

Corporate Credit & Issue Rating

New Update

Sector: NPL Asset Management
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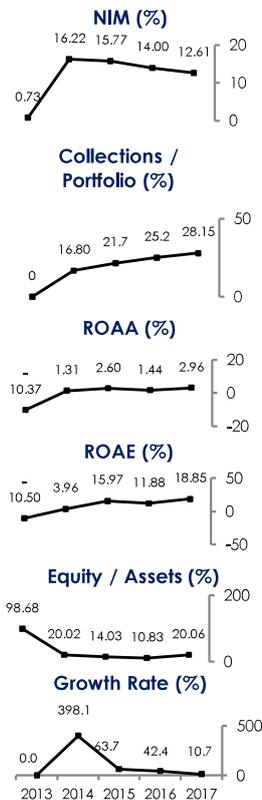
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RATINGS

		Long Term	Short Term	
International	Foreign Currency	N/A	N/A	
	Local Currency	N/A	N/A	
	Outlook	FC	N/A	N/A
		LC	N/A	N/A
Issue Rating	N/A	N/A		
National	Local Rating	BBB+ (Trk)	A-2 (Trk)	
	Outlook	Stable	Stable	
	Issue Rating	BBB+ (Trk)	A-2 (Trk)	
Sovereign*	Sponsor Support	2	-	
	Stand-Alone	B	-	
	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

* Affirmed by JCR on November 10, 2017



Destek Varlık Yönetim A.Ş.

Company Overview

Financial Data	2017	2016	2015	2014	2013
Total Assets (000 USD)	32,486	31,771	27,004	20,679	4,511
Total Assets (000 TRY)	123,786	111,810	78,518	47,953	9,628
Equity (000 TRY)	24,835	12,112	11,015	9,601	9,501
Pre-Tax Profit (000 TRY)	3,482	1,374	1,646	378	-499
Net Profit (000 TRY)	2,763	1,097	1,414	100	-499
Net Interest Income (000 TRY)	14,708	13,192	9,898	4,638	35
Total Receivables (000 TRY)	122,062	107,690	77,976	47,167	0
Equity / T. Assets (%)	20.06	10.83	14.03	20.02	98.68
Cost / Purchased Loans (%)	6.64	8.49	15.86	16.91	N/A
Collections / Total Portfolio (%)	28.15	25.20	21.70	16.80	N/A
Growth Rate (%)	10.71	42.40	63.74	398.06	N/A

Destek Varlık Yönetim Anonim Şirketi (hereinafter referred to as “Destek Varlık” or the “Company”), an asset management company, began activities in 2013, under the name of ‘Deniz Varlık Yönetim Anonim Şirketi’. 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 including the activities of collection and restructuring of them as well as consultancy. In 2014, the Company’s title has been renewed to current name and the shareholder structure has been changed. As of December 2017, Lider Faktoring A.Ş. is the sole owner of the Company. The paid-in capital of Destek Varlık was increased from TRY 10mn to TRY 20mn in late 2017.

The asset management companies sector, which is characterized as new in the classification of financial institutions, has a rapid growth trend. With the increase in activities aimed at monitoring the asset quality of the banks, the sector has become more prominent and promises the future. In this sector, Destek Varlık stands out as one of the important players.

The Company had a staff force of 41 employees as of December 2017 in its headquarters located in Istanbul and has no branches.

Strengths

- Increase in bottom line profit and profitability indicators
- Diversified funding mix with bond issuances
- Doubling the paid-in capital via cash injection
- Successful track record of the shareholders in financial sector
- Favorable tax advantage contributing competitiveness and profitability positively
- High growth potential of the sector linked to financial markets and new regulations

Constraints

- Slowdown in growth rate, compared to its peers in the sector
- Uncertainties arising from tensions & conflicts in the local political environment, together with negatively impacting cost of funding
- Weak level of compliance with corporate governance principles