

INSIDE INFORMATION  
MANDATORY DISCLOSURE  
ACCORDING TO IFRS  
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Consolidated, unaudited



# 1H 2018

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August 8, 2018

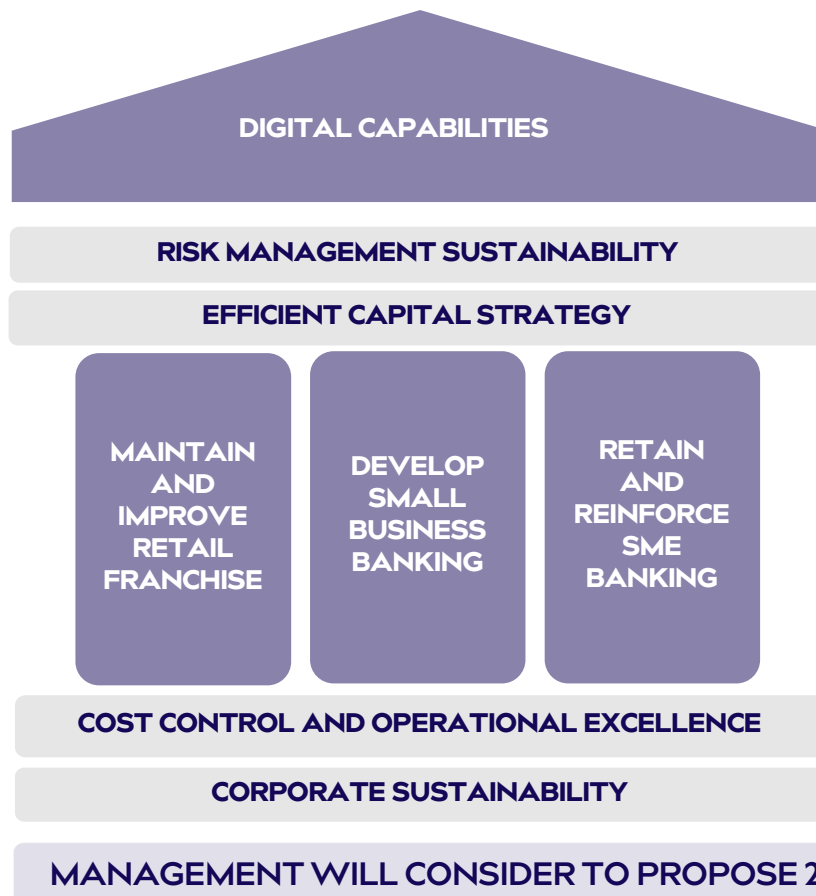
## 2018 FINANCIAL PERFORMANCE AGAINST GUIDANCE

Upgrading guidance, targeting consolidated net profit of CZK 3.7 billion and RoTE above 16%

METRICS	 RESULTS	 2018 GUIDANCE		
	1H 2017	1H 2018	Initial <sup>1</sup>	Revised <sup>2</sup>
<b>LOAN BOOK GROWTH</b> (YoY) <sup>3</sup>	8.9%	13.4%	≥ 9%	≥ 9%
<b>TOTAL OPERATING INCOME</b> (CZK)	5.3bn	4.8bn	≥ 9.5bn	≥ <b>9.7bn</b>
<b>COST BASE</b> (CZK)	2.3bn	2.4bn	~ 4.9bn	~ 4.9bn
<b>COST OF RISK</b> <sup>4</sup> <i>Cost of Risk (excluding legacy NPL sales)</i>	46bps <i>59bps</i> <sup>5</sup>	(24bps) <i>78bps</i>	45 – 55bps <i>90 – 100bps</i>	<b>20 - 30bps</b> <b>75 – 85bps</b>
<b>CONSOLIDATED NET PROFIT</b> (CZK)	2.2bn	2.1bn	≥ 3.4bn	≥ <b>3.7bn</b>
<b>RETURN ON TANGIBLE EQUITY</b>	19.1%	19.6%	≥ 14%	≥ <b>16%</b>
<b>EFFECTIVE TAX RATE</b>	20.0%	16.9%	~ 17%	~ 17%

## EXECUTING ON STRATEGY

# Strategy execution proceeding according to plan



**13.4% YoY growth in gross performing loans** outperforming guidance

**18.4% YoY increase in RETAIL gross performing loan balance**

- **42.3% YoY** continued growth in gross performing **mortgage balance<sup>1</sup>**, achieving **market share** of **2.2%<sup>2</sup>** in 1H'18 (**1.7%** in 1H'17)
- **9.4% YoY** growth in gross performing **consumer loans balance** and maintaining **market share** at **18.9%<sup>3</sup>**

**8.5% YoY growth in COMMERCIAL gross performing loan balance**

- **67.8% YoY** strong growth in gross performing **small business loan balance**, with new volume in instalment lending up **57.7% YoY**
- **6.9% YoY** increase in gross performing **investment loan balance**

**Smart Banka** awarded by **Zlatá koruna 2018<sup>4</sup>** as the **best online application** and **3rd place as the best financial product**

**16.0% Capital Adequacy Ratio<sup>5</sup>** with positive result of capital optimization initiatives of **CZK 333m**, **8.0% YoY RWA** growth

## EXECUTING ON STRATEGY

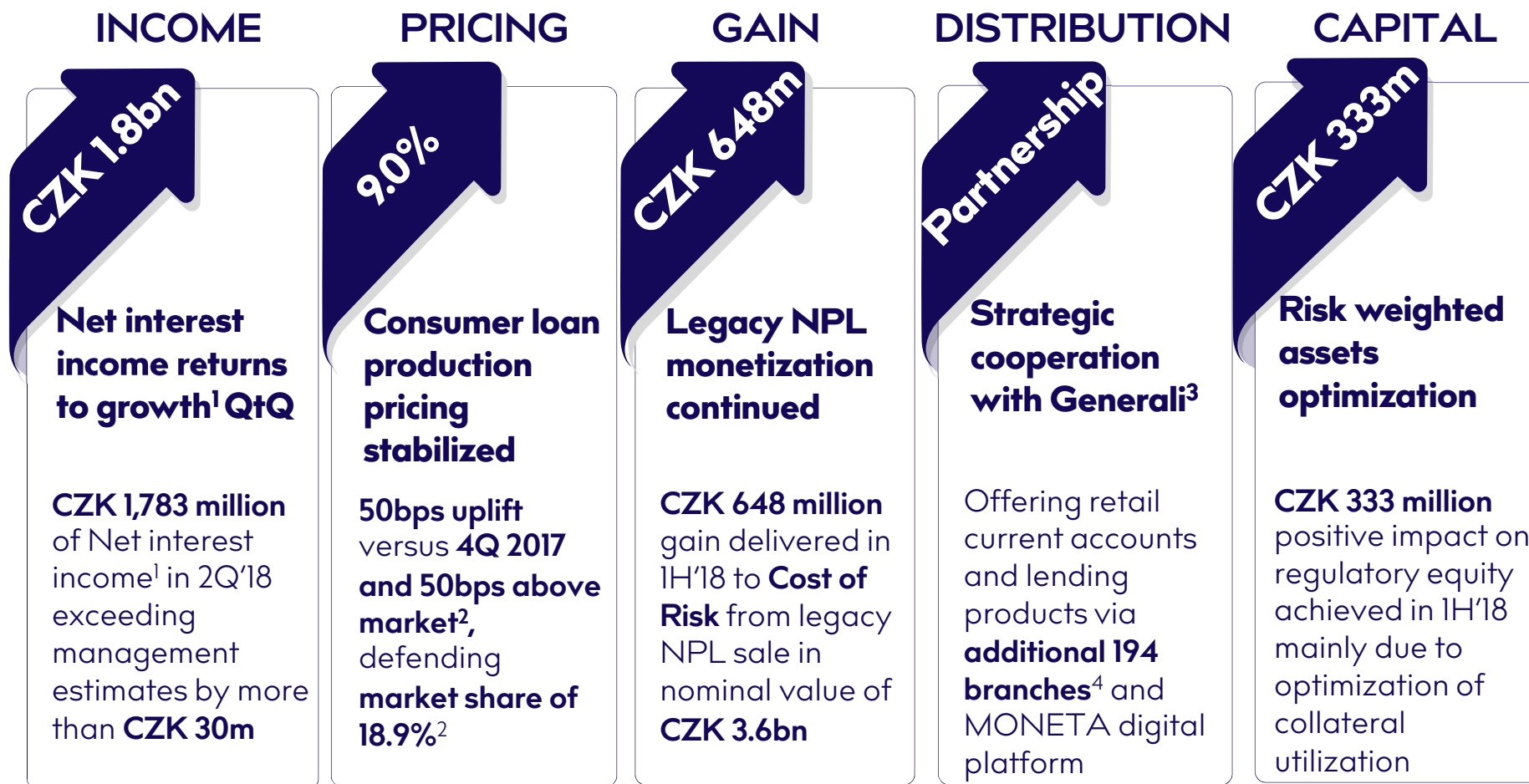
# CZK 2.1 billion of net profit delivered

METRICS (CZK m, %)	1H'18	1H'17	CHANGE
NET INTEREST INCOME	3,578	3,716	(3.7%)
NET FEE AND COMMISSION INCOME	905	918	(1.4%)
OTHER INCOME	287	669	(57.1%)
<b>TOTAL OPERATING INCOME</b>	<b>4,770</b>	<b>5,303</b>	<b>(10.1%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>(2,370)</b>	<b>(2,298)</b>	<b>3.1%</b>
<b>COST OF RISK</b>	<b>151</b>	<b>(261)</b>	<b>&gt;(100%)</b>
PROFIT BEFORE TAX	2,551	2,744	(7.0%)
<b>NET PROFIT</b>	<b>2,121</b>	<b>2,195</b>	<b>(3.4%)</b>
<b>RETURN ON TANGIBLE EQUITY<sup>1</sup></b>	<b>19.6%</b>	<b>19.1%</b>	<b>50bps</b>
<b>RETURN ON EQUITY<sup>1</sup></b>	<b>18.3%</b>	<b>18.3%</b>	<b>2bps</b>

- **CZK 4.8bn of operating income, down 10.1% YoY**, partially driven by gain on bond sales of **CZK 343m** in 1H'17
- **CZK 72m higher operating expenses YoY (up 3.1%)**, mainly due to provision release in 2017
- **49.7% Cost to Income** ratio in line with management expectations
- **Positive Cost of Risk**, supported by gain on legacy NPL sales (**78bps Cost of Risk** excluding gain on legacy NPL sales)
- **CZK 2.1bn of net profit** resulting in **19.6% RoTE**

## EXECUTING ON STRATEGY

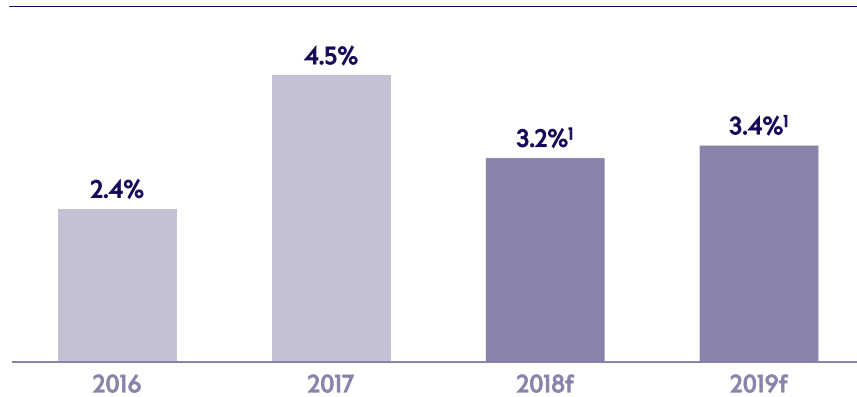
Net interest income stabilized, NPL sale strategy on track and capital optimization supports overall loan book growth



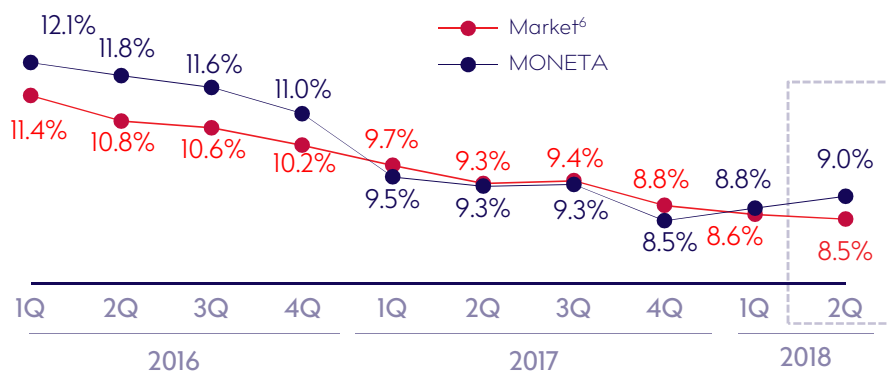
# MACROECONOMIC ENVIRONMENT

## Czech Republic rating upgraded to AA-, environment improves through rate hikes, MONETA stabilizing new volume pricing

### STRONG GDP OUTLOOK



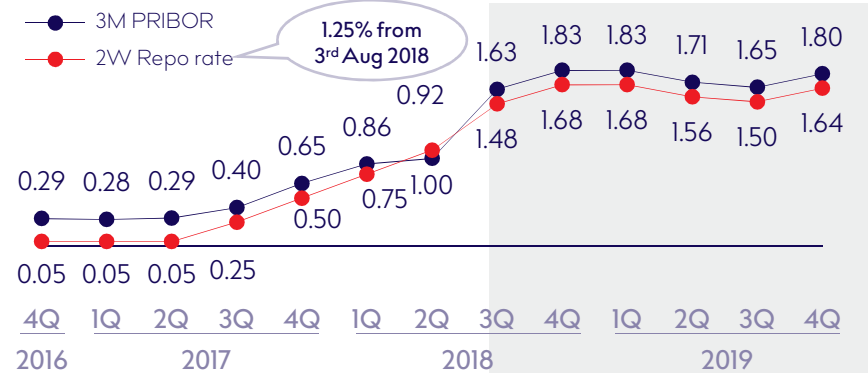
### NEW VOLUME PRICING OF CONSUMER LOANS



### KEY MACROECONOMIC INDICATORS<sup>2</sup>

INDICATOR	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18
Export <sup>3</sup>	9.3%	4.9%	4.0%	4.9%	(2.3%)	n/a
Industrial production	4.9%	8.5%	6.8%	7.6%	4.0%	n/a
Unemployment	5.1%	4.2%	4.0%	3.6%	3.7%	3.0%
Inflation	2.4%	2.2%	2.5%	2.6%	1.9% <sup>4</sup>	2.3%
EUR/CZK	27.0	26.5	26.1	25.7	25.4	25.6
Banks' NPL ratio	4.5%	4.3%	4.0%	4.0%	3.7%	3.4%

### INTEREST RATE FORECAST<sup>5</sup>



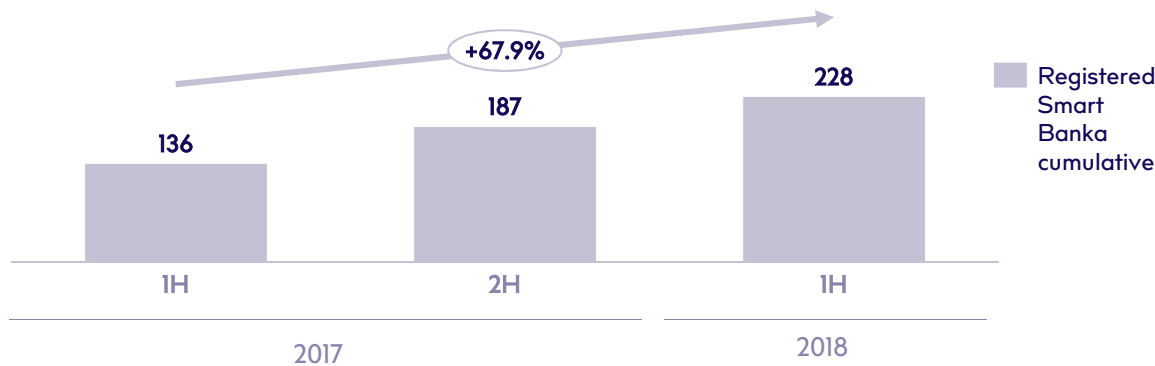
Source: Czech Statistical Office, Ministry of Labor, Ministry of Finance, Czech National Bank, Latest (revised) data. Czech Republic investment grade rating source: <https://www.fitchratings.com/site/dodd-frank-disclosure/10040450>.

(1) Latest CNB forecast from August 2, 2018 ([https://www.cnb.cz/cs/menova\\_politika/zpravy\\_o\\_inflaci/2018/2018\\_III/download/ZOI\\_III\\_2018\\_T\\_1\\_Makroindikatory.xlsx](https://www.cnb.cz/cs/menova_politika/zpravy_o_inflaci/2018/2018_III/download/ZOI_III_2018_T_1_Makroindikatory.xlsx)); (2) All data except Bank's NPL ratio, export and industrial productions represents quarterly averages; (3) Export following national concept; (4) Change in the CSO methodology, i.e. inflation calculated on updated weights; (5) Latest CNB forecast from August 2, 2018 used for period 3Q 2018 to 4Q 2019; (6) CNB ARAD, following CNB definition (includes non-purposed and purposed consumer loans, debt consolidations and American mortgages). New volume pricing represented by annualized weighted average rate for Czech residents denominated in CZK only.

