

INSIDE INFORMATION
MANDATORY DISCLOSURE
ACCORDING TO IFRS
Published: November 7, 2018, 07:00 CET
Consolidated, unaudited

3Q 2018

November 7, 2018

PHENOMENAL SUCCESS OF SMART BANKA

The most awarded banking application by clients and jury



Zlatá koruna 2018
3rd place - Public Award

Smart Banka awarded by Zlatá Koruna 3rd place as the best financial product on Czech market.



Zlatá koruna 2018
1st place – Online application

Smart Banka awarded by Zlatá Koruna 2018 as the best online application.



The Best Bank 2018
1st place – Banking innovator

MONETA with Smart Banka voted by public as the leading banking innovator.



Application of the Year 2017
Absolute winner

Smart Banka voted the "best mobile application" amongst 750 nominations from Czech Republic and Slovak Republic.



Application of the Year 2017
1st place – Client service

Smart Banka voted leading mobile application within B2C sector for best client's service.



WebTop 100 2017
2nd place – The best mobile solution

2nd place in Best Mobile Solution at WebTop100 contest.



Finparáda 2017
1st place – The most interesting achievement of the year 2017

Current Account TOM was named the Best Innovation of the Year by Finparada.cz

BRANCH NETWORK

MONETA's branches in new modern design



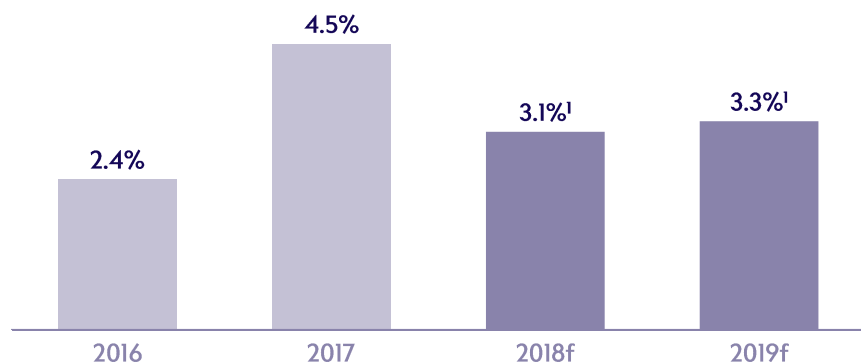
Content

- Czech macroeconomic environment
 - Banking market dynamics
 - MONETA strategy execution
 - Digital update
 - Balance sheet development
 - Asset quality and risk metrics
 - Capital management
 - Profit and loss key developments
 - Guidance
 - Appendix

MACROECONOMIC ENVIRONMENT

Improving environment with rate increases supporting stabilization of MONETA's new volume pricing

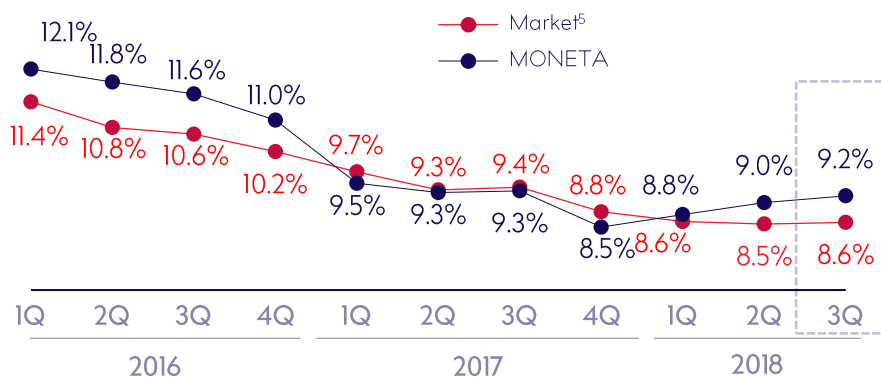
STRONG GDP OUTLOOK



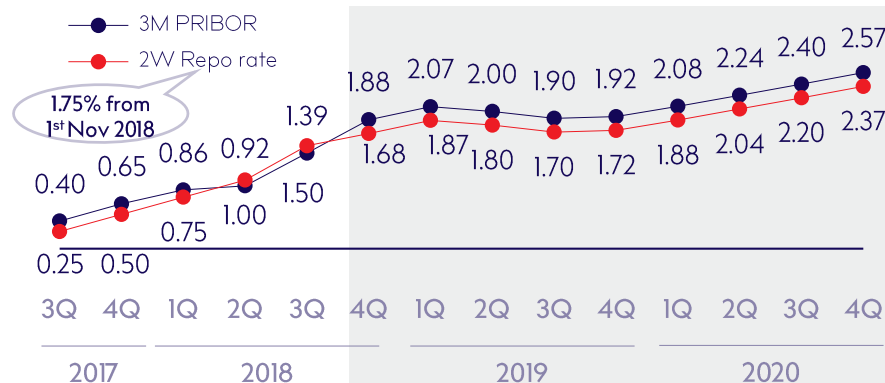
KEY MACROECONOMIC INDICATORS

INDICATOR	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18
Export ²	5.3%	4.6%	5.9%	(1.1%)	2.0%	5.7%
Industrial production	8.5%	6.7%	7.6%	4.0%	2.3%	3.6%
EUR/CZK ³	26.5	26.1	25.7	25.4	25.6	25.7
Banks' NPL ratio	4.3%	4.0%	4.0%	3.6%	3.4%	3.3%

NEW VOLUME PRICING OF CONSUMER LOANS



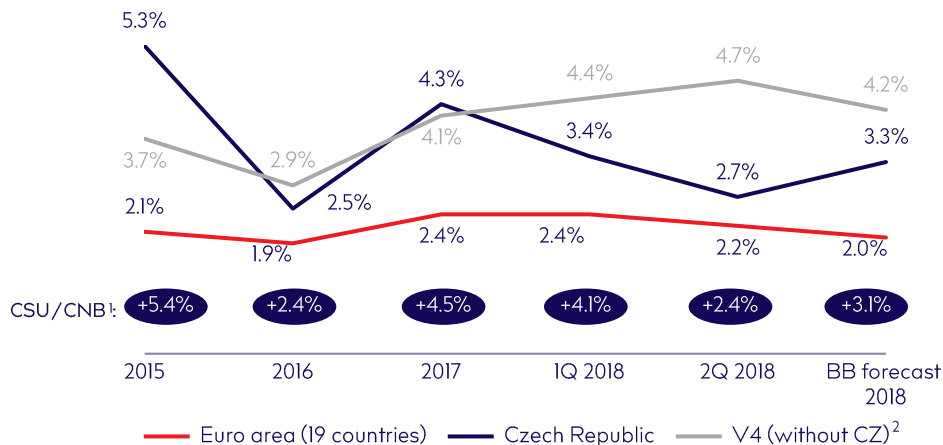
INTEREST RATE ACTUALS AND FORECAST⁴



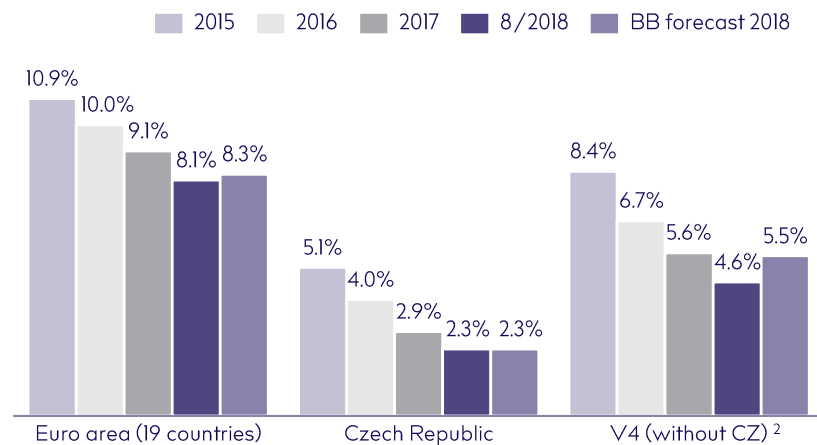
ECONOMIC GROWTH

Czech GDP growth decelerated, whilst unemployment remains at historical low level, continuing upward pressure on wages

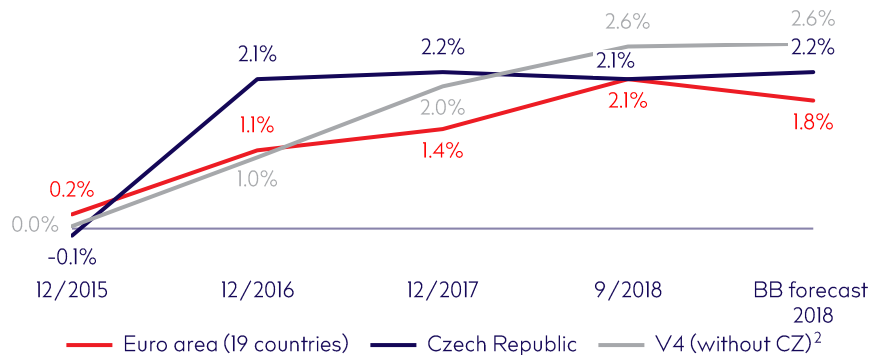
GDP GROWTH



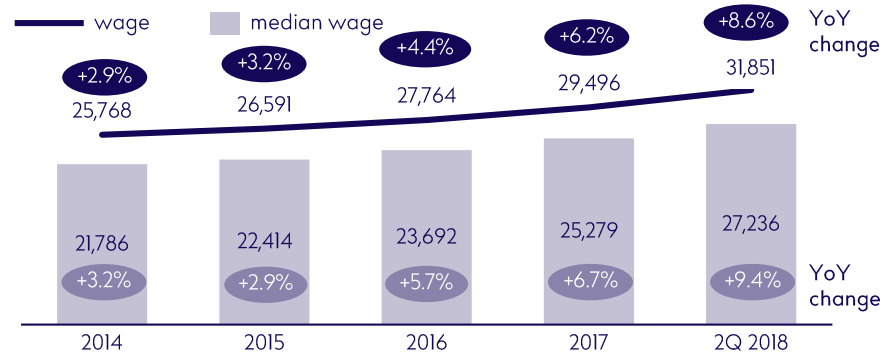
UNEMPLOYMENT RATE³



INFLATION⁴



WAGE, MEDIAN WAGE⁵



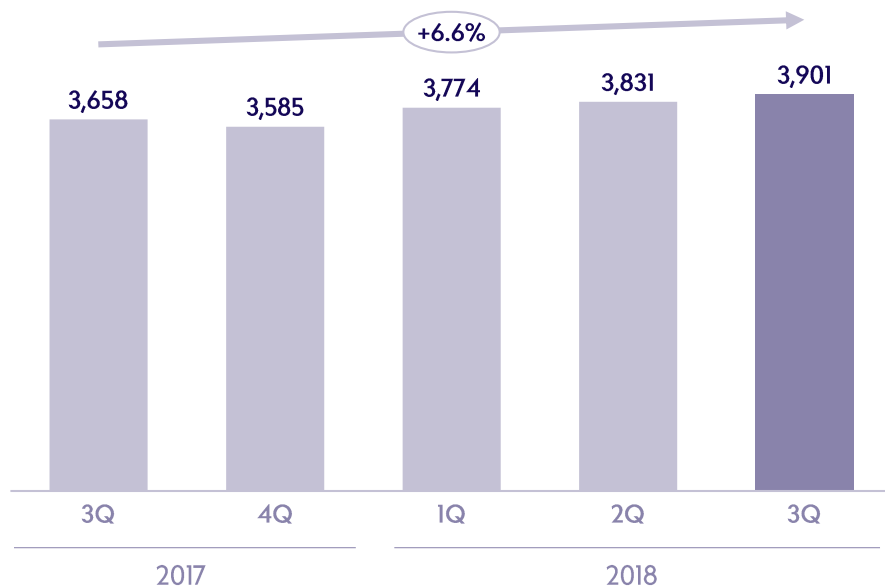
Content

- Czech macroeconomic environment
- **Banking market dynamics**
- MONETA strategy execution
- Digital update
- Balance sheet development
- Asset quality and risk metrics
- Capital management
- Profit and loss key developments
- Guidance
- Appendix

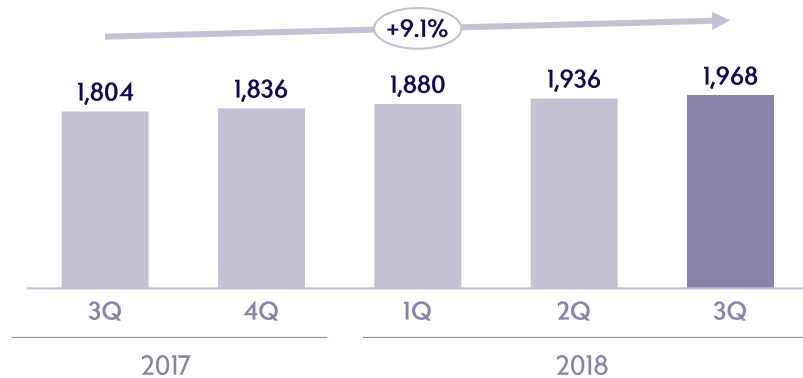
CZECH DEPOSIT MARKET

Continuing accelerated growth in deposits

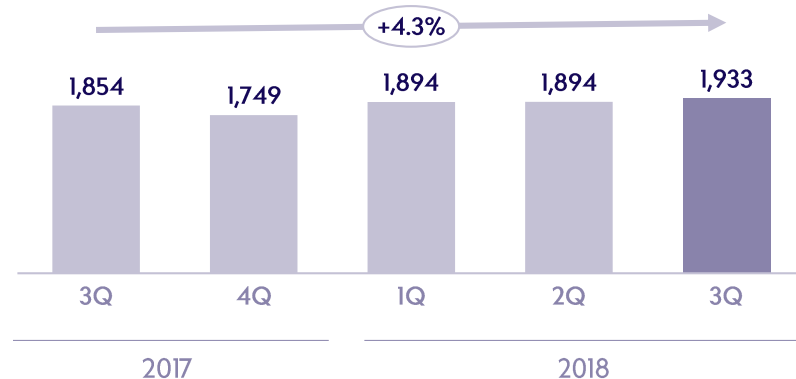
DEPOSIT MARKET (CZK bn)



RETAIL DEPOSIT (CZK bn)



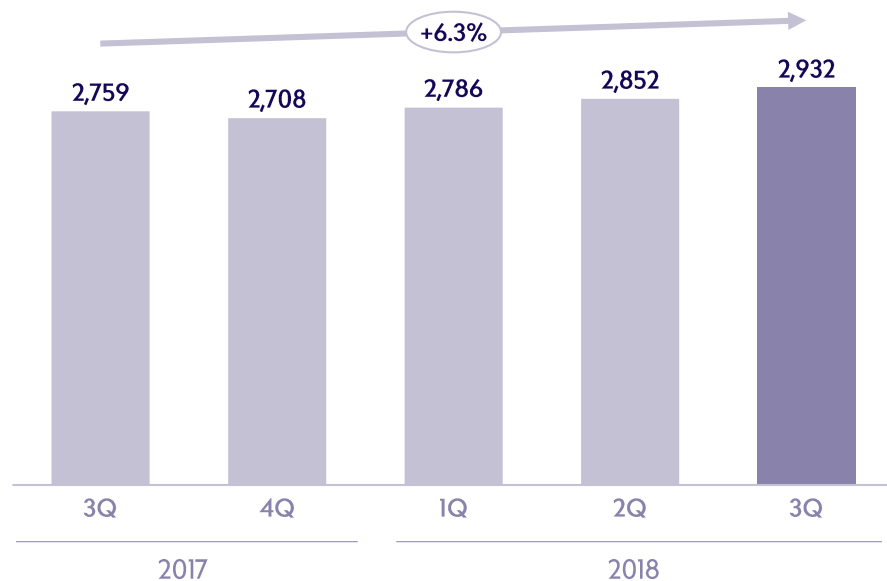
COMMERCIAL DEPOSIT (CZK bn)



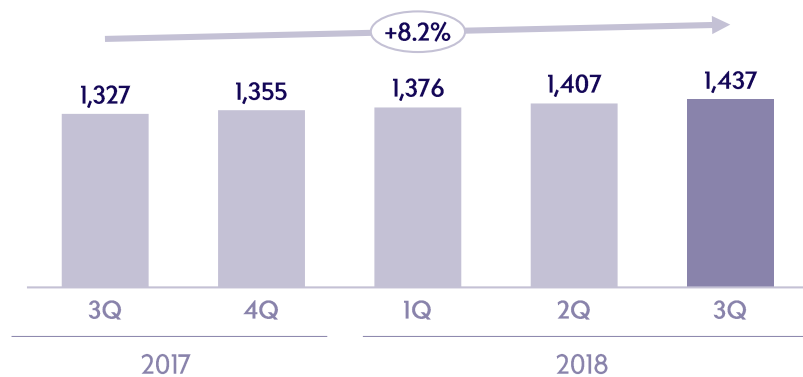
CZECH LENDING MARKET

Lending market progressing year-on-year lead by retail segment

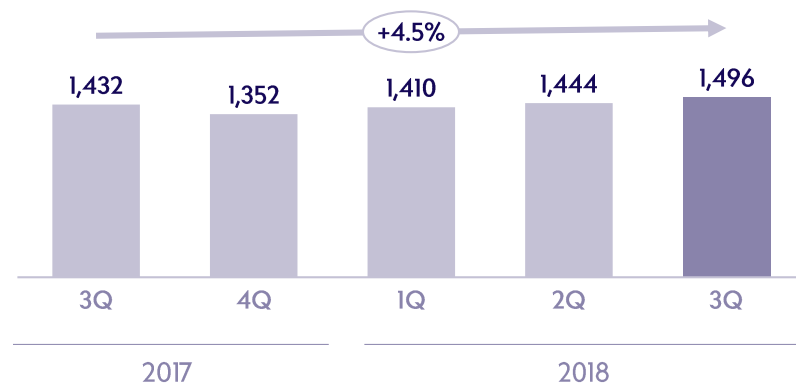
LENDING MARKET (CZK bn)



RETAIL LOANS (CZK bn)



