

CSOB

Quarterly Results - 2Q2019

CSOB made a net profit of CZK 6,099 mil in the second quarter of 2019, up 74.3% when compared to the previous year. Total revenues increased 33.9% yoy to CZK 11,410 mil, ROE amounted to 26.1% and the NPL ratio stood at 2.39%. In the last three years, the bank grew its loans by 15.9% a year, revenues rose by 5.23% and net profit increased by 6.75% a year, on average.

- ✓ Revenues increased 33.9% yoy to CZK 11,410 mil in the second quarter of 2019. Interest income formed 67.6% of total revenues with the net interest margin increasing 0.27 pp to 1.89% of total assets. Fees added a further 19.2% to total revenue generated in 2Q2019, down from an average of 21.5% as seen in the previous two years.
- ✓ Operating costs grew by 5.31% yoy to CZK 4,425 mil, so cost to income ratio reached 38.8%, down by 3.75% compared to the previous two years. Staff accounted for 51.1% of total operating expenditures. At the end of second quarter of 2019, CSOB operated a network of 227 branches and 8,562 employees.
- ✓ Loans and deposits grew by 14.8% and 14.8% qoq respectively, so loan to deposit ratio reached 83.2% at the end of 2Q2019. That's up from 75.6% the previous year. Equity reached 5.35% of assets and capital adequacy ratio amounted to 18.7% at the end of the second quarter of 2019.
- ✓ NPLs were 2.39% of total loans at the end of the quarter. Provisions covered 59.8% of non-performing loans
- ✓ When compared to selected peers, CSOB was 6.90 pp more profitable in terms of ROE, achieved 0.547 pp better cost efficiency when measured by cost to income ratio and grew its loans by 13.5 pp faster based on a last year comparison.

Sector:
Banking

Country:
Czech Republic

Employees:
8,562

Clients:
4.25 mil

Branches:
227

ATMs:
1,067

Bank Cards:
N/A

Capital Adequacy Ratio:
18.7%

Tier 1 Ratio:
18.7%

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2019	11,410	33.9	6,099	74.3	26.1	38.8	83.2	5.35	2.39
2018	37,102	-0.261	15,757	-10.0	17.1	47.9	87.1	6.68	3.06
2017	37,199	9.27	17,517	15.7	19.3	43.7	90.6	7.03	2.04
2016	34,043	4.61	15,141	8.07	16.9	46.0	79.4	8.17	3.03
2015	32,542	3.50	14,010	2.98	15.9	48.2	81.1	9.49	3.73

Source: Company Data, Helgi Analytics



1 Company Overview

CSOB is the largest financial Group in the Czech Republic with approximately a fifth of the market in assets, loans or deposits. Following its takeover of bankrupt IPB in 2000, the Bank serves now more than 3.6 million retail clients through a network of 200 branches, over 1,000 ATMs or 2,600 outlets if the network of the Czech Post Office is included. At the end of 2018, the Group employed over 8,000 people in the Czech Republic and Slovakia.

CSOB has been growing its revenues and asset by 3.12% and 6.46% a year on average in the last 10 years. Its loans and deposits have grown by 7.16% and 5.53% a year during that time and loans to deposits ratio reached 83.2% at the end of 2Q2019. The company achieved an average return on equity of 19.6% in the last decade with net profit growing 7.92% a year on average. In terms of operating efficiency, its cost to income ratio reached 38.8% in 2Q2019, compared to 45.6% average in the last decade.

Equity represented 5.35% of total assets or 11.1% of loans at the end of 2Q2019. CSOB's non-performing loans were 2.39% of total loans while provisions covered some 59.8% of NPLs at the end of the second quarter of 2019.

Slowdown onto the real estate market, on-going low interest rate environment and rising competition pressure from fintech and small market players seem to be the biggest risks to watch for.

FINANCIALS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Net Interest Income	CZK mil	5,503	5,837	6,105	6,021	6,575	7,315	7,576	7,718
Total Revenues	CZK mil	8,678	9,314	9,412	8,522	9,333	9,835	10,526	11,410
Operating Profit	CZK mil	4,895	4,921	4,845	4,320	4,949	5,219	5,507	6,985
Net Profit	CZK mil	4,184	3,983	4,020	3,500	4,007	4,230	4,833	6,099
Customer Loans	CZK mil	584,988	674,729	658,108	674,719	681,691	690,610	708,635	813,746
Total Assets	CZK mil	1,424,230	1,314,400	1,526,230	1,443,380	1,544,760	1,378,040	1,580,440	1,682,650
Shareholders' Equity	CZK mil	90,426	92,456	96,116	83,883	87,510	92,016	96,821	90,101
Interbank Borrowing	CZK mil	171,732	68,502	191,724	101,379	160,549	54,653	128,351	94,267
Customer Deposits	CZK mil	809,993	744,448	878,428	892,818	897,878	792,625	852,226	978,413
Issued Debt Securities	CZK mil	344,775	350,136	298,433	312,544	330,661	365,311	416,313	415,340

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	18.9	17.4	17.1	15.6	18.7	18.8	20.5	26.1
Costs (As % Of Income)	%	43.6	47.2	48.5	49.3	47.0	46.9	47.7	38.8
Net Interest Margin	%	1.57	1.71	1.72	1.62	1.76	2.00	2.05	1.89
Equity (As % Of Assets)	%	6.35	7.03	6.30	5.81	5.66	6.68	6.13	5.35
Loans (As % Of Deposits)	%	72.2	90.6	74.9	75.6	75.9	87.1	83.2	83.2
Loans (As % Assets)	%	41.1	51.3	43.1	46.7	44.1	50.1	44.8	48.4
NPLs (As % Of Loans)	%	2.52	2.04	2.02	2.88	3.05	3.06	2.92	2.39
Provisions (As % Of NPLs)	%	55.3	58.3	72.5	47.0	44.8	44.0	44.4	59.8

Source: Company Data, Helgi Analytics



2 Revenues & Costs

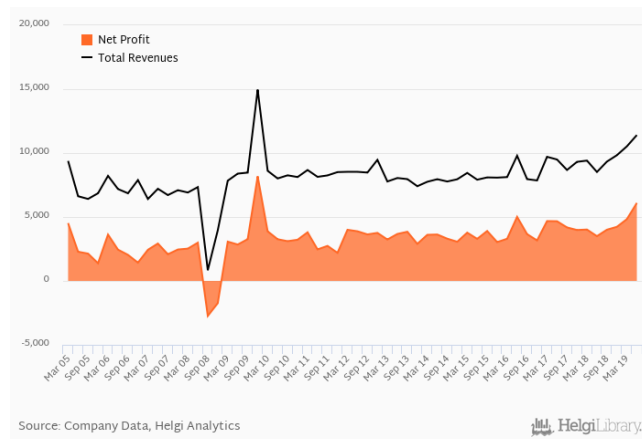
2.1 Revenues

CSOB generated total operating revenues of CZK 11,410 mil in the second quarter of 2019, up 33.9% compared to the same period of the previous year. Net interest income represented 67.6% of revenues, fee income contributed 19.2% and other non-interest income added further 13.2% to the overall revenue generated.

Over the previous three years, revenues rose by 5.23% a year on average.

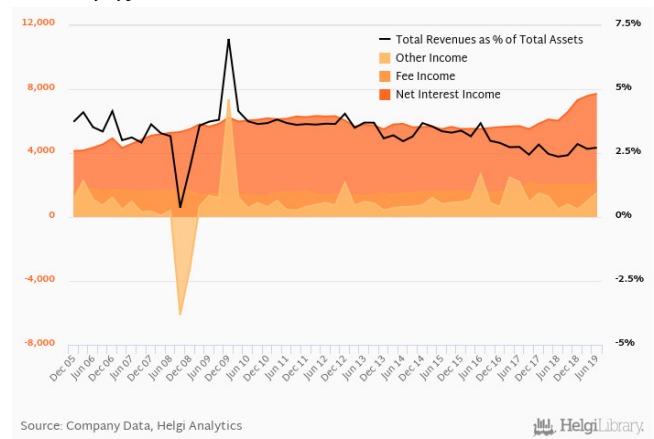
Revenue & Profitability

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



Revenue Breakdown

Revenue by Type of Income (CZK mil)



Net interest margin amounted to 1.89% in the second quarter of 2019, up from the 1.62% of the previous year. Historically, CSOB's net interest margin reached a high of 2.86% in 2Q2010 and a low of 1.57% in 3Q2017.

