

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

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**Fibabanka A.Ş. Birinci 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. Birinci Varlık Finansmanı Fonu
Transaction Administrator	Fibabanka A.Ş.
Issuer	Fibabanka A.Ş. Birinci 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	Class A Up to TRY 699.50mn (Aggregated) (in 4 Separate Tranches) & Class B Up to TRY 75mn (in a single tranche)
Interest Rate %	Senior Tranche: between 49.25%-50.50% 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	26.12.2024
Weighted Average Life (Class A-B)	118 Days

**RATINGS**

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

\* Assigned by JCR on May 10, 2024

**Overview**

"Fibabanka A.Ş. Birinci 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 10bn 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 103,558mn and TRY 74,002mn in FYE2023 and FYE2022, respectively.

Planned to be issued in 5 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 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.

JCR Eurasia Rating maintains its opinion that space created for "Fibabanka A.Ş. Birinci 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 below the nominal amount of ABS and absence of cheque collateral for 25% 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 the rating process,
- Detailed risk assessments of the originator outside the scope of the rating process,
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront.