

PPF Banka

Quarterly Results - 2Q2019

PPF Banka made a net profit of CZK 570 mil in the second quarter of 2019, down 11.2% when compared to the previous year. Total revenues increased 14.4% yoy to CZK 1,016 mil, ROE amounted to 17.9% and the NPL ratio stood at 9.62%. In the last three years, the bank grew its loans by 13.8% a year, revenues rose by 8.15% and net profit increased by 8.09% a year, on average.

- ✓ Revenues increased 14.4% yoy to CZK 1,016 mil in the second quarter of 2019. Interest income formed 89.4% of total revenues with the net interest margin increasing 0.32 pp to 1.81% of total assets. Fees added a further 5.39% to total revenue generated in 2Q2019, down from an average of 5.48% as seen in the previous two years.
- ✓ Operating costs grew by 58% yoy to CZK 290 mil, so cost to income ratio reached 28.5%, up by 33.6% compared to the previous two years. Staff accounted for 37.2% of total operating expenditures. At the end of second quarter of 2019, PPF Banka operated a network of 2.00 branches and 232 employees.
- ✓ Loans and deposits dropped by 4.22% and 13.4% qoq respectively, so loan to deposit ratio reached 19.0% at the end of 2Q2019. That's down from 21.2% the previous year. Equity reached 6.15% of assets and capital adequacy ratio amounted to 16.6% at the end of the second quarter of 2019.
- ✓ NPLs were 9.62% of total loans at the end of the quarter. Provisions covered 31.8% of non-performing loans
- ✓ When compared to selected peers, PPF Banka was 1.25 pp less profitable in terms of ROE, achieved 10.8 pp better cost efficiency when measured by cost to income ratio and grew its loans by 6.71 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czech Republic

Employees:
232

Clients:
N/A

Branches:
2.00

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
16.6%

Tier 1 Ratio:
16.4%

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2019	1,016	14.4	570	-11.2	17.9	28.5	19.0	6.15	9.62
2018	3,736	23.0	2,202	44.8	20.2	26.2	25.9	4.94	12.9
2017	3,038	5.78	1,521	12.2	16.0	31.4	21.1	4.35	10.4
2016	2,872	-11.0	1,356	17.6	16.7	33.3	27.2	6.48	7.63
2015	3,226	33.6	1,153	64.7	15.7	26.2	45.0	7.12	8.95

Source: Company Data, Helgi Analytics

Data tells a story



1 Company Overview

PPF banka is a specialised corporate and investment bank providing financial advisory, banking and investment services. PPF banka focuses primarily on corporate and municipal clients, including local government entities and local authorities, and provides private banking services. PPF banka also serves as the central treasury bank for PPF Group and provides services to the Group in 12 countries worldwide. The Bank was founded in 1992 and then operated in the Czech market as První městská banka. PPF Group became the majority shareholder in 2002 and the City of Prague remains a minority shareholder.

PPF Banka has been growing its revenues and asset by 8.38% and 14.4% a year on average in the last 10 years. Its loans and deposits have grown by 11.6% and 15.4% a year during that time and loans to deposits ratio reached 19.0% at the end of 2Q2019. The company achieved an average return on equity of 15.8% in the last decade with net profit growing 3.71% a year on average. In terms of operating efficiency, its cost to income ratio reached 28.5% in 2Q2019, compared to 38.3% average in the last decade.

Equity represented 6.15% of total assets or 38.2% of loans at the end of 2Q2019. PPF Banka's non-performing loans were 9.62% of total loans while provisions covered some 31.8% 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	574	741	803	778	775	1,112	975	909
Total Revenues	CZK mil	772	742	1,114	888	819	915	791	1,016
Operating Profit	CZK mil	583	409	930	705	485	637	590	726
Net Profit	CZK mil	397	189	744	641	337	479	484	570
Customer Loans	CZK mil	34,127	33,236	34,807	34,030	33,462	34,437	35,661	34,157
Total Assets	CZK mil	254,704	232,941	226,209	190,969	190,039	235,162	188,699	212,055
Shareholders' Equity	CZK mil	10,168	10,151	10,492	10,736	11,124	11,620	12,333	13,051
Interbank Borrowing	CZK mil	0	0	0	0	0	66,306	0	0
Customer Deposits	CZK mil	223,667	196,347	194,569	160,180	156,362	132,785	158,225	179,441
Issued Debt Securities	CZK mil	4,345	4,549	3,958	4,113	2,592	18,763	2,866	3,141

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	16.1	7.42	28.8	24.2	12.3	16.9	16.2	17.9
Costs (As % Of Income)	%	24.5	44.9	16.5	20.7	40.8	30.4	25.4	28.5
Net Interest Margin	%	0.905	1.22	1.40	1.49	1.63	2.09	1.84	1.81
Equity (As % Of Assets)	%	3.99	4.36	4.64	5.62	5.85	4.94	6.54	6.15
Loans (As % Of Deposits)	%	15.3	16.9	17.9	21.2	21.4	25.9	22.5	19.0
Loans (As % Assets)	%	13.4	14.3	15.4	17.8	17.6	14.6	18.9	16.1
NPLs (As % Of Loans)	%	13.8	13.8	6.63	7.48	7.60	12.9	11.3	9.62
Provisions (As % Of NPLs)	%	22.5	22.6	51.4	46.9	46.3	29.0	31.9	31.8

Source: Company Data, Helgi Analytics



2 Revenues & Costs

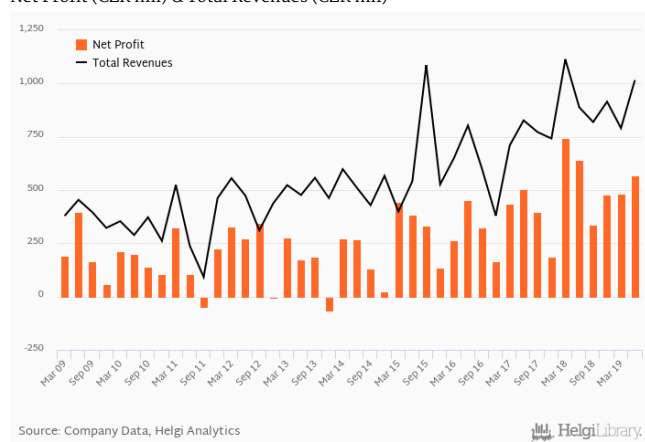
2.1 Revenues

PPF Banka generated total operating revenues of CZK 1,016 mil in the second quarter of 2019, up 14.4% compared to the same period of the previous year. Net interest income represented 89.4% of revenues, fee income contributed 5.39% and other non-interest income added further 5.17% to the overall revenue generated.

Over the previous three years, revenues rose by 8.15% a year on average.

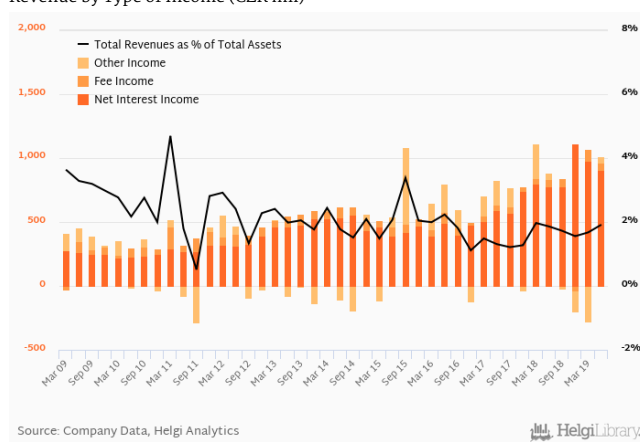
Revenue & Profitability

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



Revenue Breakdown

Revenue by Type of Income (CZK mil)



Net interest margin amounted to 1.81% in the second quarter of 2019, up from the 1.49% of the previous year. Historically, PPF Banka's net interest margin reached a high of 2.57% in 1Q2009 and a low of 0.905% in 3Q2017.