Average asset yield was 2.77% in the second quarter of 2019 (up from 2.02%) while cost of funding amounted to 0.931% in 2Q2019 (up from 0.427%).

NET INTEREST MARGIN									
NAME	COUNTRY	Total Assets (CZK mil)	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
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
Hypoteční Banka	Czechia	316,813	1.32	1.24	1.07	1.23	1.17	1.10	1.06
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
CSOB	Czechia	1,682,650	1.71	1.72	1.62	1.76	2.00	2.05	1.89
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



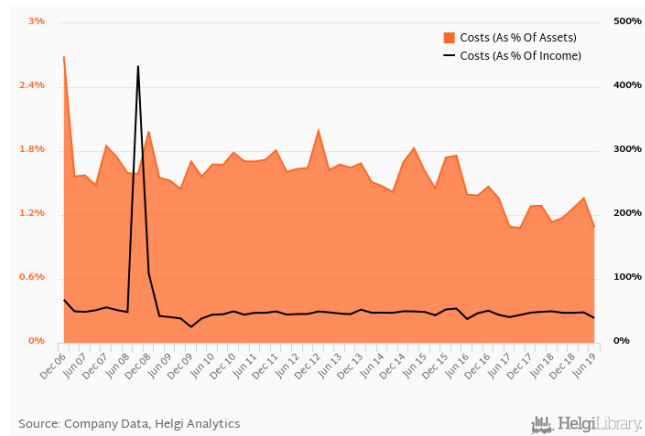
2.2 Costs

Operating costs increased by 5.31% yoy to CZK 4,425 mil in the second quarter of 2019. CSOB's cost to income ratio therefore reached 38.8%, down from 49.3% when compared to the previous year.

Historically, operating costs reached a high of 433% of income in 3Q2008 and a low of 24.9% in 4Q2009:

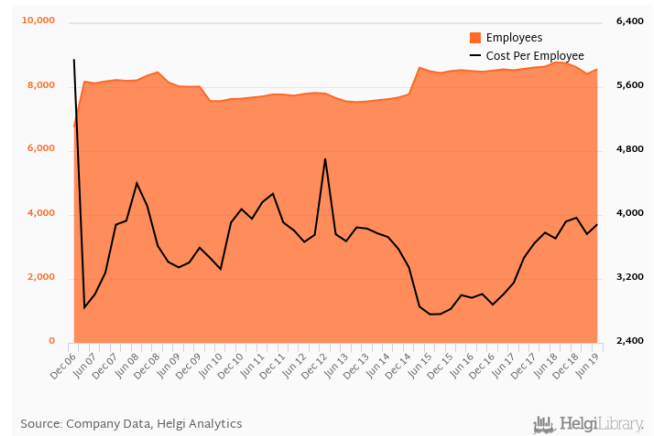
Cost Efficiency

Costs As % Of Assets & Income



Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, CSOB operated with a 0.547 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
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
Hypoteční Banka	Czechia	316,813	33.0	23.8	23.1	22.8	34.3	23.8
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
CSOB	Czechia	1,682,650	48.5	49.3	47.0	46.9	47.7	38.8
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 1.08% in 2Q2019 down from 1.13% the previous year.

CSOB had 8,562 employees in the second quarter of 2019, down by 2.47% when compared to the previous year. The company operated a network of 227 branches in 2Q2019.



The average cost per employee stood at USD 3,884 per month, 4.77% above the previous year. This figure was USD 3,725 per month five years earlier.

Staff accounted for 51.1% 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
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
Hypoteční Banka	Czechia	316,813	40.8	62.8	60.5	63.2	40.3	62.0
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
CSOB	Czechia	1,682,650	45.0	49.9	52.0	49.4	43.0	51.1
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

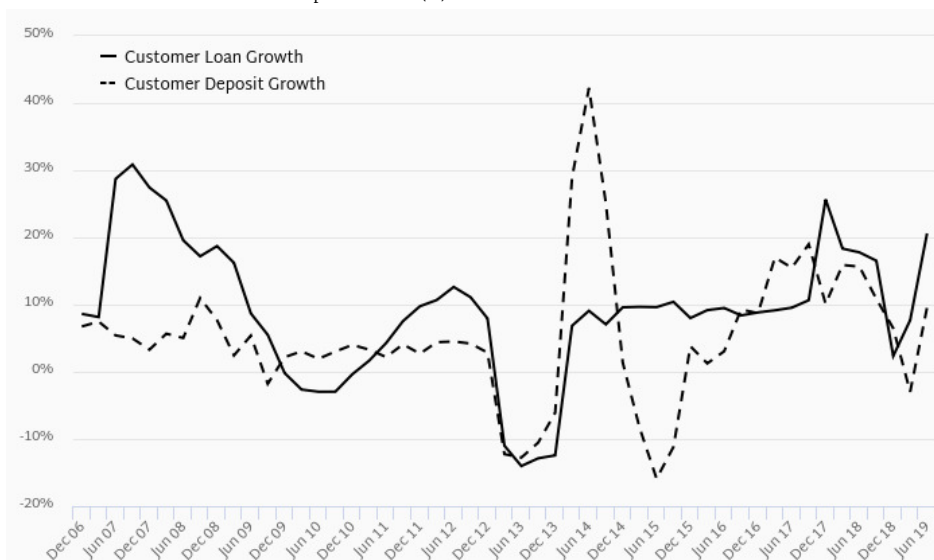
CSOB's customer loans grew 14.8% qoq and 20.6% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 14.8% qoq and 9.59% yoy. That's compared to average of 13.0% and 11.3% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 15.9% while deposit growth reached 13.5% on average a year.

At the end of second quarter of 2019, CSOB's loans accounted for 83.2% of total deposits and 48.4% of total assets.

Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



Source: Company Data, Helgi Analytics

HelgiLibrary

LOANS (AS % OF DEPOSITS)								
NAME	COUNTRY	Total Assets (CZK mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
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
Hypoteční Banka	Czechia	316,813	113	114	114	113	113	113
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
CSOB	Czechia	1,682,650	74.9	75.6	75.9	87.1	83.2	83.2
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

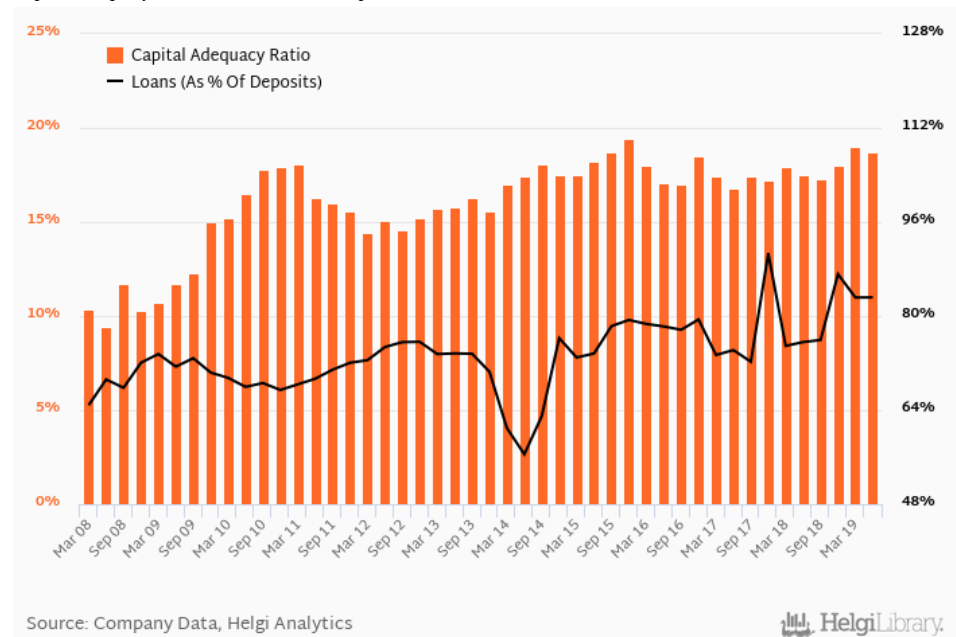


3.2 Capital & Liquidity

CSOB's capital adequacy ratio reached 18.7% in the second quarter of 2019, up from 17.5% for the previous year. The Tier 1 ratio amounted to 18.7% at the end of the second quarter of 2019:

Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



CSOB's capital is below 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
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
Hypoteční Banka	Czechia	316,813	37.5	41.2	35.5	36.5	39.1	42.2
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
CSOB	Czechia	1,682,650	17.9	17.5	17.3	18.0	19.0	18.7
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

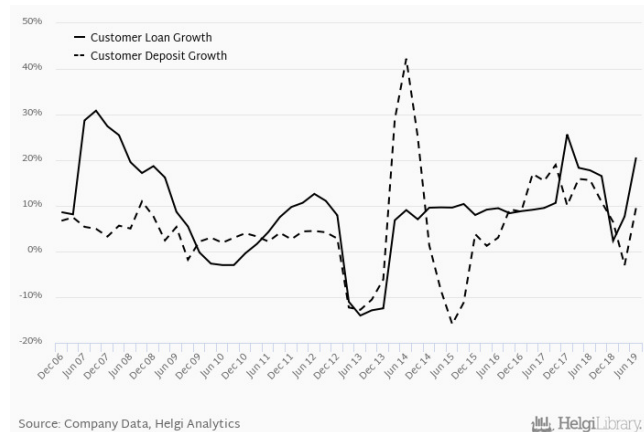


3.3 Loan Breakdown

CSOB's loans reached CZK 813,746 mil in the second quarter of 2019, up 20.6% when compared to the same period of the previous year:

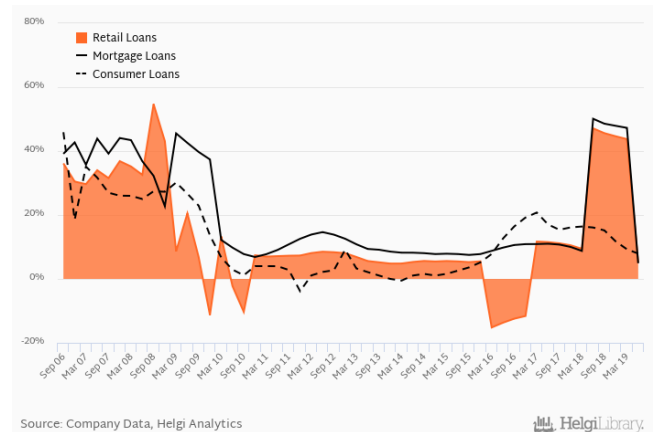
Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



Retail Loan Growth

Retail Loan Growth (%)

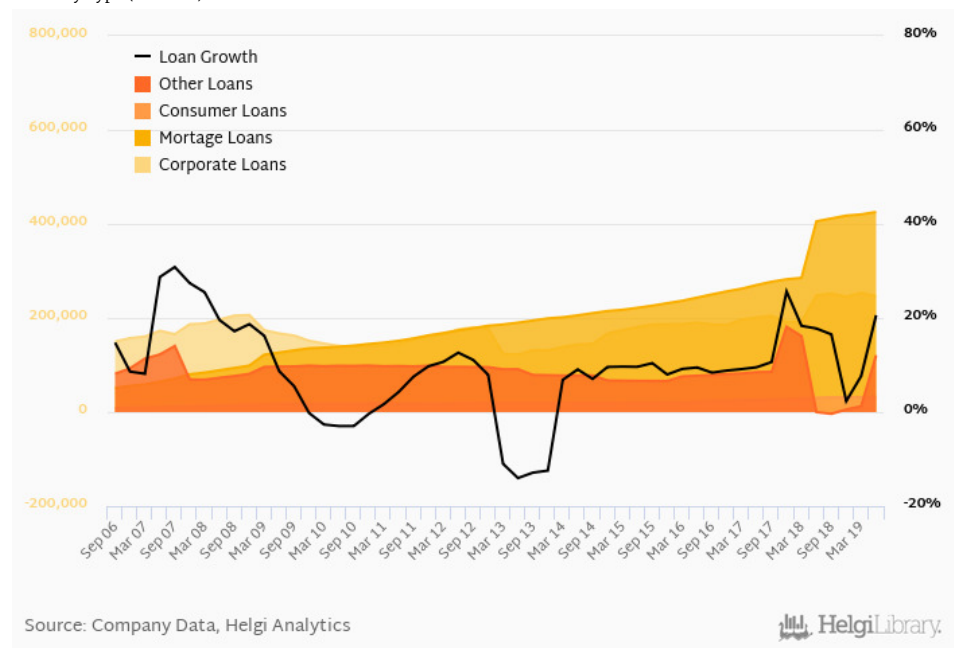


Retail loans grew 1.35% qoq and 5.12% yoy and accounted for 56.3% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 19.9% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 52.3% of the CSOB's loan book, consumer loans added a further 4.02% and corporate loans formed 30.3% of total loans.

Loan Breakdown

Loans by Type (CZK mil)





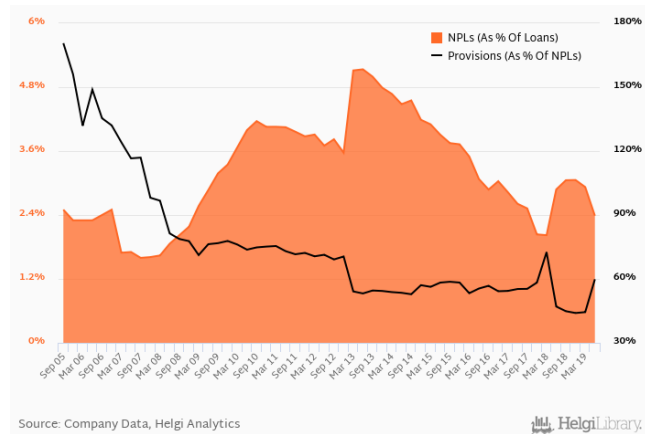
3.4 Asset Quality

CSOB's non-performing loans were 2.39% of total loans, down from 2.92% when compared to the previous quarter. Historically, the NPL ratio hit a high of 9.50% in 1Q2003 and a low 1.60% in 3Q2007.

Provisions covered some 59.8% of NPLs at the end of the second quarter of 2019, up from 44.4% for the previous three months:

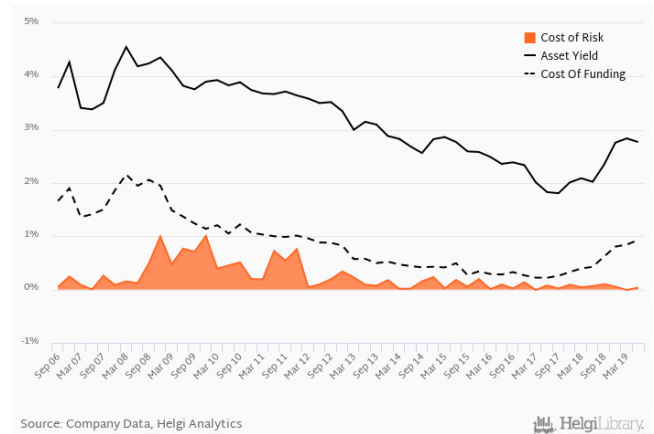
Asset Quality

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



Cost of Risk

Cost of Risk vs. Interest Spread (%)



CSOB operated with an NPL ratio 0.208 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
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
Hypoteční Banka	Czechia	316,813	1.56	1.44	1.36	1.27	1.20	1.11
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
CSOB	Czechia	1,682,650	2.02	2.88	3.05	3.06	2.92	2.39
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

CSOB's cost of risk reached 0.037% of average loans in the second quarter of 2019, up from -0.008% in the previous quarter and compared to 0.066% for the previous year on average.



