



Odeabank
Earnings Presentation
2Q 2018

2Q 2018 Highlights

1.1% ROAA vs 0.9% in 1Q2018

Improving profitability metrics

4.0% swap adj. NIM vs 3.3% in 1Q2018

Increasing the quarterly NIM

41.1% Cost to income in 1H2018

Sustaining efficiency gains

20.2% CAR and 14.1% CET 1

Preserving the solid capital structure

100.5% Loan/Deposit ratio
24.1% Primary liquidity*/Deposit

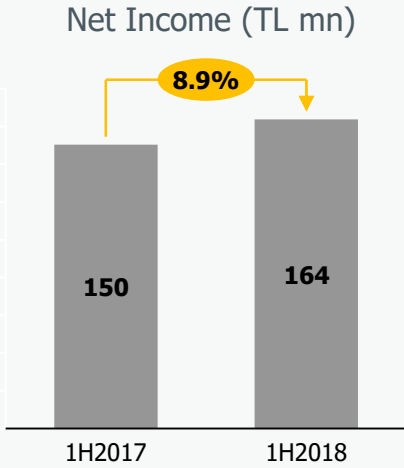
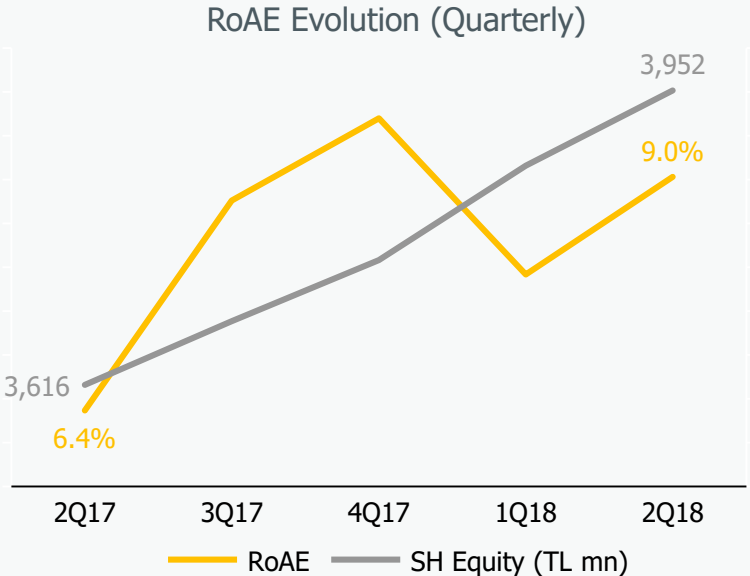
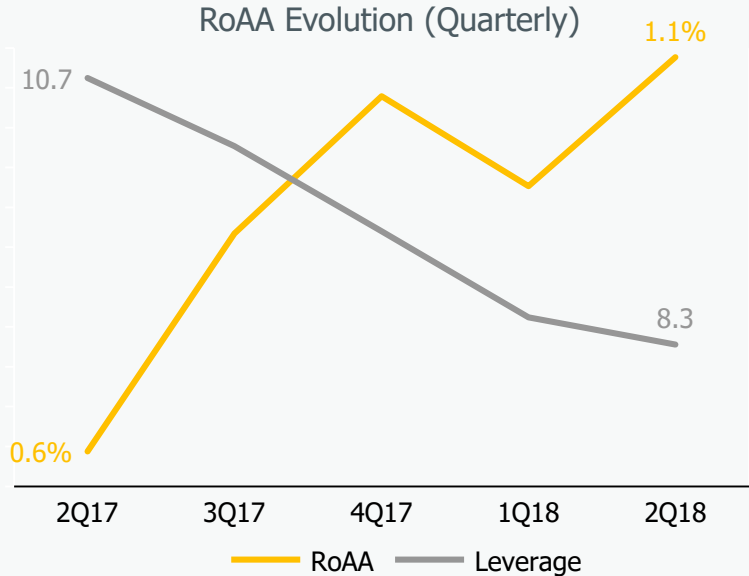
Liquid and self-funded profile

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Note: All figures stated above are based on BRSA financials

