

# Modra Pyramida Stavebni Sporitelna

## Quarterly Results - 2Q2019

Modra Pyramida Stavebni Sporitelna made a net profit of CZK 200 mil in the second quarter of 2019, down 6.73% when compared to the previous year. Total revenues increased 0.943% yoy to CZK 347 mil, ROE amounted to 13.7% and the NPL ratio stood at 1.69%. In the last three years, the bank grew its loans by 13.2% a year, revenues fell by 3.68% and net profit decreased by 7.14% a year, on average.

- ✓ Revenues increased 0.943% yoy to CZK 347 mil in the second quarter of 2019. Interest income formed 88.9% of total revenues with the net interest margin decreasing 0.03 pp to 1.48% of total assets. Fees added a further 11.0% to total revenue generated in 2Q2019, up from an average of 9.80% as seen in the previous two years.
- ✓ Operating costs grew by 2.59% yoy to CZK 153 mil, so cost to income ratio reached 44.2%, up by 2.71% compared to the previous two years. Staff accounted for 51.7% of total operating expenditures. At the end of second quarter of 2019, Modra Pyramida Stavebni Sporitelna operated a network of 200 branches and 331 employees.
- ✓ Loans and deposits grew by 2.96% and 0.205% qoq respectively, so loan to deposit ratio reached 87.2% at the end of 2Q2019. That's up from 74.9% the previous year. Equity reached 6.59% of assets and capital adequacy ratio amounted to 24.7% at the end of the second quarter of 2019.
- ✓ NPLs were 1.69% of total loans at the end of the quarter. Provisions covered 46.1% of non-performing loans
- ✓ When compared to selected peers, Modra Pyramida Stavebni Sporitelna was 4.35 pp less profitable in terms of ROE, achieved 4.34 pp worse cost efficiency when measured by cost to income ratio and grew its loans by 10.2 pp faster based on a last year comparison.

<b>Sector:</b>	Banking
<b>Country:</b>	Czech Republic
<b>Employees:</b>	331
<b>Clients:</b>	N/A
<b>Branches:</b>	200
<b>ATMs:</b>	N/A
<b>Bank Cards:</b>	N/A
<b>Capital Adequacy Ratio:</b>	24.7%
<b>Tier 1 Ratio:</b>	24.7%

Data tells a story

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2019	347	0.943	200	-6.73	13.7	44.2	87.2	6.59	1.69
2018	1,342	-11.3	721	-19.6	11.8	49.1	81.9	7.15	2.03
2017	1,513	-1.25	897	1.52	14.3	43.2	70.6	7.55	2.61
2016	1,532	-3.89	883	-3.49	12.9	39.7	58.8	7.40	4.17
2015	1,594	-11.0	915	-8.00	12.2	41.7	52.2	8.26	4.99

Source: Company Data, Helgi Analytics



## 1 Company Overview

Modrá Pyramida is building savings bank in the Czech Republic, owned by Komerční Banka, the third largest bank in the country. The Bank has been set up to provide loans to finance households' living needs with a subsidized interest rate, historically a popular alternative to mortgage loans. Nowadays, the Bank has developed into a mortgage lender expanding into other banking services within Komerční Banka Group.

Modra Pyramida Stavebni Sporitelna has been growing its revenues and asset by -1.05% and 1.63% a year on average in the last 10 years. Its loans and deposits have grown by 2.62% and -0.410% a year during that time and loans to deposits ratio reached 87.2% at the end of 2Q2019. The company achieved an average return on equity of 14.7% in the last decade with net profit growing 1.58% a year on average. In terms of operating efficiency, its cost to income ratio reached 44.2% in 2Q2019, compared to 39.6% average in the last decade.

Equity represented 6.59% of total assets or 10.4% of loans at the end of 2Q2019. Modra Pyramida Stavebni Sporitelna's non-performing loans were 1.69% of total loans while provisions covered some 46.1% 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	377	360	296	298	291	282	284	309
Total Revenues	CZK mil	387	357	338	344	336	325	330	347
Operating Profit	CZK mil	225	203	163	194	178	148	152	194
Net Profit	CZK mil	211	215	165	214	186	156	144	200
Customer Loans	CZK mil	41,415	43,555	45,082	45,891	48,944	50,751	52,175	53,717
Total Assets	CZK mil	76,425	83,212	78,030	79,980	80,823	83,163	82,896	84,483
Shareholders' Equity	CZK mil	6,075	6,284	6,288	5,604	5,788	5,945	6,089	5,568
Interbank Borrowing	CZK mil	6,461	14,411	9,644	12,678	13,599	14,973	14,732	16,800
Customer Deposits	CZK mil	63,000	61,723	61,505	61,282	61,064	61,949	61,455	61,581
Issued Debt Securities	CZK mil	0	0	0	0	0	0	0	0

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	14.2	13.9	10.5	14.4	13.1	10.6	9.60	13.7
Costs (As % Of Income)	%	41.8	43.3	51.7	43.5	47.1	54.5	53.9	44.2
Net Interest Margin	%	1.98	1.80	1.47	1.51	1.45	1.38	1.37	1.48
Equity (As % Of Assets)	%	7.95	7.55	8.06	7.01	7.16	7.15	7.35	6.59
Loans (As % Of Deposits)	%	65.7	70.6	73.3	74.9	80.2	81.9	84.9	87.2
Loans (As % Assets)	%	54.2	52.3	57.8	57.4	60.6	61.0	62.9	63.6
NPLs (As % Of Loans)	%	3.36	3.01	2.39	2.31	2.14	2.03	1.91	1.69
Provisions (As % Of NPLs)	%	54.0	51.4	55.8	52.0	51.3	47.0	47.2	46.1

Source: Company Data, Helgi Analytics



## 2 Revenues & Costs

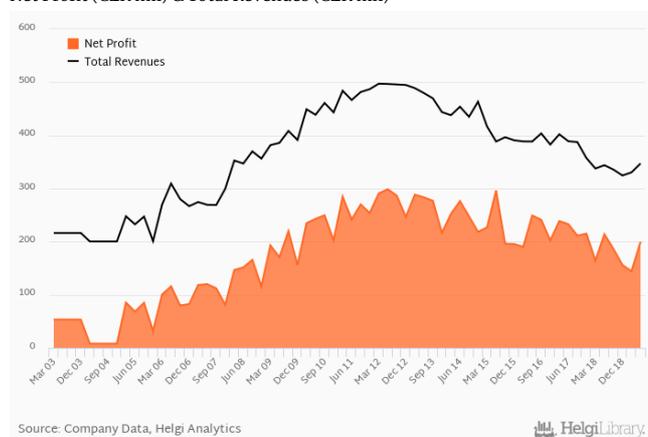
### 2.1 Revenues

Modra Pyramida Stavebni Sporitelna generated total operating revenues of CZK 347 mil in the second quarter of 2019, up 0.943% compared to the same period of the previous year. Net interest income represented 88.9% of revenues, fee income contributed 11.0% and other non-interest income added further 0.066% to the overall revenue generated.

Over the previous three years, revenues fell by 3.68% a year on average.

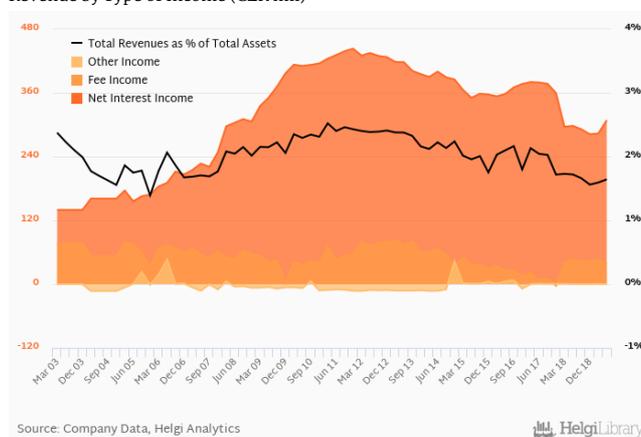
#### Revenue & Profitability

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



#### Revenue Breakdown

Revenue by Type of Income (CZK mil)



Net interest margin amounted to 1.48% in the second quarter of 2019, down from the 1.51% of the previous year. Historically, Modra Pyramida Stavebni Sporitelna's net interest margin reached a high of 2.25% in 3Q2011 and a low of 1.17% in 2Q2005.

Average asset yield was 3.56% in the second quarter of 2019 (up from 3.33%) while cost of funding amounted to 2.25% in 2Q2019 (up from 1.97%).