## DIGITAL TRANSFORMATION PROGRESSING

# MONETA making solid progress in online banking through Smart Banka success

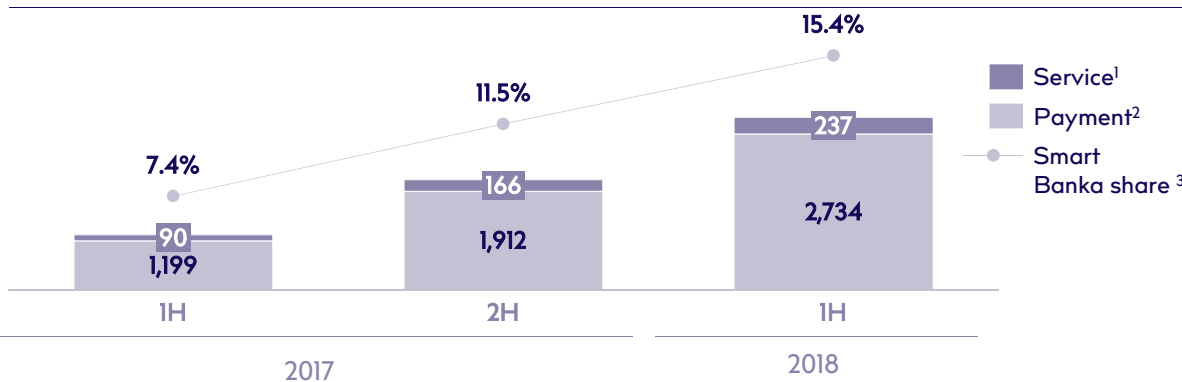
DIGITAL BANKING PENETRATION (number of clients in thousands)



### DELIVERIES

- **67.9% YoY growth** in Smart Banka; registered **users** reaching 228 thousand
- **15.4%** of payment transactions<sup>2</sup> executed **via Smart Banka in 1H 2018**
- **“Open banking”** capability developed enabling clients of four major competitors to view their accounts in **Smart Banka**

SMART BANKA TRANSACTIONS (number of transactions in thousands)



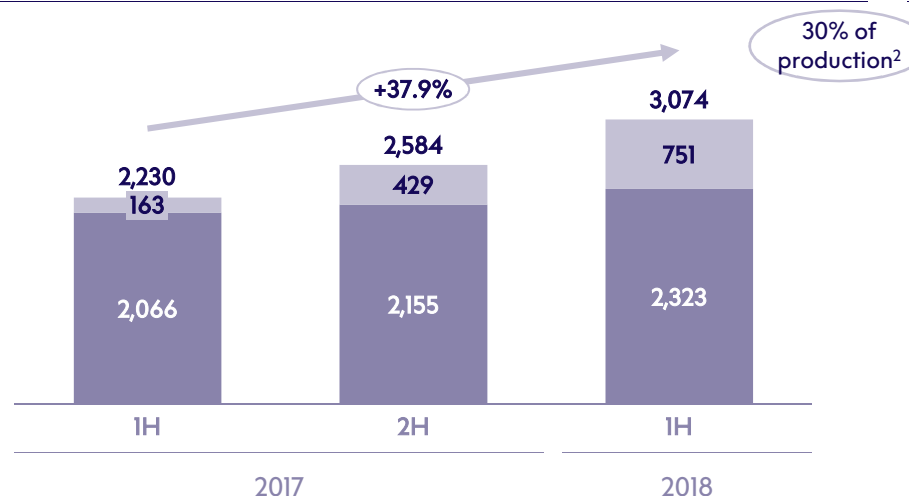
### ASPIRATIONS FOR 2H 2018

- **Simple loan application for non-preapproved clients via Smart Banka**, tripling population eligible for loans via Smart Banka in 3Q 2018
- **New web presence to be rolled out in 3Q 2018** focused on radically improving sales efficiency
- **Tablet based digital loan process to be rolled out** to selected loan brokers during 3Q 2018 and Česká pojišťovna/Generali

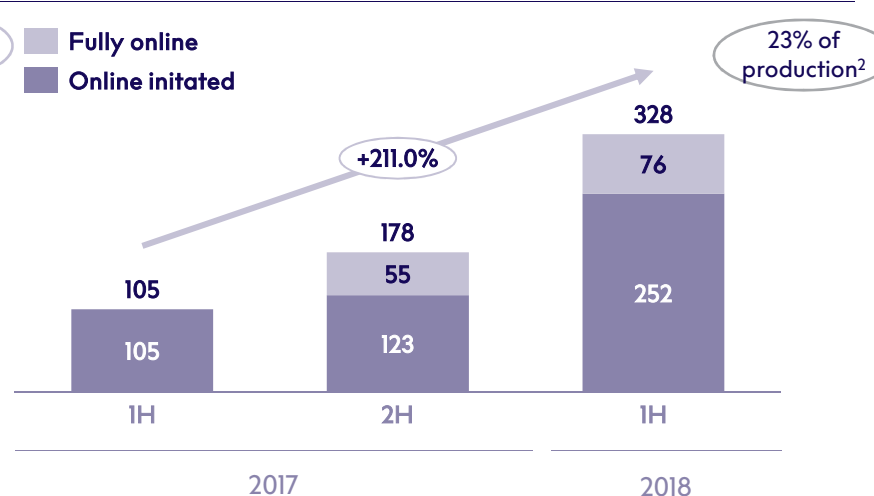
# STRONG ONLINE LENDING PERFORMANCE

## Digital strategy yields strong commercial results in lending

CONSUMER LOAN VOLUMES ORIGINATED ONLINE<sup>1</sup> (CZK m)



SMALL BUSINESS LOANS ORIGINATED ONLINE<sup>1</sup> (CZK m)



### HIGHLIGHTS

- **CZK 3.1bn consumer loans originated online**, reaching **30%** share of MONETA's consumer loan production in 1H'18 versus **15%** in 1H'17
- **CZK 751m in consumer loan volume originated fully online** through Smart Banka and internet banking, **7.3%** of total consumer loan production during 1H'18
- **CZK 26.3bn** of pre-approved unsecured loan limits available fully online to more than 146,000 existing retail clients

### HIGHLIGHTS

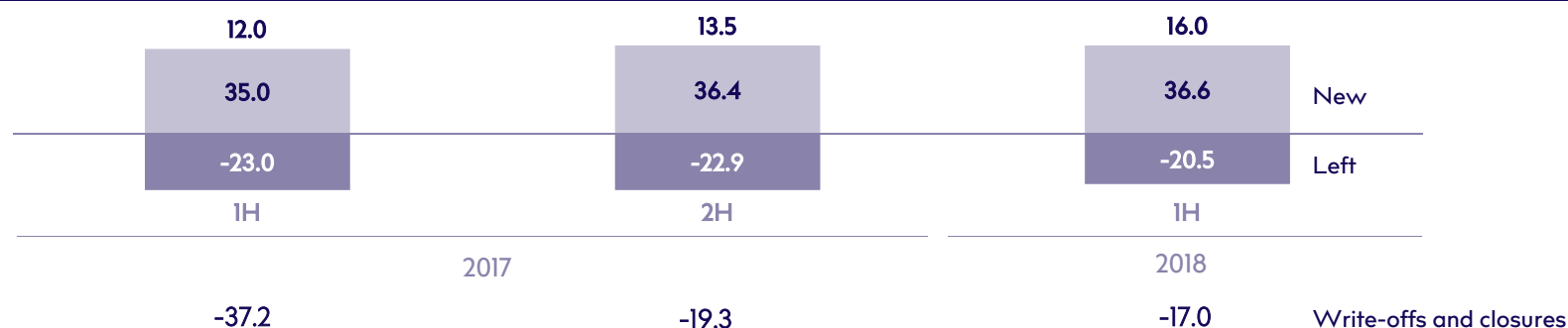
- **CZK 328m originated online**, reaching **23%** share of small business lending volume in 1H'18 versus **12%** in 1H'17
- **CZK 76m of small business loan volumes completed fully online**; **5.4%** of total small business loan production during 1H'18
- **CZK 5.0bn** of pre-approved limits to more than 21,000 existing clients available online



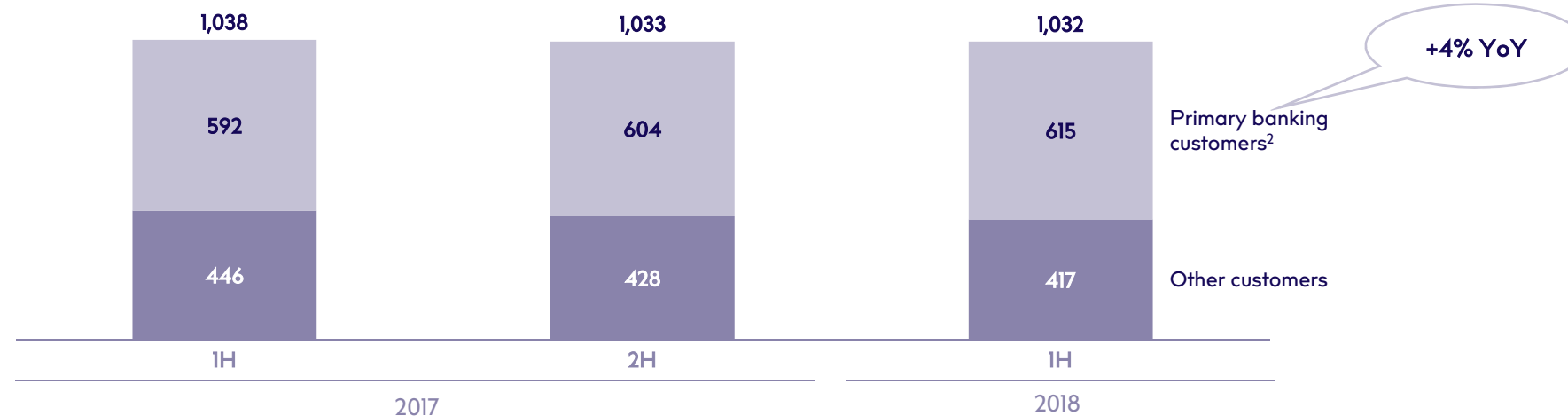
## CLIENT BASE EVOLUTION

# Client acquisition and primary banking customer relationship improving

NET CLIENT ACQUISITION<sup>1</sup> (number of clients in thousands)



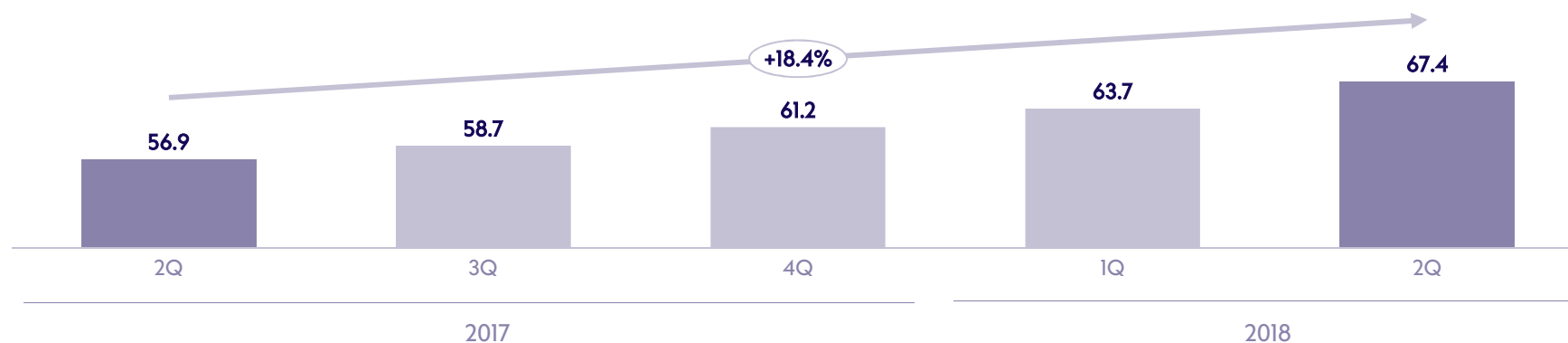
CLIENT BASE EVOLUTION (number of clients in thousands)



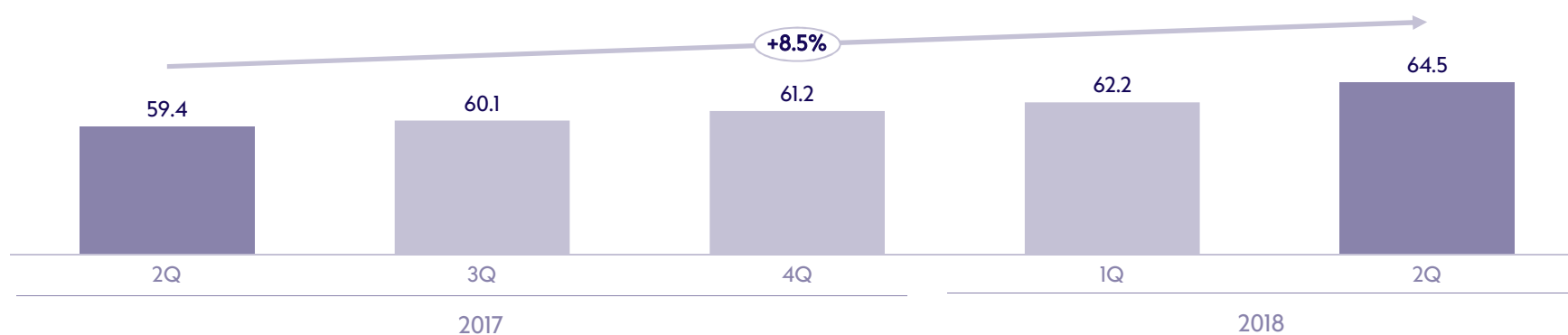
## GROSS PERFORMING LOAN PORTFOLIO DEVELOPMENT

Accelerated growth in retail, complemented by strong performance in commercial

RETAIL GROSS PERFORMING LOAN BALANCE (CZK bn)



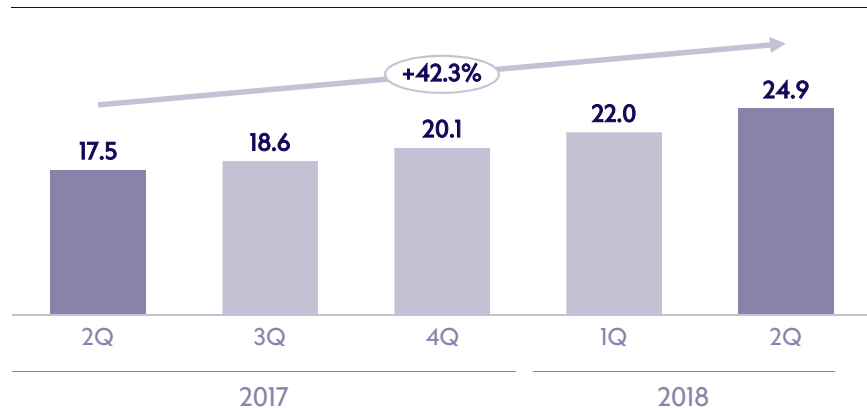
COMMERCIAL GROSS PERFORMING LOAN BALANCE (CZK bn)



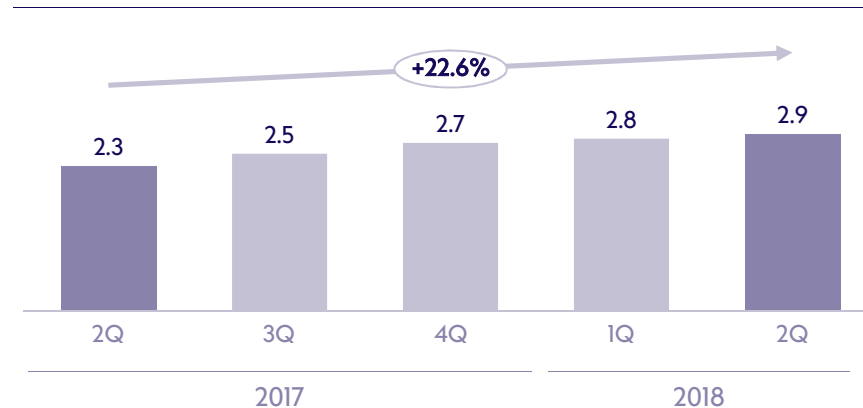
# GROSS PERFORMING RETAIL LOAN PORTFOLIO DEVELOPMENT

## Retail growth driven by mortgages, auto finance and consumer lending

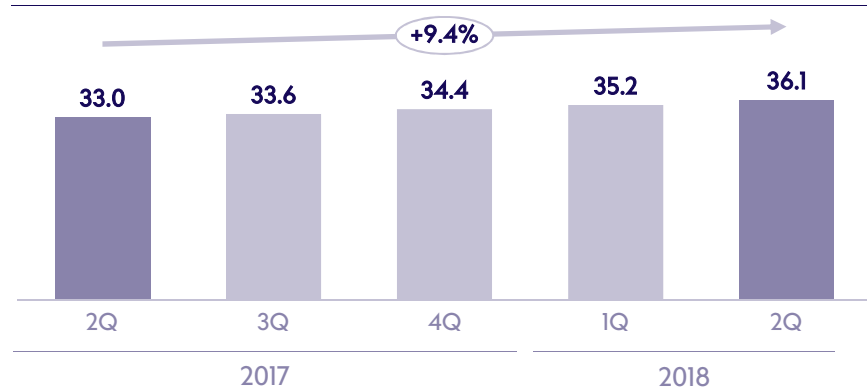
MORTGAGE BALANCE (CZK bn)



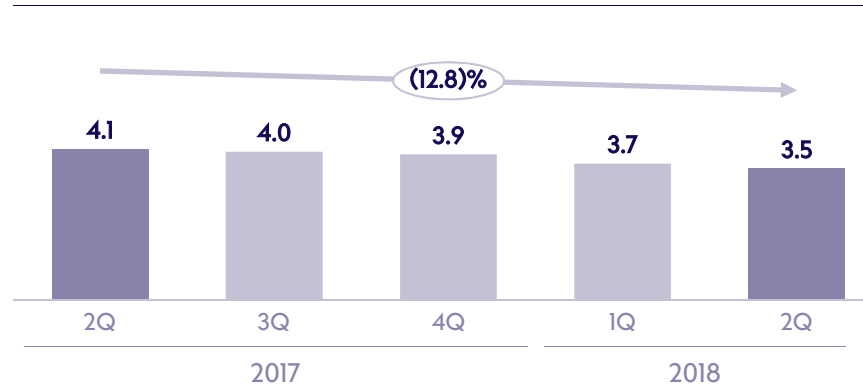
AUTO LENDING BALANCE (CZK bn)



