

# Hypotecni Banka

## Quarterly Results - 2Q2019

Hypotecni Banka made a net profit of CZK 601 mil in the second quarter of 2019, down 1.22% when compared to the previous year. Total revenues decreased 1.2% yoy to CZK 930 mil, ROE amounted to 5.60% and the NPL ratio stood at 1.11%. In the last three years, the bank grew its loans by 8.33% a year, revenues fell by 10.1% and net profit decreased by 10.5% a year, on average.

- ✓ Revenues decreased 1.2% yoy to CZK 930 mil in the second quarter of 2019. Interest income formed 89.8% of total revenues with the net interest margin decreasing 0.01 pp to 1.06% of total assets. Fees added a further 9.91% to total revenue generated in 2Q2019, down from an average of 11.3% as seen in the previous two years.
- ✓ Operating costs dropped by 1.37% yoy to CZK 221 mil, so cost to income ratio reached 23.8%, up by 20.6% compared to the previous two years. Staff accounted for 62.0% of total operating expenditures. At the end of second quarter of 2019, Hypotecni Banka operated a network of 30.0 branches and 493 employees.
- ✓ Loans and deposits grew by 1.95% and 90.7% qoq respectively, so loan to deposit ratio reached 113% at the end of 2Q2019. That's down from 114% the previous year. Equity reached 13.7% of assets and capital adequacy ratio amounted to 42.2% at the end of the second quarter of 2019.
- ✓ NPLs were 1.11% of total loans at the end of the quarter. Provisions covered 43.3% of non-performing loans
- ✓ When compared to selected peers, Hypotecni Banka was 13.6 pp less profitable in terms of ROE, achieved 15.6 pp better cost efficiency when measured by cost to income ratio and grew its loans by 1.15 pp slower based on a last year comparison.

**Sector:**  
Banking

**Country:**  
Czech Republic

**Employees:**  
493

**Clients:**  
N/A

**Branches:**  
30.0

**ATMs:**  
N/A

**Bank Cards:**  
N/A

**Capital Adequacy Ratio:**  
42.2%

**Tier 1 Ratio:**  
42.2%

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2019	930	-1.20	601	-1.22	5.60	23.8	113	13.7	1.11
2018	3,845	-13.4	2,354	-16.8	5.77	25.8	113	13.7	1.27
2017	4,439	-12.3	2,828	-11.8	7.69	22.1	114	13.7	1.66
2016	5,061	1.52	3,206	7.22	9.45	21.1	112	13.0	2.32
2015	4,985	-3.62	2,990	-2.86	9.31	17.5	114	14.2	3.12

Source: Company Data, Helgi Analytics

Data tells a story



## 1 Company Overview

Hypoteční Banka is the Czech Republic's largest mortgage lender with a market share of around 25%. Despite being a 100% subsidiary of ČSOB, Hypoteční has kept its distinctive brand name and relatively high level of independence. The numbers suggest that the bank possesses all the right ingredients for success; it is exposed to the fastest-growing area of banking (mortgage lending), it is extremely cost-efficient and its asset quality remains under good control. When adjusted for hefty overcapitalisation, Hypoteční Banka's ROE jumps to impressive 20's% being one of the most profitable banks on the Czech market in the last decade.

Hypotecni Banka has been growing its revenues and asset by 3.09% and 7.92% a year on average in the last 10 years. Its loans and deposits have grown by 9.08% and -20.0% a year during that time and loans to deposits ratio reached 113% at the end of 2Q2019. The company achieved an average return on equity of 9.12% in the last decade with net profit growing 6.88% a year on average. In terms of operating efficiency, its cost to income ratio reached 23.8% in 2Q2019, compared to 19.2% average in the last decade.

Equity represented 13.7% of total assets or 14.2% of loans at the end of 2Q2019. Hypotecni Banka's non-performing loans were 1.11% of total loans while provisions covered some 43.3% of NPLs at the end of the second quarter of 2019.

FINANCIALS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Net Interest Income	CZK mil	974	944	899	791	923	894	854	835
Total Revenues	CZK mil	1,109	1,053	1,017	941	950	937	965	930
Operating Profit	CZK mil	891	832	682	717	731	723	634	709
Net Profit	CZK mil	731	695	577	609	602	566	529	601
Customer Loans	CZK mil	274,884	280,409	283,391	288,729	294,002	299,439	299,996	305,860
Total Assets	CZK mil	283,315	288,314	292,986	297,348	302,335	308,765	311,496	316,813
Shareholders' Equity	CZK mil	38,659	39,391	39,748	41,064	41,719	42,203	42,713	43,283
Interbank Borrowing	CZK mil	3.00	0	0	0	0	2.00	0	0
Customer Deposits	CZK mil	399	400	431	324	181	57.0	29.4	56.1
Issued Debt Securities	CZK mil	242,612	247,011	250,814	253,943	258,187	264,165	265,806	270,734

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	7.65	7.13	5.83	6.03	5.81	5.40	4.98	5.60
Costs (As % Of Income)	%	19.6	21.0	33.0	23.8	23.1	22.8	34.3	23.8
Net Interest Margin	%	1.39	1.32	1.24	1.07	1.23	1.17	1.10	1.06
Equity (As % Of Assets)	%	13.6	13.7	13.6	13.8	13.8	13.7	13.7	13.7
Loans (As % Of Deposits)	%	113	114	113	114	114	113	113	113
Loans (As % Assets)	%	97.0	97.3	96.7	97.1	97.2	97.0	96.3	96.5
NPLs (As % Of Loans)	%	1.80	1.65	1.56	1.44	1.36	1.27	1.20	1.11
Provisions (As % Of NPLs)	%	42.5	41.6	45.3	44.5	45.3	43.0	43.5	43.3

Source: Company Data, Helgi Analytics



## 2 Revenues & Costs

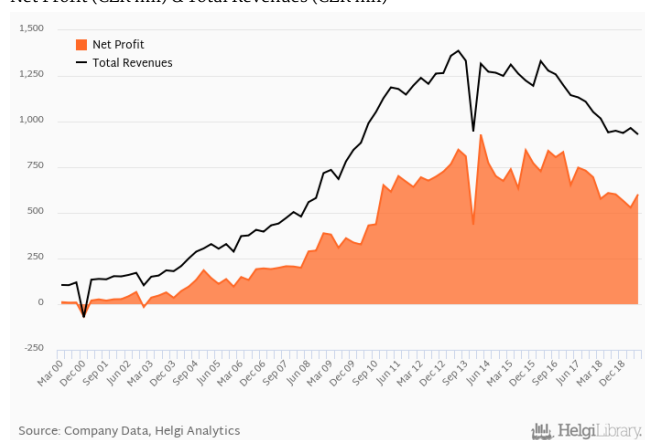
### 2.1 Revenues

Hypotecni Banka generated total operating revenues of CZK 930 mil in the second quarter of 2019, down 1.2% compared to the same period of the previous year. Net interest income represented 89.8% of revenues, fee income contributed 9.91% and other non-interest income added further 0.312% to the overall revenue generated.

Over the previous three years, revenues fell by 10.1% a year on average.

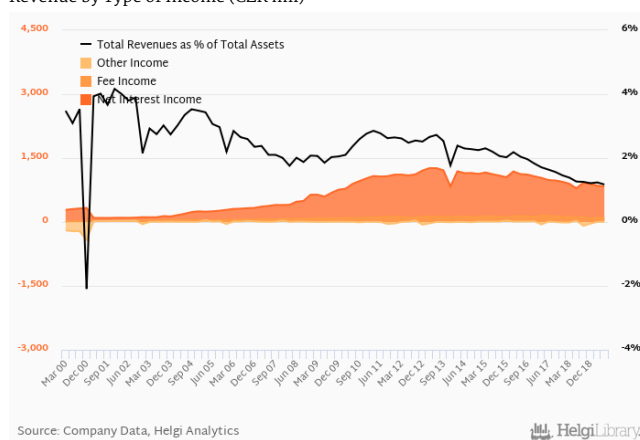
#### Revenue & Profitability

Net Profit (CZK mil) & Total Revenues (CZK mil)



#### Revenue Breakdown

Revenue by Type of Income (CZK mil)



Net interest margin amounted to 1.06% in the second quarter of 2019, down from the 1.07% of the previous year. Historically, Hypotecni Banka's net interest margin reached a high of 2.99% in 3Q2004 and a low of 1.06% in 2Q2019.

Average asset yield was 2.52% in the second quarter of 2019 (up from 2.26%) while cost of funding amounted to 1.69% in 2Q2019 (up from 1.37%).

