



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

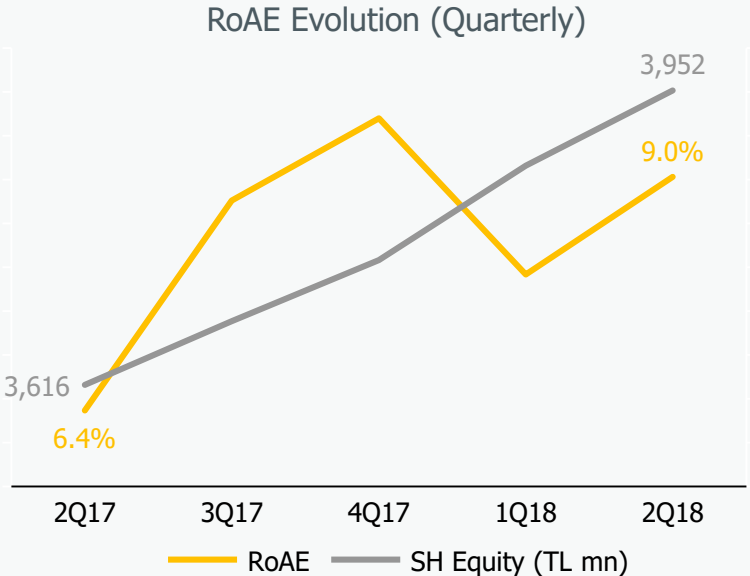
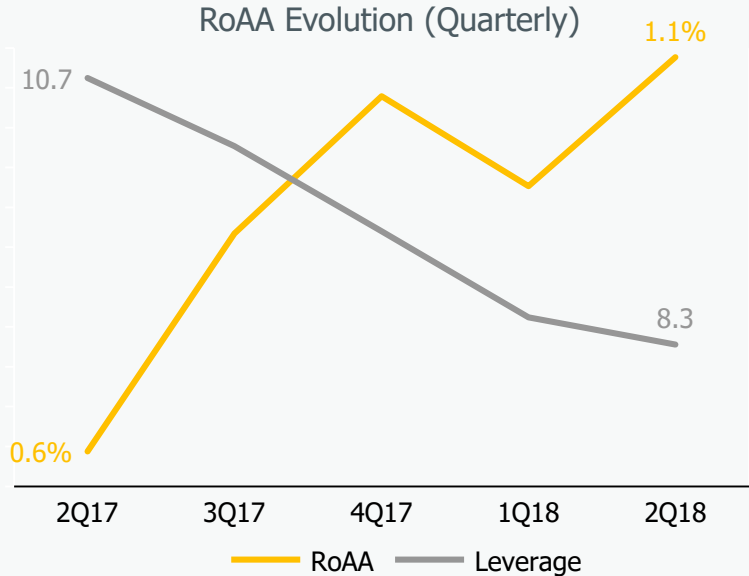
Liquid and self-funded profile

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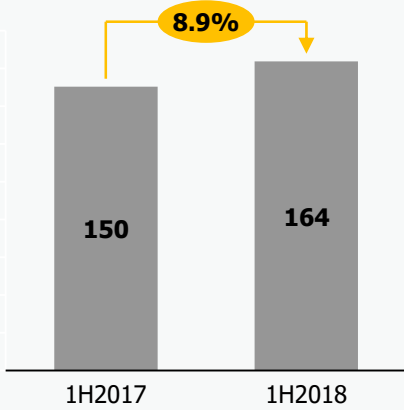
Note: All figures stated above are based on BRSA financials

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

Profitability metrics evolution

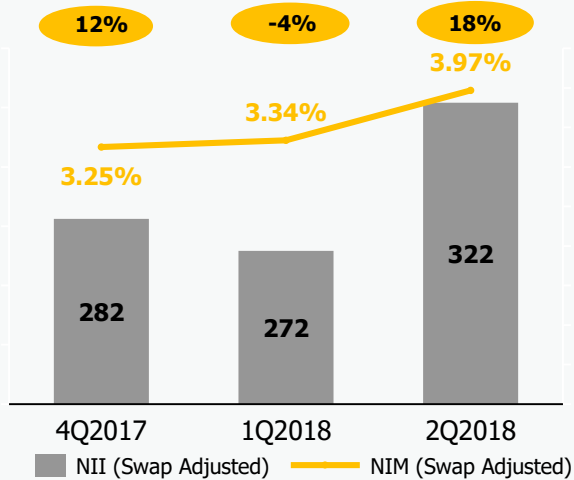


Net Income (TL mn)

