

# Wüstenrot Stavební Spořitelna

Banking

02 Feb 2014



Czech Republic

## COMPANY DESCRIPTION

Wüstenrot Stavební Spořitelna is the Czech Republic's smallest building savings bank. In 2012, the bank held a 10.5% share of building savings loans and 6.7% of deposits. 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.

**Main Shareholders:** Wüstenrot & Württembergische AG (55.92%)  
Bausparkasse Wüstenrot AG (43.50%)

## INCOME STATEMENT

CZK mil	2008	2009	2010	2011	2012
Interest Income	1,463	1,583	1,764	1,834	1,805
Interest Cost	951	925	1,051	1,087	1,067
<b>Net Interest Income</b>	<b>512</b>	<b>658</b>	<b>713</b>	<b>746</b>	<b>737</b>
Net Fee Income	94	131	147	158	198
Other Income	-22	-20	-27	-29	205
<b>Total Revenues</b>	<b>584</b>	<b>769</b>	<b>833</b>	<b>875</b>	<b>1,140</b>
Staff Cost	131	147	167	183	179
Depreciation	34	39	47	51	55
Other Cost	163	209	215	267	294
<b>Operating Cost</b>	<b>328</b>	<b>396</b>	<b>429</b>	<b>501</b>	<b>529</b>
<b>Operating Profit</b>	<b>256</b>	<b>373</b>	<b>404</b>	<b>374</b>	<b>611</b>
Provisions	21	35	63	60	2
Extra and Other Cost	0	0	0	0	242
<b>Pre-Tax Profit</b>	<b>235</b>	<b>338</b>	<b>341</b>	<b>314</b>	<b>367</b>
Tax	20	51	73	69	117
Minorities	0	0	0	0	0
<b>Net Profit</b>	<b>215</b>	<b>287</b>	<b>269</b>	<b>245</b>	<b>251</b>

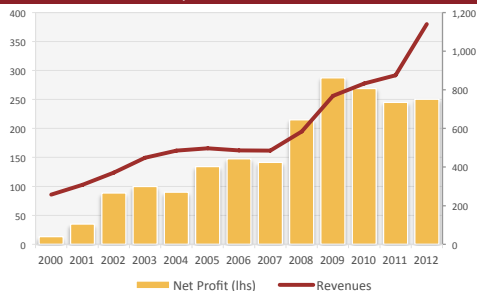
## Growth Rates

Revenues	20.5%	31.6%	8.4%	5.0%	30.2%
Operating Profit	94.8%	45.4%	8.3%	-7.3%	63.2%
Net Profit	51.8%	33.7%	-6.4%	-8.9%	2.3%

## RATIOS & OTHER

	2008	2009	2010	2011	2012
ROE	17.7%	17.6%	13.2%	10.7%	9.9%
ROA	0.7%	0.8%	0.7%	0.6%	0.6%
Net Interest Margin	1.6%	1.8%	1.8%	1.9%	1.8%
Interest (As % Of Total Income)	87.7%	85.6%	85.6%	85.3%	64.7%
Fees (As % Of Total Income)	16.1%	17.0%	17.6%	18.0%	17.3%
Staff Cost (As % Of Total Cost)	39.9%	37.2%	38.8%	36.5%	33.9%
Costs (As % Of Assets)	1.0%	1.1%	1.1%	1.3%	1.3%
Costs (As % Of Income)	56.1%	51.5%	51.5%	57.2%	46.4%
Loans (As % Of Deposits)	68.3%	79.5%	88.9%	88.9%	78.8%

