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ANALYSIS OF FINANCING FOR SMALL AND MIDDLE ENTERPRISES

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Jméno a příjmení: **Soňa Výmolová**
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Analyza financování malých a středních podniků

Cíl bakalářské práce:

Cílem bakalářské práce je analýza financování malých a středních podniků, dostupnost zdrojů financování pro podnikatele a komparace největších bank poskytujících podnikatelské úvěry na českém trhu (Česká spořitelna, a.s., ČSOB, a.s., Komerční banka, a.s.). V úvodní části vypracujete teoretický základ, jehož součástí bude rovněž SWOT analýza financování malých a středních podniků. Vypracujte případovou studii ve věci žádosti o úvěr na výstavbu výrobní haly, resp. provozovny, na základě níž prokážete, která komerční banka v ČR poskytuje podnikatelům nejvýhodnější úvěrové podmínky (z hlediska poplatků, úrokových sazeb, délky zpracování a splácení úvěru apod.). Práce bude obhájena před vedením ČSOB, a.s. Hodnocení se stane součástí bakalářské práce.

Osnova:

Úvod

1. Teoretický základ
 2. SWOT analýza financování malých a středních podniků v ČR
 3. Analýza podnikatelských úvěrů v jednotlivých bankách v ČR
 4. Komparace podnikatelských úvěrů ve vybraných bankách v ČR
 5. Případové studie
 6. Výběr optimálního financování ze strany investora
- Závěr

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INTRODUCTION

The subject of this Thesis is “Financing of Small and Middle Enterprises”. Its purpose is to evaluate the financing options for small and medium enterprises in terms of accessibility, usability and cost in the Czech Republic, to define the products available in the sector of small and middle enterprises, to assess their use of the selected company and then propose to optimize its financial structure based on financial analysis.

The work is a defined segment of small and medium-sized enterprises, which occupies a very important part in the economy across Europe. We will learn the statistics of small and medium-sized enterprises and their market share percentage and number of employees sectors.

In another part of the thesis is focused on the SWOT analysis, which shows weak and strengths of the company. The source for the preparation of financial statements analysis, which we will outline the development of the company. Financial analysis has a wide range of users, from managers to employees to the lender.

The source for financial analysis of the financial statements - Balance Sheet, Profit and loss statement and cash - flow. In the bachelor thesis will be dismantled financial indicators, including indicators of profitability, debt indicators, and indicators of liquidity. These indicators describe how the theoretical part and practical part.

Furthermore, the thesis focuses on financing options for small and medium-sized enterprises. They are listed here long-term financing products and their use in small and medium business. They are products, which offers three most significant Czech banks on the market, Czech Savings Bank, the Czechoslovak Commercial Bank and Commercial Bank. Description of the financing of small and medium-sized enterprises will be provided including a description of the process of providing credit products.

The selected company will analyze the financial structure of the methods of financial analysis. There will be compared to the results of individual banks - Czech Savings Bank, the Czechoslovak Commercial Bank and Commercial Bank. This work will be proposed

financing selected optimization company that is interested in buying space to build their own storage space.

1 Small and middle enterprises

The basic criterion for assessing the business's size is the size of annual turnover, annual balance sheet total (ie. total assets) and number of employees. These indicators are specified in the following chapters.

1.1 Segmentation small and middle enterprises

Small and middle enterprises are now considered the backbone of the European economy and the momentum of innovation, employment and social integration. Czech Republic is a country that is small and medium enterprises the driving force behind the whole economy and has a significant impact on economic but also social development of countries and regions.

The basic criterion to judge the size of the entrepreneur is the number of employees, annual turnover and annual balance sheet, ie. size of assets.

The definition of small and middle businesses are regulated by the Commission Regulation (ES) č. 800/2008:

- „For the micro, small and middle enterprises shall be considered an entrepreneur who employs fewer than 50 employees and annual turnover not exceeding EUR 50 million or an annual balance sheet total not Exceeding EUR 43 million.
- In the category of small and medium-sized enterprises are small enterprises are defined as enterprises which employ fewer than 50 persons and whose annual turnover or annual balance sheet total not exceeding EUR 10 million.
- In the category of small and middle enterprises are defined as small business entrepreneurs, who employ fewer than 10 persons and whose annual turnover or annual balance sheet total not exceeding EUR 2 million.” [1]

1.2 Report on Development of Small and Middle Enterprises and its support in 2009

The sector of small and middle enterprises (SMEs) is the driving force of business, growth, innovation and competitiveness. It plays a crucial role in job creation. 31 12th 2009 showed in the Czech Republic business 989,568 SMEs, which in 2009 accounted for 62.33% of total employment, and 36.22% of GDP. Since 2003, there is a continuous rise in the share of SMEs in total exports, which in 2009 reached 50.7%. The total imports of the Czech Republic, SMEs contribute 57.4%.

The report contains information on the development of SMEs, the implementation of support programs in 2009, the number and amount of supported projects in various programs and their anticipated benefits for the national economy. Listed are the actual benefits of projects funded in previous years, adopted measures for the SME sector in the context the decline in economic growth.

1.3 Statistics of small and middle enterprises

2009	Number of active			
	Corporate body 0-249 employees	Natural person 0-249 employees	In total SME	Share of SME in total enterprises in the CR (%)
Industry	31 709	119 124	150 834	99,41
Building industries	25 016	122 667	147 682	99,95
Market	54 401	141 073	195 474	99,91
Catering trade	9 499	46 427	55 926	99,96
Transit	5 831	32 512	38 343	99,74
Finance	1 125	24 253	25 378	99,87
Services	61 836	266 751	328 587	99,92
Communication	7 812	23 394	31 205	99,84
Agriculture	4 040	12 099	16 139	99,88
In total	201 269	788 299	989 568	99,83

Table No. 1: Number of economically active SME

Source: [2]

Notice: The table contains preliminary data for 2009 CSO pumped from preliminary estimates of quarterly reporting.

2009	Number of employees (thousand)			
	Corporate body 0-249 employees	Natural person 0-249 employees	In total SME	Share of SME in total enterprises in the CR (%)
Industry	566	66	632	52,23
Building industries	181	37	218	82,58
Market	300	74	375	72,53
Catering trade	60	43	103	87,29
Transit	73	27	101	41,22
Finance	15	1	16	22,86
Services	266	70	336	70,44
Communication	50	2	52	57,78
Agriculture	89	15	104	89,66
In total	1 600	336	1 936	62,33

Table No. 2: Number of employees in small and medium-sized enterprises

Source: [3]

Notice 2: The table contains preliminary data for 2009 CSO pumped from preliminary estimates of quarterly reporting.