NET INTEREST MARGIN									
NAME	COUNTRY	Total Assets (CZK mil)	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
CSOB	Czechia	1,682,650	1.71	1.72	1.62	1.76	2.00	2.05	1.89
Ceska Sporitelna	Czechia	1,504,530	2.04	1.99	1.93	1.99	2.16	1.99	1.96
Komerční Banka	Czechia	1,185,990	2.10	2.07	2.00	2.06	2.20	2.15	2.02
UniCredit Czech Republic	Czechia	855,348	1.52	1.66	1.60	1.69	1.88	1.73	1.50
Raiffeisenbank Czech Republic	Czechia	369,654	1.81	2.06	2.01	2.10	2.24	2.35	2.35
PPF Banka	Czechia	212,055	1.22	1.40	1.49	1.63	2.09	1.84	1.81
MONETA Money Bank	Czechia	211,951	3.90	3.74	3.84	4.00	4.02	3.79	3.76
Fio banka	Czechia	150,932	0.765	0.563	0.838	1.19	1.53	1.51	1.55
Ceskomoravská Stavební Sporitelna	Czechia	148,769	1.40	1.33	1.30	1.32	1.37	1.44	1.44
Hypotecni Banka	Czechia	316,813	1.32	1.24	1.07	1.23	1.17	1.10	1.06
Weighted Average			1.84	1.85	1.79	1.89	2.07	2.01	1.91
Median			1.61	1.69	1.61	1.72	2.05	1.92	1.85

Source: Company Data, Helgi Analytics



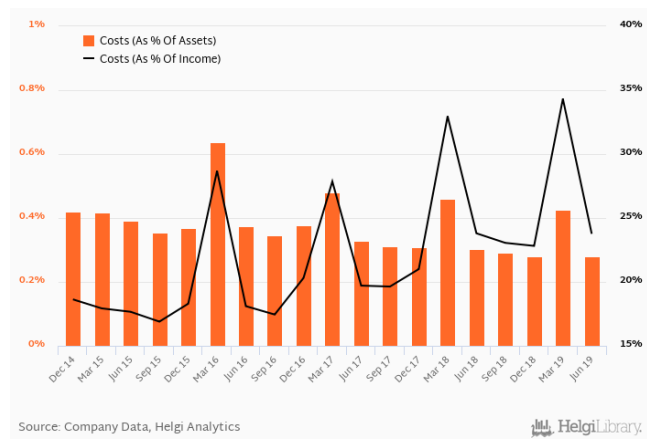
## 2.2 Costs

Operating costs decreased by 1.37% yoy to CZK 221 mil in the second quarter of 2019. Hypotecni Banka's cost to income ratio therefore reached 23.8%, down from 23.8% when compared to the previous year.

Historically, operating costs reached a high of 77.0% of income in 4Q2002 and a low of -93.3% in 4Q2000:

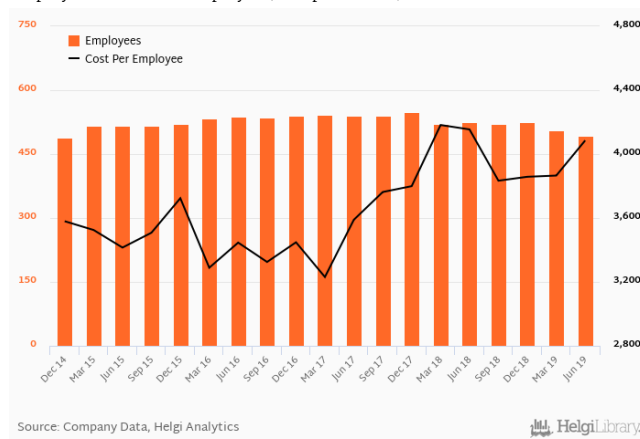
### Cost Efficiency

Costs As % Of Assets & Income



### Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, Hypotecni Banka operated with a 15.6 pp lower cost to income ratio in the second quarter of 2019:

COSTS (AS % OF INCOME)								
NAME	COUNTRY	Total Assets (CZK mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
CSOB	Czechia	1,682,650	48.5	49.3	47.0	46.9	47.7	38.8
Ceska Sporitelna	Czechia	1,504,530	48.9	49.4	45.0	44.6	47.3	44.2
Komerční Banka	Czechia	1,185,990	53.6	45.2	41.0	42.7	52.6	42.9
UniCredit Czech Republic	Czechia	855,348	50.2	35.3	33.6	35.4	46.0	31.7
Raiffeisenbank Czech Republic	Czechia	369,654	64.3	50.1	49.3	52.6	62.2	49.3
PPF Banka	Czechia	212,055	16.5	20.7	40.8	30.4	25.4	28.5
MONETA Money Bank	Czechia	211,951	52.6	46.8	39.7	52.6	52.4	46.3
Fio banka	Czechia	150,932	42.0	33.8	28.5	27.8	30.2	18.9
Ceskomoravská Stavební Sporitelna	Czechia	148,769	53.9	48.1	45.9	55.4	59.4	46.5
<b>Hypotecni Banka</b>	Czechia	<b>316,813</b>	<b>33.0</b>	<b>23.8</b>	<b>23.1</b>	<b>22.8</b>	<b>34.3</b>	<b>23.8</b>
Weighted Average			49.0	44.2	41.9	42.7	47.7	39.3
Median			49.6	46.0	40.9	43.7	47.5	40.8

Source: Company Data, Helgi Analytics

When compared to total assets, operating costs amounted to 0.281% in 2Q2019 down from 0.304% the previous year.

Hypotecni Banka had 493 employees in the second quarter of 2019, down by 6.1% when compared to the previous year. The company operated a network of 30.0 branches in 2Q2019.



The average cost per employee stood at USD 4,085 per month, 1.66% below the previous year. This figure was USD 4,389 per month five years earlier.

Staff accounted for 62.0% of total operating expenditures in 2Q2019.

STAFF COST (AS % OF TOTAL COST)								
NAME	COUNTRY	Total Assets (CZK mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
CSOB	Czechia	1,682,650	45.0	49.9	52.0	49.4	43.0	51.1
Ceska Sporitelna	Czechia	1,504,530	49.4	53.1	54.5	51.5	50.8	54.3
Komerční Banka	Czechia	1,185,990	45.5	60.9	56.5	52.4	45.5	55.0
UniCredit Czech Republic	Czechia	855,348	32.0	47.5	51.4	44.7	35.1	53.7
Raiffeisenbank Czech Republic	Czechia	369,654	43.9	55.6	55.6	53.1	42.0	57.8
PPF Banka	Czechia	212,055	46.2	45.7	31.4	39.0	48.6	37.2
MONETA Money Bank	Czechia	211,951	47.3	51.9	52.1	41.9	40.9	47.4
Fio banka	Czechia	150,932	5.92	6.84	6.22	5.76	6.41	8.91
Ceskomoravská Stavební Sporitelna	Czechia	148,769	33.8	43.2	42.9	38.6	30.6	41.2
Hypotecní Banka	Czechia	316,813	40.8	62.8	60.5	63.2	40.3	62.0
Weighted Average			43.1	52.0	52.0	48.9	43.0	52.0
Median			44.4	50.9	52.1	47.0	41.5	52.4

Source: Company Data, Helgi Analytics



### 3 Balance Sheet Growth, Capital, Funding & Asset Quality

#### 3.1 Balance Sheet Growth

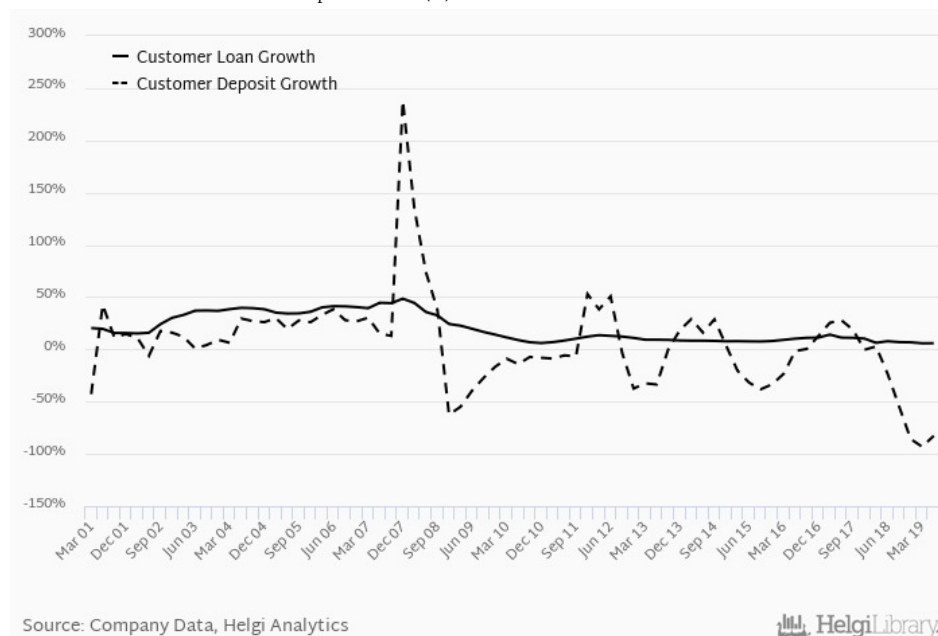
Hypotecni Banka's customer loans grew 1.95% qoq and 5.93% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 90.7% qoq and -82.7% yoy. That's compared to average of 9.07% and -21.0% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 8.33% while deposit growth reached -44.6% on average a year.

At the end of second quarter of 2019, Hypotecni Banka's loans accounted for 113% of total deposits and 96.5% of total assets.

