

Corporate Credit & Issue Rating

New Update

Sector: Banking

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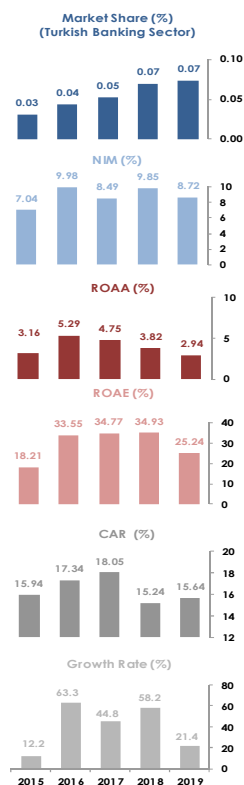
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RATINGS

		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 December 6, 2019



Nurol Yatırım Bankası A.Ş. Company Overview

Financial Data	2019*	2018*	2017*	2016*	2015*
Total Assets (000 USD)	547,785	509,321	444,615	390,417	246,300
Total Assets (000 TRY)	3,253,950	2,679,487	1,694,160	1,169,651	716,141
Total Net Loans (000 TRY)	2,167,936	1,691,860	1,068,396	742,918	431,711
Equity (000 TRY)	436,342	254,711	238,838	222,964	195,591
Net Profit (000 TRY)	68,512	64,990	54,291	41,083	16,381
Market Share (%) **	0.07	0.07	0.05	0.04	0.03
ROAA (%)	2.94	3.82	4.75	5.29	3.16
ROAE (%)	25.24	34.93	34.77	33.55	18.21
Equity/Assets (%)	13.41	9.51	13.16	14.38	18.00
CAR - Capital Adequacy Ratio	15.64	15.24	18.05	17.34	15.94
Tier 1 / Risk Weighted Asset	13.76	12.27	15.13	13.30	24.17
Asset Growth Rate (Annual) (%)	21.44	58.16	44.84	63.33	12.16

* 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 61 people in FYE2019.

The Bank with a total asset size of TRY 3.254mn., had 0.07% (FYE2017: 0.07%) and 1.08 % (FYE2018: 1.26 %) market shares in the entire Turkish Banking Sector and Turkish Development and Investment Banking Sector as of December 31,2019.

The majority shareholders of the Bank were Nurol Holding A.Ş. (78.98%) and Nurol İnşaat ve Tic. A.Ş. (16.70%), which also has direct and indirect control over the Nurol Group- Nurol Holding Inc., founded in 1989, has operations in construction, defense, finance, tourism, health, mining, real estate, marketing and manufacturing industries through 33 firms within the Nurol Group 4 joint ventures and 11 domestic foreign associates and subsidiaries.

Strengths

- The collection of overdue and non-performing loans supporting asset quality of 1Q2020,
- Earnings power with core indicators above the sector and maintaining NIM,
- Diversification of funding sources via short-term debt issues effectively and possible positive effects maturity mismatch,
- Maintenance of loan-driven moderate growth strategy accompanied by defending margins,
- Taking action to minimize impact of Covid-19 by government and regulator.
- High level of compliance with corporate governance best practices and continuity of well-established risk management practices,

Constraints

- Capital adequacy ratio and CET1 share below sector averages,
- Scarce alternative delivery channels and lack of revenue stream to provide continuity of efficiency rates
- Ongoing credit risk concentration among the top ten cash and non-cash loans customers deteriorating asset quality,
- Concerns on the bank’s asset quality and revenue streams and higher credit loss provisions due to Covid-19 outbreak worsening macroeconomic environment.