

Structured Finance Rating Asset-Backed Securities (Preliminary Report)

New Update

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TMKŞ Garanti BBVA Birinci Varlık Finansmanı Fonu

Type of Asset-Backed Securities	PTCs-Pay Through Certificates
Founder	Türkiye Menkul Kıymetleştirme Şirketi
Originator (Parent)	Türkiye Garanti Bankası A.Ş.
Servicer	Türkiye Garanti Bankası A.Ş.
Special Purpose Vehicle	TMKŞ Garanti BBVA Birinci Varlık Finansmanı Fonu
Transaction Administrator	Türkiye Menkul Kıymetleştirme Şirketi
Issuer	TMKŞ Garanti BBVA Birinci Varlık Finansmanı Fonu
Registration	Merkezi Kayıt Kuruluşu A.Ş.
Transferor	Türkiye Garanti Bankası A.Ş.
Purchasing Programme	Türkiye Garanti Bankası A.Ş.; (5% of the Issue Amount)
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	Up to TRY 666.40mn (Aggregated) (in a single tranche)
Loan Interest Rate %	45.75
Estimated Coupon Rate of ABS %	38.00
Estimated Issue Date	16.12.2025
Weighted Average Life of ABS	101 Days

RATINGS

ABS issued by "TMKŞ Garanti BBVA Birinci Varlık Finansmanı Fonu"		Long Term	Short Term
International Local Currency		BB	-
National Note		AAA (tr)	J1+ (tr)
Sovereign*	FC	BB	-
	LC	BB	-
	Outlook FC	Stable	-
	Outlook LC	Stable	-

* Affirmed by JCR on Sept 1, 2025

Overview

"TMKŞ Garanti BBVA Birinci Varlık Finansmanı Fonu" (hereinafter referred to as 'Asset Finance Fund', 'the Fund' or 'SPV') was established for an infinite term by Birleşik İpotek Finansmanı A.Ş. ('Türkiye Menkul Kıymetleştirme Şirketi' or 'TMKŞ') to issue asset-backed securities.

Approved asset amount of the Fund is up to TRY 50.00bn and its originator is Türkiye Garanti Bankası A.Ş. ('Garanti' or 'the Bank'), realizing asset-backed securities based on a receivable pool consisting of including a loan utilized by single customer, has been taken over from Garanti which is operating in the fields of corporate, private, commercial, SME, investment and retail banking through its diversified clientele and integrated business mix, is a foreign deposit bank and one of the market leaders in the Turkish financial system. The Bank had total asset size of TRY 3.49tr and TRY 2.61tr as of 9M2025 and FYE2024, respectively on non-consolidated basis. Banco Bilbao Vizcaya Argentaria S.A ('BBVA'), having strong position in European Banking Sector with an asset and equity sizes of EUR 772bn and EUR 60bn respectively, as of December 31, 2024, has been the sole shareholder of the Bank consequent to the share transfer between Doğu Group and BBVA finalized on March 22, 2017 raising the BBVA's stake to 49.85% from 39.90%. On March 31, 2022, the voluntary tender offer process of 36.12% shares launched by BBVA and approved by CMB. Hence, BBVA's current stake at Garanti has reached 85.97% and Garanti's 14.03% of stakes have been currently traded on the Borsa Istanbul (BIST).

On December 16, 2025, TRY 666.40mn nominal amount of ABS (asset-backed security) is planned to be issued in 1 tranche by a pay-through mechanism, to local qualified investors by invitation without any public offering. The essential elements to inspire investor confidence are considered as the lean portfolio structure designed in accordance with collection and redemption terms, despite concentration risk, sufficient liquidity facility through loan repayments by obligor to cover disbursement to ABS investors and reasonable capacity to repay obligations arising from this ABS issue.

JCR Eurasia Rating has formed the opinion that space created for "TMKŞ Garanti BBVA 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

- Regulatory requirement of 5% risk retention mechanism as additional support component for the ABS investors,
- Asset eligibility criteria in the issuance certificate mandating credit portfolio without delay and special loan provisions,
- Current local regulations in Türkiye affording for asset isolation and remoteness of bankruptcy,
- Lean portfolio structure designed in accordance with collection and redemption terms,
- Strong credit quality of the planned receivable pool of the issuance, though originating from a single high-quality counterparty,
- Originator, possessing necessary expertise, sufficient know-how and risk management framework to maintain asset quality.

Constraints

- Absence of established insurance mechanism and overcollateralization in the receivable pool,
- Concentration risk due to lack of obligor diversification in the receivable pool,
- Symmetrical risk profiles impeding investor diversity regarding absence of waterfall structure,
- Detailed risk assessments of the submitted documentation outside the scope of our analyses,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.