

Air Bank

Quarterly Results - 2Q2019

Air Bank made a net profit of CZK 435 mil in the second quarter of 2019, down 20.1% when compared to the previous year. Total revenues decreased 6.6% yoy to CZK 946 mil, ROE amounted to 20.9% and the NPL ratio stood at 0.870%. In the last three years, the bank grew its loans by 19.2% a year, revenues rose by 15.8% and net profit increased by 362% a year, on average.

- ✓ Revenues decreased 6.6% yoy to CZK 946 mil in the second quarter of 2019. Interest income formed 92.4% of total revenues with the net interest margin increasing 0.67 pp to 3.04% of total assets. Fees added a further 3.83% to total revenue generated in 2Q2019, down from an average of 4.24% as seen in the previous two years.
- ✓ Operating costs grew by 6.89% yoy to CZK 403 mil, so cost to income ratio reached 42.6%, down by 41% compared to the previous two years. Staff accounted for 37.9% of total operating expenditures. At the end of second quarter of 2019, Air Bank operated a network of 35.0 branches and 775 employees.
- ✓ Loans and deposits grew by 4.11% and 2.57% qoq respectively, so loan to deposit ratio reached 46.1% at the end of 2Q2019. That's up from 45.0% the previous year. Equity reached 7.37% of assets and capital adequacy ratio amounted to 15.3% at the end of the second quarter of 2019.
- ✓ NPLs were 0.870% of total loans at the end of the quarter. Provisions covered 103% of non-performing loans
- ✓ When compared to selected peers, Air Bank was 2.79 pp more profitable in terms of ROE, achieved 2.75 pp worse cost efficiency when measured by cost to income ratio and grew its loans by 3.31 pp faster based on a last year comparison.

Sector:	Banking
Country:	Czech Republic
Employees:	775
Clients:	N/A
Branches:	35.0
ATMs:	N/A
Bank Cards:	N/A
Capital Adequacy Ratio:	15.3%
Tier 1 Ratio:	15.3%

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	946	-6.60	435	-20.1	20.9	42.6	46.1	7.37	0.870
2018	2,914	-0.817	1,082	-3.82	14.8	55.5	44.9	6.96	2.29
2017	2,938	17.1	1,125	148	18.4	52.7	43.3	6.79	2.98
2016	2,509	0.885	454	69.4	8.56	56.5	41.9	6.29	4.17
2015	2,487	-27.6	268	-14.4	5.47	54.6	38.9	6.60	4.67

Source: Company Data, Helgi Analytics



1 Company Overview

Air Bank is a Czech Republic-based commercial bank set up and owned by the PPF Group. The Bank officially started its operations in the Czech Republic in November 2011 with a special focus on the online banking and friendly customer care. The Bank's product portfolio remains fairly limited with a special focus on the current and savings accounts and consumer loans. But, the Bank develops fast and tries to differentiate from the market by its friendly approach such as operating through branches without counters, open in the evenings and during the weekends. At the end of 2018, Air Bank had almost 800 employees, it was operating 35 branches in major Czech cities, and had more than 660,000 customers

Air Bank has been growing its revenues and asset by 26.1% and 15.6% a year on average in the last 5 years. Its loans and deposits have grown by 13.7% and 16.0% a year during that time and loans to deposits ratio reached 46.1% at the end of 2Q2019. The company achieved an average return on equity of 11.5% in the last five years with net profit growing 63.1% a year on average. In terms of operating efficiency, its cost to income ratio reached 42.6% in 2Q2019, compared to 63.3% average in the last five years.

Equity represented 7.37% of total assets or 17.6% of loans at the end of 2Q2019. Air Bank's non-performing loans were 0.870% of total loans while provisions covered some 103% 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	481	550	552	624	730	790	839	874
Total Revenues	CZK mil	360	677	580	1,013	1,014	672	822	946
Operating Profit	CZK mil	1.60	282	227	636	646	223	407	543
Net Profit	CZK mil	7.46	318	139	544	539	221	339	435
Customer Loans	CZK mil	38,783	39,420	38,470	44,077	45,081	46,572	46,591	48,506
Total Assets	CZK mil	94,648	98,060	103,193	107,617	111,828	112,354	114,187	115,591
Shareholders' Equity	CZK mil	6,185	6,163	6,437	6,982	7,523	7,743	8,084	8,520
Interbank Borrowing	CZK mil	0	0	0	0	0	0	0	0
Customer Deposits	CZK mil	86,330	89,524	93,964	98,021	100,966	102,108	102,573	105,214
Issued Debt Securities	CZK mil	1,341	1,360	1,379	1,320	1,338	1,744	2,083	763

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	0.507	20.6	8.84	32.4	29.7	11.6	17.1	20.9
Costs (As % Of Income)	%	99.6	58.3	60.9	37.2	36.3	66.8	50.5	42.6
Net Interest Margin	%	2.07	2.28	2.19	2.37	2.66	2.82	2.96	3.04
Equity (As % Of Assets)	%	6.53	6.29	6.24	6.49	6.73	6.89	7.08	7.37
Loans (As % Of Deposits)	%	44.9	44.0	40.9	45.0	44.6	45.6	45.4	46.1
Loans (As % Assets)	%	41.0	40.2	37.3	41.0	40.3	41.5	40.8	42.0
NPLs (As % Of Loans)	%	1.69	1.76	0.587	0.448	0.696	1.89	0.834	0.870
Provisions (As % Of NPLs)	%	120	114	273	343	225	75.2	106	103

Source: Company Data, Helgi Analytics



2 Revenues & Costs

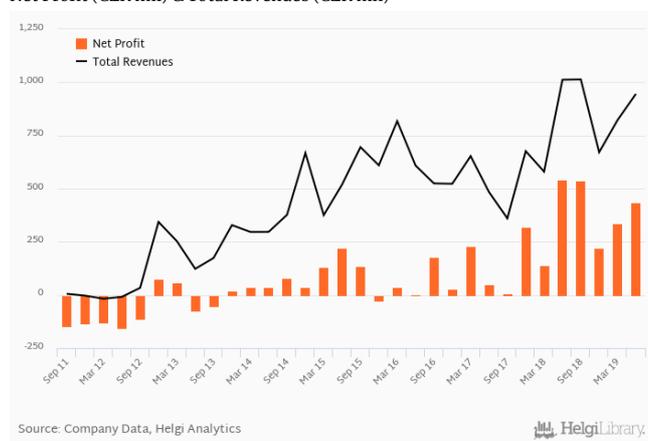
2.1 Revenues

Air Bank generated total operating revenues of CZK 946 mil in the second quarter of 2019, down 6.6% compared to the same period of the previous year. Net interest income represented 92.4% of revenues, fee income contributed 3.83% and other non-interest income added further 3.75% to the overall revenue generated.

Over the previous three years, revenues rose by 15.8% a year on average.

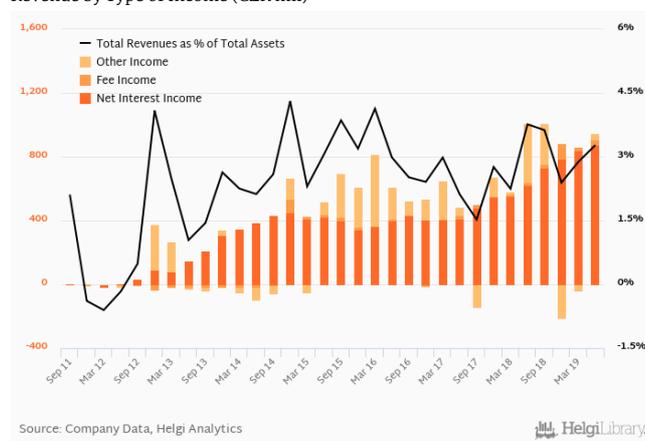
Revenue & Profitability

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



Revenue Breakdown

Revenue by Type of Income (CZK mil)



Net interest margin amounted to 3.04% in the second quarter of 2019, up from the 2.37% of the previous year. Historically, Air Bank's net interest margin reached a high of 3.04% in 2Q2019 and a low of -0.856% in 1Q2012.