2009	Production (million CZK)			
	Corporate body 0-249 employees	Natural person 0-249 employees	In total SME	Share of SME in total enterprises in the CR (%)
Industry	1 276 354	142 360	1 418 714	37,46
Building industries	428 586	126 755	555 341	72,09
Market	396 136	81 878	478 015	76,68
Catering trade	60 841	58 346	119 188	89,49
Transit	178 441	76 581	255 022	60,70
Finance	70 007	11 002	81 009	29,26
Services	566 098	204 244	770 341	85,36
Communication	120 837	16 961	137 799	42,60
Agriculture	87 655	9 464	97 119	83,94
In total	3 184 956	727 591	3 912 547	53,21

Table Nr. 3: Performance of Small and Medium Enterprises

Source: [4]

Notice 2: The table contains preliminary data for 2009 CSO pumped from preliminary estimates of quarterly reporting.

2 SWOT analysis

The basic definition of SWOT analysis: SWOT analysis reflects the state of our firm, company or organization's strengths (Strengths), weaknesses (Weaknesses), opportunities (Opportunities) and threats (Threats).

2.1 Theoretically introduction

The following table shows the factors influencing the characteristics of SWOT analysis.

Factors affecting the strength of the company are, for example:	Factors affecting the weaknesses are, for example:
<ul style="list-style-type: none"> • Product and Services • Know-how, patents, technology, brand, good will • Manufacturing processes and procedures that provide a competitive advantage • Special marketing analysis • Access to information resources • Location of company • Financial strength and health of the firm • The degree of diversification or specialization <p>For the strengths of the rule of maximization.</p>	<ul style="list-style-type: none"> • Poor quality of products and services • High cost • Low productivity • Lack efficiency and production capacity • Inadequate marketing strategy and customer relationship management (CRM) • Limited access to distribution channels <p>For the weak rule of minimizing their impact.</p>
Opportunities are defined according to the field of business, for example:	Threats can include, for example:
<ul style="list-style-type: none"> • Reach new customers segments • Development of new products and industry • Developing and exploiting new markets (for example international expansion) • Mergers, acquisitions, strategic partnerships • Business Process Outsourcing (Human Resources, accounting) 	<ul style="list-style-type: none"> • Competitive market • Market barriers (the introduction of taxes) • Changing or stages of the life cycle of a product, service or industry wide • Pricing Strategy

Table Nr. 4: Factor SWOT Analysis
Source: [5]

2.1.1 What is financial analysis and what is it

SWOT analysis was developed by Albert Humphrey, and is based on the evaluation of individual factors, which are divided into four groups, as we have seen in Figure 1 and Figure 2.

Financial analysis is a financial management company. Its main task is to examine and evaluate complex financial and economic situation of the firm with the help of specific procedures and methods.

Financial analysis shows the strengths and weaknesses of the company and also helps to highlight shortcomings in financial management. Source to establish the financial analysis are accounts that allow you to outline the future development of the company.

Results and findings are used to create the concept of development, the choice of strategy and its implementation planning for the actual financial situation. Ie. planning for cash income and expenditure (cash flow - cash flow) at different time horizons.

Financial analysis is used primarily by managers, employees, customers, creditors, external analysts, municipal sector, the government institutions.

The basis of financial analysis is the ratio of financial indicators. In the event that we correctly assess the situation of the company, we know these indicators and comprehensively assessed.

SWOT ANALÝZA



Fig. Nr. 1: Swot analysis
Source: [6]

SWOT-analysis		Internal analysis	
		Strengths	Weaknesses
External analysis	Opportunities	<i>S-O-Strategy:</i> Development of new methods which are suitable for the development of strengths that (the project).	<i>W-O-Strategy:</i> Removing a penchant for the emergence of new opportunities.
	Threats	<i>S-T-Strategy:</i> Use strengths to avoid threats.	<i>W-T-Strategy:</i> Development strategies that make it possible to reduce the danger threatening our weaknesses.

Fig. Nr. 2: Swot analysis
Source: [6]

2.1.2 Resources for the processing of financial analysis

Basic resources:

- Balance sheet (assets = capital)
- Profit and loss (income – expenses = profit)
- Statement of cash flows (income - expenses = cash flow)

1. Balance

It expresses the state of corporate assets and financial resources to cover a certain date, the last day of the accounting period. The assets of the company shows an overview of what the company owns and what they owe other businesses. Liabilities show how the assets are financed by the company, ie what the company owes to other economic entities and private sources. Based on data from the balance sheet we can assess how the company is secured and stable.

From the balance sheet shows a few rules that must be followed:

- basic rule of balance sheet - total assets must equal total liabilities
- The golden rule of balance sheet - fixed assets should be financed from own resources and long-term liabilities. When assets are financed by short-term funds, the firm capitalized and the debt incurred swimming. Otherwise, the company overcapitalized
- The golden rule of financing - financing source should be a shorter time than tying equity to cover that should serve

Assets	Liabilities
A. SUBSCRIBED OWN PROPERTY	A. OWN RESOURCES A. I. Share capital A. II. Capital Funds A. III. Funds from profit A. IV. Profit from previous years A. V. Profit for the current period
B. FIXED ASSETS B. I. Intangible assets B. II. Tangible assets B. III. Financial assets	B. OTHER SOURCES Reserves B. I. Long-term foreign sources Long-term liabilities Long-term bank loans B. II. Short-term foreign sources Current liabilities Short-term bank loans
C. CURRENT ASSETS C. I. Stocks C. II. Short-term debt C. III. Financial assets - cash in safe - bank accounts - stamps - short-term securities	C. OTHER LIABILITIES
D. OTHER ASSETS	
Assets (total assets)	Capital (total liabilities)

Table Nr. 5: Simplified balance sheet structure
Source [7]

2. Profit and Loss

Profit and loss account reflects the volume of corporate revenues, expenses and profit. Allows you to identify factors that led to the creation of profit, which is of great importance to financial analysis. Profit and loss account is based on the progressive attribution of revenues and subtracting expenses.

Revenues and expenses are recognized in the profit and loss account divided into three areas: operational, financial and extraordinary.

Balance sheet and profit and loss account or the successive only one indicator and it is a profit (profit after tax).

3. Cash-flow

Statement of cash flows (cash flow business survey) provides information on income and business costs and allows to identify the causes of changes in funds for the period. Receipts are sometimes referred to as positive flows (inflows) and costs as negative flows (outflows). The final item is a deficit or surplus funds in cash.

Auxiliary tools:

- **Horizontal analysis**
- **Vertical analysis**
- **Ratios**

"The starting point of financial analysis is the so-called vertical and horizontal analysis of financial statements. Both methods enable you to see the original absolute data from financial statements in certain ranges, in certain contexts. In the case of horizontal analysis to monitor the evolution of the investigated variables at the time, mostly in relation to a previous accounting period. Vertical analysis follows the structure of the financial statement relative to some meaningful value (eg total assets). [8, p. 9]

1. Horizontal Analysis

Horizontal analysis looks at each balance sheet changes over time. Eg. following two financial years.