#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



LOANS (AS % OF DEPOSITS)								
NAME	COUNTRY	Total Assets (CZK mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
CSOB	Czechia	1,682,650	74.9	75.6	75.9	87.1	83.2	83.2
Ceska Sporitelna	Czechia	1,504,530	73.7	75.8	75.9	72.0	72.0	69.7
Komerční Banka	Czechia	1,185,990	73.7	73.6	72.6	76.7	73.0	71.1
UniCredit Czech Republic	Czechia	855,348	107	108	92.8	92.4	66.5	64.9
Raiffeisenbank Czech Republic	Czechia	369,654	66.6	69.2	68.7	67.7	71.2	69.6
PPF Banka	Czechia	212,055	17.9	21.2	21.4	25.9	22.5	19.0
MONETA Money Bank	Czechia	211,951	87.0	90.3	90.9	83.0	84.6	84.6
Fio banka	Czechia	150,932	11.8	11.3	13.1	12.6	11.5	11.7
Ceskomoravská Stavební Sporitelna	Czechia	148,769	82.2	82.8	83.9	83.0	84.5	84.7
Hypotecni Banka	Czechia	316,813	113	114	114	113	113	113
Weighted Average			77.2	78.4	76.4	78.8	73.9	72.7
Median			74.3	75.7	75.9	79.8	72.5	70.4

Source: Company Data, Helgi Analytics

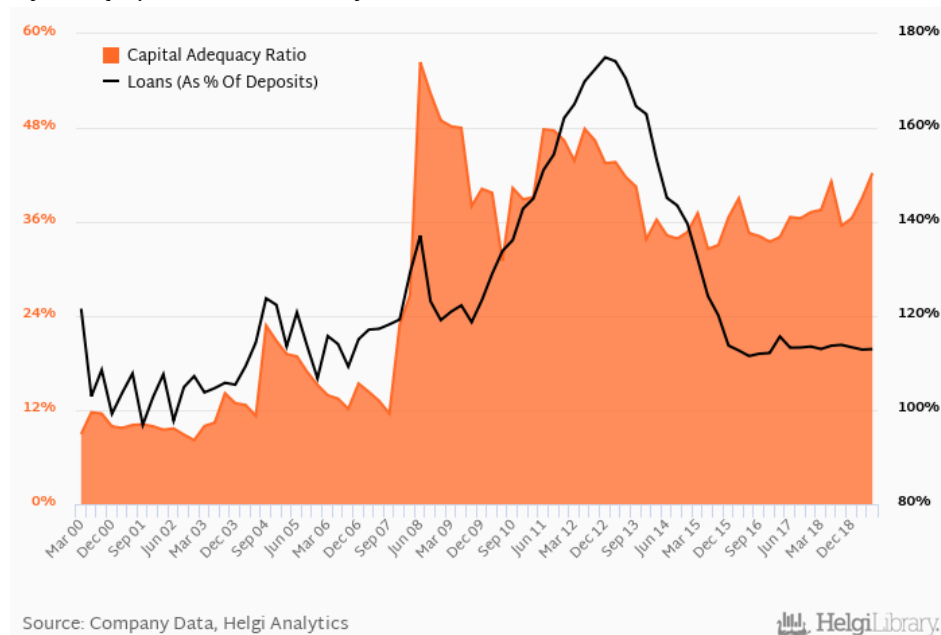


### 3.2 Capital & Liquidity

Hypotecni Banka's capital adequacy ratio reached 42.2% in the second quarter of 2019, up from 41.2% for the previous year. The Tier 1 ratio amounted to 42.2% at the end of the second quarter of 2019:

#### Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Hypotecni Banka's capital is above average compared to its peers when measured by the capital adequacy ratio:

CAPITAL ADEQUACY RATIO								
NAME	COUNTRY	Total Assets (CZK mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
CSOB	Czechia	1,682,650	17.9	17.5	17.3	18.0	19.0	18.7
Ceska Sporitelna	Czechia	1,504,530	17.8	17.3	17.6	19.2	18.8	20.6
Komerční Banka	Czechia	1,185,990	18.3	18.1	18.4	18.5	18.9	19.0
UniCredit Czech Republic	Czechia	855,348	19.1	18.6	18.3	20.3	19.7	18.4
Raiffeisenbank Czech Republic	Czechia	369,654	16.6	16.4	16.3	16.9	16.4	17.2
PPF Banka	Czechia	212,055	15.6	16.3	15.9	16.3	16.1	16.6
MONETA Money Bank	Czechia	211,951	16.6	16.0	16.6	16.4	17.0	16.7
Fio banka	Czechia	150,932	12.5	14.8	14.9	15.3	16.2	15.0
Ceskomoravská Stavební Sporitelna	Czechia	148,769	14.7	15.7	15.5	17.5	18.5	22.7
Hypotecni Banka	Czechia	316,813	37.5	41.2	35.5	36.5	39.1	42.2
Weighted Average			18.7	18.6	18.3	19.3	19.6	20.1
Median			17.2	16.8	17.0	17.7	18.6	18.5

Source: Company Data, Helgi Analytics

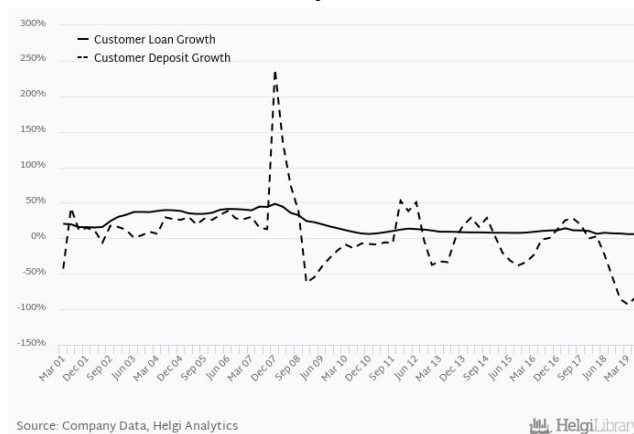


### 3.3 Loan Breakdown

Hypotecni Banka's loans reached CZK 305,860 mil in the second quarter of 2019, up 5.93% when compared to the same period of the previous year:

#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)

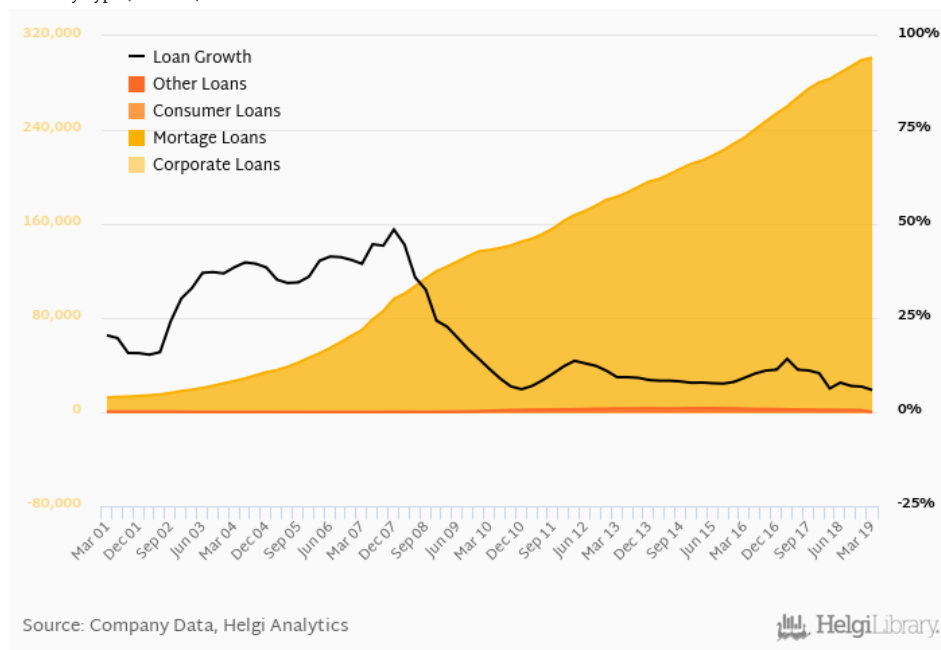


Retail loans grew 1.92% qoq and 6.39% yoy and accounted for 100% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 8.48% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 100% of the Hypotecni Banka's loan book, consumer loans added a further 0% and corporate loans formed 0.049% of total loans.

#### Loan Breakdown

Loans by Type (CZK mil)







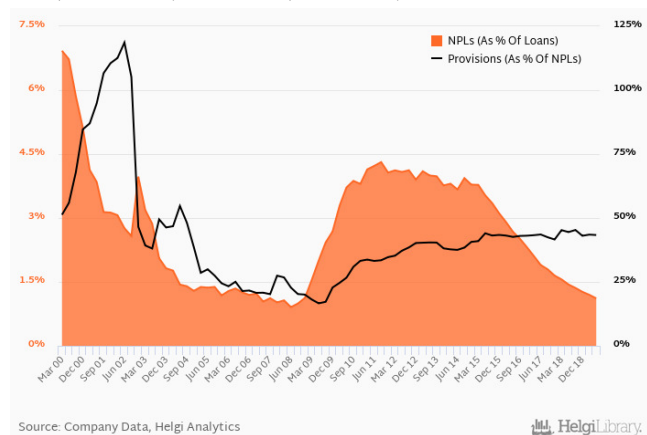
### 3.4 Asset Quality

Hypotecni Banka's non-performing loans were 1.11% of total loans, down from 1.20% when compared to the previous quarter. Historically, the NPL ratio hit a high of 6.92% in 1Q2000 and a low 0.908% in 2Q2008.