Average asset yield was 4.27% in the second quarter of 2019 (up from 2.77%) while cost of funding amounted to 1.33% in 2Q2019 (up from 0.428%).

NET INTEREST MARGIN									
NAME	COUNTRY	Total Assets (CZK mil)	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
CSOB	Czechia	1,682,650	1.71	1.72	1.62	1.76	2.00	2.05	1.89
Ceska Sporitelna	Czechia	1,504,530	2.04	1.99	1.93	1.99	2.16	1.99	1.96
Komerční Banka	Czechia	1,185,990	2.10	2.07	2.00	2.06	2.20	2.15	2.02
UniCredit Czech Republic	Czechia	855,348	1.52	1.66	1.60	1.69	1.88	1.73	1.50
Raiffeisenbank Czech Republic	Czechia	369,654	1.81	2.06	2.01	2.10	2.24	2.35	2.35
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 Stavební Sporitelna	Czechia	148,769	1.40	1.33	1.30	1.32	1.37	1.44	1.44
Air Bank	Czechia	115,591	2.28	2.19	2.37	2.66	2.82	2.96	3.04
Weighted Average			1.87	1.89	1.82	1.92	2.10	2.04	1.93
Median			1.76	1.85	1.78	1.88	2.13	2.02	1.93

Source: Company Data, Helgi Analytics



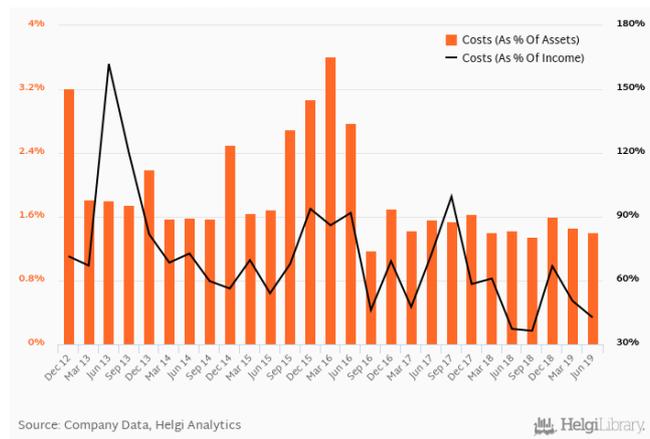
2.2 Costs

Operating costs increased by 6.89% yoy to CZK 403 mil in the second quarter of 2019. Air Bank’s cost to income ratio therefore reached 42.6%, up from 37.2% when compared to the previous year.

Historically, operating costs reached a high of 3,560% of income in 3Q2011 and a low of -4,768% in 4Q2011:

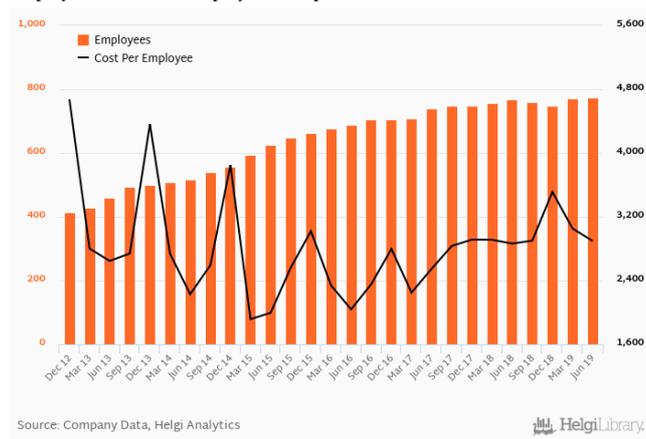
Cost Efficiency

Costs As % Of Assets & Income



Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, Air Bank operated with a 2.75 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
Raiiffeisenbank 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
Ceskomoravská Stavební Sporitelna	Czechia	148,769	53.9	48.1	45.9	55.4	59.4	46.5
Air Bank	Czechia	115,591	60.9	37.2	36.3	66.8	50.5	42.6
Weighted Average			49.3	44.3	42.1	43.5	48.2	39.9
Median			51.4	46.0	40.9	45.8	49.1	42.7

Source: Company Data, Helgi Analytics

When compared to total assets, operating costs amounted to 1.40% in 2Q2019 down from 1.43% the previous year.

Air Bank had 775 employees in the second quarter of 2019, up by 0.649% when compared to the previous year. The company operated a network of 35.0 branches in 2Q2019.



The average cost per employee stood at USD 2,896 per month, 1.13% above the previous year. This figure was USD 2,228 per month five years earlier.

Staff accounted for 37.9% 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
Air Bank	Czechia	115,591	39.2	37.7	39.7	39.1	38.7	37.9
Weighted Average			43.9	52.8	52.8	49.7	43.8	52.7
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

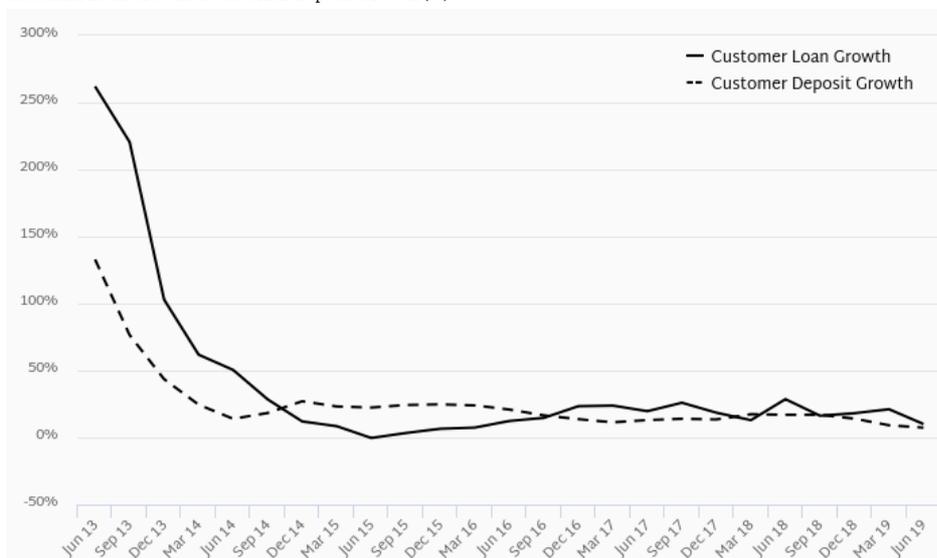
Air Bank's customer loans grew 4.11% qoq and 10% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 2.57% qoq and 7.34% yoy. That's compared to average of 19.4% and 13.7% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 19.2% while deposit growth reached 12.4% on average a year.

At the end of second quarter of 2019, Air Bank's loans accounted for 46.1% of total deposits and 42.0% 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
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
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
Ceskomoravská Stavební Sporitelna	Czechia	148,769	82.2	82.8	83.9	83.0	84.5	84.7
Air Bank	Czechia	115,591	40.9	45.0	44.6	45.6	45.4	46.1
Weighted Average			78.1	79.3	77.3	79.7	74.8	73.6
Median			74.3	75.7	75.9	79.8	72.5	70.4

