

Czech Banking Quarterly – 2Q2023

Czech banks increased net profit 11.0% yoy to CZK 34,572 mil in the second quarter of 2023 and generated an annualized ROE of 19.3%. Operating income rose 14.8% yoy, cost to income dropped to 31.2% and banks' share of bad loans fell to 1.82%. In the last quarter, Ceska Sporitelna generated the biggest profit while Modra Pyramida Stavebni Sporitelna produced the smallest one.

- ✓ Revenues increased 14.8% yoy to CZK 67,123 mil in the second quarter of 2023. Net interest margin declined by 0.124 bp to 1.70% of assets driven by a positive asset growth (3.72% yoy) and higher interest rates (up 51 bp to 7.15%).
- ✓ Operating costs grew 10.6% yoy and banks operated with a cost to income ratio of 31.2% in the second quarter of 2023. With 39,285 employees in the sector, staff accounted for 58.4% of total costs. Banks paid their staff CZK 103,557 per person last quarter.
- ✓ Banks put aside CZK 2,839 mil in provisions in the second quarter of 2023. Provisions have "eaten" some 7.24% of operating profit in the second quarter of 2023 as cost of risk reached 0.273% of average loans. Share of bad loans decreased to 1.82% of total loans compared to last month and provisions covered 93.9% of non-performing loans.
- ✓ Asset growth slowed down to 2.43% qoq and loans increased 2.15% qoq (up 6.26% yoy). Mortgages added 2.00% qoq (up 4.82% yoy), consumer loans rose 2.85% qoq (up 6.12% yoy) and corporate loans increased by 2.81% qoq (up 5.86% yoy).
- ✓ Deposits grew 3.12% qoq and rose 7.75% yoy, so loans to deposits reached 61.6% at the end of the quarter. Czech banks remain well-capitalized with Tier 1 ratio at 22.0% at the end of June 2023.
- ✓ Ceska Sporitelna was the most profitable bank in the second quarter of 2023 with a net profit of CZK 5,988 mil, Hypotecni Banka was the most cost efficient (cost to assets at 0.149%), Banka Creditas grew its loans the most (up 9.38% qoq) while Max banka had the biggest increase in deposits (23.7% qoq).

Assets to GDP
133%
Loans to GDP
55.8%
Mortgages to GDP
22.8%
Consumer Loans to GDP
6.46%
Deposits to GDP
90.7%
Retail Deposits to GDP
46.6%
Number of Banks
45
Bank Employees
39,285
Branches
1,483
ATMs
5,544
Payment Cards
14.7 mil
Capital Adequacy
23.0%

Data for 2Q2023 or latest*.

	REVENUES	OPERATING PROFIT	NET PROFIT	COST TO INCOME	LOANS TO DEPOSITS	ROE	NPL RATIO	TIER 1 RATIO
	CZK mil	CZK mil	CZK mil	%	%	%	%	%
2Q2023	67,123	39,218	34,572	31.2	61.6	19.3	1.82	22.0*
1Q2023	55,788	31,763	21,116	36.7	62.1	11.9	1.90	21.8
4Q2022	59,170	23,726	20,457	36.1	69.5	12.0	1.95	21.5
3Q2022	56,944	33,967	27,165	34.2	63.3	16.3	2.13	21.1
2Q2022	58,488	36,203	31,133	32.3	62.4	18.2	2.27	20.9
1Q2022	59,211	36,363	23,477	32.7	63.6	13.3	2.40	21.7
4Q2021	51,594	27,517	19,346	39.5	69.9	10.9	2.53	22.8
3Q2021	45,284	23,433	19,935	40.9	63.5	11.3	2.74	23.2

Source: Central Bank, IMF, Banks, Helgi Library calculation, *Estimate

Data tells a story



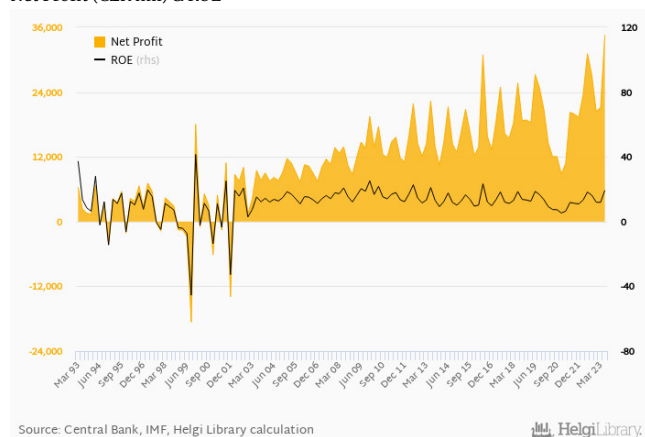
Profitability

Czech banks reported a quarterly net profit of CZK 34,572 mil in the second quarter of 2023, up 11.0% when compared to previous year. This implies a ROE of 19.3% in 2Q2023. In the last twelve months, net profits reached CZK 103,310 mil, rose 10.0% yoy and ROE reached 14.7%.

Ceska Sporitelna generated the largest net profit in the last quarter (CZK 5,988 mil in 2Q2023) followed by CSOB and Komerční Banka. At the other end of the scale was Modra Pyramida Stavebni Sporitelna with a reported profit of CZK 82.3 mil:

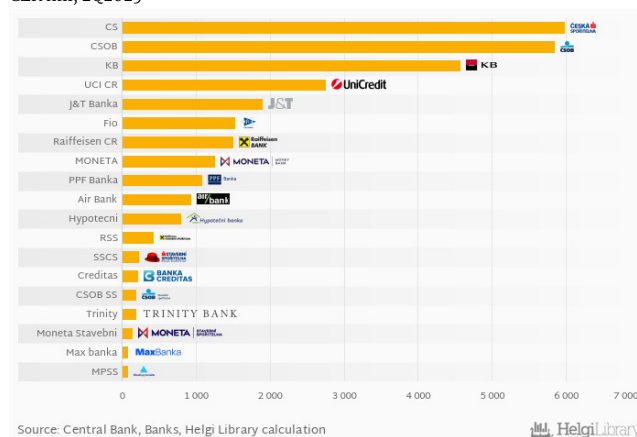
Banks' Profitability in Czechia

Net Profit (CZK mil) & ROE



Banks in Czechia by Net Profit

CZK mil, 2Q2023



As seen in the table below, revenues increased 14.8% yoy to CZK 67,123 mil in the second quarter of 2023. That is compared to average annual growth of 11.7% as seen in the last three years:

Czech Banks – Key Figures (CZK mil)

	2Q2022	2Q2023	CHANGE	1-6/2022	1-6/2023	CHANGE
Revenues	58,488	67,123	14.8%	117,698	122,910	4.43%
Net Interest Income	43,482	41,858	-3.74%	85,314	82,116	-3.75%
Net Fee Income	9,453	10,008	5.87%	19,329	19,738	2.11%
Other Income	5,553	15,257	175%	13,055	21,057	61.3%
Costs	18,901	20,914	10.6%	38,275	41,406	8.18%
Staff Cost	10,993	12,205	11.0%	22,232	24,404	9.77%
Operating Profit	36,203	39,218	8.33%	72,566	70,982	-2.18%
Cost of Risk	-765	2,839	471%	828	3,237	291%
Pre-Tax Profit	36,867	39,817	8.00%	65,337	65,825	0.747%
Net Profit Bank	31,133	34,572	11.0%	54,610	55,688	1.97%
ROE	18.2%	19.3%	1.07 pp	16.0%	15.6%	-0.443 pp
NIM	1.82%	1.70%	-0.124 pp	1.79%	1.67%	-0.122 pp
Cost To Income	32.3%	31.2%	-1.16 pp	32.5%	33.7%	1.17 pp

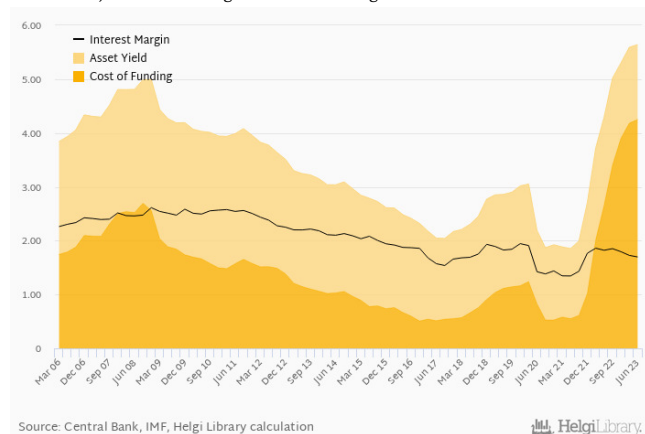
Source: Central Bank, IMF, Helgi Library calculation

Net interest income formed 62.4% of total revenues. Net interest margin declined by 0.124 bp to 1.70% of assets driven by a positive asset growth (3.72% yoy) and higher interest rates (up 51 bp to 7.15%). Asset yield grew by 1.35 bp to 5.64% and cost of funding increased by 1.59 bp to 4.25%.

Fees added 14.9% to total revenues. They increased by 5.87% when compared to last year and were 1.34% higher compared to 5 years ago.

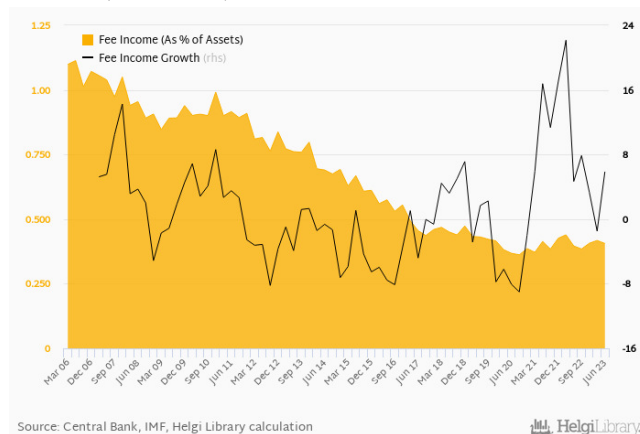
Banks' Interest Rates & Margin in Czechia

Asset Yield, Cost of Funding and Interest Margin



Banks' Fee Income in Czechia

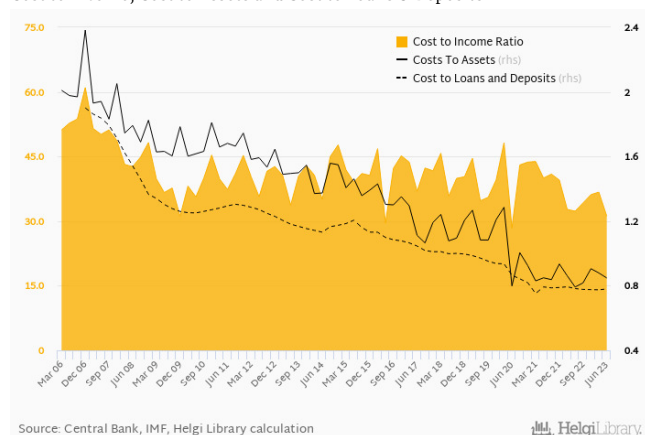
Fee Income (As % of Assets) & Fee Income Growth



Banks operated with average cost to income of 31.2% in the last quarter as operating costs rose 10.6% yoy. That's compared to an average cost to income of 37.9% seen in the last three years and 39.7% recorded in the last decade. Staff accounted for 58.4% of operating expenditure with a total of 39,285 employees in the sector. Banks paid their staff 10.3% more than last year with the average monthly cost of CZK 103,557 per person including social security and health insurance:

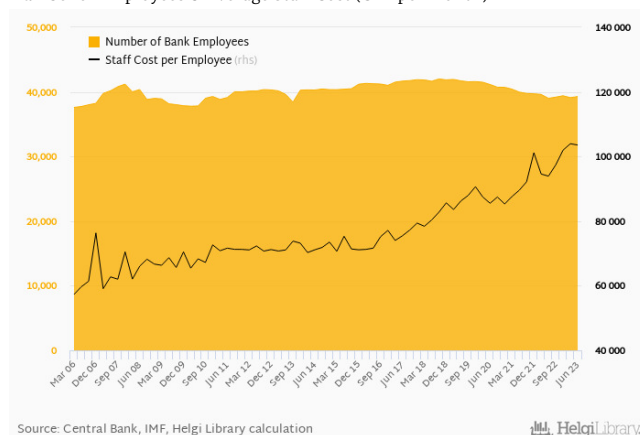
Banks' Cost Efficiency in Czechia

Cost to Income, Cost to Assets and Cost to Loans & Deposits



Banks' Staff Cost in Czechia

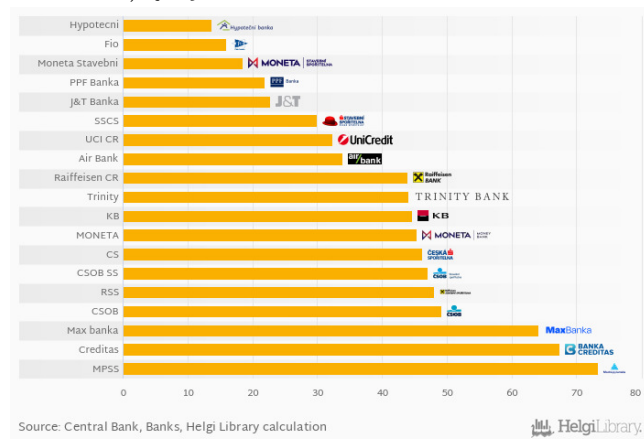
Number of Employees & Average Staff Cost (CZK per month)



Hypotecní Banka was the most cost efficient based on the cost to income ratio in the second quarter of 2023 (with 13.7%) and it also operated with the lowest operating costs when compared to a sum of loans and deposits, i.e. when utilization of both assets as well as liabilities is taken into account (0.150%):

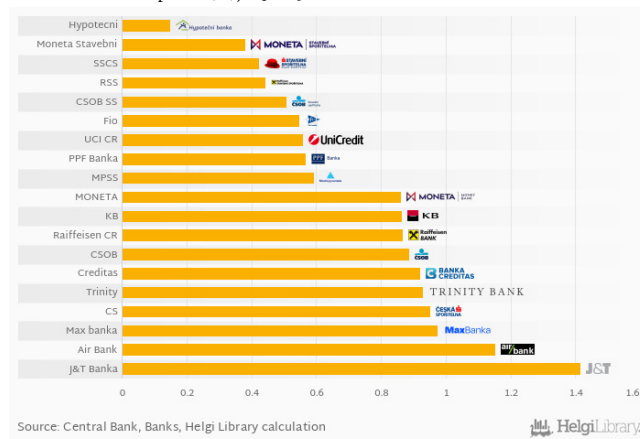
Banks by Cost to Income in Czechia

Cost to Income, 2Q2023



Banks by Cost to Loans & Deposits in Czechia

Cost to Loans & Deposits (%), 2Q2023

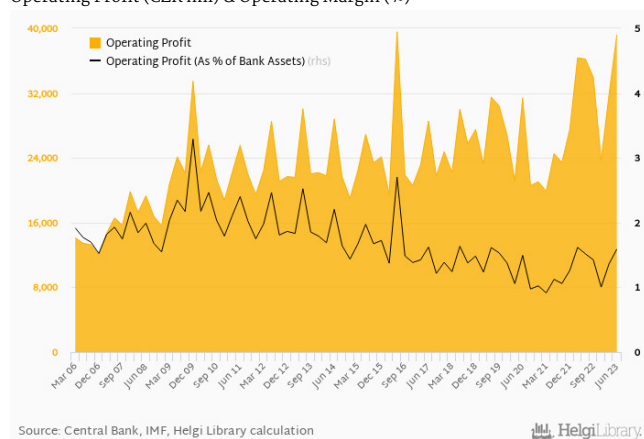


Commercial banks generated operating profit before provisioning of CZK 39,218 mil in the second quarter of 2023, up 8.33% when compared to last year. Historically, between 1Q2006 and 2Q2023, operating profit reached a high of CZK 39,583 mil in 2Q2016 and a low of CZK 11,999 mil in 4Q2006.

Ceska Sporitelna generated the largest operating profit in the second quarter of 2023 (CZK 6,615 mil), whilst Fio banka was operating with the highest operating margin when compared with risk weighted assets (17.9%):

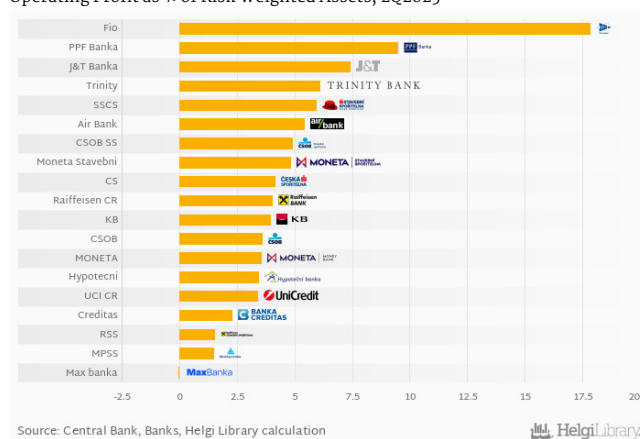
Banks' Operating Profitability in Czechia

Operating Profit (CZK mil) & Operating Margin (%)



Banks by Operating Margin in Czechia

Operating Profit as % of Risk Weighted Assets, 2Q2023



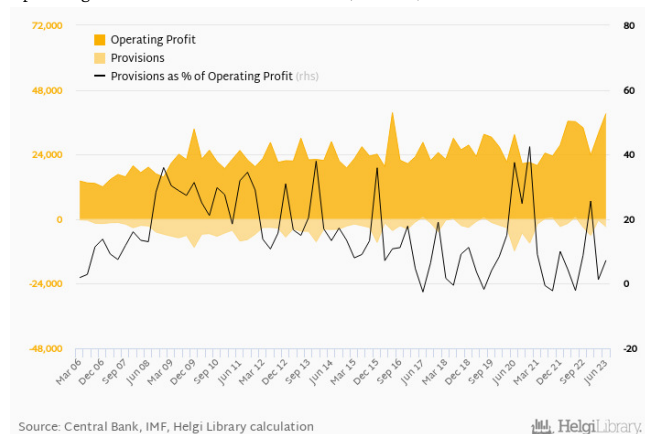


Provisions have "eaten" some 7.24% of operating profit in the second quarter of 2023 as cost of risk reached 0.273% of average loans. That is compared to an average of 10.7% of operating profit and 0.272% cost of risk seen in the last three years.

The volume of non-performing loans decreased by 2.17% qoq to CZK 76.6 bil and represented 1.82% of total loans at the end of June. Provisions covered 93.9% of NPLs, up from 80.4% a year ago:

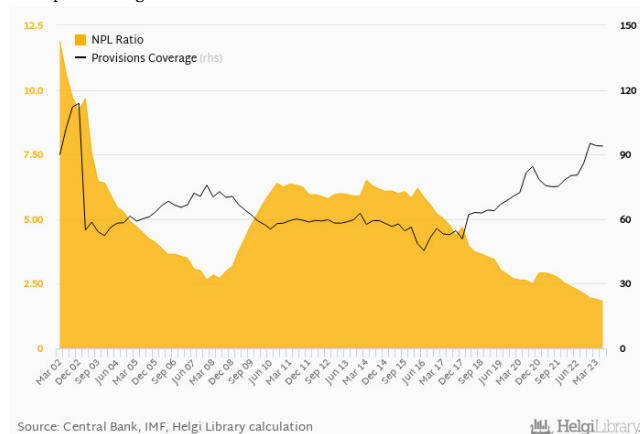
Banks' Operating Profit vs. Provisions in Czechia

Operating Profit and Loan Loss Provisions (CZK mil)



Banks' Asset Quality in Czechia

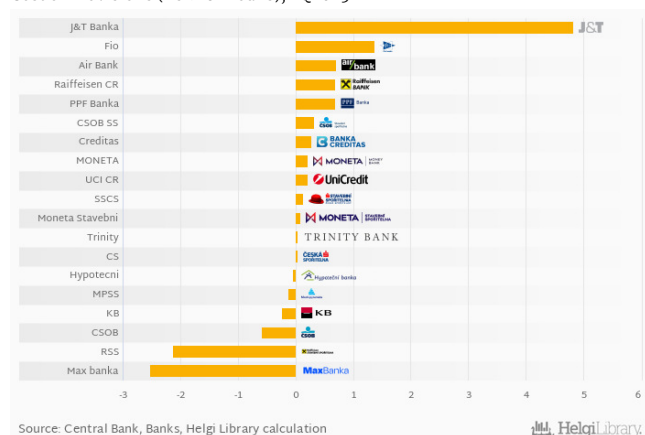
Non-performing Loans and Cumulated Provisions



Within the sector, J&T Banka had to create the most provisions in the second quarter of 2023 relative to its loans (4.83%) and Max banka the least (-2.53%). The cost of risk therefore "erased" 23.9% of J&T Banka's operating profit created during the quarter. In terms of overall asset quality, we estimate that J&T Banka was operating with the highest share of non-performing loans, some 8.91% of customer loans at the end of June:

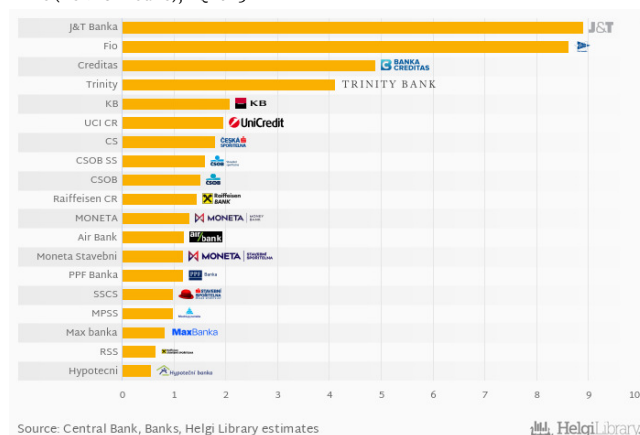
Banks by Cost of Risk in Czechia

Cost of Provisions (As % Of Loans), 2Q2023



Banks by NPL Ratio in Czechia

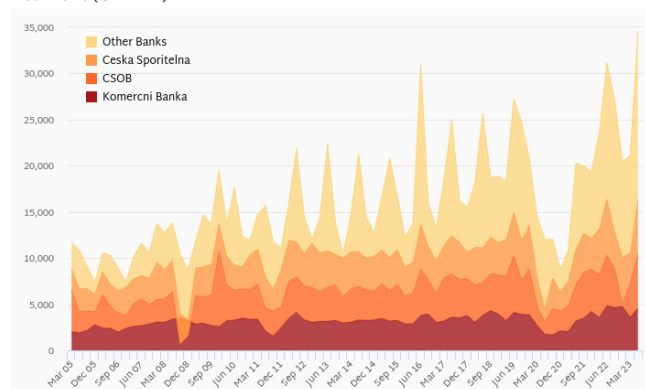
NPLs (As % Of Loans), 2Q2023



The three largest banks generated a net profit of CZK 16,417 mil. This translates into 47.5% of sector's total profit in the second quarter of 2023, up when compared to 37.6% seen three years ago. In terms of revenue and operating profit, the trio generated 47.6% and 43.4% of the total, on our calculation:

Largest Banks in Czechia by Profit

Net Profit (CZK mil)

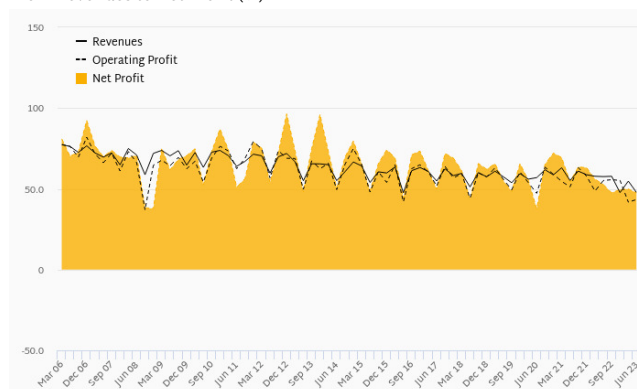


Source: Central bank, Banks, Helgi Library calculation

HelgiLibrary

Share of 3 Largest Banks in Czechia

From Revenues to Net Profit (%)



Source: Central bank, Banks, Helgi Library calculation

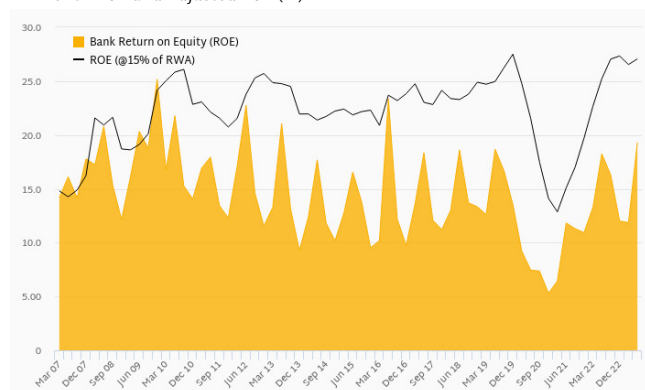
HelgiLibrary

Overall, Czech banks generated its shareholders an annualized return on equity of 19.3% in the second quarter of 2023 and 14.7% return in the last four quarters. When equity "adjusted" to 15% of risk-weighted assets, the return on equity would have reached 36.2% in 2Q2023 and 27.4% in the last twelve months.

Fio banka generated its shareholders the highest return in the last quarter (ROE of 41.8%) followed by Air Bank (27.8%) and Raiffeisen Stavebni Sporitelna (24.6%). When adjusted for the same level of equity (i.e. 15% of RWA), Fio banka, PPF Banka and Banka Creditas would have made it to the top of the list:

Banks' ROE vs. Adjusted ROE in Czechia

12-month ROE and Adjusted ROE (%)

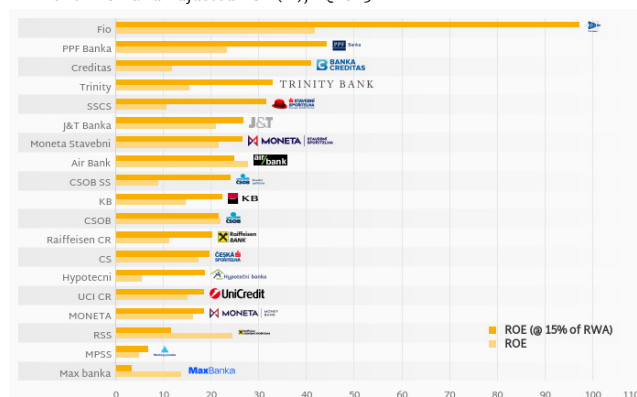


Source: Central Bank, IMF, Helgi Library calculation

HelgiLibrary

Banks in Czechia by ROE

12-month ROE and Adjusted ROE (%), 2Q2023



Source: Central Bank, Banks, Helgi Library calculation

HelgiLibrary

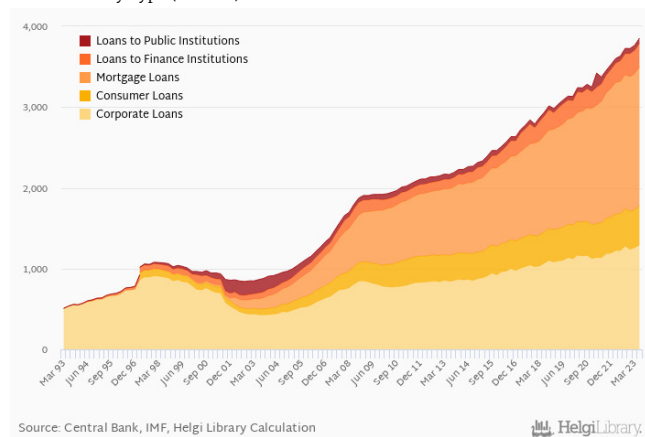
Lending

Loan Growth & Market Share

Loans increased by 2.15% qoq to CZK 4,206 bil during the second quarter of 2023. This implies an annual growth rate of 6.26% in the last 12 months. In the last decade, bank loans have grown by 5.66% a year on average:

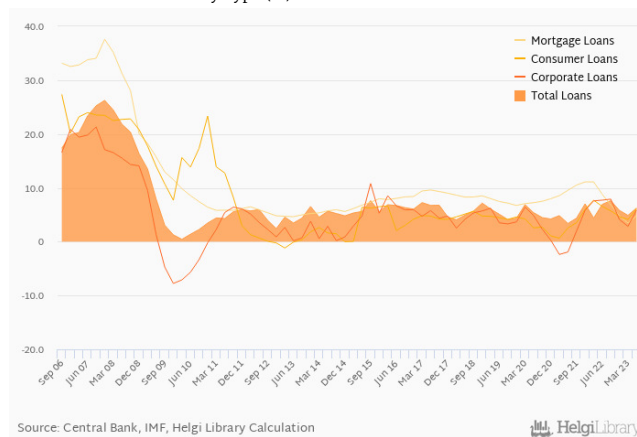
Banks' Loan Book in Czechia

Bank Loans by Type (CZK bil)



Banks' Loan Growth in Czechia

12-month Loan Growth by Type (%)

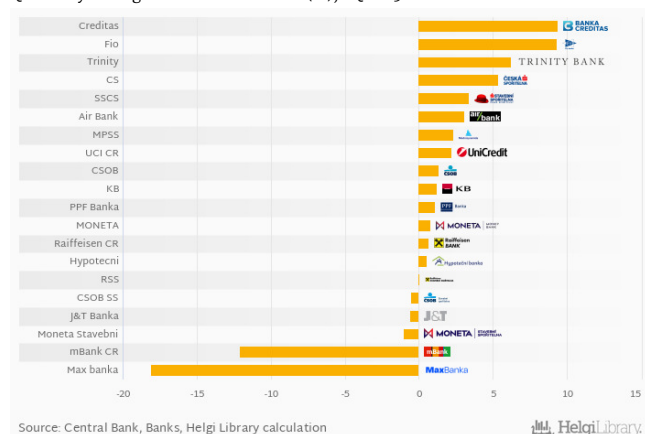


As partly seen above, residential mortgage loans grew 2.00% qoq and were up 4.82% in the last 12 months. At the end of June, mortgages formed 40.8% of total loans. Consumer loans increased 2.85% qoq (up 6.12% yoy) and represented 11.6% of total bank loans while corporate loans grew 2.81% qoq and were up 5.86% yoy to CZK 1,293 bil (or 30.7% of loans).

The comparison of 20 Czech banks shows Banka Creditas has grown the fastest in relative terms within the last quarter (9.38% qoq), followed by Fio banka and Trinity Bank. In absolute terms, however, Ceska Sporitelna grabbed the largest piece of the pie when compared to the previous quarter (CZK 48,526 mil) followed by CSOB and UniCredit Bank Czecho-Slovakia:

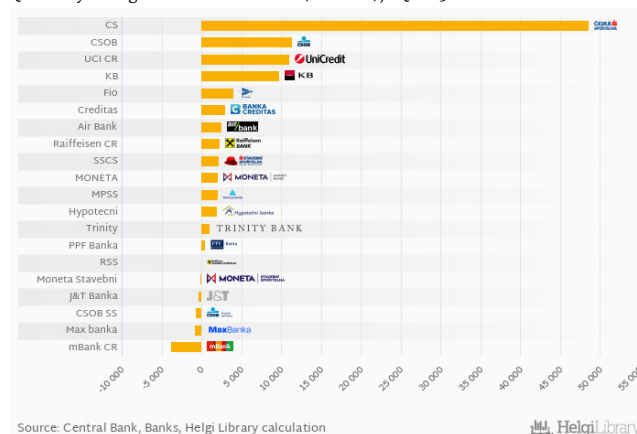
Relative Loan Growth in Czechia by Bank

Quarterly Change in Customer Loans (%), 2Q2023



Absolute Loan Growth in Czechia by Bank

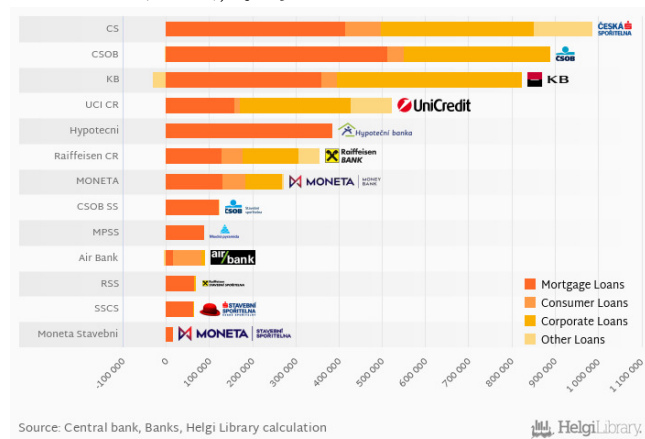
Quarterly change in Customer Loans (CZK mil), 2Q2023



Overall, Ceska Sporitelna remains the largest lender with 22.7% of the market followed by CSOB with a 20.9% market share and Komerční Banka (19.0%). At the end of June 2023, most of Ceska Sporitelna's loans came from residential mortgages (43.5% of total). Corporate loans formed 37.2% and consumer loans represented a further 8.70% of the total loan book:

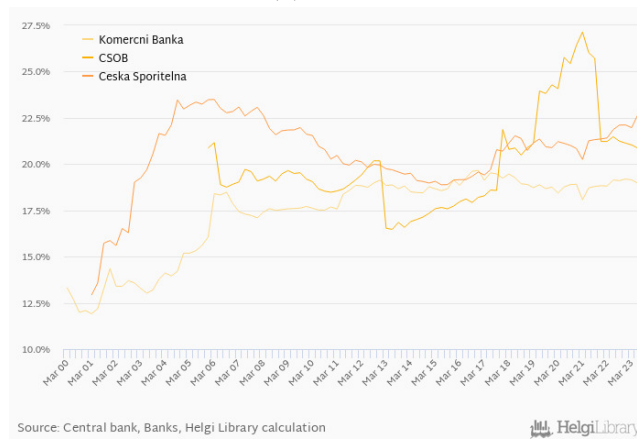
The Largest Banks in Czechia by Loans

Customer Loans (CZK mil), 2Q2023



Market Share Development of 3 Largest Banks in Czechia

Market Share in Customer Loans (%)



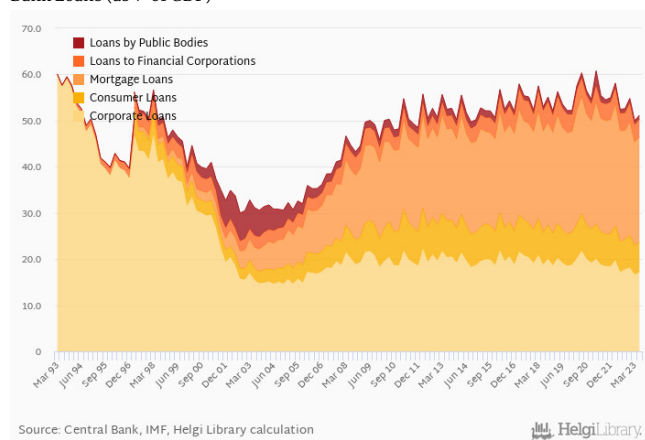
As partly seen above, the three largest banks held 62.5% of the loan market at the end of June (up from 62.5% a year ago) while the five largest banks provided 83.9% of loans (compared to 84.0% a year ago).

Lending Penetration and Loans Segments

At the end of June 2023, bank loans in Czechia represented 55.8% of GDP, down from 58.6% seen a decade ago. By comparison, the figure was 31.8% back in 2000. Although this is one of the highest rates within emerging Europe, the penetration remains relatively low when compared to the most developed economies:

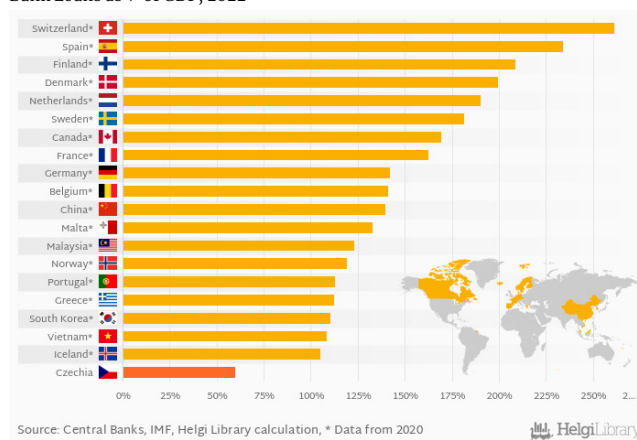
Bank Loan Penetration in Czechia

Bank Loans (as % of GDP)



Bank Loans to GDP by Country

Bank Loans as % of GDP, 2022





At the end of June 2023, retail loans formed 29.3% of GDP, up from 27.9% a decade ago. In other words, the average Czech owed the bank USD 9,470 at the end of 2Q2023 compared to USD 5,428 in 2013.

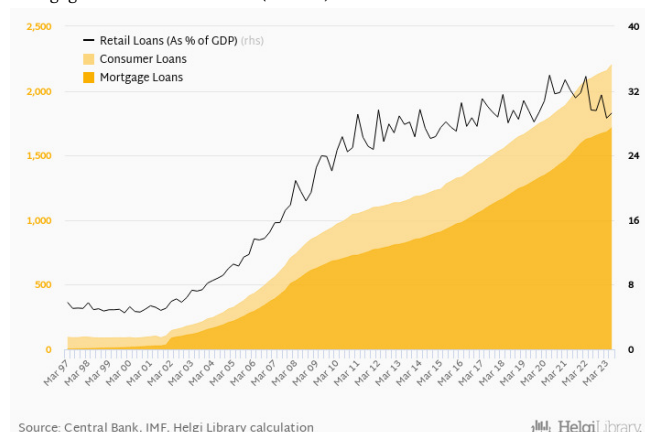
Residential mortgage loans have grown from CZK 824 bil in 2013 to CZK 1,717 bil, i.e. from 19.9% to 22.8% of GDP. At the end of 2Q2023, mortgages represented 40.8% of total bank loans, up from 34.0% back in 2013. This translates into an average growth of 7.62% a year.

The average mortgage loan (or outstanding bank balance) amounted to USD 68,350 at the end of 2022. We estimate that some 24.1% of households have a mortgage loan, up from 19.8% five years ago. In spite of the impressive growth, mortgage penetration remains relatively low when compared to the richest countries where more than a third of households have a mortgage loan and mortgages represent 50–100% of GDP.

Consumer bank loans have increased by 4.20% a year on average since 2013. At the end of June, they represented 6.46% of GDP. This translates into an average of CZK 45,589 owed per person assuming each citizen had a consumer loan.

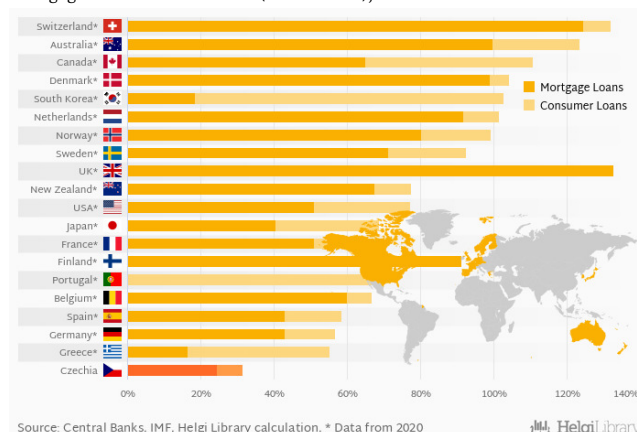
Retail Loan Expansion in Czechia

Mortgage and Consumer Loans (CZK bil)



Retail Loans to GDP by Country

Mortgage and Consumer Loans (As % of GDP), 2022

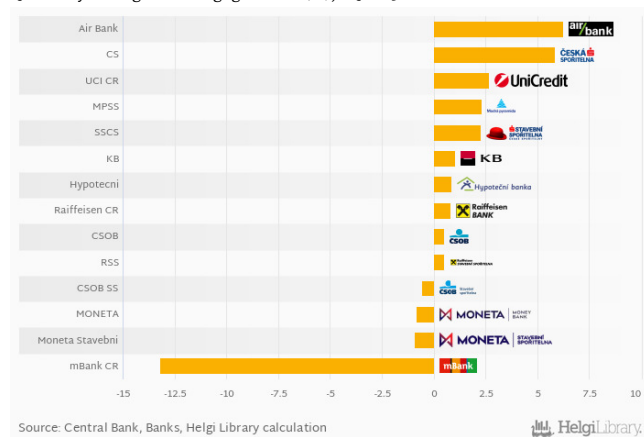




We estimate that Air Bank has grown the fastest in mortgages in relative terms within the last quarter (6.25% qoq), followed by Ceska Sporitelna and UniCredit Bank Czech-Slovakia. In absolute terms, however, Ceska Sporitelna appears to have captured most of the new market when compared to the previous quarter (CZK 22,868 mil) followed by UniCredit Bank Czech-Slovakia (CZK 4,134 mil) and Komerční Banka (CZK 3,700 mil):

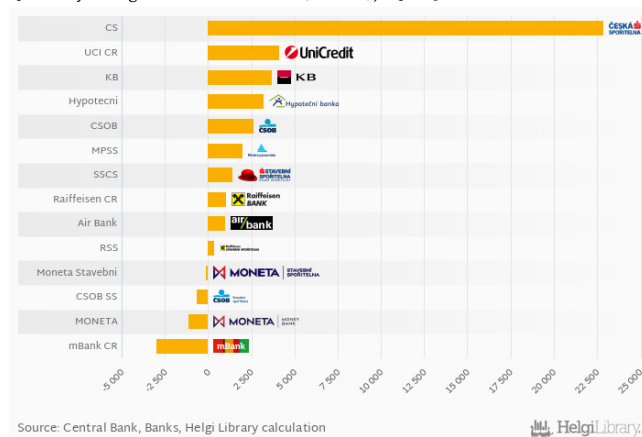
Relative Mortgage Loan Growth in Czechia by Bank

Quarterly Change in Mortgage Loans (%), 2Q2023



Absolute Mortgage Loan Growth in Czechia by Bank

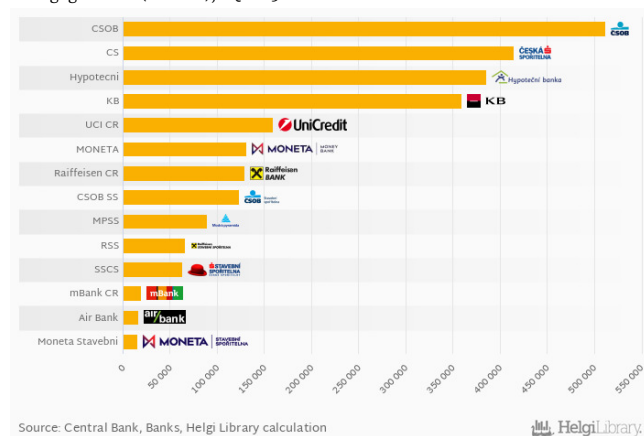
Quarterly change in Customer Loans (CZK bil), 2Q2023



Overall, CSOB was the largest mortgage lender with 29.9% of the market followed by Ceska Sporitelna (with a 24.2% share) and Komerční Banka (21.0%). Looking at the last 12 months, Air Bank gained the most in market share (30.8 bp to 0.990%) compared to Ceska Sporitelna's 10.4 bp (to 24.2%) and Modra Pyramida Stavebni Sporitelna's 8.48 bp (a market share of 5.21%):

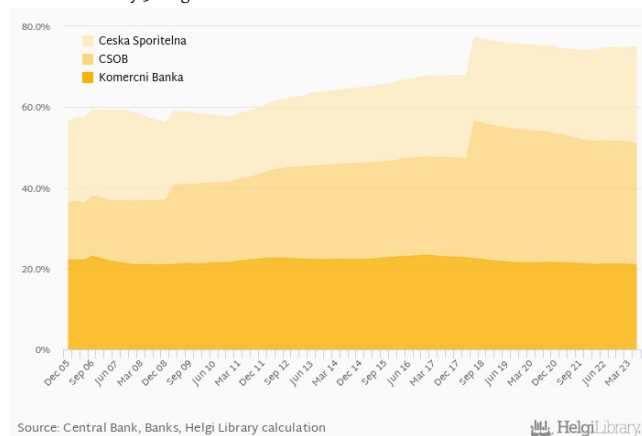
Banks in Czechia by Mortgage Loans

Mortgage Loans (CZK bil), 2Q2023



Three Largest Mortgage Lenders in Czechia

Market Share by 3 Largest Banks



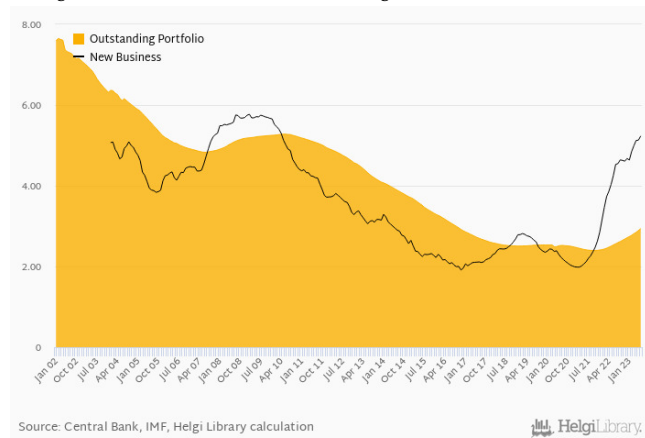
We estimate that the combined trio of largest banks held 75.0% of outstanding mortgage loans and 32.5% of consumer loans in June 2023.

Interest Yields & Rates

Average asset yield rose to 5.64% in the second quarter of 2023, up 0.050 bp compared to the previous quarter (up 1.35 bp yoy). Banks charged on average 2.94% on mortgage loans, up 0.127 bp qoq (compared to 2.53% last year), interest on consumer loans reached 8.57% (up 0.040 bp qoq) and corporate loans were priced at 7.40% (up 0.024 bp qoq) in the second quarter of 2023.

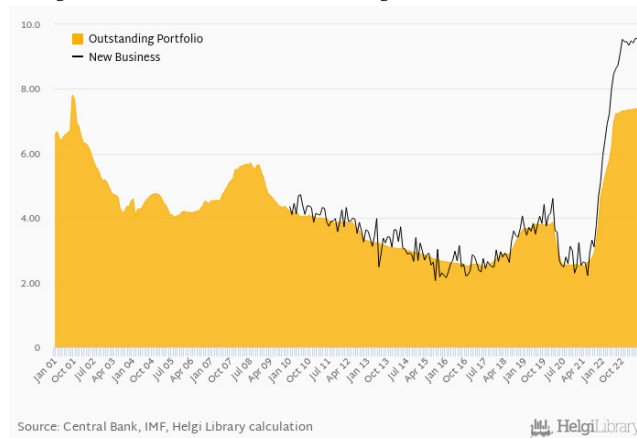
Interest Rates on New Mortgage Loans in Czechia

Average Interest Rates on New and Outstanding Loans



Interest Rates on New Corporate Loans in Czechia

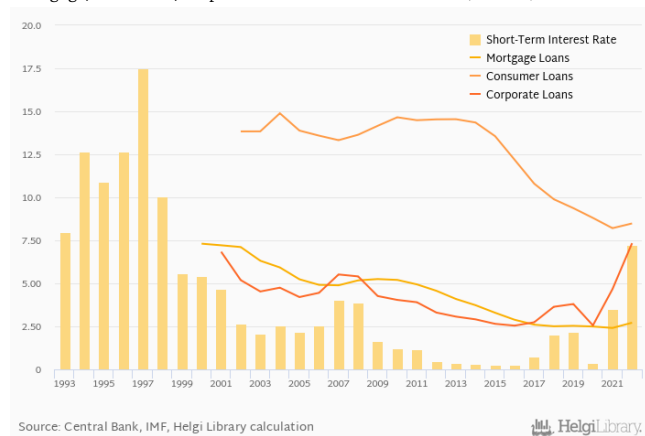
Average Interest Rates on New and Outstanding Loans



If we take a look at new business, new mortgages stood at 5.23% in the second quarter of 2023, 2.30 bp above the outstanding portfolio. New consumer loans were priced at 9.51% (0.941 bp above outstanding) and average interest rate on new corporate loans reached 9.51% (2.12 bp above the average portfolio):

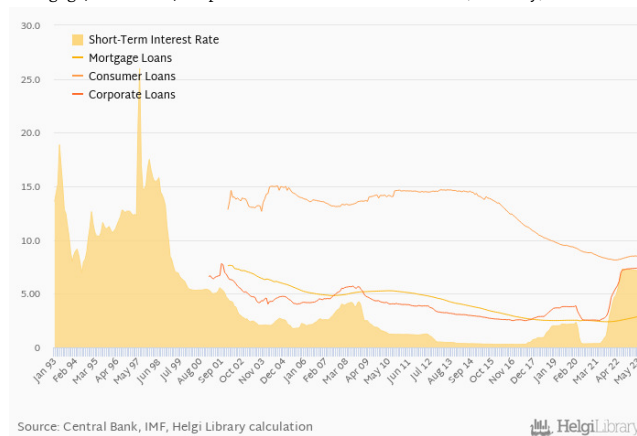
Interest Yield on Outstanding Loans in Czechia

Mortgage/Consumer/Corporate Loans vs. Interbank Rate (Annual)



Interest Yield on Outstanding Loans in Czechia

Mortgage/Consumer/Corporate Loans vs. Interbank Rate (Monthly)



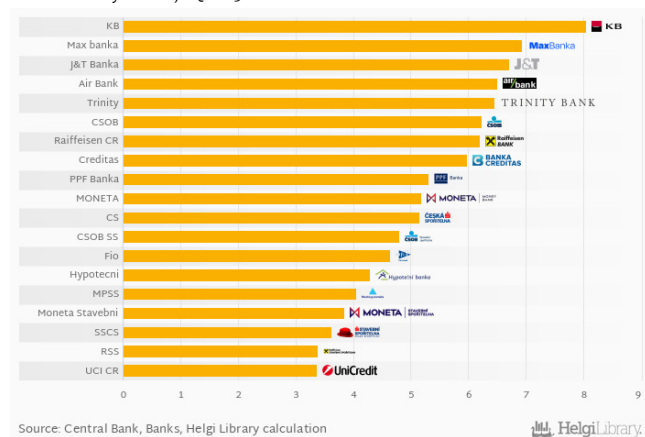
In the arena of 19 Czech banks, Komerční Banka has been operating with the highest asset yield in the second quarter of 2023 (8.04% on total assets), followed by Max banka (6.93%) and J&T Banka (6.71%). At the other end of the spectrum was UniCredit Bank Czecho-Slovakia with only 3.38% and Raiffeisen Stavební Spořitelna with 3.39% of average assets.



In terms of momentum, J&T Banka increased its asset yield the most in the last 12 months, by 0.768 bp to 6.71%, followed by Fio banka (up by 0.480 bp) and Air Bank (up by 0.441 bp):

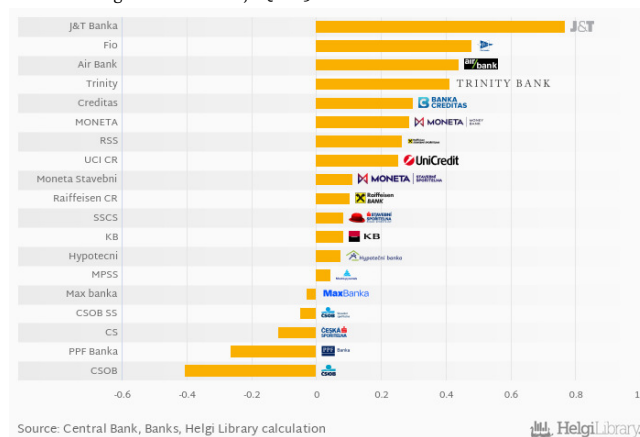
Bank Asset Yield in Czechia

Asset Yield by Banks, 2Q2023



Bank Asset Yield Change in Czechia

Annual Change in Asset Yield, 2Q2023

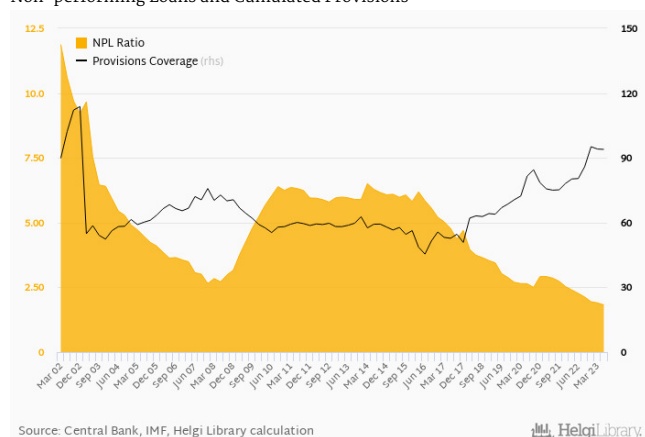


The volume of non-performing loans decreased 2.17% qoq to CZK 76.6 bil and their share fell to 1.82% of total loans at the end of June 2023. Specific provisions covered 93.9% of non-performing loans, up from 80.4% seen a year ago.

Cost of risk amounted to 0.273% of loans in the second quarter of 2023 as banks put aside CZK 2,839 mil in provisions. That is < 0.001 bp more when compared to the average 0.272% seen in the last three years. Provisions have "eaten" 7.24% of banks operating profit in the last quarter, down from the 10.7% average seen in the last three years:

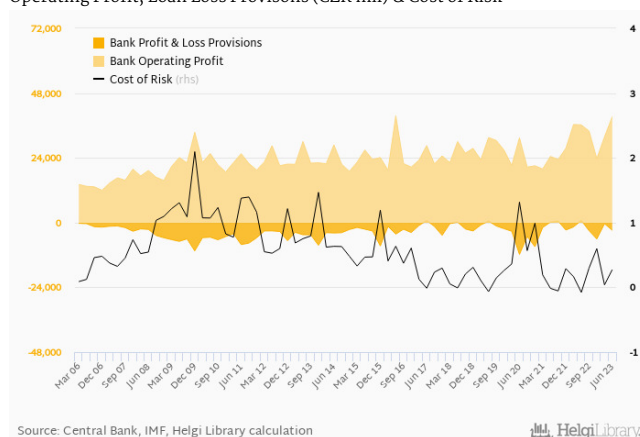
Banks' Asset Quality in Czechia

Non-performing Loans and Cumulated Provisions



Banks' Operating Profit vs. Provisions in Czechia

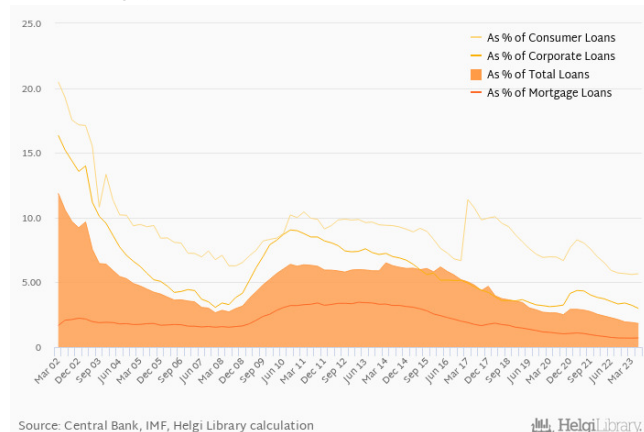
Operating Profit, Loan Loss Provisions (CZK mil) & Cost of Risk



Mortgage loans traditionally represent the best level of quality with only 0.707% of them not performing (up 1.86 bp from the previous quarter and 0.750% a year ago). On the other hand, some 2.99% of corporate loans were classified (down 7.68 bp qoq and 3.52% last year) as well as 5.66% of consumer loans (up 0.902 bp qoq and 5.92% a year ago):

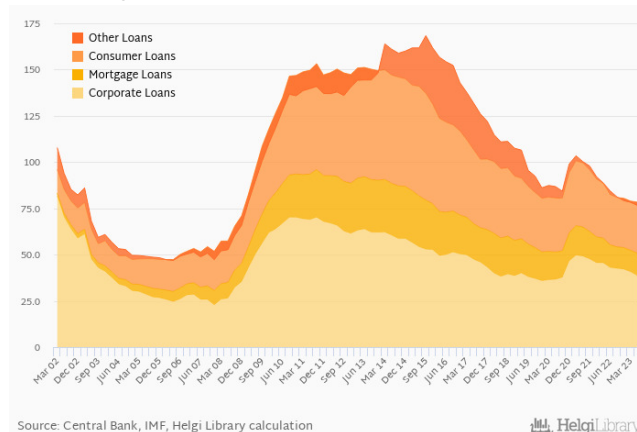
Share of Non-Performing Loans in Czechia

Loans by Category, %



Non-performing Loans by Type in Czechia

Loans by Category (CZK bil)

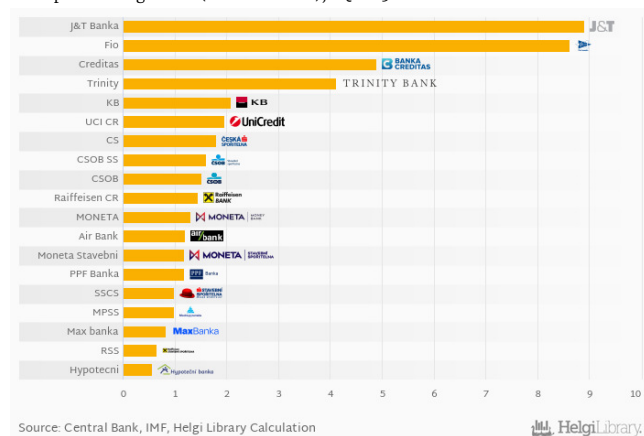


We estimate that Hypotecní Banka operated with the highest-quality performing loan portfolio – only 0.570% of loans were not performing at the end of June 2023. On the other hand, we assume J&T Banka reported the highest NPL ratio with 8.91%. Overall, provisions accounted for 93.9% of bad loans across the sector.

We estimate that Banka Creditas had the highest volume of non-performing loans not covered by provisions when compared to bank's equity at the end of the second quarter of 2023 (14.9%), followed by Fio banka (14.3%) and Trinity Bank. Having said that, the comparison does not take into account size and quality of the loan collateral, for example, which covers a major part of mortgage backed loans:

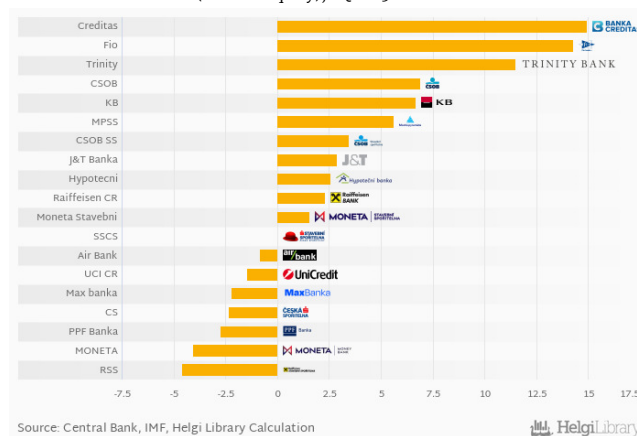
NPL Ratio by Bank in Czechia

Non-performing Loans (As % of Loans), 2Q2023



Uncovered NPLs in Czechia

NPLs minus Provisions (As % of Equity), 2Q2023



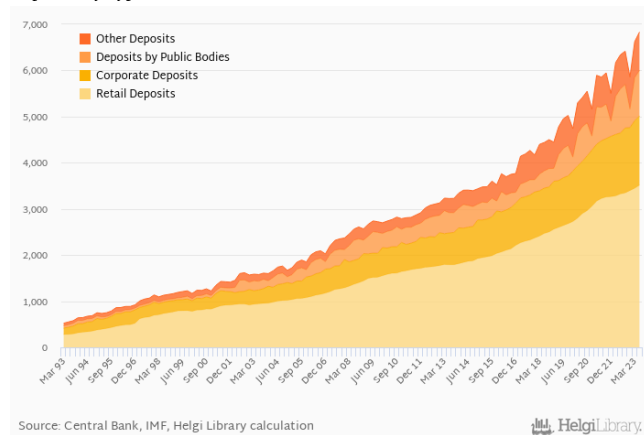
Deposits

Deposit Growth & Market Share

Customer deposits increased 3.12% qoq to CZK 6,832 bil during the second quarter of 2023. This means an annual growth rate of 7.75%, which is below the average growth of 7.80% we have seen in deposits in the last decade:

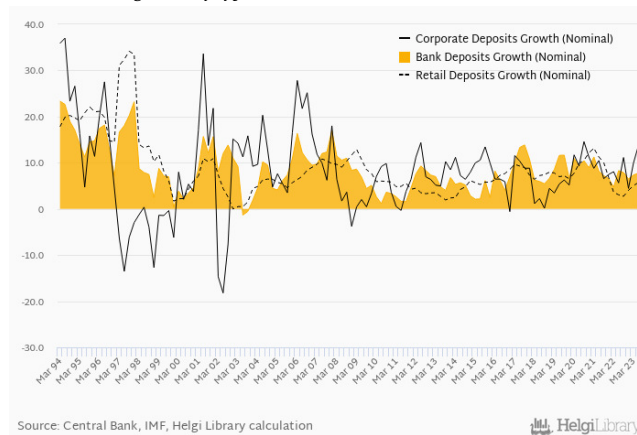
Customer Deposits in Czechia

Deposits by Type (CZK bil)



Deposit Growth in Czechia

12-month loan growth by type

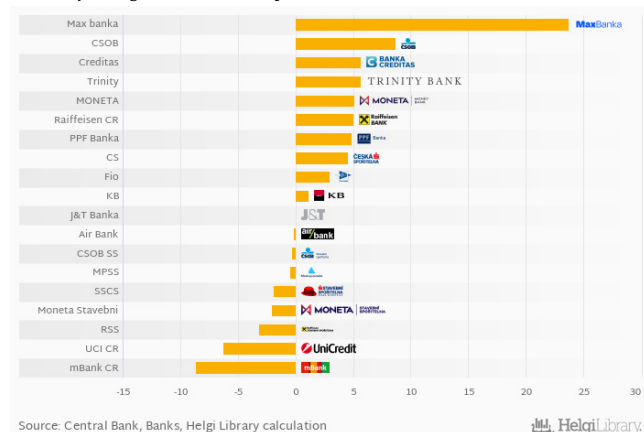


As partly seen above, households deposits grew 1.93% qoq and 5.70% yoy in the last 12 months and represented 51.4% of total customer deposits at the end of June 2023. Corporate deposits increased by 2.53% qoq (or 13.7% yoy) and made up 22.0% of total while the remaining 26.6% comprised other deposits (to financial and public institutions) compared to 26.7% a year ago.

Max banka appears to have grown the fastest in deposits in relative terms last quarter (23.7% qoq) compared to the next bunch of Czech banks, followed by CSOB and Banka Credits. In absolute terms, when compared to the previous quarter, however, most new deposits went to CSOB (CZK 116,575 mil) followed by Ceska Sporitelna and Raiffeisenbank Czech Republic:

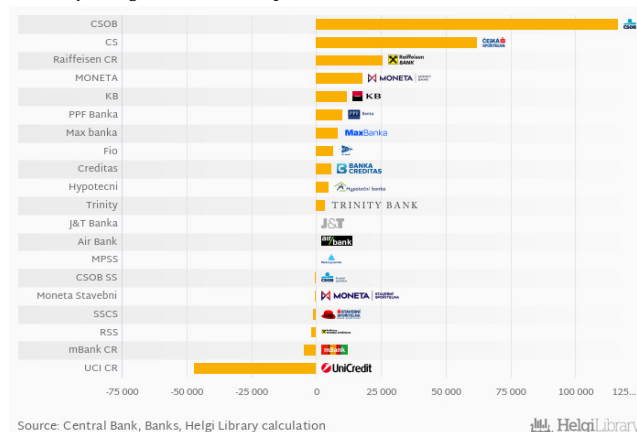
Relative Deposit Growth in Czechia by Bank

Quarterly change in Customer Deposit (%)



Absolute Deposit Growth in Czechia by Bank

Quarterly change in Customer Deposit (CZK bil)

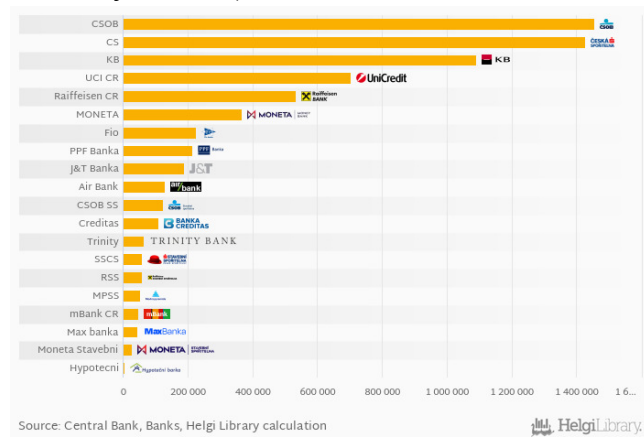




Overall, CSOB remains the largest deposit collector with a 21.3% market share followed by Ceska Sporitelna (20.9%) and Komerční Banka (16.0%) on our calculation:

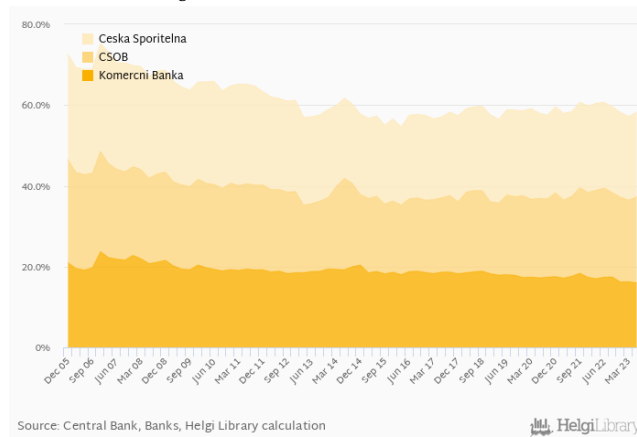
Czech Banks by Deposits

Customer Deposits (CZK bil), 2Q2023



Three Largest Banks by Customer Deposits in Czechia

Market Share of 3 Largest Banks



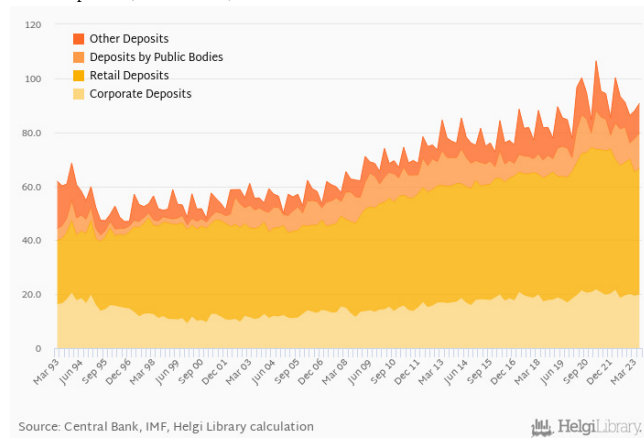
The three largest banks held 58.2% of customer deposits at the end of second quarter of 2023. When compared to the same period of last year, we estimate that they have lost 2.47% of the market.

Penetration and Funding

At the end of June 2023, customer deposits in Czechia reached 90.7% of GDP, up from 77.9% seen a decade ago.

