Additionally, 40.63% of total liabilities driven by other debts, including advance received for real estate sales. The sector's total liabilities grew by 12.08% in the same period.



Mega Varlık's equity to total assets ratios decreased to 28.03% in FYE2017 from 44.37% in FYE2016 due to remarkable asset growth rate-remained above the sector average for the last three years. Cost bearing resources held a 30.22% share in total liabilities (excluding equity).

Internal resource generation capacity of the Company and the strong shareholder structure are expected to support the equity level of and the ongoing growth in the following periods. The maturities of assets and liabilities are reasonably matched and JCR Eurasia considers refinancing risk to be limited.

7. Risk Profile & Management

a. Risk Management Organization & its Function – General Information

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. 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 Risks

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. In this process, legal and financial risks of file and file collateral (real estate, securities) are examined in detail and presented to the asset evaluation committee for approval. The files approved by the committee are presented to the Board of Directors according to the authority level and approval of the Board of Directors is obtained.

Mega Varlık credit risk exposure was lower than its peers historically due to focus on secured credit files. Mega Varlık purchased TRY67.22mn, TRY722.37mn. and TRY355.31mn. credit files from bank and other financial companies, respectively in FYE2015-16 and FYE2017. The net carrying value of portfolio was TRY 63.03mn. as of December 31,2017.

66.65% of the Company's assets were composed of purchased loans in FYE2016 (FYE2016:80.78%). The Company's total purchased loans amount was TRY245mn. with the purchase price of TRY45mn. during 2017. The Company has not yet established a standard method, Value at Risk (VAR) and monthly sensitivity analyses to measure exchange and interest rate risks, gap analyses or the infrastructure for systematic monitoring methods such as asset-liability risk measurement models which include measurements of net position values against equity. Additionally, scenario analyses and stress tests are not performed. Mega Varlık had TRY1.05mn. off-balance sheet contingencies and commitments figures in FYE2017-16.

c. Market Risk

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

d. Liquidity Risk

Mega Varlık has afforded cash credit opportunities from shareholder support, 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.

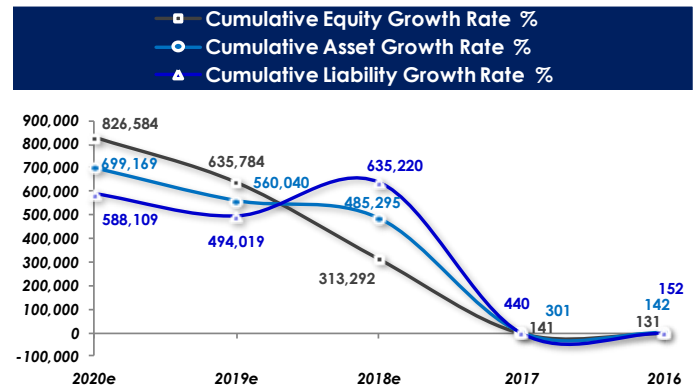
Mega Varlık's liquidity policy consists of the following factors;

- The Company's receivables are planned to be collected in a maximum of two years,
- The collateral can be converted to cash well,
- The portfolio must generate a collateral to be used for debts,
- The portfolio of real estate is preferred to be from commercial real estates,
- The Company's debt ratio stands at 2x or below.

Mega Varlık Yönetim A.Ş. cash level is very low due to corporate receivables weighted dispersion of initial portfolio acquired.

8. Budget & Debt Issue

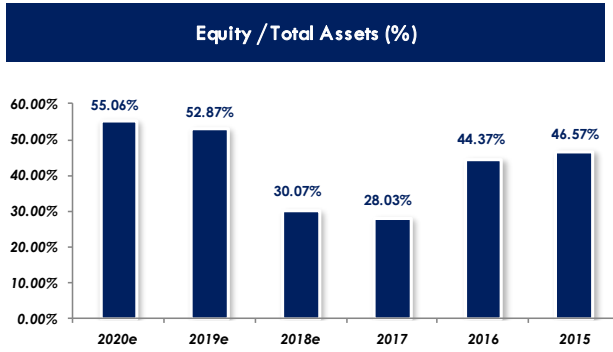
Mega Varlık has projected a robust growth in FY2018 and FY2020 (including bond issues of TRY70mn., TRY80mn. and TRY100mn. in FYE2018-19 and FYE2020). accounting for the uncertainties prevailing in the market. The funds will enable the company to buy new distressed portfolios from financial institutions.