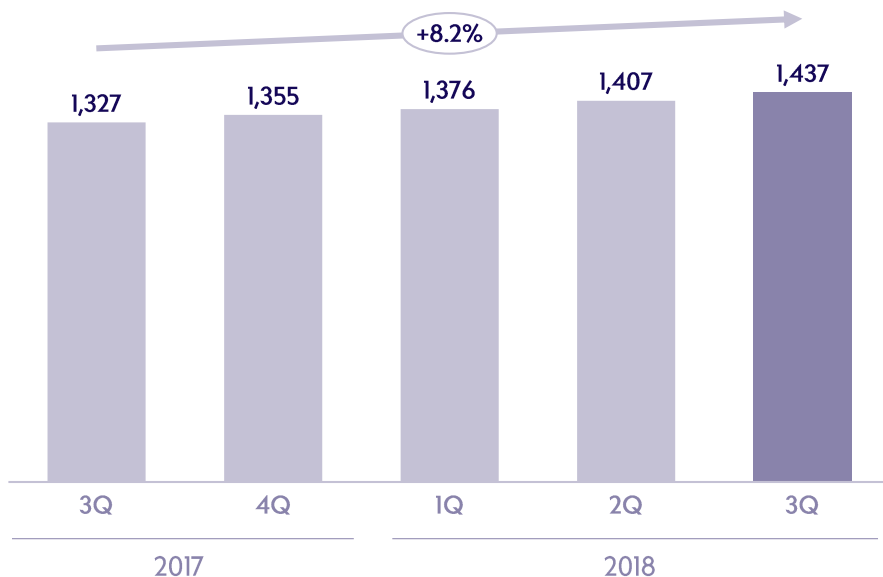
COMMERCIAL LOANS (CZK bn)



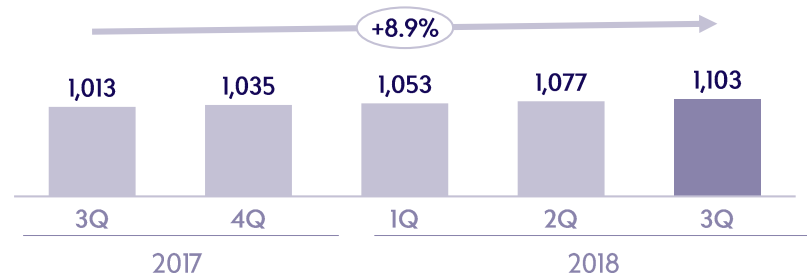
CZECH LENDING MARKET

Retail lending market driven by continued strong development in both mortgages and consumer loans

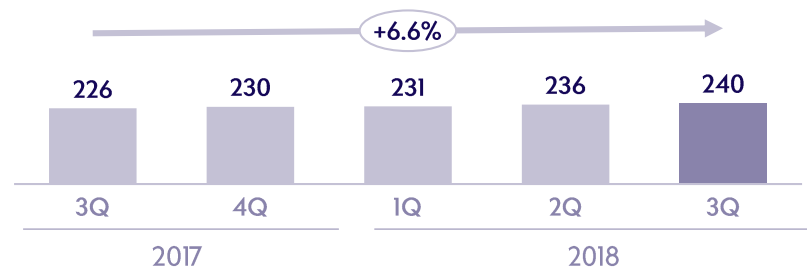
RETAIL LOANS (CZK bn)



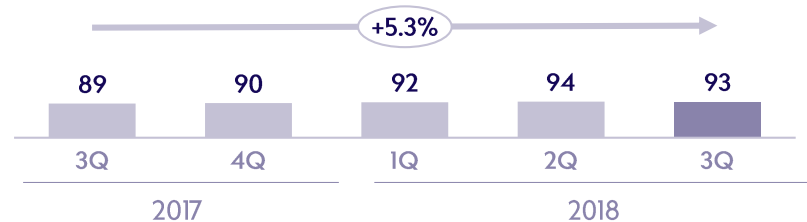
MORTGAGE MARKET (CZK bn)



UNSECURED LENDING MARKET¹ (CZK bn)



OTHER² (CZK bn)





Content

- Czech macroeconomic environment
- Banking market dynamics
- **MONETA strategy execution**
- Digital update
- Balance sheet development
- Asset quality and risk metrics
- Capital management
- Profit and loss key developments
- Guidance
- Appendix

2018 FINANCIAL PERFORMANCE AGAINST GUIDANCE

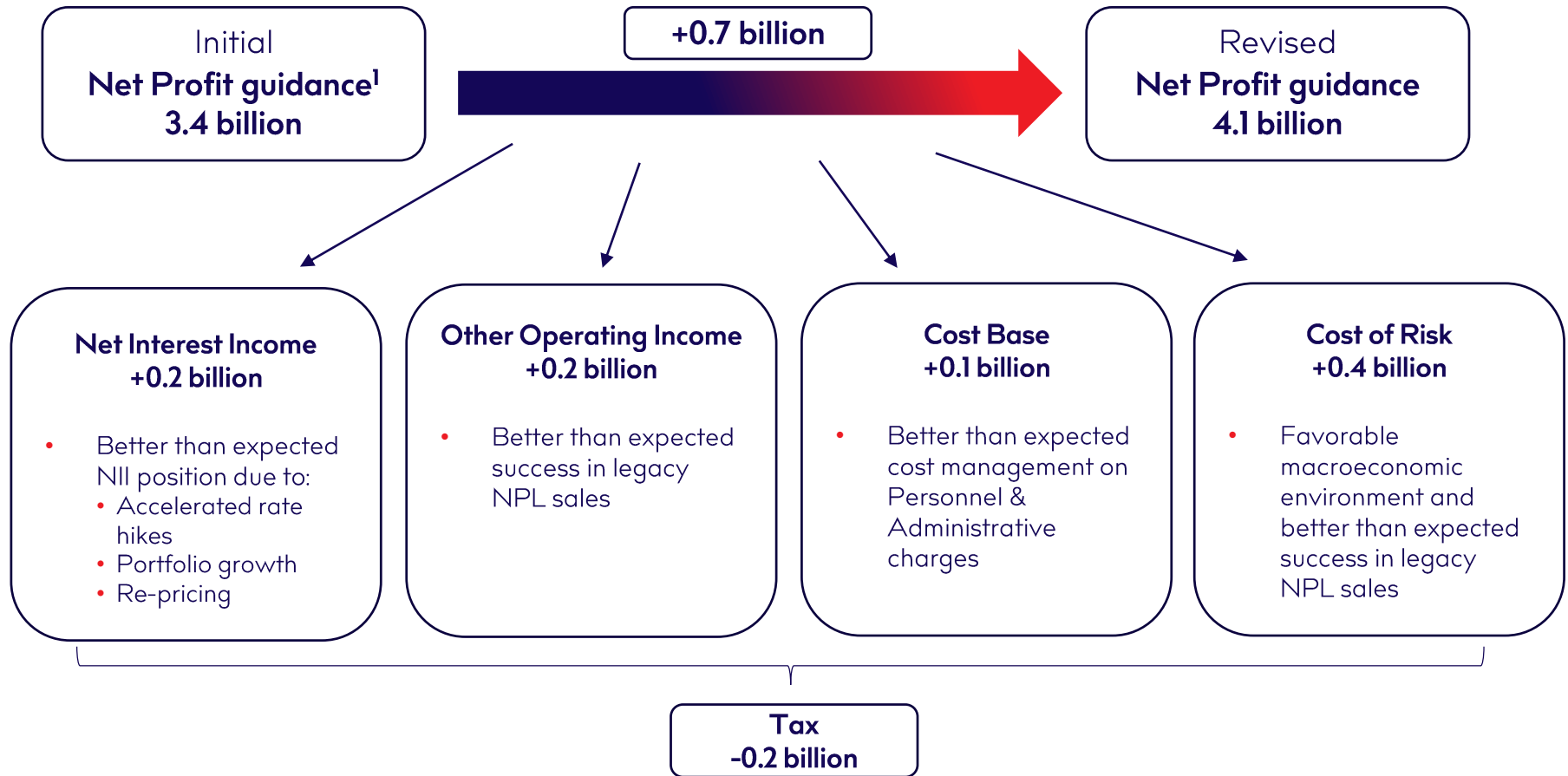
Consolidated net profit outlook upgraded to CZK 4.1 billion with RoTE above 17%

METRICS	 3Q 2017 YTD	RESULTS	 2018 GUIDANCE	
	3Q 2017 YTD	3Q 2018 YTD	Initial ¹	Revised
LOAN BOOK GROWTH (YoY) ²	10.1%	14.0%	≥ 9%	≥ 13%
TOTAL OPERATING INCOME (CZK)	7.8bn	7.5bn	≥ 9.5bn	~ 10bn
COST BASE (CZK)	3.5bn	3.5bn	~ 4.9bn	~4.8bn
COST OF RISK ³ <i>Cost of Risk (excluding legacy NPL sales)</i>	46bps 68bps ⁴	0bps 68bps	45 – 55bps 90 – 100bps	15 – 25bps 70 – 80bps
CONSOLIDATED NET PROFIT (CZK)	3.1bn	3.4bn	≥ 3.4bn	~4.1bn
RETURN ON TANGIBLE EQUITY	17.5%	19.8%	≥ 14%	> 17%
EFFECTIVE TAX RATE	20.0%	17.2%	~ 17%	~ 17%
DIVIDEND PER SHARE (CZK gross per share) ⁵	n/a	n/a	5.0	5.6

Note: All ratios are annualized; (1) Initial guidance announced on February 7, 2018 except Cost of Risk excluding legacy NPL sales and Dividend per share; following revision of initial guidance on page 44; (2) Gross performing loans and receivables to customers growth; (3) 2017 based on IAS39, 2018 based on IFRS9; (4) Restated due to split of gain from NPL sales between line Net impairment of loans and receivables and line Other operating income; (5) Initial proposal of CZK 5 gross per share announced on 8th August 2018 and increased to CZK 5.5 gross per share on 17th September 2018. Subject to corporate, regulatory and regulator's limitations and approval of the Annual General Meeting.

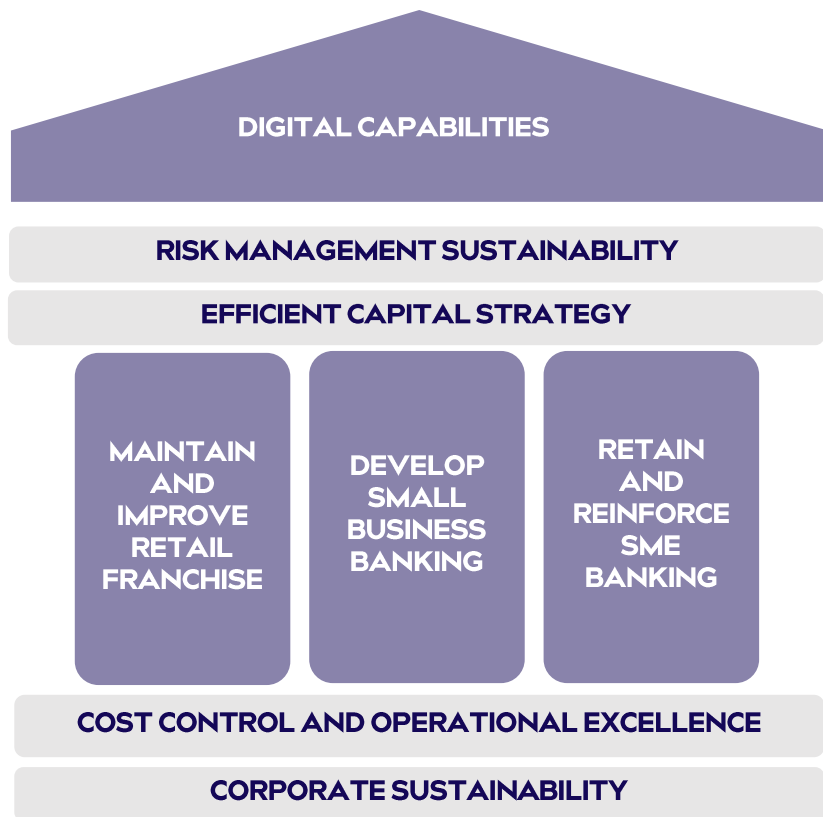
2018 GUIDANCE

Improving 2018 guidance, targeting to deliver net profit of CZK 4.1 billion



EXECUTING ON STRATEGY

Outperforming guidance in portfolio growth, solid capital position, increasing 2018 dividend outlook to CZK 5.6 per share



14.0% YoY growth in gross performing loans outperforming guidance

20.8% YoY increase in RETAIL gross performing loan balance

- **50.7% YoY** continued growth in gross performing **mortgage balance¹**, achieving **market share** of **2.4%²** in 3Q'18 (**1.7%** in 3Q'17)
- **9.1% YoY** growth in gross performing **consumer loans balance** and maintaining **market share** at **18.8%³**

7.3% YoY growth in **COMMERCIAL gross performing loan balance**

- **65.3% YoY** strong growth in gross performing **small business loan balance**, with new volume in instalment lending up **48.8% YoY**
- **8.6% YoY** increase in gross performing **investment loan balance**

16.6% Capital Adequacy Ratio with positive result from capital optimization initiatives of **CZK 1,210 million**

MONETA received **the best rating** among other banks in evaluating quality of **mortgage process⁴**

Note: (1) Mortgage book includes American mortgages; (2) Source: CNB ARAD, in new production achieved market share of 8.2% in 3Q'18 (3.8% in 3Q'17) based on signed contracts from hypindex.cz; (3) Source: CNB ARAD, Bank. Gross loans excluding non-residents and loans in foreign currencies. Consumer loans represent non-purposed and purposed consumer loans, debt consolidations, American mortgages and all other MONETA products classified as consumer loans; (4) Source: Market Vision: <https://www.hypindex.cz/tiskove-zpravy/hypotecni-uvery-studie-odhalila-velke-rozdily-mezi-sluzbami-jednotlivych-ceskych-bank/>; (5) Based on 3Q'18 results and revised guidance. Subject to corporate, regulatory and regulator's limitations and approval of the Annual General Meeting.

EXECUTING ON STRATEGY

Delivering net profit of CZK 3.4 billion, up 7.8% versus prior year

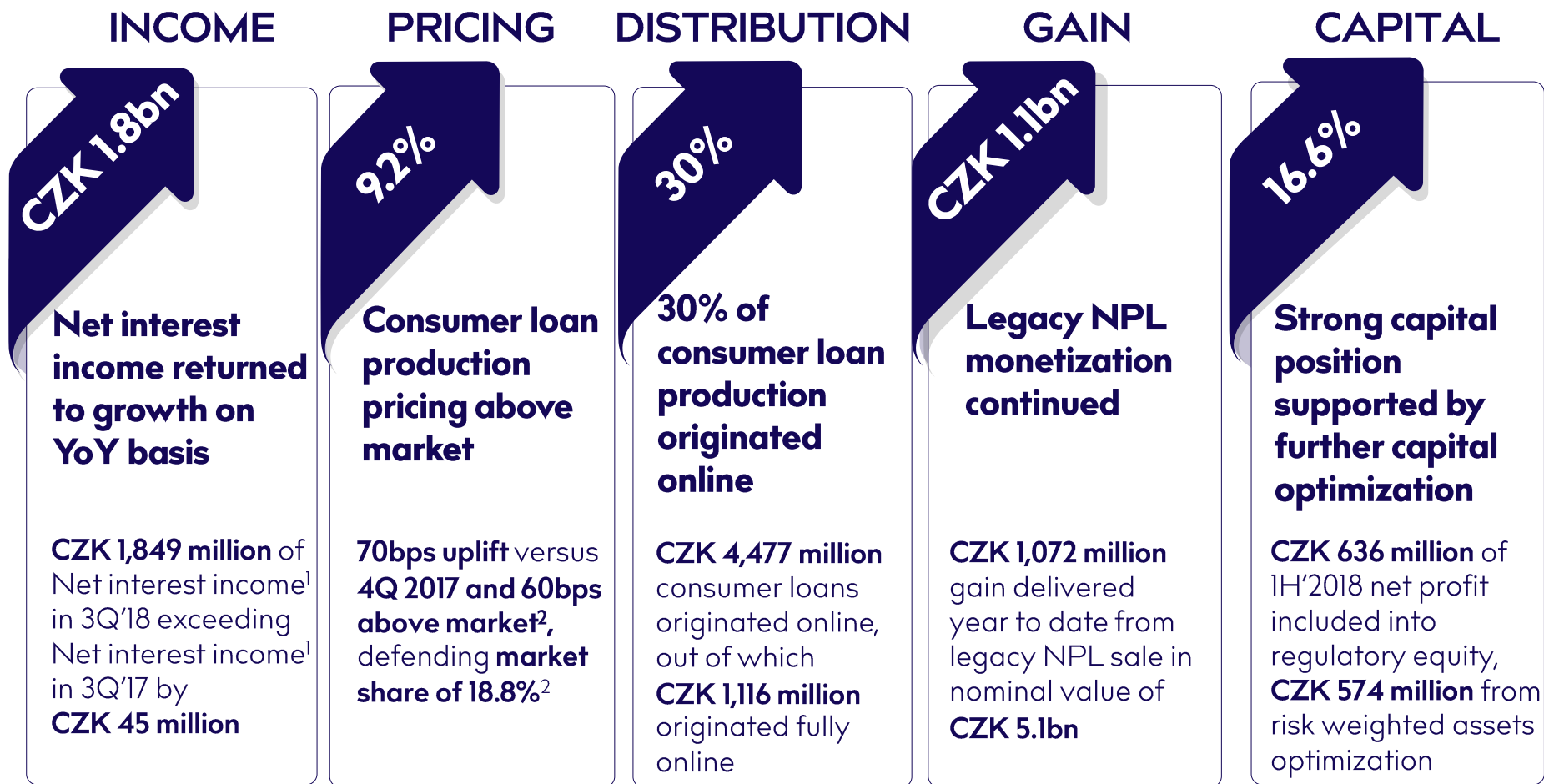
METRICS (CZK m, %)	3Q'18 YTD	3Q'17 YTD	CHANGE
NET INTEREST INCOME	5,437	5,520	(1.5%)
NET FEE AND COMMISSION INCOME	1,352	1,392	(2.9%)
OTHER INCOME	736	843	(12.7%)
TOTAL OPERATING INCOME	7,525	7,755	(3.0%)
TOTAL OPERATING EXPENSES	(3,465)	(3,455)	0.3%
COST OF RISK	0	(401)	n/a
PROFIT BEFORE TAX	4,060	3,899	4.1%
NET PROFIT	3,363	3,119	7.8%
RETURN ON TANGIBLE EQUITY¹	19.8%	17.5%	230bps
RETURN ON EQUITY¹	18.4%	16.7%	170bps

HIGHLIGHTS

- **CZK 7.5bn of operating income, down 3.0% YoY**, influenced by gain on bond sales of **CZK 343m** in 1H'17, partially offset by gain from legacy NPL sale of **CZK 316m** in 2018
- **Maintained flat cost base** despite wage inflation and investment growth
- **46.0% Cost to Income** ratio ahead of management expectations
- **CZK 663m positive** impact into **Cost of Risk** from legacy NPL sales (**68bps Cost of Risk** excluding gain on legacy NPL sales)
- **CZK 3.4bn of net profit (up 7.8% YoY)** resulting in **19.8% RoTE**

