Corporate Credit & Issue Rating

☐New ☒Update

Sector: Banking

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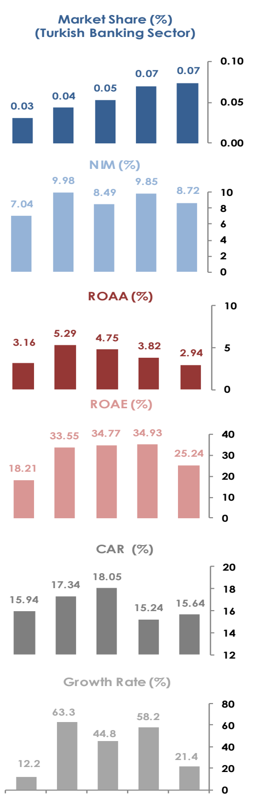
Chief Analyst
Orkun INAN
+90 212 352 56 73
orkun.inan@jcrer.com.tr

RATINGS

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

* Affirmed by JCR on December 6, 2019



Nurol Yatırım BankasıA.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.

1. Rating Rationale

The rating study is primarily based on Nurol Bank's consolidated independent audit reports prepared in accordance with the BRSA's Communiqué on Financial Statements to be Announced to the Public and the Related Explanations and Footnotes. Additionally, the banking sector comparison is based on unconsolidated financial statements compiled according to Banking Regulation and Supervision Agency (BRSA) regulations which have been independently audited. In addition to financial indicators such as equity strength, asset quality, profitability, funding mix and growth performance rates, the Bank's market power, widespread network and corporate & risk management practices were also taken into consideration in the assignment of the ratings.

JCR Eurasia Rating has affirmed Nurol Bank's National Local Rating Notes of '**AA** (Trk)' on the Long Term and '**A-1 (Trk)**' on the Short Term. The Bank's International Long-Term Foreign Currency note has been affirmed as **"BBB-"** with **'Negative'** outlooks. Nurol Bank's International Long-Term LC note has been affirmed as "**BBB"**, – positioned above the country ceiling.

No separate rating report has been compiled as the resources obtained from the debt issues will be carried in the Bank's balance sheet and has been subject to analysis in the corporate credit rating report. The debt instruments to be issued carry no difference in comparison to the Bank's other liabilities with respect to its legal standing and collateralization. As such, the notations outlined in the corporate credit rating report also reflect the issue rating taking into account aggregated exposure of the issues. The issue ratings do not cover any structured finance instruments that are not recorded under balance sheet items. Issue ratings are assigned for both outstanding and prospective debt instruments and incorporate assessments until their maturities.

Fundamental Rating Considerations are as follows:

Ongoing Growth Performance Thanks to Loan Book Expansion

Nurol Bank experienced robust growth performance through almost all principal banking segments in FY2019. The growth in assets and loans were 21.44% and 28.14%, respectively regarding IFRS based financials and outperformed the averages of the Turkish Banking Sector (16.15% and 11.48%) and Turkish Development and Investment Banking Sector (17.49% and 9.12%) sectors.

Upward trend in NPLs Placing Pressure on Asset Quality and Profitability

The Bank's gross NPL volume reached TRY161.6mn in FYE2019 (FYE2018: TRY152.29mn.). Despite a slight growth in overdue loans than that of the loan receivables decreased in the NPLs ratio to 7.32 % at FYE2019 from 8.24% at FYE2018. The ratio exceeded the averages for both the Turkish Banking Sector and Turkish Development and Investment Banking Sector since 2018. Non-performing loans amounting to TRY44.4mn has been written off by the Bank during 2018.

However, in line with the Bank management strategy, Nurol Bank decreased its NPL ratio to approximately 2% and total gross NPL volume stood at TRY37.44mn. thanks to recovery, collection and other transactions during 1Q2020. The Bank has provisions for Stage-3 and Stage 1-2 of TRY27.4mn and TRY8.73 during FY2019 and 1Q2020, respectively.

NPL sale and write-off are frequently observed in the sector, while the Bank did not sell or write of non-performing loans during 2019 and 1Q2020.

Despite the recently disclosed stimulus package and change in the Regulation on the Procedures and Principles for the Classification of Loans and Provisions to be set aside by BRSA for easing the negative effects of disruptions in economic and commercial activities in global scale resulting from the Covid-19 pandemic, we expect that the NPL levels across the sector in the upcoming period will increase sharply.

Loan Loss Provision Management

At FYE2019, the Bank's loans loss reserves to impaired loans ratio was 16.85% and increased from 2.03% at FYE2018. Accordingly, the ratio stood below both the Turkish Banking & Investment Banking Sector averages. However, Nurol Bank had outperformed the sector averages in its loan loss provisioning level until FYE2017 by pursuing a flat Loan Loss Provision (LLP) level (100% of total NPLs booked as at the end of FY2017). With respect to the adoption of TFRS 9 as of January 1,2018, the figures are not comparable across the years and FY2018-19 comparable figures include only Stage-3 coverage based on the 12-month expected credit losses (ECL) approach.

It should be noted that the differentiation among banks with regard to staging with the introduction of the expected loss principle instead of the incurred loss through IFRS 9 / TFRS 9, which allow considerable room for judgement, has widened due the distinct approaches adopted by the banks both in qualitative assessments and quantitative ones as well, particularly in the SICR (Significant Increase in Credit Risk) definition.

Capitalization Level Supporting Sustainability

Nurol Bank's IFRS-based CAR was 15.64% at the end of FY2019, increased from 15.24% at the end of FY2018 and remained above the minimum CAR requirements set by the Basel Accord (8%) and the recommended level by the BRSA (12%). Since FY2015, the Bank's unconsolidated capital adequacy ratio (CAR) stood below the average of the Turkish Banking Sector and Turkish Investment Banking Sector. The Bank's CET1 ratios was 12.63% as of FYE2019 (FYE2018: 11.28%). We, as JCR Eurasia Rating, assume that the current CAR ratio provides satisfactory capital to buffer potential incidental losses.

In addition to growth in Common Equity Tier 1 Capital and Tier 2 Capital, Additional Tier 1 Capital amounting to TRY438.9mn in FY2019 (FY2018: TRY 263,50mn.) particularly in FY2019 - specifies the success of the management - supported the strengthening of CAR ratio.

The share of core capital, principally consisting of paid-up capital and retained earnings, accounted for 81.43% of the Bank's total own fund structure in FY2019 (FY2018: 74.39%). Above ratios specify the Bank's lower reliance on Tier 2 capital, which is not considered to be loss absorbing. The supplementary capital accounted for 18.57% of the Bank's own fund structure at FYE2019.

Based on the decision taken at the Ordinary General Assembly held on March 28, 2019 and the decision taken at the Extraordinary General Assembly held on November 21, 2019., the Bank's paid-in capital was raised to a total of TRY300mn. From TRY160mn., via TRY60mn. internal sources and TRY80mn. from cash sources.

Eased Liquidity Structure

Nurol Yatirim executes its liquidity risk within the liquidity risk management framework through sustaining adequate liquid assets to fulfill its obligations on time as well as complying with the regulations established by the BRSA. The Bank's liquidity ratios (Average LCRs) of were well above the required levels and remained compliant with BRSA parameters.

The Bank's Tier 1 Capital to Risk Weighted Asset was, measured on a consolidated basis, 13.76% (FYE2018: 12.27%). The Bank's cash collaterals, funds borrowed and issued debt securities, accounted for 34.20%, 32.11% and 27.09% of the total fund resources in FYE2019. In addition to the provided long term borrowing from overseas financial markets, the Bank has also facilitated a subordinated loan from the international financial institutions. The Bank issued USD10mn. Eurobond as of March 31, 2016 as subordinated debt which is accounted as Tier 2 Capital. Additionally, Overseas Private Investment Corporation (OPIC) provided USD10mn. loans as of December 12, 2016.

Satisfactory Earning Generation

As per consolidated IFRS based reports, Nurol Bank achieved a net profit of TRY68.5mn in FY2019, exhibiting an improvement of 5.42% compared to the previous year's TRY64.99mn, though its net interest income (NII) increased by 19.65% to TRY209mn. in the same period. Due to remarkable earning asset growth, interest margin decreased in 2019, however, the margin remained somewhat above the sector averages over the reviewed period.

The indicators of both ROAAs and ROAEs have outperformed the sector averages during the previous six years while the differences have become more obscure during the previous two years.

Portfolio Vulnerability

The loon book portfolio was well diversified in terms of industrial composition while customer concentration remains a risk factor continued in 2019. The Bank focuses to fund large projects that continue to improve its interest margin. The Bank's largest 10 and 20 corporate customers constituted 61.7% and 82.5% (FYE2018: 57.60% and 81.6%) of the total corporate cash loans and 63.5% and 81.7% (FYE2018: 55.1% and 76.6%) of total non-cash loans, maintaining still high concentration levels, respectively.

The Cash Loan Book Composition were well distributed with respect to sectoral breakdown including, 16.2% in automotive, 14.3% in Non-Bank FIs, 13.68% in infrastructure and contracting, 11.56% in tourism and 10.29% in real estate (Investment / Rental Services). The Non-Cash Loan Book Composition includes 60% in Banks, 16.94% in Non-Bank FIs and 5.50% in infrastructure and contracting.

High Level of Compliance regarding Corporate Governance Implementations and Sustainability

Nurol has high compliance level with the corporate governance principles particularly regarding the exercise of shareholders' rights, efficient and comprehensive system of public disclosure and the Bank website together serving as an effective platform in their supporting the transparency level, comprehensive risk management system with functionalized organizational units of internal control and internal audit, contributions to publicly known event and project.

Global Recession Concerns and Demand Shock Exacerbated via the Global Pandemic

The coronavirus outbreak has significantly weakened nearterm global economic growth forecasts, since the outbreak in January, over 1mn people have been infected worldwide as of the report date, with a fast-rising share of cases in Italy, Germany, Spain, UK, USA and Iran outside China. The epicenter of the outbreak was the Hubei province, which accounts for nearly 4.5% of China's output, and had to implement severe restrictions on passenger transportation, labor mobility and hours worked to control the spread of the virus. As a result, production declines in China have been rapidly felt by businesses around the world, due to China's key role in global supply chains as a producer of raw materials, intermediate goods particularly in computers, electronics, pharmaceuticals and transport equipment, which are the primary sources of demand for many commodities. In the near-term, the major downside risk is that the impact of the coronavirus shows longer lasting and more intensive in developed countries outside the Asia-Pacific region, particularly in Europe and the USA. The countries put in place state of emergency and quarantine measures one after another to prevent the spread of the virus. Several downside risks factors have weighed in so far in 2020, led by the Covid-19 pandemic and the oil shock introducing historical volatility in the financial markets since the global credit crunch of FY2008-2009 and resulting in a bleak macro outlook with demand shocks. Domestic impact of these factors will likely result in poor revenue generation in the non-financial sectors, tourism and transportation in particular and possibly weakened customer spending due to increase in the fear index and unemployment rates. In the pessimistic scenario, it is forecasted that global GDP could possibly contract by 1.5% in 2020 with a recessionary environment across more advanced economies. Hence, declining demand and spending in general economy with the exception of food and pharmaceutical industries will batter financial and nonfinancial sectors as the negative impact of the interest and currency attacks in recent past has not yet been fully recovered If the current course of the pandemic takes longer than expected, it may force the banks to receive systemic support.

Effects of COVID-19 Outbreak on Turkish Banking Sector

The COVID-19 outbreak is expected to create far-reaching negative economic consequences for many companies. Banks are one of the most important institutions for the financial system to operate in the country's economy and channel resources into the right areas. The effects of an epidemic disease, such as COVID-19, which has global and serious health risks, on Banking Sector are grouped under 3 main groups.