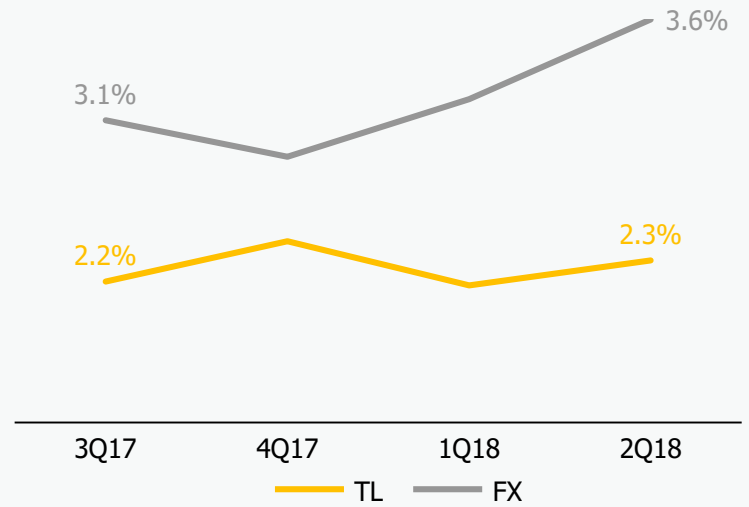


Realizations in core banking revenues

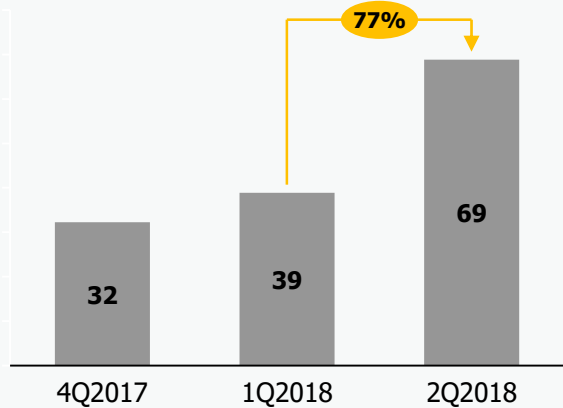
Net Interest Income (TL mn)



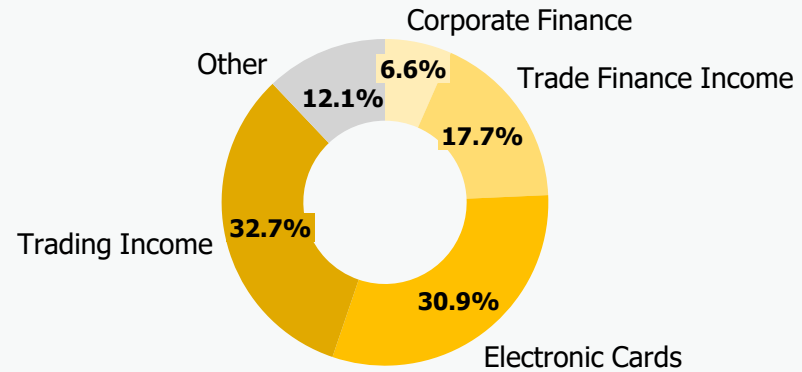
Loan-Deposit Spreads* (Quarterly)



Swap Adj. Non Interest Income (TL mn)



Non Interest Income Breakdown* (1H2018)