Average asset yield was 2.87% in the second quarter of 2019 (up from 1.89%) while cost of funding amounted to 1.13% in 2Q2019 (up from 0.420%).

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
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
PPF Banka	Czechia	212,055	1.22	1.40	1.49	1.63	2.09	1.84	1.81
Weighted Average			1.84	1.85	1.79	1.89	2.07	2.01	1.91
Median			1.61	1.69	1.61	1.72	2.05	1.92	1.85

Source: Company Data, Helgi Analytics



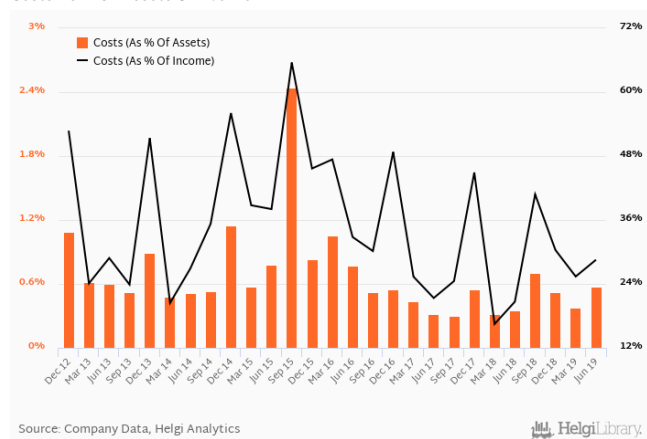
2.2 Costs

Operating costs increased by 58% yoy to CZK 290 mil in the second quarter of 2019. PPF Banka's cost to income ratio therefore reached 28.5%, up from 20.7% when compared to the previous year.

Historically, operating costs reached a high of 149% of income in 3Q2011 and a low of 16.5% in 1Q2018:

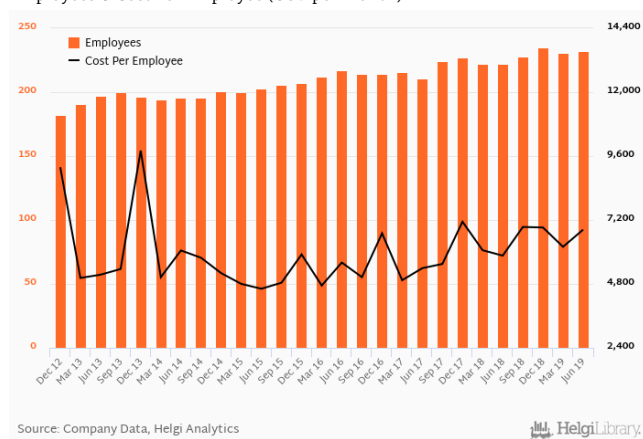
Cost Efficiency

Costs As % Of Assets & Income



Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, PPF Banka operated with a 10.8 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
UniCredit Czech Republic	Czechia	855,348	50.2	35.3	33.6	35.4	46.0	31.7
Raiffeisenbank Czech Republic	Czechia	369,654	64.3	50.1	49.3	52.6	62.2	49.3
Hypoteční Banka	Czechia	316,813	33.0	23.8	23.1	22.8	34.3	23.8
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
PPF Banka	Czechia	212,055	16.5	20.7	40.8	30.4	25.4	28.5
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 0.579% in 2Q2019 up from 0.352% the previous year.

PPF Banka had 232 employees in the second quarter of 2019, up by 4.5% when compared to the previous year. The company operated a network of 2.00 branches in 2Q2019.



The average cost per employee stood at USD 6,839 per month, 16.7% above the previous year. This figure was USD 6,057 per month five years earlier.

Staff accounted for 37.2% 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
UniCredit Czech Republic	Czechia	855,348	32.0	47.5	51.4	44.7	35.1	53.7
Raiffeisenbank Czech Republic	Czechia	369,654	43.9	55.6	55.6	53.1	42.0	57.8
Hypoteční Banka	Czechia	316,813	40.8	62.8	60.5	63.2	40.3	62.0
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
PPF Banka	Czechia	212,055	46.2	45.7	31.4	39.0	48.6	37.2
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

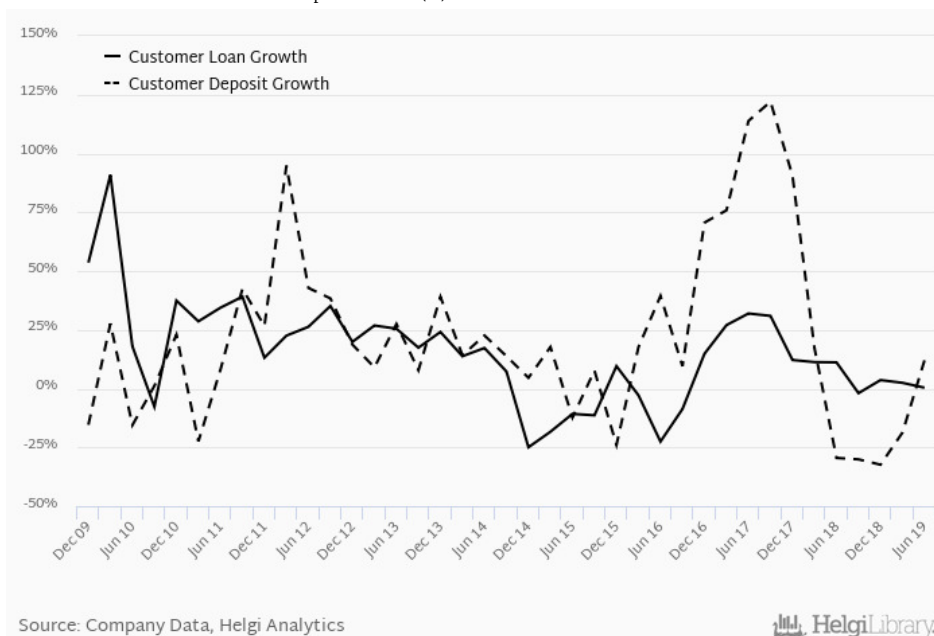
PPF Banka's customer loans decreased 4.22% qoq and grew 0.372% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 13.4% qoq and 12.0% yoy. That's compared to average of 11.3% and 33.4% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 13.8% while deposit growth reached 19.1% on average a year.

At the end of second quarter of 2019, PPF Banka's loans accounted for 19.0% of total deposits and 16.1% 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
Komerční Banka	Czechia	1,185,990	73.7	73.6	72.6	76.7	73.0	71.1
UniCredit Czech Republic	Czechia	855,348	107	108	92.8	92.4	66.5	64.9
Raiffeisenbank Czech Republic	Czechia	369,654	66.6	69.2	68.7	67.7	71.2	69.6
Hypoteční Banka	Czechia	316,813	113	114	114	113	113	113
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
PPF Banka	Czechia	212,055	17.9	21.2	21.4	25.9	22.5	19.0
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

