

Stavební Spořitelna České Spořitelny

Banking

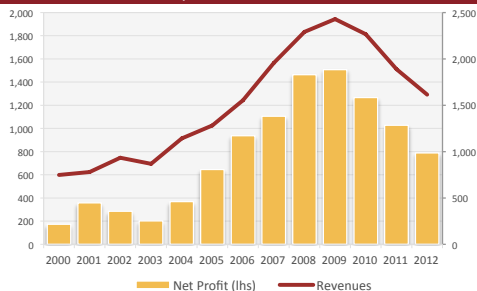
02 Feb 2014

Czech Republic

COMPANY DESCRIPTION

Stavební Spořitelna České Spořitelny is the third largest building savings bank in the Czech Republic in terms of assets. Once the second largest building savings bank on the market (with a share of nearly 19% of lending in 2008), the subsidiary of Česká Spořitelna has been losing its position in housing lending as part of the overall strategy of Česká Spořitelna to retreat from the area of housing finance. At the end of 2012, the bank held only 13.4% of the lending market compared to impressive 22% of the market on the deposit side. Until 2011, Stavební Spořitelna České Spořitelny had been the most profitable (measured by ROE) and the best capitalised (by capital adequacy ratio) building savings bank on the market.

REVENUES & PROFITS, CZK mil



Main Shareholders: Česká Spořitelna (95%)

INCOME STATEMENT

CZK mil	2008	2009	2010	2011	2012
Interest Income	4,126	4,096	3,969	3,815	3,613
Interest Cost	2,052	2,044	2,117	2,115	2,110
Net Interest Income	2,073	2,051	1,853	1,700	1,503
Net Fee Income	229	414	469	258	176
Other Income	-12	-34	-56	-68	-65
Total Revenues	2,291	2,431	2,266	1,889	1,614
Staff Cost	167	181	182	177	187
Depreciation	39	39	38	42	52
Other Cost	172	173	197	211	222
Operating Cost	378	393	417	431	462
Operating Profit	1,913	2,038	1,849	1,458	1,153
Provisions	157	274	385	272	264
Extra and Other Cost	0	0	0	0	0
Pre-Tax Profit	1,755	1,764	1,464	1,186	889
Tax	291	255	197	158	99
Minorities	0	0	0	0	0
Net Profit	1,465	1,508	1,267	1,028	789

BALANCE SHEET

CZK mil	2008	2009	2010	2011	2012
Cash	1,096	1,291	1,249	1,263	1,054
Interbank Loans	12,087	17,476	29,197	33,053	32,887
Customer Loans	42,554	45,049	44,306	40,885	38,609
Debt Securities	39,237	33,933	26,515	26,649	29,110
Fixed Assets	418	420	420	420	402
Total Assets	98,248	100,839	103,035	103,714	103,466
Shareholders' Equity	4,660	5,564	5,288	5,117	5,112
Liabilities	93,588	95,275	97,748	98,597	98,354
Interbank Borrowing	0	0	0	0	0
Customer Deposits	93,168	95,000	97,540	98,006	97,741
Issued Debt Securities	0	0	0	0	0
Other Liabilities	420	276	208	591	613
Employees	212	217	214	202	216
Non-Performing Loans	696	1,303	1,785	1,551	1,631
Loan Provisions	320	529	840	758	843

Growth Rates

Revenues	17.1%	6.1%	-6.8%	-16.6%	-14.5%
Operating Profit	26.9%	6.6%	-9.3%	-21.1%	-21.0%
Net Profit	32.5%	3.0%	-16.0%	-18.9%	-23.2%

Loans	28.0%	5.9%	-1.6%	-7.7%	-5.6%
Deposits	3.7%	2.0%	2.7%	0.5%	-0.3%
Assets	2.2%	2.6%	2.2%	0.7%	-0.2%

