



Odeabank
Earnings Presentation
1Q 2018

1Q 2018 Highlights

Maintaining the self-funded balance sheet and strong liquidity position



97.5% Loan/Deposit ratio
26.7% Primary liquidity*/Deposit

Preserving the solid capital position enabling future growth



20.3% CAR
14.6% CET 1

Improving the core banking revenues



3.53% Quarterly interest spread vs 3.36% 4Q2017
3.34% Quarterly swap adj. NIM vs 3.25% 4Q2017

Sustaining efficiency and low cost business model



46.7% Cost to income vs 49.4% 4Q2017

Improving profitability metrics with ROAA



0.93% ROAA vs 0.90% 4Q2017

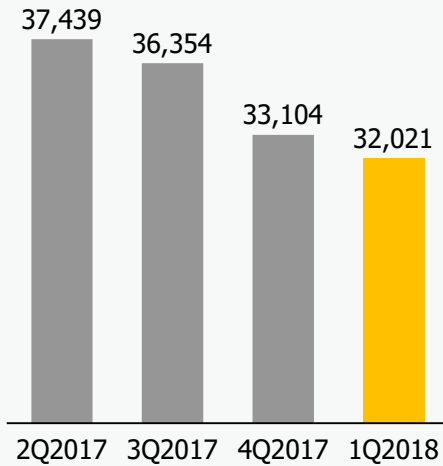
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Note: All figures in the presentation are based on BRSA financials

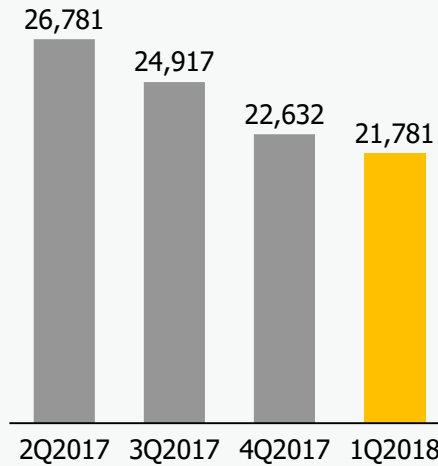
* Primary liquidity= Cash and balances with Central Bank + reverse repo + banks

