

UniCredit Czech Republic

Quarterly Results - 2Q2019

UniCredit Czech Republic made a net profit of CZK 2,572 mil in the second quarter of 2019, up 23.1% when compared to the previous year. Total revenues increased 9.69% yoy to CZK 4,961 mil, ROE amounted to 14.6% and the NPL ratio stood at 2.51%. In the last three years, the bank grew its loans by -0.348% a year, revenues rose by 5.75% and net profit increased by 11.4% a year, on average.

- ✓ Revenues increased 9.69% yoy to CZK 4,961 mil in the second quarter of 2019. Interest income formed 65.2% of total revenues with the net interest margin decreasing 0.1 pp to 1.50% of total assets. Fees added a further 17.1% to total revenue generated in 2Q2019, down from an average of 17.2% as seen in the previous two years.
- ✓ Operating costs dropped by 1.53% yoy to CZK 1,573 mil, so cost to income ratio reached 31.7%, down by 17.7% compared to the previous two years. Staff accounted for 53.7% of total operating expenditures.
- ✓ Loans and deposits grew by 0.203% and 2.67% qoq respectively, so loan to deposit ratio reached 64.9% at the end of 2Q2019. That's down from 108% the previous year. Equity reached 8.38% of assets and capital adequacy ratio amounted to 18.4% at the end of the second quarter of 2019.
- ✓ NPLs were 2.51% of total loans at the end of the quarter. Provisions covered 89.5% of non-performing loans
- ✓ When compared to selected peers, UniCredit Czech Republic was 4.58 pp less profitable in terms of ROE, achieved 7.63 pp better cost efficiency when measured by cost to income ratio and grew its loans by 17.8 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czech Republic

Employees:
3,029

Clients:
N/A

Branches:
N/A

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
18.4%

Tier 1 Ratio:
18.3%

| KEY FIGURES | | | | | | | | | |
|-------------|----------|----------------|------------|---------------|------|----------------|-----------------|-----------------|-----------|
| | REVENUES | REVENUE GROWTH | NET PROFIT | PROFIT GROWTH | ROE | COST TO INCOME | LOAN / DEPOSITS | EQUITY / ASSETS | NPL RATIO |
| | CZK mil | % | CZK mil | % | % | % | % | % | % |
| 2Q2019 | 4,961 | 9.69 | 2,572 | 23.1 | 14.6 | 31.7 | 64.9 | 8.38 | 2.51 |
| 2018 | 20,934 | 12.4 | 9,047 | 18.6 | 12.3 | 41.5 | 110 | 11.3 | 2.67 |
| 2017 | 18,621 | 4.16 | 7,626 | 26.2 | 11.0 | 47.3 | 107 | 10.6 | 3.42 |
| 2016 | 17,877 | 7.38 | 6,045 | 7.22 | 9.42 | 48.5 | 104 | 10.5 | 4.13 |
| 2015 | 16,649 | 5.23 | 5,638 | 14.9 | 9.40 | 49.4 | 96.6 | 10.8 | 5.06 |

Source: Company Data, Helgi Analytics

Data tells a story



1 Company Overview

UniCredit Czech Republic and Slovakia is a medium-sized bank with a market share of around 5-10% in the key banking product in the Czech Republic and Slovakia. The current bank is a result of the merger between UniCredit and two other banks, Živnostenská banka and HVB Bank. At the end of 2013, UniCredit Bank Czech Republic absorbed Slovak sister company UniCredit Bank Slovakia with a headquarter in Prague. Originally a corporate-oriented bank, UniCredit has been focusing increasingly on the retail area in recent years.

UniCredit Czech Republic has been growing its revenues and asset by 8.58% and 12.7% a year on average in the last 10 years. Its loans and deposits have grown by 7.76% and 14.7% a year during that time and loans to deposits ratio reached 64.9% at the end of 2Q2019. The company achieved an average return on equity of 9.39% in the last decade with net profit growing 13.5% a year on average. In terms of operating efficiency, its cost to income ratio reached 31.7% in 2Q2019, compared to 44.0% average in the last decade.

Equity represented 8.38% of total assets or 20.5% of loans at the end of 2Q2019. UniCredit Czech Republic's non-performing loans were 2.51% of total loans while provisions covered some 89.5% 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 | 2,452 | 2,774 | 2,983 | 3,134 | 3,443 | 3,523 | 3,310 | 3,233 |
| Total Revenues | CZK mil | 3,810 | 6,080 | 4,683 | 4,523 | 4,855 | 5,322 | 4,961 | 4,961 |
| Operating Profit | CZK mil | 2,136 | 4,204 | 2,334 | 2,926 | 3,226 | 3,436 | 2,680 | 3,388 |
| Net Profit | CZK mil | 1,443 | 3,633 | 1,784 | 2,090 | 2,367 | 2,682 | 1,856 | 2,572 |
| Customer Loans | CZK mil | 390,241 | 374,428 | 382,401 | 391,207 | 341,362 | 346,431 | 348,770 | 349,479 |
| Total Assets | CZK mil | 802,924 | 659,333 | 779,155 | 789,681 | 841,155 | 660,140 | 866,941 | 855,348 |
| Shareholders' Equity | CZK mil | 66,644 | 69,441 | 70,846 | 68,656 | 68,912 | 73,581 | 69,097 | 71,671 |
| Interbank Borrowing | CZK mil | 270,988 | 163,479 | 281,770 | 289,446 | 326,873 | 164,072 | 210,848 | 186,787 |
| Customer Deposits | CZK mil | 374,991 | 360,473 | 356,402 | 361,164 | 368,010 | 374,904 | 524,848 | 538,881 |
| Issued Debt Securities | CZK mil | 61,212 | 41,291 | 42,625 | 38,629 | 37,905 | 22,768 | 22,311 | 21,344 |

| RATIOS | | Sep 17 | Dec 17 | Mar 18 | Jun 18 | Sep 18 | Dec 18 | Mar 19 | Jun 19 |
|---------------------------|---|--------|--------|--------|--------|--------|--------|--------|--------|
| ROE | % | 8.73 | 21.4 | 10.2 | 12.0 | 13.8 | 15.1 | 10.4 | 14.6 |
| Costs (As % Of Income) | % | 43.9 | 30.9 | 50.2 | 35.3 | 33.6 | 35.4 | 46.0 | 31.7 |
| Net Interest Margin | % | 1.28 | 1.52 | 1.66 | 1.60 | 1.69 | 1.88 | 1.73 | 1.50 |
| Equity (As % Of Assets) | % | 8.30 | 10.5 | 9.09 | 8.69 | 8.19 | 11.1 | 7.97 | 8.38 |
| Loans (As % Of Deposits) | % | 104 | 104 | 107 | 108 | 92.8 | 92.4 | 66.5 | 64.9 |
| Loans (As % Assets) | % | 48.6 | 56.8 | 49.1 | 49.5 | 40.6 | 52.5 | 40.2 | 40.9 |
| NPLs (As % Of Loans) | % | 2.99 | 2.97 | 3.22 | 3.06 | 2.78 | 2.67 | 2.63 | 2.51 |
| Provisions (As % Of NPLs) | % | 75.8 | 78.0 | 83.3 | 89.2 | 90.7 | 90.2 | 91.3 | 89.5 |

Source: Company Data, Helgi Analytics



2 Revenues & Costs

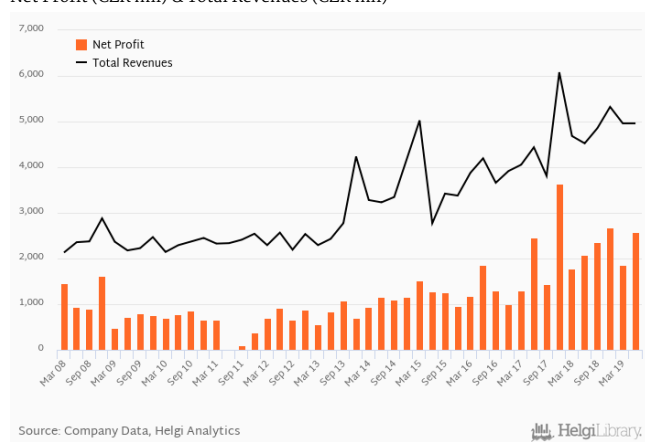
2.1 Revenues

UniCredit Czech Republic generated total operating revenues of CZK 4,961 mil in the second quarter of 2019, up 9.69% compared to the same period of the previous year. Net interest income represented 65.2% of revenues, fee income contributed 17.1% and other non-interest income added further 17.8% to the overall revenue generated.

Over the previous three years, revenues rose by 5.75% a year on average.

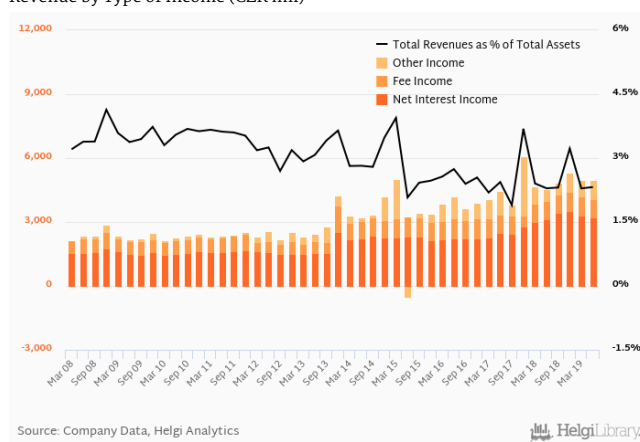
Revenue & Profitability

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



Revenue Breakdown

Revenue by Type of Income (CZK mil)



Net interest margin amounted to 1.50% in the second quarter of 2019, down from the 1.60% of the previous year. Historically, UniCredit Czech Republic's net interest margin reached a high of 2.55% in 4Q2013 and a low of 1.28% in 3Q2017.