RATIOS & OTHER

	2008	2009	2010	2011	2012
ROE	34.3%	29.5%	23.3%	19.8%	15.4%
ROA	1.5%	1.5%	1.2%	1.0%	0.8%
Net Interest Margin	2.1%	2.1%	1.8%	1.6%	1.5%
Interest (As % Of Total Income)	90.5%	84.4%	81.7%	90.0%	93.1%
Fees (As % Of Total Income)	10.0%	17.0%	20.7%	13.7%	10.9%
Staff Cost (As % Of Total Cost)	44.1%	46.0%	43.6%	41.1%	40.6%
Costs (As % Of Assets)	0.4%	0.4%	0.4%	0.4%	0.4%
Costs (As % Of Income)	16.5%	16.2%	18.4%	22.8%	28.6%
Loans (As % Of Deposits)	45.7%	47.4%	45.4%	41.7%	39.5%
Capital Adequacy Ratio	24.3%	23.5%	19.1%	16.2%	17.1%
Equity (As % Of Assets)	4.7%	5.5%	5.1%	4.9%	4.9%
NPLs (As % Of Loans)	1.6%	2.9%	4.0%	3.7%	4.1%
Provisions (As % Of NPLs)	46.0%	40.6%	47.1%	48.8%	51.7%
Cost Of Risk	0.41%	0.63%	0.86%	0.64%	0.66%
Market Share in Loans	2.1%	1.8%	1.7%	1.5%	1.6%
Market Share in Deposits	3.6%	3.5%	3.5%	3.4%	3.1%
FX To USD (Average)	17.0	19.1	19.1	17.7	19.6
FX To EUR (Average)	25.0	26.4	25.3	24.6	25.1

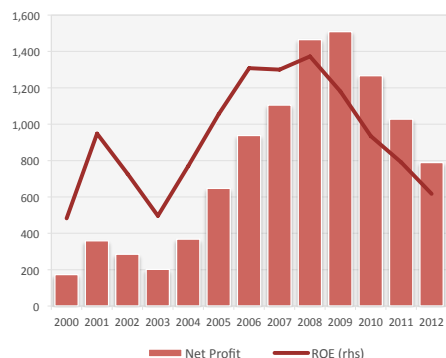
Source: Company data, Helgi Analytics calculation



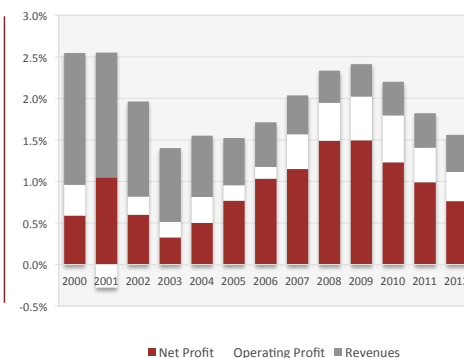
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Financials

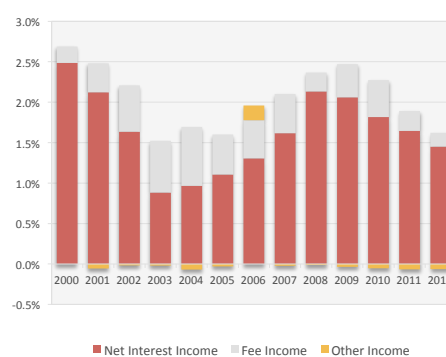
PROFITABILITY (CZK mil)



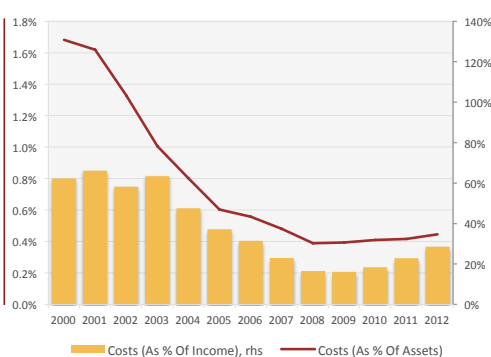
RETURN ON ASSETS



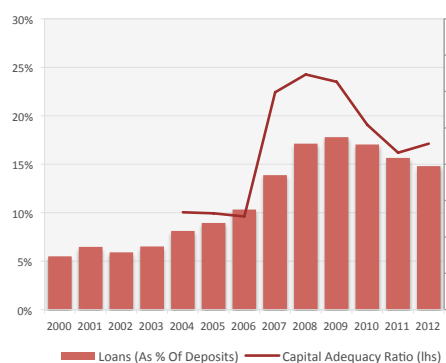
REVENUE BREAKDOWN (AS OF ASSETS)