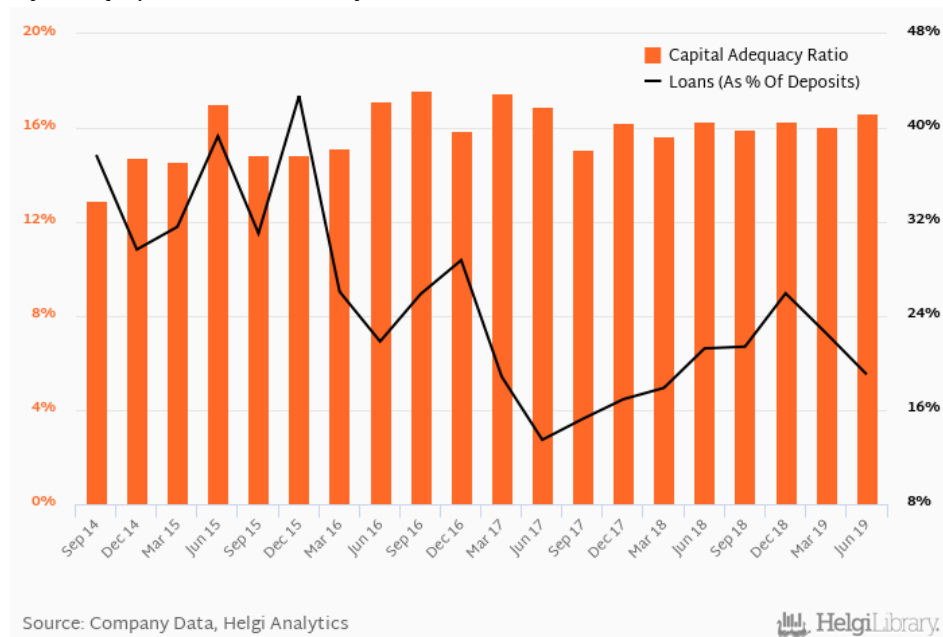


3.2 Capital & Liquidity

PPF Banka's capital adequacy ratio reached 16.6% in the second quarter of 2019, up from 16.3% for the previous year. The Tier 1 ratio amounted to 16.4% at the end of the second quarter of 2019:

Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



PPF Banka'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
UniCredit Czech Republic	Czechia	855,348	19.1	18.6	18.3	20.3	19.7	18.4
Raiffeisenbank Czech Republic	Czechia	369,654	16.6	16.4	16.3	16.9	16.4	17.2
Hypoteční Banka	Czechia	316,813	37.5	41.2	35.5	36.5	39.1	42.2
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
PPF Banka	Czechia	212,055	15.6	16.3	15.9	16.3	16.1	16.6
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

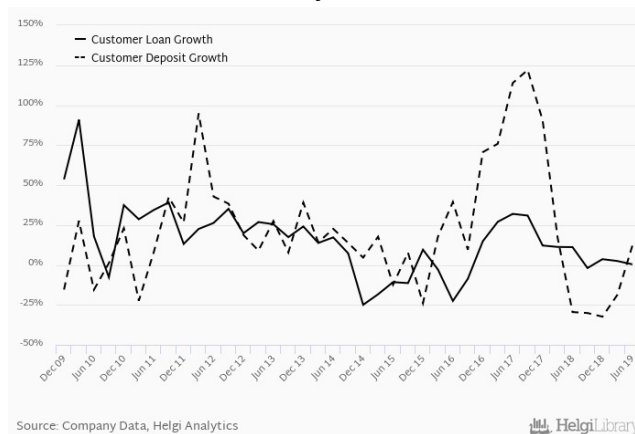


3.3 Loan Breakdown

PPF Banka's loans reached CZK 34,157 mil in the second quarter of 2019, up 0.372% when compared to the same period of the previous year:

Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



Retail loans grew -2.63% qoq and -26.9% yoy and accounted for 0.459% 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 0% of the PPF Banka's loan book, consumer loans added a further 0% and corporate loans formed 58.6% of total loans.



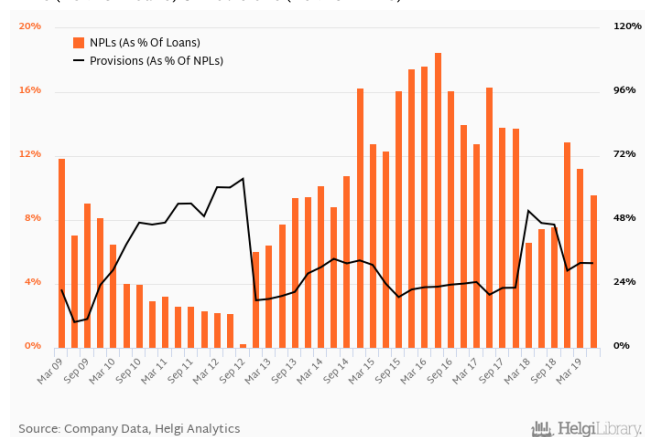
3.4 Asset Quality

PPF Banka's non-performing loans were 9.62% of total loans, down from 11.3% when compared to the previous quarter. Historically, the NPL ratio hit a high of 18.5% in 2Q2016 and a low 0.283% in 3Q2012.

Provisions covered some 31.8% of NPLs at the end of the second quarter of 2019, down from 31.9% for the previous three months:

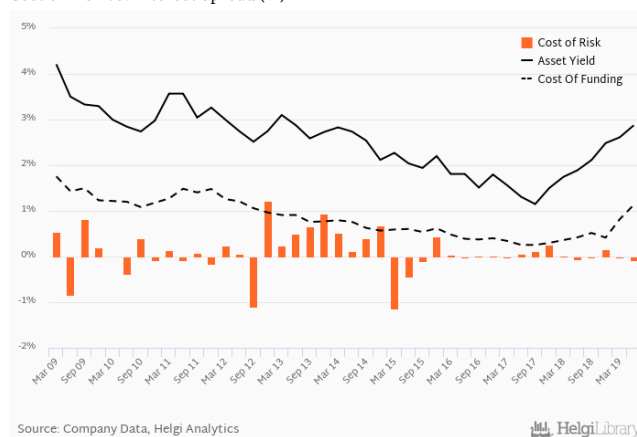
Asset Quality

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



Cost of Risk

Cost of Risk vs. Interest Spread (%)



PPF Banka operated with an NPL ratio 7.03 pp higher 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
UniCredit Czech Republic	Czechia	855,348	3.22	3.06	2.78	2.67	2.63	2.51
Raiffeisenbank Czech Republic	Czechia	369,654	2.67	2.40	2.41	2.22	2.21	1.95
Hypoteční Banka	Czechia	316,813	1.56	1.44	1.36	1.27	1.20	1.11
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
PPF Banka	Czechia	212,055	6.63	7.48	7.60	12.9	11.3	9.62
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

PPF Banka's cost of risk reached -0.086% of average loans in the second quarter of 2019, down from -0.014% in the previous quarter and compared to -0.064% for the previous year on average.



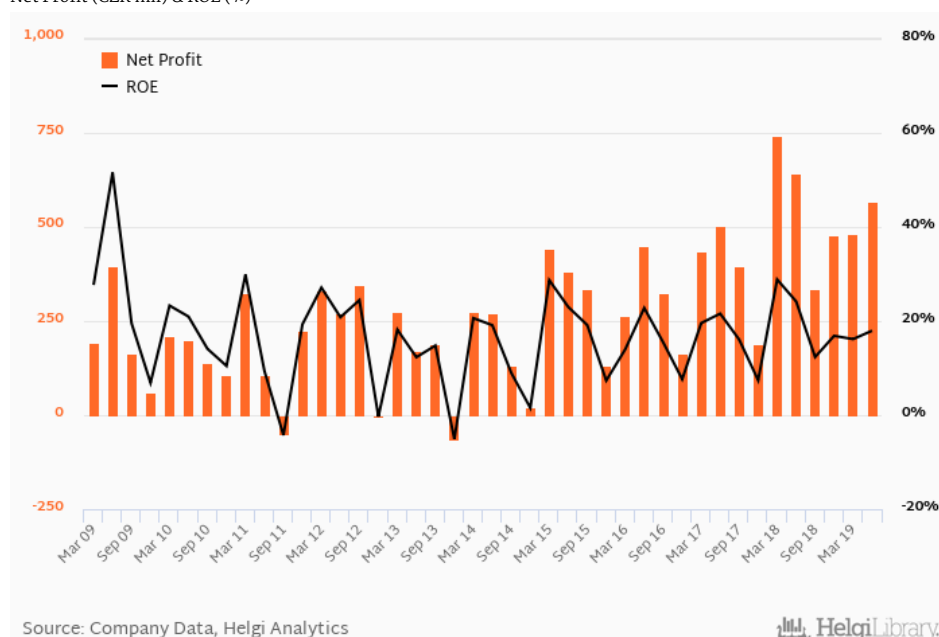
4 Profitability

Overall, PPF Banka made a net profit of CZK 570 mil in the second quarter of 2019. This was down 11.2% when compared to the previous year resulting in a return on equity of 17.9%.