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
Komerčni 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
Ceskomoravská Stavebni Sporitelna	Czechia	148,769	1.40	1.33	1.30	1.32	1.37	1.44	1.44
<b>Modra Pyramida Stavebni Sporitelna</b>	<b>Czechia</b>	<b>84,483</b>	<b>1.80</b>	<b>1.47</b>	<b>1.51</b>	<b>1.45</b>	<b>1.38</b>	<b>1.37</b>	<b>1.48</b>
Weighted Average			1.86	1.87	1.81	1.90	2.08	2.01	1.91
Median			1.75	1.69	1.61	1.72	2.05	1.92	1.85

Source: Company Data, Helgi Analytics



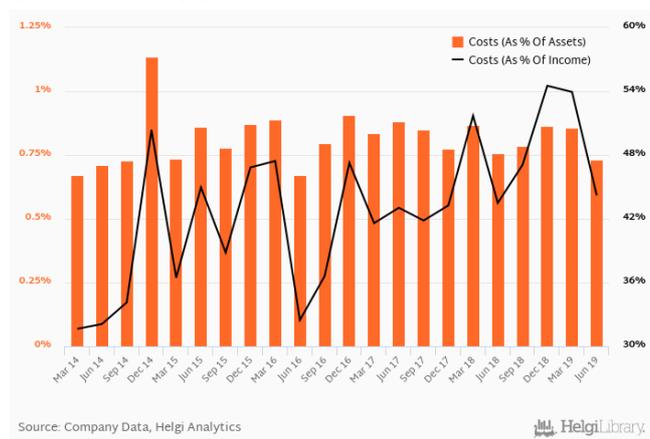
## 2.2 Costs

Operating costs increased by 2.59% yoy to CZK 153 mil in the second quarter of 2019. Modra Pyramida Stavebni Sporitelna’s cost to income ratio therefore reached 44.2%, up from 43.5% when compared to the previous year.

Historically, operating costs reached a high of 96.8% of income in 4Q2005 and a low of 26.6% in 1Q2013:

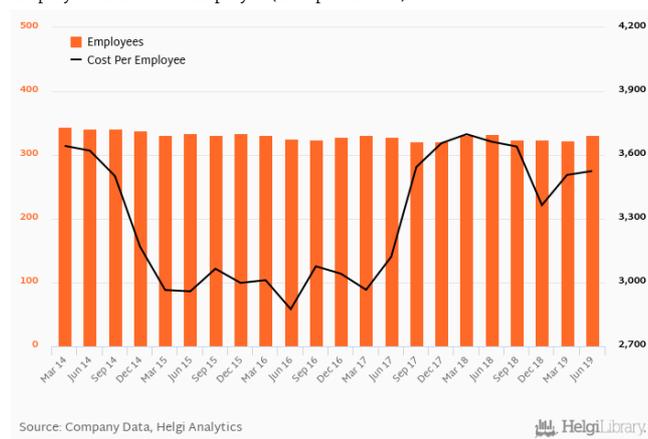
### Cost Efficiency

Costs As % Of Assets & Income



### Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, Modra Pyramida Stavebni Sporitelna operated with a 4.34 pp higher 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
Komerčni 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
Hypotecní 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
Ceskomoravská Stavebni Sporitelna	Czechia	148,769	53.9	48.1	45.9	55.4	59.4	46.5
<b>Modra Pyramida Stavebni Sporitelna</b>	Czechia	<b>84,483</b>	<b>51.7</b>	<b>43.5</b>	<b>47.1</b>	<b>54.5</b>	<b>53.9</b>	<b>44.2</b>
Weighted Average			49.2	44.5	42.2	43.2	48.2	39.9
Median			50.9	46.0	43.0	45.8	50.0	43.5

Source: Company Data, Helgi Analytics

When compared to total assets, operating costs amounted to 0.734% in 2Q2019 down from 0.758% the previous year.

Modra Pyramida Stavebni Sporitelna had 331 employees in the second quarter of 2019, down by 0.601% when compared to the previous year. The company operated a network of 200 branches in 2Q2019.



The average cost per employee stood at USD 3,525 per month, 3.77% below the previous year. This figure was USD 3,621 per month five years earlier.

Staff accounted for 51.7% 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
Komerčni 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
Hypotecni 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
Ceskomoravska Stavebni Sporitelna	Czechia	148,769	33.8	43.2	42.9	38.6	30.6	41.2
Modra Pyramida Stavebni Sporitelna	Czechia	84,483	44.1	52.5	49.7	41.2	43.3	51.7
Weighted Average			44.0	53.1	53.0	49.7	43.9	53.0
Median			44.5	52.2	52.1	47.0	42.5	52.7

Source: Company Data, Helgi Analytics



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

#### 3.1 Balance Sheet Growth

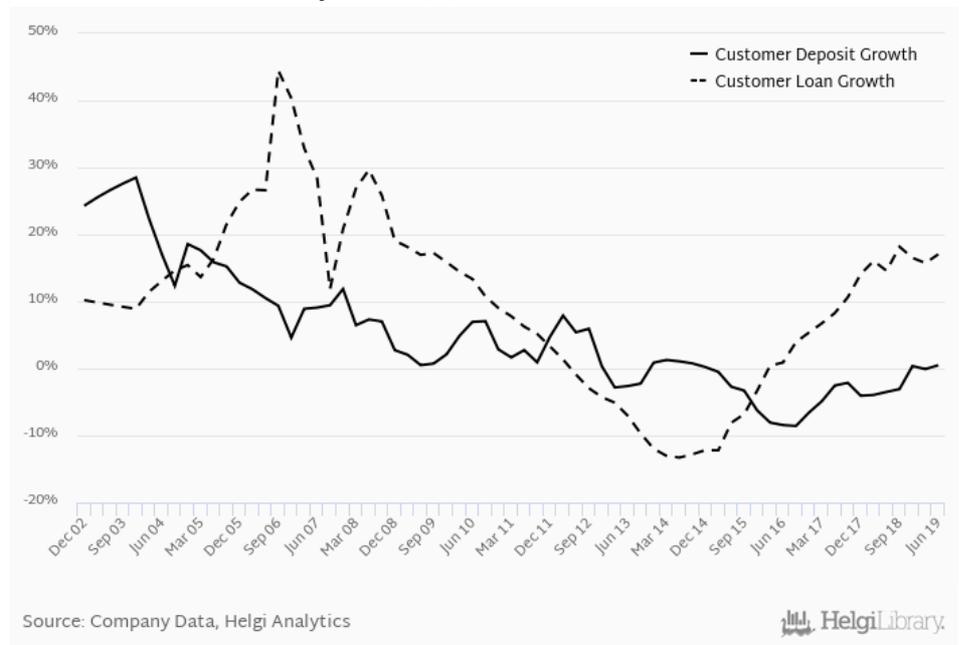
Modra Pyramida Stavebni Sporitelna's customer loans grew 2.96% qoq and 17.1% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 0.205% qoq and 0.487% yoy. That's compared to average of 12.3% and -3.21% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 13.2% while deposit growth reached -1.86% on average a year.

At the end of second quarter of 2019, Modra Pyramida Stavebni Sporitelna's loans accounted for 87.2% of total deposits and 63.6% of total assets.

