

# Komerční Banka

## Annual Results - 2018

Komerční Banka made a net profit of CZK 14,846 mil in 2018, down 0.563% when compared to the previous year. Total revenues increased 3.68% yoy to CZK 32,203 mil, ROE amounted to 14.6% and the NPL ratio stood at 2.71%. Komerční Banka stock depreciated by 7.43% in the 2018 to CZK 847 per share and the stock traded at a 12-month trailing PE of 10.8x and PBV of 1.56x based on the closing price at the end of the year.

- ✓ Revenues increased 3.68% yoy to CZK 32,203 mil in 2018. Interest income formed 70.5% of total revenues with the net interest margin increasing 1.86 bp to 2.20% of total assets. Fees added a further 18.7% to total revenue generated in 2018, down from an average of 19.8% as seen in the previous two years.
- ✓ Operating costs grew by 9.41% yoy to CZK 14,634 mil, so cost to income ratio reached 45.4%, up by 2.87% compared to the previous two years. Staff accounted for 53.5% of total operating expenditures. At the end of 2018, the bank operated a network of 379 branches and 8,411 employees.
- ✓ Loans and deposits grew by 4.15% and 6.61% yoy respectively, so loan to deposit ratio reached 76.7% at the end of 2018. That's down from 78.5% the previous year. Equity reached 9.75% of assets and capital adequacy ratio amounted to 18.5% at the end of 2018.
- ✓ NPLs were 2.71% of total loans at the end of the year. Provisions covered 59.4% of non-performing loans
- ✓ Komerční Banka stock traded at CZK 847 per share at the end of 2018 implying a market capitalization of USD 7,165 mil. This put stock at a 12-month trailing price to earnings of 10.8x and price to book value of 1.56x as of the end of 2018.

<b>Sector:</b>	Banking
<b>Country:</b>	Czech Republic
<b>Share Price:</b>	CZK 847
<b>Market Capitalization:</b>	USD 7,165 mil
<b>Shares Outstanding:</b>	190 mil
<b>Employees:</b>	8,411
<b>Clients:</b>	1.67 mil
<b>Branches:</b>	379
<b>Capital Adequacy Ratio:</b>	18.5%
<b>NPL Ratio:</b>	2.71%
<b>Provision Coverage:</b>	59.4%

Data tells a story

KEY FIGURES									
	REVENUES	NET PROFIT	EPS	EPS GROWTH	PER	PBV	ROE	DPS	DIV. YIELD
	CZK mil	CZK mil	CZK	%			%	CZK	%
2018	32,203	14,846	78.1	-0.563	10.8	1.56	14.6	51.0	6.02
2017	31,060	14,930	78.6	8.38	11.6	1.73	14.5	46.8	5.12
2016	31,753	13,689	72.5	7.29	12.2	1.59	12.9	40.2	4.55
2015	31,044	12,759	67.6	-0.883	14.7	1.76	11.8	62.4	6.30
2014	30,676	12,954	68.2	-0.258	13.9	1.64	12.6	46.0	4.85

Source: Company Data, Helgi Analytics, Valuation multiples calculated based on historical prices



## 1 Company Overview

Komerční Banka is the third largest bank by assets in the Czech Republic, with a share of over 16%. Formerly a corporate-oriented bank, the bank has developed into a universal bank servicing more than 1.3 mil retail clients through nearly 400 branches. Following hefty loan losses and a government-orchestrated bailout at the end of the 1990s, 60% of the bank was sold to France's Societe Generale in 2001.

Komerční Banka has been growing its revenues and asset by -0.387% and 4.25% a year on average in the last 10 years. Its loans and deposits have grown by 5.52% and 3.89% a year during that time and loans to deposits ratio reached 76.7% at the end of 2018. The company achieved an average return on equity of 14.1% in the last decade with net profit growing 1.21% a year on average since 2018. In terms of operating efficiency, its cost to income ratio reached 45.4% in 2018, compared to 42.8% average in the last decade.

Equity represented 9.75% of total assets or 16.6% of loans at the end of 2018. Komerční Banka's non-performing loans were 2.71% of total loans while provisions covered some 59.4% of NPLs at the end of 2018.

Komerční Banka stock traded at CZK 847 per share at the end of 2018 resulting in a market capitalization of USD 7,165 mil. Over the previous five years, stock price fell by 4.21% or 0.856% a year on average. That's compared to an average ROE of 13.3% the bank generated for its shareholders. This closing price put stock at a 12-month trailing price to earnings (PE) of 10.8x and price to book value (PBV) of 1.56x in 2018.

FINANCIALS		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income	CZK mil	22,111	21,969	21,204	21,423	21,357	21,069	20,808	22,705
Total Revenues	CZK mil	32,665	32,663	30,891	30,676	31,044	31,753	31,060	32,203
Operating Profit	CZK mil	19,183	19,179	17,743	17,612	16,692	17,726	17,685	17,569
Net Profit	CZK mil	9,718	14,233	12,906	12,954	12,759	13,689	14,930	14,846
Customer Loans	CZK mil	434,386	451,547	473,090	494,706	532,617	580,198	598,102	622,946
Total Assets	CZK mil	754,810	786,836	863,980	953,261	891,555	922,737	1,004,040	1,059,930
Shareholders' Equity	CZK mil	84,454	103,307	96,538	109,494	106,228	105,401	100,346	103,329
Interbank Borrowing	CZK mil	37,454	38,901	49,680	61,360	56,230	54,124	84,050	92,271
Customer Deposits	CZK mil	560,700	579,067	649,158	701,867	666,407	699,377	762,043	812,451
Issued Debt Securities	CZK mil	48,401	39,213	39,947	46,054	11,283	13,423	26,697	5,118

RATIOS									
ROE	%	12.0	15.2	12.9	12.6	11.8	12.9	14.5	14.6
Costs (As % Of Income)	%	41.3	41.3	42.6	42.6	46.2	44.2	43.1	45.4
Net Interest Margin	%	3.04	2.85	2.57	2.36	2.32	2.32	2.16	2.20
Equity (As % Of Assets)	%	11.2	13.1	11.2	11.5	11.9	11.4	9.99	9.75
Loans (As % Of Deposits)	%	77.5	78.0	72.9	70.5	79.9	83.0	78.5	76.7
Loans (As % Assets)	%	57.5	57.4	54.8	51.9	59.7	62.9	59.6	58.8
NPLs (As % Of Loans)	%	5.70	5.80	5.60	5.21	4.20	3.80	3.06	2.71
Provisions (As % Of NPLs)	%	60.6	62.7	64.2	70.4	68.7	67.2	61.7	59.4

VALUATION									
Market Capitalisation (End Of Period)	USD mil	6,371	7,966	8,421	7,863	7,532	6,519	8,155	7,165
Share Price (End Of Period)	CZK	666	802	884	948	990	885	915	847
Price/Earnings (P/E)		12.9	10.6	12.9	13.9	14.7	12.2	11.6	10.8
Price/Book Value (P/BV)		1.49	1.47	1.73	1.64	1.76	1.59	1.73	1.56

Source: Company Data, Helgi Analytics

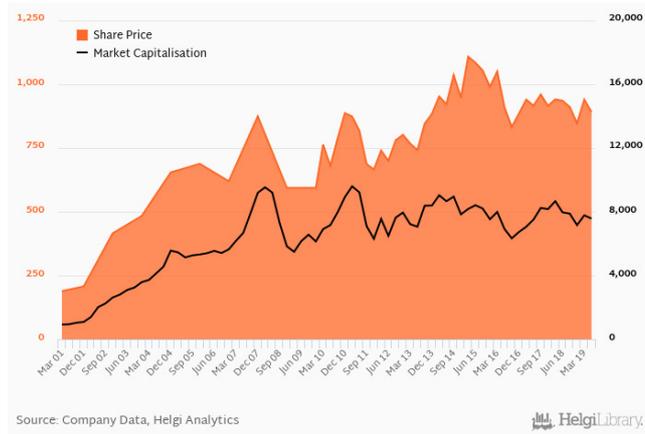


## 2 Valuation

Komercni Banka stock traded at CZK 847 per share at the end of 2018 resulting in a market capitalization of USD 7,165 mil. Over the previous year, stock depreciated by 7.43%. Over the previous three years, stock price declined by 14.4% or 5.07% a year on average. That's compared to an average ROE of 14.6% the bank generated for its shareholders:

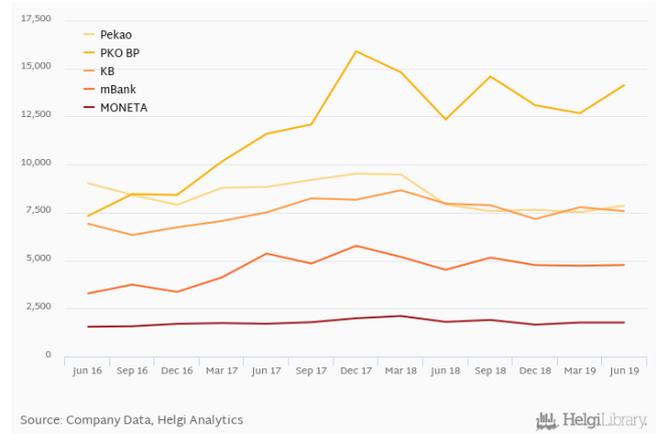
### Share Price & Market Capitalization

Share Price (CZK) & Market Capitalization (USD mil)