Source: Company Data, Helgi Analytics

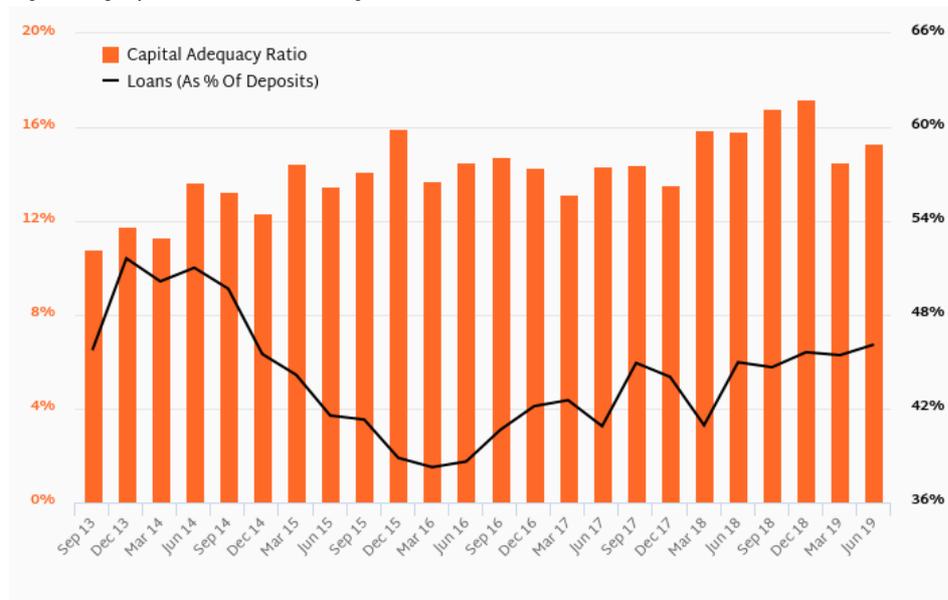


3.2 Capital & Liquidity

Air Bank's capital adequacy ratio reached 15.3% in the second quarter of 2019, down from 15.8% for the previous year. The Tier 1 ratio amounted to 15.3% at the end of the second quarter of 2019:

Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Source: Company Data, Helgi Analytics



Air Bank'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 Sportelna	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
Air Bank	Czechia	115,591	15.9	15.8	16.8	17.2	14.5	15.3
Weighted Average			18.8	18.6	18.4	19.3	19.6	20.1
Median			17.2	16.8	17.0	17.7	18.6	18.5

Source: Company Data, Helgi Analytics

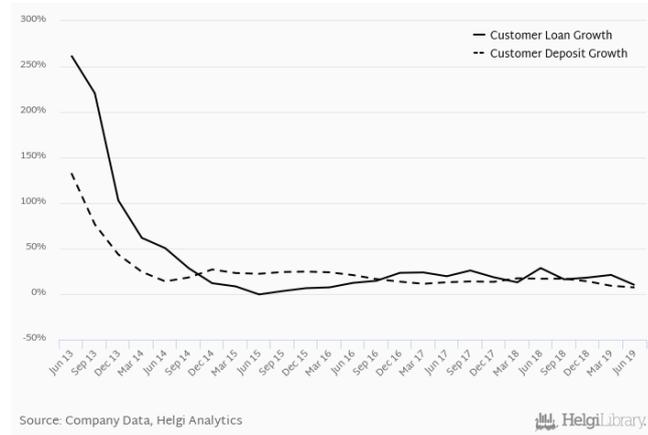


3.3 Loan Breakdown

Air Bank's loans reached CZK 48,506 mil in the second quarter of 2019, up 10% when compared to the same period of the previous year:

Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)

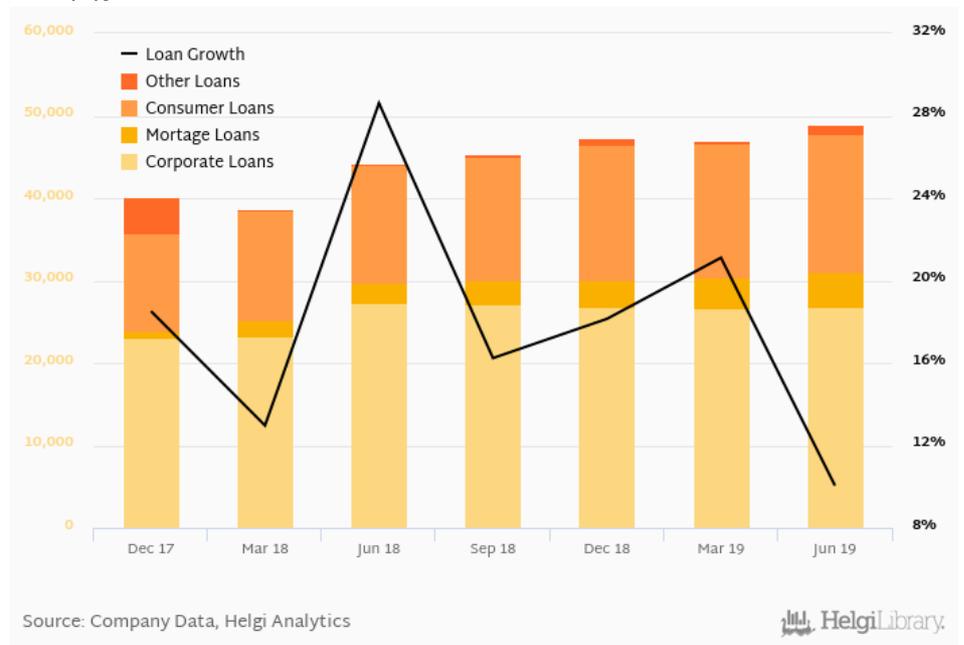


Retail loans grew 8.73% qoq and 29.1% yoy and accounted for 44.5% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 0% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 8.46% of the Air Bank's loan book, consumer loans added a further 34.7% and corporate loans formed 55.5% of total loans.

Loan Breakdown

Loans by Type (CZK mil)





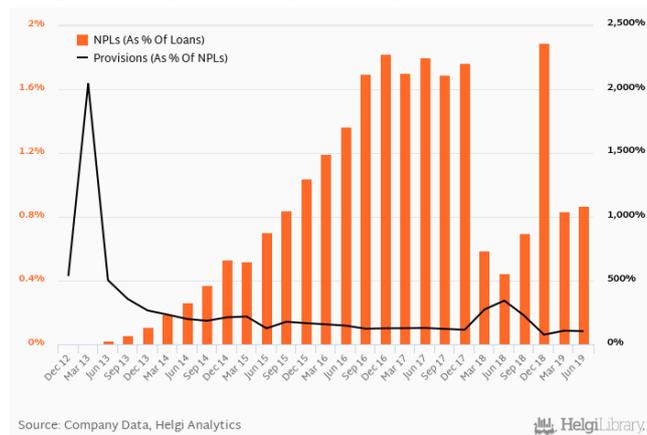
3.4 Asset Quality

Air Bank's non-performing loans were 0.870% of total loans, up from 0.834% when compared to the previous quarter. Historically, the NPL ratio hit a high of 1.89% in 4Q2018 and a low 0.004% in 1Q2013.

Provisions covered some 103% of NPLs at the end of the second quarter of 2019, down from 106% for the previous three months:

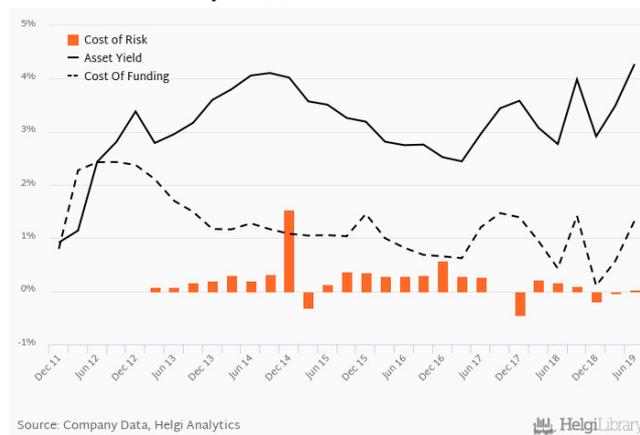
Asset Quality

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



Cost of Risk

Cost of Risk vs. Interest Spread (%)



Air Bank operated with an NPL ratio 1.52 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
Hypotecni 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
Ceskomoravska Stavebni Sporitelna	Czechia	148,769	2.18	4.72	4.59	4.46	4.38	3.95
Air Bank	Czechia	115,591	0.587	0.448	0.696	1.89	0.834	0.870
Weighted Average			2.52	2.76	2.73	2.84	2.67	2.39
Median			2.42	2.80	2.78	2.69	2.36	2.12

Source: Company Data, Helgi Analytics

Air Bank's cost of risk reached 0.025% of average loans in the second quarter of 2019, up from -0.040% in the previous quarter and compared to 0.170% for the previous year on average.



