Mandatory disclosure
Inside Information
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MONETA Money Bank, a.s.

Consolidated financial report as of and for the three months ended 31 March 2017

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2 Disclaimer

Forward-looking statements

This report may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to, *inter alia*, the 2017 financial guidance, profitability, costs, assets, capital position, financial condition, results of operations, dividend and business (together, "forward-looking statements") of MONETA Money Bank, a.s. and its consolidated subsidiaries (the "Company" and the "Group").

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 report is made as at the date of this report. The Company 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

A number of economic, market, operational and regulatory assumptions were made by the Company in preparing forward-looking statements (including the outlook for 2017)

Macro & Market:

- No significant change to recent trends in the market assumed, pressure on rates expected to persist in 2017 (impacting mainly unsecured consumer lending)
- GDP growth, unemployment rate and wages in line with 2016
- PRIBOR assumed to remain relatively flat in 2017

Profitability, Efficiency, Asset quality and Capital:

- Pressure on margins expected to persist into 2017 and intensifying pressure on the top line partially offset through asset growth in strategic segments (Unsecured consumer lending, mortgage, SME and opportunistic RE)
- No significant change of the trend in fees and commissions assumed
- Further reduction of cost base in line with accelerated separation assumed
- Further improvement of asset quality through NPL ratio reduction while maintaining adequate coverage with CoR increasing
- Maintaining strong capital position to enable future growth

Third parties' data

Certain industry and market information in this report has been obtained by the Company from third party sources. This report has been prepared by the Company. The Company has not independently verified such information and the Company does not provide any assurance as to the accuracy, fairness or completeness of such information or opinions contained in this report.

3 Key performance indicators

	Three months ended 31 March 2017	Year ended 31 Dec 2016 Restated	Change
Profitability			
Yield (% Avg. Net Customer Loans)	6.8%	7.6%	(80) bps
Cost of Funds (% Avg Deposits)	0.15%	0.17%	(2) bps
Net Interest Margin (% Avg Int Earning Assets)	5.1%	5.9%	(80) bps
Cost of Risk (% Avg Net Customer Loans)	0.28%	0.93%	(65) bps
Risk Adjusted Yield (% Avg Net Customer Loans)	6.5%	6.7%	(20) bps
Net Fee & Commission Income / Total operating income (%)	18.1%	17.7%	40 bps
Net Non-Interest Income / Total operating income (%)	25.3%	24.9%	40 bps
Reported RoTE	15.3%	15.3%	-
Adjusted RoTE (at 15.5% CET1 Ratio)	18.6%	19.3%	(70) bps
Return on average assets	2.7%	2.8%	(10) bps
Liquidity / Leverage			
Net Loan to Deposit Ratio	94.3%	96.2%	(190) bps
Total Equity / Total Assets	18.0%	18.3%	(30) bps
Liquid Assets / Total Assets	25.3%	22.9%	240 bps
LCR	185%	161%	2400 bps
Equity			
Total Equity	28,082	27,268	3.0%
Tangible Equity	27,143	26,420	2.7%
Capital Adequacy			
RWA / Total Assets	71.0%	73.2%	(214) bps
CET1 ratio[1] (%)	19.9%	20.5%	(60) bps
Tier 1 ratio[1] (%)	19.9%	20.5%	(60) bps
Total capital ratio[1] (%)	19.9%	20.5%	(60) bps
Asset Quality			
Non Performing Loan Ratio (%)	5.6%	6.3%	(70) bps
NPL Ratio – Retail (%)	8.6%	9.6%	(100) bps
NPL Ratio – Commercial (%)	2.4%	3.1%	(70) bps
Core NPL Coverage (%)	69.7%	70.9%	(120) bps
Core NPL Coverage – Retail (%)	71.7%	72.0%	(30) bps
Core NPL Coverage – Commercial (%)	62.2%	67.5%	(530) bps
Total NPL Coverage (%)	81.7%	82.5%	(80) bps
Efficiency			
Cost to Income Ratio	45.5%	45.1%	40 bps
FTEs	3,254	3,114	140
Branches	232	230	2
ATMs	639	632	7

Note: All ratios annualised.

[1] Does not include profit after tax for the year 2016 and the first quarter of the year 2017. Not adjusted for the 2016 dividend in the aggregate amount of CZK 5 billion as approved by the Annual General Meeting held on 24 April 2017.

4 Macroeconomic Environment

In the whole 2016 the Czech economy grew by 2.3% year-on-year[2], which confirmed that the economic environment remains highly supportive. The overall economic growth in 2016 was driven primarily by household consumption and foreign demand. Improving financial position of Czech households and companies was influenced by low inflation, extremely low interest rates, decreasing unemployment and exchange rate commitment by the central bank. Similar trends were observed in the first quarter of 2017.

The growing economy and persisting low interest rate environment resulted in a continued growth and good performance of the Czech lending market. The growth of retail lending year-on-year was particularly observed in mortgage and consumer loans. The commercial lending book was expanded year-on-year predominantly in the area of long-term financing.

The forward looking indicators, such as the business climate survey or the purchasing managers index, remain on high levels, which suggests that the positive macroeconomic development should prevail in the near future. The most significant risks to the future economic development are seen mainly abroad, namely the round of elections across Europe, the slowing US economy and prevailing conflicts in the Middle East.