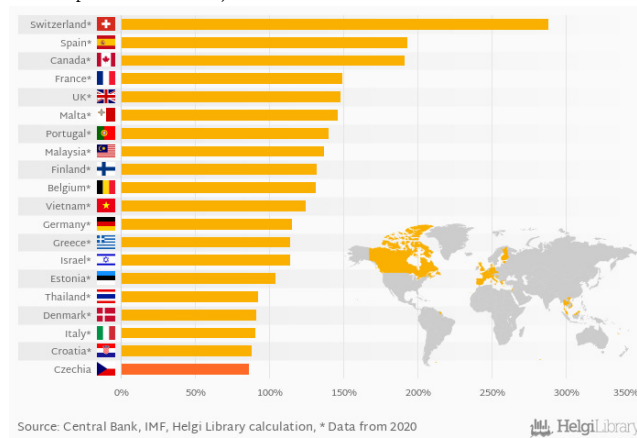
Bank Deposit Penetration in Czechia

Bank Deposits (as % of GDP)



Bank Deposits to GDP by Country

Bank Deposits as % of GDP, 2022

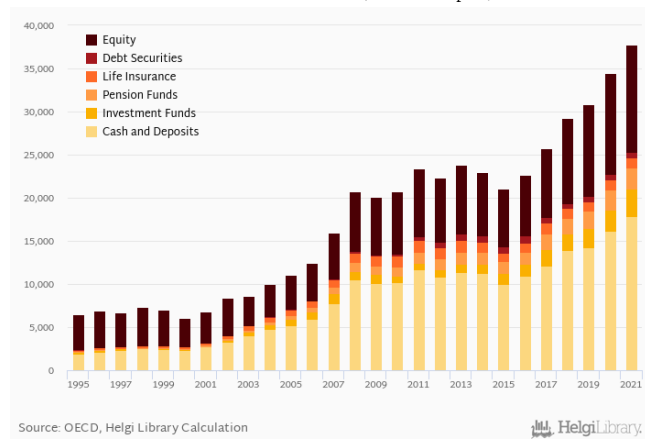




Thanks partly to relatively lower development and penetration of alternative investments and financial services such as pension and mutual funds, or insurance, bank deposits represent the biggest chunk of a household's financial wealth. Although relatively high, they are still well below the level when compared to its western European peers (and recalculated to PPP):

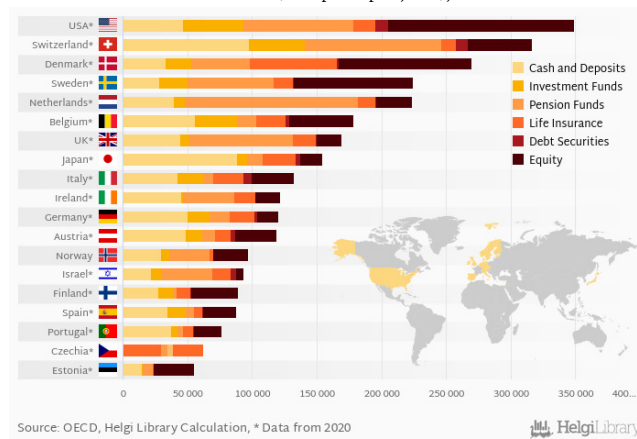
Household Financial Wealth in Czechia

Breakdown of Household's Financial Assets (USD Per Capita)



Households' Financial Wealth by Country

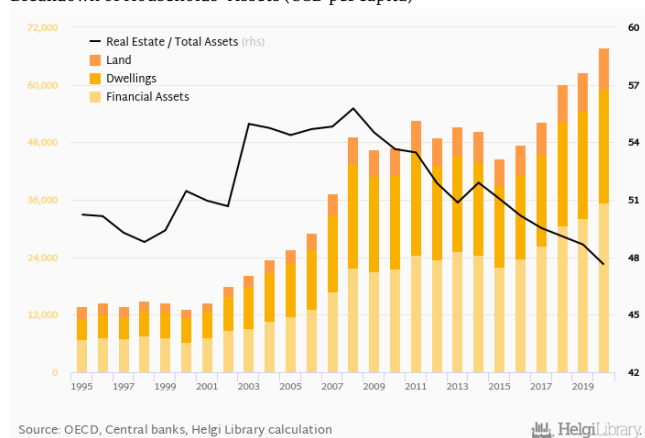
Breakdown of Households Assets (USD per capita, PPP), 2022



As partly already explained in the lending section, mortgages form large part of banks' overall lending. Thanks partly to lower absolute wealth and high ownership ratio, assets in dwelling and land represent a significant part of households' overall gross wealth (48.7% at the end of 2019):

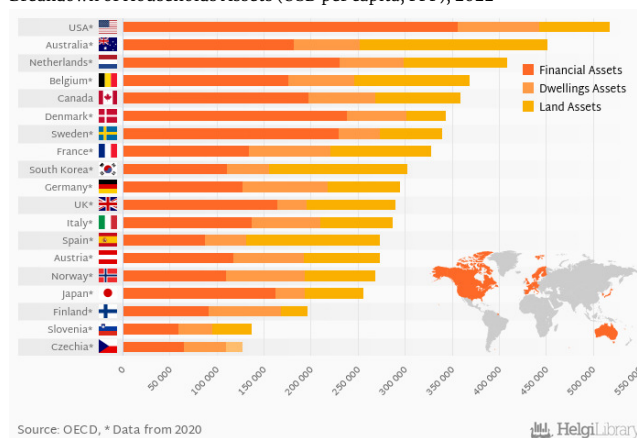
Households' Wealth in Czechia

Breakdown of Households' Assets (USD per capita)



Households' Wealth by Country

Breakdown of Households Assets (USD per capita, PPP), 2022

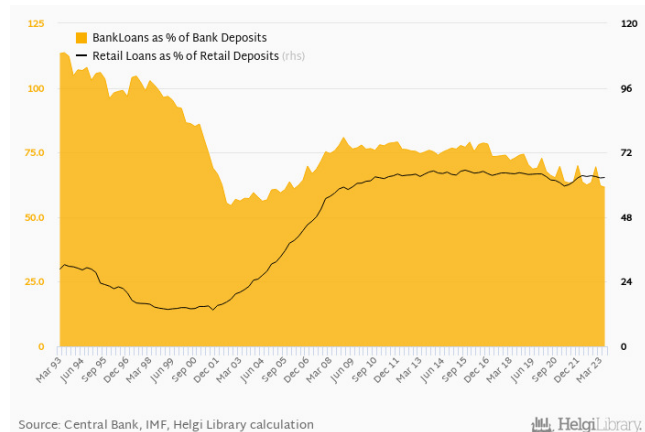




Household deposits serve as the prime source of loan funding in most central European countries. Loan to deposit ratio accounted for 61.6% in Czechia at the end of second quarter of 2023, down from 62.4% a year ago and 75.2% in 2013. When comparing only household loans and deposits, the ratio was 62.7% at the end of June 2023:

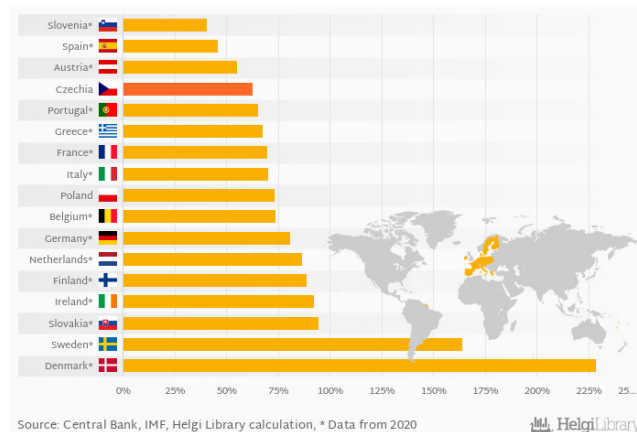
Bank Loans to Deposits in Czechia

Total and Retail Loans (as % of Bank Deposits)



Retail Loans As % of Retail Deposits by Country

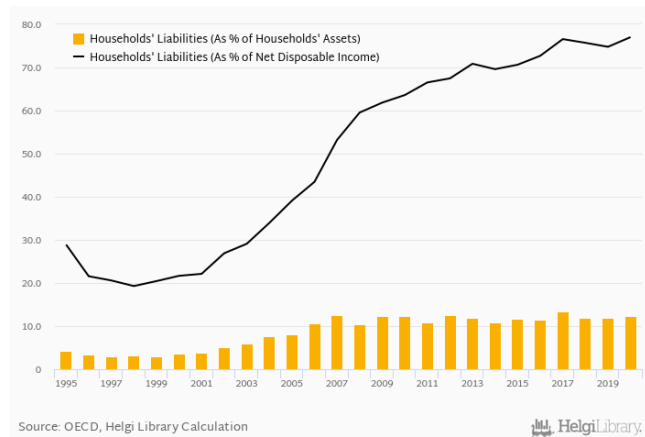
Retail Loans (As % of Retail Deposits)



When household debt is compared to households' assets and income, we can see that overall indebtedness of Czech households is relatively low when compared to western European Peers:

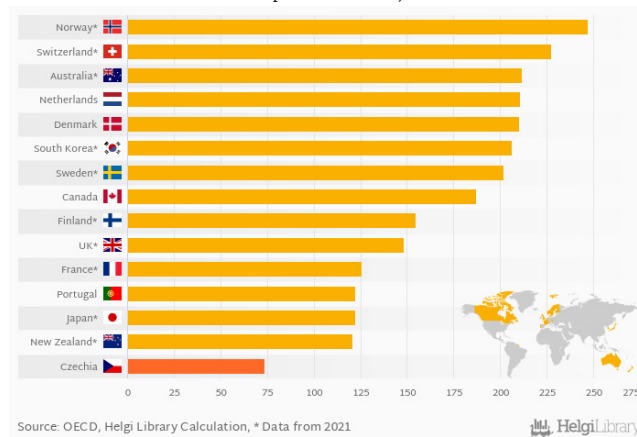
Household Indebtedness in Czechia

Household Debt as % of Assets and Income



Household Debt to Income by Country

Households' Debt as % of Net Disposable Income, 2022



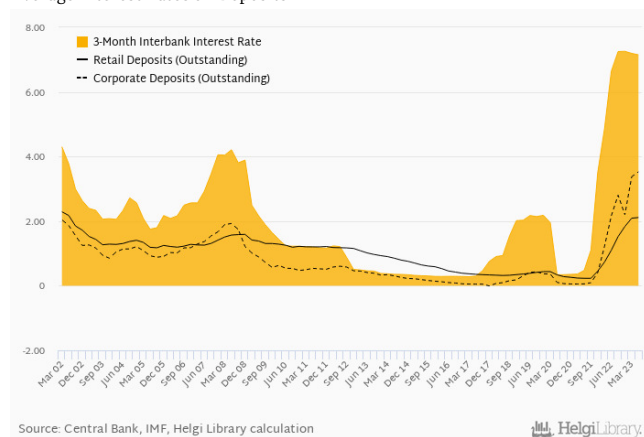
Interest Cost & Rates

Average cost of funding grew 0.068 bp qoq to 4.25% in the second quarter of 2023, up 1.59 bp when compared to the same period of last year. Banks paid on average 3.53% on outstanding corporate deposits (up 0.153 bp) and 2.11% on household deposits (up 0.021 bp).

Current account deposits represented 73.8% of the total. The share was 78.0% a year ago and 59.4% of the total a decade ago.

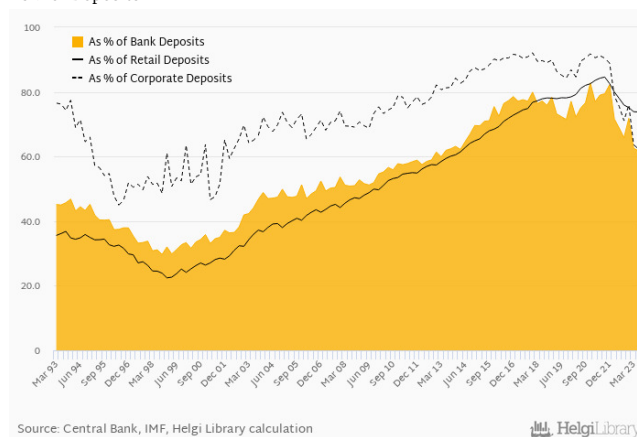
Cost of Bank Deposits in Czechia

Average Interest Rates on Deposits



Share of Current Account Bank Deposits in Czechia

As % of Deposits

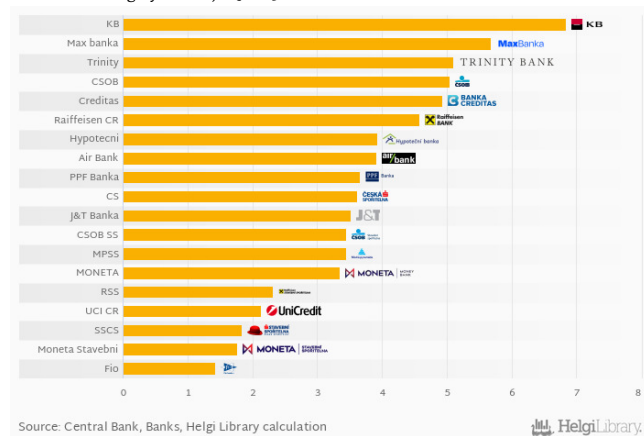


With regard to the 19 banks below, **Fio banka** has been operating with the lowest cost of funding in the second quarter of 2023 (1.43% on total liabilities), followed by **Moneta Stavebni Sporitelna** (1.77%) and **Stavebni Sporitelna Ceske Sporitelny** (1.84%). At the other end of the spectrum was **Komerční Banka** with 6.84% and **Max banka** with 5.68%.

In terms of momentum, **Max banka's** cost of funds increased the most in the last 12 months, from 2.30% to from 5.68%, followed by **Komerční Banka** (up by 2.31 bp) and **Banka Creditas** (up 2.18 bp):

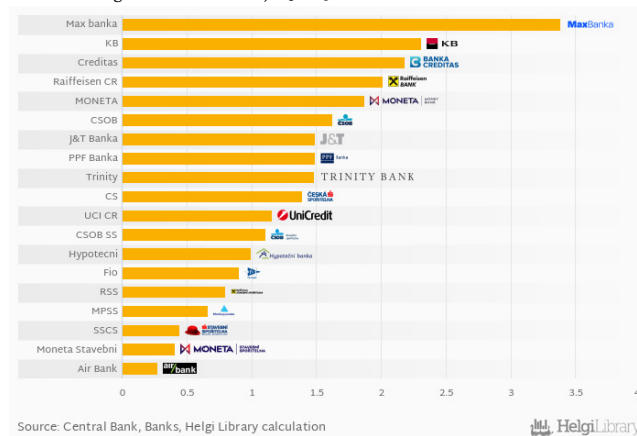
Cost of Funding in Czechia by Bank

Cost of Funding by Banks, 2Q2023



Cost of Funding Change by Bank in Czechia

Annual Change in Cost of Funds, 2Q2023



Capitalization & Profitability

Capitalization

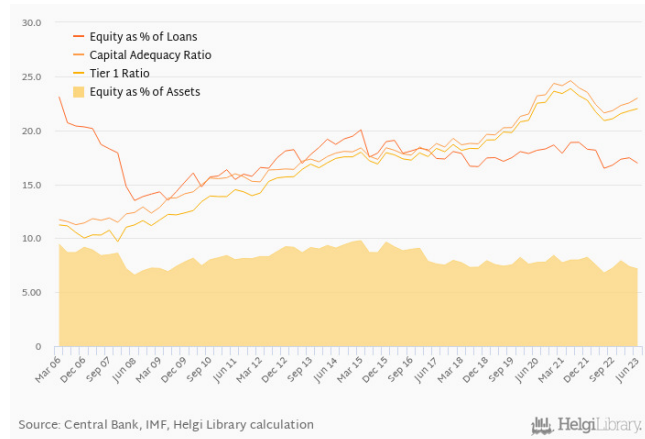
Czech banks operated with capital adequacy ratio of 23.0% at the end of the second quarter of 2023, up 1.39 bp when compared to the same period of last year. Historically in between 1Q2006 – 2Q2023, the ratio reached a high of 24.6% in 2Q2021 and a low of 11.3% in 3Q2006.

We estimate that sector's Tier 1 ratio might have reached 22.0% and equity accounted for 17.0% of loans. This is up 3.68 bp and up 0.282 bp when compared to five years ago.

With a lack of official data, we estimate that Hypoteční Banka operated with the highest capital adequacy ratio followed by Max banka and Fio banka. Moneta Stavební Sporitelna and Air Bank managed to operate with relatively low capital ratios:

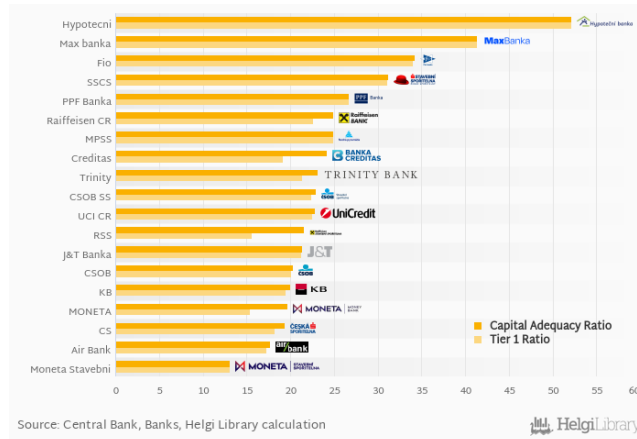
Banks' Capitalization in Czechia

CAR, Tier 1 & Equity to Loans & Equity to Assets



Banks in Czechia by Capitalization

Capital Adequacy Ratio and Tier 1 Ratio, 2Q2023



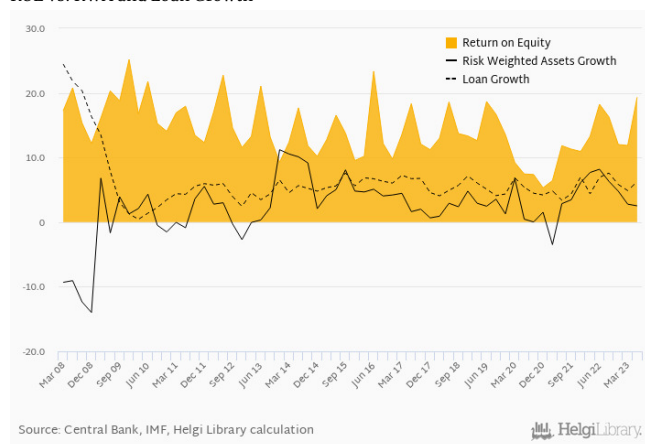
Return on Equity

Risk weighted assets have been growing by 4.09% a year since 2013 while banks' profits generated return on equity of 13.0% on average during that time. In other words, profits created enough room to both, fund asset growth as well as pay dividends to shareholders in the last decade.

Fio banka achieved the highest ROE in the last three years (36.8%) followed by Moneta Stavebni Sporitelna (22.8%) and Air Bank (17.7%). When adjusted to the same level of capital (15% of risk-weighted assets), Fio banka would be the most profitable with a ROE of 97.4% in the last twelve months:

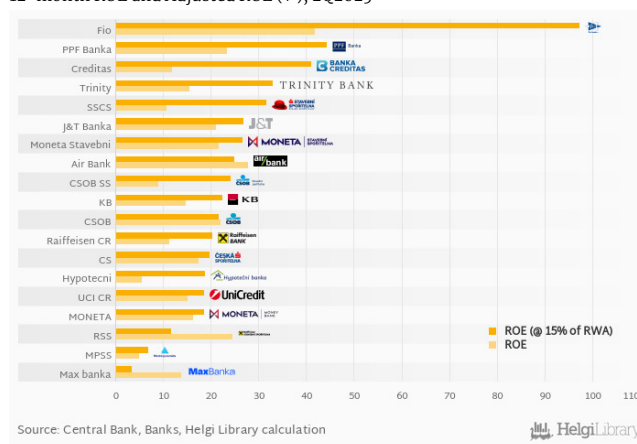
Banks' Growth of Risk vs. Profitability in Czechia

ROE vs. RWA and Loan Growth



Banks in Czechia by ROE

12-month ROE and Adjusted ROE (%), 2Q2023

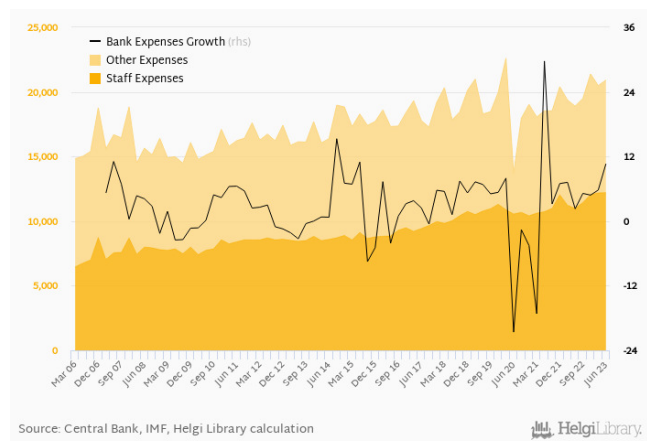


Cost Efficiency & Infrastructure

Cost Efficiency

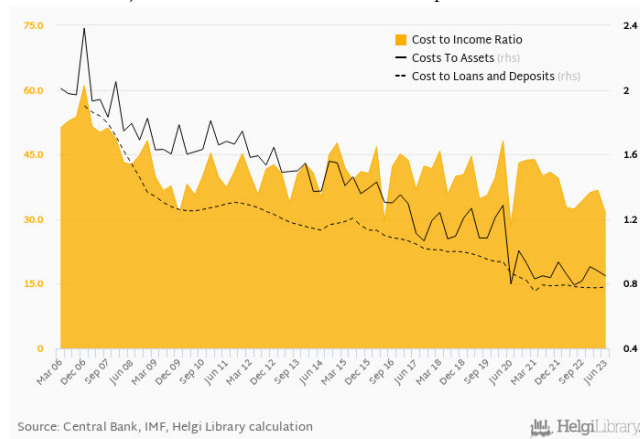
Operating costs rose 10.6% yoy and cost to income fell to 31.2% last quarter. When compared to total assets, operating costs reached 0.848%, up 0.056 bp yoy.

Banks' Cost Breakdown in Czechia



Banks' Cost Efficiency in Czechia

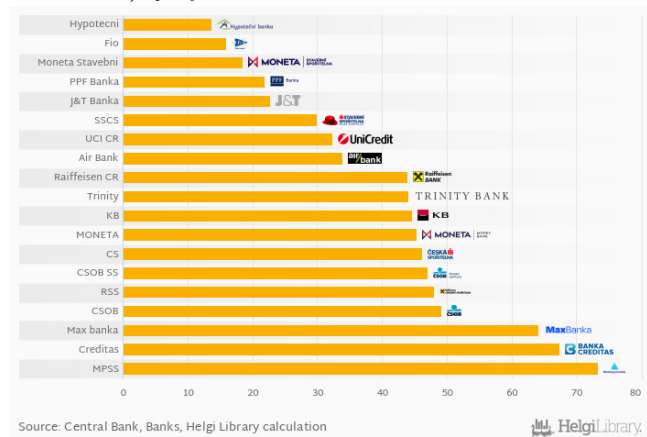
Cost to Income, Cost to Assets and Cost to Loans & Deposits



Hypotecni Banka achieved the lowest costs when compared to income followed by Fio banka and Moneta Stavebni Sportelna:

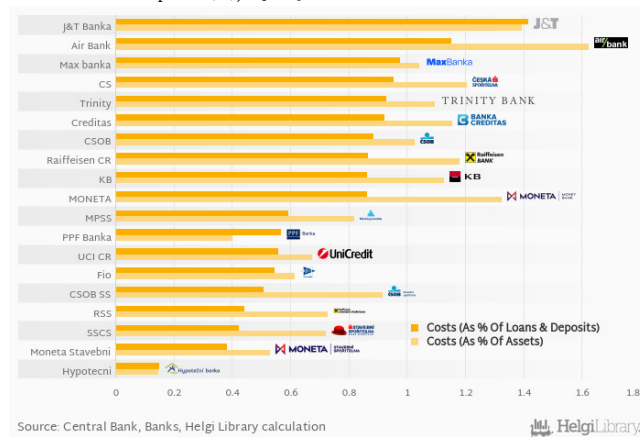
Banks by Cost to Income in Czechia

Cost to Income, 2Q2023



Banks in Czechia by Cost to Loans & Deposits

Cost to Loans & Deposits (%), 2Q2023

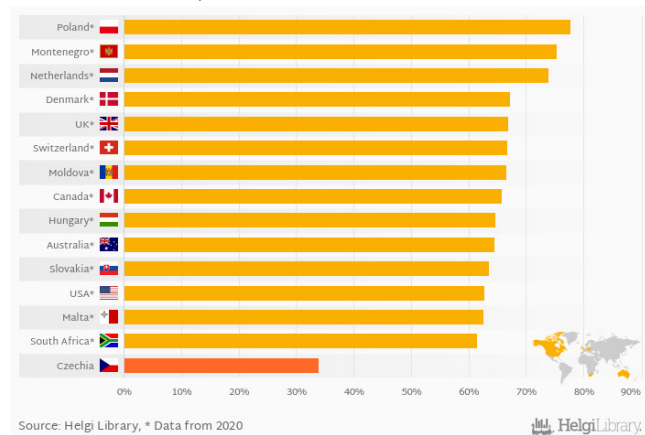


When cost efficiency is adjusted for balance sheet utilization, i.e. when operating costs are compared to the sum of loans and deposits instead of total assets, Hypotecni Banka and PPF Banka had the highest efficiency from this point of view, as seen above.

In a comparison of 51 countries in 2022, Czech banks ranked 3rd in terms of cost efficiency measured by lowest operating costs as % of their assets:

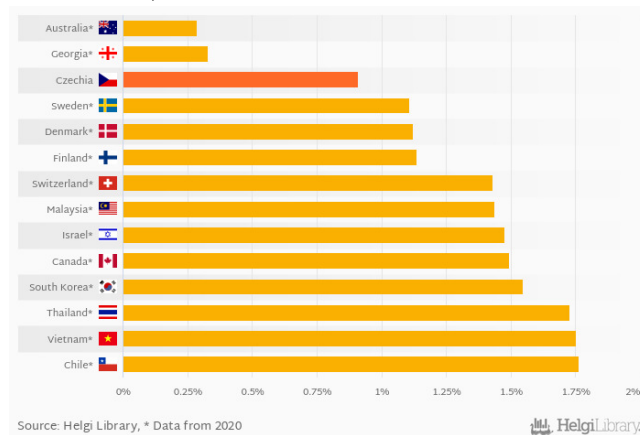
Cost to Income by Country

Cost as % of Income (%), 2022



Cost to Assets by Country

Cost to Assets (%), 2022

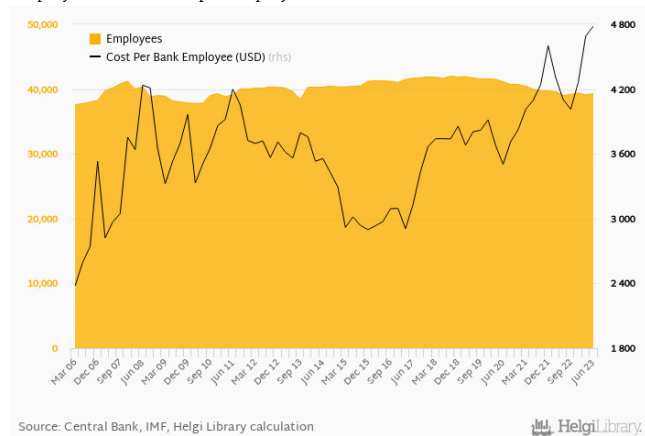


Staffing accounted for 58.4% of operating expenditures as the sector had 39,285 employees with an average cost of CZK 103,557 per month per person. This cost per employee is 10.3% higher than a year ago and 21.1% above the year 2020.

From a peak of 2,235 in 2Q2014, the number of branches has continued to decrease. At the end of the second quarter of 2023, commercial banks operated through a network of 1,483 branches. The number of ATMs increased to 5,544, up 2.99% when compared to five years ago:

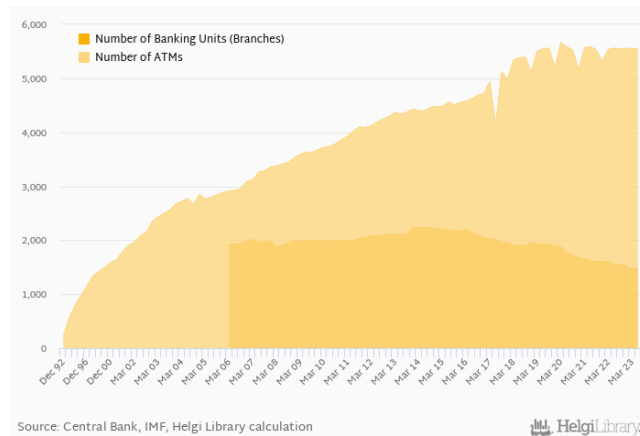
Banks' Staff Costs in Czechia

Employees & Staff Cost per Employee



Bank's Branches & ATMs in Czechia

Branches and ATMs





SIZE AND PENETRATION OF FINANCIAL SECTOR

SIZE AND PENETRATION OF BANKING SECTOR		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
BANK ASSETS AND LIABILITIES									
Bank Assets	CZK bil	8,938	8,523	9,470	9,624	9,448	8,906	9,745	9,982
Bank Loans	CZK bil	3,777	3,848	3,925	3,958	4,064	4,072	4,117	4,206
Bank Deposits	CZK bil	5,949	5,502	6,172	6,340	6,417	5,859	6,625	6,832
Bank Equity	CZK bil	713	702	713	652	682	705	718	713
Bank Liabilities	CZK bil	8,225	7,821	8,757	8,972	8,767	8,201	9,027	9,269
PENETRATION AS % OF GDP									
Bank Assets (As % of GDP)	%	142	132	154	142	134	131	129	133
Bank Loans (As % of GDP)	%	59.9	59.7	63.8	58.2	57.7	59.9	54.7	55.8
Corporate Loans (As % of GDP)	%	18.5	18.5	19.9	17.3	17.8	18.2	16.7	17.2
Retail Loans (As % of GDP)	%	31.1	31.8	33.8	29.6	29.6	31.5	28.6	29.3
Mortgage Loans (As % of GDP)	%	24.6	24.8	26.4	24.1	23.5	24.6	22.4	22.8
Consumer Loans (As % of GDP)	%	6.88	6.97	7.38	6.48	6.48	6.90	6.28	6.46
Bank Deposits (As % of GDP)	%	94.3	85.4	100	93.3	91.1	86.2	88.0	90.7
Corporate Deposits (As % of GDP)	%	19.8	20.3	21.7	18.7	19.6	20.1	19.5	20.0
Retail Deposits (As % of GDP)	%	53.3	53.4	48.3	48.9	49.2	50.0	45.8	46.6
BANKING PENETRATION PER POPULATION									
Retail Loans Per Capita	USD	8,456	8,702	8,872	8,240	8,032	8,873	9,367	9,470
Mortgage Loans Per Capita	USD	6,589	6,793	6,935	6,438	6,272	6,929	7,313	7,379
Consumer Loans Per Capita	USD	1,868	1,909	1,936	1,802	1,760	44,654	44,325	45,589
Retail Deposits Per Capita	USD	13,838	13,903	13,987	13,063	12,670	14,075	14,974	15,099
Bank Payment Card Penetration	%	125	129	125	123	128	131	134	138
Bank Credit Card Penetration	%	19.9	20.0	14.1	14.7	15.0	15.3	15.6	16.2
Bank Debit Card Penetration	%	103	110	107	109	111	114	119	122
BANKING INFRASTRUCTURE									
Number of Banks	banks	46.0	46.0	44.0	45.0	45.0	44.0	45.0	45.0
Number of ATMs	ATMs	5,529	5,317	5,537	5,559	5,547	5,555	5,555	5,544
Number of Branches	branches	1,603	1,596	1,610	1,543	1,542	1,526	1,462	1,483
Branches Per Bank	branches	34.8	34.7	36.6	34.3	34.3	34.7	32.5	33.0
People Per Bank Branch	persons	6,669	6,703	6,635	6,922	6,924	6,992	7,289	7,186
People Per ATM	persons	1,934	1,920	1,929	1,921	1,925	1,921	1,918	1,922
ATMs (As % of Bank Branches)	ATMs	3.45	3.49	3.44	3.60	3.60	3.64	3.80	3.74
Bank Payment Cards	mil	13.3	14.5	13.4	13.1	13.7	14.0	14.3	14.7
Bank Credit Cards	mil	2.12	1,397,631	1.50	1.57	1.60	1.63	1.67	1.73
Bank Debit Cards	mil	11.0	13,071,281	11.4	11.6	11.9	12.2	12.6	13.0
Number of Bank Employees	persons	39,764	39,715	39,612	39,012	39,194	39,404	39,115	39,285
Cost Per Bank Employee	CZK per month	92,160	101,179	94,576	93,928	97,430	101,974	103,965	103,557
Cost Per Bank Employee (USD)	USD per month	4,241	4,602	4,307	4,103	4,013	4,260	4,690	4,782

Source: Central bank, IMF, Helgi Library calculation



BANKS' INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
INCOME STATEMENT									
Interest Income	CZK mil	44,159	59,056	83,685	102,464	119,642	125,165	130,360	139,108
Interest Expenses	CZK mil	12,496	20,499	41,853	58,982	75,507	82,746	90,102	97,250
Net Interest Income	CZK mil	31,662	38,557	41,832	43,482	44,135	42,419	40,258	41,858
Net Fee Income	CZK mil	8,500	9,295	9,876	9,453	9,169	9,605	9,730	10,008
Non-Interest Income	CZK mil	13,623	13,036	17,379	15,005	12,809	16,751	15,530	25,265
Total Income	CZK mil	45,284	51,594	59,211	58,488	56,944	59,170	55,788	67,123
Staff Expenses	CZK mil	10,993	12,056	11,239	10,993	11,455	12,055	12,200	12,205
Total Expenses	CZK mil	18,530	20,402	19,374	18,901	19,495	21,387	20,492	20,914
Operating Profit	CZK mil	23,433	27,517	36,363	36,203	33,967	23,726	31,763	39,218
Profit & Loss Provisions	CZK mil	-512	2,759	1,592	-765	2,992	6,075	398	2,839
Pre-Tax Profit	CZK mil	24,292	23,732	28,470	36,867	32,481	24,002	26,008	39,817
Income Tax	CZK mil	4,358	4,381	4,993	5,734	5,316	3,545	4,892	5,245
Net Profit	CZK mil	19,935	19,346	23,477	31,133	27,165	20,457	21,116	34,572
REVENUE & COST GROWTH RATES									
Net Interest Income Growth	%	8.55	30.3	42.8	48.2	39.4	10.0	-3.76	-3.74
Net Fee Income Growth	%	11.3	17.0	22.2	4.67	7.87	3.34	-1.48	5.87
Total Income Growth	%	8.48	18.4	43.7	26.3	25.7	14.7	-5.78	14.8
Total Expenses Growth	%	3.19	6.98	7.21	2.29	5.15	4.83	5.77	10.6
Operating Profit Growth	%	13.9	30.7	82.9	47.6	45.0	-13.8	-12.6	8.33
Net Profit Growth	%	65.3	119	117	53.7	36.3	5.74	-10.1	11.0
PROFITABILITY & EFFICIENCY RATIOS									
Return on Equity (ROE)	%	11.3	10.9	13.3	18.2	16.3	12.0	11.9	19.3
Pre-Tax Return on Equity	%	13.8	13.4	16.1	21.6	19.5	14.1	14.6	22.3
ROE (@15% of RWA)	%	17.0	19.7	22.7	25.2	27.1	27.3	26.5	27.1
Return on Assets (ROA)	%	0.901	0.886	1.04	1.30	1.14	0.866	0.906	1.40
Pre-Tax Return on Assets (Pre-Tax ROA)	%	1.10	1.09	1.27	1.54	1.36	1.02	1.12	1.61
Effective Tax Rate	%	17.9	18.5	17.5	15.6	16.4	14.8	18.8	13.2
Net Interest Margin (As % of Assets)	%	1.43	1.77	1.86	1.82	1.85	1.80	1.73	1.70
Fee Income (As % of Assets)	%	0.384	0.426	0.439	0.396	0.385	0.407	0.417	0.406
Total Income (As % of Assets)	%	2.05	2.36	2.63	2.45	2.39	2.50	2.39	2.72
Operating Profit (As % of Assets)	%	1.06	1.26	1.62	1.52	1.42	1.00	1.36	1.59
Cost to Income Ratio	%	40.9	39.5	32.7	32.3	34.2	36.1	36.7	31.2
Cost to Assets	%	0.838	0.935	0.861	0.792	0.818	0.905	0.879	0.848
Staff Expenses (As % of Costs)	%	50.3	50.1	49.2	49.3	49.8	56.4	59.5	58.4

Source: Central bank, IMF, Helgi Library calculation



BANKS' LOAN PORTFOLIO		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Bank Loans	CZK bil	3,777	3,848	3,925	3,958	4,064	4,072	4,117	4,206
Corporate Loans	CZK bil	1,184	1,188	1,222	1,221	1,278	1,237	1,257	1,293
Retail Loans	CZK bil	1,991	2,043	2,081	2,096	2,121	2,141	2,156	2,203
Mortgage Loans	CZK bil	1,551	1,595	1,627	1,638	1,657	1,672	1,683	1,717
Consumer Loans	CZK bil	440	448	454	458	465	469	473	486
Loans by Public Bodies	CZK bil	57.6	58.6	57.4	57.0	63.9	62.0	60.2	63.8
LOAN GROWTH RATES									
Bank Loan Growth	%	4.37	7.01	4.38	6.93	7.60	5.82	4.88	6.26
Corporate Loan Growth	%	1.95	5.81	7.58	7.71	7.90	4.11	2.85	5.86
Retail Loan Growth	%	9.09	9.94	10.3	8.30	6.56	4.78	3.59	5.10
Mortgage Loan Growth	%	10.5	11.1	11.1	8.80	6.80	4.81	3.45	4.82
Consumer Loan Growth	%	3.54	6.00	7.70	6.55	5.72	4.66	4.10	6.12
Public Loan Growth	%	8.46	8.59	-67.2	-32.4	10.8	5.85	4.93	11.8
ASSET QUALITY									
Non-Performing Loans (NPLs)	CZK bil	97.9	92.1	88.7	84.5	81.2	79.2	78.3	76.6
Loan Loss Provisions	CZK bil	77.7	76.1	75.5	72.2	74.3	75.4	73.6	71.9
Provisions (As % of NPLs)	%	75.2	78.1	80.2	80.4	85.9	95.2	94.1	93.9
Provisions (As % of Total Loans)	%	2.06	1.98	1.92	1.82	1.83	1.85	1.79	1.71
NPL Ratio	%	2.74	2.53	2.40	2.27	2.13	1.95	1.90	1.82
Provisions (as % of Operating Profit)	%	-2.18	10.0	4.38	-2.11	8.81	25.6	1.25	7.24
Cost of Risk	%	-0.055	0.289	0.164	-0.078	0.298	0.598	0.039	0.273
Uncovered NPLs (As % of Loans)	%	0.679	0.553	0.474	0.444	0.300	0.094	0.112	0.111
NPLs (As % of Corporate Loans)	%	4.02	3.84	3.72	3.52	3.33	3.40	3.24	2.99
NPLs (As % of Retail Loans)	%	1.72	1.57	1.46	1.34	1.30	1.27	1.26	1.28
NPLs (As % of Mortgage Loans)	%	0.959	0.880	0.820	0.750	0.705	0.700	0.694	0.707
NPLs (As % of Consumer Loans)	%	7.57	6.96	6.52	5.92	5.73	5.68	5.61	5.66

Source: Central bank, IMF, Helgi Library calculation

BANKS' FUNDING AND CAPITAL		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Bank Deposits	CZK bil	5,949	5,502	6,172	6,340	6,417	5,859	6,625	6,832
Corporate Deposits	CZK bil	1,267	1,309	1,334	1,323	1,408	1,367	1,466	1,503
Retail Deposits	CZK bil	3,258	3,265	3,281	3,323	3,346	3,396	3,447	3,513
Bank Deposits by Public Bodies	CZK bil	747	325	826	954	939	399	932	984
Current (As % of Total Deposits)	%	79.4	82.2	71.6	68.8	65.8	71.8	62.6	61.8
Current (As % of Retail Deposits)	%	84.6	82.6	80.0	78.0	75.9	75.1	73.9	73.8
DEPOSIT GROWTH RATES									
Bank Deposits Growth	%	7.19	6.59	4.70	8.29	7.87	6.48	7.34	7.75
Retail Deposits Growth	%	10.0	6.80	3.60	3.05	2.72	4.04	5.03	5.70
Corporate Deposits Growth	%	6.56	7.47	8.07	5.63	11.1	4.44	9.89	13.7
Public Deposits Growth	%	4.82	7.58	2.01	31.6	25.7	22.5	12.8	3.13
CAPITAL AND FUNDING									
Bank Tier 1 Capital	CZK bil	627	623	606	593	601	616	628	641
Bank Regulatory Capital	CZK bil	647	643	625	613	622	637	650	670
Banks' Risk-Weighted Assets	CZK bil	2,344	2,380	2,441	2,482	2,492	2,493	2,509	2,544
Bank Capital Adequacy Ratio	%	23.9	23.5	22.4	21.6	21.8	22.3	22.5	23.0
Bank Tier 1 Ratio	%	23.2	22.8	21.7	20.9	21.1	21.5	21.8	22.0
Bank Equity (As % of Bank Assets)	%	7.98	8.24	7.53	6.78	7.21	7.92	7.37	7.14
Bank Loans (As % of Bank Assets)	%	42.3	45.1	41.5	41.1	43.0	45.7	42.2	42.1
Bank Loans (As % of Bank Deposits)	%	63.5	69.9	63.6	62.4	63.3	69.5	62.1	61.6
Retail Loans (as % of Retail Deposits)	%	61.1	62.6	63.4	63.1	63.4	63.0	62.6	62.7

Source: Central bank, IMF, Helgi Library calculation



INTEREST SPREADS AND MARGINS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Net Interest Margin (As % of Total Assets)	%	1.43	1.77	1.86	1.82	1.85	1.80	1.73	1.70
Interest Spread (Loans minus Deposits)	%	3.16	3.71	3.60	3.67	3.37	3.58	2.93	2.91
Yield on Total Bank Assets	%	2.00	2.71	3.72	4.29	5.02	5.30	5.59	5.64
Costs of Bank Liabilities	%	0.614	1.02	2.02	2.66	3.41	3.90	4.18	4.25
RATES ON OUTSTANDING LOANS & DEPOSITS									
Interest Rate on Bank Loans	%	3.32	4.14	4.56	5.28	5.50	5.57	5.64	5.71
Interest Rate on Corporate Loans	%	2.91	4.67	5.54	6.97	7.28	7.33	7.37	7.40
Interest Rate on Consumer Loans	%	8.29	8.21	8.14	8.22	8.37	8.48	8.53	8.57
Mortgage Loan Interest Rate	%	2.40	2.41	2.45	2.53	2.62	2.71	2.81	2.94
Interest Rate on Corporate Deposits	%	0.093	0.406	1.22	2.16	2.80	2.20	3.37	3.53
Interest Rate on Bank Deposits	%	0.168	0.434	0.961	1.61	2.13	1.99	2.71	2.80
Interest Rate on Retail Deposits	%	0.230	0.454	0.732	1.10	1.52	1.83	2.09	2.11
RATES ON NEW LOANS & DEPOSITS									
Interest Rate on Corporate Loans	%	3.10	5.13	6.91	8.46	9.10	9.46	9.42	9.51
Interest Rate on Consumer Loans	%	7.59	7.91	8.20	8.84	9.70	9.66	9.49	9.51
Mortgage Loan Interest Rate	%	2.37	2.85	3.73	4.26	4.64	4.68	4.99	5.23
Interest Rate on Corporate Deposits	%	0.565	2.47	3.90	5.80	6.45	5.78	6.49	6.53
Interest Rate on Retail Deposits	%	0.726	2.32	3.49	5.34	6.08	6.00	6.04	6.11

Source: Central bank, IMF, Helgi Library calculation

Komerční Banka

Quarterly Results – 2Q2023

Komerční Banka made a net profit of CZK 4,582 mil in the second quarter of 2023, down 5.6% when compared to the previous year. Total revenues decreased 5.66% yoy to CZK 9,142 mil, ROE amounted to 14.7% and the NPL ratio stood at 2.09%. Komerční Banka stock depreciated by 7.39% in the second quarter of 2023 to CZK 665 per share and the stock traded at a 12-month trailing PE of 6.85x and PBV of 1.04x based on the closing price at the end of the quarter.

- ✓ Revenues decreased 5.66% yoy to CZK 9,142 mil in the second quarter of 2023. Interest income formed 70.7% of total revenues with the net interest margin decreasing 0.238 pp to 1.78% of total assets. Fees added a further 16.8% to total revenue generated in 2Q2023, up from an average of 16.5% as seen in the previous two years.
- ✓ Operating costs grew by 11.8% yoy to CZK 4,086 mil, so cost to income ratio reached 44.7%, down by 5.48% compared to the previous two years. Staff accounted for 52.0% of total operating expenditures. At the end of second quarter of 2023, Komerční Banka operated a network of 215 branches and 7,549 employees.
- ✓ Loans and deposits grew by 1.24% and 1.11% qoq respectively, so loan to deposit ratio reached 73.1% at the end of 2Q2023. That's up from 68.6% the previous year. Equity reached 8.24% of assets and capital adequacy ratio amounted to 20.0% at the end of the second quarter of 2023.
- ✓ NPLs were 2.09% of total loans at the end of the quarter. Provisions covered 51.3% of non-performing loans.
- ✓ Komerční Banka stock traded at CZK 665 per share at the end of second quarter of 2023 implying a market capitalization of USD 5,810 mil. This put stock at a 12-month trailing price to earnings of 6.85x and price to book value of 1.04x as of the end of 2Q2023.

Sector:
Banking

Country:
Czechia

Share Price:
CZK 665

Market Capitalization:
USD 5,810 mil

Shares Outstanding:
189 mil

Employees:
7,549

Clients:
N/A

Branches:
215

Capital Adequacy Ratio:
20.0%

NPL Ratio:
2.09%

Provision Coverage:
51.3%

KEY FIGURES									
	REVENUES	NET PROFIT	EPS	EPS GROWTH	PER	PBV	ROE	DPS	DIV. YIELD
	CZK mil	CZK mil	CZK	%			%	CZK	%
2Q2023	9,142	4,582	97.0	-5.60	6.85	1.04	14.7
2022	38,632	17,839	94.5	37.3	6.93	0.992	14.1	60.4	9.22
2021	31,347	12,992	68.8	59.2	13.6	1.38	10.6	23.9	2.55
2020	29,663	8,157	43.2	-44.7	15.2	1.06	7.23	28.0	4.26
2019	32,573	14,901	78.1	-0.583	10.6	1.44	14.1	0	0
2018	32,203	14,846	78.6	3.24	10.8	1.55	14.6	51.0	6.02
2017	31,060	14,930	76.1	5.12	12.0	1.72	14.5	47.0	5.14

Source: Company Data, Helgi Library

Data tells a story



Komerční Banka – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	8,547	12,046	16,867	22,214	26,198	27,867	27,206	29,122
Interest Cost	CZK mil	3,156	5,599	10,011	14,912	18,856	20,735	20,857	22,659
Net Interest Income	CZK mil	5,391	6,447	6,856	7,302	7,342	7,132	6,349	6,463
Net Fee Income	CZK mil	1,376	1,545	1,493	1,477	1,478	1,673	1,515	1,534
Other Income	CZK mil	1,056	727	1,128	911	1,018	822	1,094	1,145
Total Revenues	CZK mil	7,823	8,719	9,477	9,690	9,838	9,627	8,958	9,142
Staff Cost	CZK mil	1,933	1,939	1,871	1,916	1,944	2,003	1,944	2,125
Depreciation	CZK mil	713	695	738	752	760	773	795	829
Other Cost	CZK mil	876	1,111	2,160	987	953	1,158	2,268	1,132
Operating Cost	CZK mil	3,522	3,745	4,769	3,655	3,657	3,934	5,007	4,086
Operating Profit	CZK mil	4,301	4,974	4,708	6,035	6,181	5,693	3,951	5,056
Provisions	CZK mil	51.0	12.0	278	284	669	-50.0	-432	-467
Pre-Tax Profit	CZK mil	4,315	5,244	4,446	5,966	5,595	5,830	4,444	5,581
Net Profit	CZK mil	3,502	4,232	3,577	4,854	4,644	4,763	3,611	4,582

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	79,070	29,947	57,491	21,383	25,497	14,190	16,967	11,913
Interbank Loans	CZK mil	374,771	257,196	349,137	455,150	420,753	233,398	339,065	383,240
Customer Loans	CZK mil	709,811	724,587	738,500	757,528	776,560	781,463	788,248	797,985
Investments	CZK mil	178,913	190,923	208,664	207,000	220,414	226,848	238,117	228,391
Property and Equipment	CZK mil	9,352	8,983	8,732	8,685	8,617	8,762	8,685	8,766
Intangible Assets	CZK mil	7,483	7,878	8,055	8,335	8,655	9,030	9,355	9,792
Total Assets	CZK mil	1,378,937	1,245,134	1,398,297	1,490,502	1,492,210	1,305,304	1,431,062	1,467,274
Shareholders' Equity	CZK mil	127,173	127,564	129,556	126,760	129,267	124,676	128,246	120,881
Liabilities	CZK mil	1,251,764	1,117,570	1,268,741	1,363,742	1,362,943	1,180,628	1,302,816	1,346,393
Interbank Borrowing	CZK mil	90,385	83,372	124,097	147,266	109,738	85,176	82,094	105,292
Customer Deposits	CZK mil	1,093,858	956,929	1,051,287	1,103,643	1,120,532	950,692	1,079,799	1,091,739
Issued Debt Securities	CZK mil	16,571	16,156	15,068	21,354	33,472	50,850	49,545	60,764
Other Liabilities	CZK mil	50,950	61,113	78,289	91,479	99,201	93,910	91,378	88,598

RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	11.2	13.3	11.1	15.2	14.5	15.0	11.4	14.7
ROA	%	1.04	1.29	1.08	1.34	1.25	1.36	1.06	1.26
Costs (As % Of Assets)	%	1.04	1.14	1.44	1.01	0.981	1.12	1.46	1.13
Costs (As % Of Income)	%	45.0	43.0	50.3	37.7	37.2	40.9	55.9	44.7
Capital Adequacy Ratio	%	23.0	21.3	20.2	20.3	21.1	19.5	19.8	20.0
Net Interest Margin	%	1.60	1.97	2.07	2.02	1.97	2.04	1.86	1.78
Interest Income (As % Of Revenues)	%	68.9	73.9	72.3	75.4	74.6	74.1	70.9	70.7
Fee Income (As % Of Revenues)	%	17.6	17.7	15.8	15.2	15.0	17.4	16.9	16.8
Staff Cost (As % Of Total Cost)	%	54.9	51.8	39.2	52.4	53.2	50.9	38.8	52.0
Equity (As % Of Assets)	%	9.22	10.2	9.27	8.50	8.66	9.55	8.96	8.24
Loans (As % Of Deposits)	%	64.9	75.7	70.2	68.6	69.3	82.2	73.0	73.1
Loans (As % Assets)	%	51.5	58.2	52.8	50.8	52.0	59.9	55.1	54.4
NPLs (As % Of Loans)	%	2.65	2.47	2.43	2.43	2.27	2.34	2.24	2.09
Provisions (As % Of NPLs)	%	52.0	51.6	51.5	51.2	50.6	51.0	50.8	51.3

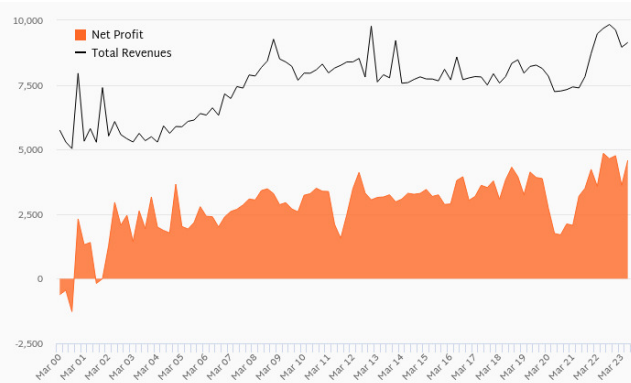
VALUATION		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Market Capitalisation	USD mil	7,603	8,044	7,369	5,252	4,717	5,470	6,274	5,810
Number Of Shares	mil	189	189	189	189	189	189	189	189
Share Price	CZK	887	935	857	663	629	655	718	665
Earnings Per Share (EPS)	CZK	74.2	89.6	75.8	103	98.4	101	76.5	97.0
Book Value Per Share	CZK	673	675	686	671	684	660	679	640
Price/Earnings (P/E)		12.0	10.4	11.3	6.44	6.39	6.49	9.38	6.85
Price/Book Value (P/BV)		1.32	1.38	1.25	0.987	0.919	0.992	1.06	1.04

Source: Company Data, Helgi Library

Komerční Banka in Pictures

Revenue & Profitability

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

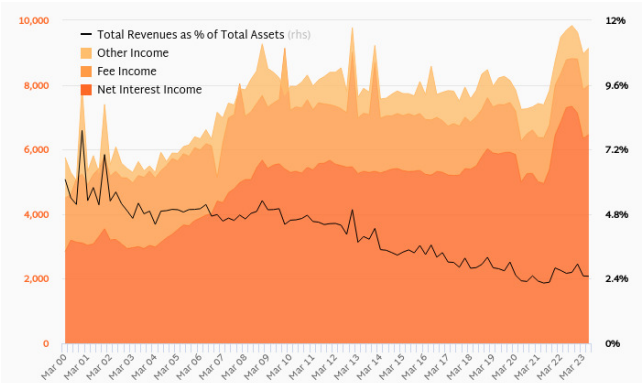


Source: Company Data, Helgi Library

HelgiLibrary

Revenue Breakdown

Revenue by Type of Income (CZK mil)

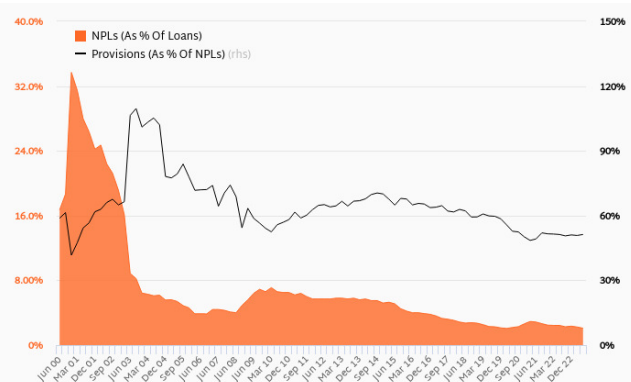


Source: Company Data, Helgi Library

HelgiLibrary

Asset Quality

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

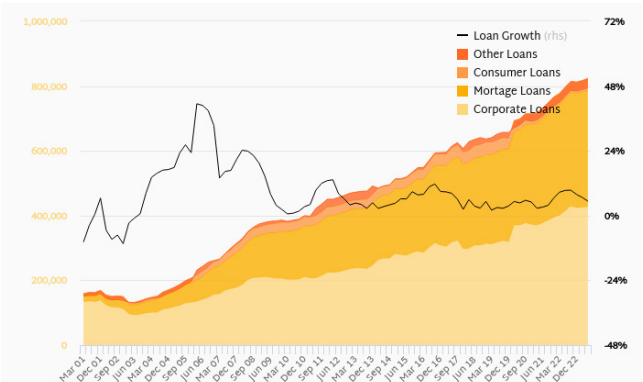


Source: Company Data, Helgi Library

HelgiLibrary

Loan Breakdown

Loans by Type (CZK mil)

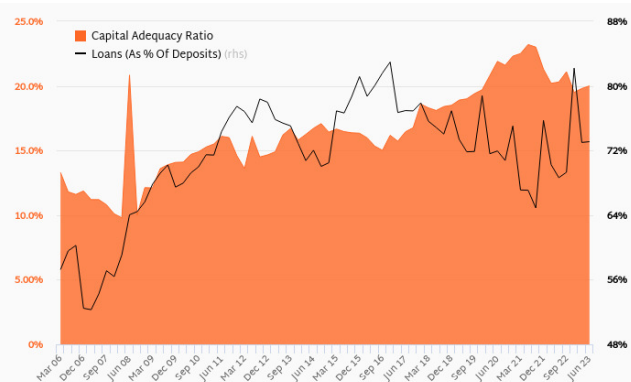


Source: Company Data, Helgi Library

HelgiLibrary

Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)

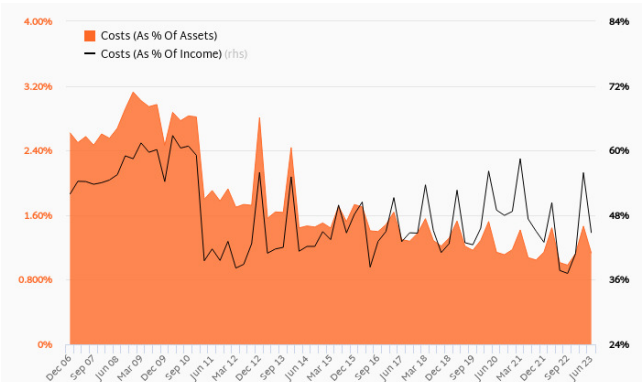


Source: Company Data, Helgi Library

HelgiLibrary

Cost Efficiency

Costs As % Of Assets & Income



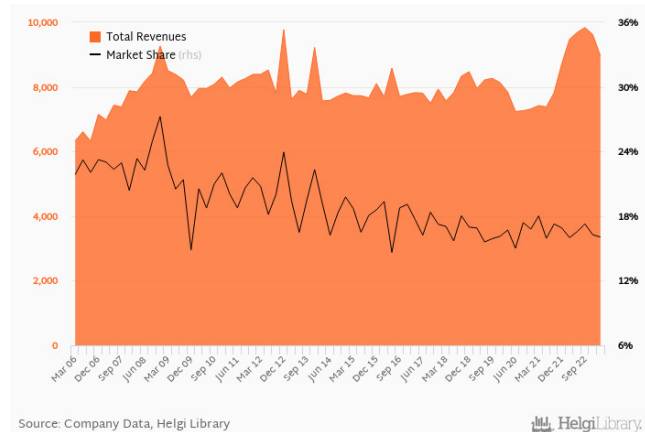
Source: Company Data, Helgi Library

HelgiLibrary

Komerční Banka – Market Share Development

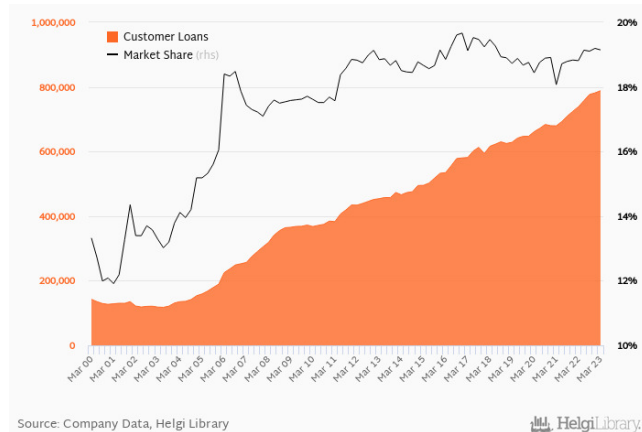
Market Share in Bank Revenues

Total Revenues (CZK mil)



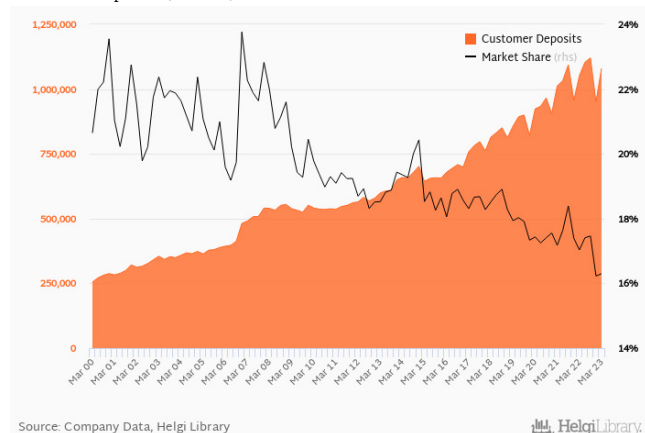
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



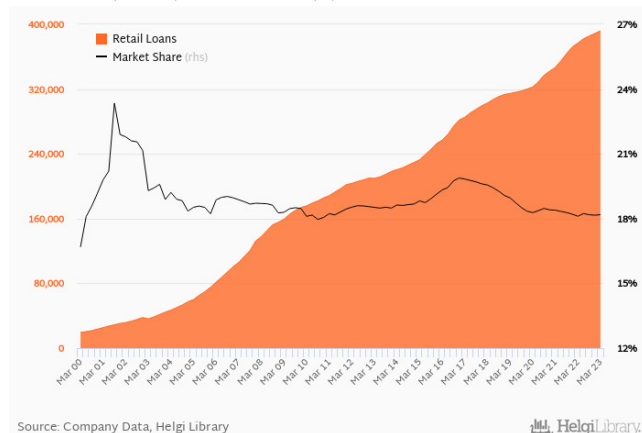
Market Share in Bank Deposits

Customer Deposits (CZK bil)



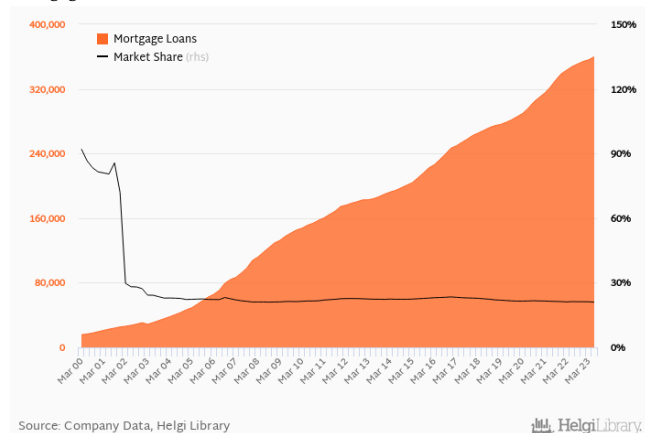
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



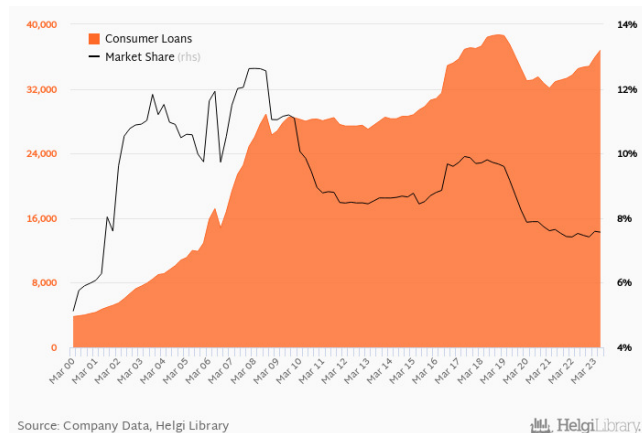
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

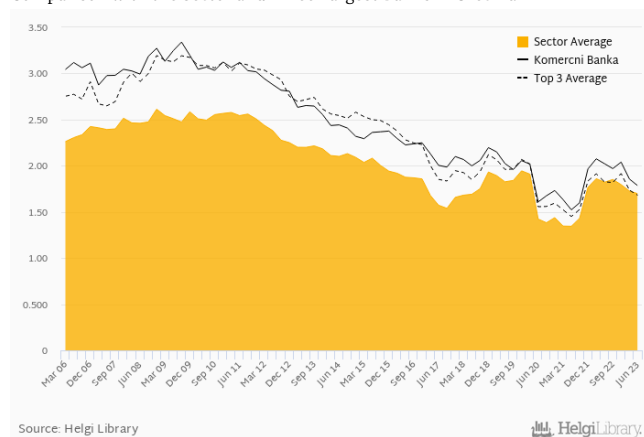
Consumer Loans (CZK mil)



Komerční Banka – Comparison with Sector

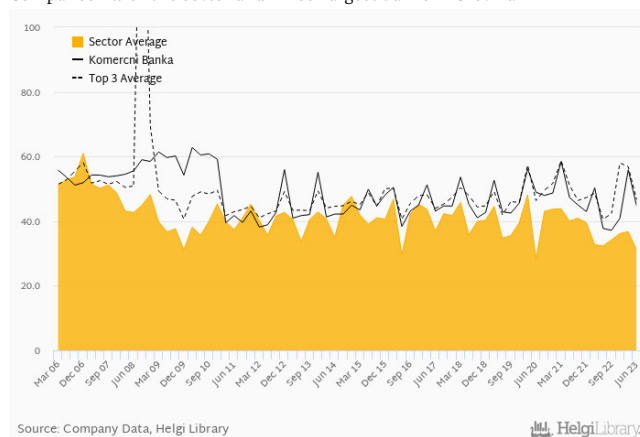
Komerční Banka – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



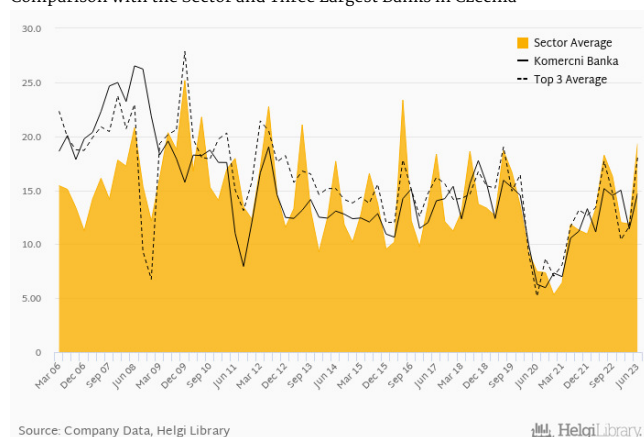
Komerční Banka – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



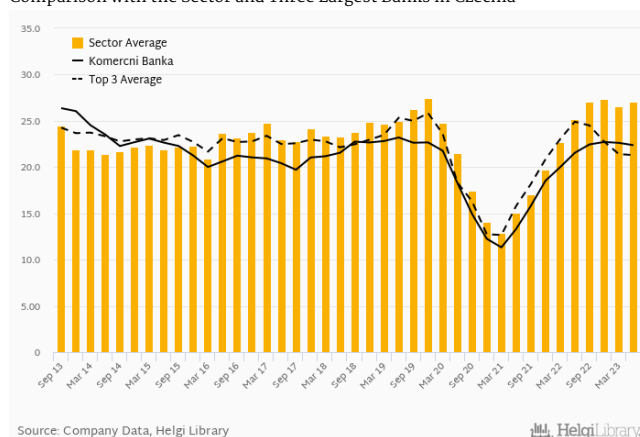
Komerční Banka – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



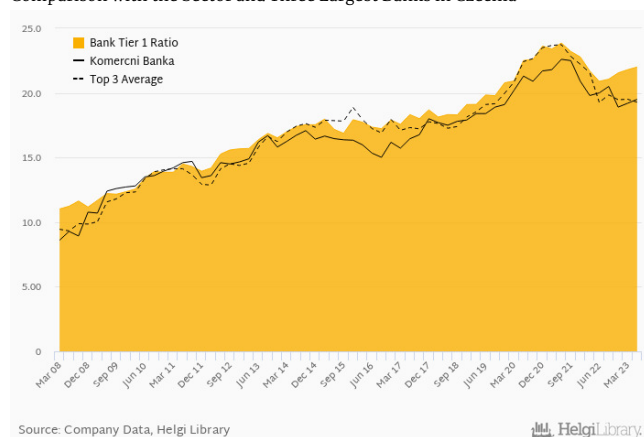
Komerční Banka – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



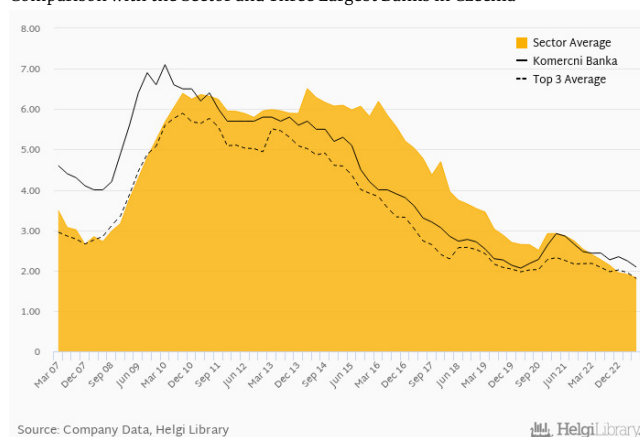
Komerční Banka – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Komerční Banka – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



UniCredit Bank Czecho-Slovakia

Quarterly Results – 2Q2023

UniCredit Bank Czecho-Slovakia made a net profit of CZK 2,761 mil in the second quarter of 2023, up 27% when compared to the previous year. Total revenues increased 7.36% yoy to CZK 5,264 mil, ROE amounted to 15.1% and the NPL ratio stood at 1.97%. In the last three years, the bank grew its loans by 10.5% a year, revenues rose by 8.89% and net profit increased by 17% a year, on average.