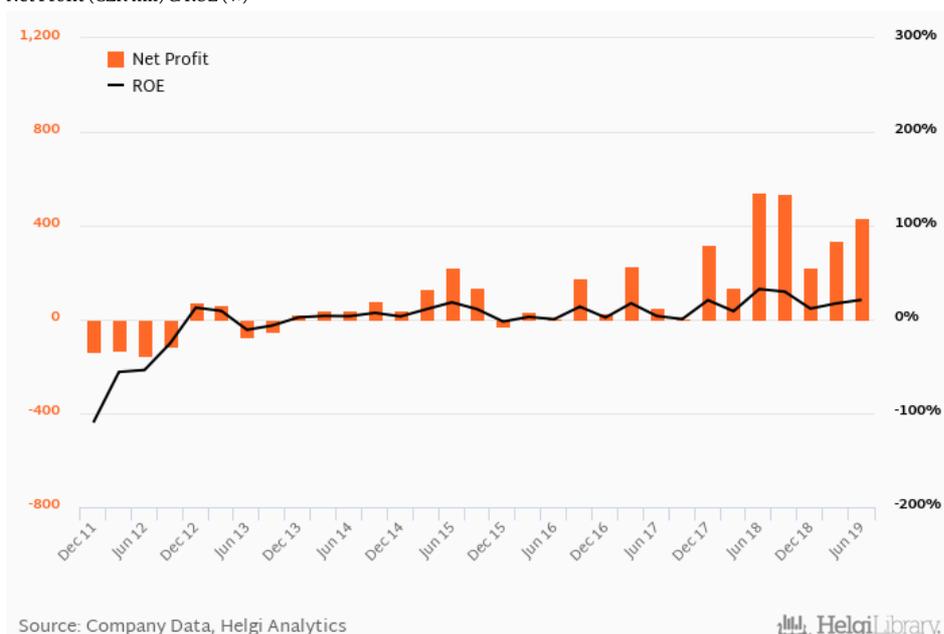
4 Profitability

Overall, Air Bank made a net profit of CZK 435 mil in the second quarter of 2019. This was down 20.1% when compared to the previous year resulting in a return on equity of 20.9%.

Historically, net profit reached a high of CZK 544 mil in 2Q2018 and a low of CZK -154 mil in 2Q2012.

Profitability

Net Profit (CZK mil) & ROE (%)



The company generated an average return on equity of 14.9% for its shareholders in the previous three years with maximum at 32.4% and minimum at 0.507%.

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
Komercni 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
Hypotecni 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
Ceskomoravska Stavebni Sporitelna	Czechia	148,769	12.1	12.1	8.08	8.04	8.79	12.4
Air Bank	Czechia	115,591	8.84	32.4	29.7	11.6	17.1	20.9
Weighted Average			13.6	14.4	15.7	14.3	14.0	18.2
Median			12.0	15.1	14.3	12.6	12.4	16.0

Source: Company Data, Helgi Analytics

When compared to total assets, Air Bank generated a return of 1.51% in the second quarter of 2019 (ROA). That's 0.74 pp above average for the previous five years.

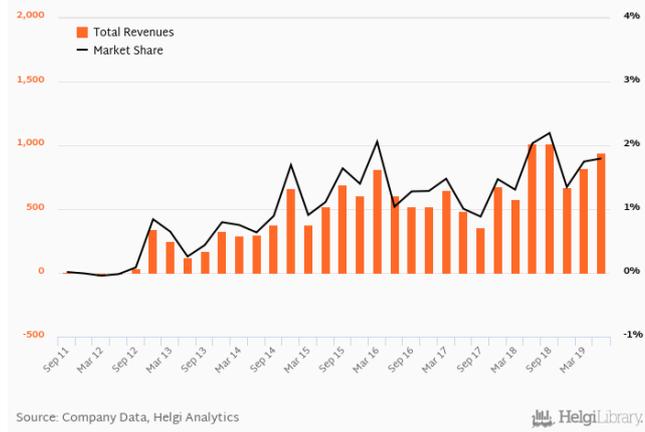


5 Market Share Development on the Czech Market

Based on latest available data, Air Bank accounted for 1.47% of all bank assets managed in the Czech Republic at the end of the second quarter of 2019.

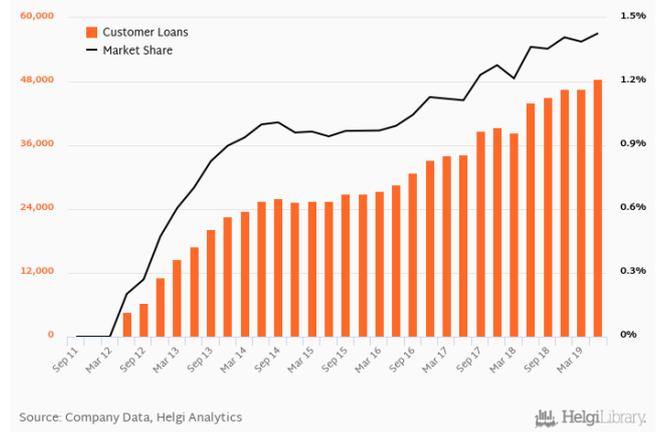
Market Share in Bank Revenues

Total Revenues (CZK mil)



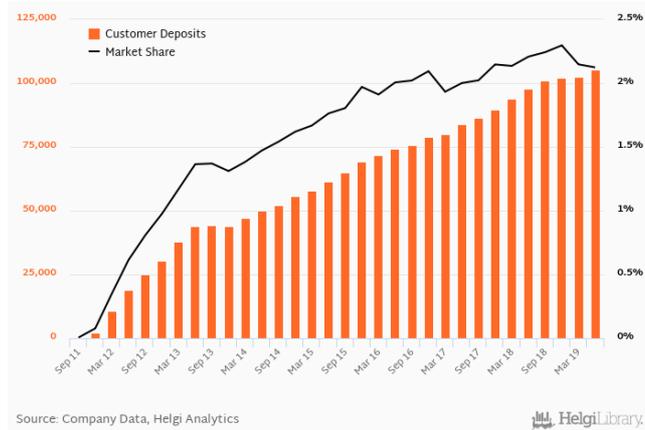
Market Share in Bank Loans

Customer Loans (CZK mil)



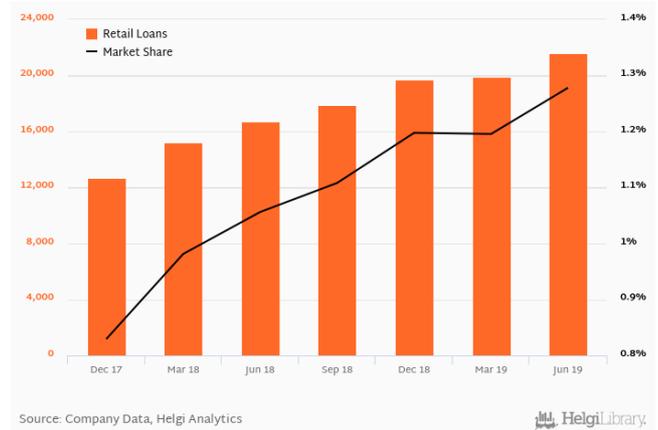
Market Share in Bank Deposits

Customer Deposits (CZK mil)