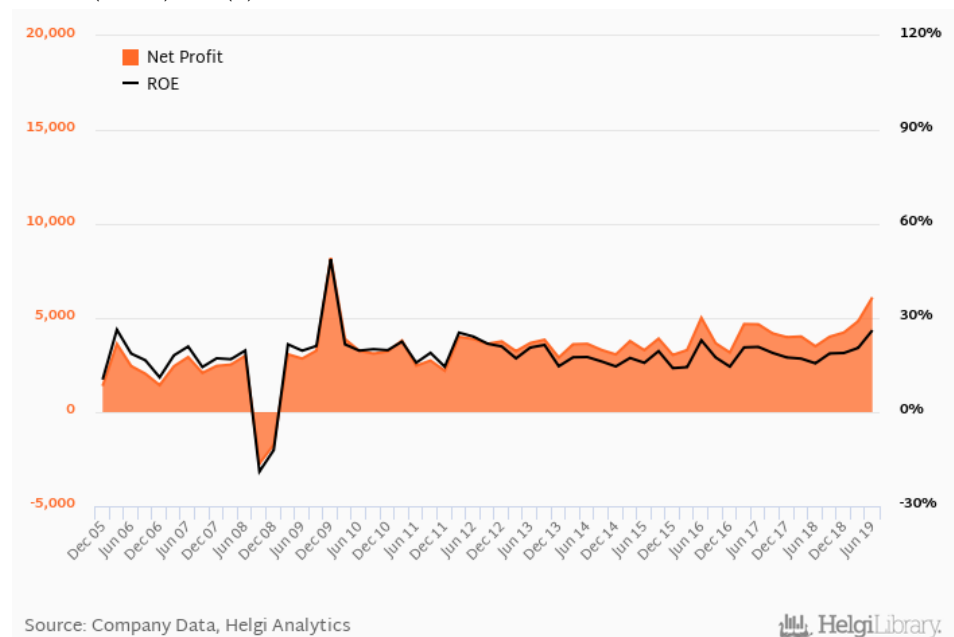
4 Profitability

Overall, CSOB made a net profit of CZK 6,099 mil in the second quarter of 2019. This was up 74.3% when compared to the previous year resulting in a return on equity of 26.1%.

Historically, net profit reached a high of CZK 8,180 mil in 4Q2009 and a low of CZK -2,740 mil in 3Q2008.

Profitability

Net Profit (CZK mil) & ROE (%)



The company generated an average return on equity of 18.9% for its shareholders in the previous three years with maximum at 26.1% and minimum at 14.5%.

ROE								
NAME	COUNTRY	Total Assets (CZK mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
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
Hypoteční Banka	Czechia	316,813	5.83	6.03	5.81	5.40	4.98	5.60
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
CSOB	Czechia	1,682,650	17.1	15.6	18.7	18.8	20.5	26.1
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, CSOB generated a return of 1.50% in the second quarter of 2019 (ROA). That's 0.165 pp above average for the previous five years.

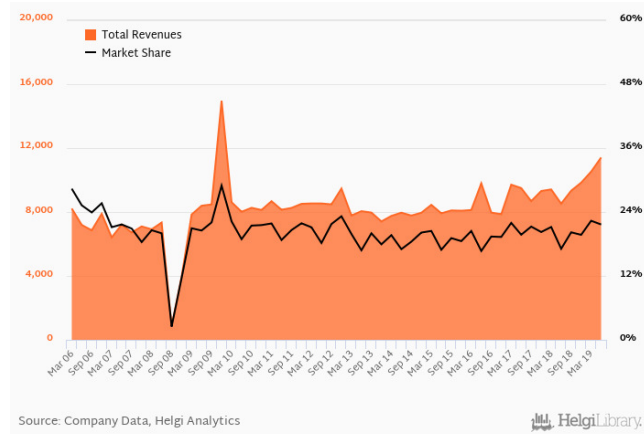


5 Market Share Development on the Czech Market

Based on latest available data, CSOB accounted for 21.4% of all bank assets managed in the Czech Republic at the end of the second quarter of 2019.

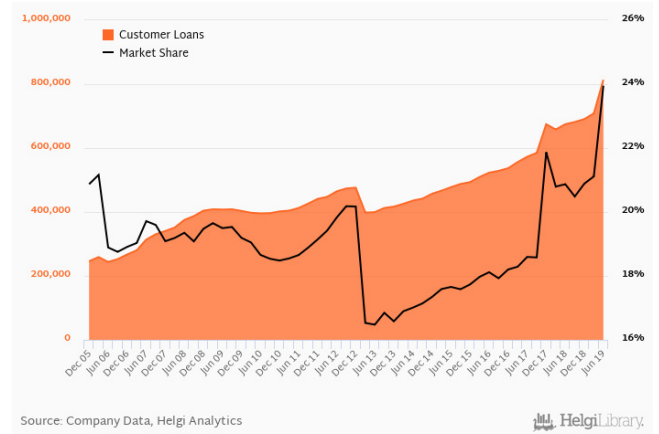
Market Share in Bank Revenues

Total Revenues (CZK mil)



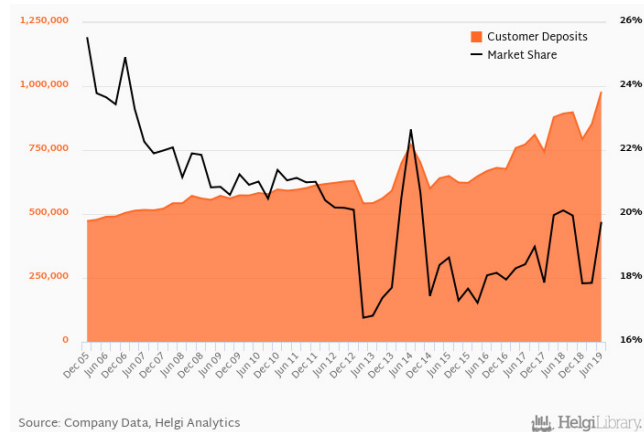
Market Share in Bank Loans

Customer Loans (CZK mil)



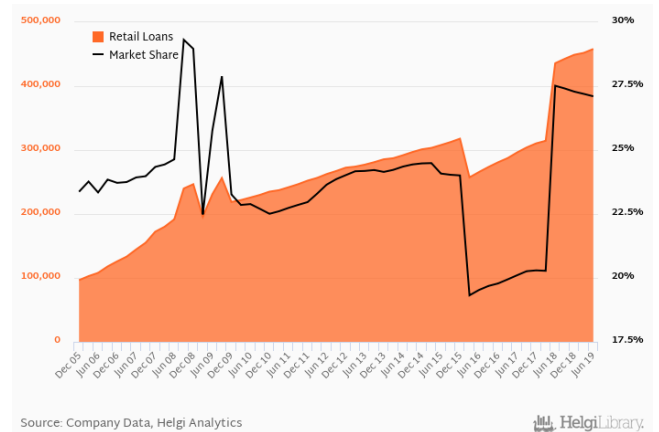
Market Share in Bank Deposits

Customer Deposits (CZK mil)



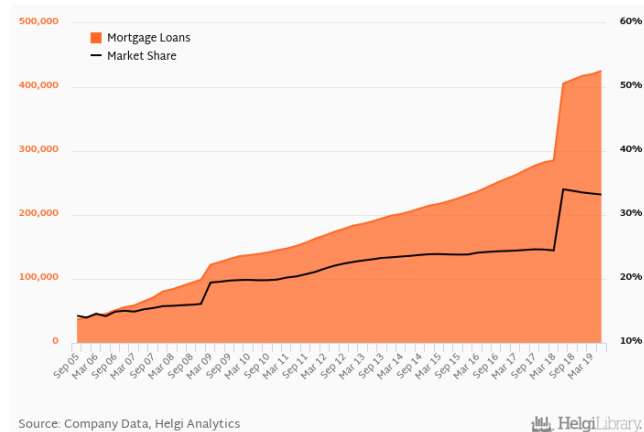
Market Share in Retail Loans

Retail Loans (CZK mil)



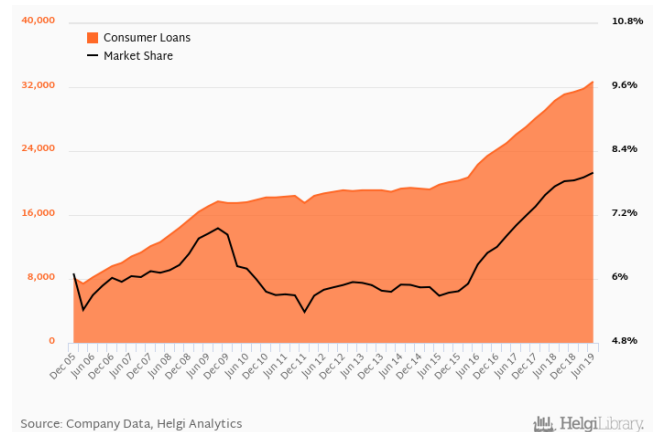
Market Share in Mortgage Loans

Mortgage Loans (CZK mil)



Market Share in Consumer Loans

Consumer Loans (CZK mil)