2. Vertical analysis

Vertical analysis expresses the percentage ratio of individual income statement items to total revenues and assets and liabilities to total assets

3. Ratio indicators

Ratios are expressed as a percentage and show us as the rate of return, turnover, activity (the ability to quickly take advantage of its assets), debt or the degree of liquidity.

Among the most important ratios are:

- Indicators of profitability
- Debt indicators
- liquidity ratios

Indicators of profitability - is among one of the most closely watched indicator, the is an indicator of profitability, which shows us the relationship between the funds that we derive from our activities and the financial resources that we dedicated to these activities.

Return on equity = profit / equity

(ROE = Return on Equity)

Return on equity shows us the extent to which reproduces the company's own resources, without the influence of external sources. That is, how much money profit falls on one of the crown VK. This indicator is particularly interesting for owners of companies, but also for competition. However, the ROE has a slight flaws. Eg. take into account inflation and capital costs. Calculation of ROE should also be adjusted a claim against the owners. Return on equity (CV) should be higher than the return on total capital (CK).

Return on assets = profit / assets

(ROA = Return on Assets)

It is the ratio of profit to assets. The indicator reflects our ROA return on assets, or how much profit was generated from invested capital. The ROA is an indicator, the more it's better for the company.

Return on sales = profit / sales

(Return on Revenue Return on Sales)

Indicator of profitability of sales is also known as profit margins. Return on sales is the ratio between profit and total sales, it is a percentage of profits on sales of CZK 1. The development of indicators of ROS affect such a change range of sales, change in product prices, cost of sales.

Debt indicators - used to compare companies in terms of foreign capital. This is the share of bank financing. The higher the share of bank loans and subsidies to finance the company, the company is dependent on the form of financing. It is very important to know the structure and terms of such financing (maturity, covenants). Bank as the lender does not see very positive high debt firms, not only for firms with low credit rating. Usually, the financial indebtedness not to exceed the share of retail price to fund the company.

Debt = total liabilities / assets

(Financial debt ratio)

Debt reflects the extent to which the property is covered by foreign sources. Indicator use bank debt as a way to identify the firm's ability to repay their loans. Based on this finding business lending. Maturity is measured in years.

Interest coverage ratio = EBIT / interest expense

EBIT - earnings before payment of interest and income taxes, ie. Gross profit plus interest paid).

Indicator rooting interest gives us the ability to determine the firm's ability to repay the loan.

Indicators of liquidity - the ability to express the company to meet its obligations (obligations to pay its creditors). The company is liquid if it has money to timely payment of current liabilities, there are no delays in payments to creditors. High liquidity is associated with a high retail price and is often associated with a conservative approach to business owner. Low liquidity used to finance the liabilities.

$$\text{Immediate liquidity} = \text{financial assets} / \text{current liabilities}$$

Immediate liquidity reflects what part of current liabilities, is covered only financial assets. The short-term liabilities include current liabilities, short-term bank loans and short-term bank borrowings. This indicator can be distorted seasonal fluctuations, such as construction, agriculture, or special purpose bank account movements at the end of the year. This indicator is not used, more preferred are indicators of current liquidity and overall liquidity. Immediate liquidity is called first degree.

$$\text{Current Liquidity} = \text{Cash} + \text{short-term liabilities} / \text{short-term liabilities}$$

Current Liquidity expresses what proportion of current liabilities is covered by claims and financial assets in the event that no sale of stock. The greater the current liquidity indicator, the better. Banks prefer to finance companies, whose liquidity is a higher standard, because it is better to finance receivables, which are already implemented sales than stores that are for sale. It is uncertain whether the sale will actually be implemented. Current liquidity is called the liquidity of the second degree.

$$\text{Total liquidity} = (\text{current financial assets} + \text{current assets} + \text{inventory}) / (\text{current liabilities} + \text{short-term loans} + \text{short-term bank borrowings})$$

Total liquidity ratio shows the company's current assets to short-term foreign sources. If the overall liquidity of > or = 100%, the company is liquid. This means that it has negative working capital. In the event that the company has more than short-term liabilities and assets, the company is liquid. This means that it has negative working capital. In the event that the total liquidity equal to 100, as current liabilities at the same level as current assets. Overall liquidity is called the liquidity of the third degree.

$$\text{Working Capital} = (\text{Cash} + \text{short-term receivable} + \text{inventory}) - (\text{current liabilities} + \text{short-term loans} + \text{short-term bank borrowings})$$

The calculation of working capital based on the same values as an indicator of the overall calculation of liquidity. This is not the share values, but their difference. The output is not percentages, but the magnitude of working capital. Eg. If the current assets and current liabilities 300 150, then 200% of the overall liquidity and working capital of the 100th If

next year the company will have a short-term assets and liabilities 600 500 will be 120% of the overall liquidity and working capital of the 100th Total liquidity decreases and working capital remains unchanged. Therefore worsened the working capital ratio to short-term foreign sources. This case occurs in rapidly growing companies. For companies with stable revenue development (current assets) is the ratio between the total liquidity and the proportion of working capital. It grows where the working capital grows, the greater the overall liquidity, a declining working capital decreases and overall liquidity.

2.1.3 Procedure for financial analysis

"The basic methods that are used in financial analysis include:

Analysis of status indicators

Analysis of flow characteristics

Analysis of the differential characteristics

Analysis of financial ratios

Analysis of system parameters

Overall economic indicators [9, p. 59]

3 Analysis of business loans in banks in Czech Republic

"Credit can be characterized both as a penetrating relationship between entities in transmission values of the body - the body creditor - debtor for temporary use, as well as the returnable form of temporary or permanent reallocation of funds made available - the goods and money. The so – called business (supplier) credit is associated with the delivery of goods or services where payment for the delivered value is made later, have more of the relationship lender and the borrower is borrowing money directly. This would be to bank loans. The price paid by the borrower for the opportunity to have a certain time, the loaned funds, interest.

Initial legal norm that regulates the credit relations, is commercial code." [10, p. 84]

3.1 Breakdown of bank loans

Bank loans can be divided in several respects by:

- **Branch of business** - Loans granted to the individual will say trade industry, transport, construction, agriculture
- **Purpose** - loans for production, circulation and consumption
- **Period** - short-term loans with maturities of one year, medium-term loans with a duration of one to five years, long-term loans with a duration of five years
- **Subject** - operating loans, loans on stocks, loans for fixed assets
- **Domicile debtor** - Home loans (the CR) and foreign loans
- **Debtor subject** - Loans to the private sector (individuals, corporations)

Other possible criteria by which the members of the bank loans as a way to provide, payment method, a form of credit, interest, collateral.