## REVENUES & PROFITS, CZK mil



## BALANCE SHEET

CZK mil	2008	2009	2010	2011	2012
Cash	403	412	424	451	2,814
Interbank Loans	2,225	1,455	826	2,066	118
<b>Customer Loans</b>	<b>21,784</b>	<b>27,407</b>	<b>31,978</b>	<b>32,846</b>	<b>30,235</b>
Debt Securities	7,810	6,378	4,608	3,496	7,810
Fixed Assets	479	480	508	524	224
<b>Total Assets</b>	<b>34,148</b>	<b>37,613</b>	<b>39,486</b>	<b>40,569</b>	<b>42,715</b>
<b>Shareholders' Equity</b>	<b>1,360</b>	<b>1,897</b>	<b>2,166</b>	<b>2,411</b>	<b>2,667</b>
<b>Liabilities</b>	<b>32,788</b>	<b>35,716</b>	<b>37,320</b>	<b>38,158</b>	<b>40,048</b>
Interbank Borrowing	0	10	306	10	10
<b>Customer Deposits</b>	<b>31,918</b>	<b>34,488</b>	<b>35,956</b>	<b>36,936</b>	<b>38,392</b>
Issued Debt Securities	414	416	105	105	105
Other Liabilities	456	802	952	1,107	1,540
Employees	232	229	261	296	336
Non-Performing Loans	382	466	534	603	626
Loan Provisions	259	292	345	368	424

Loans	33.7%	25.8%	16.7%	2.7%	-7.9%
Deposits	7.6%	8.1%	4.3%	2.7%	3.9%
Assets	8.2%	10.1%	5.0%	2.7%	5.3%

Source: Company data, Helgi Analytics calculation

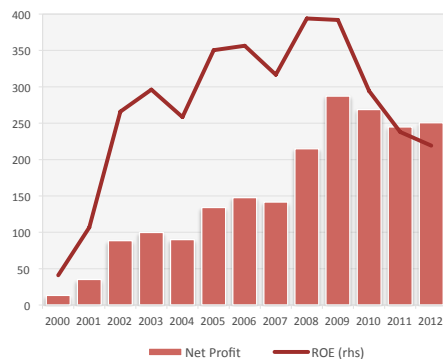


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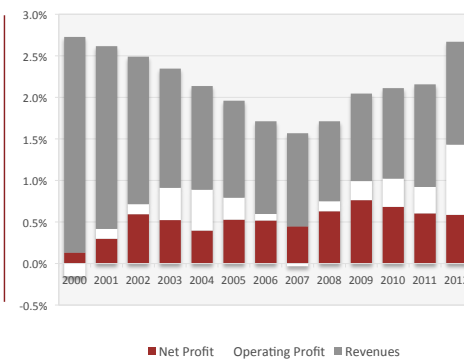
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## Financials

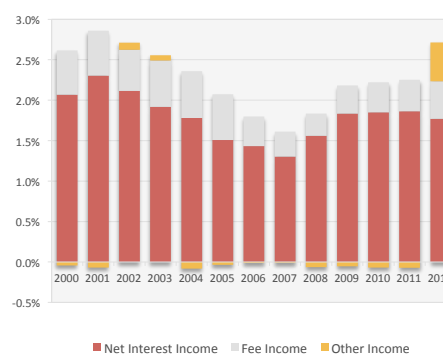
### PROFITABILITY (CZK mil)



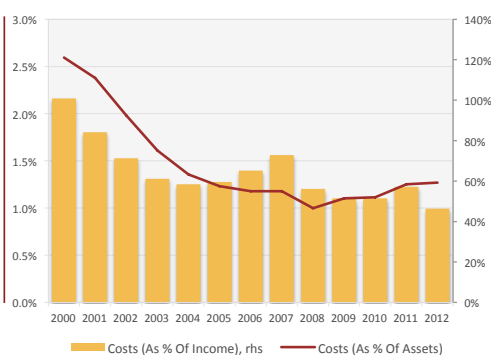
### RETURN ON ASSETS



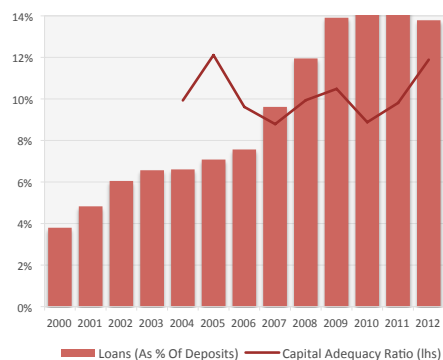
### REVENUE BREAKDOWN (AS OF ASSETS)