### Market Capitalization Peers Comparison

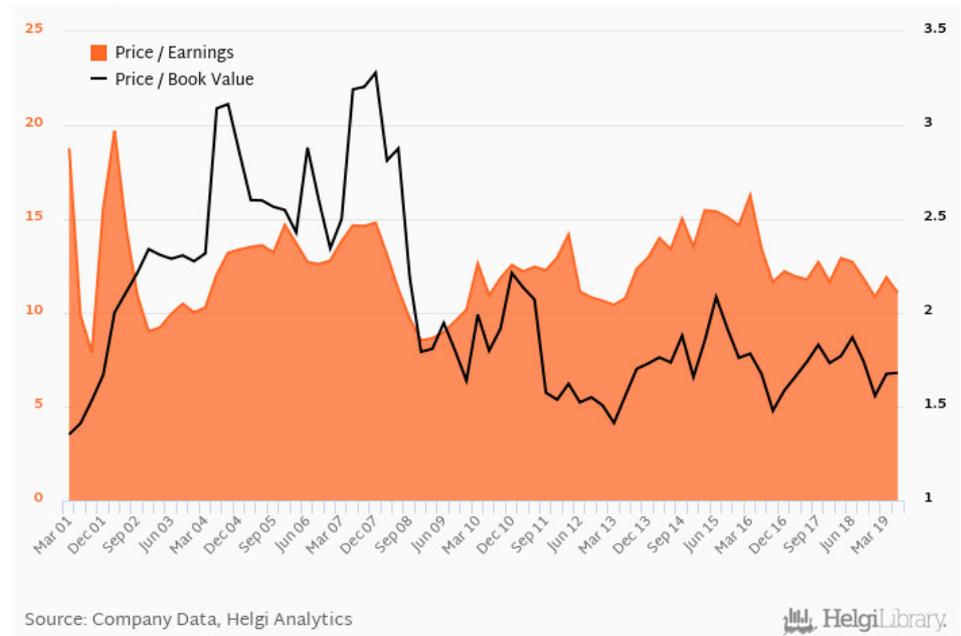
Market Capitalization (USD mil)



This closing price put stock at a 12-month trailing price to earnings (PE) of 10.8x and price to book value (PBV) of 1.56x as of 2018.

### Price to Earnings & Book Value

Price/Earnings (P/E) & Price/Book Value (P/BV)



Over the previous five years, the PE multiple reached a high of 14.7x in 2015 and a low of 10.8x in 2018 with an average of 12.7x.

When compared to selected peers, Komercni Banka traded at a 5.03% discount below



average at the end of the 2018.

Regarding price to book value, stock was trading at 1.56x at the end of the 2018. Over the previous five years, the PBV multiple reached a high of 1.76x in 2015 and a low of 1.56x in 2018 with an average of 1.65x.

In comparison to its peers, Komercni Banka traded at 31.3% premium on a trailing basis at the end of the 2018.

The detailed comparison of Komercni Banka's valuation multiples with its peers be seen below:

VALUATION MULTIPLES		MKT CAP			ROE			PE			PBV	
NAME	COUNTRY	(USD mil)	2016	2017	2018	2016	2017	2018	2016	2017	2018	
Raiffeisen Bank Int.	Austria	8,758	5.70	10.6	10.7	9.79	8.90	5.75	0.522	0.884	0.588	
MONETA Money Bank	Czech Republic	1,661	14.7	14.8	16.5	10.1	10.7	8.84	1.50	1.63	1.47	
PKO BP	Poland	13,090	9.15	9.02	9.93	12.2	17.8	13.2	1.08	1.53	1.26	
Pekao SA	Poland	7,650	9.84	10.7	9.93	14.5	13.7	12.5	1.44	1.46	1.25	
mBank	Poland	4,765	9.63	7.98	8.92	11.5	18.4	13.6	1.08	1.41	1.18	
Bank Millennium	Poland	2,945	10.5	9.26	9.42	8.98	15.9	14.6	0.907	1.40	1.32	
Bank Handlowy	Poland	2,414	8.82	7.80	9.13	16.6	20.0	14.1	1.47	1.54	1.28	
BRD Groupe Societe Generale	Romania	2,342	11.7	20.0	...	10.7	6.47	...	1.21	1.23	...	
Komercni Banka	Czech Republic	7,165	12.9	14.5	14.6	12.2	11.6	10.8	1.59	1.73	1.56	
Weighted Average			9.60	10.9	10.8	12.0	14.1	11.4	1.14	1.41	1.19	
Median		4,765	9.84	10.6	9.93	11.5	13.7	12.8	1.21	1.46	1.27	

KOMERCNI BANKA'S PREMIUM/DISCOUNT TO:											
Weighted Average			34.8%	33.3%	34.8%	2.07%	-17.4%	-5.03%	39.4%	23.2%	31.3%
Median			31.5%	36.5%	46.8%	5.74%	-15.2%	-15.6%	30.9%	18.6%	22.6%

Source: Company Data, Helgi Analytics

## Komercni Banka - Yearly Valuation

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation (End Of Period)	USD mil	6,371	7,966	8,421	7,863	7,532	6,519	8,155	7,165
Number Of Shares (Average)	mil	189	189	189	190	189	189	190	190
Share Price (End Of Period)	CZK	666	802	884	948	990	885	915	847
Earnings Per Share (EPS)	CZK	51.5	75.4	68.3	68.2	67.6	72.5	78.6	78.1
Book Value Per Share	CZK	446	547	511	580	562	558	528	544
Dividend Per Share	CZK	54.3	32.2	46.3	46.0	62.4	40.2	46.8	51.0
Price/Earnings (P/E)		12.9	10.6	12.9	13.9	14.7	12.2	11.6	10.8
Price/Book Value (P/BV)		1.49	1.47	1.73	1.64	1.76	1.59	1.73	1.56
Dividend Yield	%	8.16	4.01	5.23	4.85	6.30	4.55	5.12	6.02
Earnings Per Share Growth	%	-27.2	46.5	-9.32	-0.258	-0.883	7.29	8.38	-0.563
Book Value Per Share Growth	%	9.41	22.6	-6.55	13.4	-2.98	-0.779	-5.39	2.97

Source: Company Data, Helgi Analytics



## 3 Revenues & Costs

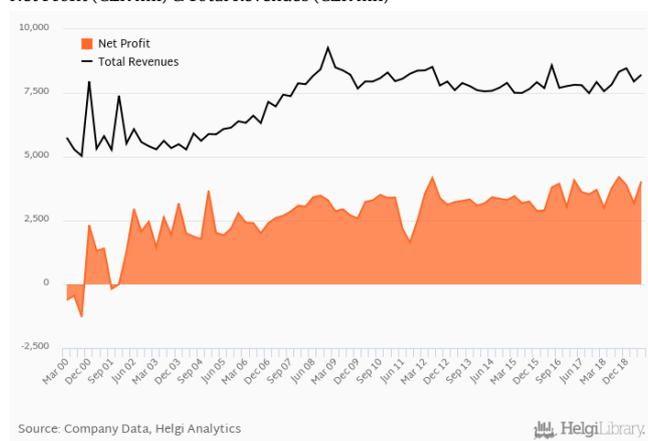
### 3.1 Revenues

The Bank generated total banking revenues of CZK 32,203 mil in 2018, up 3.68% compared to the same period of the previous year. Net interest income represented 70.5% of total revenues, fee income contributed 18.7% and other non-interest income added further 10.8% to the overall revenue generated.

Over the previous three years, revenues rose by 1.23% a year on average.

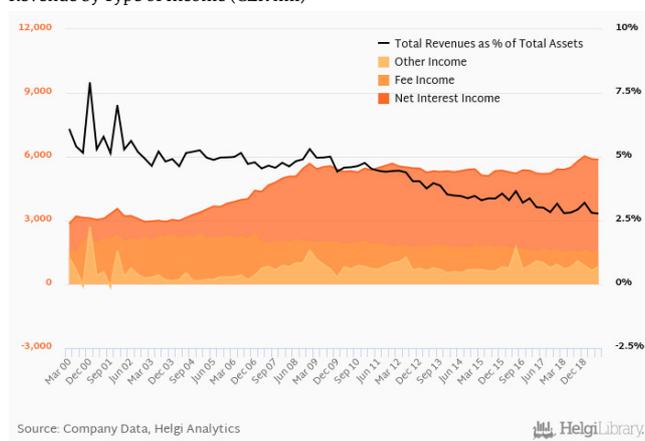
#### Revenue & Profitability

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



#### Revenue Breakdown

Revenue by Type of Income (CZK mil)



Net interest margin amounted to 2.20% in 2018, up from the 2.16% of the previous year. Historically, the bank's net interest margin reached a high of 3.48% in 1997 and a low of 1.99% in 2006.

Average asset yield was 3.26% in 2018 (up from 2.77%) while cost of funding amounted to 1.18% in 2018 (up from 0.67%).