EXECUTING ON STRATEGY

Net interest income returned to growth year-on-year, consumer loan production pricing above market, NPL sale strategy on track



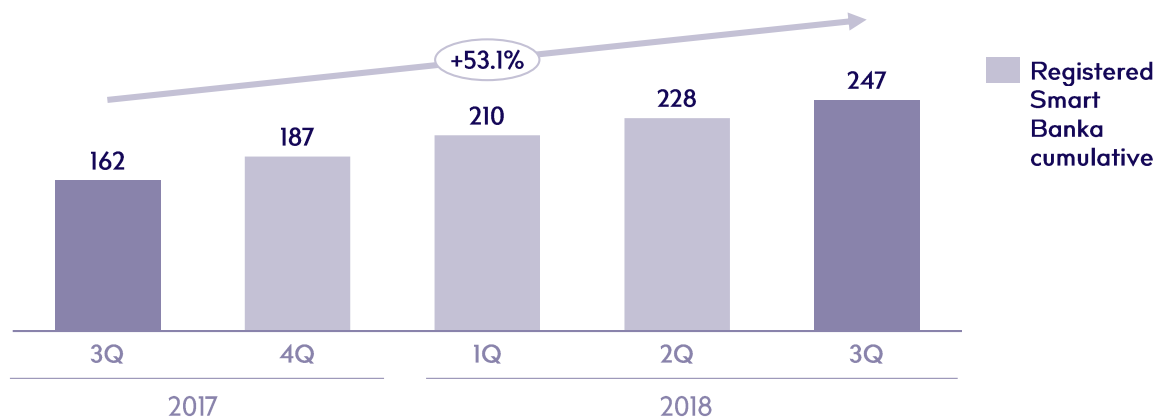
Content

- Czech macroeconomic environment
- Banking market dynamics
- MONETA strategy execution
- Digital update
- Balance sheet development
- Asset quality and risk metrics
- Capital management
- Profit and loss key developments
- Guidance
- Appendix

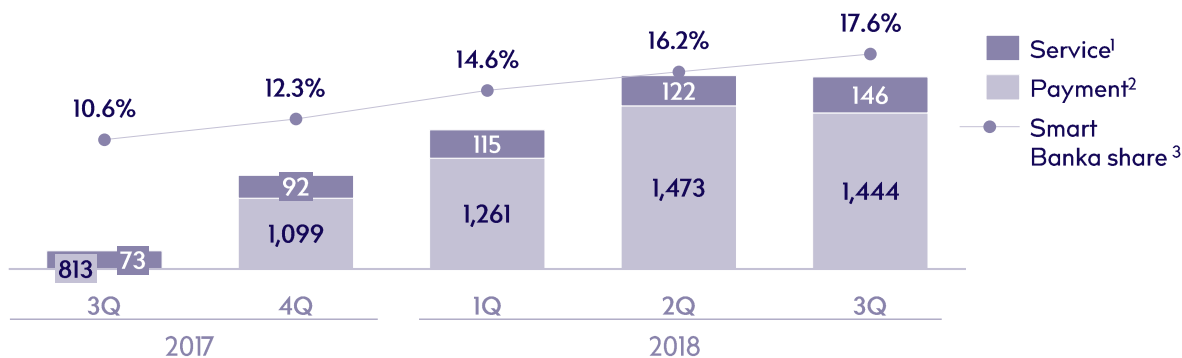
DIGITAL TRANSFORMATION PROGRESSING

Digital banking proposition continues to gain market traction

DIGITAL BANKING PENETRATION (number of clients in thousands)



SMART BANKA TRANSACTIONS (number of transactions in thousands)



DELIVERIES

- **53.1% YoY growth** in Smart Banka; registered **users** reaching **247** thousand
- **17.6%** of payment transactions² executed **via Smart Banka in 3Q 2018**
- **“Open banking”** capability developed enabling clients of four major competitors to view their accounts **in Smart Banka**
- **New website** launched in July with **61% increase** in organic traffic for September YoY
- **Simple loan application for non-preapproved clients via Smart Banka**, tripling population eligible for loans via Smart Banka in 3Q 2018

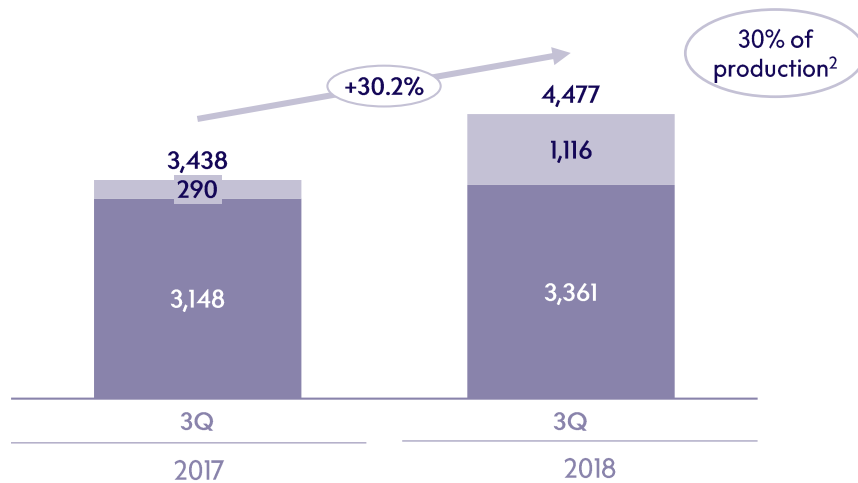
ASPIRATIONS FOR 4Q 2018

- **Tablet based digital loan** process to be rolled out to loan brokers and Česká pojišťovna/Generali during 4Q 2018
- **Tablet based digital current account** onboarding rolled out to Česká pojišťovna/Generali during 4Q 2018

STRONG ONLINE LENDING PERFORMANCE

Strong progress in online loan origination driven by development of fully online lending process

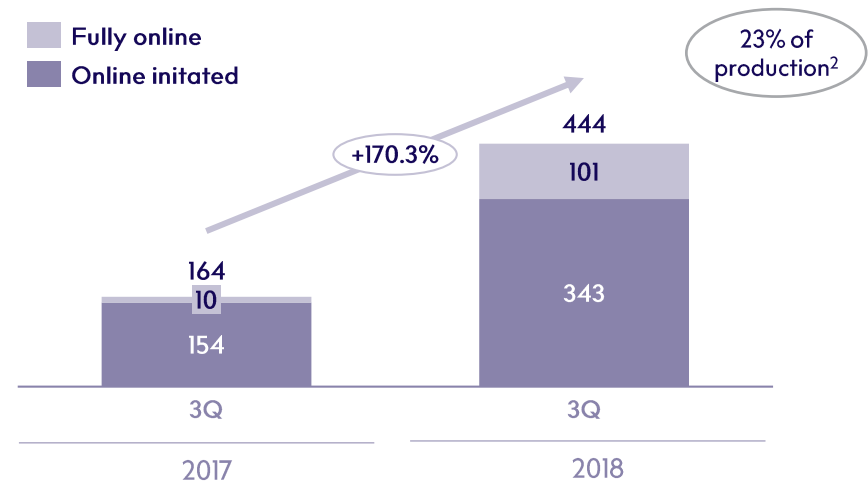
CONSUMER LOAN VOLUMES ORIGINATED ONLINE¹ (CZK m, YtD)



HIGHLIGHTS

- **CZK 4.5bn consumer loans originated online**, reaching **30%** share of MONETA's consumer loan production in 3Q'18 YTD versus **17%** in 3Q'17 YTD
- **CZK 1.1bn in consumer loan volume originated fully online** through Smart Banka and internet banking, **8%** of total consumer loan production during 3Q'18 YTD
- **CZK 26.0bn** of pre-approved unsecured loan limits available fully online to more than 144,000 existing retail clients

SMALL BUSINESS LOANS ORIGINATED ONLINE¹ (CZK m, YtD)



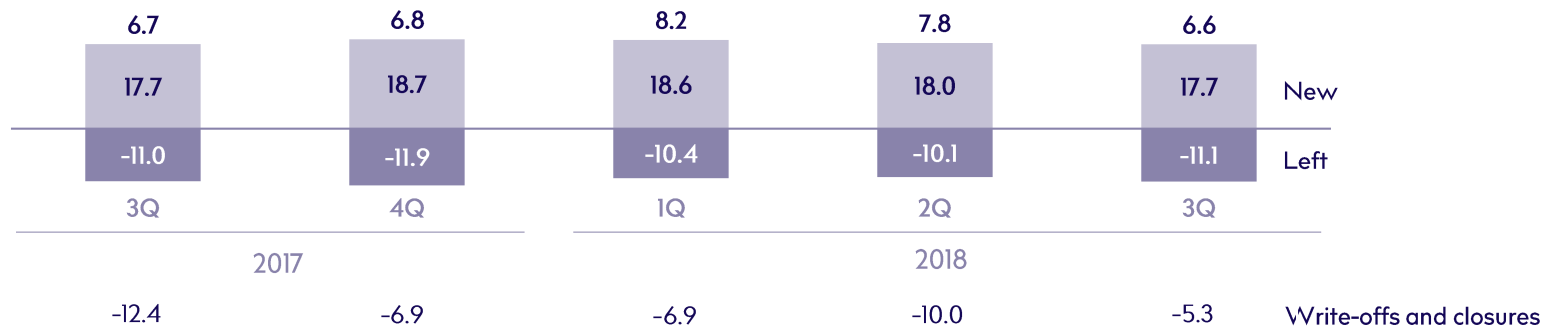
HIGHLIGHTS

- **CZK 444m originated online**, reaching **23%** share of small business lending volume in 3Q'18 YTD versus **13%** in 3Q'17 YTD
- **CZK 101m of small business loan volumes completed fully online**; **5%** of total small business loan production during 3Q'18 YTD
- **CZK 6.0bn** of pre-approved limits to more than 22,800 existing clients available online

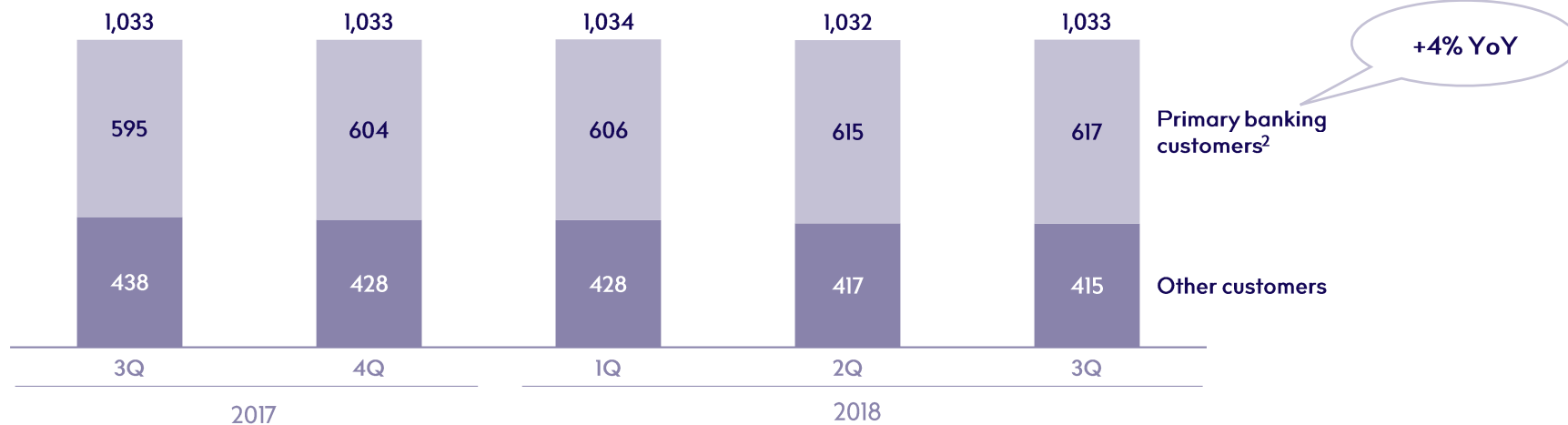
CLIENT BASE EVOLUTION

Primary banking customer relationship improving

NET CLIENT ACQUISITION¹ (number of clients in thousands)



CLIENT BASE EVOLUTION (number of clients in thousands)



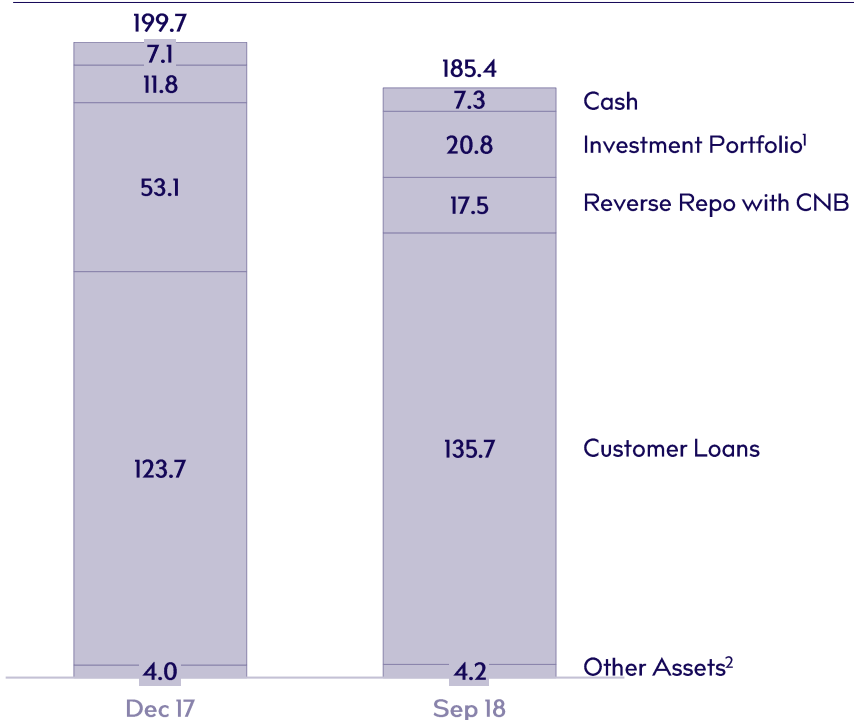
Content

- Czech macroeconomic environment
- Banking market dynamics
- MONETA strategy execution
- Digital update
- **Balance sheet development**
- Asset quality and risk metrics
- Capital management
- Profit and loss key developments
- Guidance
- Appendix

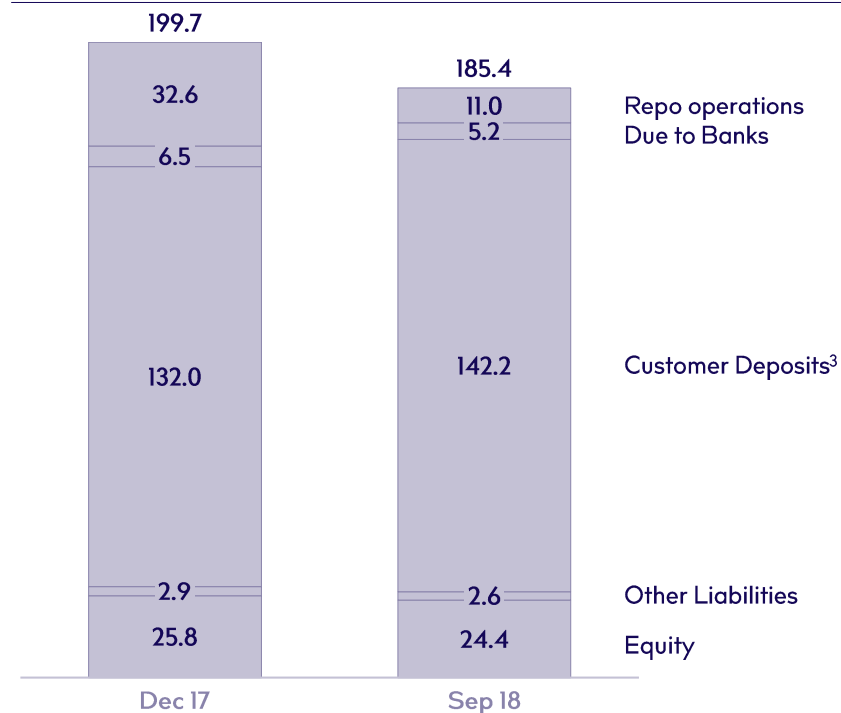
SOLID BALANCE SHEET FUNDAMENTALS

Continuing to maintain strong and highly liquid balance sheet

ASSETS (CZK bn)



LIABILITIES AND EQUITY (CZK bn)



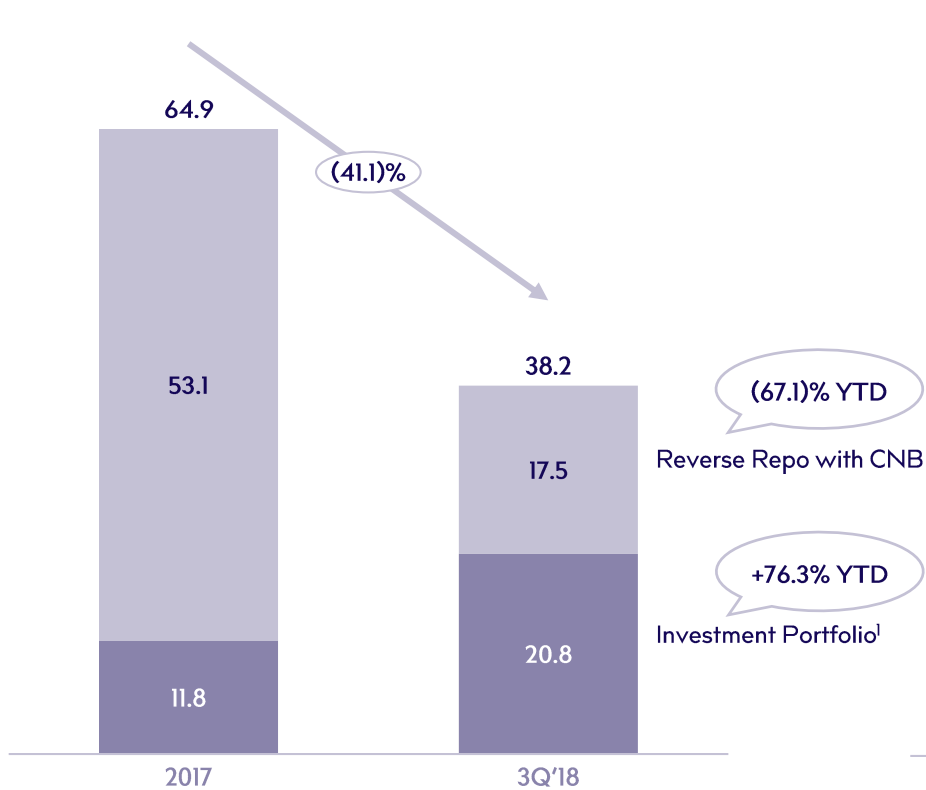
- **CZK 16.1bn** nominal value of regular interest rate risk **hedging position**
- **131.7% LCR** exceeding regulatory limit, confirming **excellent liquidity position**
- **9.0% Regulatory leverage⁴** (2017 at **8.1%**) against Czech bank industry leverage of **6.3%**⁵

Notes: Figures in chart may not add up due to rounding differences; (1) Including encumbered assets of CZK 3.4bn in 2017 and CZK 4.6bn in 3Q'18; (2) Including Interbank loans; (3) Excluding CZK 7.0 billion of opportunistic repo transactions as of 3Q'18 (as of 4Q'17: 9.4 billion); (4) Calculated pursuant to CRR; (5) Source: CNB web page <http://www.cnb.cz/cs/dohled_financni_trh/souhrnne_informace_fin_trhy/zakladni_ukazatele_fin_zdravi/fsi_ukazatele_kons.html>, as of 30 June 2018.