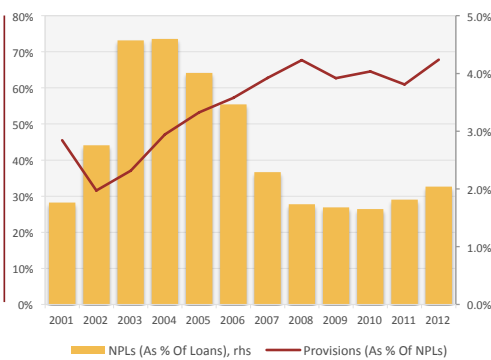
### COST EFFICIENCY



### LIQUIDITY & CAPITALIZATION



### ASSET QUALITY



Source: Company data, Helgi Analytics calculation

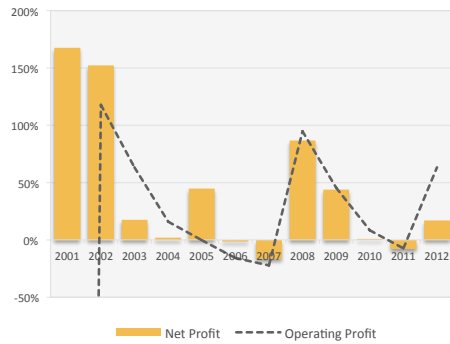


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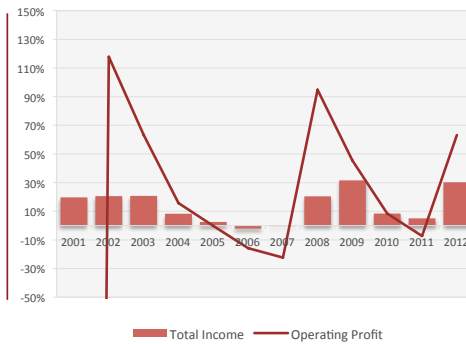
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## Momentum

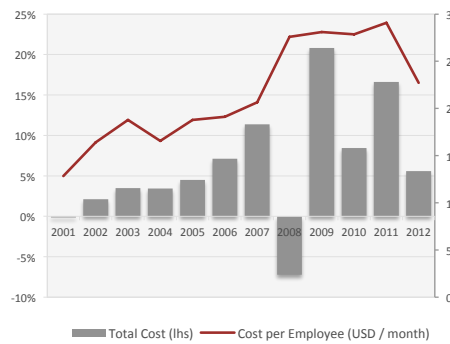
### PROFIT GROWTH



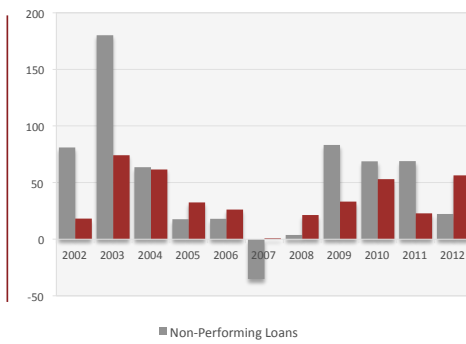
### SALES GROWTH



### COST GROWTH



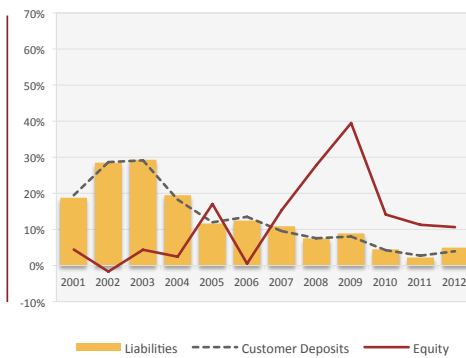
### INCREASE IN NON-PERFORMING LOANS (CZK mil)



### ASSET GROWTH



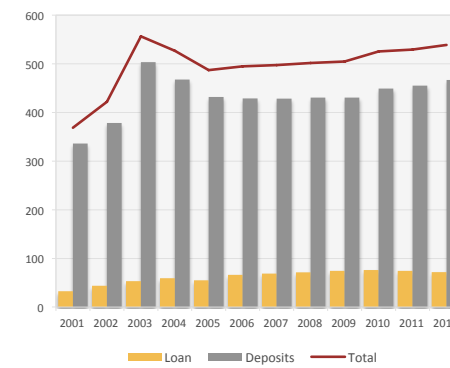
### LIABILITY GROWTH



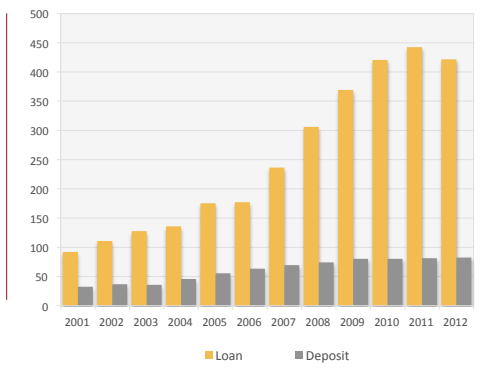
Source: Company data, Helgi Analytics calculation