At the beginning of the second quarter, the Czech National Bank abolished its exchange rate commitment and allowed the domestic currency to appreciate. In the following weeks, the Czech koruna's development, however, was not excessively volatile and thus the exchange rate development after the exit from the intervention regime didn't result in significant economic impacts.

Due to continuously positive macroeconomic environment both lending and deposit markets remained growing in the first quarter of 2017. Despite the decreasing net interest margin and fee income in the strongly competitive environment the profitability of the banking industry improved as shown by the full year 2016 results. One of the key drivers of the increased net income of the industry was an improvement in the net impairment of loans and receivables.

The lending market growth in the first quarter of 2017 was stronger in the consumer segment (up 8% year-on-year[3]), driven predominantly by mortgages (up 10% year-on-year[3]). The increase of lending to non-financial companies (up 5% year-on-year[3]) was observed mainly in long-term loans, whereas the short-term lending increased only marginally.

The increase of total deposits with banks (up by 10% year-on-year[3]) exceeded the growth of loans, strongly supported by the increase of the money supply in the economy as measured by the M2 money aggregate (up by 11% year-on-year[3]). The deposit growth was stronger in the segment of non-financial companies (up by 12% year-on-year[3]) compared to the segment of households (up by 10% year-on-year[3]). Consequently, the excess liquidity on the market in the same period increased, which resulted in a significant increase of free cash in banks and deposits of banks with the central bank (up by 88% year-on-year[3]).

In the full year 2016, the profitability of the banking industry was influenced, similarly to previous periods, by continuously decreasing interest and fee margins (down by 1% and by 7% year-on-year, respectively[3]), higher income from dividends, lower cost of risk and significant extraordinary gain from VISA transaction in the first half of 2016. The positive factors prevailed and therefore the net income of the industry grew by 13% year-on-year for the full year 2016[3].

On the cost side of the industry's profit and loss, the cost of risk, measured by the net impairment of financial assets, dropped in the full year 2016 by 31% year-on-year[3]. The administrative expenses remained broadly flat with staff expenses growing by 4% year-on-year[3].

At the end of 2016, Czech banks remain highly capitalized and well equipped with a high-quality capital. The core equity Tier 1 (CET1) ratio remained stable and above 17%[3]. In addition, the resilience of the industry is supported by improving asset quality with the non-performing loans ratio standing at 4,5% in Q1 2017.

[2] Source: Czech Statistical Office

[3] Source: The ARAD database, Czech National Bank

5 Group performance

5.1 Business performance

The financial performance of the Group during first quarter ended 31 March 2017 developed broadly in line with management's expectations and guidance with favourability on cost of risk. In the quarter ended 31 March 2017, the Group generated profit after tax of CZK 1 billion.

Increase in new production across both commercial and retail segments supported the Group's portfolio of net customer loans (*net loans and receivables to customers*) portfolio growth of 1.1% to CZK 113 billion in the first 3 months of 2017. The loan portfolio growth continued to be impacted by persisting early repayments pressure. The gross performing receivables growth amounted to 5.7% year-on-year basis.

The retail portfolio of net loans to customers followed the positive trend from 2016 and generated an increase of 2.2% when compared to the 31 December 2016 net balance, standing at CZK 55.8 billion as at 31 March 2017. This growth is to a large extent a result of the continuing strong uplift in new volumes of consumer loans, driving receivables growth of 1.7% in the first quarter of 2017. This was a result of the market alignment pricing strategy combined with structured retention program. The increase in consumer loans was further complemented by continued turnaround in mortgage franchise[4] with production quadrupling year-on-year and balance growth of 5.8% in first three months of 2017. New volumes of Auto and equipment loans have grown by 10% year-on-year in the same period and recorded receivables growth of 1.6%. These positive developments were partially offset by continued decrease in outstanding credit cards and overdraft balances.

The commercial portfolio of net loans to customers stood at CZK 57.2 billion as at 31 March 2017 and remained flat compared to 31 December 2016 balance despite seasonality. Small business continued its strong performance doubling production year-on-year and recording balance growth of 8.5% compared to 31 December 2016. This was achieved through expanded distribution network. Investment loan net balance grew by 0.7%, CZK 0.2 billion, with production up 56.2%. These positive developments were offset by seasonality on Working capital resulting in 1.3% balance drop while commercial Auto and Equipment Loans and Leases balance declined by 1.9% despite the gradually stabilizing production on MONETA Leasing, s.r.o. as majority of the vacancies had been backfilled following salesforce attrition in the first quarter of 2016.

The Group's customer deposits continued to grow in both the retail and commercial segments and stood at CZK 119.9 billion as at 31 March 2017, increasing 3.1% compared to CZK 116.3 billion as at 31 December 2016. Across both segments, balance increases came primarily from current and saving accounts, allowing the cost of funding to further improve. The loan to deposit ratio stood at 94.3%, well below the Group's medium term target of less than 100%. The continued growth in deposits, primarily driven by an increasing average balance, further reinforces the self-funding capacity of the Group and its solid liquidity position. The Bank has also obtained regulator's approval of Bond issuance programme up to CZK 50 billion cumulative.

5.2 Financial performance

The Group's net interest margin declined to 5.1% for the quarter ended 31 March 2017, from 5.9% for the year ended 31 December 2016.. The decline was a result of continued pressure on rates in both retail and commercial segments, further supported by consumer loan pricing alignment to the market as a part of structured retention programme.

