

Corporate Credit Rating

☐ New ☒ Update

Sector: Banking

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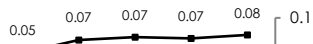
RATINGS

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	J3
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BB	J3
	International LC ICR Outlooks	Stable	Stable
ISRs (Issue Specific Rating Profile)	National ISR	AA (tr)	J1+ (tr)
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

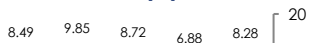
* Assigned by JCR on May 31, 2021

RATIOS

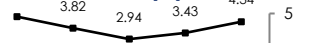
Market Share (%) (Turkish Banking Sector)



NIM (%)



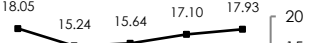
ROAA (%)



ROAE (%)



CAR (%)



Growth Rate (%)



NUROL YATIRIM BANKASI A.Ş.

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

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 75 people in FY2021.

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, mining, real estate, marketing and manufacturing industries through 33 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 core profitability metrics in FY2021,
- Maintenance of loan-driven moderate growth strategy accompanied by defending margins,
- Sufficient capital ratios continuing to indicate the capacity to absorb incidental losses,
- 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

- Sector-specific 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 pressuring asset quality,
- Short-term weighted borrowing profile of the sector,
- Concerns on the Bank's asset quality and revenue streams and higher credit loss provisions.

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, the presence of prudent provisions in addition to the high level of specific loan loss provisions and the asset quality accompanied by selective and efficiency focused credit policies as well as the possible negative effects of the RU-UA war and Covid-19 outbreak on the Turkish banking sector; the Bank has been affirmed with 'Stable' outlooks in the long and short-term perspectives.

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 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.