## Business Specifics

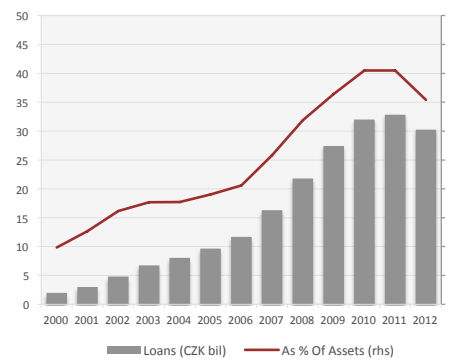
### NUMBER OF CONTRACTS AT WSS ('000)



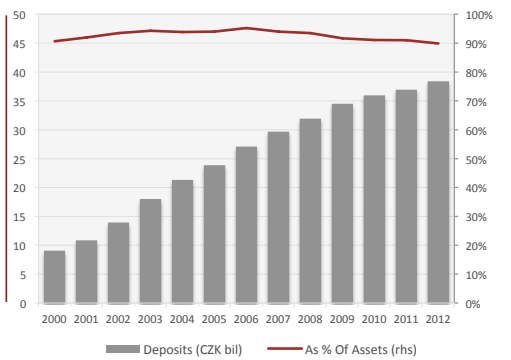
### AVERAGE SIZE OF A CONTRACT (CZK '000)



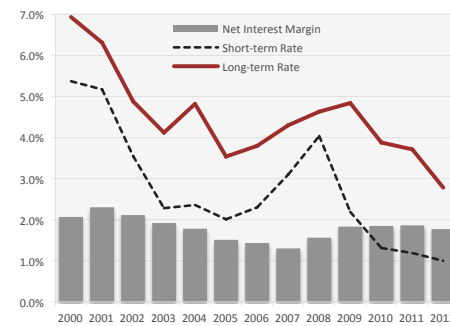
### STAVEBNI SPORITELNA'S CUSTOMER LOANS



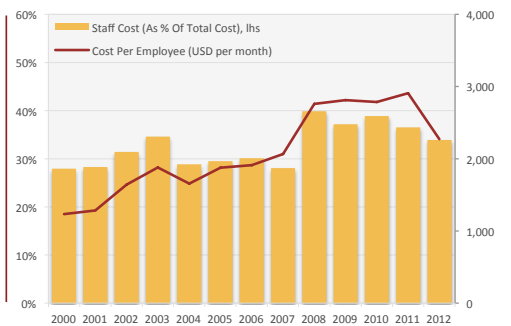
### STAVEBNI SPORITELNA'S CUSTOMER DEPOSITS



### INTEREST RATES & NET INTEREST MARGIN



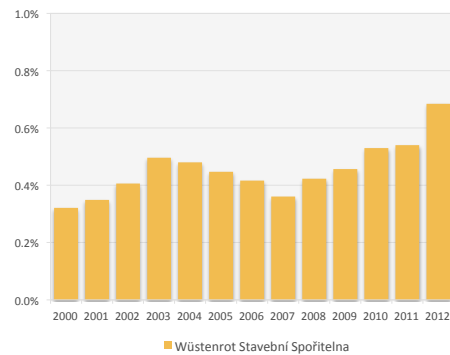
### STAVEBNI SPORITELNA'S WORKFORCE



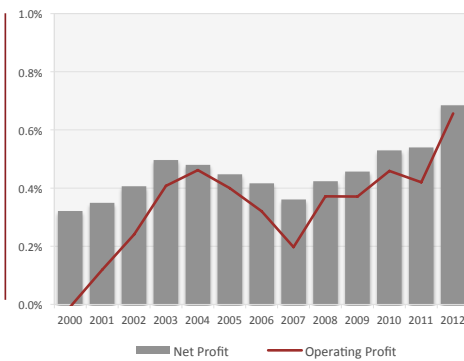
Source: Company data, Helgi Analytics calculation