Net fee and commission income of CZK 458 million for the three months ended 31 March 2017, a decrease of 6.5% year-on-year. This drop was in line with trends observed in 2016, namely continued reduction of loan servicing fee driven by running off earning portfolio and deposit servicing fee because of switching to free current accounts as experienced in prior years.

Net income from financial operations for the first three months ended 31 March 2017 amounted to CZK 103 million compared to CZK 73 million prior year first

4 Mortgage book includes American mortgages.

quarter. The increase was driven by gains realised on sales of bonds.

Operating expenses for the first three months of 2017 amounted to CZK 1,152 million, down 1% year-on-year. The Group incurred CZK 562 million of personal cost, 8.7% year-on-year increase for the same period mainly driven by growth in number of front end employees. This increase was compensated by lower administrative and other operating expenses of CZK 506 million, 10.1% year-on-year decrease, mainly driven by CZK 84 million release of solicitors reserve, saving on royalties of CZK 47 million, partly offset by release of restructuring reserves in 2016 of CZK 40 million and by CZK 31 million higher deposit insurance and resolution fund contribution. .

Net impairment of loans and receivables of CZK 80 million for the quarter ended 31 March 2017 were 69% lower compared to CZK 258 million in the first quarter of 2016. This drop was driven by continued favourable macroeconomic conditions resulting in improvement of risk parameters and by proceeds from both retail and commercial debt sales. As a result, the cost of risk was very low and stood at 28bps.

Continued low rate of NPL formation complemented by NPL write offs and sales resulted in the Group NPL ratio reduction to 5.6% as at 31 March 2017 from 6.3% as at 31 December 2016.The overall total NPL coverage (including total loan allowances) stood at a comparatively high level of 81.7% as at 31 March 2017 versus 82.5% at 31 December 2016.

Consolidated profit after tax for the first quarter of 2017 was thus CZK 1,040 million.

Annualised return on tangible equity for the first quarter ended 31 March 2017 stayed flat at 15.3%. When adjusted to the management target CET1 Ratio of 15.5%, the return on tangible equity for the first quarter of 2017 would amount to 18.6%, well above the management target of a minimum of 14%.

Regulatory capital CET1 remained stable from 31 December 2016 with the CET1 Ratio of 19.9%[5] as at 31 March 2017 against 20.5% as at 31 December 2016. As at 31 March 2017, the excess capital amounted to CZK 3.9 billion, adjusted for 2016 profit distribution as approved by Annual general meeting held on 24 April 2017. The dividend of CZK 5 billion is due in June 2017.

5 Does not include profit after tax for the year 2016 and the first quarter of the year 2017. Not adjusted for the 2016 dividend in the aggregate amount of CZK 5 billion as approved by the Annual General Meeting held on 24 April 2017.

5.3 Outlook for 2017 and risks

The economic outlook for the upcoming period remains broadly positive. The Czech National Bank in its May economic forecast marginally increased its estimate of the year-on-year GDP growth for the 2017 to 2.9%[6]. The economic growth is expected to be driven primarily by growing consumer demand and company investments. The overall financial situation of domestic households and firms should improve, which can support the performance of the lending market.

The growth of both loan and deposit markets is likely to decelerate slightly in 2017, albeit still expected to outperform economic development in nominal terms. The attractiveness of mortgages will be lower due to higher residential real estate prices and new regulatory measures introduced by the Czech National Bank to limit the evolution of potential bubble on the real estate market. The loan market will be further influenced by a turnover in the interest rate cycle, which is currently at or around its start of growth. The positive economic development will, through decreasing unemployment, growing wages and interest rates, help accelerate savings. On the other hand, the mandatory transfer of public institutions' deposits to the Czech National Bank, higher need of investments and the outflow of the speculative liquidity might result in a drop of the banking deposit growth pace versus 2016.

Following favourable cost of risk and CZK 1bn of net income recorded in the first quarter 2017 the Group is targeting to achieve the 2017 annual consolidated profit after tax of at least CZK 3.5 billion, revised target compared to CZK 3.4 billion disclosed in February 2017.

Annualised reported RoTE stood at 15.3% with adjusted RoTE at 18.6% in line with guidance of a minimum of 14% on reported and 15.5% on adjusted basis. The operating income reached CZK 2.5 billion for the quarter ended 31 March 2017 amid increasing pressure on margins.

Opex for the first quarter 2017 reached CZK 1.2 billion and the Group is targeting CZK 4.8 billion for the full year vs. initial guidance of CZK 4.9 billion, following reclassification of collection cost to cost of risk. Cost to income ratio was kept at 45.5% in the first quarter 2017, ahead of the guidance of upper mid 40s.

[6] Source: CNB web page: http://www.cnb.cz/cs/menova_politika/prognoza/

Annualised cost of risk reached very favourable 28bps as a result of improved risk parameters and gains on debt sales, leading to a revision of full year target to 80-90bps, significantly below the 2017 guidance of 100-110bps. NPL ratio stood at 5.6% with total coverage of 81.7% as at 31 March 2017 which was in line with guidance of NPL ratio below 6% and total coverage estimate of 80%.

The Group expects the CET1 Capital Ratio to exceed 17% as at 31 December 2017, assuming no pay out of an extraordinary interim dividend. CET1 ratio in the first quarter 2017 was at 19.9% with excess capital of CZK 4.9 billion. Dividend policy continues to be a distribution at minimum 70% of consolidated profit after tax, subject to legal and regulatory limitations and an approval of the General Meeting.

