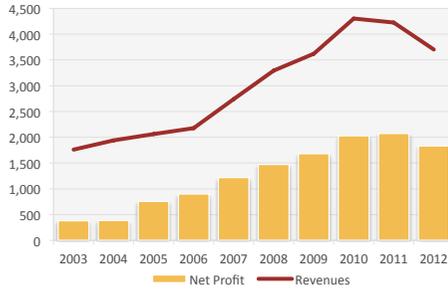


### COMPANY DESCRIPTION

ČMSS is the dominant leader of the building savings market, with a 43.6% share of building loans and 35.1% of building savings deposits as of the end of 2012. 55% of the bank is owned by the largest Czech bank, ČSOB, while the remaining 45% is held by BSH, the largest building savings society in Germany. Despite seasonally strong deposit growth in 4Q12, the overall balance sheet momentum remains negative. Loans declined by 2.6% and deposits dropped 1.8% in 2012. This is due mainly to the overall saturation of the market, ongoing reduction of the government subsidy and migration to mortgage lending. Having said that, ČMSS remains impressively profitable. In 2012, the bank achieved ROE of 18.2%, well above the market (15.2%) or the whole banking system (14.4%).

### REVENUES & PROFITABILITY (CZK mil)



### INCOME STATEMENT

CZK mil	2008	2009	2010	2011	2012
Net Interest Income	2,944	3,309	3,594	3,574	3,109
Net Fee Income	351	310	708	653	693
Other Income	-34	-49	-130	-100	-99
<b>Total Revenues</b>	<b>3,295</b>	<b>3,619</b>	<b>4,302</b>	<b>4,227</b>	<b>3,703</b>
Staff Cost	533	545	568	591	574
Depreciation	205	175	165	114	129
Other Cost	515	567	557	611	569
<b>Operating Cost</b>	<b>1,253</b>	<b>1,286</b>	<b>1,290</b>	<b>1,316</b>	<b>1,272</b>
<b>Operating Profit</b>	<b>2,042</b>	<b>2,332</b>	<b>3,012</b>	<b>2,911</b>	<b>2,432</b>
Provisions	270	223	393	264	134
<b>Pre-Tax Profit</b>	<b>1,738</b>	<b>2,061</b>	<b>2,489</b>	<b>2,547</b>	<b>2,298</b>
Tax	263	380	458	475	462
Minorities	0	0	0	0	0
<b>Net Profit</b>	<b>1,475</b>	<b>1,681</b>	<b>2,031</b>	<b>2,073</b>	<b>1,835</b>

### BALANCE SHEET

CZK mil	2008	2009	2010	2011	2012
Interbank Loans	11,586	11,078	18,736	25,701	2,542
Customer Loans	100,423	118,478	129,644	128,926	125,537
Debt Securities	40,012	27,723	16,366	12,991	14,266
Fixed Assets	807	747	725	725	715
Total Assets	155,537	161,157	168,936	170,878	168,650
Interbank Borrowings	0	0	0	1,942	1,942
Customer Deposits	145,133	150,796	157,406	157,057	154,287
Issued Debt	957	0	0	0	0
Liabilities	148,298	152,908	159,303	160,868	158,201
<b>Equity</b>	<b>7,239</b>	<b>8,250</b>	<b>9,632</b>	<b>10,010</b>	<b>10,449</b>
Non-performing Loans	1,279	2,016	2,926	3,096	3,183
Provisions	502	787	1,167	1,357	1,353

### RATIOS

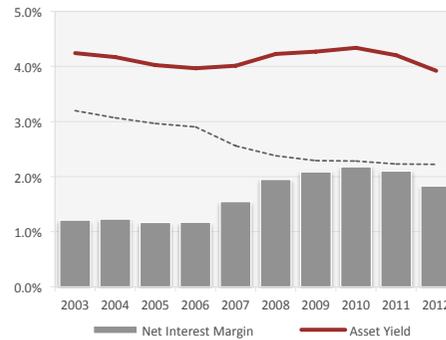
	2008	2009	2010	2011	2012		2008	2009	2010	2011	2012
ROE	22.9%	21.7%	22.7%	21.1%	17.9%	Loans (As % Assets)	65%	74%	77%	75%	74%
ROA	1.0%	1.1%	1.2%	1.2%	1.1%	Loans (As % Of Deposits)	69%	79%	82%	82%	81%
Net Interest Margin	1.9%	2.1%	2.2%	2.1%	1.8%	Securities (As % of Assets)	26%	17%	10%	8%	8%
Asset Yield	4.2%	4.3%	4.3%	4.2%	3.9%	Int. Loans (As % Assets)	7.4%	6.9%	11.1%	15.0%	1.5%
Cost Of Liabilities	2.4%	2.3%	2.3%	2.2%	2.2%	Deposits (As % Of Liabs)	98%	99%	99%	98%	98%
Interest (As Of Revenues)	89.4%	91.4%	83.6%	84.6%	83.9%	Equity (As % Of Assets)	4.7%	5.1%	5.7%	5.9%	6.2%
Costs (As % Of Assets)	0.8%	0.8%	0.8%	0.8%	0.7%	Capital Adequacy	16.9%	13.9%	14.6%	12.9%	15.3%
Costs (As % Of Income)	38.0%	35.5%	30.0%	31.1%	34.3%	NPLs (As % Of Loans)	1.3%	1.7%	2.2%	2.4%	2.5%
Staff (As % Of Total Cost)	42.5%	42.3%	44.0%	44.9%	45.1%	Provisions (As % Of NPLs)	39.2%	39.1%	39.9%	43.8%	42.5%
Cost of Risk	0.3%	0.2%	0.3%	0.2%	0.1%	Provisions (As % Of Loans)	0.5%	0.7%	0.9%	1.1%	1.1%

