

**DÜNYA VARLIK YÖNETİM A.Ş.**

Long-term National Credit Rating: **TR AA+**  
Short-term National Credit Rating: **TR A1**  
Outlook: **Stable**

**Rating History:**

LTNCR: **TR AA** STNCR: **TR A1** Outlook: **Positive** Date: 20.04.2022

**Istanbul, 20 April 2022** – The Long-term National Credit Rating of TR AA of Dünya Varlık Yönetim A.Ş. (hereafter Dünya or the Company) has been upgraded to TR AA+ and the Short-term National Credit Rating of TR A1 has been affirmed. The Company's high collection performance, strong equity structure, increased profitability performance, low leveraged structure and strong partnership structure, as well as its position and experience in the sector are the main factors supporting the ratings. The possibility of being negatively affected on collections is a factor that constrains the ratings in this process, where the rising costs parallel to the sector and the uncertainty of the political environment due to the upcoming elections also feed the uncertainty in the economic and financial policies. We view the outlook as stable with the expectation that the Company will maintain its current performance.

**High Collection Performance:** Dünya has significantly increased its collection performance in 2022. The collection of the Company in 2022 increased by 93.5% and reached TL29.7 million. Despite the negative economic environment, having high collections is reflected positively on its ratings. As well as the collection methods developed over the years, the efficiency level of the total portfolio was maintained also through collateralization efforts. In addition, making new NPL portfolio investments every year has increased the total efficiency and thus the collections. As of the end of 2022, Dünya has collected TL3.5 billion cumulatively. The Company that collected 23.7% of its total NPL portfolio, aims to collect TL781.4 million from its existing portfolios in 2023. Dünya made 24% of its collections realized in 2022 by enforcement/legal means. In addition to the fact that the Company still makes the majority of its collections amicably, the collection method supported by legal processes, especially collateralization, is planned to be used more effectively. As of the end of 2022, the Company has resolved a total of 496,685 debtor files.

**Continuing NPL Portfolio Investments:** Dünya continues to invest in a new NPL portfolio every year. The Company took over a NPL portfolio of TL828.4 million with a purchase price of TL189.7 million in 2022. Parallel to the sector, the Company's purchase ratio (purchase price / NPL purchased) increased due to the intense competition and lower than expected NPL sales to the sector. The total NPL portfolio size of the Company reached TL15.8 billion by the end of 2022. Dünya is one of the two leading companies in the sector and plans to make new investments in 2023 in a way that will maintain its market share. As of the end of 2022, Dünya's asset size has increased approximately to TL1.8 billion. In addition to the loans deducted from NPL portfolios and monitored, cash and financial assets amounting TL277.9 million in total were also influential in the growth of its assets.

**Strong Equities:** Dünya has strong equities. The shareholders' equity of the Company increased by 41.9% in 2022 and reached TL884 million. Its shareholders' equity has increased by the fact that the Company has achieved high net profits, especially in the last two periods and these profits have been retained. The equity ratio of the Company increased in parallel with the sector and rose to 49.6% in 2022. The leverage ratio of the Company, which did not have an extra borrowing need in 2022, continued to decrease and diminished to 0.7 times by the end of 2022. As of the end of 2022, the paid-in capital of Dünya is TL185 million and it does not plan to distribute dividends.

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**High Profit Performance:** The profitability performance of Dünya has increased significantly in 2022. With the Company's high collections, its overall profitability performance has also increased. The EBITDA of Dünya increased by 100% in 2022 and reached TL522.2 million. Despite the increasing costs in the inflationary environment, the fact that the Company has high amount of EBITDA was reflected positively on its ratings. As a result of the Company's stable borrowing and its increasing EBITDA performance, its net debt coverage ratio with EBITDA increased 1.5 times in 2022 (2021; 0.5). The Company's high amounts of cash and similar assets were also effective in reaching this debt coverage level. The net profit performance of Dünya reached the highest level of all times, and a net profit of TL266.5 million was achieved in 2022. With the effect of increasing net profit in 2022, the average return on assets and equity of the Company increased to 16.8% and 45.2%, respectively.