The Group is exposed to standard risks and uncertainties which have been already disclosed in the Company's 2016 Consolidated Annual Report. A non-exhaustive list of risks, to which the Group continues to be exposed, is set out below:

- The intense competition in the financial services industry, with strong pressure on prices and margins.
- Risk of unfavourable development of the economic environment which may result in a fall in demand for credit products offered principally to individuals and SMEs, as well as greater credit risk.
- Risk that despite the mitigating steps implemented by the management the staff attrition at Leasing platform would materially impact the commercial performance.
- Interest rate risk, particularly on the negative rate side.
- Changes in the regulatory environment, including capital and liquidity requirements.
- Changes in the legal environment, including consumer protection laws.
- Unsettled court and administrative proceedings, particularly as described under paragraph 8.11.

6 Basic information about MONETA Money Bank, a.s.

Basic details of MONETA	
Name:	MONETA Money Bank, a.s.
Registered office:	Vyskočilova 1422/1a, 140 28 Praha 4 – Michle
Company ID no.:	25672720
Legal form:	Joint-stock company
Date of registration:	9 June 1998
Registered share capital:	CZK 511,000,000
Paid up:	100%

Branches, ATMs and employees:

Number of branch offices as at 31 March 2017: 232 and 31 December 2016: 230.

Number of ATMs as at 31 March 2017: 639 and 31 December 2016: 632.

Number of employees (FTE) in the first three months ended 31 March 2017 was 3,254, an increase of 4.5% from the year ended 31 December 2016.

Business activities:

The Company and its consolidated subsidiaries (the "Group") operates in the Czech Republic and focuses primarily on secured and unsecured consumer lending and commercial financing.

The retail portfolio consists of secured and unsecured lending. Unsecured lending includes consumer loans, credit cards, and consumer overdrafts. Secured lending is provided in the form of mortgages, auto & equipment loans and auto & equipment leases.

Commercial lending products comprise of working capital, investment loans, auto & equipment loans, auto & equipment financial leases, automated overdrafts, inventory & fleet finance and unsecured business loans. Additionally the Group offers guarantees, letters of credits and foreign exchange transactions.

In addition to lending products, the Group provides a wide range of deposit and transactional products to retail and commercial customers. The Group also issues debit and credit cards in cooperation with VISA and MasterCard. The Group sells payment protection and other insurance products which are underwritten and administered by third parties. Finally, the Group sells investment products of third parties.

Ownership structure:

The latest available list of shareholders holding more than 1% of the shares is available in the investor relations section of the Company's website at https://investors.moneta.cz/shareholder-structure.

Group's Supervisory Board:

The Group's Supervisory board has held two meetings in the first three months of 2017.

Name	Position	Position held from	Position held until
Christopher Chambers	Chairman of the Supervisory Board	21 April 2016	18 May 2017
Richard Laxer	Vice-Chairman of the Supervisory Board	21 April 2016	23 April 2017
Michal Petrman	Member of the Supervisory Board	21 April 2016	21 April 2020
Ronald Clarke	Member of the Supervisory Board	21 April 2016	21 April 2020
Denis Hall	Member of the Supervisory Board	21 April 2016	21 April 2020
Maria Louisa Cicognani	Member of the Supervisory Board	24 April 2017	24 April 2021
Miroslav Singer	Member of the Supervisory Board	24 April 2017	24 April 2021

Group's Management Board:

The Management Board has held 12 meetings in the first three months of 2017.

Name	Position	Position held from
Tomáš Spurný	Chairman of the Management Board	1 October 2015
Philip Holemans	Vice-Chairman of the Management Board	20 April 2016*
Jan Novotný	Member of the Management Board	16 December 2013
Normann Vökt	Member of the Management Board	25 January 2012
Albert Piet van Veen	Member of the Management Board	1 May 2017

* Previously member of the Management Board starting from 17 July 2014.

7 Condensed consolidated interim financial statements for the three months ended 31 March 2017

7.1 Condensed consolidated statement of profit or loss and other comprehensive income for the three-month periods ended 31 March 2017

CZK m	Note	Quarter ended 31 Mar 17	31 Mar 16 restated
Interest and similar income		1 939	2 223
Interest expense and similar charges		(47)	(48)
Net interest income	8.6	1 892	2 175
Fee and commission income		534	561
Fee and commission expense		(76)	(71)
Net fee and commission income	8.7	458	490
Dividend income		0	0
Net income from financial operations		103	73
Other operating income		79	43
Total operating income		**2 532**	**2 781**
Personnel expenses		(562)	(517)
Administrative expenses		(525)	(433)
Depreciation and amortisation		(84)	(89)
Other operating expenses		19	(130)
Total operating expenses	**8.8**	**(1 152)**	**(1 169)**
Profit for the period before tax and net impairment of loans, receivables and financial assets available for sale		1 380	1 612
Net impairment of loans and receivables	8.14.5	(80)	(258)
Impairment of financial assets available for sale		0	0
Profit for the period before tax		**1 300**	**1 354**
Taxes on income		(260)	(275)
Profit for the period after tax		**1 040**	**1 079**
Items that are or might be reclassified to profit or loss			
- Change in fair value of AFS investments recognised in OCI		(256)	(54)
- Change in fair value of AFS investments recognised in P&L		(23)	0
- Deferred tax		53	10
Other comprehensive income, net of tax		(226)	(44)
Total comprehensive income attributable to the equity holders		**814**	**1 035**
Earnings per share			
Profit for the year after tax attributable to the equity holders		1 040	1 079
Weighted average of ordinary shares (number of shares)		511 000 000	511 000 000
Basic and Diluted earnings per share		2.0	2.1