Historically, net profit reached a high of CZK 744 mil in 1Q2018 and a low of CZK -66.0 mil in 4Q2013.

Profitability

Net Profit (CZK mil) & ROE (%)



The company generated an average return on equity of 17.0% for its shareholders in the previous three years with maximum at 28.8% and minimum at 7.42%.

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
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
PPF Banka	Czechia	212,055	28.8	24.2	12.3	16.9	16.2	17.9
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, PPF Banka generated a return of 1.14% in the second quarter of 2019 (ROA). That's 0.237 pp above average for the previous five years.

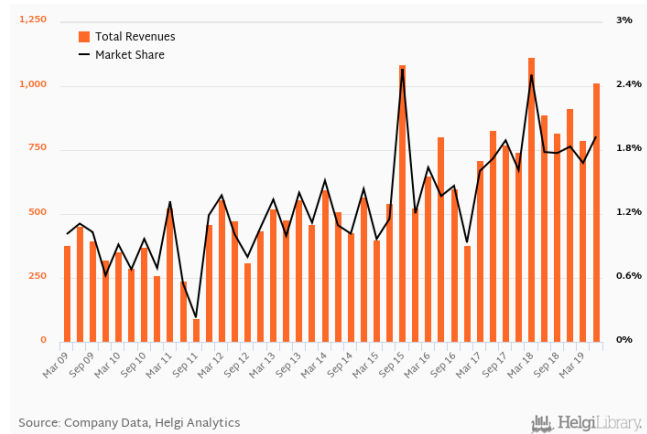


5 Market Share Development on the Czech Market

Based on latest available data, PPF Banka accounted for 2.70% of all bank assets managed in the Czech Republic at the end of the second quarter of 2019.

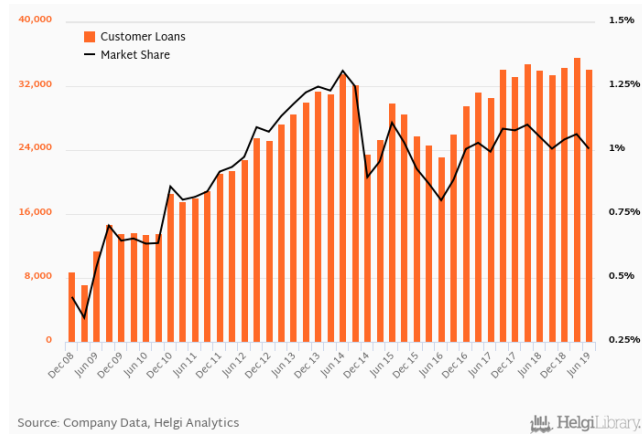
Market Share in Bank Revenues

Total Revenues (CZK mil)



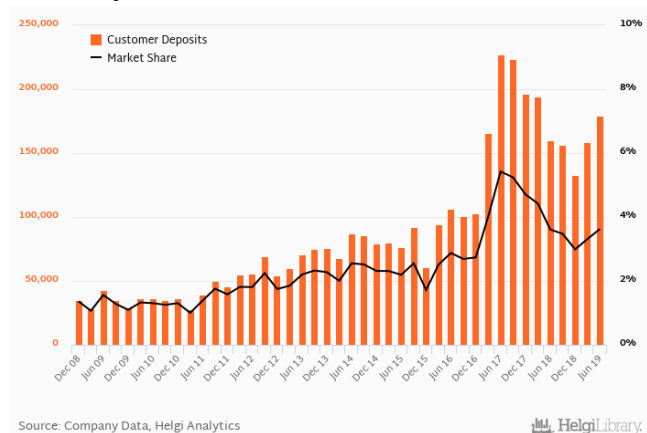
Market Share in Bank Loans

Customer Loans (CZK mil)



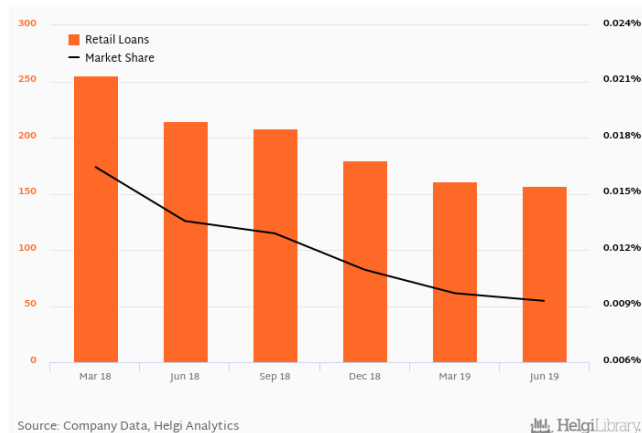
Market Share in Bank Deposits

Customer Deposits (CZK mil)



Market Share in Retail Loans

Retail Loans (CZK mil)



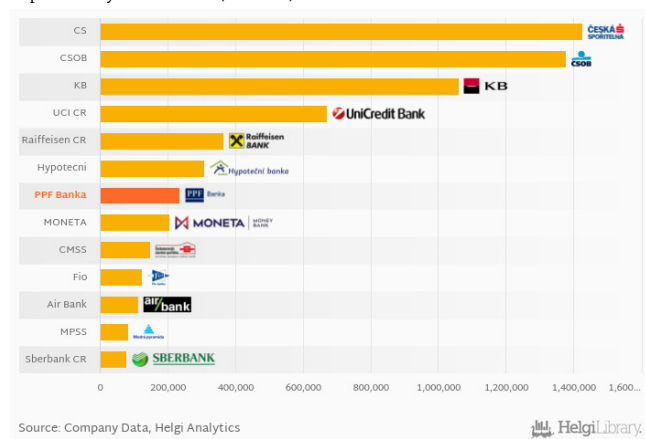


6 Market Share Position Within the Czech Market

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

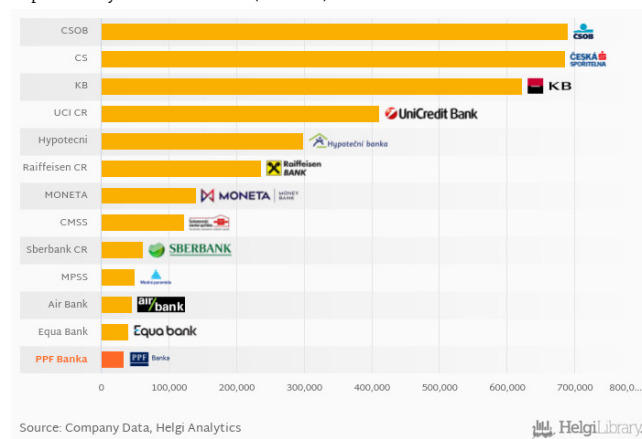
What Banks in Czechia Were the Largest in 2018?