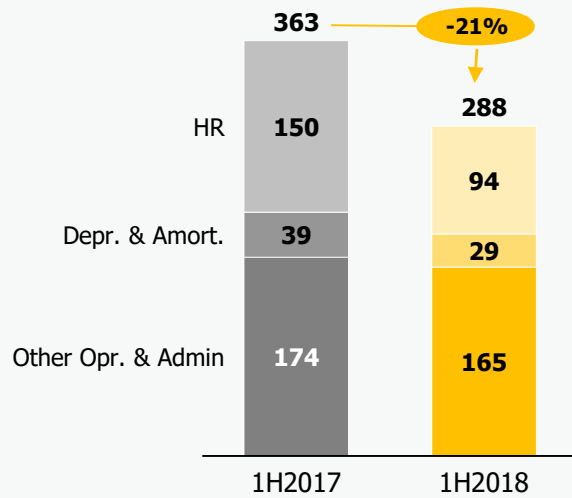


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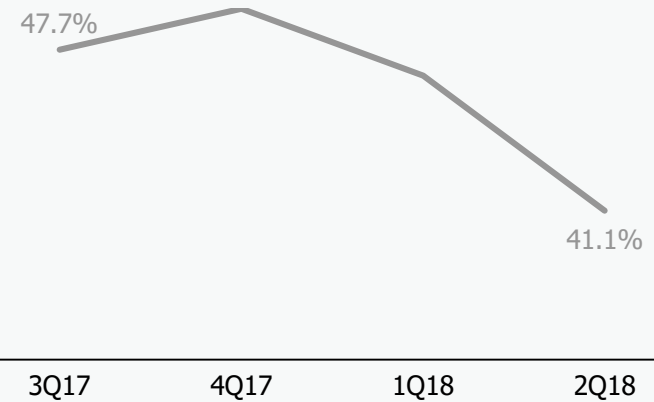
* Based on MIS data

Operational efficiency

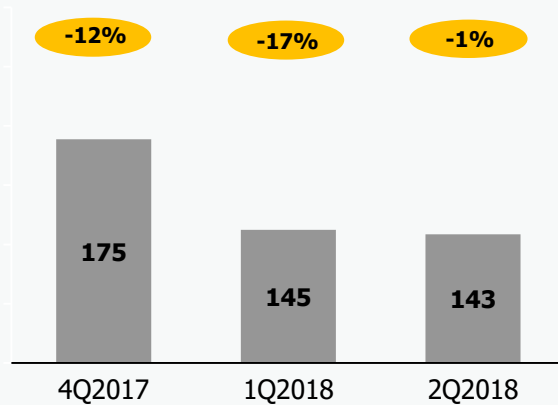
OPEX Breakdown (TL mn)



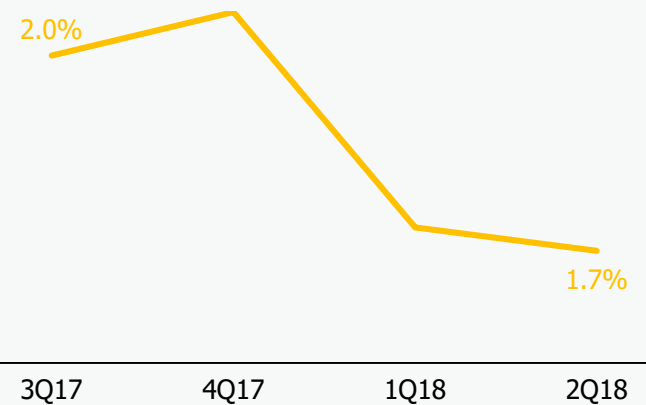
Cost to Income *



OPEX (TL mn)