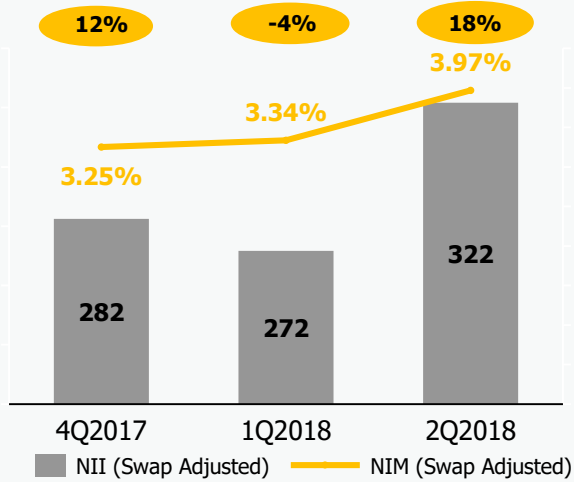
* Primary liquidity= Cash and balances with Central Bank + reverse repo + banks

Profitability metrics evolution

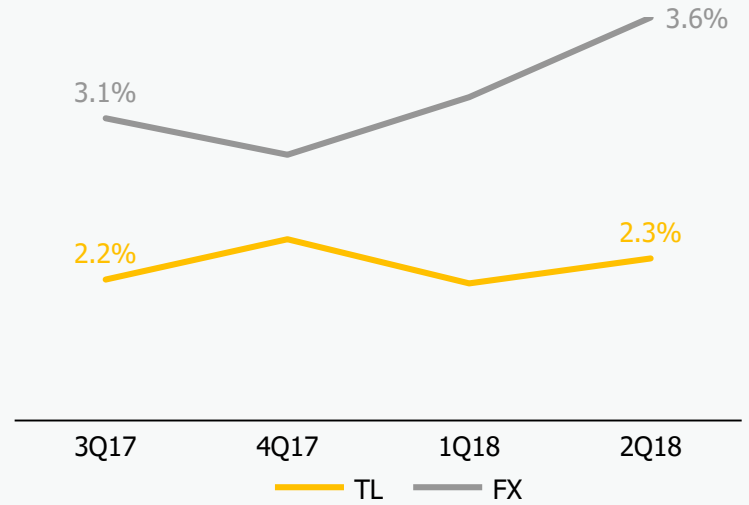


Realizations in core banking revenues

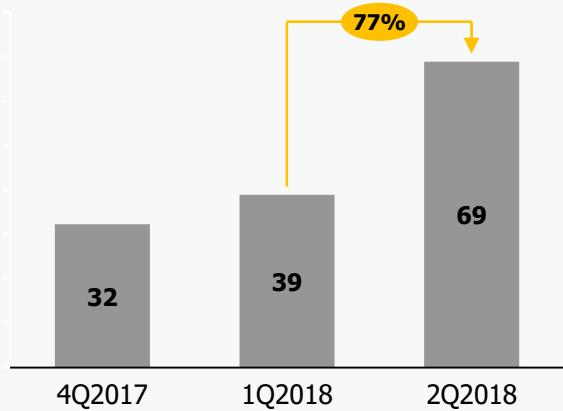
Net Interest Income (TL mn)



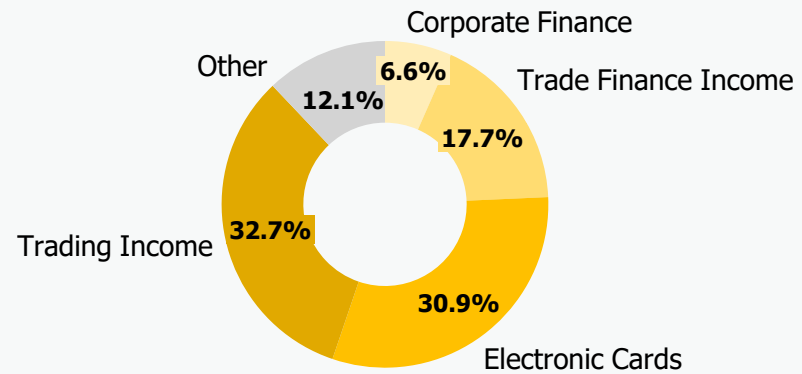
Loan-Deposit Spreads* (Quarterly)



Swap Adj. Non Interest Income (TL mn)



Non Interest Income Breakdown* (1H2018)