CONSUMER LOAN BALANCE (CZK bn)



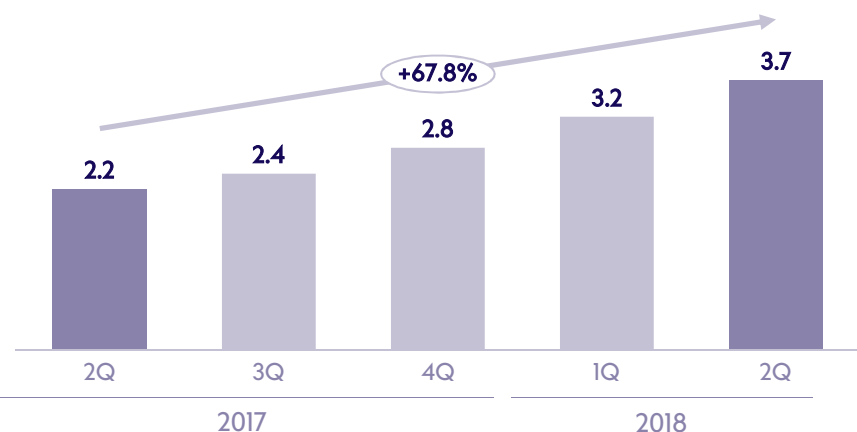
CREDIT CARD & OVERDRAFT BALANCE (CZK bn)



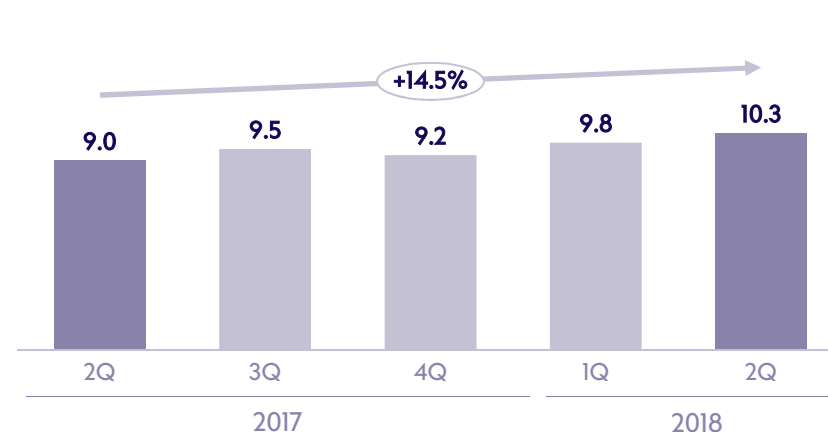
# GROSS PERFORMING COMMERCIAL LOAN PORTFOLIO DEVELOPMENT

## Commercial growth supported by rapid build-up in small business franchise

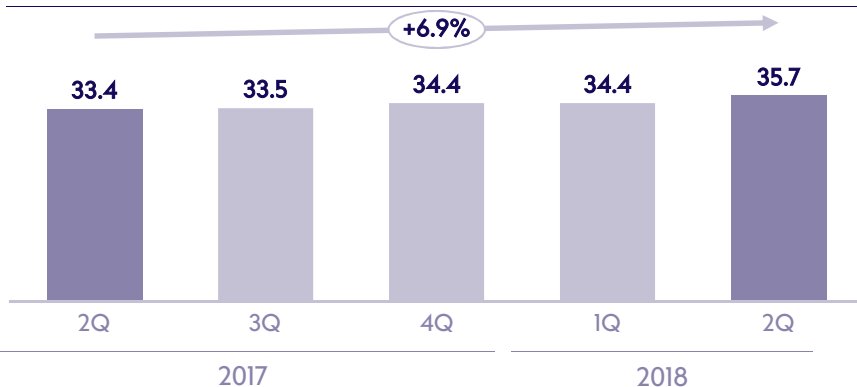
SMALL BUSINESS LENDING BALANCE<sup>(1)</sup> (CZK bn)



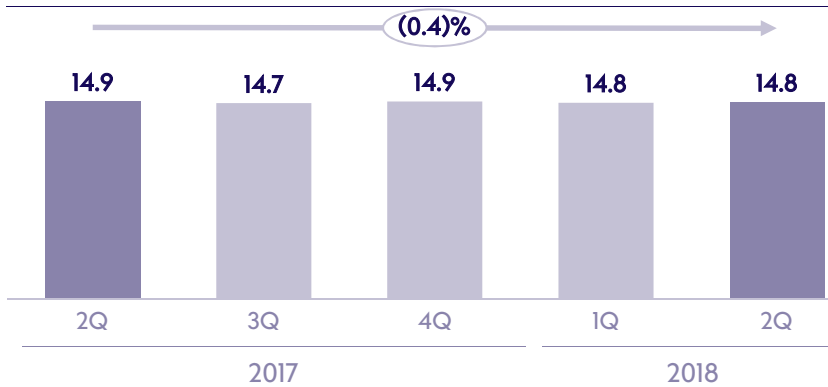
WORKING CAPITAL BALANCE (CZK bn)



INVESTMENT LOAN BALANCE (CZK bn)



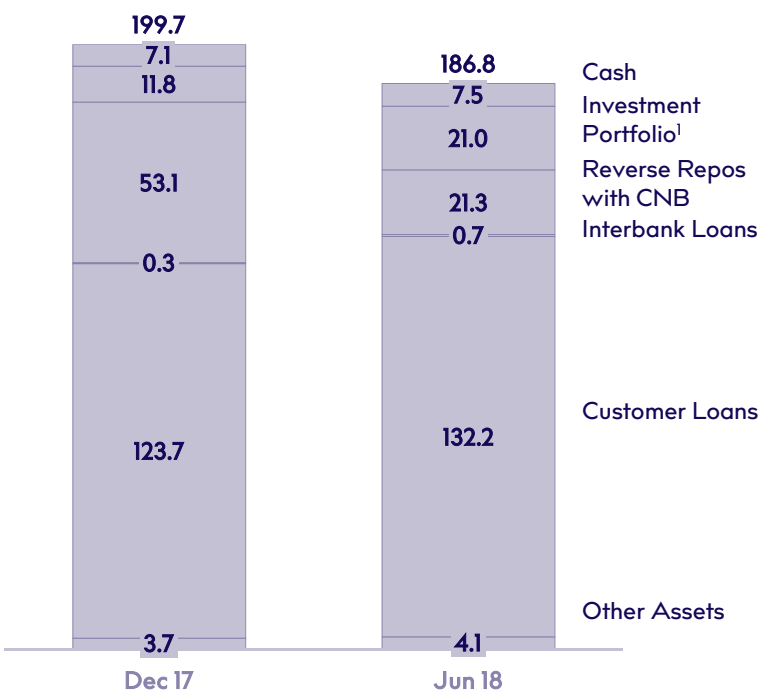
AUTO AND LEASING BALANCE (CZK bn)



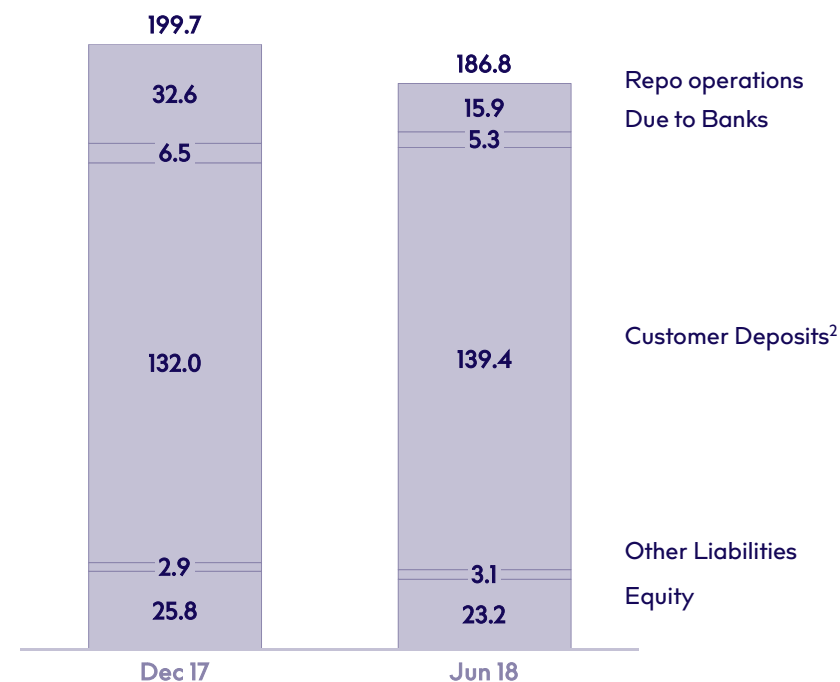
# SOLID BALANCE SHEET FUNDAMENTALS

## Maintaining highly liquid and strong balance sheet post dividend payment

### ASSETS (CZK bn)



### LIABILITIES AND EQUITY (CZK bn)

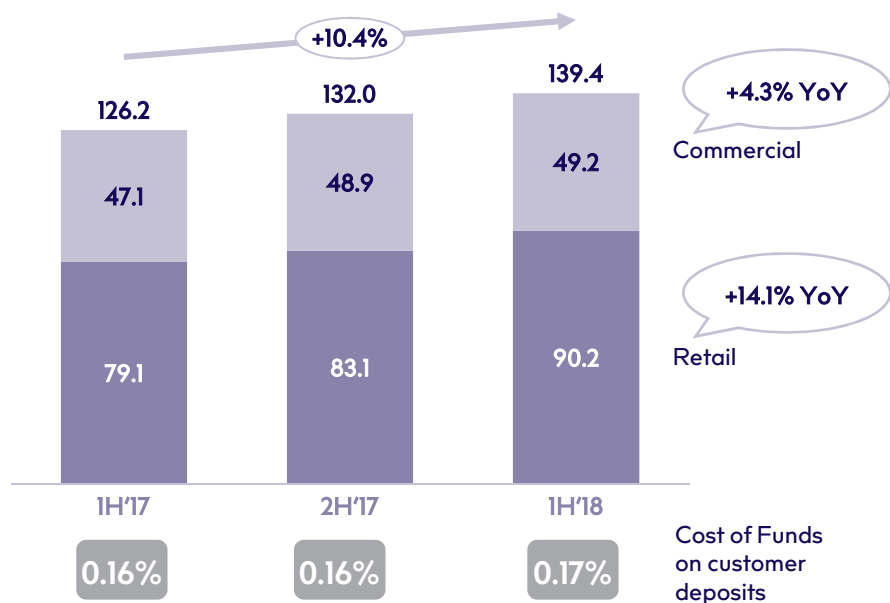


- **CZK 13.9bn** nominal value of regular IRR hedging position
- **160.7% LCR** exceeding regulatory limit, confirming **excellent liquidity position**
- **8.5% Regulatory Leverage<sup>3</sup>** (2017 at **8.1%**) against Czech bank industry leverage of **6.2%**<sup>4</sup>

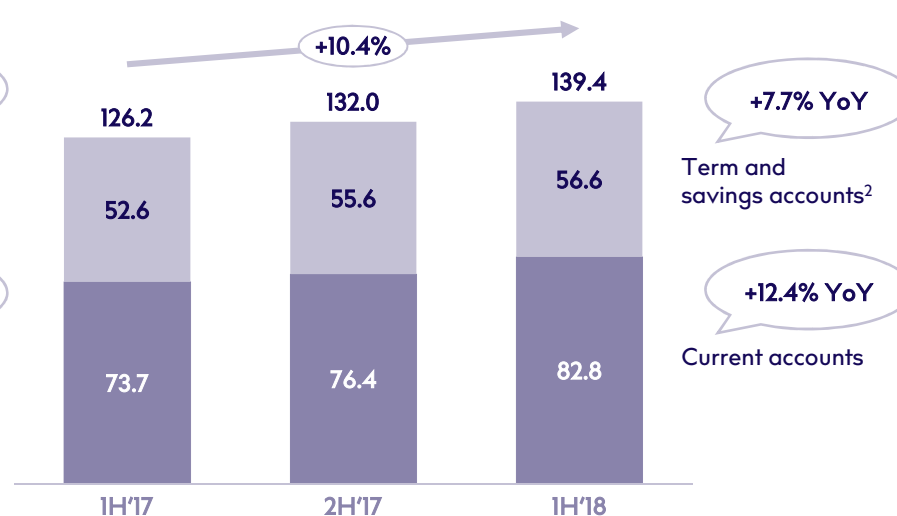
# SOLID BALANCE SHEET FUNDAMENTALS

## Strong growth and low cost deposit funds gathering continue

CUSTOMER DEPOSITS<sup>1</sup> BY SEGMENT (CZK bn)



CUSTOMER DEPOSITS<sup>1</sup> BY PRODUCT (CZK bn)



### HIGHLIGHTS

- **90.3% Loan to Deposit ratio<sup>3</sup>** remained stable compared to **87.4% in 4Q'17**
- **0.17% stable Cost of Funds<sup>4</sup> on customer deposits**
- **14.1% YoY growth of retail customer deposits** outperforming **8.9% market growth<sup>4</sup>**, **3.3% total market share<sup>5</sup>** achieved in 1H'18

Notes: Figures in chart may not add up due to rounding differences.

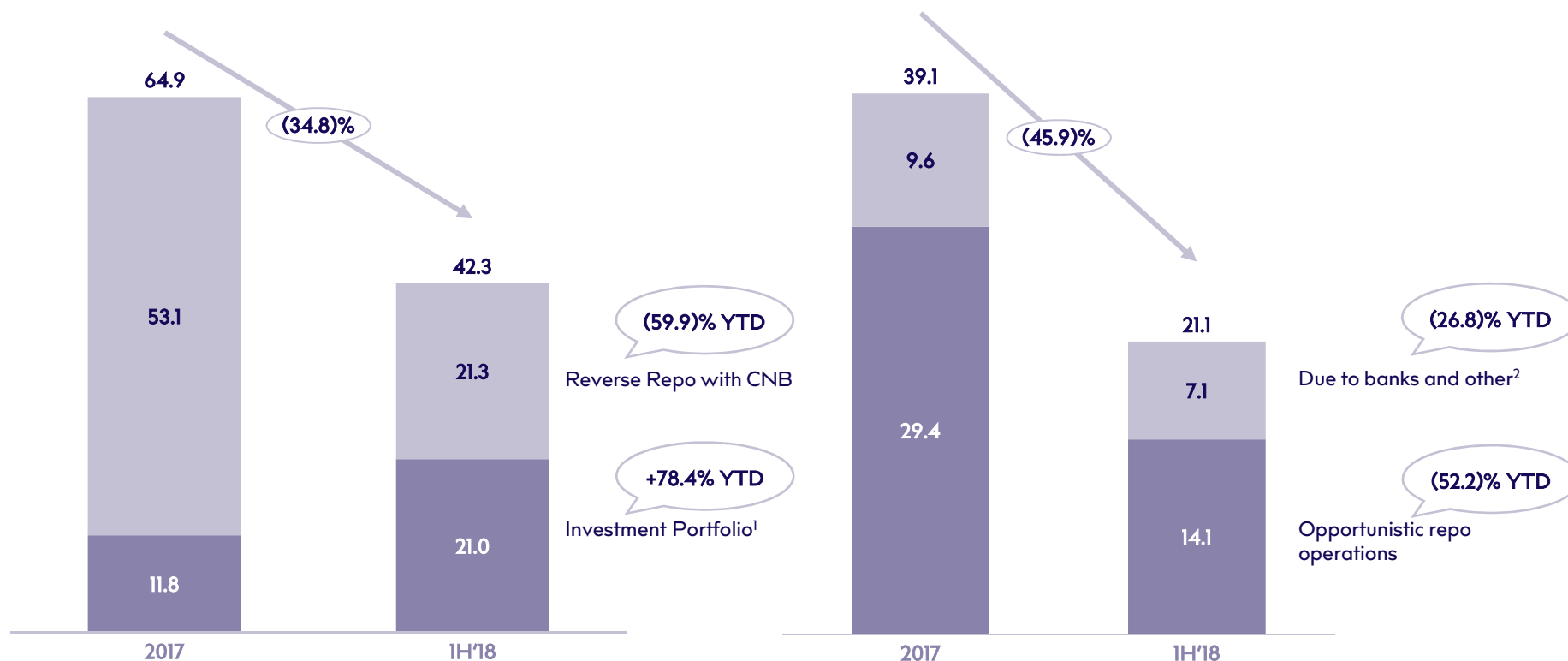
(1) Excluding CZK 7.0 billion of opportunistic repo transactions as at end of 1H'18 (as at end of 4Q'17: 9.4 billion); (2) Includes term deposits, savings accounts and other deposits; (3) Ratio calculated based on reported customer deposits, including opportunistic repo transactions; (4) 0.20% total Cost of Funds; (5) Source: CNB ARAD, Retail customer deposits excl. non-residents; (6) Source: CNB ARAD.

