JCR-ER JCR Eurasia Rating "JCR-ER, Group of Japan Credit Rating Agency, Ltd."

Structured Finance

Rating

Asset-Backed Securities (Preliminary Report)

⊠New □Update

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Head of Group Zeki M COKTAN +90 212 352 56 73 zeki.coktan@jcrer.com.tr

Aktif Yatırım Bankası A.Ş. (2) No'lu Turkcell Varlık Finansmanı Fonu

Type of			
Asset-	PTCs - Pay		
Backed	Through		
Securities	Certificates		
Securities			
Originator (Parent)	Turkcell Finansman A.Ş.		
Servicer(s)	Turkcell Finansman A.Ş. & Aktif Yatırım Bankası A.Ş. & Turkcell Iletişim Hizmetleri A.Ş. & Turkcell Ödeme Hizmetleri A.Ş.		
Special Purpose Vehicle	Aktif Yatırım Bankası A.Ş. (2) No'lu Turkcell Varlık Finansmanı Fonu		
Trustee	None		
Transaction Administrator	Aktif Yatırım Bankası A.Ş.		
Issuer	Aktif Yatırım Bankası A.Ş. (2) No'lu Turkcell Varlık Finansmanı Fonu		
Registration	Merkezi Kayıt Kuruluşu A.Ş.		
Transferor	Turkcell Finansman A.Ş.		
Risk Retainer	Turkcell Finansman A.Ş. (5% of the issue amount)		
Insurance			
Agencies for Obligors	BNP Paribas Cardif		
Insurance Agencies for Investors	None		
Issue Nom.	Up to TRY75 mn		
Size/Aggregate Issuance	(Aggregated)(in 3 separate tranches)		
Interest rate	To be determined		
Payment			
Frequency- Principal	At maturity		
Payment Frequency- Interest	At maturity		
Tenor /Final Maturity	2.73 to 8.98 Months		
Estimated Issue Date	25.12.2019		
Weighted Average Life	172.92 Days		

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

*Affirmed by Japan Credit Rating Agency, JCR on December 6, 2019

Overview

"Aktif Yatırım Bankası A.Ş. (2) No'lu Turkcell Varlık Finansmanı Fonu" (hereinafter referred as Asset Finance Fund, the Fund or SPV) was established for an infinite term by Aktif Yatırım Bankası A.Ş. (Aktif Bank) (*the latest rating action by JCR-ER on May 30, 2019, denoting AA+(Trk) Stable ontlook in the Long-Term National Scale*) to issue asset-backed securities.

Approved asset amount of the Fund is up to TRY75 mn and its originator is Turkcell Finansman A.Ş., a wholly owned subsidiary of Turkcell İletişim Hizmetleri A.Ş. (Turkcell). The obligors are postpaid subscribers of Turkcell and the receivable pool consists of installments of consumer loans extended by the originator for mobile device purchases.

Planned to be issued in 3 separate maturity tranches by a pay-through mechanism and without any seniority thereamong, ABSs (asset-backed securities) will 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.

Strengths

- Existence of numerous strict asset eligibility criteria strengthening appropriateness level of assets in the receivable pool
- Current local regulations in Turkey affording for asset isolation and bankruptcy remoteness
- An immune and liquid portfolio structure ensured by receivables with matching terms and few conditionalities
- Homogeneous and multitudinous profile of obligors in the receivable pool lowering concentration risk to minimum
- Regulatory requirement of 5% risk retention mechanism serving as an additional support component for the ABS investors
- Facility by the Fund to invest excess cash amount in identical assets when required

Constraints

- Absence of any guarantor mechanisms
- No replacement tool to be provided by the originator for defaulting loans in the pool
- Recourse facility only limited to the assets of the Fund and not to cover any other obligors
- Excess spread level pressurized by exposure of the structure to interest rate mismatch in terms of fixed vs. floating rates to a certain extent
- Symmetrical risk profiles across the tranches impeding investor diversity regarding absence of waterfall structures
- Detailed risk assessments of the originator and the parent falling outside the scope of analyses

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