Average asset yield was 2.12% in the second quarter of 2019 (up from 1.72%) while cost of funding amounted to 0.671%% in 2Q2019 (up from 0.137%).

| 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 |
| 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 |
| UniCredit Czech Republic | Czechia | 855,348 | 1.52 | 1.66 | 1.60 | 1.69 | 1.88 | 1.73 | 1.50 |
| 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



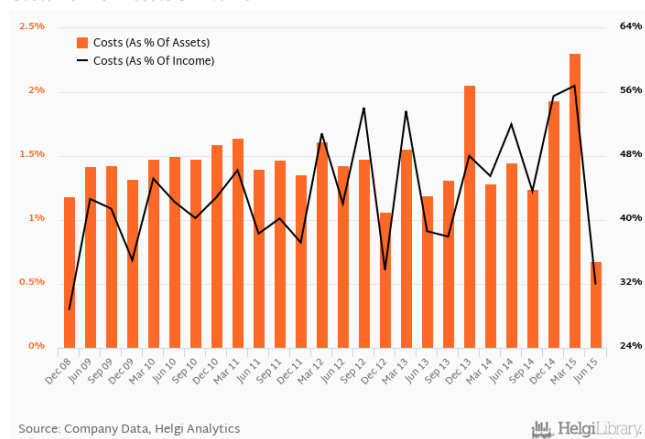
2.2 Costs

Operating costs decreased by 1.53% yoy to CZK 1,573 mil in the second quarter of 2019. UniCredit Czech Republic's cost to income ratio therefore reached 31.7%, down from 35.3% when compared to the previous year.

Historically, operating costs reached a high of 65.2% of income in 1Q2016 and a low of 8.01% in 1Q2008:

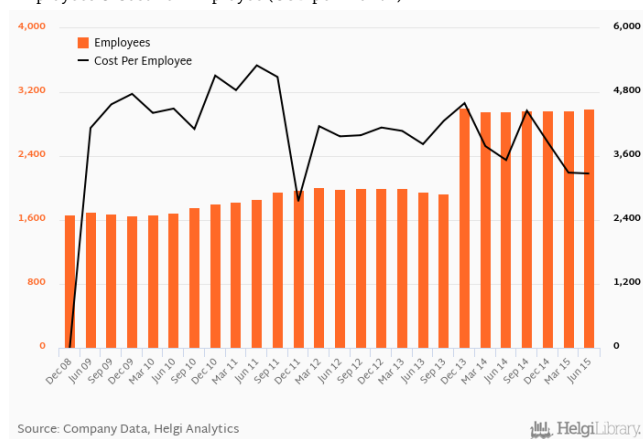
Cost Efficiency

Costs As % Of Assets & Income



Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, UniCredit Czech Republic operated with a 7.63 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 |
| 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 |
| UniCredit Czech Republic | Czechia | 855,348 | 50.2 | 35.3 | 33.6 | 35.4 | 46.0 | 31.7 |
| 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 0.731% in 2Q2019 down from 0.814% the previous year.

UniCredit Czech Republic had 3,029 employees in the second quarter of 2019, up by 2.68% when compared to the previous year. The company operated a network of branches in 2Q2019.



The average cost per employee stood at USD 4,097 per month, 2.76% above the previous year. This figure was USD 3,526 per month five years earlier.

Staff accounted for 53.7% 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 |
| 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 |
| UniCredit Czech Republic | Czechia | 855,348 | 32.0 | 47.5 | 51.4 | 44.7 | 35.1 | 53.7 |
| 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

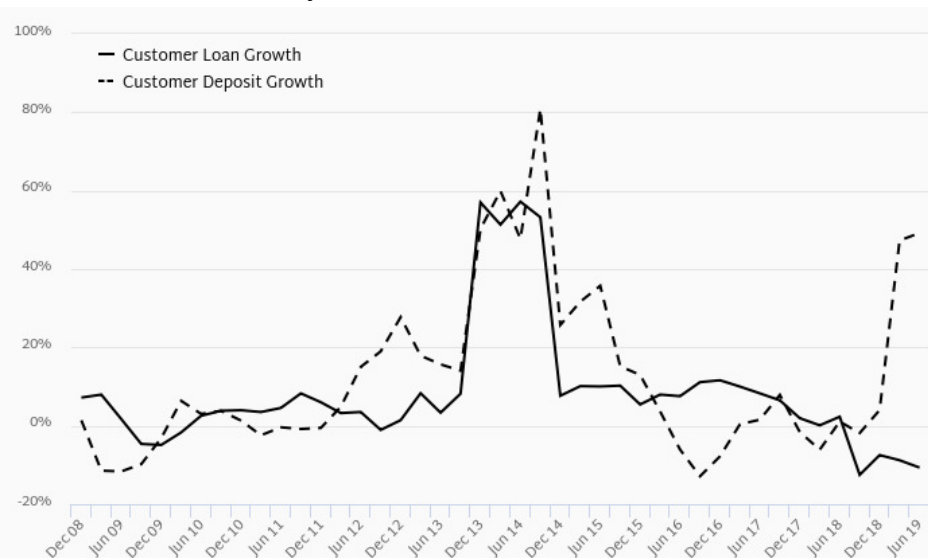
UniCredit Czech Republic's customer loans grew 0.203% qoq and decreased 10.7% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 2.67% qoq and 49.2% yoy. That's compared to average of 1.04% and 6.76% seen in the last three years.

In the previous five years, the average annual loan growth amounted to -0.348% while deposit growth reached 15.3% on average a year.

At the end of second quarter of 2019, UniCredit Czech Republic's loans accounted for 64.9% of total deposits and 40.9% 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 |
| 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 |
| 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 |
| UniCredit Czech Republic | Czechia | 855,348 | 107 | 108 | 92.8 | 92.4 | 66.5 | 64.9 |
| 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

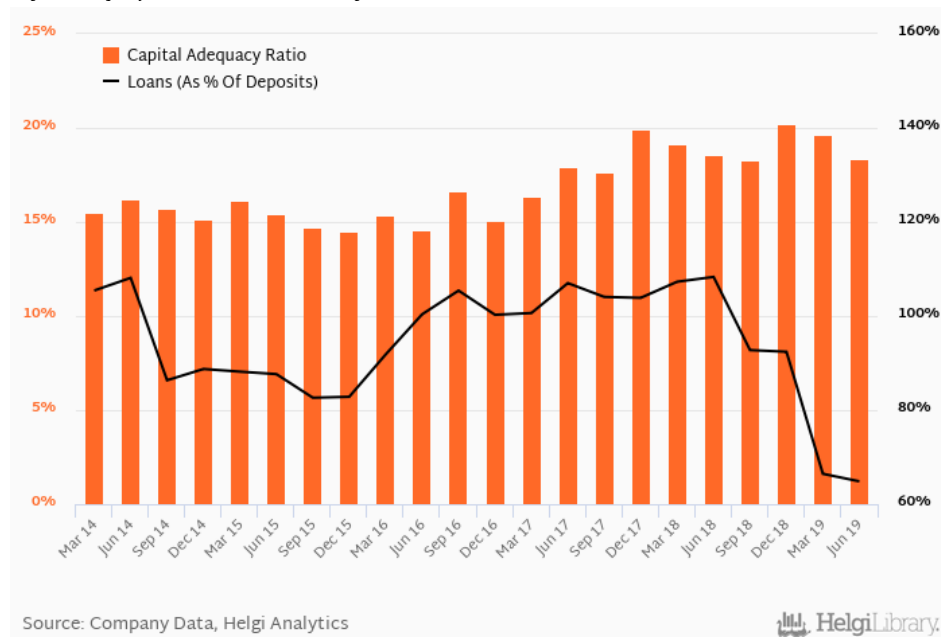


3.2 Capital & Liquidity

UniCredit Czech Republic's capital adequacy ratio reached 18.4% in the second quarter of 2019, down from 18.6% for the previous year. The Tier 1 ratio amounted to 18.3% at the end of the second quarter of 2019:

Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



UniCredit Czech Republic'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 |
| 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 |
| 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 |
| UniCredit Czech Republic | Czechia | 855,348 | 19.1 | 18.6 | 18.3 | 20.3 | 19.7 | 18.4 |
| 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

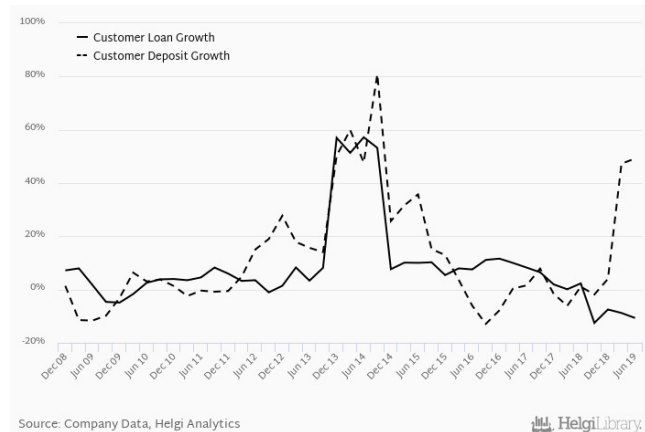


3.3 Loan Breakdown

UniCredit Czech Republic's loans reached CZK 349,479 mil in the second quarter of 2019, down 10.7% when compared to the same period of the previous year:

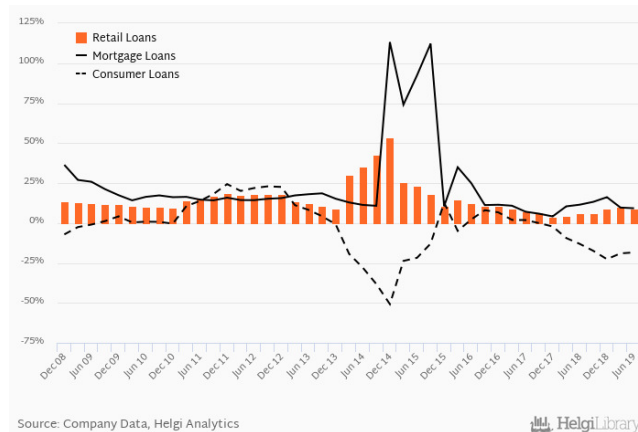
Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



Retail Loan Growth

Retail Loan Growth (%)

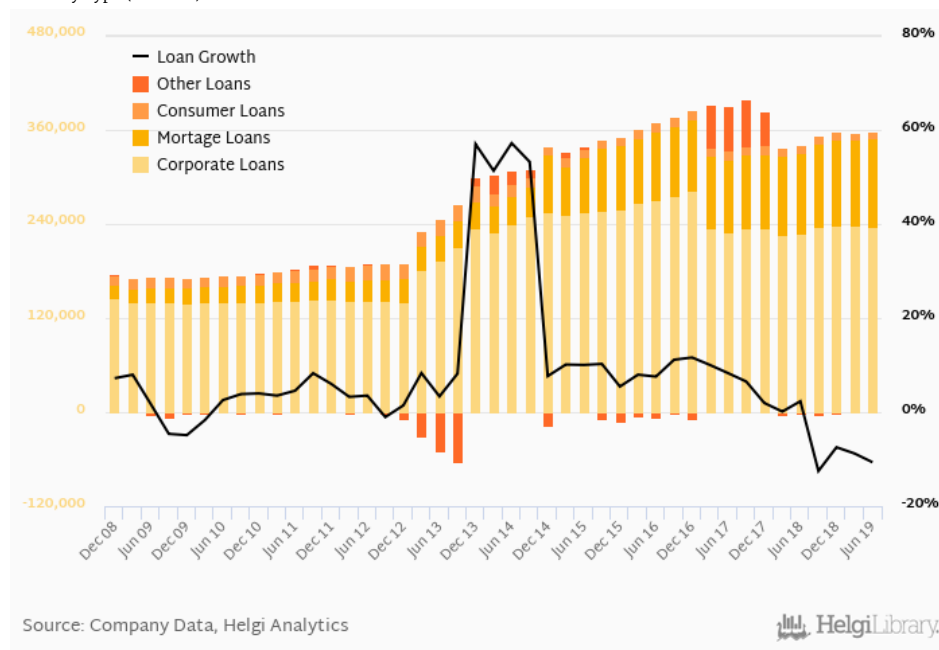


Retail loans grew 1.88% qoq and 8.78% yoy and accounted for 34.8% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 7.31% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 32.5% of the UniCredit Czech Republic's loan book, consumer loans added a further 2.36% and corporate loans formed 67.5% of total loans.

Loan Breakdown

Loans by Type (CZK mil)





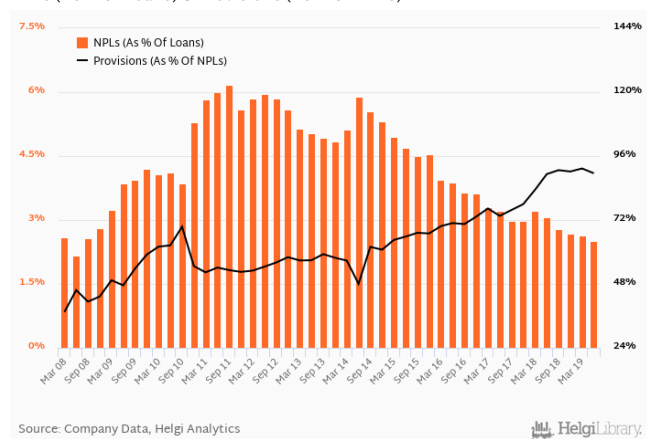
3.4 Asset Quality

UniCredit Czech Republic's non-performing loans were 2.51% of total loans, down from 2.63% when compared to the previous quarter. Historically, the NPL ratio hit a high of 6.17% in 3Q2011 and a low 1.72% in 4Q2007.

Provisions covered some 89.5% of NPLs at the end of the second quarter of 2019, down from 91.3% for the previous three months:

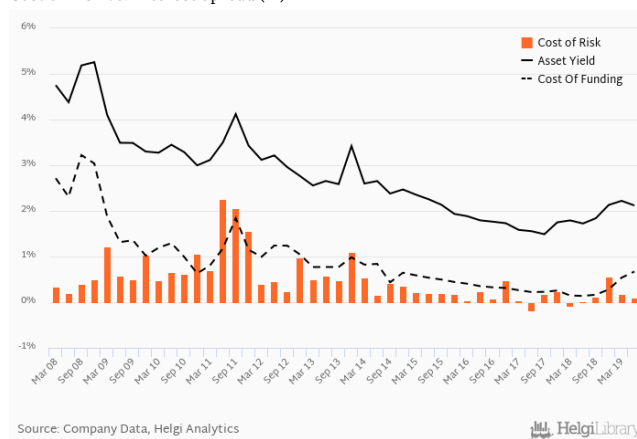
Asset Quality

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



Cost of Risk

Cost of Risk vs. Interest Spread (%)



UniCredit Czech Republic operated with an NPL ratio 0.082 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 |
| 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 |
| UniCredit Czech Republic | Czechia | 855,348 | 3.22 | 3.06 | 2.78 | 2.67 | 2.63 | 2.51 |
| 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

UniCredit Czech Republic's cost of risk reached 0.092% of average loans in the second quarter of 2019, down from 0.174% in the previous quarter and compared to 0.019% for the previous year on average.



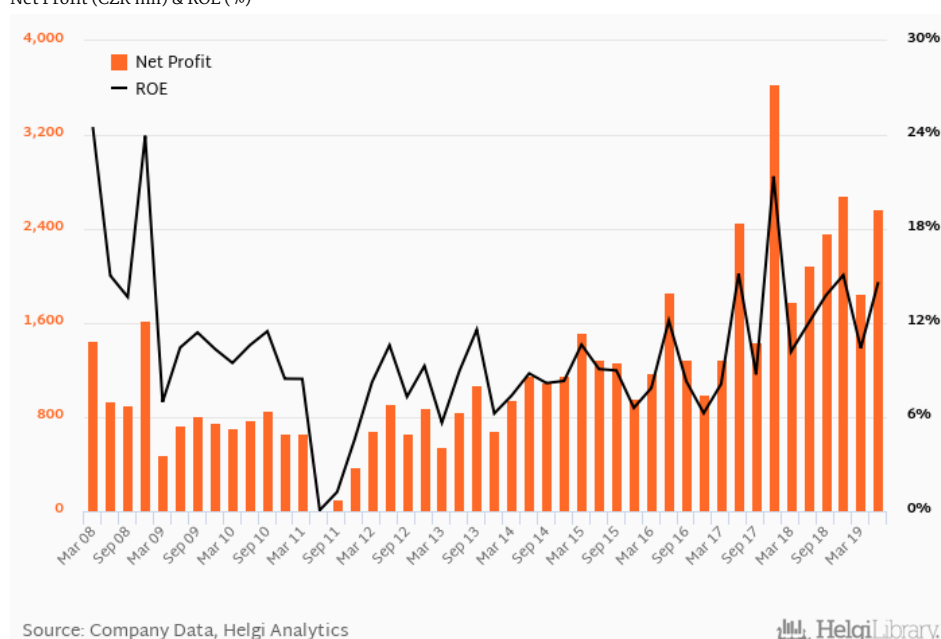
4 Profitability

Overall, UniCredit Czech Republic made a net profit of CZK 2,572 mil in the second quarter of 2019. This was up 23.1% when compared to the previous year resulting in a return on equity of 14.6%.

Historically, net profit reached a high of CZK 3,633 mil in 4Q2017 and a low of CZK 4.71 mil in 2Q2011.

Profitability

Net Profit (CZK mil) & ROE (%)



The company generated an average return on equity of 12.0% for its shareholders in the previous three years with maximum at 21.4% and minimum at 6.25%.

| 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 |
| 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 |
| UniCredit Czech Republic | Czechia | 855,348 | 10.2 | 12.0 | 13.8 | 15.1 | 10.4 | 14.6 |
| 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, UniCredit Czech Republic generated a return of 1.19% in the second quarter of 2019 (ROA). That's 0.145 pp above average for the previous



five years.

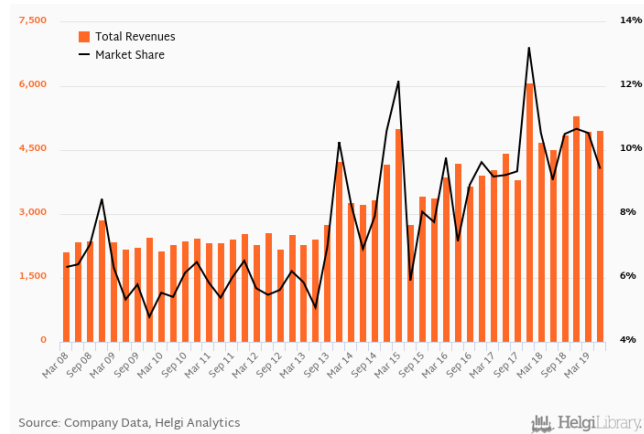


5 Market Share Development on the Czech Market

Based on latest available data, UniCredit Czech Republic accounted for 10.9% of all bank assets managed in the Czech Republic at the end of the second quarter of 2019.