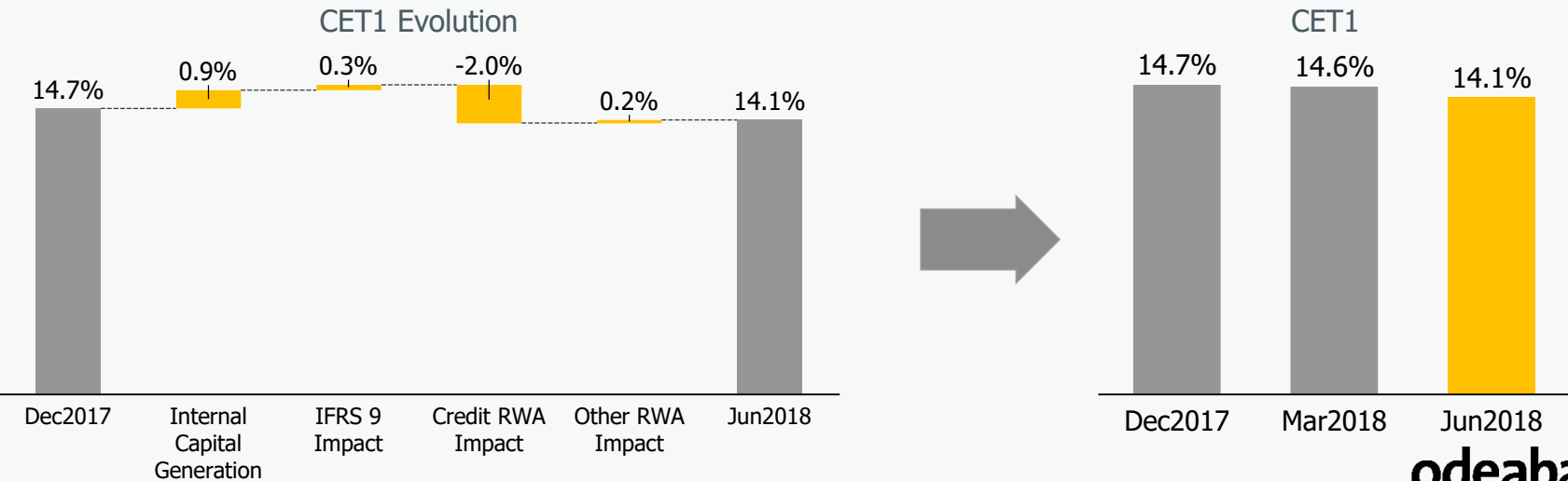
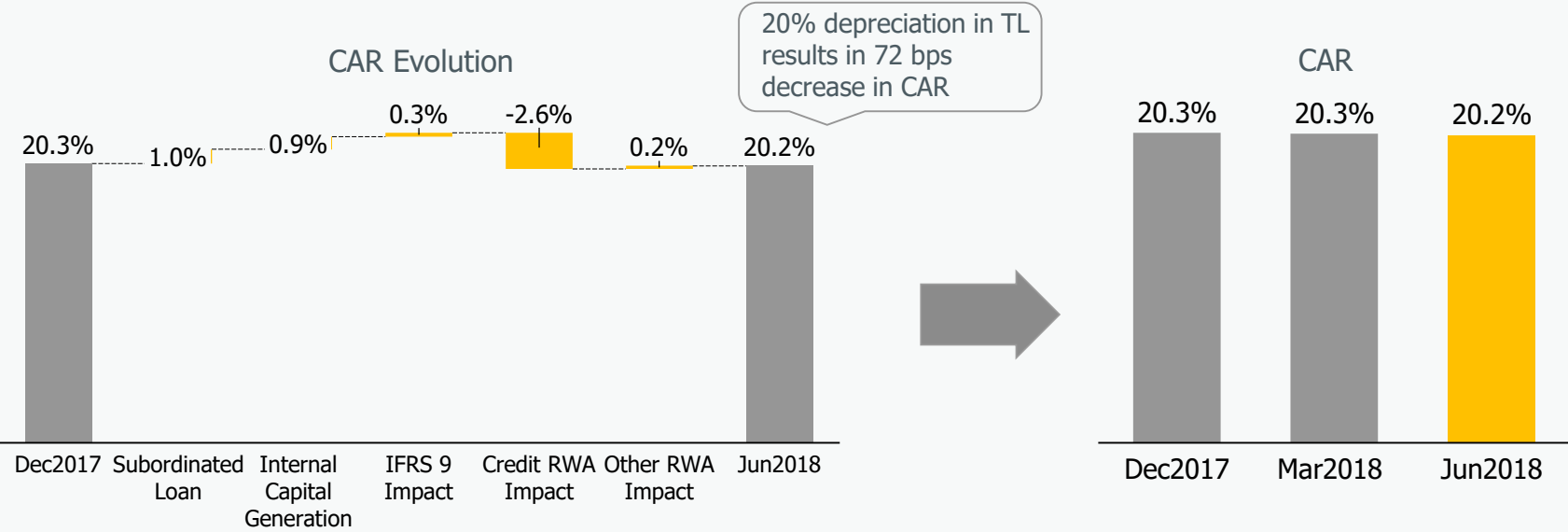
OPEX/ Avg. Assets*