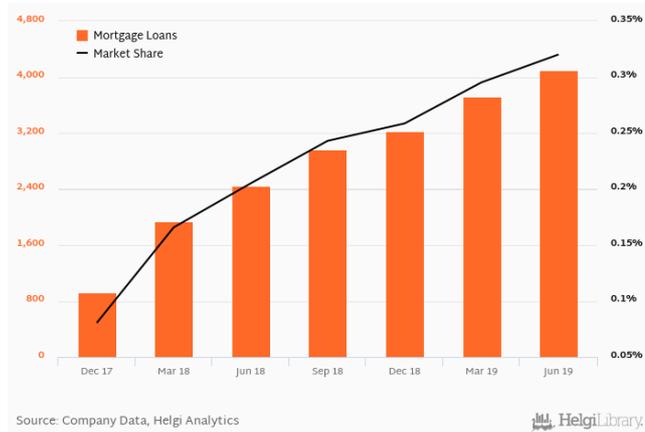
Market Share in Retail Loans

Retail Loans (CZK mil)



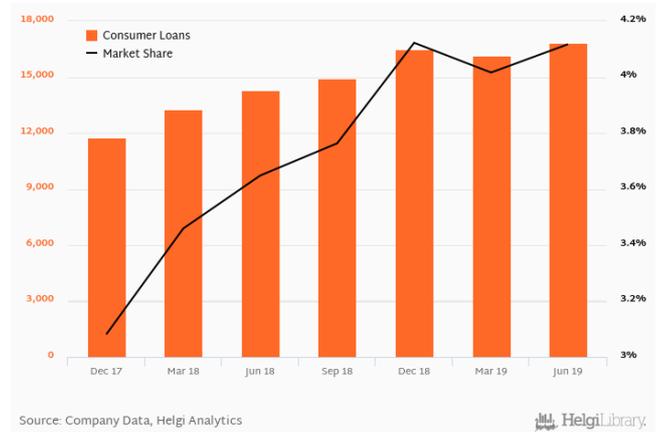
Market Share in Mortgage Loans

Mortgage Loans (CZK mil)



Market Share in Consumer Loans

Consumer Loans (CZK mil)



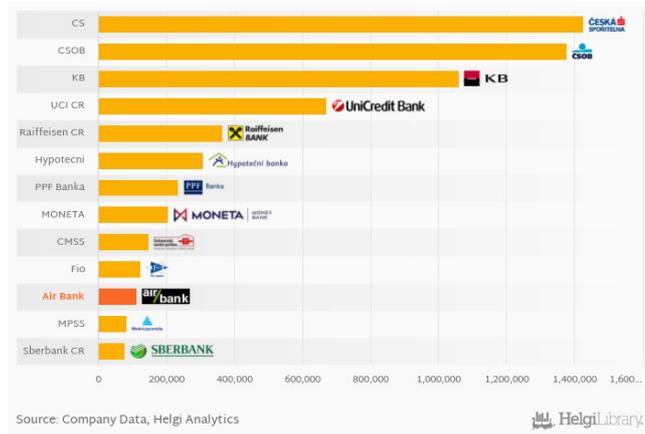


6 Market Share Position Within the Czech Market

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

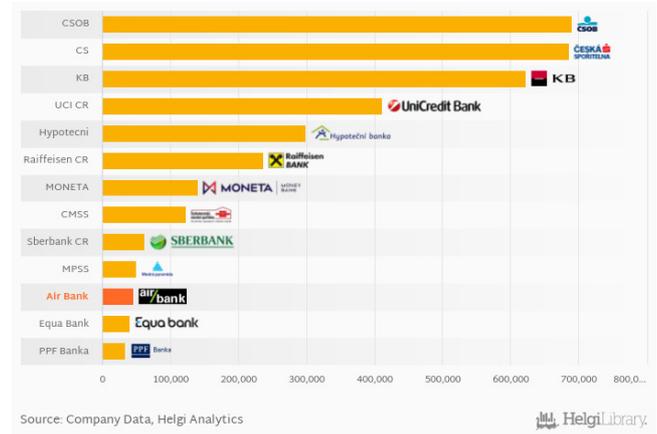
What Banks in Czechia Were the Largest in 2018?

Top Banks by Total Assets (CZK mil)



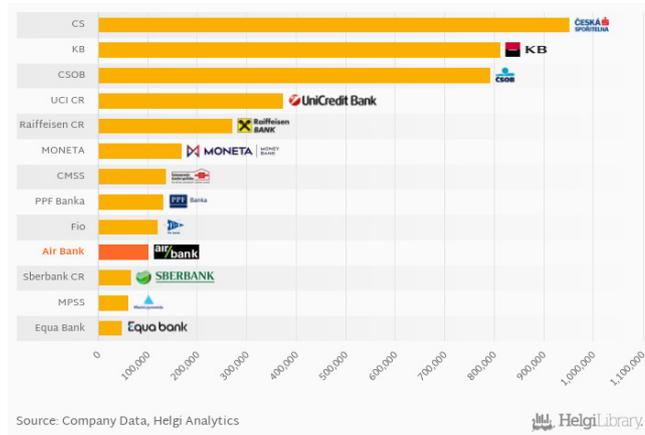
What Banks in Czechia Were the Largest Lenders in 2018?

Top Banks by Customer Loans (CZK mil)



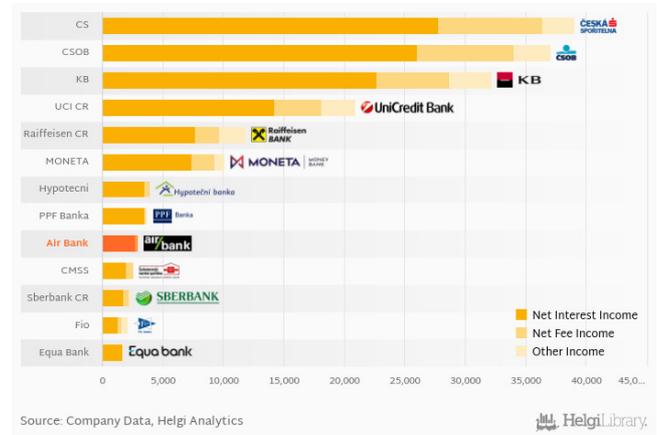
What Banks in Czechia Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (CZK mil)



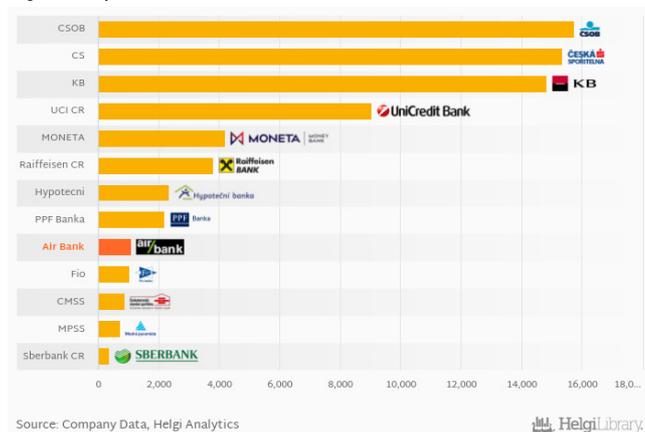
What Banks in Czechia Generated the Most Revenues in 2018?

Top Banks by Total Revenues (CZK mil)



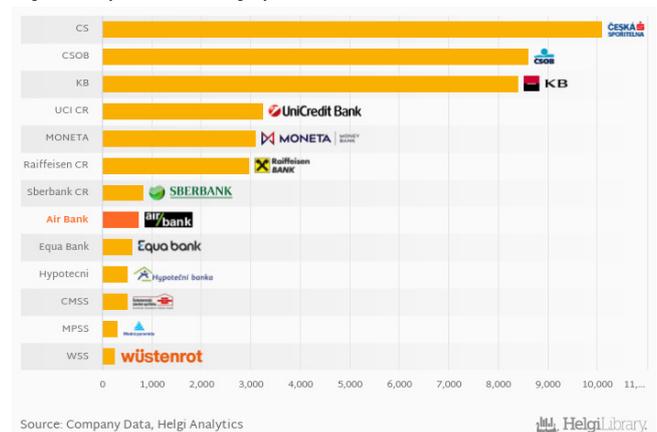
What Banks in Czechia Were the Most Profitable in 2018?