#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)





LOANS (AS % OF DEPOSITS)								
NAME	COUNTRY	Total Assets (CZK mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
CSOB	Czechia	1,682,650	74.9	75.6	75.9	87.1	83.2	83.2
Ceska Sporitelna	Czechia	1,504,530	73.7	75.8	75.9	72.0	72.0	69.7
Komerčni 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
Hypotecni 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
Ceskomoravska Stavebni Sporitelna	Czechia	148,769	82.2	82.8	83.9	83.0	84.5	84.7
Modra Pyramida Stavebni Sporitelna	Czechia	84,483	73.3	74.9	80.2	81.9	84.9	87.2
Weighted Average			78.7	79.9	77.9	80.4	75.5	74.3
Median			74.3	75.7	78.0	82.5	78.1	77.1

Source: Company Data, Helgi Analytics

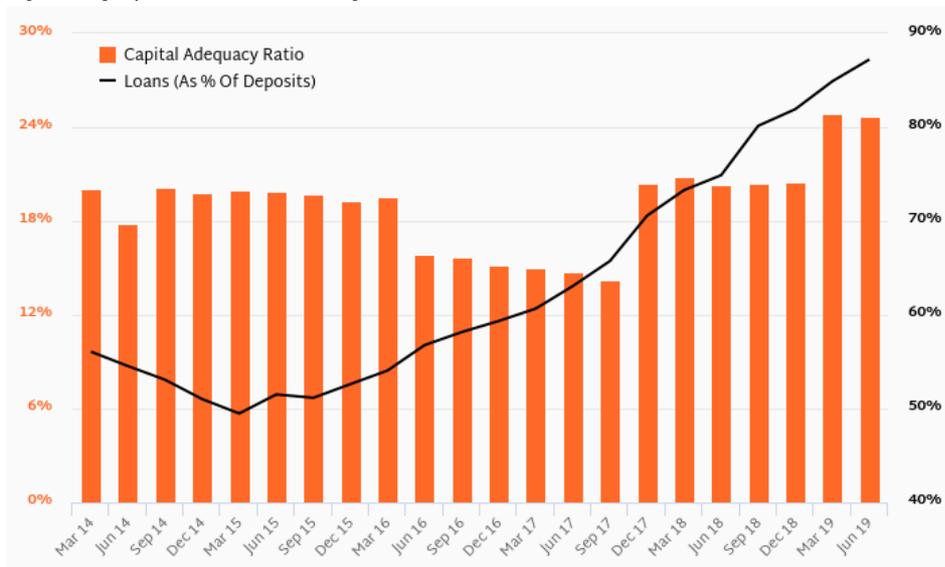


### 3.2 Capital & Liquidity

Modra Pyramida Stavebni Sporitelna's capital adequacy ratio reached 24.7% in the second quarter of 2019, up from 20.3% for the previous year. The Tier 1 ratio amounted to 24.7% at the end of the second quarter of 2019:

#### Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Source: Company Data, Helgi Analytics



Modra Pyramida Stavebni Sporitelna's capital is above average compared to its peers when measured by the capital adequacy ratio:

CAPITAL ADEQUACY RATIO								
NAME	COUNTRY	Total Assets (CZK mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
CSOB	Czechia	1,682,650	17.9	17.5	17.3	18.0	19.0	18.7
Ceska Sporitelna	Czechia	1,504,530	17.8	17.3	17.6	19.2	18.8	20.6
Komerčni 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
Hypotecni 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
Ceskomoravska Stavebni Sporitelna	Czechia	148,769	14.7	15.7	15.5	17.5	18.5	22.7
<b>Modra Pyramida Stavebni Sporitelna</b>	<b>Czechia</b>	<b>84,483</b>	<b>20.8</b>	<b>20.3</b>	<b>20.4</b>	<b>20.5</b>	<b>24.9</b>	<b>24.7</b>
Weighted Average			18.8	18.7	18.4	19.4	19.7	20.2
Median			17.9	17.4	17.5	18.3	18.9	18.9

Source: Company Data, Helgi Analytics

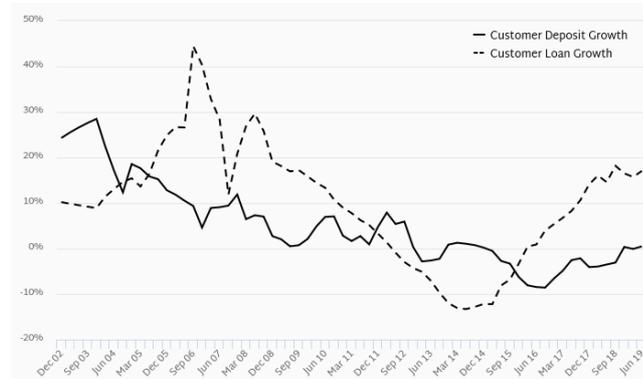


### 3.3 Loan Breakdown

Modra Pyramida Stavebni Sporitelna's loans reached CZK 53,717 mil in the second quarter of 2019, up 17.1% when compared to the same period of the previous year:

#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



Source: Company Data, Helgi Analytics

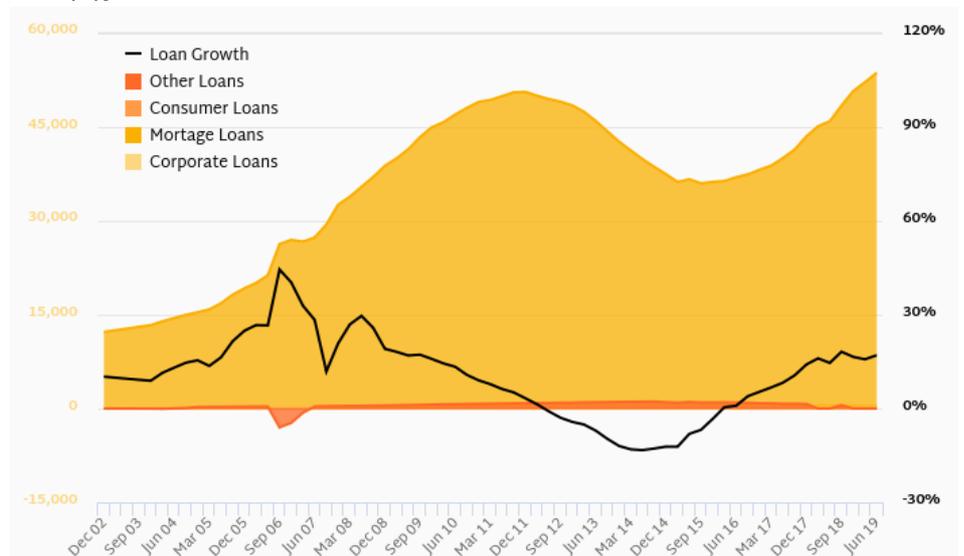
HelgiLibrary

Retail loans grew 2.89% qoq and 16.9% yoy and accounted for 99.9% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 13.2% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 99.9% of the Modra Pyramida Stavebni Sporitelna's loan book, consumer loans added a further 0% and corporate loans formed 0.849% of total loans.

#### Loan Breakdown

Loans by Type (CZK mil)



Source: Company Data, Helgi Analytics

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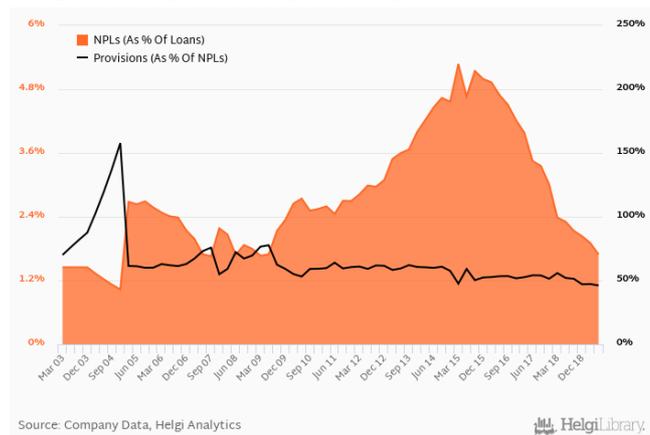
### 3.4 Asset Quality

Modra Pyramida Stavebni Sporitelna's non-performing loans were 1.69% of total loans, down from 1.91% when compared to the previous quarter. Historically, the NPL ratio hit a high of 5.27% in 1Q2015 and a low 1.03% in 4Q2004.

Provisions covered some 46.1% of NPLs at the end of the second quarter of 2019, down from 47.2% for the previous three months:

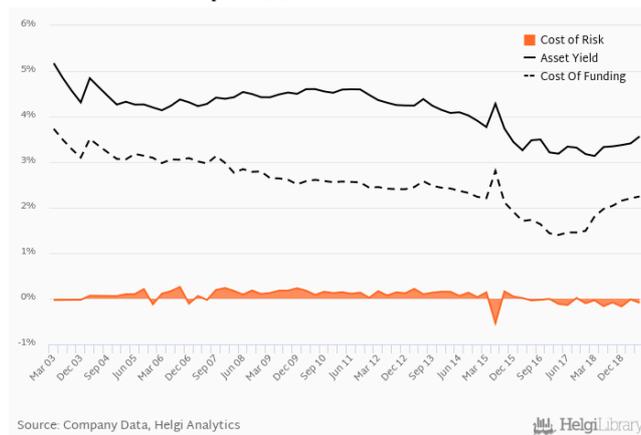
#### Asset Quality

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



#### Cost of Risk

Cost of Risk vs. Interest Spread (%)



Modra Pyramida Stavebni Sporitelna operated with an NPL ratio 0.717 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
Komerčni 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
Hypotecní 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
Ceskomoravská Stavebni Sporitelna	Czechia	148,769	2.18	4.72	4.59	4.46	4.38	3.95
<b>Modra Pyramida Stavebni Sporitelna</b>	<b>Czechia</b>	<b>84,483</b>	<b>2.39</b>	<b>2.31</b>	<b>2.14</b>	<b>2.03</b>	<b>1.91</b>	<b>1.69</b>
<b>Weighted Average</b>			<b>2.55</b>	<b>2.80</b>	<b>2.75</b>	<b>2.85</b>	<b>2.69</b>	<b>2.41</b>
<b>Median</b>			<b>2.53</b>	<b>2.80</b>	<b>2.78</b>	<b>2.69</b>	<b>2.36</b>	<b>2.12</b>

Source: Company Data, Helgi Analytics

Modra Pyramida Stavebni Sporitelna's cost of risk reached -0.091% of average loans in the second quarter of 2019, down from -0.014% in the previous quarter and compared to -0.164% for the previous year on average.