7.2 Condensed consolidated statement of financial position as at 31 March 2017

CZK m	31 Mar 17	31 Dec 16
Assets		
Cash and balances with the central bank	29 083	20 235
Financial assets at fair value through profit or loss	28	26
Financial assets available for sale	10 241	13 749
Loans and receivables to banks	207	189
Loans and receivables to customers	113 044	111 860
Intangible assets	835	744
Property and equipment	659	649
Non-current assets held for sale	0	0
Goodwill	104	104
Investments in associates	2	2
Current tax assets	429	267
Deferred tax assets	648	805
Other assets	1 056	749
TOTAL ASSETS	**156 336**	**149 379**
Liabilities		
Deposits from banks	5 235	2 657
Due to customers	119 898	116 252
Financial liabilities at fair value through profit or loss	21	7
Provisions	282	416
Current tax liabilities	27	29
Deferred tax liabilities	252	280
Other liabilities	2 539	2 470
Total liabilities	**128 254**	**122 111**
Equity		
Share capital	511	511
Share premium	5 028	5 028
Legal and statutory reserve	102	102
Available for sale reserve	137	363
Share based payment reserve	(2)	(2)
Retained earnings	22 306	21 266
Total equity	28 082	27 268
TOTAL LIABILITIES AND EQUITY	**156 336**	**149 379**

7.3 Condensed consolidated statement of changes in equity for the three months ended 31 March 2017

CZK m	Share capital	Share premium	Legal and statutory reserve	AFS reserve	Share based payment reserve	Retained earnings	Total
Balance 1 Jan 17	511	5 028	102	363	(2)	21 266	27 268
Total comprehensive income							
Profit for the year after tax						1 040	1 040
Other comprehensive income after tax							
Change in fair value of AFS assets							
- Change in fair value of AFS investments recognised in OCI				(256)			(256)
- Change in fair value of AFS investments recognised in P&L				(23)			(23)
- Deferred tax				53			53
Balance 31 Mar 17	511	5 028	102	137	(2)	22 306	28 082
Balance 1 Jan 16	511	5 028	167	482	(2)	21 653	27 839
Total comprehensive income							
Profit for the year after tax						1 079	1 079
Other comprehensive income after tax							
Change in fairvalue of AFS assets							
- Change in fair value of AFS investments recognised in OCI				(54)			(54)
- Change in fair value of AFS investments recognised in P&L							
- Deferred tax				10			10
Balance 31 Mar 16	511	5 028	167	438	(2)	22 732	28 874

7.4 Condensed consolidated statement of cash flows for the three months ended 31 March 2017

	Quarter ended	
CZK m	31 Mar 17	31 Mar 16
Cash flows from operating activities		
Profit after tax	1 040	1 079
Adjustments for:		
- Depreciation and amortization	84	89
- Net impairment of loans and receivables	80	258
- Net loss gain on sale of available for sale financial assets	(23)	0
- Amortisation of coupon of financial assets available for sale	(22)	(21)
- Taxes on income	260	275
Changes in:		
- Financial assets at fair value through profit or loss	(2)	5
- Loans and receivables to customers	(1 264)	613
- Other assets	(307)	25
- Deposits from banks	2 578	(123)
- Due to customers	3 646	2 342
- Financial liabilities at fair value through profit or loss	14	7
- Other liabilities and provisions	(65)	285
Income taxes paid	(237)	(224)
Net cash from / (used in) operating activities	**5 782**	**4 610**
Cash flows from investing activities		
Acquisition of financial assets available for sale	0	(123)
Proceeds from financial assets available for sale	3 268	162
Acquisition of property and equipment and Intangible assets	(184)	(235)
Net cash from / (used in) investing activities	**3 084**	**(196)**
Cash flows from financing activities		
Net cash from/(used in) financing activities	**0**	**0**
Net change in cash and cash equivalents	8 866	4 414
Cash and Cash equivalents at the beginning of period	20 424	15 614
Cash and Cash equivalents at the end of period	29 290	20 028
Interest received*	2 070	2 225
Interest paid*	(50)	(71)

* Interest received and Interest paid are included within cash flows from operating activities

8 Notes to condensed consolidated interim financial statements

8.1 Reporting entity

MONETA Money Bank, a.s. (the 'Company' or the 'Bank') is a company domiciled in the Czech Republic. These condensed consolidated interim financial statements ('interim financial statements') as at and for the three months ended 31 March 2017 comprise the Company and its consolidated subsidiaries (together referred to as the 'Group').

8.2 Basis of preparation and presentation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2016 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. These condensed consolidated interim financial statements were neither reviewed nor audited.

There have not been significant changes in accounting policies since the last annual financial statements except presentation of external collection cost directly attributable to related loan within the profit or loss line 'Net impairment of loans and receivables'. Due to this change, the line "Net impairment of loans and receivables" and the line "Other operating expenses" of the consolidated profit or loss statement as at 31 March 2016 were restated. The impact of this restatement is described in detail below in section 8.14.5 (Net impairment of loans and receivables).

The Group's interim financial statements were authorised for issue by the Management Board on 11 May 2017.

