

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

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**Nurol Yatırım Bankası A.Ş. Üçüncü  
Otosor Varlık Finansmanı Fonu**

Type of Asset-Backed Securities	PTCs - Pay Through Certificates
Originator (Parent)	Otosor Otomotiv A.Ş.
Servicer(s)	Otosor Otomotiv A.Ş. & Nurol Yatırım Bankası A.Ş.
Special Purpose Vehicle	Nurol Yatırım Bankası A.Ş. Üçüncü Otosor Varlık Finansmanı Fonu
Transaction Administrator	Nurol Yatırım Bankası A.Ş.
Issuer	Nurol Yatırım Bankası A.Ş. Üçüncü Otosor Varlık Finansmanı Fonu
Registration	Merkezi Kayıt Kuruluşu A.Ş.
Transferor	Otosor Otomotiv A.Ş.
Purchasing Programme	Otosor Otomotiv A.Ş.; (5% of the Issue Amount)
Overcollateralization	-
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 TRY 250 mn (Aggregated) (in 3 Separate Tranches)
Interest Rate	Tranche 1: 60% Tranche 2: 62% Tranche 3: 63%
Payment Frequency-Principal	At Maturity
Payment Frequency-Interest	At Maturity
Estimated Issue Date	27.03.2024
Weighted Average Life	410 Days

**RATINGS**

ABSs issued by "Nurol Yatırım Bankası A.Ş. Üçüncü Otosor Varlık Finansmanı Fonu"		Long Term	Short Term
<b>National Note</b>		<b>A (tr)</b>	<b>J1 (tr)</b>
International Local Currency		BB	-
Sovereign*	FC	BB	-
	LC	BB	-
	Outlook	FC	Negative
		LC	Negative

\* Assigned by JCR on August 18, 2022

**Overview**

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

Approved asset amount of the Fund is up to TRY 250mn and its originator is Otosor Otomotiv A.Ş., realizing asset-backed securities based on car sales promissory notes receivables in instalments, guaranteed by surety insurance. Otosor Otomotiv A.Ş. (hereinafter referred as "**Otosor**") was established in December 15, 2017 to offer second-hand term automotive sales. Otosor conducts all its sales through monthly repayment plans, with maturity periods spanning from 12 to 48 months, contingent upon receiving a minimum upfront payment of 30% of the vehicle's price from customers. Annually, Otosor handles an average of 25,000 requests and sells approximately 4,000 units per year. Additionally, FY2023, Otosor successfully reached to 6,591 unit sales. Currently, Otosor operates a network of over 1,500 dealers nationwide, offering pre-owned automotive sales on term basis. Otosor's headquarter is located in Ataşehir, Istanbul, with two additional branches in Ankara and Istanbul, having a total workforce of 98 employees.

On March 27, 2024, TRY 250mn nominal amount of ABSs (asset-backed securities) were issued in 3 separate tranches by a pay-through mechanism, to local qualified investors by invitation without any public offering. The essential elements to inspire investor confidence are the similar financial profile of obligors of assets in the receivable pool, low portfolio risk and expected losses of these assets, expected-to-increase liquidity facility to be attained through high ending cash balances of loan repayments by obligors to cover disbursements to ABS investors, and hence increased capacity to repay obligations arising from this ABS issue.

**Strengths**

- Promissory notes transferred to the fund, bearing 100% guaranty by Otosor Otomotiv A.Ş. in case of no payment on date,
- Regulatory requirement of 5% risk retention mechanism as additional support component for the ABS investors,
- Current local regulations in Türkiye affording for asset isolation and remoteness of bankruptcy,
- Portfolio structure designed to match terms of collections and redemptions,
- Multitudinous profile of obligors in the receivable pool lowering concentration risk to a certain extent,
- Originator, possessing necessary expertise, sufficient know-how and management skills to manage the project revenues with a high collection capacity of promissory notes.

**Constraints**

- Absence of established insurance mechanism and overcollateralization in the receivable pool,
- Asset eligibility criteria with vagueness of terms,
- Recourse facility only limited to the assets of the Fund and not to cover any other obligors,
- Possible exposure to interest rate mismatch due to structure of ABS issues,
- Absence of risk-free investment of promissory notes collections transferred to the fund,
- Detailed risk assessments of the submitted documentation outside the scope of our analyses,
- Quantitative tightening actions targeting restriction of consumption growth and increase in the CPI suppressing disposable income together with rapid fluctuations in used-car prices.