

Structured Finance Rating

Asset-Backed Securities (Preliminary Report)

New Update

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Pasha Yatırım Bankası A.Ş. Platin Kimya Varlık Finansmanı Fonu

Type of Asset-Backed Securities	PTCs - Pay Through Certificates
Originator (Parent)	Platin Kimya Mümessillik ve Dış Ticaret A.Ş.
Servicer(s)	Platin Kimya Mümessillik ve Dış Ticaret A.Ş. & Pasha Yatırım Bankası A.Ş. & QNB Finans Yatırım Menkul Değerler A.Ş.
Special Purpose Vehicle	Pasha Yatırım Bankası A.Ş. Platin Kimya Varlık Finansmanı Fonu
Transaction Administrator	Pasha Yatırım Bankası A.Ş.
Issuer	Pasha Yatırım Bankası A.Ş. Platin Kimya Varlık Finansmanı Fonu
Registration	Merkezi Kayıt Kuruluşu A.Ş.
Transferor	Platin Kimya Mümessillik ve Dış Ticaret A.Ş.
Purchasing Programme	Platin Kimya Mümessillik ve Dış Ticaret A.Ş.; (5% of the Issue Amount)
Overcollateralization	Platin Kimya Mümessillik ve Dış Ticaret A.Ş.; (10.0 % of the Issue Amount)
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	Up to TRY 100mn (Aggregated) (in a single tranche)
Interest Rate	38.00%
Payment Frequency-Principal	At maturity
Payment Frequency-Interest	At maturity
Estimated Issue Date	22.07.2022
Weighted Average Life	161 Days

RATINGS

ABSs to be issued by "Pasha Yatırım Bankası A.Ş. Platin Kimya Varlık Finansmanı Fonu"	Long Term	Short Term
National Note	A- (tr)	J2 (tr)
International Local Currency	BB	J3
International Foreign Currency	BB	J3
Sovereign*	Foreign Currency	BB
	Local Currency	BB
	Outlook FC	Stable
	Outlook LC	Stable

* Assigned by JCR on May 31, 2021

Overview

"Pasha Yatırım Bankası A.Ş. Platin Kimya Varlık Finansmanı Fonu" (hereinafter referred to as "Asset Finance Fund", "the Fund" or "SPV") was established for an infinite term by Pasha Yatırım Bankası A.Ş. (Pasha Bank) to issue asset-backed securities.

Approved asset amount of the Fund is up to TRY 50mn and its originator is Platin Kimya Mümessillik ve Dış Ticaret A.Ş., realizing the forward sales of the agricultural products such as agricultural pesticide, fertilizer and pharma to its dealers through its widespread sales points in Türkiye. The obligors are arising from sales of forward agricultural products to diversified dealers, sales representatives and portfolio distributed across different geographical regions in Türkiye and agricultural products.

Planned to be issued in a single maturity tranche by a pay-through mechanism and without any seniority there among, 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 (agricultural receivables) in the receivable pool, moderate 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. This ABS issue with a nominal value of TRY 50mn will be the first issue that the fund will realize.

JCR Eurasia maintains its opinion that space created for "Pasha Yatırım Bankası A.Ş. Platin Kimya Varlık Finansmanı Fonu" and its technical equipment, as well as the 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 appropriateness level of assets in the receivable pool,
- Replacement instrument to be given for delinquencies in the pool by the originator until issue date,
- Current local regulations in Turkey affording for asset isolation and remoteness of bankruptcy,
- Liquid portfolio structure guaranteed by matching terms and few conditionalities for receivables,
- Regulatory requirement of 5% risk retention mechanism and 10.0% collateral of total pool serving as additional supports component for the ABS investors.

Constraints

- Probability of reflecting the loss to the investors in case the assets transferred to the fund default due to the lack of an established insurance mechanism and the originator does not fulfil its payment commitments,
- Recourse facility only limited to the assets of the Fund and not to cover any other obligors,
- High obligor concentration and average check amount in the receivables pool,
- High indebtedness level of the originator, which is the guarantor, in case the assets transferred to the fund are not paid on date,
- Excess spread level pressurized by exposure of the structure to interest rate mismatch in terms of fixed vs. floating rates to a certain extent,
- Detailed risk assessments of the originator and transaction administrator outside the scope of analyses,
- Growing uncertainties along with geopolitical tension and increase in the general price level suppressing disposable income.