

Wüstenrot Stavební Spořitelna

Banking

June 2013

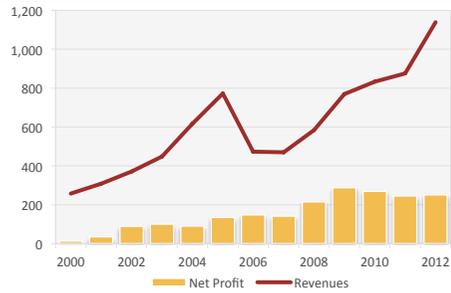
Czech Republic



COMPANY DESCRIPTION

Similarly to Wüstenrot Hypoteční banka in mortgage lending, Wüstenrot Stavební Spořitelna is a relatively little bank, with a 10.5% share of lending and 8.7% of building savings deposits as of the end of 2012. Partly because of its small size (and limited economies of scale and synergies with a would-be commercial bank on the Czech market) and its conservative approach (the bank has the best loan quality and provision coverage), the bank is traditionally the least profitable building savings bank on the market. In 2012, the bank achieved ROE of "only" 9.7%, compared to the 15.2% of the 5-building savings banks average. Size matters and the lack of economies of scale is reflected in Wüstenrot's low cost efficiency. In 2012, the bank's operating costs accounted for 1.27% of average assets, nearly twice as much as the other savings banks.

REVENUES & PROFITABILITY (CZK mil)



INCOME STATEMENT

CZK mil	2008	2009	2010	2011	2012
Net Interest Income	512	658	713	746	737
Net Fee Income	94	131	147	158	198
Other Income	-22	-20	-27	-29	205
Total Revenues	584	769	833	875	1,140
Staff Cost	131	147	167	183	179
Depreciation	34	39	47	51	55
Other Cost	163	209	215	267	294
Operating Cost	328	396	429	501	529
Operating Profit	256	373	404	374	611
Provisions	21	35	63	60	2
Pre-Tax Profit	235	338	341	314	367
Tax	20	51	73	69	117
Minorities	0	0	0	0	0
Net Profit	215	287	269	245	251

BALANCE SHEET

CZK mil	2008	2009	2010	2011	2012
Interbank Loans	2,225	1,455	826	2,066	118
Customer Loans	21,784	27,407	31,978	32,846	30,235
Debt Securities	7,810	6,378	4,608	3,496	7,810
Fixed Assets	479	480	508	524	224
Total Assets	34,148	37,613	39,486	40,569	42,715
Interbank Borrowings	0	10	306	10	10
Customer Deposits	31,918	34,488	35,956	36,936	38,392
Issued Debt	414	416	105	105	105
Liabilities	32,788	35,716	37,320	38,158	40,048
Equity	1,360	1,897	2,166	2,411	2,667
Non-performing Loans	382	466	534	603	626
Provisions	259	292	345	368	424

RATIOS

	2008	2009	2010	2011	2012		2008	2009	2010	2011	2012
ROE	17.7%	17.6%	13.2%	10.7%	9.9%	Loans (As % Assets)	64%	73%	81%	81%	71%
ROA	0.7%	0.8%	0.7%	0.6%	0.6%	Loans (As % Of Deposits)	68%	79%	89%	89%	79%
Net Interest Margin	1.6%	1.8%	1.8%	1.9%	1.8%	Securities (As % of Assets)	23%	17%	12%	9%	18%
Asset Yield	4.5%	4.4%	4.6%	4.6%	4.3%	Int. Loans (As % Assets)	6.5%	3.9%	2.1%	5.1%	0.3%
Cost Of Liabilities	3.0%	2.7%	2.9%	2.9%	2.7%	Deposits (As % Of Liabs)	97%	97%	96%	97%	96%
Interest (As Of Revenues)	87.7%	85.6%	85.6%	85.3%	64.7%	Equity (As % Of Assets)	4.0%	5.0%	5.5%	5.9%	6.2%
Costs (As % Of Assets)	1.0%	1.1%	1.1%	1.3%	1.3%	Capital Adequacy	9.9%	10.5%	8.9%	9.8%	11.9%
Costs (As % Of Income)	56.1%	51.5%	51.5%	57.2%	46.4%	NPLs (As % Of Loans)	1.7%	1.7%	1.7%	1.8%	2.0%
Staff (As % Of Total Cost)	39.9%	37.2%	38.8%	36.5%	33.9%	Provisions (As % Of NPLs)	67.7%	62.7%	64.6%	61.0%	67.8%
Cost of Risk	0.1%	0.1%	0.2%	0.2%	0.0%	Provisions (As % Of Loans)	1.2%	1.1%	1.1%	1.1%	1.4%