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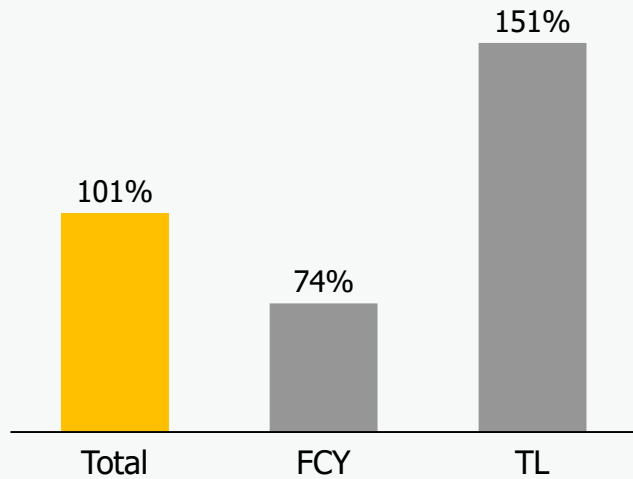
* Cost to income and OPEX/Avg. Assets ratios are computed using YtD figures.

Capital position overview

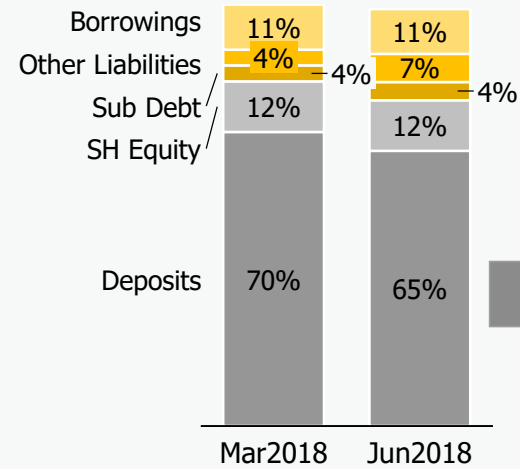


Liquidity and funding structure

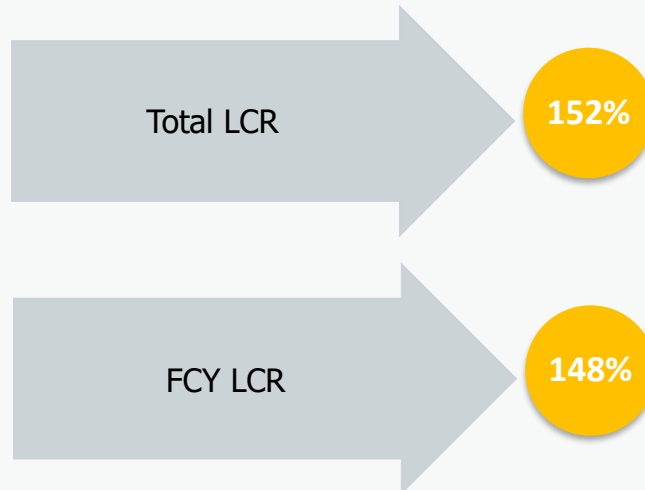
Loan/Deposit 2Q2018



Low reliance on wholesale funding



24.1% of deposits kept as primary liquidity*



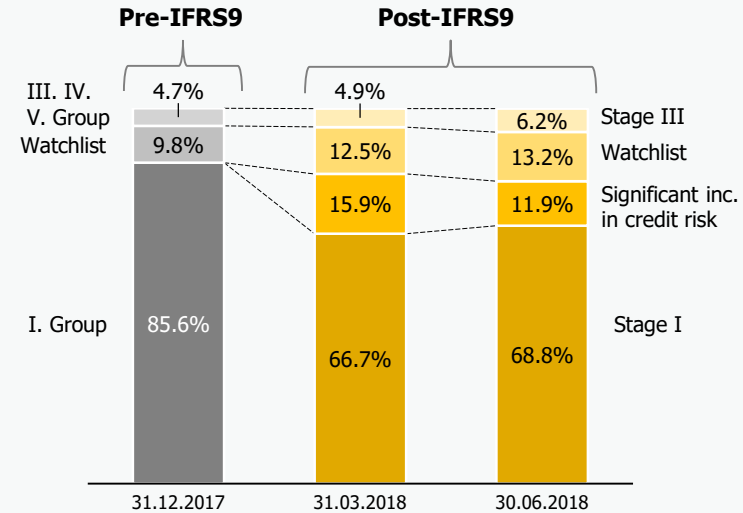
Notes: Loan/deposit ratio= Net loans/Deposits

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