# SOLID BALANCE SHEET FUNDAMENTALS

## Expanding our investment portfolio amid increasing interest rate environment

INVESTMENT PORTFOLIO AND REVERSE REPO OPERATIONS (CZK bn)

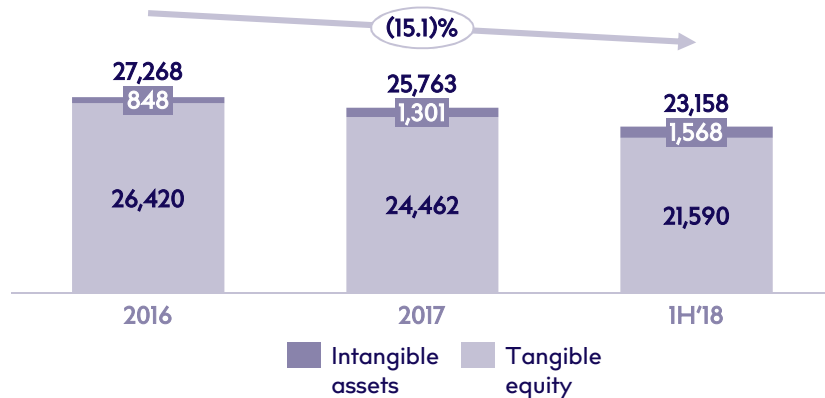
DUE TO BANKS AND REPO OPERATIONS (CZK bn)



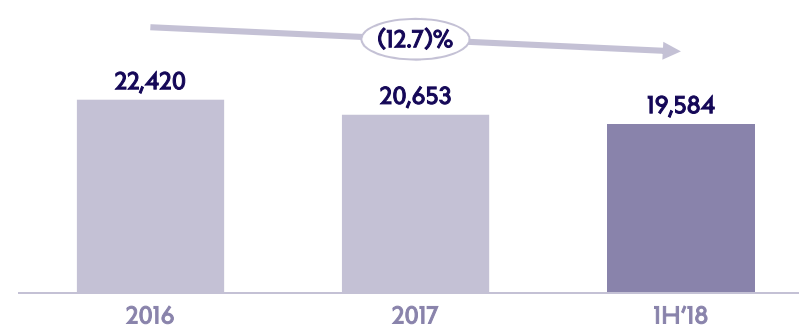
## CAPITAL MANAGEMENT

Sufficient capital capacity to support further growth, expecting to approach 15.5% CAR by the end of 2018 according to plan

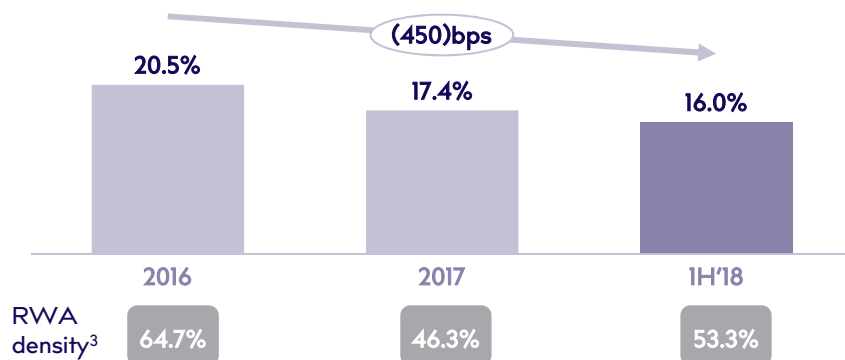
ACCOUNTING EQUITY (CZK m)



REGULATORY EQUITY (CZK m)



CAPITAL ADEQUACY RATIO<sup>1</sup>



### INITIATIVES FOR CAPITAL OPTIMIZATION IN 2018

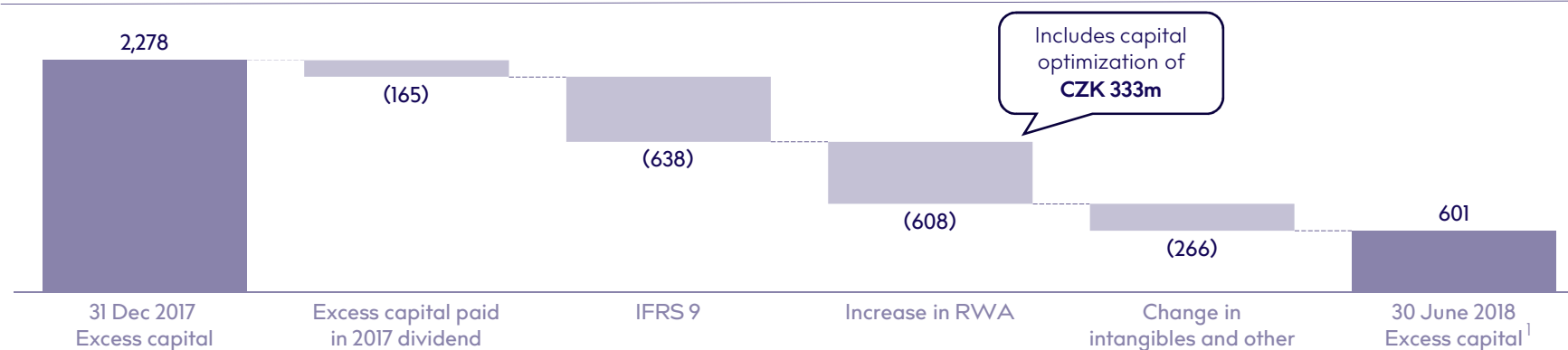
- ✓ CZK 183m of regulatory capital in utilization of respective credit risk mitigation techniques connected to secured commercial loans (CZK 1,181m RWA)
- ✓ CZK 91m of regulatory capital in optimization of other assets with respect to risk weights (CZK 589m RWA)
- ✓ CZK 59m of regulatory capital in review of credit conversion factor for off balance sheet exposures (CZK 380m RWA)
- CZK 600m of estimated impact into regulatory capital<sup>2</sup> in 3Q'18 from inclusion of 1H'18 profit net of 70% dividend as per MONETA's dividend policy



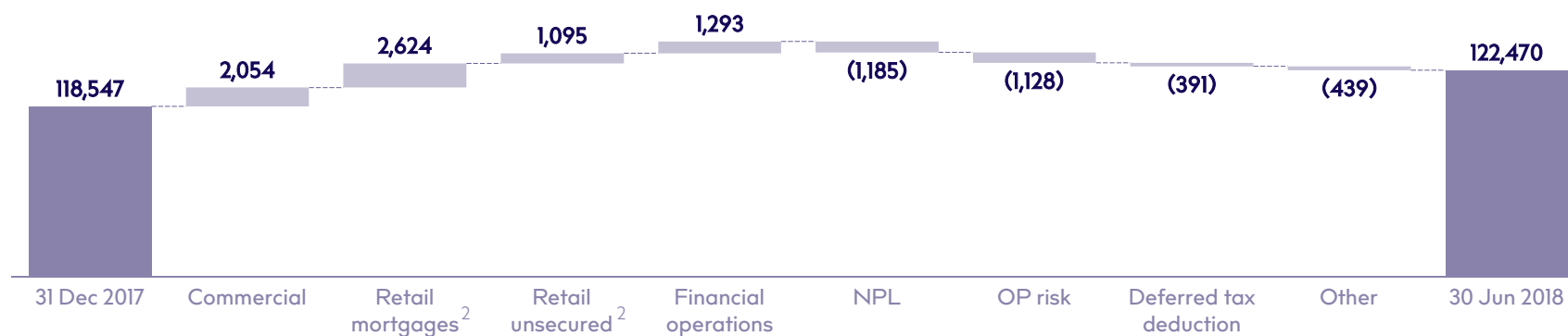
## EXCESS CAPITAL MANAGEMENT

# Capital initiatives materialized in 1H 2018 with positive impact of CZK 333 million

EXCESS CAPITAL EVOLUTION (CZK m)



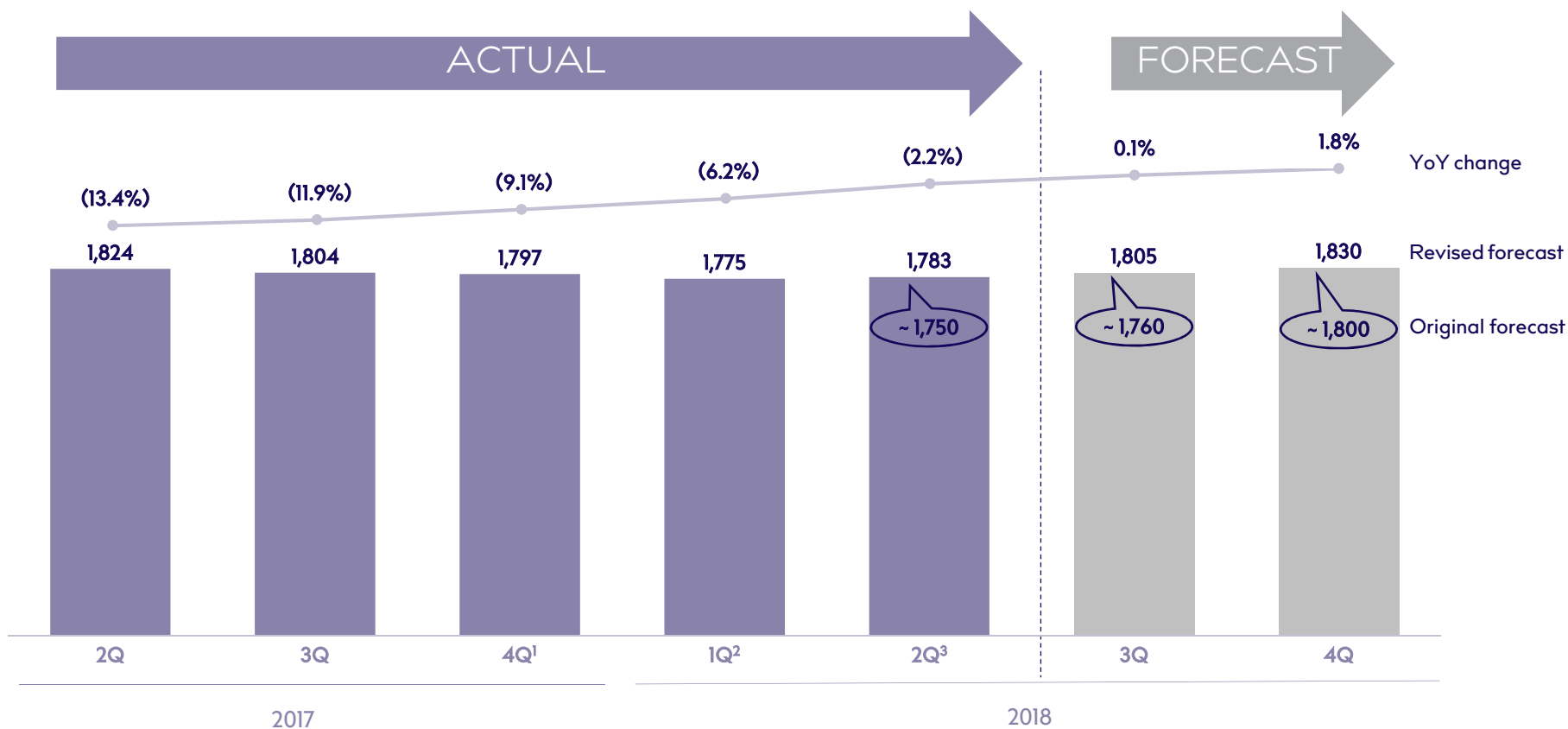
RISK WEIGHTED ASSETS WALK (CZK m)



## NET INTEREST INCOME OVERVIEW

Increasing full year NII estimate by more than CZK 100m, confirming return to YoY growth by 4Q'18

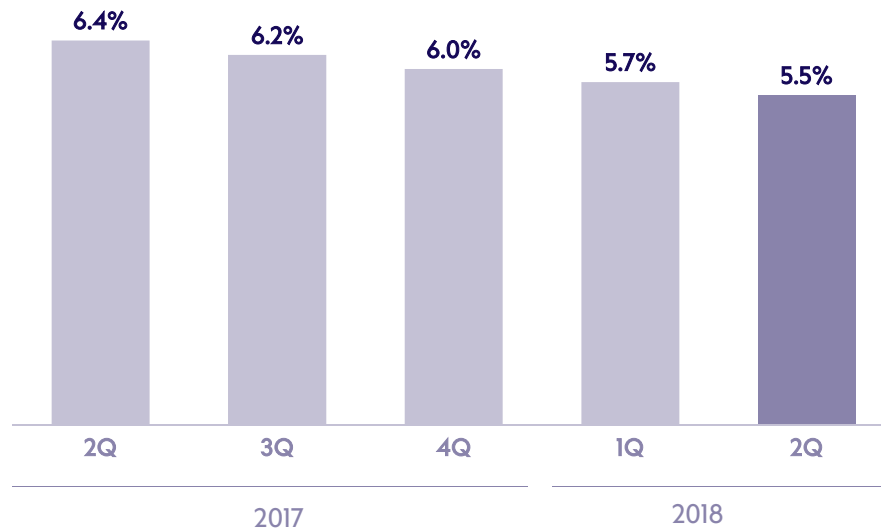
NET INTEREST INCOME excl. opportunistic repo operations (CZK m, YoY)



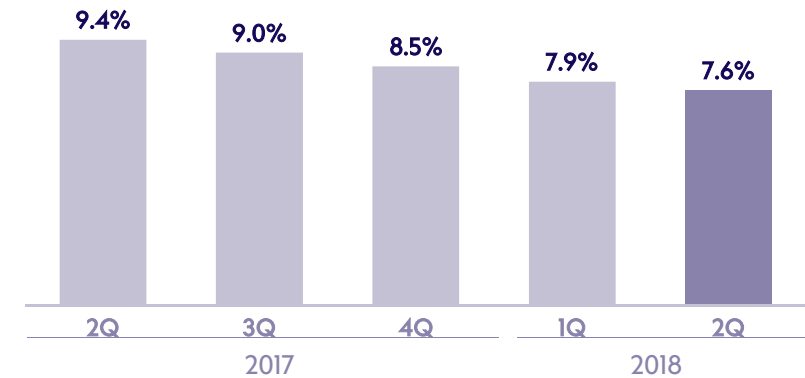
## LOAN PORTFOLIO MARGIN EVOLUTION

Retail loan book yield erosion slowing down, commercial yield stable

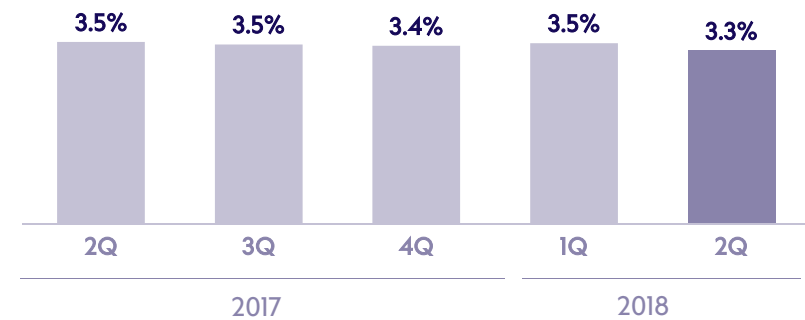
LOAN PORTFOLIO YIELD



RETAIL LOAN PORTFOLIO YIELD



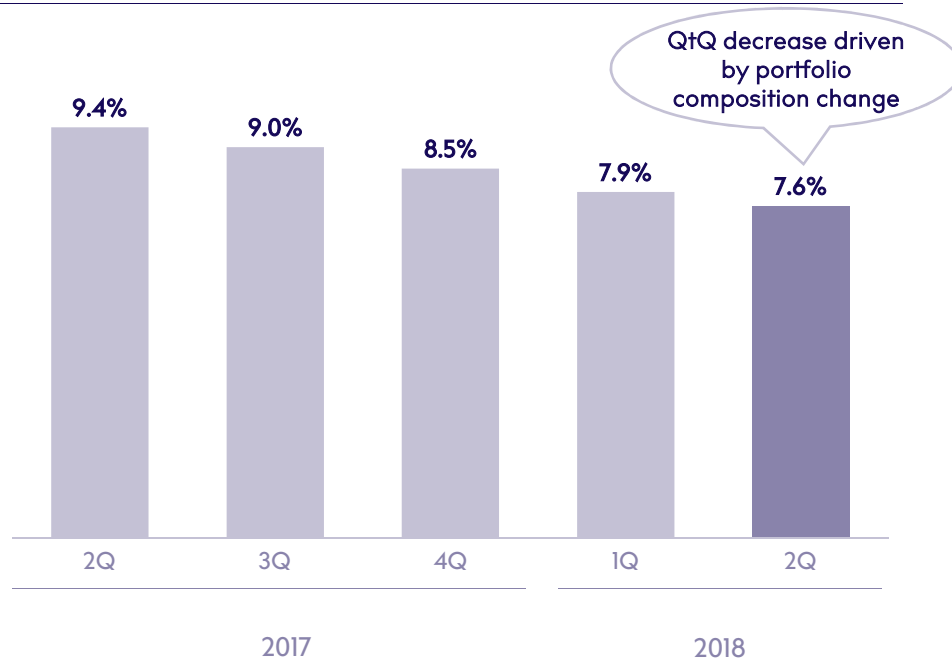
COMMERCIAL LOAN AND LEASING PORTFOLIO YIELD



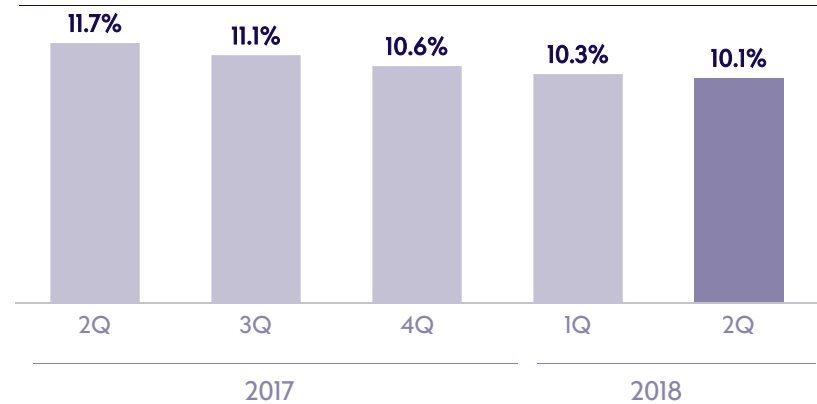
# RETAIL LOAN PORTFOLIO MARGIN EVOLUTION

Consumer portfolio yield stabilizing, overall retail yield continues to be impacted by change in product mix

