

Corporate Credit & Issue Rating

New Update

Sector: Banking

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Chief Analyst

Orkun INAN

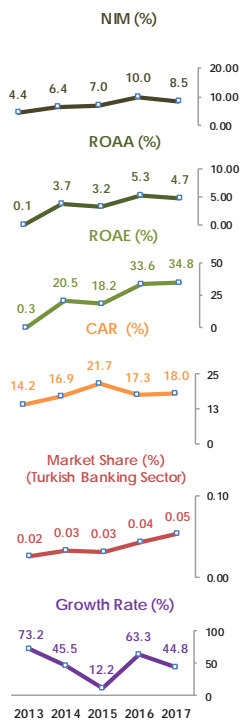
+90 212 352 56 73

orkun.inan@jcrer.com.tr

RATINGS

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

*Affirmed by JCR on November 10, 2017



Nurol Yatırım Bankası A.Ş.
Company Overview

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

* End of Year ** On Solo Basis

Nurol Yatırım Bankası A.Ş. (hereinafter “Nurol Bank” or the “Bank”), was incorporated in August,1998 and started its operations in May,1999. The Bank carries out operations in the fields of financial consulting, structured finance, private equity, leasing, factoring and cash loans- guarantees through a workforce of 50 as of December 31,2017.

The Bank with a total asset size of TRY 1.69bn, had 0.052% (FYE2016: 0.043%) and 0.97% (FYE2016: 0.82%) market shares in the entire banking sector and Turkish Development and Investment Banking Sector as of December 31,2017.

The majority shareholders of the Bank were Nurol Holding A.Ş. (78.16%) and Nurol İnşaat ve Tic. A.Ş. (15.96%), which also has direct and indirect control over the Nurol Group- Nurol Holding Inc., founded in 1989, engaged in construction and contracting, defense, manufacturing, real estate investment, energy, tourism, mining, finance, trade, and service sectors in Turkey and internationally sectors through 40 companies within the Group.

Strengths

- Strong asset growth supported by resilient expansion in loans despite below-the-sector NPL figures,
- Diversification of funding sources through bond issue, subordinated loans and funds obtained from international organizations along with the realized and possible positive effects on funding costs,
- Established earnings structure supporting in profitability ratios -outperforming sectorial averages,
- Maintaining capitalization level absorb incidental losses support sustainability,
- High level of compliance regarding corporate governance implementations and sustainability.

Constraints

- Impediment on potential utilization via limited income stream,
- High level of credit risk concentration among the top ten cash and non-cash loans customers deteriorating asset quality,
- Rising risks of weakened TL and downside risks to growth exerting pressure on profit margins and impacts on debt-servicing capabilities of the real sector further aggravated by the recent upward trend in bankruptcy postponements.