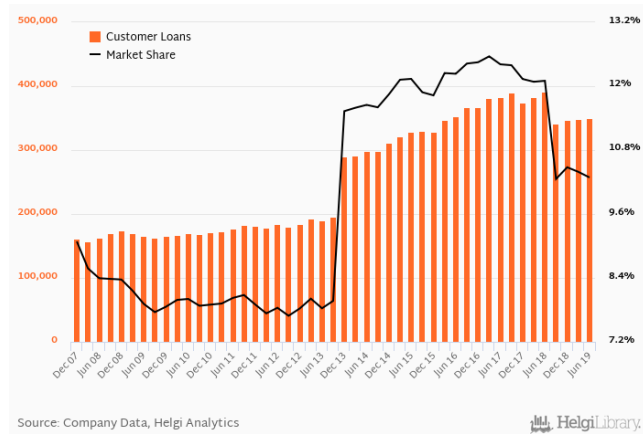
Market Share in Bank Revenues

Total Revenues (CZK mil)



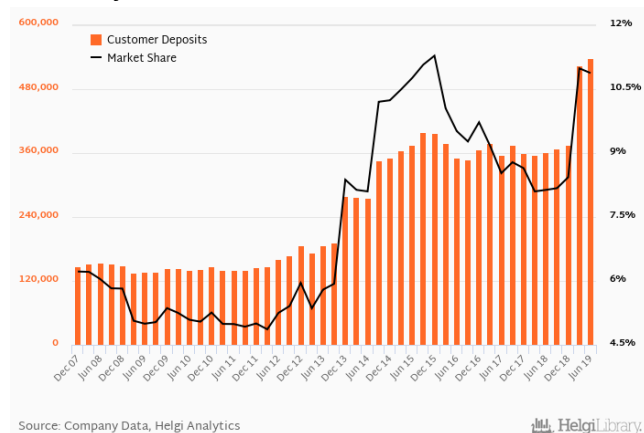
Market Share in Bank Loans

Customer Loans (CZK mil)



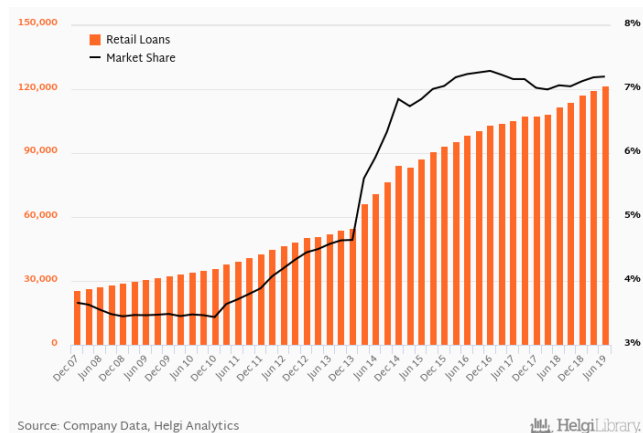
Market Share in Bank Deposits

Customer Deposits (CZK mil)



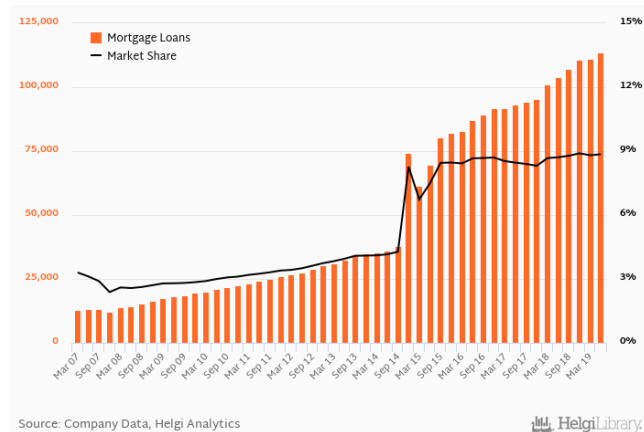
Market Share in Retail Loans

Retail Loans (CZK mil)



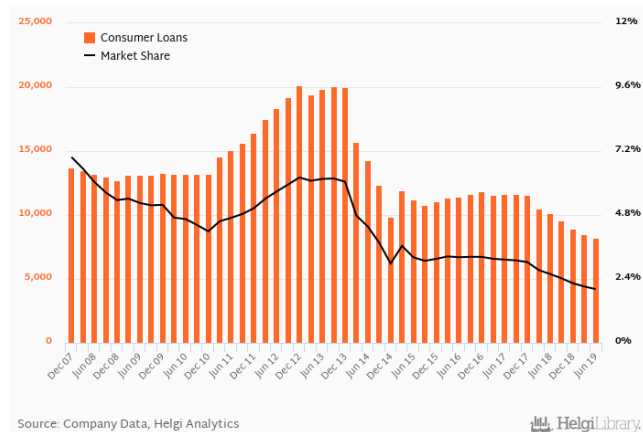
Market Share in Mortgage Loans

Mortgage Loans (CZK mil)



Market Share in Consumer Loans

Consumer Loans (CZK mil)



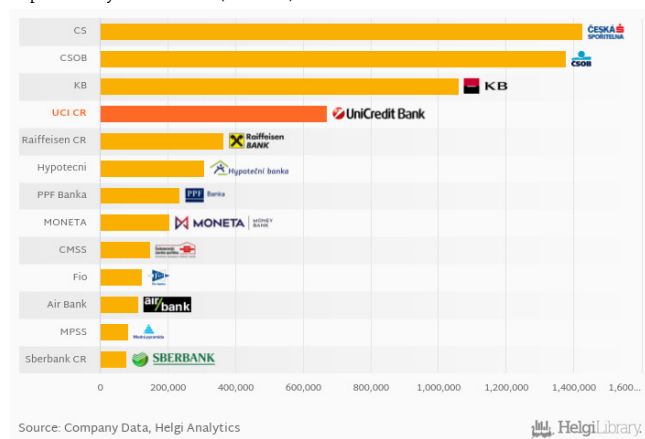


6 Market Share Position Within the Czech Market

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

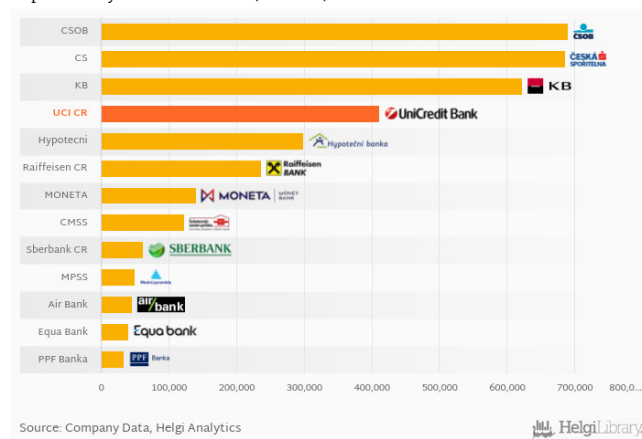
What Banks in Czechia Were the Largest in 2018?

Top Banks by Total Assets (CZK mil)



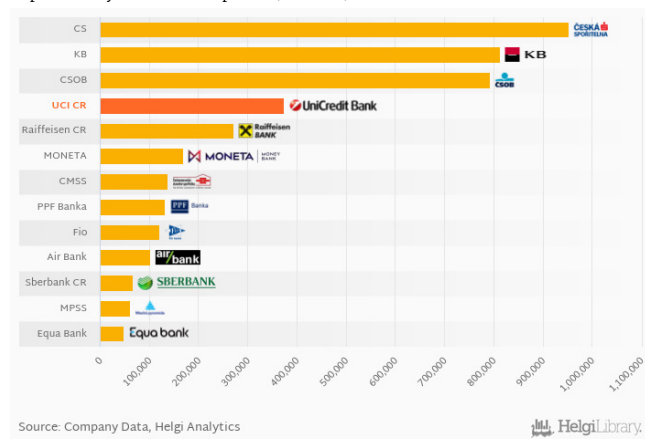
What Banks in Czechia Were the Largest Lenders in 2018?