IFRS 9 Transition Effects

Loan Portfolio Breakdown (TL mn)

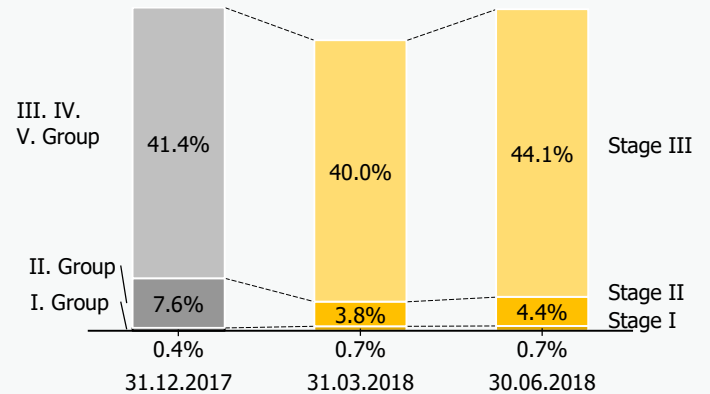
| | Pre-IFRS9 | | Post-IFRS9 | | |
|-------------------|---------------|---------------|---------------|-------------------------------------|----------|
| | 31.12.2017 | 31.03.2018 | 30.06.2018 | | |
| I. Group | 19,749 | 15,044 | 15,490 | Stage I | Stage II |
| | | 3,592 | 2,669 | Significant increase in credit risk | |
| II. Group | 2,253 | 2,824 | 2,965 | Watchlist | |
| 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 | |