## Market Share

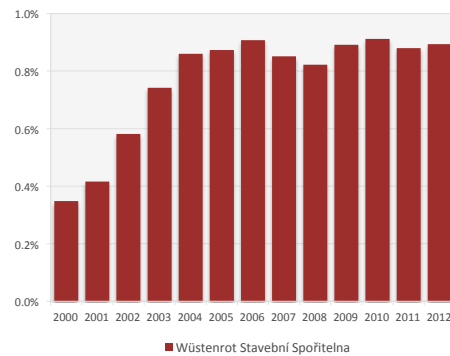
### TOTAL REVENUES



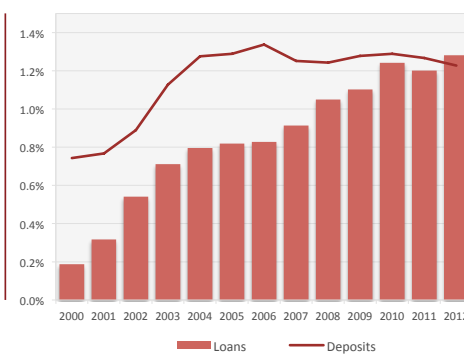
### PROFITABILITY



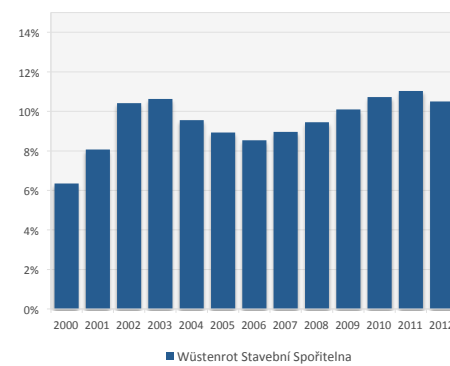
### ASSETS



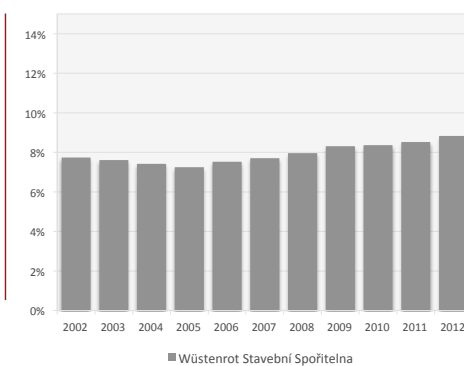
### LOANS & DEPOSITS



### BUILDING SAVINGS LOANS



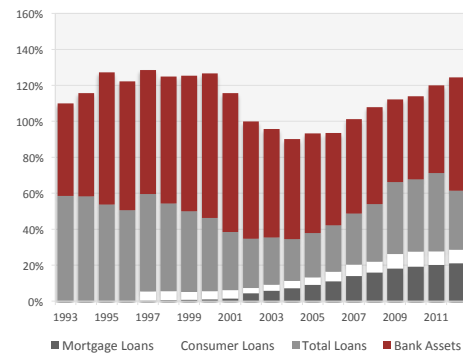
### BUILDING SAVINGS DEPOSITS



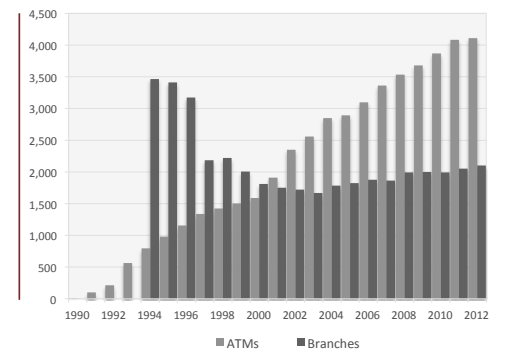
Source: Company data, Helgi Analytics calculation