In terms of lending methods distinguish bank loans:

- **Loans to single** - once the loan is drawn down in full
- **Progressively drawn loans** - drawing the loan specified in the contract and take place in several stages

- **Bank overdrafts** - drawdown and repayment is required in the contract, the individual amounts are spent in the sub-variable installments or in full
- **Revolving loans** - are established on the principle of re-provision and utilization

The credit granted can be pumped directly to the account debtor or subsequently on the basis of invoices submitted to the drawdown. These funds are transferred to the supplier's account. Method of pumping and drawdown of loans are included in the contract signed by the borrower and the bank.

According to the degree of protection provided by credit, loans are distinguished:

- **Unsecured loans** (unsecured) - loans covered by the bill
- **Secured loans** - pledge of movable property

A special type of loan in terms of ensuring the Lombard credits, which are provided on the pledge of securities.

From the perspective of the lender bank loans provided to distinguish between:

- **Commercial bank**
- **Central Bank (CNB)**

From the perspective of the borrower's bank loans received distinguished:

- **Private sector** (individual entrepreneurs, legal persons)
- **Public sector** (public institutions, organizations)

3.2 Loan Process

"The credit process involves the creation, development and termination of the credit relationship between creditor and debtor side one on the other. It can be divided into several stages which differ in their material, content and intensity of the relationship bank and the client, as that depends on the scope, purpose and duration of the loan granted (the due date), the degree of risk and of the organization, the method of lending, etc. The nature of the relationship between bank and the clients is also related to the financial status of banks, with the level of its management and control." [10, p. 93]

Basic stages of the lending process can be broken down in greater detail in the following steps:

- Meeting the client - the client is on loan with the bank and submit an application for a bank loan
- Assess the client's request for a loan in the bank - in this process, the client does not participate
- Formulation of the loan agreement and other necessary documents (eg securing instruments)
- Signature of loan agreement by the client and the bank
- Providing credit
- Follow-up payment discipline - the repayment of principal, interest repayments
- Internal measures undertaken by the Bank
- In the event of non-contractual and non-payment behavior of the borrower dealing with a client, or establishment of bank recovery
- Satisfaction of claims - payment of the loan principal and interest
- Completion of the credit relationship between the client and the bank

The amount of the loan process applies to all loans that banks provide. The greatest attention is turning to long-term loans. That does not mean that short-term credit banks underestimate the risks and do not control.

3.2.1 Stages of the credit process

Here is an example where a client is interested in buying commercial property, as it is of storage space.

- **The Submission of the loan application**

An enterpriser who is a client of the bank by bank for the provision of long-term loan. Since it is a purchase, the loan will be more disposable. All other items such as an extract from the land registry, cadastral maps and copies of the contract preliminary purchase contract by the Bank together with client requests. Provision will be effected areas in which the client will take

- **Credit Analysis Client**

In this section, the Bank performs a credit analysis of financial client, the client must submit the financial statements and accounting for at least two tax years. Submitted tax return, including attachments (balance sheet, profit and loss account, cash flow overview of commitments and trade receivables, audit reports, or. other documents). The bank will analyze the documents and determine whether the client is able to meet its obligations regarding the loan. The credit analysis of the various financial ratios, especially ratios of financial analysis on which the bank will assess existing and future development. Other financial indicators, the Bank examines one indicator of debt, an indicator of profitability or liquidity.

The Bank also conducts an analysis of non-financial indicators, including industry in which firms operate on a market position, the nature of the competitive environment, suppliers, customers, as well as the company's reputation in the region.

After analyzing the financial and nonfinancial indicators are pointing loan process to determine whether the loan will be approved.

Great influence on the approval (disapproval) of the loan also has the character of the credit. In this case, the client buys premises (storage space) will require a mortgage in the bank. This, areas that the client is buying for its business. The pledge to the Bank, will be listed on the deed and will be deleted as soon as the loan will be paid.

If the Bank determines that the client is creditworthy and the collateral is sufficient to prepare the Bank contract and retaining documents.

After signing the contract documents will be a loan. In our case, a gradual drawdown.

It will follow the repayment of loan installments and set up by the bank if the client fulfills all contractual arrangements.

This process will take place throughout the loan until final maturity date of the loan.

4 Comparison of loans in selected banks in the CR

The Czech market has several banks, which by total assets among large, medium and small banks. These are the top banks in the Czech market and they are 17th in total another twenty on the Czech market, banks are building societies and branches of foreign banks.

Breakdown of banks is as follows:

- Large banks with total assets of 200 billion CZK - Czech Savings Bank, the Czechoslovak Commercial Bank, Commercial Bank, UniCredit Bank Czech Republic
- Central banks with total assets of 50-200 billion CZK - Czech-Moravian Guarantee and Development Bank, GE Money Bank, Mortgage Bank, Raiffeisenbank
- Small banks with total assets by 50 billion CZK - Banco Popolare, the Czech Export Bank, the Euro-Russian Bank, Fio Bank, J & T Bank, LBBW Bank CZ, PPF bank, Volksbank Wüstenrot mortgage bank

For the purpose of the thesis, three largest banks in the market, with the largest balance sheet total, and the Czech Savings Bank, the Czechoslovak Commercial Bank and Commercial Bank. These are banks that are in the subconscious of most clients.

4.1 Czech Savings bank

Czech Savings Bank divided according to their business turnover for firms with turnover of up to 30 million CZC and over 30 million CZC.

For clients with a turnover of up to 30mil.Kč Czech Savings Bank offers its clients, from entrepreneurs, the following financing options.

MINI loans are granted to businesses with annual turnover of up to 30 miles. CZK, the products are intended for existing and new clients, a condition of funding, the minimum length of the business for twelve months, the submission of tax returns with positive operating results.

4.1.1 Overdraft mini-Profit

Product parameters:

- ***Loan amount:*** up 150 thousand CZC
- ***Securing a loan:*** not required
- ***Time character of credit:*** the loan is provided to entrepreneurs for 12 months with that in meeting the contract is automatically renewed for a further twelve months
- ***Drawdown of loan:*** not to the specific conditions and such, how the client draws funds from your account - any debit transactions (eg, selection of an account, select credit card payment order)
- ***Repayment of the loan:*** no contractual conditions and the awning is ongoing, as are client funds credited to the account (deposit to the account in cash at the box office, received payment)
- ***Repayment of interest:*** monthly

4.1.2 Term Loan mini-Profit

Product Attributes:

- ***Loan amount:*** up 300 thousand CZC
- ***Securing a loan:*** not required
- ***Time character of credit:*** up to 5 years
- ***Drawing credit:*** transfer funds to the client's account without proof of loan purpose
- ***Repayment of the loan:*** regular monthly installments, repayment takes place next month after the exhaustion of credit, the early repayment of the loan is not sanctioned

For clients who have a turnover of more than 30mil.Kč Czech Savings Bank offers the following loan products. Given that this is a big business, these clients are served in all branches of the Czech Savings Bank, but only in the client center.