Provisions covered some 43.3% of NPLs at the end of the second quarter of 2019, down from 43.5% for the previous three months:

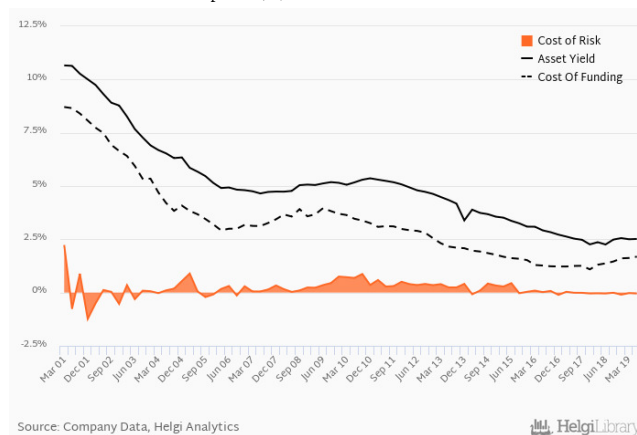
#### Asset Quality

NPLs (As % Of Loans) & Provisions (As % Of NPLs)



#### Cost of Risk

Cost of Risk vs. Interest Spread (%)



Hypotecni Banka operated with an NPL ratio 1.48 pp lower than the market average at the end of the second quarter of 2019:

NPLS (AS % OF LOANS)								
NAME	COUNTRY	Total Assets (CZK mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
CSOB	Czechia	1,682,650	2.02	2.88	3.05	3.06	2.92	2.39
Ceska Sporitelna	Czechia	1,504,530	2.00	2.10	1.90	1.80	1.80	1.80
Komerční Banka	Czechia	1,185,990	2.85	2.73	2.77	2.71	2.50	2.30
UniCredit Czech Republic	Czechia	855,348	3.22	3.06	2.78	2.67	2.63	2.51
Raiffeisenbank Czech Republic	Czechia	369,654	2.67	2.40	2.41	2.22	2.21	1.95
PPF Banka	Czechia	212,055	6.63	7.48	7.60	12.9	11.3	9.62
MONETA Money Bank	Czechia	211,951	3.70	3.30	3.00	2.80	2.00	1.80
Fio banka	Czechia	150,932	4.48	5.11	4.21	5.59	9.99	10.2
Ceskomoravská Stavební Sporitelna	Czechia	148,769	2.18	4.72	4.59	4.46	4.38	3.95
<b>Hypotecni Banka</b>	Czechia	<b>316,813</b>	<b>1.56</b>	<b>1.44</b>	<b>1.36</b>	<b>1.27</b>	<b>1.20</b>	<b>1.11</b>
Weighted Average			2.59	2.86	2.79	2.92	2.86	2.59
Median			2.76	2.97	2.89	2.76	2.57	2.34

Source: Company Data, Helgi Analytics

Hypotecni Banka's cost of risk reached -0.044% of average loans in the second quarter of 2019, down from -0.025% in the previous quarter and compared to -0.044% for the previous year on average.



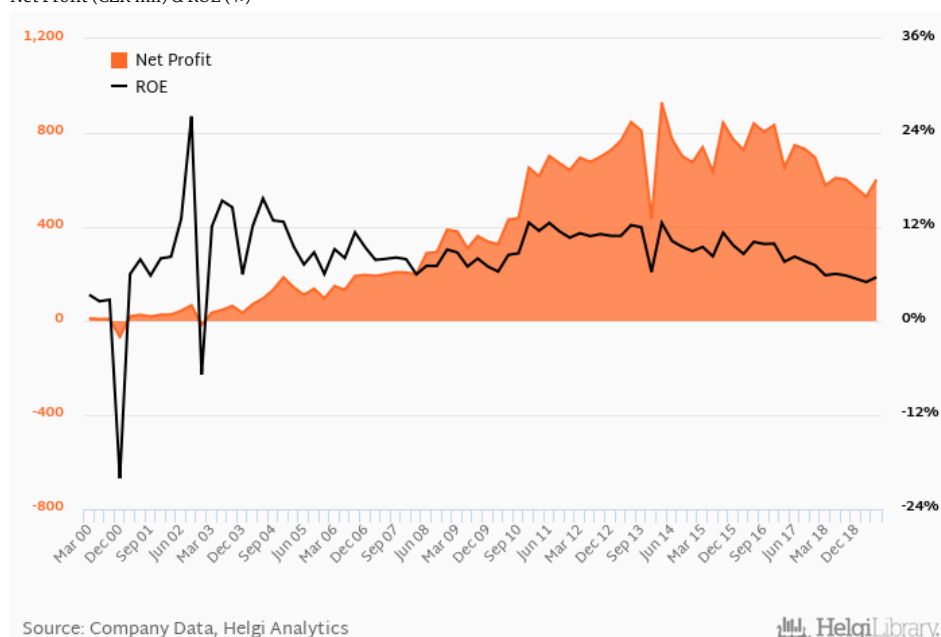
## 4 Profitability

Overall, Hypotecni Banka made a net profit of CZK 601 mil in the second quarter of 2019. This was down 1.22% when compared to the previous year resulting in a return on equity of 5.60%.

Historically, net profit reached a high of CZK 928 mil in 1Q2014 and a low of CZK -67.5 mil in 4Q2000.

### Profitability

Net Profit (CZK mil) & ROE (%)



The company generated an average return on equity of 6.99% for its shareholders in the previous three years with maximum at 9.87% and minimum at 4.98%.

ROE								
NAME	COUNTRY	Total Assets (CZK mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
CSOB	Czechia	1,682,650	17.1	15.6	18.7	18.8	20.5	26.1
Ceska Sporitelna	Czechia	1,504,530	13.3	12.8	13.7	11.7	12.6	14.9
Komerční Banka	Czechia	1,185,990	11.9	15.3	17.3	15.3	12.1	15.6
UniCredit Czech Republic	Czechia	855,348	10.2	12.0	13.8	15.1	10.4	14.6
Raiffeisenbank Czech Republic	Czechia	369,654	9.36	14.8	14.8	9.70	12.2	25.4
PPF Banka	Czechia	212,055	28.8	24.2	12.3	16.9	16.2	17.9
MONETA Money Bank	Czechia	211,951	18.0	15.3	20.9	13.5	15.3	16.4
Fio banka	Czechia	150,932	51.7	55.9	41.8	45.3	42.2	66.1
Ceskomoravská Stavební Sporitelna	Czechia	148,769	12.1	12.1	8.08	8.04	8.79	12.4
Hypotecni Banka	Czechia	316,813	5.83	6.03	5.81	5.40	4.98	5.60
Weighted Average			14.5	15.0	16.0	15.1	14.6	19.2
Median			12.7	15.1	14.3	14.3	12.4	16.0

Source: Company Data, Helgi Analytics

When compared to total assets, Hypotecni Banka generated a return of 0.766% in the second quarter of 2019 (ROA). That's 0.314 pp below average for the previous five



years.

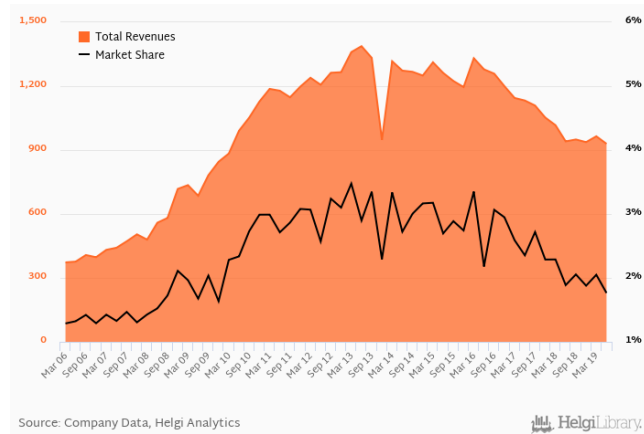


## 5 Market Share Development on the Czech Market

Based on latest available data, Hypotecni Banka accounted for 4.03% of all bank assets managed in the Czech Republic at the end of the second quarter of 2019.

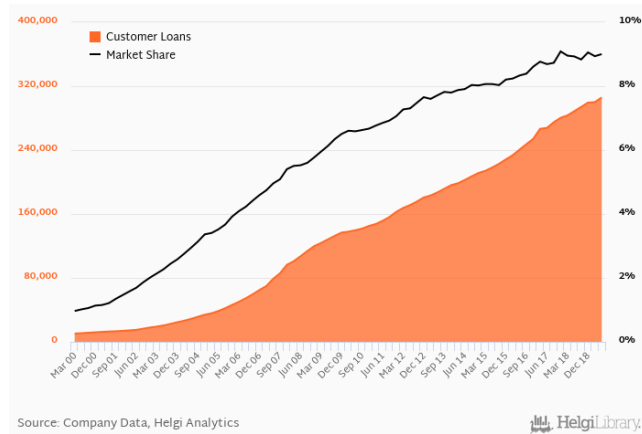
### Market Share in Bank Revenues

Total Revenues (CZK mil)



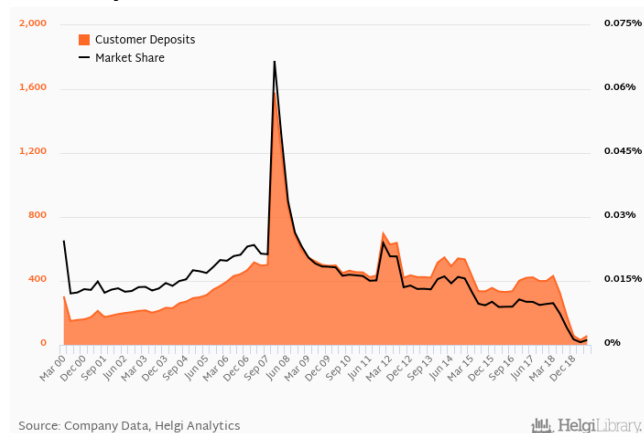
### Market Share in Bank Loans

Customer Loans (CZK mil)