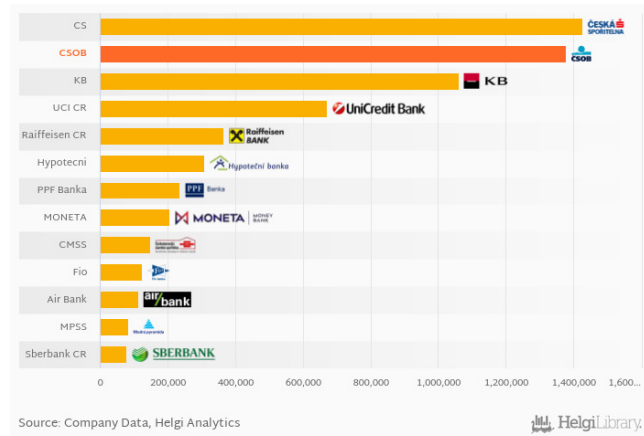


6 Market Share Position Within the Czech Market

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

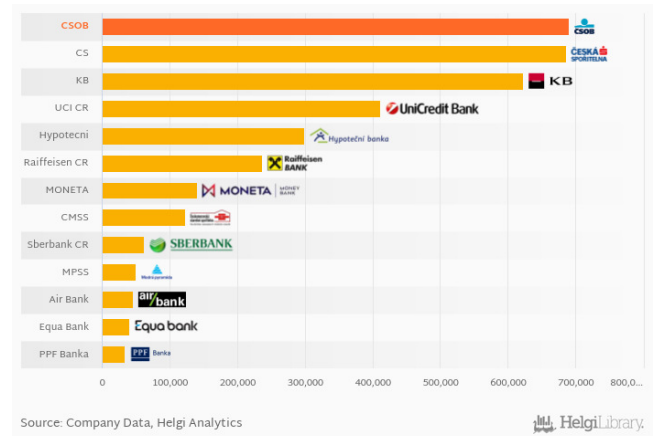
What Banks in Czechia Were the Largest in 2018?

Top Banks by Total Assets (CZK mil)



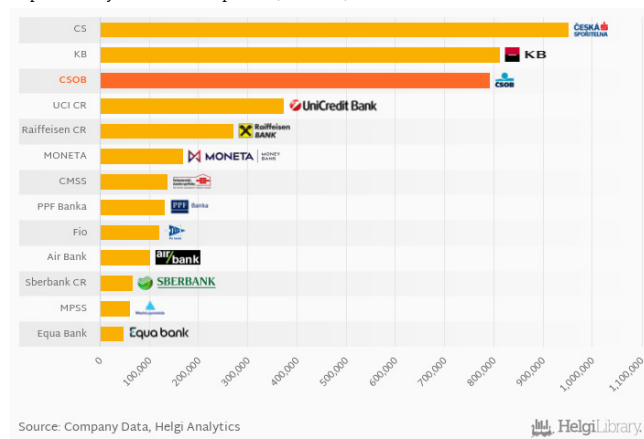
What Banks in Czechia Were the Largest Lenders in 2018?

Top Banks by Customer Loans (CZK mil)



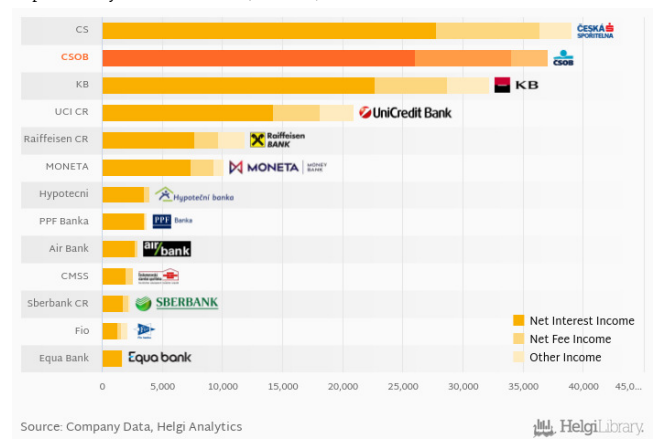
What Banks in Czechia Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (CZK mil)



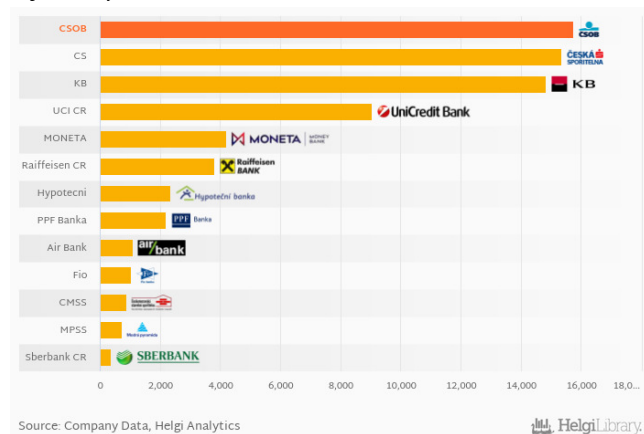
What Banks in Czechia Generated the Most Revenues in 2018?

Top Banks by Total Revenues (CZK mil)



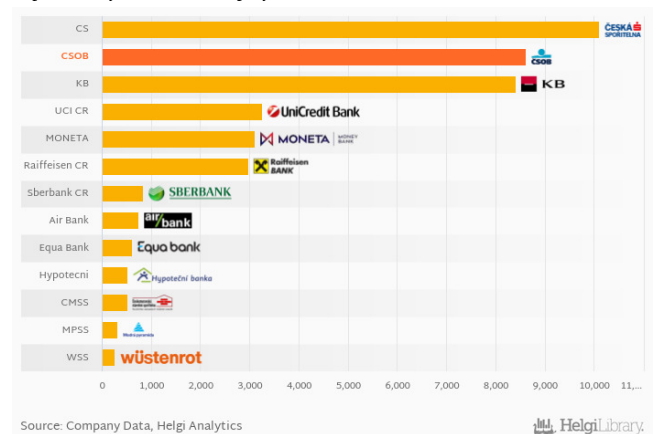
What Banks in Czechia Were the Most Profitable in 2018?

Top Banks by Net Profit (CZK mil)



What Banks in Czechia Had the Most Employees in 2018?

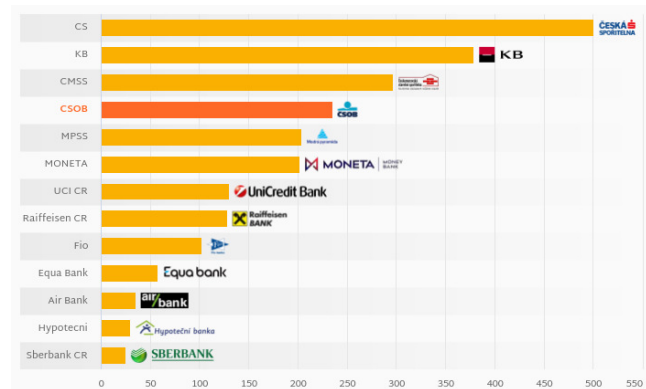
Top Banks by Number of Employees





What Banks in Czechia Had the Most Branches in 2018?

Top Banks by Number of Branches

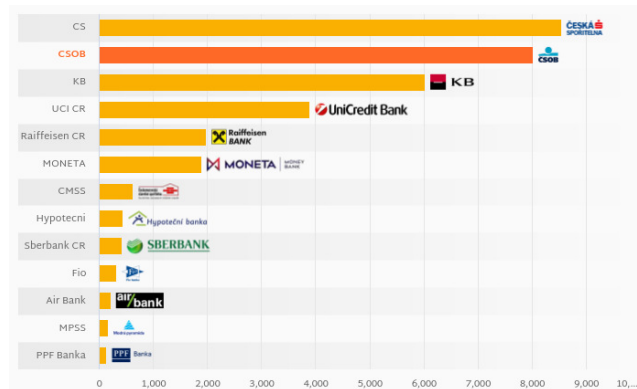


Source: Company Data, Helgi Analytics

HelgiLibrary

What Banks in Czechia Generated the Most Fees in 2018?