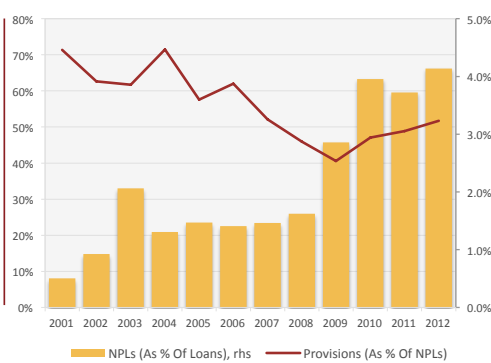
COST EFFICIENCY



LIQUIDITY & CAPITALIZATION



ASSET QUALITY



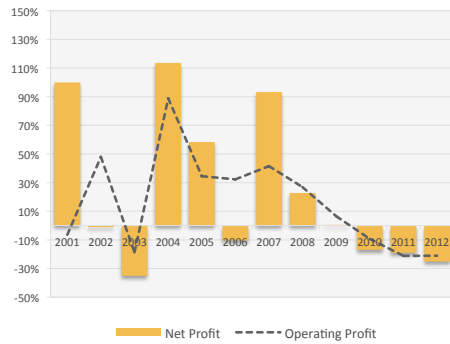
Source: Company data, Helgi Analytics calculation



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Momentum

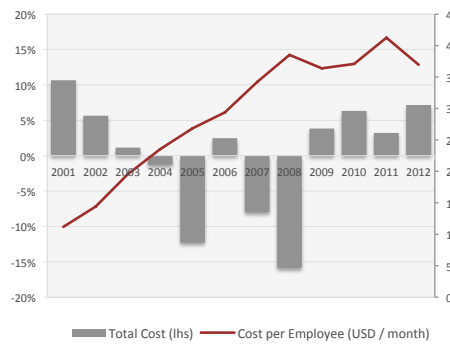
PROFIT GROWTH



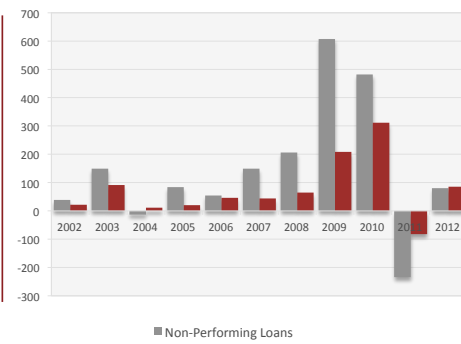
SALES GROWTH



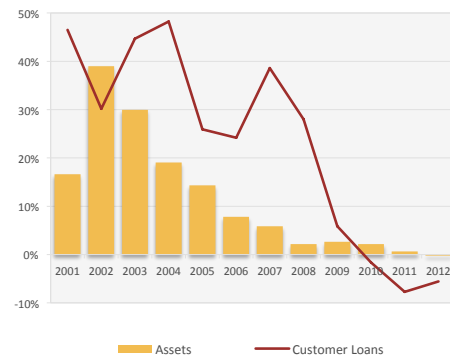
COST GROWTH



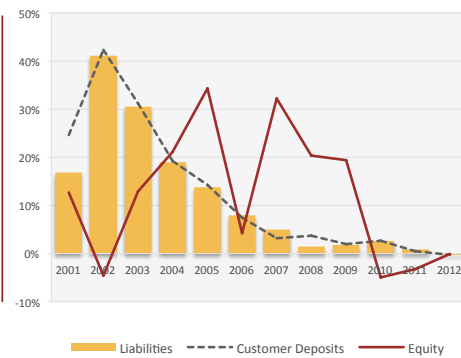
INCREASE IN NON-PERFORMING LOANS (CZK mil)



ASSET GROWTH



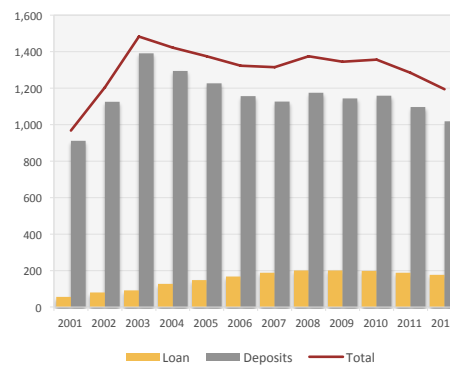
LIABILITY GROWTH



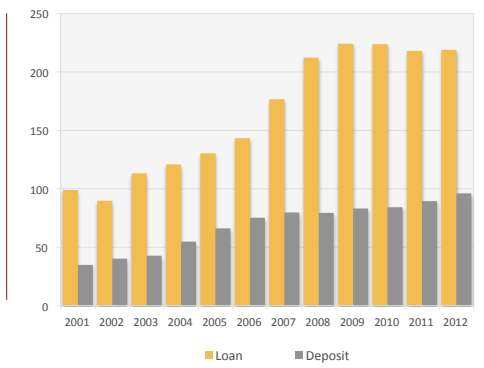
Source: Company data, Helgi Analytics calculation

