ACRA

STRUCTURED FINANCE

MORTGAGE-BACKED SECURITIES

23.06.2023

ACRA ASSIGNS EXPECTED CREDIT RATING TO SENIOR TRANCHE OF MBS TO BE ISSUED BY LLC "MA TB-2"

DENIS KHMILEVSKIY
Senior Analyst, Project and Structured Finance Ratings Group
+7 (495) 139 04 80, ext. 158
denis.khmilevskiy@acra-ratings.ru

TIMUR ISKANDAROV
Senior Director, Head of Project and Structured Finance Ratings Group
+7 (495) 139 04 94
timur.iskandarov@acra-ratings.ru

PRESS RELEASE

The expected credit rating of the senior tranche to be issued in this static multi-originator RMBS transaction is eAAA(ru.sf) due to the credit enhancement provided to the senior tranche by the subordinated (junior) tranches of notes, excess spread, reserve fund, as well as the satisfactory credit quality of the securitized portfolio.

RATINGS

The expected eAAA(ru.sf) rating has been assigned to the planned issue of Residential Mortgage-Backed Fixed Rate Notes. The final maturity of the notes is [**February 11, 2036**], and the issue volume is up to RUB [5.720] bln.

The Junior Notes, which are exchange-traded mortgage-backed residential B class notes, have not been assigned an expected rating.

TRANSACTION

The class A exchange-traded mortgage-backed notes are planned to be issued by LLC "MA TB-2" (hereinafter, the Issuer) as part of the securitization of the portfolio of mortgage loans issued by Tinkoff Bank (A+(RU), outlook Stable) (hereinafter, Tinkoff Bank, or the Bank).

The Issuer plans to issue ruble-denominated fixed rate notes. The Issuer then plans to use the proceeds from the issuance to purchase a portfolio of mortgage loans originated by Tinkoff Bank. The receivables on the mortgage loans acquired by the Issuer will be included in the mortgage collateral of the notes. The main source of payments on the rated notes stems from repayments coming from the underlying mortgage loans.

This transaction is the second issue of classic MBS backed by a portfolio of mortgage loans issued by Tinkoff Bank, which is assigned an expected credit rating. The securitized portfolio consists of Russian residential mortgage loans serviced by the Bank. PJSC ROSBANK (AAA(RU), outlook Stable) will act as the backup servicer, ready to assume all the functions of portfolio servicing in case Tinkoff Bank goes bankrupt, or its banking license is withdrawn, or it does not fulfill its contractual obligations. The transaction is static: no new loans will be introduced into the securitized portfolio until the notes' maturity.

The transaction is neither part of the RMBS Factory program (JSC "DOM.RF", AAA(RU), outlook Stable), nor organized according to STS securitization standards; it includes no coverage of any losses at the expense of the government budget and/or external guarantees from third parties.

ISSUER

The Issuer is a Mortgage Agent, a statutory defined bankruptcy remote special purpose vehicle incorporated as a limited liability company in compliance with the statutory requirements outlined in Federal Law No. 152 "On Mortgage Backed Securities". The Issuer's only two purposes are the acquisition of receivables arising from mortgage loans backed by residential real estate and/or mortgage certificates, and the issuance of mortgage backed securities.

RATING COMPONENTS

The expected credit rating reflects ACRA's opinion on the expected losses investors are exposed to by the notes' legal final maturity. In accordance with the Methodology for Assigning Credit Ratings to Structured Finance Instruments and Obligations under the National Scale for the Russian Federation, ACRA conducted its analysis in two stages. Firstly, ACRA estimated that the expected loss (EL) of the mortgage loan portfolio is equal to [2.40]% and the GRASP AAA EL is equal to [19.20]%. Secondly, the portfolio metrics were used as input parameters in modeling the structure of the Issuer's obligations and determining the expected losses on the rated notes, taking into account the impact of credit enhancement mechanisms, expected prepayments and other factors impacting cash flow distribution in the transaction.

MORTGAGE PORTFOLIO

The most significant factors that determined the portfolio's expected losses are:

- Relatively high excess spread stemming from the substantial difference between the weighted average interest rate on the asset portfolio and the size of the coupon for the rated notes;
- Extremely low weighted average loan-to-value ratio [31.63]%;
- Relatively low weighted average seasoning of the loans comprising the securitized portfolio: [20] months;
- Limited historical data on the debt service quality and recovery rates on the credit product included in the securitized portfolio, as the mortgage backed lending was started in 2018;
- Hybrid nature of assets in the securitized portfolio, which combines consumer and mortgage lending components;
- Absence of official income verification via 2-TIPI and/or 3-TIPI forms for 100% of the borrowers in the securitized portfolio. At the same time, the Bank does not use classical forms to assess the borrower's income and uses its own methodology;
- Presence of borrowers with negative credit histories in the securitized portfolio. At the same time, the Bank uses its own model to assess the probability of default on the loan.