NET INTEREST MARGIN									
NAME	COUNTRY	Mkt Cap (USD mil)	2012	2013	2014	2015	2016	2017	2018
Raiffeisen Bank Int.	Austria	8,758	2.45	2.80	3.01	2.82	2.57	2.39	2.44
MONETA Money Bank	Czech Republic	1,661	6.51	7.24	6.75	6.57	5.74	4.22	3.64
PKO BP	Poland	13,090	4.21	3.43	3.36	2.73	2.81	2.95	3.01
Pekao SA	Poland	7,650	3.23	2.91	2.74	2.48	2.56	2.55	2.65
mBank	Poland	4,765	1.94	1.61	1.93	2.08	2.20	2.37	2.52
Bank Millennium	Poland	2,945	2.24	2.32	2.49	2.23	2.31	2.48	2.48
Bank Handlowy	Poland	2,414	3.47	2.79	2.44	1.97	2.12	2.45	2.40
BRD Groupe Societe Generale	Romania	2,342	3.94	3.54	3.37	3.15	3.11	3.22	...
Komercni Banka	Czech Republic	7,165	2.85	2.57	2.36	2.32	2.32	2.16	2.20
Weighted Average			3.27	2.98	2.95	2.67	2.65	2.63	2.64
Median		4,765	3.23	2.80	2.74	2.48	2.56	2.48	2.50

Source: Company Data, Helgi Analytics



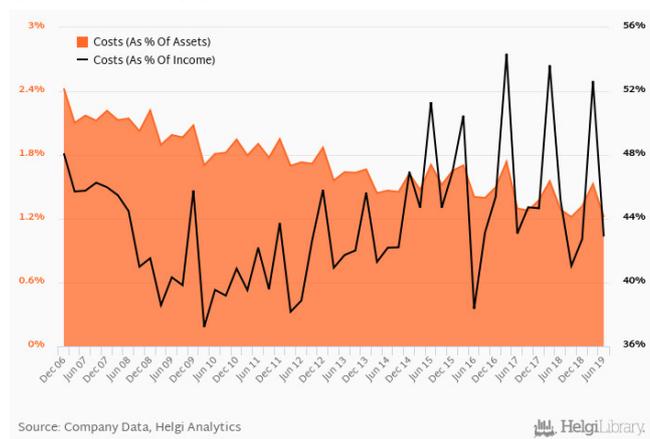
## 3.2 Costs

Operating costs increased by 9.41% yoy to CZK 14,634 mil in the 2018. The bank's cost to income ratio therefore reached 45.4%, up from 43.1% when compared to the previous year.

Historically, the bank's costs reached a high of 80.7% of income in 2000 and a low of 39.2% in 2010:

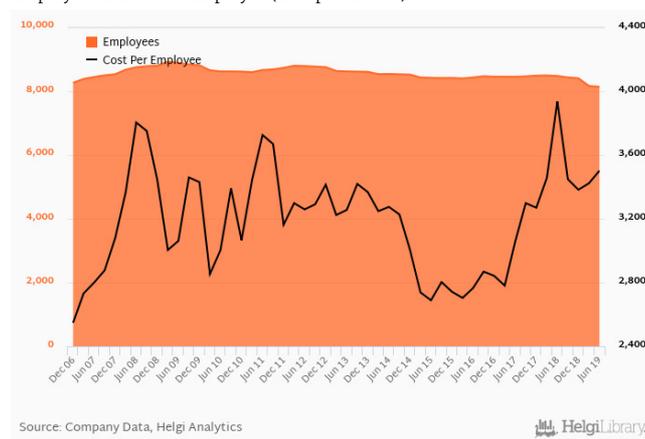
### Cost Efficiency

Costs As % Of Assets & Income



### Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, Komercni Banka operated with a 4.26% lower cost to income ratio in the 2018:

COSTS (AS % OF INCOME)								
NAME	COUNTRY	Mkt Cap (USD mil)	2013	2014	2015	2016	2017	2018
Raiffeisen Bank Int.	Austria	8,758	63.7	70.1	59.9	63.6	59.1	57.5
MONETA Money Bank	Czech Republic	1,661	41.1	43.1	45.7	46.0	47.4	47.7
PKO BP	Poland	13,090	43.2	48.5	56.2	51.9	48.0	44.2
Pekao SA	Poland	7,650	45.5	46.6	47.9	44.0	44.8	44.4
mBank	Poland	4,765	48.6	48.1	51.1	45.7	45.9	42.8
Bank Millennium	Poland	2,945	54.3	50.2	57.3	45.0	46.8	46.5
Bank Handlowy	Poland	2,414	53.8	52.4	63.2	57.8	57.6	54.6
BRD Groupe Societe Generale	Romania	2,342	47.7	50.6	53.4	50.0	52.9	...
Komercni Banka	Czech Republic	7,165	42.6	42.6	46.2	44.2	43.1	45.4
Weighted Average			48.8	51.3	53.6	50.7	49.1	47.5
Median		4,765	47.7	48.5	53.4	46.0	47.4	46.0

Source: Company Data, Helgi Analytics

When compared to total assets, the bank's costs amounted to 1.42% in 2018 up from 1.39% the previous year.

The bank had 8,411 employees in the 2018, down by 0.948% when compared to the previous year. The bank operated a network of 379 branches in 2018.

The average cost per employee stood at USD 3,541 per month, 15.7% above the previous year. This figure was USD 3,331 per month five years earlier.



Staff accounted for 53.5% of total operating expenditures in 2018.

STAFF COST (AS % OF TOTAL COST)								
NAME	COUNTRY	Mkt Cap (USD mil)	2013	2014	2015	2016	2017	2018
Raiffeisen Bank Int.	Austria	8,758	46.8	37.6	47.1	49.4	51.6	51.8
MONETA Money Bank	Czech Republic	1,661	40.8	36.5	40.5	44.5	50.6	47.9
PKO BP	Poland	13,090	54.4	47.8	46.1	50.7	51.4	51.3
Pekao SA	Poland	7,650	55.8	56.7	58.0	59.1	59.8	59.1
mBank	Poland	4,765	42.8	42.0	39.1	44.7	44.2	44.0
Bank Millennium	Poland	2,945	50.2	49.2	43.8	50.2	49.6	50.3
Bank Handlowy	Poland	2,414	50.4	45.7	42.5	46.0	44.6	44.9
BRD Groupe Societe Generale	Romania	2,342	48.7	49.5	47.3	49.6	50.2	...
Komercni Banka	Czech Republic	7,165	51.2	51.9	47.3	50.1	54.7	53.5
Weighted Average			50.6	47.1	47.1	50.6	52.0	51.7
Median		4,765	50.2	47.8	46.1	49.6	50.6	50.8

Source: Company Data, Helgi Analytics



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

### 4.1 Balance Sheet Growth

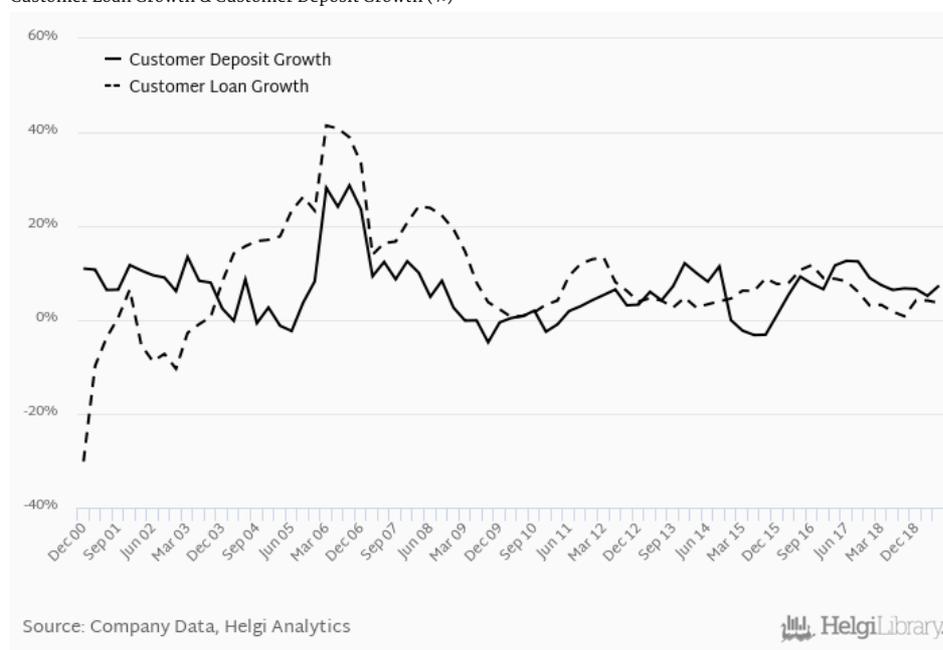
Komercni Banka's customer loans grew 4.15% yoy in the 2018. On the other side of the balance sheet, the bank's customer deposit growth amounted to 6.61% yoy. That's compared to average of 5.39% and 6.84% seen in the last three years:

In the previous five years, the average annual loan growth amounted to 5.36% while deposit growth reached 6.83% on average a year.

At the end of 2018, Komercni Banka's loans accounted for 76.7% of total deposits and 58.8% of total assets.

#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



Komercni Banka operated with a 5.17% lower loan to assets ratio compared to its peers in the 2018:

LOANS (AS % OF DEPOSITS)								
NAME	COUNTRY	Mkt Cap (USD mil)	2013	2014	2015	2016	2017	2018
Raiffeisen Bank Int.	Austria	8,758	113	109	92.6	92.8	91.5	92.9
MONETA Money Bank	Czech Republic	1,661	104	111	99.8	96.2	87.4	83.0
PKO BP	Poland	13,090	98.5	103	97.3	97.8	94.0	88.5
Pekao SA	Poland	7,650	84.3	89.1	92.0	86.1	87.5	82.9
mBank	Poland	4,765	111	103	96.7	89.4	92.3	92.9
Bank Millennium	Poland	2,945	92.2	92.8	87.8	84.2	82.8	79.6
Bank Handlowy	Poland	2,414	57.3	56.6	60.1	50.6	55.6	51.7
BRD Groupe Societe Generale	Romania	2,342	77.8	74.5	64.9	66.0	67.0	...
<b>Komercni Banka</b>	<b>Czech Republic</b>	<b>7,165</b>	<b>72.9</b>	<b>70.5</b>	<b>79.9</b>	<b>83.0</b>	<b>78.5</b>	<b>76.7</b>
Weighted Average			93.3	93.4	89.4	87.7	86.3	84.5
Median		4,765	92.2	92.8	92.0	86.1	87.4	83.0