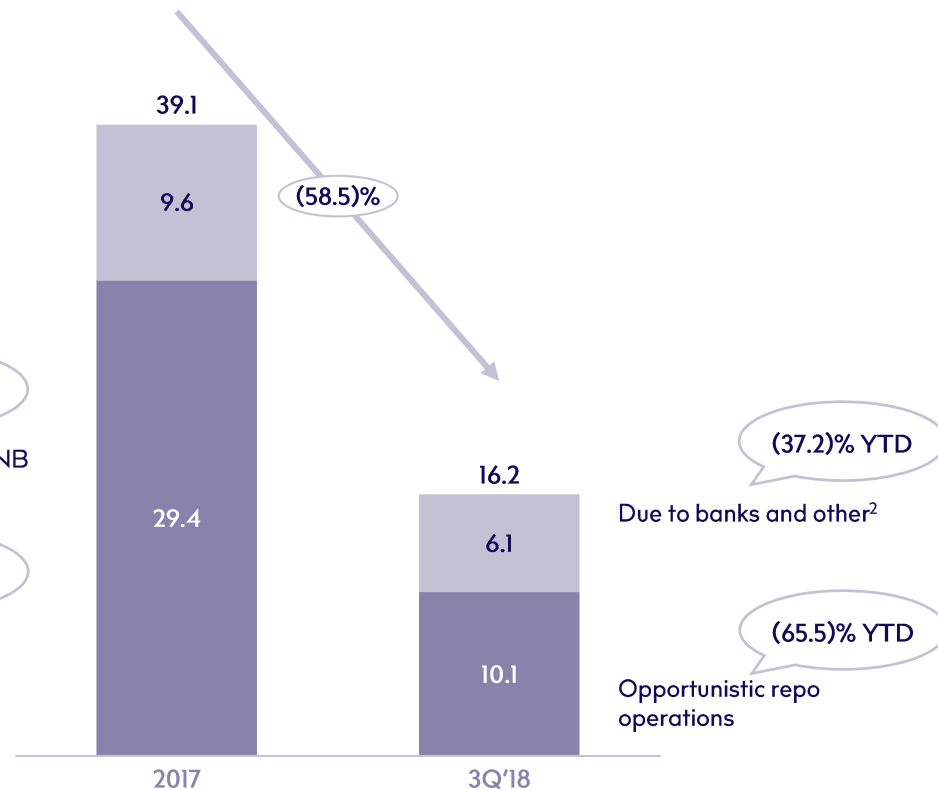
SOLID BALANCE SHEET FUNDAMENTALS

Expanding investment portfolio in response to increasing interest rate environment

INVESTMENT PORTFOLIO AND REVERSE REPO OPERATIONS (CZK bn)



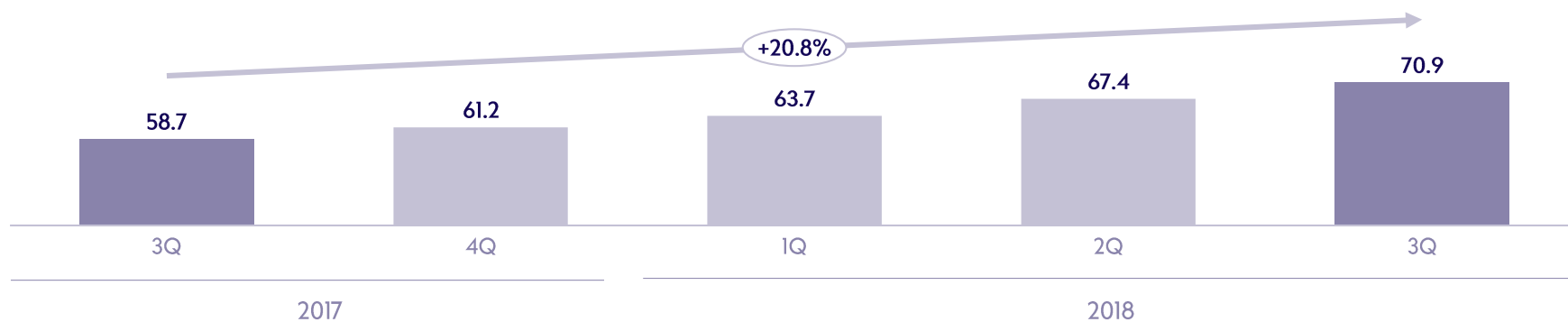
DUE TO BANKS AND REPO OPERATIONS (CZK bn)



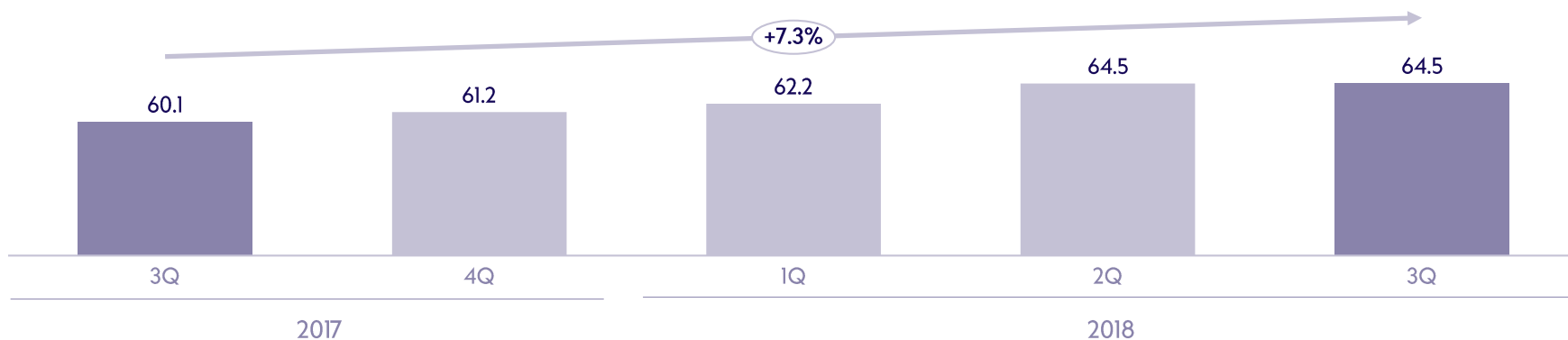
GROSS PERFORMING LOAN PORTFOLIO DEVELOPMENT

Accelerated growth in retail continued, supporting strategic focus on retail and small business

RETAIL GROSS PERFORMING LOAN BALANCE (CZK bn)



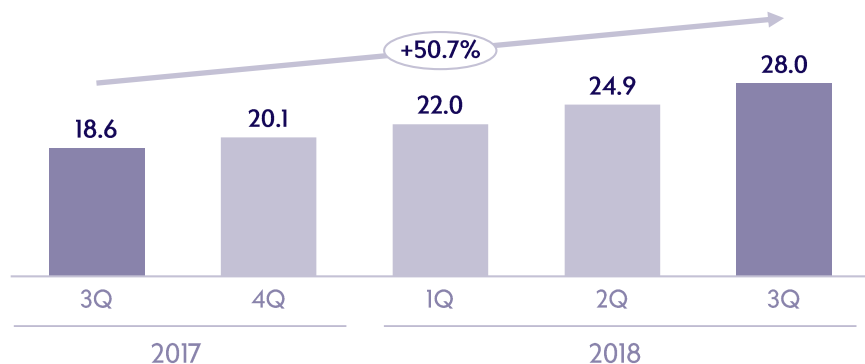
COMMERCIAL GROSS PERFORMING LOAN BALANCE (CZK bn)



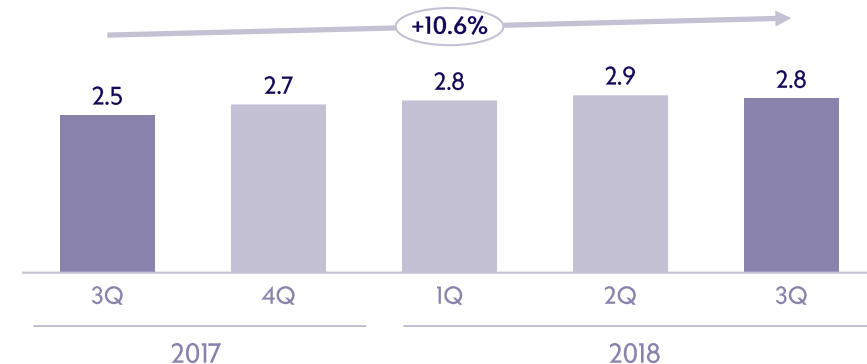
GROSS PERFORMING RETAIL LOAN PORTFOLIO DEVELOPMENT

Mortgage balance growth accelerating, complemented by solid auto finance and consumer lending

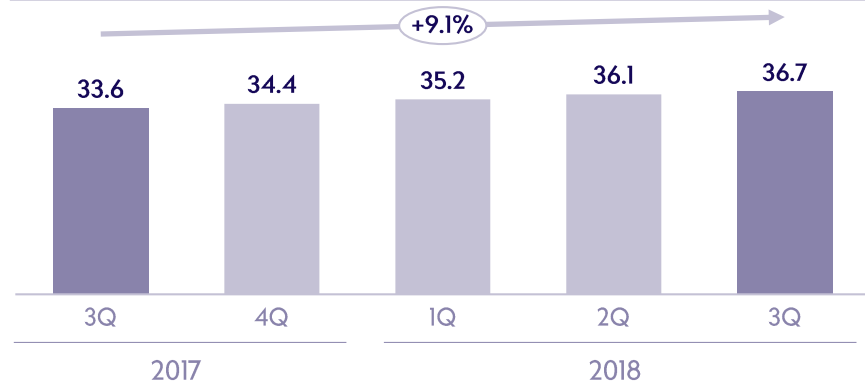
MORTGAGE BALANCE (CZK bn)



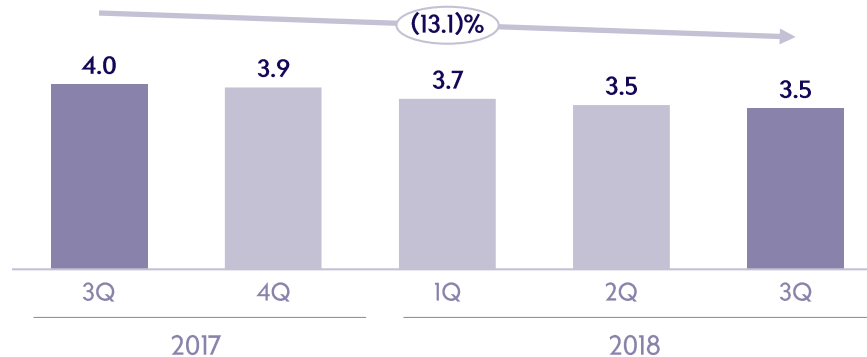
AUTO LENDING BALANCE (CZK bn)



CONSUMER LOAN BALANCE (CZK bn)



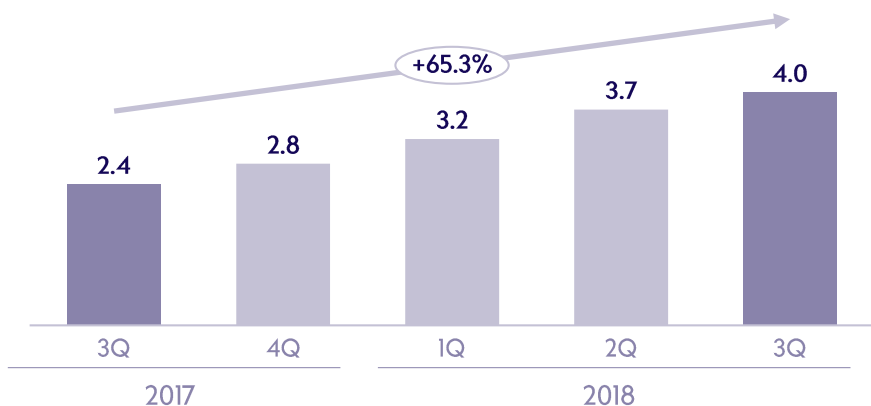
CREDIT CARD & OVERDRAFT BALANCE (CZK bn)



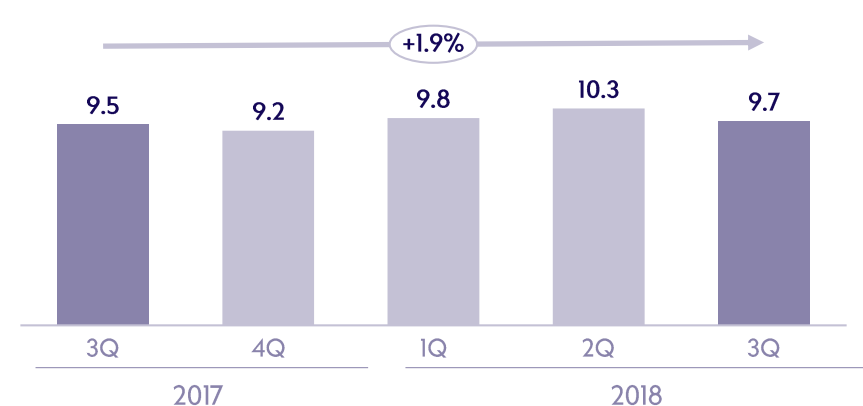
GROSS PERFORMING COMMERCIAL LOAN PORTFOLIO DEVELOPMENT

Commercial growth driven by continued increase in small business franchise supported by strong investment lending

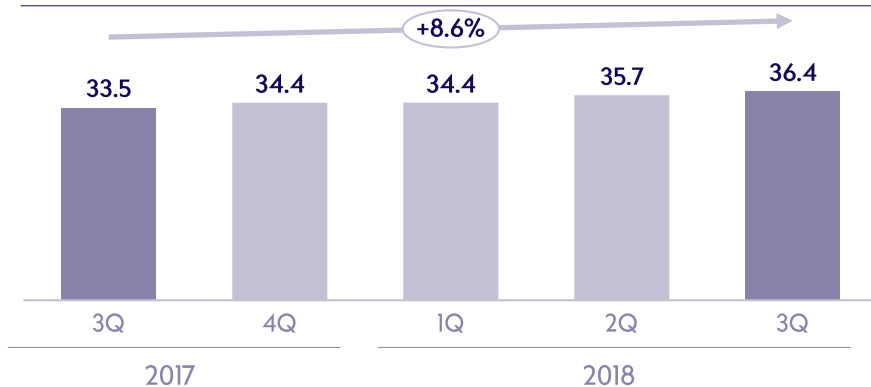
SMALL BUSINESS LENDING BALANCE⁽¹⁾ (CZK bn)



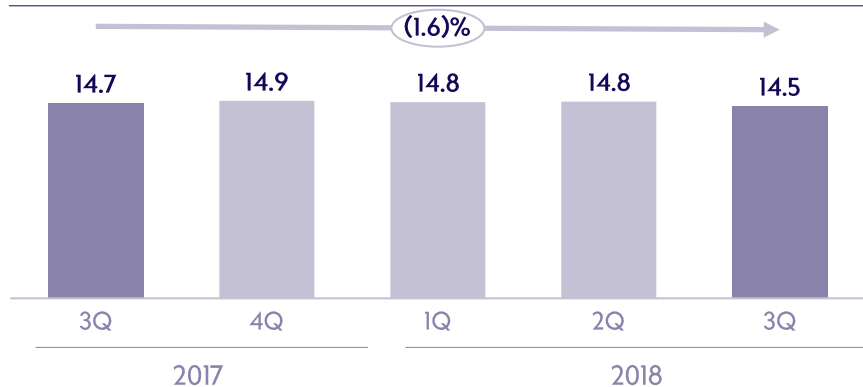
WORKING CAPITAL BALANCE (CZK bn)



INVESTMENT LOAN BALANCE (CZK bn)



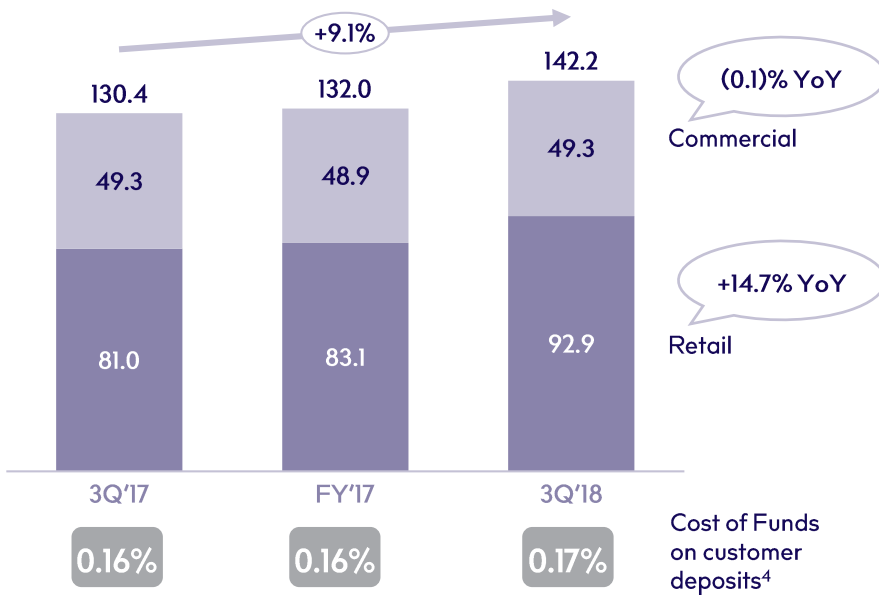
AUTO AND LEASING BALANCE (CZK bn)



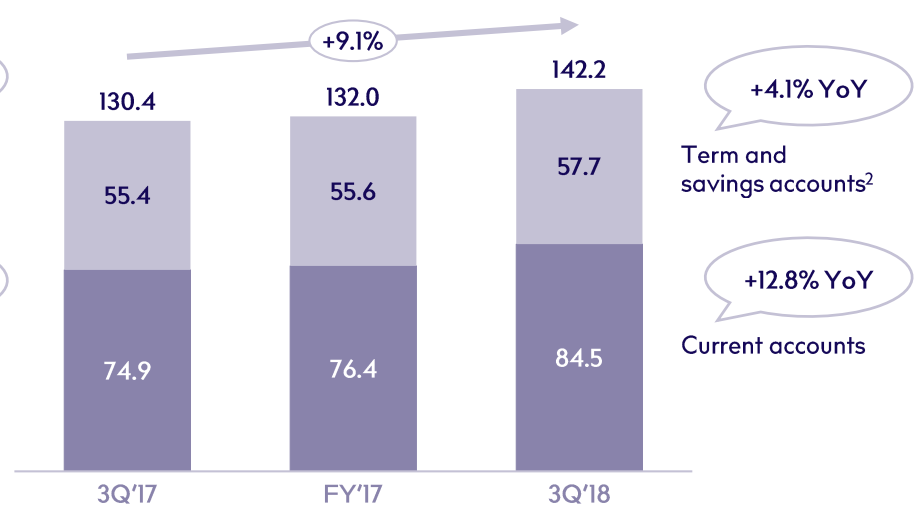
SOLID BALANCE SHEET FUNDAMENTALS

Strong growth in retail deposit balances whilst maintaining low cost of funds

CUSTOMER DEPOSITS¹ BY SEGMENT (CZK bn)



CUSTOMER DEPOSITS¹ BY PRODUCT (CZK bn)



HIGHLIGHTS

- **90.9% Loan to Deposit ratio³** remained stable compared to **87.4% in 4Q'17**
- **0.17% stable Cost of Funds⁴ on customer deposits**
- **14.7% YoY growth of retail customer deposits** outperforming **9.1% market growth⁵**, **3.7% total market share⁶** achieved in 3Q'18

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

(1) Excluding CZK 7.0 billion of opportunistic repo transactions as of 3Q'18 (as 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) 0.21% total Cost of Funds; (5) Source: CNB ARAD, Retail customer deposits excl. non-residents and building savings deposits; (6) Source: CNB ARAD; includes residents only, i.e. excluding non-residents and building savings deposits.