## Market Overview

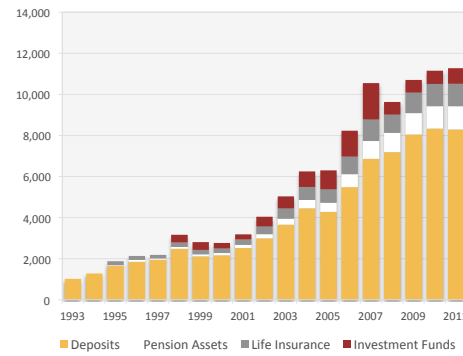
### BANKING PENETRATION (AS % OF GDP)



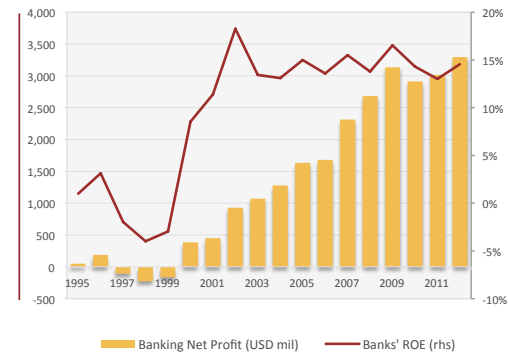
### BANKING INFRASTRUCTURE



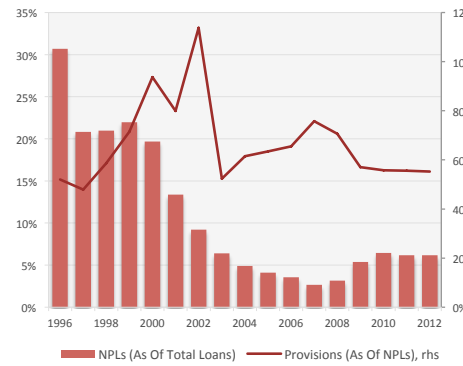
### HOUSEHOLDS' ASSETS PER CAPITA (USD)



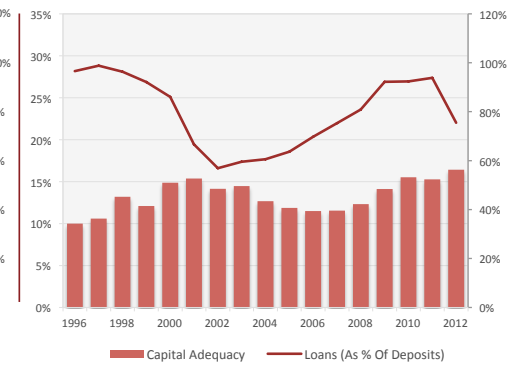
### PROFITABILITY OF THE BANKING SECTOR



### ASSET QUALITY OF THE BANKING SECTOR



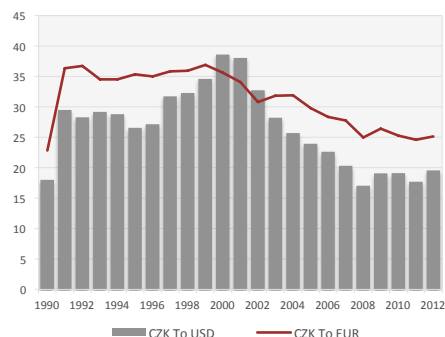
### LIQUIDITY AND CAPITALISATION OF THE BANKING SECTOR



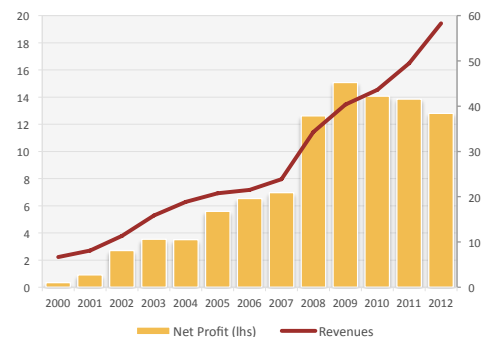
Source: Company data, Helgi Analytics calculation