- ✓ Revenues increased 7.36% yoy to CZK 5,264 mil in the second quarter of 2023. Interest income formed 66.9% of total revenues with the net interest margin decreasing 0.149 pp to 1.40% of total assets. Fees added a further 17.3% to total revenue generated in 2Q2023, up from an average of 16.9% as seen in the previous two years.
- ✓ Operating costs dropped by 16.3% yoy to CZK 1,701 mil, so cost to income ratio reached 32.3%, down by 26.3% compared to the previous two years. Staff accounted for 56.7% of total operating expenditures. At the end of second quarter of 2023, UniCredit Bank Czecho-Slovakia operated a network of 108 branches and 2,858 employees.
- ✓ Loans and deposits grew by 2.19% and 6.27% qoq respectively, so loan to deposit ratio reached 72.9% at the end of 2Q2023. That's up from 72.6% the previous year. Equity reached 7.57% of assets and we assume that capital adequacy ratio amounted to 22.8% at the end of the second quarter of 2023.
- ✓ NPLs were 1.97% of total loans at the end of the quarter, on our estimates. Provisions covered 110% of non-performing loans.
- ✓ When compared to selected peers, UniCredit Bank Czecho-Slovakia was 0.158 pp less profitable in terms of ROE, achieved 7.62 pp better cost efficiency when measured by cost to income ratio and grew its loans by 0.344 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
2,858

Clients:
N/A

Branches:
108

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
22.8%*

Tier 1 Ratio:
22.5%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	5,264	7.36	2,761	27.0	15.1	32.3	72.9	7.57	1.97
2022	20,762	8.63	9,128	30.8	11.2	44.4	107	10.6	1.87
2021	19,113	5.73	6,981	31.3	8.34	47.2	103	11.8	2.50
2020	18,078	-14.3	5,317	-47.5	6.48	47.8	109	12.9	3.29
2019	21,086	0.726	10,122	13.0	13.1	40.2	106	11.4	2.31
2018	20,934	12.4	8,957	17.5	12.2	41.5	110	11.3	2.67
2017	18,621	4.16	7,626	26.2	11.0	47.3	107	10.6	3.42

Source: Company Data, Helgi Library; Numbers for the Bank include figures for Slovak operations. *Estimate

Data tells a story



UniCredit Bank Czecho-Slovakia – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	3,400	4,015	4,869	5,636	6,038	6,233	6,958	8,508
Interest Cost	CZK mil	521	699	1,385	2,068	3,007	3,012	3,533	4,987
Net Interest Income	CZK mil	2,879	3,316	3,484	3,568	3,031	3,221	3,425	3,521
Net Fee Income	CZK mil	812	838	926	885	788	823	773	910
Other Income	CZK mil	666	524	1,267	450	634	1,127	1,416	833
Total Revenues	CZK mil	4,357	4,679	5,677	4,903	4,454	5,171	5,614	5,264
Staff Cost	CZK mil	845	883	830	881	866	996	926	965
Depreciation	CZK mil	250	421	274	269	267	268	279	271
Other Cost	CZK mil	893	1,209	905	884	897	775	1,449	465
Operating Cost	CZK mil	1,988	2,513	2,009	2,033	2,030	2,040	2,655	1,701
Operating Profit	CZK mil	2,369	2,166	3,668	2,869	2,423	3,132	2,959	3,562
Provisions	CZK mil	-107	1,305	363	476	140	503	-116	266
Pre-Tax Profit	CZK mil	2,726	1,303	2,785	2,658	2,538	2,701	3,075	3,297
Net Profit	CZK mil	2,170	1,018	2,348	2,173	2,104	2,298	2,695	2,761

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	93,729	18,901	81,621	29,437	13,790	98,715	10,580	6,388
Interbank Loans	CZK mil	320,785	123,973	306,363	319,524	361,941	107,722	359,153	314,801
Customer Loans	CZK mil	470,540	456,965	464,032	479,837	492,778	491,662	501,682	512,685
Investments	CZK mil	52,883	70,344	99,018	108,282	134,054	80,996	81,851	84,954
Property and Equipment	CZK mil	3,530	3,437	3,428	3,484	3,317	3,281	3,328	3,489
Intangible Assets	CZK mil	2,506	2,629	2,548	2,475	2,408	2,495	2,342	2,290
Total Assets	CZK mil	871,002	680,396	901,976	943,363	1,025,966	756,090	1,026,526	988,985
Shareholders' Equity	CZK mil	82,814	77,961	78,443	71,712	73,604	77,171	71,392	74,832
Liabilities	CZK mil	788,188	602,435	823,532	871,651	952,362	678,920	955,134	914,152
Interbank Borrowing	CZK mil	128,277	49,902	78,353	87,543	75,646	56,910	57,703	66,634
Customer Deposits	CZK mil	597,807	465,198	641,797	660,951	755,777	494,288	749,899	702,888
Issued Debt Securities	CZK mil	32,942	58,673	67,528	75,549	79,509	34,412	46,292	58,663
Other Liabilities	CZK mil	29,162	28,663	35,855	47,608	41,430	93,309	101,240	85,967

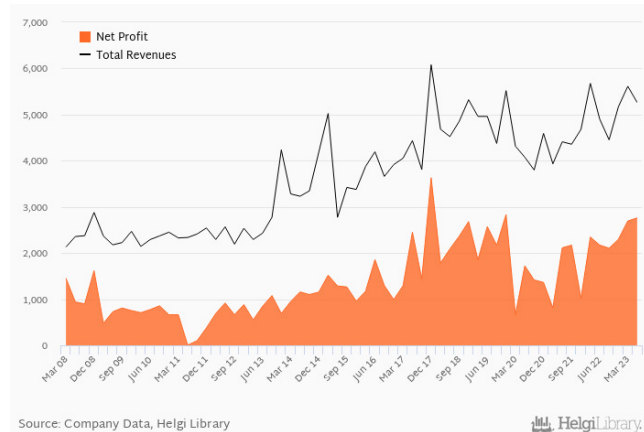
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	10.5	5.06	12.0	11.6	11.6	12.2	14.5	15.1
ROA	%	0.957	0.525	1.19	0.942	0.855	1.03	1.21	1.10
Costs (As % Of Assets)	%	0.877	1.30	1.02	0.882	0.825	0.916	1.19	0.675
Costs (As % Of Income)	%	45.6	53.7	35.4	41.5	45.6	39.4	47.3	32.3
Capital Adequacy Ratio	%	22.2	21.9	21.8	21.7	22.7	23.1	22.3	22.8
Net Interest Margin	%	1.27	1.71	1.76	1.55	1.23	1.45	1.54	1.40
Interest Income (As % Of Revenues)	%	66.1	70.9	61.4	72.8	68.1	62.3	61.0	66.9
Fee Income (As % Of Revenues)	%	18.6	17.9	16.3	18.1	17.7	15.9	13.8	17.3
Staff Cost (As % Of Total Cost)	%	42.5	35.1	41.3	43.3	42.7	48.8	34.9	56.7
Equity (As % Of Assets)	%	9.51	11.5	8.70	7.60	7.17	10.2	6.95	7.57
Loans (As % Of Deposits)	%	78.7	98.2	72.3	72.6	65.2	99.5	66.9	72.9
Loans (As % Assets)	%	54.0	67.2	51.4	50.9	48.0	65.0	48.9	51.8
NPLs (As % Of Loans)	%	2.98	2.98	2.85	2.73	2.66	1.87	1.99	1.97
Provisions (As % Of NPLs)	%	77.3	80.9	88.8	97.1	97.7	110	110	110

Source: Company Data, Helgi Library

UniCredit Bank Czecho-Slovakia in Pictures

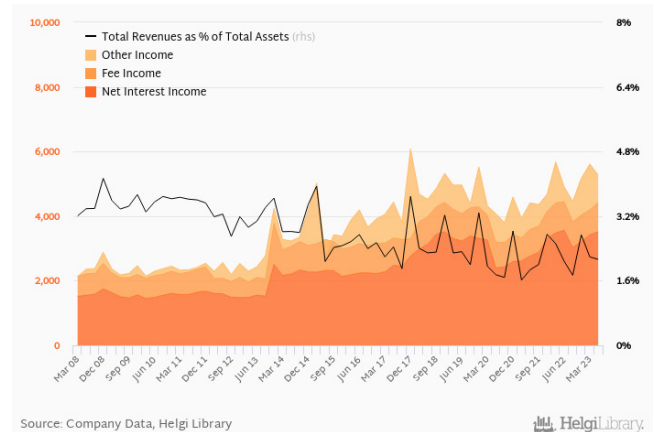
Revenue & Profitability

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



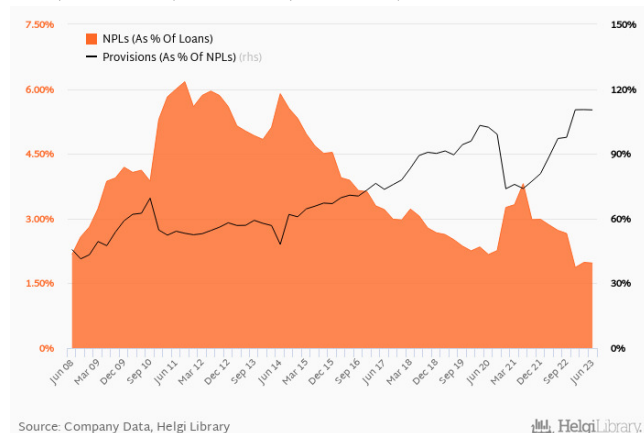
Revenue Breakdown

Revenue by Type of Income (CZK mil)



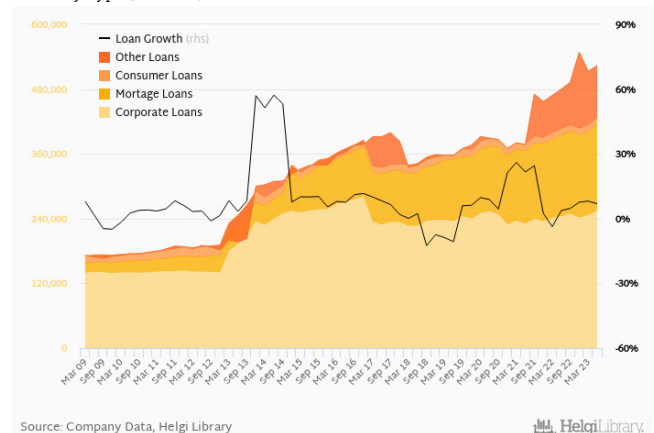
Asset Quality

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



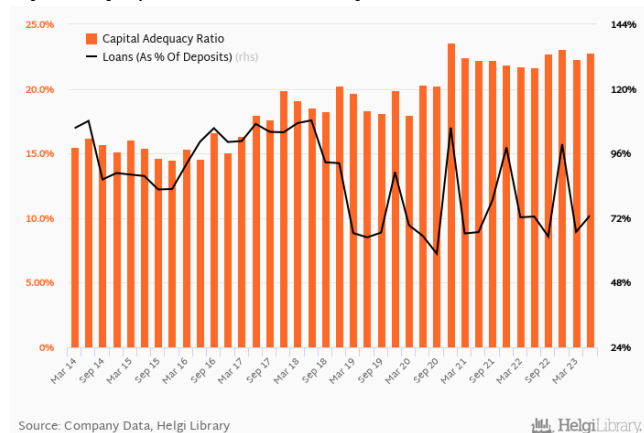
Loan Breakdown

Loans by Type (CZK mil)



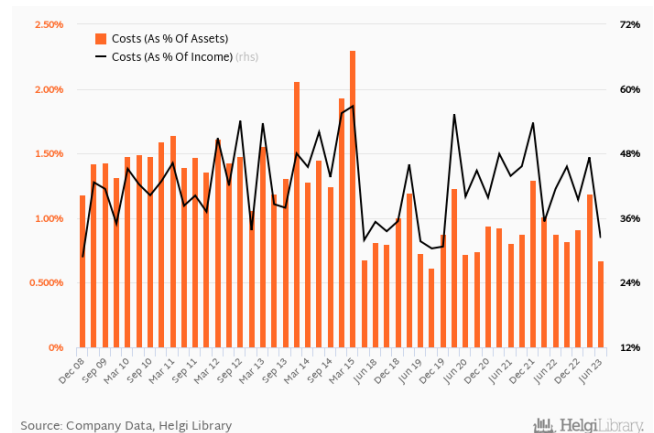
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

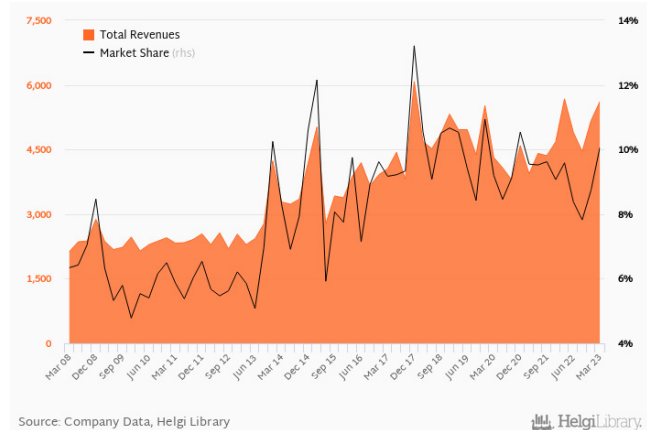
Costs As % Of Assets & Income



UniCredit Bank Czecho-Slovakia – Market Share Development

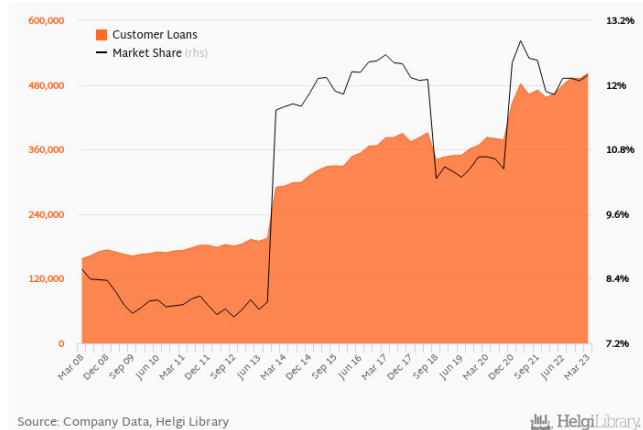
Market Share in Bank Revenues

Total Revenues (CZK mil)



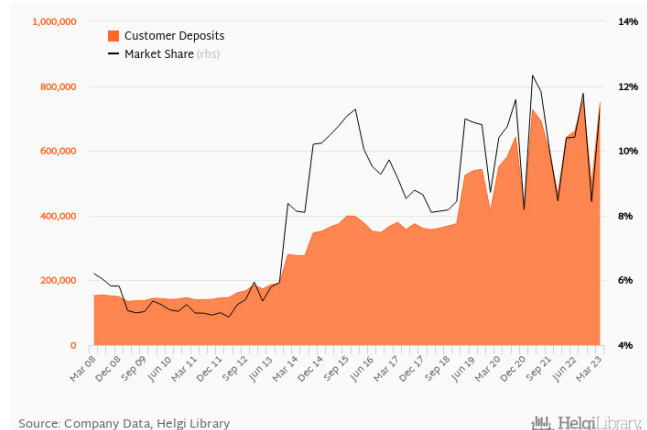
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



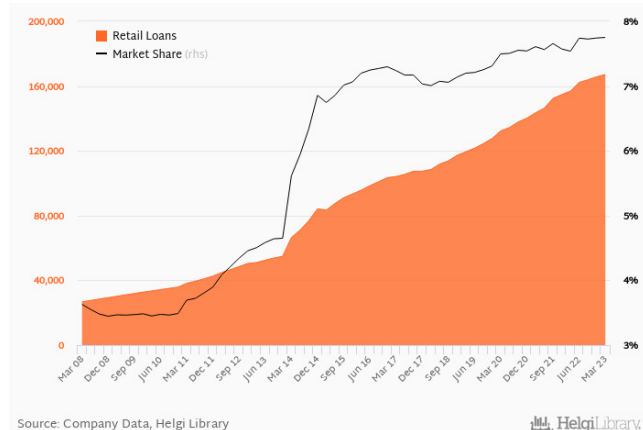
Market Share in Bank Deposits

Customer Deposits (CZK bil)



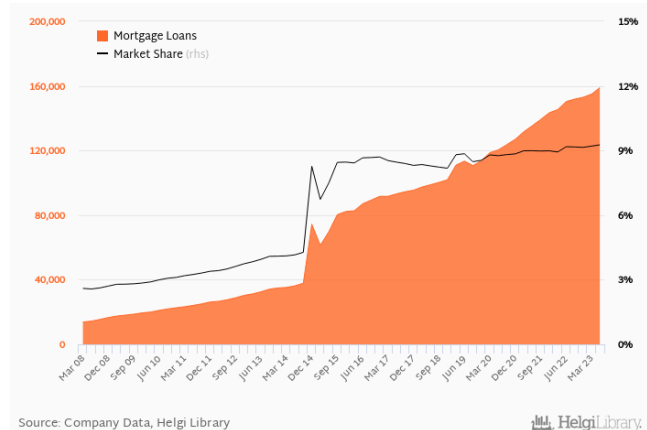
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

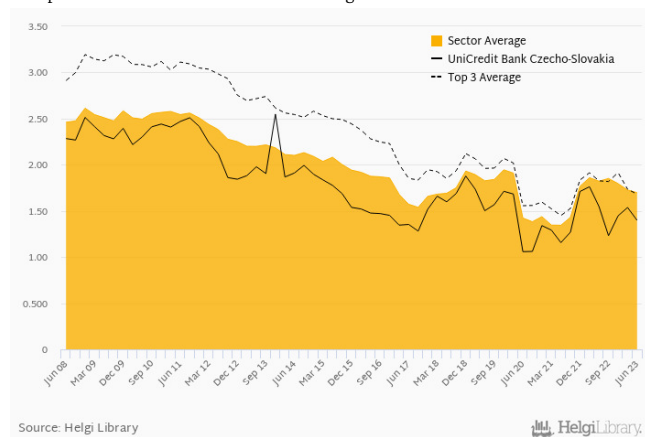
Consumer Loans (CZK mil)



UniCredit Bank Czecho-Slovakia – Comparison with Sector

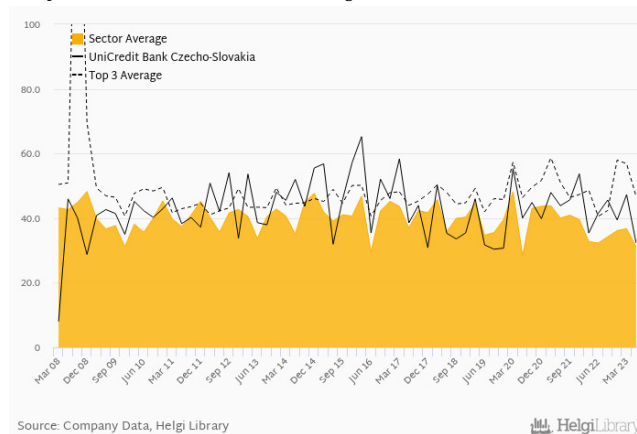
UniCredit Bank Czecho-Slovakia – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



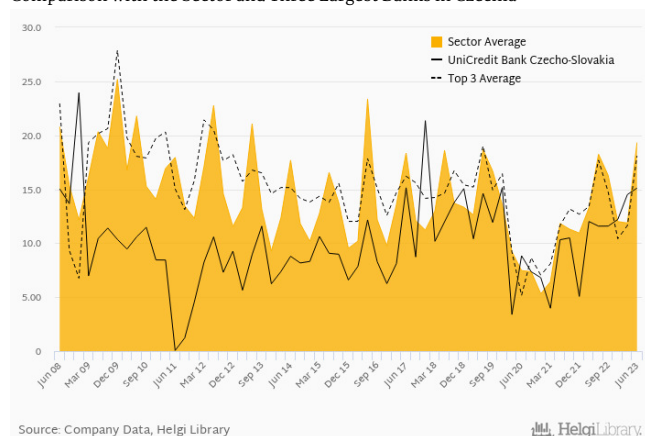
UniCredit Bank Czecho-Slovakia – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



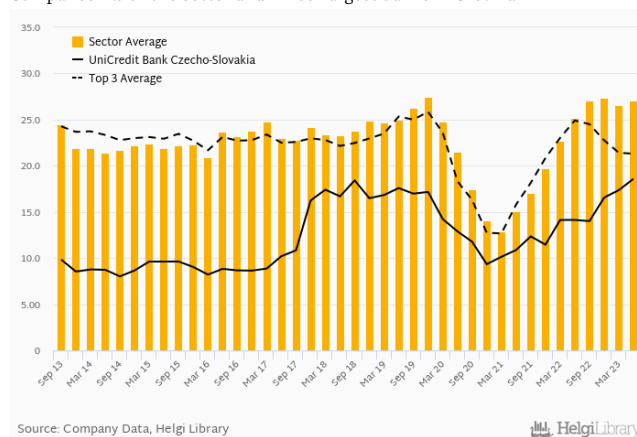
UniCredit Bank Czecho-Slovakia – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



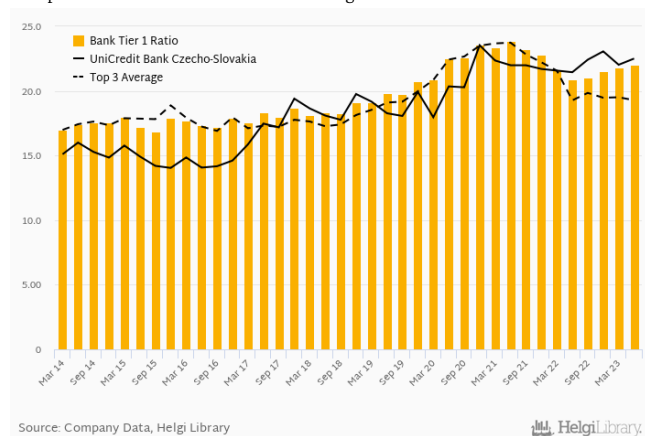
UniCredit Bank Czecho-Slovakia – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



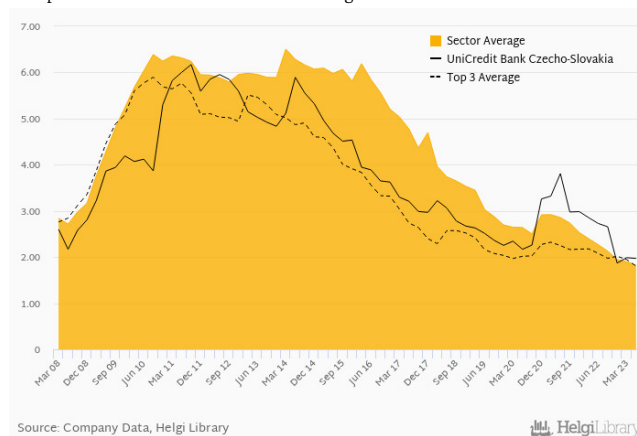
UniCredit Bank Czecho-Slovakia – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



UniCredit Bank Czecho-Slovakia – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



CSOB

Quarterly Results – 2Q2023

CSOB made a net profit of CZK 5,847 mil in the second quarter of 2023, up 6.85% when compared to the previous year. Total revenues decreased 8.12% yoy to CZK 10,509 mil, ROE amounted to 22.1% and the NPL ratio stood at 1.52%. In the last three years, the bank grew its loans by -1.66% a year, revenues fell by 0.133% and net profit increased by 63.9% a year, on average.

- ✓ Revenues decreased 8.12% yoy to CZK 10,509 mil in the second quarter of 2023. Interest income formed 69.6% of total revenues with the net interest margin decreasing 0.024 pp to 1.45% of total assets. Fees added a further 21.4% to total revenue generated in 2Q2023, up from an average of 21.0% as seen in the previous two years.
- ✓ Operating costs grew by 6.73% yoy to CZK 5,173 mil, so cost to income ratio reached 49.2%, down by 16% compared to the previous two years. Staff accounted for 49.7% of total operating expenditures. At the end of second quarter of 2023, CSOB operated a network of 200 branches and 8,053 employees.
- ✓ Loans and deposits grew by 1.31% and 8.7% qoq respectively, so loan to deposit ratio reached 60.2% at the end of 2Q2023. That's down from 60.7% the previous year. Equity reached 5.15% of assets and capital adequacy ratio amounted to 20.3% at the end of the second quarter of 2023.
- ✓ NPLs were 1.52% of total loans at the end of the quarter. Provisions covered 45.8% of non-performing loans.
- ✓ When compared to selected peers, CSOB was 6.86 pp more profitable in terms of ROE, achieved 9.29 pp worse cost efficiency when measured by cost to income ratio and grew its loans by 3.98 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
8,053

Clients:
N/A

Branches:
200

ATMs:
1,013

Bank Cards:
N/A

Capital Adequacy Ratio:
20.3%

Tier 1 Ratio:
20.1%

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	10,509	-8.12	5,847	6.85	22.1	49.2	60.2	5.15	1.52
2022	40,474	13.3	14,571	-9.83	13.3	54.3	69.9	5.59	1.81
2021	35,724	1.34	16,160	90.4	14.4	55.5	70.6	6.50	1.95
2020	35,251	-16.9	8,488	-56.9	8.27	54.6	86.9	6.09	2.00
2019	42,404	14.3	19,691	25.0	20.8	44.9	87.3	6.02	2.18
2018	37,102	-0.261	15,757	-10.0	17.1	47.9	87.1	6.65	3.06
2017	37,199	9.27	17,517	15.7	19.3	43.7	90.6	7.03	2.04

Source: Company Data, Helgi Library; Numbers for the Bank include figures for Slovak operations.

Data tells a story



CSOB – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	8,912	12,109	20,839	25,864	29,731	30,854	31,311	31,406
Interest Cost	CZK mil	3,220	5,213	13,049	17,784	22,048	23,345	24,338	24,091
Net Interest Income	CZK mil	5,692	6,896	7,790	8,080	7,683	7,509	6,973	7,315
Net Fee Income	CZK mil	1,987	2,011	2,072	2,036	2,123	1,810	2,169	2,252
Other Income	CZK mil	1,395	1,301	2,041	1,321	859	-2,850	934	942
Total Revenues	CZK mil	9,074	10,208	11,903	11,437	10,665	6,469	10,076	10,509
Staff Cost	CZK mil	2,255	2,693	2,581	2,401	2,489	2,638	2,539	2,571
Depreciation	CZK mil	584	626	616	639	687	719	711	668
Other Cost	CZK mil	1,595	1,770	3,230	1,807	1,864	2,316	3,159	1,934
Operating Cost	CZK mil	4,434	5,089	6,427	4,847	5,040	5,673	6,409	5,173
Operating Profit	CZK mil	4,640	5,119	5,476	6,590	5,625	796	3,667	5,336
Provisions	CZK mil	-1,277	-350	-102	125	758	716	-152	-1,259
Pre-Tax Profit	CZK mil	5,905	5,441	5,554	6,466	4,866	74.0	3,812	6,594
Net Profit	CZK mil	4,960	4,555	4,612	5,472	4,241	246	3,617	5,847

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	81,408	39,762	380,369	26,274	46,168	62,121	24,360	32,215
Interbank Loans	CZK mil	694,447	606,356	582,091	870,483	586,177	465,010	628,199	706,003
Customer Loans	CZK mil	971,342	816,771	833,091	850,179	863,394	860,526	866,090	877,459
Investments	CZK mil	134,472	201,526	222,747	227,334	251,764	249,225	264,218	278,343
Property and Equipment	CZK mil	13,440	13,643	13,226	12,988	12,977	12,917	12,677	12,500
Intangible Assets	CZK mil	11,123	11,164	11,129	11,384	11,505	11,659	11,613	11,679
Total Assets	CZK mil	1,920,622	1,805,479	2,202,320	2,177,240	1,926,508	1,805,617	1,967,096	2,062,967
Shareholders' Equity	CZK mil	117,798	117,378	121,442	96,275	100,317	100,978	105,160	106,323
Liabilities	CZK mil	1,802,824	1,688,101	2,080,878	2,080,965	1,826,191	1,704,639	1,861,936	1,956,644
Interbank Borrowing	CZK mil	107,954	25,057	178,087	309,470	105,166	43,708	131,838	129,700
Customer Deposits	CZK mil	1,261,416	1,156,902	1,353,505	1,399,568	1,340,878	1,231,800	1,340,172	1,456,747
Issued Debt Securities	CZK mil	331,561	421,603	411,084	229,075	242,096	305,507	248,941	246,667
Other Liabilities	CZK mil	101,893	84,539	138,202	142,852	138,051	123,624	140,985	123,530

RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	17.2	15.5	15.4	20.1	17.3	0.978	14.0	22.1
ROA	%	1.04	0.978	0.921	1.000	0.827	0.053	0.767	1.16
Costs (As % Of Assets)	%	0.930	1.09	1.28	0.885	0.983	1.22	1.36	1.03
Costs (As % Of Income)	%	48.9	49.9	54.0	42.4	47.3	87.7	63.6	49.2
Capital Adequacy Ratio	%	23.3	22.7	21.7	18.2	20.0	20.2	20.6	20.3
Net Interest Margin	%	1.19	1.48	1.55	1.48	1.50	1.61	1.48	1.45
Interest Income (As % Of Revenues)	%	62.7	67.6	65.4	70.6	72.0	116	69.2	69.6
Fee Income (As % Of Revenues)	%	21.9	19.7	17.4	17.8	19.9	28.0	21.5	21.4
Staff Cost (As % Of Total Cost)	%	50.9	52.9	40.2	49.5	49.4	46.5	39.6	49.7
Equity (As % Of Assets)	%	6.13	6.50	5.51	4.42	5.21	5.59	5.35	5.15
Loans (As % Of Deposits)	%	77.0	70.6	61.6	60.7	64.4	69.9	64.6	60.2
Loans (As % Assets)	%	50.6	45.2	37.8	39.0	44.8	47.7	44.0	42.5
NPLs (As % Of Loans)	%	1.73	1.95	2.00	1.90	1.75	1.81	1.70	1.52
Provisions (As % Of NPLs)	%	48.8	49.4	47.2	46.7	48.2	44.6	45.3	45.8

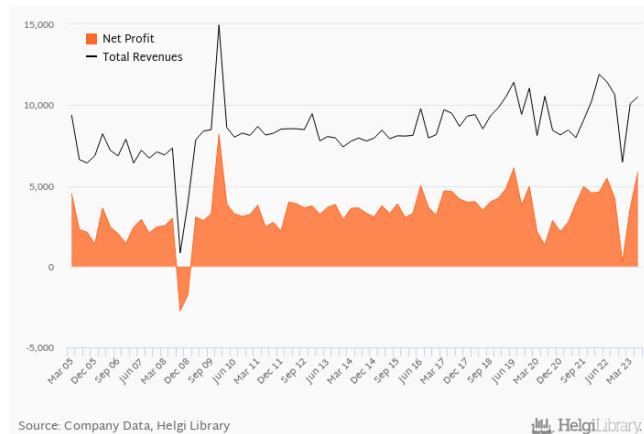
Source: Company Data, Helgi Library



CSOB in Pictures

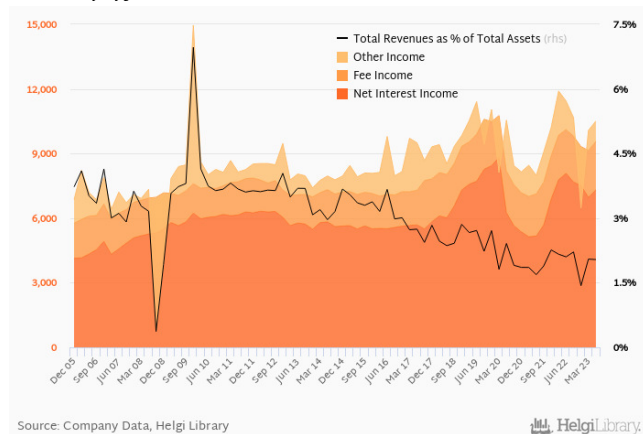
Revenue & Profitability

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



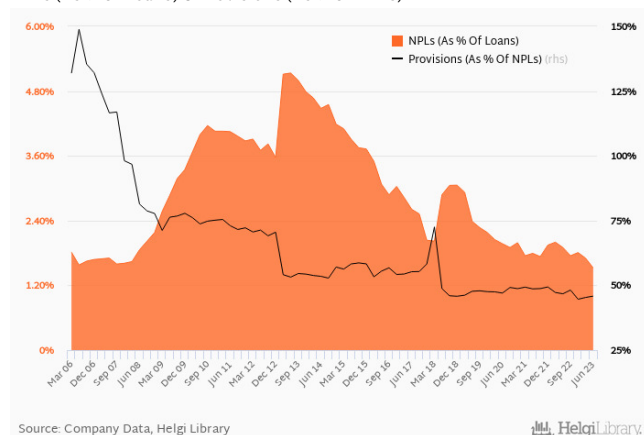
Revenue Breakdown

Revenue by Type of Income (CZK mil)



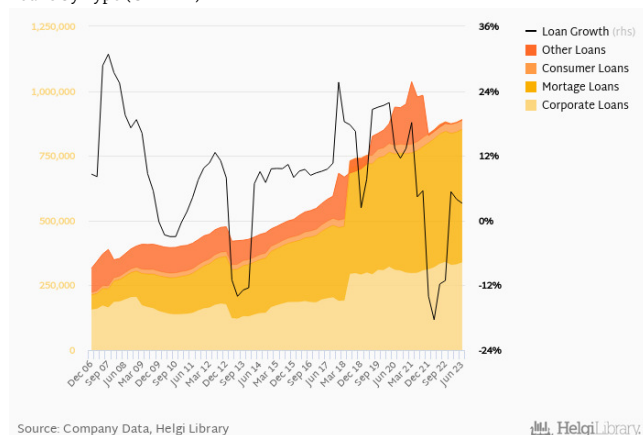
Asset Quality

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



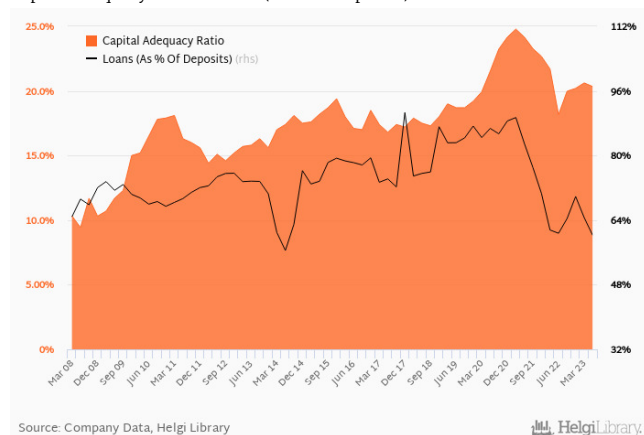
Loan Breakdown

Loans by Type (CZK mil)



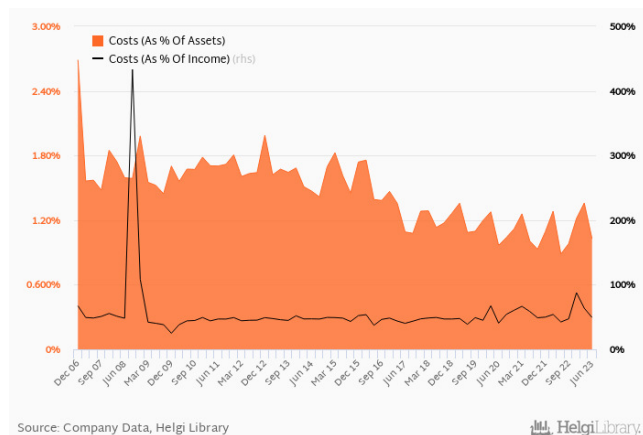
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

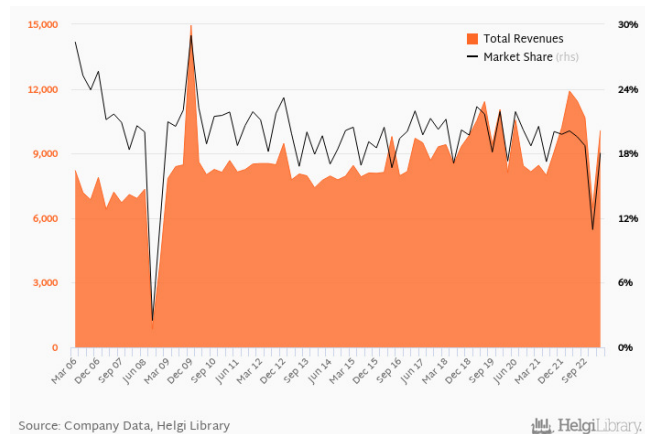
Costs As % Of Assets & Income



CSOB – Market Share Development

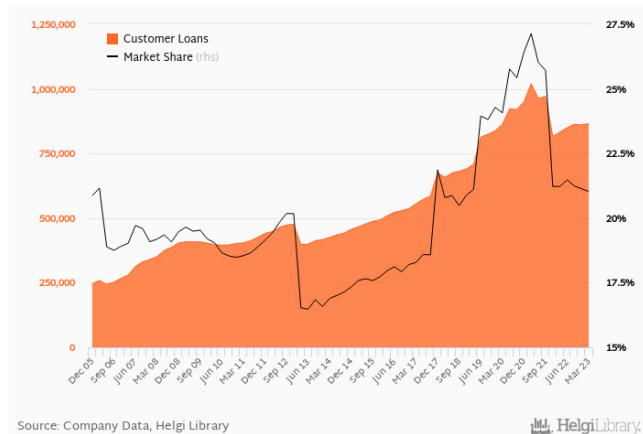
Market Share in Bank Revenues

Total Revenues (CZK mil)



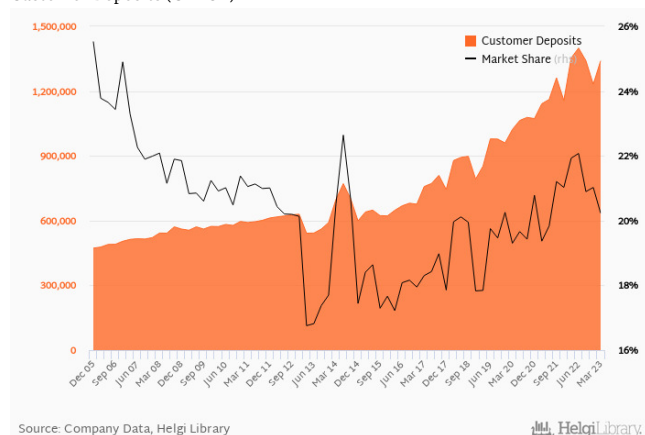
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



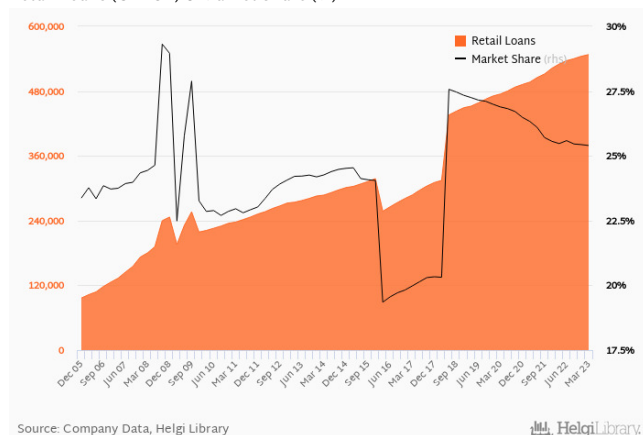
Market Share in Bank Deposits

Customer Deposits (CZK bil)



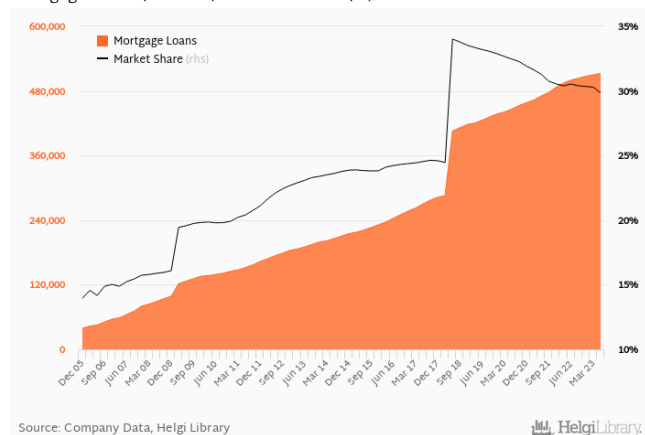
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



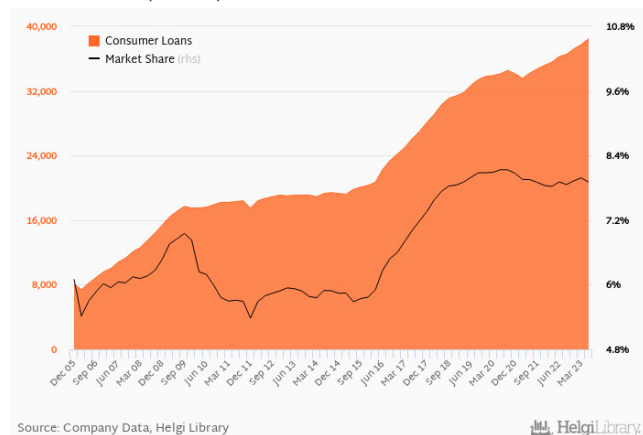
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

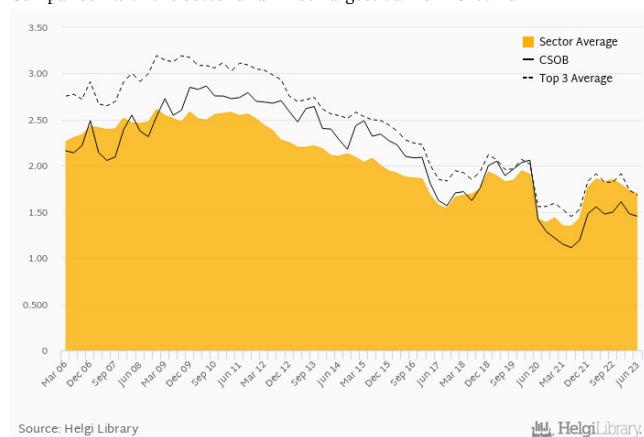
Consumer Loans (CZK mil)



CSOB – Comparison with Sector

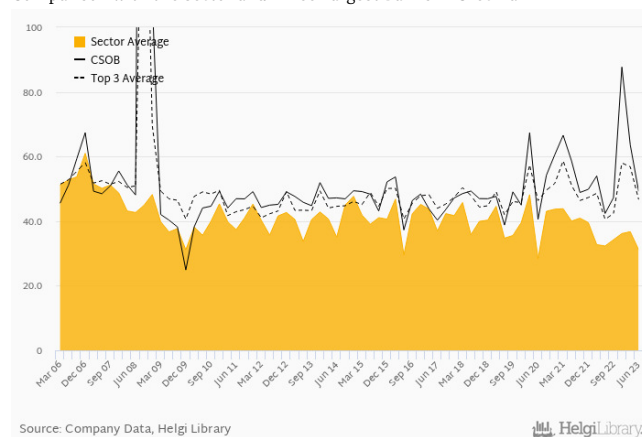
CSOB – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



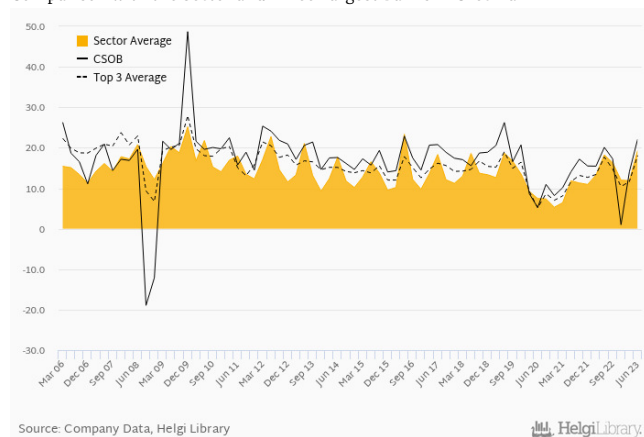
CSOB – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



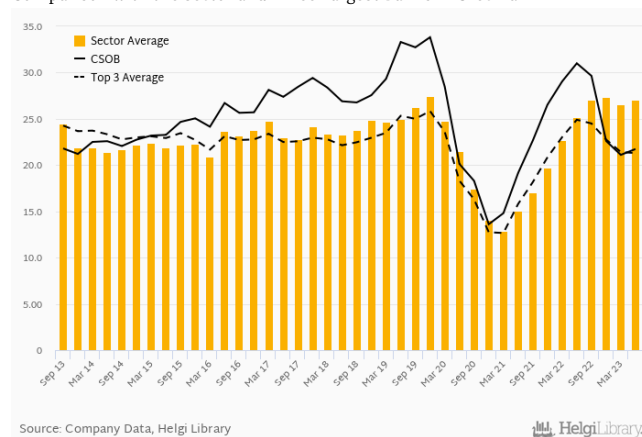
CSOB – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



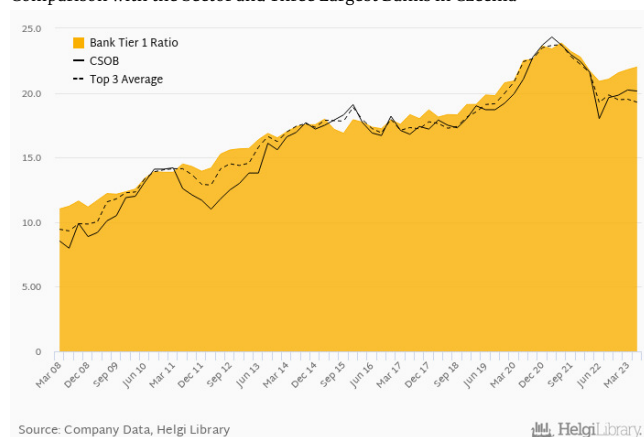
CSOB – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



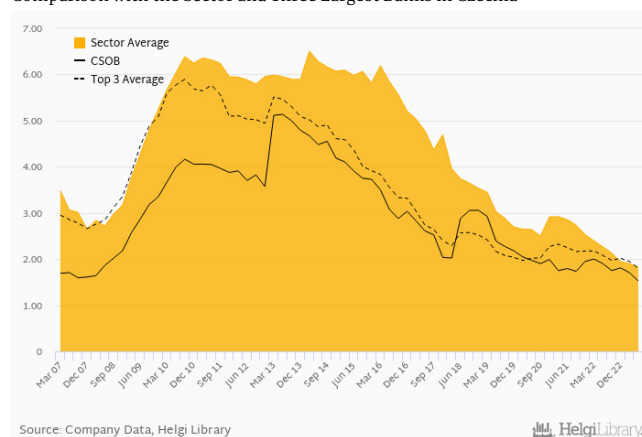
CSOB – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



CSOB – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Ceska Sporitelna

Quarterly Results – 2Q2023

Ceska Sporitelna made a net profit of CZK 5,988 mil in the second quarter of 2023, down 1.58% when compared to the previous year. Total revenues decreased 1.95% yoy to CZK 12,295 mil, ROE amounted to 17.4% and the NPL ratio stood at 1.80%. In the last three years, the bank grew its loans by 8.01% a year, revenues rose by 8.41% and net profit increased by 60.8% a year, on average.

- ✓ Revenues decreased 1.95% yoy to CZK 12,295 mil in the second quarter of 2023. Interest income formed 69.2% of total revenues with the net interest margin decreasing 0.172 pp to 1.81% of total assets. Fees added a further 21.2% to total revenue generated in 2Q2023, up from an average of 20.2% as seen in the previous two years.
- ✓ Operating costs grew by 9.08% yoy to CZK 5,680 mil, so cost to income ratio reached 46.2%, down by 2.5% compared to the previous two years. Staff accounted for 56.4% of total operating expenditures. At the end of second quarter of 2023, Ceska Sporitelna operated a network of 389 branches and 9,992 employees.
- ✓ Loans and deposits grew by 5.36% and 4.53% qoq respectively, so loan to deposit ratio reached 66.7% at the end of 2Q2023. That's up from 64.4% the previous year. Equity reached 6.91% of assets and capital adequacy ratio amounted to 19.4% at the end of the second quarter of 2023.
- ✓ NPLs were 1.80% of total loans at the end of the quarter. Provisions covered 117% of non-performing loans.
- ✓ When compared to selected peers, Ceska Sporitelna was 2.16 pp more profitable in terms of ROE, achieved 6.26 pp worse cost efficiency when measured by cost to income ratio and grew its loans by 2.94 pp faster based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
9,992

Clients:
N/A

Branches:
389

ATMs:
1,715

Bank Cards:
3.61 mil

Capital Adequacy Ratio:
19.4%

Tier 1 Ratio:
18.2%

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	12,295	-1.95	5,988	-1.58	17.4	46.2	66.7	6.91	1.80
2022	49,875	17.8	20,188	42.1	14.4	42.8	73.5	8.40	1.90
2021	42,354	5.50	14,208	42.0	9.71	48.2	70.0	8.72	2.10
2020	40,147	-4.18	10,006	-43.6	6.98	47.6	68.3	9.71	2.20
2019	41,899	7.19	17,743	15.5	13.6	46.2	72.6	9.42	1.80
2018	39,088	5.00	15,362	5.15	12.6	46.9	72.0	8.60	1.80
2017	37,227	-2.62	14,610	-5.48	12.0	49.0	72.3	9.10	2.10

Source: Company Data, Helgi Library

Data tells a story



Ceska Sporitelna – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	8,781	11,606	15,465	18,751	21,981	21,248	22,979	24,262
Interest Cost	CZK mil	1,048	2,787	6,199	9,557	12,838	12,132	14,820	15,758
Net Interest Income	CZK mil	7,733	8,819	9,266	9,194	9,143	9,116	8,159	8,504
Net Fee Income	CZK mil	2,352	2,294	2,517	2,326	2,272	2,389	2,537	2,608
Other Income	CZK mil	604	253	1,047	1,019	972	614	830	1,183
Total Revenues	CZK mil	10,689	11,366	12,830	12,539	12,387	12,119	11,526	12,295
Staff Cost	CZK mil	2,685	3,061	2,721	2,929	2,972	2,836	3,050	3,201
Depreciation	CZK mil	682	693	655	666	674	726	675	694
Other Cost	CZK mil	1,469	1,829	1,957	1,612	1,639	1,948	2,149	1,785
Operating Cost	CZK mil	4,836	5,583	5,333	5,207	5,285	5,510	5,874	5,680
Operating Profit	CZK mil	5,853	5,783	7,497	7,332	7,102	6,609	5,652	6,615
Provisions	CZK mil	477	452	359	-1,035	788	524	231	72.0
Pre-Tax Profit	CZK mil	5,350	4,359	6,160	7,572	5,031	5,618	4,563	6,658
Net Profit	CZK mil	4,211	3,402	4,950	6,084	4,020	5,134	3,303	5,988

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	47,414	37,472	70,574	30,646	58,276	21,870	50,995	46,399
Interbank Loans	CZK mil	545,040	364,994	517,898	490,923	407,993	266,675	408,450	424,968
Customer Loans	CZK mil	805,369	821,840	840,515	865,350	898,554	900,534	904,508	953,034
Investments	CZK mil	349,890	374,718	402,008	411,612	429,322	407,579	439,048	449,278
Property and Equipment	CZK mil	12,114	12,201	11,988	11,562	11,677	12,031	12,077	11,851
Intangible Assets	CZK mil	5,916	6,301	6,125	6,045	6,006	6,417	6,240	6,258
Total Assets	CZK mil	1,785,505	1,641,741	1,871,836	1,843,839	1,835,423	1,639,938	1,846,809	1,917,363
Shareholders' Equity	CZK mil	150,265	143,196	147,166	126,076	131,709	137,711	142,340	132,558
Liabilities	CZK mil	1,635,239	1,498,545	1,724,670	1,717,763	1,703,713	1,502,227	1,704,469	1,784,805
Interbank Borrowing	CZK mil	230,426	49,695	176,974	203,869	234,499	113,541	187,544	202,630
Customer Deposits	CZK mil	1,255,265	1,173,890	1,324,229	1,344,476	1,359,794	1,225,464	1,366,685	1,428,657
Issued Debt Securities	CZK mil	115,046	213,357	153,703	84,674	23,511	76,657	64,079	75,621
Other Liabilities	CZK mil	34,502	61,604	69,765	84,744	85,910	86,565	86,161	77,897

RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	11.1	9.27	13.6	17.8	12.5	15.2	9.44	17.4
ROA	%	0.973	0.794	1.13	1.31	0.874	1.18	0.758	1.27
Costs (As % Of Assets)	%	1.12	1.30	1.21	1.12	1.15	1.27	1.35	1.21
Costs (As % Of Income)	%	45.2	49.1	41.6	41.5	42.7	45.5	51.0	46.2
Capital Adequacy Ratio	%	23.5	23.8	21.2	20.3	19.9	20.2	19.6	19.4
Net Interest Margin	%	1.79	2.06	2.11	1.98	1.99	2.10	1.87	1.81
Interest Income (As % Of Revenues)	%	72.3	77.6	72.2	73.3	73.8	75.2	70.8	69.2
Fee Income (As % Of Revenues)	%	22.0	20.2	19.6	18.6	18.3	19.7	22.0	21.2
Staff Cost (As % Of Total Cost)	%	55.5	54.8	51.0	56.3	56.2	51.5	51.9	56.4
Equity (As % Of Assets)	%	8.42	8.72	7.86	6.84	7.18	8.40	7.71	6.91
Loans (As % Of Deposits)	%	64.2	70.0	63.5	64.4	66.1	73.5	66.2	66.7
Loans (As % Assets)	%	45.1	50.1	44.9	46.9	49.0	54.9	49.0	49.7
NPLs (As % Of Loans)	%	2.10	2.10	2.10	1.90	1.90	1.90	1.90	1.80
Provisions (As % Of NPLs)	%	114	114	109	115	116	117	119	117

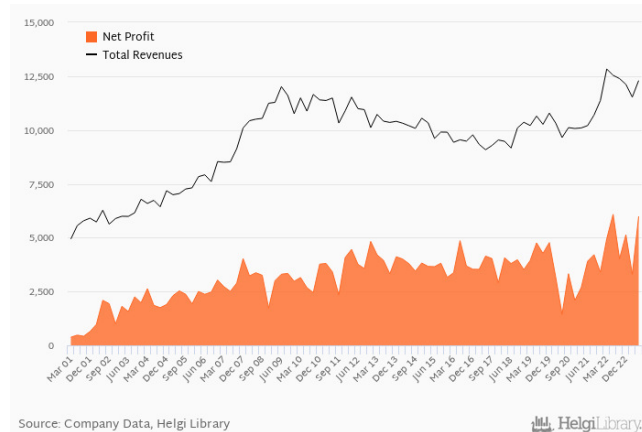
Source: Company Data, Helgi Library



Ceska Sporitelna in Pictures

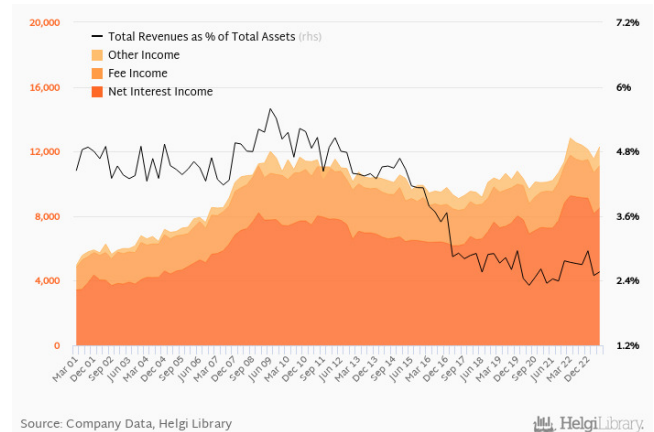
Revenue & Profitability

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



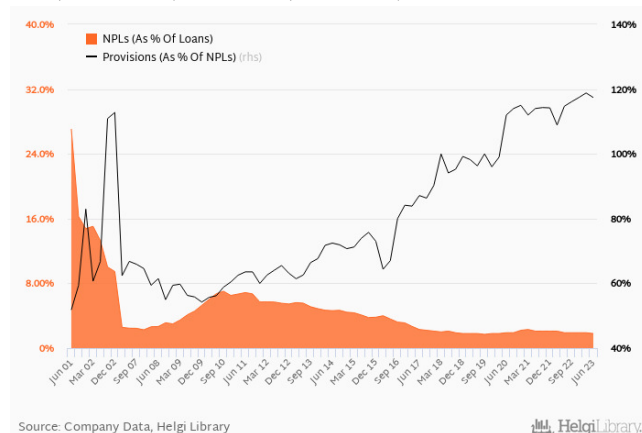
Revenue Breakdown

Revenue by Type of Income (CZK mil)



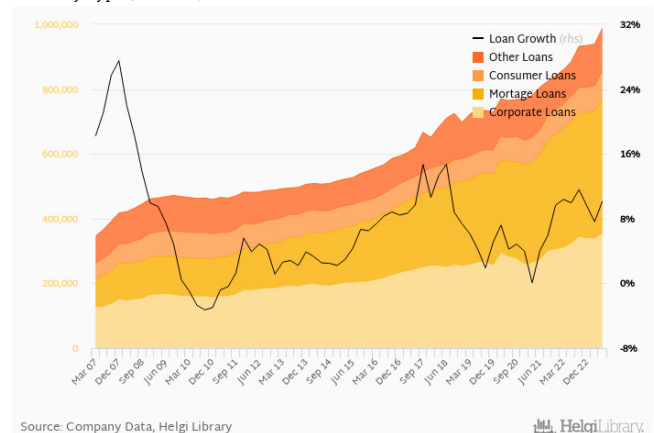
Asset Quality

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



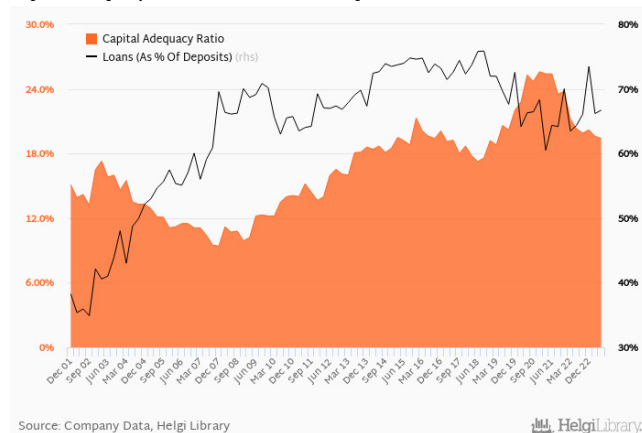
Loan Breakdown

Loans by Type (CZK mil)



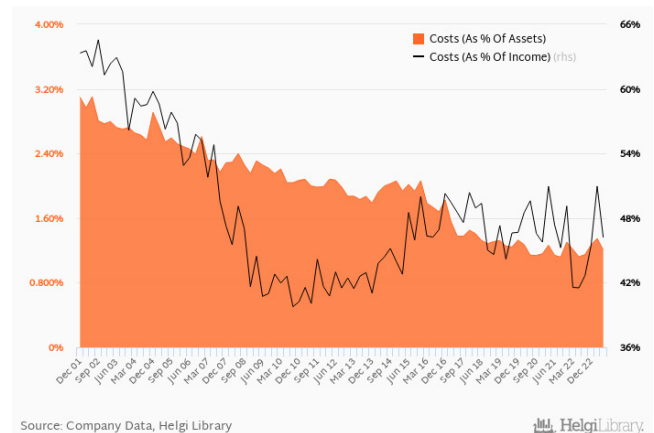
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

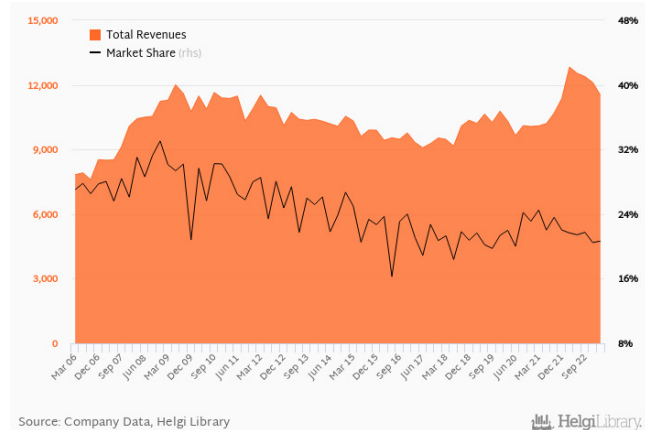
Costs As % Of Assets & Income



Ceska Sporitelna – Market Share Development

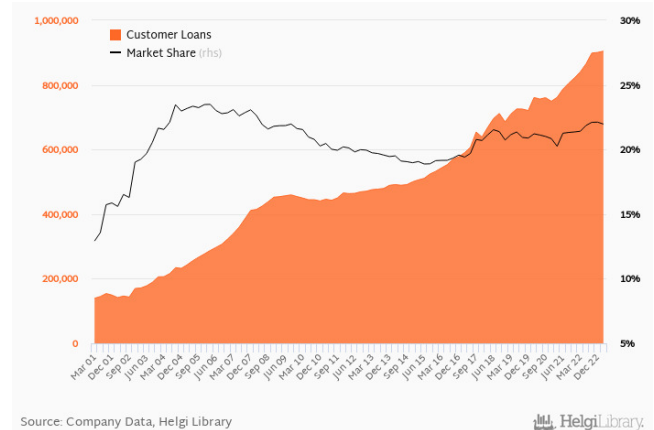
Market Share in Bank Revenues

Total Revenues (CZK mil)



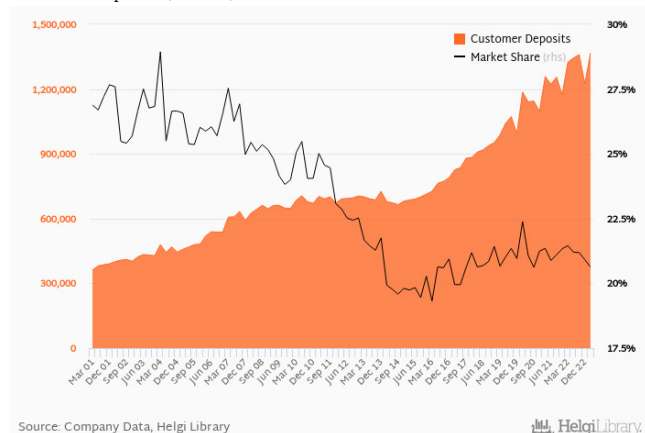
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



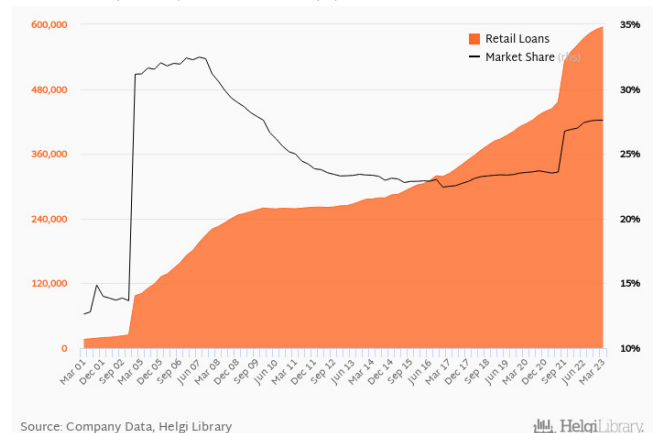
Market Share in Bank Deposits

Customer Deposits (CZK bil)



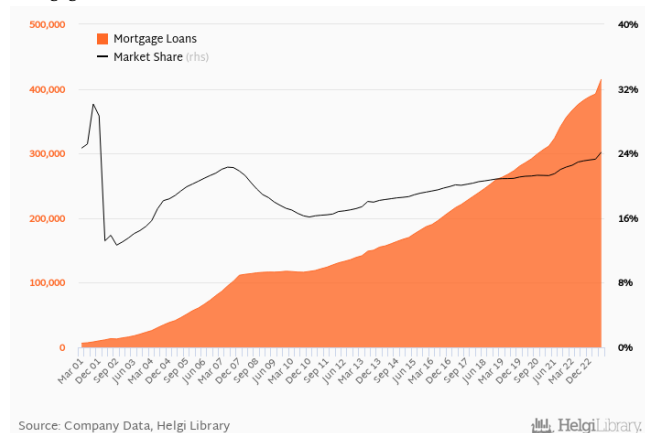
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



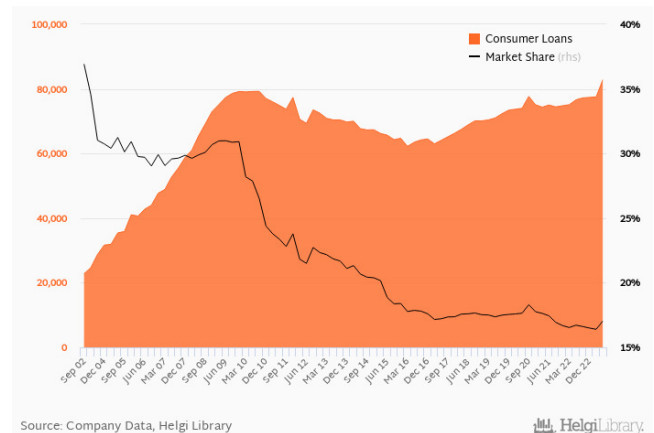
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

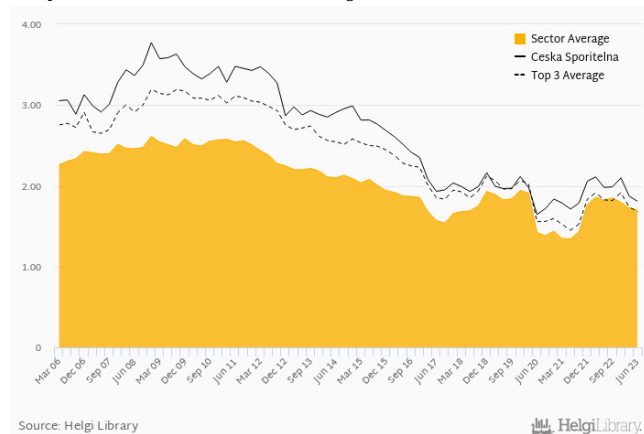
Consumer Loans (CZK mil)



Ceska Sporitelna – Comparison with Sector

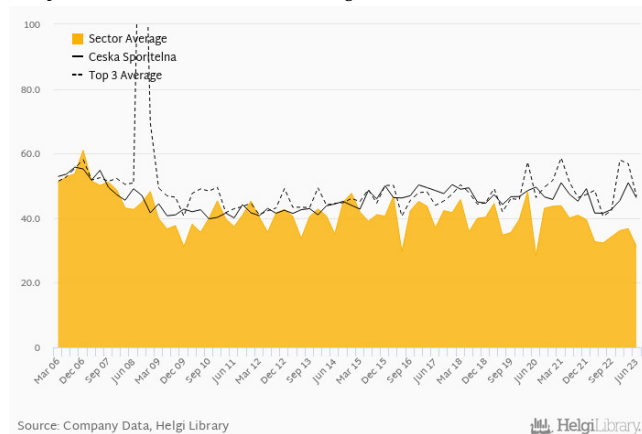
Ceska Sporitelna – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



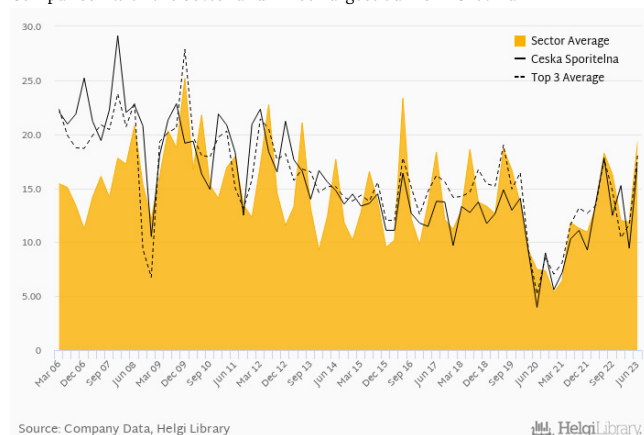
Ceska Sporitelna – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



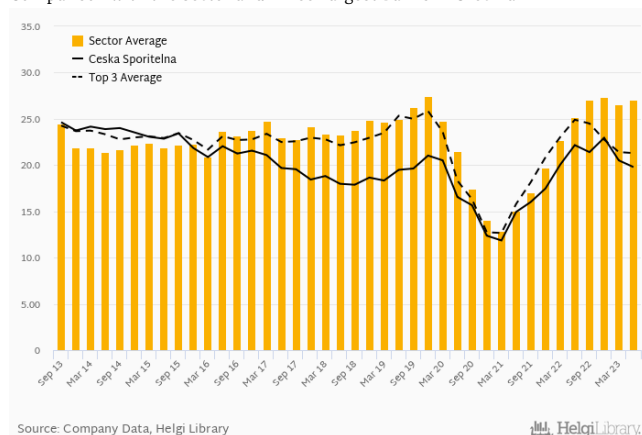
Ceska Sporitelna – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



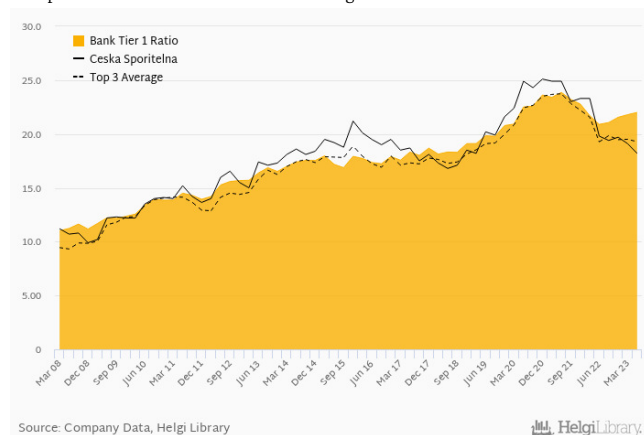
Ceska Sporitelna – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



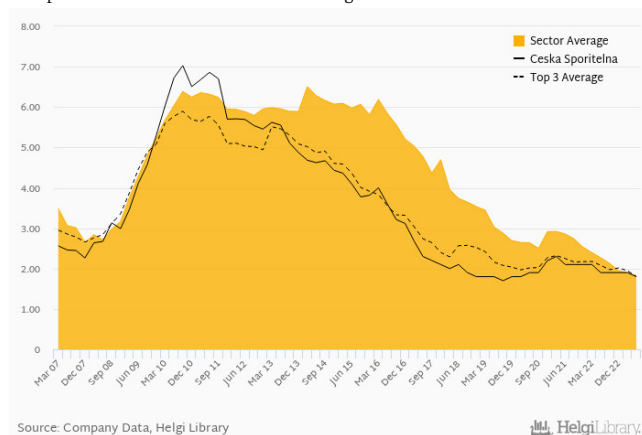
Ceska Sporitelna – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Ceska Sporitelna – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Max banka

Quarterly Results – 2Q2023

Max banka made a net profit of CZK 89.3 mil in the second quarter of 2023, up 332% when compared to the previous year. Total revenues increased 115% yoy to CZK 181 mil, ROE amounted to 13.9% and the NPL ratio stood at 0.823%. In the last three years, the bank grew its loans by -12.3% a year, revenues rose by 17.9% and net profit increased by 0% a year, on average.

