



Odeabank
Earnings Presentation
3Q 2018

3Q 2018 Highlights

387 mln TL quarterly operating income
3Q2018 vs 390 mln TL in 2Q2018

Sustained earnings generation

51.9% coverage of Stage III loans in
3Q2018 vs 41.4% in 4Q2017

*Allocation of operating income to specific
provisions and improved coverage ratios*

42.4% cost to income¹ in 9M2018 vs
47.7% in 9M2017

Continued efficiency gains

23.4% CAR and 15.5% CET 1

Preserved capital structure

97.3% Loan/Deposit ratio
30.8% Primary liquidity²/Deposit

Liquid and self-funded profile

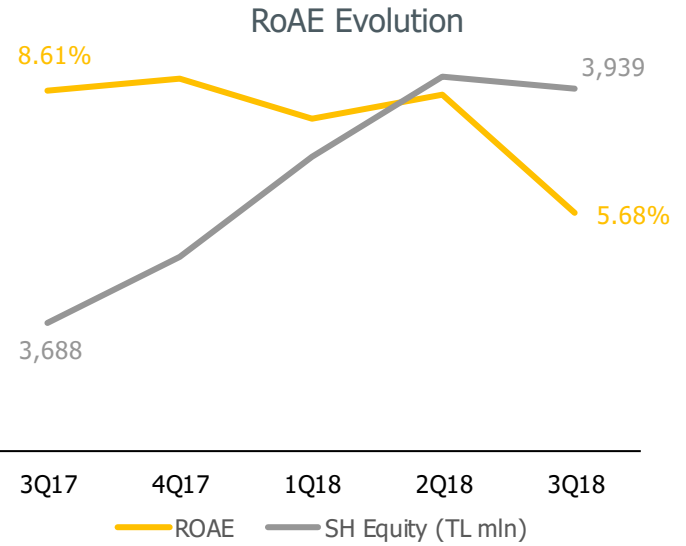
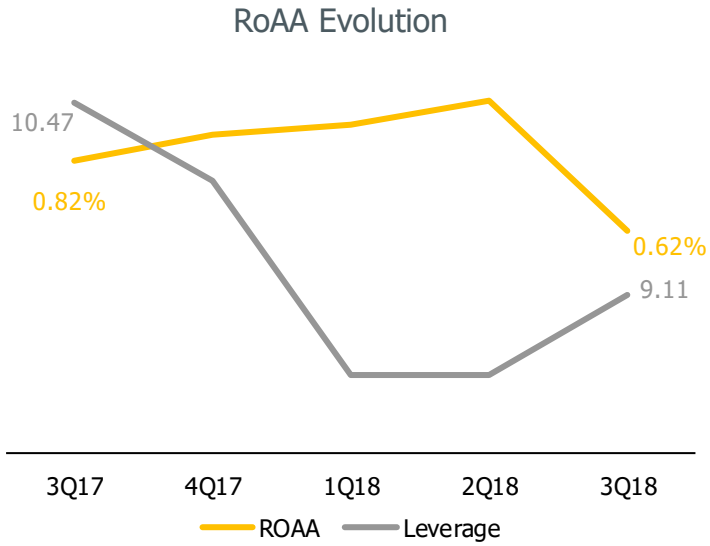
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Note: All figures stated above are based on BRSA financials

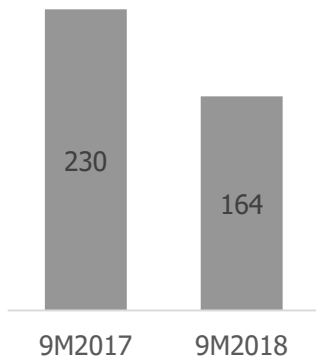
¹ Cost to income ratios normalized with one-off expenses are 39.3% and 46.8% for 9M2018 and 9M2017 respectively

² Primary liquidity= Cash and balances with Central Bank + money market receivables + banks

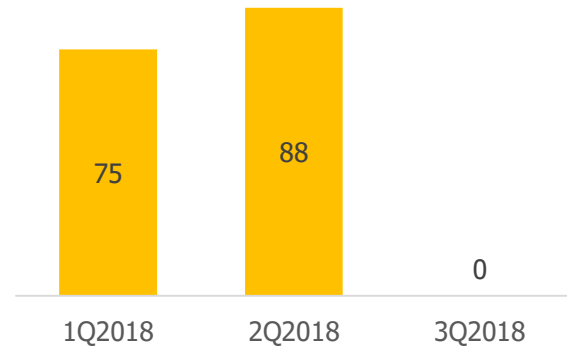
Profitability metrics evolution



Net Income (TL mln)

