

**Structured Finance Rating  
Asset-Backed Securities  
(Preliminary Report)**

New Update

**Publishing Date:** December 11, 2023

**Senior Analyst**

Ezgi Çiçek YILMAZ  
+90 212 352 56 73

[ezgi.yilmaz@jcrer.com.tr](mailto:ezgi.yilmaz@jcrer.com.tr)

**Senior Analyst**

Firat TUNÇ  
+90 212 352 56 73

[firat.tunc@jcrer.com.tr](mailto:firat.tunc@jcrer.com.tr)

**Fibabanka A.Ş. Üçüncü Varlık Finansmanı Fonu**

Type of Asset-Backed Securities	PTCs-Pay Through Certificates
Founder	Fibabanka A.Ş.
Originator (Parent)	Fibabanka A.Ş.
Servicer	Fibabanka A.Ş.
Special Purpose Vehicle	Fibabanka A.Ş. Üçüncü Varlık Finansmanı Fonu
Transaction Administrator	Fibabanka A.Ş.
Issuer	Fibabanka A.Ş. Üçüncü Varlık Finansmanı Fonu
Registration	Merkezi Kayıt Kuruluşu A.Ş.
Transferor	Fibabanka A.Ş.
Purchasing Programme	Fibabanka A.Ş.; (5% of the Issue Amount from Class B)
Overcollateralization	None
Specific Applicable Law	The CMB Communiqué Serial: III, No: 58.1 named "Asset-Backed and Mortgage-Backed Securities"
Insurance Agencies for Investors and Obligors	None
Issue Nom. Size/Aggregate Issuance	Up to Class A TRY 1,110mn (in a single tranche) & Up to Class B TRY 180mn (in a single tranche)
Interest Rate %	Senior Tranche: 47.00% Junior Tranche: TBD
Coupon %	A: No coupon B: TBD at A's maturity
Coupon Type	A: No coupon B: TBD at A's maturity
Estimated Issue Date	14.12.2023
Weighted Average Life	190 Days

(\* TBD: to be decided)

**RATINGS**

		A (Senior Tranche)		B (Junior Tranche)	
ABSs to be issued by "Fibabanka A.Ş. Üçüncü Varlık Finansmanı Fonu"		Long Term	Short Term	Long Term	Short Term
International Local Currency		BB	-	BB	-
<b>National Note</b>		<b>AAA (tr)</b>	<b>J1+ (tr)</b>	<b>AA+ (tr)</b>	<b>J1+ (tr)</b>
Sovereign*	FC	BB	-	BB	-
	LC	BB	-	BB	-
	Outlook FC	Negative	-	Negative	-
	Outlook LC	Negative	-	Negative	-

\* Assigned by JCR on August 18, 2022

**Overview**

"Fibabanka A.Ş. Üçüncü Varlık Finansmanı Fonu" (hereinafter referred to as 'Asset Finance Fund', 'the Fund' or 'SPV') was established for an infinite term by Fibabanka A.Ş. (Fibabanka) to issue asset-backed securities.

Approved asset amount of the Fund is up to TRY 15bn and its originator is Fibabanka A.Ş., realizing asset-backed securities based on a receivable pool consisting of receivables from cheque collateralised discounted loans that Fibabanka has extended to its commercial customers. Having entered as a player to Turkish finance industry as a subsidiary of Fiba Group on December 27, 2010; Fibabanka A.Ş. (hereinafter referred to as "Fibabanka" or "the Bank") offers products, services and applications in the domains of its core operations, including corporate, commercial, SME, agricultural, retail and private banking. The Bank had total asset sizes of TRY 74,109mn and TRY 45,162mn in FYE2022 and FYE2021, respectively.

Planned to be issued in 2 separate maturity tranches by a pay-through mechanism, ABSs (asset-backed securities) will be sold on the nominal values to local qualified investors by invitation without any public offering. The similar financial profile of the borrowers who use discount loans, which is constituting the majority of the receivable pool to be transferred, by providing cheques in the receivables pool as collateral, the low portfolio risk and expected losses of these assets, the ease of liquidity provided by the collection of the relevant amount from the borrowers in case the cheques are not collected, and thus the increased capacity to repay the obligations arising from the issuance of these ABSs are the main factors that increase investor confidence. The instalment commercial loans portfolio indicates low portfolio risk considering the pool of receivables with a maximum of 9 months to maturity, a commercial credit rating above 585, at least one instalment paid and no delay. The receivable pool is constituted of cheque collateralised discounted loans and instalment commercial loans within 41 cities in Türkiye.

JCR Eurasia Rating maintains its opinion that space created for "Fibabanka A.Ş. Üçüncü Varlık Finansmanı Fonu" and its technical equipment, as well as risk management and internal control system procedures, the constitution of a system for the safeguarding of accounting, records, and documentation and the possession of a statistical data base will function efficiently.

**Strengths**

- Numerous defined asset eligibility requirements strengthening the appropriateness level of assets in the receivable pool,
- Well track record and redemption performance of the receivable pool,
- Appropriateness level of assets in the receivable pool in terms of their low level of default probability and the ability of recovery of uncollected receivables from the credit accounts of the borrowers,
- Regulatory requirement of a 5% risk retention mechanism as an additional support component for the ABS investors,
- Current local regulations in Türkiye affording asset isolation and remoteness of bankruptcy,
- A liquid portfolio structure guaranteed by matching terms for receivables,
- Multitudinous profile of obligors in the receivable pool despite sectoral and geographical concentration risk to a certain extent.

**Constraints**

- Absence of established insurance mechanism,
- Receivable pool remaining slightly below the nominal amount of ABS and absence of cheque collateral for a part of the receivable pool,
- Similar risk profiles across the tranches despite the presence of a waterfall structure for the senior tranche,
- Possible exposure to interest rate mismatch due to the structure of ABS issues,
- Detailed risk assessments of the submitted documentation outside the scope of our analyses,
- Detailed risk assessments of the originator outside the scope of our analyses,
- Leading economic indicators signal global economic slowdown as quantitative tightening actions aim to restrict consumption growth and achieve a soft-landing in the domestic side.