Pursued its consolidation process that was launched in the second half of 2017

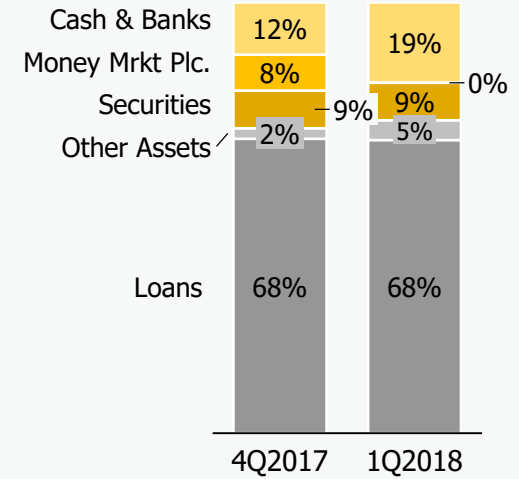
Assets



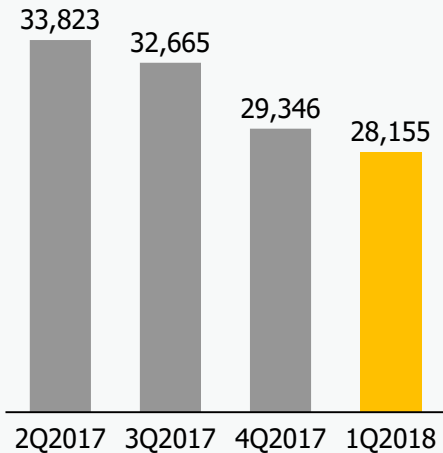
Net Loans



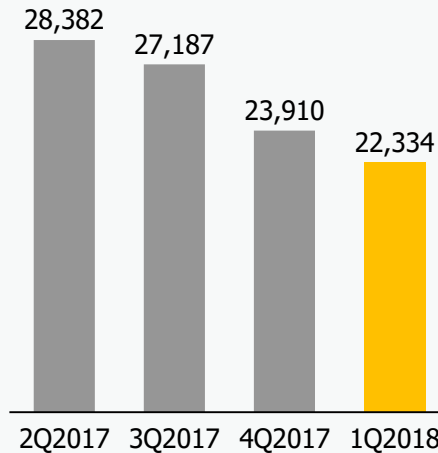
Assets segmentation



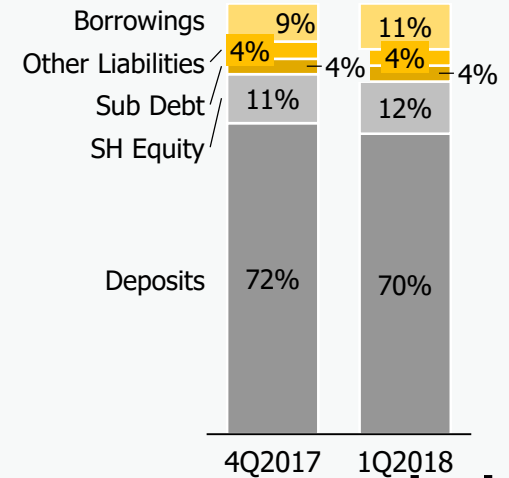
Liabilities



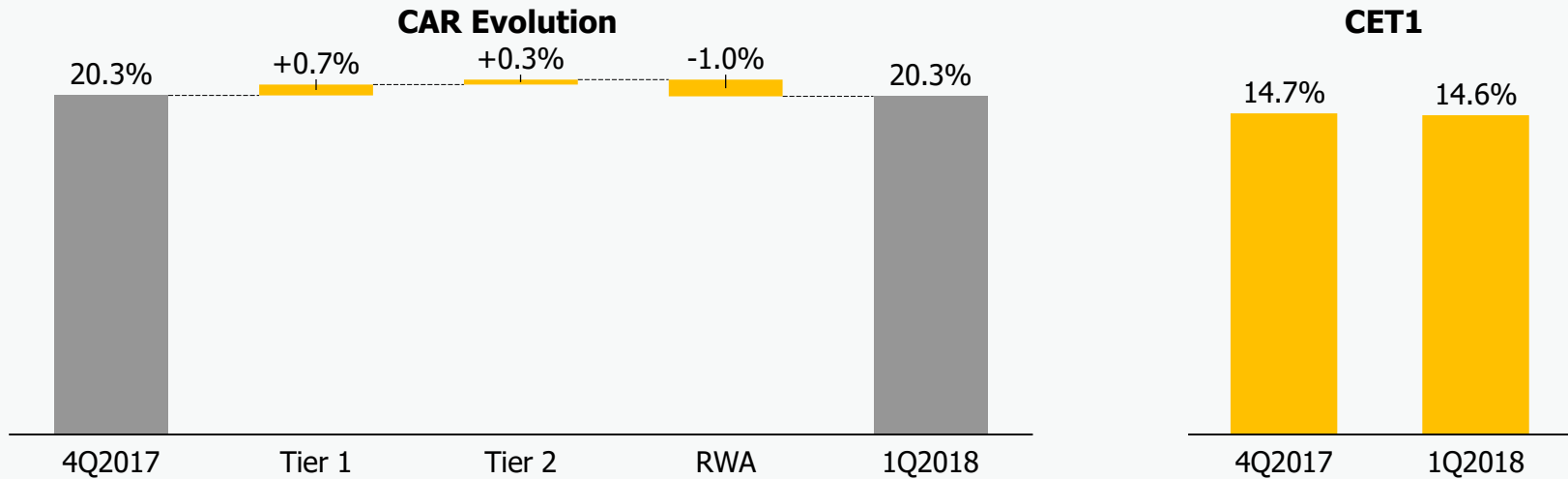
Total Deposits



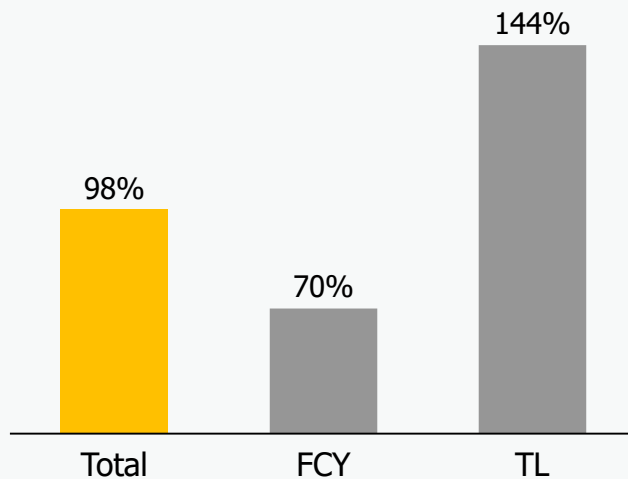
Liabilities & SHE segmentation



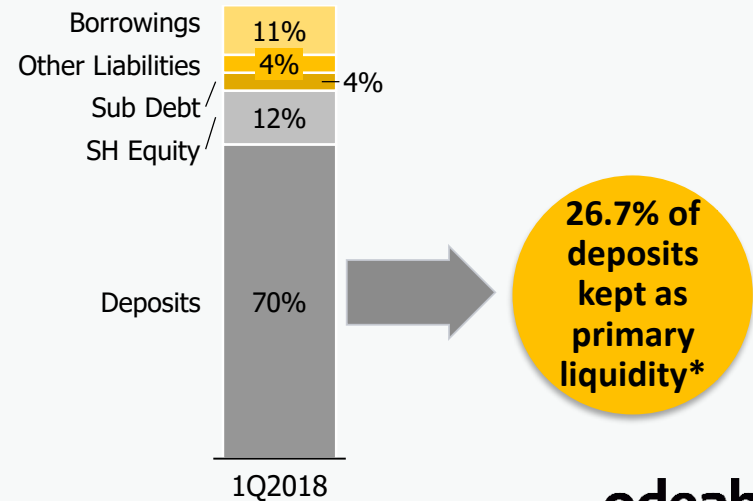