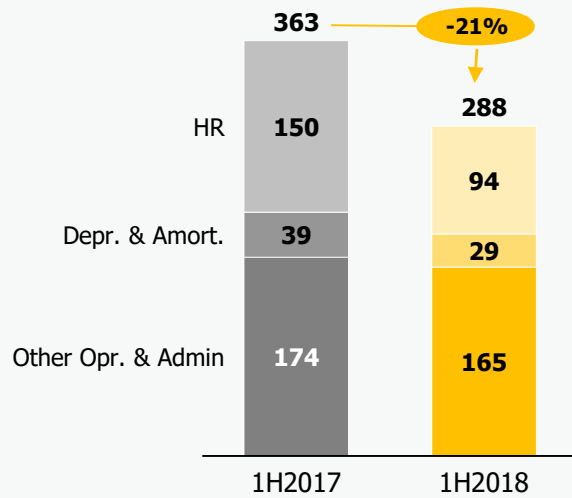


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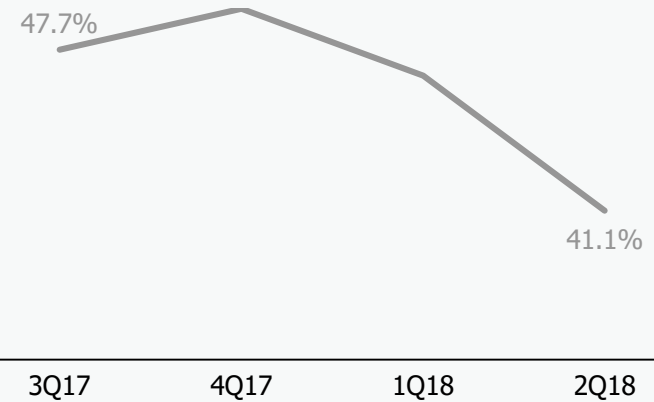
* Based on MIS data

Operational efficiency

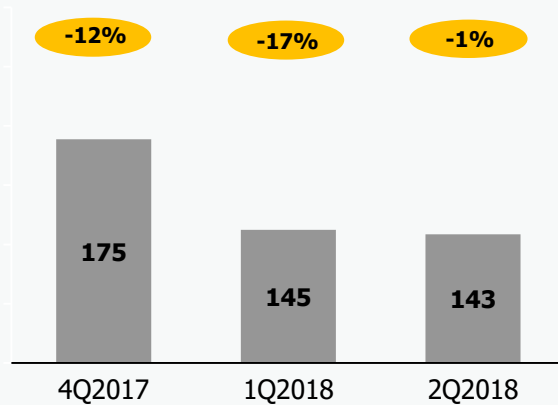
OPEX Breakdown (TL mn)



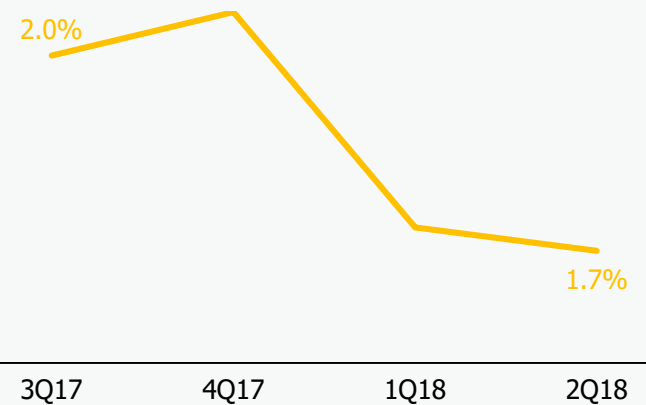
Cost to Income *



OPEX (TL mn)