As there are no additional legal and/or financial collateral guarantees provided separately for the repayment of the bond

issued by Mega 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.

According to the base scenario developed by the Company, some of the planned topics are shown in the graphs and charts below;



- 2018-19-20 year-end estimates were formed based on the performance and budget within the current year,
- The increase in total assets from TRY227.12mn. as of December 31, 2017, to TRY274.96mn. as of December 31, 2018, was mostly based on the improvement in profitability and bond issue.
- The Company's purchased loans to total assets are expected to stand between 62% and 64 % as of FYE2018-19-20.
- The amount of bonds to be issued is expected be equal to 84.67% of the Company's equity size and amounts to approximately 25.46% of its total assets size as of December 31, 2018,
- Projected debt ratio is 30%, 53% and 55% as of FYE2018-19-20, respectively.
- Income Statement estimates were formed through the Company management's foresights regarding high collection rate,
- Net Interest Income (NIM) is estimated to reach TRY32mn. , TRY50.60mn. and TRY73.70mn. as of FYE2018-19-20, respectively.
- Provisions are expected to stand at TRY14.25mn., TRY20.35mn. and TRY34.45mn. as of FYE2018-19-20, respectively.

- Net profits are expected to increase to TRY21.68mn., TRY35.08mn. and TRY50.34mn. as of FYE2018-19-20, respectively.

Mega Varlik (TRY/000)	2018(€)	2019(€)
Earning Assets	147,000	169,222
Purchased Loans	140,950	159,172
Non-Earning Assets	127,962	148,080
Total Assets	274,961	317,302
Cost Bearing Resources	190,000	145,000
Non-Cost Bearing Resources	2,285	4,550
Equity	82,675	167,752
Total Liabilities	274,961	317,302

Mega Varlik (TRY/000)	2018(€)	2019(€)
Interest & Fee Commission Income	60,000	80,000
Interest & Fee Commission Expenses (-)	28,000	29,400
Other Income	16,129	24,252
Provisions (-)	14,250	20,350
Operational Expenses (-)	8,500	13,250
Tax (-)	3,704	6,175
Net Profit	21,676	35,077

Considering the previous year's asset size growth and profitability performance, the Company is believed to be able to fulfil its liabilities on time and reach the realization of its projects.

The Company's expected mix of bank borrowings and bond issues provide the flexibility to finance its activities. Mega Varlik generates the majority of the cash used through its portfolio and shareholder loan, indicating sustainability and liquidity structure. It is assumed that a significant part of resources to be generated will be used for the payment of acquired nonperforming receivables. The table below illustrates the share of cash generating channel items of Mega Varlik for the projected years are stated as below.

Cash Flow Table (TRY/000)	March,2018-19
Beginning of the Period	500
<i>Cash Inflows</i>	160,000
Portfolio Collection	12,000
Bond Issuance	70,000
Property-Inventory Sales Amount	45,000
Loans	33,000
Interest Income	-
<i>Cash Outflow</i>	136,700
Interest Expense	14,000
Bond Issuance Repayment	34,000
Loans Repayment	3,200
Portfolio Purchase Cost	70,000
Current Account Payments	15,000
Revenue Share Payment	500
End of the Period	23,800