Top Banks by Customer Loans (CZK mil)



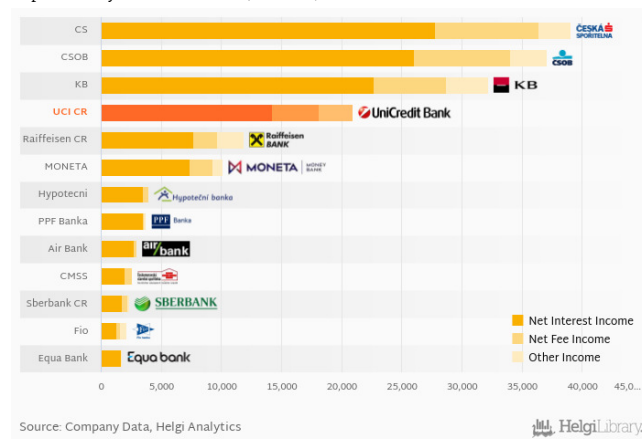
What Banks in Czechia Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (CZK mil)



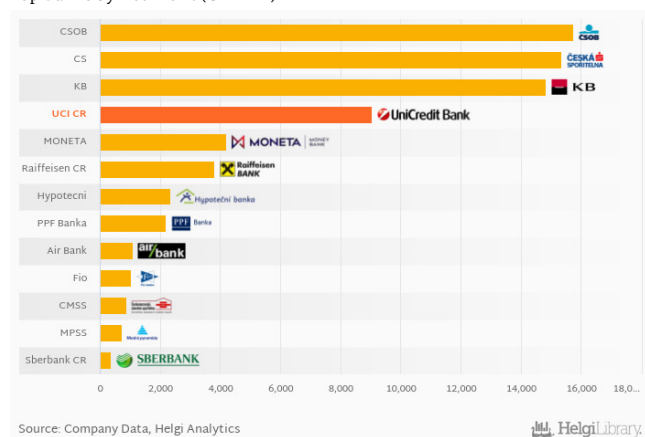
What Banks in Czechia Generated the Most Revenues in 2018?

Top Banks by Total Revenues (CZK mil)



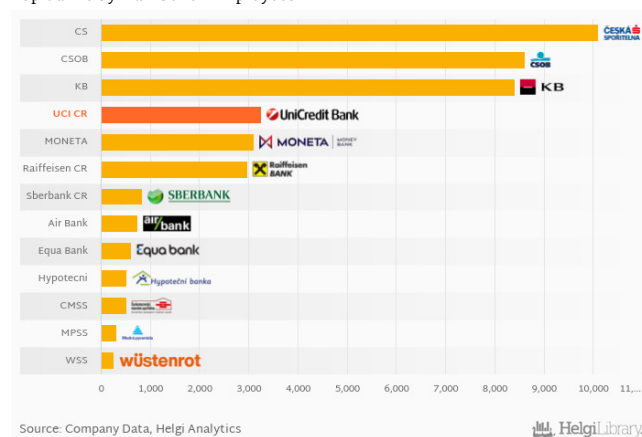
What Banks in Czechia Were the Most Profitable in 2018?

Top Banks by Net Profit (CZK mil)



What Banks in Czechia Had the Most Employees in 2018?

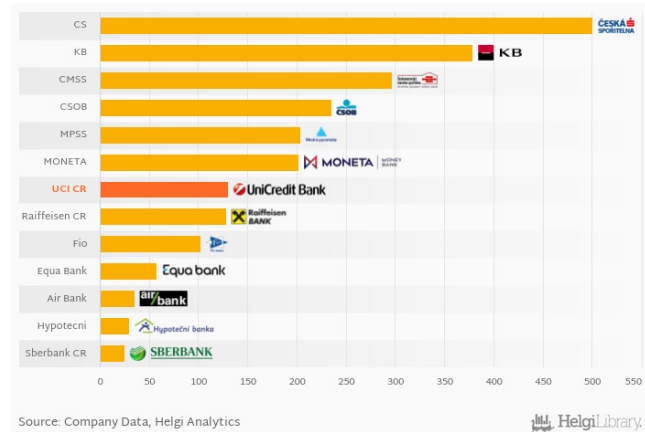
Top Banks by Number of Employees





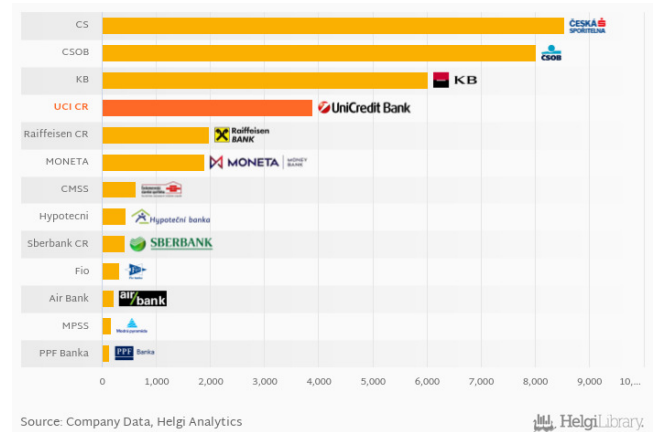
What Banks in Czechia Had the Most Branches in 2018?

Top Banks by Number of Branches



What Banks in Czechia Generated the Most Fees in 2018?

Top Banks by Net Fee Income (CZK mil)



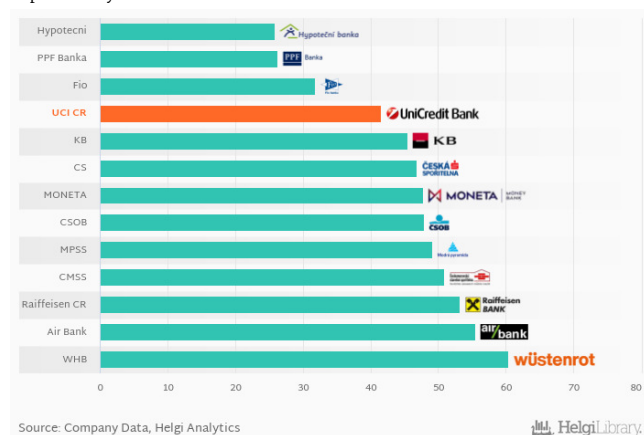


7 Relative Performance on the Czech Market

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

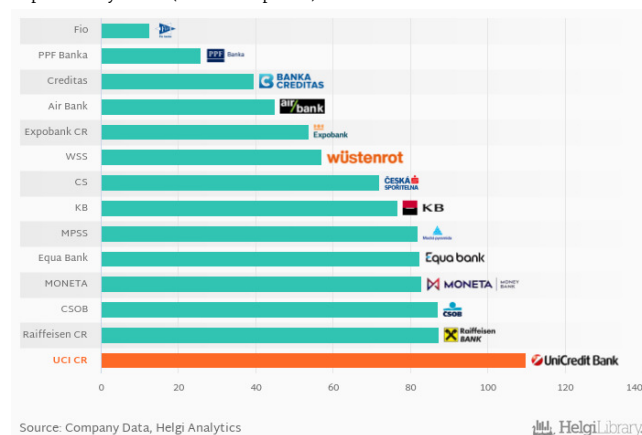
What Banks in Czechia Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



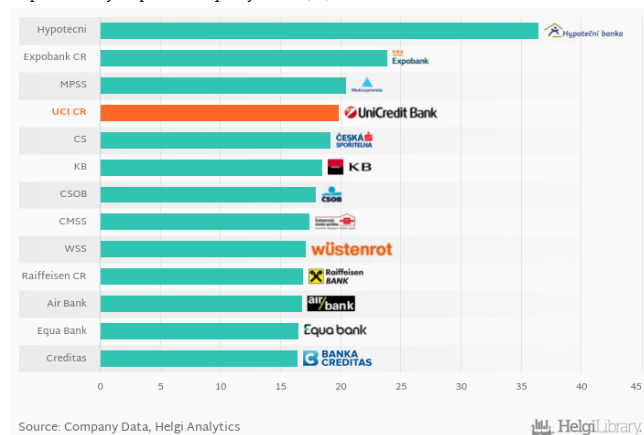
What Banks in Czechia Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



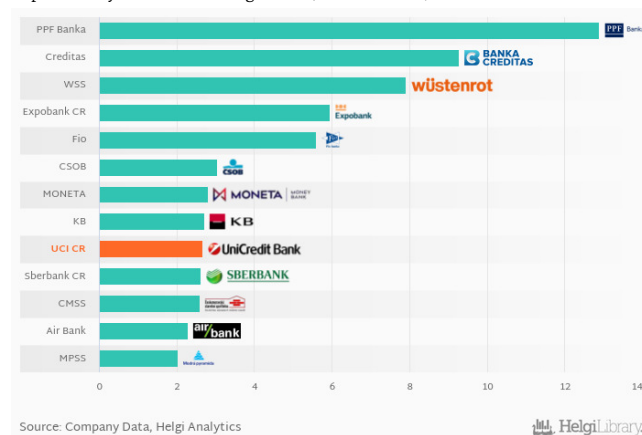
What Banks in Czechia Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



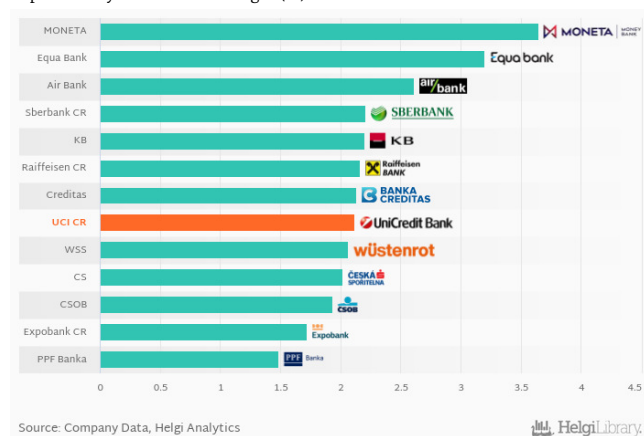
What Banks in Czechia Had the Most Bad Loans in 2018?