Business Specifics

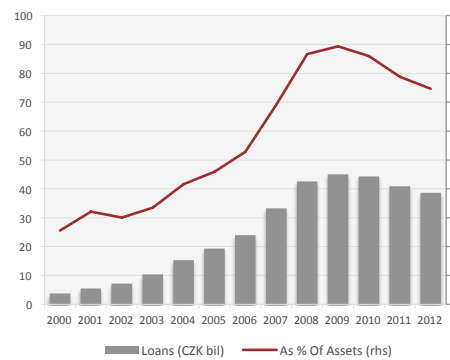
NUMBER OF CONTRACTS AT SSCS ('000)



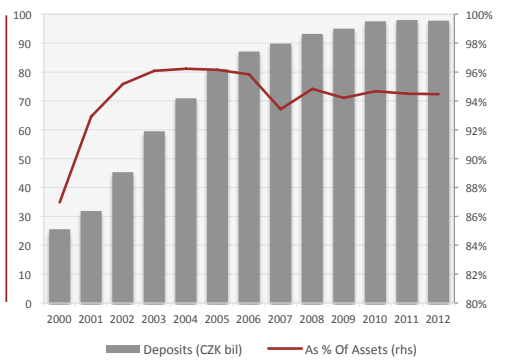
AVERAGE SIZE OF A CONTRACT (CZK '000)



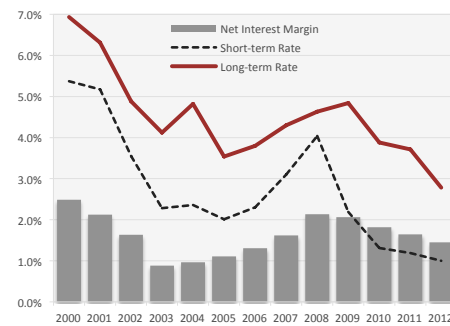
STAVEBNI SPORITELNA'S CUSTOMER LOANS



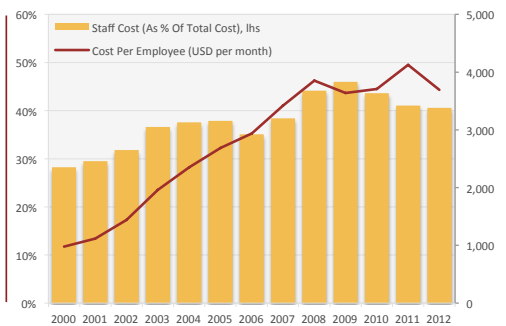
STAVEBNI SPORITELNA'S CUSTOMER DEPOSITS



INTEREST RATES & NET INTEREST MARGIN



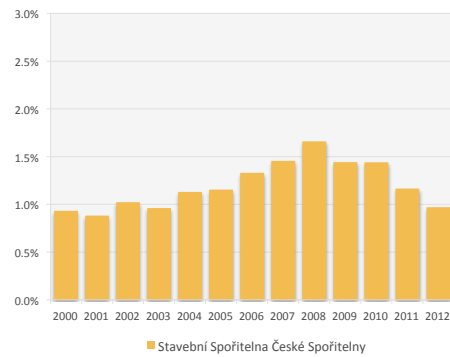
STAVEBNI SPORITELNA'S WORKFORCE



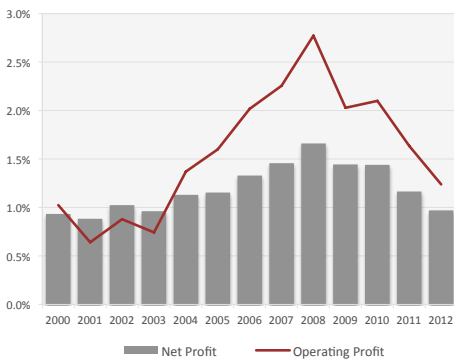
Source: Company data, Helgi Analytics calculation