MEGA VARLIK YÖNETİM A.Ş. BALANCE SHEET - ASSET (000)	FYE 2017 USD	FYE 2017 TRY	FYE 2017 TRY	FYE 2016 TRY	FYE 2016 TRY	FYE 2015 TRY	FYE 2015 TRY	FYE 2014 TRY	As % of 2017 Assets	As % of 2016 Assets	As % of 2015 Assets	FYE 2017 Growth	FYE 2016 Growth	FYE 2015 Growth
	(Converted)	(Original)	(Average)	(Original)	(Average)	(Original)	(Average)	(Original)	(Original)	(Original)	(Original)	Rate %	Rate %	Rate %
A- TOTAL EARNING ASSETS (I+II+III)	40,460	154,168	135,418	116,667	86,385	56,103	28,052	0	67.88	84.94	99.04	32.14	107.95	n.a
I- LOANS AND LEASING RECEIVABLES (net)	39,725	151,369	131,160	110,950	82,455	53,960	26,980	0	66.65	80.78	95.26	36.43	105.62	n.a
a) Short Term Loans	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) Lease Assets	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) Medium & Long Term Loans	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Over Due Loans	27,394	104,381	122,024	139,667	96,814	53,960	26,980	0	45.96	101.68	95.26	-25.26	158.83	n.a
e) Others	23,184	88,340	46,443	4,546	2,273	0	0	0	38.90	3.31	n.a	1,843.25	n.a	n.a
f) Receivable from Customer due to Brokerage Activities	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
g) Allowance for Loan and Receivables Losses (-)	-10,852	-41,352	-37,308	-33,263	-16,632	0	0	0	-18.21	-24.22	n.a	24.32	n.a	n.a
II- OTHER EARNING ASSETS	735	2,799	4,258	5,717	3,930	2,143	1,072	0	1.23	4.16	3.78	-51.04	166.78	n.a
a) Balance With Banks -Time Deposits	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) Money Market Placements	735	2,799	4,258	5,717	3,930	2,143	1,072	0	1.23	4.16	3.78	-51.04	166.78	n.a
c) Reserve Deposits at CB (*)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Balance With CB- Demand Deposits	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
III- SECURITIES AT FAIR VALUE THROUGH P/L	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
a) Treasury Bills and Government Bonds	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) Other Investment	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) Repurchase Agreement	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
B- INVESTMENTS IN ASSOCIATES (NET) + EQUITY SHARE	13	50	32	13	7	0	0	0	0.02	0.01	n.a	284.62	n.a	n.a
a) Investments in Associates (Net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) Equity Share	13	50	32	13	7	0	0	0	0.02	0.01	n.a	284.62	n.a	n.a
C- NON-EARNING ASSETS	19,131	72,897	46,785	20,673	10,609	544	272	0	32.10	15.05	0.96	252.62	3,700.18	n.a
a) Cash and Cash Equivalents	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) Balance With Banks - Current Accounts	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	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	n.a	n.a	n.a	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	19,131	72,897	46,785	20,673	10,609	544	272	0	32.10	15.05	0.96	252.62	3,700.18	n.a
- Intangible Assets	23	86	103	119	79	39	20	0	0.04	0.09	0.07	-27.73	205.13	n.a
- Property and Equipment	7,120	27,130	22,433	17,736	9,104	472	236	0	11.95	12.91	0.83	52.97	3,657.63	n.a
- Deferred Tax	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
- Other	11,989	45,681	24,250	2,818	1,426	33	17	0	20.11	2.05	0.06	1,521.04	8,439.39	n.a
TOTAL ASSETS	59,604	227,115	182,234	137,353	97,000	56,647	28,324	0	100.00	100.00	100.00	65.35	142.47	n.a