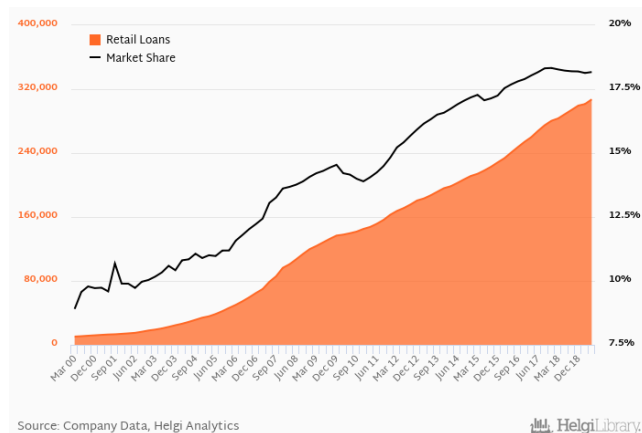
### Market Share in Bank Deposits

Customer Deposits (CZK mil)



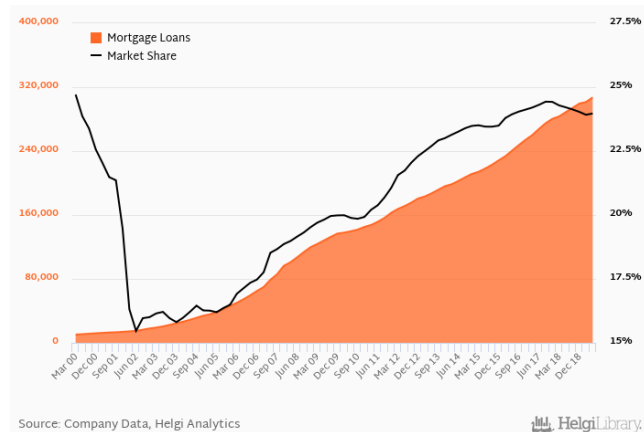
### Market Share in Retail Loans

Retail Loans (CZK mil)



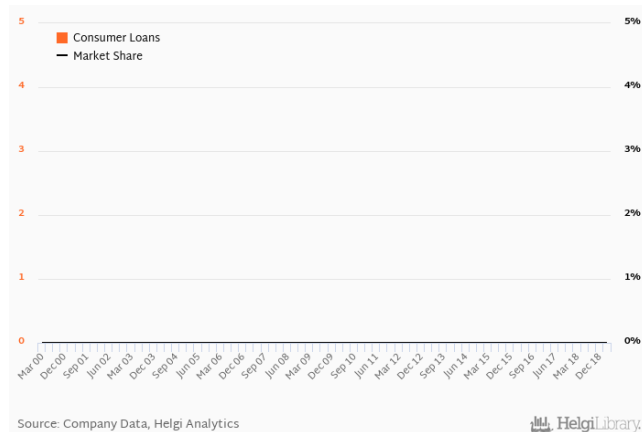
### Market Share in Mortgage Loans

Mortgage Loans (CZK mil)



### Market Share in Consumer Loans

Consumer Loans (CZK mil)



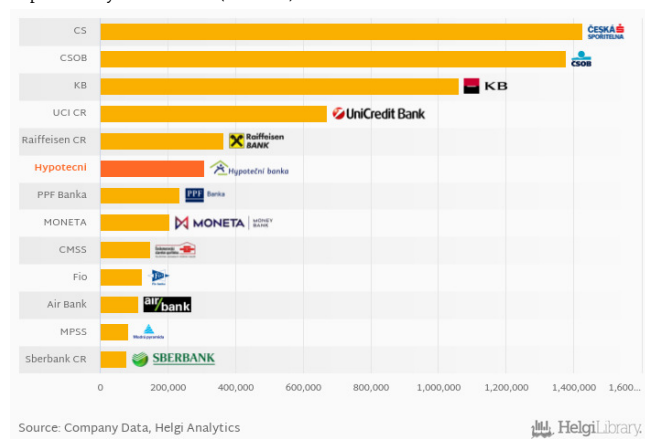


## 6 Market Share Position Within the Czech Market

Based on latest available data, the following charts demonstrate Hypotecni Banka's position compared to the largest players on the Czech banking market:

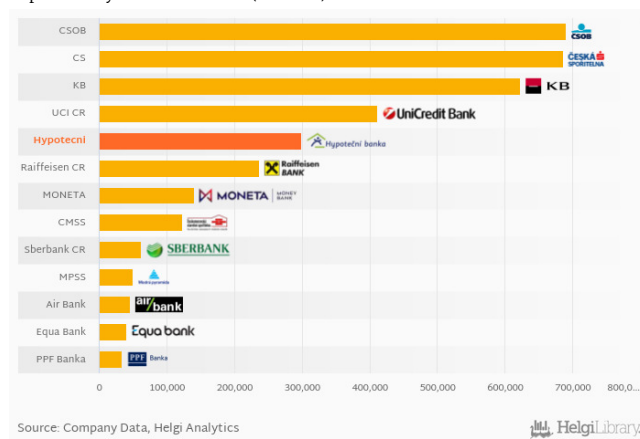
### What Banks in Czechia Were the Largest in 2018?

Top Banks by Total Assets (CZK mil)



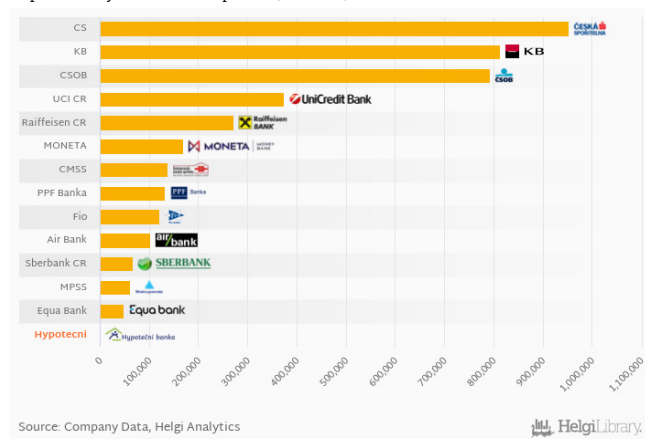
### What Banks in Czechia Were the Largest Lenders in 2018?

Top Banks by Customer Loans (CZK mil)



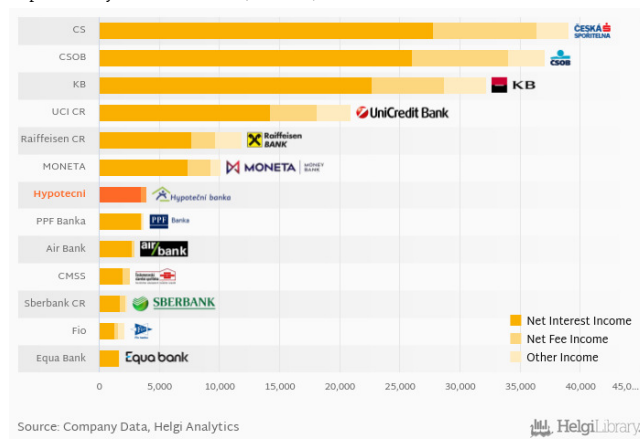
### What Banks in Czechia Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (CZK mil)



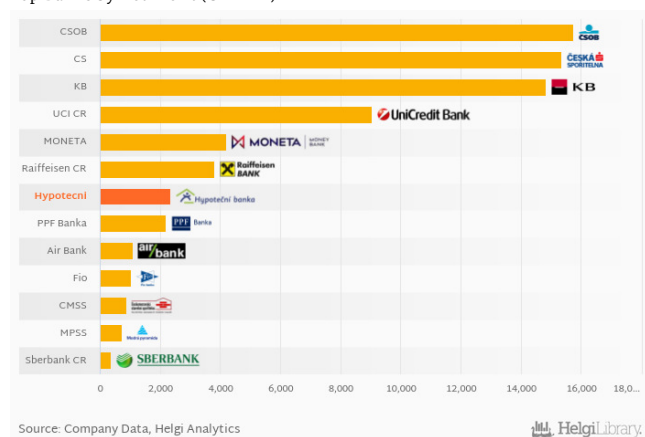
### What Banks in Czechia Generated the Most Revenues in 2018?

Top Banks by Total Revenues (CZK mil)



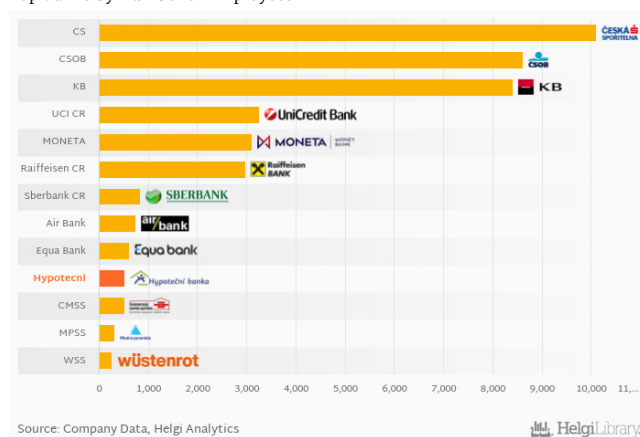
### What Banks in Czechia Were the Most Profitable in 2018?