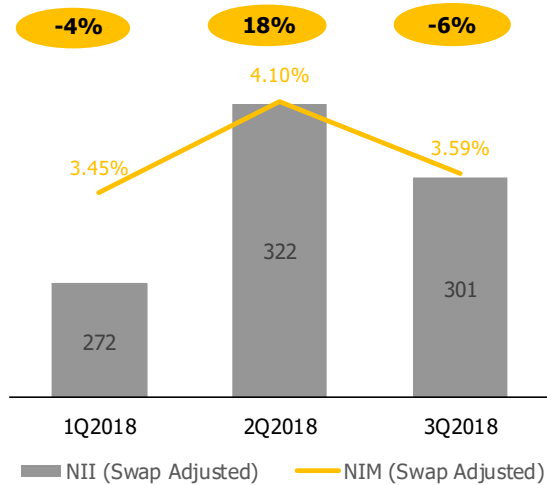


Net Income (Quarterly, TL mln)

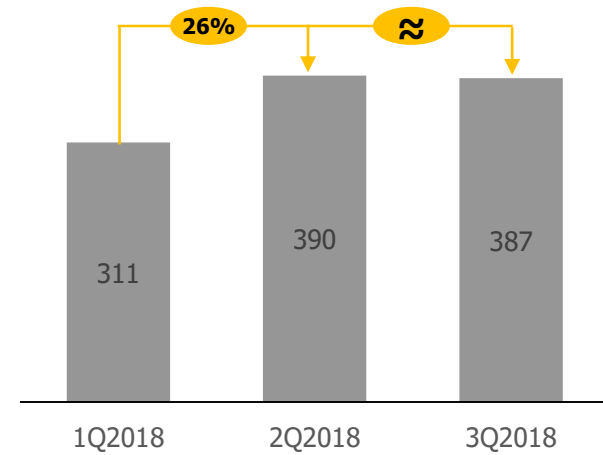


Realizations in core banking revenues

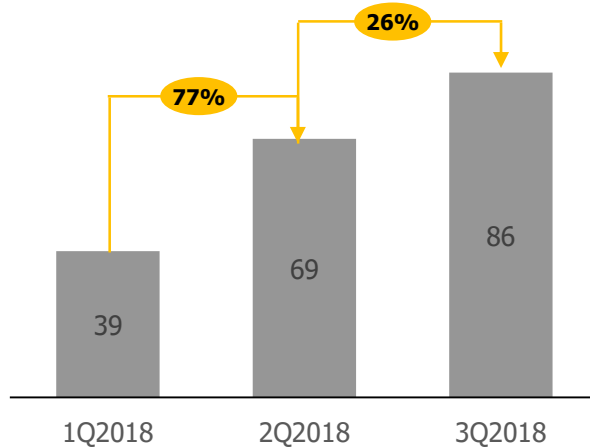
Net Interest Income (TL mln)



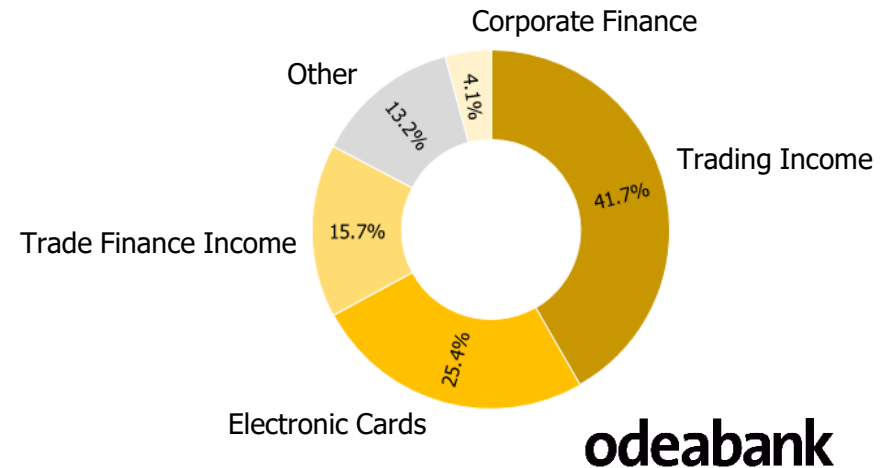
Operating Income (TL mln)



Swap Adj. Non Interest Income (TL mln)