Market Share

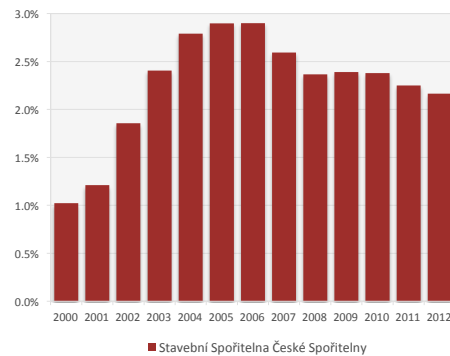
TOTAL REVENUES



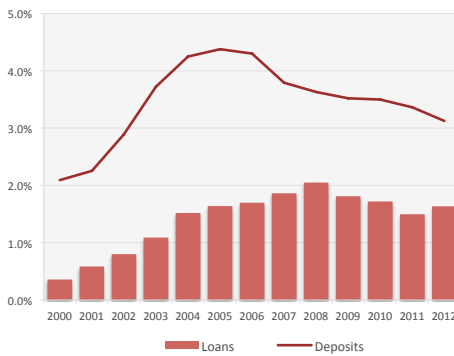
PROFITABILITY



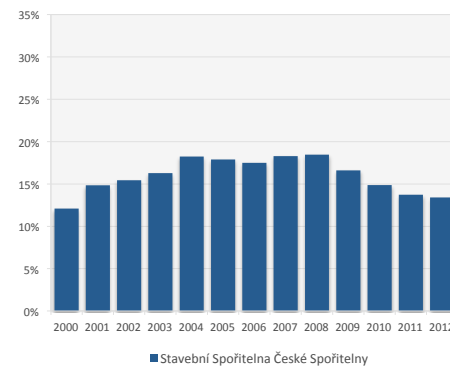
ASSETS



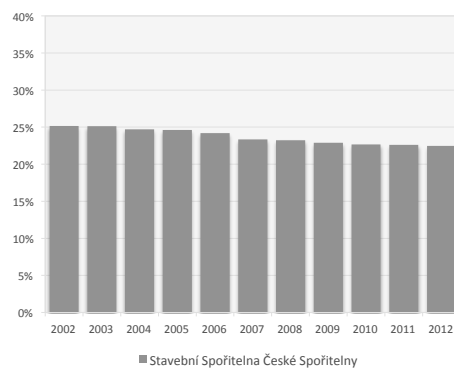
LOANS & DEPOSITS



BUILDING SAVINGS LOANS



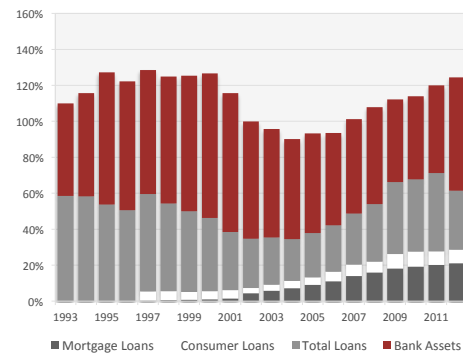
BUILDING SAVINGS DEPOSITS



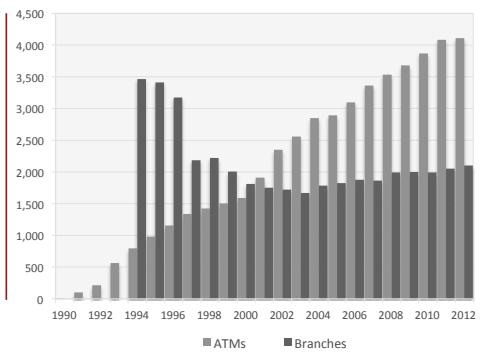
Source: Company data, Helgi Analytics calculation

Market Overview

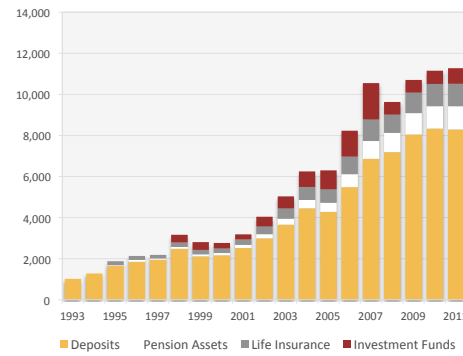
BANKING PENETRATION (AS % OF GDP)