Keeping solid capital position with a liquid and self-funded balance sheet demonstrating one of the lowest L/D ratios in the banking sector



Loan/Deposit 1Q2018



Low reliance on wholesale funding



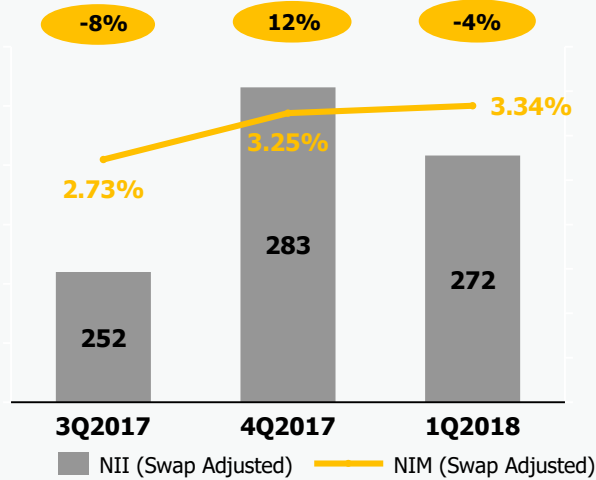
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Notes: Loan/deposit ratio= Net loans/Deposits

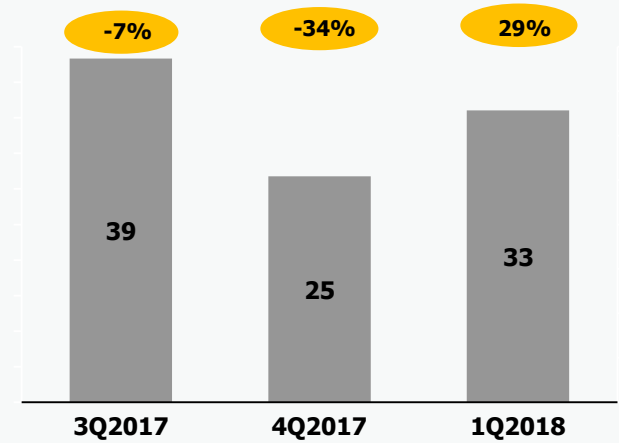
* Primary liquidity= Cash and balances with Central Bank + reverse repo + banks