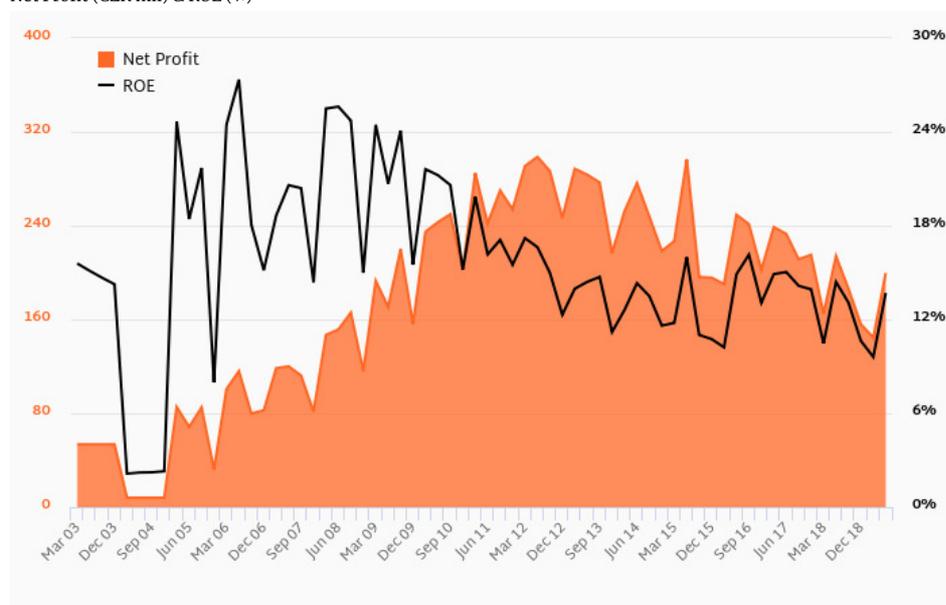
## 4 Profitability

Overall, Modra Pyramida Stavebni Sporitelna made a net profit of CZK 200 mil in the second quarter of 2019. This was down 6.73% when compared to the previous year resulting in a return on equity of 13.7%.

Historically, net profit reached a high of CZK 299 mil in 2Q2012 and a low of CZK 8.01 mil in 3Q2004.

### Profitability

Net Profit (CZK mil) & ROE (%)



Source: Company Data, Helgi Analytics

HelgiLibrary

The company generated an average return on equity of 13.3% for its shareholders in the previous three years with maximum at 16.1% and minimum at 9.60%.

ROE								
NAME	COUNTRY	Total Assets (CZK mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
CSOB	Czechia	1,682,650	17.1	15.6	18.7	18.8	20.5	26.1
Ceska Sporitelna	Czechia	1,504,530	13.3	12.8	13.7	11.7	12.6	14.9
Komerční Banka	Czechia	1,185,990	11.9	15.3	17.3	15.3	12.1	15.6
UniCredit Czech Republic	Czechia	855,348	10.2	12.0	13.8	15.1	10.4	14.6
Raiffeisenbank Czech Republic	Czechia	369,654	9.36	14.8	14.8	9.70	12.2	25.4
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
Ceskomoravská Stavebni Sporitelna	Czechia	148,769	12.1	12.1	8.08	8.04	8.79	12.4
Modra Pyramida Stavebni Sporitelna	Czechia	84,483	10.5	14.4	13.1	10.6	9.60	13.7
Weighted Average			13.6	14.1	15.4	14.3	13.9	18.1
Median			12.0	14.6	13.7	12.6	12.1	15.2

Source: Company Data, Helgi Analytics

When compared to total assets, Modra Pyramida Stavebni Sporitelna generated a



return of 0.954% in the second quarter of 2019 (ROA). That's 0.106 pp below average for the previous five years.

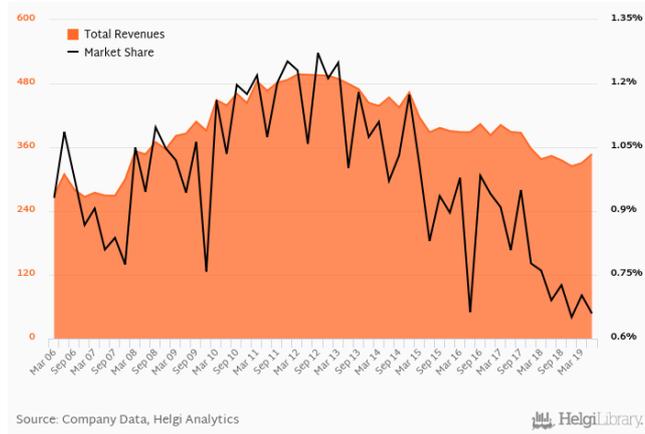


## 5 Market Share Development on the Czech Market

Based on latest available data, Modra Pyramida Stavebni Sporitelna accounted for 1.08% of all bank assets managed in the Czech Republic at the end of the second quarter of 2019.

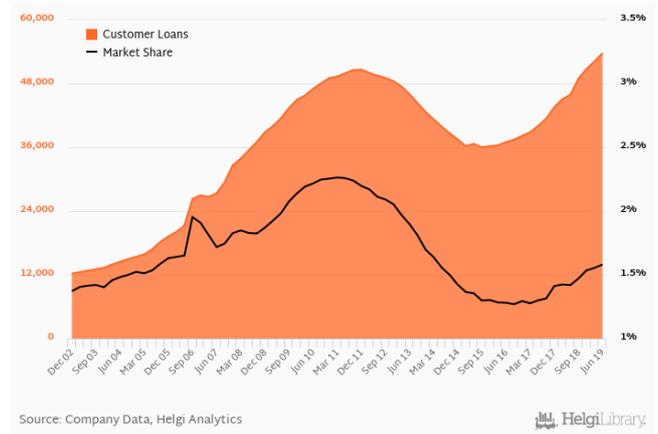
### Market Share in Bank Revenues

Total Revenues (CZK mil)



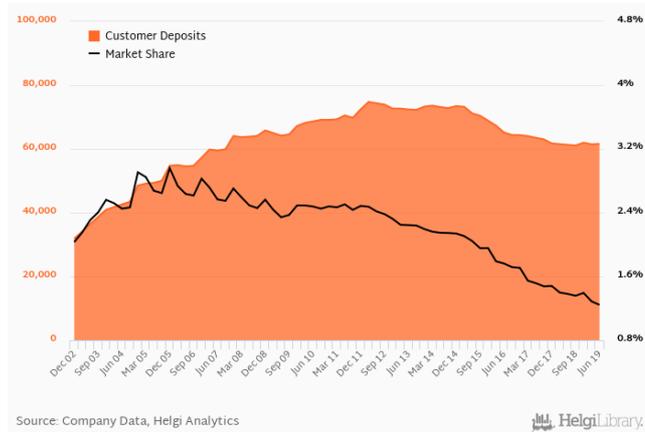
### Market Share in Bank Loans

Customer Loans (CZK mil)



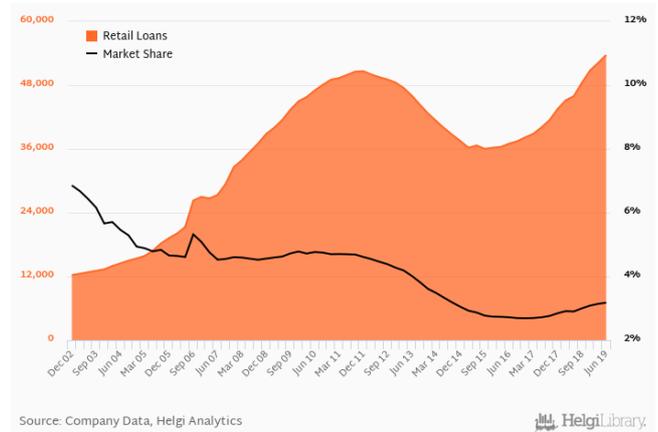
### Market Share in Bank Deposits

Customer Deposits (CZK mil)