OPEX/ Avg. Assets*

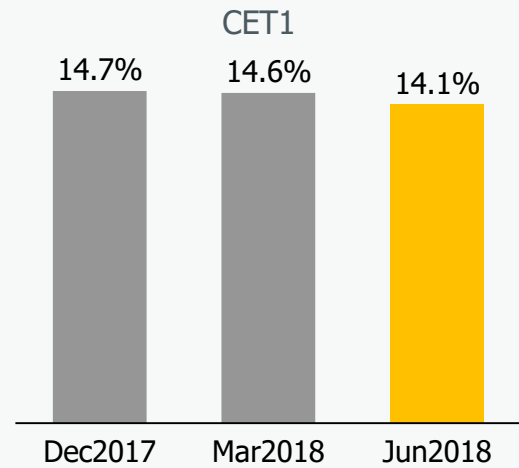
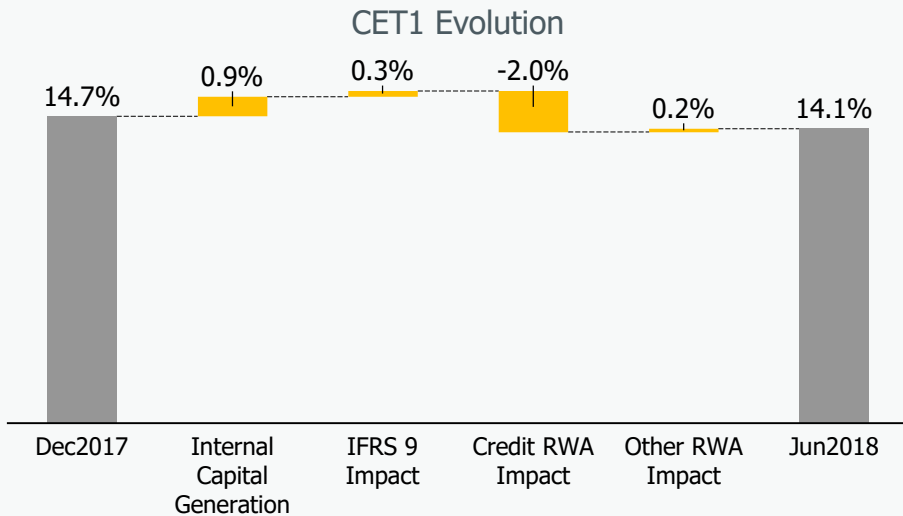
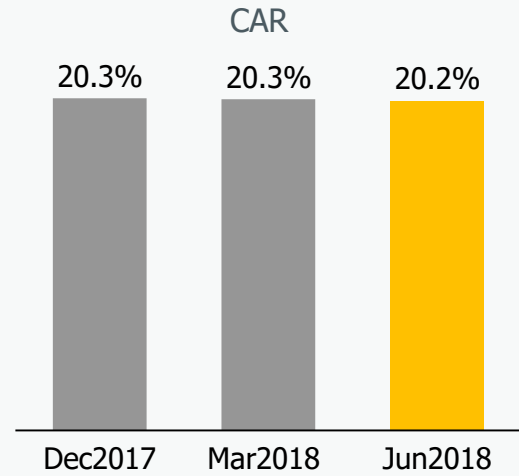
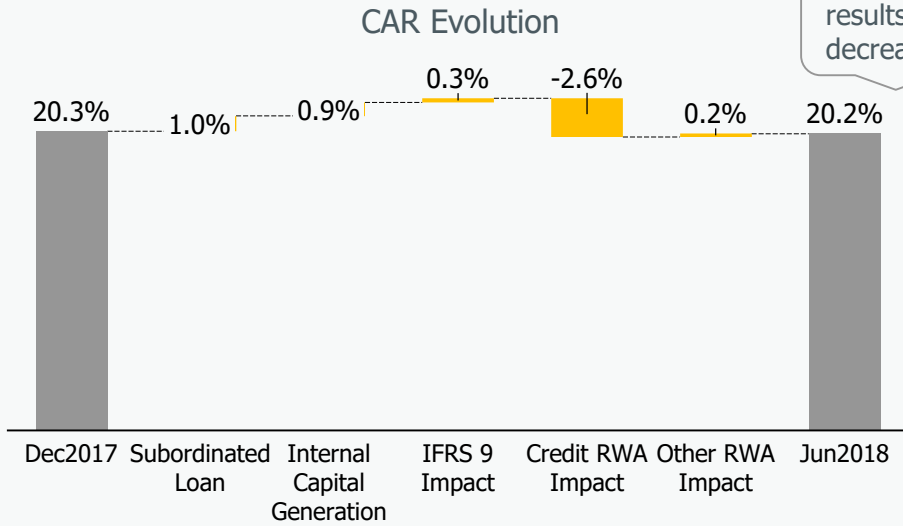


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* Cost to income and OPEX/Avg. Assets ratios are computed using YtD figures.

Capital position overview

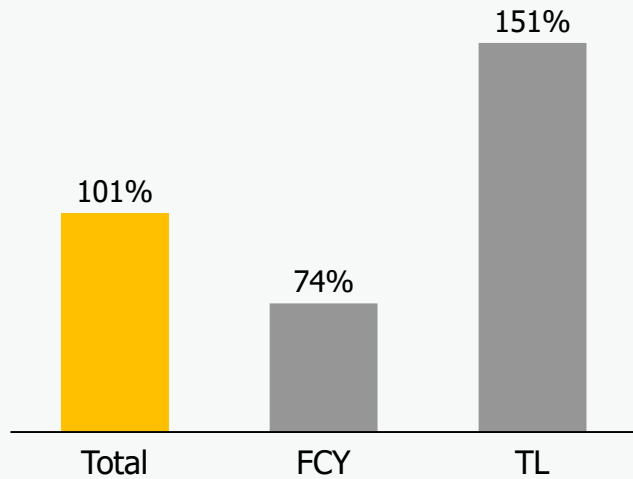
20% depreciation in TL results in 72 bps decrease in CAR