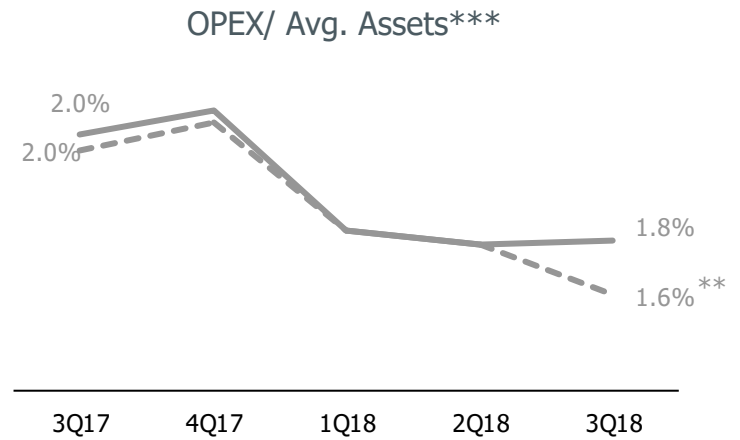
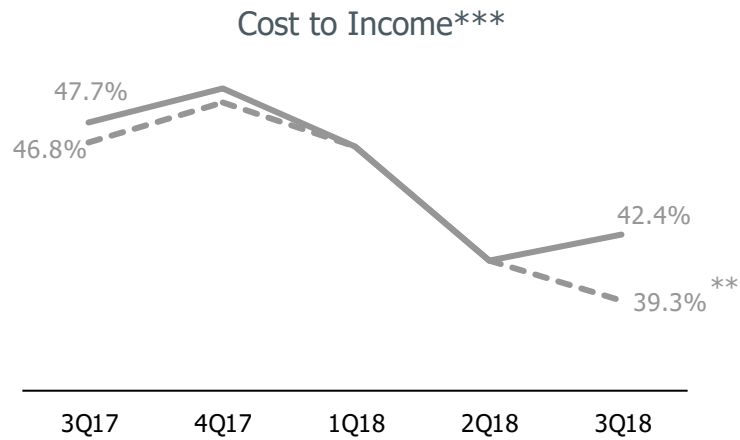
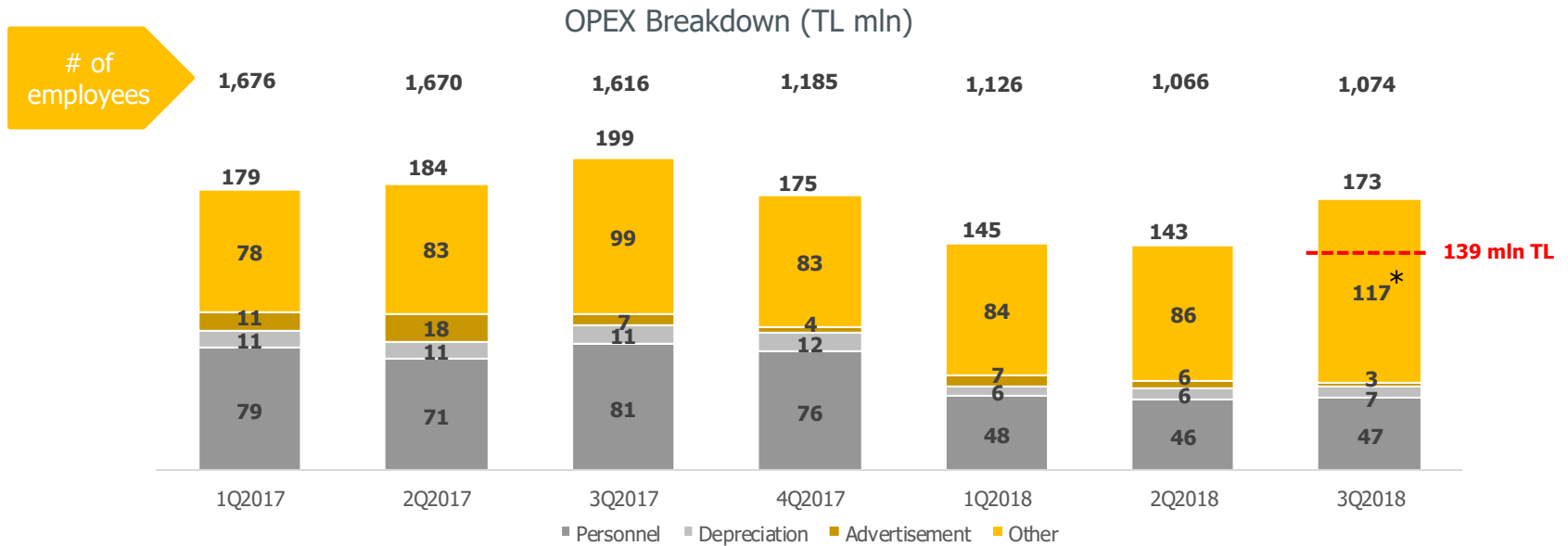


Non Interest Income Breakdown* (9M2018)



* Based on MIS data

Operational efficiency



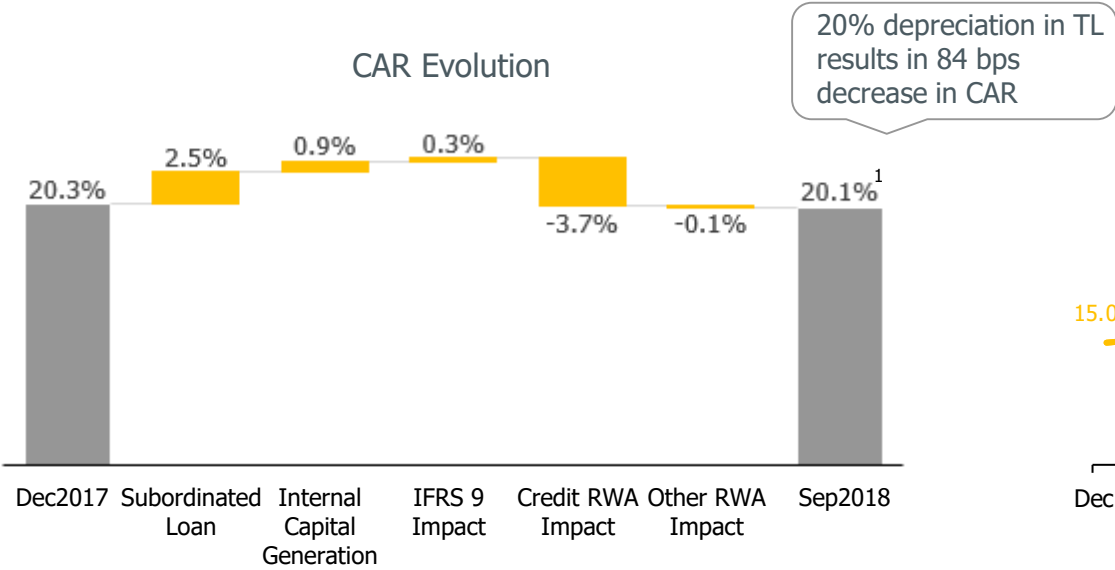
* Other OPEX costs in 3Q2018 include c. 34 mln TL BITT payment realized due to sales of Lebanese assets.