- Banking Sector has prepared and implemented emergency/crisis management action plans. Employees were ensured to continue their works safely and actions aimed at enabling this technical infrastructure were made available in advance. Communicates regularly with all internal and external stakeholders continues uninterruptedly.
- As a result of the decreasing consumer confidence index in the world, banks are expected to experience difficulties in the collection of loans. In addition, a decrement in revenues is expected with decreasing net intereest income and net fee and commission income. All of these will have a negative impact on banks' liquidity, risk assets, profitability and capital adequacy. The high level of customer-based concentration will be a risk factor.
- Alternative distribution channels are expected to be used more actively, with a decrease in spending trends and investment planning to be delayed. Diversification of service fields,income streams and rapid response to customer demands are expected to become more important.

Hence, BRSA has taken certain measures regarding the COVID-19 outbreak with its decision dated March 17, 2020 and no. 8948. BRSA statement on actions to mitigate the impact of COVID-19 on the Turkish banking sector.

- The 90 days default period for loans to be classified as non-performing loans (NPL) is 180 days.
- For loans that continue to be classified in the Stage 2 in spite of the 90-day default, banks will continue to set aside provisions in accordance with their own risk models used in the calculation of expected loan loss under TFRS 9.
- For receivables that are not transferred to the bad debt account in spite of the 90-day default, financial institutions will continue to set aside provisions in accordance with their own risk models.
- Banks will no longer be required to classify, as a category 3 loan, the loans restructured and classified as performing loans following the restructuring and where the principal and/or interest payments have been overdue for more than 30 days within the one-year monitoring period or restructured once again within this period.
- These measures will be valid until December 31, 2020 and applicable to all loans and other receivables recorded in the assets of banks' balance sheet.

Despite all these measures, the global Covid-19 outbreak is expected to have varied effects that will negatively affect banks' ratios in 2020 and into 2021. Deterioration in economic growth outlook fracture demands for loans and also cause to higher credit loss provisions for the banks-reporting under IFRS 9.

2. Outlook

JCR Eurasia Rating has affirmed the **"Stable"** outlooks on the Short and Long Term National Ratings and **"Negative"** outlooks on the Short and Long Term International Ratings perspectives of Nurol Bank, taking into account the financials' strength, market influence & efficiency and the expectation that the Bank's current ratings will be preserved in the near future with a condition of the continuity of current political stability and no further deterioration in economic stability.

Crucial considerations which would constrain the ratings and outlook status are (i) if the sudden slowdown in social and economic activities stemming from Covid-19 breakout in both Turkey and the remainder of the world takes longer than expected (ii) developments in the sovereign rating level of Turkey, (iii) probable adversities in accessing external financing sources, (iv) deterioration in asset quality through accelerated increase in NPLs, (v) weakening of profitability indicators, (vi) diminishing capital adequacy strength, (vii) deterioration in liquidity ratios, (viii) developments in international politics particularly relating to Turkey's neighbouring countries (ix) possible regulatory actions that would restrain the profitability & growth performance of the sector.

3. Sponsor Support and Stand Alone

Sponsor Support notes and risk assessments reflect the financial strength and expected assistance of the controlling shareholders. It is considered that the utmost shareholder has the tendency and satisfactory financial strength to offer financial support when liquidity needs arise in the short- or long-term perspective. Based on these assessments, the Sponsor Support Note of the Bank has been affirmed as "**1**", which denotes a strong external support possibility.

The stand-alone note has been constituted particularly regarding asset quality, internal resource generation capacity, profitability ratios, adequate capital and liquidity levels, balance sheet structure, risk management practices, market share and the development of existing risks in the markets and business environment. Within this context, the Stand-Alone Grade of the Bank has been affirmed as "**AB**" in JCR Eurasia's notation system, which signifies a strong and credible bank.

4. Company Profile

a. History

Nurol Yatırım Bank has started investment banking activities in 1999 and commenced its operations in May 1999, falls under the regulatory purview of the Banking Regulation and Supervision Agency of Turkey (BRSA), provides services in the field of Corporate Banking, Investment Banking and Treasury & Financial Institutions via its a branch with a staff force of 61 people as of 2019.

b. Organization and Employees

The Board of Nurol Bank consists of nine members, three of whom are independent members and a general manager. According to Capital Market Board (CMB) principles three of Board Members should be independent and the members of the audit committee of the BoD are accepted as independent members. The Bank has Audit Committee, Corporate Governance Committee, Pricing Committee, Disciplinary and Personnel Committee, Assets and Liabilities Committee, Credit Committee, Information Systems Strategy Committee under the BoD and also 2 chief assistant general managers, 3 assistant general managers.

c. Shareholders and Subsidiaries

The main shareholder of Nurol Bank is Nurol Holding A.Ş., which holds 78.98% of total shares. Nurol Holding A.Ş., although set up in 1989; trace back to the establishment of its flagship company Nurol İnşaat ve Ticaret A.Ş in 1966. The Parent Bank's paid in capital has been increased by TRY140mn. to TRY300mn. provided from internal sources in the current period during 2019. The table below indicates the detailed shareholding structure of the Bank in FYE2019-18. Nurol Bank has not accepted a registered capital system.

Shareholders Structure	2019		2018	
	Share Amount	Share %	Share Amount	Share %
Nurol Holding A.Ş.	236,947	78.98	125,052	78.16
Nurol İnş ve Tic A.Ş.	50,112	16.70	25,536	15.96
Others	12,941	4.32	9,412	5.88
Paid Capital (000 TRY)	**300,000**	**100.00**	**160,000**	**100.00**

Nurol Holding A.Ş has engaged in 6 various industries, such as Construction and Contracting & Defence and Production & Financial & Commercial and Services & Energy and Mining Sector & Tourism sectors continues its activities with industries through 33 firms within the Nurol Group 4 joint ventures and 11 domestic foreign associates and subsidiaries in Turkey and the Middle East, North Africa, Turkic Republics. Nurol Holding, trace back to the establishment of its flagship company Nurol İnşaat ve Ticaret A.Ş which was incorporated in 1966 as a contracting company. As of December 31, 2018, the consolidated asset size was approximately TRY20,342mn. ,the turnover amounted to TRY7,184mn. and the total project size reached USD32bn. Construction and real estate sector, which has the largest share with 55% in turnover, is followed by defence and manufacturing industry with 32%.

The following table shows Nurol Holding A.Ş.'s engaged sectors as of December 31,2019.

Nurol Holding A.Ş.'s Engaged Sectors
Construction and Contracting
Nurol İnşaat ve Tic. A.Ş.
Nurol Gayrimenkul Yatırım Ort. A.Ş.
Otoyol Yatırım ve İşletme A.Ş.
Nurol LLC
Nurol Georgia LLC
Defense and Production
Nurol Makina ve Sanayi A.Ş.
Nurol Teknoloji San. ve Mad. Tic. A.Ş.
FNSS Savunma Sistemleri A.Ş.
BNA Nurol BAE Systems
Financial Services
Nurol Yatırım Bankası A.Ş.
Nurol Sigorta Aracılık Hizmetleri A.Ş.
Commercial and Services
Nurol Havacılık A.Ş
Botim İşletme Yönetim ve Tic. A.Ş.
Nurol İşletme ve Gayrimenkul Yönetim A.Ş.
Energy and Mining Sector
TÜMAD Madencilik San. ve Tic. A.Ş.
Nurol Enerji Üretim ve Pazarlama A.Ş.
Nurol Göksu Elektrik Üretim A.Ş.
Enova Enerji Üretim A.Ş.
Tourism
Turser Turizm Serv. ve Tic. A.Ş.
Bosfor Turizm İşletmecilik A.Ş.

The following table shows the current shareholder structure of Nurol Holding A.Ş..

Shareholders Structure	As of September 3, 2019	Share %
Nurettin Çarmıklı	258,454,622	0.3330603
Erol Çarmıklı	258,454,621	0.3330603
Mehmet Oğuz Çarmıklı	258,454,621	0.3330603
Eyüp Sabri Çarmıklı	93,030	0.0001199
Gaye Çarmıklı	93,030	0.0001199
Gürol Çarmıklı	62,010	0.0000799
Gürhan Çarmıklı	62,010	0.0000799
Gözde Çarmıklı	62,010	0.0000799
Eda Çarmıklı Yolcu	62,010	0.0000799
S. Ceyda Çarmıklı	62,010	0.0000799
Oğuzhan Çarmıklı	62,010	0.0000799
Aynur Türkan Çarmıklı	38,670	0.0000499
Müjgan Sevgi Kayaalp	22,388	0.0000289
Melih Kayaalp	8,141	0.0000105
Semih Kayaalp	8,141	0.0000105
Others	676	0.00000087
Paid Capital (000 TRY)	**776,000,000**	**100.00**

Nurol Varlık Kiralama A.Ş., 100% subsidiary of Nurol Bank, is established in 2017 to operate in asset leasing sector. Nurol Varlık Kiralama A.Ş. has been registered in trade register as of June 14, 2017 and published in Turkey Trade Registry Gazette numbered 9351 dated September 20, 2017. Nurol Varlık Kiralama A.Ş.'s paid in capital is amounting to TRY50k as of December 31, 2019.

Balance Sheet (TRY)	FYE2019	FYE2018	FYE2017
Current Assets	153,632,651	174,892,967	62,377
Non-Current Assets	-	-	-
Total Assets	153,632,651	174,891,967	62,377
Short Term Liabilities	153,582,651	174,841,967	12,377
Long Term Liabilities	-	-	-
Equity	50,000	50,000	50,000
Total Liabilities	153,632,651	174,891,967	62,377

Income Statement (TRY)	FYE2019	FYE2018	FYE2017
Revenue	33,275,889	20,442,103	-
Cost of Sales	(33,275,889)	(20,442,103)	-
Gross Profit	-	-	-
Profit Before Tax	-	-	-

d. Corporate Governance

As the Bank is not a publicly traded company, the Capital Market Board's Corporate Governance discipline is not a field that the Bank is required to take into consideration. On the other hand, Regulations on the Principles of Corporate Governance of Banks, corporate governance provisions in Turkish Commercial Code along with Banking Regulation and Supervision Agency's enforcements of strict regulation and supervision on the Turkish Banking Sector, the Bank's wholly state owned shareholder structure and labor force together with its financial figures and long operating track record in the sector have provided the Bank with a corporate organizational structure, a comprehensive internal control, audit and risk management systems.

The Bank's Board of Directors incorporates 9 members all of whom, including the general manager. The Board of the Bank contains the committees of Audit, Corporate Governance, Pricing, Disciplinary and Personnel, Assets and Liabilities, Credit, Information Systems Strategy. The Bank's articles of association, disclosed to the public, involve a detailed declaration of the working principles of its Board. It is concluded that the Board Members have the adequate qualifications and experience to administer their duties and the Board successfully performs its duties of leading, supervising and inspecting.

The Bank's website with a separate investor relations heading has a high compliance level to Corporate Governance practices through providing sufficient information and disclosed documentation regarding transparency such as the annual and interim reports, organizational structure, board members' and audit committee members' CVs, audit reports, rating notes, updated articles of association, general assembly meeting documents, disclosure policy, internal directive, material disclosures, money laundering policy and vision and mission. On the other hand, the shortcomings of the Company's website such as the absence of dividend policy, remuneration policy, corporate governance principles compliance statement and reports restrain the Company's relatively high compliance level to corporate governance principles.

The Bank, within the scope of social responsibility, transfers a part of its profit to "Professional Women Network" which aims to share the knowledge and experience gained by women in business life and to support each other-that benefit the community. The activity is given sufficient space on the Bank's website.