Top Banks by Total Assets (CZK mil)



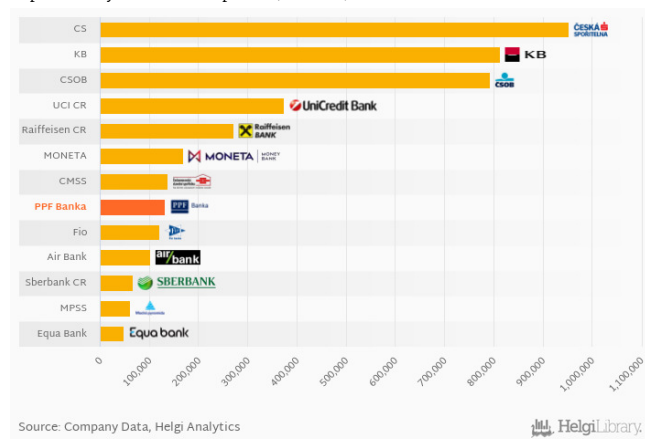
What Banks in Czechia Were the Largest Lenders in 2018?

Top Banks by Customer Loans (CZK mil)



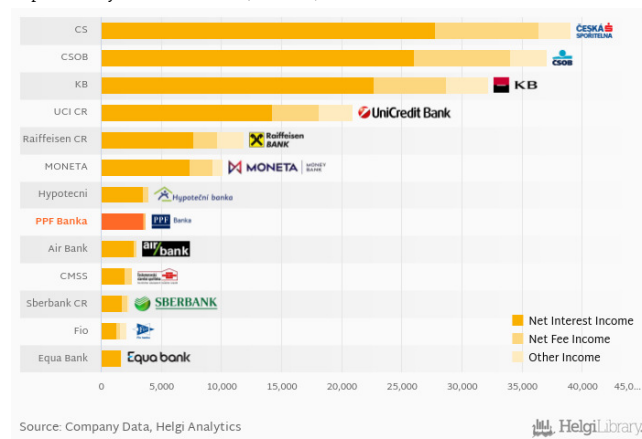
What Banks in Czechia Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (CZK mil)



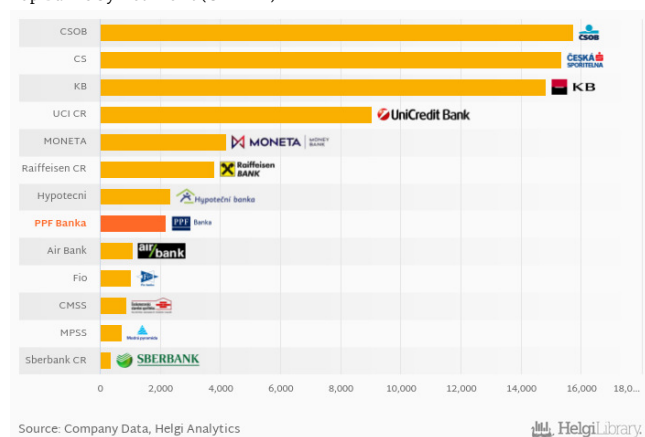
What Banks in Czechia Generated the Most Revenues in 2018?

Top Banks by Total Revenues (CZK mil)



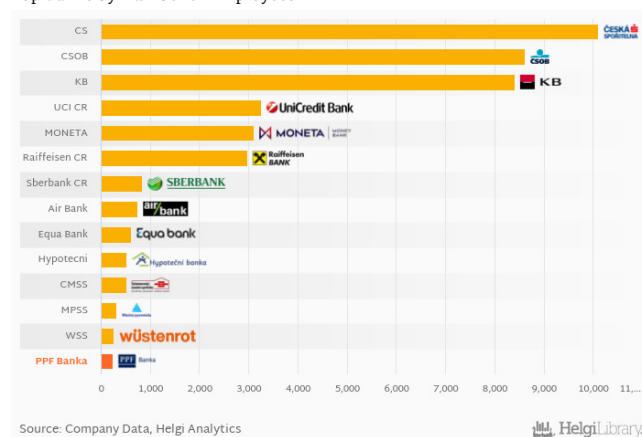
What Banks in Czechia Were the Most Profitable in 2018?

Top Banks by Net Profit (CZK mil)



What Banks in Czechia Had the Most Employees in 2018?

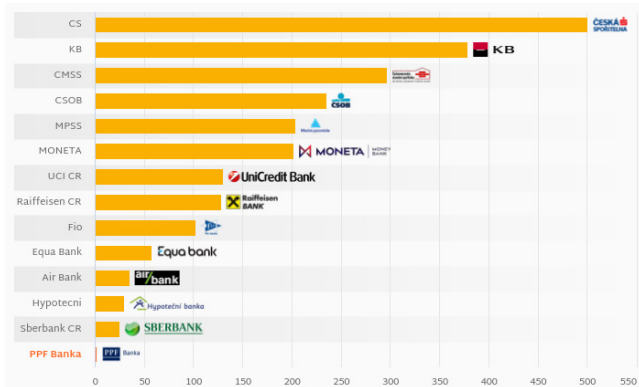
Top Banks by Number of Employees





What Banks in Czechia Had the Most Branches in 2018?

Top Banks by Number of Branches

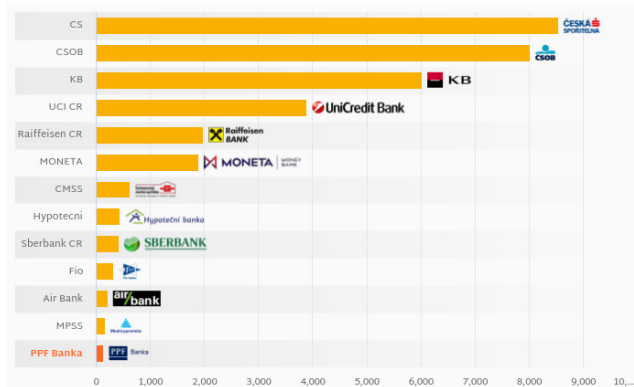


Source: Company Data, Helgi Analytics

HelgiLibrary

What Banks in Czechia Generated the Most Fees in 2018?

Top Banks by Net Fee Income (CZK mil)



Source: Company Data, Helgi Analytics

HelgiLibrary

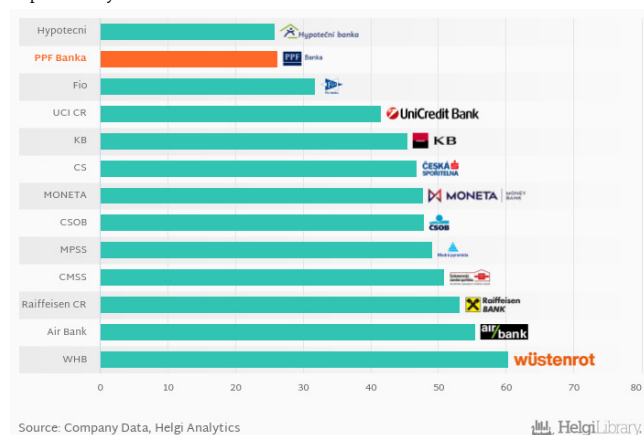


7 Relative Performance on the Czech Market

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

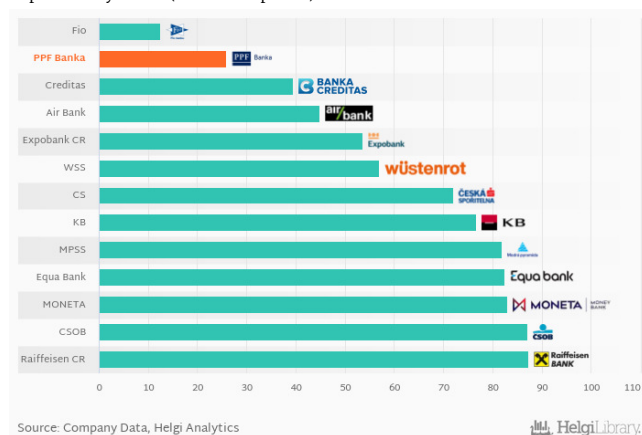
What Banks in Czechia Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