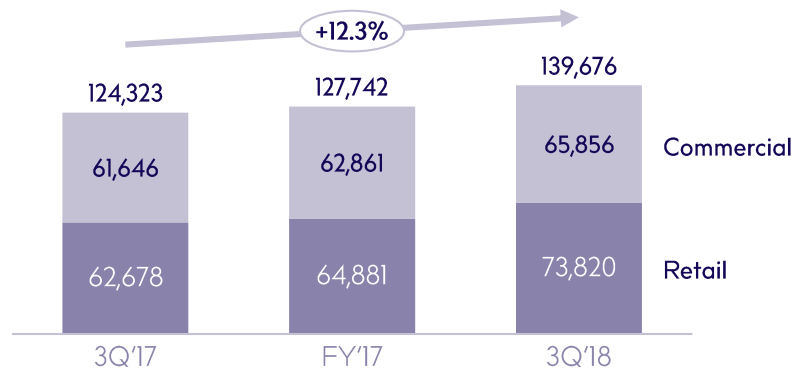
Content

- Czech macroeconomic environment
- Banking market dynamics
- MONETA strategy execution
- Digital update
- Balance sheet development
- **Asset quality and risk metrics**
- Capital management
- Profit and loss key developments
- Guidance
- Appendix

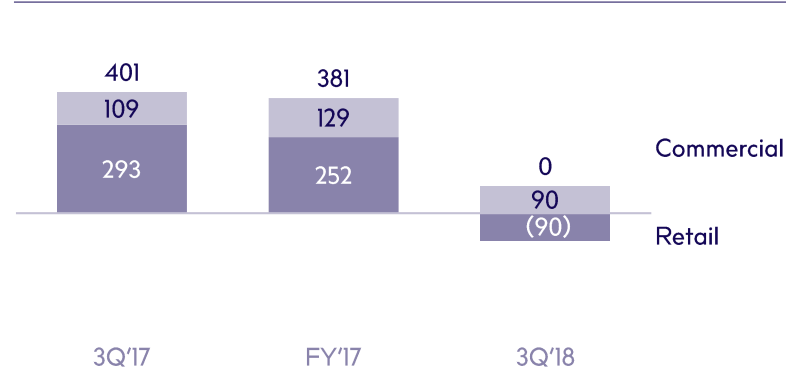
CONTINUED IMPROVEMENT IN ASSET QUALITY

Cost of Risk positively impacted by legacy NPL sales with gain of CZK 663 million

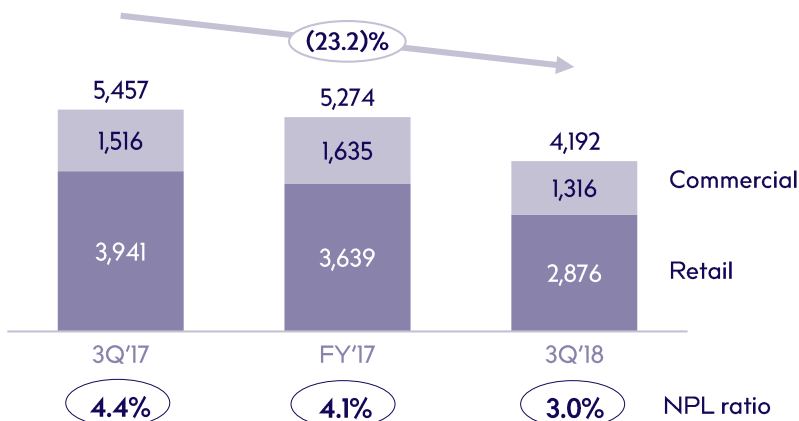
GROSS LOAN PORTFOLIO BALANCE (CZK m)



NET IMPAIRMENTS (CZK m)



NPL DEVELOPMENT (CZK m)



COST OF RISK (annualized)

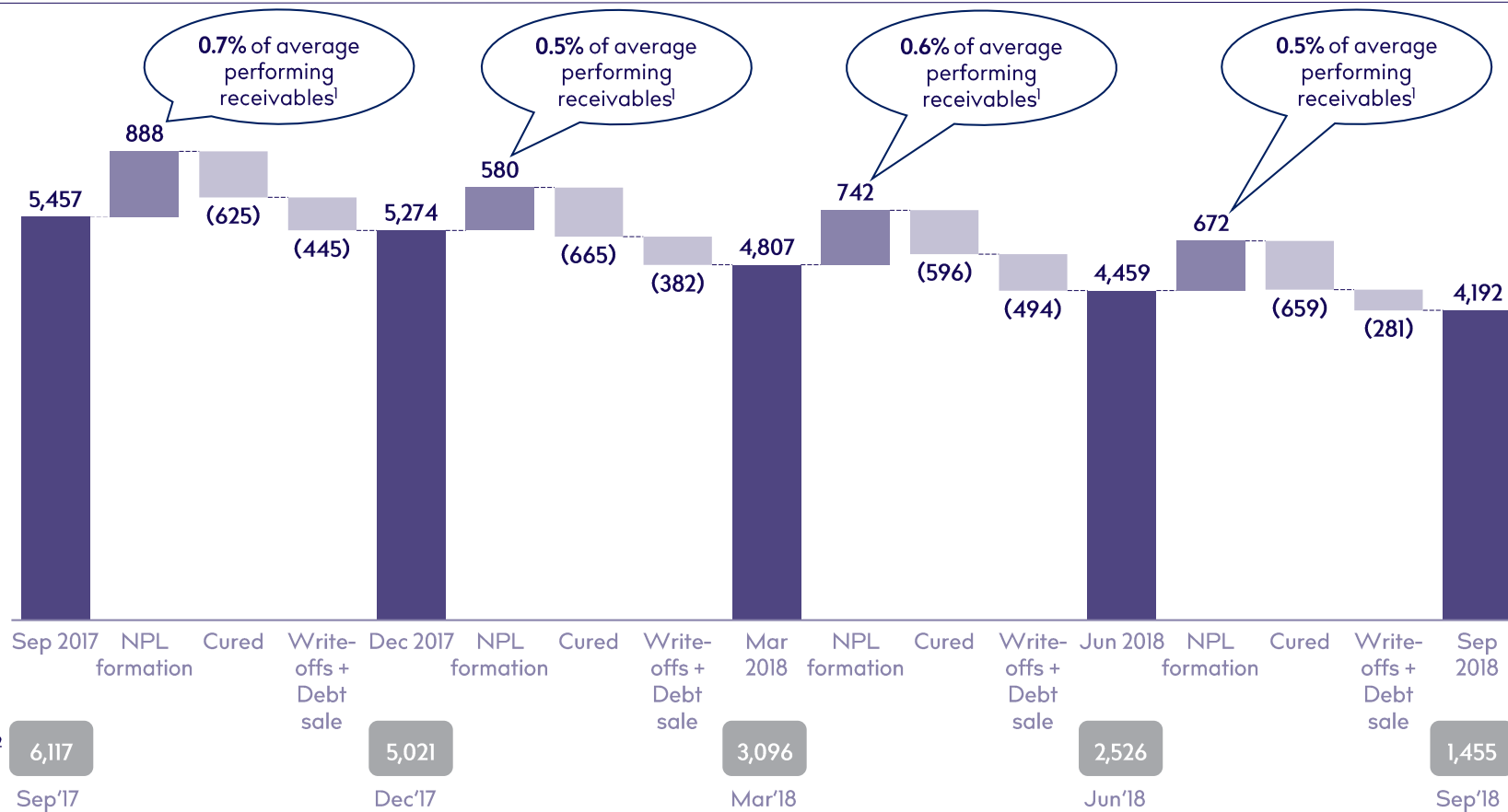
METRICS	3Q 2017 ²	FY 2017	3Q 2018
COST OF RISK	0.46%	0.32%	0.00%
CORE COST OF RISK	0.68%	0.59%	0.68%
IMPACT OF LEGACY NPL SALES	(0.22)%	(0.27)%	(0.68)%

TOTAL NPL COVERAGE¹	81.1%	77.0%	95.8%
---------------------------------------	--------------	--------------	--------------

NPL DEVELOPMENT OVERVIEW

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

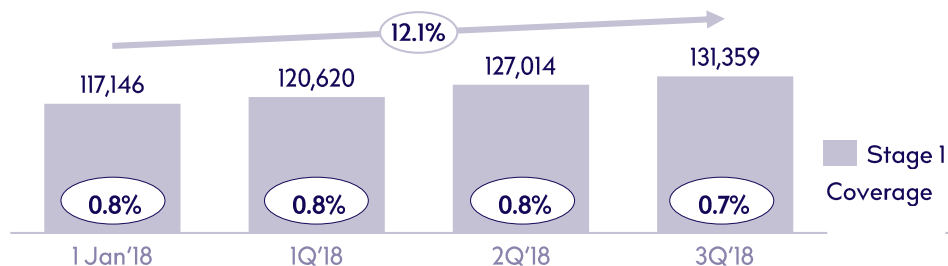
GROSS NPL WALK (CZK m)



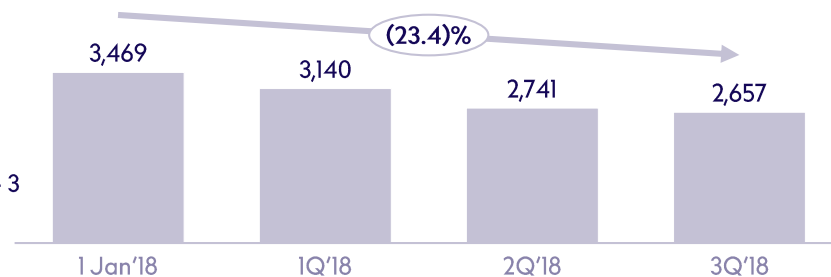
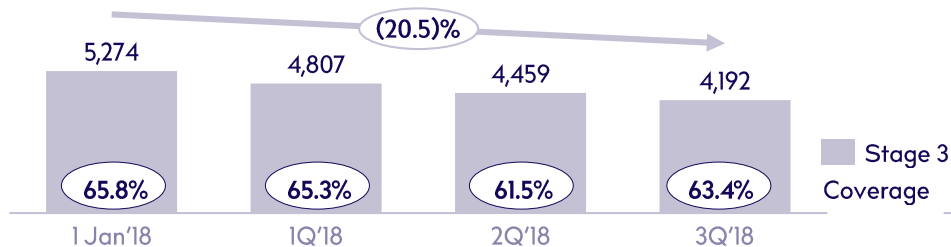
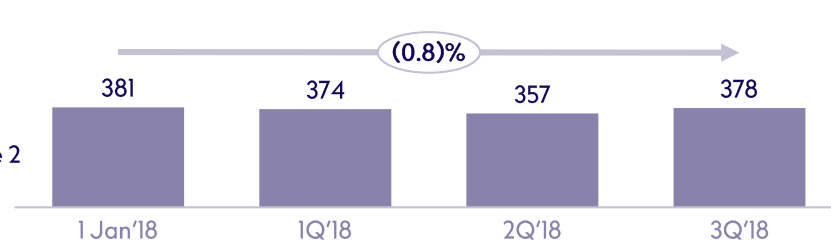
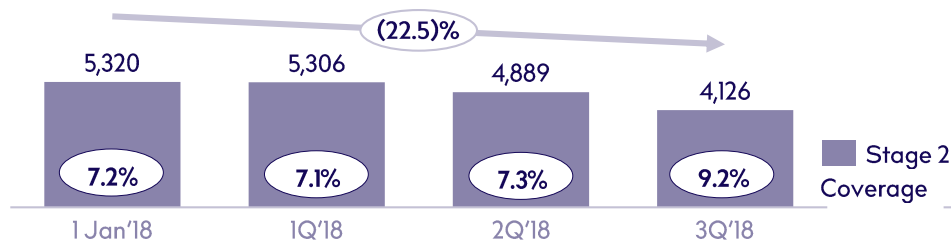
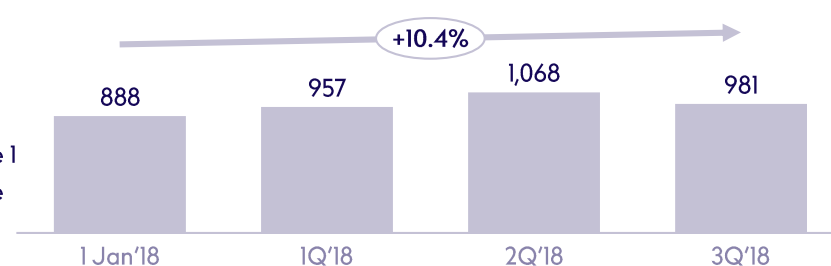
ASSET QUALITY

Maintaining prudent coverage across portfolio

GROSS LOAN PORTFOLIO BALANCE (CZK m)



PORTFOLIO ALLOWANCES BALANCE (CZK m)



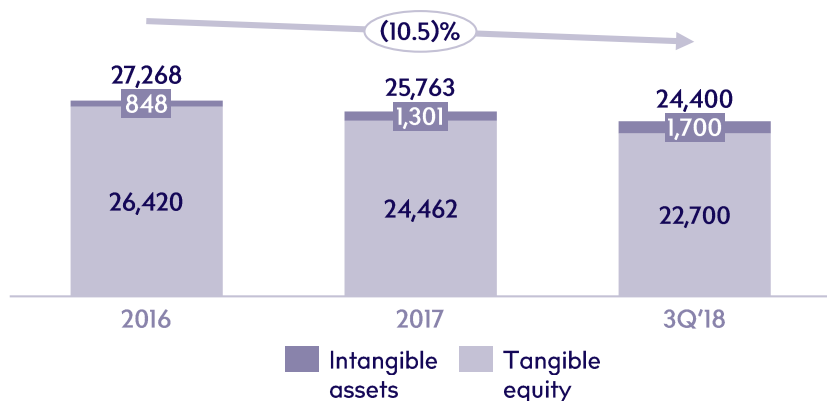
Content

- Czech macroeconomic environment
- Banking market dynamics
- MONETA strategy execution
- Digital update
- Balance sheet development
- Asset quality and risk metrics
- **Capital management**
- Profit and loss key developments
- Guidance
- Appendix

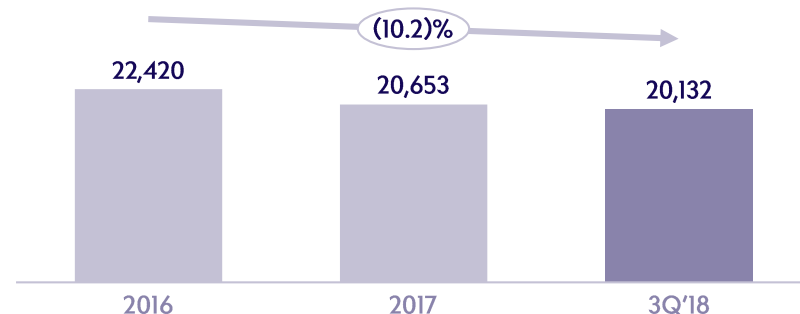
CAPITAL MANAGEMENT

Capital capacity supported by capital optimization and inclusion of 2018 mid-year net profit proportion into regulatory equity

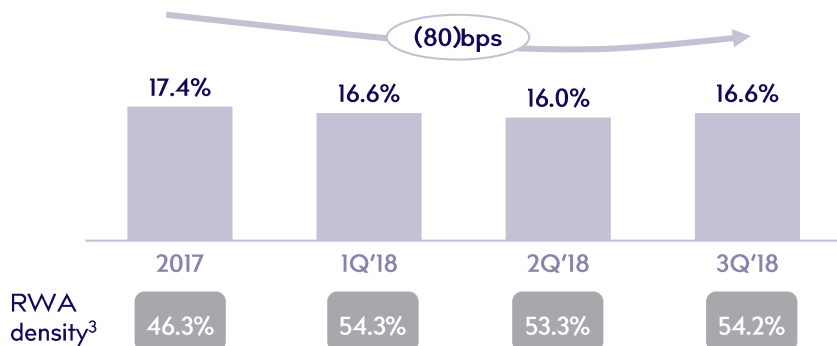
ACCOUNTING EQUITY (CZK m)



REGULATORY EQUITY (CZK m)