Improving its core banking revenues and NIM

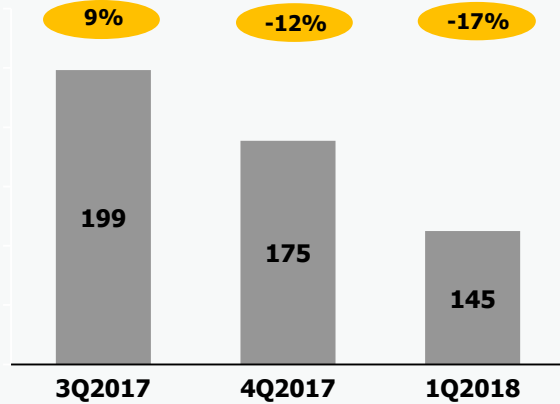
Net Interest Income (TL mn)



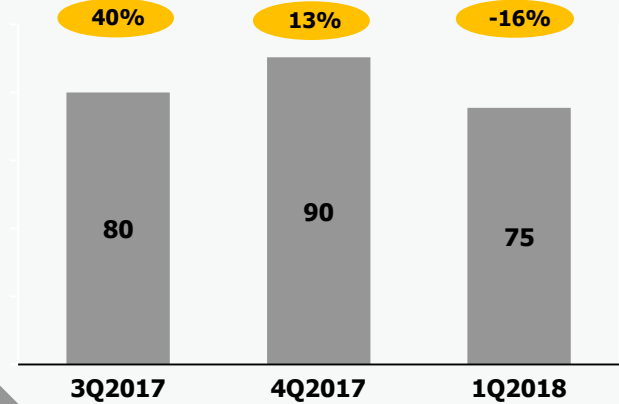
Net Fees and Commissions Income (TL mn)



OPEX (TL mn)



Net Income (TL mn)



