

Structured Finance

Asset-Backed Securities (Preliminary Report)

SPV-Special Purpose Vehicle

Aktif Yatırım Bankası A.Ş. (2) No'lu Emek Varlık Finansmanı Fonu	
Type of Asset-Backed Securities	PTCs - Pay Through Certificates
Originator (Parent)	Aktif Yatırım Bankası A.Ş.
Servicer (Trade name)	Aktif Yatırım Bankası A.Ş.
Special Purpose Vehicle	Aktif Yatırım Bankası A.Ş. (2) No'lu Emek Varlık Finansmanı Fonu
Trustee	PTT A.Ş.
Promoter	Aktif Yatırım Bankası A.Ş.
Issuer	Aktif Yatırım Bankası A.Ş. (2) No'lu Emek Varlık Finansmanı Fonu
Registration	Merkezi Kayıt Kuruluşu A.Ş.
Transferor	Aktif Yatırım Bankası A.Ş.
Risk Retainer	Aktif Yatırım Bankası A.Ş. (5% of the Issue amount)
Insurance Agencies for Obligors	Axa Hayat ve Emeklilik / Fiba Emeklilik ve Hayat / Vakaf Emeklilik
Insurance Agencies for Investors	None
Issue Nom. Size/Aggregate Issuance	TRY300 mn (Aggregated)(In 10 separate tranches)
Interest rate	Between the range of risk-free Turkish government bonds+ (130 - 250 Basis Points)
Coupon %	No Coupon
Coupon Type	No Coupon
Payment Frequency- Principal	At maturity
Payment Frequency- Interest	At maturity
Tenor /Final Maturity	2.79 to 30.41 Months
Estimated Issue Date	15.12.2016
Average Life	410.12 Days

Head of Group:

Zeki M ÇOKTAN/ +90 212 352 56 74

zekic@jcrer.com.tr

Strengths

- Assets in the receivable pool appropriate for securitization in terms of their low level of default probability
- An immune and liquid portfolio structure provided through effective matching of terms of receivables and disbursements
- Concentration risk lowered to minimum via homogeneous and multitudinous profile of obligors in the receivable pool
- Perfect track record and redemption performance of the past 8 issues of ABSs since October, 2011
- Existence of a 5% risk retention mechanism as an additional support component for the ABS investors
- Facility to be provided by the originator to replace the prepaid loans with identical ones abating prepayment risks
- Possible collection risk arising from the decease of the borrowers to be covered by life insurance policies

ABSs to be issued by "Aktif Yatırım Bankası A.Ş. (2) No'lu Emek Varlık Finansmanı Fonu"		Long Term	Short Term	
International Foreign Currency		BBB-	A-3	
National Local Currency		AAA(Trk)	A-1+(Trk)	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Affirmed by Japan Credit Rating Agency, JCR on October 7, 2016

Overview

"Aktif Yatırım Bankası A.Ş. (2) No'lu Emek Varlık Finansmanı Fonu" (hereinafter referred as **Asset Finance Fund**, the **Fund** or **SPV**) is established for an infinite term by **Aktif Yatırım Bankası A.Ş. (Aktif Bank)** (the latest rating action by JCR-ER on June 1, 2016, denoting AA(Trk) Stable outlook in the Long Term National Scale) to issue asset-backed securities. As the first Turkish bank to issue bank bond, Aktif Bank has successfully arranged unsecured bond issuance cumulatively at the amount of TRY17.1 bn since 2009. The Bank has also realized 8 ABS issues of this type: in 7 tranches on October 20, 2011, in 8 tranches on January 27, 2012, in 10 tranches on May 2, 2012, in 15 tranches on September 28, 2012, 17 tranches on February 15, 2013, 17 tranches on June 28, 2013, 17 tranches on January 17, 2014 and 17 tranches on November 12, 2014.

Approved asset amount of the **Fund** is TRY300 mn and its originator is **Aktif Yatırım Bankası A.Ş.**, trustee is **PTT A.Ş.** (The General Directorate of Post and Telegraph Organization) and obligors are individual pensioners of Social Security Institutions.

Planned to be issued in 10 separate maturity tranches by a **pay-through mechanism** and without any seniority thereamong, ABSs (asset-backed securities) shall be sold at a discount on the nominal values to local qualified investors or investors domiciled abroad by invitation or private placement without any public offering.

Constraints

- Expanding swell of volatility in fixed income securities and benchmark interest rates through persisting unpredictability in national and global market dynamics
- The securities to be issued still lacking ubiquity in Turkish financial markets albeit being the 9th consecutive issue of identical structure
- Symmetrical risk profiles across the tranches impeding investor diversity regarding absence of waterfall structures

Publication Date: November 30, 2016 "Global Knowledge supported by Local Experience"

Copyright © 2007 by JCR Eurasia Rating, 19 Mayıs Mah., 19 Mayıs Cad., Nova Baran Plaza No:4 Kat: 12 Şişli-İSTANBUL Telephone: +90.212.352.56.73 Fax: +90 (212) 352.56.75
 Reproduction is prohibited except by permission. All rights reserved. All information has been obtained from sources JCR Eurasia Rating believes to be reliable. However, JCR Eurasia Rating does not guarantee the truth, accuracy and adequacy of this information. JCR Eurasia Rating ratings are objective and independent opinions as to the creditworthiness of a security and issuer and not to be considered a recommendation to buy, hold or sell any security or to issue a loan. This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Turkey), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations. <http://www.jcrer.com.tr>