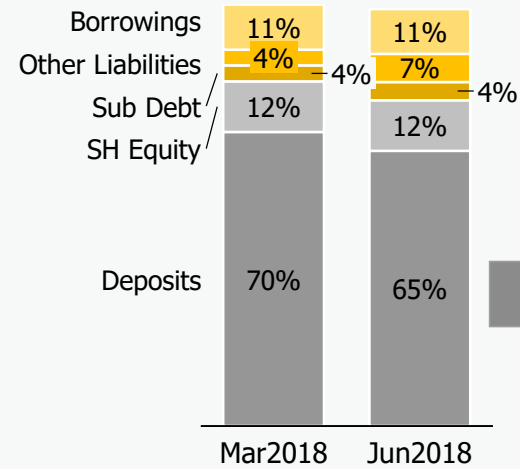
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Liquidity and funding structure

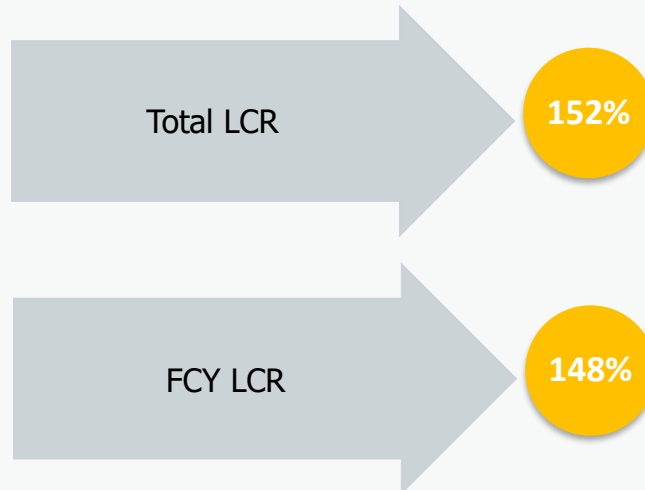
Loan/Deposit 2Q2018



Low reliance on wholesale funding



24.1% of deposits kept as primary liquidity*



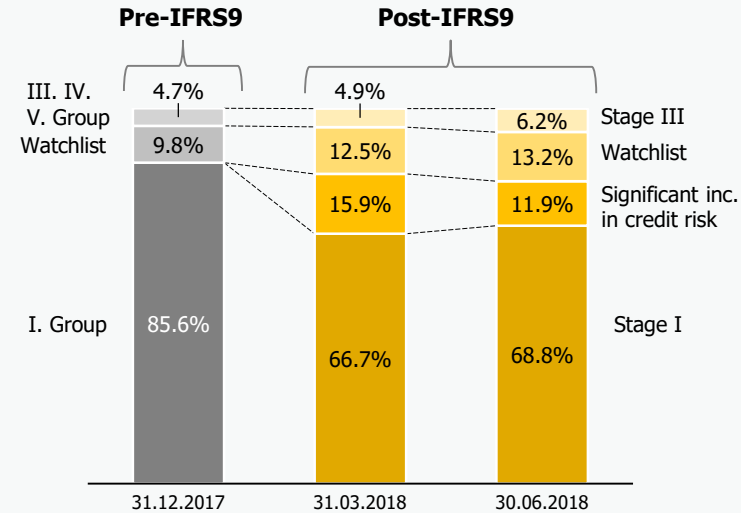
Notes: Loan/deposit ratio= Net loans/Deposits

* Primary liquidity= Cash and balances with Central Bank + reverse repo + banks

IFRS 9 Transition Effects

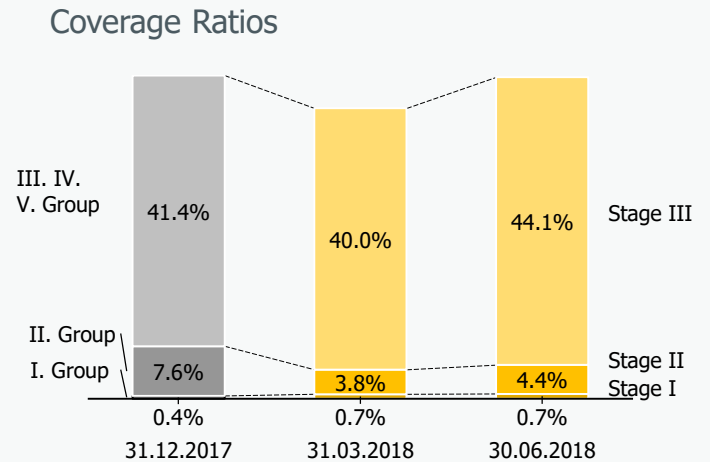
Loan Portfolio Breakdown (TL mn)