** Excludes one time BITT payments.

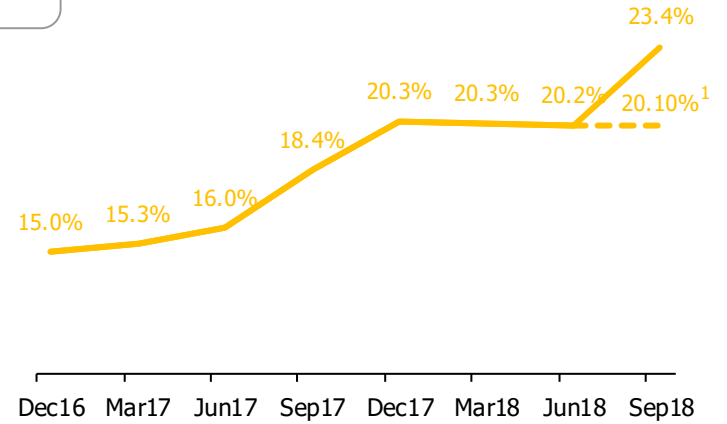
*** Cost to income and OPEX/Avg. Assets ratios are computed using Ytd figures.

Capital position overview

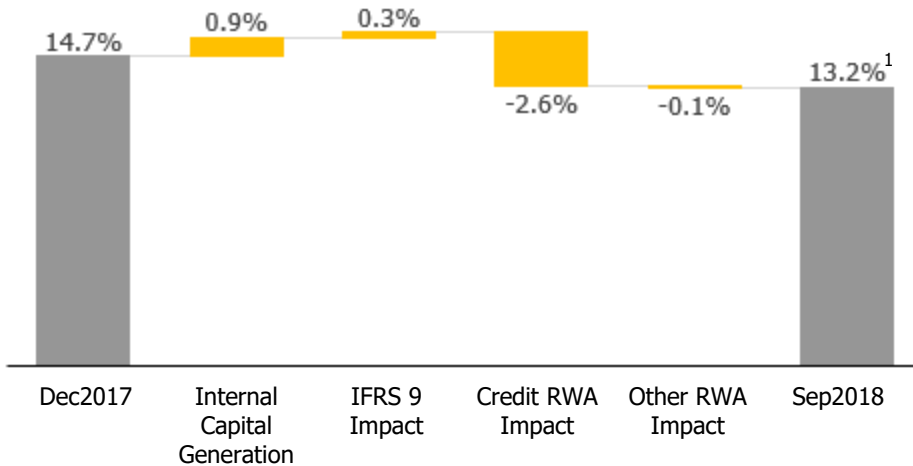
CAR Evolution



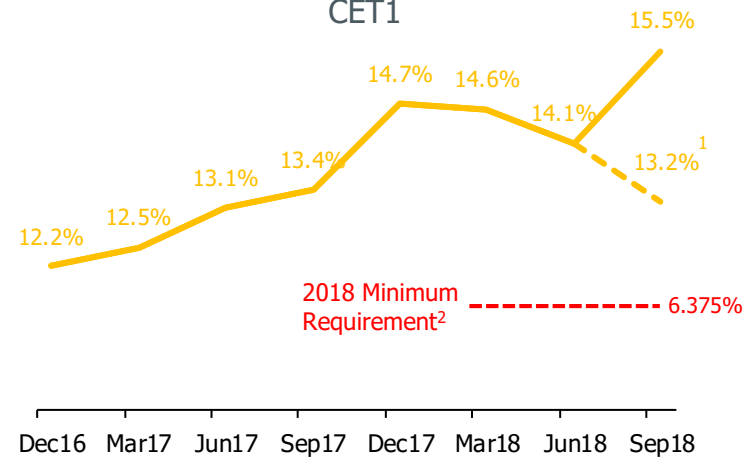
CAR



CET1 Evolution



CET1



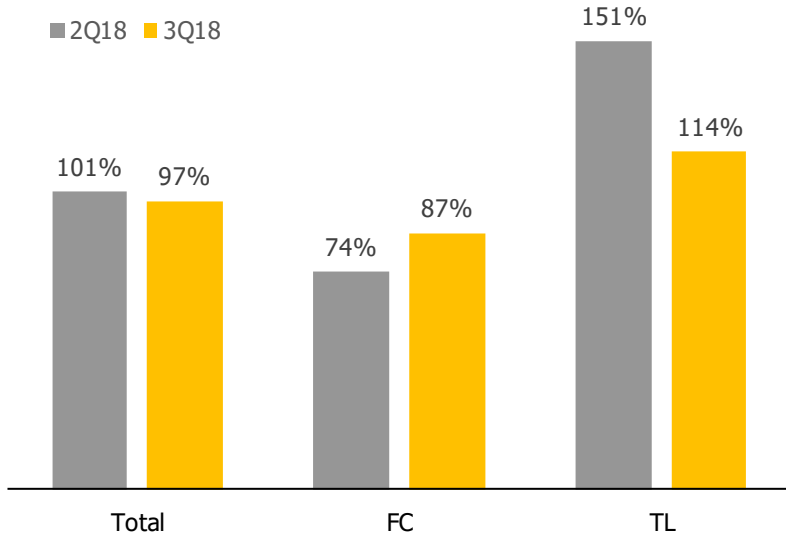