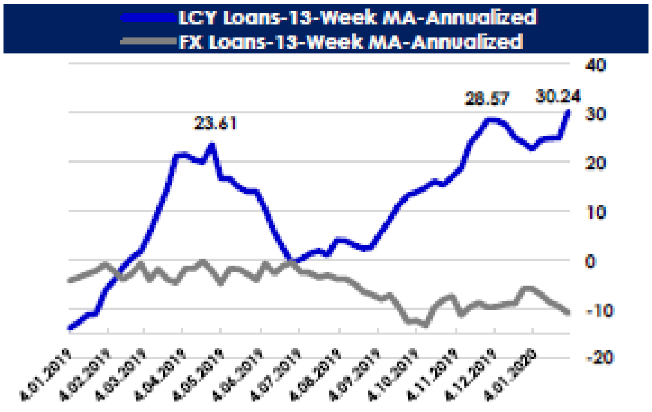
We, as JCR Eurasia Rating, are of the opinion that the senior management of the Company is adequate in terms of education, experience and managerial skills.

5. Sector Analysis

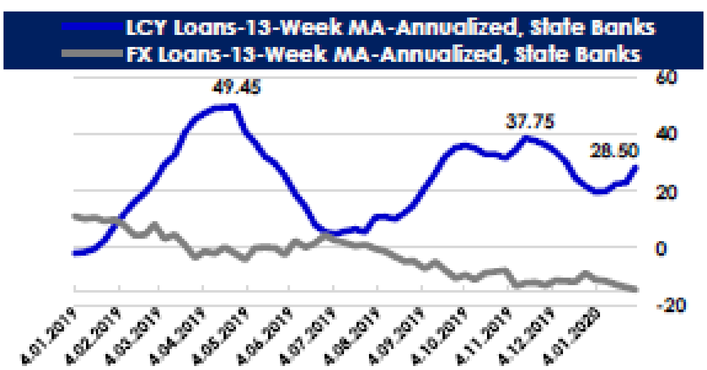
The Banking sector of Turkey is the core foundation of the financial system and the main funding source of the economy as the yet developing capital markets lag considerably behind. As such, the stability, resilience and growth prospects of the banking system is instrumental in any projection concerning the macroeconomic outlook of Turkey. In this review, we focus on the loan growth and portfolio health, capital adequacy, profitability projections and risk exposure & management of the banking sector. Turkish Banking Sector operates with 51 banks maintaining 11,300 branches within the country (74 abroad). ATM network is comprehensive, exceeding 49K as of December 2019. The sector employs a workforce of circa. 204,000. According to the Banks Association of Turkey 3Q2019 data, top 5 banks account for 56.28% of total assets, 57.69% of deposits and 61.43% of total loans.

Banking system of Turkey has found its footing again, once more proving its resilience to shocks and headwinds in both domestic and international markets. Following the onset of the sharp currency depreciation in August 2018 and subsequent interest rate hikes by the CBRT, domestic lending had fallen considerably. However, the rates have fallen first incrementally and then sharply by the first and second quarters of 2019, as CBRT initiated a monetary easing accommodated via moderating inflation outlook and stabilized exchange rates. The loan book growth, ceased upon the onset of the aforementioned developments, picked up particularly since 1Q2019 and despite a pause, remains strong throughout the year-end. Recovery of economic activity subject to the timely ending of the global Covid-19 pandemic and falling interest rates and asset quality are expected to underpin the outlook of the Sector throughout 2020.

Banking sector loans exceeded TRY 2.6 trillion as of FY2019, compared to TRY 2.4 trillion FY2018. The loan growth was not steady throughout the year, as depicted in the chart below, with state-owned banks doing the heavy lifting and leading the lending growth with aggressive rates. The private banks and rest of the market followed suit however, boosting their lending books. Both commercial and retail segments of credit have increased, with mortgage lending accelerating as the key rates falling below the consumer-critical threshold of sub 1%.



Consumer loans increased by 16.80% to TRY 466.56bn, according to BRSA data. Considering the CPI of 11.84%, the actual growth was limited across the year. However, the growth trend has been strong, following the reduction in the weighted average funding rate (WAFR) by CBRT in the 3Q2019. In fact, there is a strong negative correlation between the WAFR and consumer loan growth, approximately .94, in the period spanning from the end of 1Q2019 and January 2020. We note the effect of previously depressed consumption and base effect as a potential caveat for this strong correlation, though the point stands to show the significant influence of lower interest rates for loan demand.

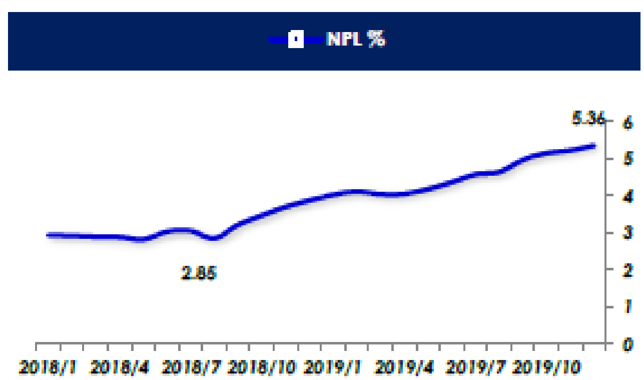


While the loan growth has regained momentum and is increasing in both consumer and corporate segments, a key challenge remains in the form of asset quality, and particularly in FX sensitive sectors such as construction and energy. The non-performing loans ratio of the system has steadily increased since August 2018, reaching 5.36% by FYE2019. Moreover, non-financial companies in the system state their demand for restructuring of existing loans due to constrained domestic conditions.

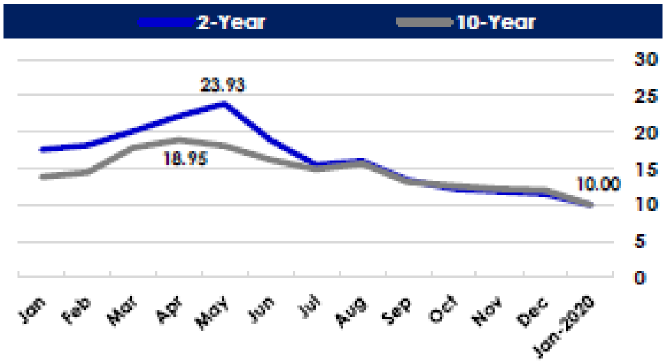
(TRYmn)	% Loans	% NPL	Std. NPL Multiplier
Wholesale and Retail	16.8	22.7	1.4
Construction	11.1	16.6	1.5
Electric, Gas and Water	9.7	10.3	1.1
Transport., Storage and Comm.	7.6	3.8	0.5
Real Estate Ops.	7.2	9.1	1.3
Agriculture	4.9	4.0	0.8
Tourism	4.4	5.1	1.2
Textile	4.4	4.3	1.0
Food, Bev. & Tobacco	4.2	4.4	1.0
Metals	4.2	2.8	0.7
Finance Comm.	3.3	0.2	0.1
Defence and Public Man.	2.6	0.1	0.0
Others	19.5	16.5	0.8

Note: % of commercial loans. Std. NPL multiplier measures the ratio of NPL share to loan share for each sector

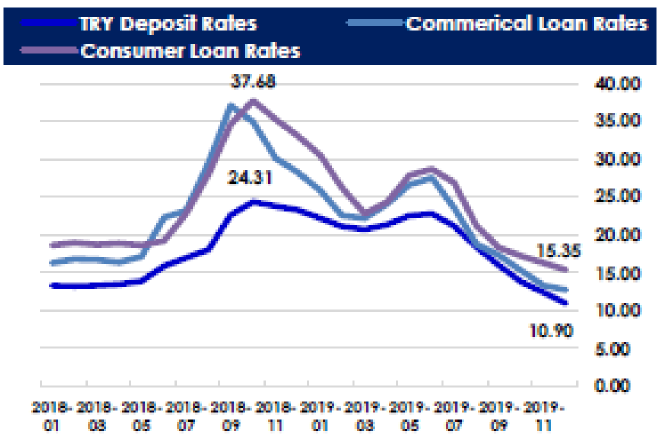
Various large-scale loan restructurings including major conglomerates have been completed. On the other hand, owing to significantly lower interest rates and expansionary policy actions, the asset quality pressure may have been alleviated to a certain extent.



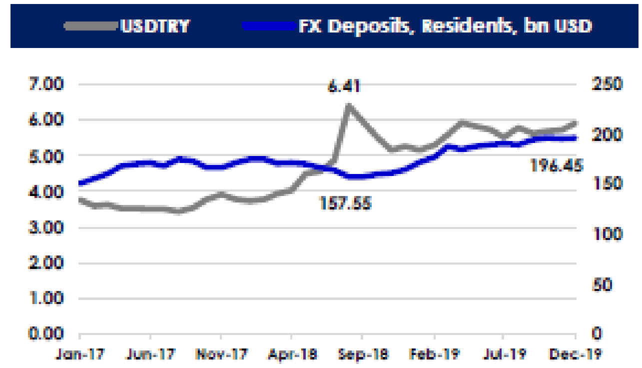
Security portfolio of the banking sector supported the revenues of the banks as the key rates fell significantly particularly since May 2019 and reached TRY 660.17bn, or 14.7% of total assets as of FYE2019. Owing to a downward move in both short and long ends of the yield curve, from as high as 24% for 2-year bonds to as low as 10% as of January 2020, capital gains for the banking system has been notable. The portfolio composition reflects the changes in the Treasury's borrowing program, with more FX borrowing undertaken purchased by the Banking Sector. In fact, according to BRSA data, as of December 2019, Eurobond issuances by the Treasury amounted to 21.59% of total securities portfolio.



Typically, given the short liability duration of Turkish Banks, with the average maturity of deposits far shorter than 3 months, vis-vis long dated loan book, falling interest rates provided uplift to the banks' profitability as the more cheaply repriced deposits resulted in a positive spread.



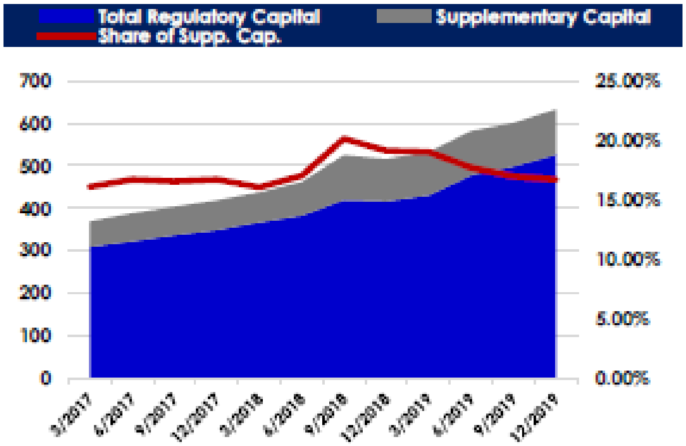
Another key point with regards to the deposits is the increasing FX deposit trend, particularly by the retail residents. Volatilities in the exchange rates led retail depositors to hold FX deposits, a trend sustained despite more stable exchange rates in the recent months. This high FX deposit levels results in a spike in banks' short balance sheet FX position, which is exacerbated by the fact that FX lending to corporations is currently subject to more strict standards and thus limited if not declining. In fact, FX loans by the banking sector declined from USD 182bn in FY2019 to USD 170bn in FY2018 marking a 6.5% decline, as opposed to 19% increase in the FX deposits of the residents, to USD 196bn as of FYE2019.