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



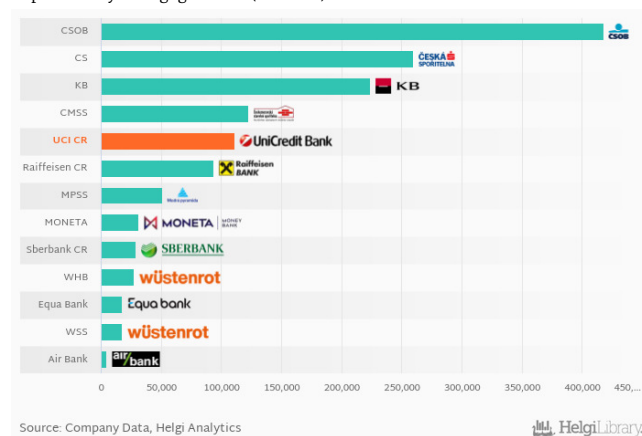
What Banks in Czechia Achieved the Highest Interest Margin in 2018?

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 | 2,849 | 3,196 | 3,221 | 3,379 | 3,748 | 3,996 | 4,238 | 4,560 |
| Interest Cost | CZK mil | 397 | 422 | 238 | 245 | 306 | 473 | 928 | 1,327 |
| Net Interest Income | CZK mil | 2,452 | 2,774 | 2,983 | 3,134 | 3,443 | 3,523 | 3,310 | 3,233 |
| Net Fee Income | CZK mil | 834 | 527 | 853 | 849 | 849 | 907 | 904 | 847 |
| Other Income | CZK mil | 524 | 2,778 | 847 | 540 | 564 | 891 | 746 | 881 |
| Total Revenues | CZK mil | 3,810 | 6,080 | 4,683 | 4,523 | 4,855 | 5,322 | 4,961 | 4,961 |
| Staff Cost | CZK mil | 818 | 832 | 751 | 758 | 838 | 842 | 800 | 844 |
| Depreciation | CZK mil | 60.7 | 153 | 87.8 | 104 | 114 | 194 | 208 | 212 |
| Operating Cost | CZK mil | 1,674 | 1,876 | 2,349 | 1,597 | 1,629 | 1,886 | 2,280 | 1,573 |
| Operating Profit | CZK mil | 2,136 | 4,204 | 2,334 | 2,926 | 3,226 | 3,436 | 2,680 | 3,388 |
| Provisions | CZK mil | 343 | 380 | -174 | 37.3 | 255 | 935 | 376 | 197 |
| Extra and Other Cost | CZK mil | -1.83 | 0 | 295 | 302 | 47.4 | -641 | 1.18 | 0.442 |
| Pre-Tax Profit | CZK mil | 1,795 | 3,823 | 2,214 | 2,587 | 2,923 | 3,142 | 2,303 | 3,191 |
| Tax | CZK mil | 352 | 191 | 429 | 497 | 556 | 460 | 447 | 619 |
| Minorities | CZK mil | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Profit | CZK mil | 1,443 | 3,633 | 1,784 | 2,090 | 2,367 | 2,682 | 1,856 | 2,572 |

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 | % | 9.04 | 24.6 | 30.8 | 26.2 | 40.4 | 27.0 | 11.0 | 3.15 |
| Net Fee Income Growth | % | -0.390 | -43.0 | -3.77 | 0.166 | 1.83 | 72.1 | 5.99 | -0.138 |
| Total Revenue Growth | % | 4.11 | 55.2 | 15.5 | 1.94 | 27.4 | -12.5 | 5.92 | 9.69 |
| Operating Cost Growth | % | -12.2 | 4.00 | -0.738 | -6.55 | -2.64 | 0.537 | -2.93 | -1.53 |
| Operating Profit Growth | % | 21.8 | 99.0 | 38.2 | 7.26 | 51.0 | -18.3 | 14.8 | 15.8 |
| Pre-Tax Profit Growth | % | 9.92 | 181 | 37.3 | -15.1 | 62.9 | -17.8 | 4.02 | 23.4 |
| Net Profit Growth | % | 11.3 | 266 | 37.9 | -14.8 | 64.0 | -26.2 | 4.02 | 23.1 |

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 | 15,653 | 8,736 | 11,237 | 11,210 | 9,155 | 11,570 | 16,840 | 25,456 |
| Interbank Loans | CZK mil | 37,181 | 6,856 | 330,123 | 326,018 | 430,562 | 239,733 | 438,022 | 416,943 |
| Customer Loans | CZK mil | 390,241 | 374,428 | 382,401 | 391,207 | 341,362 | 346,431 | 348,770 | 349,479 |
| Retail Loans | CZK mil | 107,425 | 107,425 | 108,497 | 111,857 | 113,803 | 117,259 | 119,438 | 121,679 |
| Mortgage Loans | CZK mil | 94,463 | 95,408 | 101,177 | 103,847 | 106,975 | 110,831 | 110,938 | 113,429 |
| Consumer Loans | CZK mil | 11,637 | 11,572 | 10,496 | 10,114 | 9,607 | 8,952 | 8,500 | 8,250 |
| Corporate Loans | CZK mil | 234,167 | 234,167 | 226,708 | 227,590 | 236,399 | 237,727 | 237,919 | 235,843 |
| Debt Securities | CZK mil | 59,880 | 47,522 | 39,228 | 38,304 | 35,204 | 31,595 | 28,504 | 28,787 |
| Fixed Assets | CZK mil | 2,668 | 2,730 | 2,729 | 2,756 | 2,787 | 2,778 | 4,787 | 4,690 |
| Total Assets | CZK mil | 802,924 | 659,333 | 779,155 | 789,681 | 841,155 | 660,140 | 866,941 | 855,348 |
| Shareholders' Equity | CZK mil | 66,644 | 69,441 | 70,846 | 68,656 | 68,912 | 73,581 | 69,097 | 71,671 |
| Of Which Minority Interest | CZK mil | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Liabilities | CZK mil | 736,280 | 589,892 | 708,309 | 721,025 | 772,243 | 586,559 | 797,844 | 783,677 |
| Interbank Loans | CZK mil | 37,181 | 6,856 | 330,123 | 326,018 | 430,562 | 239,733 | 438,022 | 416,943 |
| Customer Deposits | CZK mil | 374,991 | 360,473 | 356,402 | 361,164 | 368,010 | 374,904 | 524,848 | 538,881 |
| Retail Deposits | CZK mil | 138,894 | 140,000 | 141,569 | 148,605 | 147,242 | 154,489 | 155,184 | 158,995 |
| Corporate Deposits | CZK mil | 177,230 | 175,000 | 172,489 | 173,902 | 168,025 | 186,457 | 177,169 | 181,120 |
| Issued Debt Securities | CZK mil | 61,212 | 41,291 | 42,625 | 38,629 | 37,905 | 22,768 | 22,311 | 21,344 |
| Other Liabilities | CZK mil | 29,089 | 24,648 | 27,512 | 31,786 | 39,456 | 24,815 | 39,837 | 36,665 |

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 | 11,926 | 11,378 | 10,800 | 10,394 | 9,744 | 9,484 | 9,400 | 8,984 |
| Gross Loans | CZK mil | 399,275 | 383,297 | 335,205 | 339,447 | 350,202 | 354,986 | 357,357 | 357,522 |
| Total Provisions | CZK mil | 9,034 | 8,870 | 9,000 | 9,276 | 8,840 | 8,555 | 8,587 | 8,044 |

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 | % | 6.50 | 1.94 | 0.114 | 2.31 | -12.5 | -7.48 | -8.79 | -10.7 |
| Retail Loan Growth | % | 6.44 | 3.83 | 4.18 | 6.03 | 5.94 | 9.15 | 10.1 | 8.78 |
| Mortgage Loan Growth | % | 5.81 | 4.13 | 10.4 | 11.5 | 13.2 | 16.2 | 9.65 | 9.23 |
| Consumer Loan Growth | % | -0.079 | -2.18 | -9.42 | -13.1 | -17.4 | -22.6 | -19.0 | -18.4 |
| Corporate Loan Growth | % | -15.2 | -17.0 | -3.60 | -0.767 | 0.953 | 1.52 | 4.95 | 3.63 |
| Total Asset Growth | % | 31.4 | 7.11 | 5.27 | 8.44 | 4.76 | 0.122 | 11.3 | 8.32 |
| Shareholders' Equity Growth | % | 5.20 | 9.30 | 10.8 | 4.55 | 3.40 | 5.96 | -2.47 | 4.39 |
| Customer Deposit Growth | % | 7.88 | -1.59 | -6.10 | 1.07 | -1.86 | 4.00 | 47.3 | 49.2 |
| Retail Deposit Growth | % | ... | ... | 3.73 | 7.14 | 6.01 | 10.3 | 9.62 | 6.99 |
| Corporate Deposit Growth | % | ... | ... | -2.05 | 5.46 | -5.19 | 6.55 | 2.71 | 4.15 |

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 | % | 9.33 | 13.2 | 10.5 | 9.07 | 10.5 | 10.7 | 10.5 | 9.42 |
| Market Share in Net Profit | % | 8.83 | 23.5 | 9.79 | 8.14 | 12.6 | 14.2 | 10.1 | 9.44 |
| Market Share in Employees | % | 6.69 | 6.83 | 6.88 | 7.08 | 7.22 | 7.30 | 7.25 | 7.26 |
| Market Share in Branches | % | ... | ... | ... | ... | ... | ... | ... | ... |
| Market Share in Customer Loans | % | 12.4 | 12.1 | 12.1 | 12.1 | 10.3 | 10.5 | 10.4 | 10.3 |
| Market Share in Corporate Loans | % | 22.4 | 22.9 | 22.0 | 21.4 | 21.5 | 22.0 | 21.8 | 21.4 |
| Market Share in Retail Loans | % | 7.16 | 7.02 | 7.00 | 7.06 | 7.04 | 7.12 | 7.19 | 7.20 |
| Market Share in Consumer Loans | % | 3.10 | 3.03 | 2.73 | 2.58 | 2.42 | 2.24 | 2.11 | 2.02 |
| Market Share in Mortgage Loans | % | 8.40 | 8.31 | 8.67 | 8.71 | 8.78 | 8.90 | 8.80 | 8.85 |
| Market Share in Total Assets | % | 11.0 | 9.42 | 10.7 | 10.7 | 11.1 | 9.07 | 11.2 | 10.9 |
| Market Share in Customer Deposits | % | 8.79 | 8.65 | 8.10 | 8.14 | 8.18 | 8.43 | 11.0 | 10.9 |
| Market Share in Retail Deposits | % | 5.86 | 5.81 | 5.77 | 5.92 | 5.79 | 5.95 | 5.87 | 5.91 |
| Market Share in Corporate Deposits | % | 18.2 | 17.6 | 17.6 | 17.7 | 17.2 | 17.9 | 17.4 | 17.5 |