	Pre-IFRS9		Post-IFRS9		
	31.12.2017	31.03.2018	30.06.2018		
I. Group	19,749	15,044	15,490		Stage I
		3,592	2,669		Significant increase in credit risk Watchlist
II. Group	2,253	2,824	2,965		
III. IV. V. Group	1,075	1,108	1,396		Stage III
Total	23,077	22,568	22,520		Total



Provisions (TL mn)

	Pre-IFRS9		Post-IFRS9		
	31.12.2017	31.03.2018	30.06.2018		
I. Group	81	101	114		Stage I
II. Group	172	243	250		Stage II
III. IV. V. Group	446	443	615		Stage III
Total	698	787	979		Total



Balance Sheet Evolution

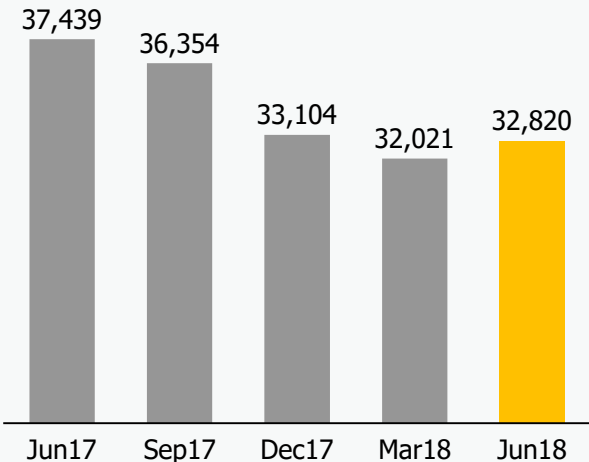