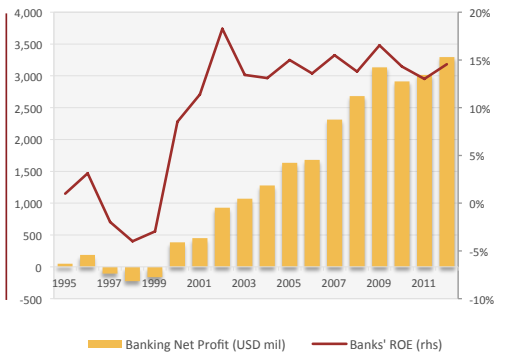
BANKING INFRASTRUCTURE



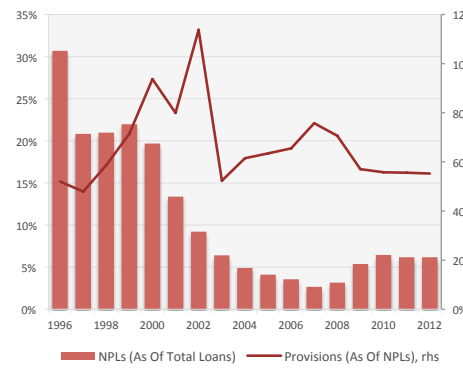
HOUSEHOLDS' ASSETS PER CAPITA (USD)



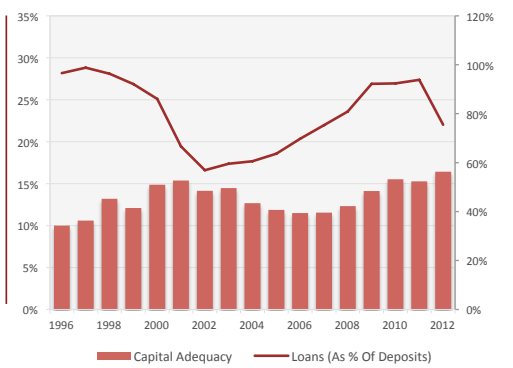
PROFITABILITY OF THE BANKING SECTOR



ASSET QUALITY OF THE BANKING SECTOR



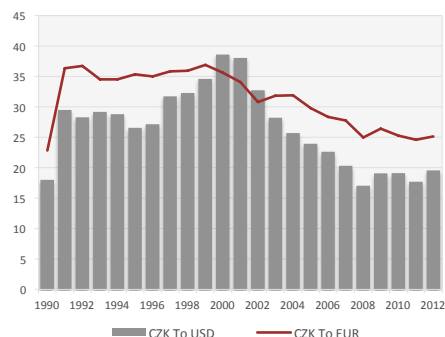
LIQUIDITY AND CAPITALISATION OF THE BANKING SECTOR



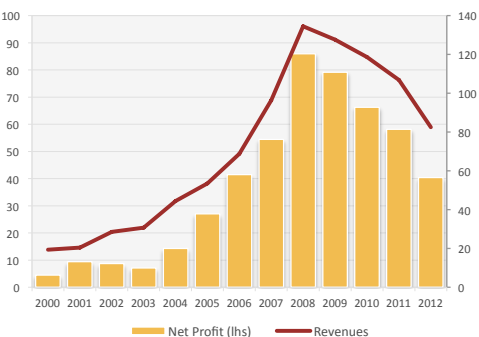
Source: Company data, Helgi Analytics calculation

Financials (USD)

FX RATES (Annual Average)



REVENUES & PROFITS (USD mil)