CAPITAL ADEQUACY RATIO¹



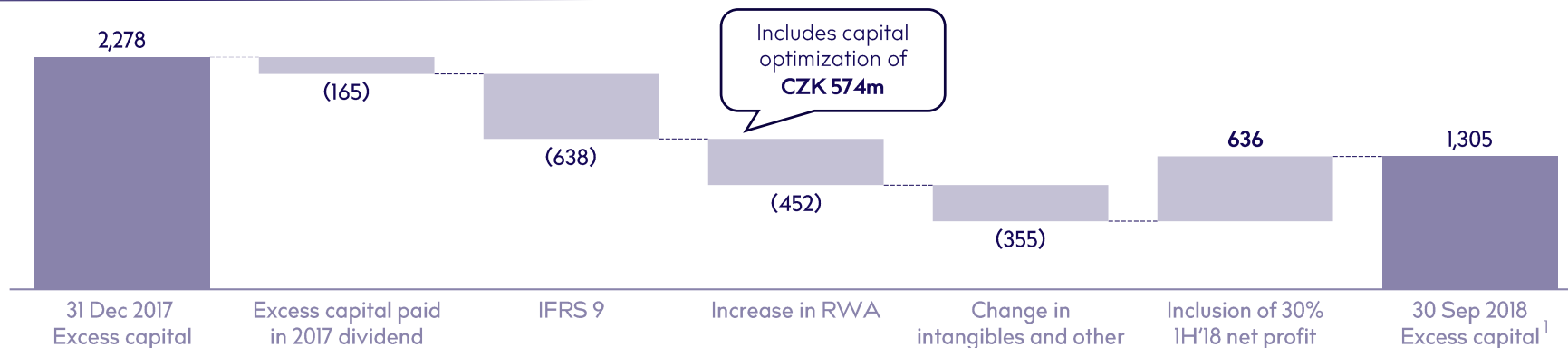
INITIATIVES FOR CAPITAL OPTIMIZATION IN 2018

- ✓ **CZK 636m** of impact into regulatory capital in 3Q'18 from inclusion of part of 1H'18 net profit
- ✓ **CZK 353m** of regulatory capital in utilization of respective credit risk mitigation techniques connected to secured commercial loans and cash collateral (**CZK 2,275m** RWA)
- ✓ **CZK 221m** of regulatory capital from other optimization (mainly from review of credit conversion factor for off balance sheet exposures, eligibility of residential immovable property pledged on retail mortgages² and other assets with respect to risk weights) (**CZK 1,426m** RWA)

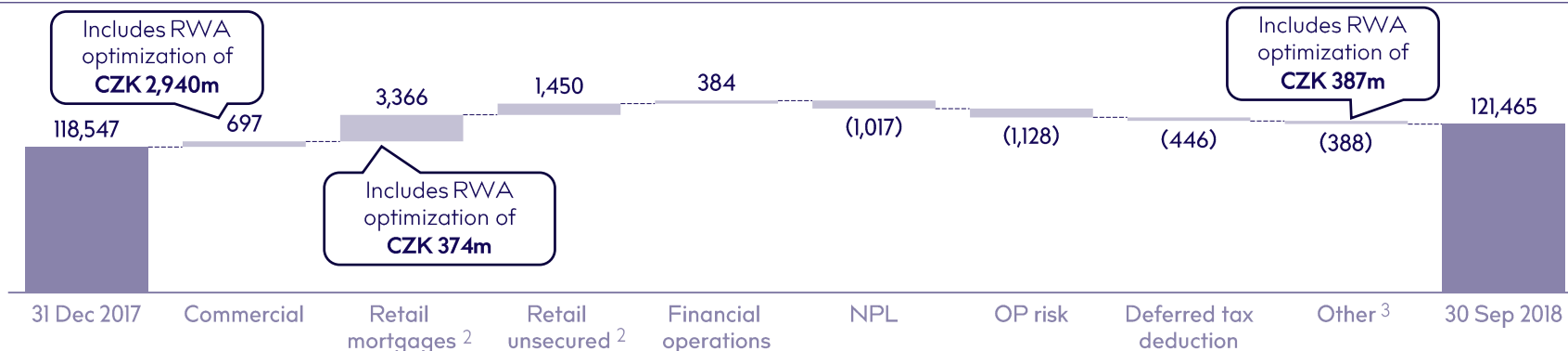
EXCESS CAPITAL MANAGEMENT

Capital initiatives materialized in 3Q 2018 with positive impact of CZK 1,210 million

EXCESS CAPITAL EVOLUTION AGAINST CAPITAL ADEQUACY RATIO TARGET OF 15.5% (CZK m)



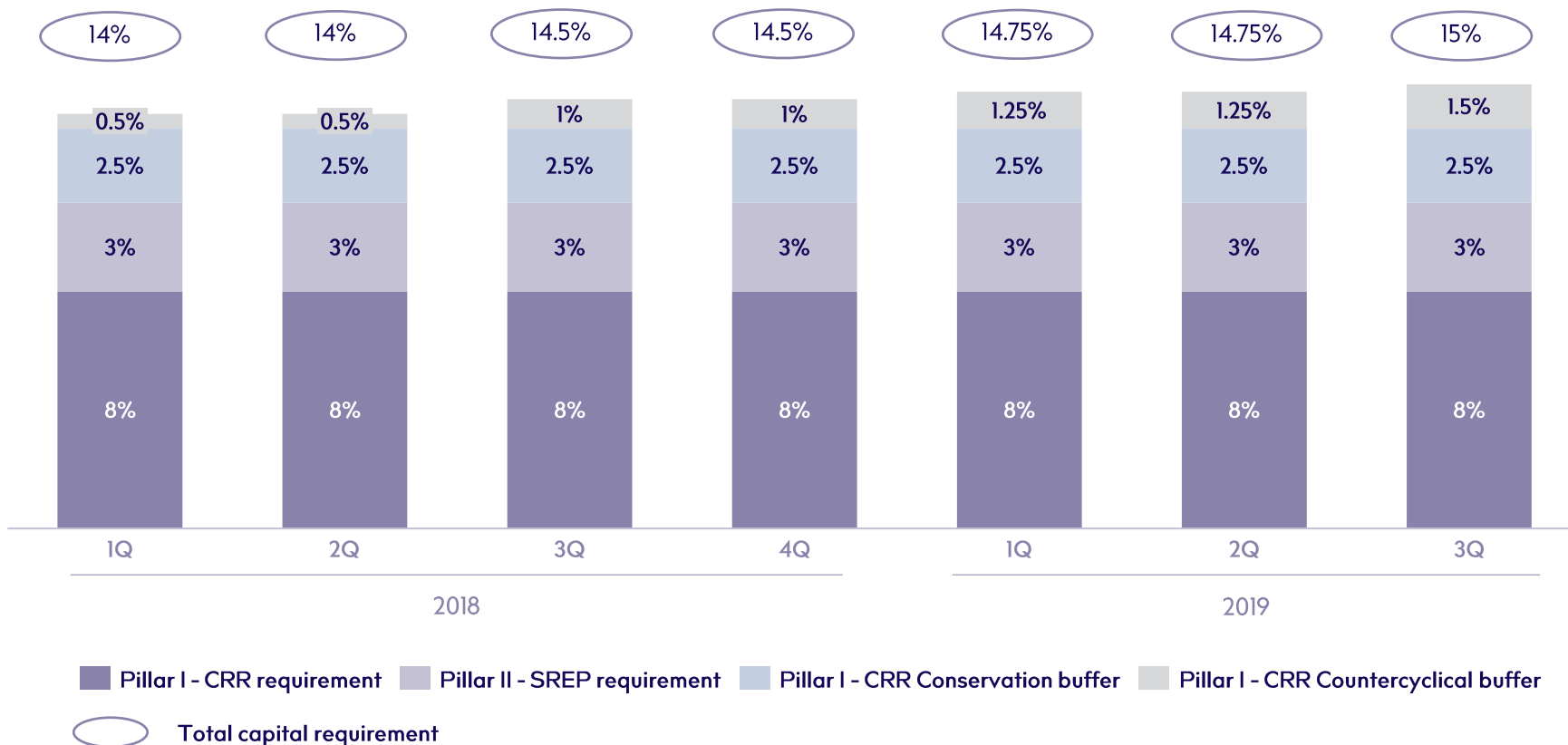
RISK WEIGHTED ASSETS WALK (CZK m)



CAPITAL MANAGEMENT

MONETA faces increasing capital requirements due to change of prudential buffer but maintains its CAR target at 15.5%

DEVELOPMENT AND DECOMPOSITION OF CAPITAL REQUIREMENT



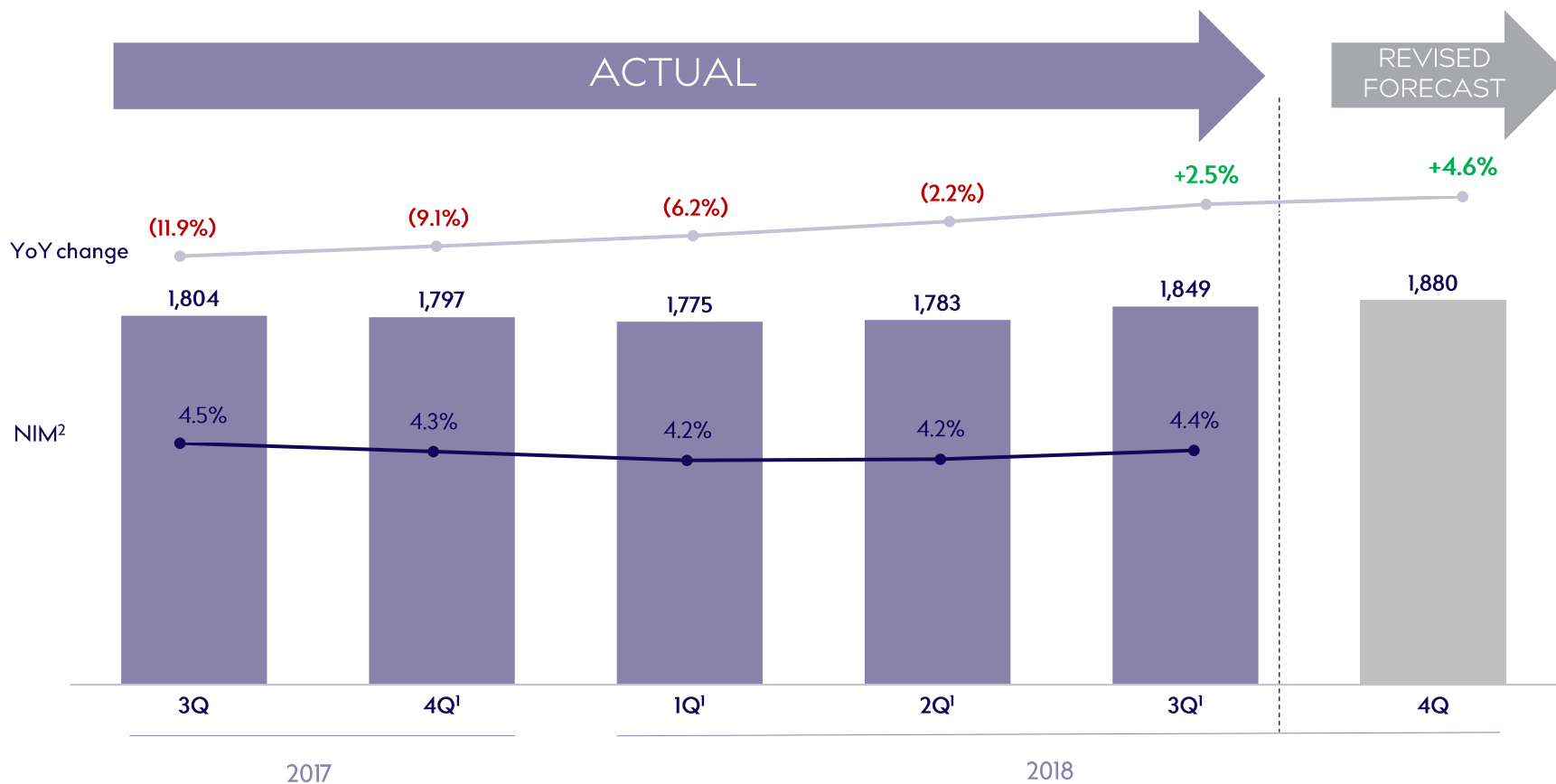
Content

- Czech macroeconomic environment
- Banking market dynamics
- MONETA strategy execution
- Digital update
- Balance sheet development
- Asset quality and risk metrics
- Capital management
- Profit and loss key developments
- Guidance
- Appendix

NET INTEREST INCOME OVERVIEW

Outperforming guidance, targeting to deliver CZK 3,730m for second half of 2018

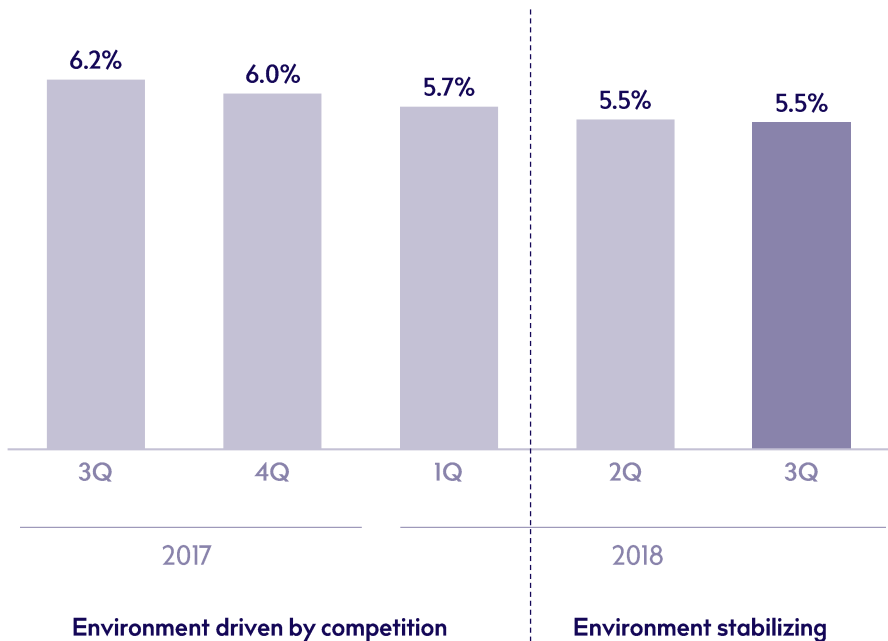
NET INTEREST INCOME excl. opportunistic repo operations (CZK m, YoY)



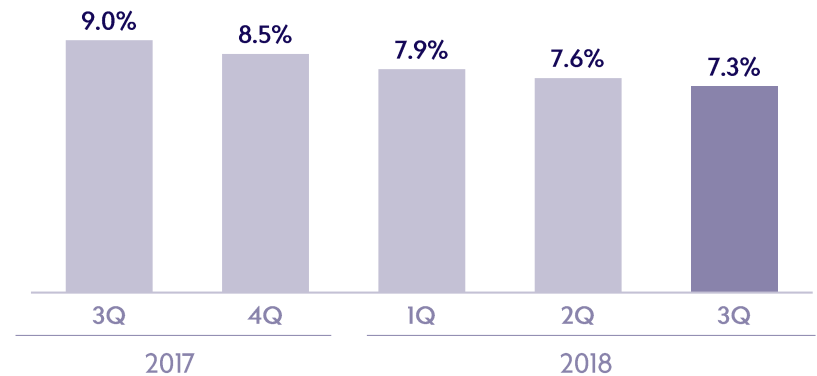
LOAN PORTFOLIO MARGIN EVOLUTION

Stable portfolio yield driven by improvement in new consumer loan pricing, commercial portfolio re-pricing and improving interest rate environment

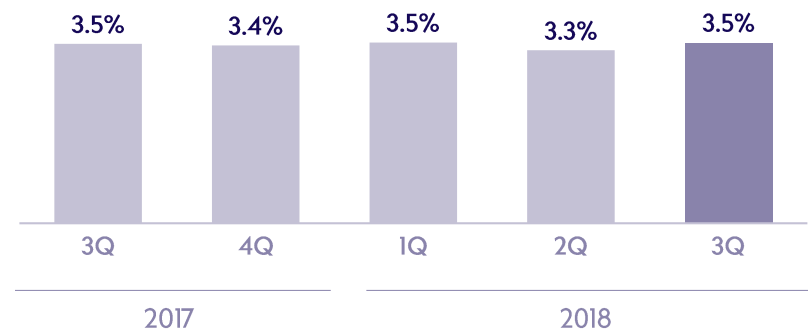
LOAN PORTFOLIO YIELD



RETAIL LOAN PORTFOLIO YIELD



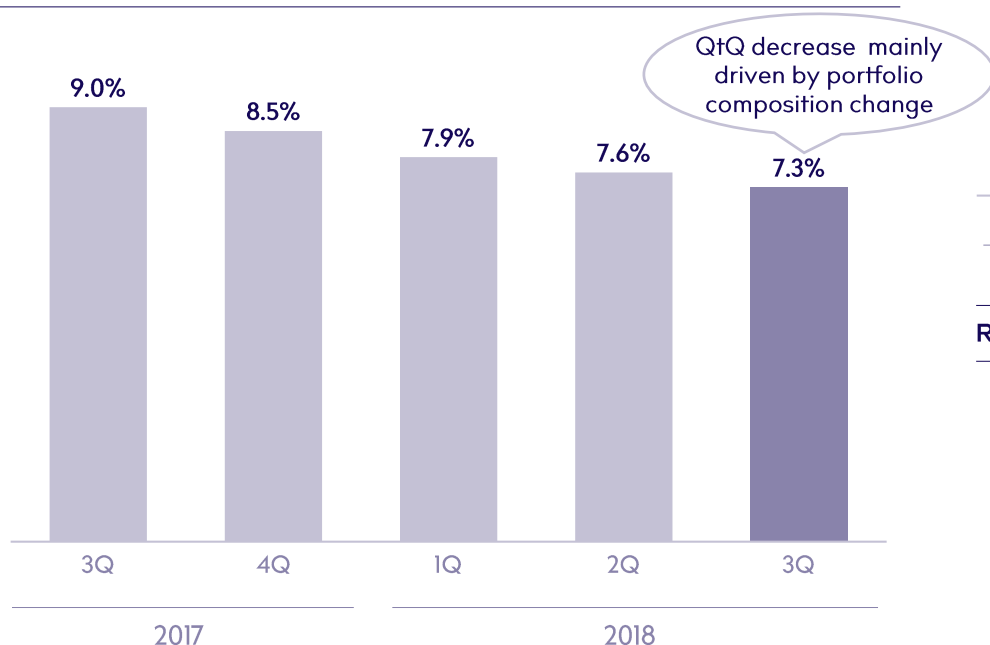
COMMERCIAL LOAN AND LEASING PORTFOLIO YIELD