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¹ Ratios are not adjusted with BRSA's temporary rules

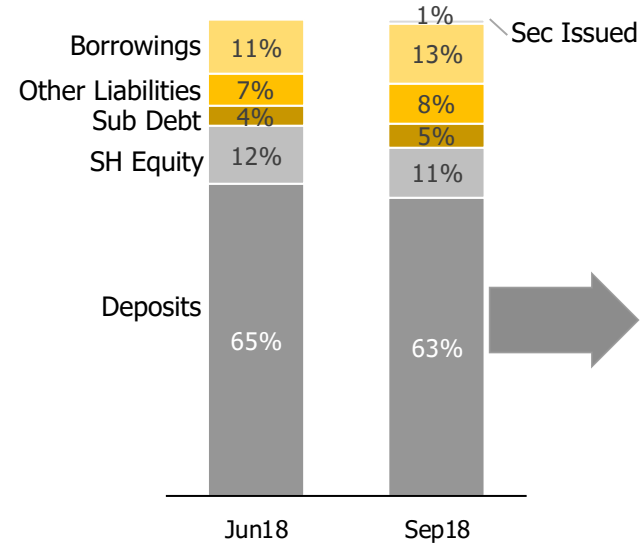
² 2019 minimum requirement is 7%

Liquidity and funding structure

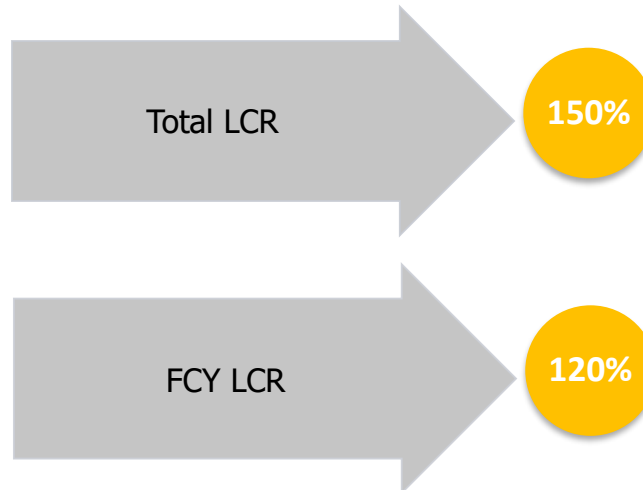
Loan/Deposit



Low reliance on wholesale funding



30.8% of deposits kept as primary liquidity*



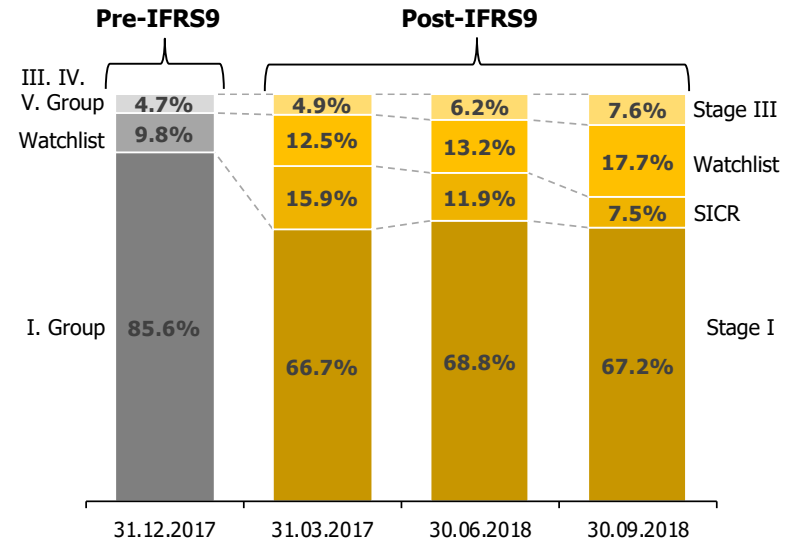
Notes: Loan/deposit ratio= Net loans/Deposits

