

**Corporate Credit & Issue Rating**

New Update

**Sector:** Banking

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**RATINGS**

		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB	A-3	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative
	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	Negative	-
		LC	Negative	-

\* Affirmed by JCR on November 27, 2018

**Nurol Yatırım Bankası A.Ş.**  
**Company Overview**

Financial Data	2018*	2017*	2016*	2015*	2014*	2013*
Total Assets (000 TRY)	509,321	444,615	390,417	246,300	275,358	206,021
Total Assets (000 TRY)	2,679,487	1,694,160	1,169,651	716,141	638,527	438,907
Total Net Loans (000 TRY)	1,846,509	1,064,933	742,918	431,711	356,456	241,190
Equity (000 TRY)	254,711	222,964	168,218	128,936	106,222	90,422
Net Profit (000 TRY)	64,990	54,291	41,083	16,381	15,867	516
Market Share (%) **	0.007	0.052	0.043	0.031	0.032	0.025
ROAA (%)	3.82	4.75	5.29	3.16	3.74	0.09
ROAE (%)	34.93	34.77	33.55	18.21	20.52	0.31
Equity/Assets (%)	9.51	13.16	14.38	18	16.64	20.6
CAR - Capital Adequacy Ratio	15.24	18.05	17.34	21.66	16.89	14.2
Asset Growth Rate (Annual) (%)	58.16	44.84	63.33	12.16	45.48	73.21

\* End of Year \*\* On Solo Basis

**Nurol Yatırım Bankası A.Ş.** (hereinafter “**Nurol Bank**” or the “**Bank**”), incorporated on August, 1998, is a national private bank. The Bank provides services in the field of Corporate Banking, Investment Banking and Treasury & Financial Institutions through its diversified corporate clientele with a staff force of 50 people in FYE2018.

The Bank with a total asset size of TRY 2,679mn., had 0.07% (FYE2017: 0.05%) and 1.04 % (FYE2017: 0.97%) market shares in the entire banking sector and Turkish Development and Investment Banking Sector as of December 31,2018.

The majority shareholders of the Bank were Nurol Holding A.Ş. (78.16%) and Nurol İnşaat ve Tic. A.Ş. (15.96%), which also has direct and indirect control over the Nurol Group- Nurol Holding Inc., founded in 1989, engaged in construction and contracting, defense, manufacturing, real estate investment, energy, tourism, mining, finance, trade, and service sectors in Turkey and internationally sectors through 48 companies within the Group.

**Strengths**

**Constraints**

- Sound growth performance in assets and loans book, outperforming the sector averages,
- Continuous and progressive profit generation throughout the reviewed period,
- Reasonable earning power with recurring income streams,
- High level of compliance with corporate governance best practices and continuity of well-established risk management practices,
- Diversification of funding sources via short-term debt issues and possible positive effects maturity mismatch,
- Maintaining liquidity position via matched funding profile and the funding diversification.
- Deterioration in NPL ratio pressuring asset quality,
- A slight decrease in capital adequacy ratio due to expansion in risk-weighted assets,
- Ongoing credit risk concentration among the top ten cash and non-cash loans customers deteriorating asset quality,
- Current global financing circumstances, persistence of high geopolitical risks and economic slowdown exerting pressure on profit margins and impacts on debt-servicing capabilities of the real,
- Potential increase in the sector’s NPLs.