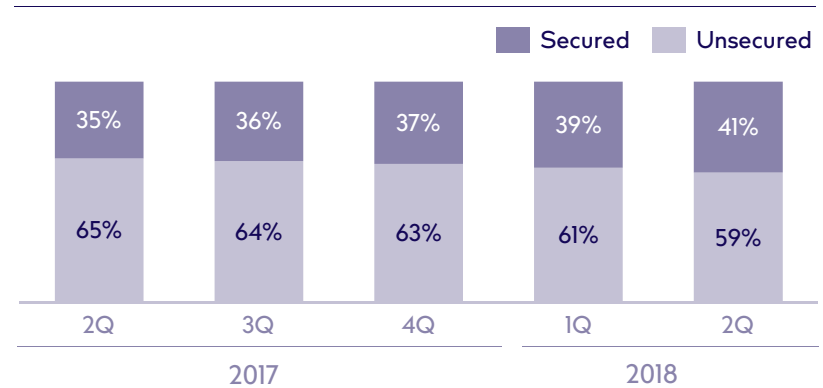
RETAIL LOAN PORTFOLIO YIELD



CONSUMER LOAN PORTFOLIO YIELD



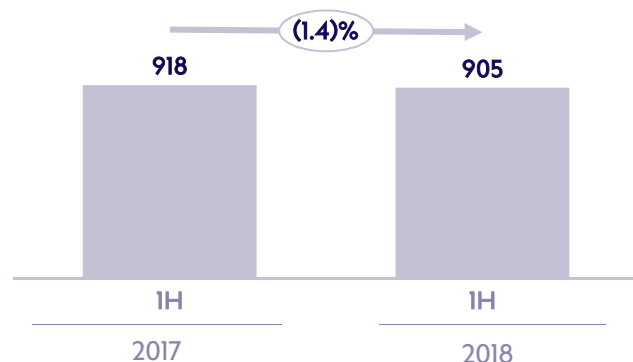
RETAIL LOAN PORTFOLIO COMPOSITION<sup>1</sup>



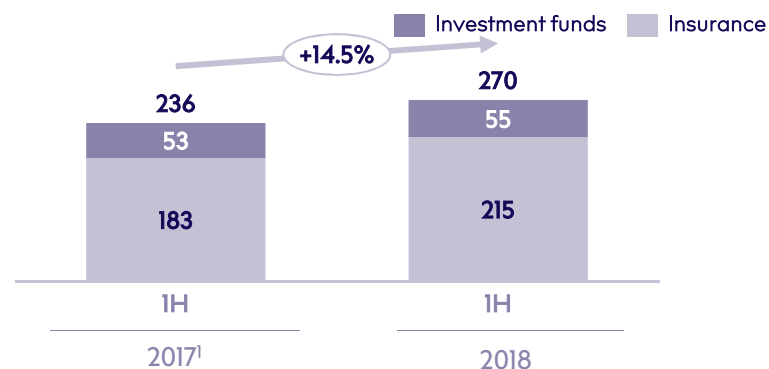
# NET FEE AND COMMISSION INCOME

## 3rd party products distribution drives fee and commission income

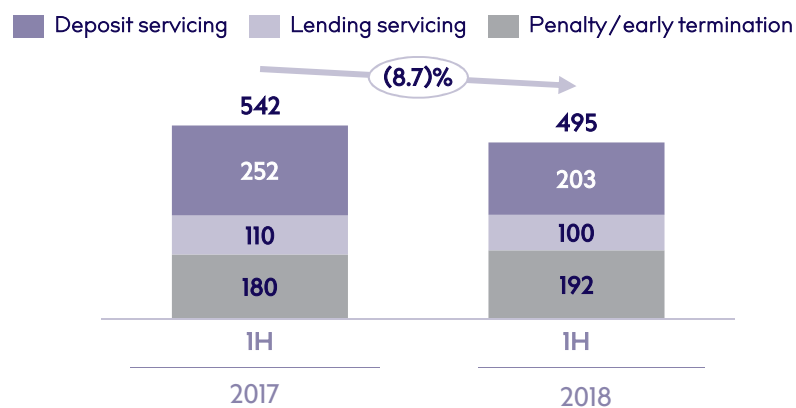
NET FEE & COMMISSION INCOME (CZK m)



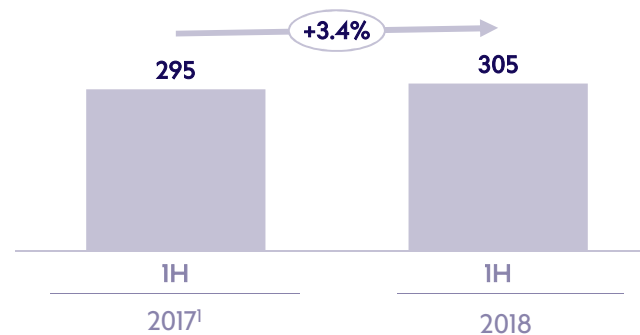
THIRD PARTY COMMISSION INCOME (CZK m)



SERVICING AND PENALTY FEES (CZK m)



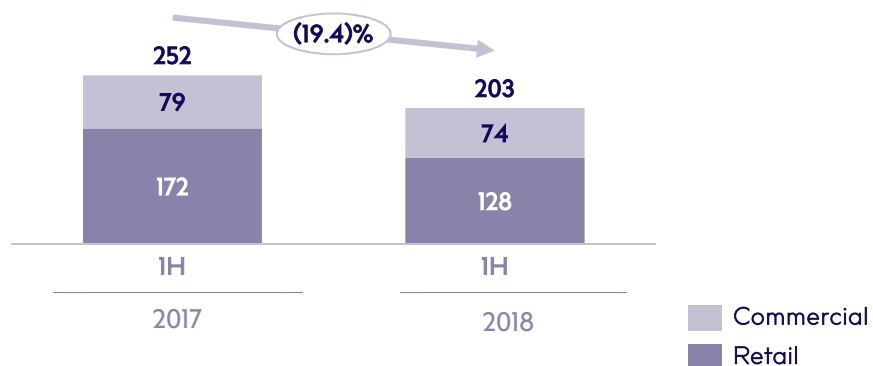
TRANSACTIONAL & OTHER FEES (CZK m)



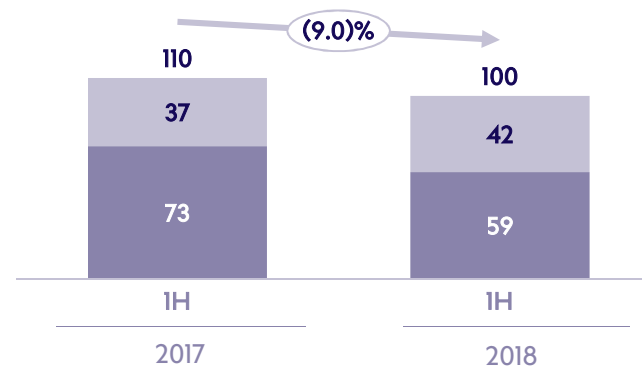
## NET FEE AND COMMISSION INCOME

# Deposit and lending servicing fee income faces continual challenge, namely in retail

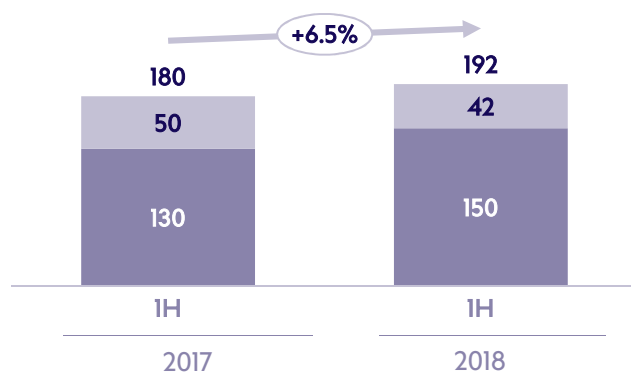
DEPOSIT SERVICING FEES (CZK m)



LENDING SERVICING FEES (CZK m)



PENALTY AND EARLY TERMINATION FEES (CZK m)



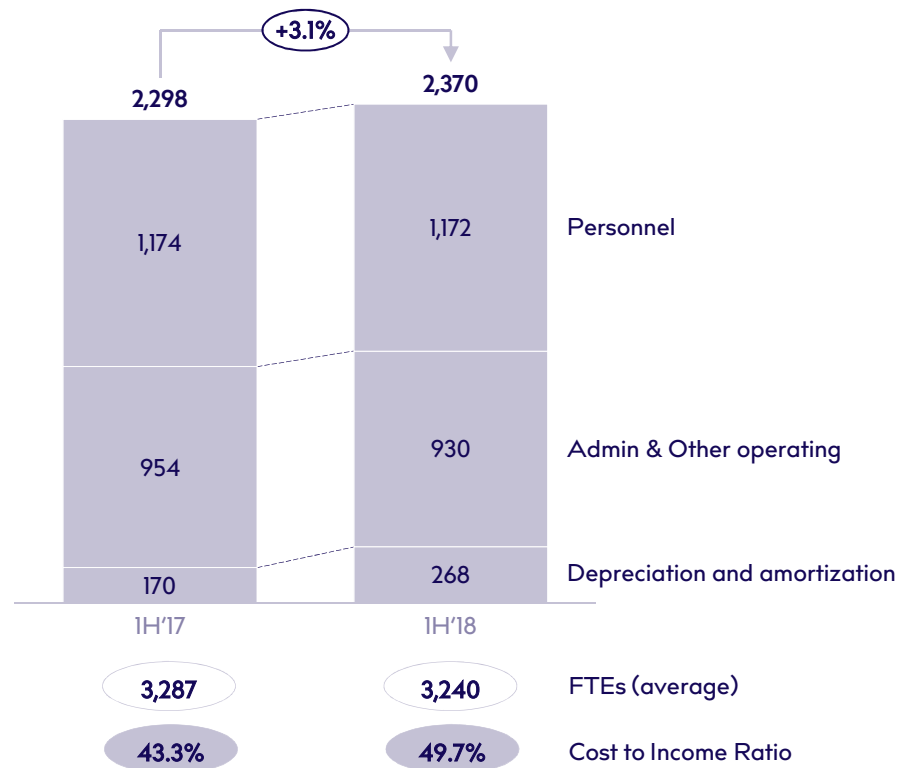
### HIGHLIGHTS

- **(19.4)% YoY decline** in deposit servicing fees, namely in retail due to continuing market trend towards free current accounts.
- **(9.0)% YoY drop** in lending servicing fees due to fee-earning portfolio run-off.
- **6.5% YoY increase** in penalty and early termination fees mainly driven by retail.

## OPERATING EXPENSES

# Managing flat operating expenses despite salary inflation and increase in depreciation and amortization

### OPERATING EXPENSES (CZK m)



### HIGHLIGHTS

**CZK 1,172m** of personnel expenses remain flat YoY

**2.5% YoY decrease** in admin & other operating expenses to CZK 930m :

- ↓ **CZK (47)m** savings from no MSA/TSA charges in 2018
- ↓ **CZK (35)m** IT separation costs incurred in 2017
- ↓ **CZK (10)m** lower contribution to Deposit Insurance Fund and Resolution and Recovery fund
- ↑ **CZK 59m** lower release of solicitors provision (**CZK 25m** compared to **CZK 84m** in 1H'17)

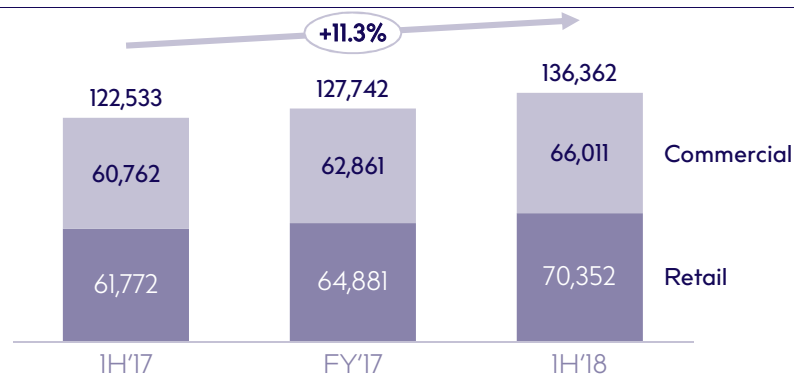
**57.6% YoY increase** in depreciation and amortization to CZK 268m :

- Primarily driven by higher amortization due to investments in IT separation and digital

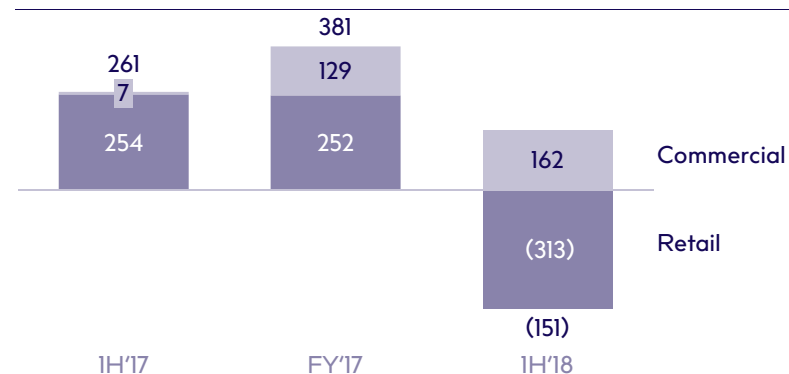
## CONTINUED IMPROVEMENT IN ASSET QUALITY

Cost of Risk positively impacted by legacy NPL sales with gain of CZK 648 million

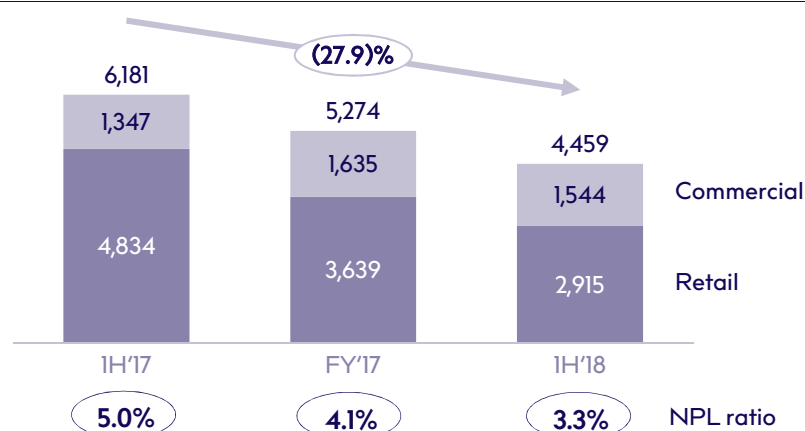
GROSS LOAN PORTFOLIO BALANCE (CZK m)



NET IMPAIRMENTS (CZK m)



NPL DEVELOPMENT (CZK m)



COST OF RISK (annualized)

METRICS	1H 2017 <sup>2</sup>	FY 2017	1H 2018
COST OF RISK	0.46%	0.32%	(0.24)%
CORE COST OF RISK	0.59%	0.59%	0.78%
IMPACT OF LEGACY NPL SALES	(0.13)%	(0.27)%	(1.02)%

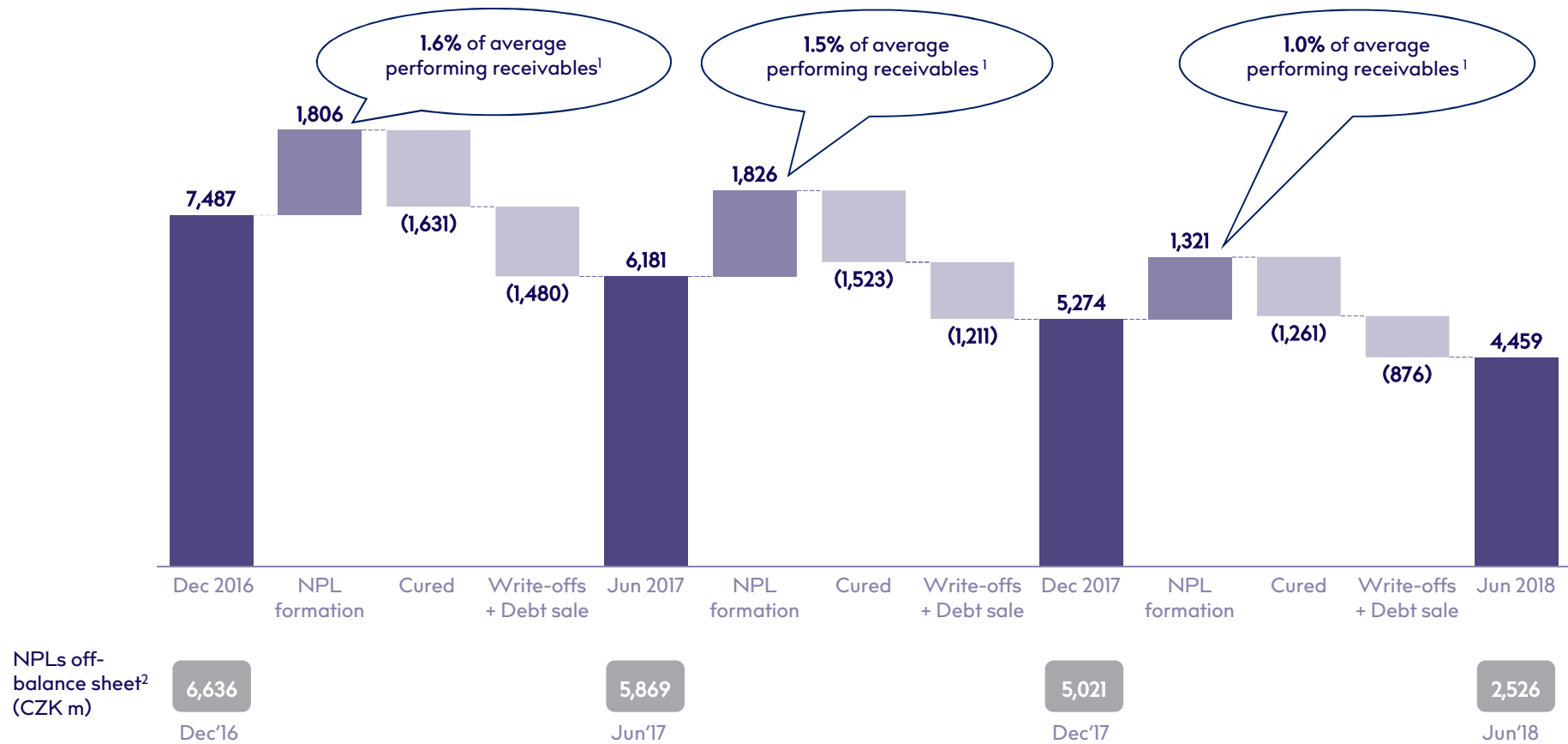
<b>TOTAL NPL COVERAGE</b>	<b>81.6%</b>	<b>77.0%</b>	<b>93.4%</b>
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## NPL DEVELOPMENT OVERVIEW

