

# Raiffeisen Stavební Spořitelna

Banking

June 2013

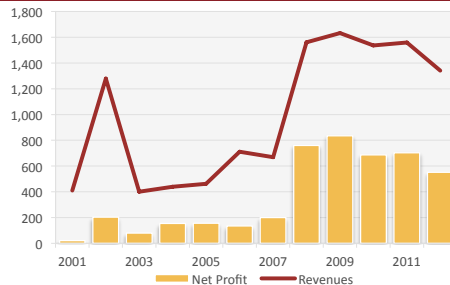
Czech Republic



## COMPANY DESCRIPTION

Raiffeisen is the third largest building savings bank by loans. It is partly owned by the Czech subsidiary of Raiffeisenbank (10%) with the rest in the hands of Raiffeisen Bausparkasse. Following the acquisition of Hypo Stavební Spořitelna in 2008, the building savings bank owned 14.1% of building savings loans and 17.5% of deposits at the end of 2012. Despite strengthening its market position, the bank's overall balance sheet momentum is negative. Deposit growth was relatively solid at 3.9% in 2012, but loan growth disappeared completely in 2012. This is due mainly to the overall saturation of the market, ongoing reduction of the government subsidy and migration to mortgage lending. Raiffeisen Stavební Spořitelna's profitability has been deteriorating fast. From over 30% in 2008-2009, the bank's ROE had dropped to less than 12% at the end of 2012. Increased cost of risk is the main reason for the deterioration in spite of the fact that asset quality has remained fairly good in recent years.

## REVENUES & PROFITABILITY (CZK mil)



## INCOME STATEMENT

CZK mil	2008	2009	2010	2011	2012	CZK mil	2008	2009	2010	2011	2012
Net Interest Income	1,287	1,302	1,309	1,348	1,235	Interbank Loans	4,410	6,600	5,925	3,432	3,257
Net Fee Income	273	272	258	223	154	Customer Loans	25,191	32,937	39,578	40,407	40,656
Other Income	1	58	-31	-13	-48	Debt Securities	46,481	38,839	33,831	34,972	37,184
<b>Total Revenues</b>	<b>1,561</b>	<b>1,632</b>	<b>1,536</b>	<b>1,559</b>	<b>1,342</b>	Fixed Assets	123	51	57	57	61
Staff Cost	268	226	215	203	215	<b>Total Assets</b>	<b>79,813</b>	<b>81,947</b>	<b>82,660</b>	<b>81,529</b>	<b>83,641</b>
Depreciation	67	73	80	83	89	Interbank Borrowings	0	0	0	0	0
Other Cost	319	272	230	235	232	Customer Deposits	74,559	76,454	76,160	75,529	76,948
<b>Operating Cost</b>	<b>653</b>	<b>571</b>	<b>526</b>	<b>521</b>	<b>535</b>	Issued Debt	0	0	0	0	0
<b>Operating Profit</b>	<b>907</b>	<b>1,060</b>	<b>1,011</b>	<b>1,037</b>	<b>806</b>	<b>Liabilities</b>	<b>77,116</b>	<b>78,423</b>	<b>78,800</b>	<b>77,341</b>	<b>78,619</b>
Provisions	3	46	182	184	143	<b>Equity</b>	<b>2,696</b>	<b>3,524</b>	<b>3,861</b>	<b>4,188</b>	<b>5,022</b>
<b>Pre-Tax Profit</b>	<b>904</b>	<b>1,014</b>	<b>829</b>	<b>853</b>	<b>663</b>	Non-performing Loans	337	584	995	1,114	1,147
Tax	289	437	347	358	293	Provisions	191	249	423	601	747
Minorities	0	0	0	0	0						
<b>Net Profit</b>	<b>760</b>	<b>836</b>	<b>686</b>	<b>703</b>	<b>551</b>						

## RATIOS

	2008	2009	2010	2011	2012		2008	2009	2010	2011	2012
ROE	37.2%	26.9%	18.6%	17.5%	12.0%	Loans (As % Assets)	32%	40%	48%	50%	49%
ROA	1.2%	1.0%	0.8%	0.9%	0.7%	Loans (As % Of Deposits)	34%	43%	52%	53%	53%
Net Interest Margin	2.1%	1.6%	1.6%	1.6%	1.5%	Securities (As % of Assets)	58%	47%	41%	43%	44%
Asset Yield	5.0%	3.9%	3.9%	3.8%	3.6%	Int. Loans (As % Assets)	5.5%	8.1%	7.2%	4.2%	3.9%
Cost Of Liabilities	3.1%	2.4%	2.4%	2.2%	2.2%	Deposits (As % Of Liab)	97%	97%	97%	98%	98%
Interest (As Of Revenues)	82.4%	79.8%	85.2%	86.5%	92.1%	Equity (As % Of Assets)	3.4%	4.3%	4.7%	5.1%	6.0%
Costs (As % Of Assets)	1.0%	0.7%	0.6%	0.6%	0.6%	Capital Adequacy	10.2%	10.1%	11.2%	13.1%	14.3%
Costs (As % Of Income)	41.9%	35.0%	34.2%	33.4%	39.9%	NPLs (As % Of Loans)	1.3%	1.8%	2.5%	2.7%	2.8%
Staff (As % Of Total Cost)	41.0%	39.7%	41.0%	38.9%	40.1%	Provisions (As % Of NPLs)	56.6%	42.7%	42.6%	54.0%	65.1%
Cost of Risk	0.0%	0.2%	0.5%	0.5%	0.4%	Provisions (As % Of Loans)	0.8%	0.8%	1.1%	1.5%	1.8%