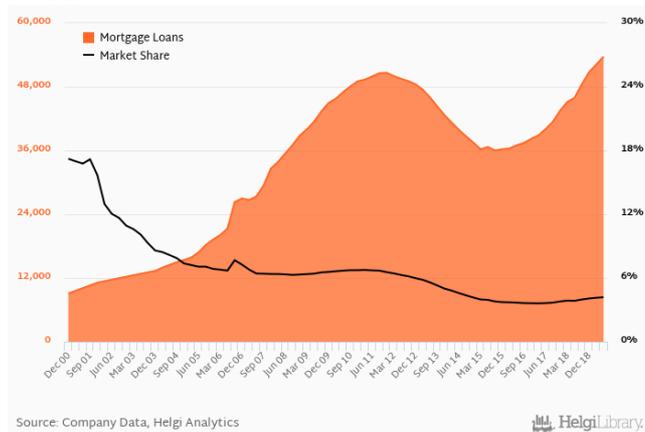
### Market Share in Retail Loans

Retail Loans (CZK mil)



### Market Share in Mortgage Loans

Mortgage Loans (CZK mil)



### Market Share in Consumer Loans

Consumer Loans (CZK mil)



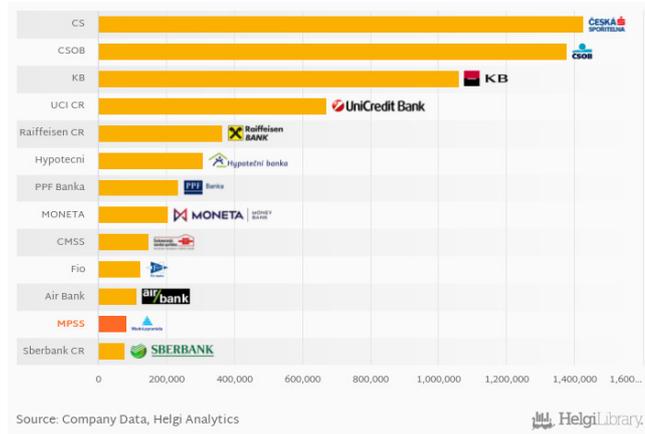


## 6 Market Share Position Within the Czech Market

Based on latest available data, the following charts demonstrate Modra Pyramida Stavebni Sporitelna’s position compared to the largest players on the Czech banking market:

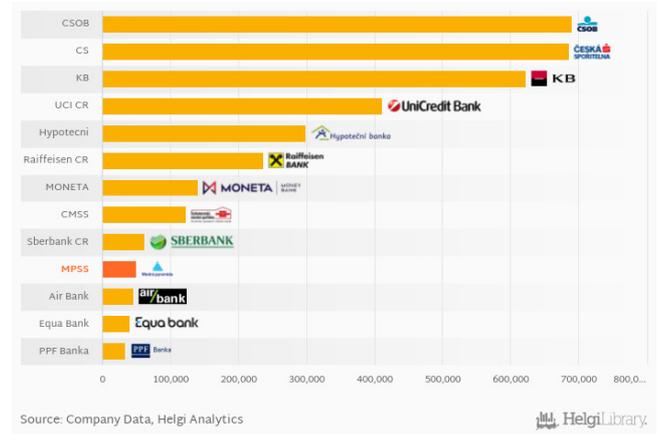
### What Banks in Czechia Were the Largest in 2018?

Top Banks by Total Assets (CZK mil)



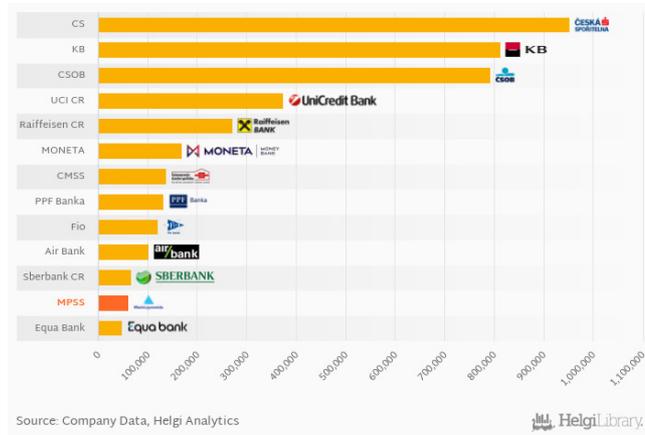
### What Banks in Czechia Were the Largest Lenders in 2018?

Top Banks by Customer Loans (CZK mil)



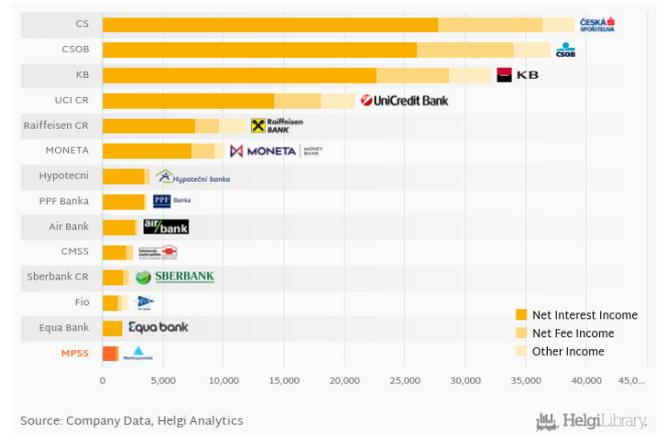
### What Banks in Czechia Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (CZK mil)



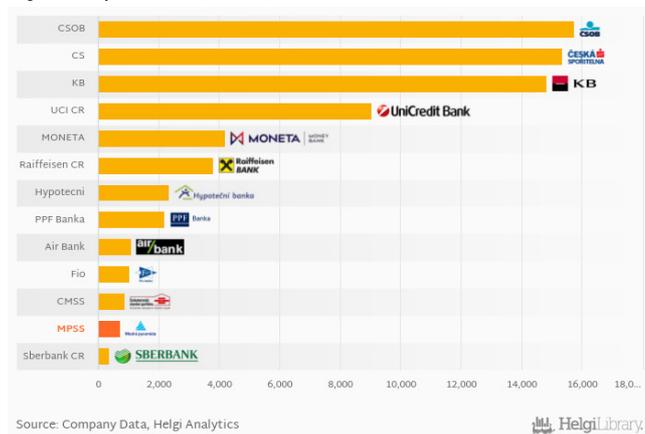
### What Banks in Czechia Generated the Most Revenues in 2018?

Top Banks by Total Revenues (CZK mil)



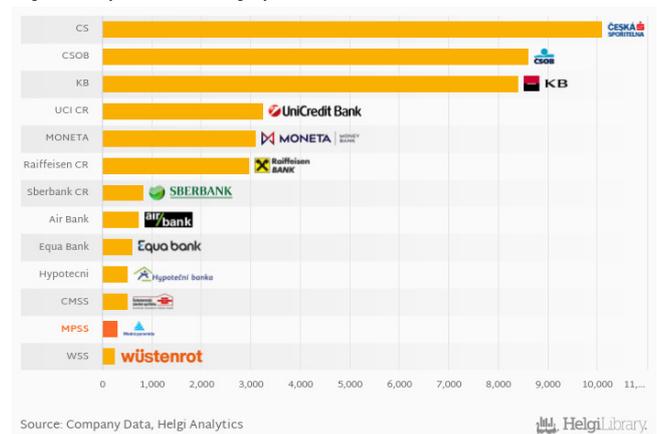
### What Banks in Czechia Were the Most Profitable in 2018?