**Stable Borrowing and Financing Expenses:** The total debt of Dünya remained at a similar level in 2022. The total funding of the Company was realized as TL614.9 million by the end of 2022 (2021; TL613.9 million). The limited NPL sales and intense competition in the sector were effective in not increasing the Company's need for new borrowing. Most of the Company's total funding is bank loans in TL, 39.9% of which is long-term. As of the end of 2022, the Company obtained 21.1% of its bank loans from abroad. The total of the debt instruments issued by the Company as of the end of 2022 is TL50.4 million. The net borrowing of the Company decreased by 35.2% in 2022 to TL337.0 million. Since the Company's borrowing remained at a similar level in 2022, financing expenses remained at a similar level and amounted to TL124.6 million (2021; TL125.2 million). Within the framework of Dünya's investment program, particularly the net debt and financing expenses are likely to increase.

**Increasing Costs Parallel to the Sector:** Due to the nature of its sector, Dünya operates with a large number of personnel. The personnel expenses of the Company, which has a total of 487 employees as of the end of 2022, increased by 90.7% to TL147.7 million due to inflation. On the other hand, there was an increase in operational expenses incurred for collections. In 2022, Dünya's total operational expenses, including commissions, increased by 82.6% and reached TL321.2 million. Increasing costs of the Company suppress its profitability performance.

**Strong Shareholding Structure and Experienced Management Staff:** Dünya is a 50.1% subsidiary of Vector Holdings S.a.r.l., 37.6% Vector Investments Holding S.a.r.l and a 12.3% European Bank for Reconstruction and Development (EBRD). The inclusion of the EBRD in the partnership structure of the Company makes a positive contribution to the ratings. The EBRD also provides financial support to the Company. Dünya has completed its reorganization process in terms of both management and operational activities to a great extent. It is expected that the Company will continue to increase its performance through the synergy that it will create with the new structure.

Dünya's Selected Financial Indicators

(TL1000)	2018	2019	2020	2021	2021
<b>Total Assets</b>	<b>1,206,675</b>	<b>1,420,044</b>	<b>1,343,030</b>	<b>1.395.423</b>	<b>1,782,104</b>
<i>Asset Growth (%)</i>	<i>16.4</i>	<i>17.7</i>	<i>-5.4</i>	<i>3.9</i>	<i>27.7</i>
NPLs (Net)	1,134,672	1,282,479	1,225,913	1,224,666	1,384,302
Total Borrowings	580,293	745,286	630,302	613,879	614,956
<b>Equity</b>	<b>498,539</b>	<b>540,459</b>	<b>560,574</b>	<b>623,222</b>	<b>883,993</b>
<i>Equity / Total Assets (%)</i>	<i>41.3</i>	<i>38.1</i>	<i>41.7</i>	<i>44.7</i>	<i>49.6</i>
Total Interest Income	433,239	404,702	237,221	379,599	818,190
Operational Profit/Loss	303,637	231,217	114,407	252,522	693,966
Total Operational Expenditures (-)	153,864	167,812	125,491	166,872	307,571
Expected Loss Provision (-)	36,672	11,606	-33,914	9	0
<b>Net Profit/Loss</b>	<b>90,085</b>	<b>41,920</b>	<b>18,676</b>	<b>62,539</b>	<b>266,520</b>
Value of Portfolio Purchased (Principal)	12,821,924	14,469,409	14,654,949	15,012,568	15,840,986
Acquisition Value of Portfolios	95,800	159,902	17,310	80,401	189,686
Collections	<b>358,929</b>	<b>402,340</b>	<b>364,615</b>	<b>428,805</b>	<b>829,705</b>

\* Financial data for 2018-2019-2020-2021 are consolidated. The consolidation includes Merkez Alacak Yönetimi ve Danışmanlık Hizmetleri A.Ş., a subsidiary of Hisar Stratejik Yatırımlar Holding A.Ş. which is wholly owned by the Company.