## MARKET SHARE

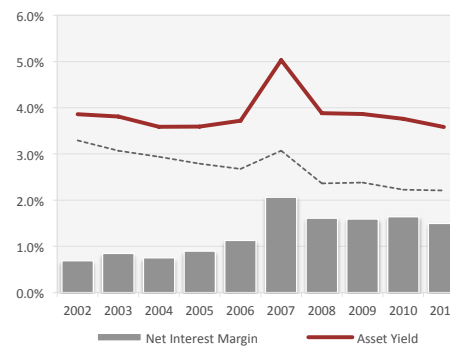
Building Savings Banks	2008	2009	2010	2011	2012	Building Savings Banks	2008	2009	2010	2011	2012
Net profit	16.9%	16.5%	13.2%	13.8%	12.1%	Assets	18.2%	17.9%	17.6%	17.1%	17.4%
Operating Profit	15.5%	15.7%	13.6%	14.7%	12.7%	Loans	10.9%	12.1%	13.3%	13.6%	14.1%
Costs	19.7%	17.4%	15.9%	15.0%	15.5%	Deposits	18.6%	18.4%	17.7%	17.4%	17.7%
Revenues	17.0%	16.2%	14.3%	14.8%	13.6%	Equity	14.1%	15.0%	14.5%	14.8%	16.0%
Employees	13.3%	16.0%	15.2%	14.7%	14.8%	NPLs	9.9%	10.7%	13.2%	14.4%	14.1%

Source: Company data, Helgi Analytics calculation

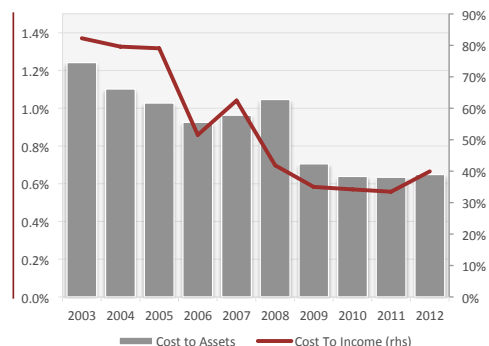


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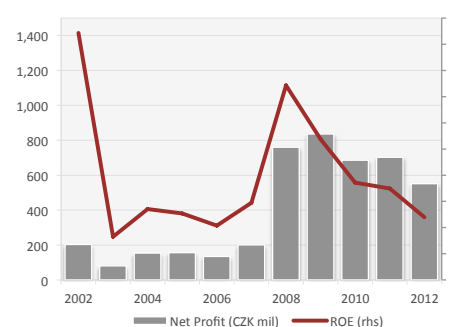
## INTEREST MARGIN



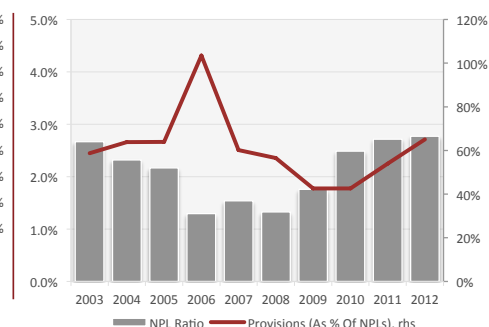
## COST EFFICIENCY



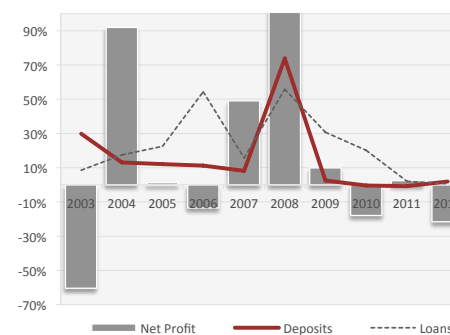
## PROFITABILITY



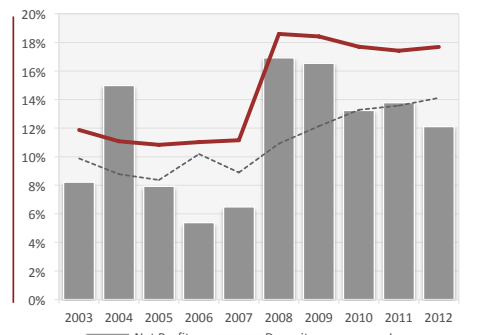
## ASSET QUALITY



## GROWTH RATES



## MARKET SHARE



Source: Company data, Helgi Analytics calculation



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