## Financials (USD)

### FX RATES (Annual Average)



### REVENUES & PROFITS (USD mil)



### INCOME STATEMENT

USD mil	2008	2009	2010	2011	2012
Interest Income	85.9	83.1	92.3	103.7	92.3
Interest Cost	55.8	48.5	55.0	61.5	54.6
<b>Net Interest Income</b>	<b>30.1</b>	<b>34.5</b>	<b>37.3</b>	<b>42.2</b>	<b>37.7</b>
Net Fee Income	5.5	6.9	7.7	8.9	10.1
Other Income	-1.3	-1.1	-1.4	-1.6	10.5
<b>Total Revenues</b>	<b>34.3</b>	<b>40.3</b>	<b>43.6</b>	<b>49.5</b>	<b>58.3</b>
Staff Cost	7.7	7.7	8.7	10.3	9.2
Depreciation	2.0	2.1	2.5	2.9	2.8
Other Cost	9.6	11.0	11.3	15.1	15.0
<b>Operating Cost</b>	<b>19.2</b>	<b>20.8</b>	<b>22.5</b>	<b>28.3</b>	<b>27.0</b>
<b>Operating Profit</b>	<b>15.1</b>	<b>19.6</b>	<b>21.1</b>	<b>21.2</b>	<b>31.2</b>
Provisions	1.3	1.8	3.3	3.4	0.1
Extra and Other Cost	0.0	0.0	0.0	0.0	12.4
<b>Pre-Tax Profit</b>	<b>13.8</b>	<b>17.7</b>	<b>17.9</b>	<b>17.8</b>	<b>18.8</b>
Tax	1.2	2.7	3.8	3.9	6.0
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>12.6</b>	<b>15.1</b>	<b>14.1</b>	<b>13.9</b>	<b>12.8</b>

### BALANCE SHEET

USD mil	2008	2009	2010	2011	2012
Cash	21.0	22.4	22.6	22.9	148.0
Interbank Loans	115.8	79.2	44.1	105.1	6.2
<b>Customer Loans</b>	<b>1,134</b>	<b>1,491</b>	<b>1,707</b>	<b>1,671</b>	<b>1,591</b>
Debt Securities	406.7	347.0	245.9	177.9	410.9
Fixed Assets	25.0	26.1	27.1	26.7	11.8
<b>Total Assets</b>	<b>1,778</b>	<b>2,047</b>	<b>2,107</b>	<b>2,064</b>	<b>2,247</b>
<b>Shareholders' Equity</b>	<b>70.8</b>	<b>103.2</b>	<b>115.6</b>	<b>122.7</b>	<b>140.3</b>
<b>Liabilities</b>	<b>1,707</b>	<b>1,943</b>	<b>1,992</b>	<b>1,942</b>	<b>2,107</b>
Interbank Borrowing	0.0	0.5	16.4	0.5	0.5
<b>Customer Deposits</b>	<b>1,662</b>	<b>1,877</b>	<b>1,919</b>	<b>1,879</b>	<b>2,020</b>
Issued Debt Securities	21.6	22.7	5.6	5.4	5.5
Other Liabilities	23.7	43.6	50.8	56.3	81.0
Employees	232	229	261	296	336
Non-Performing Loans	19.9	25.3	28.5	30.7	32.9
Loan Provisions	13.5	15.9	18.4	18.7	22.3

### Growth Rates (USD-denominated)

	2008	2009	2010	2011	2012
Revenues	43.6%	17.6%	8.1%	13.5%	17.8%
Operating Profit	132.2%	30.0%	8.0%	0.1%	47.6%
Net Profit	81.0%	19.5%	-6.7%	-1.5%	-7.5%

### RATIOS & OTHER

	2008	2009	2010	2011	2012
ROE	17.7%	17.6%	13.2%	10.7%	9.9%
ROA	0.7%	0.8%	0.7%	0.6%	0.6%
Net Interest Margin	1.6%	1.8%	1.8%	1.9%	1.8%
Interest (As % Of Total Income)	87.7%	85.6%	85.6%	85.3%	64.7%
Fees (As % Of Total Income)	16.1%	17.0%	17.6%	18.0%	17.3%
Staff Cost (As % Of Total Cost)	39.9%	37.2%	38.8%	36.5%	33.9%
Costs (As % Of Assets)	1.0%	1.1%	1.1%	1.3%	1.3%
Costs (As % Of Income)	56.1%	51.5%	51.5%	57.2%	46.4%
Loans (As % Of Deposits)	68.3%	79.5%	88.9%	88.9%	78.8%

Source: Company data, Helgi Analytics calculation



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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](http://www.helgilibrary.com) or contact us at [info@helgianalytics.com](mailto:info@helgianalytics.com).

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