* Primary liquidity= Cash and balances with Central Bank + money market receivables + banks

IFRS 9 Transition Effects

Loan Portfolio Breakdown (TL mn)

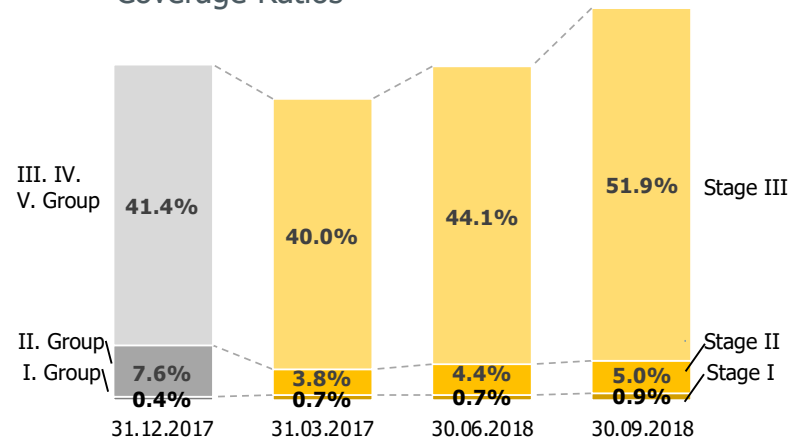
	Pre-IFRS9		Post-IFRS9		
	31.12.2017	30.09.2018			
I. Group	19,749	16,117			Stage I
		1,802			Significant increase in credit risk (SICR) } Stage II
II. Group	2,253	4,251			
III. IV. V. Group	1,075	1,816			Stage III
Total	23,077	23,987	Total		



Provisions (TL mn)

	Pre-IFRS9		Post-IFRS9		
	31.12.2017	30.09.2018			
I. Group	81	141			Stage I
II. Group	172	303			Stage II
III. IV. V. Group	446	944			Stage III
Total	698	1,388	Total		