Continuing positive portfolio performance and proactive NPL management activities further reduce NPL stock

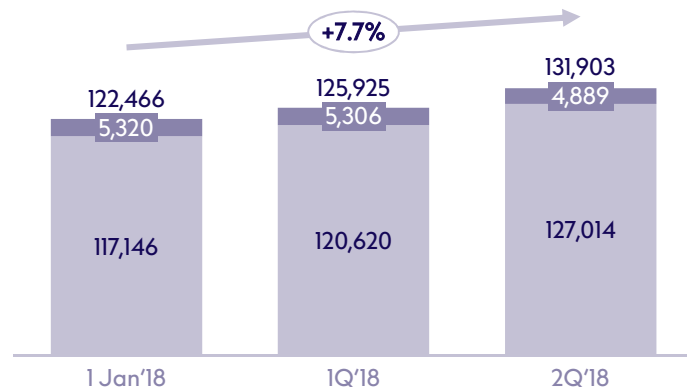
GROSS NPL WALK (CZK m)



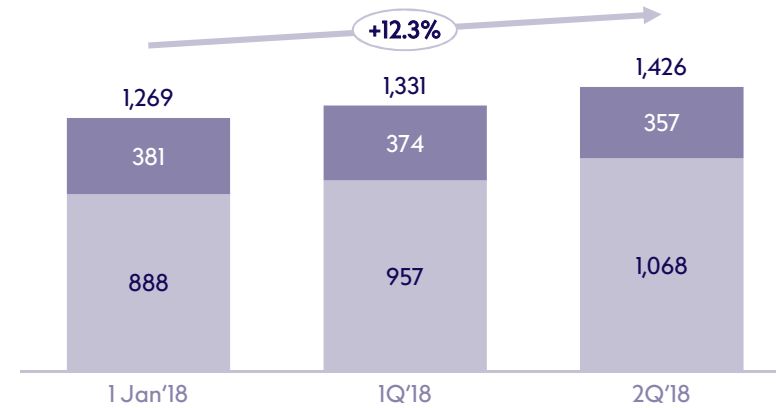
# ASSET QUALITY

## Prudent coverage prevails accross portfolio

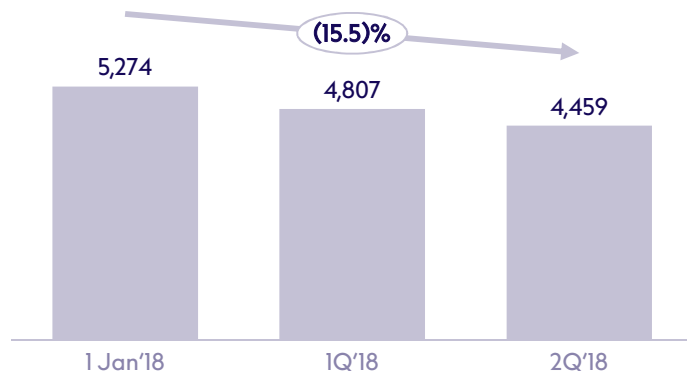
NON-IMPAIRED PORTFOLIO (CZK m)



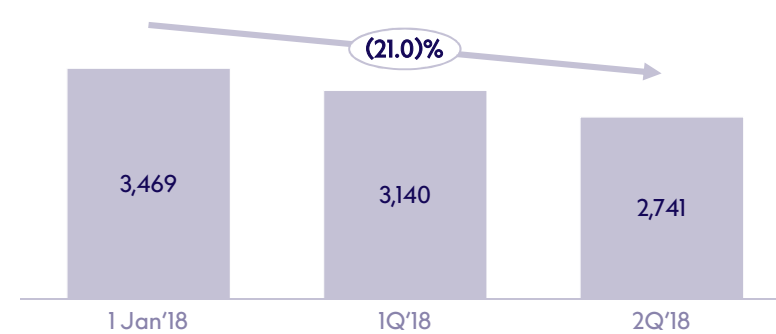
ALLOWANCES FOR NON-IMPAIRED PORTFOLIO (CZK m)



IMPAIRED PORTFOLIO (CZK m)



ALLOWANCES FOR IMPAIRED PORTFOLIO (CZK m)



## 2018 GUIDANCE

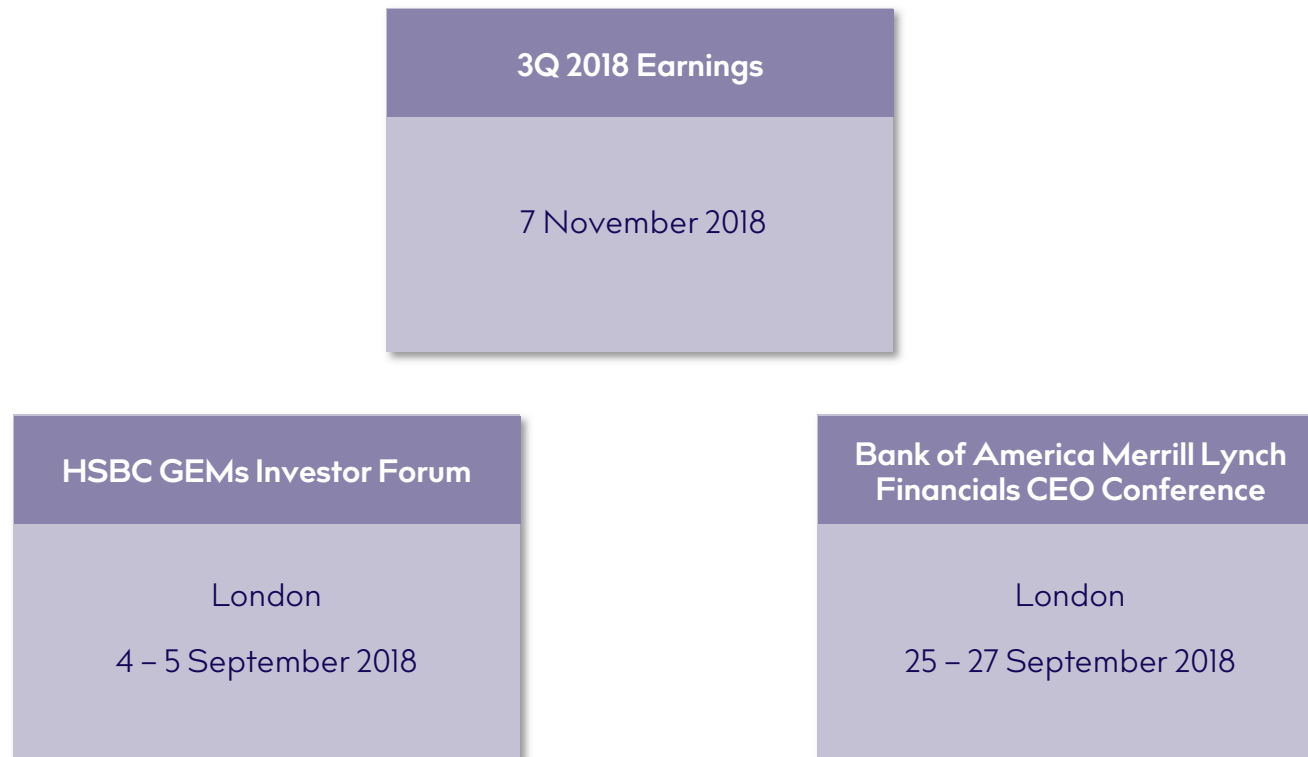
# Improving 2018 guidance underpinned by increase in total operating income

METRICS	INITIAL as of February	REVISED as of May	REVISED as of August
<b>GROSS PERFORMING LOAN BOOK GROWTH</b>	≥9%	≥9%	≥9%
<b>TOTAL OPERATING INCOME (CZK)</b>	≥9.5bn	≥9.5bn	≥ <b>9.7bn</b>
<b>COST BASE (CZK)</b>	~4.9bn	~4.9bn	~4.9bn
<b>COST OF RISK</b> <i>Cost of Risk (excluding legacy NPL sales)</i>	45 – 55bps 90 – 100bps	<b>35 – 45bps</b> <b>80 – 90bps</b>	<b>20 – 30bps</b> <b>75 – 85bps</b>
<b>CONSOLIDATED NET PROFIT (CZK)</b>	≥ 3.4bn	~ <b>3.5bn</b>	≥ <b>3.7bn</b>
<b>RETURN ON TANGIBLE EQUITY</b>	≥14%	≥14%	≥ <b>16%</b>
<b>EFFECTIVE TAX RATE</b>	~ 17%	~ 17%	~ 17%

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## REPORTING DATES AND INVESTOR MEETINGS

### Calendar for 3<sup>rd</sup> quarter 2018



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## INVESTOR RELATIONS

### Contacts

**Linda Kavanová**

**Manda Drvotová**

**Jarmila Valentová**

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Tel: +420 224 442 549  
[investors@moneta.cz](mailto:investors@moneta.cz)  
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Identification number: 25672720*

*Bloomberg: MONET CP  
ISIN: CZ0008040318*

*Reuters: MONET.PR  
SEDOL: BD3CQ16*

# Appendix

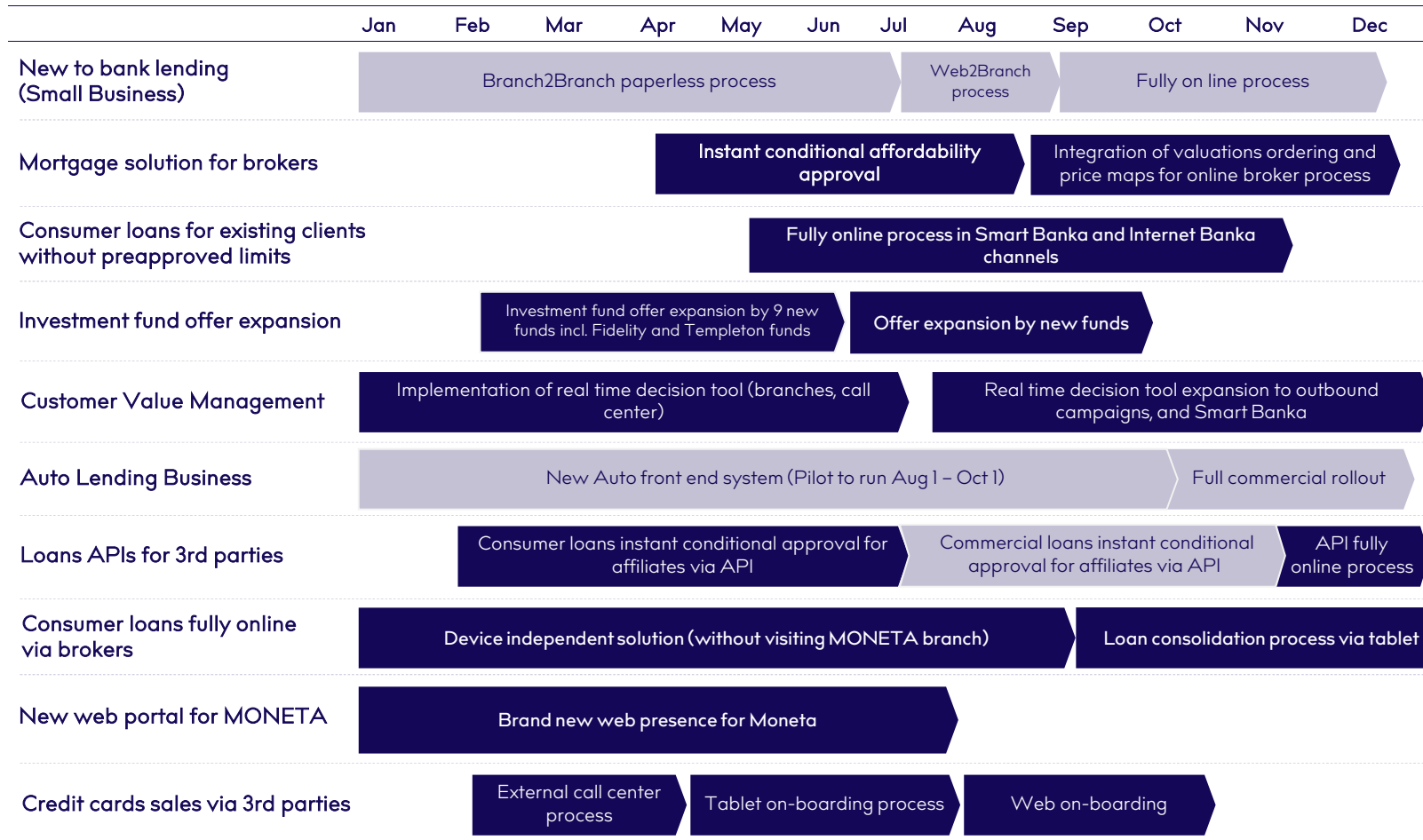
- Digital Distribution update
- Rating of MONETA
- Consolidated Statement of Financial Position
- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Key Performance Ratios
- Alternative Performance Measures
- Glossary
- Forward Looking Statements
- Material Assumptions and Estimates for 2018 Guidance

# DIGITAL STRATEGY

## 2018 digital roadmap

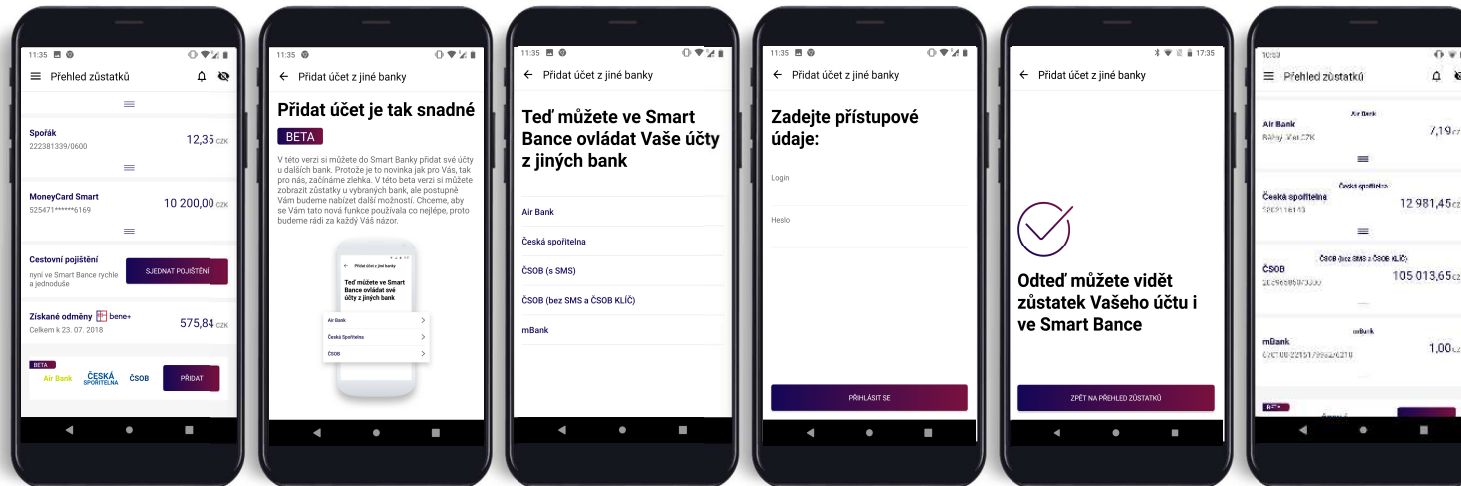
Commercial

Retail



## DIGITAL DISTRIBUTION UPDATE

# Multi-banking launched in Smart Banka in May 2018



FIRST MULTIBANKING FEATURES IN THE CZ FOR MOBILE BANKING, ALLOWING TO DISPLAY BALANCE FROM:

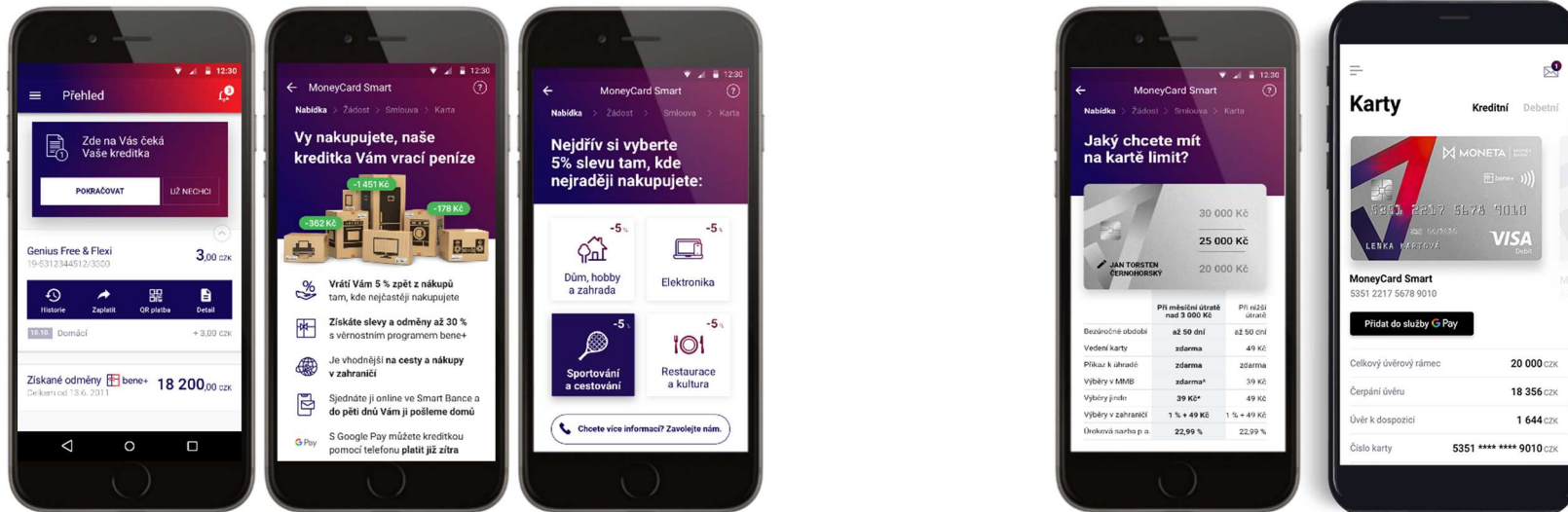
- Air Bank
- Česká spořitelna
- ČSOB
- mBank

OTHER BANKS AND FEATURES (LIKE DISPLAY TRANSACTION HISTORY, ARRANGE PAYMENT TRANSACTION, TRANSACTIONS BETWEEN ACCOUNTS) WILL BE LAUNCHED LATER THIS YEAR.