Going Concern

These condensed consolidated interim financial statements are prepared on a going concern basis, as the Management Board of the Company are satisfied that the Group have the resources to continue in business for the foreseeable future. In making this assessment, the Directors of the Company have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Czech Koruna (CZK) which is the functional currency of all Group entities. All amounts have been rounded to the nearest million, except where otherwise indicated.

8.3 Use of judgements and estimates

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those that applied to the last annual financial statements.

8.4 Consolidation group

The definition of the consolidation group as at 31 March 2017 has not changed compared to the last annual financial statements.

The Group's companies included in consolidation as at 31 March 2017, together with the ownership were as follows:

Name activity	Registered office	Business	The Company's share	Method of consolidation
MONETA Auto, s.r.o.	Vyskočilova 1422/1a, 140 00 Prague 4	Auto financing (Loans and Leases)	100%	Full
MONETA Leasing, s.r.o.	Holandská 1006/10, Štýřice, 639 00 Brno	Financing of loans and leasing	100%	Full
MONETA Leasing Services, s.r.o.	Holandská 1006/10, Štýřice, 639 00 Brno	Lease and rental of movables	100%	Full
Inkasní Expresní Servis s.r.o.	Vyskočilova 1422/1a, 140 28 Prague 4	Debt recovery services	100%	Full
CBCB - Czech Banking Credit Bureau, a.s.	Na Vítězné pláni 1719/4, 140 00 Prague 4	Banking Credit Register	20%	Equity

8.5 Dividends paid

On 10 February 2017 the Management Board announced the intention to propose to the shareholders of the Bank dividend payment of CZK 9.8 per share.

8.6 Net interest income

	Quarter ended	
CZK m	31 Mar 17	31 Mar 16
Interest income from financial assets measured at amortised cost	1 917	2 202
Loans to customers	*1 913*	*2 200*
out of which interest income from impaired loans	*34*	*31*
out of which penalty interest	*34*	*35*
Loans to banks	*0*	*0*
Cash and deposit with central bank and other banks	*4*	*2*
Interest income from available-for-sale financial assets	22	21
Interest income and similar income	1 939	2 223
Interest expense from financial liabilities measured at amortised cost	(47)	(48)
Deposit from customers	(47)	(48)
Net interest income	1 892	2 175

8.7 Net fee and commission income

CZK m	Quarter ended 31 Mar 17	31 Mar 16 restated
Lending servicing fees	56	69
Deposit servicing fees	129	156
Investment fund fees	21	14
Insurance	91	78
Penalty fee (incl. early termination fees)	95	108
Transaction fees and other	142	136
Fee and commission income	**534**	**561**
Fee and commission expense	**(76)**	**(71)**
Net fee and commission income	**458**	**490**

8.8 Total operating expenses

CZK m	Quarter ended 31 Mar 17	31 Mar 16 restated
Personnel expenses	562	517
Other administrative expenses	525	433
o/w Rebranding & IPO	-	10
Depreciation and amortisation	84	89
Other operating expenses	(19)	130
Total operating Expenses	1 152	1 169

In 1Q 2017 the Group reassessed liability to solicitors (representing unpaid portion of commission for non-performing portfolio administration) by applying of the probability approach. Release of the liability in the amount of CZK 84.8 million is shown in the line other operating expenses.

Since 1 January 2017 the Group takes into account external collection costs in determining impairment loss of loans and receivables and these costs are disclosed in the line "Net impairment of loans and receivables" when they are incurred (previously shown in the line "Other operating expenses"). 2016 was therefore restated.

8.9 Net lending portfolio

Retail net loan balances by product

CZK m	31 Mar 17	31 Dec 16
Consumer Loans	32 829	32 281
Mortgages	16 469	15 571
Credit Card & Overdraft	4 280	4 551
Auto Loans and Financial Leases	2 224	2 188
Other	0	17
Retail loan balances	**55 802**	**54 608**

Commercial net loan balances by product

CZK m	31 Mar 17	31 Dec 16
Investment Loans	31 639	31 426
Working Capital	8 560	8 676
Auto & Equipment Loans and Financial Leases	14 313	14 592
Unsecured Instalment Loans and Overdraft	1 867	1 721
Inventory Financing and Other	863	837
Commercial loan balances	**57 242**	**57 252**

8.10 Due to customers and deposits from banks

Breakdown of Deposits from banks

CZK m	31 Mar 17	31 Dec 16
Deposits on demand	337	233
Term Deposits	1 081	945
Liabilities arising from repurchase agreement *	3 817	1 479
Total Deposits from Banks	**5 235**	**2 657**

* Transferred financial assets available for sale consist of treasury bonds, its fair value equals to CZK 4 482 million (in 2016: CZK 1 863 million).

Breakdown of Customer Deposits

CZK m	31 Mar 17	31 Dec 16
Retail Current Accounts	38 763	37 181
Retail Savings Accounts and Term Deposits	37 335	35 986
Commercial Current Accounts	32 166	30 310
Commercial Savings Accounts and Term Deposits	11 082	12 091
Other	552	684
Total Deposits	**119 898**	**116 252**

8.11 Legal risks

The below legal risks, to which the Company is exposed, have been disclosed in the Company's 2016 Consolidated Annual Report (the "Annual Report"). The Company updates information on these legal risks as follows:

8.11.1 Litigation risks in respect of the 1998 acquisition of a part of banking business of Agrobanka.

For information on the litigation risks in respect of the acquisition by the Company from Agrobanka Praha, a.s., currently Agrobanka Praha, a.s. v likvidaci ("Agrobanka") of a part of Agrobanka's banking business in June 1998 and the ongoing liquidation of Agrobanka, please see the Annual Report (pages 87 through 89).