Top Banks by Net Profit (CZK mil)



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

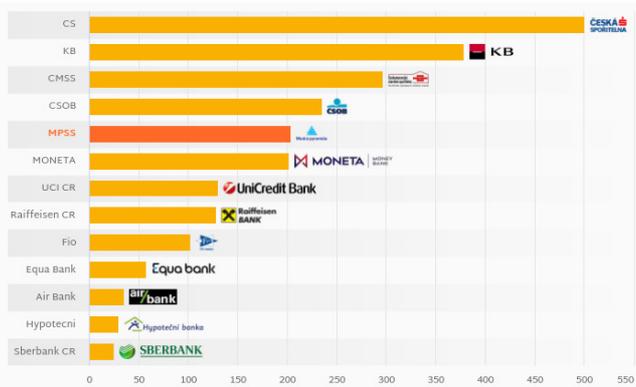
Top Banks by Number of Employees





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

Top Banks by Number of Branches

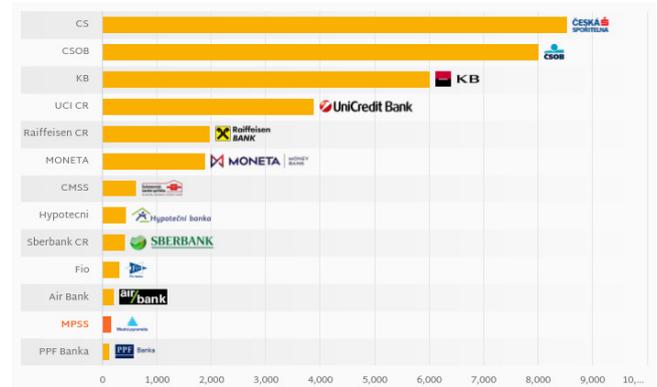


Source: Company Data, Helgi Analytics



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

Top Banks by Net Fee Income (CZK mil)



Source: Company Data, Helgi Analytics



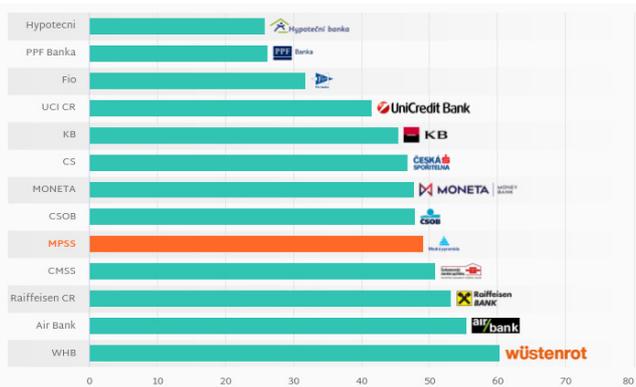


## 7 Relative Performance on the Czech Market

Based on latest available data, the following charts demonstrate Modra Pyramida Stavebni Sporitelna'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

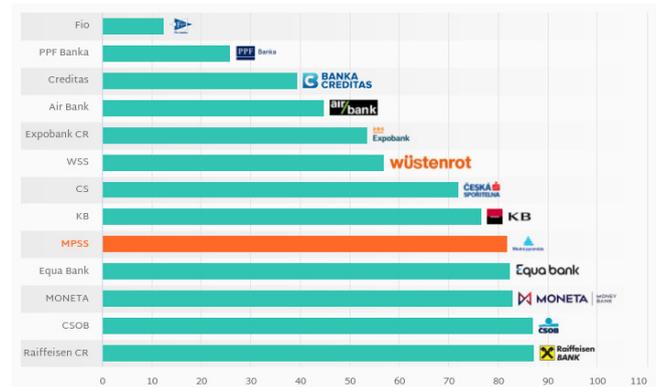


Source: Company Data, Helgi Analytics



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

Top Banks by Loans (As % Of Deposits)

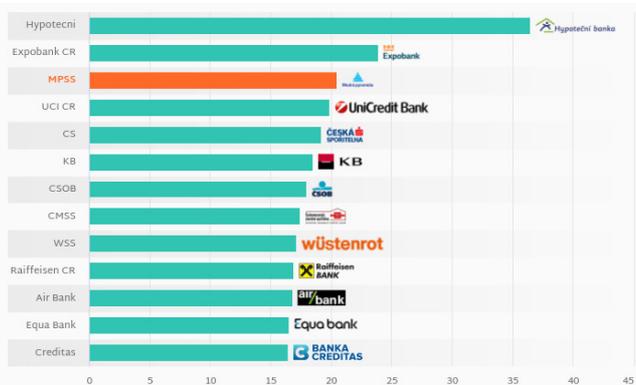


Source: Company Data, Helgi Analytics



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

Top Banks by Capital Adequacy Ratio (%)



Source: Company Data, Helgi Analytics



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

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

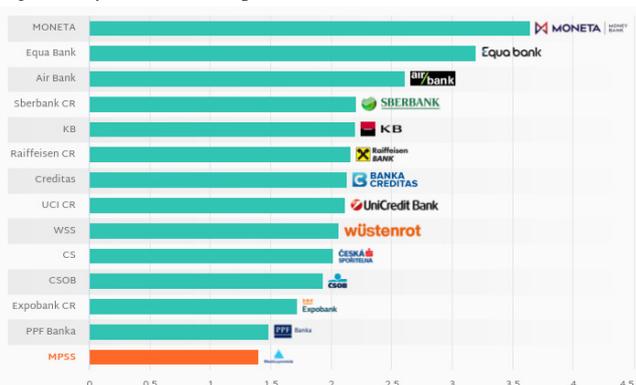


Source: Company Data, Helgi Analytics



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

Top Banks by Net Interest Margin (%)

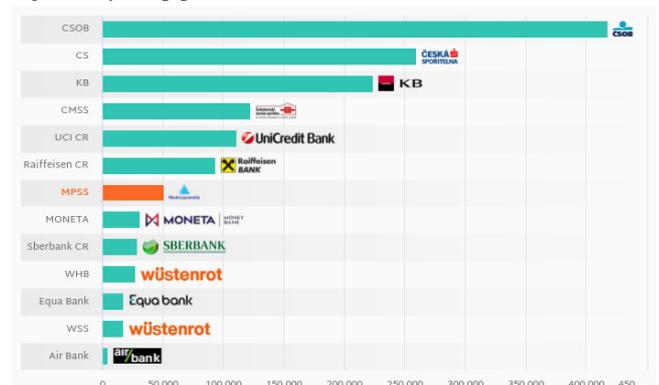


Source: Company Data, Helgi Analytics



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

Top Banks by Mortgage Loans (CZK mil)



Source: Company Data, Helgi Analytics





## 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	633	634	632	658	673	692	708	746
Interest Cost	CZK mil	256	274	336	360	381	410	425	437
Net Interest Income	CZK mil	377	360	296	298	291	282	284	309
Net Fee Income	CZK mil	9.69	-2.83	40.8	45.9	44.0	42.2	46.5	38.3
Other Income	CZK mil	0.669	0.587	0.688	0.152	0.129	0.112	0.461	0.230
Total Revenues	CZK mil	387	357	338	344	336	325	330	347
Staff Cost	CZK mil	76.8	76.2	77.0	78.6	78.6	72.9	77.2	79.3
Depreciation	CZK mil	14.2	14.2	15.3	14.8	14.8	14.9	18.2	17.5
Operating Cost	CZK mil	162	155	175	150	158	177	178	153
Operating Profit	CZK mil	225	203	163	194	178	148	152	194
Provisions	CZK mil	3.15	-20.6	-6.47	-32.8	-16.3	-35.4	-2.98	-19.1
Extra and Other Cost	CZK mil	0	0.859	0	0	0	0	-0.001	-0.775
Pre-Tax Profit	CZK mil	222	223	170	227	194	183	155	214
Tax	CZK mil	10.9	7.44	4.90	13.1	7.66	27.0	10.8	14.0
Minorities	CZK mil	0	0	0	0	0	0	0	0
Net Profit	CZK mil	211	215	165	214	186	156	144	200

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	%	1.84	-4.56	-22.2	-21.5	-22.7	-21.5	-4.27	3.61
Net Fee Income Growth	%	-62.9	-120	90.0	446	354	-1,593	13.7	-16.5
Total Revenue Growth	%	-4.04	-6.63	-16.0	-11.6	-13.4	-9.21	-2.15	0.943
Operating Cost Growth	%	9.67	-14.5	4.40	-10.6	-2.54	14.4	2.09	2.59
Operating Profit Growth	%	-12.0	0.457	-30.6	-12.3	-21.2	-27.2	-6.69	-0.322
Pre-Tax Profit Growth	%	-14.7	9.74	-33.8	-8.42	-12.7	-17.8	-8.49	-5.94
Net Profit Growth	%	-12.4	6.34	-31.0	-8.11	-11.8	-27.5	-12.3	-6.73