4.1.3 Operating financing

- Overdraft for commercial clients
- Operating loans for commercial clients

- A credit line for commercial customers
- Multi-line for commercial customers
- Factoring

4.1.4 Financing of investments

- Investment loans for commercial clients
- TOP holding II
- Investment loan tailored to projects in renewable energy
- Project and structured financing, syndicated loans
- Global European Investment Bank
- Leasing

4.1.5 Trade finance

- A bank guarantee issued by the Czech Savings Bank for commercial clients
- The bank guarantee taken by the Czech Saving Bank for commercial clients
- Documentary and bill collection for commercial customers
- Documentary Letters of Credit for commercial clients
- Receivables Financing
- Financing of commercial contracts
- Forfaiting
- Forfaiting receivables from credit
- Pre-export loan
- Export Finance
- Structured trade finance

4.2 ČSOB

Czechoslovak Commercial Bank, as well as the Czech Savings Bank, has divided the business clients with annual turnover of up to CZK 30 million and over 30 million CZK.

For clients with an annual turnover of 30 million CZK CSOB provides the following products. Loan products are offered to existing clients, and for new clients. The application for a loan product is required to submit proof of business tax returns for the last two taxable periods, proof of tax payment for previous tax year, evidence of indebtedness to the Tax Office and the Social Security Administration, two forms of identification of persons acting for the company.

4.2.1 Authorised overdraft

Parameters of product:

Loan amounts: from 20 thousand CZK to 5 million CZK

Securing a loan: the amount of 100 thousand CZK (including) a loan without collateral, over 100 thousand. CZK is a loan secured by a promissory note. According to the applicant's legal status may be the aval bill with.

Time nature of the loan: Authorized overdraft is granted for an indefinite

Drawdown of loan: is not contracted, and draws the client according to their own needs.

On the choice of a cash account, select credit card or money order.

Repayment of loan: is done by using a client's account and either deposit into the account in cash deposit at an ATM or credit entries crediting the account.

Repayment of interest: if it were a loan, the interest is repaid monthly.

Additional product specifications: according to what the client is reputable group based on scoring, given the obligation to offset the negative balance not account for 90/180/360 days and at least one day a loan not pump.

4.2.2 Business Credit Card

Product parameters:

Loan amount: 20 thousand. CZK 500 thousand CZK

Security a loan: the amount of 100 thousand. CZK (including) a loan without collateral, over 100 thousand. CZK is a loan secured by a promissory note. According to the applicant's legal status may be the aval bill.

Time nature of the loan: indefinite

Drawdown of loan: cash withdrawals or transfers of funds up to 90% of the credit limit or other transactions to 100% of your credit limit

Repayment of loan: 5 % to 100 % of the amount drawn, choice collection of the amount repaid

Repayment of the interest: if they were drawing a monthly

Additional product specifications: a 45 - day grace period is not necessary to keep the bank current account (Credit card payments can be by direct debit from an account at another financial institution)

4.2.3 Small Business Loan

Parameters may also be indicated in the attached table.

Other product parameters: the purpose of the products the bank required to provide documents relating to property, finance CSOB to 80% of total investment (including VAT), a loan is a single or successive lengths up to 18 - months after signing the contract (drawings being compared to the purchase agreement, invoices or other documents), the first principal repayment can be delayed for up to six months, the client has the option to choose fixed or floating interest rate at 1, 3 or 5 years after the event for the entire period of loan repayment.

Type of investment	The repayment period of up to	Loan amount up to
Buildings and land	15 years	CZC 8 million
Machinery and equipment	8 years	CZC 5 million
Personal cars and commercial vehicles	6 years	CZC 5 million
Other investments	Depending on the type of investment (in consultation with the workers as ČSOB)	

Table Nr. 6: Types of credit in CSOB

Source: [11]

4.3 Commercial Bank

Commercial Bank customers are divided according to their turnover in a 60 - million CZK and over 60 million CZK. Based on these criteria are provided to clients the following products:

4.3.1 Authorized overdraft on a current business account

Product Attributes:

Loan amount: CZC20 thousand - CZC 500 thousand

Providing credit: the bank does not ensure

Security a loan: the bank does not provide

Time character of credit: drawing for 180 - days, if the client fulfills the terms and conditions, the limit is automatically renewed for an additional 180 days

Drawdown of the loan: the client draws funds for the use of your account, selecting the cash or cash wire transfer of funds

Repayment of the loan: is based on the addition items on or deposit account cash

Repayment of interest: the bank does not

Next product specifications: the bank does not

4.3.2 Business Credit Card

Product Attributes:

Loan amount: 20 thousand. CZK 200 thousand

Securing a loan: no security

Time nature of the loan: the bank does not

Drawing credit: cashless payments for goods, transfer of the current account, cash withdrawals, payment to the terminal

Loan Repayment: 1 / 10 of the drawn amount of the loan + interest

Repayment of interest: together with repayment of loan

Additional product specifications: a 45 - day grace period is not necessary to keep the current account ta bank

4.3.3 Professional Loan

It is designed specifically for small and medium-sized enterprises to finance the operational needs of current assets (stocks and short-term debts) or to acquire tangible fixed assets (excluding computer equipment and software).

Product Attributes:

Loan amount: the maturity of one year to 2 million CZC, due to 3 years up to CZC 1 million

Securing a loan: blank bill of aval

Time nature of the loan: short-term loan repayable within one year, medium-term loan with a maturity of five years

Drawdown of loan: a lump sum or in installments on behalf of the supplier on production of documents or transfer to a client's account

Repayment of the loan: monthly installments from the month following the exhaustion of credit

Repayment of interest: monthly

Other product parameters: the amount of CZC 2 million a bank requires a standard hedge funds - the guarantee, the mortgage

4.3.4 Profi Loan FIX

This type of loan with similar terms such as Profi loan, but differ in the type of repayment, which is the only annuity with a fixed interest rate. This type of loan the company can be used to finance working capital, fixed assets and operational needs.

Product Attributes:

Loan amount: The minimum amount the bank does not specify the maximum amount of short-term loan CZC 2 million term loans and for one mile. CZC

Securing a loan: Blank bill of exchange with aval

Time nature of loan: short-term with maturities of one year, medium-term with maturities up to five years

Repayment of the loan: for monthly annuity payments

Repayment of interest: monthly

Other parameters of the product: Free payment protection insurance for individual entrepreneurs

4 Case study

The work sheets will be processed Company Ltd. Mark Mikel.