Turkish banks have established connections to international financing markets, with syndicated loans and securitizations of assets representing commonplace and important source of funding. According to data by CBRT and MKK, central securities depository, rollover ratio has fallen to 85% as of September 2019 as the banks deleveraged their balance sheets in the absence of FX loan growth. This is an important observation that the main driver of the lower rollover ratio is the banks' unwillingness rather than their inability. In fact, the FX liquidity coverage ratios of the banks are ample, reaching almost 300% as of November 2019 (Total LCR: 170%). Lower share of syndicated loans and foreign funding in general reduces the sensitivity of the banking system to external financing conditions. Another key factor for external funding is the cost profile, with the borrowing rate of banks from international markets declining along with easing monetary conditions globally and reduced CDS of Turkey. Subsequently, recent transactions by Turkish banks achieved lower Libor and Euribor spreads around 2%.

	2019	2018	2017	2016	2015
Core CAR	14.20	13.79	14.09	13.22	13.26
CAR	18.40	17.30	16.85	15.57	15.57
NPL	5.36	3.87	2.95	3.24	3.09
ROAA	1.17	1.45	1.62	1.50	1.16
ROAE	11.53	14.83	15.88	14.28	11.28
NII/Avg. Assets	3.85	3.91	3.77	3.65	3.45
Loans/Deposits	109.65	122.58	126.63	123.60	123.37

The Banking Sector's capitalization is strong, with average CAR standing at 18.40%. State-owned deposit banks, due to their stronger underwriting, have lower yet sufficient CARs, reaching 16.30%, as of FYE2019. As of FYE2019, the Sector's total regulatory capital reached TRY 632.80bn, rising from TRY 516bn by FYE2018 (22.64% growth).



In 2019, Banking Sector's profits declined to TRY 49.24bn, after-tax (FYE2018: TRY 54.12bn), a level comparable with 2017 (TRY 48.65bn). The relatively poorer performance stems from several factors of varying significance. Primarily, surge in special provisions for nonperforming loans, increasing non-interest costs as in trading losses (capital markets and FX operations) and higher personnel costs underpinned the declining net income for the banking sector. The Sector realized a total interest income of TRY420.52bn as opposed to TRY 258.17bn interest expenses, marking 14.13% and 16.15% increases over the previous year, respectively. Sharply declining interest rates post 2Q2019 helped banks reprice funding costs rapidly as deposits have less than 3 months of weighted average maturity. Long-dated loan book however, provided banks with a strong loan growth before the falling rates achieve favorable profits.

Banking services revenues increased by 35.64% to TRY 49.64bn, significantly higher than the CPI of 11.84%. While banks concentrated efforts to boost banking service revenues in order to compensate for tightening margins, their ability to generate non-interest-based revenues will be hampered from March 2020 and onwards due to the new regulation covering fee & commission tariffs. According to this new regulation dated February 10, 2020 and published by Central Bank of Republic of Turkey (CBRT), potential fees and commission to be charged to commercial clients of banks are listed and capped at certain levels, effectively preventing the banks from determining the fee structure freely. We expect these limits on both the fee items and their monetary amounts to materially reduce the Sector's banking services revenues item.

The Sector's operational efficiency, measured using the proxy of OpEx/Avg. assets indicates a slight deterioration, mainly due to increasing staff costs. However, we note the overall improvement across the years and the current level as quite reasonable, particularly considering the cost benefit of increasingly centralized operations and penetration of digital banking channels. On the other hand, staff figure has been declining year on year since the peak in 2015 (216,722). As of FYE2019, the Banking Sector employed a workforce of 203,839.

The Banking Sector is highly resilient and experienced with respect to risk management and maneuvering around volatile macroeconomic currents. Throughout 2020, we expect the Banking Sector to sustain its interest margin at reasonable levels and operational efficiency given the declining inflationary expectations, lowering and stabilizing interest rates and growing loan demand. On the other hand, accelerating imports could weigh in on the current account balance, pressurizing the FX rates and thus disrupting the non-financial sector. In fact, looking forward, the asset quality issues are considered as the primary challenge the Sector will need to solve effectively. Additionally, global macroeconomic conditions, with uncertain effects of the ongoing global Covid-19 on global and domestic economic growth prospects and supply chains, monetary policy trajectory of US Fed and ECB in the Eurozone and the effectiveness of economic stimuli measures taken to combat the epidemic will be instrumental in determining the capital and trade flows to and from emerging economies. In this sense, we note the Banking system's strong LCR and CAR figures as comforting indicators. As a final note on the capital adequacy ratio of the banking system, we expect a further support in the form of widescale adoption of external credit ratings for the assessment of risk-weighted exposures of the banking system's loans. Following the finalization of risk mapping of recognized rating agencies' ratings with commensurate risk weights, we expect the Banking Sector's risk exposure will be assessed more accurately, as more creditworthy exposures will be mapped with lower credit weights and vice versa. The final outcome of this calculation is expected to be positive for the Sector's CAR, which should further support their underwriting activities.

Sources: Banking Regulation and Supervision Agency, Central Bank of Republic of Turkey, The Banks Association of Turkey, Turkish Statistical Institute, JCRER.

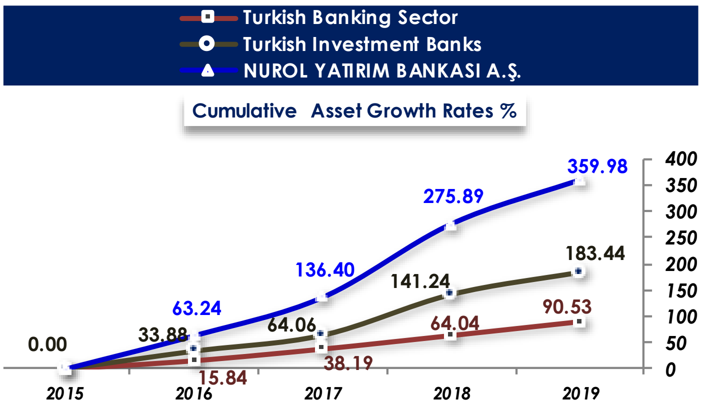
6. Financial Analysis

a) Financial Indicators & Performance

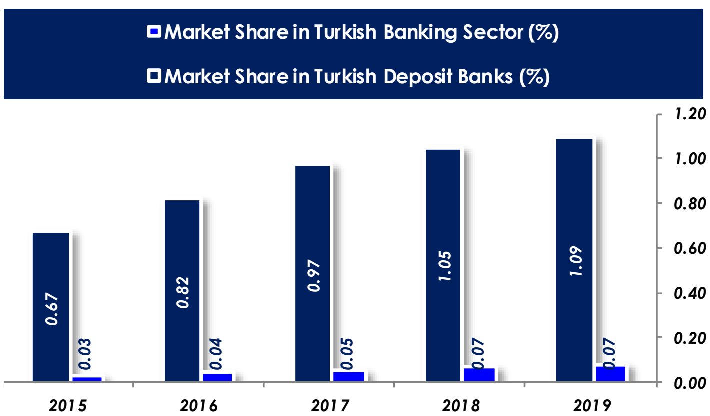
i. Indices Relating to Size

At FYE2019, Nurol Bank completed FY2019 with an asset growth rate of 21.44%, highly down from the previous year's figure of 58.16% and outpaced the sector averages. The Bank's strategy is to create a diversified corporate loan book targeting high-quality corporate credits with a range of customers.

Net loans, accounted for 66.6% of total assets at FYE2019, and increased by 28.14% YoY, principally underpinned the growth of the assets. The graph below presents the growth of the Bank's cumulative asset growth rate in comparison with the sector.



Cumulative asset-based growth performance of the Nurol Bank remained above the average growth performance of the Turkish Banking Sector and the Turkish Development and Investment Banking Sector since 2015.

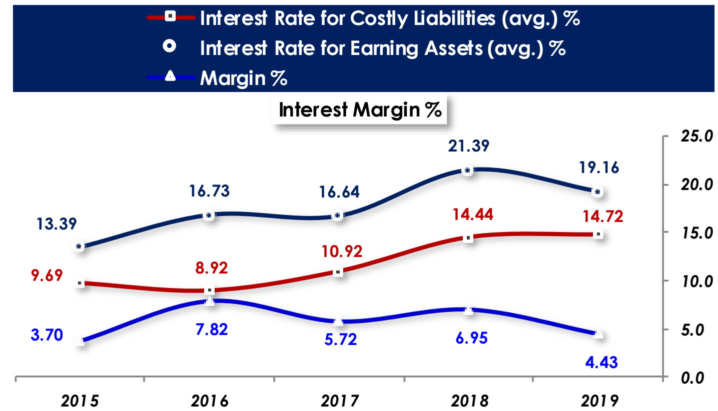


The Bank's asset size market shares figures, with regard to both Development & Investment banks and the entire Turkish Banking Sector, standing at 1.09% and 0.07, respectively, at the end of FY2019.

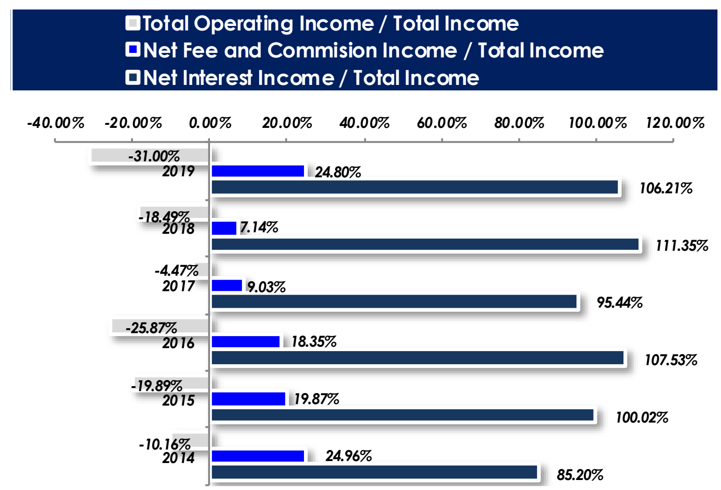
ii. Indices Relating to Profitability

According to the IFRS-compliant financials, Nurol Bank gained a net profit of TRY 68.51mn in FYE2019, a slight improvement of 5.42% compared to the TRY 64.99mn. net profit of FY2018. In the same period, the Turkish banking sector's net profits exhibited a sharp increase of 39.68% and while the development & investment banking sector's net profit figure demonstrated a drop of 7.04%.

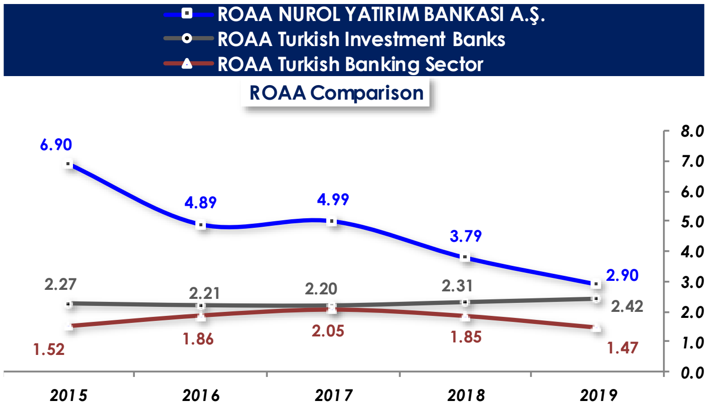
Net interest income increased by 19.65% in FYE2019 whilst the expansion in earning asset growth for the same period was much higher and amounted 28.14%. Hence, however, the margin remained somewhat above the sector averages over the reviewed period.



