

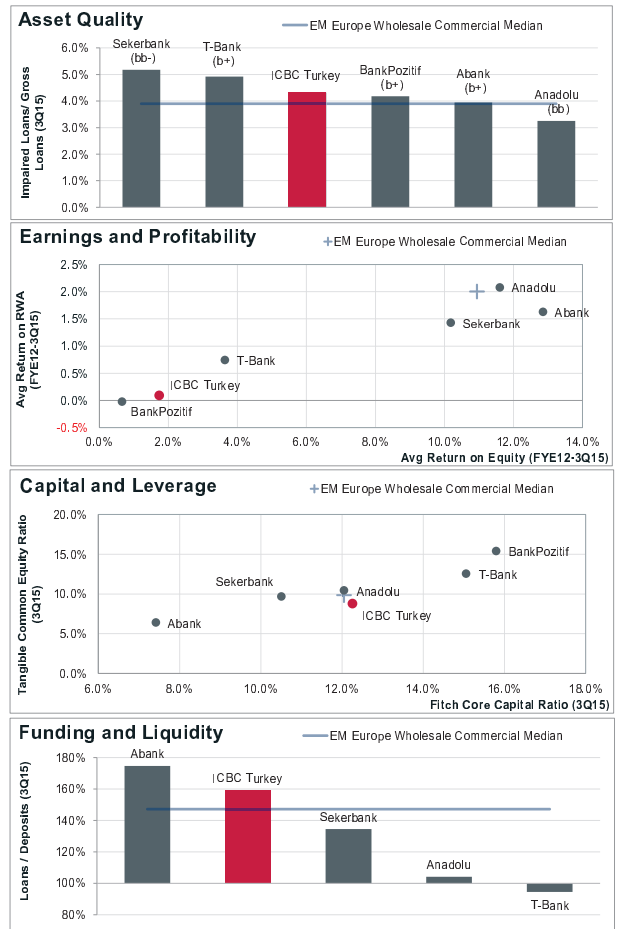
Banks Ratings Navigator		
Navigator date:	17 Feb 2016	
Last rating action:	12 Feb 2016	
Sector Details:		
Bank sector:	Wholesale Commercial	
Region:	EM Europe	
Country:	Turkey	
Country IDR:	BBB- Stable	
Last action:	18 Sep 15 Affirmed	
Country ceiling:	BBB	
Macro prudential indicator:	2	
Bank systemic indicator:	bbb	
Bank Rating History		
Viability Rating (VR)		
12 Feb 16	b+	Affirmed
23 Feb 15	b+	Affirmed
09 Jul 14	b+	Affirmed
Issuer Default Rating (IDR)		
12 Feb 16	BBB Stable	Affirmed
10 Jun 15	BBB Stable	Upgrade
23 Feb 15	B+ RWP	RW Maintained
Support Rating Floor (SRF)		
10 Jun 15	NF	Affirmed
23 Feb 15	NF	Affirmed
Bar Chart Legend:		
Vertical bars = VR range of Rating Factor		
Bar Colors = Influence on final VR		
■	Higher Influence	
■	Moderate Influence	
■	Lower Influence	
Bar Arrows = Rating Factor Outlook		
↑	Positive	↓ Negative
↕	Evolving	□ Stable
Peer Ratings bars = Count of banks		
11	EM Europe Wholesale Commercial	
6	Turkey Wholesale Commercial	
Relevant Criteria & References		
Global Bank Rating Criteria (Mar 2015)		
Macro-Prudential Risk Monitor (Mar 2015)		
Analysts		
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	Peer Ratings	Operating Environment	Company Profile	Management & Strategy	Risk Appetite	Asset Quality	Financial Profile	Earnings & Profitability	Capitalisation & Leverage	Funding & Liquidity	Viability Rating	Institutional Support	Issuer Default Rating
aaa											aaa	AAA	AAA
aa+											aa+	AA+	AA+
aa											aa	AA	AA
aa-											aa-	AA-	AA-
a+											a+	A+	A+
a											a	A	A
a-											a-	A-	A-
bbb+											bbb+	BBB+	BBB+
bbb											bbb	BBB	BBB Stable
bbb-											bbb-	BBB-	BBB-
bb+											bb+	BB+	BB+
bb											bb	BB	BB
bb-											bb-	BB-	BB-
b+											b+	B+	B+
b											b	B	B
b-											b-	B-	B-
ccc											ccc	CCC	CCC
cc											cc	CC	CC
c											c	C	C
f											f	NF	D or RD