Mark Mikel Company Ltd. is a leading Czech company with international operations dealing with wholesale product sheets and technical fabrics suitable for use as car covers, cover sheets, covers for swimming pools, insulation sheets, shielding sheets, emergency shelters, protective nets, tents scissors. Of course, the delivery of anchor rope, anchoring accessories, etc.



Fig. Nr. 3: Cover the swimming pool

Source: [12]



Fig. Nr. 4: The screen used in the construction

Source: [13]

5.1 Basic company information

Business firm	:	Marek Mikel s.r.o.
Headquarters	:	Březůvky 64, PSČ 763 45
Legal form	:	Limited Liability Company
Authorized capital	:	200.000 CZC
Commencement date	:	11. 10. 2004
Registration number	:	26941741
Sphere of action	:	Production, trade and services unlisted in Annexes 1 to 3, the Trades Licensing Act



Pict Nr. 5: Logo firm Marek Mikel s.r.o.
Source: [14]

5.2 Profile and history of company

Mark Mikel Company Ltd. Founded in October 2004.

The company specializes in sales of tents, sails, gazebos and pavilions, technical fabrics and shielding and protective networks. Further use of plastic sheets is as good as car covers, shielding, sails to the pools, insulation sheets, emergency shelters, etc.. The company offers both finished products and custom-made products. Finished products have already been mentioned (cars, sails to the pools, canvas covers, gazebos), and products tailored to these the offer covers for containers, wagons, workshop thermal insulation curtains and various other products according to customer specification. An integral part of the offer are footage quality fabrics, which are intended for further processing and production. They are mainly non-flammable fabrics, PE canvas, PVC canvas, polyester canvas or natural canvas with a cotton (canvas, substance for the manufacture of tents).

Mark Mikel Company Ltd. is the exclusive supplier of shielding networks Plot with the Czech and the Slovak market. Protective network of the scaffolding and reinforcing the

network to the construction and reconstruction of buildings used by reputable builders, tradesmen, but also individual customers.

The company also provides advertising sales and printing of exhibition stands. The largest and most important customers include the Globus ČR, Czech Republic OBI and small traders. The company also sells custom-finished products, which are used in construction, agriculture, horticulture, home and garden shop. It is a stable company, which has six employees. Despite the economic crisis, the company did not release any of the employees and sales of goods was recorded in 2009, an increase of nearly 5 million compared to CZC 2008.

The main strategic objective of the company is early readiness of the competitive environment and market in the Czech Republic and abroad.

The company offers its products in two online stores, but also in our shop in Zlin.

Mark Mikel Company Ltd. is interested in buying space to build their own storage space, therefore, requested the bank to make an offer of credit. Client requirements are as follows. The amount of CZC 2 million loans, maturity of 10 years. They will set interest rates for the entire duration of the loan, thus fixing the whole 10 years and 1 M Pribor. If necessary and if a client funds can make an extraordinary payment.

Bank was submitted tax returns for 2008 and 2009, including balance sheets, profit and loss and cash flow.

In this section, indicators are calculated on the analysis of the financial data from balance sheets and profit and loss for 2008 and 2009. These figures are in thousands of CZC.

5.3 Financial Analysis Company Ltd. Mark Mikel

Indicators of profitability

Return VK = profit / VK

(ROE = Return On Equity)

Year 2008: 22.53% = 180/799

Year 2009: 15.85% = 277 / 1748

Indicator of profitability VK is one of the most closely watched indicators. This is an indicator of profitability. The Mark Mikel Company Ltd. decreased profitability VK. And for this reason that there has been an increase in retail price.

Return on assets = profit / assets

(ROA = Return on Assets)

Year 2008: 2.24% = 180 / 8049

Year 2009: 2.66% = 277 / 10,408

ROA indicator is increased during the reporting period, only minimal, because both increased earnings and assets.

Return on revenue = profit / revenue

Year 2008: 1.02% = 180 / 17,666

Year 2009: 1.21% = 277 / 22,873

For this indicator did not change significantly and because it increased both profits and sales.

Debt Indicators

Financial debt = (bank loans and borrowings + bonds issued) / assets

Year 2008: 11.16% = 898 / 8 049

Year 2009: 11.12% = 1,157 / 10,408

Financial debt is in both periods 11%. Ie. that the property is covered by foreign sources, 11%. This company has a bank overdraft and therefore only has to obtain the required credit for expansion of storage and sales space.

Interest coverage ratio = EBIT / interest expense

EBIT - Earnings before Interest and Taxes

This indicator gives us the ability to determine the firm's ability to repay the loan. The calculation of interest coverage, each bank program. Interest coverage for the company Mark Mikel Ltd. in 2008, 3.1 and 3.0 in 2009.

In connection with the debt ratios we must cover the debt of the firm. Coverage of debt must be greater than the value 1.55. In this case, the company is able to repay the loan.

$$\text{Coverage of debt} = \text{net profit} + \text{depreciation} + \text{rentals} + \text{interest payments}$$
$$1.54 = 277 + 66 + 120 / 200 + 100$$

The above calculation shows that the value of bank debt coverage Mark Mikel Ltd. is 1.55, which meets the above conditions.

Liquidity indicators

$$\text{Immediate liquidity} = \text{short-term financial assets} / (\text{liabilities} + \text{short term bank loans} + \text{short-term financial assistance})$$

$$\text{Year 2008: } 2.24\% = 113 / 5052$$

$$\text{Year 2009: } 4.18\% = 182 / 4353$$

The indicator for immediate liquidity, the banks are not concerned too, because the standard is described in more detail the overall liquidity and liquidity.

$$\text{Current liquidity} = (\text{Cash} + \text{short-term receivables}) / (\text{current liabilities} + \text{short-term loans} + \text{short-term bank borrowings})$$

$$\text{Year 2008: } 65.52\% = 3310 / 5052$$

$$\text{Year 2009: } 105.51\% = 4593 / 4353$$

Current liquidity indicator indicates how much short-term liabilities is covered by claims and financial assets in the event that no sale of stock. The greater the current liquidity indicator the better. Over the period there was a 40% increase. This means that the company is able to meet all its obligations. In the event that would not sell all the stocks are short-term receivables and payables covered by financial assets.

$$\text{Total liquidity} = (\text{current financial assets} + \text{current assets} + \text{inventory}) / (\text{current liabilities} + \text{short-term loans} + \text{short-term bank borrowings})$$

$$\text{Year 2008: } 141.41\% = 7144 / 5052$$

$$\text{Year 2009: } 224.63\% = 9778 / 4353$$

Total liquidity ratio shows the company's current assets to short-term foreign sources. If the overall liquidity of $>$ or $= 100\%$, the company is liquid. This means that it has negative working capital. The Mark Mikel Company Ltd. reaching almost 100% run to in this

indicator. The company has a sufficient amount of equity is positive and will therefore have a problem with the provision of bank credit.