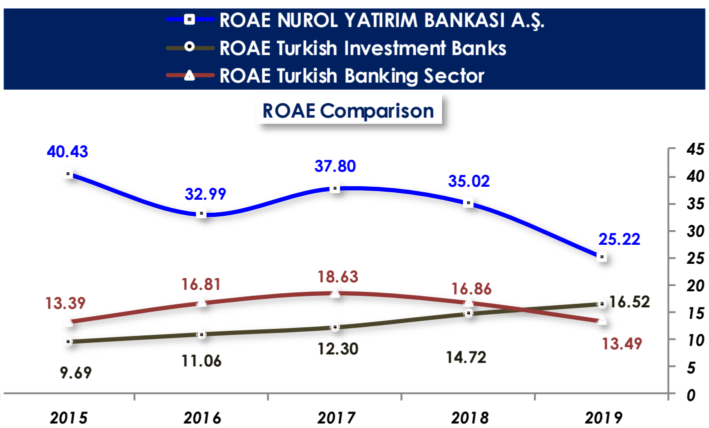
The share of Net Interest Income (NII) within the total income structure of the Bank stood at 106.21% in FY2019. Net Fee and Commission Income presented an increase by 17.65% to 24.80% in FY2019.



In FYE2019, Net Interest Income (NII), which accounted for 106.21% (FYE2018: 111.35%) of total income constituted the main source of the Bank's total income generation. The Bank's gross interest income increased by 21.18% from TRY379.12mn in FYE2018 to TRY459.41mn in FYE2019 and the net fee & commission income decreased by 335.45% to TRY48.80mn.

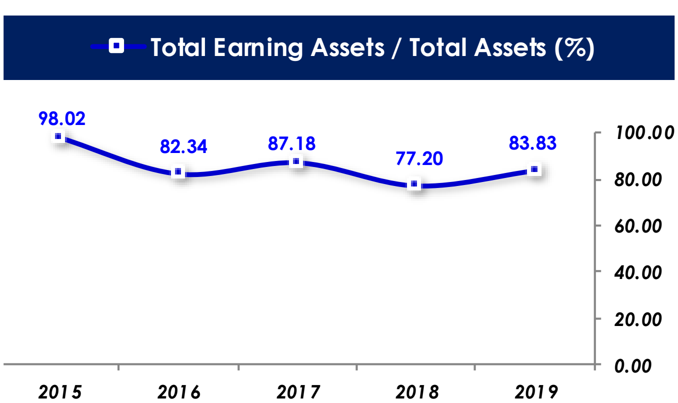


The return on average equity (ROAA) ratio of Nurol Bank decreased to 2.90% in FY2019 from 3.79% in FYE2018 and outperformed the Turkish Banking Sector and the Turkish Development and Investment Banking Sector averages of 1.47% and 2.42%, respectively during FY2019.

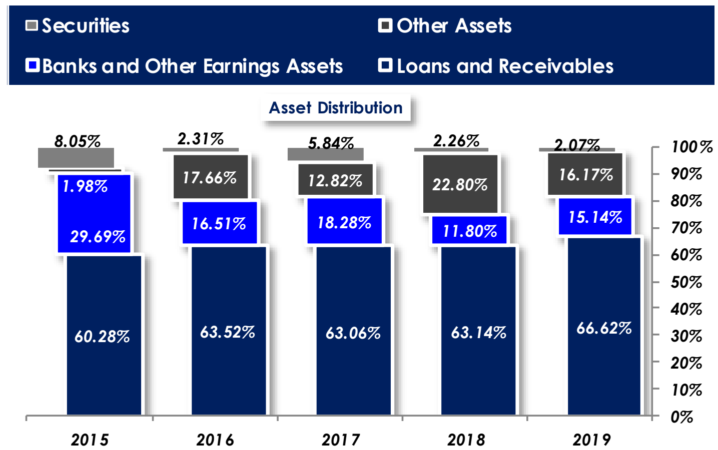


In tandem with increasing equity size, IFRS based return on equity ratio of Nurol Bank stood at 25.22% at the end of 2019. staying highly above the Turkish Banking Sector and the Turkish Development and Investment Banking Sector averages.

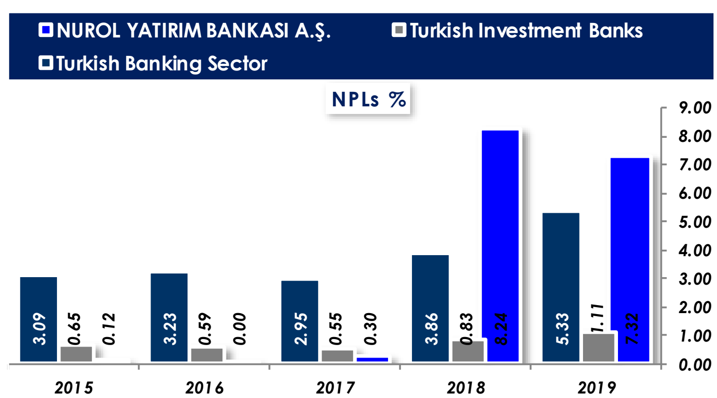
b) Asset Quality



As in the previous year, total earning assets constituted the largest share in the Bank's total asset dispersal with the share of 83.83%, stood below the Turkish Development and Investment Banking and Turkish Banking Sector averages of 88.82% and 95.05%, respectively in FYE2019.



As in the previous years, loans held the largest share in the Bank's total asset dispersion with an above the development & investment banking sector average (59.51%) rate of 66.6%, with a slight increase compared to the previous year's figure of 63.14%. The loans-weighted asset structure of Nurol Bank, despite increasing the risk exposure, considers the efficiency of the Bank's financial intermediary business.



The Bank's gross NPL volume reached TRY161.6mn in FYE2019 (FYE2018: TRY152.29mn.). Despite a slight growth in overdue loans than that of the loan receivables decreased in the NPLs ratio to 7.32% at FYE2018 from 8.24% at FYE2018. The ratio exceeded the averages for both the Turkish Banking Sector and Turkish Development and Investment Banking Sector since 2018. Non-performing loans amounting to TRY44.4mn has been written off by the Bank during 2018.

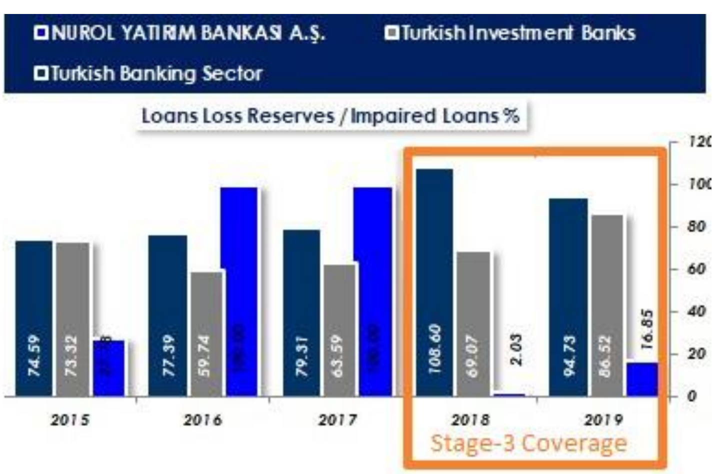
However, in line with the Bank management strategy, Nurol Bank's NPL ratio stood at approximately 2% and total gross NPL volume was TRY37.4mn. to recovery, collection and other transactions as of 1Q2020.

NPL sale and write-off are frequently observed in the sector, while the Bank did not sell or write of non-performing loans during 2019 and 1Q2020.

Despite the recently disclosed stimulus package and change in the Regulation on the Procedures and Principles for the Classification of Loans and Provisions to be set aside by BRSA for easing the negative effects of disruptions in economic and commercial activities in global scale resulting from the Covid-19 pandemic, we expect that the NPL levels across the sector in the upcoming period will increase sharply.

Since January 1, 2018, the Bank has adopted provisions for impairment in accordance with the TFRS 9 "Regulation on Procedures and Principles for the Classification of Loans by Banks and the Provisions to be Reserved" published in the Official Gazette dated June 22, 2016. In line with the notice of BRSA, dated 17 April 2018, FYE2017 statements were presented in the old format.

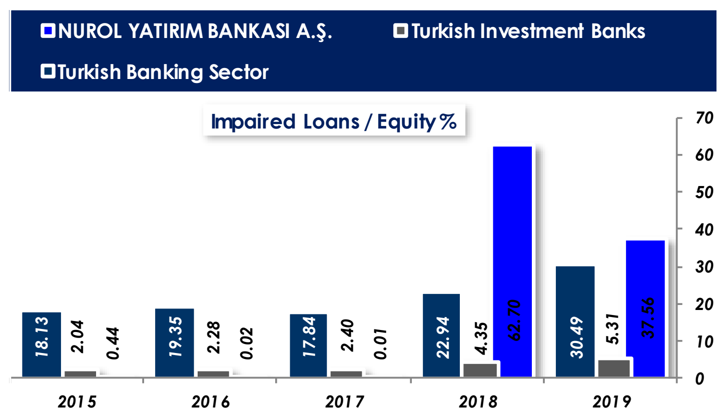
According to the decision by BRSA dated March 17, 2020, the implementation of 90 days delay envisaged for the classification of past-due loans, within the scope of articles 4 and 5 of the Regulation on the Procedures and Principles for Classification of Loans and Provisions was revised to 180 days until 31.12.2020. This regulation will restrict banks' provision expenses growth and, on the other hand, will display better loan quality than the actual level.



At FYE2019, the Bank's loan loss coverage ratio was 16.85% and increased from 2.03% at FYE2018. Accordingly, the ratio converged with both the Turkish Banking & Investment Banking Sector averages. Nurol Bank had outperformed the sector averages in its loan loss provisioning level until FYE2017 by pursuing a flat LLP level (100% of total NPLs booked as at the end of FY2017). With respect to the adoption of TFRS 9 as of 1 January 2018, the figures in the graph above are not comparable across the years and FY2018-19 comparable figures include only Stage-3 coverage based on the 12-month expected credit losses (ECL) approach.

It should be noted that the differentiation among banks with regard to staging with the introduction of the expected loss principle instead of the incurred loss through IFRS 9 / TFRS 9, which allow considerable room for judgement, has widened due the distinct approaches adopted by the banks both in qualitative assessments and quantitative ones as well, particularly in the SICR (Significant Increase in Credit Risk) definition.

The Bank has provisions for Stage-3 and Stage 1-2 of TRY27.4mn and TRY8.73 during FY2019 and 1Q2020, respectively.

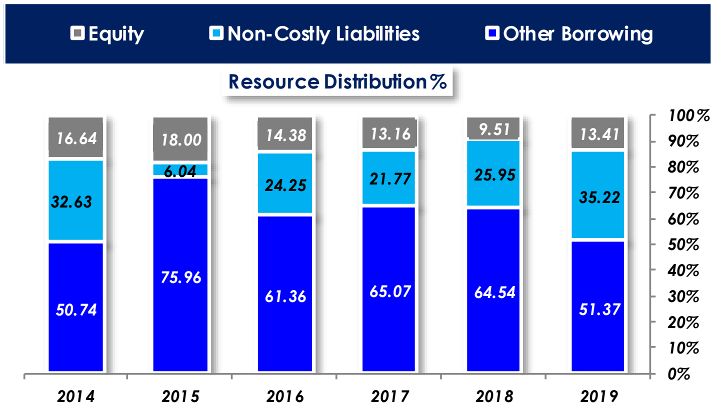


The non-performing loans portfolio of Nurol Bank as a proportion of its equity at the end of FY2019 increased notably to 37.56% (FY2018:62.70%)–staying slightly above the Development and Investment banking sector average and the Turkish banking sector.

