

## Corporate Credit & Issue Rating

New  Update

Sector: NPL Asset Management  
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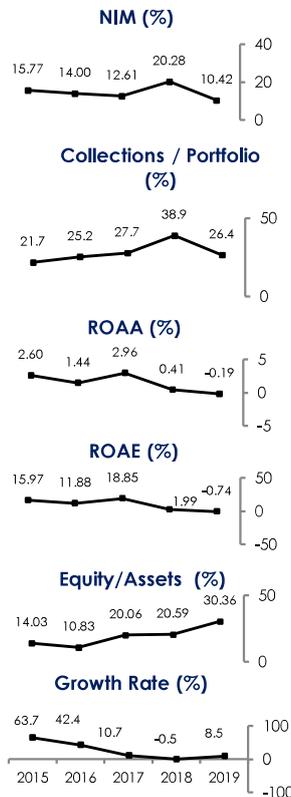
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### RATINGS

		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	Negative	Negative	
	Issue Rating	BBB+ (Trk)	A-2 (Trk)	
Sponsor Support		2	-	
Stand-Alone		B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negative	-
LC		Negative	-	

\*Affirmed by JCR on December 6, 2019



## Denge Varlık Yönetim A.Ş.

### Company Overview

Financial Data	2019*	2018	2017	2016	2015
Total Assets (000 USD)	22,479	23,401	32,486	31,771	27,004
Total Assets (000 TRY)	133,528	123,108	123,786	111,810	78,518
Equity (000 TRY)	40,534	25,346	24,835	12,112	11,015
Pre-Tax Profit (000 TRY)	-243	500	3,482	1,374	1,646
Net Profit (000 TRY)	-816	549	2,763	1,097	1,414
Net Interest Income (000 TRY)	13,186	24,724	14,708	13,192	9,898
Total Receivables (000 TRY)	115,472	120,968	122,062	107,690	77,976
Equity / T. Assets (%)	30.36	20.59	20.06	10.83	14.03
Cost / Purchased Loans (%)	N/A	6.80	6.64	8.49	15.86
Collections / Total Portfolio (%)	26.40	38.90	28.15	25.20	21.70
Growth Rate (%)	8.46	-0.55	10.71	42.40	63.74

\*Unaudited

**Denge Varlık Yönetim Anonim Şirketi** (formerly known as Destek Varlık Yönetim A.Ş. and hereinafter referred to as “Denge Varlık” or the “Company”), an asset management company specialized in Non-Performing Loans (NPL), began activities in 2013, under the name of ‘Deniz Varlık Yönetim Anonim Şirketi’. Under the rules and regulations drawn by BRSA (Banking Regulation and Supervision Agency of Turkey), the Company buys non-performing assets of banks and other financial institutions (primarily over-due loans and receivables) and executes the collection or restructuring process of those assets. The Company’s title has been renewed to current name in 2019. As of reporting date, Lider Faktoring A.Ş. is the sole owner of the Company. The paid-in capital of Denge Varlık is TRY 40mn. The Company operates in its headquarters located in Istanbul and has no branches. While 2019 data in this report belong to Denge Varlık, older data belong to Destek Varlık. A merged report was used to make comparison of 2019 and previous years.

The NPL asset management 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. The increasing pressure on the economic conditions within the country, the supply of non-performing loans exhibits an increasing trend where asset management companies find better places on the stage.

### Strengths

- Strengthened paid-in capital and increase in equity level
- Successful track record of the sole shareholder, Lider Faktoring
- Favorable tax advantage contributing competitiveness and financials positively
- High growth potential of the sector linked to financial markets and new regulations

### Constraints

- Expected slowdown in portfolio expansion and collection capability in the sector due to the recent coronavirus outbreak occurred in early 2020
- Deficiency in being compliant with corporate governance principles