Top Banks by Net Profit (CZK mil)



### What Banks in Czechia Had the Most Employees in 2018?

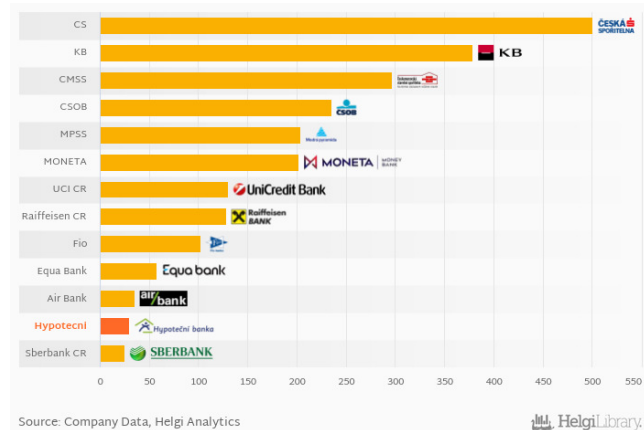
Top Banks by Number of Employees





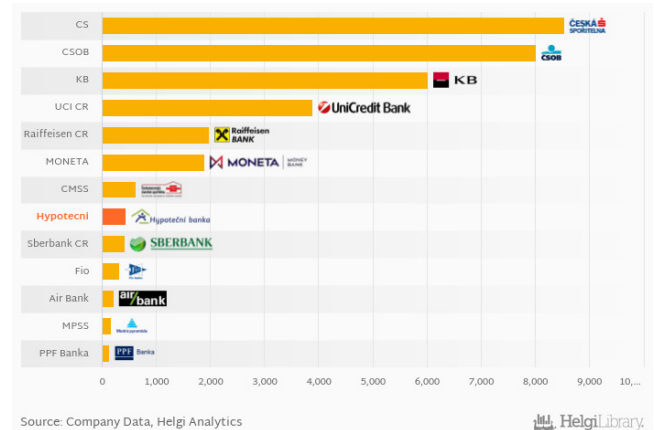
## What Banks in Czechia Had the Most Branches in 2018?

Top Banks by Number of Branches



## What Banks in Czechia Generated the Most Fees in 2018?

Top Banks by Net Fee Income (CZK mil)



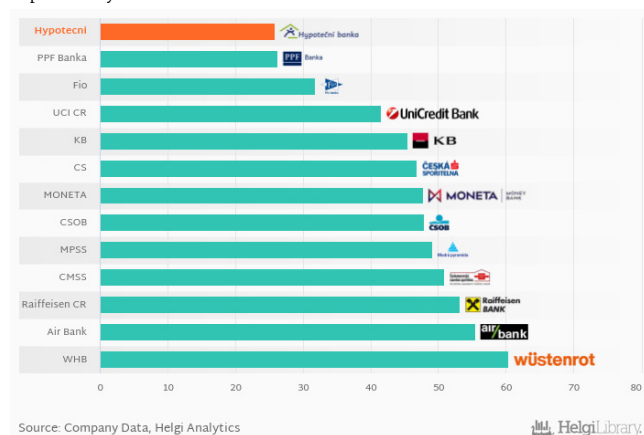


## 7 Relative Performance on the Czech Market

Based on latest available data, the following charts demonstrate Hypotecní Banka's relative performance when compared to the largest players on the Czech banking market:

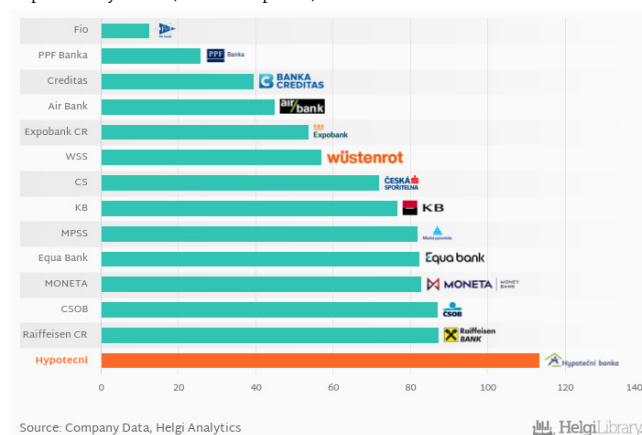
### What Banks in Czechia Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



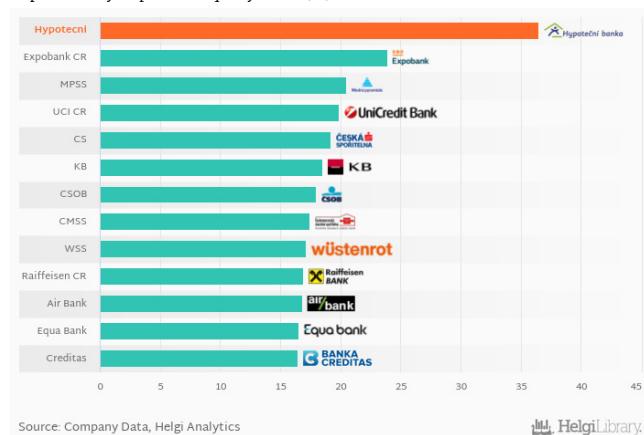
### What Banks in Czechia Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



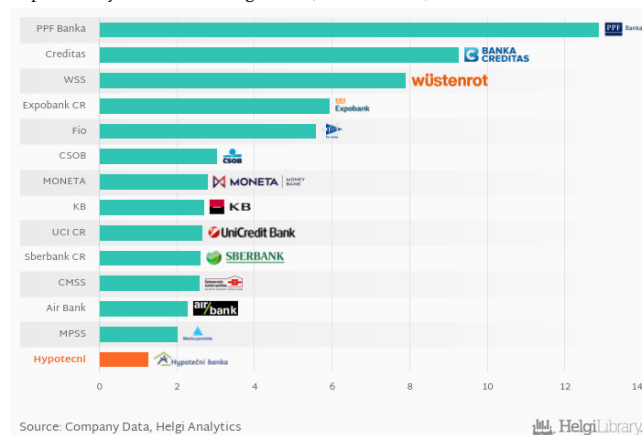
### What Banks in Czechia Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



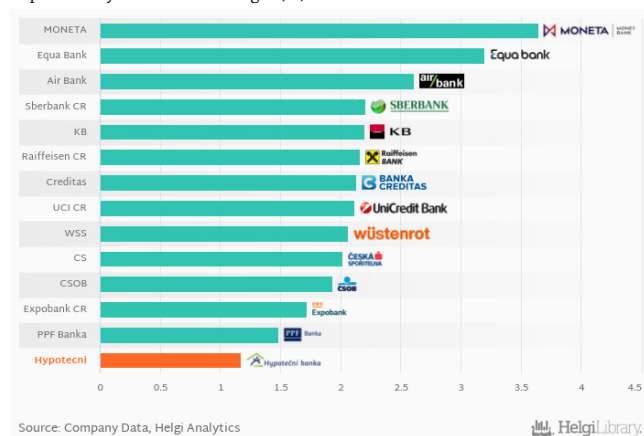
### What Banks in Czechia Had the Most Bad Loans in 2018?

Top Banks by Non-Performing Loans (As % of Loans)



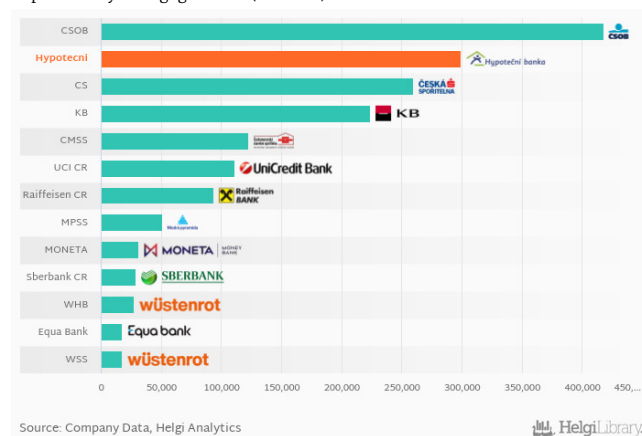
### What Banks in Czechia Achieved the Highest Interest Margin in 2018?