Coverage Ratios



Balance Sheet Evolution

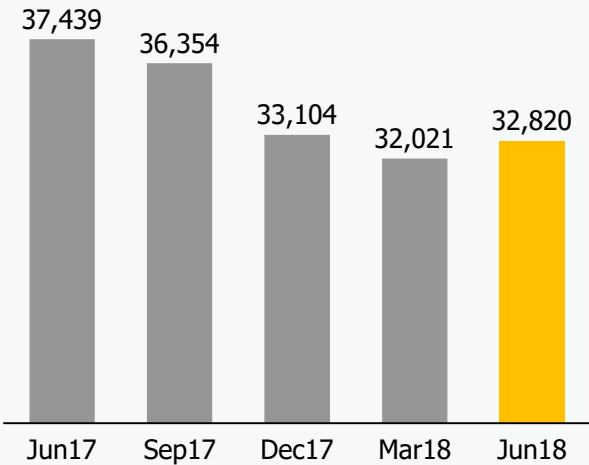
Composition of Loans and Deposits

Summary Balance Sheet

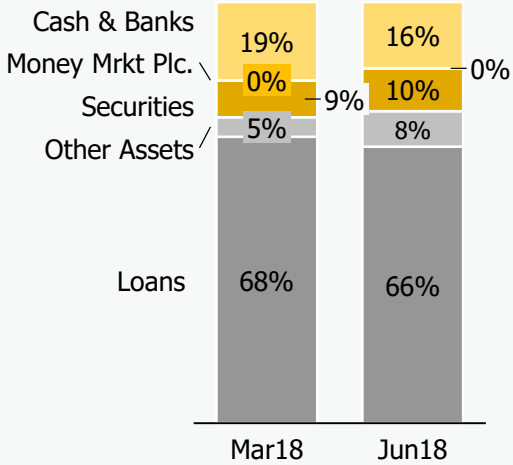
P&L Evolution and Key Ratios

Evolution of Assets and Liabilities

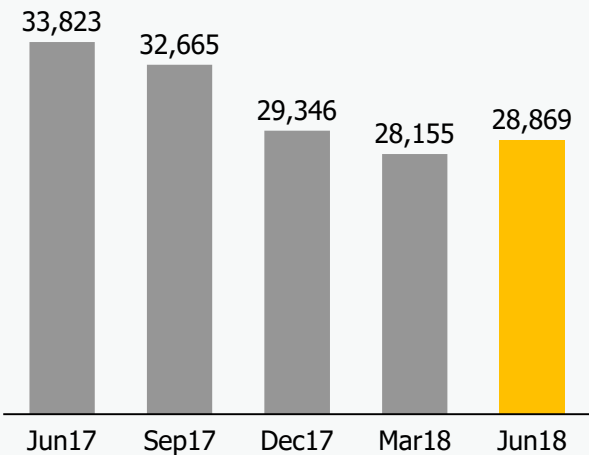
Assets



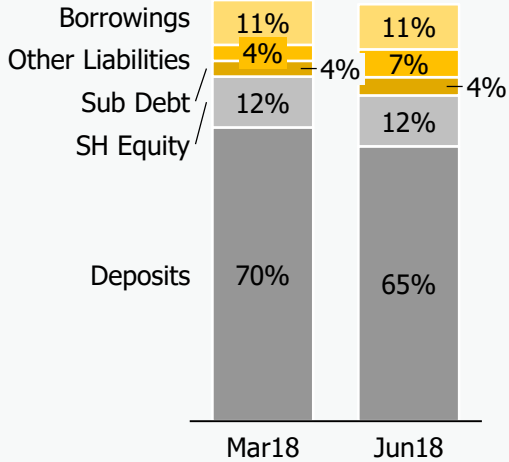
Assets segmentation



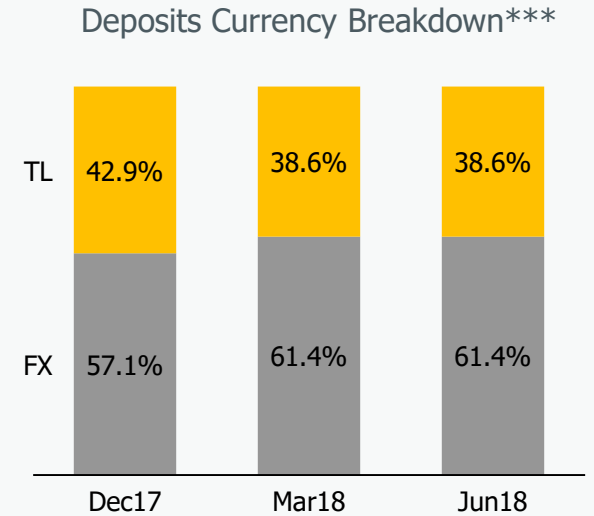