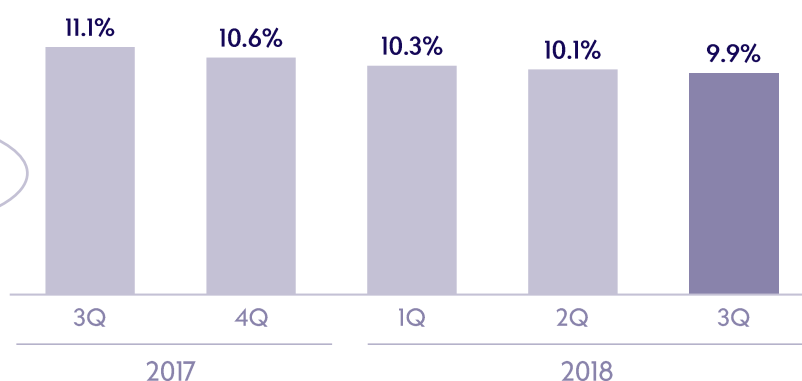
RETAIL LOAN PORTFOLIO MARGIN EVOLUTION

Retail yield continues to be impacted by shift in portfolio mix towards mortgages

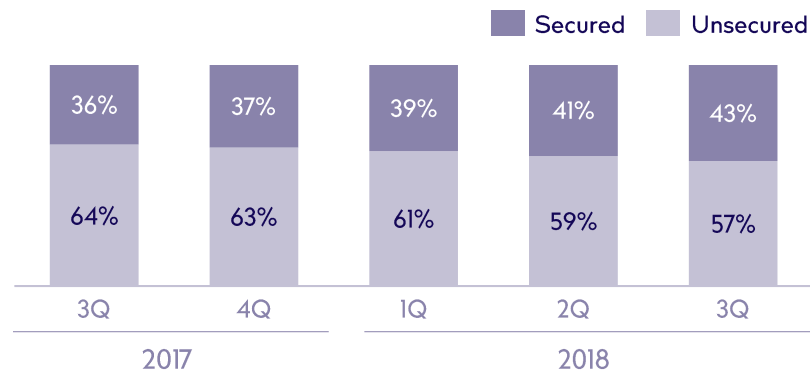
RETAIL LOAN PORTFOLIO YIELD



CONSUMER LOAN PORTFOLIO YIELD



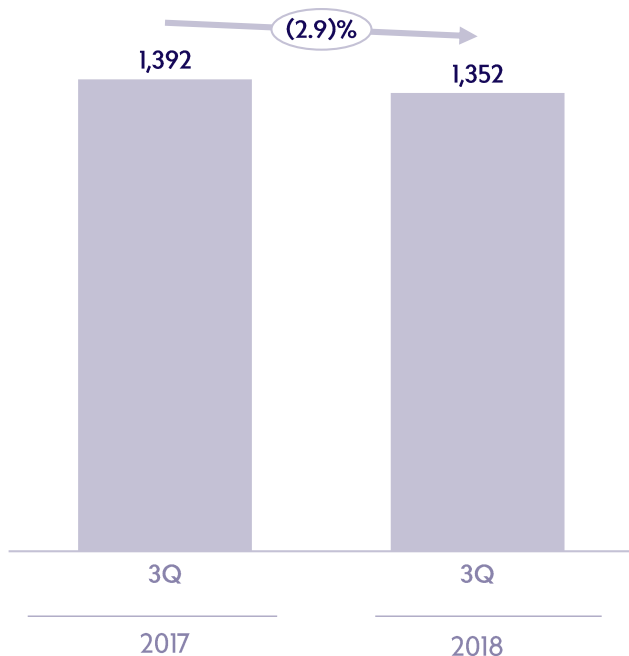
RETAIL LOAN PORTFOLIO COMPOSITION⁽¹⁾



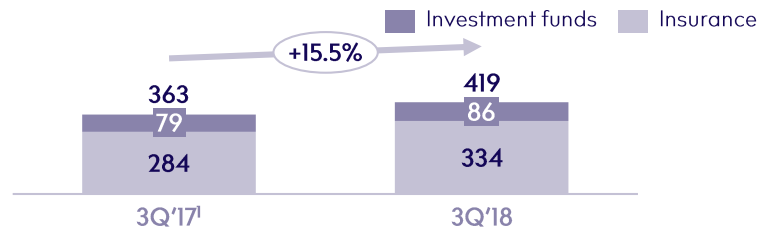
NET FEE AND COMMISSION INCOME

Continued growth in 3rd party fee and commission income partially offsetting decline in servicing and penalty fees

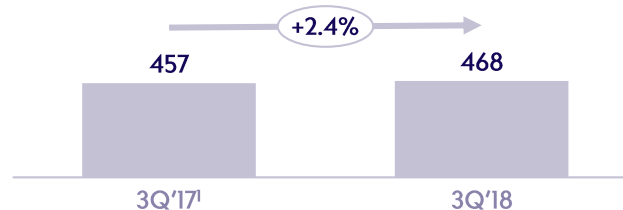
NET FEE & COMMISSION INCOME (CZK m)



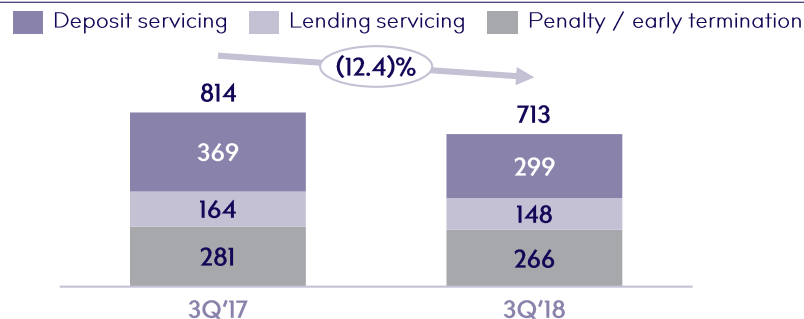
THIRD PARTY COMMISSION INCOME (CZK m)



TRANSACTIONAL & OTHER FEES (CZK m)



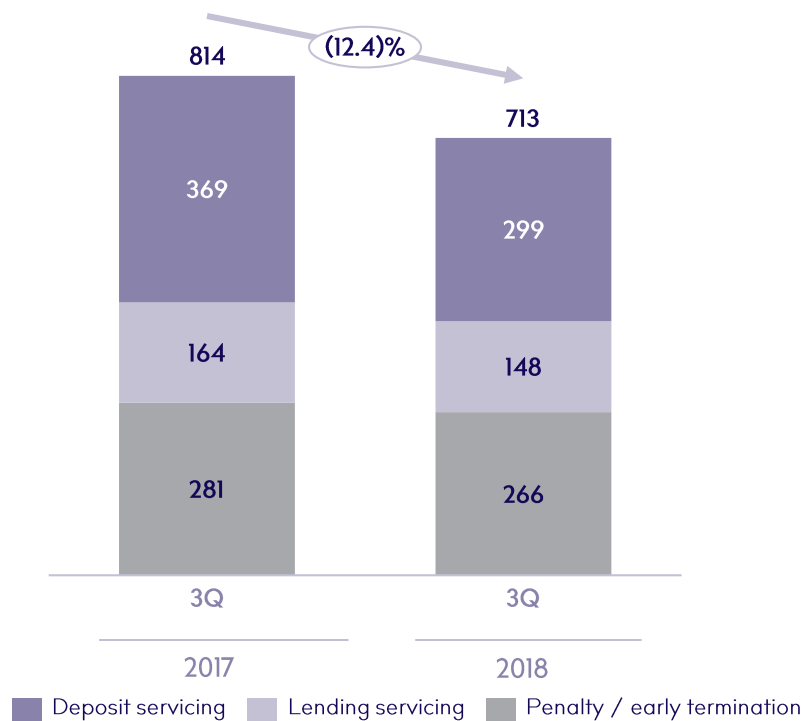
SERVICING AND PENALTY FEES (CZK m)



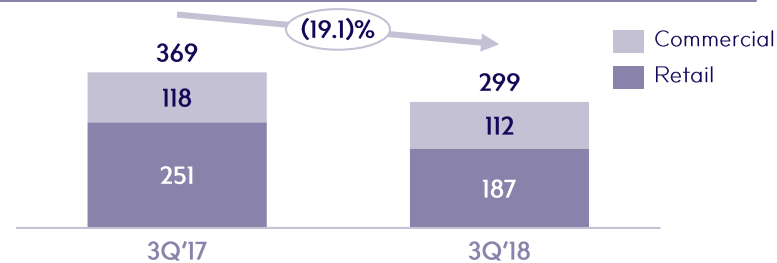
NET FEE AND COMMISSION INCOME

Deposit and lending servicing fee income continues to decline in line with expectation

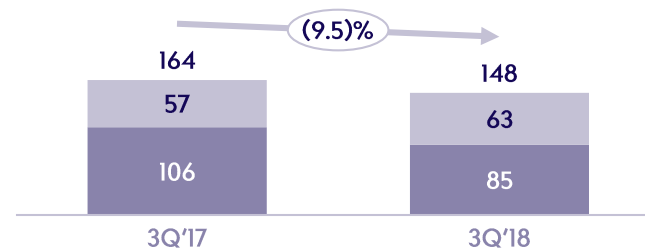
SERVICING AND PENALTY FEES (CZK m)



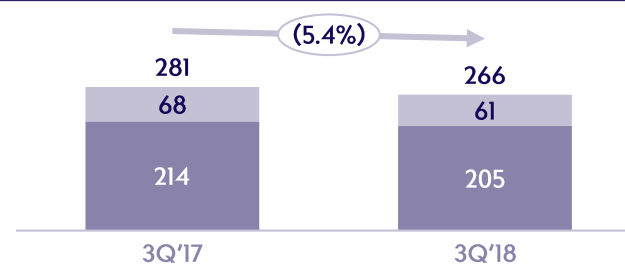
DEPOSIT SERVICING FEES (CZK m)



LENDING SERVICING FEES (CZK m)



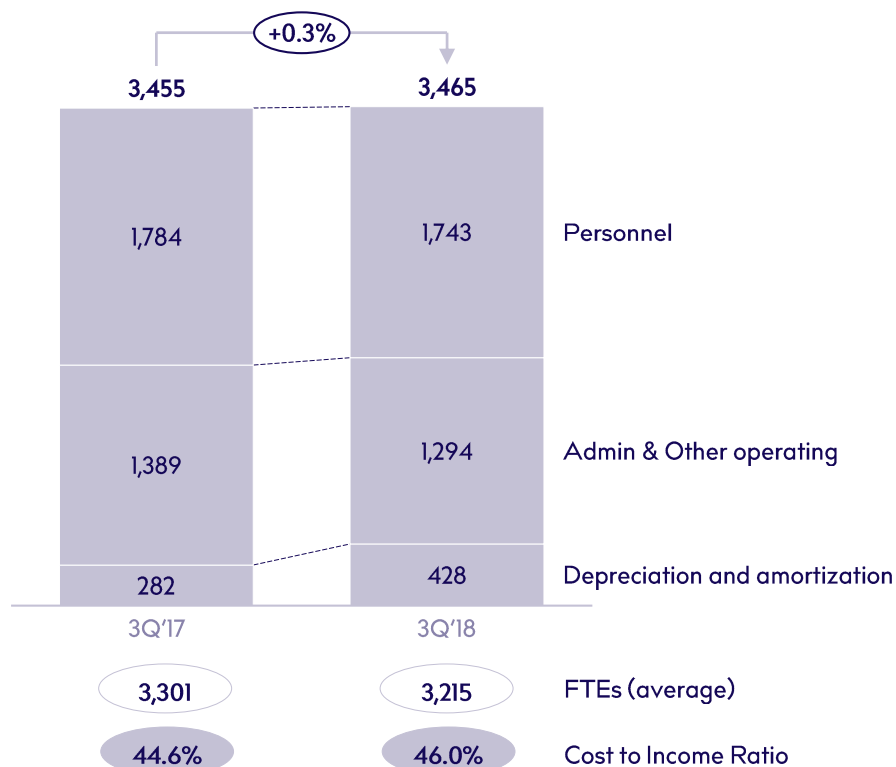
PENALTY AND EARLY TERMINATION FEES (CZK m)



OPERATING EXPENSES

Managing flat operating expenses despite increase in depreciation and amortization

OPERATING EXPENSES (CZK m)



HIGHLIGHTS

2.3% YoY decrease in personnel expenses to **CZK 1,743m**

2.6% YoY decline of average FTEs

6.8% YoY decrease in admin & other operating expenses to **CZK 1,294m** :

- ↓ **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 (10)m higher** release of solicitors provision (**CZK 94m** compared to **CZK 84m** in 2017)

51.8% YoY increase in depreciation and amortization to **CZK 428m** :

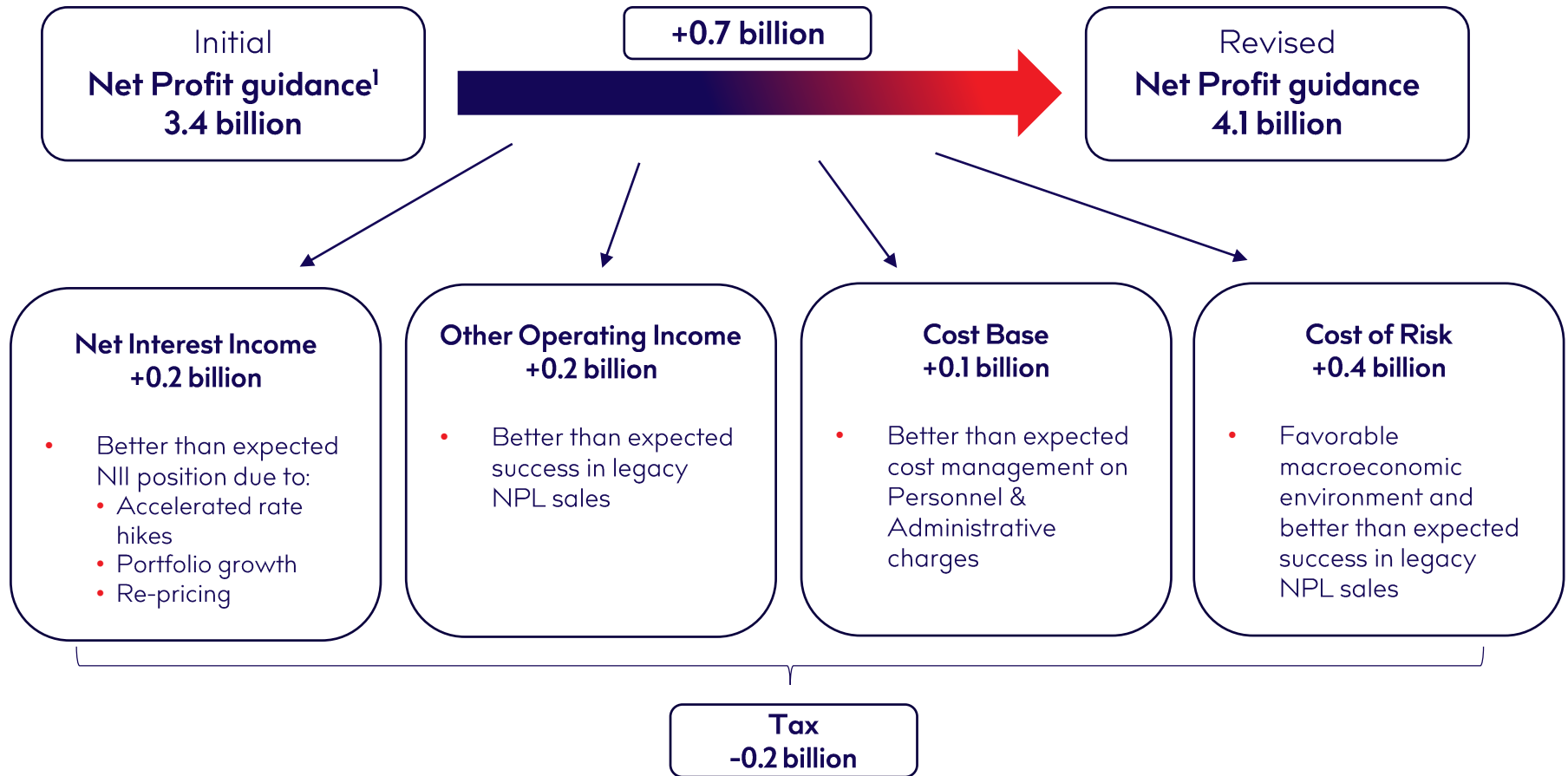
- Primarily driven by higher amortization due to investments in IT and digital

Content

- Czech macroeconomic environment
- Banking market dynamics
- MONETA strategy execution
- Digital update
- Balance sheet development
- Asset quality and risk metrics
- Capital management
- Profit and loss key developments
- **Guidance**
- Appendix

2018 GUIDANCE

Improving 2018 guidance, targeting to deliver net profit of CZK 4.1 billion



2018 GUIDANCE

Improving 2018 guidance underpinned by increase in total operating income, targeting to deliver net profit of CZK 4.1bn

METRICS	INITIAL as of February	REVISED as of May	REVISED as of August	REVISED as of September	REVISED as of November
GROSS PERFORMING LOAN BOOK GROWTH	≥9%	≥9%	≥9%	≥11%	≥13%
TOTAL OPERATING INCOME (CZK)	≥9.5bn	≥9.5bn	≥9.7bn	>9.9bn	~10.0bn
COST BASE (CZK)	~4.9bn	~4.9bn	~4.9bn	<4.9bn	~4.8bn
COST OF RISK <i>Cost of Risk (excluding legacy NPL sales)</i>	45 – 55bps 90 – 100bps	35 – 45bps 80 – 90bps	20 – 30bps 75 – 85bps	20 – 30bps 75 – 85bps	15 – 25bps 70 – 80bps
CONSOLIDATED NET PROFIT (CZK)	≥3.4bn	~3.5bn	≥3.7bn	≥4.0bn	~4.1bn
RETURN ON TANGIBLE EQUITY	≥14%	≥14%	≥16%	≥17%	>17%
EFFECTIVE TAX RATE	~17%	~17%	~17%	~17%	~17%
DIVIDEND PER SHARE (CZK gross)¹	n/a	n/a	5.0	5.5	5.6