- ✓ Revenues increased 115% yoy to CZK 181 mil in the second quarter of 2023. Interest income formed 96.9% of total revenues with the net interest margin decreasing 1.46 pp to 1.58% of total assets. Fees added a further -0.211% to total revenue generated in 2Q2023, down from an average of 1.59% as seen in the previous two years.
- ✓ Operating costs dropped by 9.67% yoy to CZK 116 mil, so cost to income ratio reached 64.1%, down by 52.5% compared to the previous two years. Staff accounted for 48.1% of total operating expenditures. At the end of second quarter of 2023, Max banka operated a network of 1 branches and 170 employees.
- ✓ Loans and deposits dropped by 18.1% and 23.7% qoq respectively, so loan to deposit ratio reached 7.88% at the end of 2Q2023. That's down from 62.1% the previous year. Equity reached 5.58% of assets and we assume that capital adequacy ratio amounted to 41.3% at the end of the second quarter of 2023.
- ✓ NPLs were 0.823% of total loans at the end of the quarter, on our estimates. Provisions covered 327% of non-performing loans.
- ✓ When compared to selected peers, Max banka was 1.39 pp less profitable in terms of ROE, achieved 24.2 pp worse cost efficiency when measured by cost to income ratio and grew its loans by 39.9 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
170

Clients:
N/A

Branches:
1

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
41.3%*

Tier 1 Ratio:
41.3%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	181	115	89.3	-332	13.9	64.1	7.88	5.58	0.823
2022	313	-28.9	-233	302	-10.9	176	17.8	6.02	0.820
2021	440	22.2	-58.0	-73.8	-2.32	115	59.4	14.0	0.492
2020	360	-49.9	-221	-274	-7.83	147	67.0	16.8	0.669
2019	718	0.843	127	-36.8	4.42	78.8	56.8	14.0	0.702
2018	712	28.5	201	-383	6.84	71.2	53.7	11.3	5.96
2017	554	-51.4	-71.0	-122	-2.29	86.1	56.2	12.2	4.48

Source: Company Data, Helgi Library *Estimate

Data tells a story



Max banka – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	109	148	174	157	213	421	645	770
Interest Cost	CZK mil	15.7	31.1	50.4	61.2	90.5	292	481	595
Net Interest Income	CZK mil	93.6	117	123	96.2	123	129	164	175
Net Fee Income	CZK mil	5.44	-2.17	2.57	1.86	1.79	-0.214	0.768	-0.382
Other Income	CZK mil	0.711	3.01	-75.2	-14.1	-27.4	-47.3	-1.09	6.00
Total Revenues	CZK mil	99.8	118	50.7	84.0	96.9	81.5	163	181
Staff Cost	CZK mil	67.3	75.7	70.3	69.4	85.7	77.6	57.0	55.7
Depreciation	CZK mil	12.7	30.8	13.2	13.8	12.6	49.4	11.2	10.4
Other Cost	CZK mil	34.5	22.9	48.0	45.2	41.5	25.3	47.9	49.8
Operating Cost	CZK mil	115	129	131	128	140	152	116	116
Operating Profit	CZK mil	-14.7	-11.8	-80.8	-44.4	-42.9	-70.8	47.4	64.9
Provisions	CZK mil	-18.1	-5.76	5.78	-4.83	12.4	-13.3	-5.69	-24.4
Pre-Tax Profit	CZK mil	-8.24	-10.3	-85.5	-38.4	-54.2	-60.9	53.1	89.3
Net Profit	CZK mil	-8.24	-4.10	-85.5	-38.4	-54.2	-54.9	53.1	89.3

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	849	413	628	281	416	738	1,613	914
Interbank Loans	CZK mil	7,591	7,677	4,464	6,328	7,766	25,548	34,948	42,647
Customer Loans	CZK mil	6,589	6,304	5,345	5,160	4,916	5,001	4,243	3,475
Investments	CZK mil	1,676	1,611	1,035	1,264	1,325	1,360	1,364	1,303
Property and Equipment	CZK mil	203	181	196	191	187	164	161	157
Intangible Assets	CZK mil	89.3	96.0	105	116	131	183	206	250
Total Assets	CZK mil	17,090	16,384	11,903	13,477	14,471	33,077	41,030	47,934
Shareholders' Equity	CZK mil	2,633	2,288	2,092	2,008	2,011	1,991	2,472	2,675
Liabilities	CZK mil	14,457	14,096	9,811	11,469	12,460	31,086	38,558	45,259
Interbank Borrowing	CZK mil	2,901	2,862	2,769	2,570	1,943	2,407	2,350	964
Customer Deposits	CZK mil	11,130	10,616	6,452	8,316	9,942	28,081	35,624	44,076
Issued Debt Securities	CZK mil	0	0	0	0	0	0	0	0
Other Liabilities	CZK mil	426	618	590	584	574	598	584	219

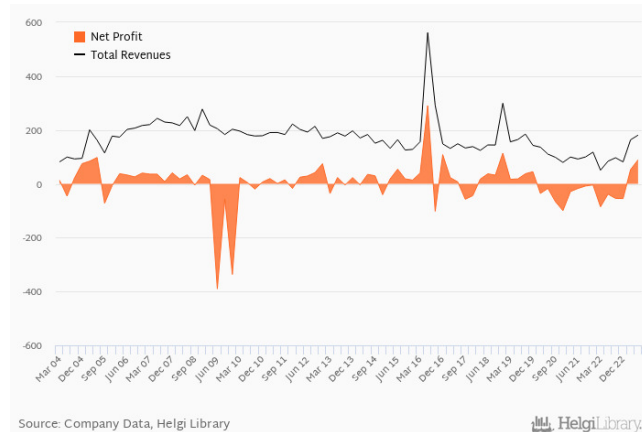
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	-1.27	-0.666	-15.6	-7.50	-10.8	-11.0	9.51	13.9
ROA	%	-0.215	-0.098	-2.42	-1.21	-1.55	-0.923	0.573	0.803
Costs (As % Of Assets)	%	2.99	3.09	3.72	4.05	4.00	2.56	1.25	1.04
Costs (As % Of Income)	%	115	110	260	153	144	187	71.0	64.1
Capital Adequacy Ratio	%	24.8	26.2	28.2	27.9	29.4	28.3	37.6	41.3
Net Interest Margin	%	2.44	2.79	3.49	3.03	3.51	2.17	1.77	1.58
Interest Income (As % Of Revenues)	%	93.8	99.3	243	115	126	158	100	96.9
Fee Income (As % Of Revenues)	%	5.45	-1.84	5.07	2.21	1.85	-0.263	0.470	-0.211
Staff Cost (As % Of Total Cost)	%	58.8	58.5	53.5	54.1	61.3	50.9	49.1	48.1
Equity (As % Of Assets)	%	15.4	14.0	17.6	14.9	13.9	6.02	6.03	5.58
Loans (As % Of Deposits)	%	59.2	59.4	82.8	62.1	49.4	17.8	11.9	7.88
Loans (As % Assets)	%	38.6	38.5	44.9	38.3	34.0	15.1	10.3	7.25
NPLs (As % Of Loans)	%	5.68	6.12	6.71	6.91	7.43	0.820	0.967	0.823
Provisions (As % Of NPLs)	%	48.2	39.6	40.1	39.7	40.8	280	286	327

Source: Company Data, Helgi Library

Max banka in Pictures

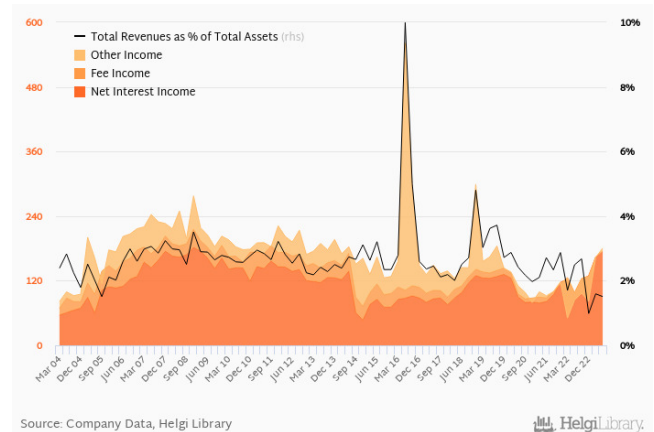
Revenue & Profitability

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



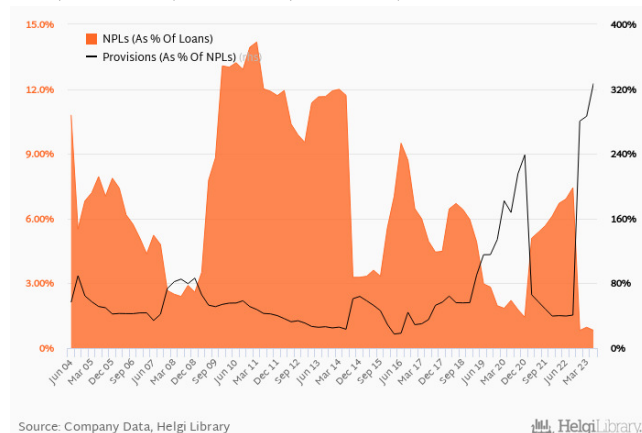
Revenue Breakdown

Revenue by Type of Income (CZK mil)



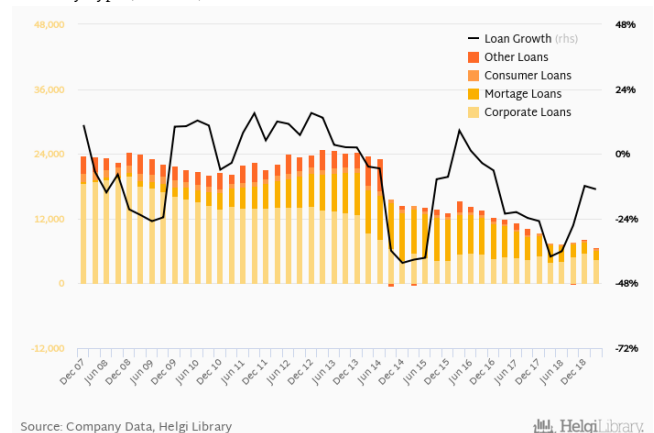
Asset Quality

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



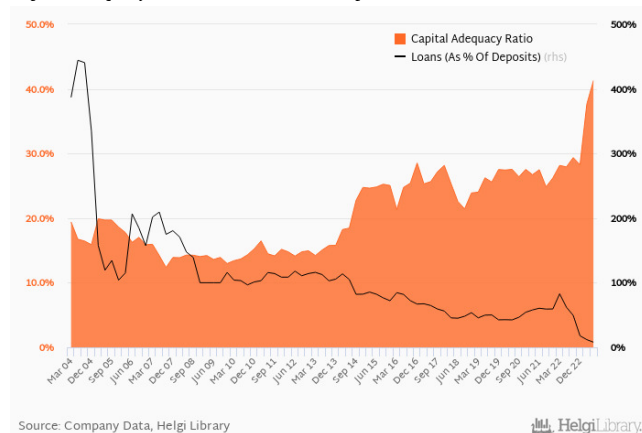
Loan Breakdown

Loans by Type (CZK mil)



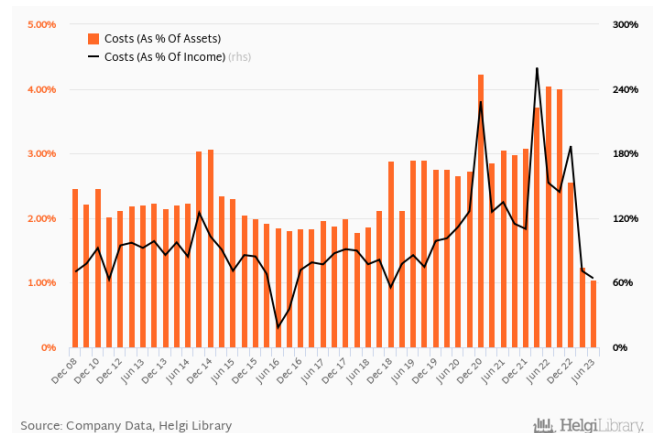
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

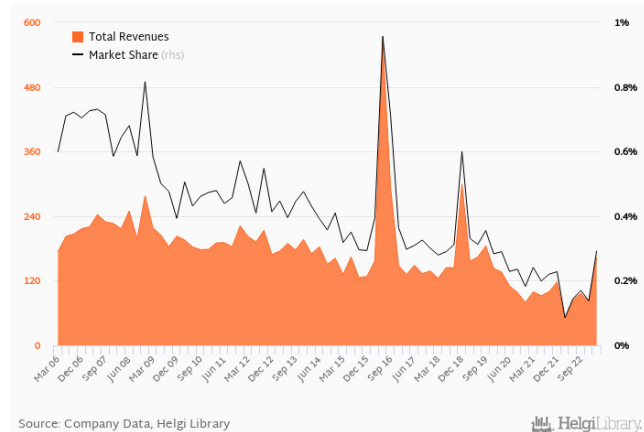
Costs As % Of Assets & Income



Max banka – Market Share Development

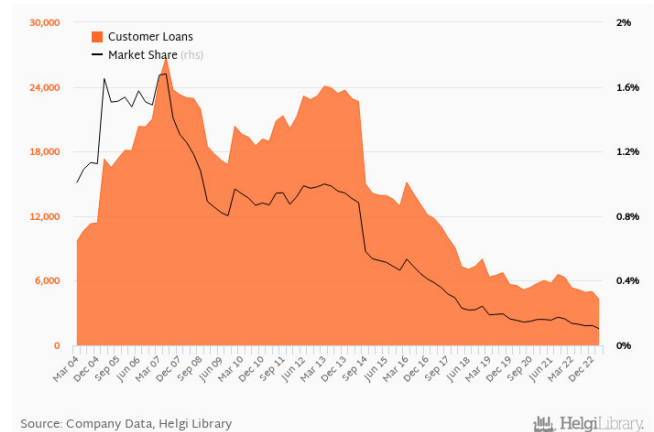
Market Share in Bank Revenues

Total Revenues (CZK mil)



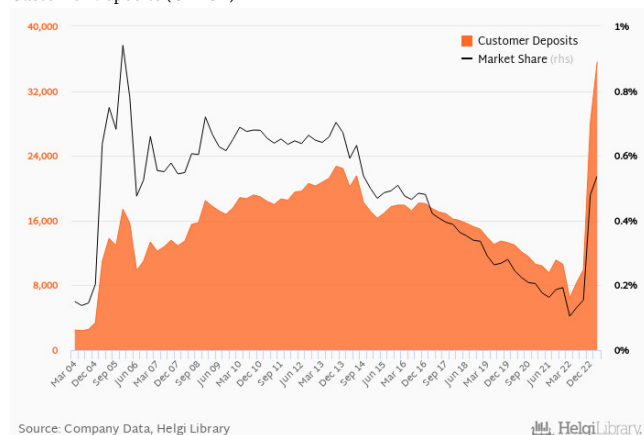
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



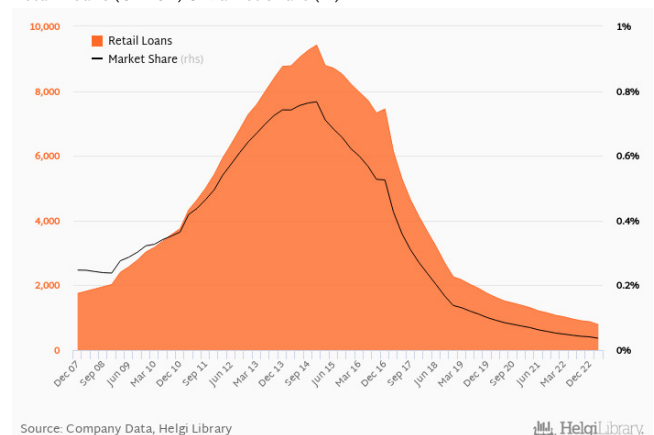
Market Share in Bank Deposits

Customer Deposits (CZK bil)



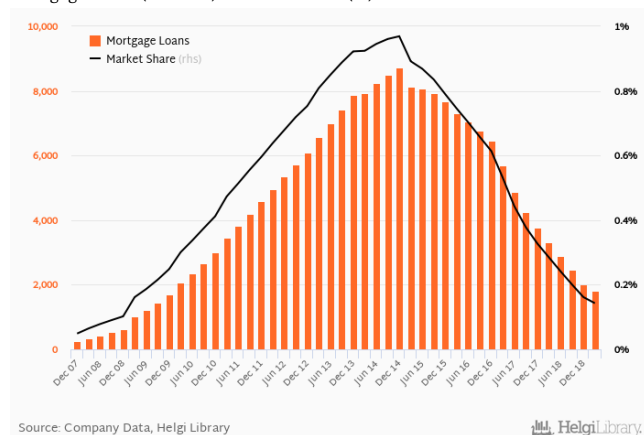
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



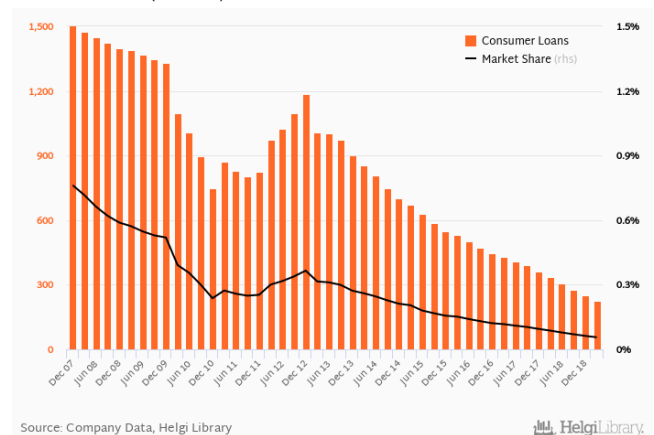
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

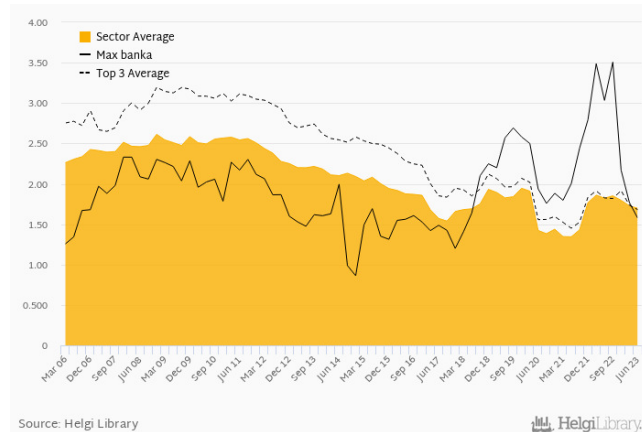
Consumer Loans (CZK mil)



Max banka – Comparison with Sector

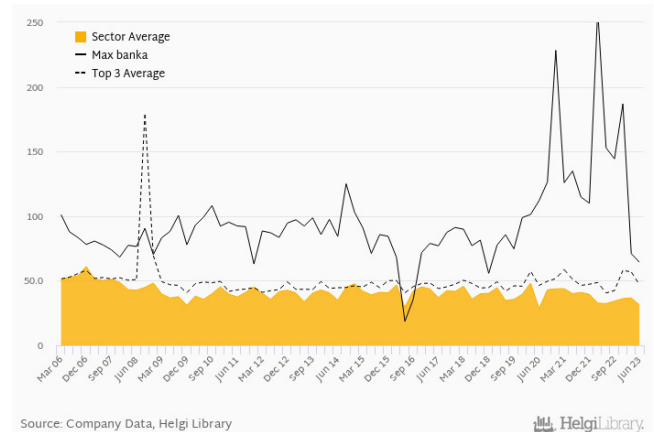
Max banka – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



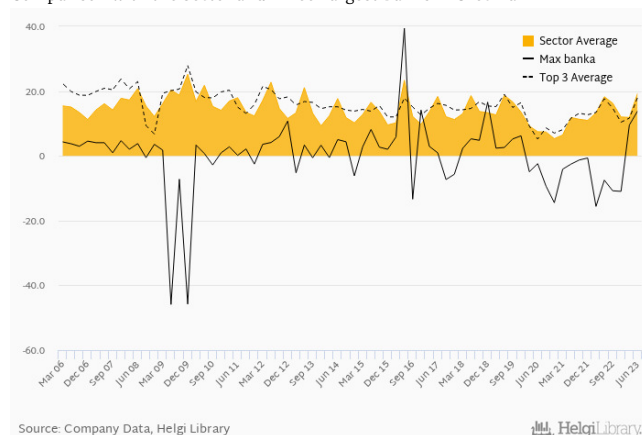
Max banka – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



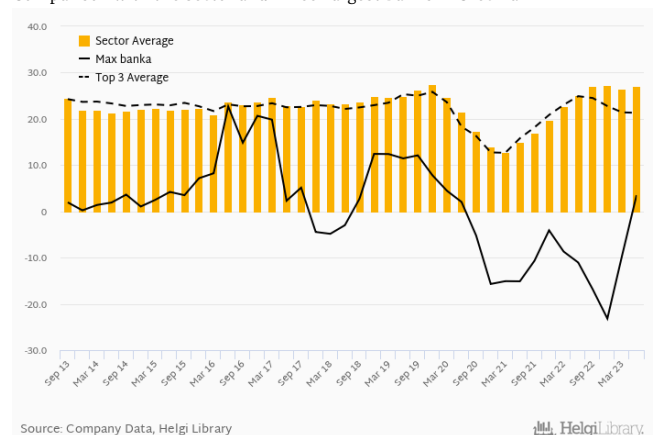
Max banka – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



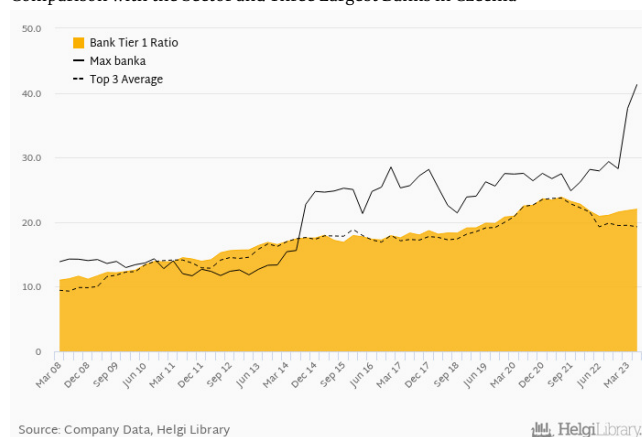
Max banka – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



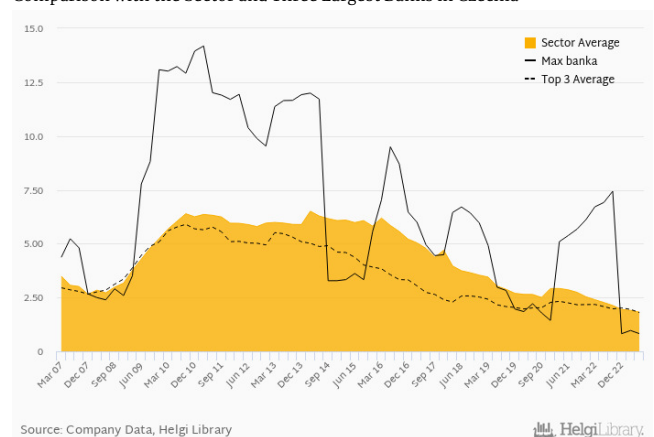
Max banka – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Max banka – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Raiffeisenbank Czech Republic

Quarterly Results – 2Q2023

Raiffeisenbank Czech Republic made a net profit of CZK 1,508 mil in the second quarter of 2023, down 17% when compared to the previous year. Total revenues decreased 1.08% yoy to CZK 4,393 mil, ROE amounted to 11.4% and the NPL ratio stood at 1.45%. In the last three years, the bank grew its loans by 17.7% a year, revenues rose by 22.8% and net profit increased by 41.8% a year, on average.

- ✓ Revenues decreased 1.08% yoy to CZK 4,393 mil in the second quarter of 2023. Interest income formed 74.2% of total revenues with the net interest margin decreasing 0.454 pp to 2.00% of total assets. Fees added a further 24.4% to total revenue generated in 2Q2023, down from an average of 25.3% as seen in the previous two years.
- ✓ Operating costs dropped by 6.91% yoy to CZK 1,931 mil, so cost to income ratio reached 44.0%, up by 7.78% compared to the previous two years. Staff accounted for 50.7% of total operating expenditures. At the end of second quarter of 2023, Raiffeisenbank Czech Republic operated a network of 124 branches and 3,226 employees.
- ✓ Loans and deposits grew by 0.657% and 5.04% qoq respectively, so loan to deposit ratio reached 66.5% at the end of 2Q2023. That's down from 70.7% the previous year. Equity reached 8.07% of assets and we assume that capital adequacy ratio amounted to 25.0% at the end of the second quarter of 2023.
- ✓ NPLs were 1.45% of total loans at the end of the quarter, on our estimates. Provisions covered 76.1% of non-performing loans.
- ✓ When compared to selected peers, Raiffeisenbank Czech Republic was 3.88 pp less profitable in terms of ROE, achieved 4.02 pp worse cost efficiency when measured by cost to income ratio and grew its loans by 3.27 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
3,226

Clients:
N/A

Branches:
124

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
25.0%*

Tier 1 Ratio:
22.6%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	4,393	-1.08	1,508	-17.0	11.4	44.0	66.5	8.07	1.45
2022	20,181	45.4	8,804	84.6	17.6	49.9	75.0	8.13	1.39
2021	13,884	52.7	4,770	114	11.5	61.5	67.2	7.05	1.80
2020	9,090	-23.4	2,224	-53.0	6.40	75.7	61.8	7.64	2.30
2019	11,874	0.020	4,731	24.0	15.1	60.7	84.8	8.82	1.97
2018	11,872	4.71	3,815	23.7	13.2	53.2	87.3	8.17	1.91
2017	11,338	10.3	3,084	18.4	11.6	57.1	87.0	8.14	2.46

Source: Company Data, Helgi Library *Estimate

Data tells a story



Raiffeisenbank Czech Republic – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	2,553	3,330	5,749	6,923	8,847	8,627	9,491	10,141
Interest Cost	CZK mil	656	831	2,343	3,399	4,746	5,481	6,268	6,881
Net Interest Income	CZK mil	1,897	2,499	3,406	3,524	4,101	3,145	3,223	3,261
Net Fee Income	CZK mil	880	1,007	1,114	1,105	1,029	1,284	1,074	1,073
Other Income	CZK mil	354	482	-178	-188	-443	429	-160	58.9
Total Revenues	CZK mil	3,131	3,988	4,342	4,441	4,687	4,859	4,137	4,393
Staff Cost	CZK mil	850	813	929	995	996	1,023	987	979
Depreciation	CZK mil	304	316	486	512	519	517	455	416
Other Cost	CZK mil	549	357	1,201	568	631	638	1,143	535
Operating Cost	CZK mil	1,703	1,487	2,616	2,074	2,146	2,179	2,585	1,931
Operating Profit	CZK mil	1,428	2,501	1,727	2,367	2,541	2,680	1,553	2,462
Provisions	CZK mil	-8.16	360	250	180	-519	5.45	258	616
Pre-Tax Profit	CZK mil	1,449	2,137	1,477	2,187	3,060	2,678	1,296	1,829
Net Profit	CZK mil	1,203	1,797	1,193	1,816	2,457	2,075	864	1,508

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	31,385	14,604	17,959	22,663	22,218	18,781	24,618	18,667
Interbank Loans	CZK mil	6,147	9,118	15,980	20,339	18,172	20,307	25,685	21,403
Customer Loans	CZK mil	258,100	262,060	332,491	342,326	351,089	349,753	353,420	355,741
Investments	CZK mil	29,313	38,562	46,884	51,592	45,132	47,665	58,800	71,829
Property and Equipment	CZK mil	2,231	2,139	2,357	2,485	2,131	2,006	1,971	1,910
Intangible Assets	CZK mil	2,974	3,184	5,756	5,621	5,469	5,507	5,390	5,292
Total Assets	CZK mil	524,902	511,390	557,817	593,141	598,976	601,326	642,968	664,413
Shareholders' Equity	CZK mil	42,844	44,422	45,381	46,608	49,048	51,305	52,319	53,620
Liabilities	CZK mil	482,058	466,969	512,436	546,533	549,929	550,021	590,648	610,793
Interbank Borrowing	CZK mil	34,867	17,350	27,363	21,914	17,205	14,882	25,186	23,282
Customer Deposits	CZK mil	418,868	420,163	448,693	484,403	492,624	489,675	509,512	535,195
Issued Debt Securities	CZK mil	17,972	18,455	20,231	20,452	20,315	25,164	34,331	35,158
Other Liabilities	CZK mil	10,351	11,000	16,150	19,765	19,785	20,300	21,619	17,159

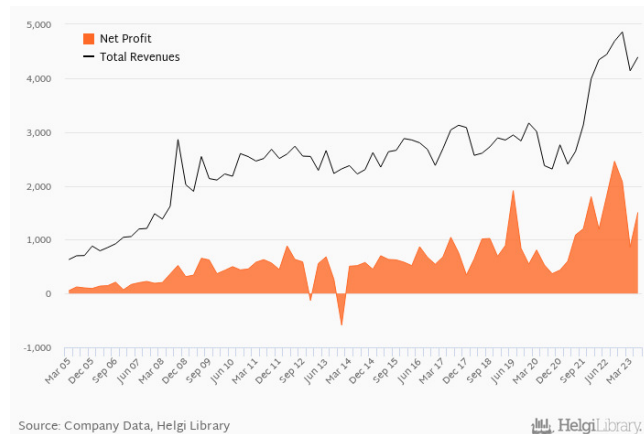
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	11.4	16.5	10.6	15.8	20.5	16.5	6.67	11.4
ROA	%	0.927	1.39	0.893	1.26	1.65	1.38	0.556	0.923
Costs (As % Of Assets)	%	1.31	1.15	1.96	1.44	1.44	1.45	1.66	1.18
Costs (As % Of Income)	%	54.4	37.3	60.2	46.7	45.8	44.8	62.5	44.0
Capital Adequacy Ratio	%	24.6	26.1	19.6	19.6	19.3	21.0	21.8	25.0
Net Interest Margin	%	1.46	1.93	2.55	2.45	2.75	2.10	2.07	2.00
Interest Income (As % Of Revenues)	%	60.6	62.7	78.4	79.4	87.5	64.7	77.9	74.2
Fee Income (As % Of Revenues)	%	28.1	25.2	25.7	24.9	22.0	26.4	26.0	24.4
Staff Cost (As % Of Total Cost)	%	49.9	54.7	35.5	48.0	46.4	47.0	38.2	50.7
Equity (As % Of Assets)	%	8.16	8.69	8.14	7.86	8.19	8.53	8.14	8.07
Loans (As % Of Deposits)	%	61.6	62.4	74.1	70.7	71.3	71.4	69.4	66.5
Loans (As % Assets)	%	49.2	51.2	59.6	57.7	58.6	58.2	55.0	53.5
NPLs (As % Of Loans)	%	2.72	2.07	2.11	1.92	1.80	1.66	1.68	1.45
Provisions (As % Of NPLs)	%	51.7	63.9	51.7	64.5	59.0	64.1	67.0	76.1

Source: Company Data, Helgi Library

Raiffeisenbank Czech Republic in Pictures

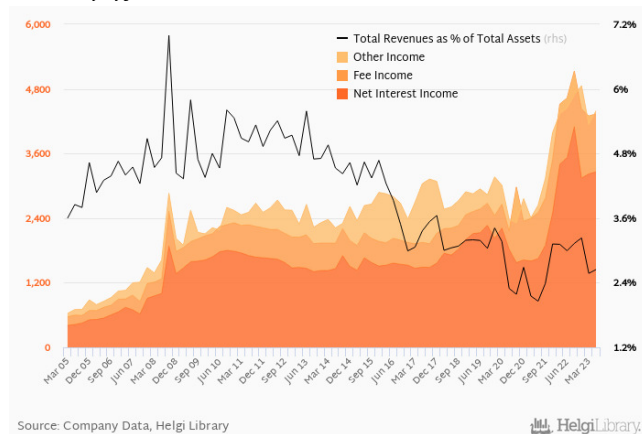
Revenue & Profitability

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



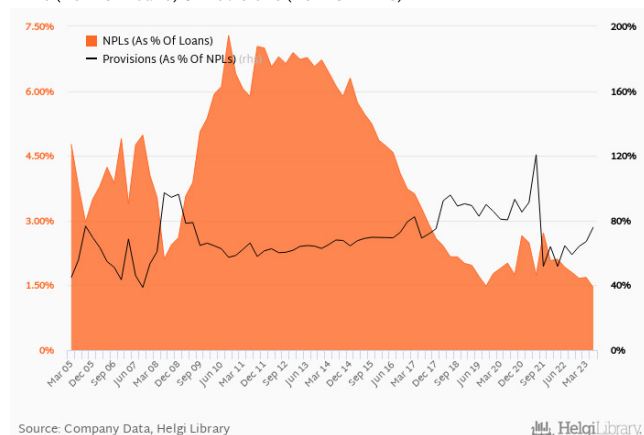
Revenue Breakdown

Revenue by Type of Income (CZK mil)



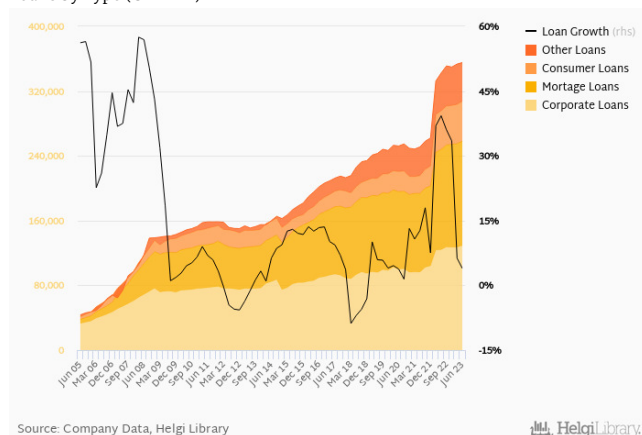
Asset Quality

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



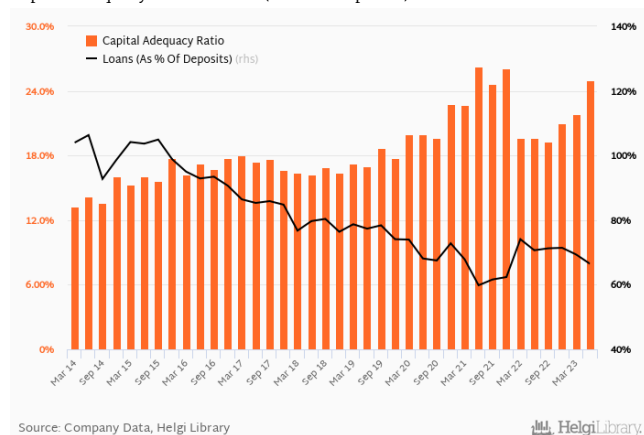
Loan Breakdown

Loans by Type (CZK mil)



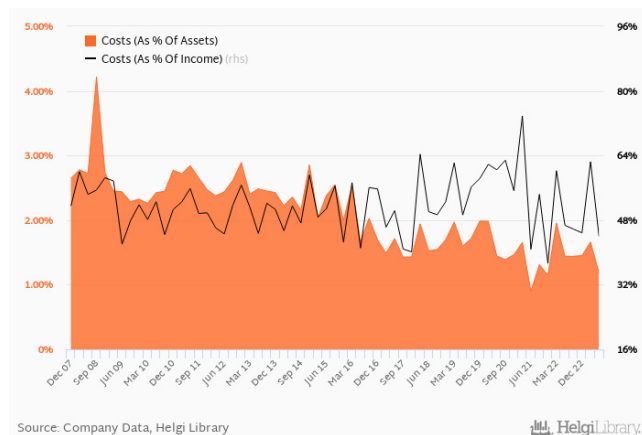
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

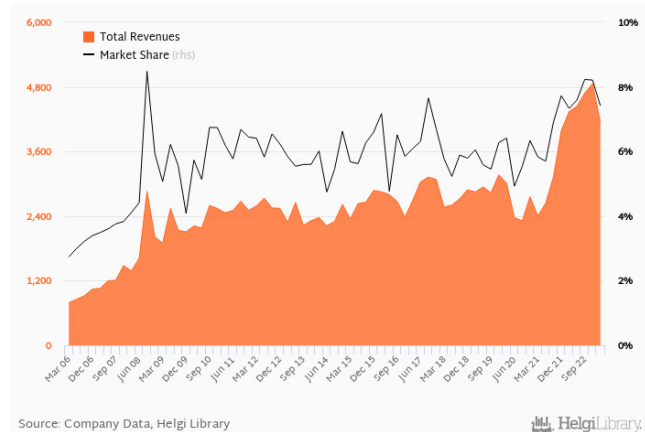
Costs As % Of Assets & Income



Raiffeisenbank Czech Republic – Market Share Development

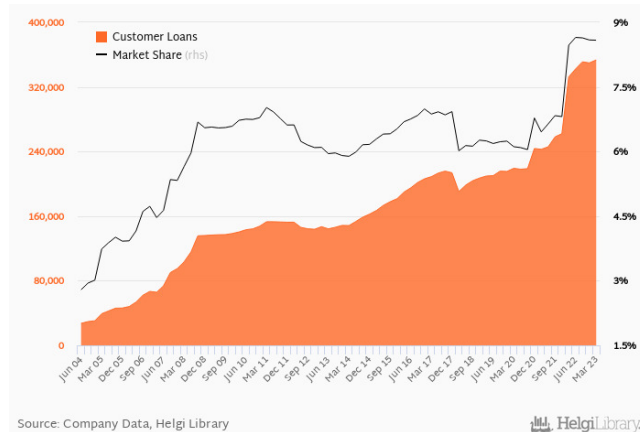
Market Share in Bank Revenues

Total Revenues (CZK mil)



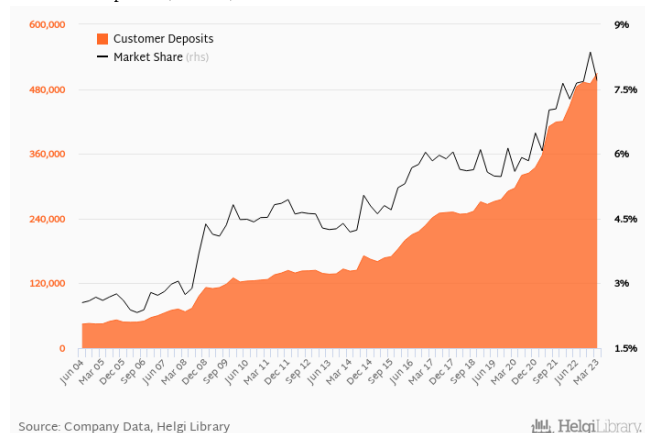
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



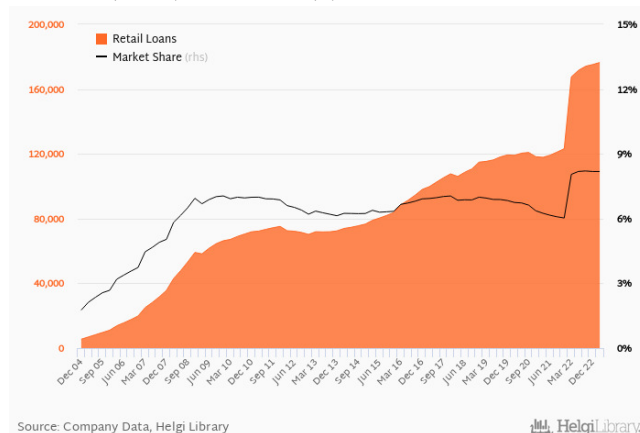
Market Share in Bank Deposits

Customer Deposits (CZK bil)



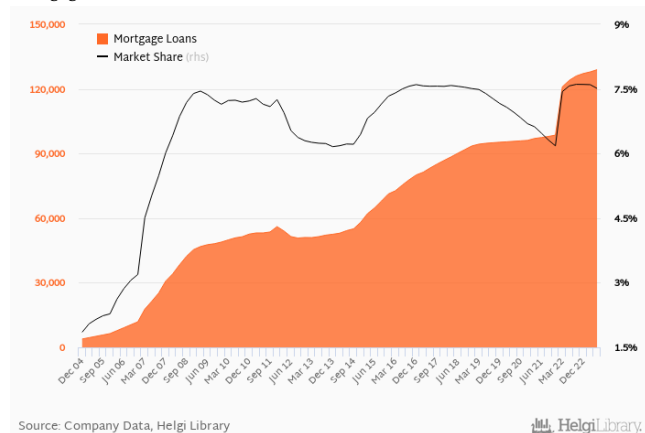
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



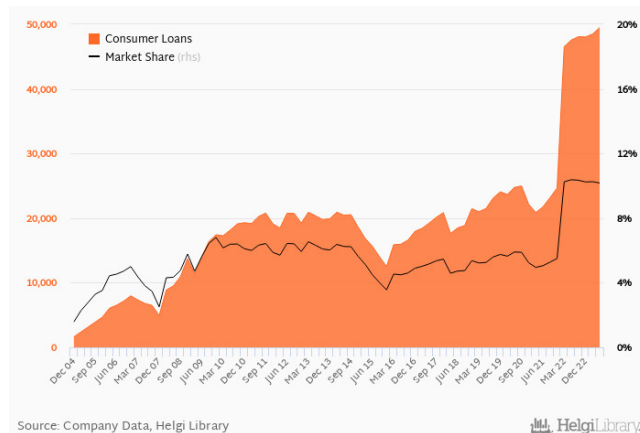
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

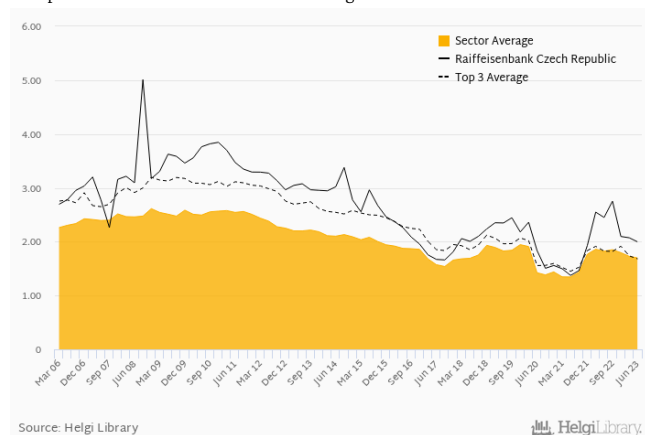
Consumer Loans (CZK mil)



Raiffeisenbank Czech Republic – Comparison with Sector

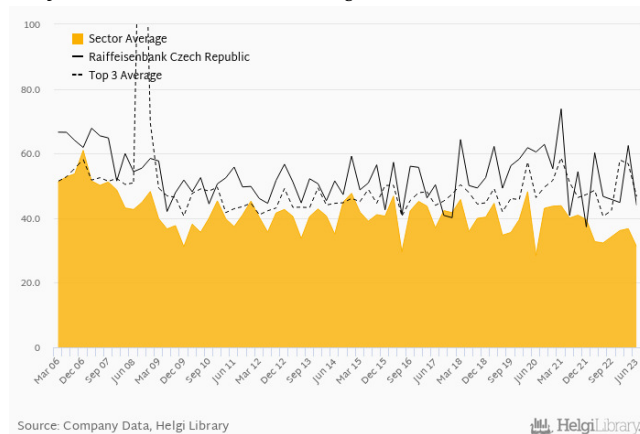
Raiffeisenbank Czech Republic – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



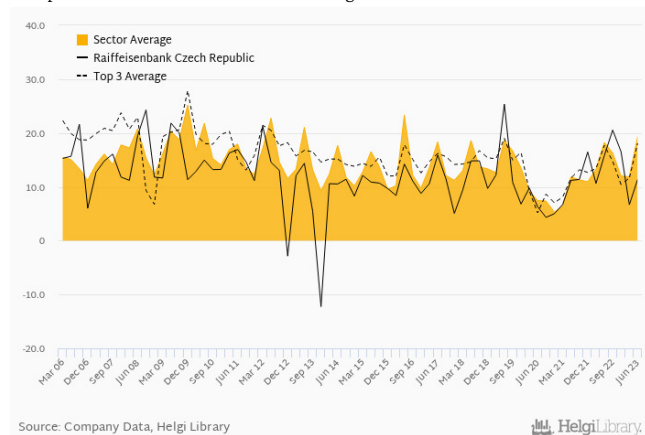
Raiffeisenbank Czech Republic – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



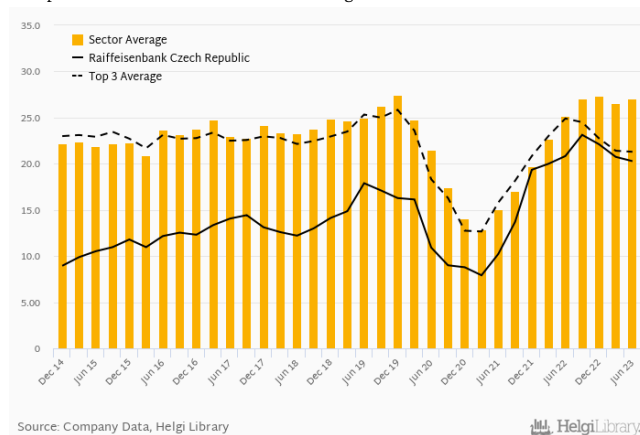
Raiffeisenbank Czech Republic – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



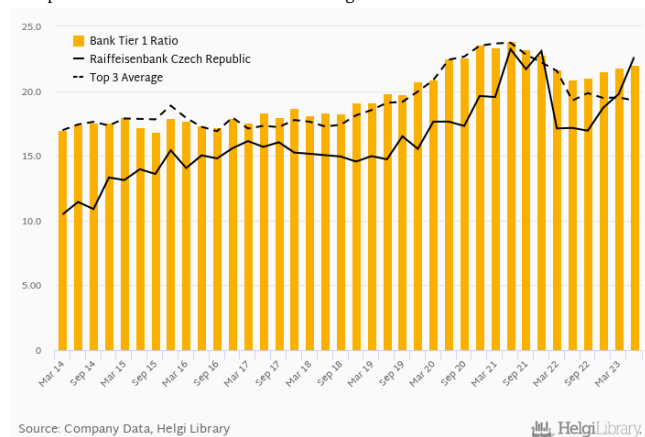
Raiffeisenbank Czech Republic – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



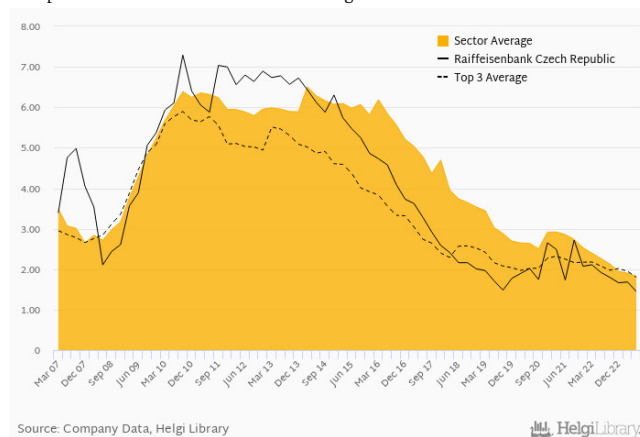
Raiffeisenbank Czech Republic – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Raiffeisenbank Czech Republic – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



MONETA Money Bank

Quarterly Results – 2Q2023

MONETA Money Bank made a net profit of CZK 1,263 mil in the second quarter of 2023, down 20.2% when compared to the previous year. Total revenues decreased 1.24% yoy to CZK 3,028 mil, ROE amounted to 16.4% and the NPL ratio stood at 1.31%. MONETA Money Bank stock depreciated by 8.28% in the second quarter of 2023 to CZK 79.8 per share and the stock traded at a 12-month trailing PE of 8.07x and PBV of 1.38x based on the closing price at the end of the quarter.

- ✓ Revenues decreased 1.24% yoy to CZK 3,028 mil in the second quarter of 2023. Interest income formed 71.6% of total revenues with the net interest margin decreasing 0.584 pp to 2.09% of total assets. Fees added a further 21.9% to total revenue generated in 2Q2023, up from an average of 19.5% as seen in the previous two years.
- ✓ Operating costs grew by 7.61% yoy to CZK 1,372 mil, so cost to income ratio reached 45.3%, down by 8.09% compared to the previous two years. Staff accounted for 43.4% of total operating expenditures. At the end of second quarter of 2023, MONETA Money Bank operated a network of 140 branches and 2,511 employees.
- ✓ Loans and deposits grew by 0.757% and 5.09% qoq respectively, so loan to deposit ratio reached 72.8% at the end of 2Q2023. That's down from 88.0% the previous year. Equity reached 6.96% of assets and capital adequacy ratio amounted to 19.7% at the end of the second quarter of 2023.
- ✓ NPLs were 1.31% of total loans at the end of the quarter. Provisions covered 133% of non-performing loans.
- ✓ MONETA Money Bank stock traded at CZK 79.8 per share at the end of second quarter of 2023 implying a market capitalization of USD 1,888 mil. This put stock at a 12-month trailing price to earnings of 8.07x and price to book value of 1.38x as of the end of 2Q2023.

Sector:
Banking

Country:
Czechia

Share Price:
CZK 79.8

Market Capitalization:
USD 1,888 mil

Shares Outstanding:
511 mil

Employees:
2,511

Clients:
N/A

Branches:
140

Capital Adequacy Ratio:
19.7%

NPL Ratio:
1.31%

Provision Coverage:
133%

KEY FIGURES									
	REVENUES	NET PROFIT	EPS	EPS GROWTH	PER	PBV	ROE	DPS	DIV. YIELD
	CZK mil	CZK mil	CZK	%			%	CZK	%
2Q2023	3,028	1,263	9.89	-20.2	8.07	1.38	16.4
2022	12,116	5,187	10.2	30.2	7.49	1.25	17.1	8.00	10.5
2021	11,168	3,984	7.80	53.2	12.0	1.62	14.1	3.00	3.20
2020	12,098	2,601	5.09	-35.3	13.4	1.28	10.1	0	0
2019	10,519	4,019	7.86	-4.31	10.8	1.78	16.2	3.30	3.88
2018	10,162	4,200	8.22	7.06	8.82	1.47	16.5	9.45	13.0
2017	10,241	3,923	7.68	-3.23	10.7	1.63	14.8	8.00	9.71

Source: Company Data, Helgi Library

Data tells a story



MONETA Money Bank – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	2,378	2,720	3,351	3,704	4,002	4,534	4,855	5,374
Interest Cost	CZK mil	217	402	928	1,246	1,675	2,431	2,824	3,207
Net Interest Income	CZK mil	2,161	2,318	2,423	2,458	2,327	2,103	2,031	2,167
Net Fee Income	CZK mil	473	583	516	545	543	694	616	663
Other Income	CZK mil	147	100	85.0	63.0	152	207	197	198
Total Revenues	CZK mil	2,781	3,001	3,024	3,066	3,022	3,004	2,844	3,028
Staff Cost	CZK mil	628	733	586	611	657	674	578	595
Depreciation	CZK mil	289	293	312	311	311	315	323	312
Other Cost	CZK mil	345	400	622	353	388	454	644	465
Operating Cost	CZK mil	1,262	1,426	1,520	1,275	1,356	1,443	1,545	1,372
Operating Profit	CZK mil	1,519	1,575	1,504	1,791	1,666	1,561	1,299	1,656
Provisions	CZK mil	-299	242	-95.0	-155	124	216	-116	146
Pre-Tax Profit	CZK mil	1,818	1,333	1,599	1,946	1,542	1,345	1,415	1,510
Net Profit	CZK mil	1,466	1,087	1,290	1,582	1,251	1,064	1,215	1,263

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	8,760	11,204	12,124	12,080	10,035	12,467	7,441	10,303
Interbank Loans	CZK mil	13,181	15,602	39,605	26,372	28,495	37,886	40,638	55,109
Customer Loans	CZK mil	247,572	255,612	257,610	265,860	268,766	268,752	266,012	268,027
Investments	CZK mil	50,494	49,200	48,863	52,639	53,808	57,951	80,195	80,483
Property and Equipment	CZK mil	2,472	2,631	2,536	2,416	2,297	2,318	2,360	2,361
Intangible Assets	CZK mil	3,095	3,184	3,267	3,313	3,315	3,379	3,324	3,280
Total Assets	CZK mil	327,527	340,222	367,489	367,095	371,336	387,510	404,585	423,829
Shareholders' Equity	CZK mil	29,926	29,481	30,771	28,776	30,027	31,091	32,306	29,481
Liabilities	CZK mil	297,601	310,741	336,718	338,319	341,309	356,419	372,279	394,348
Interbank Borrowing	CZK mil	17,549	12,580	22,723	21,117	6,569	5,953	5,439	7,707
Customer Deposits	CZK mil	268,276	285,145	299,125	302,199	320,610	334,251	350,329	368,177
Issued Debt Securities	CZK mil	7,362	7,106	9,392	9,398	8,741	10,207	10,109	12,410
Other Liabilities	CZK mil	4,414	5,910	5,478	5,605	5,389	6,008	6,402	6,054

RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	20.1	14.6	17.1	21.3	17.0	13.9	15.3	16.4
ROA	%	1.82	1.30	1.46	1.72	1.36	1.12	1.23	1.22
Costs (As % Of Assets)	%	1.57	1.71	1.72	1.39	1.47	1.52	1.56	1.32
Costs (As % Of Income)	%	45.4	47.5	50.3	41.6	44.9	48.0	54.3	45.3
Capital Adequacy Ratio	%	18.7	17.1	17.7	16.8	17.0	18.0	18.1	19.7
Net Interest Margin	%	2.68	2.78	2.74	2.68	2.52	2.22	2.05	2.09
Interest Income (As % Of Revenues)	%	77.7	77.2	80.1	80.2	77.0	70.0	71.4	71.6
Fee Income (As % Of Revenues)	%	17.0	19.4	17.1	17.8	18.0	23.1	21.7	21.9
Staff Cost (As % Of Total Cost)	%	49.8	51.4	38.6	47.9	48.5	46.7	37.4	43.4
Equity (As % Of Assets)	%	9.14	8.67	8.37	7.84	8.09	8.02	7.98	6.96
Loans (As % Of Deposits)	%	92.3	89.6	86.1	88.0	83.8	80.4	75.9	72.8
Loans (As % Assets)	%	75.6	75.1	70.1	72.4	72.4	69.4	65.7	63.2
NPLs (As % Of Loans)	%	2.40	2.20	1.80	1.40	1.37	1.38	1.30	1.31
Provisions (As % Of NPLs)	%	96.1	101	121	134	137	135	137	133

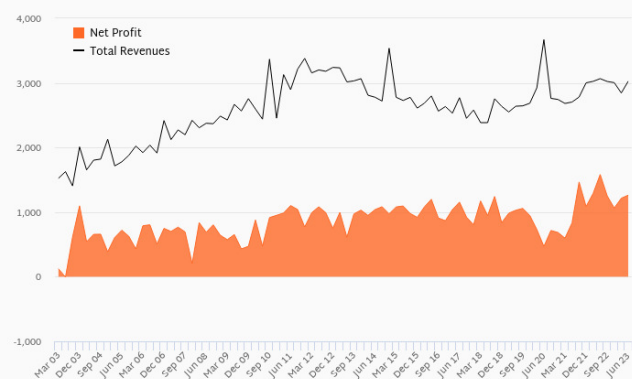
VALUATION		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Market Capitalisation	USD mil	2,048	2,182	2,084	1,838	1,433	1,717	2,058	1,888
Number Of Shares	mil	511	511	511	511	511	511	511	511
Share Price	CZK	88.3	93.8	89.6	85.7	70.6	76.0	87.0	79.8
Earnings Per Share (EPS)	CZK	11.5	8.51	10.1	12.4	9.79	8.33	9.51	9.89
Book Value Per Share	CZK	58.6	57.7	60.2	56.3	58.8	60.8	63.2	57.7
Price/Earnings (P/E)		7.69	11.0	8.87	6.92	7.21	9.13	9.15	8.07
Price/Book Value (P/BV)		1.51	1.62	1.49	1.52	1.20	1.25	1.38	1.38

Source: Company Data, Helgi Library

MONETA Money Bank in Pictures

Revenue & Profitability

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

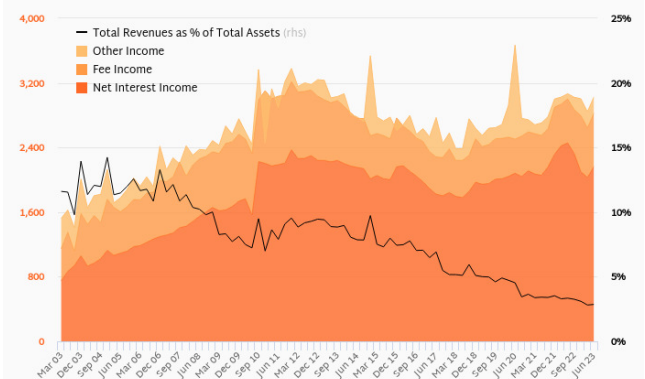


Source: Company Data, Helgi Library

HelgiLibrary

Revenue Breakdown

Revenue by Type of Income (CZK mil)

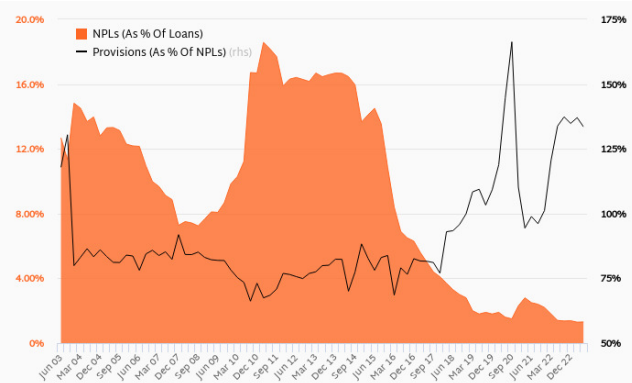


Source: Company Data, Helgi Library

HelgiLibrary

Asset Quality

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

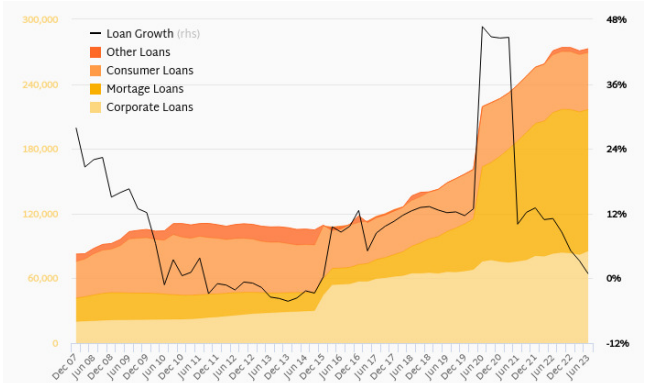


Source: Company Data, Helgi Library

HelgiLibrary

Loan Breakdown

Loans by Type (CZK mil)

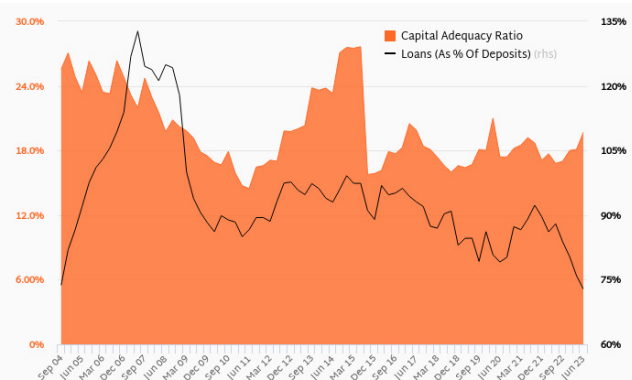


Source: Company Data, Helgi Library

HelgiLibrary

Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)

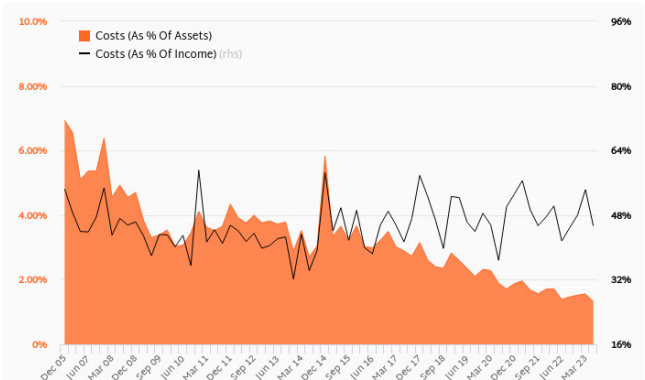


Source: Company Data, Helgi Library

HelgiLibrary

Cost Efficiency

Costs As % Of Assets & Income



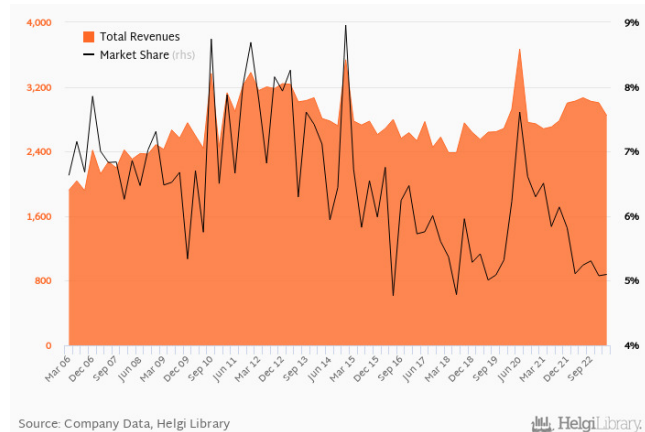
Source: Company Data, Helgi Library

HelgiLibrary

MONETA Money Bank – Market Share Development

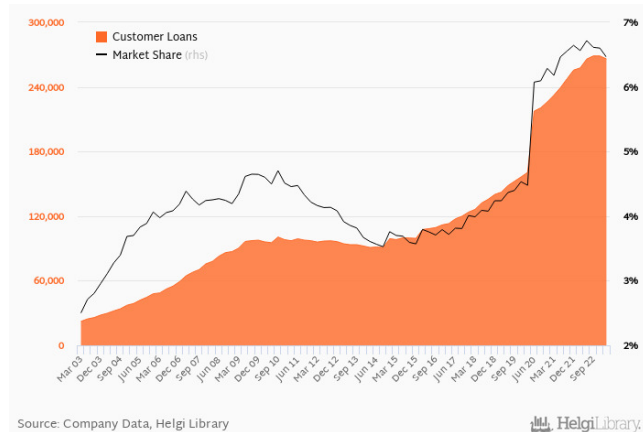
Market Share in Bank Revenues

Total Revenues (CZK mil)



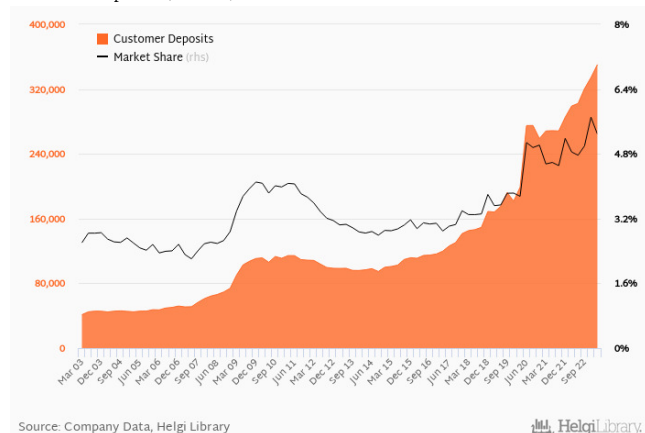
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



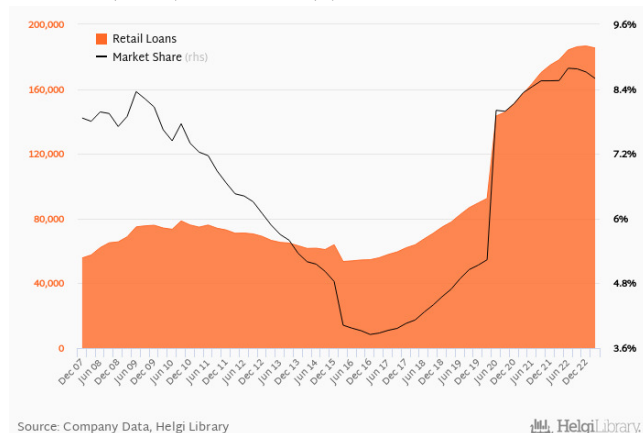
Market Share in Bank Deposits

Customer Deposits (CZK bil)



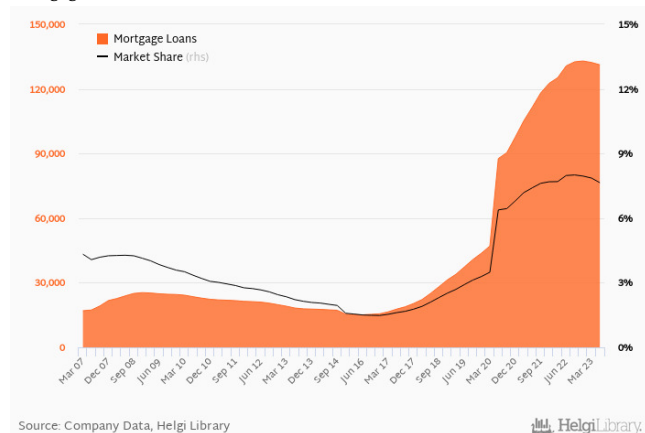
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



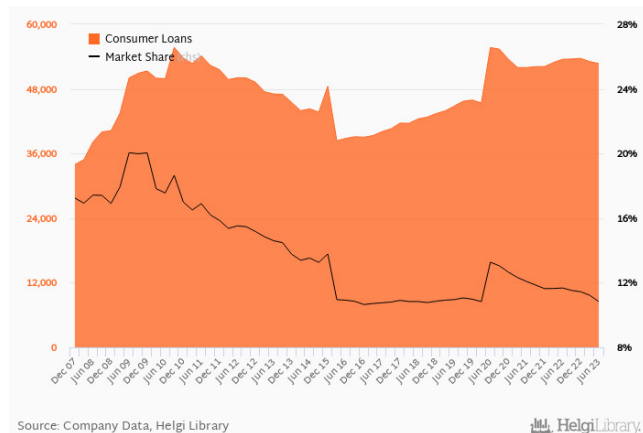
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

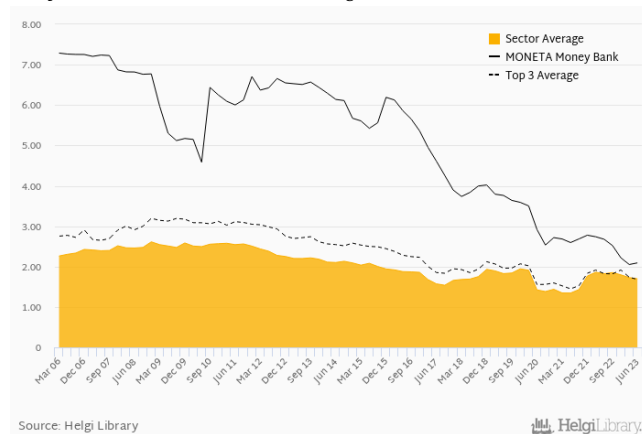
Consumer Loans (CZK mil)



MONETA Money Bank – Comparison with Sector

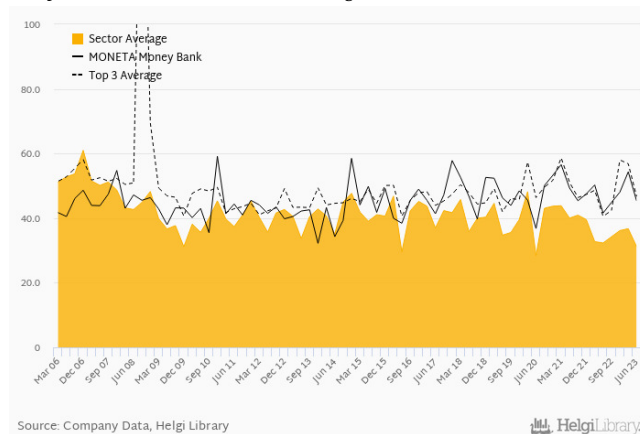
MONETA Money Bank – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



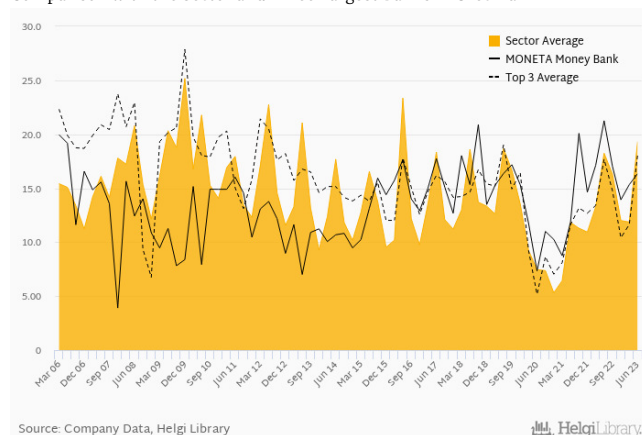
MONETA Money Bank – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



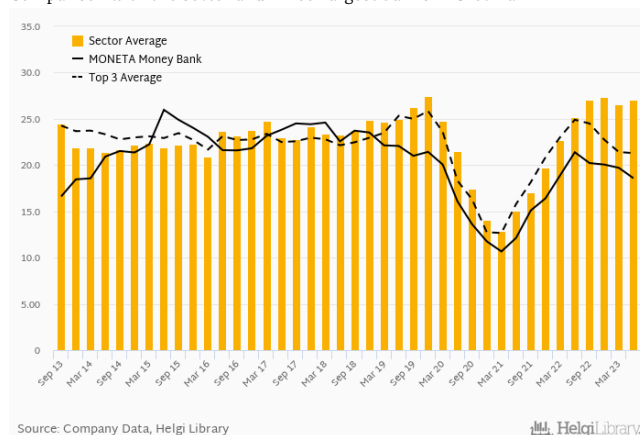
MONETA Money Bank – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



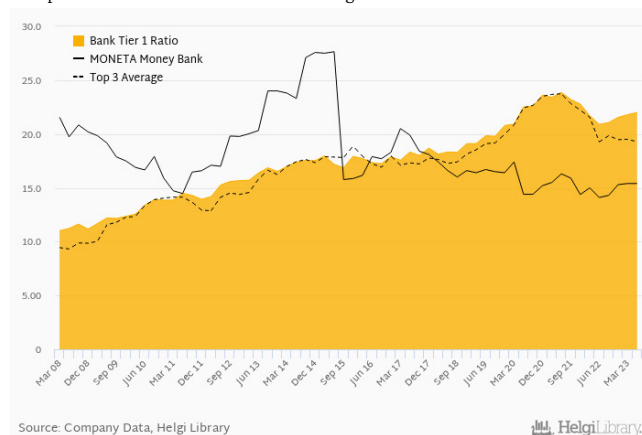
MONETA Money Bank – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



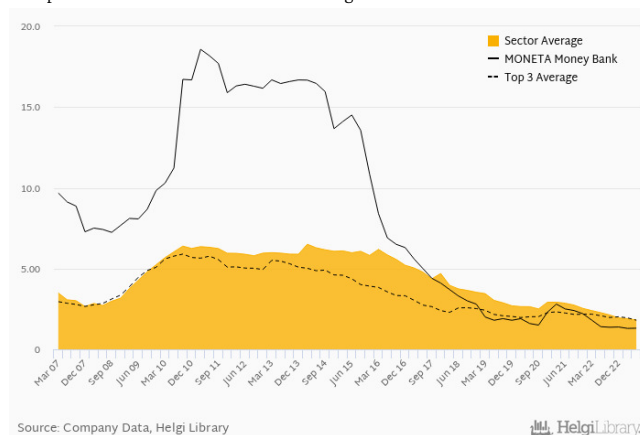
MONETA Money Bank – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



MONETA Money Bank – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



PPF Banka

Quarterly Results – 2Q2023

PPF Banka made a net profit of CZK 1,094 mil in the second quarter of 2023, up 42.2% when compared to the previous year. Total revenues increased 84% yoy to CZK 1,696 mil, ROE amounted to 23.5% and the NPL ratio stood at 1.18%. In the last three years, the bank grew its loans by 1.26% a year, revenues rose by 29% and net profit increased by 135% a year, on average.