Top Banks by Net Fee Income (CZK mil)



Source: Company Data, Helgi Analytics

HelgiLibrary

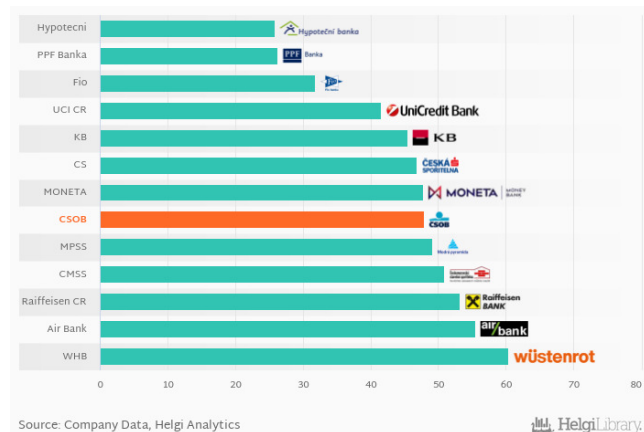


7 Relative Performance on the Czech Market

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

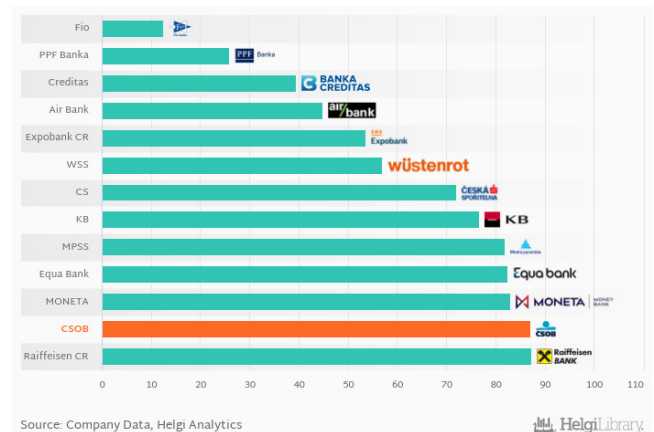
What Banks in Czechia Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



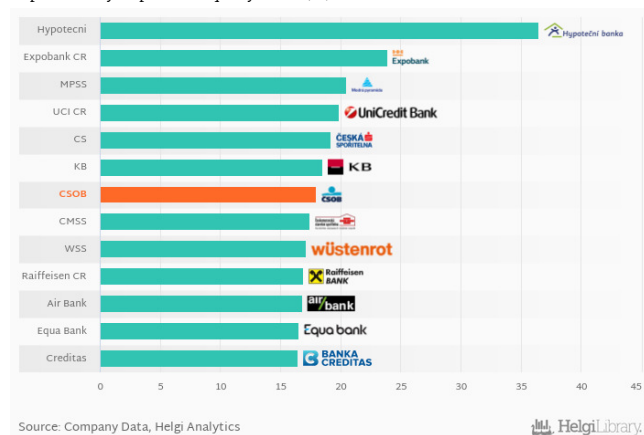
What Banks in Czechia Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



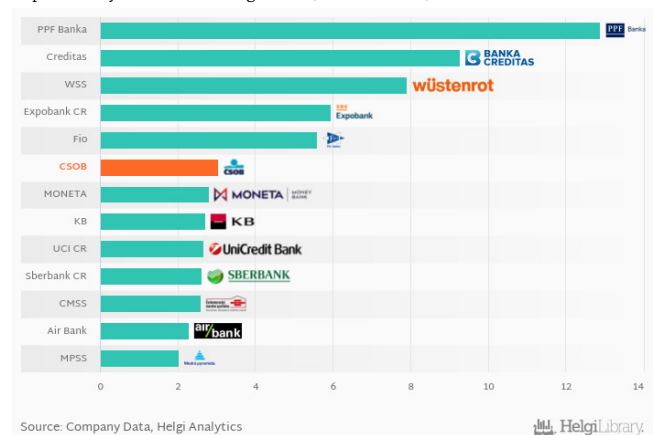
What Banks in Czechia Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



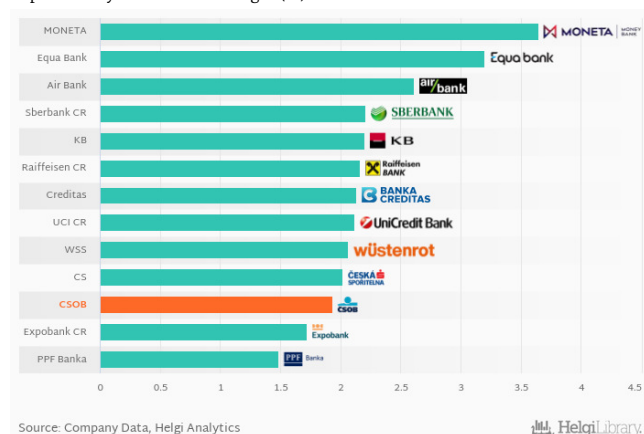
What Banks in Czechia Had the Most Bad Loans in 2018?

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



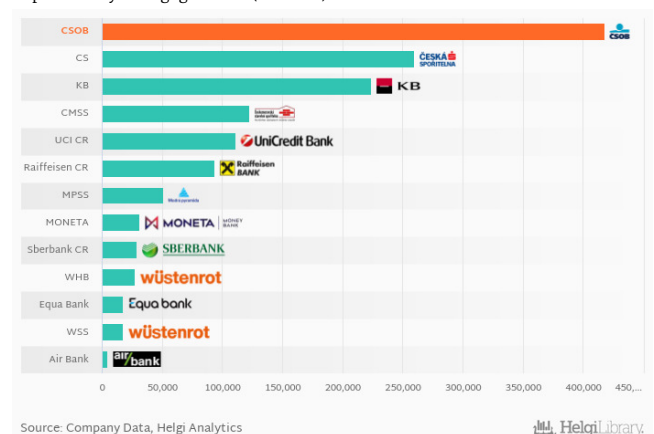
What Banks in Czechia Achieved the Highest Interest Margin in 2018?

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	6,354	6,892	7,421	7,509	8,753	10,081	10,498	11,296
Interest Cost	CZK mil	851	1,055	1,316	1,488	2,178	2,766	2,922	3,578
Net Interest Income	CZK mil	5,503	5,837	6,105	6,021	6,575	7,315	7,576	7,718
Net Fee Income	CZK mil	2,246	1,992	2,018	2,009	1,970	2,025	1,970	2,189
Other Income	CZK mil	929	1,485	1,289	492	788	495	980	1,503
Total Revenues	CZK mil	8,678	9,314	9,412	8,522	9,333	9,835	10,526	11,410
Staff Cost	CZK mil	2,009	2,042	2,054	2,097	2,279	2,279	2,158	2,261
Depreciation	CZK mil	343	378	346	353	360	396	490	523
Operating Cost	CZK mil	3,783	4,393	4,567	4,202	4,384	4,616	5,019	4,425
Operating Profit	CZK mil	4,895	4,921	4,845	4,320	4,949	5,219	5,507	6,985
Provisions	CZK mil	74.0	303	168	237	393	185	-31.0	155
Extra and Other Cost	CZK mil	-188	-139	-172	-180	-123	-106	-107	-113
Pre-Tax Profit	CZK mil	5,009	4,757	4,849	4,263	4,679	5,140	5,645	6,943
Tax	CZK mil	825	774	829	763	672	910	812	844
Minorities	CZK mil	0	0	0	0	0	0	0	0
Net Profit	CZK mil	4,184	3,983	4,020	3,500	4,007	4,230	4,833	6,099
Dividends	CZK mil	...	...	...	...	...	...	...	...

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	%	-1.22	3.71	7.82	5.82	19.5	25.3	24.1	28.2
Net Fee Income Growth	%	48.9	24.0	28.7	25.1	-12.3	1.66	-2.38	8.96
Total Revenue Growth	%	8.98	18.5	-3.06	-10.3	7.55	5.59	11.8	33.9
Operating Cost Growth	%	2.46	11.2	7.48	9.80	15.9	5.07	9.90	5.31
Operating Profit Growth	%	14.6	25.8	-11.3	-23.8	1.10	6.06	13.7	61.7
Pre-Tax Profit Growth	%	12.9	19.8	-13.8	-23.6	-6.59	8.05	16.4	62.9
Net Profit Growth	%	14.3	25.7	-14.1	-25.0	-4.23	6.20	20.2	74.3