REPORTING DATES AND INVESTOR MEETINGS

Calendar for 4th quarter 2018

Goldman Sachs Annual
CEEMEA Conference

London

12 - 13 November 2018

Czech & Hungary Investor Day

London

14 November 2018

WOOD's Winter Wonderland
Conference

Prague

4 - 7 December 2018

General Meeting

Prague

13 December 2018

4Q 2018 Earnings

6 February 2019

INVESTOR RELATIONS

Contacts

Linda Kavanová

Jarmila Valentová

MONETA Money Bank, a.s.
BB Centrum, Vyskočilova 1422/1a
140 28 Praha 4 – Michle
Tel: +420 224 442 549
investors@moneta.cz
www.moneta.cz
Identification number: 25672720

Bloomberg: MONET CP
ISIN: CZ0008040318

Reuters: MONET.PR
SEDOL: BD3CQ16

Appendix

- 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

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	Last report
Standard & Poor's	BBB	A/-2	Stable	22 October 2018
Moody's	Baa2	P/-2	Stable	25 July 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CZK m	30/09/2018	31/12/2017 ¹	% Change
Cash and balances with the central bank	7,336	7,127	2.9%
Financial assets at fair value through profit or loss	0	48	(12.5%)
Derivative financial instruments with positive value	42	0	
Investment securities	20,772	0	
Financial assets - available for sale	0	57	76.3%
Financial assets - held to maturity	0	11,723	
Hedging derivatives with positive fair values	242	4	5950.0%
Change in fair value of items hedged on portfolio basis	(331)	(6)	5416.7%
Loans and receivables to banks	17,836	53,380	(66.6%)
Loans and receivables to customers	135,661	123,680	9.7%
Intangible assets	1,700	1,301	30.7%
Property and equipment	1,210	871	38.9%
Investments in subsidiaries and associates	2	2	0.0%
Current tax assets	25	308	(91.9%)
Deferred tax assets	148	386	(61.7%)
Other assets	770	853	(9.7%)
Total Assets	185,413	199,734	(7.2%)
Derivative financial instruments with negative value	34	0	n/a
Due to banks	9,201	29,643	(69.0%)
Due to customers	149,209	141,469	5.5%
Financial liabilities - at fair value through profit or loss	0	68	n/a
Hedging derivatives with negative fair values	2	4	(50.0%)
Provisions	260	364	(28.6%)
Current tax liability	61	2	2950.0%
Deferred tax liability	238	267	(10.9%)
Other liabilities	2,008	2,154	(6.8%)
Total Liabilities	161,013	173,971	(7.4%)
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	18,761	20,181	(7.0%)
Total Equity	24,400	25,763	(5.3%)
Total Liabilities & Equity	185,413	199,734	(7.2%)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – QUARTERLY DEVELOPMENT

CZK m	31/03/2017	30/06/2017 ¹	30/09/2017	31/12/2017 ²	31/03/2018	30/06/2018 ¹	30/09/2018
Cash and balances with the central bank	29,083	33,099	7,373	7,127	6,823	7,498	7,336
Financial assets at fair value through profit or loss	28	35	42	48	0	0	0
Derivative financial instruments with positive value	0	0	0	0	45	146	42
Investment securities	0	0	0	0	11,965	21,013	20,772
Financial assets - available for sale	10,241	5,340	55	57	0	0	0
Financial assets - held to maturity	0	0	8,996	11,723	0	0	0
Hedging derivatives with positive fair values	0	0	0	4	0	33	242
Change in fair value of items hedged on portfolio basis	0	0	0	(6)	58	(81)	(331)
Loans and receivables to banks	207	536	38,919	53,380	35,849	21,981	17,836
Loans and receivables to customers	113,044	117,491	119,900	123,680	126,261	132,196	135,661
Intangible assets	835	948	1,108	1,301	1,436	1,568	1,700
Property and equipment	659	657	677	871	874	1,069	1,210
Goodwill	104	104	104	0	0	0	0
Investments in subsidiaries and associates	2	2	2	2	3	3	2
Current tax assets	429	474	262	308	279	368	25
Deferred tax assets	648	612	449	386	339	217	148
Other assets	1,056	920	980	853	862	816	770
Total Assets	156,336	160,218	178,867	199,734	184,794	186,827	185,413
Derivative financial instruments with negative value	0	0	0	0	37	51	34
Due to banks	5,235	7,250	20,303	29,643	10,264	14,139	9,201
Due to customers	119,791	126,232	130,358	141,469	145,175	146,391	149,209
Financial liabilities – at fair value through profit or loss	21	39	41	68	0	0	0
Hedging derivatives with negative fair values	0	0	0	4	88	16	2
Provisions	282	265	267	364	333	285	260
Current tax liability	27	30	4	2	17	11	61
Deferred tax liability	252	250	244	267	254	251	238
Other liabilities	2,646	2,160	2,693	2,154	2,327	2,525	2,008
Total Liabilities	128,254	136,226	153,910	173,971	158,495	163,669	161,013
Share capital	511	511	511	511	511	511	511
Share premium	5,028	5,028	5,028	5,028	5,028	5,028	5,028
Statutory reserve	102	102	102	102	102	102	102
Available for sale reserve	137	(100)	(59)	(57)	0	0	0
Reserve from revaluation of FVTOCI	0	0	0	0	0	0	0
Share based payment reserve	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Retained earnings	22,306	18,453	19,377	20,181	20,660	17,519	18,761
Total Equity	28,082	23,992	24,957	25,763	26,299	23,158	24,400
Total Liabilities & Equity	156,336	160,218	178,867	199,734	184,794	186,827	185,413

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CZK m	3Q 2018 YTD	3Q 2017 YTD	% Change
Interest and similar income	5,700	5,671	0.5%
Interest expense and similar charges	(263)	(151)	74.2%
Net interest income	5,437	5,520	(1.5%)
Fee and commission income	1,600	1,634	(2.1%)
Fee and commission expense	(248)	(242)	2.5%
Net fee and commission income	1,352	1,392	(2.9%)
Dividend income	2	0	n/a
Net income from financial operations	298	619	(51.9%)
Other operating income	436	224	94.6%
Total operating income	7,525	7,755	(3.0%)
Personnel expenses	(1,743)	(1,784)	(2.3%)
Other administrative expenses	(1,193)	(1,315)	(9.3%)
Depreciation and amortisation	(428)	(282)	51.8%
Other operating expenses	(101)	(74)	36.5%
Total operating expenses	(3,465)	(3,455)	0.3%
Profit for the period before tax and net impairment of financial assets	4,060	4,300	(5.6%)
Net impairment of financial assets	0	(401)	(100.0%)
Impairment of financial assets available for sale	0	0	0.0%
Profit for the period before tax	4,060	3,899	4.1%
Taxes on income	(697)	(780)	(10.6%)
Profit for the period after tax	3,363	3,119	7.8%
Change in fair value of investments recognised in OCI (FVTOCI, resp. AFS)	0	(178)	(100.0%)
Change in fair value of AFS investments recognised in P&L	0	(343)	(100.0%)
Deferred tax (FTVTOCI, resp. AFS)	0	99	(100.0%)
Other comprehensive income, net of tax	0	(422)	(100.0%)
Total comprehensive income attributable to the equity holders	3,363	2,697	24.7%

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	3Q 2018
Interest and similar income	1,939	1,874	1,858	1,911	1,873	1,874	1,953
Interest expense and similar charges	(47)	(50)	(54)	(67)	(77)	(92)	(94)
Net interest income	1,892	1,824	1,804	1,844	1,796	1,782	1,859
Fee and commission income	534	539	561	589	519	550	531
Fee and commission expense	(76)	(79)	(87)	(48)	(74)	(90)	(84)
Net fee and commission income	458	460	474	541	445	460	447
Dividend income	0	0	0	0	0	1	1
Net income from financial operations	103	413	103	90	85	101	112
Other operating income	79	74	71	105	59	41	336
Total operating income	2,532	2,771	2,452	2,580	2,385	2,385	2,755
Personnel expenses	(562)	(612)	(610)	(672)	(593)	(579)	(571)
Other administrative expenses	(525)	(395)	(395)	(578)	(468)	(358)	(367)
Depreciation and amortisation	(84)	(86)	(112)	(132)	(127)	(141)	(160)
Other operating expenses	19	(53)	(40)	(110)	(67)	(37)	3
Total operating expenses	(1,152)	(1,146)	(1,157)	(1,492)	(1,255)	(1,115)	(1,095)
Profit for the period before tax and net impairment of financial assets	1,380	1,625	1,295	1,088	1,130	1,270	1,660
Net impairment of financial assets	(80)	(181)	(140)	20	281	(130)	(151)
Impairment of financial assets available for sale	0	0	0	(104)	0	0	0
Profit for the period before tax	1,300	1,444	1,155	1,004	1,411	1,140	1,509
Taxes on income	(260)	(289)	(231)	(200)	(238)	(192)	(267)
Profit for the period after tax	1,040	1,155	924	804	1,173	948	1,242
Change in fair value of investments recognised in OCI (FVTOCI, resp. AFS)	(256)	26	52	2	0	0	0
Change in fair value of AFS investments recognised in P&L	(23)	(320)	0	0	0	0	0
Deferred tax (FTVTOCI, resp. AFS)	53	57	-11	0	0	0	0
Other comprehensive income, net of tax	(226)	(237)	41	2	0	0	0
Total comprehensive income attributable to the equity holders	814	918	965	806	1,173	948	1,242

KEY PERFORMANCE RATIOS

	3Q 2018	FY 2017	Change in bps
Profitability			
Yield (% Avg. Net Customer Loans)	5.6%	6.3%	(70)
Cost of Funds (% Avg Deposits) ¹	0.21%	0.15%	6
NIM (% Avg Int Earning Assets) ²	3.8%	4.3%	(50)
Cost of Risk (% Avg Net Customer Loans)	0.00%	0.32%	(32)
Risk-adj. yield (% Avg Net Customer Loans)	5.6%	6.0%	(40)
Net Fee & Commission Income / Operating Income (%)	18.0%	18.7%	(70)
Net Non-Interest Income / Operating Income (%)	27.7%	28.7%	(100)
Cost to Income Ratio	46.0%	47.9%	(190)
RoTE	19.8%	16.0%	380
Adj. RoTE @ 15.5% CAR	20.9%	17.7%	320
RoAA ¹	2.3%	2.2%	10
Liquidity / Leverage			
Loan to Deposit ratio ¹	90.9%	87.4%	350
Total Equity / Total Assets ¹	13.2%	12.9%	30
Liquid Assets ¹² / Total Assets ¹	24.8%	36.2%	(1,140)
Capital Adequacy			
RWA density ³	54.2%	46.3%	790
CAR (%)	16.6%	17.4%	(80)
Tier 1 ratio (%)	16.6%	17.4%	(80)
Asset Quality			
Non Performing Loan Ratio (%)	3.0%	4.1%	(110)
Core Non Performing Loan Coverage (%)	63.4%	64.1%	(70)
Total NPL Coverage (%)	95.8%	77.0%	1,880

KEY PERFORMANCE RATIOS – QUARTERLY DEVELOPMENT

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018
Profitability							
Yield (% Avg. Net Customer Loans)	6.8%	6.4%	6.2%	6.0%	5.7%	5.5%	5.5%
Cost of Funds (% Avg Deposits) ¹	0.15%	0.15%	0.15%	0.17%	0.19%	0.23%	0.24%
NIM (% Avg Int Earning Assets) ^{1,2}	5.1%	4.7%	4.3%	4.0%	3.8%	3.9%	4.1%
Cost of Risk (% Avg Net Customer Loans)	0.28%	0.63%	0.47%	-0.07%	-0.90%	0.40%	0.45%
Risk-adj. yield (% Avg Net Customer Loans)	6.5%	5.8%	5.7%	6.0%	6.6%	5.1%	5.0%
Net Fee & Commission Income / Operating Income (%)	18.1%	16.6%	19.3%	21.0%	18.7%	19.3%	16.2%
Net Non-Interest Income / Operating Income (%)	25.3%	34.2%	26.4%	28.5%	24.7%	25.3%	32.5%
Cost to Income Ratio	45.5%	41.4%	47.2%	57.8%	52.6%	46.8%	39.7%
Reported RoTE	15.3%	20.1%	15.6%	13.1%	18.9%	17.6%	21.9%
Adj. RoTE @ 15.5% CET1 Ratio	18.7%	23.4%	17.8%	14.5%	19.9%	18.1%	23.2%
Return on average assets	2.7%	2.9%	2.2%	1.7%	2.4%	2.0%	2.7%
Liquidity / Leverage							
Loan to Deposit ratio ¹	94.4%	93.1%	92.0%	87.4%	87.0%	90.3%	90.9%
Total Equity / Total Assets ¹	18.0%	15.0%	14.0%	12.9%	14.2%	12.4%	13.2%
Liquid Assets ^{1,2} / Total Assets ¹	25.3%	24.3%	30.9%	36.2%	29.6%	27.0%	24.8%
Capital Adequacy							
RWA Density ³	62.5%	61.6%	53.0%	46.3%	54.3%	53.3%	54.2%
CAR (%)	19.9%	18.4%	18.1%	17.4%	16.6%	16.0%	16.6%
Tier I ratio (%)	19.9%	18.4%	18.1%	17.4%	16.6%	16.0%	16.6%
Asset Quality							
Non Performing Loan Ratio (%)	5.6%	5.0%	4.4%	4.1%	3.7%	3.3%	3.0%
Core NPL Coverage (%)	69.7%	69.3%	68.1%	64.1%	65.3%	61.5%	63.4%
Total NPL Coverage (%)	81.7%	81.6%	81.1%	77.0%	93.0%	93.4%	95.8%

Note: (1) Including opportunistic repo operations; (2) Interest earning assets include encumbered assets; (3) RWA density ratio recalculated to be in line with BIS Working Papers: Leverage and Risk Weighted Capital Requirements. New methodology applied by MONETA since June 2018.

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 measures 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 nine months ended 30 September 2018 (annualized) and for the year ended 31 December 2017:

CZK m (unless otherwise indicated)	3Q 2018	FY 2017
Reported Profit after tax (A)	3,363	3,923
Excess Capital (B = H - (G x J))	1,305	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 (I-D))	(2)	(3)
Adjusted Profit after tax (F)	3,361	3,920
Reported Total Risk Weighted Assets (G)	121,465	118,547
Regulatory Capital (H)	20,132	20,653
Reported CAR percentage (I = H / G)	16.6%	17.4%
Target CAR percentage (J)	15.5%	15.5%
Excess Capital (B = H - (G x J))	1,305	2,278
Equity (K)	24,400	25,763
Intangible Assets and Goodwill (L)	1,700	1,301
Tangible Equity (M = K - L)	22,700	24,462
Excess Capital (B = H - (G x J))	1,305	2,278
Adjusted Tangible Equity (N = M - B)	21,395	22,184
Reported Return on Tangible Equity (A / M)*	19.8%	16.0%
Adjusted Return on Tangible Equity (F / N)*	20.9%	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 14.5% 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 nine 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
BB forecast	Bloomberg forecast
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 IFRS9

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 IFRS9
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
CZSO	Czech Statistical Office
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
Harmonized index of Consumer Prices (HICP)	The HICP gives a comparable measure of inflation in the euro area, the EU, the European Economic Area and for other countries including accession and candidate countries. It is calculated according to a harmonized approach and a single set of definitions.
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
MoLSA	Ministry of Labour and Social Affairs
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	Ratio (expressed as a percentage) of loss allowances for loans and advances to customers to NPL
Nr.	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
OP risk	Operational risk
PL	Performing loans
Q	Quarter
QfQ	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)

GLOSSARY (3/3)

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.
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
V4	Visegrád Group (Czech republic, Hungary, Poland, Slovak)
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

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”).
- Any forward-looking statements involve material assumptions and subjective judgements which may or may not prove to be correct and there can be no assurance that any of the matters set out in forward-looking statements will actually occur or will be realized or are complete or accurate. The assumptions may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any forward-looking statements due to a variety of risks, uncertainties and other factors. Any forward-looking statement contained in this presentation is made as at the date of this presentation. MONETA Money Bank, a.s. does not assume, and hereby disclaims, any obligation or duty to update forward-looking statements if circumstances or management’s assumptions beliefs, expectations or opinions should change, unless it would be required to do so under applicable law or regulation. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements.

Material assumptions for forward-looking statements

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

MATERIAL ASSUMPTIONS AND ESTIMATES FOR MONETA'S INITIAL GUIDANCE

A number of economic, market, operational, regulatory and other assumptions of both quantitative and judgemental nature were made by MONETA in preparing its forward looking guidance¹:

- Positive macroeconomic outlook will persist in the medium term
- 3M PRIBOR assumed to gradually increase and reach **2.8%**² 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

MATERIAL ASSUMPTIONS AND ESTIMATES FOR MONETA'S UPDATED GUIDANCE

In preparing **updated 2018 guidance**, MONETA has made a number of economic, market, operational, regulatory and other assumptions of both quantitative and judgemental nature. These assumptions may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, which are outside the control of MONETA, including the following:

- Positive macroeconomic outlook will persist.
- 3M PRIBOR projection includes rate hike announced by the Czech National Bank on November 1st, 2018¹
- Cost of Risk includes contingency for potential large commercial default.

DISCLAIMER AND OTHER INFORMATION

- THIS PRESENTATION IS NOT AN OFFER TO SELL OR A SOLICITATION OF OFFERS TO PURCHASE OR SUBSCRIBE FOR SHARES OF MONETA MONEY BANK, A.S. (THE "COMPANY"), OTHER SECURITIES OR OTHER FINANCIAL INSTRUMENTS.
- Copies of this presentation may not be sent to countries, or distributed in or sent from countries, in which this is barred or prohibited by law. Persons into whose possession this presentation comes should inform themselves about, and observe all such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of any such jurisdiction. This document does not constitute a recommendation regarding any securities.
- The Company is under no obligation to update or keep current the information contained in this presentation, to correct any inaccuracies which may become apparent, or to publicly announce the result of any revision to the statements made herein, except to the extent it would be required to do so under applicable law or regulation.
- Certain industry and market information in this presentation has been obtained by the Company from third party sources. The Company has not independently verified such information and neither the Company nor any of its representatives provide any assurance as to and shall not be liable in any respect whatsoever (whether in negligence or otherwise) for the correctness, accuracy, fairness or completeness of such information or opinions contained in this presentation.
- The Company was rated BBB with stable outlook by Standard & Poor's Credit Market Services Europe Limited ("S&P's") and Baa2 with stable outlook by Moody's Investors Service Ltd. ("Moody's"). Both S&P's and Moody's are established in the European Union and are registered under the Regulation (EC) No. 1060/2009, as amended (the "CRA Regulation"). As such, both S&P's and Moody's are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. When selecting the rating agency, the Company proceeded in accordance with the obligations laid down in Article 8d of the CRA Regulation. The market share of each of the aforementioned rating agencies exceeds 10% of the EU market.