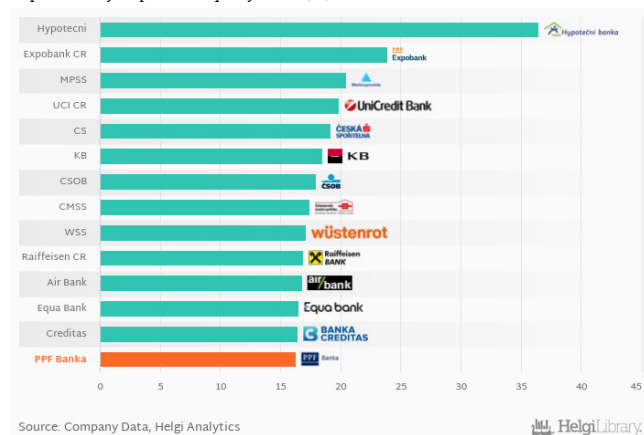
What Banks in Czechia Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



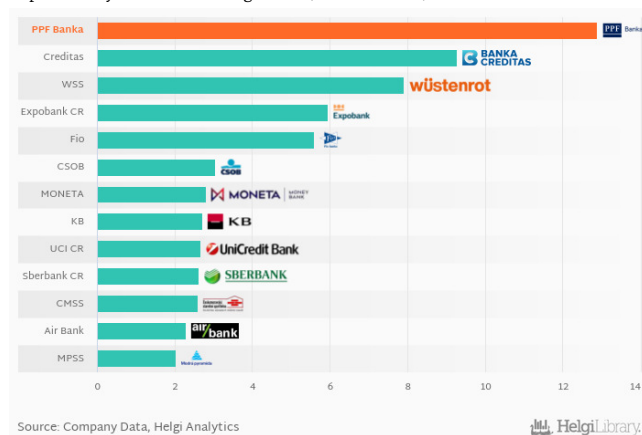
What Banks in Czechia Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



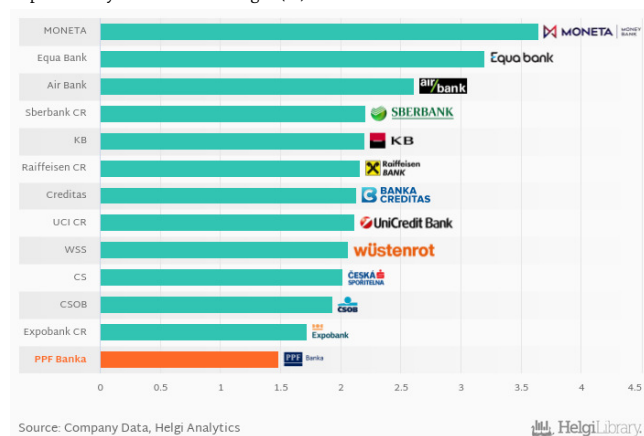
What Banks in Czechia Had the Most Bad Loans in 2018?

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



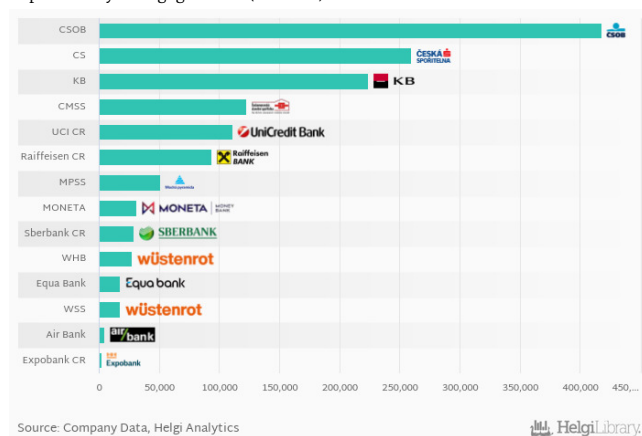
What Banks in Czechia Achieved the Highest Interest Margin in 2018?

Top Banks by Net Interest Margin (%)



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

Top Banks by Mortgage Loans (CZK mil)





Financial Data – 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	729	915	1,001	985	1,007	1,321	1,384	1,440
Interest Cost	CZK mil	155	174	198	208	232	209	409	531
Net Interest Income	CZK mil	574	741	803	778	775	1,112	975	909
Net Fee Income	CZK mil	47.7	39.5	38.1	59.6	67.2	-33.0	96.8	54.8
Other Income	CZK mil	150	-38.2	272	50.9	-23.3	-164	-281	52.5
Total Revenues	CZK mil	772	742	1,114	888	819	915	791	1,016
Staff Cost	CZK mil	84.0	105	84.7	83.8	105	108	97.5	108
Depreciation	CZK mil	11.1	6.66	8.19	7.99	13.3	10.5	18.8	19.0
Operating Cost	CZK mil	189	333	183	183	334	278	201	290
Operating Profit	CZK mil	583	409	930	705	485	637	590	726
Provisions	CZK mil	80.9	153	14.9	-30.6	-6.73	90.5	-6.74	-45.6
Extra and Other Cost	CZK mil	-0.009	0.002	0	0	0	0	-0.007	-0.009
Pre-Tax Profit	CZK mil	502	256	915	735	492	547	597	772
Tax	CZK mil	105	67.3	171	93.8	154	67.5	113	202
Minorities	CZK mil	0	0	0	0	0	0	0	0
Net Profit	CZK mil	397	189	744	641	337	479	484	570

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	%	43.4	54.8	58.3	31.7	35.0	50.2	21.4	16.8
Net Fee Income Growth	%	-16.8	99.8	-13.5	38.9	41.0	-184	154	-8.14
Total Revenue Growth	%	28.4	95.3	57.0	7.39	6.06	23.3	-29.0	14.4
Operating Cost Growth	%	4.38	80.0	1.97	3.89	76.4	-16.6	9.44	58.0
Operating Profit Growth	%	38.7	110	75.8	8.34	-16.8	55.9	-36.6	3.03
Pre-Tax Profit Growth	%	21.7	38.3	68.7	20.0	-2.06	114	-34.8	4.95
Net Profit Growth	%	22.3	13.5	70.4	27.1	-15.0	154	-35.0	-11.2

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	17,643	4,864	2,715	2,181	2,582	163,539	3,528	4,271
Interbank Loans	CZK mil	9,100	3,355	152,534	122,267	121,034	5,131	115,339	137,412
Customer Loans	CZK mil	34,127	33,236	34,807	34,030	33,462	34,437	35,661	34,157
Retail Loans	CZK mil	...	...	255	215	208	180	161	157
Corporate Loans	CZK mil	...	...	23,052	21,316	20,254	21,000	22,000	20,000
Debt Securities	CZK mil	32,304	34,139	36,022	32,345	32,802	31,440	26,282	30,220
Fixed Assets	CZK mil	139	132	132	146	158	182	337	341
Total Assets	CZK mil	254,704	232,941	226,209	190,969	190,039	235,162	188,699	212,055
Shareholders' Equity	CZK mil	10,168	10,151	10,492	10,736	11,124	11,620	12,333	13,051
Of Which Minority Interest	CZK mil	0	0	0	0	0	0	0	0
Liabilities	CZK mil	244,536	222,790	215,718	180,234	178,915	223,542	176,366	199,005
Interbank Loans	CZK mil	9,100	3,355	152,534	122,267	121,034	5,131	115,339	137,412
Customer Deposits	CZK mil	223,667	196,347	194,569	160,180	156,362	132,785	158,225	179,441
Retail Deposits	CZK mil	...	4,658	...	...	...	4,255	...	...
Corporate Deposits	CZK mil	...	...	...	...	...	17,509	...	...
Issued Debt Securities	CZK mil	4,345	4,549	3,958	4,113	2,592	18,763	2,866	3,141
Other Liabilities	CZK mil	16,524	21,894	17,191	15,941	19,961	5,688	15,275	16,423