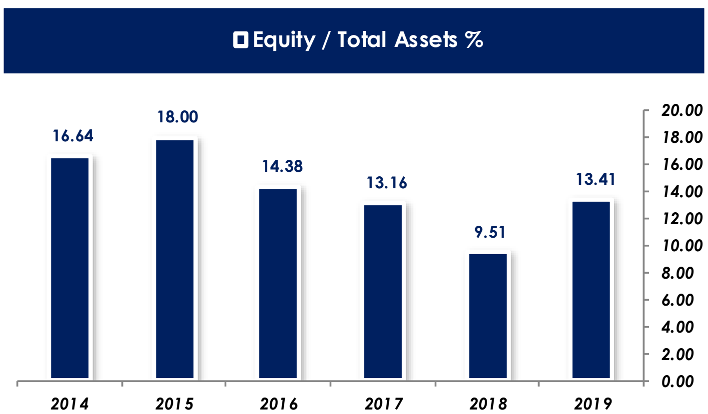
c. Funding & Adequacy of Capital

Nurol Bank, as an investment bank, is not entitled to collect customer deposits and therefore meets its funding needs through issued debt securities, borrowed funds from domestic & international institutions, current balances of its loan customers, equity and obligations under repurchase agreement.

The Bank's cash collaterals, funds borrowed and issued debt securities, accounted for 34.20%, 32.11% and 27.09% of the total fund resources in FYE2019.

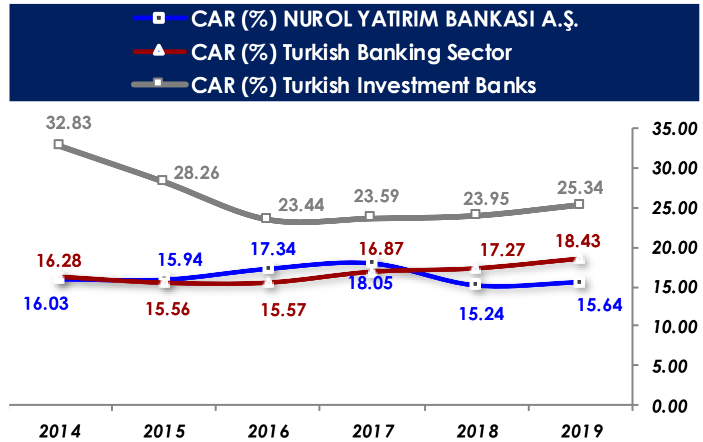


The Bank issued USD10mn. Eurobond as of March 31, 2016 and received loans from World Business Capital at an amount of USD 5mn. with 10 years maturity as of December 27, 2016, as subordinated debt which is accounted as Tier 2 Capital.



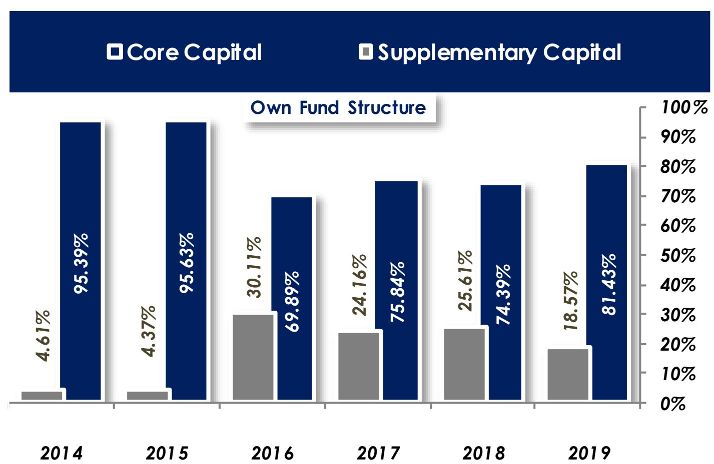
Decrease in equity to assets ratio continued until FY2018 and -improved and stood at 13.41% in FY2019. The ratio of the Turkish Banking and Development & Investment Banking Sectors' were 10.96% and 14.75%, respectively in the same period.

Based on the decision taken at the Ordinary General Assembly held on March 28, 2019 and the decision taken at the Extraordinary General Assembly held on November 21, 2019., the Bank's paid-in capital was raised to a total of TRY300mn. from TRY160mn., via TRY60mn. internal sources and TRY80mn. from cash sources.



Nurol Bank's non-consolidated Capital Adequacy Ratio (CAR) was 15.64% at the end of FY2019, increased from 15.24% FY2018 and remained above the minimum CAR requirements set by the Basel Accord (8%) and the recommended level by the BRSA (12%). Since FY2017, the Bank's unconsolidated capital adequacy ratio (CAR) stood below the average of the Turkish Banking Sector. The Bank's CET 1 ratio was 12.63% as of FYE2019 (FYE2018: 11.28%). We, as JCR Eurasia Rating, assume that the current CAR ratio provides satisfactory capital to buffer potential incidental losses.

In addition to growth in Common Equity Tier 1 Capital and Tier 2 Capital, additional Tier 1 Capital amounting to TRY438.9mn in FY2019 (FY2018: TRY 263,50mn.) particularly in FY2019 - specifies the success of the management - supported the strengthening of CAR ratio.



The share of core capital, principally consisting of paid-up capital and retained earnings, accounted for 81.43% of the Bank's total own fund structure in FY2019 (FY2018: 74.39%). Above ratios specify the Bank's lower reliance on Tier 2 capital, which is not considered to be loss absorbing. The supplementary capital accounted for 18.57% of the Bank's own fund structure at FYE2019.

7. Risk Profile & Management

a. Risk Management Organization & Its Function – General Information

Nurol Bank is principally exposed to Credit, Market, Liquidity and Operational risks stemming from the nature of its operations and utilization of financial instruments. Risks are executed under the effective risk management framework and principals in line with regulations and the Bank's risk appetite, strategy, and activities. The Bank's risk management system embraces all processes of decision-making, executing, monitoring, controlling, and auditing activities and includes the bodies of the Board of Directors, Senior Management, Internal Systems Units, and Committees established by the Board of Directors within Risk Management System and Committees established by the Senior Management within the Risk Management System. The Bank has set up Audit Committee, Corporate Governance Committee, Pricing Committee, Disciplinary and Personnel Committee, Assets and Liabilities Committee, Credit Risk Committee, Information Systems Strategy Committee under the BoD.

In order to maintain a thorough and complete risk management system, an Anti-Fraud Monitoring Committee, Sustainability Committee, Internal Control Unit and departments of Risk Management, Internal Audit, Anti- Fraud Monitoring and Compliance were also set up for further surveillance. The Bank's Risk Management Department carries out activities regarding the measurement, monitoring, control and reporting of the risks which are identified in line with relevant implementation principles and risk management policies and procedures approved and periodically reviewed by the Board. Analyses, simulations, scenarios, stress tests and the Internal Capital Adequacy Assessment Process (ICAAP) report, as being part of the risk management, provide a key role in the strategic decisions taken by the senior management of the Bank.

b. Credit Risk

The Bank's credit risk management policy is initially set on three pillars; customer selection, credit allocation and credit pricing. In this sense, through the guides of comprehensive risk management framework, the Bank manages its credit risk by the allocation of loan limits for customers and customer groups as well as the definition of limits for sectors with considerations of maximizing risk-adjusted returns. The Bank continuously monitors customer credit assessments, takes necessary precautions and reviews allocated limits when necessary. In accordance with the lending policies, collaterals such as cash, bank guarantees, pledges, cheques & notes and personal or corporate guarantees are required in line with the financial position of the debtor and its creditworthiness.

On the other hand, 15% (FY2018: 9%), 2% (FY2018: 2%) and 12% (FYE2018: 40%) of the Bank's cash, non-cash loans and borrower funds & funds borrowed directly or indirectly were given to group companies, respectively in FY2019. In line with the management's strategy, the share of borrower funds & funds borrowed allocated to the Group Companies maintained a sharp decrease in FY2019 while the share of cash loans increased in absolute term to TRY 331.47mn. in FY2019 from 145.5mn FYE2018.

The table shows the customer concentration levels in cash and non-cash loan book composition of the Bank in FYE1Q2020-2019-2018.

Customer Concentration (Cash)	1Q2020	2019	2018
First 10	72.72%	61.70%	57.60%
First 20	90.10%	82.50%	81.60%
First 50	100.00%	100.00%	100.00%
Customer Concentration (Non-Cash)	**1Q2020**	**2019**	**2018**
First 10	62.90%	63.50%	55.10%
First 20	81.60%	81.70%	76.60%
First 50	98.26%	98.00%	97.60%

Nurol Bank's risk profile by sectors is shown below as of March 31,2020.

Sectors - 1Q2020	Cash Loan	Non Cash Loan
Banks	0.00%	57.16%
Infrastructure Commitment	22.43%	5.45%
Non-Bank Financial Institutions	15.06%	19.38%
Tourism	12.08%	0.11%
Real Estate (Investment / Rental Services)	10.97%	0.32%
Automotive (including Op. Fleet Rental)	10.77%	0.63%
Textile (Production-Marketing)	7.43%	5.70%
Energy	9.03%	1.90%
Others	12.24%	9.34%
Total	**100.00%**	**90.66%**

Nurol Bank has exposure to concentration risk where its business activities focus particularly on a similar type of customers and industrial sectors in Turkey. The Bank's regional concentration in loans book increased to 80.31% in FYE2019 from 77.11% in FYE2018.

The Bank's foreign currency risk exposure complies with BRSA regulations. The Bank's interest rate risk is also limited and risk arising from interest rate fluctuations is monitored on a daily basis and managed by the asset and liability committee.

c. Market Risk

In the scope of market risk, the Bank is principally exposed to the fluctuations in the interest rates and foreign currency risks. Overall authority for market risk is assigned in the Asset-Liability Committee (ALCO). To manage any particular interest rate risk, pre-approved limits of re-pricing bands have been set and interest rate gaps are continuously monitored by ALCO and is assisted by Risk Management Department. The Bank measures the interest rate sensitivity of assets, liabilities and off-balance sheet items in meetings of the Asset-Liability Committee. The Group manages its exposure to all types of risks through the Asset and Liability Committee, comprising members of senior management, and a representative of main shareholder.

Market risk shows the changes in market prices such as interest rate, equity prices, foreign exchange rates and credit spreads will affect the Bank's income or the value of its holdings of financial instruments and use the 'Standard Method', in line with the methodology outlined in the regulations of BRSA. The monthly market risk report and the weekly currency risk reports prepared are reported to BRSA.

FYE2019 and FYE2018 calculated as per the statutory financial statements prepared for BRSA reporting purposes within the scope of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in Official Gazette no. 28337 dated June 28, 2012.

The BoD of the Bank defines the risk limits for primary risks carried by the Bank and periodically updated the limits. Nurol Bank measures its market risk daily through the value at risk (VaR) methodology, related with trading and available-for-sale portfolios. VAR measurements calculated using internal methods, and exchange rate and overall market risks calculated using standard methods, as well as stress tests and scenarios, are analysed within the scope of the market risk and regularly reported by the Risk Management Department to the Senior Management and Audit Committee.

In the scope of market risk, the Bank is mostly exposed to the fluctuations in interest rates and currency exchanges, although risks arising from those fields are quite restricted under reasonable fluctuations course. The Bank's foreign currency risk exposure is restricted and complies with BRSA regulations. The Bank was short in USD and Euro in denominated liabilities. The Bank's net foreign currency position to assets and equity ratios were 0.02 % and 0.11% (FYE2018: 0.11 % and 0.79%), at the end of FYE2019.

d. Liquidity Risk

Treasury and financial institutions department manages liquidity risk in order to take necessary measures in a timely and accurate manner to meet its obligations even in stressed conditions and accomplishes the regulations regarding liquidity implemented by the BRSA. The Bank calculates and follows up the liquidity risk, cash flows, gap analyses, stress tests and scenario analyses which are periodically reported by the Risk Management Department to the Senior Management and Audit Committee. The Bank uses liquidity gap analyses and liquidity stress tests through executing liquidity risk by internal means. Liquidity risk is a substantial risk in the Turkish market, which exhibits significant volatility.