Top Banks by Net Profit (CZK mil)



What Banks in Czechia Had the Most Employees in 2018?

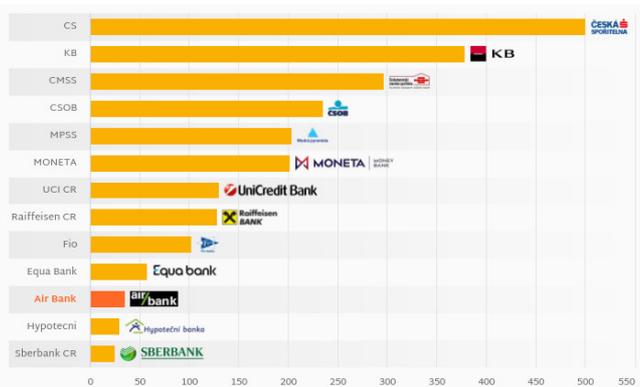
Top Banks by Number of Employees





What Banks in Czechia Had the Most Branches in 2018?

Top Banks by Number of Branches

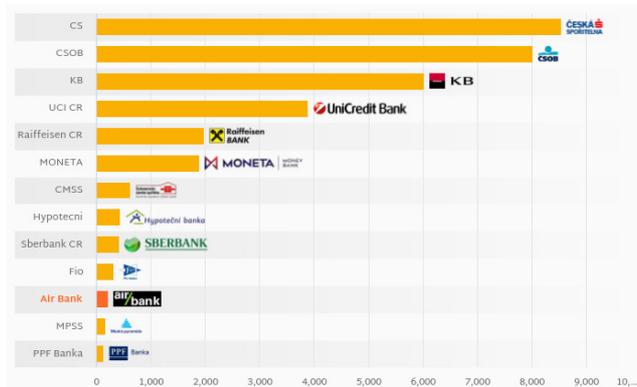


Source: Company Data, Helgi Analytics



What Banks in Czechia Generated the Most Fees in 2018?

Top Banks by Net Fee Income (CZK mil)



Source: Company Data, Helgi Analytics



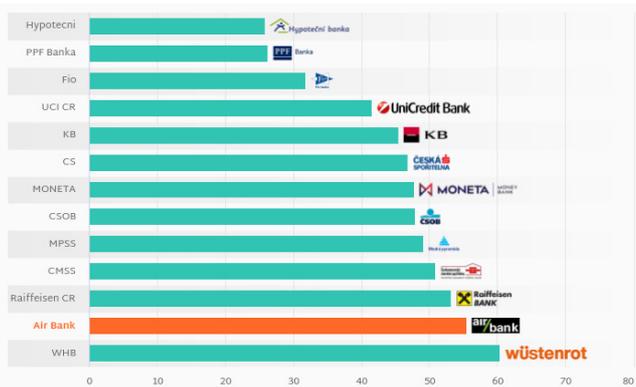


7 Relative Performance on the Czech Market

Based on latest available data, the following charts demonstrate Air Bank'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

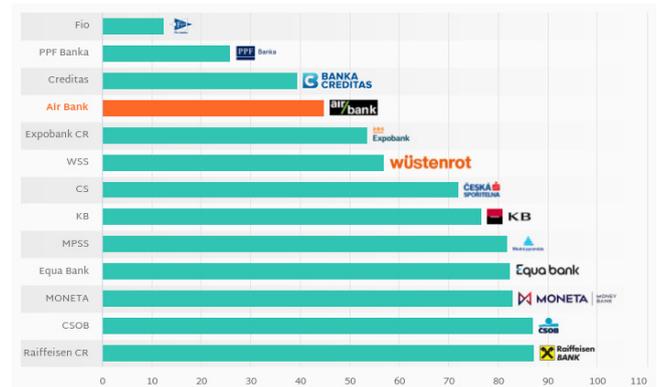


Source: Company Data, Helgi Analytics



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

Top Banks by Loans (As % Of Deposits)

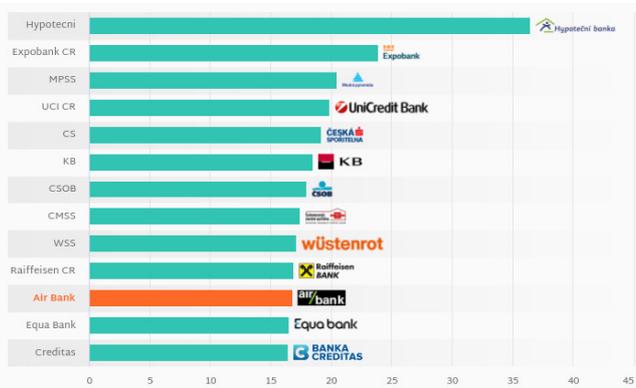


Source: Company Data, Helgi Analytics



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 (%)

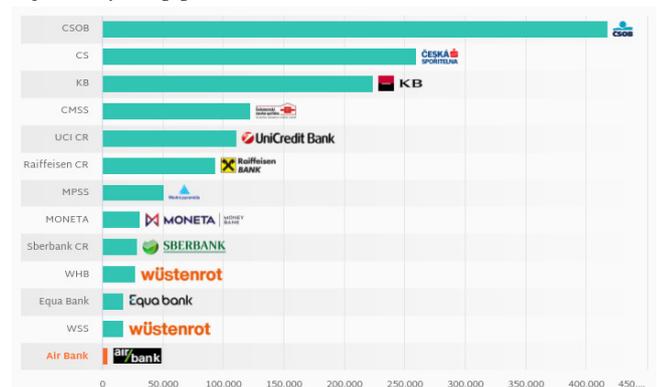


Source: Company Data, Helgi Analytics



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	801	863	773	730	1,094	817	989	1,228
Interest Cost	CZK mil	320	314	222	106	363	26.8	150	353
Net Interest Income	CZK mil	481	550	552	624	730	790	839	874
Net Fee Income	CZK mil	20.0	6.60	13.2	18.2	23.8	94.1	25.5	36.2
Other Income	CZK mil	-141	120	15.1	370	260	-212	-42.1	35.5
Total Revenues	CZK mil	360	677	580	1,013	1,014	672	822	946
Staff Cost	CZK mil	143	142	138	142	146	176	161	153
Depreciation	CZK mil	67.7	70.3	73.1	72.8	75.6	76.4	101	102
Operating Cost	CZK mil	359	395	354	377	369	449	415	403
Operating Profit	CZK mil	1.60	282	227	636	646	223	407	543
Provisions	CZK mil	-1.86	-111	54.3	45.7	26.5	-54.4	-11.3	7.30
Extra and Other Cost	CZK mil	< 0.001	< -0.001	0	0	0	-0.001	0.011	-0.011
Pre-Tax Profit	CZK mil	3.46	393	172	590	619	277	419	536
Tax	CZK mil	-4.00	74.4	33.0	46.2	80.2	56.0	79.8	101
Minorities	CZK mil	0	0	0	0	0	0	0	0
Net Profit	CZK mil	7.46	318	139	544	539	221	339	435

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	%	10.1	35.5	36.0	52.3	51.8	43.6	52.0	40.1
Net Fee Income Growth	%	-948	-153	167	-18.6	18.7	1,326	93.5	98.5
Total Revenue Growth	%	-31.3	29.4	-11.2	109	181	-0.728	41.8	-6.60
Operating Cost Growth	%	48.3	9.27	13.9	7.77	2.75	13.7	17.4	6.89
Operating Profit Growth	%	-99.4	74.3	-33.9	374	40,154	-20.9	79.8	-14.6
Pre-Tax Profit Growth	%	-98.4	1,002	-38.5	721	17,795	-29.4	143	-9.23
Net Profit Growth	%	-95.8	1,050	-38.9	1,002	7,122	-30.4	143	-20.1