- ✓ Revenues increased 84% yoy to CZK 1,696 mil in the second quarter of 2023. Interest income formed 100% of total revenues with the net interest margin decreasing 0.558 pp to 1.84% of total assets. Fees added a further 3.55% to total revenue generated in 2Q2023, down from an average of 5.04% as seen in the previous two years.
- ✓ Operating costs grew by 25.7% yoy to CZK 371 mil, so cost to income ratio reached 21.9%, up by 8% compared to the previous two years. Staff accounted for 35.1% of total operating expenditures. At the end of second quarter of 2023, PPF Banka operated a network of 2 branches and 255 employees.
- ✓ Loans and deposits grew by 1.1% and 4.88% qoq respectively, so loan to deposit ratio reached 21.4% at the end of 2Q2023. That's down from 28.7% the previous year. Equity reached 5.11% of assets and we assume that capital adequacy ratio amounted to 26.7% at the end of the second quarter of 2023.
- ✓ NPLs were 1.18% of total loans at the end of the quarter, on our estimates. Provisions covered 191% of non-performing loans.
- ✓ When compared to selected peers, PPF Banka was 8.24 pp more profitable in terms of ROE, achieved 18.0 pp better cost efficiency when measured by cost to income ratio and grew its loans by 3.82 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
255

Clients:
N/A

Branches:
2

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
26.7%*

Tier 1 Ratio:
26.7%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	1,696	84.0	1,094	42.2	23.5	21.9	21.4	5.11	1.18
2022	5,379	62.7	2,739	56.8	16.2	26.3	21.5	6.00	0.986
2021	3,307	-16.5	1,747	54.2	10.9	41.3	29.8	6.99	4.14
2020	3,959	12.0	1,133	-45.7	7.63	22.7	27.2	9.08	8.26
2019	3,536	-5.35	2,088	-5.18	16.1	27.7	23.8	6.30	6.79
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

Source: Company Data, Helgi Library *Estimate

Data tells a story



PPF Banka – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	862	1,515	2,395	3,057	3,350	3,944	4,628	4,908
Interest Cost	CZK mil	189	546	1,092	1,409	1,606	2,202	2,882	3,212
Net Interest Income	CZK mil	672	968	1,304	1,648	1,744	1,742	1,746	1,696
Net Fee Income	CZK mil	46.0	78.1	39.9	56.3	59.5	86.3	72.6	60.2
Other Income	CZK mil	-8.95	-85.2	207	-783	-542	-183	266	-60.3
Total Revenues	CZK mil	709	961	1,551	922	1,261	1,645	2,084	1,696
Staff Cost	CZK mil	110	131	117	99.5	119	110	133	130
Depreciation	CZK mil	23.8	27.1	22.8	25.0	23.6	20.6	24.0	23.1
Other Cost	CZK mil	187	259	177	171	181	347	197	218
Operating Cost	CZK mil	321	417	317	296	323	477	354	371
Operating Profit	CZK mil	388	544	1,234	626	938	1,167	1,730	1,325
Provisions	CZK mil	-79.0	41.5	445	-336	179	497	122	79.2
Pre-Tax Profit	CZK mil	467	500	789	962	759	670	1,608	1,246
Net Profit	CZK mil	383	426	640	770	746	584	1,192	1,094

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	2,796	4,273	18,756	9,842	19,165	158,707	8,624	...
Interbank Loans	CZK mil	105,677	134,780	125,398	120,447	85,413	10,468	145,326	147,971
Customer Loans	CZK mil	43,400	43,351	44,000	44,500	45,000	45,275	45,500	46,000
Investments	CZK mil	48,434	48,898	64,916	91,893	63,590	57,881	64,114	68,298
Property and Equipment	CZK mil	151	147	138	130	121	119	126	115
Intangible Assets	CZK mil	214	210	202	194	182	183	181	181
Total Assets	CZK mil	214,415	236,622	272,968	277,749	264,270	288,650	375,334	363,641
Shareholders' Equity	CZK mil	16,366	16,542	16,566	15,429	16,269	17,331	18,673	18,566
Liabilities	CZK mil	198,049	220,079	256,402	262,320	248,001	271,319	356,661	345,075
Interbank Borrowing	CZK mil	27,244	40,966	70,212	62,320	41,325	23,980	28,488	22,515
Customer Deposits	CZK mil	142,027	145,548	150,000	155,000	160,000	210,578	205,000	215,000
Issued Debt Securities	CZK mil	3,875	4,411	4,253	4,291	4,231	5,117	4,824	4,597
Other Liabilities	CZK mil	24,904	29,154	31,937	40,710	42,445	31,644	118,349	102,963

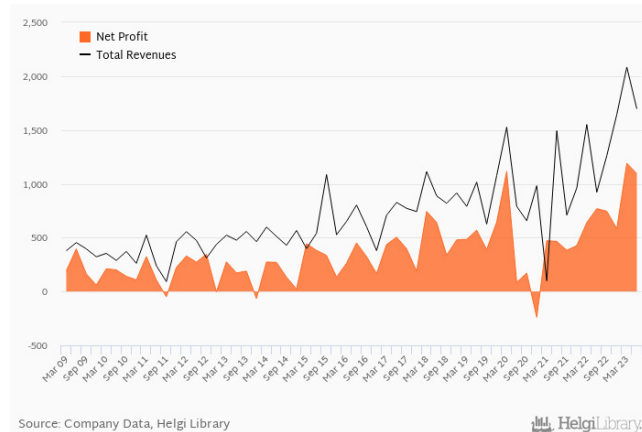
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	9.46	10.4	15.5	19.2	18.8	13.9	26.5	23.5
ROA	%	0.756	0.756	1.00	1.12	1.10	0.845	1.44	1.18
Costs (As % Of Assets)	%	0.633	0.740	0.498	0.429	0.477	0.690	0.426	0.402
Costs (As % Of Income)	%	45.3	43.4	20.4	32.1	25.6	29.0	17.0	21.9
Capital Adequacy Ratio	%	15.1	20.3	18.5	19.7	20.7	24.8	27.2	26.7
Net Interest Margin	%	1.33	1.72	2.05	2.39	2.57	2.52	2.10	1.84
Interest Income (As % Of Revenues)	%	94.8	101	84.1	179	138	106	83.8	100
Fee Income (As % Of Revenues)	%	6.48	8.12	2.57	6.11	4.72	5.24	3.49	3.55
Staff Cost (As % Of Total Cost)	%	34.2	31.4	36.8	33.7	36.8	23.0	37.6	35.1
Equity (As % Of Assets)	%	7.63	6.99	6.07	5.55	6.16	6.00	4.98	5.11
Loans (As % Of Deposits)	%	30.6	29.8	29.3	28.7	28.1	21.5	22.2	21.4
Loans (As % Assets)	%	20.2	18.3	16.1	16.0	17.0	15.7	12.1	12.6
NPLs (As % Of Loans)	%	3.47	4.14	4.56	3.79	3.93	0.986	1.11	1.18
Provisions (As % Of NPLs)	%	73.0	61.7	65.8	68.9	70.4	211	198	191

Source: Company Data, Helgi Library

PPF Banka in Pictures

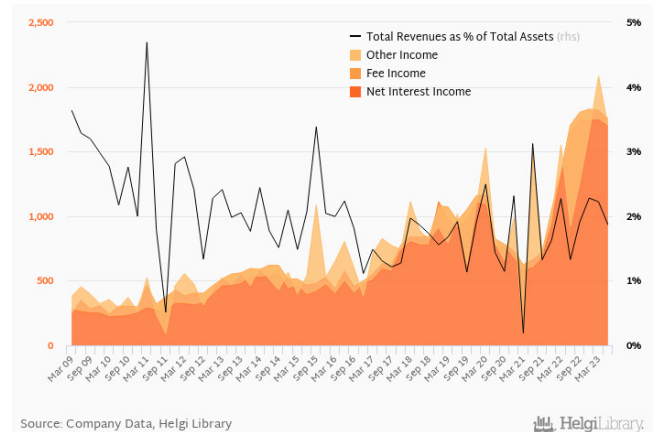
Revenue & Profitability

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



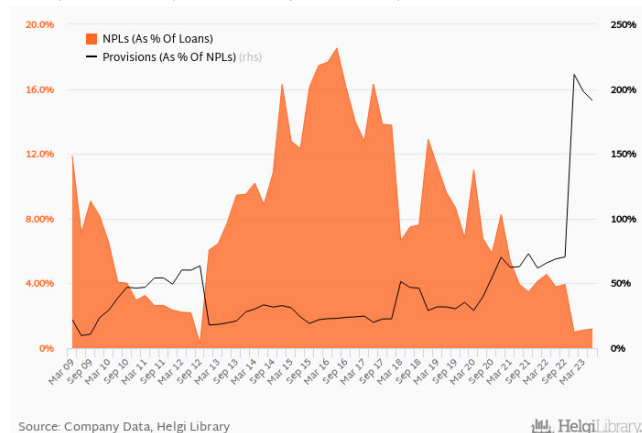
Revenue Breakdown

Revenue by Type of Income (CZK mil)



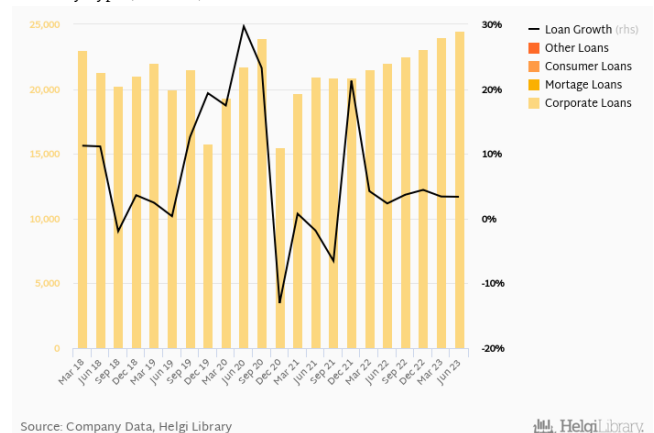
Asset Quality

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



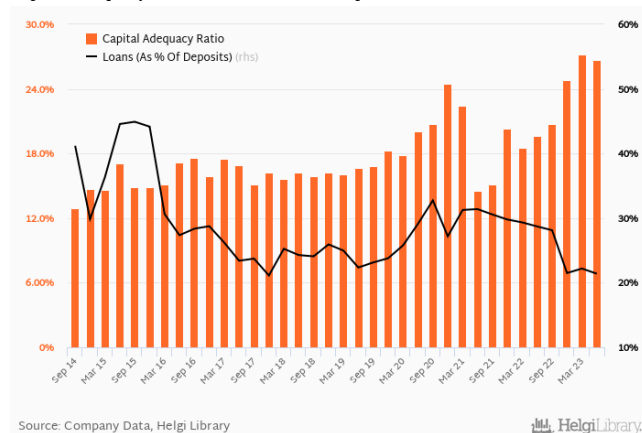
Loan Breakdown

Loans by Type (CZK mil)



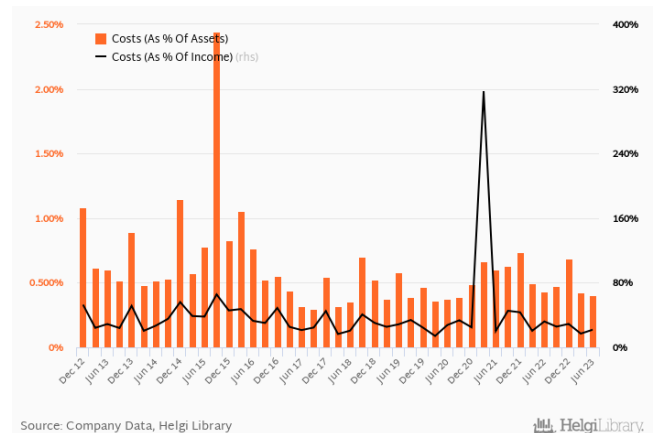
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

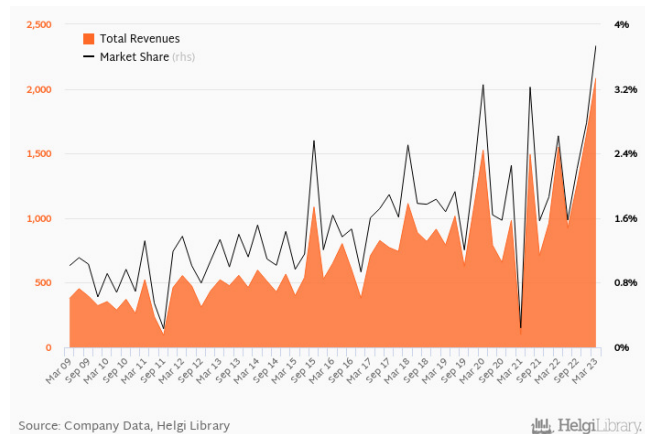
Costs As % Of Assets & Income



PPF Banka – Market Share Development

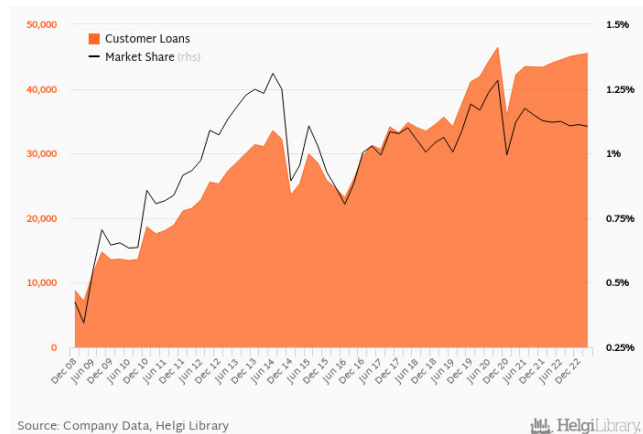
Market Share in Bank Revenues

Total Revenues (CZK mil)



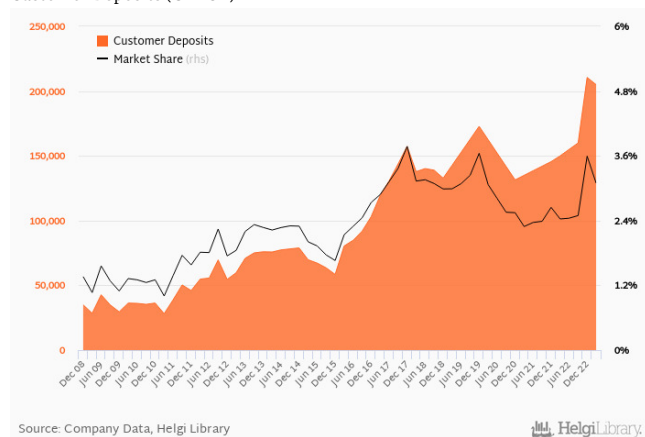
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



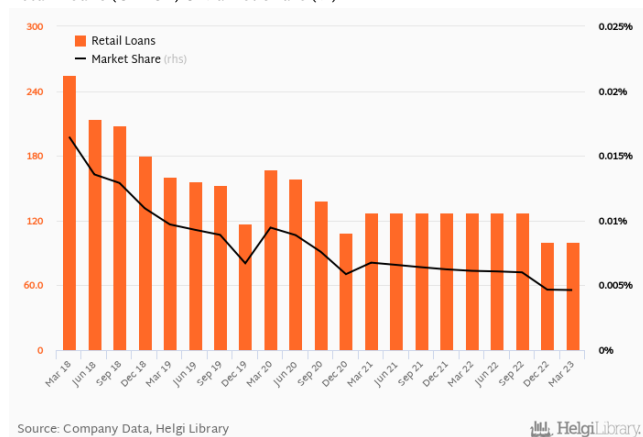
Market Share in Bank Deposits

Customer Deposits (CZK bil)



Market Share in Retail Loans

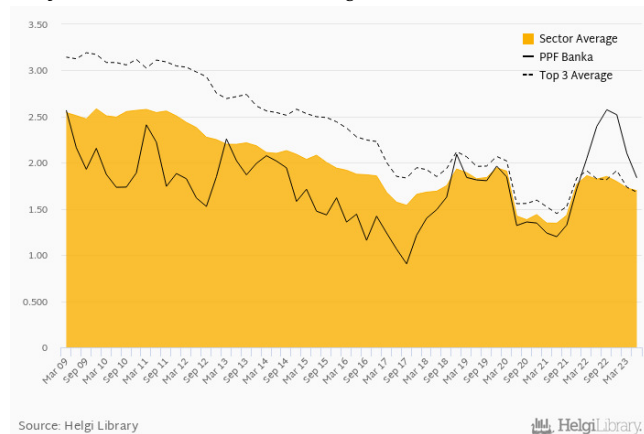
Retail Loans (CZK bil) & Market Share (%)



PPF Banka – Comparison with Sector

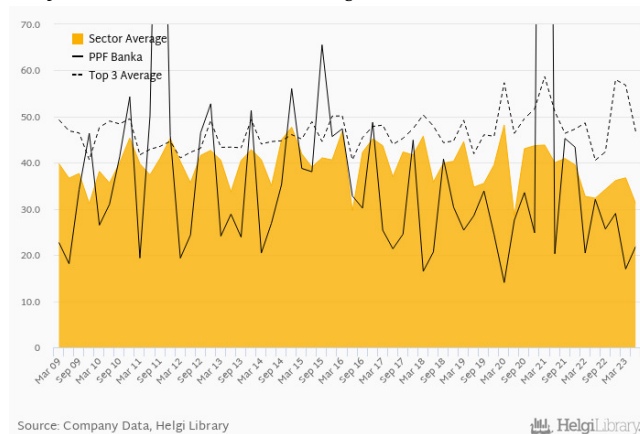
PPF Banka – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



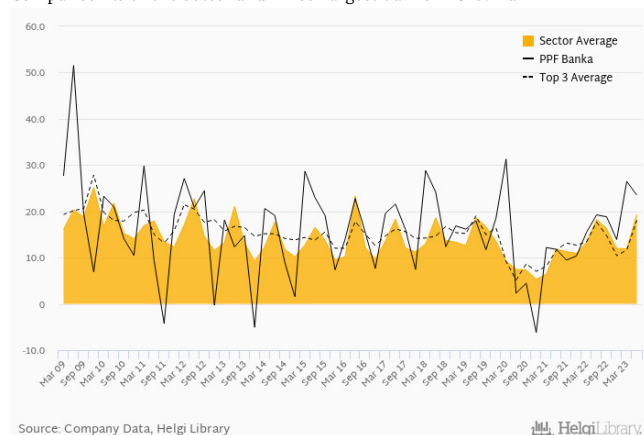
PPF Banka – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



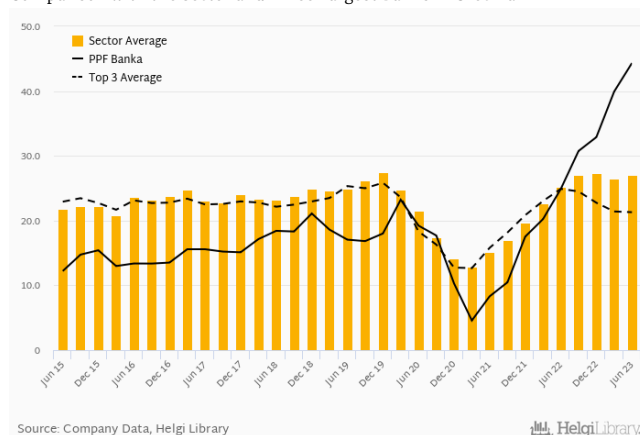
PPF Banka – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



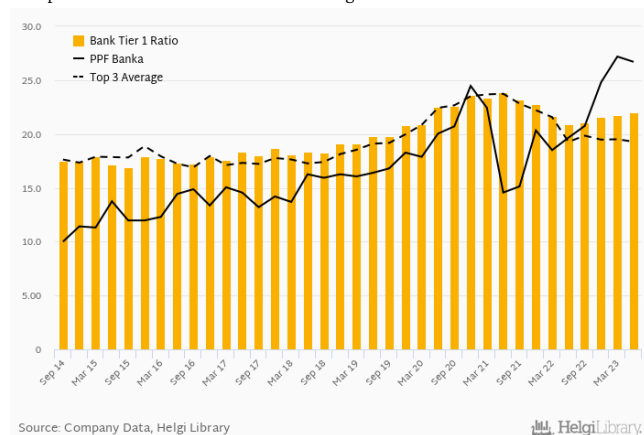
PPF Banka – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



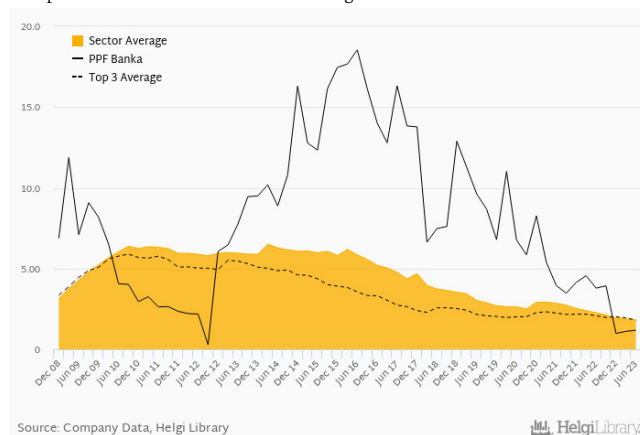
PPF Banka – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



PPF Banka – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Fio banka

Quarterly Results – 2Q2023

Fio banka made a net profit of CZK 1,529 mil in the second quarter of 2023, up 44.5% when compared to the previous year. Total revenues increased 35.3% yoy to CZK 2,327 mil, ROE amounted to 41.8% and the NPL ratio stood at 8.63%. In the last three years, the bank grew its loans by 26.1% a year, revenues rose by 45.5% and net profit increased by 74.1% a year, on average.

- ✓ Revenues increased 35.3% yoy to CZK 2,327 mil in the second quarter of 2023. Interest income formed 85.7% of total revenues with the net interest margin increasing 0.914 pp to 3.29% of total assets. Fees added a further 6.06% to total revenue generated in 2Q2023, down from an average of 10.6% as seen in the previous two years.
- ✓ Operating costs grew by 22.1% yoy to CZK 373 mil, so cost to income ratio reached 16.0%, down by 43.4% compared to the previous two years. Staff accounted for 17.8% of total operating expenditures. At the end of second quarter of 2023, Fio banka operated a network of 112 branches and 113 employees.
- ✓ Loans and deposits grew by 9.3% and 3.01% qoq respectively, so loan to deposit ratio reached 20.9% at the end of 2Q2023. That's up from 18.2% the previous year. Equity reached 6.21% of assets and we assume that capital adequacy ratio amounted to 34.2% at the end of the second quarter of 2023.
- ✓ NPLs were 8.63% of total loans at the end of the quarter, on our estimates. Provisions covered 45.9% of non-performing loans.
- ✓ When compared to selected peers, Fio banka was 26.6 pp more profitable in terms of ROE, achieved 23.9 pp better cost efficiency when measured by cost to income ratio and grew its loans by 18.0 pp faster based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
113

Clients:
N/A

Branches:
112

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
34.2%*

Tier 1 Ratio:
34.0%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	2,327	35.3	1,529	44.5	41.8	16.0	20.9	6.21	8.63
2022	6,786	78.1	4,406	88.4	42.8	18.0	19.5	5.38	9.61
2021	3,809	24.3	2,338	98.7	33.8	27.8	18.4	3.83	9.47
2020	3,064	-7.95	1,177	-34.8	23.4	31.6	15.0	3.07	13.6
2019	3,328	54.4	1,803	75.3	50.8	24.0	14.3	3.03	10.8
2018	2,155	44.4	1,028	152	47.8	31.8	12.6	2.12	5.59
2017	1,493	101	408	129	28.1	41.6	12.7	1.54	7.92

Source: Company Data, Helgi Library *Estimate

Data tells a story



Fio banka – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	671	1,028	1,197	1,570	1,838	2,321	2,425	2,809
Interest Cost	CZK mil	84.0	72.9	135	273	406	698	712	814
Net Interest Income	CZK mil	587	956	1,062	1,296	1,431	1,623	1,713	1,995
Net Fee Income	CZK mil	173	143	143	223	132	153	227	141
Other Income	CZK mil	206	165	180	200	174	144	151	191
Total Revenues	CZK mil	966	1,264	1,385	1,720	1,738	1,943	2,091	2,327
Staff Cost	CZK mil	27.8	82.3	26.6	31.2	33.6	92.8	40.3	66.3
Depreciation	CZK mil	28.3	31.2	3.87	3.68	3.95	84.9	7.47	7.96
Other Cost	CZK mil	195	249	261	270	260	152	252	299
Operating Cost	CZK mil	251	362	291	305	297	329	300	373
Operating Profit	CZK mil	716	901	1,094	1,415	1,441	1,614	1,791	1,954
Provisions	CZK mil	-41.5	-32.3	118	130	48.8	126	27.9	154
Pre-Tax Profit	CZK mil	767	921	976	1,285	1,392	1,476	1,763	1,800
Net Profit	CZK mil	635	767	802	1,058	1,270	1,275	1,488	1,529

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	46,285	6,817	40,080	42,293	37,485	57,145	18,108	19,803
Interbank Loans	CZK mil	8,917	50,646	8,000	2,000	2,000	3,190	17,929	29,127
Customer Loans	CZK mil	35,000	37,454	37,938	37,542	37,969	41,255	43,000	47,000
Investments	CZK mil	119,521	118,082	127,901	135,946	144,442	125,640	155,334	148,430
Property and Equipment	CZK mil	369	355	369	376	376	362	359	370
Intangible Assets	CZK mil	2.53	3.23	3.10	2.98	2.85	19.5	19.7	17.7
Total Assets	CZK mil	212,531	214,685	215,925	219,946	224,634	229,428	237,281	247,471
Shareholders' Equity	CZK mil	7,173	7,940	8,747	9,800	11,071	12,346	13,875	15,362
Liabilities	CZK mil	205,359	206,745	207,178	210,146	213,563	217,082	223,407	232,108
Interbank Borrowing	CZK mil	0	0	0	0	0	33.2	0	0
Customer Deposits	CZK mil	202,279	203,626	203,504	206,035	208,297	212,102	218,564	225,137
Issued Debt Securities	CZK mil	0	589	609	601	609	691	609	601
Other Liabilities	CZK mil	3,080	2,530	3,066	3,509	4,656	4,255	4,233	6,370

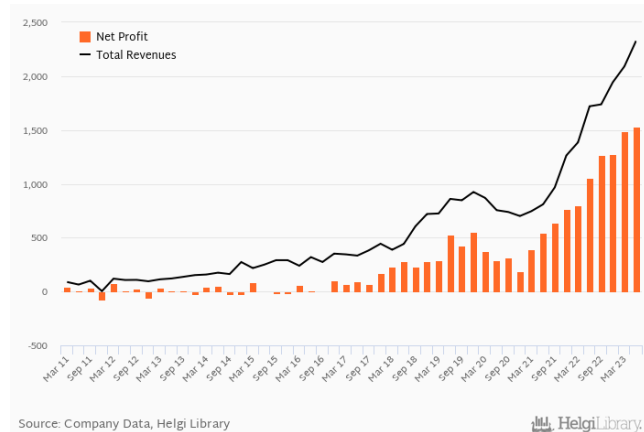
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	37.0	40.6	38.5	45.6	48.7	43.5	45.4	41.8
ROA	%	1.22	1.44	1.49	1.94	2.29	2.25	2.55	2.52
Costs (As % Of Assets)	%	0.482	0.678	0.541	0.560	0.535	0.580	0.515	0.615
Costs (As % Of Income)	%	25.9	28.7	21.0	17.7	17.1	16.9	14.4	16.0
Capital Adequacy Ratio	%	21.3	22.6	23.9	26.5	28.9	32.8	34.5	34.2
Net Interest Margin	%	1.13	1.79	1.97	2.38	2.58	2.86	2.94	3.29
Interest Income (As % Of Revenues)	%	60.7	75.6	76.7	75.4	82.4	83.5	81.9	85.7
Fee Income (As % Of Revenues)	%	17.9	11.3	10.3	13.0	7.60	7.89	10.9	6.06
Staff Cost (As % Of Total Cost)	%	11.1	22.7	9.14	10.2	11.3	28.2	13.4	17.8
Equity (As % Of Assets)	%	3.37	3.70	4.05	4.46	4.93	5.38	5.85	6.21
Loans (As % Of Deposits)	%	17.3	18.4	18.6	18.2	18.2	19.5	19.7	20.9
Loans (As % Assets)	%	16.5	17.4	17.6	17.1	16.9	18.0	18.1	19.0
NPLs (As % Of Loans)	%	10.0	8.41	8.76	9.02	8.98	9.61	9.25	8.63
Provisions (As % Of NPLs)	%	40.0	41.2	42.3	43.4	43.8	44.6	44.8	45.9

Source: Company Data, Helgi Library

Fio banka in Pictures

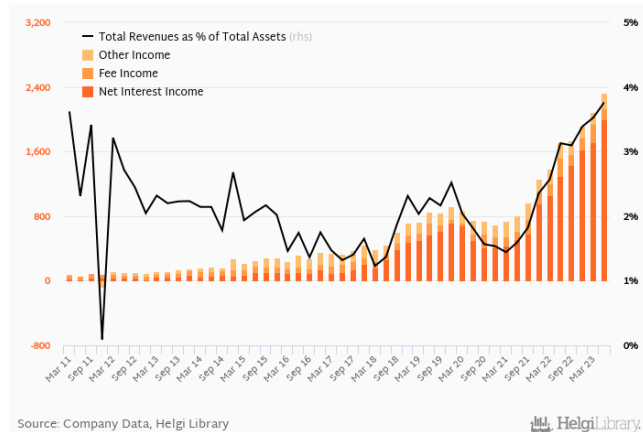
Revenue & Profitability

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



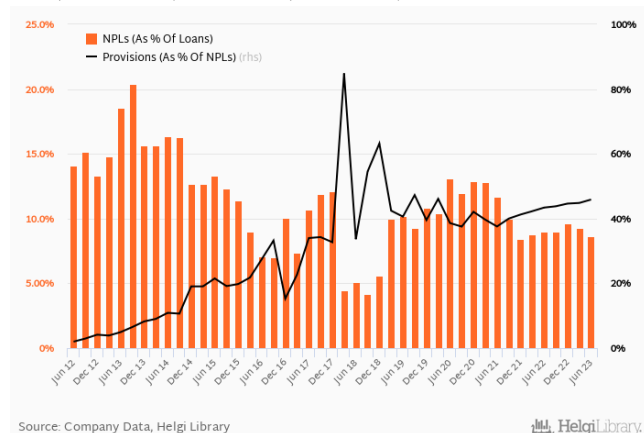
Revenue Breakdown

Revenue by Type of Income (CZK mil)



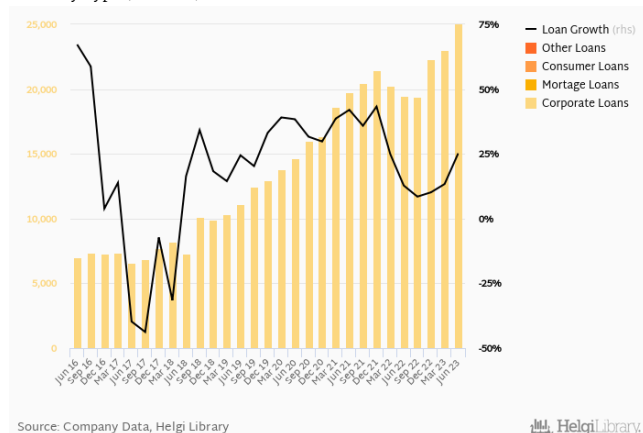
Asset Quality

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



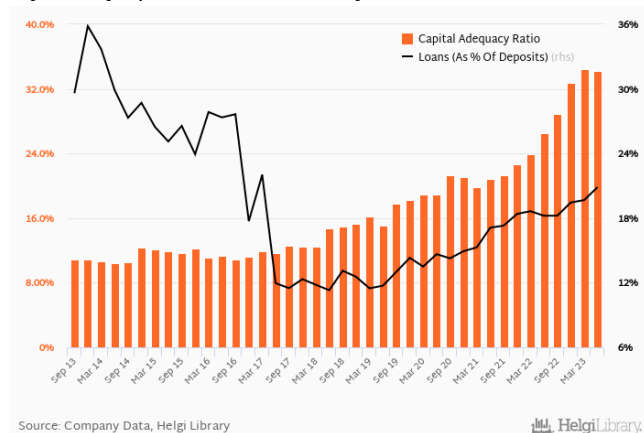
Loan Breakdown

Loans by Type (CZK mil)



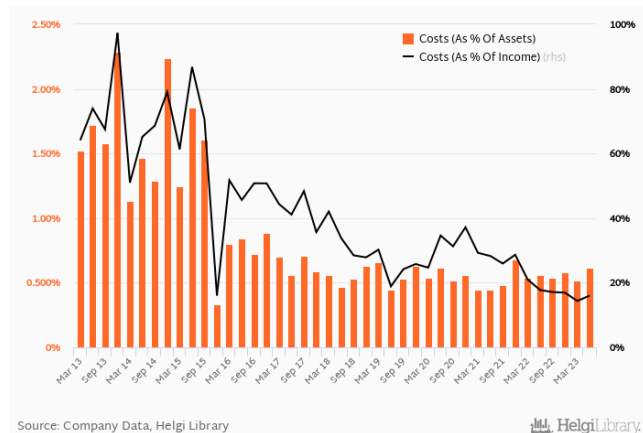
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

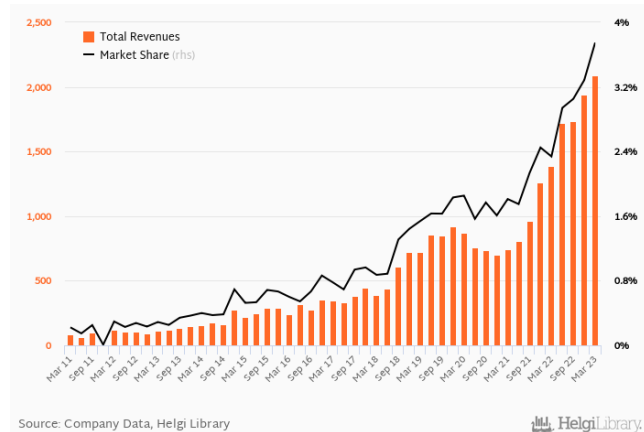
Costs As % Of Assets & Income



Fio banka – Market Share Development

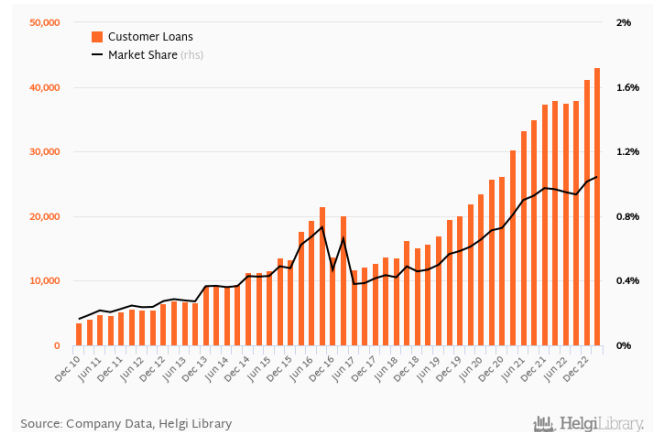
Market Share in Bank Revenues

Total Revenues (CZK mil)



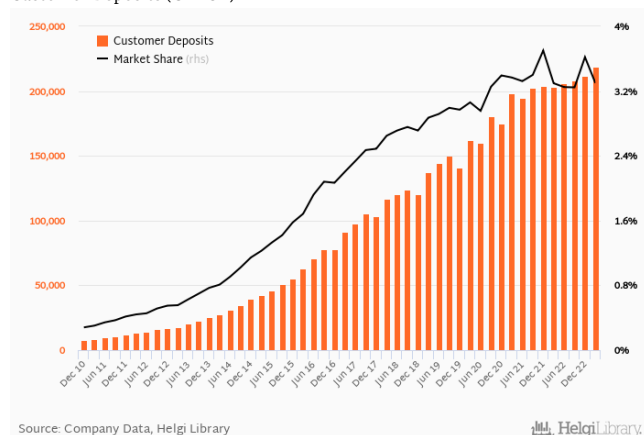
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



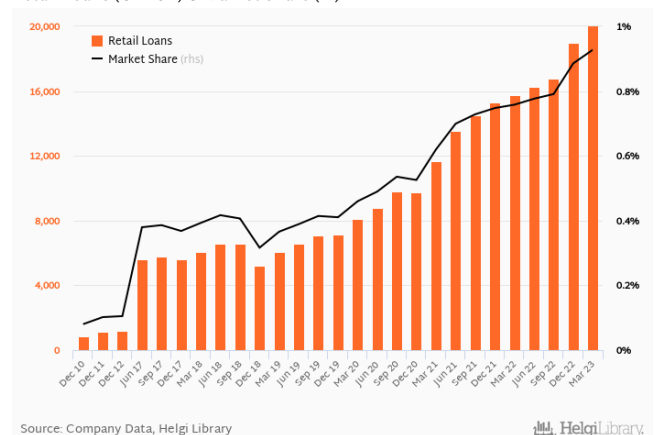
Market Share in Bank Deposits

Customer Deposits (CZK bil)



Market Share in Retail Loans

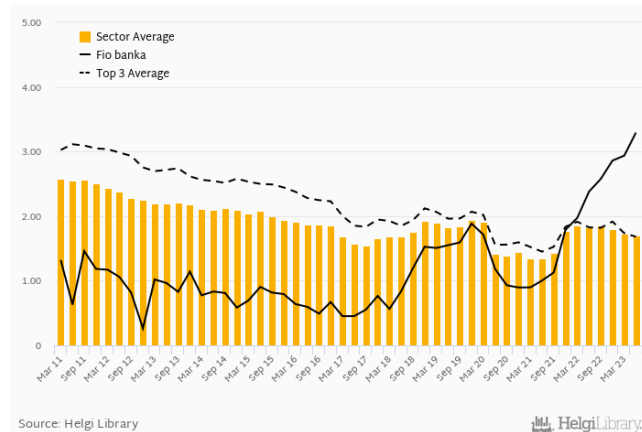
Retail Loans (CZK bil) & Market Share (%)



Fio banka – Comparison with Sector

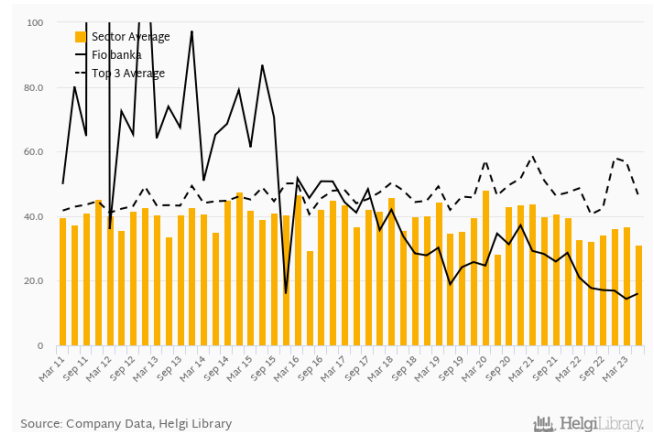
Fio banka – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



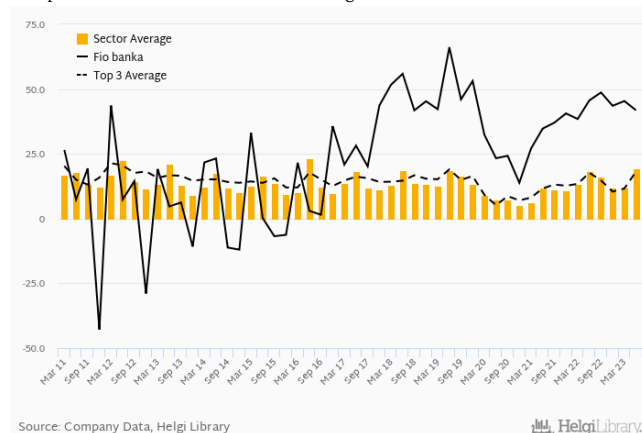
Fio banka – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



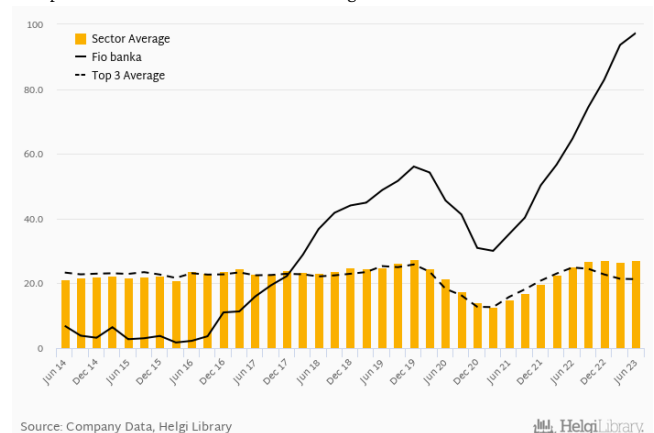
Fio banka – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



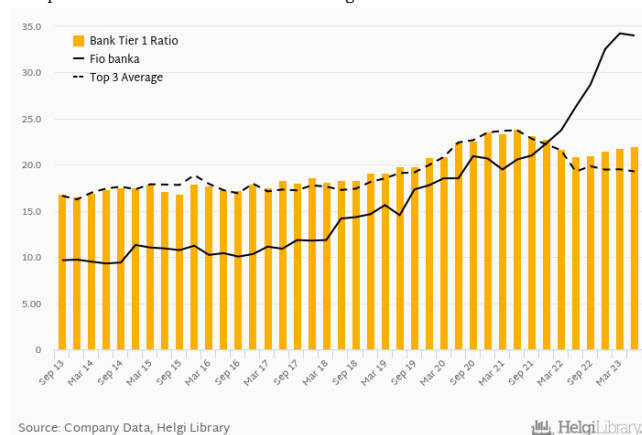
Fio banka – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



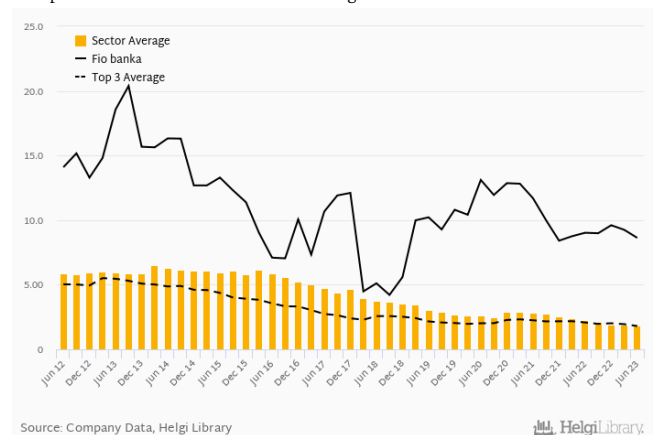
Fio banka – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Fio banka – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



CSOB Stavebni Sporitelna

Quarterly Results – 2Q2023

CSOB Stavebni Sporitelna made a net profit of CZK 201 mil in the second quarter of 2023, down 47.2% when compared to the previous year. Total revenues decreased 2.64% yoy to CZK 667 mil, ROE amounted to 8.97% and the NPL ratio stood at 1.62%. In the last three years, the bank grew its loans by 0.293% a year, revenues rose by 0.307% and net profit increased by 0% a year, on average.

- ✓ Revenues decreased 2.64% yoy to CZK 667 mil in the second quarter of 2023. Interest income formed 80.8% of total revenues with the net interest margin decreasing 0.046 pp to 1.57% of total assets. Fees added a further 16.9% to total revenue generated in 2Q2023, down from an average of 24.1% as seen in the previous two years.
- ✓ Operating costs grew by 14.8% yoy to CZK 314 mil, so cost to income ratio reached 47.1%, down by 30% compared to the previous two years. Staff accounted for 23.0% of total operating expenditures. At the end of second quarter of 2023, CSOB Stavebni Sporitelna operated a network of 214 branches and 184 employees.
- ✓ Loans and deposits dropped by 0.548% and 0.324% qoq respectively, so loan to deposit ratio reached 99.3% at the end of 2Q2023. That's up from 93.8% the previous year. Equity reached 6.16% of assets and we assume that capital adequacy ratio amounted to 22.9% at the end of the second quarter of 2023.
- ✓ NPLs were 1.62% of total loans at the end of the quarter, on our estimates. Provisions covered 85.5% of non-performing loans.
- ✓ When compared to selected peers, CSOB Stavebni Sporitelna was 6.29 pp less profitable in terms of ROE, achieved 7.17 pp worse cost efficiency when measured by cost to income ratio and grew its loans by 8.38 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
184

Clients:
N/A

Branches:
214

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
22.9%*

Tier 1 Ratio:
22.4%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	667	-2.64	201	-47.2	8.97	47.1	99.3	6.16	1.62
2022	2,827	69.3	1,338	96.8	15.2	44.9	97.9	6.72	1.55
2021	1,669	-27.9	680	37.9	8.83	76.2	86.8	5.58	1.92
2020	2,317	-16.6	493	-48.9	6.93	57.0	89.4	4.66	2.28
2019	2,776	7.58	965	10.5	12.2	49.9	86.6	4.92	3.14
2018	2,581	-7.46	873	-16.3	9.86	51.0	85.1	5.78	4.36
2017	2,789	-9.41	1,043	-11.3	11.0	48.6	83.0	6.13	2.24

Source: Company Data, Helgi Library *Estimate

Data tells a story



CSOB Stavebni Sporitelna – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	948	807	1,155	1,409	1,577	1,703	1,673	1,647
Interest Cost	CZK mil	599	656	667	814	952	1,055	1,098	1,108
Net Interest Income	CZK mil	349	151	488	595	625	648	575	539
Net Fee Income	CZK mil	138	138	132	122	125	101	105	113
Other Income	CZK mil	-14.7	-65.5	51.7	-31.9	-84.7	54.8	-12.3	15.3
Total Revenues	CZK mil	472	223	672	685	665	804	668	667
Staff Cost	CZK mil	65.7	53.9	71.2	59.2	67.6	47.0	65.8	72.4
Depreciation	CZK mil	68.4	64.7	65.0	65.2	79.0	71.3	63.6	63.7
Other Cost	CZK mil	172	153	217	150	172	204	222	178
Operating Cost	CZK mil	306	271	353	274	318	322	351	314
Operating Profit	CZK mil	166	-48.4	318	411	347	482	316	353
Provisions	CZK mil	-85.6	-212	-66.6	-58.8	99.3	-70.4	-5.53	98.2
Pre-Tax Profit	CZK mil	252	163	385	471	248	551	322	255
Net Profit	CZK mil	203	132	312	380	199	447	259	201

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	900	1,281	1,169	1,389	2,491	1,280	1,500	704
Interbank Loans	CZK mil	13,713	13,508	10,735	5,307	2,876	0	3.41	4.95
Customer Loans	CZK mil	122,847	123,203	123,819	124,458	124,203	124,329	123,654	122,976
Investments	CZK mil	4,778	11,393	11,209	10,873	9,822	5,802	10,072	10,088
Property and Equipment	CZK mil	139	120	106	100	94.5	93.6	82.5	87.9
Intangible Assets	CZK mil	633	631	575	534	469	442	387	333
Total Assets	CZK mil	150,515	150,909	150,336	144,206	138,713	137,368	138,798	135,874
Shareholders' Equity	CZK mil	8,463	8,420	8,661	8,254	8,474	9,227	9,523	8,370
Liabilities	CZK mil	142,052	142,488	141,675	135,952	130,238	128,140	129,275	127,504
Interbank Borrowing	CZK mil	0	0	0	0	0	0	0	0
Customer Deposits	CZK mil	140,251	140,385	137,463	132,654	128,045	126,972	124,244	123,841
Issued Debt Securities	CZK mil	0	0	0	0	0	0	0	0
Other Liabilities	CZK mil	1,801	2,103	4,212	3,298	2,194	1,168	5,032	3,663

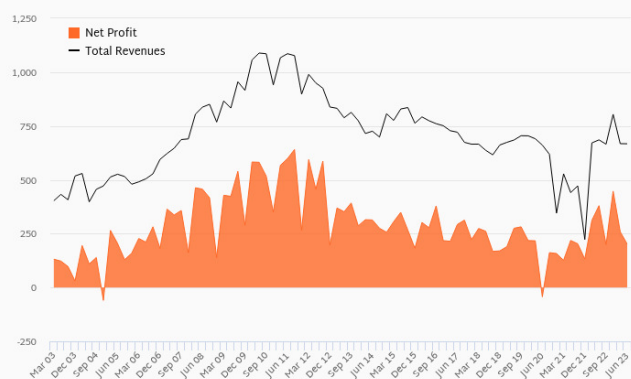
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	9.75	6.27	14.6	18.0	9.52	20.2	11.1	8.97
ROA	%	0.539	0.351	0.828	1.03	0.563	1.30	0.750	0.584
Costs (As % Of Assets)	%	0.812	0.720	0.938	0.744	0.900	0.934	1.02	0.916
Costs (As % Of Income)	%	64.9	122	52.6	40.0	47.8	40.1	52.6	47.1
Capital Adequacy Ratio	%	16.0	21.3	22.1	21.8	23.4	25.5	26.6	22.9
Net Interest Margin	%	0.925	0.400	1.30	1.62	1.77	1.88	1.67	1.57
Interest Income (As % Of Revenues)	%	73.9	67.6	72.6	86.8	93.9	80.6	86.1	80.8
Fee Income (As % Of Revenues)	%	29.2	61.8	19.7	17.8	18.8	12.5	15.7	16.9
Staff Cost (As % Of Total Cost)	%	21.5	19.9	20.2	21.6	21.2	14.6	18.7	23.0
Equity (As % Of Assets)	%	5.62	5.58	5.76	5.72	6.11	6.72	6.86	6.16
Loans (As % Of Deposits)	%	87.6	87.8	90.1	93.8	97.0	97.9	99.5	99.3
Loans (As % Assets)	%	81.6	81.6	82.4	86.3	89.5	90.5	89.1	90.5
NPLs (As % Of Loans)	%	2.16	1.95	1.89	1.86	1.90	1.55	1.58	1.62
Provisions (As % Of NPLs)	%	77.7	75.1	74.8	74.5	75.0	85.2	85.1	85.5

Source: Company Data, Helgi Library

CSOB Stavebni Sporitelna in Pictures

Revenue & Profitability

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

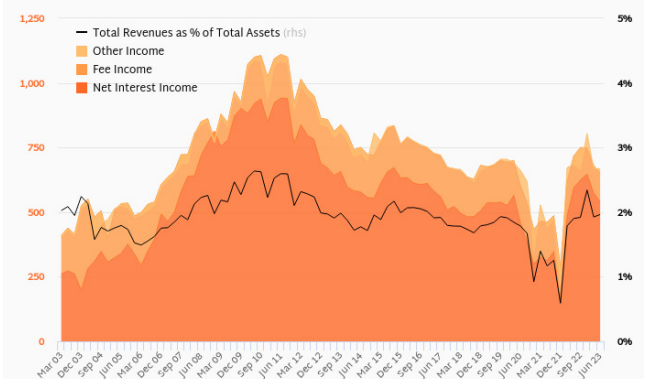


Source: Company Data, Helgi Library

HelgiLibrary

Revenue Breakdown

Revenue by Type of Income (CZK mil)

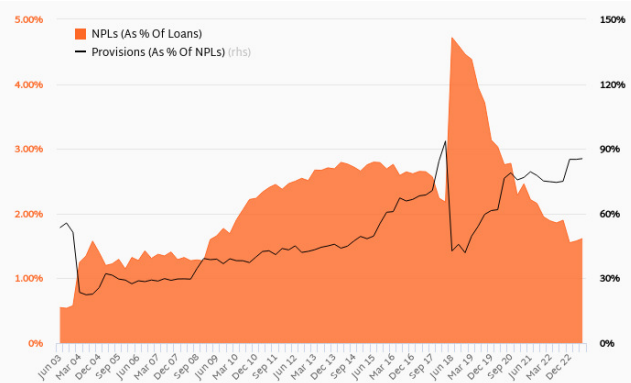


Source: Company Data, Helgi Library

HelgiLibrary

Asset Quality

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

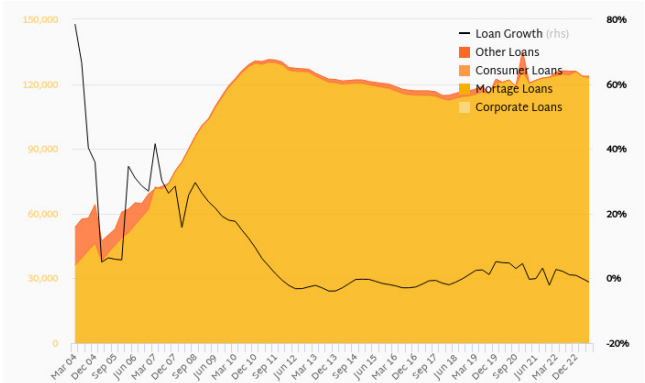


Source: Company Data, Helgi Library

HelgiLibrary

Loan Breakdown

Loans by Type (CZK mil)

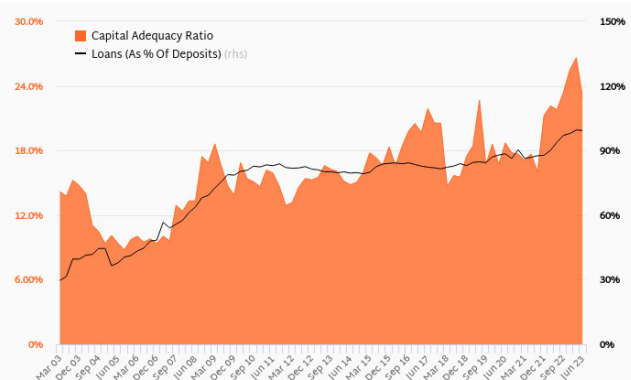


Source: Company Data, Helgi Library

HelgiLibrary

Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)

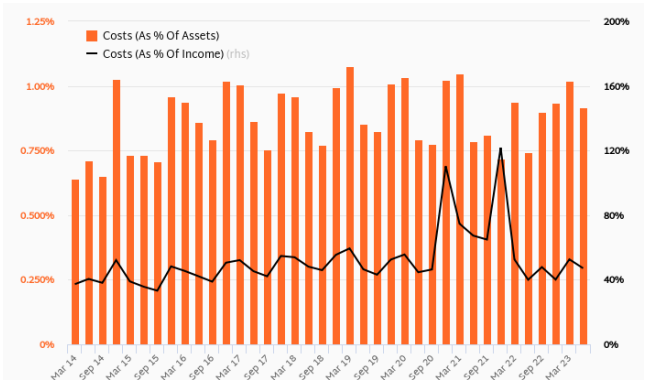


Source: Company Data, Helgi Library

HelgiLibrary

Cost Efficiency

Costs As % Of Assets & Income



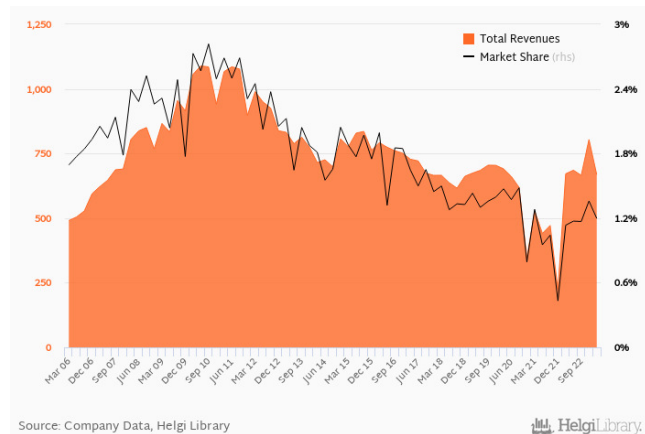
Source: Company Data, Helgi Library

HelgiLibrary

CSOB Stavebni Sporitelna – Market Share Development

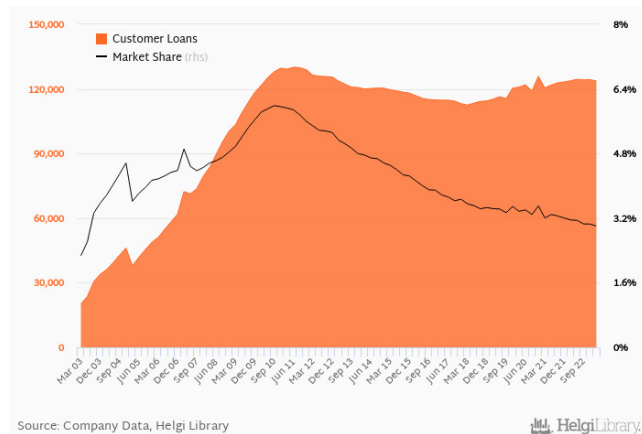
Market Share in Bank Revenues

Total Revenues (CZK mil)



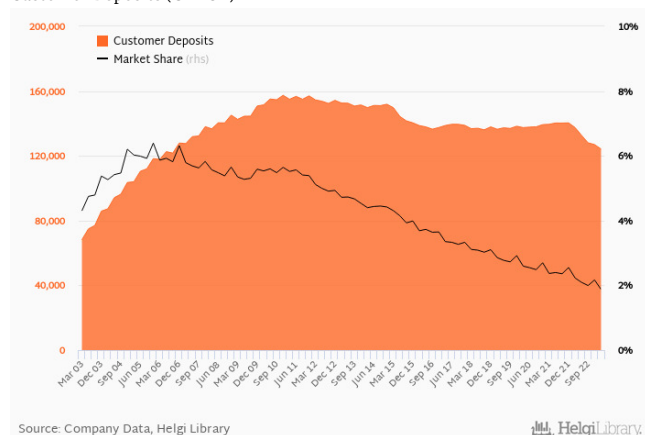
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



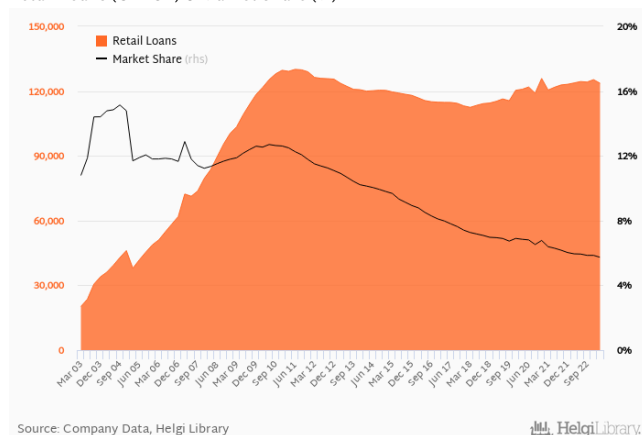
Market Share in Bank Deposits

Customer Deposits (CZK bil)



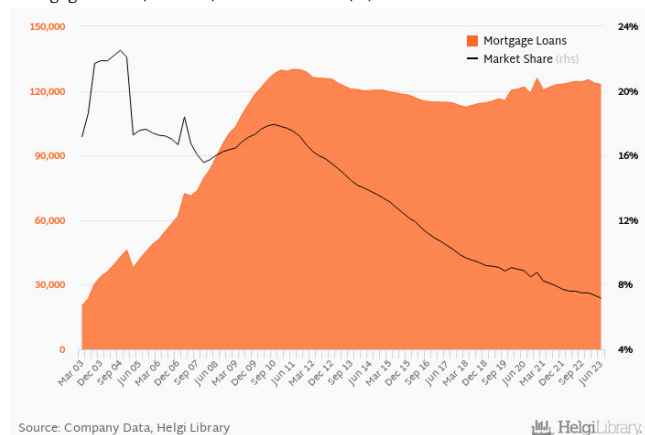
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



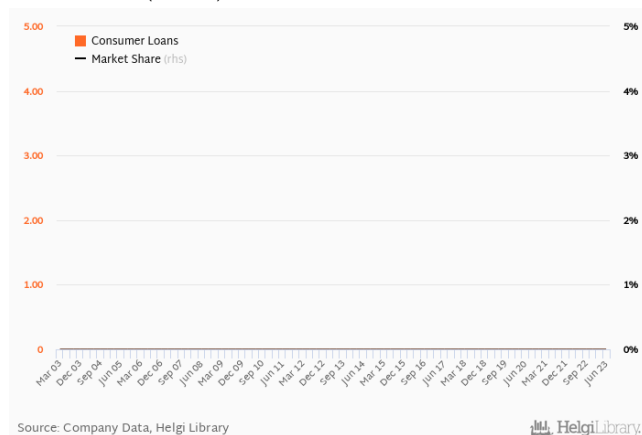
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



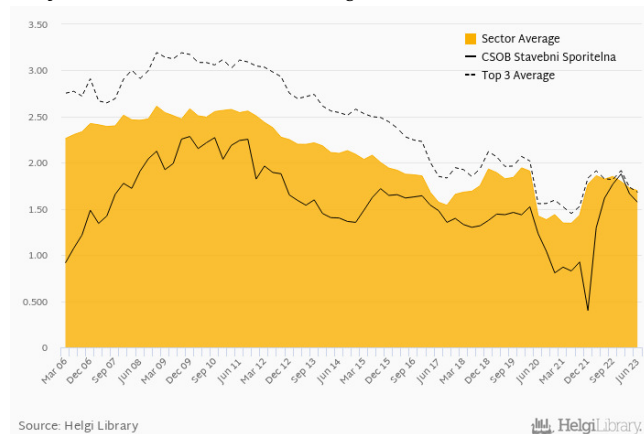
Market Share in Consumer Loans

Consumer Loans (CZK mil)

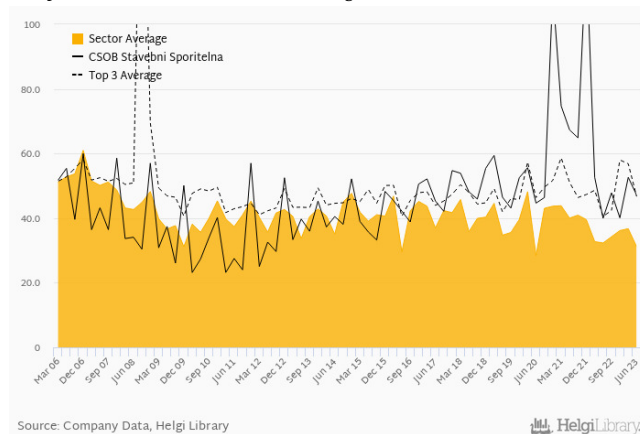


CSOB Stavebni Sporitelna – Comparison with Sector

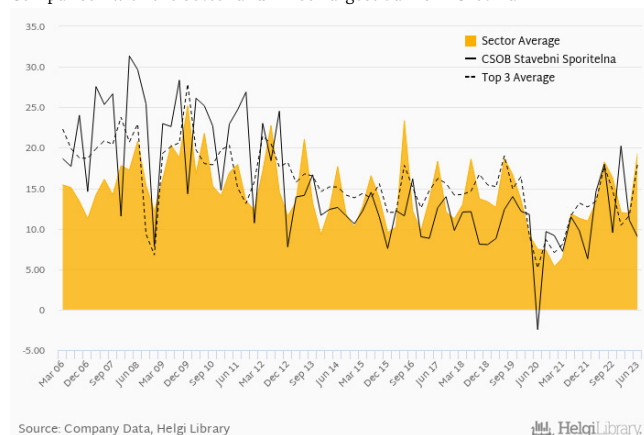
CSOB Stavebni Sporitelna – Net Interest Margin vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



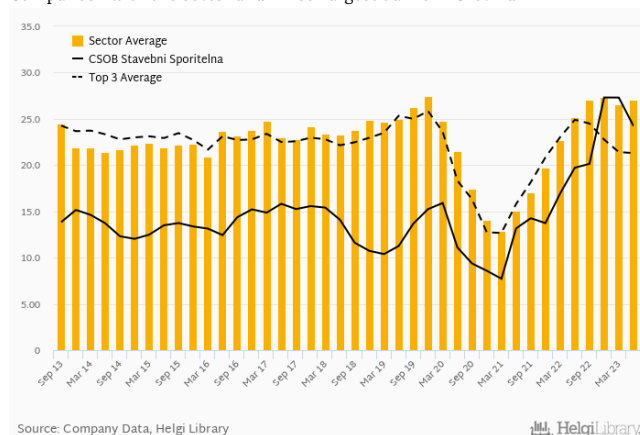
CSOB Stavebni Sporitelna – Cost to Income vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



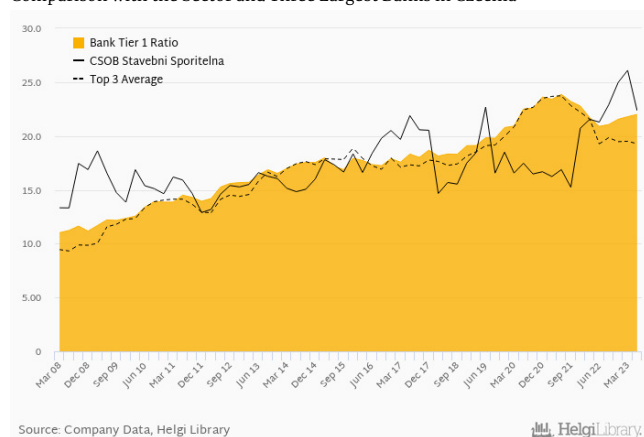
CSOB Stavebni Sporitelna – Return on Equity vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



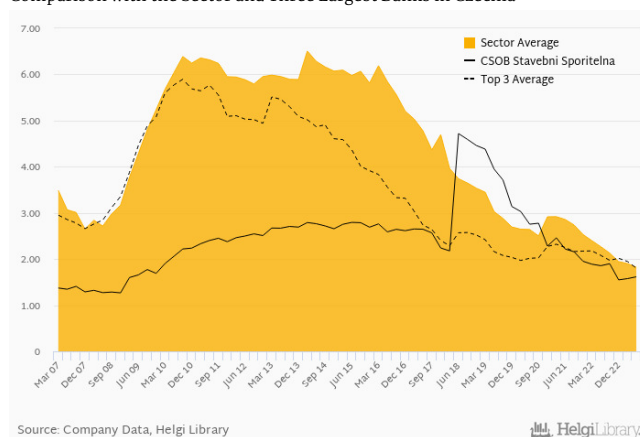
CSOB Stavebni Sporitelna – Adjusted ROE vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



CSOB Stavebni Sporitelna – Tier 1 Ratio vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



CSOB Stavebni Sporitelna – NPL Ratio vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



Modra Pyramida Stavebni Sportelna

Quarterly Results – 2Q2023

Modra Pyramida Stavebni Sportelna made a net profit of CZK 82.3 mil in the second quarter of 2023, down 55.8% when compared to the previous year. Total revenues decreased 3.04% yoy to CZK 289 mil, ROE amounted to 4.90% and the NPL ratio stood at 0.992%. In the last three years, the bank grew its loans by 14.2% a year, revenues rose by 0.317% and net profit decreased by 0.243% a year, on average.