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	31.1	140	9.24	12.3	16.9	2,346	563	475
Interbank Loans	CZK mil	1.07	6,505	1.58	2.30	1.70	1.90	...	1.12
Customer Loans	CZK mil	41,415	43,555	45,082	45,891	48,944	50,751	52,175	53,717
Retail Loans	CZK mil	41,415	43,516	45,148	45,932	48,447	50,753	52,175	53,683
Mortgage Loans	CZK mil	41,415	43,516	45,148	45,932	48,447	50,753	52,175	53,683
Consumer Loans	CZK mil	0	0	0	0	0	0	0	0
Corporate Loans	CZK mil	0	0	543	516	497	488	474	456
Debt Securities	CZK mil	32,749	32,302	32,182	32,309	31,224	29,358	29,359	29,460
Fixed Assets	CZK mil	548	553	555	561	566	583	620	637
Total Assets	CZK mil	76,425	83,212	78,030	79,980	80,823	83,163	82,896	84,483
Shareholders' Equity	CZK mil	6,075	6,284	6,288	5,604	5,788	5,945	6,089	5,568
Of Which Minority Interest	CZK mil	0	0	0	0	0	0	0	0
Liabilities	CZK mil	70,350	76,928	71,742	74,376	75,034	77,219	76,806	78,914
Interbank Loans	CZK mil	1.07	6,505	1.58	2.30	1.70	1.90	...	1.12
Customer Deposits	CZK mil	63,000	61,723	61,505	61,282	61,064	61,949	61,455	61,581
Retail Deposits	CZK mil	63,000	61,573	61,354	61,136	60,918	61,803	61,316	61,446
Corporate Deposits	CZK mil	0	0	151	146	146	140	138	134
Issued Debt Securities	CZK mil	0	0	0	0	0	0	0	0
Other Liabilities	CZK mil	889	795	593	416	372	297	619	533

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	1,416	1,333	1,090	1,071	1,057	1,042	1,003	916
Gross Loans	CZK mil	42,180	44,239	45,691	46,448	49,486	51,241	52,649	54,139
Total Provisions	CZK mil	765	685	609	557	543	490	474	422

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	%	10.6	14.1	16.1	14.6	18.2	16.5	15.7	17.1
Retail Loan Growth	%	10.6	14.0	16.2	14.7	17.0	16.6	15.6	16.9
Mortgage Loan Growth	%	10.6	14.0	16.2	14.7	17.0	16.6	15.6	16.9
Corporate Loan Growth	%	...	...	...	...	...	...	-12.7	-11.7
Total Asset Growth	%	2.47	-2.13	3.48	5.02	5.75	-0.059	6.24	5.63
Shareholders' Equity Growth	%	-0.334	-0.120	-3.64	-4.52	-4.72	-5.41	-3.15	-0.632
Customer Deposit Growth	%	-2.13	-4.06	-3.94	-3.49	-3.07	0.367	-0.081	0.487
Retail Deposit Growth	%	-2.13	-4.29	-4.18	-3.72	-3.30	0.374	-0.061	0.507
Corporate Deposit Growth	%	...	...	...	...	...	...	-8.40	-8.02

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	%	0.949	0.777	0.760	0.690	0.726	0.650	0.702	0.659
Market Share in Net Profit	%	1.29	1.39	0.904	0.834	0.995	0.828	0.787	0.733
Market Share in Employees	%	0.769	0.766	0.791	0.799	0.774	0.776	0.770	0.794
Market Share in Branches	%	11.1	11.1	11.1	11.2	11.2	10.4	10.4	10.4
Market Share in Customer Loans	%	1.32	1.41	1.42	1.42	1.47	1.53	1.55	1.58
Market Share in Corporate Loans	%	0	0	0.053	0.048	0.045	0.045	0.043	0.041
Market Share in Retail Loans	%	2.76	2.84	2.91	2.90	3.00	3.08	3.14	3.18
Market Share in Consumer Loans	%	0	0	0	0	0	0	0	0
Market Share in Mortgage Loans	%	3.68	3.79	3.87	3.85	3.98	4.07	4.14	4.19
Market Share in Total Assets	%	1.05	1.19	1.07	1.08	1.07	1.14	1.07	1.08
Market Share in Customer Deposits	%	1.48	1.48	1.40	1.38	1.36	1.39	1.29	1.24
Market Share in Retail Deposits	%	2.66	2.55	2.50	2.43	2.40	2.38	2.32	2.29
Market Share in Corporate Deposits	%	0	0	0.015	0.015	0.015	0.013	0.014	0.013

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	%	14.2	13.9	10.5	14.4	13.1	10.6	9.60	13.7
ROA	%	1.11	1.08	0.817	1.08	0.927	0.761	0.696	0.954
Costs (As % Of Assets)	%	0.850	0.775	0.866	0.758	0.786	0.863	0.859	0.734
Costs (As % Of Income)	%	41.8	43.3	51.7	43.5	47.1	54.5	53.9	44.2
Capital Adequacy Ratio	%	14.2	20.4	20.8	20.3	20.4	20.5	24.9	24.7
Tier 1 Ratio	%	14.2	20.4	20.8	20.3	20.4	20.5	24.9	24.7
Net Interest Margin	%	1.98	1.80	1.47	1.51	1.45	1.38	1.37	1.48
Interest Spread	%	1.86	1.69	1.33	1.36	1.31	1.22	1.21	1.32
Asset Yield	%	3.32	3.18	3.13	3.33	3.35	3.38	3.41	3.56
Cost Of Liabilities	%	1.45	1.49	1.81	1.97	2.04	2.15	2.21	2.25
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	97.3	101	87.7	86.6	86.8	86.9	85.8	88.9
Fee Income (As % Of Revenues)	%	2.50	-0.792	12.1	13.3	13.1	13.0	14.1	11.0
Other Income (As % Of Revenues)	%	0.173	0.164	0.204	0.044	0.039	0.034	0.140	0.066
Cost Per Employee	USD per month	3,544	3,656	3,698	3,663	3,640	3,364	3,506	3,525
Cost Per Employee (Local Currency)	CZK per month	79,794	79,140	77,535	78,676	80,595	74,742	79,653	79,890
Staff Cost (As % Of Total Cost)	%	47.4	49.3	44.1	52.5	49.7	41.2	43.3	51.7
Equity (As % Of Assets)	%	7.95	7.55	8.06	7.01	7.16	7.15	7.35	6.59
Loans (As % Of Deposits)	%	65.7	70.6	73.3	74.9	80.2	81.9	84.9	87.2
Loans (As % Assets)	%	54.2	52.3	57.8	57.4	60.6	61.0	62.9	63.6
NPLs (As % Of Loans)	%	3.36	3.01	2.39	2.31	2.14	2.03	1.91	1.69
Provisions (As % Of NPLs)	%	54.0	51.4	55.8	52.0	51.3	47.0	47.2	46.1
Provisions (As % Of Loans)	%	1.85	1.57	1.35	1.21	1.11	0.965	0.908	0.786
Cost of Provisions (As % Of Loans)	%	0.031	-0.194	-0.058	-0.288	-0.138	-0.284	-0.023	-0.144

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	3,552	3,541	3,465	3,304	3,111	2,622	2,493	2,654
Interest Cost	CZK mil	1,814	1,819	1,831	1,739	1,679	1,163	1,138	1,487
Net Interest Income	CZK mil	1,738	1,722	1,633	1,565	1,432	1,459	1,356	1,168
Net Fee Income	CZK mil	226	309	297	217	152	99.5	156	173
Other Income	CZK mil	-43.7	-46.4	7.80	8.60	9.90	-26.7	1.12	1.08
Total Revenues	CZK mil	1,920	1,985	1,938	1,791	1,594	1,532	1,513	1,342
Staff Cost	CZK mil	297	304	292	296	294	293	303	307
Depreciation	CZK mil	57.6	55.6	50.7	51.4	53.3	56.7	59.4	59.8
Operating Cost	CZK mil	709	665	680	666	665	608	653	659
Operating Profit	CZK mil	1,211	1,320	1,258	1,125	929	924	860	683
Provisions	CZK mil	79.5	103	123	78.9	-34.5	-10.4	-88.4	-90.9
Extra and Other Cost	CZK mil	-12.9	0.033	0	0	0	-0.036	0	0
Pre-Tax Profit	CZK mil	1,144	1,217	1,135	1,046	964	934	948	774
Tax	CZK mil	93.4	94.1	69.7	50.9	48.6	51.2	50.8	52.7
Minorities	CZK mil	0	0	0	0	0	0	0	0
Net Profit	CZK mil	1,051	1,123	1,066	995	915	883	897	721
Dividends	CZK mil	...	...	1,066	995	1,915	883	898	...