In addition to the requirement of legal liquidity ratios, by the Assets and Liabilities Committee (ALCO) sets internal liquidity ratios such as liquid assets to total assets and liquid assets to portfolio of issued bank bonds. Risk management unit closely monitors the liquidity conditions under the pre-determined limits.

In overcoming the liquidity risk considering short and long-term liquidity requirements, the Bank has been in an effort to develop alternative funding channels and to diversify its funding sources through instruments such as bond issuances, local and foreign borrowings.

The calculation method used to measure the banks compliance with the liquidity limit is set by BRSA. Since November 2006, BRSA issued a new communique on the measurement of liquidity adequacy of the banks. The FY2019-18 last 3-month average Liquidity Coverage Ratios of Nurol Bank on consolidated and unconsolidated bases are shown below:

(Avg.)	LCRs FY2019 Last 3-month Avg.	LCRs FY2018 Last 3-month Avg.
LC+FC	65.87 %	80.23 %
FC	119.71 %	70.37 %

As of December 31, 2019, the average Liquidity Coverage Ratios of Nurol Bank on BRSA Solo basis for the average are 65.87% and 119.71%, for respectively (FYE2018: 80.23% and 70.37%)

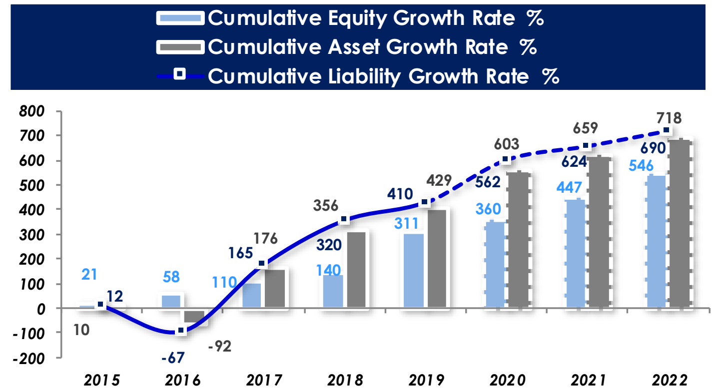
The banking sector remains resilient in the face of short-term liquidity shocks. Liquidity coverage ratios (LCRs) that measure capability of high-quality liquid assets on banks' balance sheets to offset net cash outflows over a 30-day period are well above the legal limits of 100 percent and 80 percent for total and FX assets, respectively, which have been implemented since 1 January 2019 and coincide with the Basel III minimums.

8. Budget & Debt Issue

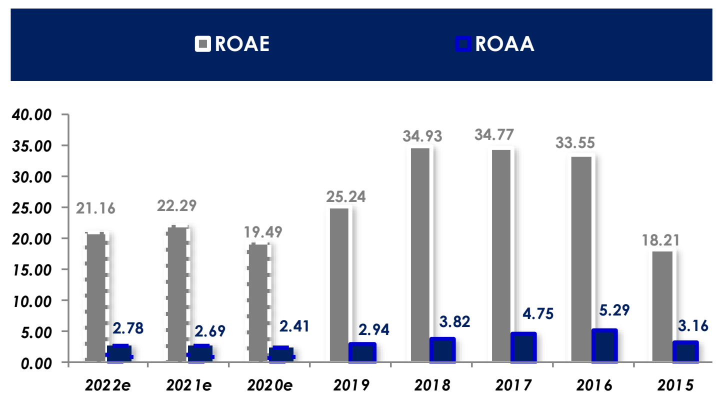
Within the framework of projections and budgeting activities of Nurol Bank, the financial assumptions and estimations spanning between the years of FYE2020 and FYE2021 have been established. According to the base scenario developed by the Nurol Bank Management, some of the planned topics are shown in the graphs and chart below;

Projections	2020e	2021e	2022e
Assets – 000, TRY	4,230,184	4,619,903	5,041,720
Loans – 000, TRY	1,957,633	2,133,968	2,335,733
Equity – 000, TRY	488,223	581,192	685,768
Profit Before Tax– 000, TRY	90,082	119,192	134,071
CAR %	14.83%	15.49%	16.25%
ROA %	2.24%	2.69%	2.78%
ROE %	19.88%	22.29%	21.16%

According to Nurol Bank's projections, despite difficult conditions resulting from the fluctuations in the financial markets, Nurol Bank has projected a remarkable growth of 23.08% in asset size ,10.74% in loans and 10.63% in equity base as of year-end 2020 in line with its healthy and sustainable growth strategy. Nurol Bank forecasts the net profit to increase 2.56 % in FYE2020 in line with the Turkish banking sector's similar levels in profit margins.



In addition, the Bank projected a 2020 year-end interest income and net profit sizes of TRY430.16mn. and TRY70.26mn., respectively. Nurol Bank's sufficient capital position, provision buffers and revenue margins are expected to allow the Bank to navigate short-lived turbulences with limited impact on profitability in FY2020.



The profitability ratios of ROAA and ROAE based on the assumptions and parameters are expected to remain its level during the 2020 to 2022 forecast period.

NUROL YATIRIM BANKASI A.Ş. BALANCE SHEET - ASSET (000)	FYE 2019 USD (Converted)	FYE 2019 TRY (Original)	FYE 2019 TRY (Average)	FYE 2018 TRY (Original)	FYE 2018 TRY (Average)	FYE 2017 TRY (Original)	FYE 2017 TRY (Average)	FYE 2016 TRY (Original)	As % of 2019 Assets (Original)	As % of 2018 Assets (Original)	As % of 2017 Assets (Original)	FYE 2019 Growth Rate %	FYE 2018 Growth Rate %	FYE 2017 Growth Rate %
A- TOTAL EARNING ASSETS (I+II+III)	**459,208**	**2,727,787**	**2,398,198**	**2,068,609**	**1,772,765**	**1,476,920**	**1,220,002**	**963,084**	**83.83**	**77.20**	**87.18**	**31.87**	**40.06**	**53.35**
I- LOANS AND LEASING RECEIVABLES (net)	**364,960**	**2,167,936**	**1,929,898**	**1,691,860**	**1,380,128**	**1,068,396**	**905,657**	**742,918**	**66.62**	**63.14**	**63.06**	**28.14**	**58.36**	**43.81**
a) Short Term Loans	242,763	1,442,060	1,196,230	950,400	729,065	507,730	371,776	235,822	44.32	35.47	29.97	51.73	87.19	115.30
b) Lease Assets	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) Medium & Long Term Loans	101,077	600,415	600,549	600,682	577,293	553,904	524,357	494,809	18.45	22.42	32.69	-0.04	8.45	11.94
d) Over Due Loans	27,206	161,610	156,948	152,285	77,776	3,267	1,648	28	4.97	5.68	0.19	6.12	4,561.31	11,567.86
e) Others	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
f) Receivable from Customer due to Brokerage Activities	0	0	0	0	3,365	6,730	6,580	6,430	n.a	n.a	0.40	n.a	-100.00	4.67
g) Allowance for Loan and Receivables Losses (-)	-6,085	-36,149	-23,828	-11,507	-7,371	-3,235	1,297	5,829	-1.11	-0.43	-0.19	214.15	255.70	-155.50
II- OTHER EARNING ASSETS	**82,934**	**492,646**	**404,363**	**316,079**	**312,853**	**309,627**	**251,394**	**193,161**	**15.14**	**11.80**	**18.28**	**55.86**	**2.08**	**60.29**
a) Balance With Banks -Time Deposits	79,536	472,460	277,421	82,382	52,806	23,230	58,386	93,541	14.52	3.07	1.37	473.50	254.64	-75.17
b) Money Market Placements	0	0	0	0	16,500	33,000	37,730	42,459	n.a	n.a	1.95	n.a	-100.00	-22.28
c) Reserve Deposits at CB (*)	3,398	20,186	126,942	233,697	243,547	253,397	155,279	57,161	0.62	8.72	14.96	-91.36	-7.77	343.30
d) Balance With CB- Demand Deposits (**)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
III- SECURITIES AT FAIR VALUE THROUGH P/L	**11,314**	**67,205**	**63,938**	**60,670**	**79,784**	**98,897**	**62,951**	**27,005**	**2.07**	**2.26**	**5.84**	10.77	-38.65	266.22
a) Treasury Bills and Government Bonds	11,314	67,205	63,938	60,670	79,784	98,897	58,944	18,991	2.07	2.26	5.84	10.77	-38.65	420.76
b) Other Investment	0	0	0	0	0	0	4,007	8,014	n.a	n.a	n.a	n.a	n.a	-100.00
c) Repurchase Agreement	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
B- INVESTMENTS IN ASSOCIATES (NET) + EQUITY SHARE	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**
a) Investments in Subsidiaries (Net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) Investments in Associates (Net)	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
C- NON-EARNING ASSETS	**88,577**	**526,163**	**568,521**	**610,878**	**414,059**	**217,240**	**211,904**	**206,567**	**16.17**	**22.80**	**12.82**	**-13.87**	**181.20**	**5.17**
a) Cash and Cash Equivalents	1,545	9,176	7,795	6,414	6,326	6,238	3,199	160	0.28	0.24	0.37	43.06	2.82	3,798.75
b) Balance With Banks - Current Accounts	21,800	129,497	108,415	87,333	73,114	58,895	42,900	26,905	3.98	3.26	3.48	48.28	48.29	118.90
c) Financial Assets at Fair Value through P/L	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Accrued Interest from Loans and Lease	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
e) Other	65,232	387,490	452,311	517,131	334,619	152,107	165,805	179,502	11.91	19.30	8.98	-25.07	239.98	-15.26
- Intangible Assets	810	4,811	3,501	2,190	1,783	1,375	1,381	1,387	0.15	0.08	0.08	119.68	59.27	-0.87
- Property and Equipment	1,200	7,131	5,586	4,040	3,181	2,322	2,400	2,478	0.22	0.15	0.14	76.51	73.99	-6.30
- Deferred Tax	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
- Other	63,221	375,548	443,225	510,901	329,656	148,410	162,024	175,637	11.54	19.07	8.76	-26.49	244.25	-15.50
TOTAL ASSETS	**547,785**	**3,253,950**	**2,966,719**	**2,679,487**	**2,186,824**	**1,694,160**	**1,431,906**	**1,169,651**	**100.00**	**100.00**	**100.00**	**21.44**	**58.16**	**44.84**
(*) Included in 'Other' item		0.00	0.00	0.00										