MEGA VARLIK YÖNETİM A.Ş.	FYE 2017	FYE 2017	FYE 2017	FYE 2016	FYE 2016	FYE 2015	FYE 2015	FYE 2014	As % of 2017	As % of 2016	As % of 2015	FYE 2017	FYE 2016	FYE 2015
BALANCE SHEET LIABILITIES & SHAREHOLDERS' EQUITY	USD	TRY	TRY	TRY	TRY	TRY	TRY	TRY	Assets	Assets	Assets	Growth	Growth	Growth
(000)	(Converted)	(Original)	(Average)	(Original)	(Average)	(Original)	(Average)	(Original)	(Original)	(Original)	(Original)	Rate %	Rate %	Rate %
A- COST BEARING RESOURCES (I+II)	18,013	68,636	49,327	30,018	15,009	0	0	0	30.22	10.84	n.a	128.65	n.a	n.a
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	18,013	68,636	49,327	30,018	15,009	0	0	0	30.22	10.84	n.a	128.65	n.a	n.a
a) Borrowing From Domestic Market	18,013	68,636	49,327	30,018	15,009	0	0	0	30.22	10.84	n.a	128.65	n.a	n.a
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	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
B- NON-COST BEARING RESOURCES	24,885	94,822	70,605	46,388	38,327	30,266	15,133	0	41.75	16.75	27.36	104.41	53.27	n.a
a) Provisions	70	266	194	122	61	0	0	0	0.12	0.04	n.a	118.03	n.a	n.a
b) Current & Deferred Tax Liabilities	133	507	880	1,252	1,428	1,604	802	0	0.22	0.45	1.45	-59.50	-21.95	n.a
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	24,682	94,049	69,532	45,014	36,838	28,662	14,331	0	41.41	16.25	25.91	108.93	57.05	n.a
C- TOTAL LIABILITIES	42,898	163,458	119,932	76,406	53,336	30,266	15,133	0	71.97	27.58	27.36	113.93	152.45	n.a
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	16,706	63,657	62,302	60,947	43,664	26,381	13,191	0	28.03	22.00	23.85	4.45	131.03	n.a
a) Prior Year's Equity	15,995	60,947	43,664	26,381	13,191	0	0	0	26.84	9.52	n.a	131.03	n.a	n.a
b) Equity (Added From Internall & External Resources At This Year)	14	54	15,015	29,975	24,988	20,000	10,000	0	0.02	10.82	18.08	-99.82	49.88	n.a
c) Profit & Loss	697	2,656	3,624	4,591	5,486	6,381	3,191	0	1.17	1.66	5.77	-42.15	-28.05	n.a
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	59,604	227,115	182,234	137,353	97,000	56,647	28,324	0	100.00	49.58	51.21	65.35	142.47	n.a
(*) This item is included in Other Item	USD Rates 1=TRY	3.8104		3.5318		2.9076		2.3189						

MEGA VARLIK YÖNETİM A.Ş. INCOME STATEMENT (000) TRY	FY 2017	FY 2016	FY 2015
Net Interest Income	21,976.00	35,952.00	9,244.00
a) Interest Income	29,822.00	36,843.00	9,244.00
b) Interest Expense	7,846.00	891.00	0.00
Net Fee and Commission Income	-247.00	-129.00	0.00
a) Fee and Commission Income	0.00	0.00	0.00
b) Fee and Commission Expense	247.00	129.00	0.00
Total Operating Income	883.00	8,290.00	4.00
Net trading income (+/-)	0.00	0.00	0.00
Foreign Exchange Gain or Loss (net) (+/-)	-804.00	4,372.00	-283.00
Gross Profit from Retail Business	0.00	0.00	0.00
Premium income from insurance business	0.00	0.00	0.00
Income on Sale of Equity Participations and Consolidated Affiliates	0.00	0.00	0.00
Gains from Investment Securities (Net)	0.00	0.00	0.00
Other Operating Income	1,687.00	3,918.00	287.00
Taxes other than Income	0.00	0.00	0.00
Dividend	0.00	0.00	0.00
Provisions	8,090.00	33,262.00	0.00
Provision for Impairment of Loan and Trade Receivables	0.00	0.00	0.00
Other Provision	8,090.00	33,262.00	0.00
Total Operating Expense	12,773.00	5,317.00	1,269.00
Salaries and Employee Benefits	0.00	0.00	806.00
Depreciation and Amortization	0.00	0.00	20.00
Other Expenses	12,773.00	5,317.00	443.00
Profit from Operating Activities before Income Tax	1,749.00	5,534.00	7,979.00
Income Tax – Current	-907.00	943.00	1,386.00
Income Tax – Deferred	0.00	0.00	212.00
Net Profit for the Period	2,656.00	4,591.00	6,381.00
Total Income	23,416.00	44,113.00	9,531.00
Total Expenses	21,667.00	38,579.00	1,552.00
Provision	8,090.00	33,262.00	0.00
Pre-tax Profit	-6,341.00	-27,728.00	7,979.00

