

## Corporate Credit Rating

New  Update

**Sector:** Banking

**Publishing Date:** 27.04.2023

**Manager**

Ömer Sucu

+90 212 352 56 73

[omer.sucu@jcrer.com.tr](mailto:omer.sucu@jcrer.com.tr)

**Analyst**

Ezgi Çiçek Yılmaz

+90 212 352 56 73

[ezgi.yilmaz@jcrer.com.tr](mailto:ezgi.yilmaz@jcrer.com.tr)

**Assistant Analyst**

Barbaros Dişçi

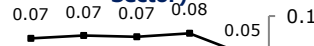
+90 212 352 56 73

[barbaros.disci@jcrer.com.tr](mailto:barbaros.disci@jcrer.com.tr)

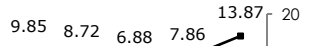
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	National ISR	AA (tr) (Stable)	J1+ (tr) (Stable)
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign *	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

\* Assigned by JCR on August 18, 2022

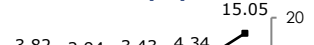
### Market Share (%) (Turkish Banking Sector)



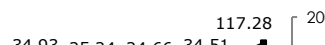
### NIM (%)



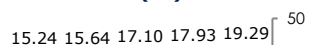
### ROAA (%)



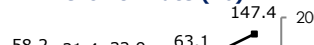
### ROAE (%)



### CAR (%)



### Growth Rate (%)



## NUROL YATIRIM BANKASI A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Nurol Yatırım Bankası A.Ş." in the investment level category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at 'AA (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB/Negative', as parallel to international ratings and outlooks of Republic of Türkiye.

**Nurol Yatırım Bankası A.Ş.** (hereinafter referred to as "Nurol Bank" or "the Bank"), incorporated in 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 97 people in FY2022.

The majority shareholders of the Bank were Nurol Holding A.Ş. (95.68%), which also has direct and indirect control over the Nurol Group- Nurol Holding Inc., founded in 1989, has operations in construction, defense, finance, tourism, mining, real estate, marketing and manufacturing industries through 35+ firms within the Nurol Group 4 joint ventures and 11 domestic-foreign associates and subsidiaries.

Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Ongoing improvement in the core profitability indicators,
- Maintenance of loan-driven moderate growth strategy accompanied by defending margins,
- Diversified funding structure through debt security issuances, providing financial flexibility,
- Country - specific advantages encouraging investment which contributes to the investment banks' operations,
- High level of compliance with corporate governance best practices and continuity of well-established risk management practices.

### Constraints

- Capital adequacy ratios standing below sector average despite being compatible with the requirements,
- Lack of revenue stream to provide continuity of efficiency rates although sector-specific distribution channels have been established,
- Ongoing credit risk concentration among the top ten cash and non-cash loans customers pressuring asset quality,
- Short-term weighted borrowing profile of the sector.

Considering the aforementioned points, the Bank's the Long-Term National Issuer Credit Rating has been affirmed at 'AA (tr)'. Taking into account the capability to independently survive irrespective of the support from the current shareholders and at the system level, adequate capitalization structure, internal resource generation capacity, ability to access international funding markets and roll-over debt and the asset quality accompanied by selective and efficiency focused credit policies as well as the possible negative effects of the RU-UA war on the Turkish banking sector; the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. Non-performing loans due to downward efficiency in economic activities caused by the geopolitical risks driven uncertainties and the erosion in the debt payment capacity raising provisioning requirement, resulting a higher credit risk cost, and the impact of the decisions taken by the regulatory authorities on the sector will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.