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	238,030	54,499	23,454	25,673	18,530	38,610	27,028	47,310
Interbank Loans	CZK mil	372,119	485,267	698,707	604,711	701,784	532,823	707,343	683,113
Customer Loans	CZK mil	584,988	674,729	658,108	674,719	681,691	690,610	708,635	813,746
Retail Loans	CZK mil	304,100	310,500	314,500	435,900	442,800	449,100	452,100	458,200
Mortgage Loans	CZK mil	277,100	282,400	285,400	405,600	411,700	417,700	420,300	425,500
Consumer Loans	CZK mil	27,000	28,100	29,100	30,300	31,100	31,400	31,800	32,700
Corporate Loans	CZK mil	204,500	191,000	191,900	248,000	252,100	245,300	253,600	246,400
Debt Securities	CZK mil	206,003	70,372	116,433	109,524	114,662	86,122	104,497	102,221
Fixed Assets	CZK mil	10,240	11,024	16,564	16,782	16,596	16,705	18,999	25,155
Total Assets	CZK mil	1,424,230	1,314,400	1,526,230	1,443,380	1,544,760	1,378,040	1,580,440	1,682,650
Shareholders' Equity	CZK mil	90,426	92,456	96,116	83,883	87,510	92,016	96,821	90,101
Of Which Minority Interest	CZK mil	185	0	0	0	0	0	0	0
Liabilities	CZK mil	1,333,800	1,221,940	1,430,120	1,359,500	1,457,250	1,286,020	1,483,620	1,592,550
Interbank Loans	CZK mil	372,119	485,267	698,707	604,711	701,784	532,823	707,343	683,113
Customer Deposits	CZK mil	809,993	744,448	878,428	892,818	897,878	792,625	852,226	978,413
Issued Debt Securities	CZK mil	344,775	350,136	298,433	312,544	330,661	365,311	416,313	415,340
Other Liabilities	CZK mil	7,300	58,857	61,532	52,755	68,166	73,433	86,733	104,526

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	15,000	13,900	13,500	19,700	21,100	21,400	21,000	19,700
Gross Loans	CZK mil	594,313	682,829	667,901	683,987	691,152	700,025	717,962	825,532
Total Provisions	CZK mil	8,300	8,100	9,793	9,268	9,461	9,415	9,327	11,786

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	%	10.7	25.6	18.3	17.8	16.5	2.35	7.68	20.6
Retail Loan Growth	%	11.1	10.5	9.43	47.1	45.6	44.6	43.8	5.12
Mortgage Loan Growth	%	10.8	10.0	8.77	50.1	48.6	47.9	47.3	4.91
Consumer Loan Growth	%	15.4	16.1	16.4	16.1	15.2	11.7	9.28	7.92
Corporate Loan Growth	%	9.77	3.08	-2.29	23.4	23.3	28.4	32.2	-0.645
Total Asset Growth	%	33.3	21.1	7.28	4.23	8.46	4.84	3.55	16.6
Shareholders' Equity Growth	%	5.16	4.19	3.66	-3.45	-3.22	-0.476	0.733	7.41
Customer Deposit Growth	%	19.0	10.1	15.9	15.6	10.9	6.47	-2.98	9.59

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	%	21.3	20.2	21.2	17.1	20.2	19.7	22.4	21.7
Market Share in Net Profit	%	25.6	25.8	22.1	13.6	21.4	22.5	26.4	22.4
Market Share in Employees	%	20.5	20.6	20.6	21.1	20.8	20.6	20.1	20.5
Market Share in Bank Cards	%	...	...	...	...	...	...	...	...
Market Share in Debit Cards	%	...	...	...	...	...	...	...	...
Market Share in Credit Cards	%	...	...	...	...	...	...	...	...
Market Share in Branches	%	13.9	13.9	14.0	14.0	13.9	12.0	12.1	11.8
Market Share in Customer Loans	%	18.6	21.9	20.8	20.9	20.5	20.9	21.1	24.0
Market Share in Corporate Loans	%	19.6	18.7	18.6	23.3	22.9	22.7	23.2	22.4
Market Share in Retail Loans	%	20.3	20.3	20.3	27.5	27.4	27.3	27.2	27.1
Market Share in Consumer Loans	%	7.19	7.36	7.58	7.74	7.83	7.85	7.91	8.00
Market Share in Mortgage Loans	%	24.6	24.6	24.5	34.0	33.8	33.5	33.4	33.2
Market Share in Total Assets	%	19.6	18.8	20.9	19.5	20.4	18.9	20.4	21.4
Market Share in Customer Deposits	%	19.0	17.9	20.0	20.1	19.9	17.8	17.8	19.8

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	%	18.9	17.4	17.1	15.6	18.7	18.8	20.5	26.1
ROA	%	1.19	1.16	1.13	0.943	1.07	1.16	1.31	1.50
Costs (As % Of Assets)	%	1.08	1.28	1.29	1.13	1.17	1.26	1.36	1.08
Costs (As % Of Income)	%	43.6	47.2	48.5	49.3	47.0	46.9	47.7	38.8
Capital Adequacy Ratio	%	17.4	17.2	17.9	17.5	17.3	18.0	19.0	18.7
Tier 1 Ratio	%	17.4	17.2	17.9	17.5	17.3	18.0	19.0	18.7
Net Interest Margin	%	1.57	1.71	1.72	1.62	1.76	2.00	2.05	1.89
Interest Spread	%	1.55	1.68	1.69	1.60	1.72	1.95	1.99	1.84
Asset Yield	%	1.81	2.01	2.09	2.02	2.34	2.76	2.84	2.77
Cost Of Liabilities	%	0.259	0.330	0.397	0.427	0.619	0.807	0.844	0.931
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	63.4	62.7	64.9	70.7	70.4	74.4	72.0	67.6
Fee Income (As % Of Revenues)	%	25.9	21.4	21.4	23.6	21.1	20.6	18.7	19.2
Other Income (As % Of Revenues)	%	10.7	15.9	13.7	5.77	8.44	5.03	9.31	13.2
Cost Per Employee	USD per month	3,469	3,650	3,779	3,707	3,919	3,965	3,762	3,884
Cost Per Employee (Local Currency)	CZK per month	78,104	79,008	79,226	79,622	86,779	88,098	85,462	88,025
Staff Cost (As % Of Total Cost)	%	53.1	46.5	45.0	49.9	52.0	49.4	43.0	51.1
Equity (As % Of Assets)	%	6.35	7.03	6.30	5.81	5.66	6.68	6.13	5.35
Loans (As % Of Deposits)	%	72.2	90.6	74.9	75.6	75.9	87.1	83.2	83.2
Loans (As % Assets)	%	41.1	51.3	43.1	46.7	44.1	50.1	44.8	48.4
NPLs (As % Of Loans)	%	2.52	2.04	2.02	2.88	3.05	3.06	2.92	2.39
Provisions (As % Of NPLs)	%	55.3	58.3	72.5	47.0	44.8	44.0	44.4	59.8
Provisions (As % Of Loans)	%	1.42	1.20	1.49	1.37	1.39	1.36	1.32	1.45
Cost of Provisions (As % Of Loans)	%	0.051	0.192	0.101	0.142	0.232	0.108	-0.018	0.081

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	33,317	32,697	27,102	26,841	25,580	25,043	25,979	33,764
Interest Cost	CZK mil	8,510	7,727	4,451	3,969	3,277	2,808	3,287	7,748
Net Interest Income	CZK mil	24,807	24,970	22,651	22,872	22,303	22,235	22,692	26,016
Net Fee Income	CZK mil	6,250	5,505	5,608	5,979	6,391	6,218	6,396	8,022
Other Income	CZK mil	2,526	4,540	2,943	2,592	3,848	5,590	8,111	3,064
Total Revenues	CZK mil	33,583	35,015	31,202	31,443	32,542	34,043	37,199	37,102
Staff Cost	CZK mil	6,779	7,222	6,731	6,880	7,007	7,510	7,920	8,709
Depreciation	CZK mil	911	856	749	685	617	1,268	1,380	1,455
Operating Cost	CZK mil	15,698	16,087	14,808	14,981	15,687	15,651	16,252	17,769
Operating Profit	CZK mil	17,885	18,928	16,394	16,462	16,855	18,392	20,947	19,333
Provisions	CZK mil	5,062	1,584	1,294	975	1,081	708	615	983
Extra and Other Cost	CZK mil	-147	-195	-800	-691	-687	-696	-637	-581
Pre-Tax Profit	CZK mil	12,970	17,539	15,900	16,178	16,461	18,380	20,969	18,931
Tax	CZK mil	1,764	2,258	2,249	2,557	2,472	3,232	3,453	3,174
Minorities	CZK mil	33.0	-10.0	-7.00	17.0	-21.0	7.00	-1.00	0
Net Profit	CZK mil	11,206	15,281	13,658	13,604	14,010	15,141	17,517	15,757
Dividends	CZK mil	6,596	13,320	8,109	13,208	14,781	10,147	15,000	15,356