Coverage Ratios



Balance Sheet Evolution

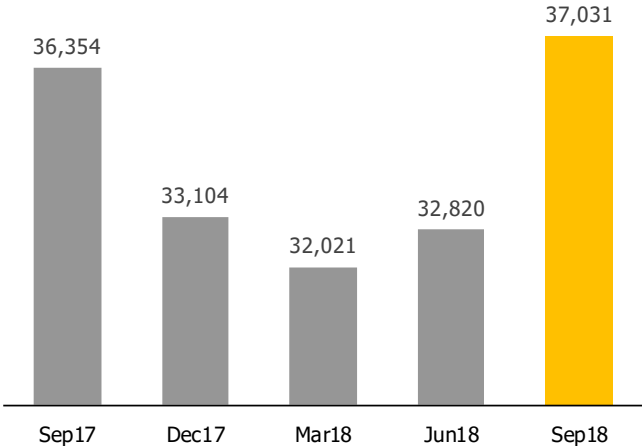
Composition of Loans and Deposits

Summary Balance Sheet

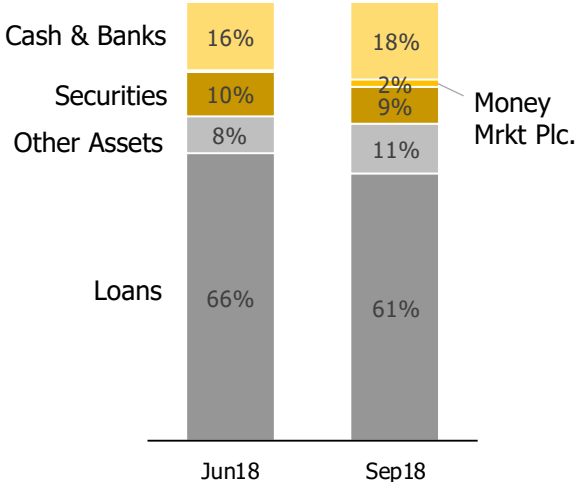
P&L Evolution and Key Ratios

Evolution of Assets and Liabilities

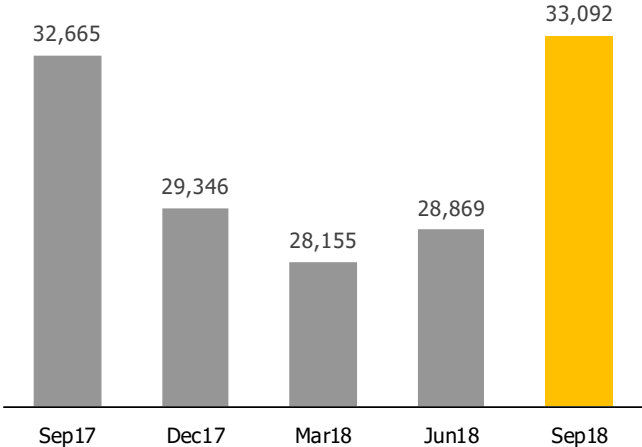
Assets



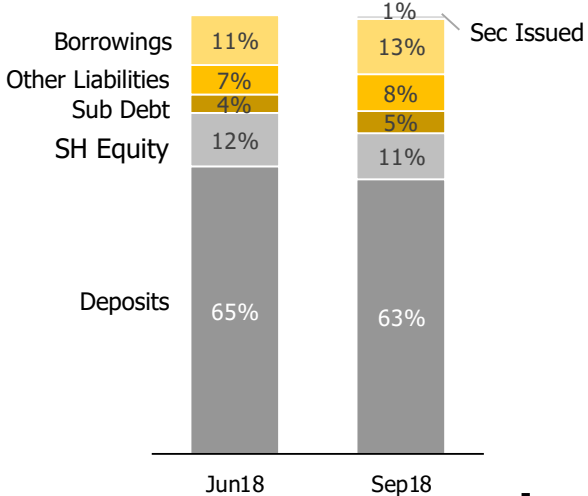
Assets segmentation



Liabilities

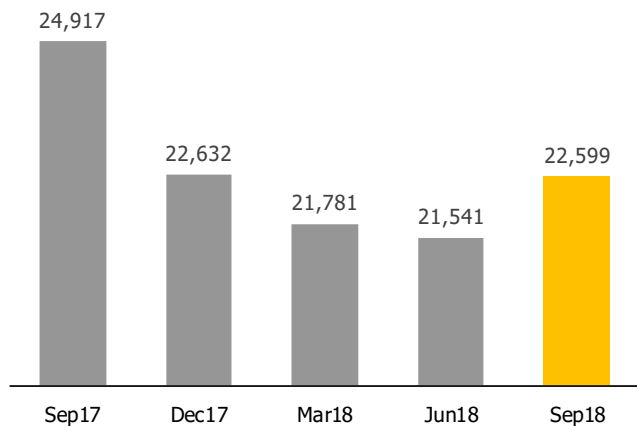


Liabilities & SHE segmentation

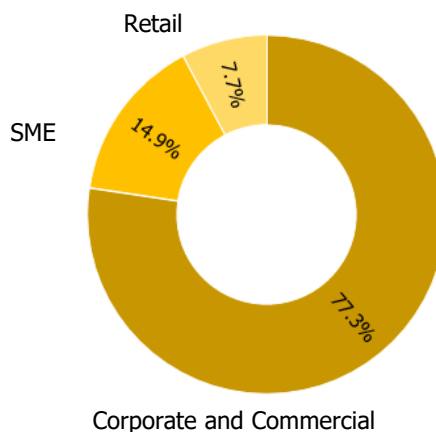


Composition of Loans and Deposits

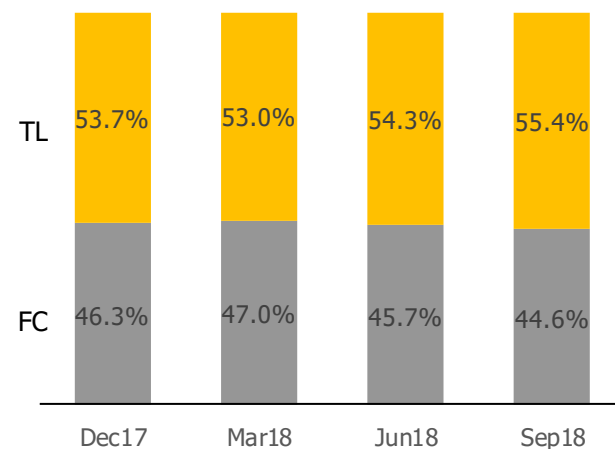
Net Loans



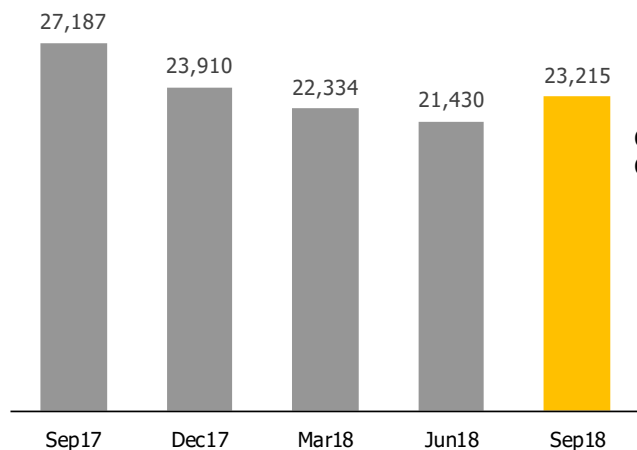
Performing Loan Breakdown*



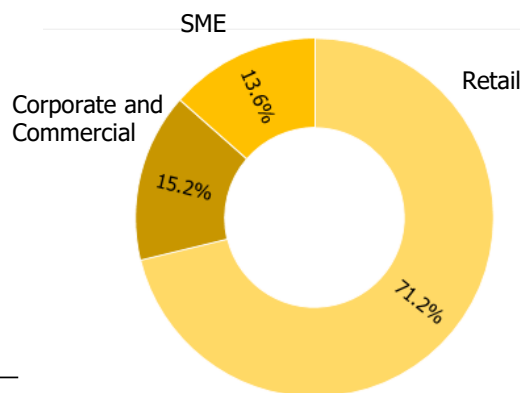
Loans Currency Breakdown**



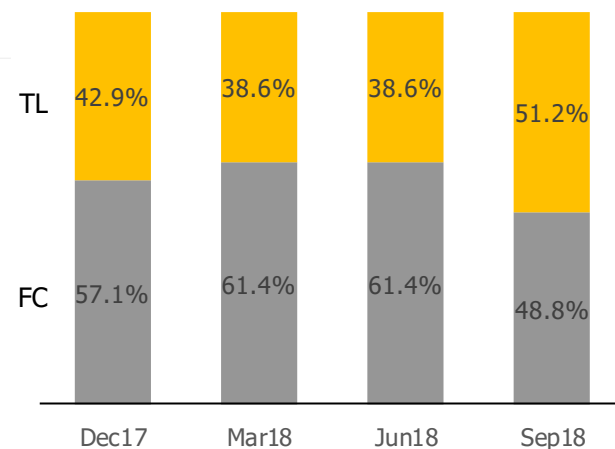
Total Deposits



Customer Deposit Breakdown*



Deposits Currency Breakdown***



* Based on MIS data

** Gross loans excluding accrued interest based on MIS data and at constant exchange rates

*** Based on MIS data and at constant exchange rates

Summary balance sheet

Balance sheet evolution (TL mn)				
	FY2017	Mar2018	Jun2018	Sep2018
Assets				
Cash and balances with Central Banks	3,732	3,802	3,456	4,595
Banks and reverse repo	3,030	2,165	1,709	2,549
Securities	2,485	2,801	3,349	3,164
Net loans & advances to customers	22,632	21,781	21,541	22,599
Property & equipment	104	99	94	89
Intangible fixed assets	90	82	76	68
Tax assets	65	115	146	80
Other assets	968	1,174	2,449	3,888
Total assets	33,104	32,021	32,820	37,031
Liabilities				
Funds borrowed	2,943	3,414	3,690	4,687
Interbank money market	-	1	148	0
Deposits	23,910	22,334	21,430	23,215
Debt issued	-	-	-	257
Subordinated loans & similar debts	1,175	1,205	1,418	1,826