Cost to Income*



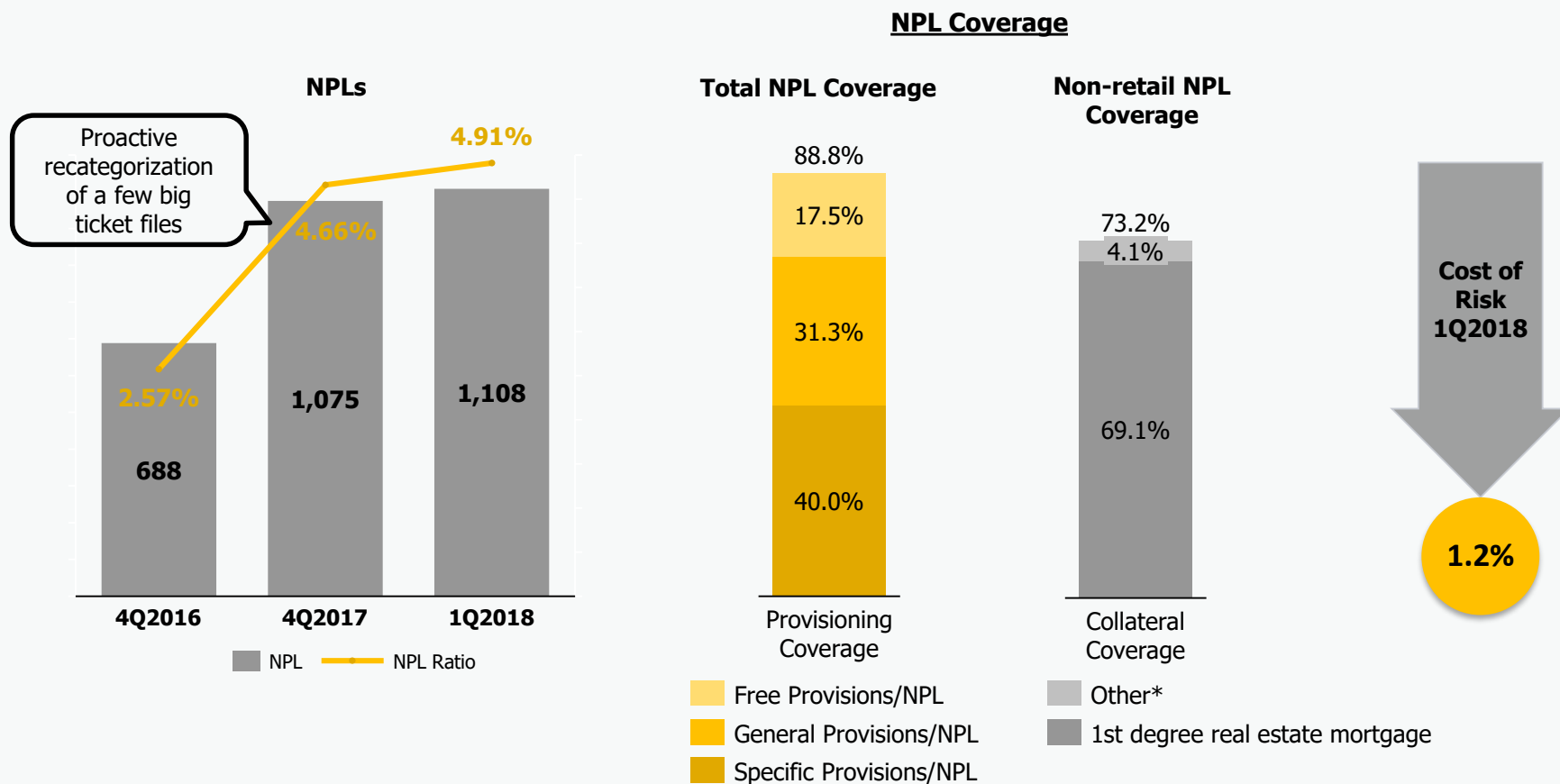
RoAA*



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* Cost to income and ROAA are computed using year to date figures.

Resilient cost of risk due to sound collateralization despite negative mechanical impact of the decline in loans on NPL ratio



- Increase in Odea’s NPL ratio has been mostly due to the decline in gross loans and proactive recategorization of a few big ticket files to NPL in 2Q 2017.
- Cost of risk is below the sector average thanks to strong collateralization.

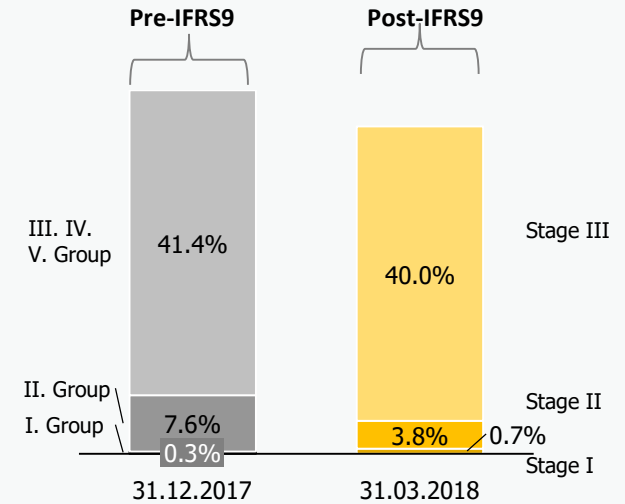
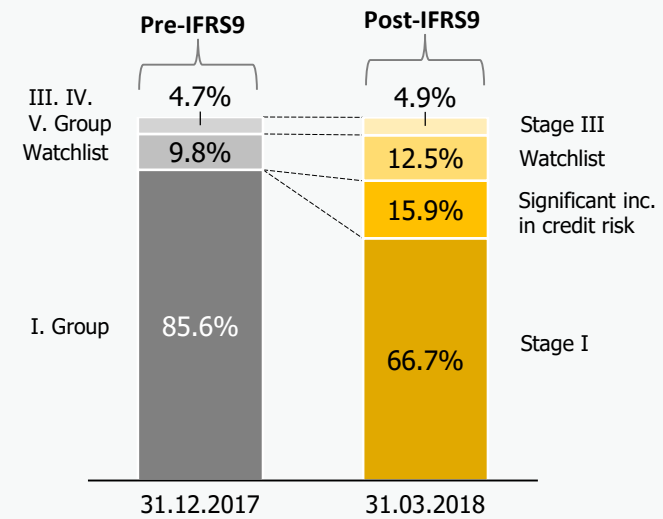
Notes: CoR = Specific, General and Free Loan Loss Provisions / Average Net Loans
 * Other collateral coverage includes cash, mortgages other than 1st degree and car pledges

