

Corporate Credit Rating

New Update

Sector: Banking

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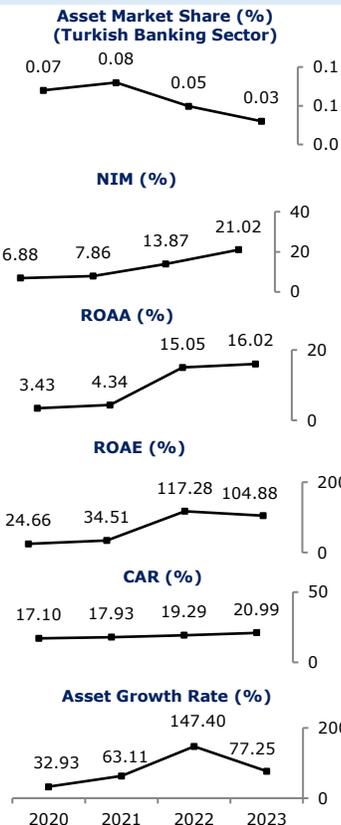
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific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

* Assigned by JCR on August 18, 2022



NUROL YATIRIM BANKASI A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of "Nurol Yatırım Bankası A.Ş." in the very high investment level category 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 the sovereign 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 105 people in FY2023.

The majority shareholders of the Bank were Nurol Holding A.Ş. (96.33%), 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

- Improvement in the net interest margin in FY2023,
- Decreasing trend in NPL ratio supporting asset quality in the analysed period,
- Increasing capital adequacy ratios in FYE2023,
- Diversified funding structure supporting financial flexibility,
- Compliance with corporate governance practices and continuity of well-established risk management organization,
- Country-specific advantages encouraging investment which contributes to the investment banks' operations.

Constraints

- Need for expanding customer granularity to reduce concentration risk,
- Short-term weighted borrowing profile of the sector,
- Volatile environment for Turkish Banking Sector due to weakened TL and inflationary headwinds despite tighter post-election monetary policies of CBRT including interest rate hikes.

Considering the aforementioned points, the Bank's 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, net interest income generation capacity and liquidity profile; 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.