Source: Company Data, Helgi Analytics

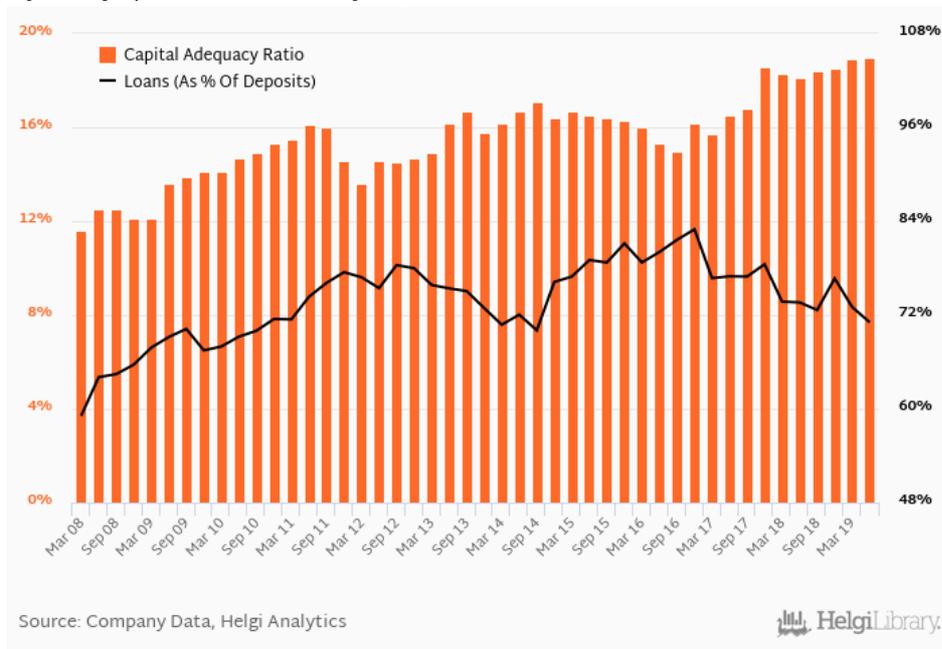


## 4.2 Capital & Liquidity

Capital adequacy ratio reached 18.5% in the 2018, down from 18.6% for the previous year. The Tier 1 ratio amounted to 17.9% at the end of the 2018:

### Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



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

CAPITAL ADEQUACY RATIO								
NAME	COUNTRY	Mkt Cap (USD mil)	2013	2014	2015	2016	2017	2018
Raiffeisen Bank Int.	Austria	8,758	15.9	15.1	16.8	17.1	17.8	18.2
MONETA Money Bank	Czech Republic	1,661	23.7	27.8	17.7	20.5	17.4	16.4
PKO BP	Poland	13,090	13.6	13.0	14.6	15.8	17.4	18.9
Pekao SA	Poland	7,650	18.3	17.3	17.7	17.6	17.1	17.4
mBank	Poland	4,765	19.4	14.7	17.3	20.3	21.0	20.7
Bank Millennium	Poland	2,945	14.5	15.2	16.7	17.4	22.0	21.4
Bank Handlowy	Poland	2,414	16.7	17.5	17.1	17.4	17.9	16.8
BRD Groupe Societe Generale	Romania	2,342	14.2	17.0	19.1	20.4	20.1	...
Komercni Banka	Czech Republic	7,165	15.8	16.4	16.3	16.2	18.6	18.5
Weighted Average			16.1	15.6	16.5	17.3	18.3	18.6
Median		4,765	15.9	16.4	17.1	17.4	17.9	18.3

Source: Company Data, Helgi Analytics

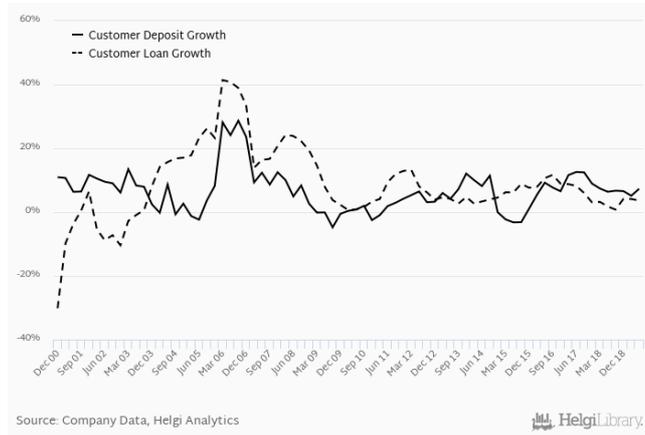


### 4.3 Loan Breakdown

Komercni Banka's loans reached CZK 622,946 mil in the 2018, up 4.15% when compared to the same period of the previous year:

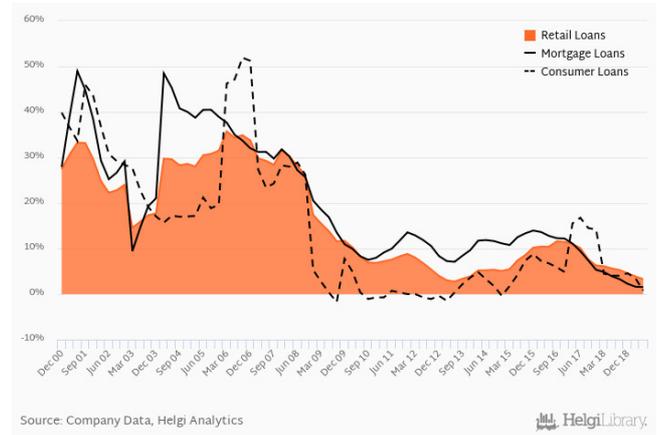
#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



#### Retail Loan Growth

Retail Loan Growth (%)

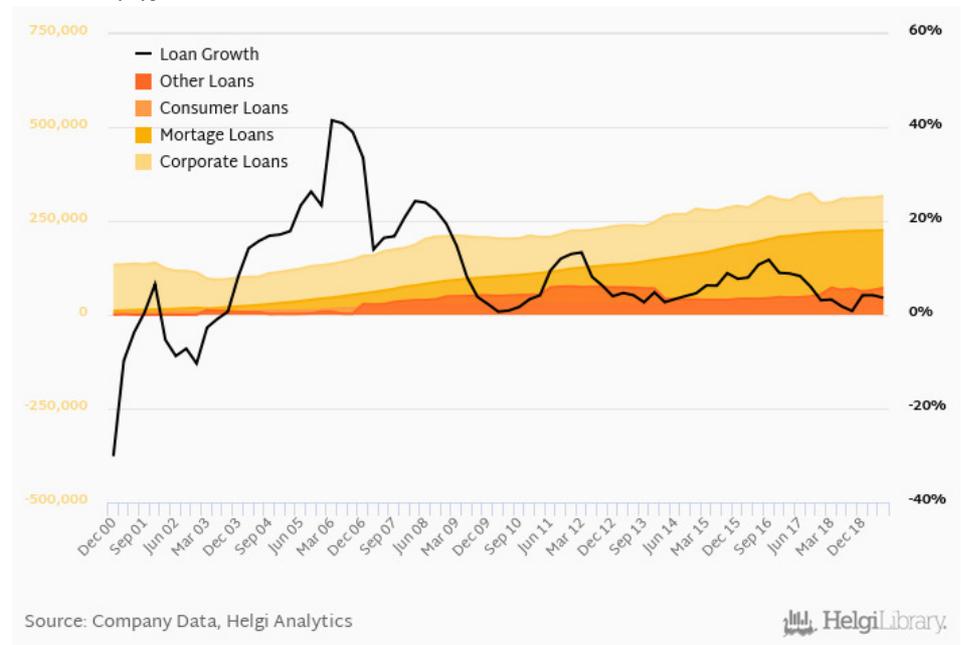


Retail loans grew 4.61% yoy and accounted for 50.3% of the bank's loan book at the end of 2018. In the previous three years, the retail loan portfolio increased 7.44% a year on average.

At the end of 2018, mortgage loans represented 35.9% of the bank's loan book, consumer loans added a further 6.21% and corporate loans formed 50.1% of total loans.

#### Loan Breakdown

Bank Loans by Type (CZK mil)





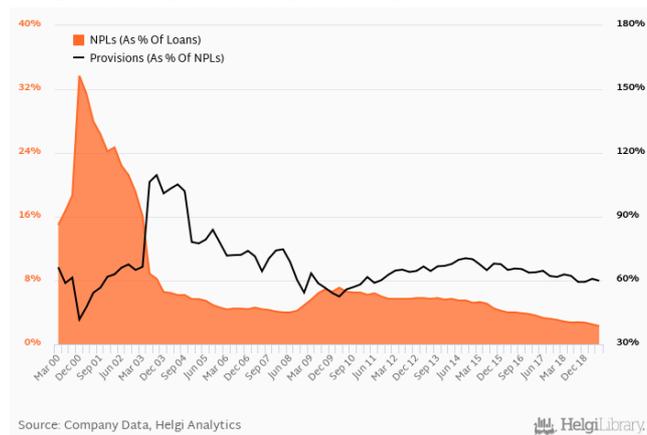
## 4.4 Asset Quality

Komercni Banka's non-performing loans were 2.71% of total loans, down from 3.06% when compared to the previous year. Historically, the NPL ratio hit a high of 33.7% in 2000 and a low 2.71% in 2018.

