

Structured Finance

Asset-Backed Securities
(Preliminary Report)

SPV-Special Purpose Vehicle

Aktif Yatırım Bankası A.Ş. (12) No'lu Varlık Finansmanı Fonu	
<i>Type of Asset-Backed Securities</i>	<i>PTCs - Pay Through Certificates</i>
Originator (Parent)	Aktif Yatırım Bankası A.Ş.
Servicer	Aktif Yatırım Bankası A.Ş.
Special Purpose Vehicle	Aktif Yatırım Bankası A.Ş. (12) No'lu Varlık Finansmanı Fonu
Trustee	PTT A.Ş.
Promoter	Aktif Yatırım Bankası A.Ş.
Issuer	Aktif Yatırım Bankası A.Ş. (12) No'lu 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	Aegon Emeklilik Ve Hayat A.Ş., Axa Hayat ve Emeklilik Sigorta A.Ş., Fiba Emeklilik ve Hayat A.Ş., Mapfre Genel Sigorta A.Ş., NN Hayat ve Emeklilik A.Ş. and Vakıf Emeklilik A.Ş.
Insurance Agencies for Investors	None
Issue Nom. Size/Aggregate Issuance	TRY500.8 mn (Aggregated)(in 14 separate tranches)
Coupon %	No Coupon
Coupon Type	No Coupon
Payment Frequency-Principal & Interest	At maturity
Tenor /Final Maturity	2.37 to 42.41 Months
Estimated Issue Date	December 16, 2020
Average Life	518 Days

Head of Group:

Zeki M ÇOKTAN/ +90 212 352 56 74
zekic@jcrer.com.tr

Strengths

- Appropriateness level of assets in the receivable pool in terms of their low level of default probability
- High immunity and liquidity level of portfolio structure attained through effective matching terms and few conditionalities
- 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 15 issues of ABSs since October, 2011
- Regulatory requirement of 5% risk retention mechanism serving 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. (12) No'lu Varlık Finansmanı		Long Term	Short Term	
International Local Currency		BBB-	A-3	
National Note		AAA(Trk)	A-1+(Trk)	
Sovereign*	Foreign Currency	BB+	-	
	Local Currency	BB+	-	
	Outlook	FC	Negative	-
		LC	Negative	-

* Assigned by Japan Credit Rating Agency, JCR on April 10, 2020

Overview

“Aktif Yatırım Bankası A.Ş. (12) No'lu 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 2, 2020, 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 TRY30 bn since 2009. The Bank has also realized 15 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, 17 tranches on November 12, 2014, 10 tranches on December 15, 2016, 13 tranches on September 15, 2017, 15 tranches on December 8, 2017, 14 tranches on March 19, 2018, a single tranche on July 16, 2018, 9 tranches on October 16, 2019 and 18 tranches on May 13, 2020.

Approved asset amount of the **Fund** is TRY800 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 14 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 qualified investors by invitation in domestic market 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 16th consecutive issue of identical structure
- Symmetrical risk profiles impeding investor diversity regarding absence of tranches and waterfall structures

Publication Date: December 9, 2020