Institutional Support		Value
Parent IDR		A
Total Adjustments (notches)		-3
Institutional Support:		BBB
Support Factors (negative)		
Equalised	1 Notch	2+ Notches
Parent Ability to Support		
Parent/group regulation	✓	
Relative size	✓	
Parent Propensity to Support		
Role in group		✓
Potential for disposal		✓
Implication of subsidiary default		✓
Integration		✓
Jurisdiction		✓
Size of ownership stake	✓	
Support track record		✓
Subsidiary performance and prospects		
Branding	✓	
Legal commitments		✓
Cross-default clauses		✓

Drivers & Sensitivities	
Support-Driven IDRs	ICBC Turkey's Issuer Default Ratings (IDRs), Support Rating and National Rating are driven by institutional support from its 92.8% shareholder, Industrial Commercial Bank of China (ICBC; A/Stable).
Country Ceiling of 'BBB' Caps IDR	Fitch views ICBC Turkey as a strategically important subsidiary for its parent institution. However, its Long-Term Foreign-Currency IDR is constrained by Turkey's 'BBB' Country Ceiling.
Limited, Improving Franchise	ICBC Turkey's franchise is currently limited. However, the improved prospects for the bank thanks to its new owner and the benefits this could bring in terms of capturing potential trade flows between China and Turkey are positive from a credit perspective.
Parent Funding Supports Liquidity	The availability of cheap, long-term funding from its parent enables ICBC Turkey to pursue its strategy of offering long-term foreign-currency loans to large corporates.
Rapid Growth Planned	ICBC Turkey plans rapid growth, in line with shareholder objectives, which could significantly heighten credit risk, in Fitch's view.
Weakened Capital Ratios, Parent Support Expected	ICBC Turkey's capital ratios decreased significantly in 9M15 due to rapid growth in risk-weighted assets. However, Fitch expects ICBC to provide capital injections to support ICBC Turkey's growth plans, if needed.
IDRs Sensitive to ICBC Ratings and Strategic Importance	The ratings of ICBC Turkey could be downgraded in the case of a multi-notch downgrade of ICBC. This is not Fitch's base case given the Stable Outlook.
Franchise, Growth Key to VR	An improvement in ICBC Turkey's franchise without a corresponding sharp increase in risk appetite or weakening of underwriting standards could result in upside potential for the bank's VR.