- ✓ Revenues decreased 3.04% yoy to CZK 289 mil in the second quarter of 2023. Interest income formed 74.8% of total revenues with the net interest margin decreasing 0.168 pp to 0.837% of total assets. Fees added a further 16.9% to total revenue generated in 2Q2023, up from an average of 15.4% as seen in the previous two years.
- ✓ Operating costs grew by 21.3% yoy to CZK 212 mil, so cost to income ratio reached 73.4%, up by 35% compared to the previous two years. Staff accounted for 56.7% of total operating expenditures. At the end of second quarter of 2023, Modra Pyramida Stavebni Sportelna operated a network of 180 branches and 347 employees.
- ✓ Loans and deposits grew by 2.3% and 0.451% qoq respectively, so loan to deposit ratio reached 166% at the end of 2Q2023. That's up from 143% the previous year. Equity reached 6.43% of assets and we assume that capital adequacy ratio amounted to 24.9% at the end of the second quarter of 2023.
- ✓ NPLs were 0.992% of total loans at the end of the quarter, on our estimates. Provisions covered 57.1% of non-performing loans.
- ✓ When compared to selected peers, Modra Pyramida Stavebni Sportelna was 10.4 pp less profitable in terms of ROE, achieved 33.5 pp worse cost efficiency when measured by cost to income ratio and grew its loans by 0.589 pp faster based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
347

Clients:
N/A

Branches:
180

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
24.9%*

Tier 1 Ratio:
24.9%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	289	-3.04	82.3	-55.8	4.90	73.4	166	6.43	0.992
2022	1,185	3.09	434	-6.45	6.75	59.2	154	6.53	1.04
2021	1,150	-1.01	463	43.4	7.44	57.6	126	6.44	1.46
2020	1,161	-15.3	323	-54.3	5.30	56.1	106	7.01	1.67
2019	1,371	2.19	708	-1.86	11.9	48.5	91.4	7.06	1.62
2018	1,342	-11.3	721	-19.6	11.8	49.1	82.1	7.15	2.03
2017	1,513	-1.25	897	1.52	14.3	43.2	70.6	7.55	2.61

Source: Company Data, Helgi Library *Estimate

Data tells a story



Modra Pyramida Stavebni Sporitelna – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	604	666	802	925	1,039	1,054	1,019	1,048
Interest Cost	CZK mil	351	420	540	668	775	825	814	832
Net Interest Income	CZK mil	253	246	262	258	263	229	205	216
Net Fee Income	CZK mil	40.9	38.2	40.9	42.6	46.8	48.5	47.5	48.8
Other Income	CZK mil	0.387	1.57	0.228	-1.99	-4.07	0.065	0.276	23.9
Total Revenues	CZK mil	294	286	303	298	306	278	253	289
Staff Cost	CZK mil	83.8	89.4	83.3	92.1	87.8	93.1	89.8	120
Depreciation	CZK mil	19.8	17.0	19.0	18.8	19.1	20.2	20.2	20.0
Other Cost	CZK mil	55.3	59.9	87.5	64.0	46.3	70.5	97.5	71.9
Operating Cost	CZK mil	159	166	190	175	153	184	207	212
Operating Profit	CZK mil	135	119	113	123	153	94.0	45.3	76.9
Provisions	CZK mil	26.3	-94.8	-25.9	26.0	96.6	-7.63	-2.23	-27.6
Pre-Tax Profit	CZK mil	109	214	139	218	56.3	-16.2	47.5	104
Net Profit	CZK mil	95.2	177	115	186	49.5	82.6	41.9	82.3

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	533	990	80.6	124	493	1,492	380	106
Interbank Loans	CZK mil	1,300	0.057	3,204	3,675	1,243	5.96	981	2.08
Customer Loans	CZK mil	73,200	76,982	79,906	82,665	84,808	86,323	87,088	89,095
Investments	CZK mil	18,190	17,613	17,606	16,084	17,091	13,041	11,999	10,982
Property and Equipment	CZK mil	391	106	99.9	94.7	92.0	85.8	80.9	113
Intangible Assets	CZK mil	348	372	390	428	461	494	539	622
Total Assets	CZK mil	94,091	96,437	101,794	103,240	102,871	101,687	101,556	105,162
Shareholders' Equity	CZK mil	6,543	6,207	6,322	6,509	6,558	6,641	6,683	6,766
Liabilities	CZK mil	87,548	90,230	95,471	96,732	96,313	95,046	94,873	98,397
Interbank Borrowing	CZK mil	26,695	28,790	35,790	38,223	39,218	38,456	39,907	43,851
Customer Deposits	CZK mil	60,293	60,844	58,816	57,843	56,477	55,973	54,069	53,825
Issued Debt Securities	CZK mil	0	0	0	0	0	0	0	0
Other Liabilities	CZK mil	559	596	865	666	618	617	897	721

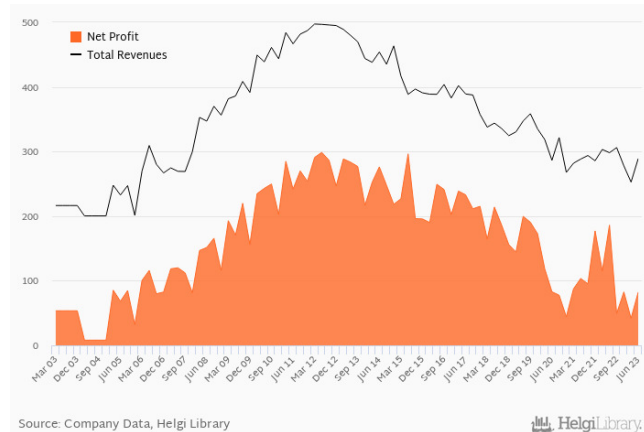
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	5.82	11.1	7.36	11.6	3.03	5.01	2.52	4.90
ROA	%	0.405	0.744	0.465	0.726	0.192	0.323	0.165	0.319
Costs (As % Of Assets)	%	0.676	0.698	0.766	0.682	0.594	0.719	0.816	0.821
Costs (As % Of Income)	%	54.1	58.2	62.6	58.6	50.0	66.2	82.1	73.4
Capital Adequacy Ratio	%	25.0	20.7	20.4	20.4	20.0	25.2	25.1	24.9
Net Interest Margin	%	1.07	1.03	1.06	1.01	1.02	0.897	0.807	0.837
Interest Income (As % Of Revenues)	%	86.0	86.1	86.4	86.4	86.0	82.5	81.1	74.8
Fee Income (As % Of Revenues)	%	13.9	13.4	13.5	14.3	15.3	17.4	18.8	16.9
Staff Cost (As % Of Total Cost)	%	52.7	53.8	43.9	52.7	57.3	50.7	43.3	56.7
Equity (As % Of Assets)	%	6.95	6.44	6.21	6.30	6.38	6.53	6.58	6.43
Loans (As % Of Deposits)	%	121	127	136	143	150	154	161	166
Loans (As % Assets)	%	77.8	79.8	78.5	80.1	82.4	84.9	85.8	84.7
NPLs (As % Of Loans)	%	1.71	1.53	1.45	1.42	1.44	1.04	1.03	0.992
Provisions (As % Of NPLs)	%	42.8	34.7	34.0	34.7	37.3	57.8	57.8	57.1

Source: Company Data, Helgi Library

Modra Pyramida Stavebni Sporitelna in Pictures

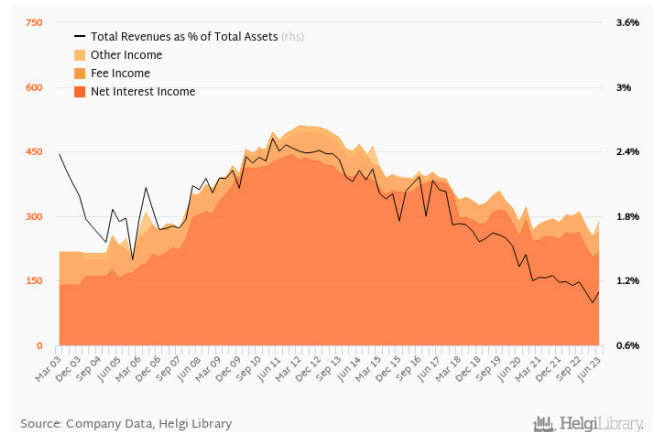
Revenue & Profitability

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



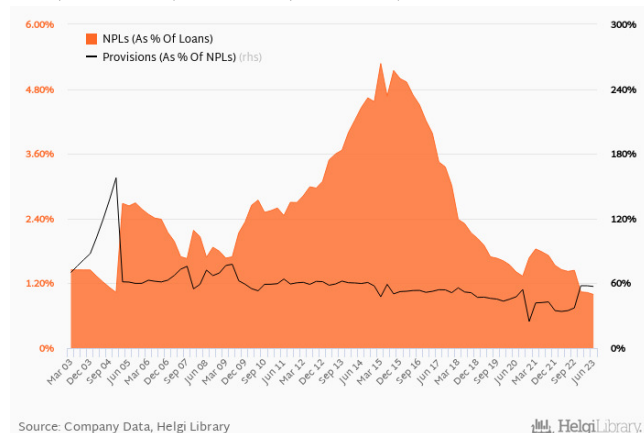
Revenue Breakdown

Revenue by Type of Income (CZK mil)



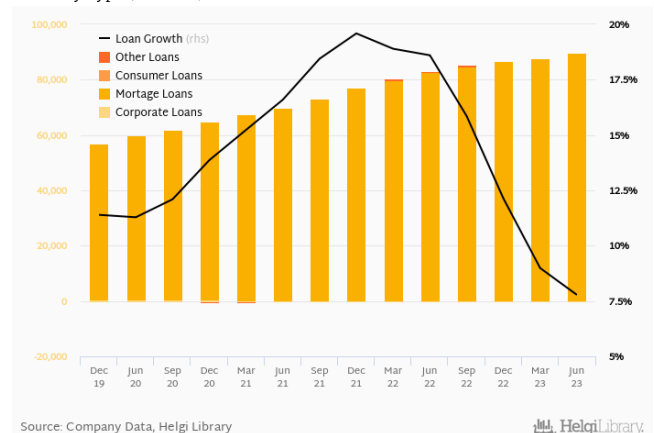
Asset Quality

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



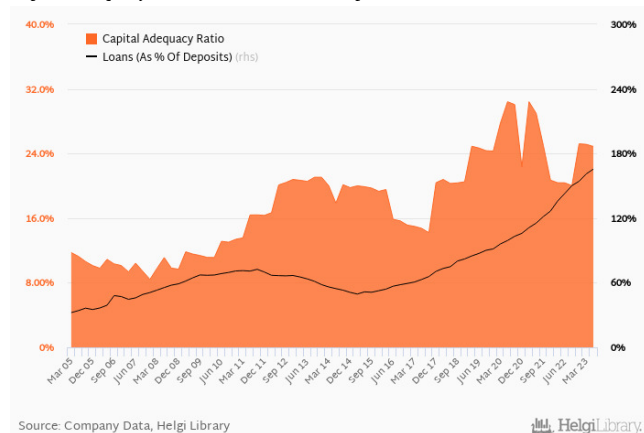
Loan Breakdown

Loans by Type (CZK mil)



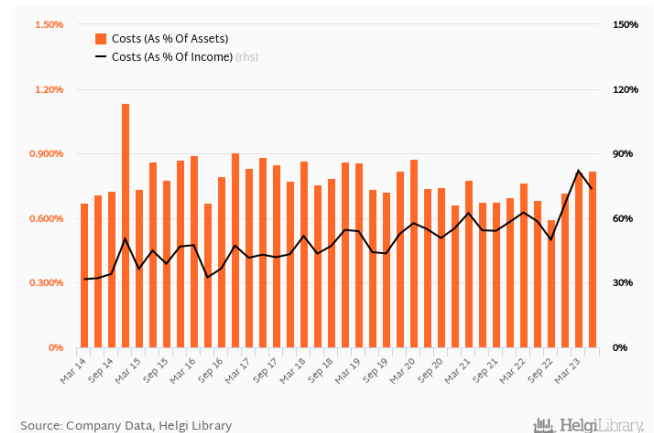
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

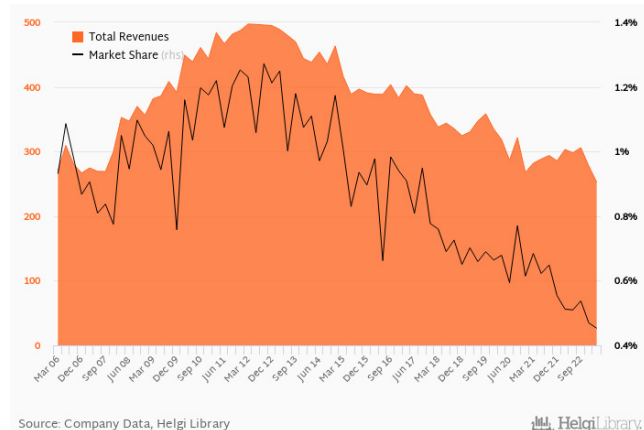
Costs As % Of Assets & Income



Modra Pyramida Stavebni Sporitelna – Market Share Development

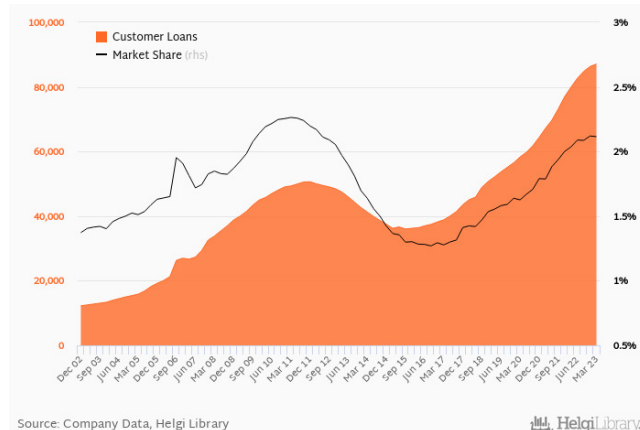
Market Share in Bank Revenues

Total Revenues (CZK mil)



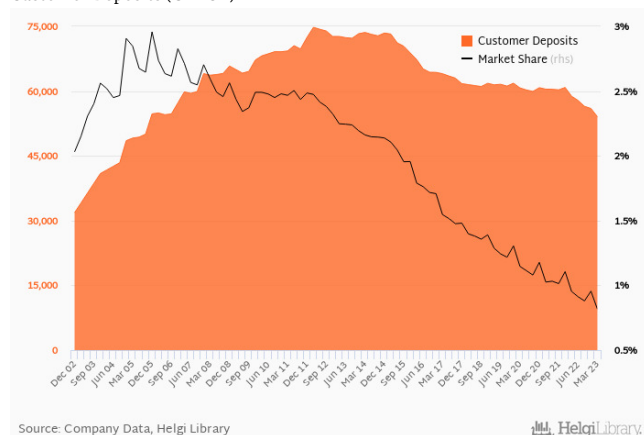
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



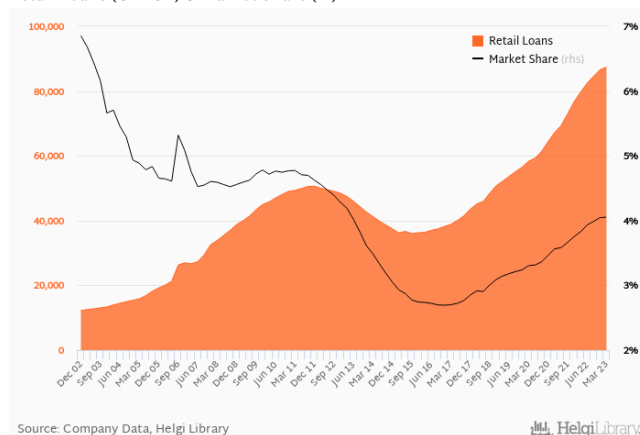
Market Share in Bank Deposits

Customer Deposits (CZK bil)



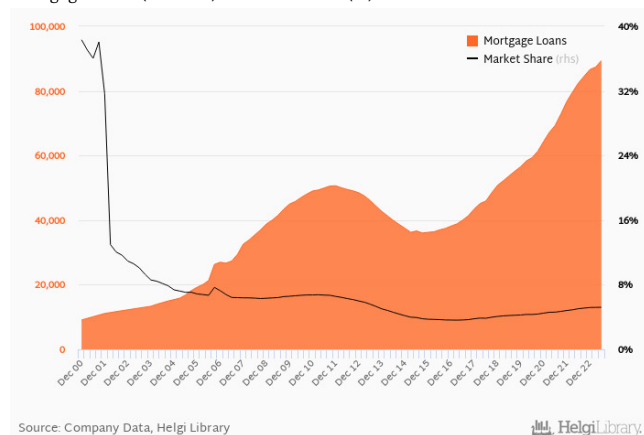
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



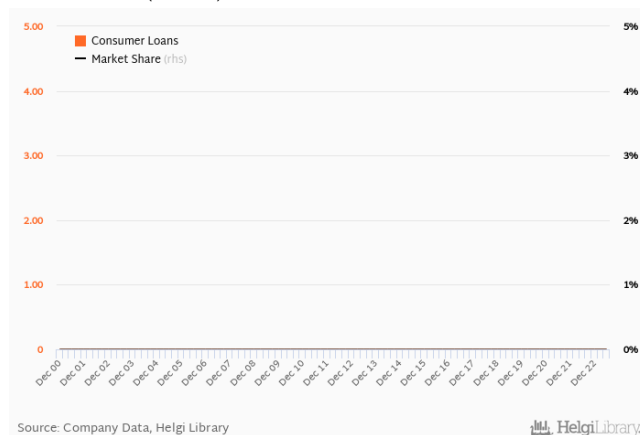
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

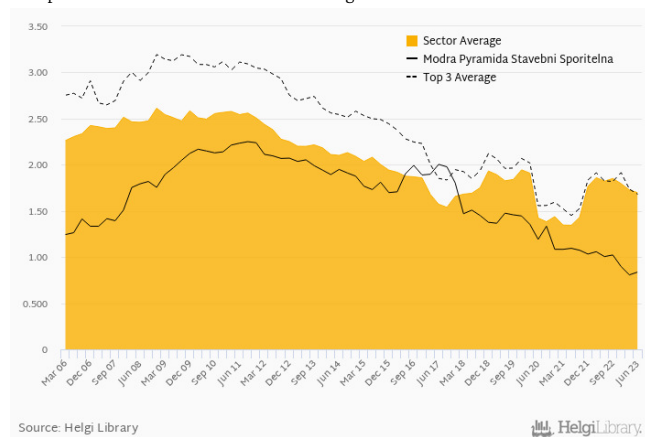
Consumer Loans (CZK mil)



Modra Pyramida Stavebni Sporitelna – Comparison with Sector

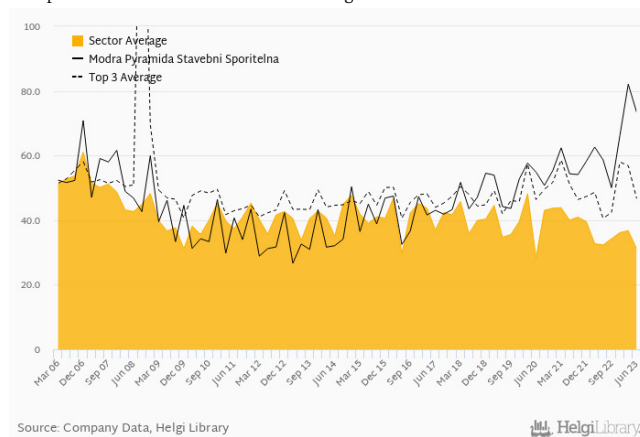
Modra Pyramida Stavebni Sporitelna – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



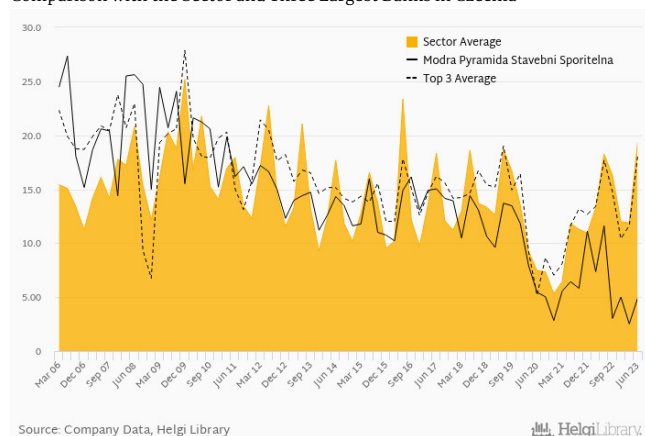
Modra Pyramida Stavebni Sporitelna – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



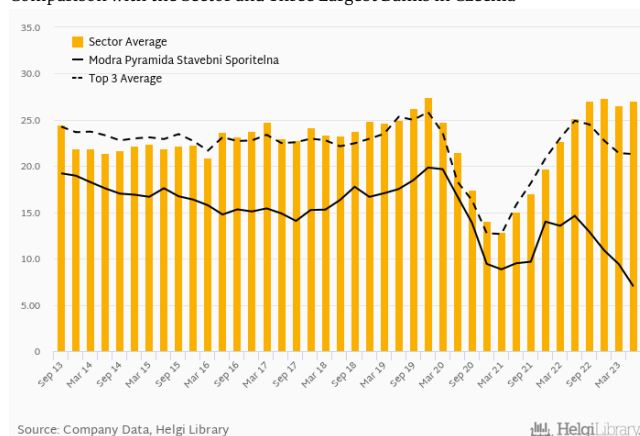
Modra Pyramida Stavebni Sporitelna – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



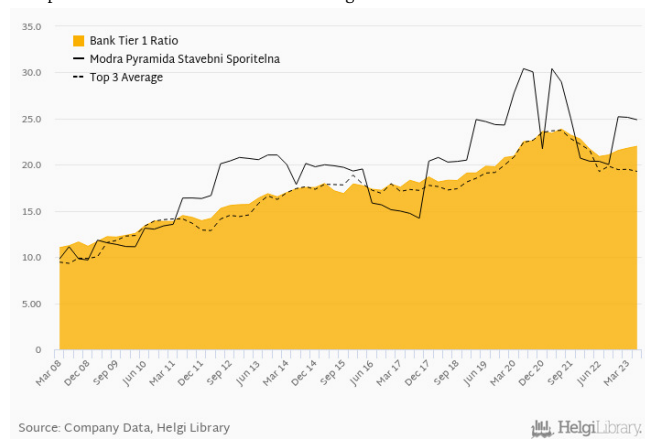
Modra Pyramida Stavebni Sporitelna – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



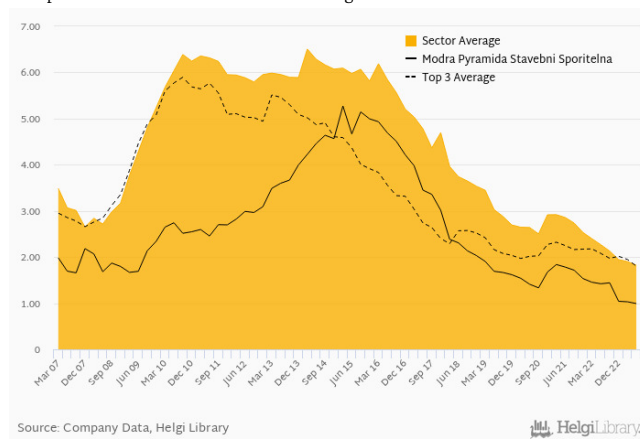
Modra Pyramida Stavebni Sporitelna – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Modra Pyramida Stavebni Sporitelna – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Raiffeisen Stavebni Sporitelna

Quarterly Results – 2Q2023

Raiffeisen Stavebni Sporitelna made a net profit of CZK 428 mil in the second quarter of 2023, up 80.3% when compared to the previous year. Total revenues decreased 5.78% yoy to CZK 298 mil, ROE amounted to 24.6% and the NPL ratio stood at 0.655%. In the last three years, the bank grew its loans by 7.43% a year, revenues fell by 0.085% and net profit increased by 9.76% a year, on average.

- ✓ Revenues decreased 5.78% yoy to CZK 298 mil in the second quarter of 2023. Interest income formed 84.0% of total revenues with the net interest margin increasing 0.034 pp to 1.28% of total assets. Fees added a further 15.9% to total revenue generated in 2Q2023, down from an average of 17.8% as seen in the previous two years.
- ✓ Operating costs dropped by 6.14% yoy to CZK 143 mil, so cost to income ratio reached 48.0%, down by 24.1% compared to the previous two years. Staff accounted for 20.9% of total operating expenditures. At the end of second quarter of 2023, Raiffeisen Stavebni Sporitelna operated a network of 166 branches and 82 employees.
- ✓ Loans and deposits grew by 0.009% and 3.19% qoq respectively, so loan to deposit ratio reached 120% at the end of 2Q2023. That's up from 107% the previous year. Equity reached 10.1% of assets and we assume that capital adequacy ratio amounted to 21.6% at the end of the second quarter of 2023.
- ✓ NPLs were 0.655% of total loans at the end of the quarter, on our estimates. Provisions covered 179% of non-performing loans.
- ✓ When compared to selected peers, Raiffeisen Stavebni Sporitelna was 9.33 pp more profitable in terms of ROE, achieved 8.05 pp worse cost efficiency when measured by cost to income ratio and grew its loans by 4.00 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
82.0

Clients:
N/A

Branches:
166

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
21.6%*

Tier 1 Ratio:
15.6%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	298	-5.78	428	80.3	24.6	48.0	120	10.1	0.655
2022	1,197	8.33	468	5.64	8.27	47.5	113	7.62	0.899
2021	1,105	-5.56	443	104	8.32	56.3	91.6	6.86	0.994
2020	1,170	-7.29	217	-59.5	4.24	48.4	82.5	6.94	1.29
2019	1,262	2.36	536	4.00	11.0	42.9	82.2	6.98	1.80
2018	1,233	13.3	516	16.1	10.8	45.1	79.3	6.90	2.33
2017	1,088	10.9	444	-16.2	9.29	44.6	68.0	7.10	2.95

Source: Company Data, Helgi Library *Estimate

Data tells a story



Raiffeisen Stavebni Sporitelna – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	438	540	498	509	542	556	608	666
Interest Cost	CZK mil	222	224	241	271	328	377	382	416
Net Interest Income	CZK mil	216	316	257	238	214	178	226	251
Net Fee Income	CZK mil	41.2	43.1	52.2	49.0	81.3	56.5	51.6	47.4
Other Income	CZK mil	1.72	2.18	0.110	29.5	-0.524	41.9	0.576	0.180
Total Revenues	CZK mil	259	361	309	316	295	277	278	298
Staff Cost	CZK mil	45.9	43.8	34.3	34.3	33.4	23.0	35.3	29.8
Depreciation	CZK mil	25.1	25.8	17.9	17.9	17.9	17.3	17.1	17.2
Other Cost	CZK mil	87.0	81.4	114	100	82.3	76.1	134	96.0
Operating Cost	CZK mil	158	151	167	152	134	116	186	143
Operating Profit	CZK mil	101	210	142	164	161	160	92.4	155
Provisions	CZK mil	-65.0	80.9	30.7	-19.0	21.3	22.1	15.1	-374
Pre-Tax Profit	CZK mil	166	129	112	274	140	33.5	77.4	529
Net Profit	CZK mil	133	101	89.3	237	114	26.9	65.7	428

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	1,473	521	1,184	1,167	872	654	473	429
Interbank Loans	CZK mil	7.43	7,906	12,475	1,503	1,352	1,307	903	2,433
Customer Loans	CZK mil	61,348	64,361	57,247	68,393	69,724	70,383	70,570	70,576
Investments	CZK mil	4,741	4,749	4,754	4,765	3,825	3,850	5,821	5,466
Property and Equipment	CZK mil	69.2	59.3	53.6	30.3	27.3	26.0	22.1	20.9
Intangible Assets	CZK mil	227	240	230	232	236	245	250	246
Total Assets	CZK mil	75,718	78,990	77,090	76,103	75,173	77,286	78,313	78,753
Shareholders' Equity	CZK mil	5,314	5,415	5,504	5,741	5,856	5,890	5,948	7,976
Liabilities	CZK mil	70,405	73,575	71,586	70,361	69,317	71,396	72,365	70,776
Interbank Borrowing	CZK mil	0	2,302	638	5,465	6,544	7,763	10,955	11,102
Customer Deposits	CZK mil	69,623	70,395	70,004	63,688	61,943	62,146	60,559	58,627
Issued Debt Securities	CZK mil	690	648	760	1,103	0	602	734	931
Other Liabilities	CZK mil	91.5	231	185	105	830	885	116	116

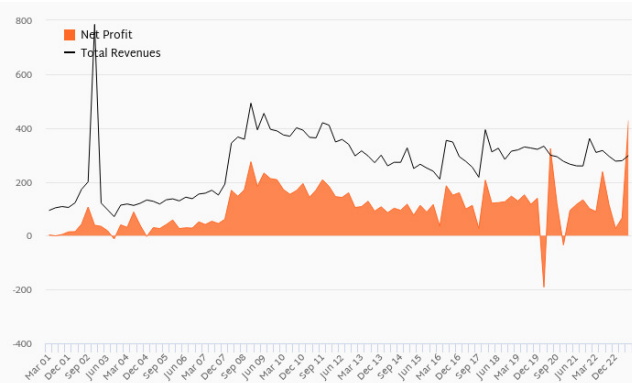
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	9.91	7.52	6.55	16.9	7.88	1.83	4.44	24.6
ROA	%	0.703	0.521	0.458	1.24	0.604	0.141	0.338	2.18
Costs (As % Of Assets)	%	0.834	0.781	0.854	0.796	0.706	0.611	0.956	0.729
Costs (As % Of Income)	%	61.0	41.8	53.9	48.2	45.3	42.1	66.8	48.0
Capital Adequacy Ratio	%	15.4	15.2	15.5	16.4	16.5	15.9	16.0	21.6
Net Interest Margin	%	1.14	1.63	1.32	1.24	1.13	0.936	1.16	1.28
Interest Income (As % Of Revenues)	%	83.4	87.5	83.1	75.2	72.6	64.4	81.3	84.0
Fee Income (As % Of Revenues)	%	15.9	11.9	16.9	15.5	27.6	20.4	18.5	15.9
Staff Cost (As % Of Total Cost)	%	29.1	29.0	20.6	22.5	25.0	19.7	19.0	20.9
Equity (As % Of Assets)	%	7.02	6.85	7.14	7.54	7.79	7.62	7.60	10.1
Loans (As % Of Deposits)	%	88.1	91.4	81.8	107	113	113	117	120
Loans (As % Assets)	%	81.0	81.5	74.3	89.9	92.8	91.1	90.1	89.6
NPLs (As % Of Loans)	%	1.14	0.994	1.14	0.944	0.941	0.899	0.920	0.655
Provisions (As % Of NPLs)	%	136	149	147	148	147	157	156	179

Source: Company Data, Helgi Library

Raiffeisen Stavebni Sporitelna in Pictures

Revenue & Profitability

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

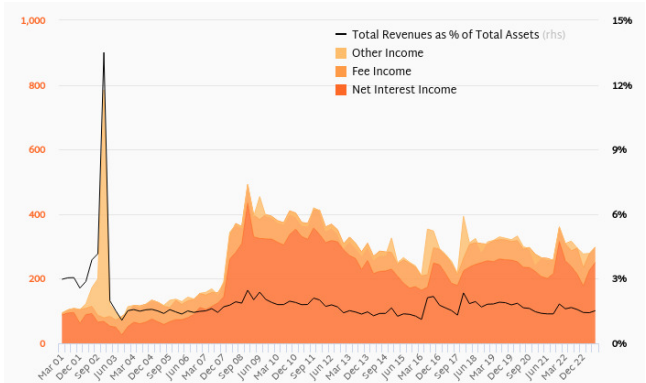


Source: Company Data, Helgi Library

Helgi Library

Revenue Breakdown

Revenue by Type of Income (CZK mil)

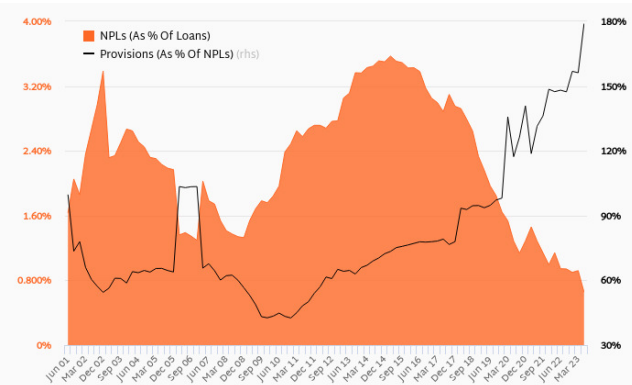


Source: Company Data, Helgi Library

Helgi Library

Asset Quality

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

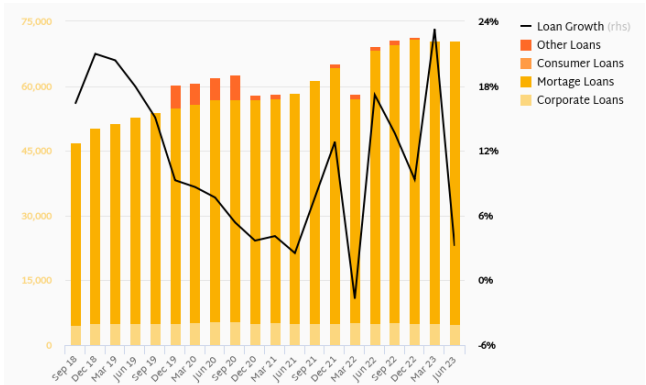


Source: Company Data, Helgi Library

Helgi Library

Loan Breakdown

Loans by Type (CZK mil)

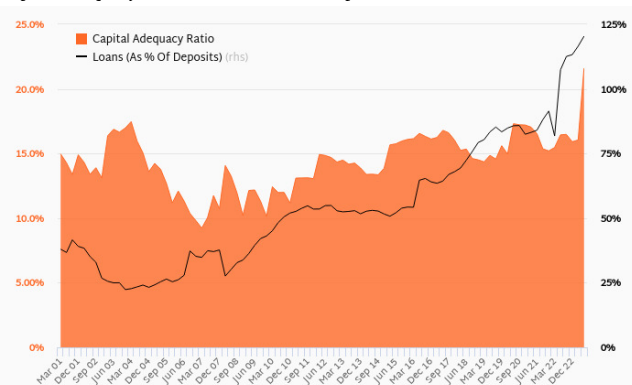


Source: Company Data, Helgi Library

Helgi Library

Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)

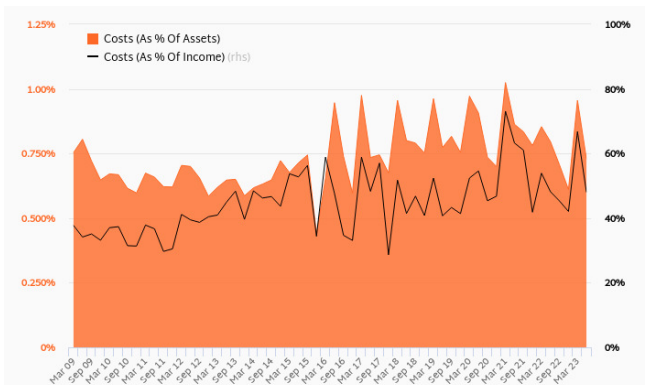


Source: Company Data, Helgi Library

Helgi Library

Cost Efficiency

Costs As % Of Assets & Income



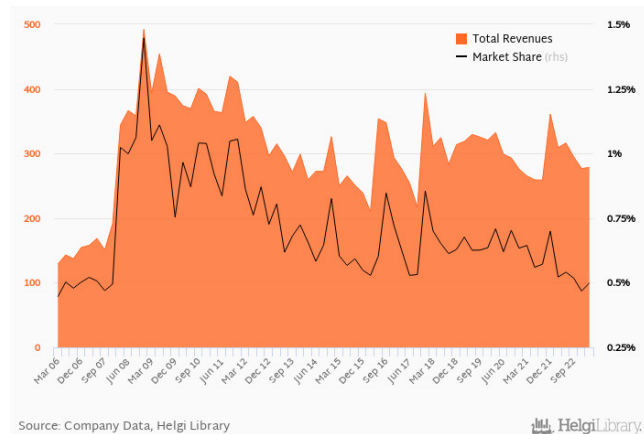
Source: Company Data, Helgi Library

Helgi Library

Raiffeisen Stavebni Sporitelna – Market Share Development

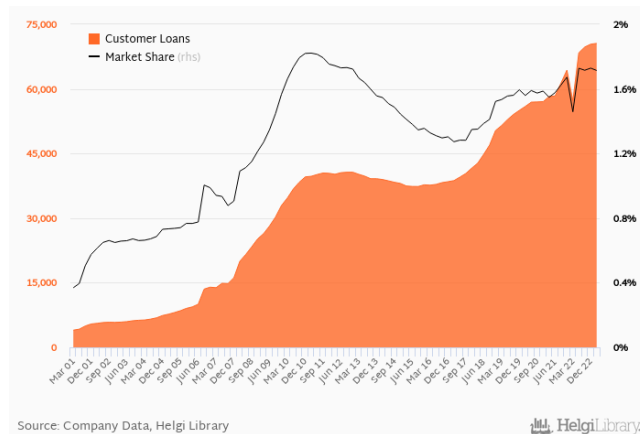
Market Share in Bank Revenues

Total Revenues (CZK mil)



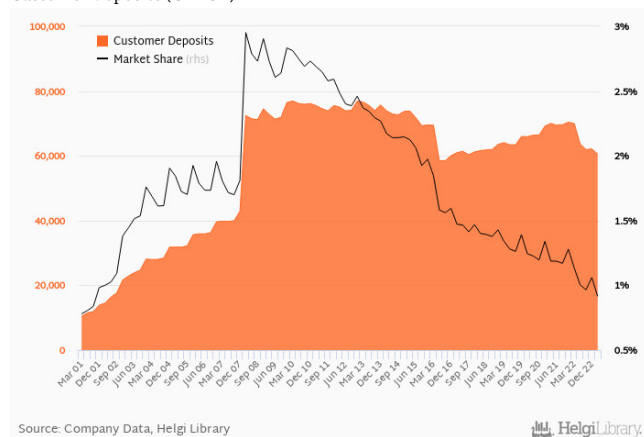
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



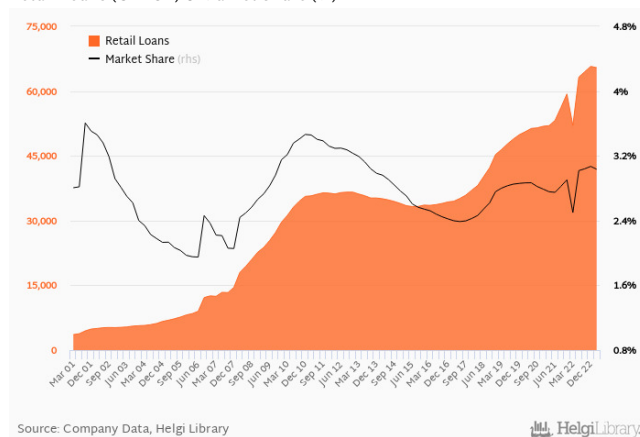
Market Share in Bank Deposits

Customer Deposits (CZK bil)



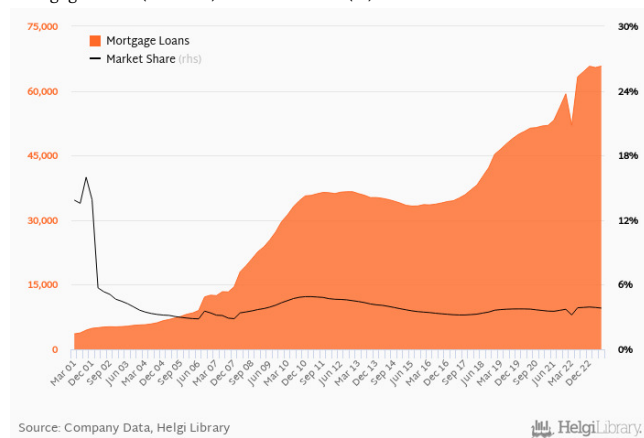
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



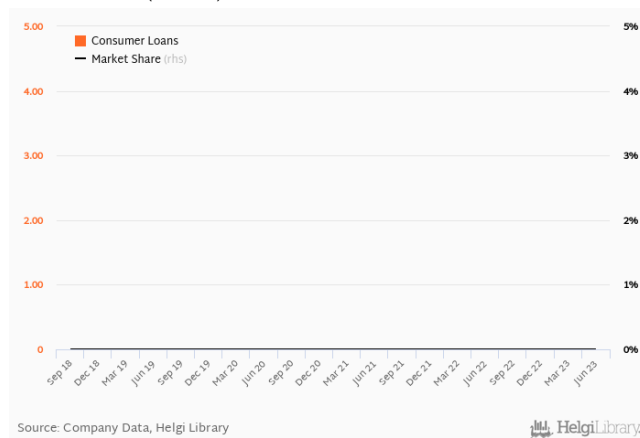
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

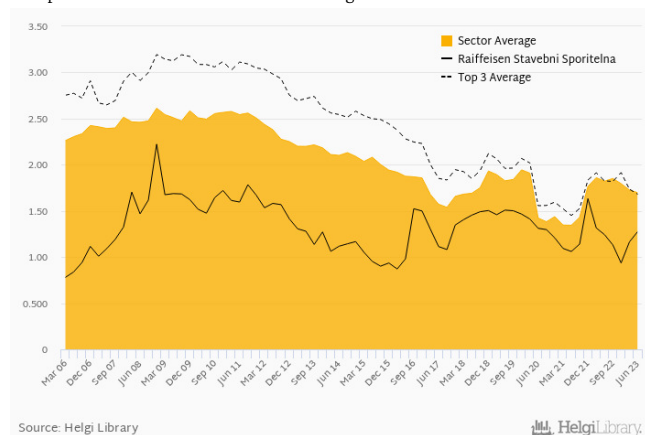
Consumer Loans (CZK mil)



Raiffeisen Stavebni Sporitelna – Comparison with Sector

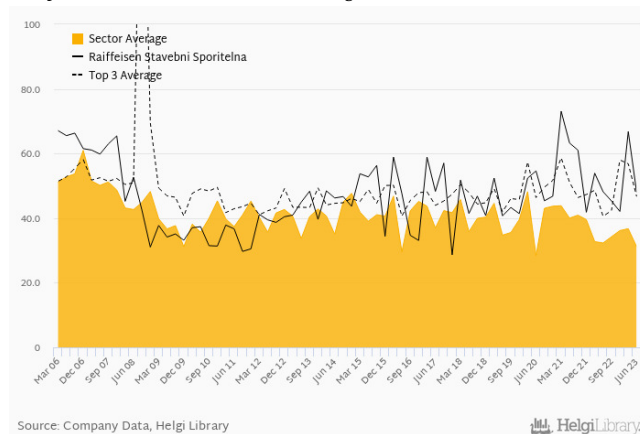
Raiffeisen Stavebni Sporitelna – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



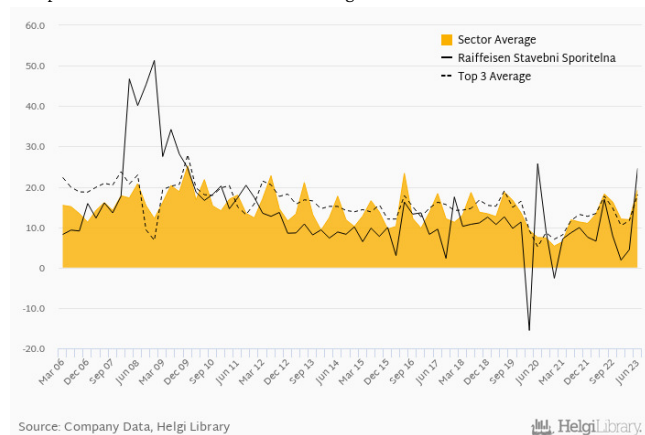
Raiffeisen Stavebni Sporitelna – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



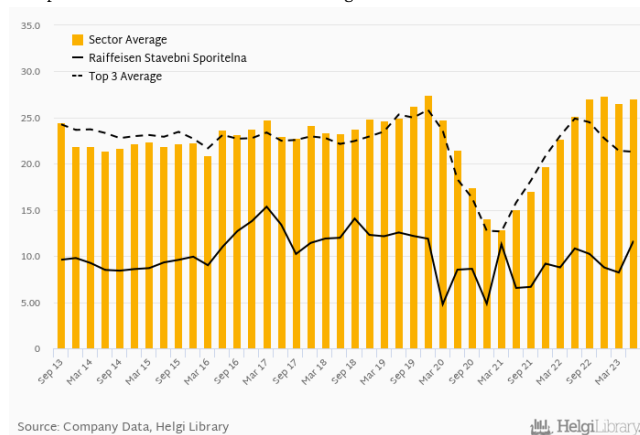
Raiffeisen Stavebni Sporitelna – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



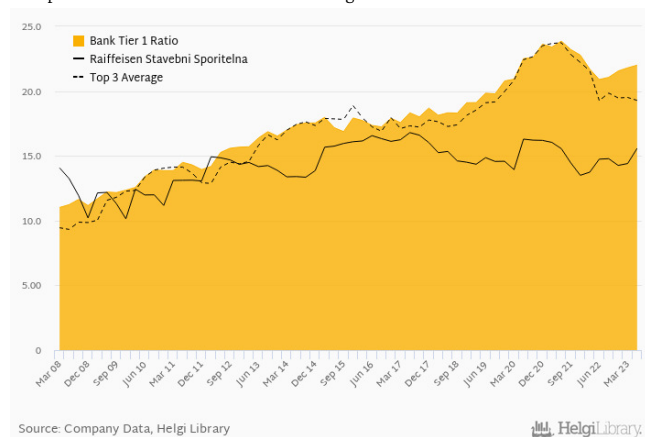
Raiffeisen Stavebni Sporitelna – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



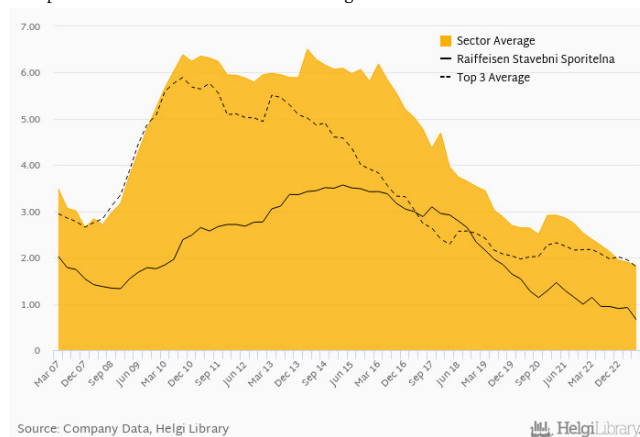
Raiffeisen Stavebni Sporitelna – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Raiffeisen Stavebni Sporitelna – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Stavebni Sporitelna Ceske Sporitelny

Quarterly Results – 2Q2023

Stavebni Sporitelna Ceske Sporitelny made a net profit of CZK 230 mil in the second quarter of 2023, down 21.8% when compared to the previous year. Total revenues decreased 4.92% yoy to CZK 442 mil, ROE amounted to 10.8% and the NPL ratio stood at 0.995%. In the last three years, the bank grew its loans by 11.0% a year, revenues rose by 3.13% and net profit increased by 3% a year, on average.

- ✓ Revenues decreased 4.92% yoy to CZK 442 mil in the second quarter of 2023. Interest income formed 83.1% of total revenues with the net interest margin decreasing 0.063 pp to 2.01% of total assets. Fees added a further 18.1% to total revenue generated in 2Q2023, up from an average of 13.6% as seen in the previous two years.
- ✓ Operating costs dropped by 14.5% yoy to CZK 132 mil, so cost to income ratio reached 29.9%, down by 16.7% compared to the previous two years. Staff accounted for 47.4% of total operating expenditures. At the end of second quarter of 2023, Stavebni Sporitelna Ceske Sporitelny operated a network of 1 branches and 185 employees.
- ✓ Loans and deposits grew by 3.38% and 1.89% qoq respectively, so loan to deposit ratio reached 109% at the end of 2Q2023. That's up from 95.3% the previous year. Equity reached 11.9% of assets and we assume that capital adequacy ratio amounted to 31.2% at the end of the second quarter of 2023.
- ✓ NPLs were 0.995% of total loans at the end of the quarter, on our estimates. Provisions covered 100.0% of non-performing loans.
- ✓ When compared to selected peers, Stavebni Sporitelna Ceske Sporitelny was 4.49 pp less profitable in terms of ROE, achieved 10.0 pp better cost efficiency when measured by cost to income ratio and grew its loans by 0.579 pp faster based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
185

Clients:
N/A

Branches:
1

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
31.2%*

Tier 1 Ratio:
31.1%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	442	-4.92	230	-21.8	10.8	29.9	109	11.9	0.995
2022	2,042	39.2	1,273	52.1	16.8	26.3	103	11.5	1.01
2021	1,467	1.52	837	11.6	12.6	32.7	83.6	9.39	1.21
2020	1,445	-6.02	750	-23.3	12.7	33.6	73.9	8.51	1.41
2019	1,538	13.2	978	13.7	18.0	33.1	66.9	7.57	1.58
2018	1,358	9.78	860	26.4	16.5	34.9	68.8	7.39	1.64
2017	1,237	1.98	680	16.1	13.6	37.2	56.5	6.67	2.03

Source: Company Data, Helgi Library *Estimate

Data tells a story



Stavebni Sporitelna Ceske Sporitelny – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	510	519	569	623	712	698	643	665
Interest Cost	CZK mil	182	183	193	235	328	341	277	297
Net Interest Income	CZK mil	328	335	376	388	384	357	366	368
Net Fee Income	CZK mil	63.4	20.2	70.5	74.6	67.0	48.9	68.5	80.1
Other Income	CZK mil	2.79	2.79	2.37	2.32	12.9	258	-0.405	-5.43
Total Revenues	CZK mil	394	358	449	465	464	664	434	442
Staff Cost	CZK mil	53.8	59.4	56.1	66.6	56.0	62.3	56.1	62.8
Depreciation	CZK mil	11.4	11.2	10.7	13.0	9.62	16.7	8.57	9.28
Other Cost	CZK mil	41.9	73.7	65.2	75.2	44.8	61.8	91.6	60.2
Operating Cost	CZK mil	107	144	132	155	110	141	156	132
Operating Profit	CZK mil	287	214	317	310	354	523	278	310
Provisions	CZK mil	125	-125	29.8	-46.9	9.02	7.02	20.8	21.5
Pre-Tax Profit	CZK mil	162	373	287	357	345	516	257	289
Net Profit	CZK mil	127	311	243	294	260	476	204	230

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	1,115	663	442	557	1,080	643	2,690	1,543
Interbank Loans	CZK mil	641	4,003	1,233	1,502	1,769	26.0	24.8	1,543
Customer Loans	CZK mil	53,880	55,970	57,820	60,476	62,008	63,642	63,043	65,173
Investments	CZK mil	12,030	13,329	13,369	13,246	12,996	6,914	6,986	5,814
Property and Equipment	CZK mil	302	340	341	48.5	48.6	67.0	64.9	69.0
Intangible Assets	CZK mil	83.9	82.8	79.2	76.7	73.8	72.0	68.9	65.5
Total Assets	CZK mil	70,053	74,496	73,402	76,423	77,462	71,495	73,606	72,757
Shareholders' Equity	CZK mil	6,747	6,996	7,207	7,441	7,697	8,188	8,411	8,659
Liabilities	CZK mil	63,306	67,500	66,195	68,982	69,765	63,307	65,194	64,098
Interbank Borrowing	CZK mil	76.2	2,750	1,705	5,026	6,948	709	3,827	4,005
Customer Deposits	CZK mil	62,785	64,186	64,007	63,471	62,291	61,985	60,868	59,717
Issued Debt Securities	CZK mil	0	0	0	0	0	0	0	0
Other Liabilities	CZK mil	445	564	483	486	525	613	500	377

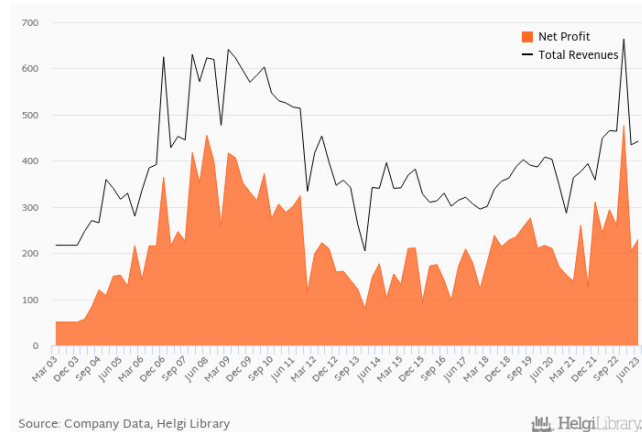
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	7.59	18.1	13.7	16.1	13.7	24.0	9.83	10.8
ROA	%	0.725	1.72	1.32	1.57	1.35	2.56	1.12	1.26
Costs (As % Of Assets)	%	0.611	0.799	0.715	0.826	0.574	0.756	0.861	0.723
Costs (As % Of Income)	%	27.2	40.3	29.4	33.3	23.8	21.2	36.0	29.9
Capital Adequacy Ratio	%	27.7	26.6	26.7	28.7	29.1	28.4	29.6	31.2
Net Interest Margin	%	1.87	1.86	2.03	2.07	2.00	1.92	2.02	2.01
Interest Income (As % Of Revenues)	%	83.2	93.6	83.8	83.5	82.8	53.7	84.3	83.1
Fee Income (As % Of Revenues)	%	16.1	5.65	15.7	16.0	14.4	7.36	15.8	18.1
Staff Cost (As % Of Total Cost)	%	50.3	41.2	42.5	43.0	50.7	44.2	35.9	47.4
Equity (As % Of Assets)	%	9.63	9.39	9.82	9.74	9.94	11.5	11.4	11.9
Loans (As % Of Deposits)	%	85.8	87.2	90.3	95.3	99.5	103	104	109
Loans (As % Assets)	%	76.9	75.1	78.8	79.1	80.0	89.0	85.7	89.6
NPLs (As % Of Loans)	%	1.32	1.20	1.18	1.13	1.10	1.01	1.03	0.995
Provisions (As % Of NPLs)	%	87.7	90.5	92.7	94.0	94.0	98.3	98.3	100.0

Source: Company Data, Helgi Library

Stavebni Sporitelna Ceske Sporitelny in Pictures

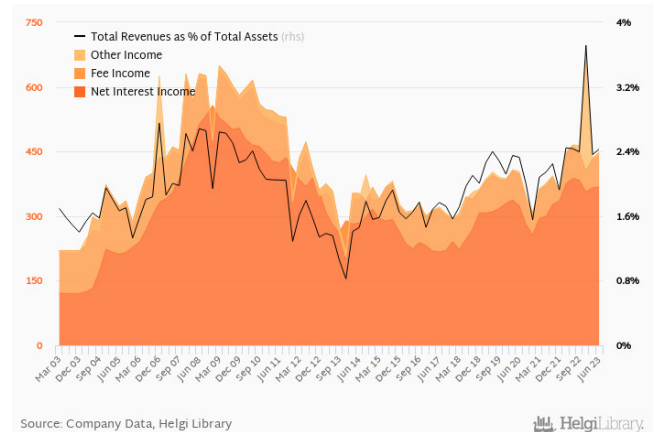
Revenue & Profitability

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



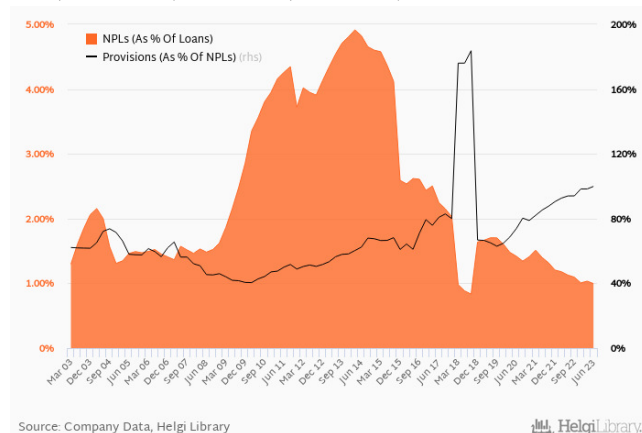
Revenue Breakdown

Revenue by Type of Income (CZK mil)



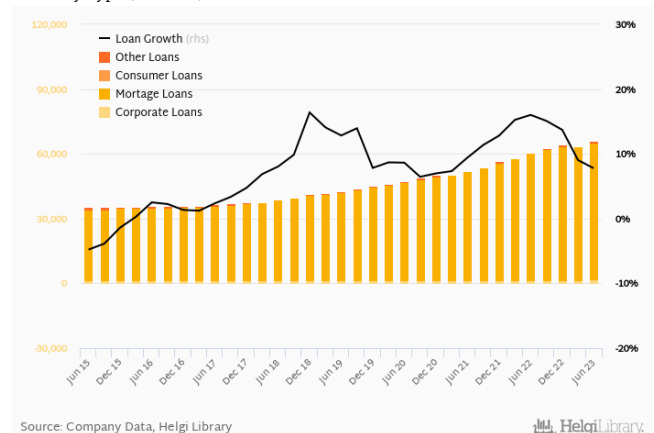
Asset Quality

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



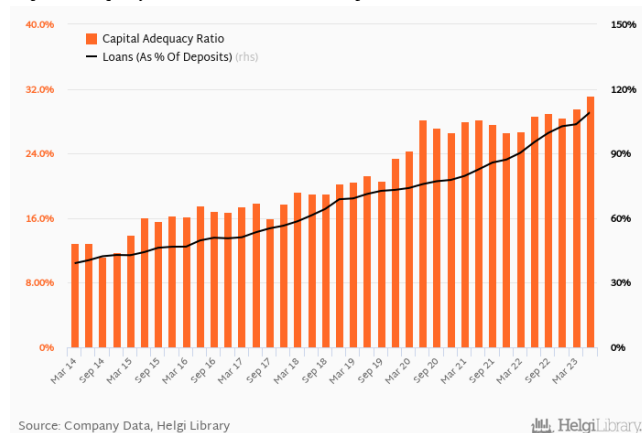
Loan Breakdown

Loans by Type (CZK mil)



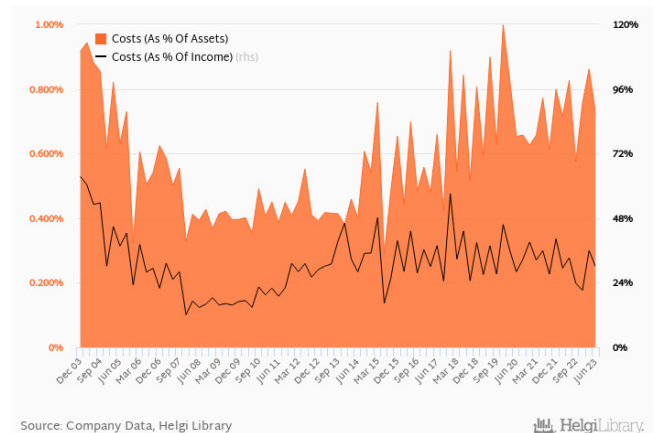
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

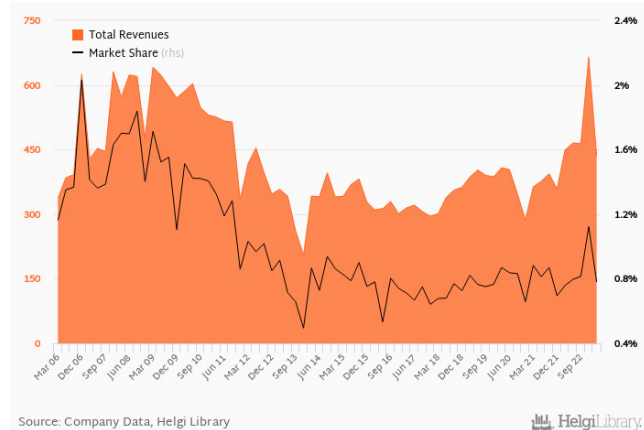
Costs As % Of Assets & Income



Stavebni Sporitelna Ceske Sporitelny – Market Share Development

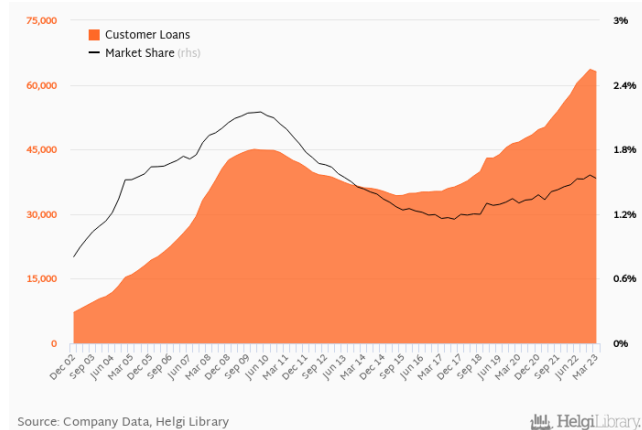
Market Share in Bank Revenues

Total Revenues (CZK mil)



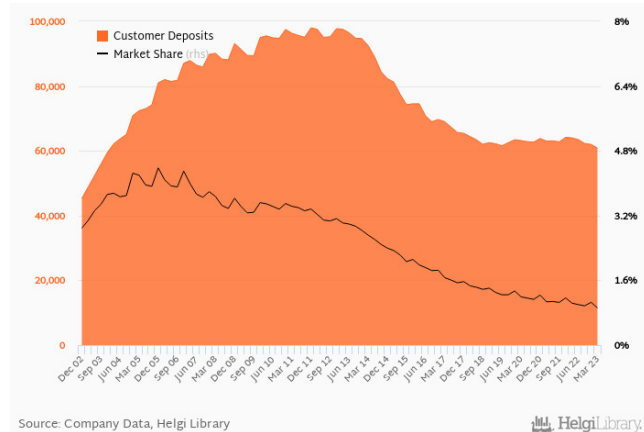
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



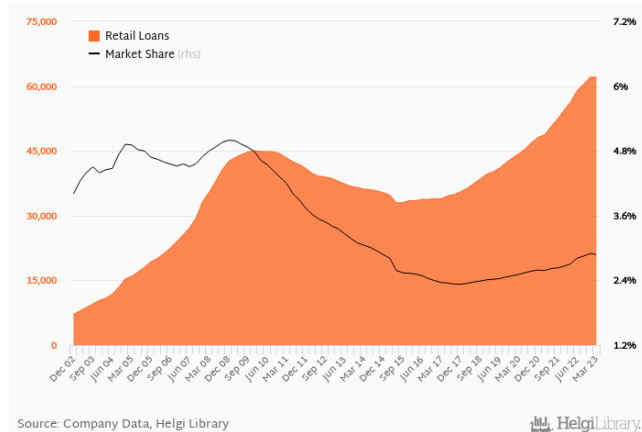
Market Share in Bank Deposits

Customer Deposits (CZK bil)



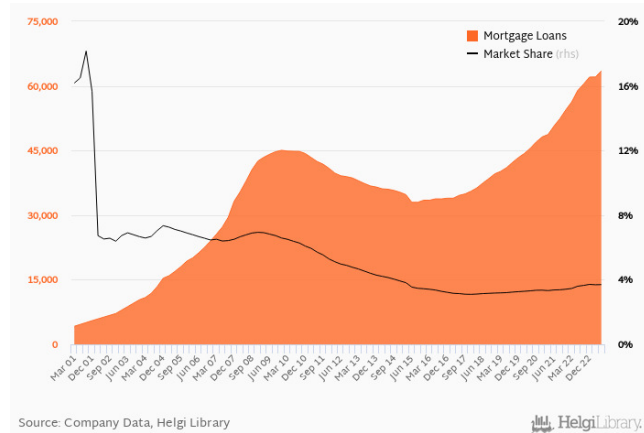
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



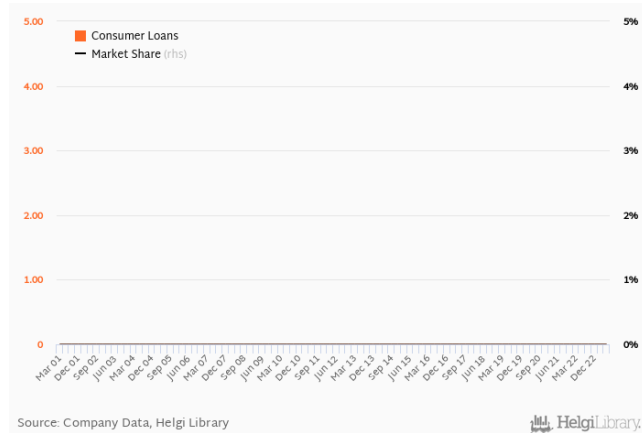
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

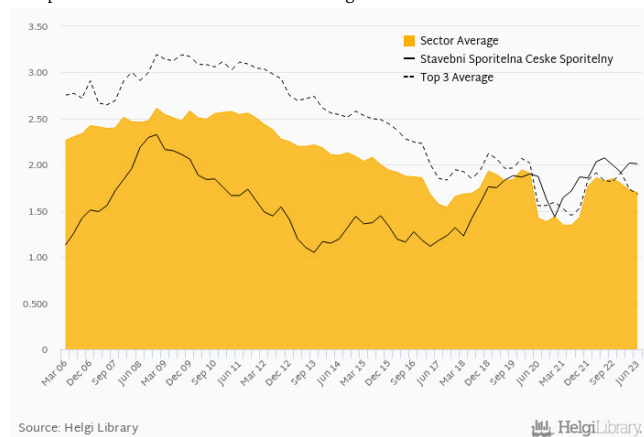
Consumer Loans (CZK mil)



Stavebni Sporitelna Ceske Sporitelny – Comparison with Sector

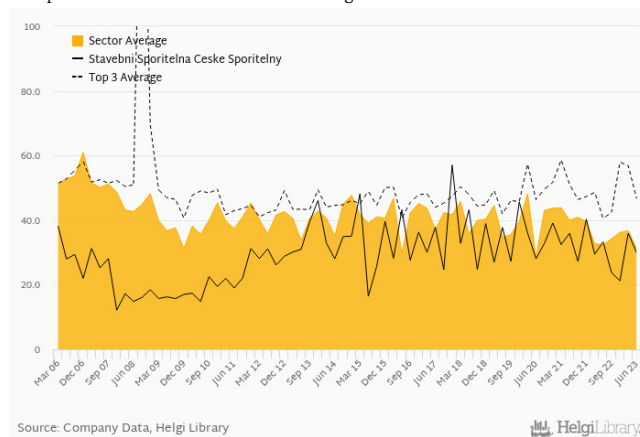
Stavebni Sporitelna Ceske Sporitelny – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



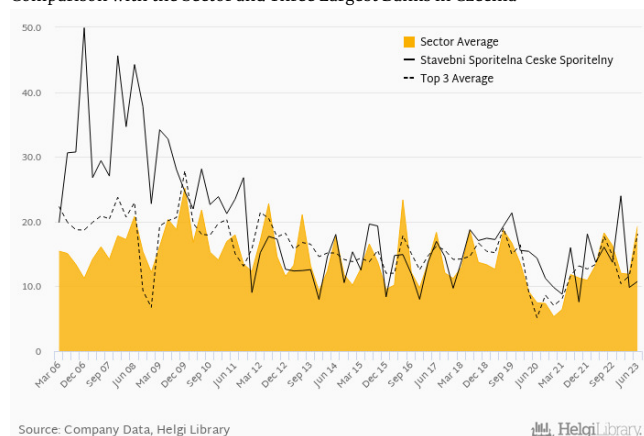
Stavebni Sporitelna Ceske Sporitelny – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



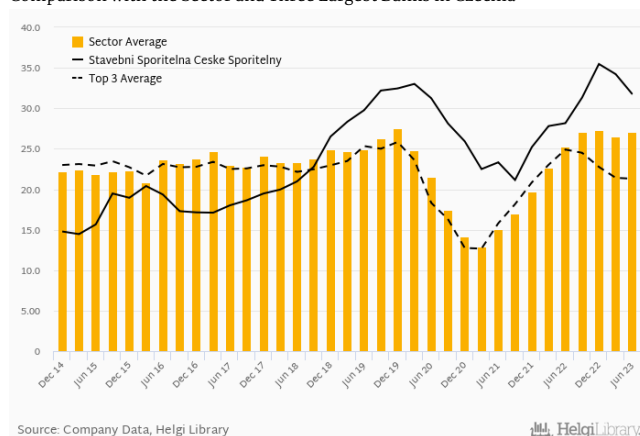
Stavebni Sporitelna Ceske Sporitelny – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



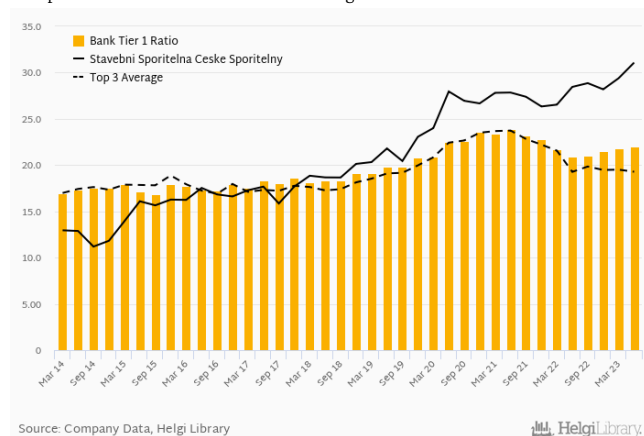
Stavebni Sporitelna Ceske Sporitelny – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



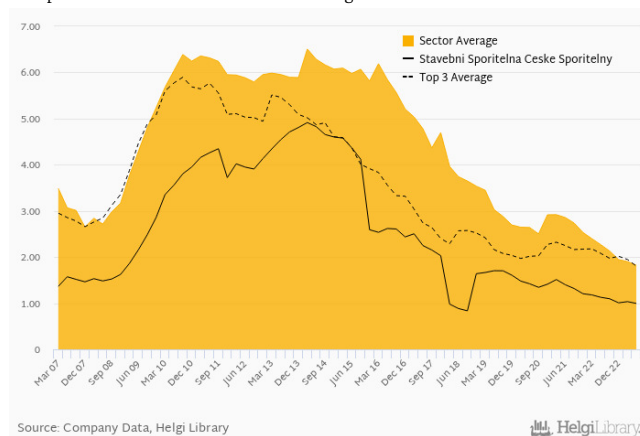
Stavebni Sporitelna Ceske Sporitelny – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Stavebni Sporitelna Ceske Sporitelny – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Moneta Stavebni Sporitelna

Quarterly Results – 2Q2023

Moneta Stavebni Sporitelna made a net profit of CZK 148 mil in the second quarter of 2023, down 41.5% when compared to the previous year. Total revenues decreased 15.9% yoy to CZK 228 mil, ROE amounted to 21.7% and the NPL ratio stood at 1.19%. In the last three years, the bank grew its loans by – 0.238% a year, revenues fell by 15.5% and net profit increased by 9.27% a year, on average.