ISSUE

The rated notes benefit from subordination, i.e. the priority of payments for the class A notes is determined by their seniority against the Issuer's obligations for the B class notes, which are subordinated to class A notes. The aggregate volume of credit enhancement for the rated class A notes, formed by tranche B, is [11]% of the asset portfolio. The notes benefit from additional credit enhancement in the form of the Special Purpose Reserve Fund (SPRF), which was created on the issue date and amounts to [4.5]% of the issue volume of tranches A and B. The SPRF may be drawn down in proportion to the par value of the rated notes, subject to the floor amount equal to [1]% of the initial issue volume of the class A and B notes and provided that the drawdown criteria listed in the issue documentation are met. During the entire life of the transaction, the SPRF will be one of the main sources of liquidity to offset temporary short-term insufficiencies in interest proceeds available to cover the Issuer's interest payments for the notes and to pay for the services rendered by the Issuer's

counterparties. In certain situations, the SPRF may also be a source of credit enhancement for the notes, i.e. in some scenarios, the SPRF forms part of the collateral available to compensate principal losses. In particular, in case of early repayment of the notes at the request of noteholders, the SPRF can be used to compensate for insufficient principal proceeds in order to repay the rated notes.

According to the transaction's priority of payments, the cash flows will be allocated via a simple sequential payment waterfall. The principal proceeds from the mortgage loans will be used to repay the principal due on the notes. Repayment of class B notes only takes place after the full repayment of the class A notes. In ACRA's opinion, such an arrangement will allow for the timely payment of interest and the ultimate payment of the principal on the class A rated notes until their legal final maturity.

POTENTIAL OUTLOOK OR RATING CHANGE FACTORS

A negative rating action may be prompted by developments that include the following:

- Deterioration of the macroeconomic conditions beyond the stress scenarios used in the rating analysis;
- Increase in payment delinquencies and losses in the portfolio at levels exceeding those modelled as part of the analysis;
- Unforeseen legislative changes negatively affecting the transaction;
- Inability to replace the Account Bank upon its downgrade.

REGULATORY DISCLOSURE

The expected credit rating has been assigned under the national scale for the Russian Federation based on the Methodology for Assigning Credit Ratings to Structured Finance Instruments and Obligations under the National Scale for the Russian Federation and the Key Concepts Used by the Analytical Credit Rating Agency Within the Scope of Its Rating Activities.

An expected credit rating has been assigned to the class A mortgage-backed securities that LLC "MA TB-2" plans to issue for the first time. ACRA expects to assign a definitive credit rating within one year following the publication date of this press release.

The expected credit rating was assigned based on data provided by Tinkoff Bank, information from publicly available sources, and ACRA's own databases. The expected credit rating is solicited and Tinkoff Bank participated in its assignment.

In assigning the expected credit rating, ACRA used only information, the quality and reliability of which were, in ACRA's opinion, appropriate and sufficient to apply the methodologies.

ACRA provided no additional services to Tinkoff Bank and LLC "MA TB-2." No conflicts of interest were discovered in the course of expected credit rating assignment.

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Analytical Credit Rating Agency (Joint-Stock Company), ACRA (JSC)
75, Sadovnicheskaya embankment, Moscow, Russia
www.acra-ratings.ru

Investor notice

ACRA is of the opinion that any investment decision based on this rating press release shall be taken with due consideration for possible changes in the transaction characteristics and the expected credit rating.

This rating press release on the assignment of an expected credit rating is based on the data available to ACRA as of June 2023. In view of standard transactional dynamics, in the period from the rating date to the issue date of the rated securities, certain components of the transaction may be subject to changes.

In case of material discrepancies between the final documents and other transactional information and the information obtained at the stage of expected rating, the credit rating assigned by ACRA at the issue date may differ from the expected credit rating.

ACRA is of the opinion that any expected credit rating assigned and published subject to all relevant explanations and using 'e' prefix is a critically important tool to increase the transparency of issues and a key early warning advisory notice for investors. Correct use of expected credit ratings extends the timeframes for making investment decisions and decreases the probability of unweighted investment decisions under stress conditions.

In order to separate the non-rating and rating operations of ACRA, and in accordance with the best international practices and regulatory requirements of the Bank of Russia, ACRA Risk Management LLC (ACRA RM) did not participate, and models developed by ACRA RM were not used, in the process of assigning the expected credit rating.

ACRA RM is a subsidiary of ACRA established to provide third parties with consulting services on rating modeling, stress testing, and validation of their rating models not used by ACRA in its rating processes.

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