Further to information disclosed in the Annual Report, we inform you that Agrobanka's liquidator commenced in March 2017 the process of the payment of the liquidation balance to shareholders of Agrobanka. This represents a significant milestone of the completion of the ongoing liquidation of Agrobanka and its deregistration from the Czech Commercial Register.

8.11.2 Administrative proceedings initiated by Czech Trade Inspection Authority against MONETA Auto, s.r.o.

For information on the risks relating the administrative proceedings initiated by the Czech Trade Inspection Authority against MONETA Auto, s.r.o., please see the Annual Report (page 89).

Since the date of the Annual Report, there have been no significant developments in the administrative proceedings initiated by the Czech Trade Inspection Authority against MONETA Auto, s.r.o. and related court proceedings.

8.12 Segment Reporting

Group's operating segments are following: Commercial, Retail and Other/Treasury. The Segments are described in more detail in the last annual financial statements. All ratios shown below are annualised.

The Management Board of the Company (the chief operating decision maker) does not use the below presented segmental view on all items of the Statement of Profit and Loss. For this reason Operating expenses, Taxes and consequently Profit for the year before tax and Profit for the year after tax is not reported for segments but only on the Total level. This change of reporting was made as part of the separation of the Group from GE.

CZK m	Commercial	Retail	Treasury/ Other	Total
Quarter ended 31 Mar 17				
Interest and similar income	517	1 395	27	1 939
Interest expense and similar charges	(9)	(38)	0	(47)
Net fee and commission income	133	319	6	458
Dividend income	0	0	0	0
Net income from financial operations	0	0	103	103
Other operating income	45	36	(2)	79
Total operation income	686	1 713	134	2 532
Net impairment of loans and receivables	45	(125)	0	(80)
Risk adjusted operating income	729	1 590	133	2 452
Total operating expense				(1 152)
Profit for the period before tax				1 300
Tax on income				(260)
Profit for the period after tax				1 040

CZK m	Commercial	Retail	Treasury/ Other	Total restated
Quarter ended 31 Mar 16				
Interest and similar income	580	1 620	23	2 223
Interest expense and similar charges	(12)	(36)	0	(48)
Net fee and commission income	131	359	0	490
Dividend income	0	0	0	0
Net income from financial operations	0	0	73	73
Other operating income	29	14	0	43
Total operation income	728	1 957	96	2 781
Net impairment of loans and receivables	(51)	(207)	0	(258)
Risk adjusted operating income	677	1 750	96	2 523
Total operating expense				(1 169)
Profit for the period before tax				1 354
Tax on income				(275)
Profit for the period after tax				1 079

Assets and liabilities by segment

CZK m 31 Mar 17	Commercial	Retail	Treasury /Other	Total
Total assets of the segment	60 633	60 209	35 494	156 336
Net value of loans and receivables to customers	57 242	55 802	0	113 044
Total liabilities of the segment	50 211	78 022	21	128 254

CZK m 31 Dec 16	Commercial	Retail	Treasury /Other	Total
Total assets of the segment	61 179	58 032	30 168	149 379
Net value of loans and receivables to customers	57 252	54 608	0	111 860
Total liabilities of the segment	47 083	75 021	7	122 111

8.13 Related parties

The following transactions were done between related parties in:

CZK m	Key members of the management*	Former majority shareholder**	Other related parties**	Total
Quarter ended 31 Mar 17				
Operating expenses	(33)	0	0	(33)
Other operating income	0	0	0	0
Quarter ended 31 Mar 16				
Operating expenses	(29)	(23)	(43)	(95)
Other operating income	0	0	1	1

* includes members of Supervisory Board, Management Board and senior management team

** due to the announcement in September 2016 made by the former majority shareholder GE to sale shares and reduce the share on capital below 20% only the overview of expenses or income is included in the overview for 2016.

The following transactions were done between related parties as of:

CZK m 31 Mar 17	Key members of the management*	Former majority shareholder	Other related parties	Total
Loans and receivables to customers	20	0	0	20
Due to customers	23	0	0	23
Other liabilities	0	0	0	0

CZK m 31 Dec 16	Key members of the management*	Former majority shareholder**	Other related parties**	Total
Loans and receivables to customers	10	0	0	10
Due to customers	19	0	0	19
Other liabilities	0	3	0	3

* includes members of Supervisory Board, Management Board and senior management team

** due to the announcement in September 2016 made by the former majority shareholder GE to sale shares and reduce the share on capital below 20% only the overview of expenses or income is included in the overview for 2016.

8.14 Risk management

The aim of the Group is to achieve competitive yields at an acceptable risk level as part of its business activities. Risk management covers the control of risks associated with all business activities in the environment in which the Group operates and ensures that the risks taken are in compliance with regulatory limits, as well as falling within its risk appetite.

Risk management organization, policies and practices are the same as described in the last annual financial statements.

8.14.1. Capital Management

Regulatory capital and its components and capital adequacy:

CZK m	31 Mar 17	31 Dec 16
Regulatory Capital	22 113	22 420
RWA	111 046	109 301
o/w Credit Risk	95 753	94 008
o/w Operational Risk	15 293	15 293

CZK m	31 Mar 17	31 Dec 16
RWA/Total Assets	71.00%	73.20%
CET1 Ratio	19.90%	20.50%
Tier 1 Ratio	19.90%	20.50%
Total Capital Ratio	19.90%	20.50%

The framework used for capital management involves monitoring and complying with the capital adequacy limit in accordance with the Basel III rules codified in 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.