Top Banks by Net Interest Margin (%)



### What Banks in Czechia Were the Largest Mortgage Lenders in 2018?

Top Banks by Mortgage Loans (CZK mil)





## Financial Data – Quarterly

### Income Statement – Quarterly

INCOME STATEMENT		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Interest Income	CZK mil	1,733	1,616	1,718	1,665	1,865	1,952	1,940	1,977
Interest Cost	CZK mil	759	672	820	874	942	1,058	1,086	1,143
Net Interest Income	CZK mil	974	944	899	791	923	894	854	835
Net Fee Income	CZK mil	135	120	129	119	113	81.6	106	92.1
Other Income	CZK mil	-0.221	-11.2	-10.6	30.5	-86.9	-37.9	4.31	2.90
Total Revenues	CZK mil	1,109	1,053	1,017	941	950	937	965	930
Staff Cost	CZK mil	137	135	137	141	132	135	133	137
Depreciation	CZK mil	15.6	18.7	17.4	18.0	19.0	22.7	30.7	31.2
Operating Cost	CZK mil	218	221	335	224	219	214	331	221
Operating Profit	CZK mil	891	832	682	717	731	723	634	709
Provisions	CZK mil	-8.71	-30.2	-25.5	-32.5	-5.58	-76.5	-19.1	-35.2
Extra and Other Cost	CZK mil	< 0.001	-0.001	0	0	0	0	0	0
Pre-Tax Profit	CZK mil	900	862	707	749	736	800	653	744
Tax	CZK mil	169	166	130	140	135	234	124	142
Minorities	CZK mil	0	0	0	0	0	0	0	0
Net Profit	CZK mil	731	695	577	609	602	566	529	601

Source: Company Data, Helgi Analytics

### Growth Rates – Quarterly

GROWTH RATES		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Net Interest Income Growth	%	-12.5	-11.9	-13.3	-19.6	-5.24	-5.30	-4.92	5.46
Net Fee Income Growth	%	1.73	7.49	-21.7	-14.5	-16.0	-32.1	-17.8	-22.6
Total Revenue Growth	%	-11.9	-12.3	-11.1	-16.9	-14.4	-11.0	-5.13	-1.20
Operating Cost Growth	%	-0.839	-9.27	5.11	0.314	0.542	-3.25	-1.21	-1.37
Operating Profit Growth	%	-14.2	-13.0	-17.4	-21.2	-18.0	-13.0	-7.07	-1.15
Pre-Tax Profit Growth	%	-9.04	-16.2	-11.8	-18.1	-18.2	-7.17	-7.71	-0.732
Net Profit Growth	%	-9.15	-16.6	-11.7	-18.6	-17.7	-18.5	-8.34	-1.22

Source: Company Data, Helgi Analytics





## Balance Sheet – Quarterly

BALANCE SHEET		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Cash	CZK mil	1,169	727	2,201	1,243	998	1,619	1,723	2,307
Interbank Loans	CZK mil	6,700	6,621	6,636	6,601	6,634	6,622	6,648	6,593
Customer Loans	CZK mil	274,884	280,409	283,391	288,729	294,002	299,439	299,996	305,860
Retail Loans	CZK mil	274,884	280,409	283,391	288,729	294,002	299,439	301,404	307,193
Mortgage Loans	CZK mil	274,884	280,409	283,391	288,729	294,002	299,439	301,404	307,193
Consumer Loans	CZK mil	0	0	0	0	0	0	0	...
Corporate Loans	CZK mil	0	0	0	0	0	0	163	150
Debt Securities	CZK mil	0	0	0	0	0	1,883	0	0
Fixed Assets	CZK mil	345	369	383	403	413	458	771	798
Total Assets	CZK mil	283,315	288,314	292,986	297,348	302,335	308,765	311,496	316,813
Shareholders' Equity	CZK mil	38,659	39,391	39,748	41,064	41,719	42,203	42,713	43,283
Of Which Minority Interest	CZK mil	0	0	0	0	0	0	0	0
Liabilities	CZK mil	244,656	248,922	253,238	256,284	260,617	266,562	268,783	273,530
Interbank Loans	CZK mil	6,700	6,621	6,636	6,601	6,634	6,622	6,648	6,593
Customer Deposits	CZK mil	399	400	431	324	181	57.0	29.4	56.1
Issued Debt Securities	CZK mil	242,612	247,011	250,814	253,943	258,187	264,165	265,806	270,734
Other Liabilities	CZK mil	1,642	1,511	1,993	2,016	2,248	2,338	2,948	2,740

Source: Company Data, Helgi Analytics

## Asset Quality – Quarterly

ASSET QUALITY		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Non-Performing Loans	CZK mil	4,974	4,654	4,448	4,184	4,020	3,815	3,611	3,421
Gross Loans	CZK mil	276,996	282,345	285,404	290,590	295,824	301,081	301,567	307,343
Total Provisions	CZK mil	2,112	1,936	2,013	1,862	1,822	1,642	1,571	1,483

Source: Company Data, Helgi Analytics

## Growth Rates – Quarterly

GROWTH RATES		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Customer Loan Growth	%	11.1	10.4	6.28	7.84	6.96	6.79	5.86	5.93
Retail Loan Growth	%	11.1	10.4	9.01	7.84	6.96	6.79	6.36	6.40
Mortgage Loan Growth	%	11.1	10.4	9.01	7.84	6.96	6.79	6.36	6.40
Total Asset Growth	%	10.6	9.83	9.50	7.63	6.71	7.09	6.32	6.55
Shareholders' Equity Growth	%	15.9	15.3	14.0	8.44	7.92	7.14	7.46	5.40
Customer Deposit Growth	%	18.8	-0.356	2.84	-23.2	-54.6	-85.8	-93.2	-82.7

Source: Company Data, Helgi Analytics



## Market Share – Quarterly

MARKET SHARE		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Share in Revenues	%	2.72	2.29	2.29	1.89	2.05	1.88	2.05	1.76
Market Share in Net Profit	%	4.48	4.50	3.17	2.37	3.22	3.01	2.88	2.21
Market Share in Employees	%	1.29	1.31	1.24	1.26	1.24	1.26	1.21	1.18
Market Share in Branches	%	1.48	1.54	1.57	1.58	1.59	1.53	1.55	1.56
Market Share in Customer Loans	%	8.73	9.09	8.95	8.93	8.83	9.06	8.94	9.00
Market Share in Corporate Loans	%	0	0	0	0	0	0	0.015	0.014
Market Share in Retail Loans	%	18.3	18.3	18.3	18.2	18.2	18.2	18.1	18.2
Market Share in Consumer Loans	%	0	0	0	0	0	0	0	...
Market Share in Mortgage Loans	%	24.4	24.4	24.3	24.2	24.1	24.0	23.9	24.0
Market Share in Total Assets	%	3.89	4.12	4.01	4.02	3.99	4.24	4.01	4.03
Market Share in Customer Deposits	%	0.009	0.010	0.010	0.007	0.004	0.001	< 0.001	0.001

Source: Company Data, Helgi Analytics

## Ratios – Quarterly

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	7.65	7.13	5.83	6.03	5.81	5.40	4.98	5.60
ROA	%	1.05	0.973	0.794	0.825	0.803	0.741	0.682	0.766
Costs (As % Of Assets)	%	0.311	0.309	0.461	0.304	0.292	0.280	0.427	0.281
Costs (As % Of Income)	%	19.6	21.0	33.0	23.8	23.1	22.8	34.3	23.8
Capital Adequacy Ratio	%	36.5	37.3	37.5	41.2	35.5	36.5	39.1	42.2
Tier 1 Ratio	%	36.5	37.3	37.5	41.2	35.5	36.5	39.1	42.2
Net Interest Margin	%	1.39	1.32	1.24	1.07	1.23	1.17	1.10	1.06
Interest Spread	%	1.22	1.17	1.06	0.885	1.03	0.949	0.880	0.832
Asset Yield	%	2.48	2.26	2.36	2.26	2.49	2.56	2.50	2.52
Cost Of Liabilities	%	1.26	1.09	1.31	1.37	1.46	1.61	1.62	1.69
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	87.9	89.7	88.4	84.1	97.2	95.3	88.5	89.8
Fee Income (As % Of Revenues)	%	12.2	11.4	12.7	12.7	11.9	8.70	11.0	9.91
Other Income (As % Of Revenues)	%	-0.020	-1.07	-1.05	3.24	-9.15	-4.05	0.447	0.312
Cost Per Employee	USD per month	3,763	3,799	4,182	4,154	3,834	3,858	3,866	4,085
Cost Per Employee (Local Currency)	CZK per month	84,726	82,242	87,680	89,236	84,885	85,712	87,814	92,596
Staff Cost (As % Of Total Cost)	%	63.0	61.2	40.8	62.8	60.5	63.2	40.3	62.0
Equity (As % Of Assets)	%	13.6	13.7	13.6	13.8	13.8	13.7	13.7	13.7
Loans (As % Of Deposits)	%	113	114	113	114	114	113	113	113
Loans (As % Assets)	%	97.0	97.3	96.7	97.1	97.2	97.0	96.3	96.5
NPLs (As % Of Loans)	%	1.80	1.65	1.56	1.44	1.36	1.27	1.20	1.11
Provisions (As % Of NPLs)	%	42.5	41.6	45.3	44.5	45.3	43.0	43.5	43.3
Provisions (As % Of Loans)	%	0.768	0.690	0.710	0.645	0.620	0.548	0.524	0.485
Cost of Provisions (As % Of Loans)	%	-0.013	-0.043	-0.036	-0.045	-0.008	-0.103	-0.025	-0.047

Source: Company Data, Helgi Analytics



## Financial Data – Annual

### Income Statement – Annual

INCOME STATEMENT		2011	2012	2013	2014	2015	2016	2017	2018
Interest Income	CZK mil	8,880	9,224	8,449	8,166	7,565	7,140	6,811	7,201
Interest Cost	CZK mil	4,547	4,690	3,869	3,549	3,138	2,643	2,872	3,694
Net Interest Income	CZK mil	4,333	4,533	4,580	4,617	4,427	4,497	3,939	3,507
Net Fee Income	CZK mil	455	459	484	475	504	523	559	443
Other Income	CZK mil	-76.6	-17.6	5.00	80.0	54.0	41.0	-59.0	-105
Total Revenues	CZK mil	4,711	4,975	5,069	5,172	4,985	5,061	4,439	3,845
Staff Cost	CZK mil	436	484	480	483	539	540	544	545
Depreciation	CZK mil	64.4	76.0	88.0	111	49.0	85.0	64.0	77.0
Operating Cost	CZK mil	730	788	860	935	874	1,069	981	992
Operating Profit	CZK mil	3,982	4,186	4,209	4,237	4,111	3,992	3,458	2,853
Provisions	CZK mil	729	737	672	439	419	47.0	-21.0	-140
Extra and Other Cost	CZK mil	-0.001	< 0.001	-1.00	0	0	0	0	0
Pre-Tax Profit	CZK mil	3,252	3,450	3,538	3,798	3,692	3,945	3,479	2,993
Tax	CZK mil	622	654	680	720	702	739	651	639
Minorities	CZK mil	0	0	0	0	0	0	0	0
Net Profit	CZK mil	2,631	2,796	2,858	3,078	2,990	3,206	2,828	2,354
Dividends	CZK mil	2,499	2,796	2,858	3,078	2,990	1,800	2,828	...