Provisions covered some 59.4% of NPLs at the end of the 2018, down from 61.7% for the previous three months:

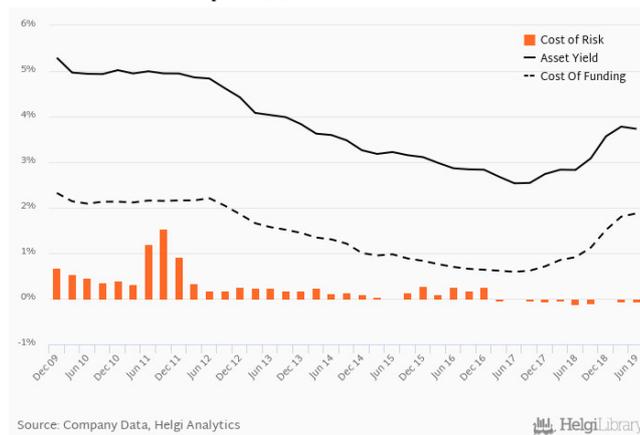
### Asset Quality

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



### Cost of Risk

Cost of Risk vs. Interest Spread (%)



Komercni Banka operated with an NPL ratio 38.2% lower than the market average at the end of the 2018:

NPLS (AS % OF LOANS)								
NAME	COUNTRY	Mkt Cap (USD mil)	2013	2014	2015	2016	2017	2018
Raiffeisen Bank Int.	Austria	8,758	10.7	11.4	11.9	8.66	5.68	4.11
MONETA Money Bank	Czech Republic	1,661	14.8	12.9	11.7	5.97	4.10	2.80
PKO BP	Poland	13,090	8.23	6.92	6.59	5.90	5.50	5.13
Pekao SA	Poland	7,650	7.48	7.00	6.53	6.32	5.72	5.38
mBank	Poland	4,765	6.27	6.35	5.69	5.36	5.15	4.82
Bank Millennium	Poland	2,945	4.42	4.23	4.61	4.50	4.60	4.50
Bank Handlowy	Poland	2,414	7.58	5.77	3.20	3.10	3.50	3.28
BRD Groupe Societe Generale	Romania	2,342	24.8	20.3	17.0	12.8	8.13	...
<b>Komercni Banka</b>	<b>Czech Republic</b>	<b>7,165</b>	<b>5.60</b>	<b>5.21</b>	<b>4.20</b>	<b>3.80</b>	<b>3.06</b>	<b>2.71</b>
Weighted Average			8.72	8.01	7.45	6.20	5.12	4.39
Median		4,765	7.58	6.92	6.53	5.90	5.15	4.31

Source: Company Data, Helgi Analytics

The bank's cost of risk reached -0.061% of average loans in the 2018, down from -0.039% in the previous year.



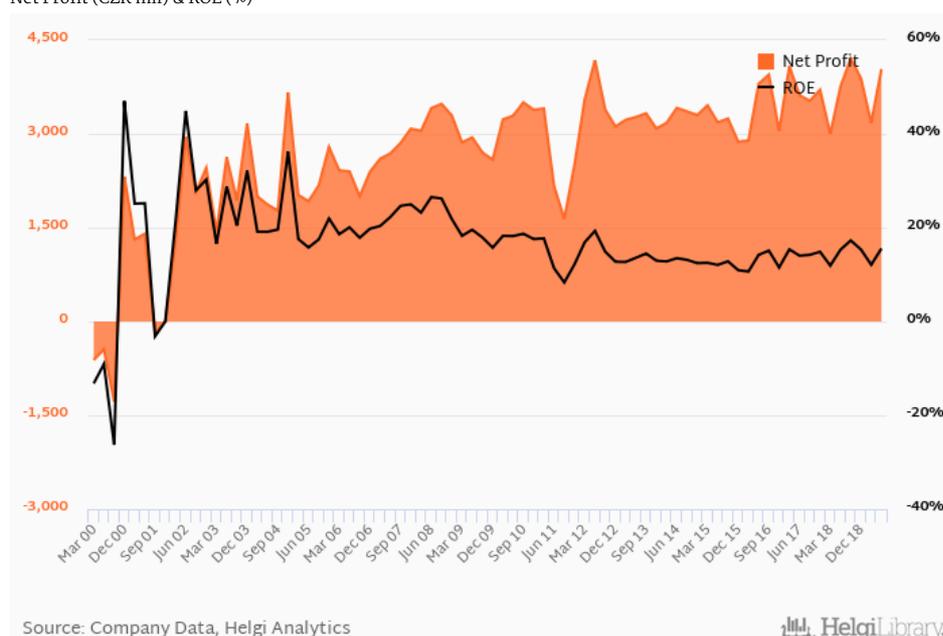
## 5 Profitability

Overall, Komercni Banka made a net profit of CZK 14,846 mil in the 2018. This was down 0.563% when compared to the previous year resulting in a return on equity of 14.6%.

Historically, the bank's net profit reached a high of CZK 14,930 mil in 2017 and a low of CZK -9,782 mil in 1999.

### Profitability

Net Profit (CZK mil) & ROE (%)



The bank generated an average return on equity of 14.0% for its shareholders in the previous three years with maximum at 14.6% and minimum at 12.9%.

ROE								
NAME	COUNTRY	Mkt Cap (USD mil)	2013	2014	2015	2016	2017	2018
Raiffeisen Bank Int.	Austria	8,758	5.68	-6.65	4.54	5.70	10.6	10.7
MONETA Money Bank	Czech Republic	1,661	11.8	10.4	12.8	14.7	14.8	16.5
PKO BP	Poland	13,090	13.0	12.3	9.02	9.15	9.02	9.93
Pekao SA	Poland	7,650	11.9	11.4	9.66	9.84	10.7	9.93
mBank	Poland	4,765	12.1	12.1	11.1	9.63	7.98	8.92
Bank Millennium	Poland	2,945	10.5	11.7	8.95	10.5	9.26	9.42
Bank Handlowy	Poland	2,414	13.2	12.8	8.71	8.82	7.80	9.13
BRD Groupe Societe Generale	Romania	2,342	-6.95	1.13	7.75	11.7	20.0	...
Komercni Banka	Czech Republic	7,165	12.9	12.6	11.8	12.9	14.5	14.6
Weighted Average			10.4	8.32	8.99	9.60	10.9	10.8
Median		4,765	11.9	11.7	9.02	9.84	10.6	9.93

Source: Company Data, Helgi Analytics

When compared to total assets, the Bank generated a return of 1.44% in the 2018 (ROA). That's 0.021% below average for the previous five years.

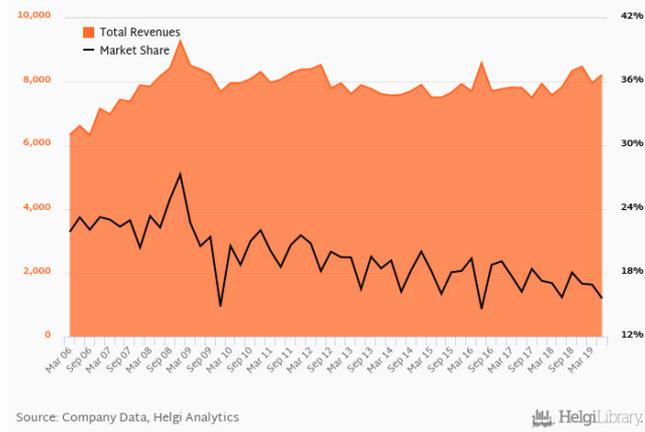


## 6 Market Share Development on the Czech Market

Based on latest available data, Komercni Banka accounted for 14.5% of all bank assets managed in the Czech Republic at the end of 2018.

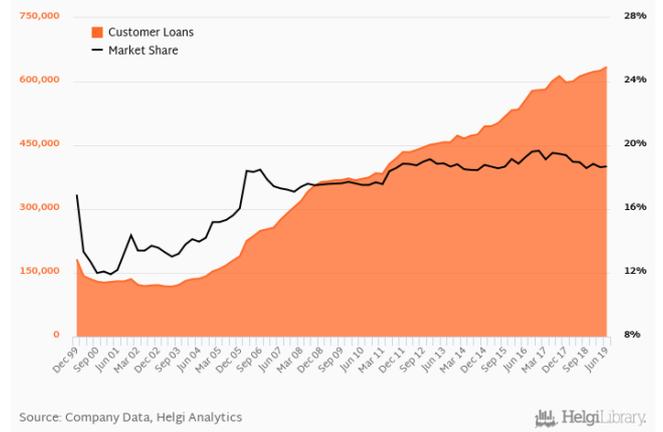
### Market Share in Bank Revenues

Total Revenues (CZK mil)



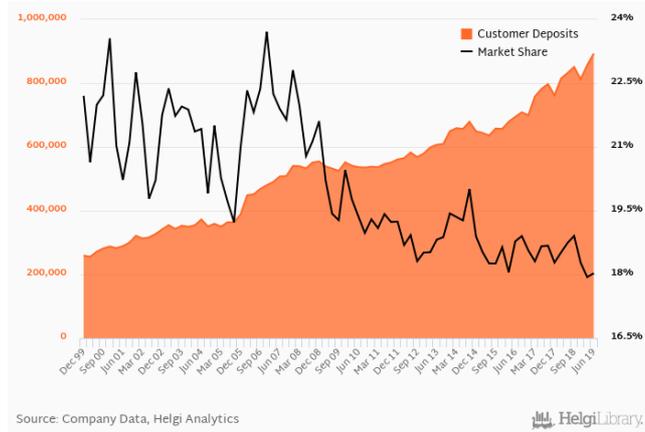
### Market Share in Bank Loans

Customer Loans (CZK mil)



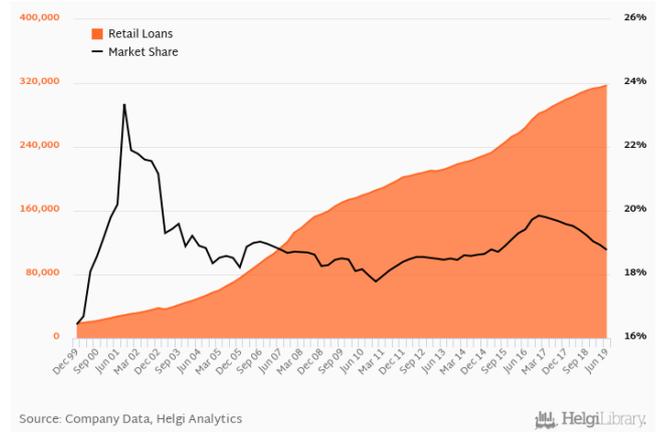
### Market Share in Bank Deposits

Customer Deposits (CZK mil)