INCOME STATEMENT

USD mil	2008	2009	2010	2011	2012
Interest Income	242.2	214.9	207.7	215.7	184.7
Interest Cost	120.5	107.3	110.8	119.6	107.9
Net Interest Income	121.7	107.6	96.9	96.1	76.9
Net Fee Income	13.4	21.7	24.6	14.6	9.0
Other Income	-0.7	-1.8	-2.9	-3.9	-3.3
Total Revenues	134.5	127.5	118.6	106.8	82.5
Staff Cost	9.8	9.5	9.5	10.0	9.6
Depreciation	2.3	2.0	2.0	2.4	2.7
Other Cost	10.1	9.1	10.3	12.0	11.4
Operating Cost	22.2	20.6	21.8	24.4	23.6
Operating Profit	112.3	106.9	96.7	82.4	58.9
Provisions	9.2	14.4	20.1	15.4	13.5
Extra and Other Cost	0.0	0.0	0.0	0.0	0.0
Pre-Tax Profit	103.0	92.5	76.6	67.1	45.4
Tax	17.1	13.4	10.3	8.9	5.1
Minorities	0.0	0.0	0.0	0.0	0.0
Net Profit	86.0	79.2	66.3	58.1	40.4

BALANCE SHEET

USD mil	2008	2009	2010	2011	2012
Cash	57.1	70.2	66.6	64.2	55.4
Interbank Loans	629.4	950.9	1,558.1	1,681.9	1,730.0
Customer Loans	2,216	2,451	2,364	2,080	2,031
Debt Securities	2,043.3	1,846.4	1,415.0	1,356.0	1,531.4
Fixed Assets	21.8	22.8	22.4	21.4	21.1
Total Assets	5,116	5,487	5,499	5,277	5,443
Shareholders' Equity	242.7	302.7	282.2	260.4	268.9
Liabilities	4,874	5,184	5,216	5,017	5,174
Interbank Borrowing	0.0	0.0	0.0	0.0	0.0
Customer Deposits	4,852	5,169	5,205	4,987	5,142
Issued Debt Securities	0.0	0.0	0.0	0.0	0.0
Other Liabilities	21.9	15.0	11.1	30.1	32.3
Employees	212	217	214	202	216
Non-Performing Loans	36.2	70.9	95.2	78.9	85.8
Loan Provisions	16.7	28.8	44.8	38.5	44.4

Growth Rates (USD-denominated)

	2008	2009	2010	2011	2012
Revenues	39.6%	-5.1%	-7.0%	-9.9%	-22.7%
Operating Profit	51.3%	-4.7%	-9.5%	-14.8%	-28.5%
Net Profit	58.0%	-7.9%	-16.3%	-12.3%	-30.6%

	2008	2009	2010	2011	2012
Loans	21.2%	10.6%	-3.5%	-12.0%	-2.4%
Deposits	-1.8%	6.5%	0.7%	-4.2%	3.1%
Assets	-3.3%	7.2%	0.2%	-4.0%	3.1%

RATIOS & OTHER

	2008	2009	2010	2011	2012
ROE	34.3%	29.5%	23.3%	19.8%	15.4%
ROA	1.5%	1.5%	1.2%	1.0%	0.8%
Net Interest Margin	2.1%	2.1%	1.8%	1.6%	1.5%
Interest (As % Of Total Income)	90.5%	84.4%	81.7%	90.0%	93.1%
Fees (As % Of Total Income)	10.0%	17.0%	20.7%	13.7%	10.9%
Staff Cost (As % Of Total Cost)	44.1%	46.0%	43.6%	41.1%	40.6%
Costs (As % Of Assets)	0.4%	0.4%	0.4%	0.4%	0.4%
Costs (As % Of Income)	16.5%	16.2%	18.4%	22.8%	28.6%
Loans (As % Of Deposits)	45.7%	47.4%	45.4%	41.7%	39.5%

	2008	2009	2010	2011	2012
Capital Adequacy Ratio	24.3%	23.5%	19.1%	16.2%	17.1%
Equity (As % Of Assets)	4.7%	5.5%	5.1%	4.9%	4.9%
NPLs (As % Of Loans)	1.6%	2.9%	4.0%	3.7%	4.1%
Provisions (As % Of NPLs)	46.0%	40.6%	47.1%	48.8%	51.7%
Cost Of Risk	0.41%	0.63%	0.86%	0.64%	0.66%
Market Share in Loans CZK	2.1%	1.8%	1.7%	1.5%	1.6%
Market Share in Deposits	3.6%	3.5%	3.5%	3.4%	3.1%
FX To USD (Average)	17.04	19.06	19.11	17.69	19.56
FX To EUR (Average)	24.96	26.43	25.29	24.59	25.13

Source: Company data, Helgi Analytics calculation



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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.

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