Composition of Loans and Deposits

Summary Balance Sheet

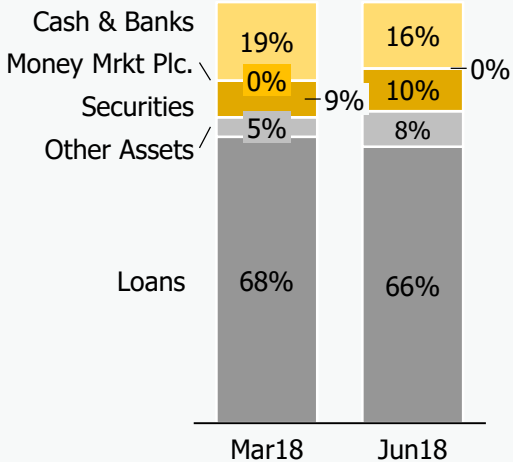
P&L Evolution and Key Ratios

Evolution of Assets and Liabilities

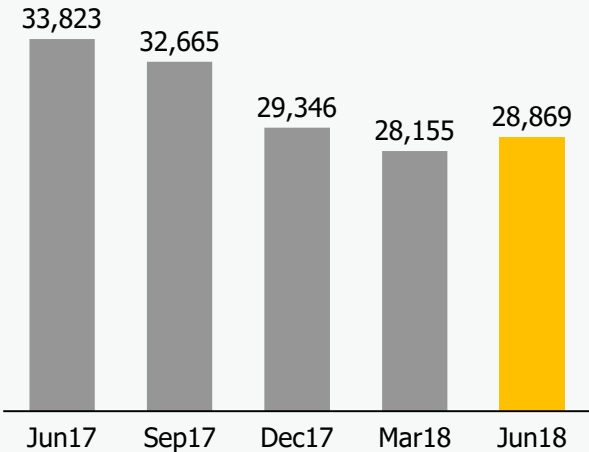
Assets



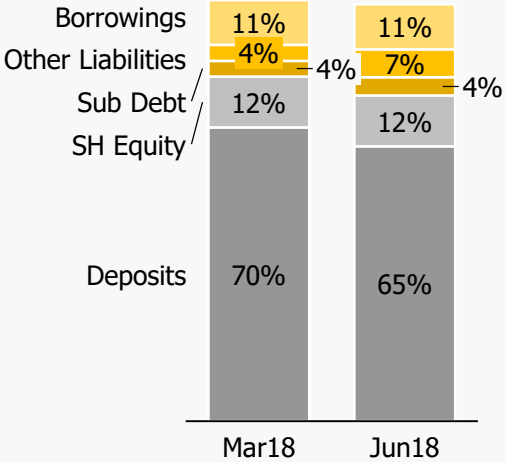
Assets segmentation



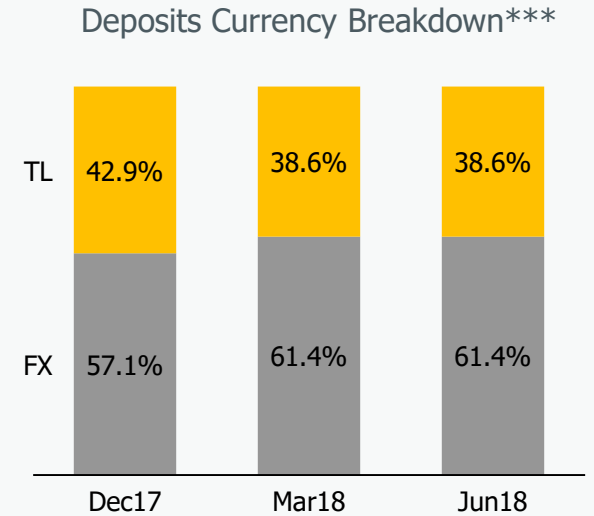
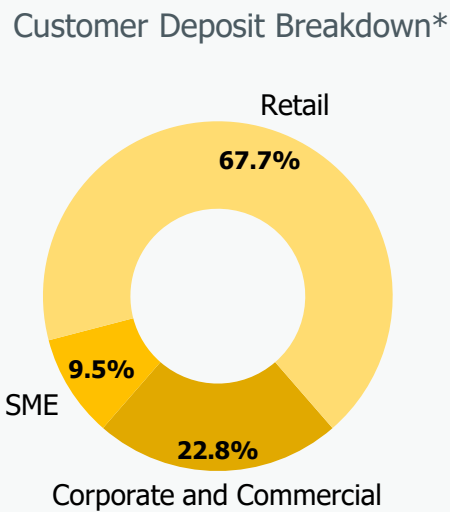
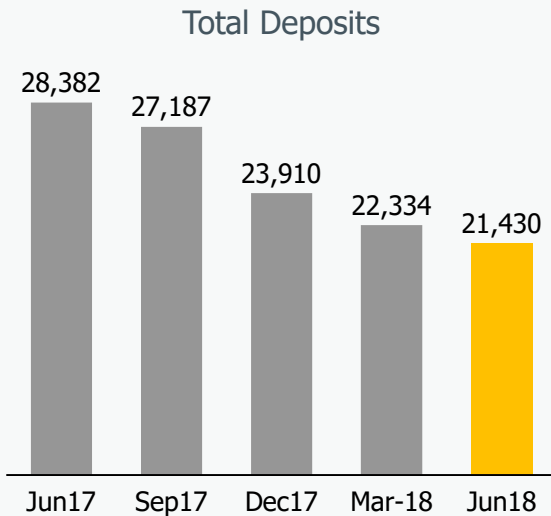
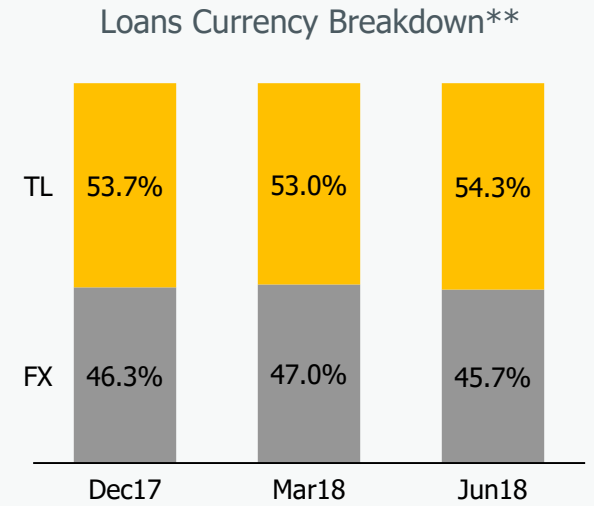
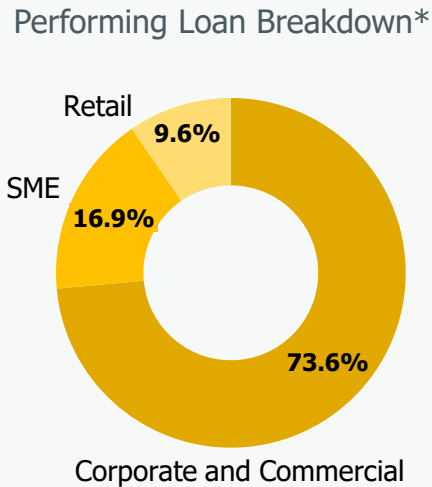
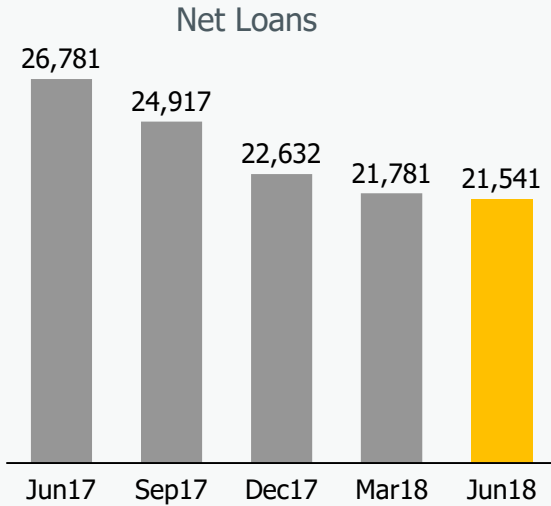
Liabilities