- ✓ Revenues decreased 15.9% yoy to CZK 228 mil in the second quarter of 2023. Interest income formed 77.9% of total revenues with the net interest margin decreasing 0.092 pp to 2.23% of total assets. Fees added a further 18.8% to total revenue generated in 2Q2023, down from an average of 19.0% as seen in the previous two years.
- ✓ Operating costs grew by 6.51% yoy to CZK 42.3 mil, so cost to income ratio reached 18.5%, down by 37.7% compared to the previous two years. Staff accounted for 23.0% of total operating expenditures. At the end of second quarter of 2023, Moneta Stavebni Sporitelna operated a network of 1 branches and 36 employees.
- ✓ Loans and deposits dropped by 1.04% and 2.01% qoq respectively, so loan to deposit ratio reached 59.9% at the end of 2Q2023. That's up from 53.7% the previous year. Equity reached 8.05% of assets and we assume that capital adequacy ratio amounted to 13.1% at the end of the second quarter of 2023.
- ✓ NPLs were 1.19% of total loans at the end of the quarter, on our estimates. Provisions covered 79.7% of non-performing loans.
- ✓ When compared to selected peers, Moneta Stavebni Sporitelna was 6.40 pp more profitable in terms of ROE, achieved 21.4 pp better cost efficiency when measured by cost to income ratio and grew its loans by 6.75 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
36.0

Clients:
N/A

Branches:
1

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
13.1%*

Tier 1 Ratio:
13.1%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	228	-15.9	148	-41.5	21.7	18.5	59.9	8.05	1.19
2022	946	12.9	698	27.8	27.1	20.2	56.0	8.39	1.17
2021	838	-28.6	546	19.2	22.0	33.5	51.1	6.79	1.35
2020	1,173	5.40	458	4.42	16.2	47.1	54.9	7.80	1.67
2019	1,113	4.86	439	45.5	14.2	57.9	58.0	8.58	3.86
2018	1,061	5.63	301	40.0	9.34	60.5	57.0	8.93	7.91
2017	1,005	4.88	215	0.140	6.40	57.9	61.8	8.89	3.99

Source: Company Data, Helgi Library *Estimate

Data tells a story



Moneta Stavebni Sporitelna – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	259	265	289	300	305	306	309	307
Interest Cost	CZK mil	93.3	95.5	104	106	135	136	142	129
Net Interest Income	CZK mil	166	170	185	194	170	171	167	178
Net Fee Income	CZK mil	39.5	50.3	40.5	38.7	41.5	46.8	42.4	43.0
Other Income	CZK mil	7.24	4.28	1.85	38.5	4.11	12.6	0.201	7.49
Total Revenues	CZK mil	213	225	227	272	215	230	209	228
Staff Cost	CZK mil	18.2	20.4	11.1	10.9	11.4	10.4	10.3	9.72
Depreciation	CZK mil	-29.5	46.6	7.11	5.94	4.09	3.91	4.17	4.25
Other Cost	CZK mil	29.7	27.5	43.4	22.9	30.2	30.0	41.8	28.3
Operating Cost	CZK mil	18.3	94.5	61.7	39.7	45.7	44.3	56.2	42.3
Operating Profit	CZK mil	195	130	165	232	170	186	153	186
Provisions	CZK mil	1.59	-97.0	-0.432	-81.2	-32.4	7.14	9.88	3.76
Pre-Tax Profit	CZK mil	193	227	166	313	202	178	144	183
Net Profit	CZK mil	156	180	133	253	165	145	117	148

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	63.8	351	299	408	297	479	153	269
Interbank Loans	CZK mil	3,406	4,122	0	1.69	298	1.40	1.35	271
Customer Loans	CZK mil	16,185	16,331	16,264	16,500	16,588	16,798	16,746	16,573
Investments	CZK mil	13,670	13,513	16,951	16,373	16,377	16,290	15,400	14,534
Property and Equipment	CZK mil	9.94	3.17	1.75	0.558	0.067	0.025	0.019	0.014
Intangible Assets	CZK mil	83.3	83.4	79.0	77.9	78.0	84.3	80.8	79.3
Total Assets	CZK mil	33,414	34,427	33,630	33,417	33,359	33,662	32,393	31,489
Shareholders' Equity	CZK mil	2,369	2,337	2,256	2,512	2,678	2,824	2,942	2,534
Liabilities	CZK mil	31,045	32,090	31,374	30,905	30,681	30,838	29,451	28,955
Interbank Borrowing	CZK mil	87.5	8.30	0	0	550	691	1,071	1,210
Customer Deposits	CZK mil	30,710	31,817	31,162	30,732	29,992	29,952	28,253	27,686
Issued Debt Securities	CZK mil	0	0	0	0	0	0	0	0
Other Liabilities	CZK mil	247	264	212	173	138	194	128	58.9

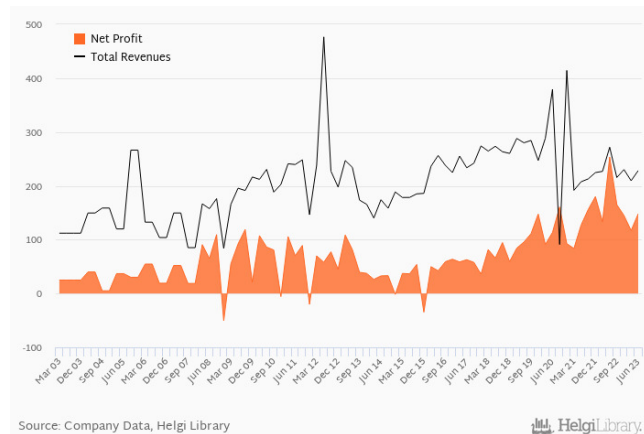
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	27.2	30.6	23.2	42.5	25.4	21.1	16.2	21.7
ROA	%	1.86	2.12	1.57	3.02	1.98	1.73	1.42	1.86
Costs (As % Of Assets)	%	0.218	1.11	0.725	0.474	0.548	0.529	0.681	0.530
Costs (As % Of Income)	%	8.60	42.1	27.2	14.6	21.2	19.3	26.8	18.5
Capital Adequacy Ratio	%	13.5	12.0	11.5	13.1	14.2	14.2	15.1	13.1
Net Interest Margin	%	1.98	2.00	2.17	2.32	2.03	2.04	2.02	2.23
Interest Income (As % Of Revenues)	%	78.0	75.7	81.3	71.6	78.8	74.2	79.6	77.9
Fee Income (As % Of Revenues)	%	18.6	22.4	17.8	14.2	19.3	20.3	20.3	18.8
Staff Cost (As % Of Total Cost)	%	99.3	21.5	18.0	27.4	24.9	23.5	18.2	23.0
Equity (As % Of Assets)	%	7.09	6.79	6.71	7.52	8.03	8.39	9.08	8.05
Loans (As % Of Deposits)	%	52.7	51.3	52.2	53.7	55.3	56.1	59.3	59.9
Loans (As % Assets)	%	48.4	47.4	48.4	49.4	49.7	49.9	51.7	52.6
NPLs (As % Of Loans)	%	1.51	1.40	1.38	1.27	1.22	1.17	1.16	1.19
Provisions (As % Of NPLs)	%	169	114	114	84.4	85.5	77.3	79.1	79.7

Source: Company Data, Helgi Library

Moneta Stavebni Sporitelna in Pictures

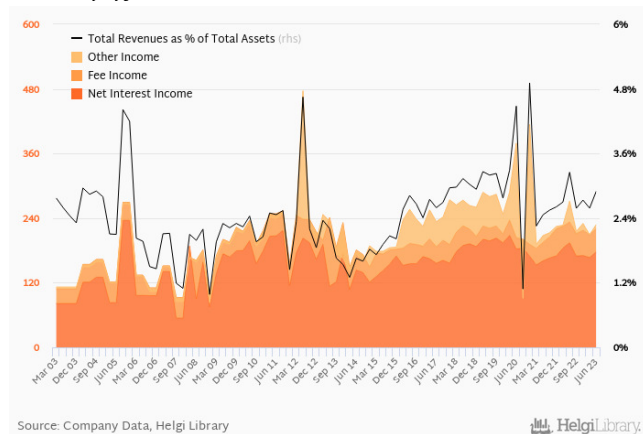
Revenue & Profitability

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



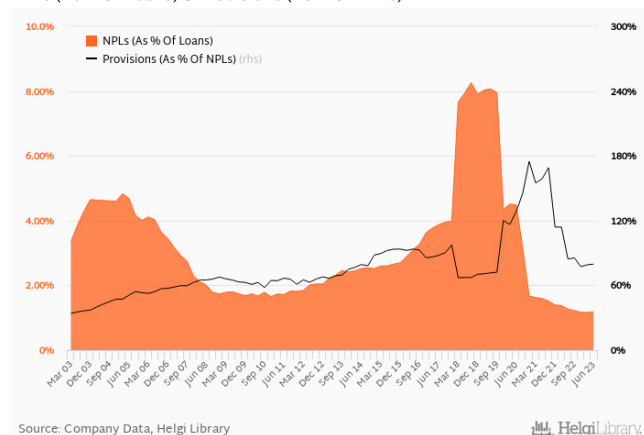
Revenue Breakdown

Revenue by Type of Income (CZK mil)



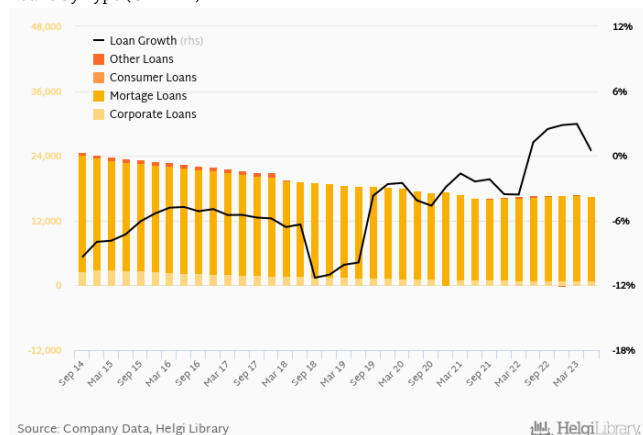
Asset Quality

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



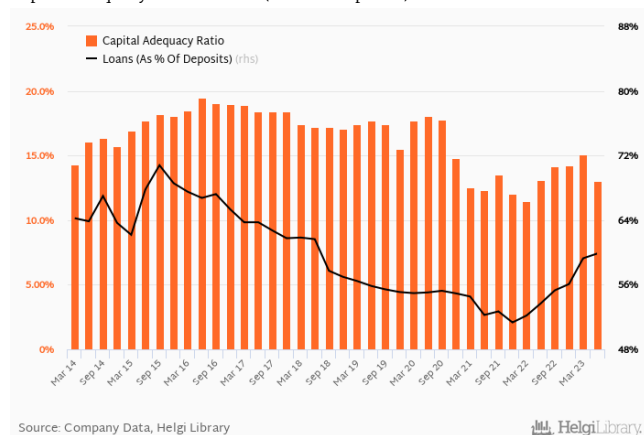
Loan Breakdown

Loans by Type (CZK mil)



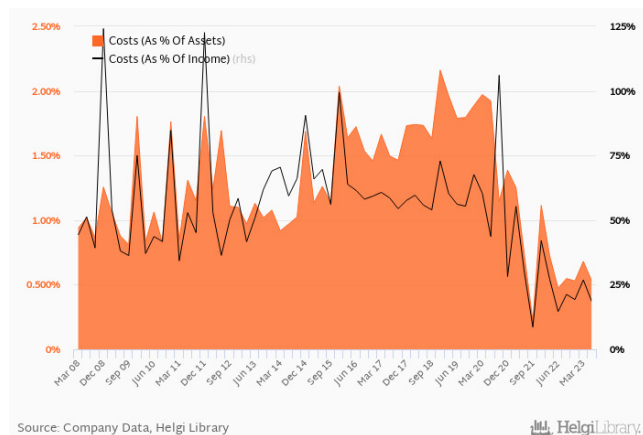
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

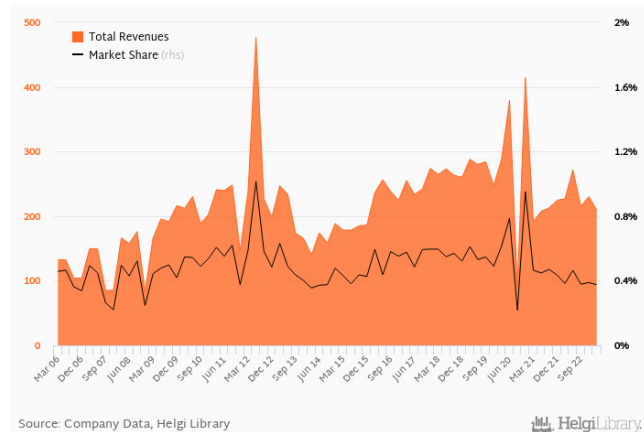
Costs As % Of Assets & Income



Moneta Stavebni Sporitelna – Market Share Development

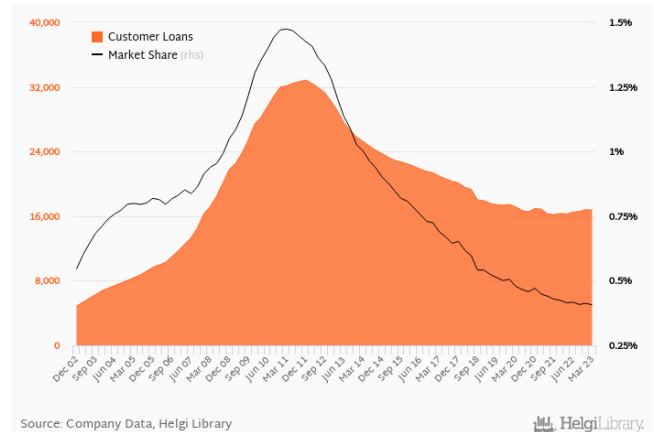
Market Share in Bank Revenues

Total Revenues (CZK mil)



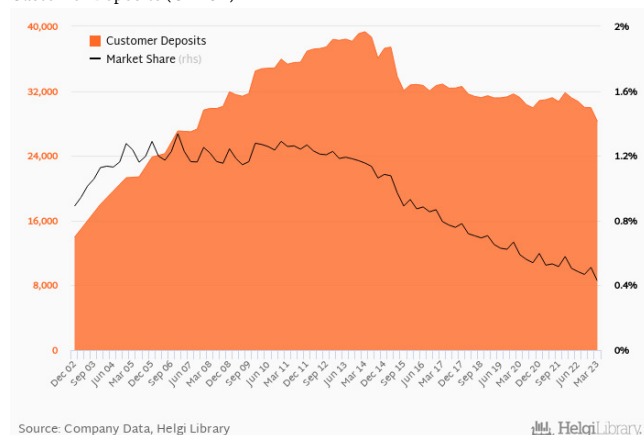
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



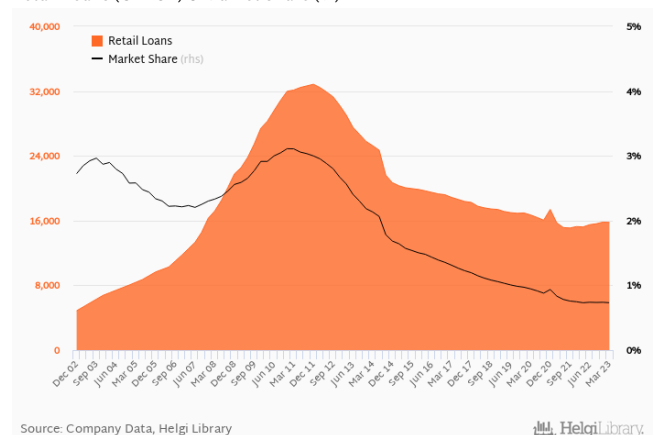
Market Share in Bank Deposits

Customer Deposits (CZK bil)



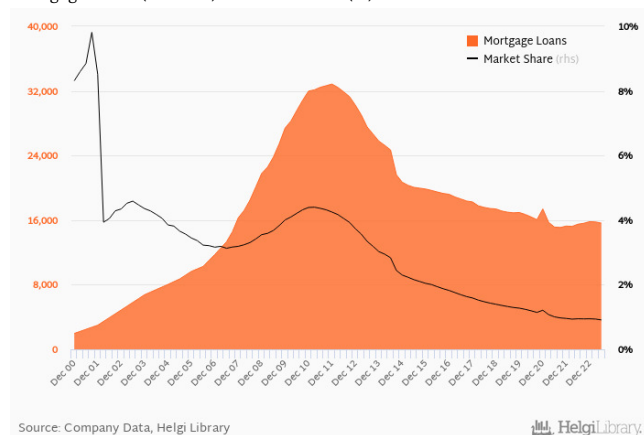
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



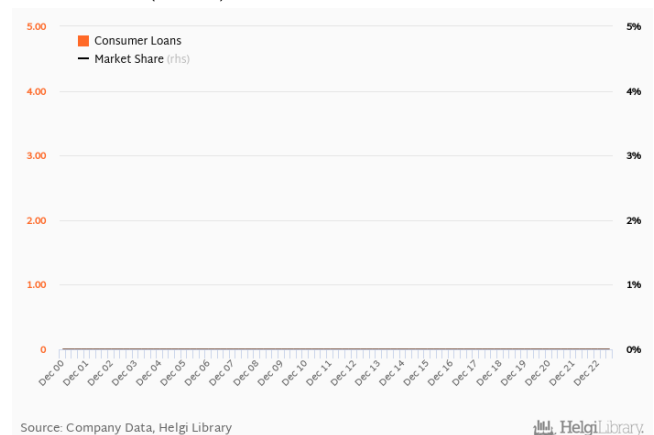
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



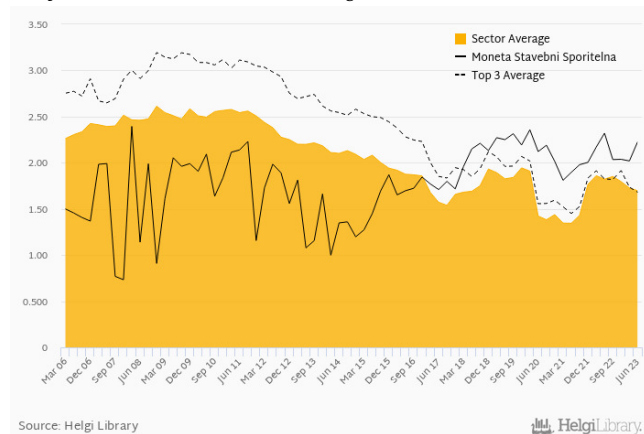
Market Share in Consumer Loans

Consumer Loans (CZK mil)

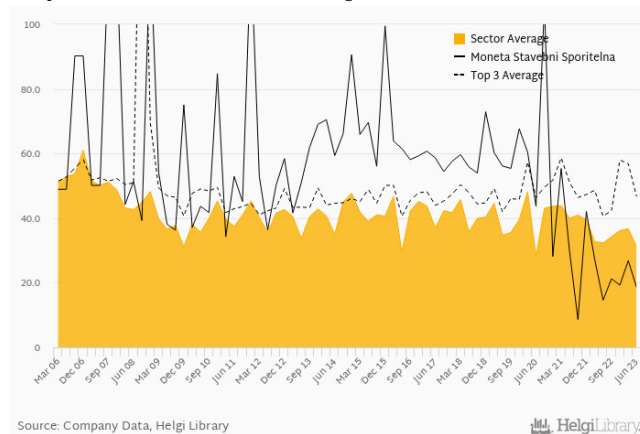


Moneta Stavebni Sporitelna – Comparison with Sector

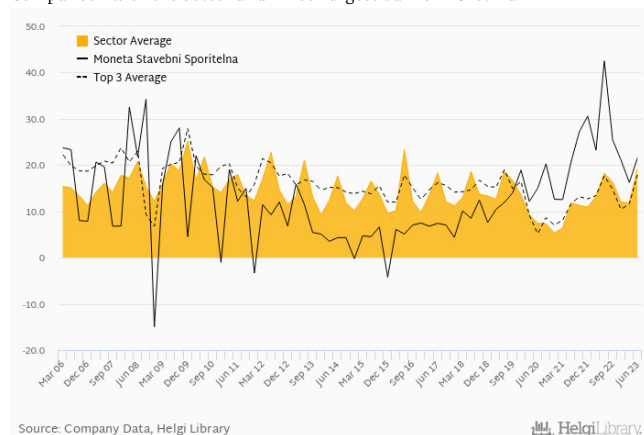
Moneta Stavebni Sporitelna – Net Interest Margin vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



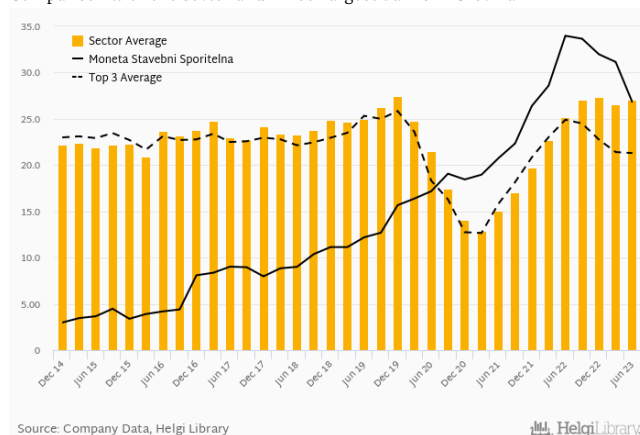
Moneta Stavebni Sporitelna – Cost to Income vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



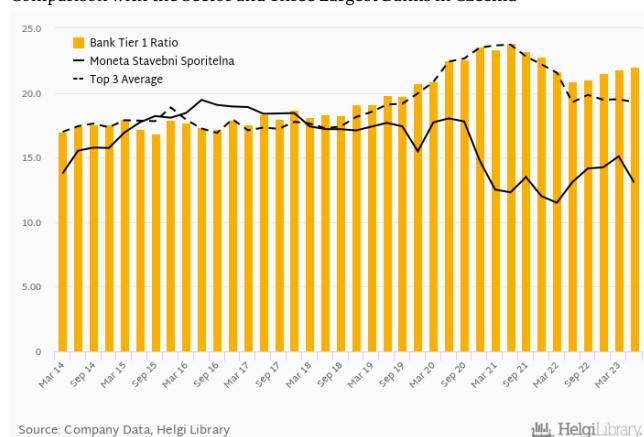
Moneta Stavebni Sporitelna – Return on Equity vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



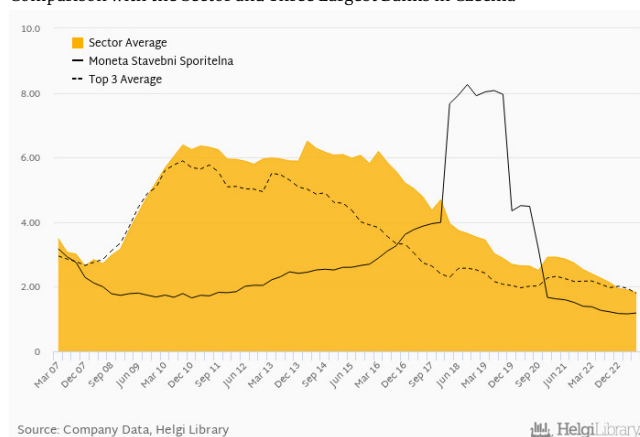
Moneta Stavebni Sporitelna – Adjusted ROE vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



Moneta Stavebni Sporitelna – Tier 1 Ratio vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



Moneta Stavebni Sporitelna – NPL Ratio vs. Sector
Comparison with the Sector and Three Largest Banks in Czechia



Hypotecni Banka

Quarterly Results – 2Q2023

Hypotecni Banka made a net profit of CZK 802 mil in the second quarter of 2023, up 114% when compared to the previous year. Total revenues increased 59.1% yoy to CZK 1,069 mil, ROE amounted to 5.60% and the NPL ratio stood at 0.570%. In the last three years, the bank grew its loans by 5.20% a year, revenues rose by 14.4% and net profit increased by 120% a year, on average.

- ✓ Revenues increased 59.1% yoy to CZK 1,069 mil in the second quarter of 2023. Interest income formed 85.2% of total revenues with the net interest margin decreasing 0.095 pp to 0.925% of total assets. Fees added a further 4.83% to total revenue generated in 2Q2023, up from an average of 3.12% as seen in the previous two years.
- ✓ Operating costs dropped by 1.12% yoy to CZK 147 mil, so cost to income ratio reached 13.7%, down by 51.5% compared to the previous two years. Staff accounted for 20.5% of total operating expenditures. At the end of second quarter of 2023, Hypotecni Banka operated a network of 1 branches and 69 employees.
- ✓ Loans and deposits grew by 0.516% and 1% qoq respectively, so loan to deposit ratio reached 117% at the end of 2Q2023. That's up from 115% the previous year. Equity reached 14.4% of assets and we assume that capital adequacy ratio amounted to 52.2% at the end of the second quarter of 2023.
- ✓ NPLs were 0.570% of total loans at the end of the quarter, on our estimates. Provisions covered 33.6% of non-performing loans.
- ✓ When compared to selected peers, Hypotecni Banka was 9.67 pp less profitable in terms of ROE, achieved 26.2 pp better cost efficiency when measured by cost to income ratio and grew its loans by 3.85 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
69.5

Clients:
N/A

Branches:
1

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
52.2%*

Tier 1 Ratio:
52.2%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	1,069	59.1	802	114	5.60	13.7	117	14.4	0.570
2022	3,851	83.4	2,483	68.0	4.49	20.0	116	14.7	0.584
2021	2,100	-35.8	1,478	-5.62	2.94	39.6	116	14.5	0.723
2020	3,271	-13.0	1,566	-36.0	3.42	29.8	113	13.6	0.342
2019	3,760	-2.21	2,446	3.91	5.64	26.3	114	13.8	0.420
2018	3,845	-13.4	2,354	-16.8	5.77	25.8	113	13.7	1.27
2017	4,439	-12.3	2,828	-11.8	7.69	22.1	114	13.7	1.66

Source: Company Data, Helgi Library *Estimate

Data tells a story



Hypotecni Banka – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	2,014	1,855	2,860	3,378	3,994	4,034	4,122	4,226
Interest Cost	CZK mil	1,518	1,228	2,002	2,405	2,955	3,031	3,152	3,315
Net Interest Income	CZK mil	496	628	858	973	1,039	1,003	970	911
Net Fee Income	CZK mil	37.9	-51.2	39.2	42.4	51.0	32.4	54.1	51.6
Other Income	CZK mil	-75.0	-139	-151	-344	62.5	246	41.9	106
Total Revenues	CZK mil	459	437	746	672	1,152	1,281	1,066	1,069
Staff Cost	CZK mil	28.1	32.8	29.1	26.0	31.4	26.5	30.1	30.1
Depreciation	CZK mil	27.9	28.1	27.7	28.2	29.1	31.0	30.7	31.3
Other Cost	CZK mil	109	227	311	94.3	96.5	41.1	284	85.3
Operating Cost	CZK mil	165	288	368	148	157	98.7	344	147
Operating Profit	CZK mil	294	149	378	523	995	1,182	722	922
Provisions	CZK mil	-279	-142	-114	58.7	85.3	-18.3	-7.22	-41.3
Pre-Tax Profit	CZK mil	572	467	492	464	910	1,201	729	992
Net Profit	CZK mil	463	377	398	375	737	973	593	802

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	1,903	438	2,020	89.4	1,287	1.00	1,312	11.4
Interbank Loans	CZK mil	8,810	7,057	10,654	11,790	10,000	8,094	7,855	7,855
Customer Loans	CZK mil	351,188	361,296	368,369	373,274	373,359	380,894	383,752	385,733
Investments	CZK mil	0	0	0	0	0	0	0	0
Property and Equipment	CZK mil	91.1	75.4	70.6	65.4	63.0	65.0	60.5	56.0
Intangible Assets	CZK mil	548	563	558	558	565	579	569	566
Total Assets	CZK mil	360,559	368,462	379,086	384,610	384,285	389,591	393,045	395,343
Shareholders' Equity	CZK mil	53,168	53,586	53,989	55,399	56,118	57,078	57,662	56,973
Liabilities	CZK mil	307,391	314,877	325,097	329,211	328,167	332,513	335,383	338,370
Interbank Borrowing	CZK mil	59.2	112	186	955	192	182	192	192
Customer Deposits	CZK mil	2.13	1.96	1.98	1.97	0	2.00	350	5,233
Issued Debt Securities	CZK mil	304,798	311,156	320,866	324,146	324,474	329,004	331,436	329,840
Other Liabilities	CZK mil	2,532	3,606	4,044	4,108	3,501	3,325	3,405	3,105

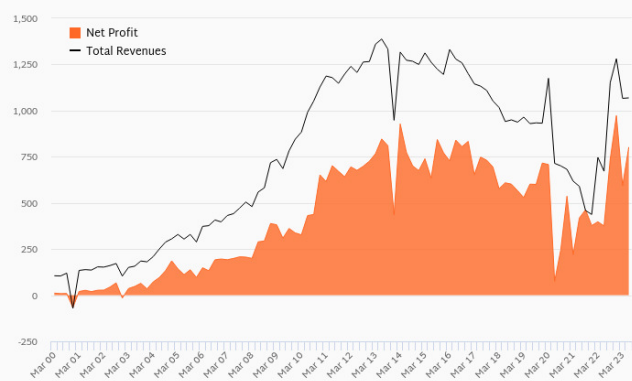
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	3.60	2.83	2.96	2.74	5.28	6.88	4.13	5.60
ROA	%	0.517	0.414	0.426	0.393	0.767	1.01	0.606	0.814
Costs (As % Of Assets)	%	0.184	0.316	0.394	0.156	0.163	0.102	0.352	0.149
Costs (As % Of Income)	%	35.9	65.9	49.3	22.1	13.6	7.70	32.3	13.7
Capital Adequacy Ratio	%	47.3	45.2	44.3	45.3	46.0	49.9	51.7	52.2
Net Interest Margin	%	0.554	0.689	0.919	1.02	1.08	1.04	0.992	0.925
Interest Income (As % Of Revenues)	%	108	144	115	145	90.1	78.3	91.0	85.2
Fee Income (As % Of Revenues)	%	8.27	-11.7	5.25	6.31	4.43	2.53	5.08	4.83
Staff Cost (As % Of Total Cost)	%	17.1	11.4	7.91	17.5	20.0	26.9	8.73	20.5
Equity (As % Of Assets)	%	14.7	14.5	14.2	14.4	14.6	14.7	14.7	14.4
Loans (As % Of Deposits)	%	115	116	115	115	115	116	116	117
Loans (As % Assets)	%	97.4	98.1	97.2	97.1	97.2	97.8	97.6	97.6
NPLs (As % Of Loans)	%	0.775	0.723	0.693	0.664	0.675	0.584	0.579	0.570
Provisions (As % Of NPLs)	%	37.1	30.1	29.0	27.7	29.0	34.4	34.3	33.6

Source: Company Data, Helgi Library

Hypotecni Banka in Pictures

Revenue & Profitability

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

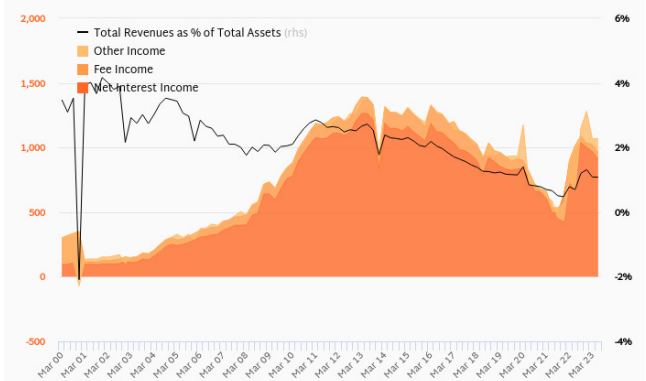


Source: Company Data, Helgi Library

Helgi Library

Revenue Breakdown

Revenue by Type of Income (CZK mil)

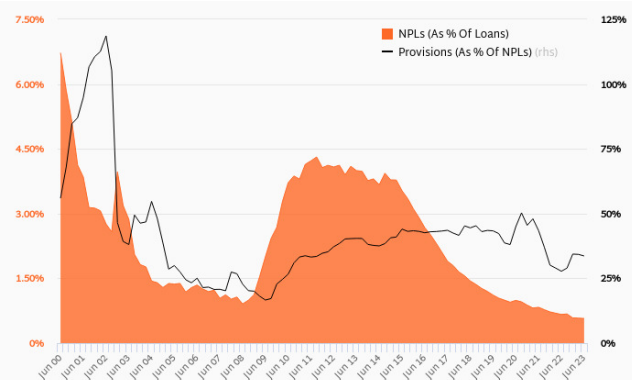


Source: Company Data, Helgi Library

Helgi Library

Asset Quality

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

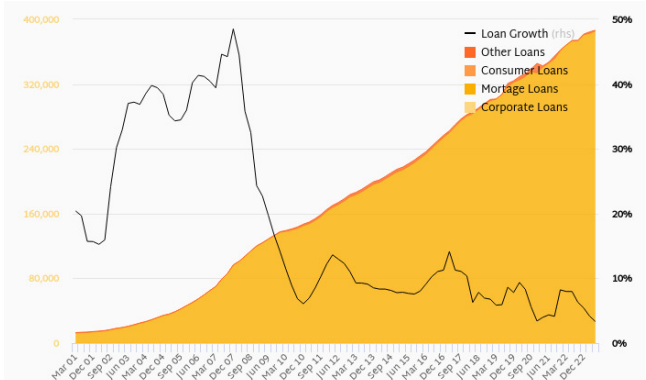


Source: Company Data, Helgi Library

Helgi Library

Loan Breakdown

Loans by Type (CZK mil)

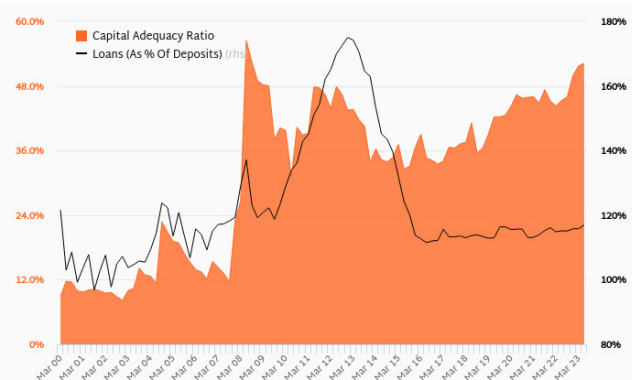


Source: Company Data, Helgi Library

Helgi Library

Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)

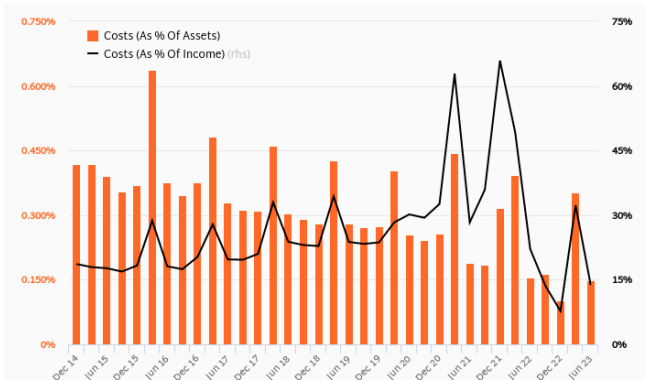


Source: Company Data, Helgi Library

Helgi Library

Cost Efficiency

Costs As % Of Assets & Income



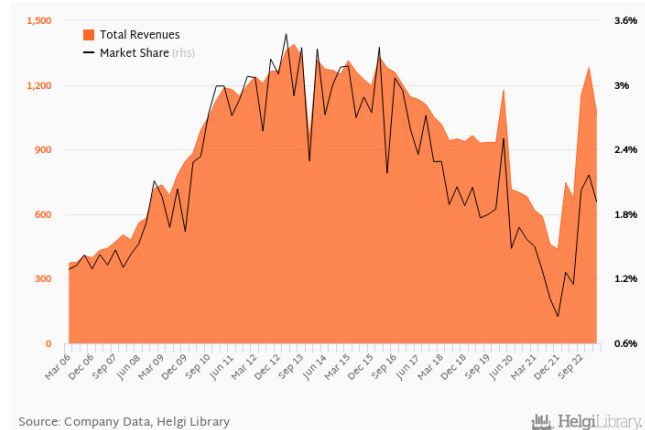
Source: Company Data, Helgi Library

Helgi Library

Hypotecni Banka – Market Share Development

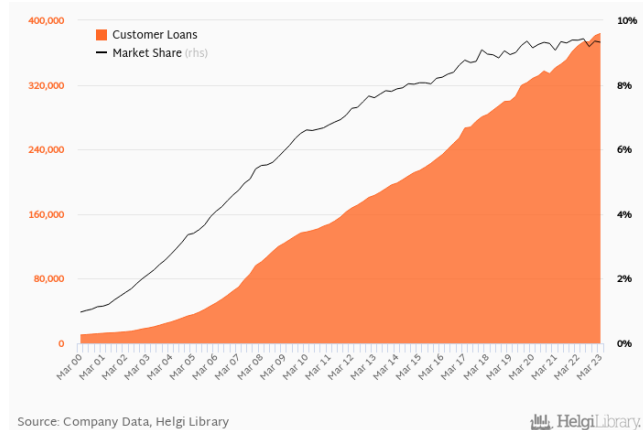
Market Share in Bank Revenues

Total Revenues (CZK mil)



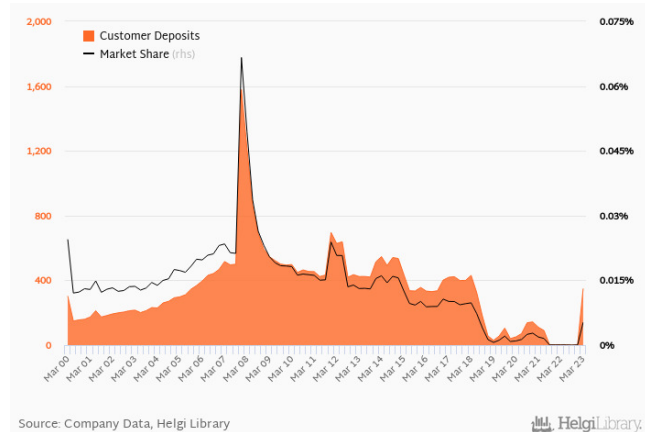
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



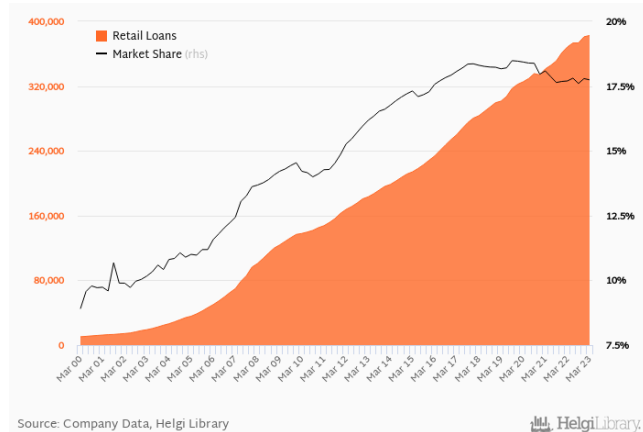
Market Share in Bank Deposits

Customer Deposits (CZK bil)



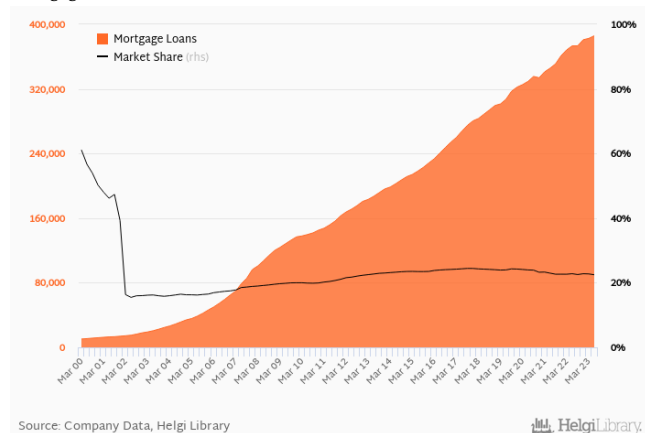
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



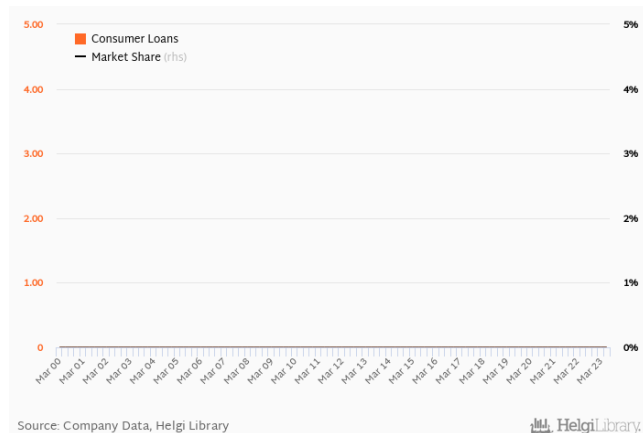
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

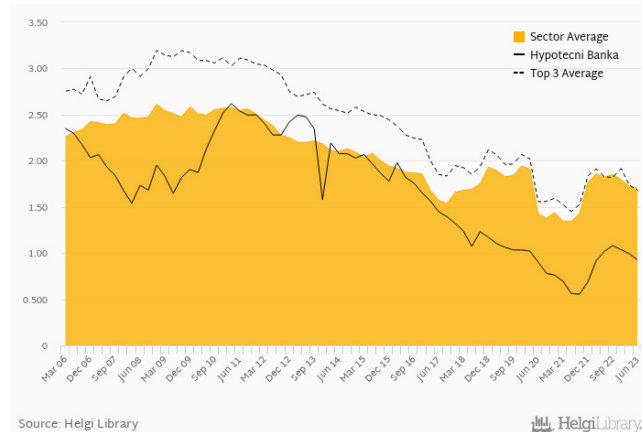
Consumer Loans (CZK mil)



Hypotecni Banka – Comparison with Sector

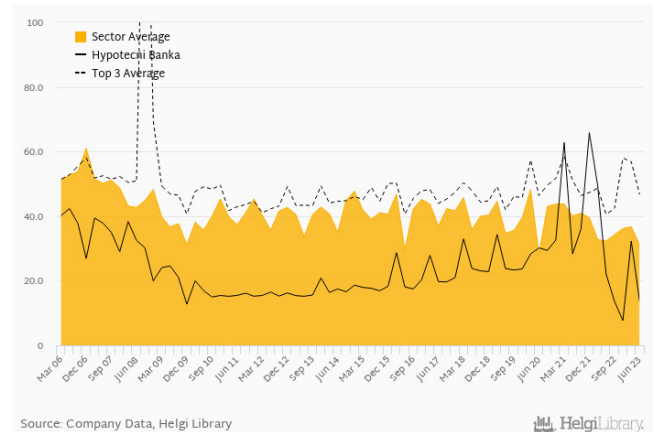
Hypotecni Banka – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



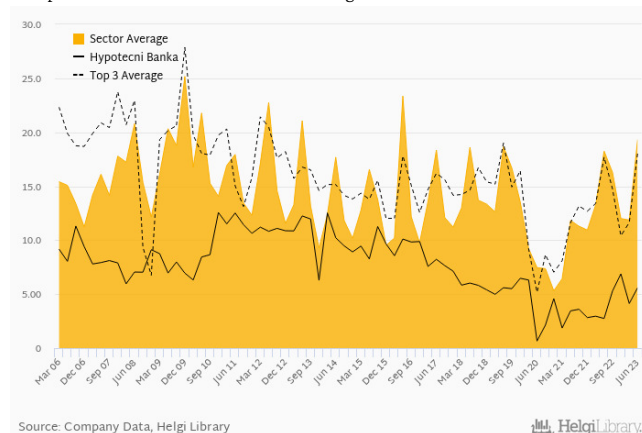
Hypotecni Banka – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



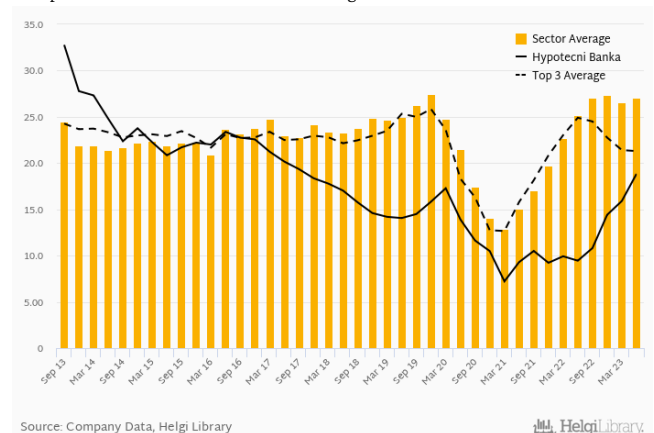
Hypotecni Banka – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



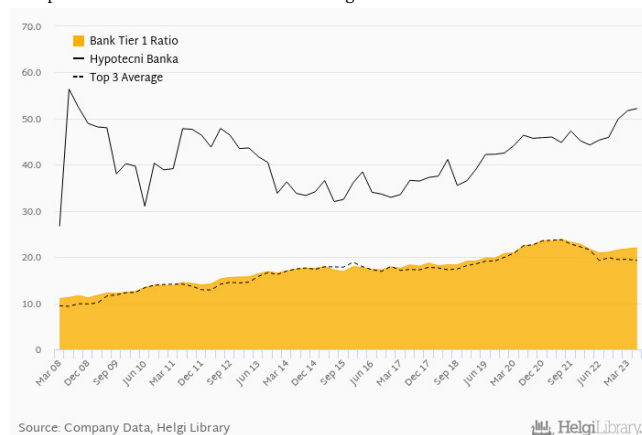
Hypotecni Banka – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



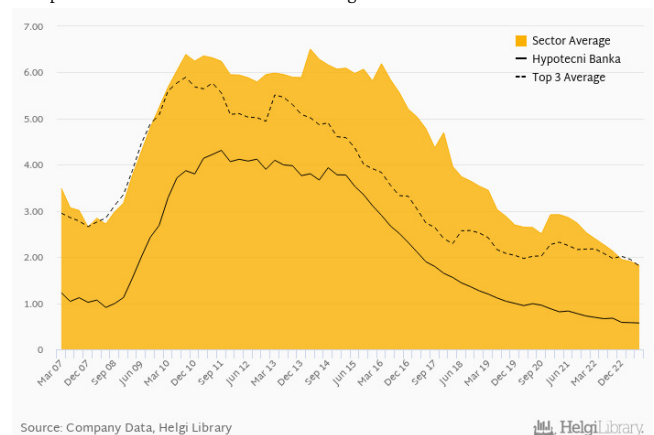
Hypotecni Banka – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Hypotecni Banka – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



J&T Banka

Quarterly Results – 2Q2023

J&T Banka made a net profit of CZK 1,906 mil in the second quarter of 2023, up 499% when compared to the previous year. Total revenues increased 223% yoy to CZK 3,870 mil, ROE amounted to 21.0% and the NPL ratio stood at 8.91%. In the last three years, the bank grew its loans by –2.12% a year, revenues rose by 37.4% and net profit increased by 45% a year, on average.

- ✓ Revenues increased 223% yoy to CZK 3,870 mil in the second quarter of 2023. Interest income formed 60.4% of total revenues with the net interest margin increasing 1.1 pp to 3.70% of total assets. Fees added a further 10.2% to total revenue generated in 2Q2023, down from an average of 17.3% as seen in the previous two years.
- ✓ Operating costs grew by 26.3% yoy to CZK 882 mil, so cost to income ratio reached 22.8%, down by 47.8% compared to the previous two years. Staff accounted for 48.1% of total operating expenditures. At the end of second quarter of 2023, J&T Banka operated a network of 7 branches and 719 employees.
- ✓ Loans and deposits dropped by 0.601% and 0% qoq respectively, so loan to deposit ratio reached 31.1% at the end of 2Q2023. That's down from 31.6% the previous year. Equity reached 14.4% of assets and we assume that capital adequacy ratio amounted to 21.4% at the end of the second quarter of 2023.
- ✓ NPLs were 8.91% of total loans at the end of the quarter, on our estimates. Provisions covered 81.2% of non-performing loans.
- ✓ When compared to selected peers, J&T Banka was 5.77 pp more profitable in terms of ROE, achieved 17.1 pp better cost efficiency when measured by cost to income ratio and grew its loans by 10.5 pp slower based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
719

Clients:
N/A

Branches:
7

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
21.4%*

Tier 1 Ratio:
21.3%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	3,870	223	1,906	499	21.0	22.8	31.1	14.4	8.91
2022	10,382	100	4,120	182	14.1	26.6	36.9	15.9	8.21
2021	5,179	5.48	1,459	37.9	6.58	42.0	41.3	12.1	8.42
2020	4,910	-59.5	1,058	-60.2	3.26	85.1	46.8	12.6	7.12
2019	12,125	8.17	2,659	-2.84	6.16	53.9	59.6	15.7	8.44
2018	11,210	98.3	2,737	21.1	8.87	51.7	60.8	15.1	10.3
2017	5,652	21.2	2,260	117	11.7	40.8	75.4	13.6	10.7

Source: Company Data, Helgi Library *Estimate

Data tells a story



J&T Banka – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	1,271	1,698	2,081	2,496	3,109	3,270	3,509	4,246
Interest Cost	CZK mil	355	462	718	1,021	1,188	1,387	1,634	1,907
Net Interest Income	CZK mil	916	1,236	1,362	1,475	1,921	1,883	1,875	2,339
Net Fee Income	CZK mil	291	340	300	316	354	444	352	394
Other Income	CZK mil	311	-556	553	-595	1,392	978	540	1,137
Total Revenues	CZK mil	1,519	1,020	2,215	1,197	3,666	3,305	2,767	3,870
Staff Cost	CZK mil	335	51.0	334	337	365	319	382	424
Depreciation	CZK mil	50.5	51.6	52.9	52.6	52.8	53.4	56.1	57.2
Other Cost	CZK mil	253	198	311	310	288	289	407	401
Operating Cost	CZK mil	638	301	698	699	705	661	845	882
Operating Profit	CZK mil	881	719	1,517	498	2,961	2,643	1,922	2,987
Provisions	CZK mil	328	798	-50.8	157	82.8	1,533	287	714
Pre-Tax Profit	CZK mil	553	-78.3	1,468	353	2,839	687	1,606	2,302
Net Profit	CZK mil	425	-114	1,166	318	2,277	358	1,161	1,906

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	7,085	5,171	7,272	7,943	7,309	1,156	4,784	7,086
Interbank Loans	CZK mil	99,657	98,455	110,183	144,751	137,470	123,170	149,476	146,620
Customer Loans	CZK mil	62,950	61,684	61,277	61,049	60,857	58,835	59,355	58,998
Investments	CZK mil	20,736	12,301	14,583	14,687	29,047	13,101	13,917	17,386
Property and Equipment	CZK mil	1,689	1,722	1,685	1,648	1,611	1,653	1,630	1,499
Intangible Assets	CZK mil	99.7	153	147	156	156	204	197	207
Total Assets	CZK mil	200,182	194,134	208,916	245,007	241,188	220,172	252,079	254,008
Shareholders' Equity	CZK mil	23,647	23,477	24,512	26,937	29,671	35,054	35,810	36,686
Liabilities	CZK mil	176,535	170,657	184,404	218,070	211,517	185,118	216,268	217,322
Interbank Borrowing	CZK mil	0	4,371	4,371	4,371	4,371	8,520	8,177	9,932
Customer Deposits	CZK mil	161,061	149,306	162,474	193,417	181,881	159,575	190,000	190,000
Issued Debt Securities	CZK mil	10,664	13,237	12,771	15,708	17,812	9,614	9,555	9,536
Other Liabilities	CZK mil	4,811	3,742	4,787	4,574	7,453	7,408	8,535	7,854

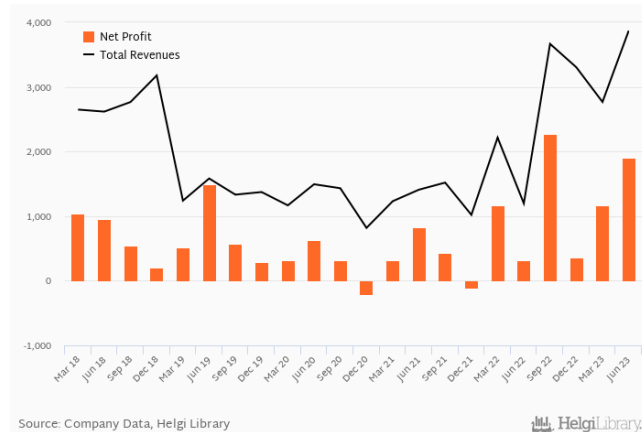
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	7.45	-1.94	19.4	4.95	32.2	4.43	13.1	21.0
ROA	%	0.875	-0.232	2.31	0.561	3.75	0.622	1.97	3.01
Costs (As % Of Assets)	%	1.31	0.610	1.38	1.23	1.16	1.15	1.43	1.39
Costs (As % Of Income)	%	42.0	29.5	31.5	58.4	19.2	20.0	30.5	22.8
Capital Adequacy Ratio	%	17.7	17.7	18.2	19.1	22.4	20.4	20.7	21.4
Net Interest Margin	%	1.89	2.51	2.70	2.60	3.16	3.26	3.18	3.70
Interest Income (As % Of Revenues)	%	60.3	121	61.5	123	52.4	57.0	67.8	60.4
Fee Income (As % Of Revenues)	%	19.2	33.3	13.5	26.4	9.65	13.4	12.7	10.2
Staff Cost (As % Of Total Cost)	%	52.5	17.0	47.8	48.2	51.7	48.3	45.2	48.1
Equity (As % Of Assets)	%	11.8	12.1	11.7	11.0	12.3	15.9	14.2	14.4
Loans (As % Of Deposits)	%	39.1	41.3	37.7	31.6	33.5	36.9	31.2	31.1
Loans (As % Assets)	%	31.4	31.8	29.3	24.9	25.2	26.7	23.5	23.2
NPLs (As % Of Loans)	%	7.89	8.42	8.43	8.58	8.66	8.21	8.35	8.91
Provisions (As % Of NPLs)	%	56.7	54.0	53.8	54.4	54.8	79.4	80.0	81.2

Source: Company Data, Helgi Library

J&T Banka in Pictures

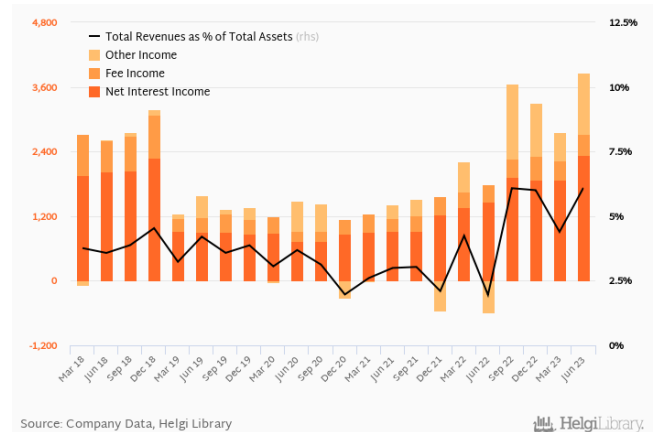
Revenue & Profitability

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



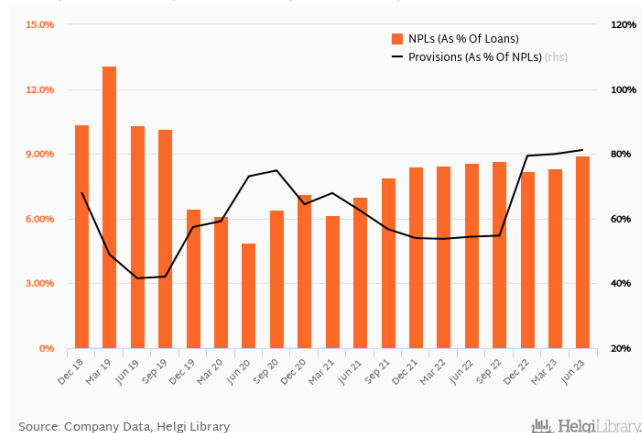
Revenue Breakdown

Revenue by Type of Income (CZK mil)



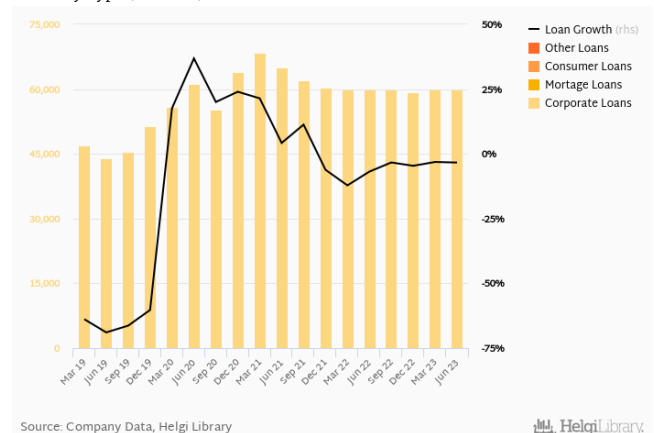
Asset Quality

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



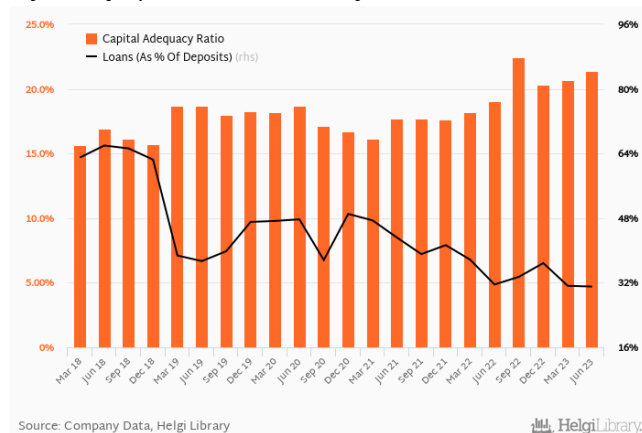
Loan Breakdown

Loans by Type (CZK mil)



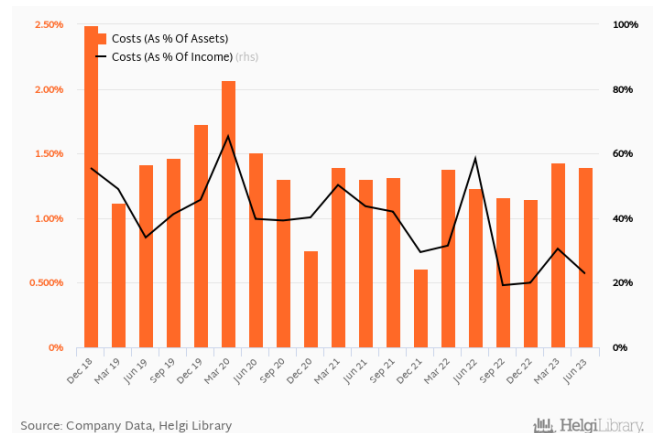
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

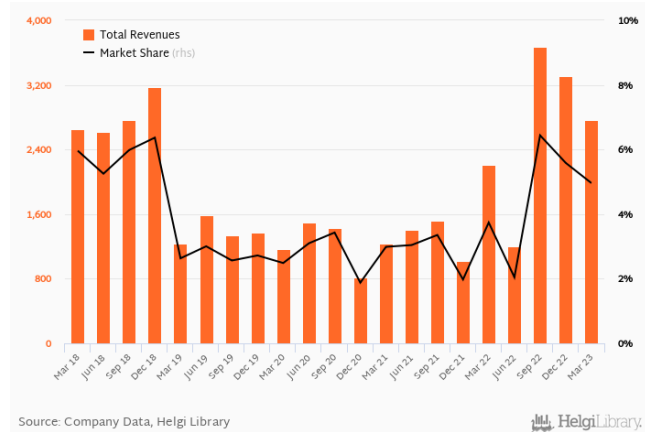
Costs As % Of Assets & Income



J&T Banka – Market Share Development

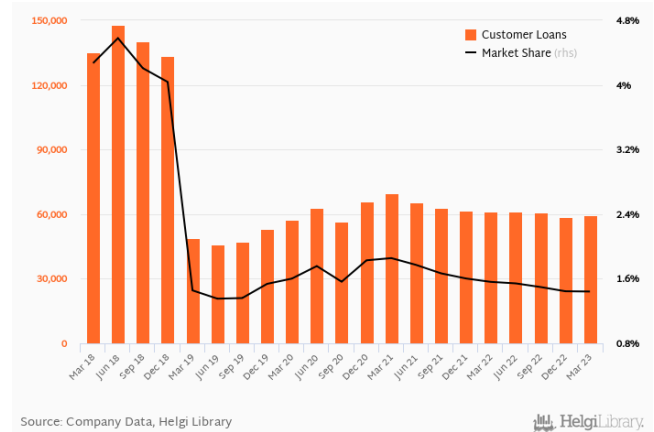
Market Share in Bank Revenues

Total Revenues (CZK mil)



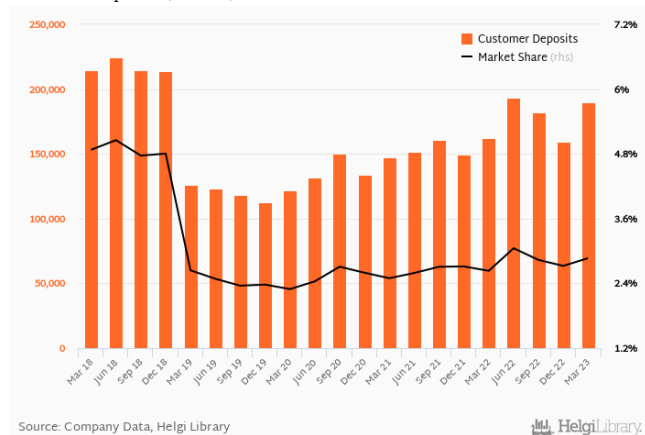
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



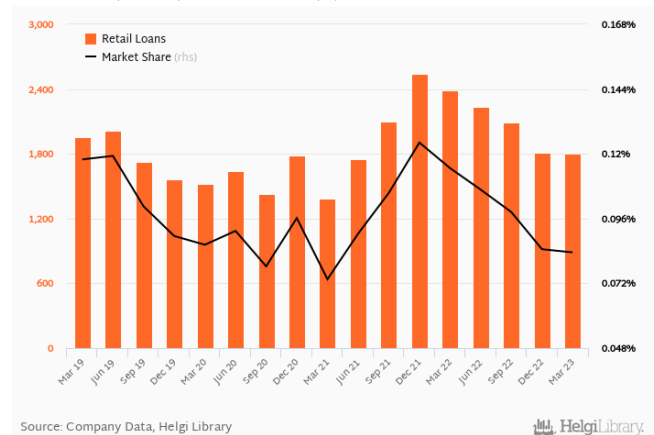
Market Share in Bank Deposits

Customer Deposits (CZK bil)



Market Share in Retail Loans

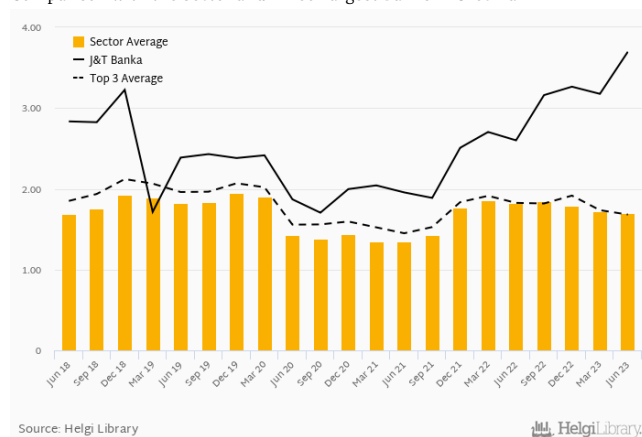
Retail Loans (CZK bil) & Market Share (%)



J&T Banka – Comparison with Sector

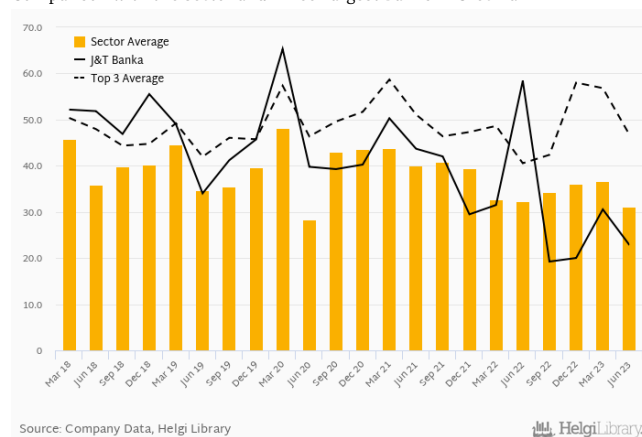
J&T Banka – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



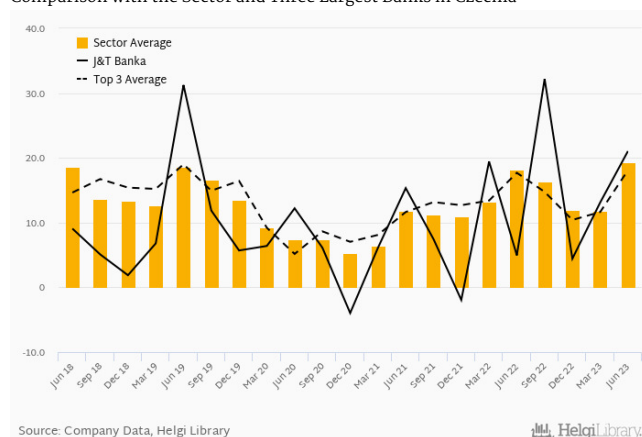
J&T Banka – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



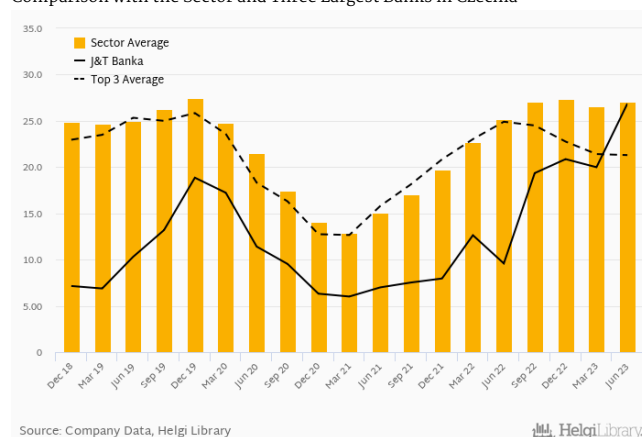
J&T Banka – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



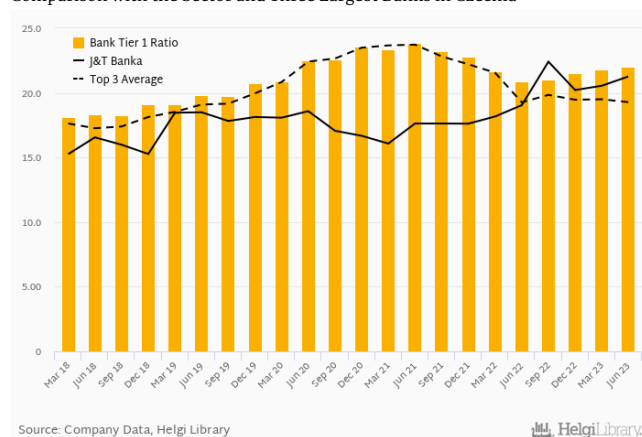
J&T Banka – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



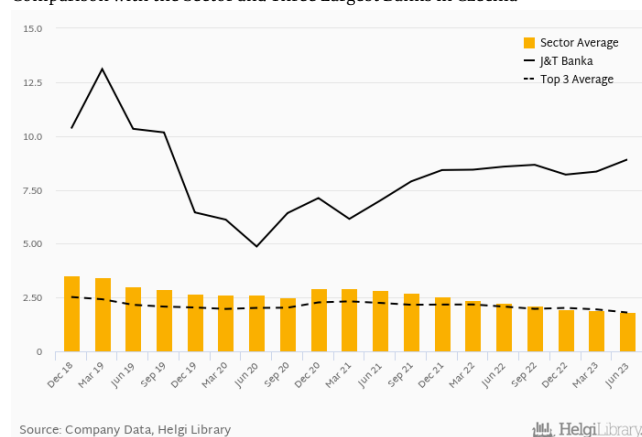
J&T Banka – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



J&T Banka – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Air Bank

Quarterly Results – 2Q2023

Air Bank made a net profit of CZK 936 mil in the second quarter of 2023, up 44.8% when compared to the previous year. Total revenues increased 23.6% yoy to CZK 1,841 mil, ROE amounted to 27.8% and the NPL ratio stood at 1.19%. In the last three years, the bank grew its loans by 16.9% a year, revenues rose by 32% and net profit increased by 26.5% a year, on average.