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	31,598	34,098	3,126	27,109	24,871	43,123	44,491	43,163
Interbank Loans	CZK mil	832	1,129	735	885	860	1,039	1,115	1,961
Customer Loans	CZK mil	38,783	39,420	38,470	44,077	45,081	46,572	46,591	48,506
Retail Loans	CZK mil	...	12,687	15,221	16,732	17,900	19,710	19,872	21,606
Mortgage Loans	CZK mil	...	924	1,935	2,446	2,961	3,221	3,720	4,102
Consumer Loans	CZK mil	...	11,763	13,286	14,286	14,939	16,488	16,152	16,839
Corporate Loans	CZK mil	...	23,023	23,249	27,345	27,180	26,862	26,718	26,900
Debt Securities	CZK mil	20,312	19,582	19,689	19,532	19,250	20,019	19,837	19,911
Fixed Assets	CZK mil	1,573	1,618	1,621	1,620	1,613	1,602	2,153	2,050
Total Assets	CZK mil	94,648	98,060	103,193	107,617	111,828	112,354	114,187	115,591
Shareholders' Equity	CZK mil	6,185	6,163	6,437	6,982	7,523	7,743	8,084	8,520
Of Which Minority Interest	CZK mil	0	0	0	0	0	0	0	0
Liabilities	CZK mil	88,463	91,897	96,756	100,635	104,305	104,612	106,103	107,071
Interbank Loans	CZK mil	832	1,129	735	885	860	1,039	1,115	1,961
Customer Deposits	CZK mil	86,330	89,524	93,964	98,021	100,966	102,108	102,573	105,214
Retail Deposits	CZK mil	...	...	...	...	...	...	...	...
Issued Debt Securities	CZK mil	1,341	1,360	1,379	1,320	1,338	1,744	2,083	763
Other Liabilities	CZK mil	792	1,013	1,413	1,294	2,001	759	1,447	1,093

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	669	710	227	198	316	893	392	426
Gross Loans	CZK mil	39,589	40,226	38,697	44,275	45,396	47,243	47,008	48,943
Total Provisions	CZK mil	806	806	620	679	711	672	417	437

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	%	26.0	18.5	13.0	28.6	16.2	18.1	21.1	10.0
Retail Loan Growth	%	...	...	...	...	...	55.3	30.6	29.1
Mortgage Loan Growth	%	...	...	...	...	...	249	92.3	67.7
Consumer Loan Growth	%	...	...	...	...	...	40.2	21.6	17.9
Corporate Loan Growth	%	...	...	...	...	...	16.7	14.9	-1.63
Total Asset Growth	%	13.5	13.0	17.8	17.7	18.2	14.6	10.7	7.41
Shareholders' Equity Growth	%	16.3	13.8	25.5	25.0	21.6	25.6	25.6	22.0
Customer Deposit Growth	%	13.9	13.5	17.4	16.9	17.0	14.1	9.16	7.34
Retail Deposit Growth	%	...	...	...	...	...	...	...	...

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	%	0.883	1.47	1.31	2.03	2.19	1.35	1.75	1.80
Market Share in Net Profit	%	0.046	2.06	0.764	2.12	2.88	1.18	1.85	1.60
Market Share in Employees	%	1.79	1.79	1.81	1.85	1.81	1.79	1.84	1.86
Market Share in Branches	%	1.78	1.80	1.83	1.84	1.85	1.79	1.81	1.82
Market Share in Customer Loans	%	1.23	1.28	1.22	1.36	1.35	1.41	1.39	1.43
Market Share in Corporate Loans	%	...	2.25	2.26	2.57	2.47	2.49	2.44	2.44
Market Share in Retail Loans	%	...	0.829	0.981	1.06	1.11	1.20	1.20	1.28
Market Share in Consumer Loans	%	...	3.08	3.46	3.65	3.76	4.12	4.02	4.12
Market Share in Mortgage Loans	%	...	0.080	0.166	0.205	0.243	0.259	0.295	0.320
Market Share in Total Assets	%	1.30	1.40	1.41	1.46	1.48	1.54	1.47	1.47
Market Share in Customer Deposits	%	2.02	2.15	2.14	2.21	2.24	2.30	2.15	2.12
Market Share in Retail Deposits	%	...	...	...	...	...	...	...	...

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	%	0.507	20.6	8.84	32.4	29.7	11.6	17.1	20.9
ROA	%	0.032	1.32	0.553	2.06	1.96	0.790	1.20	1.51
Costs (As % Of Assets)	%	1.54	1.64	1.41	1.43	1.34	1.60	1.47	1.40
Costs (As % Of Income)	%	99.6	58.3	60.9	37.2	36.3	66.8	50.5	42.6
Capital Adequacy Ratio	%	14.4	13.5	15.9	15.8	16.8	17.2	14.5	15.3
Tier 1 Ratio	%	11.3	10.5	12.8	13.0	14.0	14.4	14.5	15.3
Net Interest Margin	%	2.07	2.28	2.19	2.37	2.66	2.82	2.96	3.04
Interest Spread	%	1.97	2.19	2.13	2.34	2.57	2.81	2.92	2.95
Asset Yield	%	3.44	3.58	3.07	2.77	3.99	2.91	3.49	4.27
Cost Of Liabilities	%	1.47	1.39	0.939	0.428	1.42	0.102	0.569	1.33
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	134	81.3	95.1	61.6	72.0	118	102	92.4
Fee Income (As % Of Revenues)	%	5.56	0.976	2.27	1.80	2.34	14.0	3.10	3.83
Other Income (As % Of Revenues)	%	-39.1	17.8	2.61	36.6	25.7	-31.6	-5.12	3.75
Cost Per Employee	USD per month	2,834	2,913	2,912	2,864	2,901	3,512	3,053	2,896
Cost Per Employee (Local Currency)	CZK per month	63,814	63,065	61,045	61,508	64,228	78,026	69,364	65,639
Staff Cost (As % Of Total Cost)	%	39.9	35.9	39.2	37.7	39.7	39.1	38.7	37.9
Equity (As % Of Assets)	%	6.53	6.29	6.24	6.49	6.73	6.89	7.08	7.37
Loans (As % Of Deposits)	%	44.9	44.0	40.9	45.0	44.6	45.6	45.4	46.1
Loans (As % Assets)	%	41.0	40.2	37.3	41.0	40.3	41.5	40.8	42.0
NPLs (As % Of Loans)	%	1.69	1.76	0.587	0.448	0.696	1.89	0.834	0.870
Provisions (As % Of NPLs)	%	120	114	273	343	225	75.2	106	103
Provisions (As % Of Loans)	%	2.08	2.05	1.61	1.54	1.58	1.44	0.895	0.901
Cost of Provisions (As % Of Loans)	%	-0.020	-1.13	0.558	0.443	0.238	-0.475	-0.097	0.061

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	4.98	1,022	2,678	3,666	2,894	2,581	2,948	3,333
Interest Cost	CZK mil	3.34	516	947	613	667	510	466	560
Net Interest Income	CZK mil	1.63	506	1,731	3,053	2,227	2,071	2,482	2,773
Net Fee Income	CZK mil	-7.69	98.0	395	441	373	261	189	216
Other Income	CZK mil	2.46	270	185	-59.0	-113	177	267	-75.0
Total Revenues	CZK mil	-3.61	874	2,311	3,435	2,487	2,509	2,938	2,914
Staff Cost	CZK mil	164	287	349	384	445	494	540	616
Depreciation	CZK mil	11.8	68.0	120	151	182	228	267	305
Operating Cost	CZK mil	343	829	1,085	1,199	1,358	1,418	1,549	1,616
Operating Profit	CZK mil	-347	45.0	1,226	2,236	1,129	1,091	1,389	1,298
Provisions	CZK mil	0	456	1,289	1,811	820	531	-100	-144
Extra and Other Cost	CZK mil	0	0	0	0	0	0	0	0
Pre-Tax Profit	CZK mil	-347	-411	-63.0	425	309	560	1,489	1,442
Tax	CZK mil	65.0	-71.0	17.0	112	41.0	106	364	360
Minorities	CZK mil	0	0	0	0	0	0	0	0
Net Profit	CZK mil	-282	-340	-80.0	313	268	454	1,125	1,082