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	4,871	4,725	2,391	2,637	2,638	4,612	4,165	3,390
Gross Loans	CZK mil	35,223	34,303	36,036	35,267	34,683	35,774	36,989	35,235
Total Provisions	CZK mil	1,096	1,067	1,230	1,236	1,221	1,337	1,328	1,078

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	%	30.9	12.2	11.3	11.1	-1.95	3.61	2.45	0.372
Retail Loan Growth	%	...	...	...	...	...	...	-36.9	-26.9
Corporate Loan Growth	%	...	...	...	...	...	...	-4.56	-6.17
Total Asset Growth	%	92.0	70.5	18.5	-24.6	-25.4	0.953	-16.6	11.0
Shareholders' Equity Growth	%	17.6	16.0	15.3	11.7	9.40	14.5	17.6	21.6
Customer Deposit Growth	%	122	90.5	17.2	-29.5	-30.1	-32.4	-18.7	12.0
Retail Deposit Growth	%	...	...	...	...	...	-8.65	...	...

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	%	1.89	1.61	2.51	1.78	1.77	1.83	1.68	1.93
Market Share in Net Profit	%	2.43	1.22	4.08	2.50	1.80	2.54	2.64	2.09
Market Share in Employees	%	0.537	0.542	0.530	0.533	0.543	0.561	0.551	0.556
Market Share in Branches	%	0.153	0.103	0.105	0.105	0.106	0.102	0.104	0.104
Market Share in Customer Loans	%	1.08	1.08	1.10	1.05	1.01	1.04	1.06	1.01
Market Share in Corporate Loans	%	...	...	2.24	2.00	1.84	1.94	2.01	1.81
Market Share in Retail Loans	%	...	...	0.016	0.014	0.013	0.011	0.010	0.009
Market Share in Total Assets	%	3.50	3.33	3.09	2.58	2.51	3.23	2.43	2.70
Market Share in Customer Deposits	%	5.24	4.71	4.42	3.61	3.47	2.99	3.31	3.62
Market Share in Retail Deposits	%	...	0.193	...	...	...	0.164	...	...
Market Share in Corporate Deposits	%	...	...	...	...	...	1.68	...	...

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	%	16.1	7.42	28.8	24.2	12.3	16.9	16.2	17.9
ROA	%	0.625	0.309	1.30	1.23	0.708	0.901	0.913	1.14
Costs (As % Of Assets)	%	0.298	0.547	0.320	0.352	0.702	0.523	0.379	0.579
Costs (As % Of Income)	%	24.5	44.9	16.5	20.7	40.8	30.4	25.4	28.5
Capital Adequacy Ratio	%	15.1	16.2	15.6	16.3	15.9	16.3	16.1	16.6
Tier 1 Ratio	%	13.2	14.2	13.7	16.3	15.9	16.3	16.1	16.4
Net Interest Margin	%	0.905	1.22	1.40	1.49	1.63	2.09	1.84	1.81
Interest Spread	%	0.895	1.20	1.38	1.47	1.60	2.07	1.79	1.74
Asset Yield	%	1.15	1.50	1.74	1.89	2.11	2.48	2.61	2.87
Cost Of Liabilities	%	0.254	0.299	0.361	0.420	0.517	0.415	0.817	1.13
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	74.4	99.8	72.1	87.6	94.6	122	123	89.4
Fee Income (As % Of Revenues)	%	6.17	5.32	3.42	6.72	8.21	-3.61	12.2	5.39
Other Income (As % Of Revenues)	%	19.5	-5.15	24.5	5.73	-2.84	-17.9	-35.6	5.17
Cost Per Employee	USD per month	5,550	7,135	6,065	5,861	6,939	6,919	6,193	6,839
Cost Per Employee (Local Currency)	CZK per month	124,967	154,459	127,156	125,897	153,640	153,726	140,690	155,012
Staff Cost (As % Of Total Cost)	%	44.3	31.6	46.2	45.7	31.4	39.0	48.6	37.2
Equity (As % Of Assets)	%	3.99	4.36	4.64	5.62	5.85	4.94	6.54	6.15
Loans (As % Of Deposits)	%	15.3	16.9	17.9	21.2	21.4	25.9	22.5	19.0
Loans (As % Assets)	%	13.4	14.3	15.4	17.8	17.6	14.6	18.9	16.1
NPLs (As % Of Loans)	%	13.8	13.8	6.63	7.48	7.60	12.9	11.3	9.62
Provisions (As % Of NPLs)	%	22.5	22.6	51.4	46.9	46.3	29.0	31.9	31.8
Provisions (As % Of Loans)	%	3.21	3.21	3.53	3.63	3.65	3.88	3.72	3.16
Cost of Provisions (As % Of Loans)	%	1.000	1.81	0.175	-0.356	-0.080	1.07	-0.077	-0.523

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	1,906	2,187	2,795	2,866	3,351	2,739	2,902	4,314
Interest Cost	CZK mil	745	829	858	733	706	576	445	846
Net Interest Income	CZK mil	1,161	1,358	1,937	2,133	2,645	2,163	2,457	3,468
Net Fee Income	CZK mil	426	298	288	280	226	202	129	132
Other Income	CZK mil	-270	122	10.0	2.00	355	507	452	136
Total Revenues	CZK mil	1,317	1,778	2,235	2,415	3,226	2,872	3,038	3,736
Staff Cost	CZK mil	175	251	292	271	303	353	351	382
Depreciation	CZK mil	42.8	55.5	55.0	47.0	32.0	27.0	31.0	40.0
Operating Cost	CZK mil	570	598	815	1,062	844	957	953	979
Operating Profit	CZK mil	747	1,180	1,420	1,353	2,382	1,915	2,085	2,757
Provisions	CZK mil	-11.6	36.0	636	460	939	285	177	68.0
Extra and Other Cost	CZK mil	-0.034	-0.204	0	0	0	0	0	0
Pre-Tax Profit	CZK mil	758	1,144	784	893	1,443	1,630	1,908	2,689
Tax	CZK mil	152	199	212	193	290	274	387	487
Minorities	CZK mil	0	0	0	0	0	0	0	0
Net Profit	CZK mil	606	945	572	700	1,153	1,356	1,521	2,202

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	24.7	17.0	42.6	10.1	24.0	-18.2	13.6	41.1
Net Fee Income Growth	%	95.2	-30.2	-3.19	-2.78	-19.3	-10.6	-36.1	2.33
Total Revenue Growth	%	3.19	35.0	25.7	8.05	33.6	-11.0	5.78	23.0
Operating Cost Growth	%	19.1	4.90	36.3	30.3	-20.5	13.4	-0.418	2.73
Operating Profit Growth	%	-6.35	58.0	20.4	-4.72	76.1	-19.6	8.88	32.2
Pre-Tax Profit Growth	%	-5.69	50.9	-31.5	13.9	61.6	13.0	17.1	40.9
Net Profit Growth	%	-8.19	56.0	-39.5	22.4	64.7	17.6	12.2	44.8