MARKET SHARE

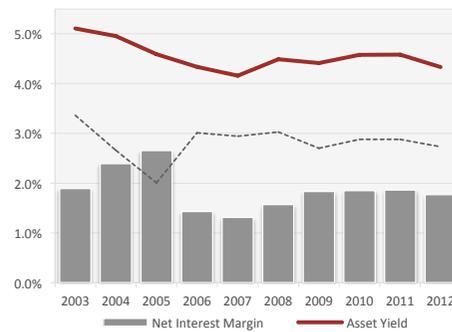
Building Savings Banks	2008	2009	2010	2011	2012	Building Savings Banks	2008	2009	2010	2011	2012
Net profit	4.8%	5.7%	5.2%	4.8%	5.5%	Assets	7.8%	8.2%	8.4%	8.5%	8.9%
Operating Profit	4.4%	5.5%	5.4%	5.3%	9.6%	Loans	9.4%	10.1%	10.7%	11.0%	10.5%
Costs	9.9%	12.1%	13.0%	14.4%	15.3%	Deposits	8.0%	8.3%	8.4%	8.5%	8.8%
Revenues	6.4%	7.7%	7.8%	8.3%	11.6%	Equity	7.1%	8.1%	8.1%	8.5%	8.5%
Employees	13.7%	13.2%	15.1%	17.1%	19.0%	NPLs	11.2%	8.6%	7.1%	7.8%	7.7%

Source: Company data, Helgi Analytics calculation

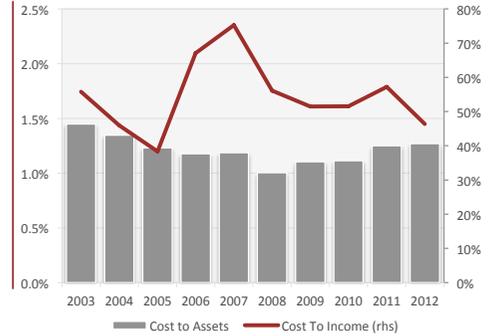


www.HelgiAnalytics.com

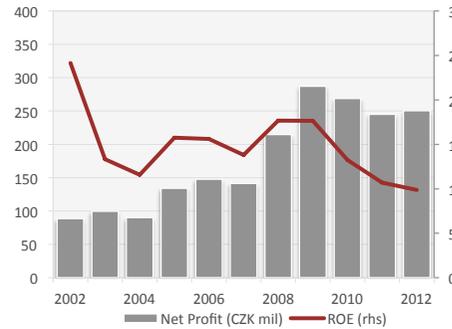
INTEREST MARGIN



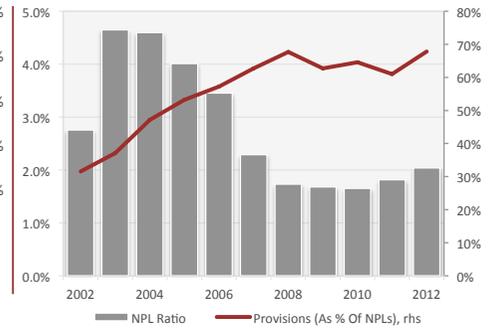
COST EFFICIENCY



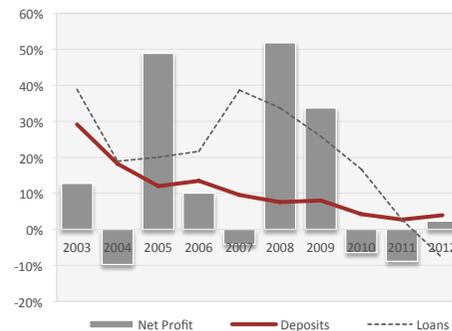
PROFITABILITY



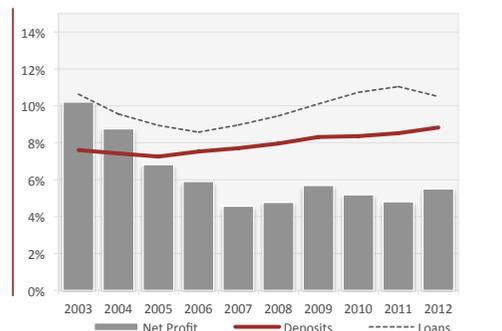
ASSET QUALITY



GROWTH RATES



MARKET SHARE



Source: Company data, Helgi Analytics calculation



www.HelgiAnalytics.com

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 95% 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@helgianalytics.com.

Helgi Analytics

Eliasova 38, Prague 6
160 00, Czech Republic
www.helgianalytics.com

DISCLAIMER

© 2012, 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. All information contained herein is obtained by Helgi Analytics from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error, as well as other factors, however, all information contained herein is provided without warranty of any kind. Under no circumstances is Helgi Analytics under any liability to any person or entity for any loss or damage caused by any error, or other circumstance or contingency within or beyond the control of Helgi Analytics or any of its directors, employees, or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication, or delivery of any such information, or any direct or indirect damages whatsoever. The financial reporting, analysis, projections, observations, and other information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell, or hold any securities.