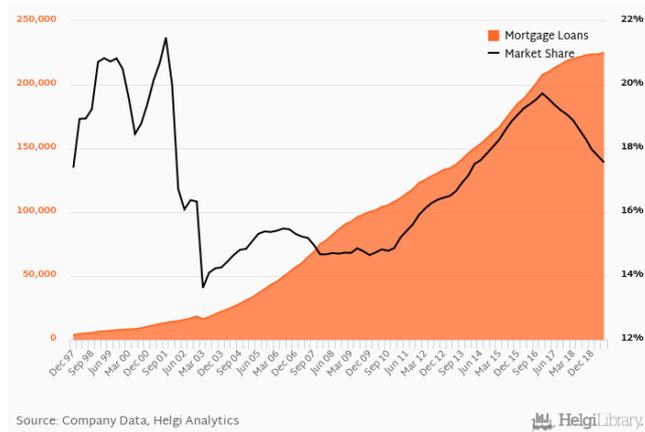
### Market Share in Retail Loans

Retail Loans (CZK mil)



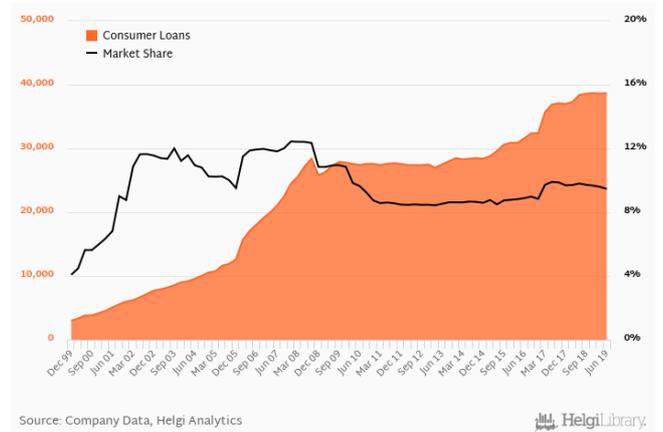
### Market Share in Mortgage Loans

Mortgage Loans (CZK mil)



### Market Share in Consumer Loans

Consumer Loans (CZK mil)



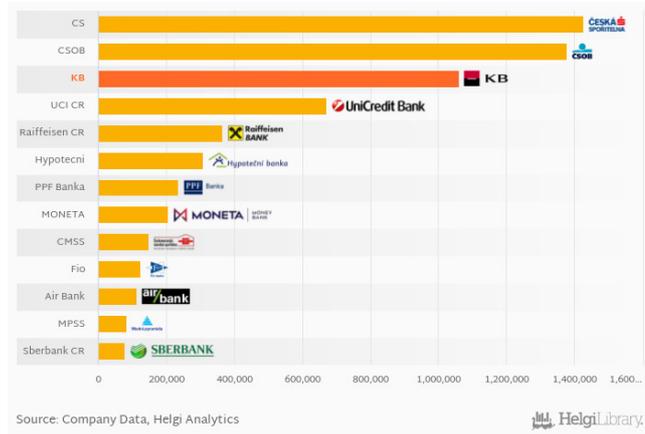


## 7 Market Share Position Within the Czech Market

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

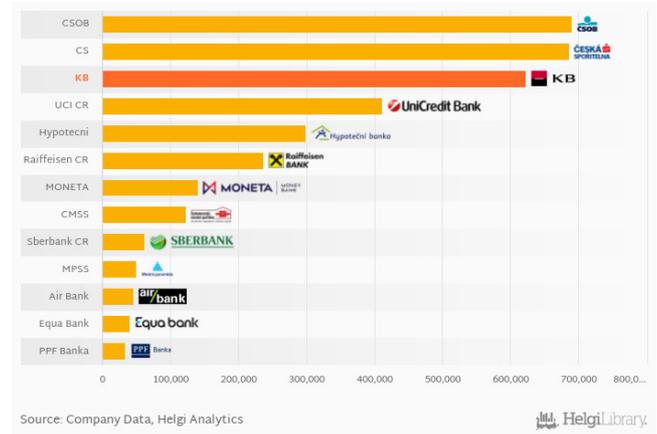
### What Banks in Czechia Were the Largest in 2018?

Top Banks by Total Assets (CZK mil)



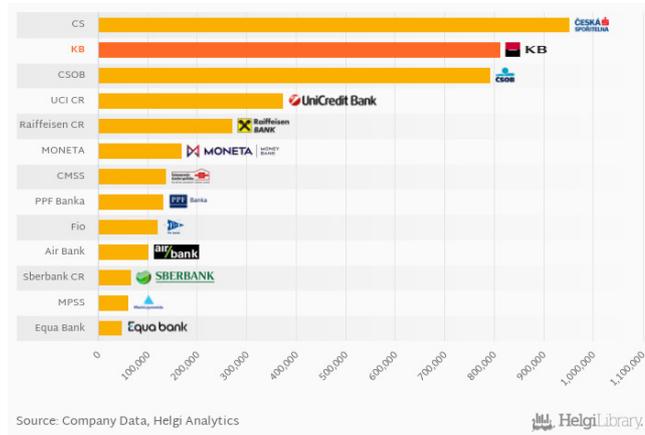
### What Banks in Czechia Were the Largest Lenders in 2018?

Top Banks by Customer Loans (CZK mil)



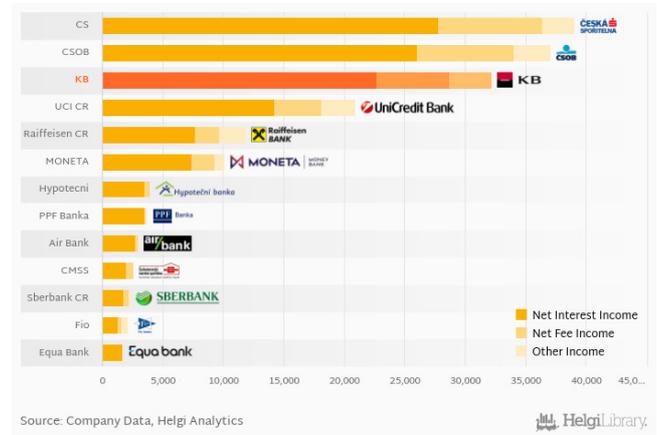
### What Banks in Czechia Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (CZK mil)



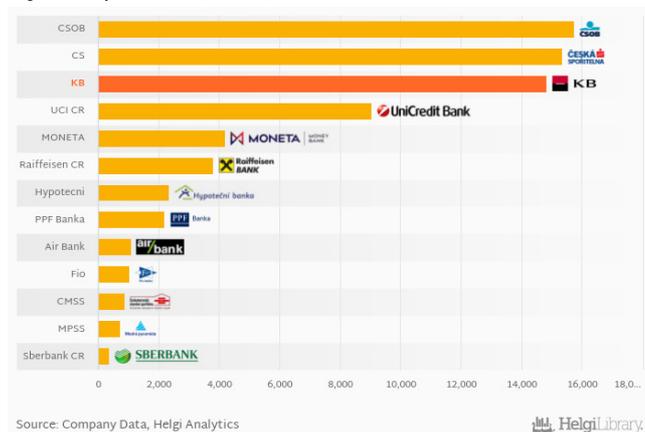
### What Banks in Czechia Generated the Most Revenues in 2018?

Top Banks by Total Revenues (CZK mil)



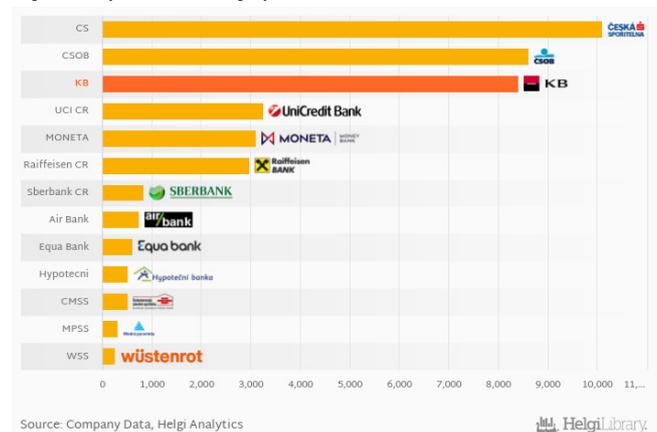
### What Banks in Czechia Were the Most Profitable in 2018?