MEGA VARLIK YÖNETİM A.Ş. FINANCIAL RATIOS %	FYE 2017	FYE 2016	FYE 2015
I. PROFITABILITY & PERFORMANCE			
1. ROA - Pretax Profit / Total Assets (avg.)	0.69	2.86	14.43
2. ROE - Pretax Profit / Equity (avg.)	2.81	12.67	60.49
3. Total Income / Equity (avg.)	37.58	101.03	72.26
4. Total income / Total Assets (avg.)	9.29	22.76	17.23
5. Provisions / Total Income	34.55	75.40	0.00
6. Total Expense / Total Liabilities (avg.)	18.07	72.33	10.26
7. Net Profit for the Period / Total Assets (avg.)	1.05	2.37	11.54
8. Total Income / Total Expenses	108.07	114.34	614.11
9. Non Cost Bearing Liabilities + Equity- Non Earning Assets / Total Assets	37.68	31.28	50.72
10. Non Cost Bearing Liabilities - Non Earning Assets / Total Assets	9.65	9.28	26.87
11. Total Operating Expenses / Total Income	54.55	12.05	13.31
12. Net Interest Margin	10.71	19.62	16.80
13. Operating ROAA (avg.)	3.81	3.32	14.43
14. Operating ROAE (avg.)	15.40	14.71	60.49
15. Net Profit Margin	11.34	10.41	66.95
16. Gross Profit Margin	7.47	12.55	83.72
17. Growth Rate	65.35	142.47	n.a
II. CAPITAL ADEQUACY			
1. Equity Generation / Prior Year's Equity	0.09	113.62	n.a
2. Internal Equity Generation / Previous Year's Equity	4.36	17.40	n.a
3. Equity / Total Assets	28.03	22.00	23.85
4. Equity / T.Liabilities	38.94	79.77	87.16
5. Free Equity / Total Assets	16.02	15.55	23.39
6. Purchased Cost / Purchased Loans	18.37	10.37	n.a
7. Purchase Cost / Collections	1.51	2.03	n.a
III. LIQUIDITY			
1. (Liquid Assets + Marketable Securities) / T. Assets	1.23	2.06	1.94
2. (Liquid Assets + Marketable Securities) / T. Liabilities	1.71	7.48	7.08
3. Net Interest and Commission Income / T.Asset	9.57	6.73	n.a.
4. Total Earning Assets / Equity	67.88	92.53	99.51
IV. ASSET QUALITY			
1. Loan and Receivable's Loss Provisions / Total Loans and Receivables	21.46	11.72	n.a.
2. Total Provisions / Profit Before Provision and Tax	82.22	85.74	n.a.
3. Impaired Loans / Gross Loans	54.16	49.20	50.00
4. Impaired Loans / Equity	163.97	229.16	204.54
5. Loss Reserves for Loans / Impaired Loans	39.62	23.82	n.a.
6. Total FX Position / Total Assets	11.10	3.57	17.76
7. Total FX Position / Equity	39.62	16.22	74.44

Ratings Issued by JCR Eurasia Rating

The Rating Results Issued by JCR-ER		March 14, 2018		March 9,2017		April 29,2016		
		Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	BBB-	A-3	BBB-	A-3	
	Local Currency	BBB-	A-3	BBB-	A-3	BBB-	A-3	
	Outlook	FC	Stable	Stable	Stable	Stable	Stable	Stable
		LC	Stable	Stable	Stable	Stable	Stable	Stable
Issue Rating		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)	BBB+-(Trk)	A-2(Trk)	
	Outlook	Positive	Stable	Positive	Stable	Positive	Stable	
	Issue Rating	A-(Trk)	A-2(Trk)	A-(Trk)	A-2(Trk)	A-(Trk)	A-2(Trk)	
Sponsor Support		2	-	2	-	-	-	
Stand-Alone		BC	-	BC	-	-	-	
Sovereign*	Foreign Currency	BBB-	-	BBB-	-	BBB-	-	
	Local Currency	BBB-	-	BBB-	-	BBB-	-	
	Outlook	FC	Stable	-	Stable	-	-	-
		LC	Stable	-	Stable	-	-	-