

Vessel Valuation

DENGE
DEĞERLEME



Our company produces international standard valuation reports for sea vessels in a wide range of states, including those in operational, construction, and repair stages, both in Turkey and abroad.

- Dry Cargo Ships
- Tankers
- Merchant Ships
- Ferryboats
- Yachts
- Trailers
- Ro-Ro Ships
- Container Ships
- Powerships
- Floating Oil-Gas Platforms
- Fishing Vessel
- Cruise Ships
- Sailing Vessels
- Motorized Yachts



Our Approach

The vessel valuation reports are prepared by SPK (CMB-Capital Markets Board of Turkey) licensed mechanical engineers, leveraging the expertise of shipbuilding and marine engineering professionals.

Information is collected regarding the condition of the vessel, including the overall condition of the hull, machinery, and equipment. The status of cranes, maintenance records, all equipment on board, the condition of life-saving and firefighting apparatus, the capacity and general condition of the cargo holds, and other relevant details are also gathered.

After the on-site inspection of the vessel, the documentation pertaining to the ship is reviewed. This includes documents (Such as the Certificate of Registry, Classification Society Certificate, International Tonnage Certificate, Certificate of Seaworthiness, Cargo Ship Construction Safety Certificate, International Load Line Certificate, Tonnage Measurement Certificate, Special Yacht Registration Certificate for private yachts, and others. The validity dates of these documents are checked, and any missing documents or the presence of any liens or arrest orders are examined. Current information regarding lien status is confirmed with the relevant port authority.





The value of the vessel is determined taking into consideration the following factors:

- Intended use of the vessel
- Vessel's age
- Construction location
- Physical condition
- Dimensions and tonnage of the vessel, (Evaluated as TEU, DWT, BHP or CBM)
- Vessel type and class (They are evaluated among types such as Small Dry, Container, Bulk Carrier, LPG, LNG, Tanker, Small Offshore, and others.)
- The distinct characteristics of the vessel that are considered during the valuation process include:

» **Construction System:** The construction system refers to the method used to build the vessel, such as conventional shipbuilding or modern methods like modular construction.

» **Cargo Carrying Capacity and Lightship Weight:** The vessel's cargo carrying capacity is the maximum amount of cargo it can transport, while the lightship weight represents the weight of the vessel without any cargo or fuel. These factors are essential in assessing the vessel's efficiency and profitability.

» **Propulsion System and Machinery Equipment:** The propulsion system includes the engines, propellers, and related equipment that generate power and enable the vessel to move.

The type, condition, and efficiency of the propulsion system are taken into account during valuation.

» **Certification and Class Notations:** The vessel's certification verifies its compliance with international regulations and standards. Class notations provided by classification societies indicate additional specialized features or equipment that enhance the vessel's capabilities or safety.

» **Flag State Registration:** The flag state registration indicates the country under whose laws the vessel is registered and operates. It affects legal, regulatory, and administrative aspects related to the vessel's operation.

» **Insurance Policy:** The vessel's insurance policy covers various risks and liabilities associated with its operation, including hull and machinery insurance, protection and indemnity (P&I) insurance, and cargo insurance.

» **Port State Control Reports:** Port state control reports provide information on the vessel's compliance with international safety, security, and environmental regulations. These reports are issued following inspections conducted by port state control authorities.

>> **Cargo and/or Contracts:** The type of cargo the vessel carries or intends to carry, as well as any existing or future commercial agreements or contracts, can influence its valuation.

>> All these factors, along with other relevant details, are carefully assessed during the valuation process to determine the value of the vessel accurately.

• The physical performance condition of the vessel and, if available, the certificates related to these physical performances are considered.

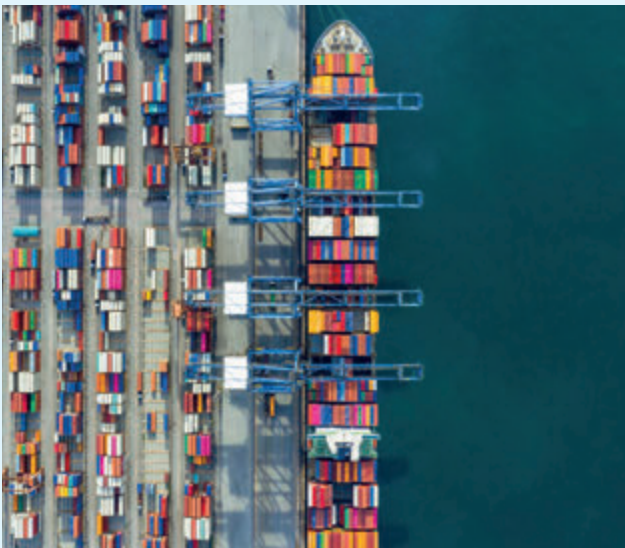
• Ships are subject to the flag state regulations, international maritime rules, and, if under class supervision, class requirements.

• Whether there are any liens or arrest orders on the vessel is determined by examining the legal documents associated with the ship.

• Variations in freight rates

• Changes in the prices of materials required for reconstruction,

• Contraction or expansion of World Trade volume



The Reasons for Vessel Valuation

Investment credits used in the purchase of vessels are considered to be long-term credits, and vessel valuation forms the basis for determining the value of the vessel in the assessment of this vessel.

After the loan is granted based on this value, financial institutions periodically request a

reassessment of the ship's value to determine the credit risk situation. In addition to that, vessel owners request valuation reports for the determination of the fair value of their tangible fixed assets within the scope of International

Financial Reporting Standards (IFRS) when establishing the insurance value of the vessels.

DENGE

DEĞERLEME

Cevizli Mah. Tugay Yolu Cad. No: 20 Ofisim İstanbul B Blok
No: 33-34-35-37 Maltepe 34846 İstanbul - TR
T +90 216 369 9669 • info@dengedegerleme.com