Top Banks by Net Profit (CZK mil)



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

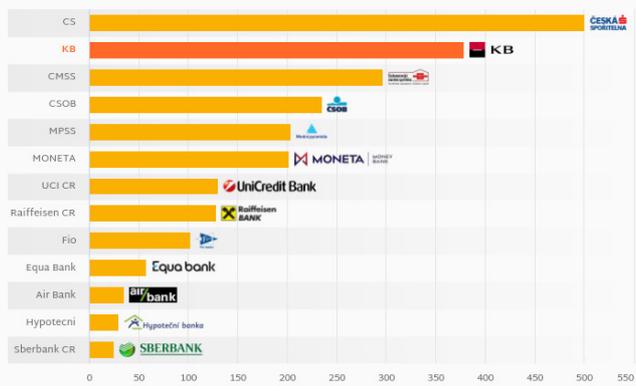
Top Banks by Number of Employees





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

Top Banks by Number of Branches

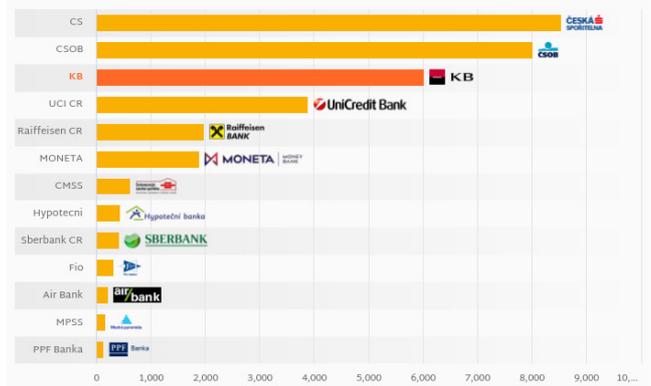


Source: Company Data, Helgi Analytics



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

Top Banks by Net Fee Income (CZK mil)



Source: Company Data, Helgi Analytics



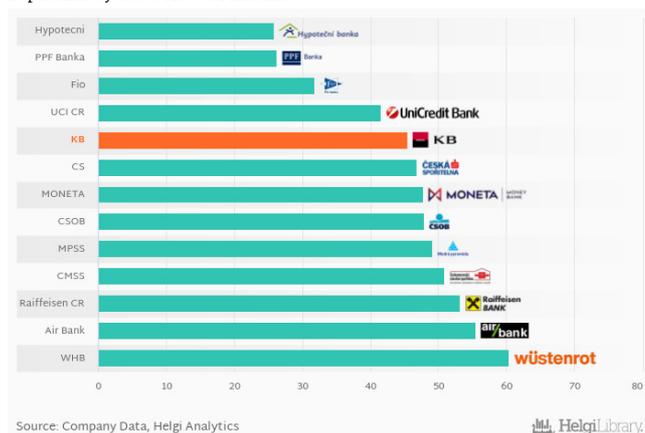


## 8 Relative Performance on the Czech Market

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

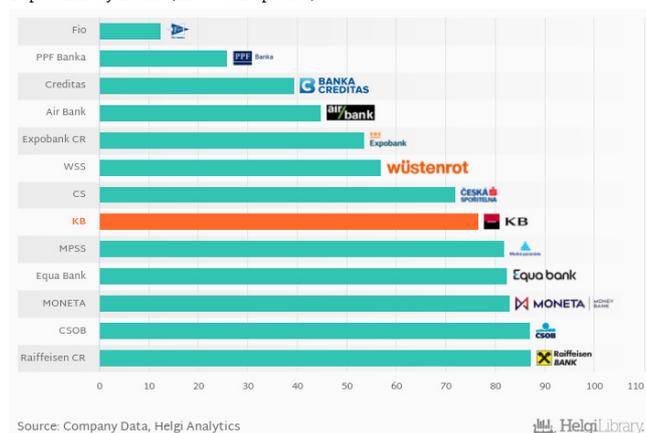
### What Banks in Czechia Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



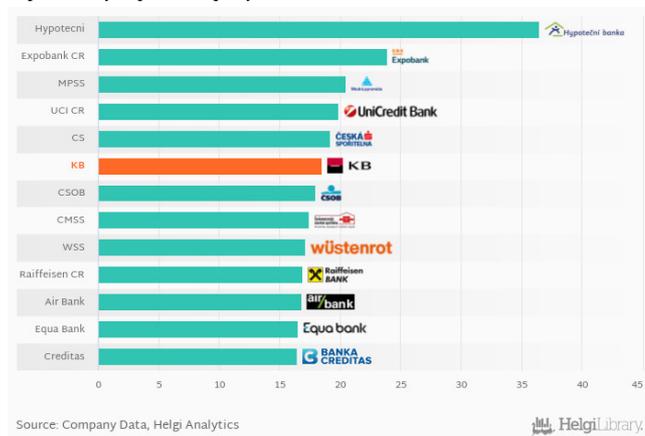
### What Banks in Czechia Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



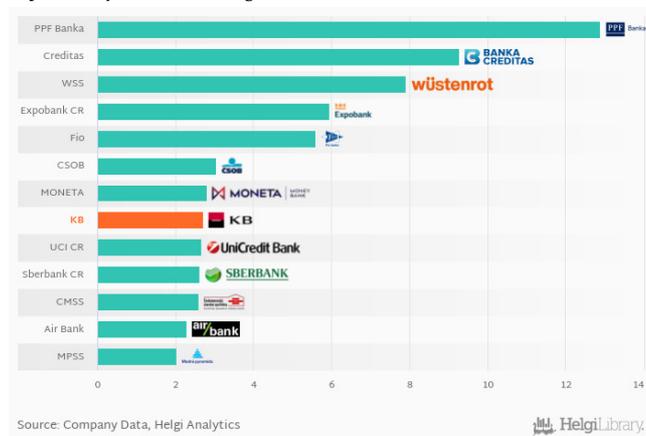
### What Banks in Czechia Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



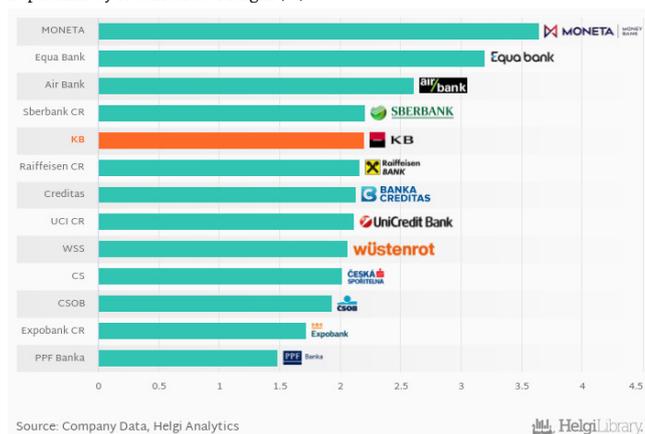
### What Banks in Czechia Had the Most Bad Loans in 2018?

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



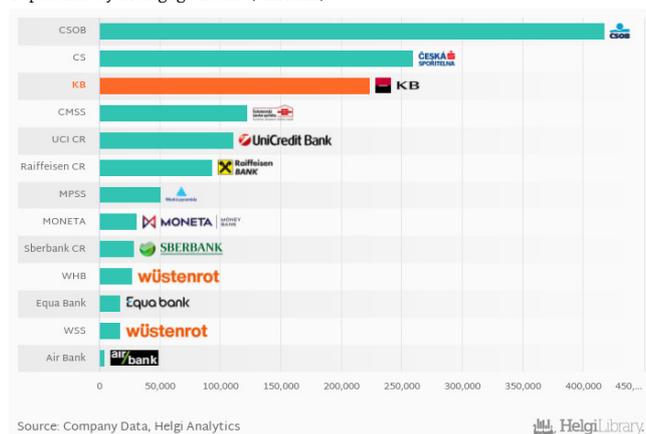
### What Banks in Czechia Achieved the Highest Interest Margin in 2018?

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 – Annual

### Income Statement – Annual

INCOME STATEMENT		2011	2012	2013	2014	2015	2016	2017	2018
Interest Income	CZK mil	35,996	35,993	32,230	31,222	28,622	26,757	26,647	33,644
Interest Cost	CZK mil	13,885	14,024	11,026	9,801	7,268	5,692	5,843	10,939
Net Interest Income	CZK mil	22,111	21,969	21,204	21,423	21,357	21,069	20,808	22,705
Net Fee Income	CZK mil	7,285	6,971	7,076	6,752	6,968	6,683	6,465	6,024
Other Income	CZK mil	3,269	3,723	2,611	2,501	2,719	4,001	3,787	3,474
Total Revenues	CZK mil	32,665	32,663	30,891	30,676	31,044	31,753	31,060	32,203
Staff Cost	CZK mil	6,526	6,786	6,728	6,784	6,793	7,029	7,321	7,826
Depreciation	CZK mil	1,809	1,707	1,755	1,791	2,240	1,744	786	1,855
Operating Cost	CZK mil	13,482	13,484	13,148	13,064	14,352	14,027	13,375	14,634
Operating Profit	CZK mil	19,183	19,179	17,743	17,612	16,692	17,726	17,685	17,569
Provisions	CZK mil	7,325	1,871	1,739	1,296	1,075	1,817	-391	-643
Extra and Other Cost	CZK mil	403	368	273	317	-153	-964	-210	-307
Pre-Tax Profit	CZK mil	11,455	16,940	15,731	15,999	15,770	16,873	18,286	18,519
Tax	CZK mil	1,738	2,709	2,825	2,669	2,637	2,799	3,012	3,349
Minorities	CZK mil	243	278	377	376	374	386	344	324
Net Profit	CZK mil	9,718	14,233	12,906	12,954	12,759	13,689	14,930	14,846
Dividends	CZK mil	10,260	6,080	8,740	8,742	11,783	7,600	8,900	9,693

Source: Company Data, Helgi Analytics

### Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	3.59	-0.642	-3.48	1.03	-0.308	-1.35	-1.24	9.12
Net Fee Income Growth	%	-5.70	-4.31	1.51	-4.58	3.20	-4.09	-3.26	-6.82
Total Revenue Growth	%	1.14	-0.006	-5.43	-0.696	1.20	2.28	-2.18	3.68
Operating Cost Growth	%	6.43	0.015	-2.49	-0.639	9.86	-2.26	-4.65	9.41
Operating Profit Growth	%	-2.28	-0.021	-7.49	-0.738	-5.22	6.19	-0.231	-0.656
Pre-Tax Profit Growth	%	-28.7	47.9	-7.14	1.70	-1.43	6.99	8.37	1.27
Net Profit Growth	%	-27.5	46.5	-9.32	0.372	-1.51	7.29	9.07	-0.563