- ✓ Revenues increased 23.6% yoy to CZK 1,841 mil in the second quarter of 2023. Interest income formed 61.2% of total revenues with the net interest margin decreasing 0.529 pp to 2.93% of total assets. Fees added a further 8.43% to total revenue generated in 2Q2023, down from an average of 10.3% as seen in the previous two years.
- ✓ Operating costs grew by 7.78% yoy to CZK 625 mil, so cost to income ratio reached 34.0%, down by 38.7% compared to the previous two years. Staff accounted for 39.2% of total operating expenditures. At the end of second quarter of 2023, Air Bank operated a network of 32 branches and 991 employees.
- ✓ Loans and deposits grew by 3.06% and 0.152% qoq respectively, so loan to deposit ratio reached 65.6% at the end of 2Q2023. That's up from 59.6% the previous year. Equity reached 8.97% of assets and we assume that capital adequacy ratio amounted to 17.7% at the end of the second quarter of 2023.
- ✓ NPLs were 1.19% of total loans at the end of the quarter, on our estimates. Provisions covered 111% of non-performing loans.
- ✓ When compared to selected peers, Air Bank was 12.5 pp more profitable in terms of ROE, achieved 5.98 pp better cost efficiency when measured by cost to income ratio and grew its loans by 5.46 pp faster based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
991

Clients:
N/A

Branches:
32

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
17.7%*

Tier 1 Ratio:
17.3%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	1,841	23.6	936	44.8	27.8	34.0	65.6	8.97	1.19
2022	6,527	47.5	2,548	36.8	20.3	36.7	63.1	8.24	3.96
2021	4,426	15.0	1,862	41.5	16.0	50.6	52.2	8.56	3.25
2020	3,848	4.37	1,316	-14.8	12.8	45.3	47.5	7.81	3.19
2019	3,687	26.5	1,544	42.7	17.4	46.2	51.9	8.28	1.69
2018	2,914	-0.817	1,082	-3.82	14.8	55.5	44.9	6.96	2.29
2017	2,938	17.1	1,125	148	18.4	52.7	43.3	6.79	2.98

Source: Company Data, Helgi Library *Estimate

Data tells a story



Air Bank – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	1,492	1,740	1,895	2,538	2,101	1,936	2,310	2,505
Interest Cost	CZK mil	613	707	752	1,248	762	772	1,229	1,378
Net Interest Income	CZK mil	879	1,033	1,143	1,289	1,339	1,164	1,080	1,127
Net Fee Income	CZK mil	60.7	205	121	142	132	225	146	155
Other Income	CZK mil	39.0	0.391	99.6	58.0	184	203	171	558
Total Revenues	CZK mil	978	1,238	1,363	1,489	1,655	1,592	1,397	1,841
Staff Cost	CZK mil	173	184	221	216	220	231	238	245
Depreciation	CZK mil	116	120	128	129	130	130	133	135
Other Cost	CZK mil	166	187	198	235	209	273	233	246
Operating Cost	CZK mil	456	491	547	580	559	634	604	625
Operating Profit	CZK mil	522	746	816	909	1,096	958	793	1,216
Provisions	CZK mil	-80.4	-14.6	19.8	104	193	250	111	148
Pre-Tax Profit	CZK mil	603	761	796	806	902	708	682	1,067
Net Profit	CZK mil	488	765	644	647	727	569	551	936

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	26,046	7,409	11,587	4,195	4,427	5,505	4,176	4,744
Interbank Loans	CZK mil	3,000	2,691	2,691	2,691	2,691	2,600	2,600	2,600
Customer Loans	CZK mil	68,346	67,497	72,300	76,250	80,250	81,401	83,345	85,895
Investments	CZK mil	30,355	38,470	38,321	37,460	41,246	36,686	37,125	33,822
Property and Equipment	CZK mil	518	516	479	448	419	474	495	485
Intangible Assets	CZK mil	1,263	1,550	1,554	1,550	1,536	1,552	1,546	1,550
Total Assets	CZK mil	149,663	146,115	148,692	149,588	153,928	152,004	152,530	155,399
Shareholders' Equity	CZK mil	12,181	12,421	13,066	11,162	11,887	12,458	13,009	13,947
Liabilities	CZK mil	137,482	133,694	135,626	138,426	142,041	139,546	139,521	141,452
Interbank Borrowing	CZK mil	0	0	0	0	0	0	0	0
Customer Deposits	CZK mil	134,430	129,320	130,138	128,042	131,208	131,208	131,208	131,009
Issued Debt Securities	CZK mil	283	278	296	299	303	1,599	1,626	1,633
Other Liabilities	CZK mil	2,770	4,096	5,192	10,085	10,530	6,739	6,687	8,810

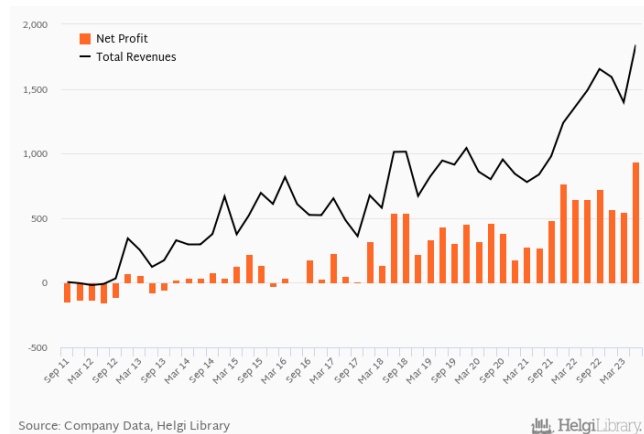
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	16.3	24.9	20.2	21.4	25.2	18.7	17.3	27.8
ROA	%	1.32	2.07	1.75	1.73	1.92	1.49	1.45	2.43
Costs (As % Of Assets)	%	1.23	1.33	1.48	1.56	1.47	1.66	1.59	1.62
Costs (As % Of Income)	%	46.6	39.7	40.1	38.9	33.8	39.8	43.3	34.0
Capital Adequacy Ratio	%	17.3	18.2	18.0	18.0	17.2	16.6	16.9	17.7
Net Interest Margin	%	2.37	2.79	3.10	3.46	3.53	3.04	2.84	2.93
Interest Income (As % Of Revenues)	%	89.8	83.4	83.8	86.6	80.9	73.1	77.3	61.2
Fee Income (As % Of Revenues)	%	6.20	16.5	8.85	9.52	7.98	14.1	10.4	8.43
Staff Cost (As % Of Total Cost)	%	38.0	37.5	40.3	37.3	39.3	36.4	39.4	39.2
Equity (As % Of Assets)	%	8.14	8.50	8.79	7.46	7.72	8.20	8.53	8.97
Loans (As % Of Deposits)	%	50.8	52.2	55.6	59.6	61.2	62.0	63.5	65.6
Loans (As % Assets)	%	45.7	46.2	48.6	51.0	52.1	53.6	54.6	55.3
NPLs (As % Of Loans)	%	0.819	0.908	0.861	0.885	0.961	1.10	1.14	1.19
Provisions (As % Of NPLs)	%	129	119	118	117	115	113	112	111

Source: Company Data, Helgi Library

Air Bank in Pictures

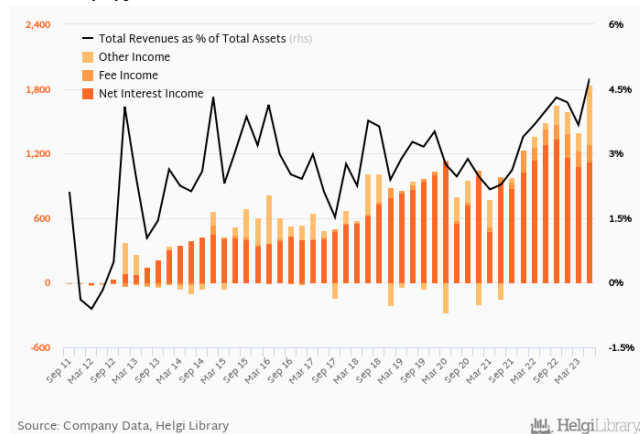
Revenue & Profitability

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



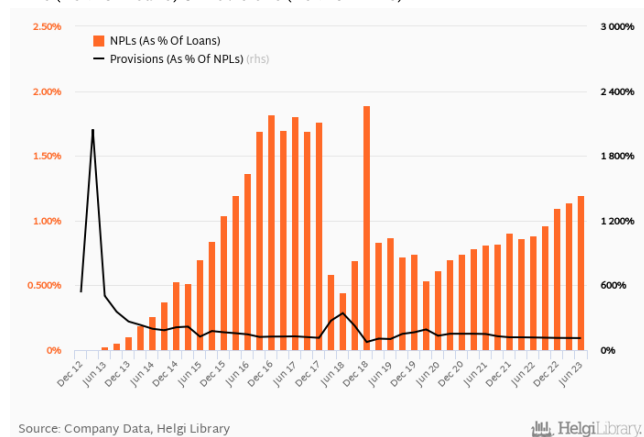
Revenue Breakdown

Revenue by Type of Income (CZK mil)



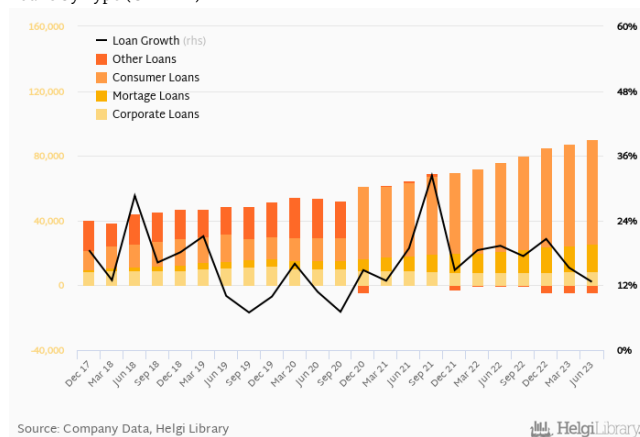
Asset Quality

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



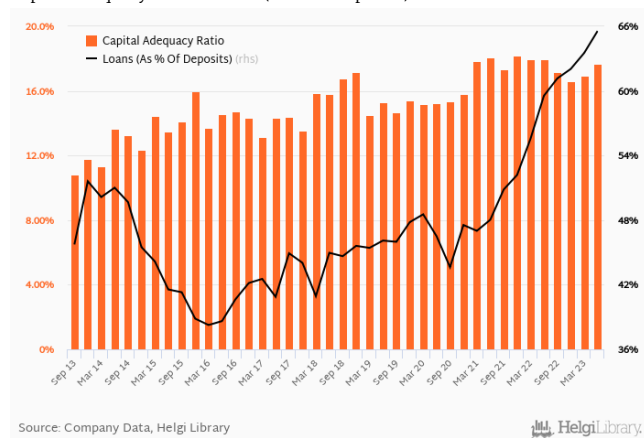
Loan Breakdown

Loans by Type (CZK mil)



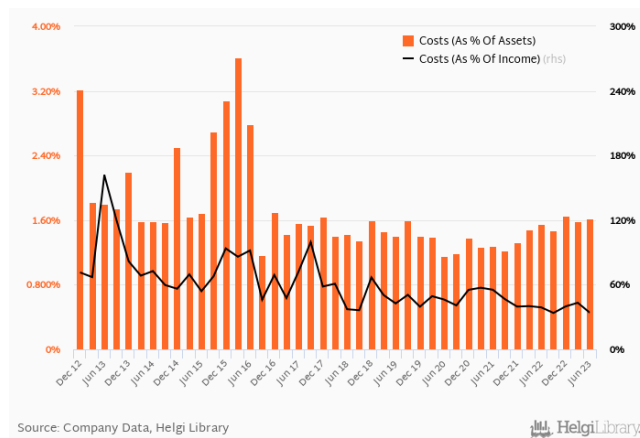
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

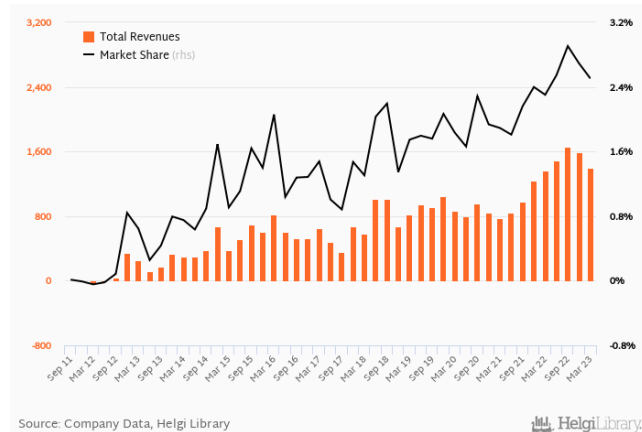
Costs As % Of Assets & Income



Air Bank – Market Share Development

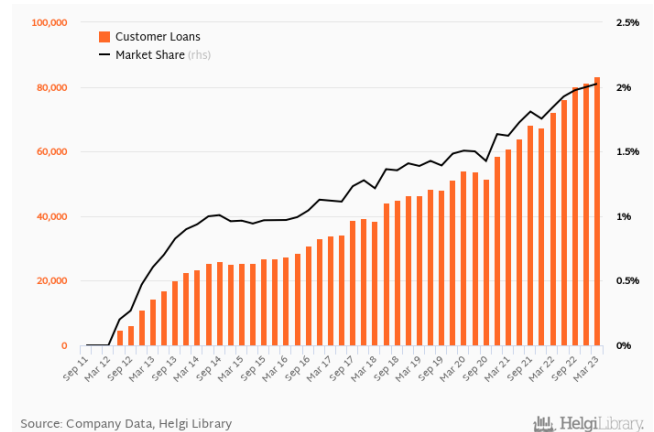
Market Share in Bank Revenues

Total Revenues (CZK mil)



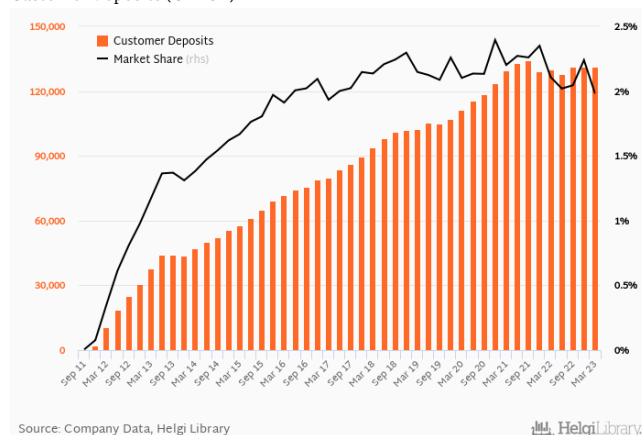
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



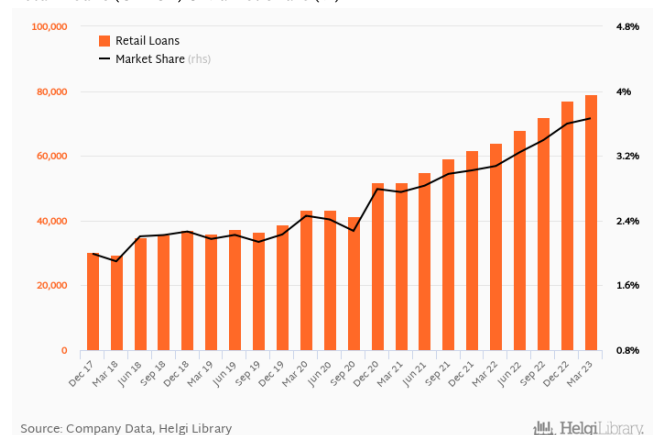
Market Share in Bank Deposits

Customer Deposits (CZK bil)



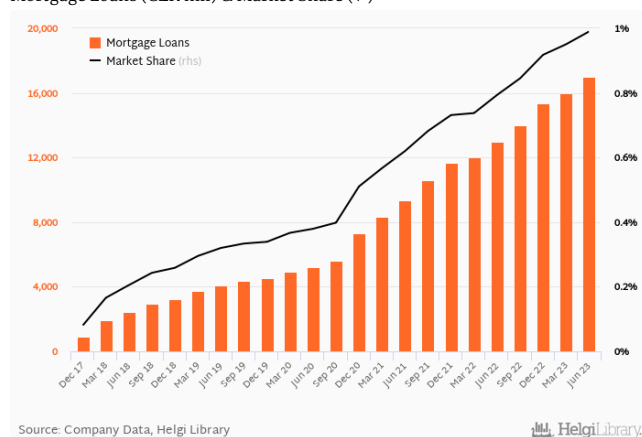
Market Share in Retail Loans

Retail Loans (CZK bil) & Market Share (%)



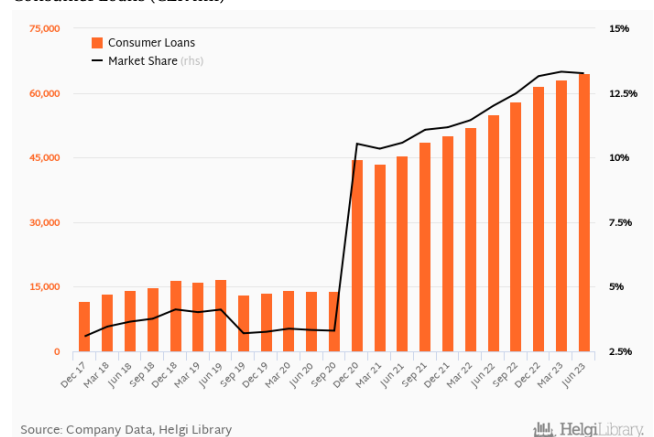
Market Share in Mortgage Loans

Mortgage Loans (CZK mil) & Market Share (%)



Market Share in Consumer Loans

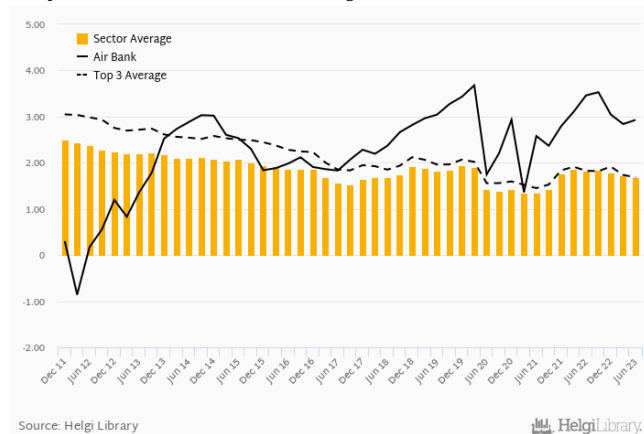
Consumer Loans (CZK mil)



Air Bank – Comparison with Sector

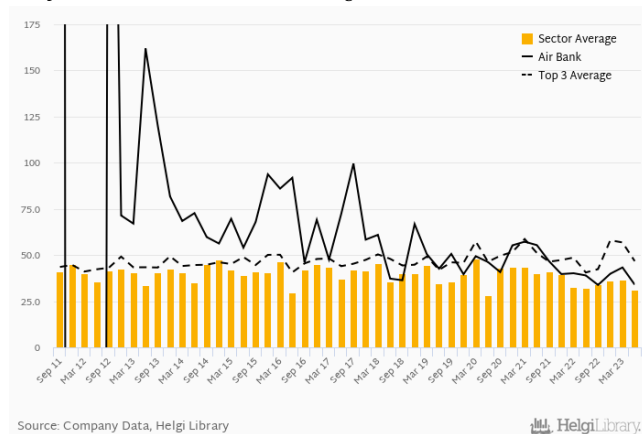
Air Bank – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



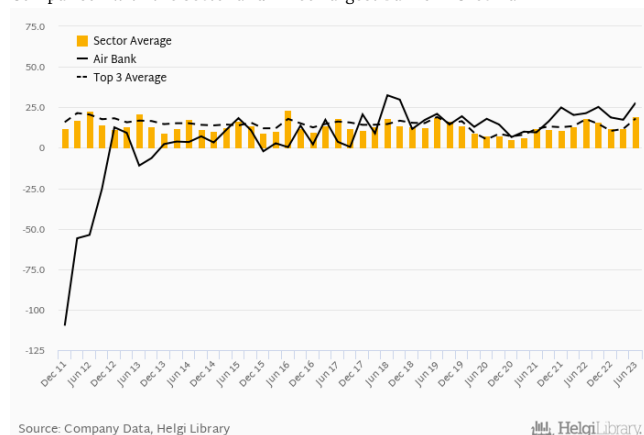
Air Bank – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



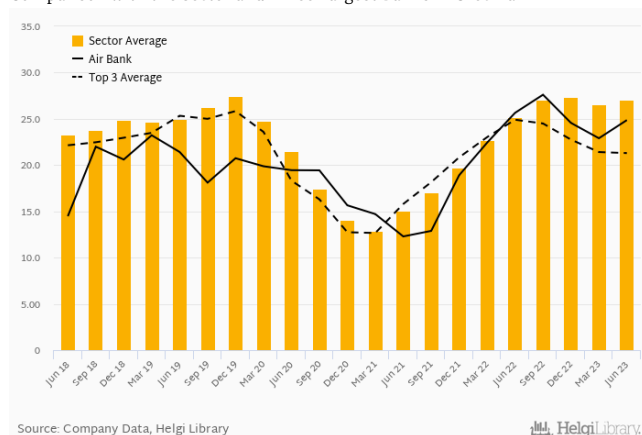
Air Bank – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



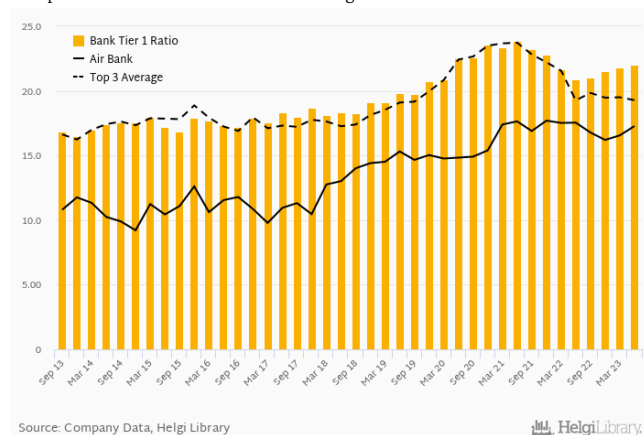
Air Bank – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



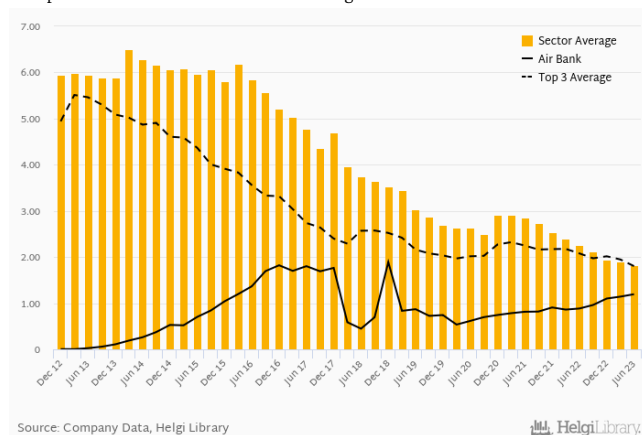
Air Bank – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Air Bank – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Banka Creditas

Quarterly Results – 2Q2023

Banka Creditas made a net profit of CZK 223 mil in the second quarter of 2023, up 150% when compared to the previous year. Total revenues increased 27.9% yoy to CZK 499 mil, ROE amounted to 11.8% and the NPL ratio stood at 4.90%. In the last three years, the bank grew its loans by 36.4% a year, revenues rose by 31.6% and net profit increased by 0% a year, on average.

- ✓ Revenues increased 27.9% yoy to CZK 499 mil in the second quarter of 2023. Interest income formed 79.3% of total revenues with the net interest margin decreasing 0.667 pp to 1.36% of total assets. Fees added a further 1.34% to total revenue generated in 2Q2023, down from an average of 1.91% as seen in the previous two years.
- ✓ Operating costs grew by 48.6% yoy to CZK 336 mil, so cost to income ratio reached 67.4%, down by 25.9% compared to the previous two years. Staff accounted for 38.9% of total operating expenditures. At the end of second quarter of 2023, Banka Creditas operated a network of 36 branches and 470 employees.
- ✓ Loans and deposits grew by 9.38% and 5.69% qoq respectively, so loan to deposit ratio reached 31.6% at the end of 2Q2023. That's down from 36.0% the previous year. Equity reached 6.42% of assets and we assume that capital adequacy ratio amounted to 24.2% at the end of the second quarter of 2023.
- ✓ NPLs were 4.90% of total loans at the end of the quarter, on our estimates. Provisions covered 34.3% of non-performing loans.
- ✓ When compared to selected peers, Banka Creditas was 3.44 pp less profitable in terms of ROE, achieved 27.4 pp worse cost efficiency when measured by cost to income ratio and grew its loans by 24.9 pp faster based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
470

Clients:
N/A

Branches:
36

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
24.2%*

Tier 1 Ratio:
19.1%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	499	27.9	223	150	11.8	67.4	31.6	6.42	4.90
2022	1,758	85.2	451	1,837	9.39	63.8	26.4	4.03	5.66
2021	949	-13.1	23.3	-79.6	0.512	91.3	41.6	7.25	8.78
2020	1,092	-1.51	114	-56.5	2.55	75.2	25.6	6.80	17.5
2019	1,109	39.3	263	53.4	6.71	66.9	21.4	6.03	8.68
2018	796	94.0	171	159	6.06	67.0	39.5	8.33	7.65
2017	410	21.4	66.2	266	3.49	107	44.7	7.08	9.76

Source: Company Data, Helgi Library *Estimate

Data tells a story



Banka Credits – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	345	472	666	877	1,164	1,262	1,478	1,738
Interest Cost	CZK mil	101	177	330	491	741	963	1,159	1,342
Net Interest Income	CZK mil	243	295	336	386	422	299	319	396
Net Fee Income	CZK mil	2.91	8.20	10.4	4.93	7.13	12.2	7.48	6.69
Other Income	CZK mil	-45.3	43.0	-11.4	-0.836	60.0	127	165	96.5
Total Revenues	CZK mil	201	347	335	390	489	439	491	499
Staff Cost	CZK mil	88.9	97.6	100.0	100	112	127	121	131
Depreciation	CZK mil	61.8	63.7	56.4	57.5	55.7	59.0	59.1	58.1
Other Cost	CZK mil	68.5	157	69.7	68.7	67.9	167	92.3	147
Operating Cost	CZK mil	219	318	226	226	235	353	273	336
Operating Profit	CZK mil	-18.3	28.3	109	164	254	85.8	218	163
Provisions	CZK mil	-18.1	73.7	0.552	13.1	29.4	54.4	-20.6	22.6
Pre-Tax Profit	CZK mil	-0.136	5.50	105	139	1,488	-111	314	240
Net Profit	CZK mil	3.15	7.85	92.9	89.2	1,450	-22.4	269	223

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	7,444	920	4,725	1,657	1,097	1,742	2,530	2,424
Interbank Loans	CZK mil	20,963	23,757	41,562	49,065	35,231	41,079	53,865	55,001
Customer Loans	CZK mil	21,246	22,893	25,000	26,500	28,000	30,159	32,000	35,000
Investments	CZK mil	12,001	12,476	13,217	14,430	17,008	17,680	19,651	20,544
Property and Equipment	CZK mil	589	753	760	736	710	744	769	785
Intangible Assets	CZK mil	188	181	187	188	189	201	189	249
Total Assets	CZK mil	64,436	62,531	73,310	79,025	84,703	95,012	113,321	119,409
Shareholders' Equity	CZK mil	4,552	4,560	4,653	4,742	6,200	6,178	7,446	7,669
Liabilities	CZK mil	59,884	57,971	68,657	74,283	78,503	88,834	105,874	111,740
Interbank Borrowing	CZK mil	0	0	0	0	0	0	0	0
Customer Deposits	CZK mil	59,440	57,369	67,961	73,628	77,782	87,981	104,927	110,902
Issued Debt Securities	CZK mil	0	0	0	0	0	0	0	0
Other Liabilities	CZK mil	445	602	696	655	721	853	948	838

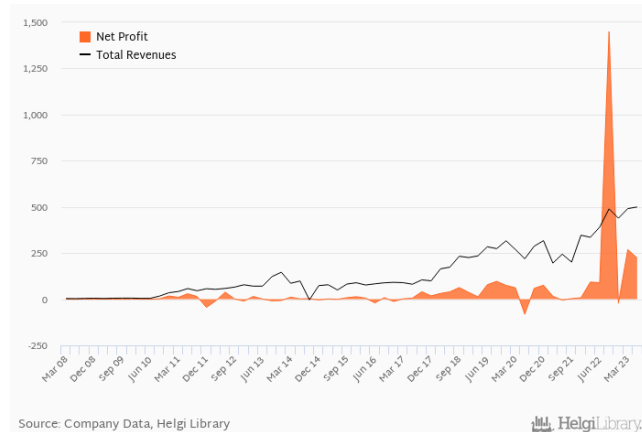
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	0.277	0.689	8.07	7.59	13.6	-1.45	15.8	11.8
ROA	%	0.019	0.049	0.547	0.468	0.908	-0.100	1.03	0.768
Costs (As % Of Assets)	%	1.35	2.01	1.33	1.19	1.15	1.57	1.05	1.16
Costs (As % Of Income)	%	109	91.8	67.4	58.0	48.1	80.4	55.5	67.4
Capital Adequacy Ratio	%	21.1	21.4	22.6	23.5	22.6	26.5	25.8	24.2
Net Interest Margin	%	1.50	1.86	1.98	2.03	2.06	1.33	1.22	1.36
Interest Income (As % Of Revenues)	%	121	85.2	100	99.0	86.3	68.2	64.9	79.3
Fee Income (As % Of Revenues)	%	1.45	2.37	3.10	1.26	1.46	2.78	1.52	1.34
Staff Cost (As % Of Total Cost)	%	40.6	30.7	44.2	44.3	47.5	35.9	44.5	38.9
Equity (As % Of Assets)	%	7.06	7.29	6.35	6.00	7.32	6.50	6.57	6.42
Loans (As % Of Deposits)	%	35.7	39.9	36.8	36.0	36.0	34.3	30.5	31.6
Loans (As % Assets)	%	33.0	36.6	34.1	33.5	33.1	31.7	28.2	29.3
NPLs (As % Of Loans)	%	10.6	8.96	8.22	7.79	7.42	5.66	5.31	4.90
Provisions (As % Of NPLs)	%	18.3	20.7	20.7	20.9	21.5	34.3	33.9	34.3

Source: Company Data, Helgi Library

Banka Credits in Pictures

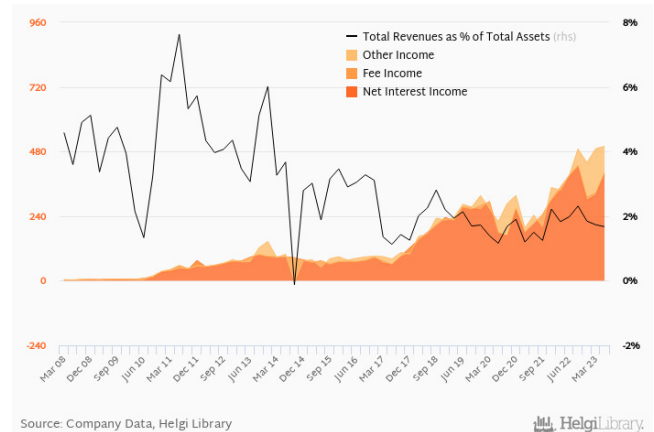
Revenue & Profitability

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



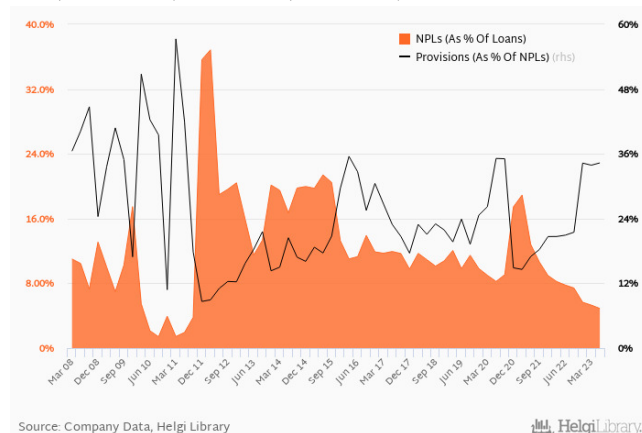
Revenue Breakdown

Revenue by Type of Income (CZK mil)



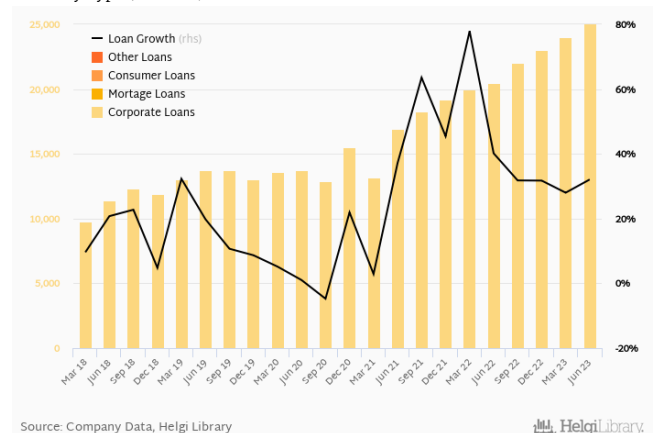
Asset Quality

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



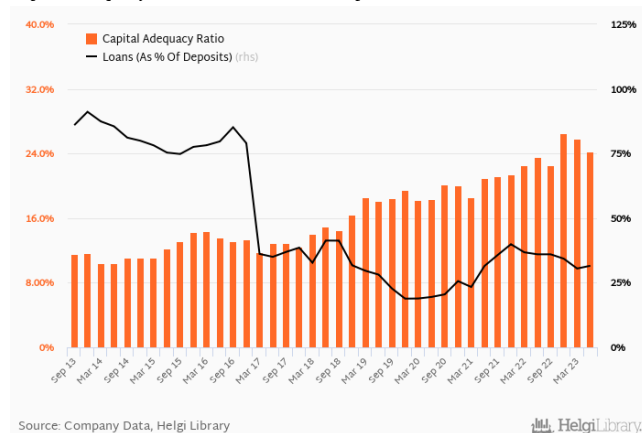
Loan Breakdown

Loans by Type (CZK mil)



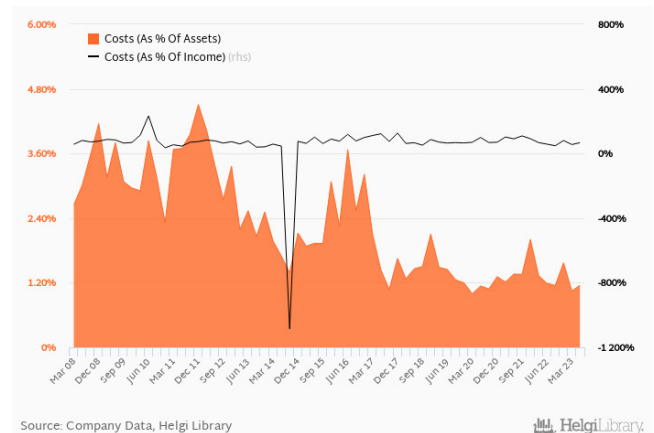
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

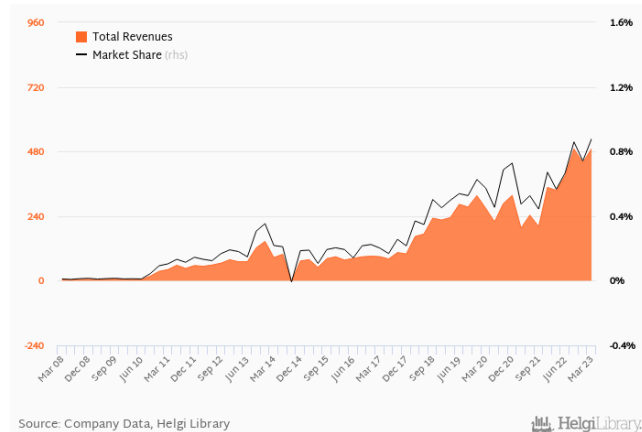
Costs As % Of Assets & Income



Banka Creditas – Market Share Development

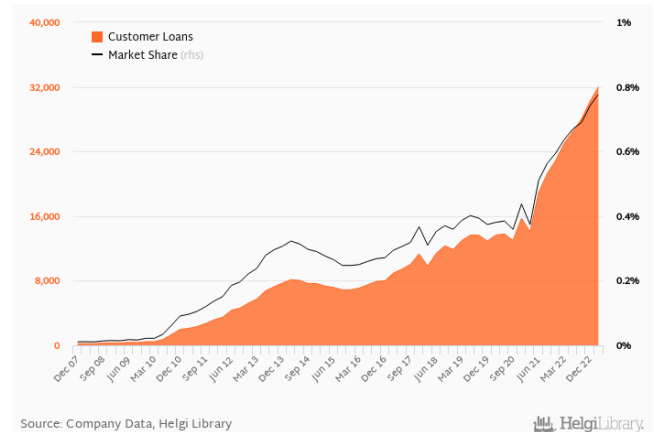
Market Share in Bank Revenues

Total Revenues (CZK mil)



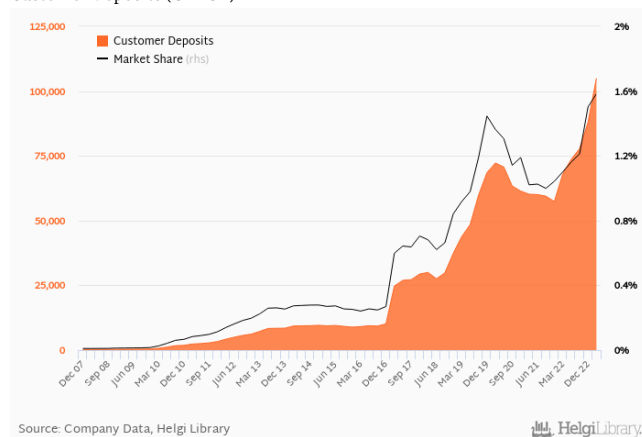
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



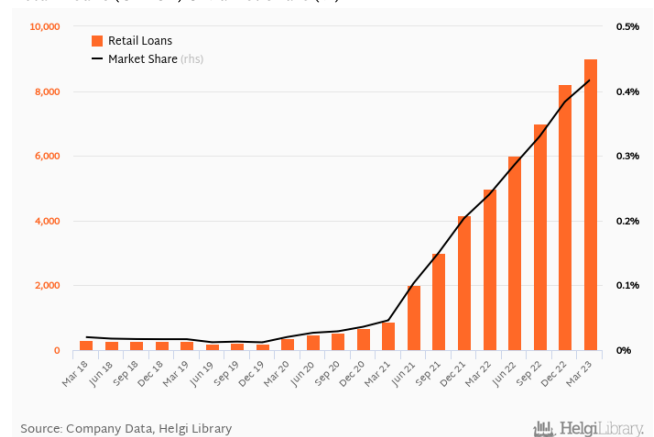
Market Share in Bank Deposits

Customer Deposits (CZK bil)



Market Share in Retail Loans

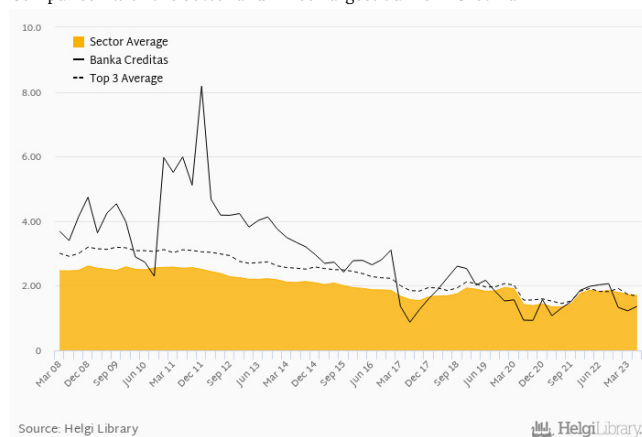
Retail Loans (CZK bil) & Market Share (%)



Banka Creditas – Comparison with Sector

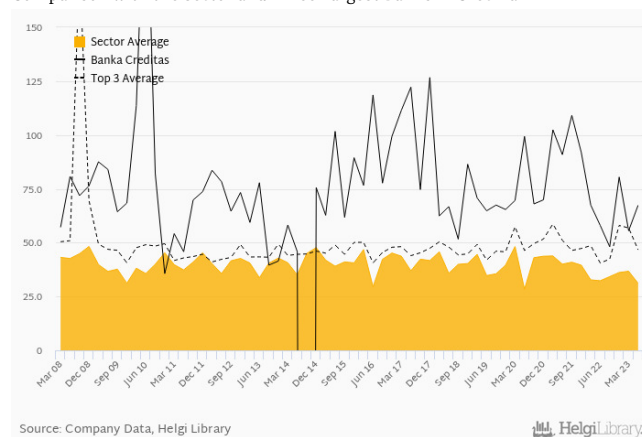
Banka Creditas – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



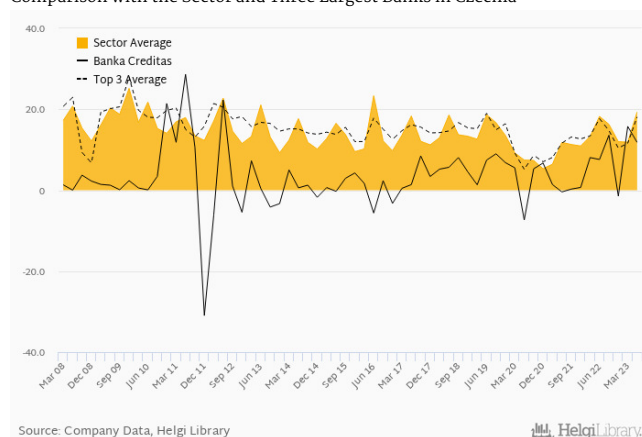
Banka Creditas – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



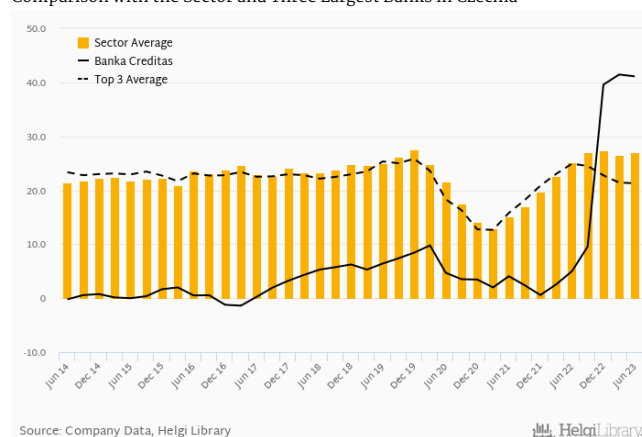
Banka Creditas – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



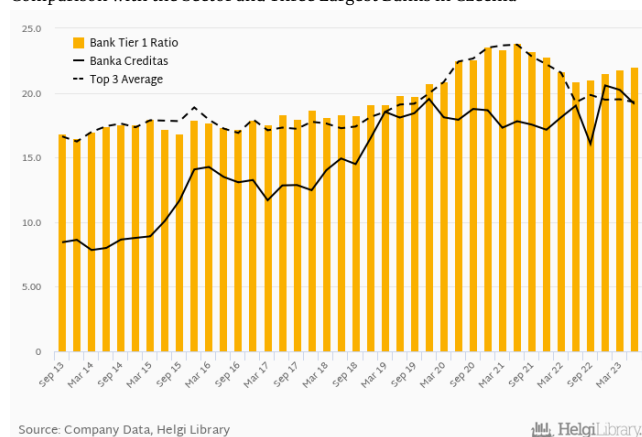
Banka Creditas – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



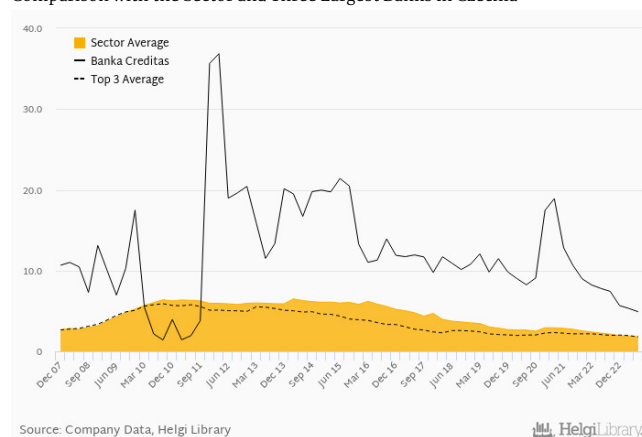
Banka Creditas – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Banka Creditas – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Trinity Bank

Quarterly Results – 2Q2023

Trinity Bank made a net profit of CZK 196 mil in the second quarter of 2023, up 10.4% when compared to the previous year. Total revenues increased 12.1% yoy to CZK 438 mil, ROE amounted to 15.6% and the NPL ratio stood at 4.12%. In the last three years, the bank grew its loans by 6.22% a year, revenues rose by 57.2% and net profit increased by 152% a year, on average.

- ✓ Revenues increased 12.1% yoy to CZK 438 mil in the second quarter of 2023. Interest income formed 69.1% of total revenues with the net interest margin increasing 0.116 pp to 1.71% of total assets. Fees added a further 5.89% to total revenue generated in 2Q2023, down from an average of 7.22% as seen in the previous two years.
- ✓ Operating costs grew by 39% yoy to CZK 193 mil, so cost to income ratio reached 44.2%, down by 34.9% compared to the previous two years. Staff accounted for 42.5% of total operating expenditures. At the end of second quarter of 2023, Trinity Bank operated a network of 9 branches and 181 employees.
- ✓ Loans and deposits grew by 6.25% and 5.69% qoq respectively, so loan to deposit ratio reached 25.7% at the end of 2Q2023. That's up from 17.2% the previous year. Equity reached 6.93% of assets and we assume that capital adequacy ratio amounted to 23.1% at the end of the second quarter of 2023.
- ✓ NPLs were 4.12% of total loans at the end of the quarter, on our estimates. Provisions covered 18.7% of non-performing loans.
- ✓ When compared to selected peers, Trinity Bank was 0.311 pp more profitable in terms of ROE, achieved 4.23 pp worse cost efficiency when measured by cost to income ratio and grew its loans by 35.7 pp faster based on a last year comparison.

Sector:
Banking

Country:
Czechia

Employees:
181

Clients:
N/A

Branches:
9

ATMs:
N/A

Bank Cards:
N/A

Capital Adequacy Ratio:
23.1%*

Tier 1 Ratio:
21.3%*

KEY FIGURES									
	REVENUES	REVENUE GROWTH	NET PROFIT	PROFIT GROWTH	ROE	COST TO INCOME	LOAN / DEPOSITS	EQUITY / ASSETS	NPL RATIO
	CZK mil	%	CZK mil	%	%	%	%	%	%
2Q2023	438	12.1	196	10.4	15.6	44.2	25.7	6.93	4.12
2022	1,543	178	803	401	23.0	33.4	25.8	7.06	4.63
2021	556	39.6	160	165	7.44	58.5	28.3	6.75	9.56
2020	398	69.5	60.6	20.3	3.40	62.9	47.4	10.5	18.3
2019	235	-19.9	50.4	-1.70	2.81	104	37.7	10.7	19.9
2018	293	14.1	51.3	9.07	2.77	88.2	86.9	20.1	33.1
2017	257	-1.26	47.0	87.8	2.61	79.1	90.1	18.1	26.4

Source: Company Data, Helgi Library *Estimate

Data tells a story



Trinity Bank – Financials

INCOME STATEMENT		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Interest Income	CZK mil	132	226	485	858	1,084	1,030	1,004	1,139
Interest Cost	CZK mil	16.7	99.8	320	588	692	724	729	837
Net Interest Income	CZK mil	115	126	166	270	392	307	275	302
Net Fee Income	CZK mil	12.5	13.5	18.9	23.1	17.7	26.0	21.7	25.8
Other Income	CZK mil	34.8	-34.1	5.55	97.3	140	79.3	71.0	109
Total Revenues	CZK mil	162	106	190	390	550	412	367	438
Staff Cost	CZK mil	42.3	45.5	52.9	69.2	75.4	74.4	87.1	82.1
Depreciation	CZK mil	11.6	25.0	8.75	9.10	9.30	38.3	9.79	10.3
Other Cost	CZK mil	33.6	9.96	40.9	60.8	59.8	15.8	81.3	101
Operating Cost	CZK mil	87.5	80.4	103	139	144	129	178	193
Operating Profit	CZK mil	74.9	25.1	87.5	251	406	284	189	244
Provisions	CZK mil	-2.98	-35.1	4.94	22.7	10.3	-12.4	0.431	1.79
Pre-Tax Profit	CZK mil	77.9	51.6	82.5	229	395	296	189	243
Net Profit	CZK mil	62.7	40.6	66.1	178	316	243	153	196

BALANCE SHEET		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
Cash & Cash Equivalents	CZK mil	665	872	3,609	663	1,938	1,672	2,380	2,249
Interbank Loans	CZK mil	4,926	21,738	40,202	48,055	40,317	33,469	36,462	38,575
Customer Loans	CZK mil	8,988	9,257	10,576	11,895	12,510	15,106	16,000	17,000
Investments	CZK mil	3,841	3,756	7,057	10,911	11,653	12,033	11,818	11,853
Property and Equipment	CZK mil	351	366	374	376	385	405	437	464
Intangible Assets	CZK mil	59.8	63.3	59.9	57.4	69.4	117	134	179
Total Assets	CZK mil	19,203	36,986	62,538	72,663	67,745	63,965	68,880	72,301
Shareholders' Equity	CZK mil	2,453	2,481	2,618	2,897	3,629	4,519	5,066	5,008
Liabilities	CZK mil	16,750	34,505	59,920	69,766	64,115	59,447	63,813	67,293
Interbank Borrowing	CZK mil	1,000	1,381	1,000	383	383	228	300	300
Customer Deposits	CZK mil	15,484	32,729	58,662	69,093	63,309	58,488	62,645	66,208
Issued Debt Securities	CZK mil	0	0	0	0	0	314	0	0
Other Liabilities	CZK mil	266	396	258	290	424	416	868	785

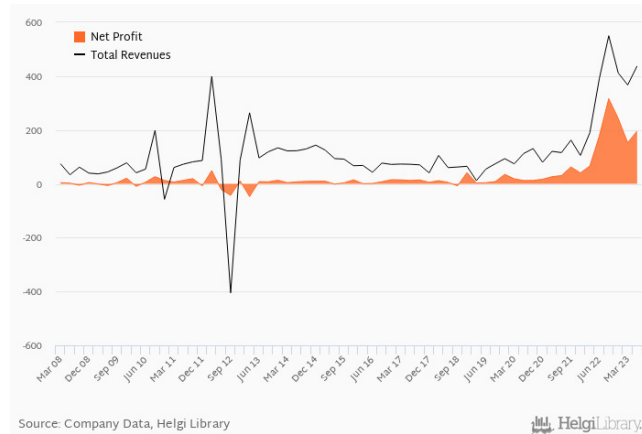
RATIOS		Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23
ROE	%	10.4	6.59	10.4	25.8	38.8	23.9	12.7	15.6
ROA	%	1.34	0.578	0.532	1.05	1.80	1.48	0.919	1.11
Costs (As % Of Assets)	%	1.87	1.15	0.824	0.823	0.823	0.781	1.07	1.10
Costs (As % Of Income)	%	53.9	76.2	54.0	35.6	26.3	31.2	48.5	44.2
Capital Adequacy Ratio	%	21.5	21.5	19.6	18.8	19.9	22.0	23.4	23.1
Net Interest Margin	%	2.45	1.80	1.33	1.60	2.23	1.86	1.65	1.71
Interest Income (As % Of Revenues)	%	70.8	119	87.1	69.2	71.3	74.4	74.8	69.1
Fee Income (As % Of Revenues)	%	7.72	12.8	9.93	5.92	3.21	6.32	5.90	5.89
Staff Cost (As % Of Total Cost)	%	48.3	56.6	51.6	49.7	52.2	57.9	48.9	42.5
Equity (As % Of Assets)	%	12.8	6.71	4.19	3.99	5.36	7.06	7.36	6.93
Loans (As % Of Deposits)	%	58.0	28.3	18.0	17.2	19.8	25.8	25.5	25.7
Loans (As % Assets)	%	46.8	25.0	16.9	16.4	18.5	23.6	23.2	23.5
NPLs (As % Of Loans)	%	12.4	9.56	7.76	6.39	6.12	4.63	4.37	4.12
Provisions (As % Of NPLs)	%	16.0	14.9	15.4	16.1	16.6	18.5	18.6	18.7

Source: Company Data, Helgi Library

Trinity Bank in Pictures

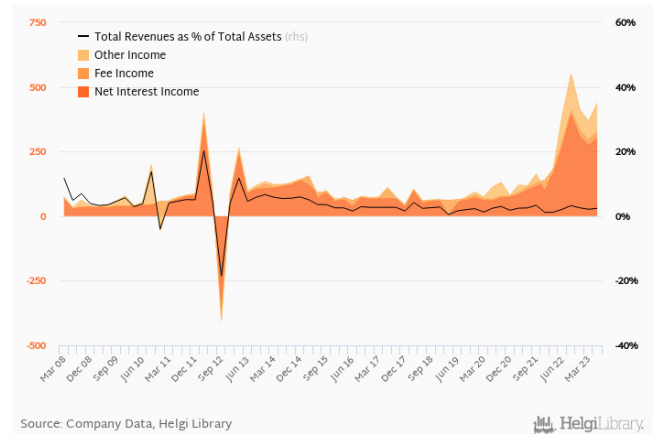
Revenue & Profitability

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



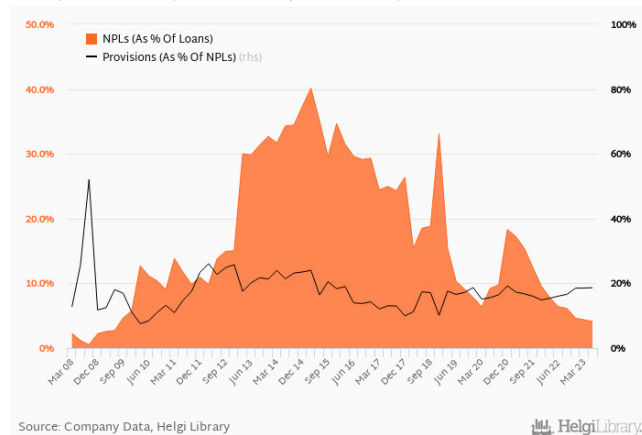
Revenue Breakdown

Revenue by Type of Income (CZK mil)



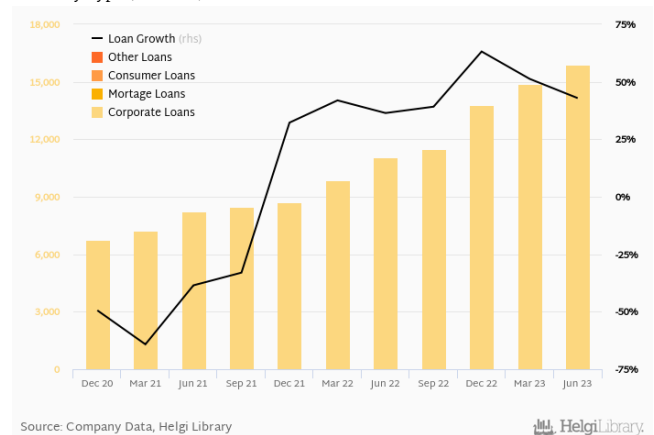
Asset Quality

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



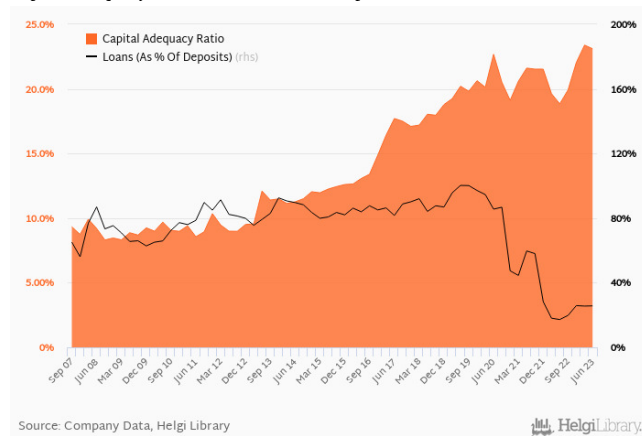
Loan Breakdown

Loans by Type (CZK mil)



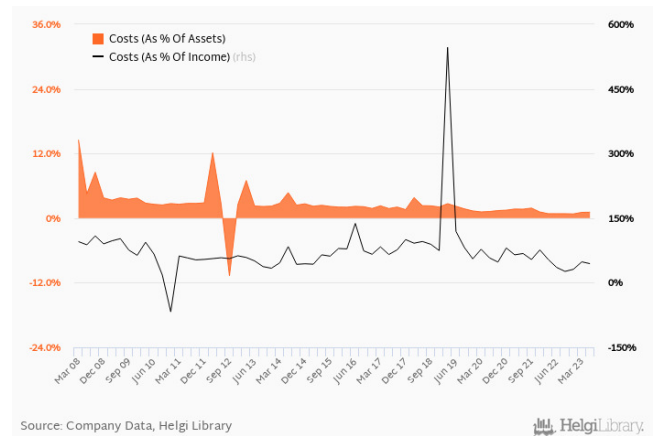
Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Cost Efficiency

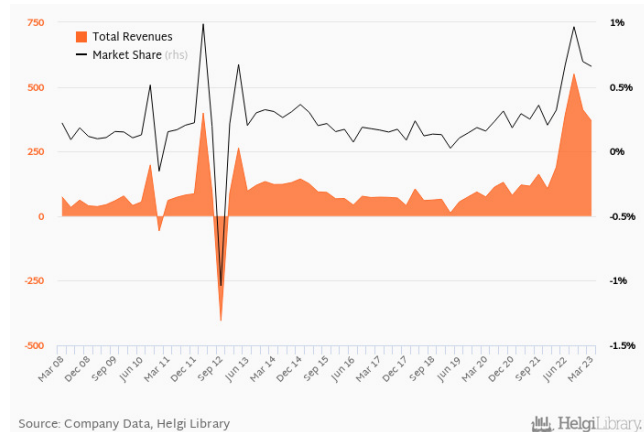
Costs As % Of Assets & Income



Trinity Bank – Market Share Development

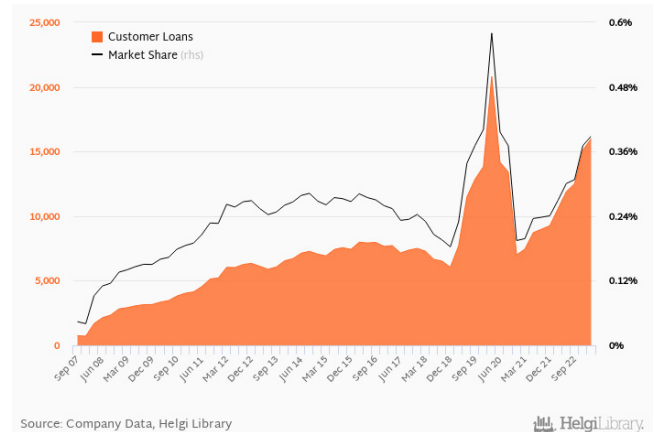
Market Share in Bank Revenues

Total Revenues (CZK mil)



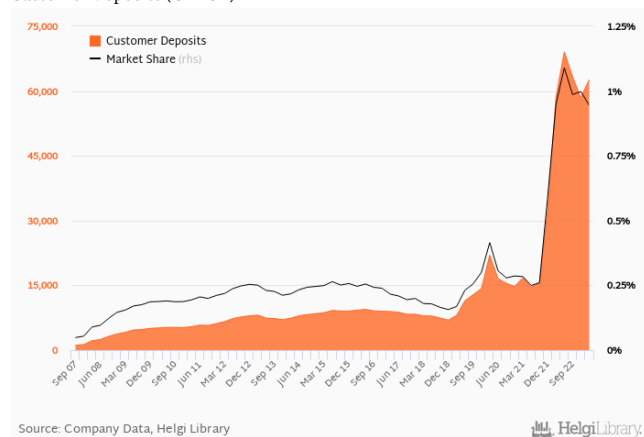
Market Share in Bank Loans

Customer Loans (CZK bil) & Market Share (%)



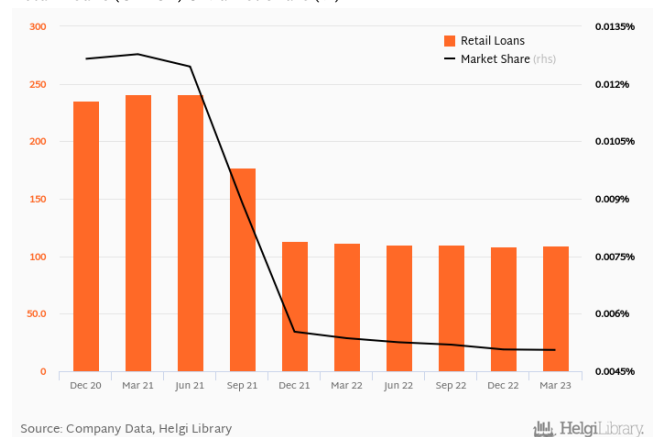
Market Share in Bank Deposits

Customer Deposits (CZK bil)



Market Share in Retail Loans

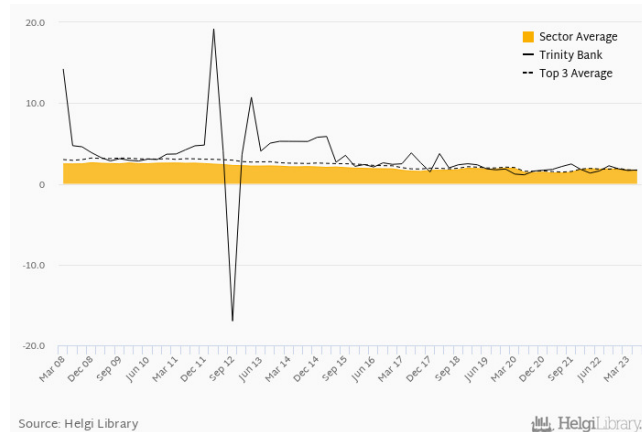
Retail Loans (CZK bil) & Market Share (%)



Trinity Bank – Comparison with Sector

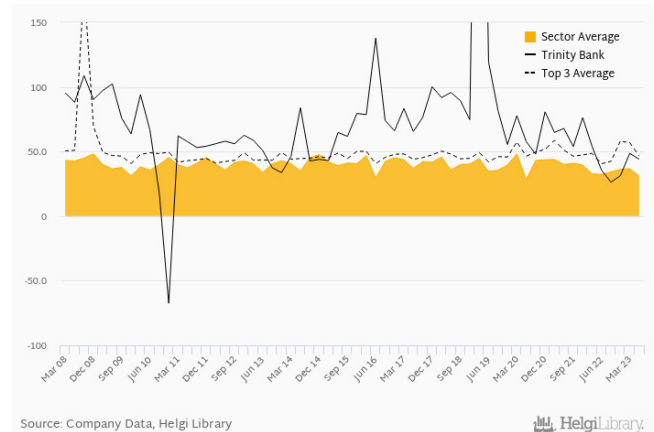
Trinity Bank – Net Interest Margin vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



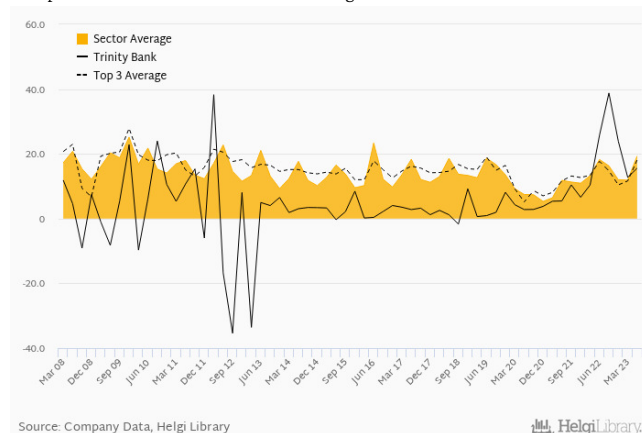
Trinity Bank – Cost to Income vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



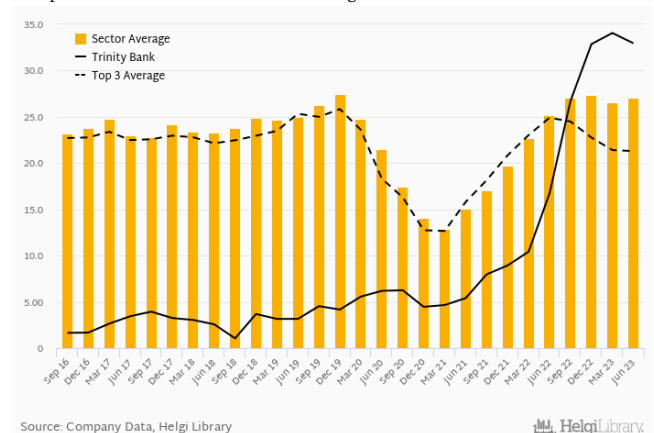
Trinity Bank – Return on Equity vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



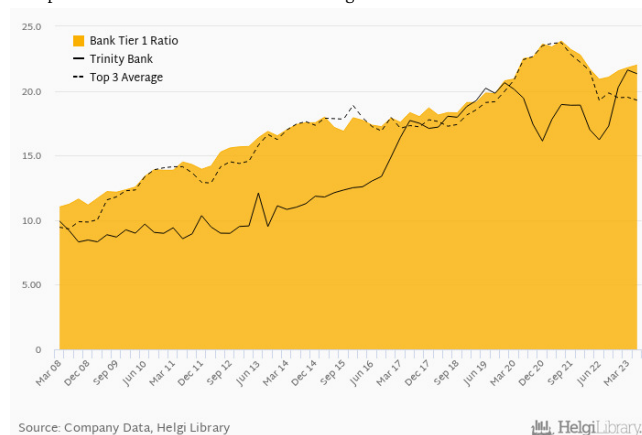
Trinity Bank – Adjusted ROE vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



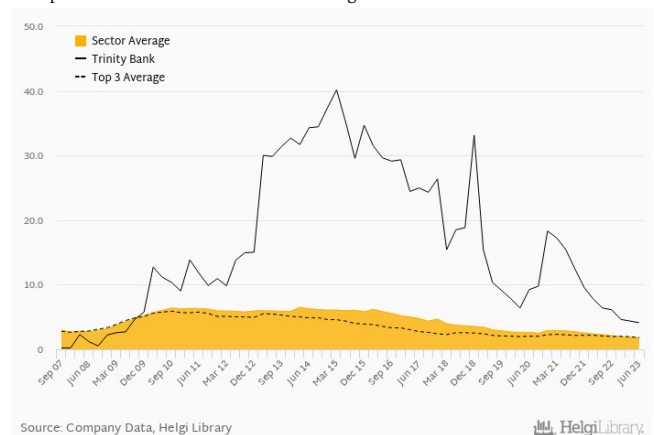
Trinity Bank – Tier 1 Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia



Trinity Bank – NPL Ratio vs. Sector

Comparison with the Sector and Three Largest Banks in Czechia





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