Source: Company Data, Helgi Analytics



Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	CZK mil	2,147	10,058	23,591	27,429	31,952	60,032	156,926	163,539
Interbank Loans	CZK mil	24,871	18,558	25,354	16,255	4,664	5,783	3,355	5,131
Customer Loans	CZK mil	21,104	25,297	31,390	23,461	26,276	27,983	33,236	34,437
Debt Securities	CZK mil	15,271	20,053	25,139	36,739	37,907	42,626	37,900	31,440
Fixed Assets	CZK mil	59.2	57.3	42.0	78.0	83.0	86.0	132	182
Total Assets	CZK mil	65,718	76,843	104,818	108,237	103,517	136,810	232,941	235,162
Shareholders' Equity	CZK mil	4,690	5,937	5,894	7,349	7,375	8,863	10,144	11,620
Of Which Minority Interest	CZK mil	0	0	0	0	0	0	0	0
Liabilities	CZK mil	61,028	70,906	98,924	100,888	96,142	127,947	222,797	223,542
Interbank Loans	CZK mil	24,871	18,558	25,354	16,255	4,664	5,783	3,355	5,131
Customer Deposits	CZK mil	46,006	54,621	75,932	78,908	58,440	103,060	157,384	132,785
Retail Deposits	CZK mil	...	...	...	37,461	24,018	5,143	3,011	4,255
Corporate Deposits	CZK mil	...	...	...	17,267	13,400	59,046	32,085	17,509
Issued Debt Securities	CZK mil	2,842	3,730	17,344	14,376	26,405	14,818	17,485	18,763
Other Liabilities	CZK mil	10,978	11,317	3,905	4,165	9,639	3,250	8,965	5,688

Source: Company Data, Helgi Analytics

Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	CZK mil	502	1,551	207	2,047	2,496	2,235	3,567	4,612
Gross Loans	CZK mil	21,352	25,574	32,245	24,793	27,891	29,283	34,303	35,774
Total Provisions	CZK mil	248	277	855	1,332	1,615	1,300	1,067	1,337

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	13.1	19.9	24.1	-25.3	12.0	6.50	18.8	3.61
Total Asset Growth	%	25.5	16.9	36.4	3.26	-4.36	32.2	70.3	0.953
Shareholders' Equity Growth	%	12.5	26.6	-0.725	24.7	0.354	20.2	14.5	14.6
Customer Deposit Growth	%	26.6	18.7	39.0	3.92	-25.9	76.4	52.7	-15.6
Retail Deposit Growth	%	...	...	...	...	-35.9	-78.6	-41.5	41.3
Corporate Deposit Growth	%	...	...	...	...	-22.4	341	-45.7	-45.4

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	%	1.89	1.61	2.51	1.78	1.77	1.83	1.68	1.93
Market Share in Net Profit	%	2.43	1.22	4.08	2.50	1.80	2.54	2.64	2.09
Market Share in Employees	%	0.537	0.542	0.530	0.533	0.543	0.561	0.551	0.556
Market Share in Branches	%	0.153	0.103	0.105	0.105	0.106	0.102	0.104	0.104
Market Share in Customer Loans	%	1.08	1.08	1.10	1.05	1.01	1.04	1.06	1.01
Market Share in Corporate Loans	%	...	...	2.24	2.00	1.84	1.94	2.01	1.81
Market Share in Retail Loans	%	...	...	0.016	0.014	0.013	0.011	0.010	0.009
Market Share in Total Assets	%	3.50	3.33	3.09	2.58	2.51	3.23	2.43	2.70
Market Share in Customer Deposits	%	5.24	4.71	4.42	3.61	3.47	2.99	3.31	3.62
Market Share in Retail Deposits	%	...	0.193	...	...	...	0.164	...	...
Market Share in Corporate Deposits	%	...	...	...	...	...	1.68	...	...

Source: Company Data, Helgi Analytics

Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	13.7	17.8	9.67	10.6	15.7	16.7	16.0	20.2
ROA	%	1.03	1.33	0.630	0.657	1.09	1.13	0.823	0.941
Costs (As % Of Assets)	%	0.966	0.839	0.897	0.997	0.797	0.796	0.515	0.418
Costs (As % Of Income)	%	43.3	33.6	36.5	44.0	26.2	33.3	31.4	26.2
Capital Adequacy Ratio	%	10.4	10.5	11.7	14.3	14.6	14.8	16.2	16.3
Tier 1 Ratio	%	...	...	...	...	12.0	13.4	14.2	16.3
Net Interest Margin	%	1.97	1.91	2.13	2.00	2.50	1.80	1.33	1.48
Interest Spread	%	1.86	1.81	2.07	1.96	2.45	1.77	1.32	1.46
Asset Yield	%	3.23	3.07	3.08	2.69	3.16	2.28	1.57	1.84
Cost Of Liabilities	%	1.37	1.26	1.01	0.734	0.717	0.514	0.254	0.379
Interest Income (As % Of Revenues)	%	88.1	76.4	86.7	88.3	82.0	75.3	80.9	92.8
Fee Income (As % Of Revenues)	%	32.4	16.7	12.9	11.6	7.01	7.03	4.25	3.53
Other Income (As % Of Revenues)	%	-20.5	6.88	0.447	0.083	11.0	17.7	14.9	3.64
Cost Per Employee	USD per month	4,844	5,876	6,651	5,621	5,397	5,552	5,536	6,187
Cost Per Employee (Local Currency)	CZK per month	85,679	114,932	130,125	120,124	128,827	140,079	130,000	135,461
Staff Cost (As % Of Total Cost)	%	30.7	42.0	35.8	25.5	35.9	36.9	36.8	39.0
Equity (As % Of Assets)	%	7.14	7.73	5.62	6.79	7.12	6.48	4.35	4.94
Loans (As % Of Deposits)	%	45.9	46.3	41.3	29.7	45.0	27.2	21.1	25.9
Loans (As % Assets)	%	32.1	32.9	29.9	21.7	25.4	20.5	14.3	14.6
NPLs (As % Of Loans)	%	2.35	6.06	0.642	8.26	8.95	7.63	10.4	12.9
Provisions (As % Of NPLs)	%	49.4	17.9	413	65.1	64.7	58.2	29.9	29.0
Provisions (As % Of Loans)	%	1.17	1.09	2.72	5.68	6.15	4.65	3.21	3.88
Cost of Provisions (As % Of Loans)	%	-0.058	0.155	2.24	1.68	3.78	1.05	0.578	0.201

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.

Helgi Analytics
Eliášova 38, Prague 6
160 00, Czech Republic
www.helgianalytics.com

© 2020, HELGI ANALYTICS LTD. ALL RIGHTS RESERVED. All information contained herein is protected by Copyright Law and no such information may be copied or otherwise reproduced, in whole or in part, in any form or manner, by any Person or Company without Helgi Analytics' prior written consent.

DISCLAIMER

The purpose of this document is to assist the recipient in deciding whether it wishes to proceed with a further investigation of the matters referred to herein. The information in this document, which does not purport to be comprehensive, is believed in good faith to originate from reliable sources, and the views and opinions expressed herein are based on reasonable analysis of source material in the possession of the provider(s) of the document at the time of provision of the document. While the document has been prepared in good faith, no representation, warranty, assurance or undertaking (express or implied) is or will be made, and no responsibility or liability is or will be accepted in relation to the adequacy, accuracy, completeness or reasonableness of the document, or any information contained within it. All and any such responsibility and liability is expressly disclaimed. In particular, but without prejudice to the generality of the foregoing, no representation, warranty, assurance or undertaking is given as to the achievement or reasonableness of any future projections, estimates, prospects or returns contained or referred to in this document. The provider(s) of this document may change any opinion expressed herein without being under any obligation to inform the recipient or to provide to them a revised version. By accepting this document, the recipient agrees to be bound by the foregoing limitations, and acknowledges that it must at all times exercise its own skill and judgment in relation to any decision by it relating to the matters contained within this document. The information, opinions and views contained herein may have been provided to other clients prior to being disseminated herein. This document shall not exclude any liability for, or remedy in respect of, fraudulent misrepresentation.