Key Financial Ratios (16 Feb 2016)	ICBC Turkey				Direct Peers Median				Region Sector Median			
	3Q15	FYE14	FYE13	FYE12	3Q15	FYE14	FYE13	FYE12	3Q15	FYE14	FYE13	FYE12
Size (USDm)												
Total assets	2,062	1,579	1,804	2,068	3,294	3,531	3,074	3,100	4,676	4,249	3,327	4,106
Risk weighted assets (incl. Basel floor/cap)	1,506	1,437	1,667	1,930	2,737	2,866	2,759	2,670	4,121	3,929	3,440	3,410
Total equity	185	267	283	323	287	372	283	327	404	413	298	323
Fitch core capital (FCC)	185	266	282	322	270	352	266	321	389	387	293	320
Asset Quality												
Growth of gross loans	35.8%	-1.4%	7.4%	7.3%	17.2%	14.8%	31.7%	14.6%	20.7%	19.9%	25.6%	14.6%
Impaired loans/gross loans	4.3%	5.4%	6.1%	4.9%	4.3%	5.2%	4.0%	3.9%	3.9%	3.5%	5.0%	4.4%
Reserves for impaired loans/impaird loans	76.1%	69.9%	74.3%	68.8%	53.9%	61.4%	59.2%	59.0%	75.5%	69.9%	78.8%	73.0%
Imp loans less reserves for imp Loans/FCC	7.3%	7.7%	7.7%	7.4%	14.2%	10.2%	9.2%	8.8%	5.7%	7.4%	3.7%	4.6%
Loan impairment charges/avg gross loans	1.2%	1.0%	1.8%	1.3%	0.8%	1.0%	1.2%	1.3%	1.1%	1.0%	1.4%	1.3%
Earnings and Profitability												
Net interest income/average earning assets	4.2%	5.7%	4.6%	5.1%	4.3%	4.9%	5.0%	5.8%	4.3%	4.7%	5.1%	5.2%
Non-interest expense/gross revenues	103.0%	74.7%	67.7%	64.0%	73.8%	61.2%	67.3%	55.3%	51.2%	52.6%	54.1%	48.7%
Loans & secs imp charges/pre-imp op. profit	-1014.3%	65.4%	90.9%	52.8%	17.4%	35.3%	56.8%	44.1%	23.2%	33.6%	39.0%	28.6%
Operating profit/average total assets	-1.2%	0.4%	0.1%	0.9%	0.4%	1.3%	0.8%	1.4%	1.6%	1.5%	1.7%	2.7%
Operating profit/risk weighted assets	-1.1%	0.5%	0.1%	0.9%	0.4%	1.5%	0.8%	1.5%	1.7%	1.7%	1.6%	3.0%
Net income/average total equity	-7.6%	2.1%	7.7%	4.8%	3.1%	8.0%	8.1%	9.4%	9.8%	12.1%	8.7%	13.2%
Capital and Leverage												
Fitch core capital/risk weighted assets	12.3%	18.5%	16.9%	16.7%	12.2%	15.6%	14.4%	15.6%	12.1%	14.0%	13.8%	16.7%
Fitch eligible capital/risk weighted assets	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.3%	15.7%	n.a.	n.a.	13.9%	18.4%
Tangible common equity/tangible assets	8.8%	16.9%	15.6%	15.5%	10.1%	13.3%	12.8%	13.9%	9.8%	12.0%	12.9%	13.9%
Core Tier 1 regulatory capital ratio	12.1%	18.4%	n.a.	n.a.	12.0%	16.0%	n.a.	n.a.	12.0%	14.3%	n.a.	n.a.
Internal capital generation	-8.1%	2.1%	7.5%	4.5%	3.1%	7.1%	8.1%	8.8%	9.8%	7.5%	8.0%	9.1%
Funding and Liquidity												
Loans/customer deposits	159.0%	124.8%	117.6%	104.0%	134.5%	126.8%	120.4%	113.7%	147.1%	123.2%	114.9%	104.0%
Interbank assets/interbank liabilities	492.8%	57.4%	402.1%	219.4%	155.7%	103.2%	161.6%	210.2%	62.0%	55.2%	61.7%	123.0%
Customer deposits/total funding excl derivs	45.8%	80.2%	80.8%	89.4%	63.7%	72.4%	73.6%	78.9%	56.7%	65.8%	70.8%	78.6%
Business Mix (by profit or revenue)												
<ul style="list-style-type: none"> Retail banking (20%) SME banking (0%) Corporate banking (60%) Investment banking (20%) Transaction banking (0%) Asset management (0%) Insurance (0%) Other (0%) 												
Lending Type (by loans)												
<ul style="list-style-type: none"> Resi mortgages (10%) Com m mortgages (0%) Asset finance (0%) Other secured (60%) Personal unsecured (10%) Comm unsecured (20%) Fis & Sovs (0%) High yield (0%) Other unsecured (0%) 												



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