Source: Company Data, Helgi Analytics

### Valuation – Annual

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation (End Of Period)	USD mil	6,371	7,966	8,421	7,863	7,532	6,519	8,155	7,165
Number Of Shares (Average)	mil	189	189	189	190	189	189	190	190
Share Price (End Of Period)	CZK	666	802	884	948	990	885	915	847
Earnings Per Share (EPS)	CZK	51.5	75.4	68.3	68.2	67.6	72.5	78.6	78.1
Book Value Per Share	CZK	446	547	511	580	562	558	528	544
Dividend Per Share	CZK	54.3	32.2	46.3	46.0	62.4	40.2	46.8	51.0
Price/Earnings (P/E)		12.9	10.6	12.9	13.9	14.7	12.2	11.6	10.8
Price/Book Value (P/BV)		1.49	1.47	1.73	1.64	1.76	1.59	1.73	1.56
Dividend Yield	%	8.16	4.01	5.23	4.85	6.30	4.55	5.12	6.02
Earnings Per Share Growth	%	-27.2	46.5	-9.32	-0.258	-0.883	7.29	8.38	-0.563
Book Value Per Share Growth	%	9.41	22.6	-6.55	13.4	-2.98	-0.779	-5.39	2.97

Source: Company Data, Helgi Analytics



## Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	CZK mil	16,980	28,057	44,405	152,904	128,336	112,241	32,663	24,851
Interbank Loans	CZK mil	101,393	64,111	125,735	59,698	47,799	51,771	228,373	256,268
Customer Loans	CZK mil	434,386	451,547	473,090	494,706	532,617	580,198	598,102	622,946
Retail Loans	CZK mil	202,000	210,100	218,300	224,700	252,600	281,800	299,500	313,300
Mortgage Loans	CZK mil	123,000	133,300	146,200	159,800	185,000	207,800	218,900	223,900
Consumer Loans	CZK mil	27,600	27,500	28,500	29,000	30,600	35,200	37,000	38,700
Corporate Loans	CZK mil	224,300	235,500	246,700	224,700	268,800	275,700	297,400	312,300
Debt Securities	CZK mil	164,260	196,706	182,533	195,927	138,145	134,591	108,468	107,062
Fixed Assets	CZK mil	6,537	6,581	7,872	7,666	7,779	10,552	12,000	12,924
Total Assets	CZK mil	754,810	786,836	863,980	953,261	891,555	922,737	1,004,040	1,059,930
Shareholders' Equity	CZK mil	84,454	103,307	96,538	109,494	106,228	105,401	100,346	103,329
Of Which Minority Interest	CZK mil	2,633	2,769	2,879	3,131	3,816	3,831	3,797	3,398
Liabilities	CZK mil	670,356	683,529	767,442	843,767	785,327	817,336	903,693	956,603
Interbank Loans	CZK mil	101,393	64,111	125,735	59,698	47,799	51,771	228,373	256,268
Customer Deposits	CZK mil	560,700	579,067	649,158	701,867	666,407	699,377	762,043	812,451
Retail Deposits	CZK mil	159,900	156,400	161,800	178,400	197,400	230,100	250,000	338,400
Corporate Deposits	CZK mil	295,100	308,000	349,100	379,100	385,000	394,500	432,043	446,300
Issued Debt Securities	CZK mil	48,401	39,213	39,947	46,054	11,283	13,423	26,697	5,118
Other Liabilities	CZK mil	23,801	26,348	28,657	34,486	51,407	50,412	30,903	46,763

Source: Company Data, Helgi Analytics

## Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	CZK mil	25,679	27,208	27,524	26,767	23,024	22,625	18,605	17,257
Gross Loans	CZK mil	450,500	469,100	491,500	513,556	548,200	595,400	607,400	636,600
Total Provisions	CZK mil	15,562	17,060	17,670	18,850	15,818	15,202	11,477	10,249

Source: Company Data, Helgi Analytics

## Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	12.9	3.95	4.77	4.57	7.66	8.93	3.09	4.15
Retail Loan Growth	%	8.84	4.01	3.90	2.93	12.4	11.6	6.28	4.61
Mortgage Loan Growth	%	13.6	8.37	9.68	9.30	15.8	12.3	5.34	2.28
Consumer Loan Growth	%	0	-0.362	3.64	1.75	5.52	15.0	5.11	4.59
Corporate Loan Growth	%	6.30	4.99	4.76	-8.92	19.6	2.57	7.87	5.01
Total Asset Growth	%	8.14	4.24	9.80	10.3	-6.47	3.50	8.81	5.57
Shareholders' Equity Growth	%	9.15	22.3	-6.55	13.4	-2.98	-0.779	-4.80	2.97
Customer Deposit Growth	%	4.21	3.28	12.1	8.12	-5.05	4.95	8.96	6.61
Retail Deposit Growth	%	4.03	-2.19	3.45	10.3	10.7	16.6	8.65	35.4
Corporate Deposit Growth	%	-0.973	4.37	13.3	8.59	1.56	2.47	9.52	3.30

Source: Company Data, Helgi Analytics



## Market Share - Annual

MARKET SHARE		2011	2012	2013	2014	2015	2016	2017	2018
Market Share in Revenues	%	20.2	19.5	18.4	18.3	17.8	17.6	17.3	16.9
Market Share in Net Profit	%	18.2	22.1	21.1	20.5	19.2	18.6	19.8	18.2
Market Share in Employees	%	21.8	21.7	21.4	21.1	20.4	20.6	20.3	20.1
Market Share in Bank Cards	%	16.9	15.9	15.2	13.9	14.2	14.1	15.0	14.1
Market Share in Debit Cards	%	18.1	16.9	17.2	15.4	15.5	15.2	15.5	14.0
Market Share in Credit Cards	%	11.9	11.1	9.59	9.44	9.94	10.4	15.4	15.3
Market Share in Branches	%	19.5	19.0	17.9	18.0	18.3	19.8	20.6	19.4
Market Share in Customer Loans	%	18.9	19.1	18.8	18.8	19.1	19.7	19.4	18.8
Market Share in Corporate Loans	%	27.1	28.2	28.4	25.7	29.2	28.3	29.1	28.9
Market Share in Retail Loans	%	8.48	8.47	8.62	8.78	8.70	9.60	9.69	9.68
Market Share in Consumer Loans	%	18.4	18.5	18.5	18.3	19.1	19.8	19.6	19.0
Market Share in Mortgage Loans	%	15.9	16.5	17.2	17.8	19.0	19.7	19.1	18.0
Market Share in Total Assets	%	16.9	17.0	16.6	17.7	16.1	15.3	14.2	14.5
Market Share in Customer Deposits	%	19.2	18.5	19.4	20.4	18.9	18.6	18.3	18.3
Market Share in Retail Deposits	%	9.34	8.83	8.93	9.28	9.70	10.4	10.5	13.2
Market Share in Corporate Deposits	%	43.8	43.0	44.9	45.2	41.8	43.1	43.3	42.9

Source: Company Data, Helgi Analytics

## Ratios - Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	12.0	15.2	12.9	12.6	11.8	12.9	14.5	14.6
ROA	%	1.34	1.85	1.56	1.43	1.38	1.51	1.55	1.44
Costs (As % Of Assets)	%	1.86	1.75	1.59	1.44	1.56	1.55	1.39	1.42
Costs (As % Of Income)	%	41.3	41.3	42.6	42.6	46.2	44.2	43.1	45.4
Capital Adequacy Ratio	%	14.6	14.7	15.8	16.4	16.3	16.2	18.6	18.5
Tier 1 Ratio	%	13.4	14.7	15.8	16.4	16.3	16.2	18.0	17.9
Net Interest Margin	%	3.04	2.85	2.57	2.36	2.32	2.32	2.16	2.20
Interest Spread	%	2.80	2.60	2.38	2.22	2.21	2.24	2.09	2.08
Asset Yield	%	4.96	4.67	3.90	3.44	3.10	2.95	2.77	3.26
Cost Of Liabilities	%	2.15	2.07	1.52	1.22	0.892	0.710	0.679	1.18
Payout Ratio	%	106	42.7	67.7	67.5	92.4	55.5	59.6	65.3
Interest Income (As % Of Revenues)	%	67.7	67.3	68.6	69.8	68.8	66.4	67.0	70.5
Fee Income (As % Of Revenues)	%	22.3	21.3	22.9	22.0	22.4	21.0	20.8	18.7
Other Income (As % Of Revenues)	%	10.0	11.4	8.45	8.15	8.76	12.6	12.2	10.8
Cost Per Employee	USD per month	3,520	3,301	3,331	3,105	2,816	2,745	3,060	3,541
Cost Per Employee (Local Currency)	CZK per month	62,259	64,568	65,164	66,354	67,223	69,254	71,845	77,536
Staff Cost (As % Of Total Cost)	%	48.4	50.3	51.2	51.9	47.3	50.1	54.7	53.5
Equity (As % Of Assets)	%	11.2	13.1	11.2	11.5	11.9	11.4	9.99	9.75
Loans (As % Of Deposits)	%	77.5	78.0	72.9	70.5	79.9	83.0	78.5	76.7
Loans (As % Assets)	%	57.5	57.4	54.8	51.9	59.7	62.9	59.6	58.8
NPLs (As % Of Loans)	%	5.70	5.80	5.60	5.21	4.20	3.80	3.06	2.71
Provisions (As % Of NPLs)	%	60.6	62.7	64.2	70.4	68.7	67.2	61.7	59.4
Provisions (As % Of Loans)	%	3.58	3.78	3.74	3.81	2.97	2.62	1.92	1.65
Cost of Provisions (As % Of Loans)	%	1.79	0.422	0.376	0.268	0.209	0.327	-0.066	-0.105

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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