Source: Company Data, Helgi Analytics

### Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	5.17	-0.878	-5.17	-4.18	-8.50	1.88	-7.07	-13.9
Net Fee Income Growth	%	40.9	36.9	-3.83	-26.8	-30.2	-34.5	56.6	11.0
Total Revenue Growth	%	7.08	3.40	-2.35	-7.59	-11.0	-3.89	-1.25	-11.3
Operating Cost Growth	%	9.08	-6.21	2.22	-1.96	-0.294	-8.53	7.42	0.954
Operating Profit Growth	%	5.95	9.03	-4.66	-10.6	-17.4	-0.570	-6.95	-20.6
Pre-Tax Profit Growth	%	11.5	6.36	-6.71	-7.89	-7.84	-3.04	1.47	-18.4
Net Profit Growth	%	13.0	6.86	-5.10	-6.65	-8.00	-3.49	1.52	-19.6

Source: Company Data, Helgi Analytics



## Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	CZK mil	724	2,298	573	674	12,079	8,248	140	2,346
Interbank Loans	CZK mil	1,505	1,001	28,269	33,357	31,142	33,189	6,505	1.90
Customer Loans	CZK mil	50,637	48,477	42,682	37,504	36,253	38,211	43,555	50,751
Retail Loans	CZK mil	50,637	48,477	40,515	35,841	34,608	36,526	43,516	50,753
Mortgage Loans	CZK mil	50,637	48,477	40,515	35,841	34,608	36,526	43,516	50,753
Consumer Loans	CZK mil	0	0	0	0	0	0	0	0
Corporate Loans	CZK mil	0	0	3,171	2,604	2,563	2,475	557	488
Debt Securities	CZK mil	25,824	28,762	8,907	8,619	7,043	2,642	32,302	29,358
Fixed Assets	CZK mil	403	389	601	578	561	547	553	583
Total Assets	CZK mil	80,172	82,147	82,155	82,775	89,104	85,025	83,212	83,163
Shareholders' Equity	CZK mil	6,591	8,170	7,818	7,611	7,358	6,292	6,284	5,945
Of Which Minority Interest	CZK mil	0	0	0	0	0	0	0	0
Liabilities	CZK mil	73,581	73,976	74,338	75,163	81,746	78,733	76,928	77,219
Interbank Loans	CZK mil	1,505	1,001	28,269	33,357	31,142	33,189	6,505	1.90
Customer Deposits	CZK mil	72,420	72,661	73,074	74,138	69,432	65,006	61,723	61,949
Retail Deposits	CZK mil	72,420	72,661	73,074	74,138	69,432	65,006	61,573	61,803
Corporate Deposits	CZK mil	0	0	0	0	0	0	0	0
Issued Debt Securities	CZK mil	0	0	0	0	0	0	0	0
Other Liabilities	CZK mil	1,161	1,315	1,263	1,026	814	827	795	297

Source: Company Data, Helgi Analytics

## Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	CZK mil	1,388	1,528	1,747	1,754	1,858	1,629	1,153	1,042
Gross Loans	CZK mil	51,478	49,417	43,742	38,517	37,227	39,063	44,115	51,241
Total Provisions	CZK mil	840	940	1,060	1,013	974	852	561	490

Source: Company Data, Helgi Analytics

## Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	3.28	-4.27	-12.0	-12.1	-3.33	5.40	14.0	16.5
Retail Loan Growth	%	3.28	-4.27	-16.4	-11.5	-3.44	5.54	19.1	16.6
Mortgage Loan Growth	%	3.28	-4.27	-16.4	-11.5	-3.44	5.54	19.1	16.6
Corporate Loan Growth	%	...	...	...	-17.9	-1.58	-3.44	-77.5	-12.4
Total Asset Growth	%	4.51	2.46	0.010	0.754	7.65	-4.58	-2.13	-0.059
Shareholders' Equity Growth	%	16.7	24.0	-4.32	-2.64	-3.34	-14.5	-0.120	-5.41
Customer Deposit Growth	%	4.78	0.332	0.569	1.46	-6.35	-6.37	-5.05	0.367
Retail Deposit Growth	%	4.78	0.332	0.569	1.46	-6.35	-6.37	-5.28	0.374

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	%	0.949	0.777	0.760	0.690	0.726	0.650	0.702	0.659
Market Share in Net Profit	%	1.29	1.39	0.904	0.834	0.995	0.828	0.787	0.733
Market Share in Employees	%	0.769	0.766	0.791	0.799	0.774	0.776	0.770	0.794
Market Share in Branches	%	11.1	11.1	11.1	11.2	11.2	10.4	10.4	10.4
Market Share in Customer Loans	%	1.32	1.41	1.42	1.42	1.47	1.53	1.55	1.58
Market Share in Corporate Loans	%	0	0	0.053	0.048	0.045	0.045	0.043	0.041
Market Share in Retail Loans	%	2.76	2.84	2.91	2.90	3.00	3.08	3.14	3.18
Market Share in Consumer Loans	%	0	0	0	0	0	0	0	0
Market Share in Mortgage Loans	%	3.68	3.79	3.87	3.85	3.98	4.07	4.14	4.19
Market Share in Total Assets	%	1.05	1.19	1.07	1.08	1.07	1.14	1.07	1.08
Market Share in Customer Deposits	%	1.48	1.48	1.40	1.38	1.36	1.39	1.29	1.24
Market Share in Retail Deposits	%	2.66	2.55	2.50	2.43	2.40	2.38	2.32	2.29
Market Share in Corporate Deposits	%	0	0	0.015	0.015	0.015	0.013	0.014	0.013

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	17.2	15.2	13.3	12.9	12.2	12.9	14.3	11.8
ROA	%	1.34	1.38	1.30	1.21	1.06	1.01	1.07	0.867
Costs (As % Of Assets)	%	0.904	0.819	0.828	0.808	0.773	0.698	0.776	0.792
Costs (As % Of Income)	%	36.9	33.5	35.1	37.2	41.7	39.7	43.2	49.1
Capital Adequacy Ratio	%	16.3	20.8	21.1	19.8	19.3	15.1	20.4	20.5
Net Interest Margin	%	2.22	2.12	1.99	1.90	1.67	1.68	1.61	1.40
Interest Spread	%	2.02	1.90	1.75	1.68	1.48	1.56	1.50	1.26
Asset Yield	%	4.53	4.36	4.22	4.01	3.62	3.01	2.96	3.19
Cost Of Liabilities	%	2.51	2.47	2.47	2.33	2.14	1.45	1.46	1.93
Payout Ratio	%	...	...	100	100	209	100	100	...
Interest Income (As % Of Revenues)	%	90.5	86.8	84.3	87.4	89.9	95.2	89.6	87.0
Fee Income (As % Of Revenues)	%	11.8	15.6	15.3	12.1	9.53	6.50	10.3	12.9
Other Income (As % Of Revenues)	%	-2.28	-2.34	0.402	0.480	0.621	-1.74	0.074	0.081
Cost Per Employee	USD per month	3,823	3,790	3,674	3,461	3,061	2,928	3,349	3,596
Cost Per Employee (Local Currency)	CZK per month	67,607	74,128	71,884	73,960	73,067	73,865	78,638	78,729
Staff Cost (As % Of Total Cost)	%	41.9	45.7	43.0	44.5	44.2	48.1	46.4	46.6
Equity (As % Of Assets)	%	8.22	9.95	9.52	9.20	8.26	7.40	7.55	7.15
Loans (As % Of Deposits)	%	69.9	66.7	58.4	50.6	52.2	58.8	70.6	81.9
Loans (As % Assets)	%	63.2	59.0	52.0	45.3	40.7	44.9	52.3	61.0
NPLs (As % Of Loans)	%	2.70	3.09	3.99	4.55	4.99	4.17	2.61	2.03
Provisions (As % Of NPLs)	%	60.5	61.6	60.7	57.8	52.4	52.3	48.6	47.0
Provisions (As % Of Loans)	%	1.66	1.94	2.48	2.70	2.69	2.23	1.29	0.965
Cost of Provisions (As % Of Loans)	%	0.159	0.208	0.270	0.197	-0.094	-0.028	-0.216	-0.193

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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