Liabilities & SHE segmentation



Composition of Loans and Deposits



* 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
Assets			
Cash and balances with Central Banks	3,732	3,802	3,456
Banks and reverse repo	3,030	2,165	1,709
Securities	2,485	2,801	3,349
Net loans & advances to customers	22,632	21,781	21,541
Property & equipment	104	99	94
Intangible fixed assets	90	82	76
Tax assets	65	115	146
Other assets	968	1,174	2,449
Total assets	33,104	32,021	32,820
Liabilities			
Funds borrowed	2,943	3,414	3,838
Interbank money market	-	1	148
Deposits	23,910	22,334	21,430
Debt issued	-	-	-
Subordinated loans & similar debts	1,175	1,205	1,418
Other liabilities	1,318	1,201	2,033
Total liabilities	29,346	28,155	28,868
Shareholders' equity	3,758	3,866	3,952
Total liabilities and Shareholders' equity	33,104	32,021	32,820
Structural ratios			
Loans to assets	68.4%	68.0%	65.6%
Loans to deposits	94.7%	97.5%	100.5%
Deposits to assets	72.2%	69.7%	65.3%
NPL ratio	4.66%	4.91%	6.20%
CAR	20.3%	20.3%	20.2%

Summary P&L

P&L evolution (TL mn)

	2017	1Q 2018	2Q 2018	1H 2018
Key P&L items				
Net interest income	1,359	288	334	622
Net fee & commission income	156	33	26	59
Net gain or loss on financial operations	-36	-19	26	7
<i>Interest on swaps</i>	-225	-16	-12	-29
Other Operating Income	14.0	9.1	4.5	13.6
Operating income	1,492	311	390	701
Operating expenses	-738	-145	-143	-288
Loan loss provisions	-353	-68	-134	-203
Profit before tax	401	97	113	210
Tax expenses	-81	-22	-25	-46
Net income	321	75	88	164
Key ratios				
Spread	3.8%	3.5%	4.1%	3.8%
+ Non Interest income / average assets	0.4%	0.3%	0.7%	0.5%
= Asset Utilization Ratio	4.2%	3.8%	4.8%	4.3%
- Cost to average assets	2.1%	1.8%	1.8%	1.7%
= Return on operations	2.1%	2.0%	3.0%	2.5%
- Provisions to average assets	1.0%	0.8%	1.7%	1.2%
= Cost of risk	1.4%	1.2%	2.5%	1.8%
x Loans to average assets	68.8%	68.2%	66.8%	67.0%
= ROAA before tax	1.1%	1.2%	1.4%	1.3%
- Tax cost	0.2%	0.3%	0.3%	0.3%
= ROAA	0.90%	0.93%	1.09%	0.99%
x Leverage	9.91	8.54	8.29	8.55
= ROAE	8.90%	7.92%	9.03%	8.49%
Cost to income	49.4%	46.7%	36.7%	41.1%

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