Working Capital = (Cash + short-term receivable + inventory) - (current liabilities + short-term loans + short-term bank borrowings)

Year 2008: 2092 = 7144 – 5052

Year 2009: 5425 = 9778 - 4353

The calculation of working capital based on the same values as an indicator of the overall calculation of liquidity. This is not the share values, but their difference. Output from this indicator is therefore the absolute value, which over the period increased by 3 300 thousand CZC. In the monitored period, the overall liquidity and increased in proportion to her to raise the working capital.

In financial statements, the Balance Sheet are set out in the 2009 commitments to related parties, which is a shareholder stake in the company and the firm increases its equity. Bank may place a condition that the so-called subordinated debt will be maintained throughout the loan repayment.

The above indicators show that it is a stable company that is unable to meet its obligations. For such a reputable company will not be a problem to get a loan in any bank.

6 Selection of optimal financing by the investor

The aim of this thesis is to analyze the three largest Czech banks. It is the Czech Savings Bank, the Czechoslovak Commercial Bank and Commercial Bank (in alphabetical order). And to provide for the client, the most favorable in terms of bank charges, interest rates, length of treatment and repayment of the loan.

If a company applies for credit in its current bank has the option due to its good credit score to get discounts on fees, but also a more favorable interest rate. When choosing a new bank, the company is considered as a new client and the exceptions it will not be provided.

It should be noted that the company Mark Mikel Ltd. is included in the medium-sized business firms, because its annual revenues exceeding 25 million CZK. This company will be in each bank included in the service of corporate banker, which means that it will be operated by the banking halls in bank premises. As interest rates and fees are not so strictly defined as for small business. The company annual sales exceeding 25 million CZK, the fees and interest rates are determined individually, based on the client's creditworthiness.

6.1 Czech Savings Bank

Travel from the Czech savings bank for long-term financing was provided on the following parameters:

Interest rate : 1 M Pribor + 3.8% margin or a fixed interest rate for 10 years 5.35 %
Fees : 0.3 % of loan amount
Monthly fee : 400 CZC (management fees)
Commitment fee: 0.3% on the unused portion of the loan
Loan term : 10 years, the monthly repayment
Reinsurance : property + bill with a personal aval

6.2 ČSOB

Travel from CSOB long-term funding has been provided on the following parameters:

Interest rate : 1 M Pribor + 3.5% margin, or fixed interest rate for 10 years 5.30 %
Fees : 0.5% of loan amount
Monthly fee : 500, - CZK (management fees)
Commitment fee: 0.3% on the unused portion of the loan
Loan term : 10 years, the monthly repayment
Reinsurance : property + bill with a personal aval

6.3 Commercial Bank

Travel by commercial banks for long-term financing was provided on the following parameters:

Interest rate : 1 M + Pribor margin 4.0%
Fees : 0.5% of loan amount
Monthly fee : 500, - CZK (management fees)
Commitment fee: 0.5% on the unused portion of the loan
Loan term : 10 years, the monthly repayment
Reinsurance : property + bill with a personal aval

The above indicators show that the company Mark Mikel Ltd. the best credit in the Czechoslovak Commercial Bank. There are several reasons. It is the existing and longstanding client the Bank, ie. that the bank knows the customer very well.

The interest rate is best for the client currently in its existing bank.

The fee for the loan is the most convenient and lowest in the Czech Savings Bank, but given that this is a one-time fee, so insignificant an item. Unlike two remaining banks is 0.2% difference.

Monthly fee for the credit account is a very important item, because the client will repay the loan the 10 years. According to the charge tariff rates in the Czech Savings Bank. The amount is 400 CZC / M. In the current bank, CSOB can be a client account management fee reduced by 50 %, to 250 CZC / M. The loan maturity is 10 years of saving for the client 30 thousand CZC.

Commitment fee, payable for a loan from the unused amount is the same and lowest in the Czech Savings Bank and CSOB.

In all banks, it is necessary to ensure real estate loan that is intended for business purposes. The value of the property must be valued by the value, which is an internal or external employee. In the event that the client should ensure that the property valuation the appraiser who does not cooperate with the bank, it could lead to overestimation of the property. The fee for the valuation of the property is at the Czech Savings Bank or in the KB. In CSOB would be a fee of 0.03 - 0.2% of the analyzed value of collateral, at least 2 thousand CZC.

CONCLUSION

The Bachelor Thesis was elaborated on the topic "Analysis of financing small and medium-sized enterprises. The main objective was to evaluate the possibility of financing investment loan in the amount of CZK 2 million for the company Mark Mikel Ltd.

The theoretical part of this Thesis is focused on the segmentation of small and medium-sized enterprises. They are given the data available from the website of the MLSA. The sector of small and medium enterprises (SMEs) is the driving force of business, innovation, growth and competitiveness. SMEs play a decisive role in job creation. 31 12th 2009 showed in the Czech Republic business 989,568 small and medium-sized enterprises, which in 209 contributed 62.33 % of total employment, and 36.22 % of GDP.

Another section focuses on the SWOT analysis, which focuses on the strengths and weaknesses of the company. The source of the financial analysis of the financial statements, which allow to outline the company's future development. Financial analysis is used primarily by managers, customers, employees, external analysts, lenders, municipal sector and government clients.

The financial analysis is the so-called financial indicators and ratios. In the event that we correctly assess the situation of the company, we know these parameters and comprehensively assessed. Resources for the processing of financial analysis are the Balance Sheet, Profit and loss statement and statement of cash flows. Very important are the ratios, which include: profitability ratios, debt ratios and liquidity ratios.

Indicators include profitability - profitability CV (ROE) and return on assets (ROA) and return on sales.

Among the indicators include total debt leverage and interest coverage.

The most important indicators of liquidity are: the calculation of the overall liquidity and working capital. The thesis is also focused on the analysis of business loans in the three largest banks - the Czech Savings Bank, the Czechoslovak Commercial Bank and Commercial Bank (listed alphabetically), and a breakdown of bank loans. Bank loans

break up various aspects, such as by sector, loan purpose, duration, course credit, the debtor's domicile, debtor entities. Further credits can be a single, gradually drawn, bank overdraft, revolving, unsecured or secured.

It describes the loan process from submission of documents to the client's control of the bank, whether subject to any terms and conditions.

In the case study reports were prepared company Mark Mikel Ltd. It is also an international company that deals with the sails and wholesale products for technical fabrics suitable for use as cover sheets and products for technical textiles.

The company also supplies anchor ropes and anchoring accessories. In the last part of the thesis is an evaluation of the best banks to give credit to the client. This is his current bank, which is CSOB. The current bank is best for the client from several aspects. Mark Mikel Company Ltd. CSOB is a longtime client, so the bank knows the client very well and can offer the client the exemption and reduction of tariff rates than banks, but also interest rates.