### MARKET SHARE

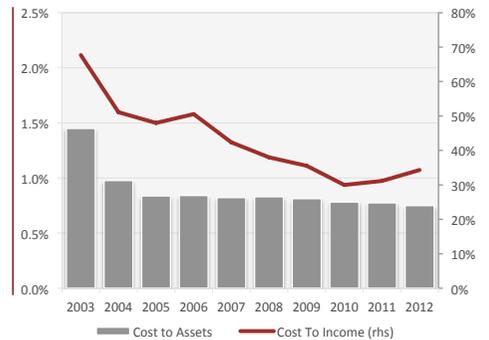
Building Savings Banks	2008	2009	2010	2011	2012	Building Savings Banks	2008	2009	2010	2011	2012
Net profit	32.8%	33.3%	39.2%	40.6%	40.3%	Assets	35.5%	35.2%	35.9%	35.8%	35.1%
Operating Profit	34.9%	34.5%	40.5%	41.4%	38.2%	Loans	43.6%	43.7%	43.5%	43.3%	43.6%
Costs	37.8%	39.2%	38.9%	37.8%	36.7%	Deposits	36.2%	36.3%	36.6%	36.2%	35.5%
Revenues	35.9%	36.0%	40.0%	40.2%	37.7%	Equity	37.8%	35.2%	36.2%	35.3%	33.3%
Employees	38.8%	37.1%	36.7%	35.4%	34.6%	NPLs	37.6%	37.1%	39.0%	39.9%	39.2%

Source: Company data, Helgi Analytics calculation

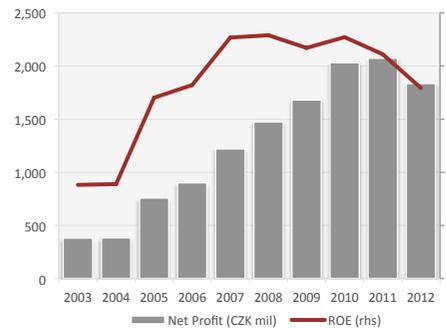
### INTEREST MARGIN



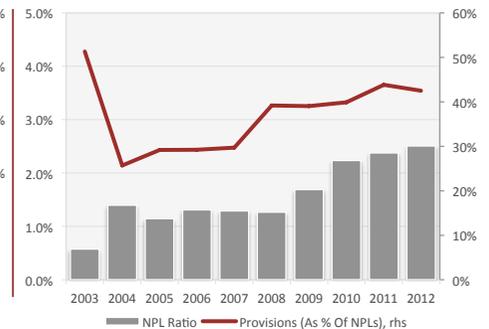
### COST EFFICIENCY



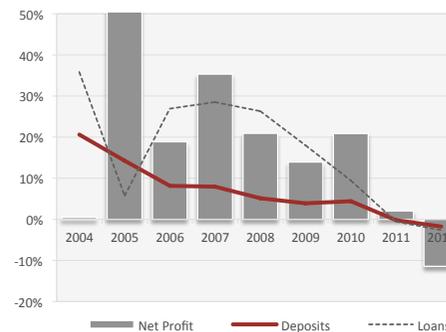
### PROFITABILITY



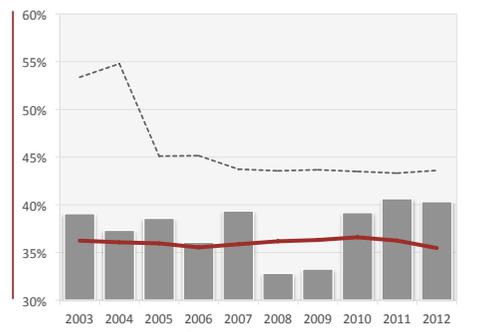
### ASSET QUALITY



### GROWTH RATES



### MARKET SHARE



Source: Company data, Helgi Analytics calculation

## **ABOUT HELGI ANALYTICS**

Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 95% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit [www.helgilibrary.com](http://www.helgilibrary.com) or contact us at [info@helgianalytics.com](mailto:info@helgianalytics.com).

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