IFRS 9 Transition Effects

	Pre-IFRS9	Post-IFRS9	
	31.12.2017	31.03.2018	
Cash Loans (TL mn)	23,077	22,568	Cash Loans (TL mn)
I. Group	19,749	15,044	Stage I
		3,592	Significant increase in credit risk
II. Watchlist	2,253	2,824	Watchlist
III. IV. V. Group	1,075	1,108	Stage III

Stage II

	Pre-IFRS9	Post-IFRS9	
	31.12.2017	31.03.2018	
Provisions (TL mn)			Allowance for ECL (TL mn)
I. Group	53	101	Stage I
II. Group	172	243	Stage II
III. IV. V. Group	446	443	Stage III



Summary balance sheet

Balance sheet evolution (TL mn)

	2015	2016	2017	1Q 2018
Assets				
Cash and balances with Central Banks	4,075	4,718	3,732	3,802
Banks and reverse repo	4,097	4,531	3,030	2,165
Securities	1,486	1,340	2,485	2,801
Net loans & advances to customers	21,807	26,448	22,632	21,781
Property & equipment	143	129	104	99
Intangible fixed assets	99	99	90	82
Tax assets	41	93	65	115
Other assets	335	921	968	1,174
Total assets	32,083	38,278	33,104	32,021
Liabilities				
Funds borrowed	3,133	3,665	2,943	3,414
Interbank money market	157	2	0	1
Deposits	25,333	29,254	23,910	22,334
Debt issued	155	0	0	0
Subordinated loans & similar debts	1,310	528	1,175	1,205
Other liabilities	647	1384	1318	1201
Total liabilities	30,736	34,835	29,346	28,155
Shareholders' equity	1,347	3,443	3,758	3,866
Total liabilities and Shareholders' equity	32,083	38,278	33,104	32,021
Structural ratios				
Loans to assets	68.0%	69.1%	68.4%	68.0%
Loans to deposits	86.1%	90.4%	94.7%	97.5%
Deposits to assets	79.0%	76.4%	72.2%	69.7%
NPL ratio	2.22%	2.57%	4.66%	4.91%
CAR	12.2%	15.0%	20.3%	20.3%

Summary P&L

P&L evolution (TL mn)

	FY 2015	FY 2016	FY 2017	1Q 2018
Key P&L items				
Net interest income	976	1,148	1,359	288
Net fee & commission income	99	108	156	33
Net gain or loss on financial operations	-216	182	-36	-19
<i>Interest on swaps</i>	-238	-169	-225	-16
Other Operating Income	6	14	14	9
Operating income	865	1,452	1,492	311
Operating expenses	-533	-657	-738	-145
Loan loss provisions	-259	-530	-353	-68
<i>o/w free provisions</i>	0	214	44	-30
Profit before tax	74	265	401	97
Tax expenses	-24	-64	-81	-22
Net income	50	200	321	75
Key ratios				
Spread	3.4%	3.3%	3.8%	3.5%
+ Non Interest income / average assets	-0.4%	0.9%	0.4%	0.3%
= Asset Utilization Ratio	3.0%	4.1%	4.2%	3.8%
- Cost to average assets	1.8%	1.9%	2.1%	1.8%
= Return on operations	1.2%	2.3%	2.1%	2.0%
- Provisions to average assets	0.9%	1.5%	1.0%	0.8%
= Cost of risk	1.3%	2.2%	1.4%	1.2%
x Loans to average assets	69.0%	68.6%	68.8%	68.2%
= ROAA before tax	0.3%	0.8%	1.1%	1.2%
- Tax cost	0.1%	0.2%	0.2%	0.3%
= ROAA	0.17%	0.57%	0.90%	0.93%
x Leverage	21.50	14.69	9.91	8.54
= ROAE	3.75%	8.36%	8.90%	7.92%
Cost to income	61.6%	45.2%	49.4%	46.7%

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