NUROL YATIRIM BANKASI A.Ş. BALANCE SHEET LIABILITIES & SHAREHOLDERS' EQUITY (000)	FYE 2019 USD (Converted)	FYE 2019 TRY (Original)	FYE 2019 TRY (Average)	FYE 2018 TRY (Original)	FYE 2018 TRY (Average)	FYE 2017 TRY (Original)	FYE 2017 TRY (Average)	FYE 2016 TRY (Original)	As % of 2019 Assets (Original)	As % of 2018 Assets (Original)	As % of 2017 Assets (Original)	FYE 2019 Growth Rate %	FYE 2018 Growth Rate %	FYE 2017 Growth Rate %
A- COST BEARING RESOURCES (I+II)	**281,379**	**1,671,445**	**1,700,431**	**1,729,416**	**1,415,862**	**1,102,308**	**910,025**	**717,742**	**51.37**	**64.54**	**65.07**	**-3.35**	**56.89**	**53.58**
I- DEPOSIT	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**
a) TL Deposit	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
b) FC Deposit	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) FC & LC Banks Deposits	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
II- BORROWING FUNDING LOANS & OTHER	**281,379**	**1,671,445**	**1,700,431**	**1,729,416**	**1,415,862**	**1,102,308**	**910,025**	**717,742**	**51.37**	**64.54**	**65.07**	**-3.35**	**56.89**	**53.58**
a) Borrowing From Domestic Market	280,783	1,667,907	1,656,645	1,645,383	1,373,337	1,101,290	901,552	701,814	51.26	61.41	65.01	1.37	49.41	56.92
b) Borrowing From Overseas Markets	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
c) Borrowing from Interbank	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
d) Securities Sold Under Repurchase Agreements	596	3,538	43,786	84,033	42,526	1,018	8,473	15,928	0.11	3.14	0.06	-95.79	8,154.72	-93.61
e) Subordinated Loans & Others	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
B- NON-COST BEARING RESOURCES	**192,950**	**1,146,163**	**920,762**	**695,360**	**532,124**	**368,888**	**326,290**	**283,691**	**35.22**	**25.95**	**21.77**	**64.83**	**88.50**	**30.03**
a) Provisions	3,763	22,352	15,690	9,027	5,891	2,754	2,733	2,712	0.69	0.34	0.16	147.61	227.78	1.55
b) Current & Deferred Tax Liabilities	1,471	8,741	5,387	2,032	2,644	3,256	3,169	3,082	0.27	0.08	0.19	330.17	-37.59	5.65
c) Trading Liabilities (Derivatives)	2,010	11,937	18,433	24,929	13,297	1,665	7,234	12,803	0.37	0.93	0.10	-52.12	1,397.24	-87.00
d) Other Liabilities	185,706	1,103,133	881,253	659,372	510,293	361,213	313,154	265,094	33.90	24.61	21.32	67.30	82.54	36.26
C- TOTAL LIABILITIES	**474,329**	**2,817,608**	**2,621,192**	**2,424,776**	**1,947,986**	**1,471,196**	**1,236,315**	**1,001,433**	**86.59**	**90.49**	**86.84**	**16.20**	**64.82**	**46.91**
E- EQUITY	**73,456**	**436,342**	**345,527**	**254,711**	**238,838**	**222,964**	**195,591**	**168,218**	**13.41**	**9.51**	**13.16**	**71.31**	**14.24**	**32.54**
a) Prior Year's Equity	42,879	254,711	216,997	179,283	173,751	168,218	148,577	128,936	7.83	6.69	9.93	42.07	6.58	30.47
b) Equity (Added From Internall & External Resourses at This Year)	19,043	113,119	61,779	10,438	5,447	455	-673	-1,801	3.48	0.39	0.03	983.72	2,194.07	-125.26
c) Profit & Loss	11,534	68,512	66,751	64,990	59,641	54,291	47,687	41,083	2.11	2.43	3.20	5.42	19.71	32.15
d) Minority Interest	0	0	0	0	0	0	0	0	n.a	n.a	n.a	n.a	n.a	n.a
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**547,785**	**3,253,950**	**2,966,719**	**2,679,487**	**2,186,824**	**1,694,160**	**1,431,906**	**1,169,651**	**100.00**	**100.00**	**100.00**	**21.44**	**58.16**	**44.84**
(*) This item is included in Other Item	**SD Rates 1=TR**	**5.9402**		**5.2609**		**3.8104**		**3.5192**						

NUROL YATIRIM BANKASI A.Ş. INCOME STATEMENT (000) TRY	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Net Interest Income	**209,028.00**	**174,696.00**	**103,638.00**	**83,059.00**	**46,620.00**
a) Interest Income	459,409.00	379,123.00	203,006.00	139,312.00	88,661.00
b) Interest Expense	250,381.00	204,427.00	99,368.00	56,253.00	42,041.00
Net Fee and Commission Income	**48,801.00**	**11,207.00**	**9,809.00**	**14,171.00**	**9,263.00**
a) Fee and Commission Income	57,527.00	21,952.00	25,835.00	19,732.00	12,256.00
b) Fee and Commission Expense	8,726.00	10,745.00	16,026.00	5,561.00	2,993.00
Total Operating Income	**-61,019.00**	**-29,013.00**	**-4,852.00**	**-19,985.00**	**-9,270.00**
Net Trading Income (+/-)	-44,709.00	54,234.00	-28,777.00	-15,767.00	9,701.00
Foreign Exchange Gain or Loss (net) (+/-)	-20,078.00	-85,079.00	14,108.00	-13,513.00	-17,994.00
Gross Profit from Retail Business	0.00	0.00	0.00	0.00	0.00
Premium income from insurance business	0.00	0.00	0.00	0.00	0.00
Income on Sale of Equity Participations and Consolidated Affiliates	0.00	0.00	0.00	0.00	0.00
Gains from Investment Securities (Net)	-9,150.00	-20,777.00	1,546.00	1,145.00	1,258.00
Other Operating Income	12,918.00	22,609.00	8,271.00	8,150.00	-2,235.00
Taxes other than Income	0.00	0.00	0.00	0.00	0.00
Dividend	0.00	0.00	0.00	0.00	0.00
Provisions	**41,444.00**	**25,379.00**	**-5,090.00**	**2,774.00**	**5,382.00**
Provision for Impairment of Loan and Trade Receivables	24,029.00	21,186.00	-5,321.00	2,542.00	4,282.00
Other Provision	17,415.00	4,193.00	231.00	232.00	1,100.00
Total Operating Expense	**68,161.00**	**48,076.00**	**45,680.00**	**24,621.00**	**19,825.00**
Salaries and Employee Benefits	25,150.00	16,684.00	14,618.00	12,231.00	9,725.00
Depreciation and Amortization	4,955.00	1,980.00	1,208.00	752.00	522.00
Other Expenses	38,056.00	29,412.00	29,854.00	11,638.00	9,578.00
Profit from Operating Activities before Income Tax	**87,205.00**	**83,435.00**	**68,005.00**	**49,850.00**	**21,406.00**
Income Tax – Current	0.00	0.00	0.00	0.00	0.00
Income Tax – Deferred	18,693.00	18,445.00	13,714.00	8,767.00	5,025.00
Net Profit for the Period	**68,512.00**	**64,990.00**	**54,291.00**	**41,083.00**	**16,381.00**

Total Income	**270,747.00**	**262,746.00**	**137,372.00**	**106,525.00**	**64,607.00**
Total Expense	**142,098.00**	**153,932.00**	**74,457.00**	**53,901.00**	**37,819.00**
Provision	**41,444.00**	**25,379.00**	**-5,090.00**	**2,774.00**	**5,382.00**
Pre-tax Profit	**87,205.00**	**83,435.00**	**68,005.00**	**49,850.00**	**21,406.00**

NUROL YATIRIM BANKASI A.Ş. FINANCIAL RATIOS %	FY 2019	FY 2018	FY 2017
I. PROFITABILITY & PERFORMANCE			
1. ROAA - Pretax Profit / Total Assets (avg.)	2.94	3.82	4.75
2. ROAE - Pretax Profit / Equity (avg.)	25.24	34.93	34.77
3. Total Income / Equity (avg.)	78.36	110.01	70.23
4. Total income / Total Assets (avg.)	9.13	12.01	9.59
5. Provisions / Total Income	15.31	9.66	3.71
6. Total Expense / Total Liabilities (avg.)	5.42	7.90	6.02
7. Net Profit for the Period / Total Assets (avg.)	2.31	2.97	3.79
8. Total Income / Total Expenses	190.54	170.69	184.50
9. Non Cost Bearing Liabilities + Equity- Non Earning Assets / Total Assets	32.46	12.66	22.11
10. Non Cost Bearing Liabilities - Non Earning Assets / Total Assets	19.05	3.15	8.95
11. Total Operating Expenses / Total Income	25.18	18.30	33.25
12. Net Interest Margin	8.72	9.85	8.49
13. Operating ROAA (avg.)	11.38	13.16	11.69
14. Operating ROAE (avg.)	97.70	120.53	85.57
15. Interest Coverage – EBIT / Interest Expenses	134.83	140.81	168.44
16. Net Profit Margin	25.30	24.73	39.52
17. Gross Profit Margin	32.21	31.76	49.50
18. Market Share in Turkish Investment Banks	1.09	1.05	0.97
19. Market Share in Entire Banking System	0.07	0.07	0.05
20. Growth Rate	21.44	58.16	44.84
II. CAPITAL ADEQUACY (year end)			
1. Equity Generation / Prior Year's Equity	44.41	5.82	0.27
2. Internal Equity Generation / Previous Year's Equity	26.90	36.25	32.27
3. Equity / Total Assets	13.41	9.51	13.16
4. Core Capital / Total Assets	13.49	9.83	12.94
5. Supplementary Capital / Total Assets	3.08	3.39	4.12
6. Tier 1 / Risk Weighted Asset	13.76	12.27	15.13
7. Capital / Total Assets	16.56	13.22	17.06
8. Own Fund / Total Assets	16.56	13.22	17.06
9. Standard Capital Adequacy Ratio	15.64	15.24	18.05
10. Surplus Own Fund	48.84	47.49	55.68
11. Free Equity / Total Assets	13.04	9.27	12.94
12. Equity / Total Guarantees and Commitments + Equity	29.34	21.73	24.18
III. LIQUIDITY (year end)			
1. Liquidity Management Success (On Demand)	99.92	99.27	96.30
2. Liquidity Management Success (Up to 1 Month)	91.72	93.69	94.16
3. Liquidity Management Success (1 to 3 Months)	87.13	86.21	89.57
4. Liquidity Management Success (3 to 6 Months)	99.56	97.58	98.18
5. Liquidity Management Success (6 to 12 Months)	99.11	95.32	96.35
6. Liquidity Management Success (Over 1 Year & Unallocated)	98.26	93.23	92.78
IV. ASSET QUALITY			
1. Loan and Receivable's Loss Provisions / Total Loans and Receivables	1.64	0.68	0.30
2. Total Provisions / Profit Before Provision and Tax	32.21	23.32	-8.09
3. Impaired Loans / Gross Loans	7.33	8.94	0.30
4. Impaired Loans / Equity	37.04	59.79	1.47
5. Loss Reserves for Loans / Impaired Loans	22.37	7.56	99.02
6. Total FX Position / Total Assets	3.86	4.77	5.47
7. Total FX Position / Equity	28.77	50.17	41.53
8. Assets / Total Guarantees and Commitments + Assets	75.59	74.50	70.79

The Rating Results Issued by JCR-ER			April 6,2020		April 10,2019		30-Mar-18		March 22,2017		June 1,2016		May 22,2015		October 23,2014	
			Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
International	Foreign Currency		BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3	BBB-	A-3
	Local Currency		BBB	A-3	BBB	A-3	BBB	A-3	BBB	A-3	BBB	A-3	BBB	A-3	BBB	A-3
	Outlook	FC	Negative	Negative	Negative	Negative	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
		LC	Negative	Negative	Negative	Negative	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
	Issue Rating		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
National	Local Rating		AA (Trk)	A-1 (Trk)	AA (Trk)	A-1 (Trk)	AA (Trk)	A-1 (Trk)	AA (Trk)	A-1 (Trk)	AA (Trk)	A-1 (Trk)	AA (Trk)	A-1 (Trk)	AA- (Trk)	A-1 (Trk)
	Outlook		Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
	Issue Rating		AA (Trk)	A-1 (Trk)	AA (Trk)	A-1 (Trk)	AA (Trk)	A-1 (Trk)	AA (Trk)	A-1 (Trk)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sponsor Support			1	-	1	-	1	-	1	-	1	-	1	-	1	-
Stand-Alone			AB	-	AB	-	AB	-	AB	-	AB	-	AB	-	AB	-
Sovereign	Foreign Currency		BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-
	Local Currency		BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-	BBB-	-
	Outlook	FC	Negative		Negative		Stable		Stable	-	Stable	-	Stable	-	Stable	-
		LC	Negative		Negative		Stable		Stable	-	Stable	-	Stable	-	Stable	-