## DIGITAL DISTRIBUTION UPDATE

# Fully online credit card application launched in Smart Banka for existing retail clients



Application has 6 screens where client provides update of basic income information & employer, includes cashback package setting

Client set credit limit and address for delivery of his new card, Google Pay available from next day

## DIGITAL DISTRIBUTION UPDATE

# New Moneta Web platform introduced in July, aiming to increase organic traffic and conversion to sales

### WEB LANDING PAGE

The screenshot shows the Moneta web landing page for a mortgage offer. The header includes the Moneta logo, search bar, and navigation links. The main content features a large image of a dog on a stool holding a sign that says "4,9%". Below the image, the text reads "Úrok u nás držíme nízko. Od 4,9 % s RPSN 5 %". A green button says "Chci si půjčit". To the right, there is a contact number "224 443 636" and a "Zobrazit mapu" button. Below this, there are three columns of text: "Naše pobočky a bankomaty najdete téměř všude", "Děláme úvěry nejlépe na trhu", and "Účet i půjčku vyřídíte jednoduše online". At the bottom, there is a section titled "Naše nejžádanější produkty" with four small images.

### BUSINESS GOALS

- Optimised web for organic traffic growth to increase online marketing effectiveness, number of leads & sales conversion
- Setting market standards in modern and innovative design
- Smart commercial banking integration
- Integration of Moneta Auto and Moneta Leasing

### HIGHLIGHTS

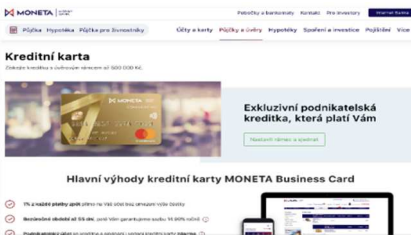
- New design & simpler customer experience
- Fully responsive web to any device
- „Search engine friendly“ web structure with the right keywords
- New copy writing & content based on customer needs
- Better visibility of key components (calculator, buttons)
- All important information occurs above the scroll
- Pictures work as complement to text, not primary content
- Web is sales tool > sales texts with clear messaging and call to action
- New contact forms linked to Google maps, clients easily booking appointment
- Web is build based on the outcome of continuous customer /UX research

# DIGITAL DISTRIBUTION UPDATE

## Online approval of credit card & unsecured loan for new small business customers to be launched in 3Q'18

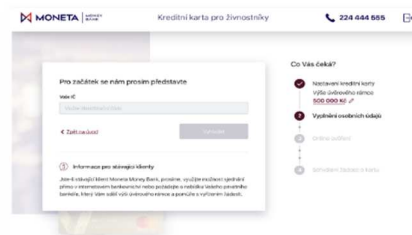
In Q3 new process for credit distribution will be delivered for new to bank clients with credit scoring based on external data without the need for financial statements. The process is originated on the web including application approval and is however, finished at the branch with expected time of signature and disbursement of about 15 min.

### 1 LENDING PAGE ON NEW WEB



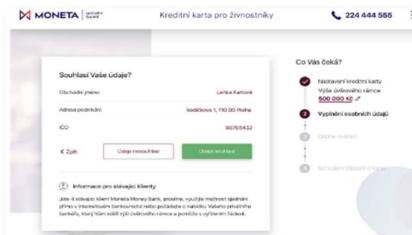
The screenshot shows the 'Kreditní karta' (Credit Card) page. It features a prominent image of a gold credit card and the headline 'Exkluzivní podnikatelská kreditka, která platí Vám'. Below the image, there are bullet points listing the main benefits of the MONETA Business Card.

### 2 BUSINESS ID FILL IN



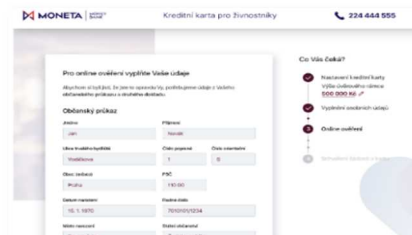
The screenshot shows a form titled 'Pro začátek, ne nám prosím představit' (To start, please don't introduce us). It includes a 'Začít' button and a list of requirements for the credit card, such as 'Nastavení kreditní karty' and 'Výše úvěrového rámce'.

### 3 CHECK WITH BUSINESS REGISTER



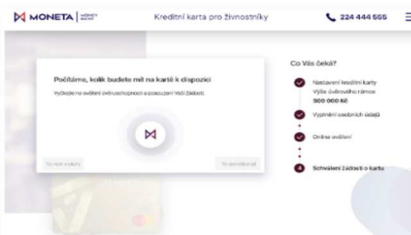
The screenshot shows a form titled 'Souhlasí Vaše údaje?' (Do your data agree?). It includes a 'Začít' button and a list of requirements for the credit card, such as 'Nastavení kreditní karty' and 'Výše úvěrového rámce'.

### 4 DOCUMENTS FILL IN



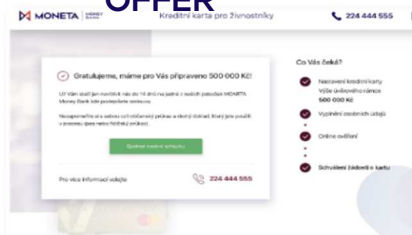
The screenshot shows a form titled 'Pro online ověření vyplňte Vaše údaje' (For online verification, fill in your data). It includes a 'Začít' button and a list of requirements for the credit card, such as 'Nastavení kreditní karty' and 'Výše úvěrového rámce'.

### 5 CREDIT SCORING



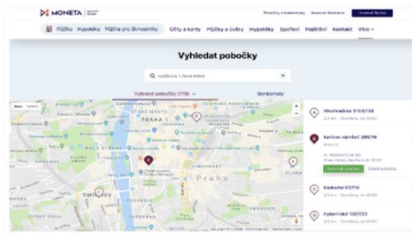
The screenshot shows a form titled 'Přihlásíme, když budete mít na kartě k dispozici' (We will register when you have the card available). It includes a 'Začít' button and a list of requirements for the credit card, such as 'Nastavení kreditní karty' and 'Výše úvěrového rámce'.

### 6 GUARANTEED LOAN OFFER

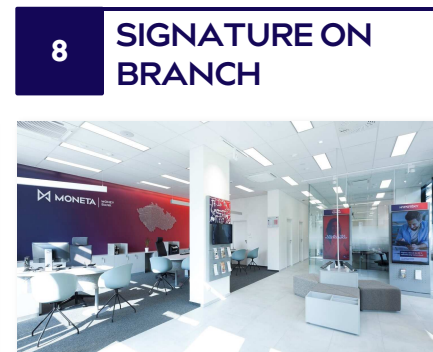


The screenshot shows a form titled 'Ostatně, máme pro Vás připraveno 500 000 Kč!' (Actually, we have 500,000 Kč prepared for you!). It includes a 'Začít' button and a list of requirements for the credit card, such as 'Nastavení kreditní karty' and 'Výše úvěrového rámce'.

### 7 BRANCH MEETING ORGANIZATION

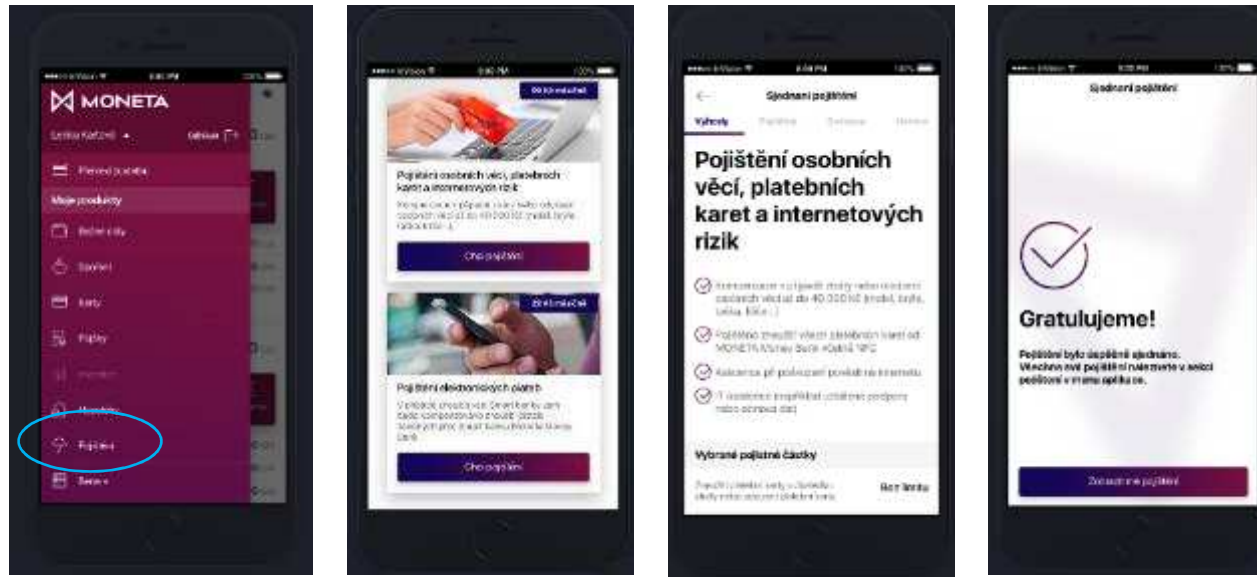


The screenshot shows a map titled 'Vyhledat pobočku' (Find branch). It includes a search bar and a list of branch locations with their addresses and phone numbers.



## DIGITAL DISTRIBUTION UPDATE

# Personnal insurance protection exclusively for online distribution to be launched in Sep 2018



- We are adding additional cover specifically targeting risks associated with mobile/online banking and payment card usage.
- The process will be simple requiring the client just to choose the package and sign the contract.

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## RATING OF MONETA

**MONETA** received reaffirmed investment grade rating from S&P and unchanged credit opinion from Moody's

Rating Agency	Long-term	Short-term	Outlook	Latest actions
Standard & Poor's	BBB	A/-2	Stable	2 February 2018
Moody's	Baa2	P/-2	Stable	25 July 2018

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CZK m	30/06/2018 <sup>1</sup>	31/12/2017 <sup>2</sup>	% Change
Cash and balances with the central bank	7,498	7,127	5.2%
Financial assets at fair value through profit or loss	0	48	204.2%
Derivative financial instruments with positive value	146	0	
Investment securities	21,013	0	
Financial assets - available for sale	0	57	78.4%
Financial assets - held to maturity	0	11,723	
Hedging derivatives with positive fair values	33	4	725.0%
Change in fair value of items hedged on portfolio basis	(81)	(6)	1250.0%
Loans and receivables to banks	21,981	53,380	(58.8%)
Loans and receivables to customers	132,196	123,680	6.9%
Intangible assets	1,568	1,301	20.5%
Property and equipment	1,069	871	22.7%
Investments in subsidiaries and associates	3	2	50.0%
Current tax assets	368	308	19.5%
Deferred tax assets	217	386	(43.8%)
Other assets	816	853	(4.3%)
<b>Total Assets</b>	<b>186,827</b>	<b>199,734</b>	<b>(6.5%)</b>
Derivative financial instruments with negative value	51	0	n/a
Due to banks	14,139	29,643	(52.3%)
Due to customers	146,391	141,469	3.5%
Financial liabilities - at fair value through profit or loss	0	68	n/a
Hedging derivatives with negative fair values	16	4	300.0%
Provisions	285	364	(21.7%)
Current tax liability	11	2	450.0%
Deferred tax liability	251	267	(6.0%)
Other liabilities	2,525	2,154	17.2%
<b>Total Liabilities</b>	<b>163,669</b>	<b>173,971</b>	<b>(5.9%)</b>
Share capital	511	511	0.0%
Share premium	5,028	5,028	0.0%
Statutory reserve	102	102	0.0%
Reserve from revaluation of FVTOCI	0	0	n/a
Available for sale reserve	0	(57)	(100.0%)
Share based payment reserve	(2)	(2)	0.0%
Retained earnings	17,519	20,181	(13.2%)
<b>Total Equity</b>	<b>23,158</b>	<b>25,763</b>	<b>(10.1%)</b>
<b>Total Liabilities &amp; Equity</b>	<b>186,827</b>	<b>199,734</b>	<b>(6.5%)</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION – QUARTERLY DEVELOPMENT

CZK m	31/03/2017	30/06/2017	30/09/2017	31/12/2017	31/03/2018	30/06/2018
Cash and balances with the central bank	29,083	33,099	7,373	7,127	6,823	7,498
Financial assets at fair value through profit or loss	28	35	42	48	0	0
Derivative financial instruments with positive value	0	0	0	0	45	146
Investment securities	0	0	0	0	11,965	21,013
Financial assets - available for sale	10,241	5,340	55	57	0	0
Financial assets - held to maturity	0	0	8,996	11,723	0	0
Hedging derivatives with positive fair values	0	0	0	4	0	33
Change in fair value of items hedged on portfolio basis	0	0	0	(6)	58	(81)
Loans and receivables to banks	207	536	38,919	53,380	35,849	21,981
Loans and receivables to customers	113,044	117,491	119,900	123,680	126,261	132,196
Intangible assets	835	948	1,108	1,301	1,436	1,568
Property and equipment	659	657	677	871	874	1,069
Goodwill	104	104	104	0	0	0
Investments in subsidiaries and associates	2	2	2	2	3	3
Current tax assets	429	474	262	308	279	368
Deferred tax assets	648	612	449	386	339	217
Other assets	1,056	920	980	853	862	816
<b>Total Assets</b>	<b>156,336</b>	<b>160,218</b>	<b>178,867</b>	<b>199,734</b>	<b>184,794</b>	<b>186,827</b>
Derivative financial instruments with negative value	0	0	0	0	37	51
Due to banks	5,235	7,250	20,303	29,643	10,264	14,139
Due to customers	119,791	126,232	130,358	141,469	145,175	146,391
Financial liabilities – at fair value through profit or loss	21	39	41	68	0	0
Hedging derivatives with negative fair values	0	0	0	4	88	16
Provisions	282	265	267	364	333	285
Current tax liability	27	30	4	2	17	11
Deferred tax liability	252	250	244	267	254	251
Other liabilities	2,646	2,160	2,693	2,154	2,327	2,525
<b>Total Liabilities</b>	<b>128,254</b>	<b>136,226</b>	<b>153,910</b>	<b>173,971</b>	<b>158,495</b>	<b>163,669</b>
Share capital	511	511	511	511	511	511
Share premium	5,028	5,028	5,028	5,028	5,028	5,028
Statutory reserve	102	102	102	102	102	102
Available for sale reserve	137	(100)	(59)	(57)	0	0
Share based payment reserve	(2)	(2)	(2)	(2)	(2)	(2)
Retained earnings	22,306	18,453	19,377	20,181	20,660	17,519
<b>Total Equity</b>	<b>28,082</b>	<b>23,992</b>	<b>24,957</b>	<b>25,763</b>	<b>26,299</b>	<b>23,158</b>
<b>Total Liabilities &amp; Equity</b>	<b>156,336</b>	<b>160,218</b>	<b>178,867</b>	<b>199,734</b>	<b>184,794</b>	<b>186,827</b>



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CZK m	IH 2018 <sup>1</sup>	IH 2017 <sup>2</sup>	% Change
Interest and similar income	3,747	3,813	(1.7%)
Interest expense and similar charges	(169)	(97)	74.2%
Net interest income	3,578	3,716	(3.7%)
Fee and commission income	1,069	1,073	(0.4%)
Fee and commission expense	(164)	(155)	5.8%
Net fee and commission income	905	918	(1.4%)
Dividend income	1	0	n/a
Net income from financial operations	186	516	(64.0%)
Other operating income	100	153	(34.6%)
Total operating income	4,770	5,303	(10.1%)
Personnel expenses	(1,172)	(1,174)	(0.2%)
Other administrative expenses	(826)	(920)	(10.2%)
Depreciation and amortisation	(268)	(170)	57.6%
Other operating expenses	(104)	(34)	205.9%
Total operating expenses	(2,370)	(2,298)	3.1%
Profit for the period before tax and net impairment of financial assets	2,400	3,005	(20.1%)
Net impairment of financial assets	151	(261)	(157.9%)
Impairment of financial assets available for sale	0	0	0.0%
Profit for the period before tax	2,551	2,744	(7.0%)
Taxes on income	(430)	(549)	(21.7%)
Profit for the period after tax	2,121	2,195	(3.4%)
Change in fair value of investments recognised in OCI (FVTOCI, resp. AFS)	0	(230)	(100.0%)
Change in fair value of AFS investments recognised in P&L	0	(343)	0.0%
Deferred tax (FTVTOCI, resp. AFS)	0	110	(100.0%)
Other comprehensive income, net of tax	0	(463)	(100.0%)
Total comprehensive income attributable to the equity holders	2,121	1,732	22.5%