Evaluation by the Company



Zhodnocení bakalářské práce

Paní Soňa Výmolová vypracovala svoji bakalářskou práci na téma Analýza financování malých a středních podniků.

V teoretické části vymezila pojem malého a středního podniku. Definovala finanční analýzu podniku. Dále se věnovala možnostem financování společností. Nejvíce se zaměřila na bankovní úvěry. Analyzovala jejich typy a porovnávala nabídku jednotlivých bank na českém trhu.

V případové studii analyzovala společnost Marek Mikel, s.r.o. Zhodnotila jak výsledky společnosti, tak se vyjádřila i k perspektivě firmy. Taktéž zhodnotila schopnost firmy splácet dlouhodobý úvěr. S tímto zadáním udělala průzkum ve vybraných bankovních domech. Z nabídek vybrala optimální řešení pro společnost.

Hlavní přínos pro ČSOB spatřuji především v uceleném přehledu konkurenčního prostředí. Ukázalo se, že banky přistupují podobně k riziku. Liší se však v konkrétních cenových nabídkách.

Závěrem chci paní Výmolové poděkovat za pracovitost a nasazení. Bakalářská práce bude pro ni přínosem do dalšího profesního života.

Československá obchodní banka, a.s.
7-474

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ABSTRACT

Soňa VÝMOLOVÁ, Analysis of financing for small and middle enterprises.
Bachelor Thesis. European Polytechnic Institute, Ltd. Kunovice

Supervisor: Ing. Vlastimil Vajdák

Key words: company (enterprise), loan, business loan, financing for small and middle enterprises, analysis, strengths and weaknesses of the company, tax return, balance, profit and loss, assets, debts, cash-flow, current liquidity, immediate liquidity, working capital, profitability, interest rate, commitment fee.

The Bachelor Thesis is elaborated on the theme „Analysis of financing small and medium-sized enterprises. We will learn the segmentation of small and middle enterprises, SWOT analysis, sources of information for processing financial analysis, balance sheet, profit and loss account, cash flow. In the working is treated to an analysis and comparison of individual in the three Czech, the Česká spořitelna, ČSOB and KB. For the case study reports were prepared company Mark Mikel Ltd,. This company specializes in sales of tents, sails, gazebos and pavilions, technical textiles and protective nets and screens. The company is interested in a loan of CZK 2 million to build its own storage space. Therefore asked the Bank to establish indicative bid. Banks examine the statements of the company and was evaluated as the best existing client bank, ČSOB.

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List of abbreviations

CB	Commercial Bank
CNB	Czech National Bank
CR	Czech Republic
CZC	Czech Krone
EC	Equity capital
EUR	currency euro, the currency abbreviation is not legally binding
Fig.	Figure
GDP	Gross domestic product
Ltd.	Limited company
M	month
Mill.	million
Mild.	Milliard
No.	Number
p.	page
ROA	Return on assets
ROE	Return on equity

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Appendix 1: Fee business loans Czech Saving Bank

Adoption, Assessment and evaluation of a loan (or credit limit, the promise of a loan)

Adoption, Assessment and evaluation of a loan (or credit limit, the promise of a loan)	Determined individually, 0,5% to 2% of the loan, min. 5.000
Adoption, Assessment and evaluation of a mini-Term Credit Bank overdraft Profit and mini-Profit	Free of charge
Admission, Assessment and evaluation of the Company overdraft with the Framework to 50 th.	Free of charge

Commitment fee

Commitment fee	Determined individually from 0,5% to 1% of the undrawn amount of the loan
Commitment fees for overdraft mini Profit *)	0,5%
Corporate Commitment fee an overdraft facility with the Framework to 50 th.	Free of charge

*) Term loan for mini-profit commitment fees are not collected

Administration and management of trade credit in the Czech currency (including overdraft)

Administration and management of trade credit in the Czech currency (including overdraft) - monthly	300
Administration and management of credit transaction for Term loan and Overdraft Profit mini - monthly	100
Monthly Corporate governance and management Framework with an overdraft to 50 th.	Free of charge

Other items

For each installment loans consisting of cash	10
Written reminder (call) to pay the amount owed on the loan (including the call for the debtor to pay before the action)	
1. reminder	300 + postage
2. reminder	

3. reminder	
Assessing the risks associated with real estate collateral	individually *)
Evaluation of risks associated with drawing a loan secured by real estate under construction	individually **)
Change of conditions on the initiative of banks – in commercial loans	Free of charge

Product tariff is for informational purposes only and includes binding information about some of the prices of services related to the product. Tariff Rates of product may be composed of multiple items and to determine the final price of services is critical scale of Czech Savings Bank, Inc. For banking transaction, designed for the client segment.

01. 09. 2010

Zdroj: [31]

Appendix 2: Fee business loans CSOB

PERMITTED OVERDRAFT	
Submission and evaluation of a loan	Free of charge
Grant loan	Free of charge
Services and work associated with the implementation of credit (credit limit up to 100 000,- including) ¹⁾	100,- for every month throughout the duration of trade
Services and work associated with the implementation of credit (credit limit of 100 000,-) ¹⁾	350,- for every month throughout the duration of trade
Services and work associated with the implementation of the loan - Municipalities	200,- for every month throughout the duration of trade
Changing terms and conditions of the client's request ²⁾	At least 2 000,-
¹⁾ The fee is collected from the month loan contract.	
²⁾ The fee may be reduced to increase the credit limit.	

SMALL LOAN FOR ENTREPRENEURS	
Submission and evaluation of a loan free of charge	Free of charge
Grant loan	0,5 % of the loan, min. 2 000,-
Services and work associated with the implementation of credit	200,- for every month throughout the duration of trade
Advance payment of credit	At least 5 000,-
Changing terms and conditions initiated by the client ¹⁾	At least 2 000,-
¹⁾ The fee is not charged in the case of an installment.	

CREDIT CARD FOR ENTREPRENEURS ¹⁾	
Submission and evaluation of a loan	Free of charge
Grant loan	Free of charge
Services and work associated with the implementation of credit ²⁾	
- for each credit card non embossed MasterCard	400,-
- each credit card MasterCard Business	600,-
- For each credit card MasterCard Gold	3 000,-
Changing the terms of the loan contract initiated by the client ³⁾	At least 1 000,-
Electronic transfer of up to 90 % loan to current account maintained in the client CSOB	0,2 % of transferred amount
¹⁾ Other fees and services related to bank card charges under section tabs. Extract from the loan account to your credit card is issued and sent 15 days before the due date.	
²⁾ The fee is charged at an annual rate for the duration of the loan regardless of credit card acceptance by the client.	

³⁾ *The fee may be reduced to increase the credit limit.*

Source: [32]