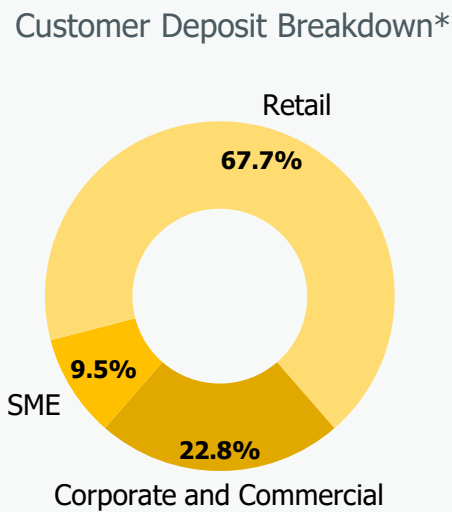
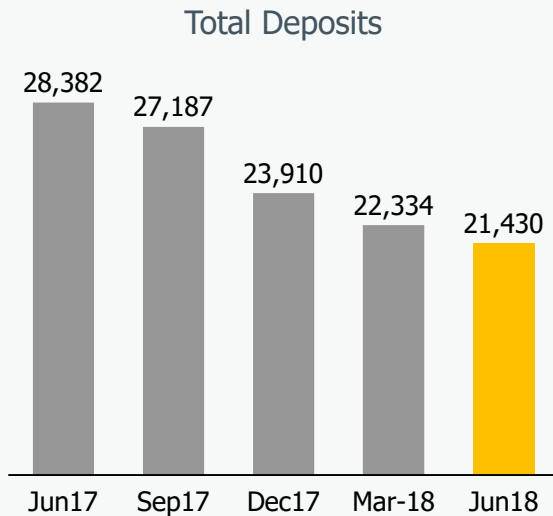
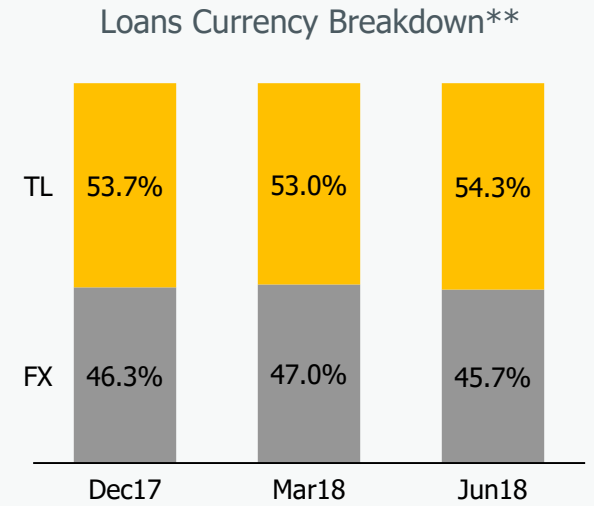
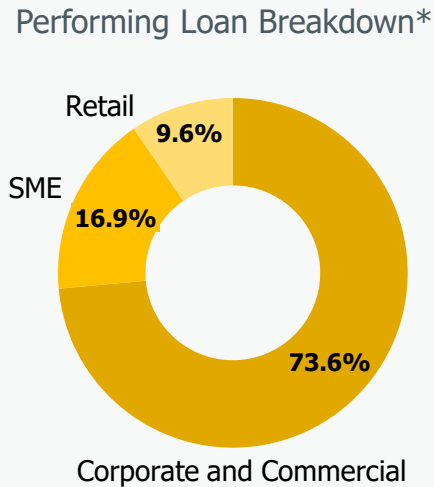
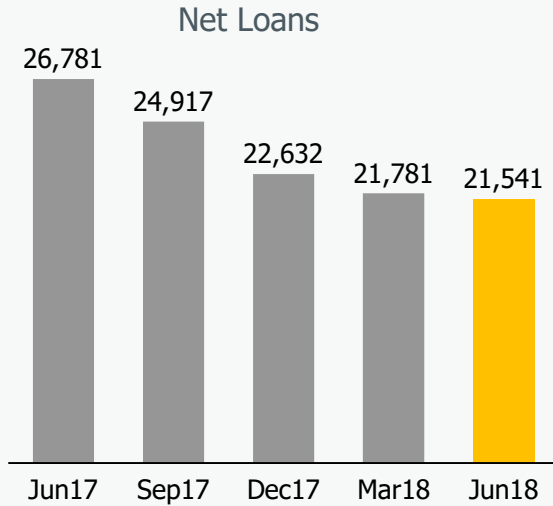
Liabilities



Liabilities & SHE segmentation



Composition of Loans and Deposits



* 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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