

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

New Update

Publishing Date: May 12, 2025

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**"Türkiye Menkul Kıymetleştirme Şirketi
Fibabanka Üçüncü Varlık Finansmanı
Fonu"**

Type of Asset-Backed Securities	PTCs-Pay Through Certificates
Founder	Türkiye Menkul Kıymetleştirme Şirketi
Originator (Parent)	Fibabanka A.Ş.
Servicer	Fibabanka A.Ş.
Special Purpose Vehicle	Türkiye Menkul Kıymetleştirme Şirketi Fibabanka Üçüncü Varlık Finansmanı Fonu
Transaction Administrator	Fibabanka A.Ş.
Issuer	Türkiye Menkul Kıymetleştirme Şirketi Fibabanka Üçüncü 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 1.97bn (Aggregated) (in 4 Separate Tranches) & Class B Up to TRY 218.7mn (in a single tranche)
Interest Rate %	Senior Tranche: at 48.00% 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	13.05.2025
Weighted Average Life (Class A-B)	135 Days

RATINGS

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

* Assigned by JCR on May 10, 2024

Overview

"Türkiye Menkul Kıymetleştirme Şirketi Fibabanka Üçüncü 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 129,588mn and TRY 103,378mn as of FYE2024 and FYE2023, 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 "Türkiye Menkul Kıymetleştirme Şirketi Fibabanka Üçüncü 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 slightly below the nominal amount of ABS and absence of cheque collateral for 47% 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,
- As actions for a global soft landing gain prominence, decisions with the potential to adversely affect global trade are engender considerable uncertainty.