Other liabilities	1,318	1,201	2,182	3,106
Total liabilities	29,346	28,155	28,868	33,092
Shareholders' equity	3,758	3,866	3,952	3,939
Total liabilities and Shareholders' equity	33,104	32,021	32,820	37,031
Structural ratios				
Loans to assets	68.4%	68.0%	65.6%	61.0%
Loans to deposits	94.7%	97.5%	100.5%	97.3%
Deposits to assets	72.2%	69.7%	65.3%	62.7%
NPL ratio	4.7%	4.9%	6.2%	7.6%
CAR	20.3%	20.3%	20.2%	23.4%

Summary P&L

P&L evolution (TL mn)

	2017	1Q 2018	2Q 2018	3Q 2018	9M 2018
Key P&L items					
Net interest income	1,359	288	334	283	905
Net fee & commission income	156	33	26	30	89
Net gain or loss on financial operations	-36	-19	26	64	70
<i>Interest on swaps</i>	-225	-16	-12	18	-11
Other Operating Income	14	9	4	10	24
Operating income	1,492	311	390	387	1,088
Operating expenses	-738	-145	-143	-173	-462
Pre-provisioning income	755	166	247	214	627
Loan loss provisions	-353	-68	-134	-214	-417
Profit before tax	401	97	113	0	210
Tax expenses	-81	-22	-25	0	-46
Net income	321	75	88	0	164
Key ratios					
Spread	3.8%	3.5%	4.1%	3.2%	3.4%
+ Non Interest income / average assets	0.4%	0.3%	0.7%	1.2%	0.7%
= Asset Utilization Ratio	4.2%	3.8%	4.8%	4.4%	4.1%
- Cost to average assets	2.1%	1.8%	1.8%	2.0%	1.8%
= Return on operations	2.1%	2.0%	3.0%	2.5%	2.4%
- Provisions to average assets	1.0%	0.8%	1.7%	2.5%	1.6%
= Cost of risk	1.4%	1.2%	2.5%	3.9%	2.5%
x Loans to average assets	68.8%	68.2%	66.8%	63.2%	64.5%
= ROAA before tax	1.1%	1.2%	1.4%	0.0%	0.8%
- Tax cost	0.2%	0.3%	0.3%	0.0%	0.2%
= ROAA	0.9%	0.9%	1.1%	0.0%	0.6%
x Leverage	9.9	8.5	8.3	8.9	9.1
= ROAE	8.9%	7.9%	9.0%	0.0%	5.7%
Cost to income	49.4%	46.7%	36.7%	44.8%	42.4%

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