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 | % | 8.73 | 21.4 | 10.2 | 12.0 | 13.8 | 15.1 | 10.4 | 14.6 |
| ROA | % | 0.754 | 1.99 | 0.992 | 1.07 | 1.16 | 1.43 | 0.972 | 1.19 |
| Costs (As % Of Assets) | % | 0.874 | 1.03 | 1.31 | 0.814 | 0.799 | 1.00 | 1.19 | 0.731 |
| Costs (As % Of Income) | % | 43.9 | 30.9 | 50.2 | 35.3 | 33.6 | 35.4 | 46.0 | 31.7 |
| Capital Adequacy Ratio | % | 17.7 | 19.9 | 19.1 | 18.6 | 18.3 | 20.3 | 19.7 | 18.4 |
| Tier 1 Ratio | % | 17.2 | 19.4 | 18.6 | 18.1 | 17.8 | 19.8 | 19.2 | 18.3 |
| Net Interest Margin | % | 1.28 | 1.52 | 1.66 | 1.60 | 1.69 | 1.88 | 1.73 | 1.50 |
| Interest Spread | % | 1.26 | 1.49 | 1.64 | 1.59 | 1.67 | 1.85 | 1.68 | 1.45 |
| Asset Yield | % | 1.49 | 1.75 | 1.79 | 1.72 | 1.84 | 2.13 | 2.22 | 2.12 |
| Cost Of Liabilities | % | 0.227 | 0.254 | 0.147 | 0.137 | 0.164 | 0.278 | 0.536 | 0.671 |
| Payout Ratio | % | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest Income (As % Of Revenues) | % | 64.4 | 45.6 | 63.7 | 69.3 | 70.9 | 66.2 | 66.7 | 65.2 |
| Fee Income (As % Of Revenues) | % | 21.9 | 8.67 | 18.2 | 18.8 | 17.5 | 17.0 | 18.2 | 17.1 |
| Other Income (As % Of Revenues) | % | 13.8 | 45.7 | 18.1 | 11.9 | 11.6 | 16.7 | 15.0 | 17.8 |
| Cost Per Employee | USD per month | 4,333 | 4,480 | 4,146 | 3,987 | 4,158 | 4,139 | 3,861 | 4,097 |
| Cost Per Employee (Local Currency) | CZK per month | 97,571 | 96,972 | 86,920 | 85,640 | 92,062 | 91,956 | 87,713 | 92,860 |
| Staff Cost (As % Of Total Cost) | % | 48.9 | 44.4 | 32.0 | 47.5 | 51.4 | 44.7 | 35.1 | 53.7 |
| Equity (As % Of Assets) | % | 8.30 | 10.5 | 9.09 | 8.69 | 8.19 | 11.1 | 7.97 | 8.38 |
| Loans (As % Of Deposits) | % | 104 | 104 | 107 | 108 | 92.8 | 92.4 | 66.5 | 64.9 |
| Loans (As % Assets) | % | 48.6 | 56.8 | 49.1 | 49.5 | 40.6 | 52.5 | 40.2 | 40.9 |
| NPLs (As % Of Loans) | % | 2.99 | 2.97 | 3.22 | 3.06 | 2.78 | 2.67 | 2.63 | 2.51 |
| Provisions (As % Of NPLs) | % | 75.8 | 78.0 | 83.3 | 89.2 | 90.7 | 90.2 | 91.3 | 89.5 |
| Provisions (As % Of Loans) | % | 2.32 | 2.37 | 2.35 | 2.37 | 2.59 | 2.47 | 2.46 | 2.30 |
| Cost of Provisions (As % Of Loans) | % | 0.356 | 0.398 | -0.184 | 0.039 | 0.279 | 1.09 | 0.433 | 0.226 |

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 | 9,375 | 9,269 | 9,561 | 13,232 | 12,748 | 11,832 | 12,327 | 15,435 |
| Interest Cost | CZK mil | 2,888 | 3,081 | 2,473 | 3,183 | 2,513 | 1,687 | 1,109 | 1,204 |
| Net Interest Income | CZK mil | 6,487 | 6,188 | 7,088 | 10,049 | 10,235 | 10,145 | 11,218 | 14,231 |
| Net Fee Income | CZK mil | 2,791 | 2,058 | 2,838 | 3,557 | 3,843 | 3,823 | 3,465 | 3,892 |
| Other Income | CZK mil | 341 | 1,345 | 1,808 | 2,216 | 2,571 | 3,909 | 3,938 | 2,811 |
| Total Revenues | CZK mil | 9,619 | 9,591 | 11,735 | 15,822 | 16,649 | 17,877 | 18,621 | 20,934 |
| Staff Cost | CZK mil | 1,822 | 1,896 | 2,212 | 3,229 | 3,322 | 3,390 | 3,414 | 3,512 |
| Depreciation | CZK mil | 127 | 137 | 239 | 377 | 715 | 811 | 1,049 | 1,210 |
| Operating Cost | CZK mil | 3,886 | 4,323 | 5,255 | 7,547 | 8,222 | 8,665 | 8,801 | 8,697 |
| Operating Profit | CZK mil | 5,733 | 5,269 | 6,480 | 8,275 | 8,427 | 9,212 | 9,820 | 12,237 |
| Provisions | CZK mil | 4,398 | 1,608 | 2,506 | 2,317 | 1,425 | 1,499 | 620 | 1,159 |
| Extra and Other Cost | CZK mil | 0 | -34.5 | 17.4 | -72.0 | -62.0 | 0 | -89.0 | -66.0 |
| Pre-Tax Profit | CZK mil | 1,335 | 3,695 | 3,957 | 6,030 | 7,064 | 7,713 | 9,289 | 11,144 |
| Tax | CZK mil | 188 | 538 | 787 | 1,119 | 1,424 | 1,668 | 1,663 | 2,097 |
| Minorities | CZK mil | 0 | 0 | 0 | 3.00 | 2.00 | 0 | 0 | 0 |
| Net Profit | CZK mil | 1,147 | 3,157 | 3,170 | 4,908 | 5,638 | 6,045 | 7,626 | 9,047 |

Source: Company Data, Helgi Analytics

Growth Rates – Annual

| GROWTH RATES | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------------|---|-------|--------|-------|------|------|--------|-------|-------|
| Net Interest Income Growth | % | 6.23 | -4.61 | 14.6 | 41.8 | 1.85 | -0.879 | 10.6 | 26.9 |
| Net Fee Income Growth | % | 5.93 | -26.3 | 37.9 | 25.3 | 8.04 | -0.520 | -9.36 | 12.3 |
| Total Revenue Growth | % | 3.89 | -0.287 | 22.3 | 34.8 | 5.23 | 7.38 | 4.16 | 12.4 |
| Operating Cost Growth | % | -1.43 | 11.2 | 21.6 | 43.6 | 8.94 | 5.39 | 1.57 | -1.18 |
| Operating Profit Growth | % | 7.83 | -8.09 | 23.0 | 27.7 | 1.84 | 9.32 | 6.60 | 24.6 |
| Pre-Tax Profit Growth | % | -61.6 | 177 | 7.10 | 52.4 | 17.1 | 9.19 | 20.4 | 20.0 |
| Net Profit Growth | % | -61.8 | 175 | 0.419 | 54.8 | 14.9 | 7.22 | 26.2 | 18.6 |