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	2.19	0.657	-9.29	0.976	-2.49	-0.305	2.06	14.6
Net Fee Income Growth	%	14.9	-11.9	1.87	6.62	6.89	-2.71	2.86	25.4
Total Revenue Growth	%	1.72	4.26	-10.9	0.772	3.50	4.61	9.27	-0.261
Operating Cost Growth	%	8.14	2.48	-7.95	1.17	4.71	-0.229	3.84	9.33
Operating Profit Growth	%	-3.31	5.83	-13.4	0.415	2.39	9.12	13.9	-7.70
Pre-Tax Profit Growth	%	-15.4	35.2	-9.34	1.75	1.75	11.7	14.1	-9.72
Net Profit Growth	%	-16.8	36.4	-10.6	-0.395	2.98	8.07	15.7	-10.0

Source: Company Data, Helgi Analytics



Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	CZK mil	46,691	28,293	20,728	72,076	117,287	61,075	54,499	38,610
Interbank Loans	CZK mil	23,783	24,461	58,688	38,581	75,088	242,209	485,267	532,823
Customer Loans	CZK mil	441,100	476,100	416,859	468,054	504,360	537,013	674,729	690,610
Retail Loans	CZK mil	252,200	272,500	274,100	301,200	317,800	320,558	310,500	449,100
Mortgage Loans	CZK mil	163,100	183,600	199,300	214,800	231,500	256,700	282,400	417,700
Consumer Loans	CZK mil	89,100	88,900	74,800	86,400	86,300	63,858	28,100	31,400
Corporate Loans	CZK mil	161,900	177,800	195,200	214,400	226,200	185,300	191,000	245,300
Debt Securities	CZK mil	414,551	399,958	449,195	269,769	238,760	222,133	70,372	86,122
Fixed Assets	CZK mil	8,114	8,045	7,557	6,796	7,662	10,009	11,024	16,705
Total Assets	CZK mil	936,593	937,174	962,954	865,639	956,325	1,085,530	1,314,400	1,378,040
Shareholders' Equity	CZK mil	61,183	74,141	80,657	85,580	90,719	88,735	92,456	92,016
Of Which Minority Interest	CZK mil	880	211	204	208	178	186	0	0
Liabilities	CZK mil	875,410	863,033	882,297	780,059	865,606	996,792	1,221,940	1,286,020
Interbank Loans	CZK mil	23,783	24,461	58,688	38,581	75,088	242,209	485,267	532,823
Customer Deposits	CZK mil	612,160	629,622	591,126	599,142	621,927	676,161	744,448	792,625
Retail Deposits	CZK mil	...	...	...	...	...	...	...	...
Issued Debt Securities	CZK mil	201,188	171,900	227,386	114,685	211,298	279,990	350,136	365,311
Other Liabilities	CZK mil	20,940	26,146	8,695	7,167	8,595	8,043	58,857	73,433

Source: Company Data, Helgi Analytics

Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	CZK mil	22,893	17,000	20,500	19,600	18,800	16,600	13,900	21,400
Gross Loans	CZK mil	441,100	476,100	427,999	468,054	504,360	547,078	682,829	700,025
Total Provisions	CZK mil	12,348	11,989	11,140	11,185	10,959	9,000	8,100	9,415

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	9.75	7.93	-12.4	12.3	7.76	6.47	25.6	2.35
Retail Loan Growth	%	7.32	8.05	0.587	9.89	5.51	0.868	-3.14	44.6
Mortgage Loan Growth	%	12.6	12.6	8.55	7.78	7.77	10.9	10.0	47.9
Consumer Loan Growth	%	-1.11	-0.224	-15.9	15.5	-0.116	-26.0	-56.0	11.7
Corporate Loan Growth	%	15.7	9.82	9.79	9.84	5.50	-18.1	3.08	28.4
Total Asset Growth	%	5.82	0.062	2.75	-10.1	10.5	13.5	21.1	4.84
Shareholders' Equity Growth	%	-7.07	21.2	8.79	6.10	6.00	-2.19	4.19	-0.476
Customer Deposit Growth	%	2.70	2.85	-6.11	1.36	3.80	8.72	10.1	6.47
Retail Deposit Growth	%	...	...	...	...	...	...	...	...

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	%	21.3	20.2	21.2	17.1	20.2	19.7	22.4	21.7
Market Share in Net Profit	%	25.6	25.8	22.1	13.6	21.4	22.5	26.4	22.4
Market Share in Employees	%	20.5	20.6	20.6	21.1	20.8	20.6	20.1	20.5
Market Share in Bank Cards	%	...	...	...	...	...	...	...	...
Market Share in Debit Cards	%	...	...	...	...	...	...	...	...
Market Share in Credit Cards	%	...	...	...	...	...	...	...	...
Market Share in Branches	%	13.9	13.9	14.0	14.0	13.9	12.0	12.1	11.8
Market Share in Customer Loans	%	18.6	21.9	20.8	20.9	20.5	20.9	21.1	24.0
Market Share in Corporate Loans	%	19.6	18.7	18.6	23.3	22.9	22.7	23.2	22.4
Market Share in Retail Loans	%	20.3	20.3	20.3	27.5	27.4	27.3	27.2	27.1
Market Share in Consumer Loans	%	7.19	7.36	7.58	7.74	7.83	7.85	7.91	8.00
Market Share in Mortgage Loans	%	24.6	24.6	24.5	34.0	33.8	33.5	33.4	33.2
Market Share in Total Assets	%	19.6	18.8	20.9	19.5	20.4	18.9	20.4	21.4
Market Share in Customer Deposits	%	19.0	17.9	20.0	20.1	19.9	17.8	17.8	19.8

Source: Company Data, Helgi Analytics

Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	17.6	22.6	17.6	16.4	15.9	16.9	19.3	17.1
ROA	%	1.23	1.63	1.44	1.49	1.54	1.48	1.46	1.17
Costs (As % Of Assets)	%	1.72	1.72	1.56	1.64	1.72	1.53	1.35	1.32
Costs (As % Of Income)	%	46.7	45.9	47.5	47.6	48.2	46.0	43.7	47.9
Capital Adequacy Ratio	%	15.6	15.2	15.6	17.5	19.4	18.5	17.2	18.0
Tier 1 Ratio	%	11.7	13.0	15.8	17.2	19.1	18.2	17.2	18.0
Net Interest Margin	%	2.72	2.67	2.38	2.50	2.45	2.18	1.89	1.93
Interest Spread	%	2.65	2.60	2.34	2.46	2.41	2.15	1.87	1.89
Asset Yield	%	3.66	3.49	2.85	2.94	2.81	2.45	2.16	2.51
Cost Of Liabilities	%	1.00	0.889	0.510	0.478	0.398	0.302	0.296	0.618
Payout Ratio	%	58.9	87.2	59.4	97.1	106	67.0	85.6	97.5
Interest Income (As % Of Revenues)	%	73.9	71.3	72.6	72.7	68.5	65.3	61.0	70.1
Fee Income (As % Of Revenues)	%	18.6	15.7	18.0	19.0	19.6	18.3	17.2	21.6
Other Income (As % Of Revenues)	%	7.52	13.0	9.43	8.24	11.8	16.4	21.8	8.26
Cost Per Employee	USD per month	4,111	3,944	3,796	3,450	3,155	2,912	3,263	3,844
Cost Per Employee (Local Currency)	CZK per month	72,705	77,148	74,264	73,741	75,305	73,481	76,610	84,164
Staff Cost (As % Of Total Cost)	%	43.2	44.9	45.5	45.9	44.7	48.0	48.7	49.0
Equity (As % Of Assets)	%	6.53	7.91	8.38	9.89	9.49	8.17	7.03	6.68
Loans (As % Of Deposits)	%	72.1	75.6	70.5	78.1	81.1	79.4	90.6	87.1
Loans (As % Assets)	%	47.1	50.8	43.3	54.1	52.7	49.5	51.3	50.1
NPLs (As % Of Loans)	%	5.19	3.57	4.79	4.19	3.73	3.03	2.04	3.06
Provisions (As % Of NPLs)	%	53.9	70.5	54.3	57.1	58.3	54.2	58.3	44.0
Provisions (As % Of Loans)	%	2.80	2.52	2.67	2.39	2.17	1.68	1.20	1.36
Cost of Provisions (As % Of Loans)	%	1.20	0.345	0.290	0.220	0.222	0.136	0.101	0.144

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 or contact us at info@helgilibrary.com.

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