Source: Company Data, Helgi Analytics

### Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	18.3	4.62	1.03	0.808	-4.12	1.58	-12.4	-11.0
Net Fee Income Growth	%	16.4	0.918	5.42	-1.86	6.11	3.77	6.88	-20.8
Total Revenue Growth	%	16.2	5.59	1.89	2.03	-3.62	1.52	-12.3	-13.4
Operating Cost Growth	%	8.01	8.00	9.09	8.72	-6.52	22.3	-8.23	1.12
Operating Profit Growth	%	17.8	5.15	0.539	0.665	-2.97	-2.89	-13.4	-17.5
Pre-Tax Profit Growth	%	42.1	6.07	2.55	7.35	-2.79	6.85	-11.8	-14.0
Net Profit Growth	%	42.4	6.27	2.24	7.70	-2.86	7.22	-11.8	-16.8

Source: Company Data, Helgi Analytics



## Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	CZK mil	17,782	20,945	33.0	29.0	688	1,150	725	1,619
Interbank Loans	CZK mil	17,903	20,239	17,531	10,536	6,622	6,622	6,621	6,622
Customer Loans	CZK mil	162,787	180,678	196,097	211,380	228,340	254,078	280,409	299,439
Retail Loans	CZK mil	162,787	180,678	196,097	211,380	228,340	254,078	280,409	299,439
Mortgage Loans	CZK mil	162,787	180,678	196,097	211,380	228,340	254,078	280,409	299,439
Consumer Loans	CZK mil	0	0	0	0	0	0	0	0
Corporate Loans	CZK mil	0	0	0	0	0	0	0	0
Debt Securities	CZK mil	0	0	0	17.0	25.0	68.0	1,829	1,883
Fixed Assets	CZK mil	158	128	122	125	228	296	369	458
Total Assets	CZK mil	181,002	201,176	213,948	222,353	236,195	262,513	288,314	308,765
Shareholders' Equity	CZK mil	24,460	27,857	27,918	30,619	33,647	34,172	39,391	42,203
Of Which Minority Interest	CZK mil	0	0	0	0	0	0	0	0
Liabilities	CZK mil	156,542	173,319	186,030	191,734	202,548	228,341	248,923	266,562
Interbank Loans	CZK mil	17,903	20,239	17,531	10,536	6,622	6,622	6,621	6,622
Customer Deposits	CZK mil	696	435	515	535	452	402	398	57.0
Retail Deposits	CZK mil	...	341	315	317	302	283	298	0
Corporate Deposits	CZK mil	...	94.0	200	218	150	119	100	57.0
Issued Debt Securities	CZK mil	100,419	103,242	120,344	151,372	200,797	226,579	247,011	264,165
Other Liabilities	CZK mil	608	710	707	1,034	1,079	1,358	1,512	2,338

Source: Company Data, Helgi Analytics

## Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	CZK mil	6,715	7,160	7,501	11,229	7,201	5,945	4,700	3,815
Gross Loans	CZK mil	165,117	183,558	199,297	214,309	231,075	256,639	282,531	301,081
Total Provisions	CZK mil	2,330	2,880	3,200	3,302	3,124	2,561	2,122	1,642

Source: Company Data, Helgi Analytics

## Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	12.2	11.0	8.53	7.79	8.02	11.3	10.4	6.79
Retail Loan Growth	%	12.2	11.0	8.53	7.79	8.02	11.3	10.4	6.79
Mortgage Loan Growth	%	12.2	11.0	8.53	7.79	8.02	11.3	10.4	6.79
Total Asset Growth	%	10.9	11.1	6.35	3.93	6.23	11.1	9.83	7.09
Shareholders' Equity Growth	%	16.0	13.9	0.219	9.67	9.89	1.56	15.3	7.14
Customer Deposit Growth	%	53.0	-37.5	18.3	3.88	-15.5	-11.1	-0.995	-85.7
Retail Deposit Growth	%	...	...	-7.62	0.635	-4.73	-6.29	5.30	-100
Corporate Deposit Growth	%	...	...	113	9.00	-31.2	-20.7	-16.0	-43.0

Source: Company Data, Helgi Analytics



## Market Share – Annual

MARKET SHARE		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Share in Revenues	%	2.72	2.29	2.29	1.89	2.05	1.88	2.05	1.76
Market Share in Net Profit	%	4.48	4.50	3.17	2.37	3.22	3.01	2.88	2.21
Market Share in Employees	%	1.29	1.31	1.24	1.26	1.24	1.26	1.21	1.18
Market Share in Branches	%	1.48	1.54	1.57	1.58	1.59	1.53	1.55	1.56
Market Share in Customer Loans	%	8.73	9.09	8.95	8.93	8.83	9.06	8.94	9.00
Market Share in Corporate Loans	%	0	0	0	0	0	0	0.015	0.014
Market Share in Retail Loans	%	18.3	18.3	18.3	18.2	18.2	18.2	18.1	18.2
Market Share in Consumer Loans	%	0	0	0	0	0	0	0	...
Market Share in Mortgage Loans	%	24.4	24.4	24.3	24.2	24.1	24.0	23.9	24.0
Market Share in Total Assets	%	3.89	4.12	4.01	4.02	3.99	4.24	4.01	4.03
Market Share in Customer Deposits	%	0.009	0.010	0.010	0.007	0.004	0.001	< 0.001	0.001

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	11.6	10.7	10.2	10.5	9.31	9.45	7.69	5.77
ROA	%	1.53	1.46	1.38	1.41	1.30	1.29	1.03	0.789
Costs (As % Of Assets)	%	0.424	0.413	0.414	0.429	0.381	0.429	0.356	0.332
Costs (As % Of Income)	%	15.5	15.8	17.0	18.1	17.5	21.1	22.1	25.8
Capital Adequacy Ratio	%	46.4	43.5	33.8	34.7	36.6	33.5	37.3	36.5
Tier 1 Ratio	%	...	43.5	33.8	34.2	36.1	32.9	37.3	36.5
Net Interest Margin	%	2.52	2.37	2.21	2.12	1.93	1.80	1.43	1.17
Interest Spread	%	2.11	1.98	1.92	1.86	1.71	1.64	1.27	0.979
Asset Yield	%	5.16	4.83	4.07	3.74	3.30	2.86	2.47	2.41
Cost Of Liabilities	%	3.04	2.84	2.15	1.88	1.59	1.23	1.20	1.43
Payout Ratio	%	95.0	100	100	100	100	56.1	100	...
Interest Income (As % Of Revenues)	%	92.0	91.1	90.4	89.3	88.8	88.9	88.7	91.2
Fee Income (As % Of Revenues)	%	9.66	9.23	9.55	9.18	10.1	10.3	12.6	11.5
Other Income (As % Of Revenues)	%	-1.63	-0.353	0.099	1.55	1.08	0.810	-1.33	-2.73
Cost Per Employee	USD per month	4,737	4,491	4,233	3,851	3,612	3,272	3,523	3,943
Cost Per Employee (Local Currency)	CZK per month	83,781	87,849	82,816	82,311	86,212	82,569	82,725	86,344
Staff Cost (As % Of Total Cost)	%	59.8	61.4	55.8	51.7	61.7	50.5	55.5	54.9
Equity (As % Of Assets)	%	13.5	13.8	13.0	13.8	14.2	13.0	13.7	13.7
Loans (As % Of Deposits)	%	162	175	163	140	114	112	114	113
Loans (As % Assets)	%	89.9	89.8	91.7	95.1	96.7	96.8	97.3	97.0
NPLs (As % Of Loans)	%	4.07	3.90	3.76	5.24	3.12	2.32	1.66	1.27
Provisions (As % Of NPLs)	%	34.7	40.2	42.7	29.4	43.4	43.1	45.1	43.0
Provisions (As % Of Loans)	%	1.43	1.59	1.63	1.56	1.37	1.01	0.757	0.548
Cost of Provisions (As % Of Loans)	%	0.474	0.429	0.357	0.215	0.191	0.019	-0.008	-0.048

Source: Company Data, Helgi Analytics



## ABOUT HELGI ANALYTICS

Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 99% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit [www.helgilibrary.com](http://www.helgilibrary.com) or contact us at [info@helgilibrary.com](mailto:info@helgilibrary.com).

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