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – QUARTERLY DEVELOPMENT

CZK m	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
Interest and similar income	1,939	1,874	1,858	1,911	1,873	1,874
Interest expense and similar charges	(47)	(50)	(54)	(67)	(77)	(92)
Net interest income	1,892	1,824	1,804	1,844	1,796	1,782
Fee and commission income	534	539	561	589	519	550
Fee and commission expense	(76)	(79)	(87)	(48)	(74)	(90)
Net fee and commission income	458	460	474	541	445	460
Dividend income	0	0	0	0	0	1
Net income from financial operations	103	413	103	90	85	101
Other operating income	79	74	71	105	59	41
Total operating income	2,532	2,771	2,452	2,580	2,385	2,385
Personnel expenses	(562)	(612)	(610)	(672)	(593)	(579)
Other administrative expenses	(525)	(395)	(395)	(578)	(468)	(358)
Depreciation and amortisation	(84)	(86)	(112)	(132)	(127)	(141)
Other operating expenses	19	(53)	(40)	(110)	(67)	(37)
Total operating expenses	(1,152)	(1,146)	(1,157)	(1,492)	(1,255)	(1,115)
Profit for the period before tax and net impairment of financial assets	1,380	1,625	1,295	1,088	1,130	1,270
Net impairment of financial assets	(80)	(181)	(140)	20	281	(130)
Impairment of financial assets available for sale	0	0	0	(104)	0	0
Profit for the period before tax	1,300	1,444	1,155	1,004	1,411	1,140
Taxes on income	(260)	(289)	(231)	(200)	(238)	(192)
Profit for the period after tax	1,040	1,155	924	804	1,173	948
Change in fair value of investments recognised in OCI (FVTOCI, resp. AFS)	(256)	26	52	2	n/a	n/a
Change in fair value of AFS investments recognised in P&L	(23)	(320)	0	0	n/a	n/a
Deferred tax (FTVTOCI, resp. AFS)	53	57	-11	0	n/a	n/a
Other comprehensive income, net of tax	(226)	(237)	41	2	0	0
Total comprehensive income attributable to the equity holders	814	918	965	806	1,173	948

## KEY PERFORMANCE RATIOS

	IH 2018	FY 2017	Change in bps
<b>Profitability</b>			
Yield (% Avg. Net Customer Loans)	5.6%	6.3%	(70)
Cost of Funds (% Avg Deposits) <sup>1</sup>	0.20%	0.15%	5
NIM (% Avg Int Earning Assets) <sup>2</sup>	3.8%	4.3%	(50)
Cost of Risk (% Avg Net Customer Loans)	(0.24)%	0.32%	(56)
Risk-adj. yield (% Avg Net Customer Loans)	5.8%	6.0%	(20)
Net Fee & Commission Income / Operating Income (%)	19.0%	18.7%	30
Net Non-Interest Income / Operating Income (%)	25.0%	28.7%	(370)
Cost to Income Ratio	49.7%	47.9%	180
RoTE	19.6%	16.0%	360
Adj. RoTE @ 15.5% CAR	20.2%	17.7%	250
RoAA <sup>1</sup>	2.2%	2.2%	0
<b>Liquidity / Leverage</b>			
Loan to Deposit ratio <sup>1</sup>	90.3%	87.4%	290
Total Equity / Total Assets <sup>1</sup>	12.4%	12.9%	(50)
Liquid Assets <sup>12</sup> / Total Assets <sup>1</sup>	27.0%	36.2%	(920)
<b>Capital Adequacy</b>			
RWA density <sup>3</sup>	53.3%	46.3%	700
CAR (%)	16.0%	17.4%	(140)
Tier I ratio (%)	16.0%	17.4%	(140)
<b>Asset Quality</b>			
Non Performing Loan Ratio (%)	3.3%	4.1%	(80)
Core Non Performing Loan Coverage (%)	61.5%	64.1%	(260)
Total NPL Coverage (%)	93.4%	77.0%	1,640

## ALTERNATIVE PERFORMANCE MEASURES

- In this presentation, certain financial data and measures are presented which are not calculated pursuant to any accounting standard and which are therefore non-IFRS measures and alternative performance measure as defined in the European Securities and Markets Authority Guidelines on Alternative performance measures. These financial data and measures are attrition / loan balance attrition, cost of funds, net interest margin / NIM, net non-interest income, return on average assets, reported return on tangible equity, yield / loan portfolio yield, cost to income ratio, tangible equity, adjusted return on tangible equity, adjusted tangible equity, adjustment for cost of funds, excess capital, core cost of risk, cost of risk, risk adjusted yield, risk adjusted operating income, loan to deposit ratio, regulatory capital, CAR, LCR, total NPL coverage, NPL / Non-performing loans, NPL ratio, risk weighted assets, RWA density, new production / new volume, Effective Tax Rate, Regulatory Leverage. All alternative performance measures included in this document are calculated for specified period.
- These alternative performance measures are included to (i) extend the financial disclosure also to metrics which are used, along with IFRS measures, by the management in valuating of the Group's performance, and (ii) provide to investors further basis, along with IFRS measures, for measuring of the Group's performance. Because of the discretion that the Group has in defining these measures and calculating the reported amounts, care should be taken in comparing these various measures with similar measures used by other companies. These measures should not be used as a substitute for evaluating the performance of the Group based on the Consolidated Financial Statements of the Group. Non-IFRS measures have limitations as analytical tools, and investors should not consider them in isolation, or as a substitute for analysis of the Group's results as reported under IFRS and set out in the Consolidated Financial Statements of the Group, and investors should not place any undue reliance on non-IFRS measures. Non-IFRS measures presented in this report should not be considered as measures of discretionary cash available to the Group to invest in the growth of the business, or as measures of cash that will be available to the Group to meet its obligations. Investors should rely primarily on the Group's IFRS results and use the non-IFRS measures only as supplemental means for evaluating the performance of the Group.
- The following table shows the Group's adjusted return on tangible equity, adjusted at management target of CAR currently 15.5 %, for the period of three months ended 30 June 2018 (annualized) and for the year ended 31 December 2017:

CZK m (unless otherwise indicated)	1H 2018	FY 2017
Reported Profit after tax (A)	2,121	3,923
Excess Capital (B = H - (G x J))	601	2,278
Cost of funds% (C)	0.2%	0.2%
Tax Rate (D)	19%	19%
Adjustment for cost of funds (E = B x C x (1-D))	(0)	(3)
Adjusted Profit after tax (F)	2,121	3,920
Reported Total Risk Weighted Assets (G)	122,470	118,547
Regulatory Capital (H)	19,584	20,653
Reported CAR percentage (I = H / G)	16.0%	17.4%
Target CAR percentage (J)	15.5%	15.5%
Excess Capital (B = H - (G x J))	601	2,278
Equity (K)	23,158	25,763
Intangible Assets and Goodwill (L)	1,568	1,301
Tangible Equity (M = K - L)	21,590	24,462
Excess Capital (B = H - (G x J))	601	2,278
Adjusted Tangible Equity (N = M - B)	20,989	22,184
Reported Return on Tangible Equity (A / M)*	19.6%	16.0%
Adjusted Return on Tangible Equity (F / N)*	20.2%	17.7%

\* annualized figures

The reported return on tangible equity (A/M) is based on actual financial figures for the respective period as calculated in the above tables (F/N). Adjusted return on tangible equity is based on a management target 15.5% Capital Adequacy Ratio including 14.0% regulatory required capital (total SREP capital ratio of 11% and 2.5% capital conservation buffer and 1% countercyclical buffer). In addition to a capital rebase to 15.5% CAR, net profit was adjusted (F) for substitution of capital with funding via deposits assuming cost of funding of the period (0.2 % annualized in the first six months of 2018 and 0.2 % in 2017) and 19.0 % corporate tax rate. Profit after tax was not adjusted for potential liquidity constraints.

Adjusted tangible equity (N) reflects the tangible equity (M) calculated as per the Consolidated Financial statements of the Group adjusted for the excess capital (i.e., capital exceeding the management target of CAR, currently 15.5 %).

- Definition of other alternative performance measures is provided in Glossary section.

## GLOSSARY (1/3)

Adjusted RoTE (at 15.5% CAR)	Adjusted return on tangible equity is based on a management target Capital Adequacy Ratio of 15.5% (consists of (a) 11% total SREP capital ratio (b) 2.5% conservation buffer (c) 1% countercyclical buffer and (d) 1% management buffer)
AFS	Available for sale
Annualized	Adjusted so as to reflect the relevant rate on the full year basis.
ARAD	ARAD is a public database that is part of the information service of the Czech National Bank. It is uniform system of presenting time series of aggregated data for individual statistics and financial market areas.
Attrition / Loan Balance Attrition	Extraordinary principal repayment transactions exceeding 40% of the prior month average principal and not recognized as internal refinancing. Loans more than 30 days past due are excluded
Auto	MONETA Auto, s.r.o.
Average balance of net interest earning assets	Two-point average of the beginning and ending balances of Net Interest Earning Assets for the period
Average balance of net loans to customers	Two-point average of the beginning and ending balances of Loans and receivables to customers for the period
Average balance of total assets	Two-point average of the beginning and ending balances of Total Assets for the period
bn	Billion
bps	Basis points
CAPEX	Capital expenditure
CAR	Capital Adequacy Ratio calculated as regulatory capital as a percentage of risk-weighted assets
CNB	Czech National Bank
Customer Deposits Cost of Funds	Interest expense and similar charges on customer deposits for the period divided by average balance of customer deposits, excl. repo operations
Cost of Funds (% Avg Deposits)	Interest expense and similar charges for the period divided by average balance of due to banks and due to customers
Core Cost of Risk or Core CoR	Net impairment of loans and receivables for the period divided by average balance of net loans to customers excluding gain from monetization of NPLs, in 2017 based on IAS39 and in 2018 based on IFRS 9

CoR or Cost of Risk or Cost of Risk (% Avg Net Customer Loans)	Net impairment of loans and receivables divided by average balance of net loans to customers, in 2017 based on IAS39 and in 2018 based on IFRS 9
Cost to Income Ratio (C/I)	Ratio (expressed as a percentage) of total operating expenses for the period to total operating income for the period
Core NPL Coverage	Ratio (expressed as a percentage) of loss allowances for non-performing loans and receivables to total non-performing loans and receivables
CRR	Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended
Customer Deposits	Due to customers
CZK	Czech Koruna
Drawn limit / Overdraft Drawn	Loans and receivables to customer balance
E-payment	One-time payment transactions through internet banking or mobile banking
ETR / Effective Tax Rate	Effective Tax Rate – calculated as taxes on income divided by profit for the period before tax
Excess capital	Capital exceeding the management target of CAR, currently 15.5% (consists of (a) 11% total SREP capital ratio (b) 2.5% conservation buffer (c) 1% countercyclical buffer and (d) 1% management buffer)
Expected credit loss model	The impairment model that measures credit loss allowances using a three-stage approach based on the extent of credit deterioration of financial asset since origination; Stage 1 – financial assets with no significant increase in credit risk since initial recognition, Stage 2 – financial assets with significant increase in credit risk since initial recognition but not in default, Stage 3 – financial assets in default.
Front end roles (employees)	Predominately employees whose variable compensation is sales-driven together with their immediate managers, and employees of Collections & Recovery department
FTE	The average recalculated number of employees during the period is an average of the figures reported to Czech Statistical Authority (CSA) on a monthly basis in accordance with Article 15 of Czech Act No. 518/2004. The figures reported to CSA equal to quotient of the following nominator and the following denominator. The nominator is defined as all hours worked by all employees, their related leaves/holidays and their related sick days. The denominator represents a standard working hours per an employee and a month.
FVTOCI	Financial assets measured at Fair Value Through Other Comprehensive Income

## GLOSSARY (2/3)

FVTPL	Financial assets measured at Fair Value Through Profit or Loss
FY	Financial year
GDP	Gross domestic product
Group	Company and its subsidiaries, MONETA
Gross performing loans	Performing loans and receivables to customers as determined in accordance with the MONETA's loan receivables categorization rules (Standard)
H	Half year
IFRS	International Financial Reporting Standards
IFRS9	International Financial Reporting Standards specifying how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items
Investment securities	Equity and debt securities in the Group's portfolio, consist of securities measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL)
k/th	thousands
KPI	Key performance indicator
Leasing	MONETA Leasing, s.r.o.
Liquid Assets	Liquid assets comprise of cash and balances with central banks, investment securities (not transferred as collateral in repurchase agreements), loans and receivables to banks and prior transition to IFRS 9 also financial assets at fair value through profit or loss, financial assets available for sale, financial assets held to maturity (not transferred as collateral in repurchase agreements).
LCR	Liquidity Coverage Ratio measures the ratio (expressed as a percentage) of a bank's buffer of high quality liquid assets to its projected net liquidity outflows over a 30-day stress period, as calculated in accordance with EU Regulation 15/61
LtD Ratio or Loan to Deposit Ratio	Loan to deposit ratio calculated as net loans and receivables to customers divided by customer deposits
M	Millions
Market share – consumer loans	Consumer loans = Non-purposed and purposed consumer loans, debt consolidations, additional loan and American mortgages. Source: CNB ARAD, MMB in IFRS unconsolidated according to CNB definitions, gross loans excluding non-residents and loans in foreign currency, CNB annualized average weighted rate.
Market interest rates	Based on CNB ARAD
MSA	Master Services Agreement with General Electric Group

Net Income/Net Profit	Profit for the period after tax
Net Interest Earning Assets	Cash and balances with the central bank, investment securities, loans and receivables to banks, loans and receivables to customers and prior to transition to IFRS 9 also financial assets at fair value through profit and loss, financial assets available for sale, financial assets held to maturity
NII	Net Interest Income
Net Interest Margin or NIM	Net interest and similar income divided by average balance of net interest earning assets
Net Non-Interest Income	Total operating income less net interest and similar income for the period
New volume / New production	Aggregate of loan principal disbursed in the period for non-revolving loans
NPL / Non-performing loans	Non-performing loans as determined in accordance with the MONETA's loan receivables categorization rules (substandard, doubtful, loss), Stage 3 according to IFRS9
NPL Ratio	Ratio (expressed as a percentage) of NPL to gross loans and receivables to customers
NPL Coverage / Coverage Nr.	Ratio (expressed as a percentage) of loss allowances for loans and advances to customers to NPL Number
OCI	other comprehensive income
Online Origination	Represents new volume originated from online applications and leads (client with contact details)
OPEX / Cost Base	Total operating expenses
PL	Performing loans
Q	Quarter
QtQ	Quarter-to-quarter
Reported RoTE / RoTE	Profit after tax divided by tangible equity
Return on average assets or RoAA	Return on average assets calculated as profit after tax for the period divided by average balance of total assets
Regulatory Capital	Mainly consists of paid-up registered share capital, share premium, retained profits, disclosed reserves and reserves for general banking risks, which must be netted off against accumulated losses, certain deferred tax assets, certain intangible assets and shares held by the Company in itself (calculated pursuant to CRR)
Regulatory Leverage	Relative size of an institution's assets, off-balance sheet obligations and contingent obligations to pay or to deliver or to provide collateral, including obligations from received funding, made commitments, derivatives or repurchase agreements, but excluding obligations which can only be enforced during the liquidation of an institution, compared to that institution's own funds.

## GLOSSARY (3/3)

Risk Adjusted Operating Income	Calculated as total operating income less net impairment of loans and receivables and Net impairment of other receivables
RWA	Risk Weighted Assets calculated pursuant to CRR
RWA density	Calculates the average risk weight per unit of exposure. It is defined as the ratio of RWA to the Leverage Exposure (consisting of On&Off-balance sheet Gross Loans and counterparty credit risk).
Small business loan balances	Loans and receivables of unsecured instalment loans, commercial credit cards and unsecured overdrafts provided to an enterprise with an annual turnover of up to CZK 60 million
Small business (new) production	New volume of unsecured instalment loans and receivables to customers
SME	An enterprise with an annual turnover of up to CZK 200 million
SREP	Supervisory Review and Evaluation Process, when supervisor regularly assesses and measures the risks for each bank
Stage 1, Stage 2, Stage 3	Stage 1 – financial assets with no significant increase in credit risk since initial recognition, Stage 2 – financial assets with significant increase in credit risk since initial recognition but not in default, Stage 3 – financial assets in default.
Tangible Equity	Calculated as total equity less intangible assets and goodwill
Tier 1 Capital	The aggregate of CET1 Capital and Additional Tier 1 which mainly consists of share capital, to the extent not included in CET1 Capital, and certain unsecured subordinated debt instruments without a maturity date
Tier 2 Capital	Regulatory Capital which consists of certain unsecured subordinated debt obligations with payment restrictions
Total Capital Ratio	Tier 1 Capital and Tier 2 Capital as a percentage of risk-weighted assets
Total NPL Coverage	Ratio (expressed as a percentage) of individual and portfolio provisions for loans and receivables to total non-performing loans and receivables
TSA	Transition Service Agreement with General Electric Group
Yield (% Avg. Net Customer Loans)	Interest and similar income from loans to customer divided by average balance of net loans to customers
YoY	Year-on-year
YTD	Year to date

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# FORWARD-LOOKING STATEMENTS

## Forward-looking statements

- This presentation and subsequent discussion may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the medium term financial guidance, profitability, costs, assets, capital position, financial condition, results of operations, dividend and business of the Group (together, “forward-looking statements”).
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## Material assumptions for forward-looking statements

- see slide “Material assumptions and estimates for 2018 Guidance”

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# MATERIAL ASSUMPTIONS AND ESTIMATES FOR MONETA'S INITIAL GUIDANCE

A number of economic, market, operational and regulatory assumptions were made by MONETA in preparing its forward looking guidance<sup>1</sup>:

- Positive macroeconomic outlook will persist in the medium term
- 3M PRIBOR assumed to gradually increase and reach **2.8%<sup>2</sup>** in **4Q'19**
- Consumer loan market portfolio yield expected to bottom out at around **8%**
- Cost of Risk assumptions:
  - 15 – 20% higher allowance level under IFRS9
  - 2018 supported by significant gain from legacy NPL monetization
  - Contingency for potential large commercial default
  - Cost of Risk likely to bottom out during 2018
- Flat operating cost impacted by 10% - 15% productivity improvement over next 3 years, offset by increased depreciation and amortization charges of additional investments



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