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	-58.9	30,886	242	76.4	-27.1	-7.00	19.8	11.7
Net Fee Income Growth	%	3,093	-1,374	303	11.6	-15.4	-30.0	-27.6	14.3
Total Revenue Growth	%	-195	-24,344	164	48.6	-27.6	0.885	17.1	-0.817
Operating Cost Growth	%	576	141	30.9	10.5	13.3	4.42	9.24	4.33
Operating Profit Growth	%	638	-113	2,624	82.4	-49.5	-3.37	27.3	-6.55
Pre-Tax Profit Growth	%	636	18.5	-84.7	-775	-27.3	81.2	166	-3.16
Net Profit Growth	%	637	20.6	-76.5	-491	-14.4	69.4	148	-3.82

Source: Company Data, Helgi Analytics



Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	CZK mil	2,683	3,148	3,561	6,302	17,712	26,447	36,014	43,492
Interbank Loans	CZK mil	0	822	1,930	2,363	35.0	136	384	878
Customer Loans	CZK mil	0	13,428	23,332	25,095	27,010	33,020	38,760	45,860
Retail Loans	CZK mil	...	13,381	22,807	24,584	25,771	29,119	31,115	37,860
Mortgage Loans	CZK mil	...	0	0	0	558	1,843	3,029	4,911
Consumer Loans	CZK mil	...	13,381	22,807	24,584	25,213	27,276	28,086	32,949
Corporate Loans	CZK mil	...	47.0	525	511	1,239	5,750	9,001	9,353
Debt Securities	CZK mil	76.1	18,276	22,260	26,239	29,608	23,923	20,267	20,004
Fixed Assets	CZK mil	468	899	1,083	1,245	1,405	1,492	1,627	1,612
Total Assets	CZK mil	3,352	36,573	52,166	63,009	77,249	87,444	99,293	113,029
Shareholders' Equity	CZK mil	980	2,579	3,954	4,705	5,101	5,501	6,743	7,869
Of Which Minority Interest	CZK mil	0	0	0	0	0	0	0	0
Liabilities	CZK mil	2,372	33,994	48,212	58,304	72,148	81,943	91,897	105,160
Interbank Loans	CZK mil	0	822	1,930	2,363	35.0	136	384	878
Customer Deposits	CZK mil	2,234	30,696	43,777	54,670	69,387	78,892	89,524	102,108
Retail Deposits	CZK mil	2,234	30,696	43,777	54,670	69,387	78,892	89,524	102,108
Corporate Deposits	CZK mil	0	0	0	0	0	0	0	0
Issued Debt Securities	CZK mil	0	0	0	1,043	1,043	1,362	1,360	1,357
Other Liabilities	CZK mil	138	1,718	1,341	1,639	1,718	1,689	1,013	1,695

Source: Company Data, Helgi Analytics

Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	CZK mil	...	1,187	1,264	1,513	1,350	1,454	1,199	1,080
Gross Loans	CZK mil	...	14,864	25,141	27,241	28,891	34,869	40,226	47,213
Total Provisions	CZK mil	...	1,436	1,809	2,146	1,881	1,849	1,356	1,353

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	...	...	73.8	7.56	7.63	22.3	17.4	18.3
Retail Loan Growth	%	...	...	70.4	7.79	4.83	13.0	6.85	21.7
Mortgage Loan Growth	%	...	...	...	...	...	230	64.4	62.1
Consumer Loan Growth	%	...	...	70.4	7.79	2.56	8.18	2.97	17.3
Corporate Loan Growth	%	...	...	1,017	-2.67	142	364	56.5	3.91
Total Asset Growth	%	912	991	42.6	20.8	22.6	13.2	13.6	13.8
Shareholders' Equity Growth	%	286	163	53.3	19.0	8.42	7.84	22.6	16.7
Customer Deposit Growth	%	...	1,274	42.6	24.9	26.9	13.7	13.5	14.1
Retail Deposit Growth	%	...	1,274	42.6	24.9	26.9	13.7	13.5	14.1

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	%	0.883	1.47	1.31	2.03	2.19	1.35	1.75	1.80
Market Share in Net Profit	%	0.046	2.06	0.764	2.12	2.88	1.18	1.85	1.60
Market Share in Employees	%	1.79	1.79	1.81	1.85	1.81	1.79	1.84	1.86
Market Share in Branches	%	1.78	1.80	1.83	1.84	1.85	1.79	1.81	1.82
Market Share in Customer Loans	%	1.23	1.28	1.22	1.36	1.35	1.41	1.39	1.43
Market Share in Corporate Loans	%	...	2.25	2.26	2.57	2.47	2.49	2.44	2.44
Market Share in Retail Loans	%	...	0.829	0.981	1.06	1.11	1.20	1.20	1.28
Market Share in Consumer Loans	%	...	3.08	3.46	3.65	3.76	4.12	4.02	4.12
Market Share in Mortgage Loans	%	...	0.080	0.166	0.205	0.243	0.259	0.295	0.320
Market Share in Total Assets	%	1.30	1.40	1.41	1.46	1.48	1.54	1.47	1.47
Market Share in Customer Deposits	%	2.02	2.15	2.14	2.21	2.24	2.30	2.15	2.12
Market Share in Retail Deposits	%	...	...	...	...	...	...	...	...

Source: Company Data, Helgi Analytics

Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	-45.7	-19.1	-2.45	7.23	5.47	8.56	18.4	14.8
ROA	%	-15.3	-1.70	-0.180	0.544	0.382	0.551	1.20	1.02
Costs (As % Of Assets)	%	18.6	4.15	2.45	2.08	1.94	1.72	1.66	1.52
Costs (As % Of Income)	%	-9,524	94.9	46.9	34.9	54.6	56.5	52.7	55.5
Capital Adequacy Ratio	%	...	11.9	13.4	14.3	16.0	14.3	13.5	16.8
Tier 1 Ratio	%	...	...	13.4	10.5	12.6	10.9	10.5	14.0
Net Interest Margin	%	0.089	2.53	3.90	5.30	3.18	2.51	2.66	2.61
Interest Spread	%	-0.003	2.28	3.73	5.21	3.10	2.47	2.62	2.57
Asset Yield	%	0.270	5.12	6.04	6.37	4.13	3.13	3.16	3.14
Cost Of Liabilities	%	0.273	2.84	2.30	1.15	1.02	0.662	0.536	0.568
Interest Income (As % Of Revenues)	%	-45.3	57.9	74.9	88.9	89.5	82.5	84.5	95.2
Fee Income (As % Of Revenues)	%	213	11.2	17.1	12.8	15.0	10.4	6.43	7.41
Other Income (As % Of Revenues)	%	-68.1	30.9	8.01	-1.72	-4.54	7.05	9.09	-2.57
Cost Per Employee	USD per month	2,778	2,957	2,980	2,568	2,447	2,341	2,499	3,126
Cost Per Employee (Local Currency)	CZK per month	49,138	57,835	58,296	54,889	58,399	59,063	58,670	68,444
Staff Cost (As % Of Total Cost)	%	47.7	34.6	32.2	32.0	32.8	34.8	34.9	38.1
Equity (As % Of Assets)	%	29.2	7.05	7.58	7.47	6.60	6.29	6.79	6.96
Loans (As % Of Deposits)	%	0	43.7	53.3	45.9	38.9	41.9	43.3	44.9
Loans (As % Assets)	%	0	36.7	44.7	39.8	35.0	37.8	39.0	40.6
NPLs (As % Of Loans)	%	...	7.99	5.03	5.55	4.67	4.17	2.98	2.29
Provisions (As % Of NPLs)	%	...	121	143	142	139	127	113	125
Provisions (As % Of Loans)	%	...	10.7	7.75	8.55	6.96	5.60	3.50	2.95
Cost of Provisions (As % Of Loans)	%	...	6.79	7.01	7.48	3.15	1.77	-0.279	-0.340

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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