Source: Company Data, Helgi Analytics



Balance Sheet – Annual

| BALANCE SHEET | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Cash | CZK mil | 10,898 | 20,415 | 42,678 | 4,135 | 4,445 | 4,192 | 4,008 | 4,842 |
| Interbank Loans | CZK mil | 11,324 | 10,861 | 23,096 | 48,782 | 106,611 | 139,900 | 210,188 | 200,065 |
| Customer Loans | CZK mil | 188,099 | 192,046 | 289,945 | 339,510 | 351,541 | 385,572 | 386,672 | 412,036 |
| Retail Loans | CZK mil | 42,661 | 50,453 | 54,904 | 84,241 | 93,327 | 103,458 | 112,648 | 119,783 |
| Mortgage Loans | CZK mil | 26,216 | 30,297 | 34,904 | 74,396 | 82,234 | 91,628 | 95,408 | 110,831 |
| Consumer Loans | CZK mil | 16,445 | 20,156 | 20,000 | 9,845 | 11,093 | 11,830 | 11,572 | 8,952 |
| Corporate Loans | CZK mil | 144,502 | 140,505 | 235,041 | 255,269 | 258,214 | 282,114 | 265,459 | 280,141 |
| Debt Securities | CZK mil | 64,619 | 81,002 | 96,741 | 101,515 | 92,402 | 89,405 | 55,637 | 44,844 |
| Fixed Assets | CZK mil | 1,122 | 1,085 | 1,917 | 4,779 | 5,908 | 6,403 | 6,823 | 6,928 |
| Total Assets | CZK mil | 288,459 | 318,325 | 464,622 | 508,616 | 570,284 | 635,042 | 672,078 | 671,615 |
| Shareholders' Equity | CZK mil | 33,096 | 38,938 | 50,747 | 58,410 | 61,506 | 66,891 | 71,496 | 75,739 |
| Of Which Minority Interest | CZK mil | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Liabilities | CZK mil | 255,363 | 279,388 | 413,875 | 450,206 | 508,778 | 568,151 | 600,582 | 595,876 |
| Interbank Loans | CZK mil | 11,324 | 10,861 | 23,096 | 48,782 | 106,611 | 139,900 | 210,188 | 200,065 |
| Customer Deposits | CZK mil | 145,773 | 186,195 | 306,298 | 328,585 | 363,989 | 371,163 | 360,473 | 374,745 |
| Retail Deposits | CZK mil | 66,563 | 72,737 | ... | ... | ... | ... | ... | ... |
| Corporate Deposits | CZK mil | 88,694 | 111,125 | ... | ... | ... | ... | ... | ... |
| Issued Debt Securities | CZK mil | 47,687 | 42,165 | 57,571 | 54,837 | 72,055 | 70,093 | 53,075 | 37,819 |
| Other Liabilities | CZK mil | 29,468 | 18,798 | 208 | 12,042 | 13,032 | 11,371 | 12,760 | 11,161 |

Source: Company Data, Helgi Analytics

Asset Quality – Annual

| ASSET QUALITY | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Non-Performing Loans | CZK mil | 10,520 | 10,178 | 14,505 | 20,714 | 18,420 | 16,438 | 13,581 | 11,282 |
| Gross Loans | CZK mil | 188,092 | 181,848 | 300,061 | 351,981 | 364,042 | 397,850 | 397,281 | 422,185 |
| Total Provisions | CZK mil | 5,524 | 5,910 | 8,386 | 12,471 | 12,501 | 12,278 | 10,609 | 10,149 |

Source: Company Data, Helgi Analytics

Growth Rates – Annual

| GROWTH RATES | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------------|---|--------|-------|--------|-------|------|------|-------|--------|
| Customer Loan Growth | % | 9.51 | 2.10 | 51.0 | 17.1 | 3.54 | 9.68 | 0.285 | 6.56 |
| Retail Loan Growth | % | 19.0 | 18.3 | 8.82 | 53.4 | 10.8 | 10.9 | 8.88 | 6.33 |
| Mortgage Loan Growth | % | 15.8 | 15.6 | 15.2 | 113 | 10.5 | 11.4 | 4.13 | 16.2 |
| Consumer Loan Growth | % | 24.4 | 22.6 | -0.773 | -50.8 | 12.7 | 6.64 | -2.18 | -22.6 |
| Corporate Loan Growth | % | 2.74 | -2.77 | 67.3 | 8.61 | 1.15 | 9.26 | -5.90 | 5.53 |
| Total Asset Growth | % | 6.83 | 10.4 | 46.0 | 9.47 | 12.1 | 11.4 | 5.83 | -0.069 |
| Shareholders' Equity Growth | % | 5.96 | 17.7 | 30.3 | 15.1 | 5.30 | 8.76 | 6.88 | 5.93 |
| Customer Deposit Growth | % | -0.559 | 27.7 | 64.5 | 7.28 | 10.8 | 1.97 | -2.88 | 3.96 |
| Retail Deposit Growth | % | -0.713 | 9.28 | ... | ... | ... | ... | ... | ... |
| Corporate Deposit Growth | % | -1.76 | 25.3 | ... | ... | ... | ... | ... | ... |

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 | % | 9.33 | 13.2 | 10.5 | 9.07 | 10.5 | 10.7 | 10.5 | 9.42 |
| Market Share in Net Profit | % | 8.83 | 23.5 | 9.79 | 8.14 | 12.6 | 14.2 | 10.1 | 9.44 |
| Market Share in Employees | % | 6.69 | 6.83 | 6.88 | 7.08 | 7.22 | 7.30 | 7.25 | 7.26 |
| Market Share in Branches | % | ... | ... | ... | ... | ... | ... | ... | ... |
| Market Share in Customer Loans | % | 12.4 | 12.1 | 12.1 | 12.1 | 10.3 | 10.5 | 10.4 | 10.3 |
| Market Share in Corporate Loans | % | 22.4 | 22.9 | 22.0 | 21.4 | 21.5 | 22.0 | 21.8 | 21.4 |
| Market Share in Retail Loans | % | 7.16 | 7.02 | 7.00 | 7.06 | 7.04 | 7.12 | 7.19 | 7.20 |
| Market Share in Consumer Loans | % | 3.10 | 3.03 | 2.73 | 2.58 | 2.42 | 2.24 | 2.11 | 2.02 |
| Market Share in Mortgage Loans | % | 8.40 | 8.31 | 8.67 | 8.71 | 8.78 | 8.90 | 8.80 | 8.85 |
| Market Share in Total Assets | % | 11.0 | 9.42 | 10.7 | 10.7 | 11.1 | 9.07 | 11.2 | 10.9 |
| Market Share in Customer Deposits | % | 8.79 | 8.65 | 8.10 | 8.14 | 8.18 | 8.43 | 11.0 | 10.9 |
| Market Share in Retail Deposits | % | 5.86 | 5.81 | 5.77 | 5.92 | 5.79 | 5.95 | 5.87 | 5.91 |
| Market Share in Corporate Deposits | % | 18.2 | 17.6 | 17.6 | 17.7 | 17.2 | 17.9 | 17.4 | 17.5 |

Source: Company Data, Helgi Analytics

Ratios – Annual

| RATIOS | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------------------------|---------------|--------|--------|--------|--------|--------|--------|--------|--------|
| ROE | % | 3.56 | 8.77 | 7.07 | 8.99 | 9.40 | 9.42 | 11.0 | 12.3 |
| ROA | % | 0.411 | 1.04 | 0.810 | 1.01 | 1.05 | 1.00 | 1.17 | 1.35 |
| Costs (As % Of Assets) | % | 1.39 | 1.42 | 1.34 | 1.55 | 1.52 | 1.44 | 1.35 | 1.29 |
| Costs (As % Of Income) | % | 40.4 | 45.1 | 44.8 | 47.7 | 49.4 | 48.5 | 47.3 | 41.5 |
| Capital Adequacy Ratio | % | 15.6 | 15.8 | 15.4 | 14.4 | 14.6 | 15.5 | 19.4 | 19.9 |
| Tier 1 Ratio | % | ... | ... | ... | 14.0 | 14.2 | 15.1 | 19.0 | 19.5 |
| Net Interest Margin | % | 2.32 | 2.04 | 1.81 | 2.07 | 1.90 | 1.68 | 1.72 | 2.12 |
| Interest Spread | % | 2.19 | 1.90 | 1.73 | 1.98 | 1.84 | 1.65 | 1.70 | 2.10 |
| Asset Yield | % | 3.36 | 3.06 | 2.44 | 2.72 | 2.36 | 1.96 | 1.89 | 2.30 |
| Cost Of Liabilities | % | 1.17 | 1.15 | 0.713 | 0.737 | 0.524 | 0.313 | 0.190 | 0.201 |
| Interest Income (As % Of Revenues) | % | 67.4 | 64.5 | 60.4 | 63.5 | 61.5 | 56.7 | 60.2 | 68.0 |
| Fee Income (As % Of Revenues) | % | 29.0 | 21.5 | 24.2 | 22.5 | 23.1 | 21.4 | 18.6 | 18.6 |
| Other Income (As % Of Revenues) | % | 3.55 | 14.0 | 15.4 | 14.0 | 15.4 | 21.9 | 21.1 | 13.4 |
| Cost Per Employee | USD per month | 4,335 | 4,030 | 3,130 | 3,822 | 3,513 | 3,364 | 3,684 | 4,112 |
| Cost Per Employee (Local Currency) | CZK per month | 76,673 | 78,830 | 61,238 | 81,689 | 83,864 | 84,886 | 86,501 | 90,024 |
| Staff Cost (As % Of Total Cost) | % | 46.9 | 43.9 | 42.1 | 42.8 | 40.4 | 39.1 | 38.8 | 40.4 |
| Equity (As % Of Assets) | % | 11.5 | 12.2 | 10.9 | 11.5 | 10.8 | 10.5 | 10.6 | 11.3 |
| Loans (As % Of Deposits) | % | 129 | 103 | 94.7 | 103 | 96.6 | 104 | 107 | 110 |
| Loans (As % Assets) | % | 65.2 | 60.3 | 62.4 | 66.8 | 61.6 | 60.7 | 57.5 | 61.4 |
| NPLs (As % Of Loans) | % | 5.59 | 5.60 | 4.83 | 5.88 | 5.06 | 4.13 | 3.42 | 2.67 |
| Provisions (As % Of NPLs) | % | 52.5 | 58.1 | 57.8 | 60.2 | 67.9 | 74.7 | 78.1 | 90.0 |
| Provisions (As % Of Loans) | % | 2.94 | 3.08 | 2.89 | 3.67 | 3.56 | 3.18 | 2.74 | 2.46 |
| Cost of Provisions (As % Of Loans) | % | 2.44 | 0.846 | 1.04 | 0.736 | 0.412 | 0.407 | 0.161 | 0.290 |

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.

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