


Credit & Issue Rating

Banking

Updated

[Financial Institutions]

		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Issue Rating	n.a.	n.a.		
National	Local Rating	AA(Trk)	A-1(Trk)	
	Outlook	Stable	Stable	
	Issue Rating	AA(Trk)	A-1(Trk)	
Sponsor Support		1	-	
Stand Alone		AB	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

*Affirmed by Japan Credit Rating Agency, JCR on August 28, 2015

Chief Analyst: Orkun İNAN
+90 212 352 56 73
orkun.inan@jcrer.com.tr

Nurol Yatırım Bankası A.Ş.					
Financial Data	2015*	2014*	2013*	2012*	2011*
Total Assets (000,000 USD)	246.300	275.358	206.021	142.552	99.414
Total Assets (000,000 TRY)	716.141	638.527	438.907	253.401	187.784
Total Net Loans (000,000 TRY)	431.711	356.456	241.190	150.576	116.923
Equity (000,000 TRY)	128.936	106.222	90.422	113.057	71.475
Net Profit (000,000 TRY)	16.381	15.867	0.516	3.872	13.115
Market Share (%) **	0.0305	0.0318	0.0250	0.0181	0.0150
ROAA (%)	3.16	3.74	0.09	2.11	6.91
ROAE (%)	18.21	20.52	0.31	5.05	21.87
Equity/T. Assets (%)	18.00	16.64	20.60	44.62	38.06
CAR - Capital Adequacy Ratio (%)	21.66	16.89	14.20	19.01	17.23
Asset Growth Rate (Annual) (%)	12.16	45.48	73.21	34.94	-13.49

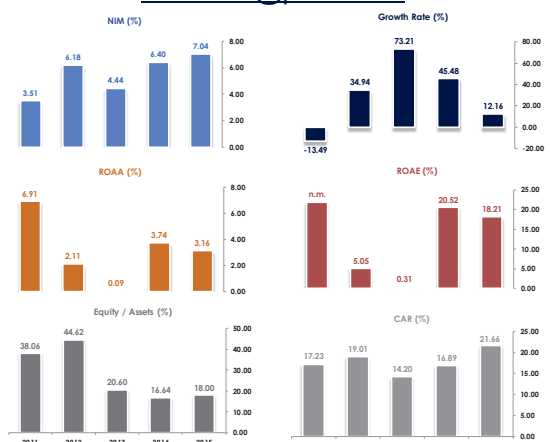
* End of Year - Based on IFRS Financials ** On Solo Basis Among the Turkish Banking Sector

Overview

Nurol Yatırım Bankası A.Ş. (hereinafter **"Nurol Bank"** or the **"Bank"**), was incorporated on August, 1998 and commenced operations in May, 1999. The Bank provides services in the field of corporate banking, investment banking, factoring, consulting and treasury with a staff force of 39 people as of FYE2015.

Nurol Bank, with a total asset size of TRY 716.14mn, is one of Turkey's small private investment Bank and ranks 37th in terms of assets size among the 47 banks in the Turkish financial market and had a 0.0305 market share in the entire banking sector at the end of FY2015. Although Nurol Bank is not entitled to receive deposits, it has attained robust growth performance through funding from issued bank bonds.

The Company's shareholding structure covers 3 entities, the main controlling shareholders, "Nurol Holding A.Ş. (78.16%)" and "Nurol İnşaat ve Tic A.Ş. (15.96%)" controlled by the "Çarmıklı Family", principally focused to 5 sectors, including Construction & Contracting, Defense & Production, Trading & Service, Finance and Tourism sectors. Nurol Group has direct or indirect control over the shares of the Bank.



Strengths

Constraints

- Continuation of upward path of NIM much above the sector average,
- Well established risk management supporting asset quality, underpinned by Tier 1 and CET1 capital levels with net positive effect of possible regulatory changes,
- Despite ongoing loan growth, asset quality maintained regarding below-the-sector NPLs including write-off
- Proven headway in cleaning its high related party exposure since 3Q2013,
- Experienced and well-educated management team as well as specialized knowledge of the Turkish financial sector,
- High level of compliance regarding corporate governance implementations and sustainability.
- Rising risks of weakened TL and downside risks to growth exerting pressure on profit margins and impacts on debt-servicing capabilities of the real sector further aggravated by the recent upward trend in bankruptcy postponements,
- A high credit risk concentration among the top ten cash and non-cash loans customers,
- Persistence of stiff political headwinds in international and domestic level,
- Sector-wide structural maturity mismatches and short maturity profile of deposits,
- Scarce alternative delivery channels to provide continuity of efficiency rates.

Publication Date: June 1, 2016