In order to calculate the regulatory capital requirement for credit risk on a consolidated basis, the Group uses the standardised (STA) approach. To calculate the capital requirement for operational risk, the Company uses the alternative standardised approach (ASA) on an individual basis. The standardised approach (TSA) is used to calculate the capital requirement for operational risk on a consolidated basis for the rest of the consolidated Group.

8.14.2. Loans and receivables to customers

CZK m	31 Mar 17	31 Dec 16
Retail	60 074	59 320
Commercial	58 342	58 715
Gross loans and receivables to customers	118 416	118 035
Loss allowances for loans and receivables to customers	(5 372)	(6 175)
Net loans and receivables to customers	113 044	111 860
Gross loans and receivables to customers without impairment	111 843	110 547
Loss allowances for loans and receivables to customers without impairment	(792)	(865)
Net loans and receivables to customers without impairment	111 051	109 682

8.14.3. Loans and receivables to banks and customers according to the categorization

CZK m	31 Mar 17			31 Dec 16		
	Receivables to banks	Loans and receivables to customers	Total	Receivables to banks	Loans and receivables to customers	Total
Performing before due date	207	106 320	106 527	189	106 525	106 714
Performing past due date	0	5 523	5 523	0	4 022	4 022
Total performing	207	111 843	112 050	189	110 547	110 736
Total non-performing	0	6 573	6 573	0	7 488	7 488
Gross loans and receivables	207	118 416	118 623	189	118 035	118 224
Allowances	0	(5 372)	(5 372)	0	(6 175)	(6 175)
Net loans and receivables	207	113 044	113 251	189	111 860	112 049
Individual allowances	0	(231)	(231)	0	(406)	(406)
Portfolio allowances	0	(5 141)	(5 141)	0	(5 769)	(5 769)
Total allowances	0	(5 372)	(5 372)	0	(6 175)	(6 175)

8.14.4. Non-performing loans and receivables to customers

CZK m	31 Mar 17	31 Dec 16
Retail	5 175	5 686
Commercial	1 398	1 801
Total NPL	6 573	7 487

CZK m	31 Mar 17	31 Dec 16
Retail	3 711	4 094
Commercial	869	1 215
Total allowances to NPL	4 580	5 310

CZK m	31 Mar 17	31 Dec 16
Retail		
Total coverage	82.5%	82.9%
NPL ratio	8.6%	9.6%
Commercial		
Total coverage	78.8%	81.2%
NPL ratio	2.4%	3.1%
Total		
Total coverage	81.7%	82.5%
NPL ratio	5.6%	6.3%

The Group continued in the reduction of the NPL ratio to 5.6% as at 31 March 2017 from 6.3% as at 31 December 2016 mainly through non-performing loans ("NPLs") sales and write offs. The Group sold NPLs from balance sheet as well as off balance sheet in the total face value of CZK 1,800 million in the 1Q 2017 with a net positive P&L impact of CZK 93 million. The Total coverage remained at a comparatively high level of 81.7% as at 31 March 2017.

8.14.5. Net impairment of loans and receivables

CZK m	Quarter ended 31 Mar 17	31 Mar 16 restated
Additions and release of loan loss allowances	(124)	(241)
Additions and release of unused commitments allowances and Other	(15)	0
Use of loan loss allowances	890	4 073
Income from previously written-off receivables / recoveries	170	8
Write offs of uncollectable receivables	(971)	(4 073)
Change in allowances to operating receivables	0	(2)
Collection expense	(30)	(23)
Net impairment of loans and receivables	**(80)**	**(258)**

The decrease of the Additions and release of loan loss allowances from CZK (241) million as at March 31, 2016 to CZK (124) million as at March 31, 2017 was caused by a continuously good macroeconomic environment, which was reflected in an improvement of the loan portfolio performance. The increase of the Income from previously written-off receivables / recoveries from CZK 8 million as at March 31, 2016 to CZK 170 million as at March 31, 2017 was caused by a sale of nonperforming receivables in 1Q 2017 from which a significant portion was previously written off.

Since 1 January 2017 the Group takes into account external collection costs in determining impairment loss of loans and receivables and these costs are disclosed in the line "Net impairment of loans and receivables" when they are incurred (previously shown in the line "Other operating expenses"). Estimate of these costs also reduces present value of recovery cash flows expected from related impaired receivable. This change has been applied retrospectively and the impact is disclosed in the table above as "Collection expense".

8.14.6. Maximum credit risk exposures

CZK m 31 Mar 17	Statement of financial position	Off balance sheet	Total credit risk exposure	Available collateral
Cash and balances with the central bank	29 083	0	29 083	0
Financial assets at fair value through profit or loss	28	0	28	0
Currency swaps	5	0	5	0
Currency forwards	23	0	23	0
Financial assets available for sale	10 241	0	10 241	0
Treasury bills	0	0	0	0
Treasury bonds	10 187	0	10 187	0
Equity investments	45	0	45	0
Receivables	9	0	9	0
Loans and receivables to banks	207	0	207	0
Current accounts at banks	113	0	113	0
Term deposits at banks payable within 3 months	94	0	94	0
Loans and receivables to customers	113 044	17 160	130 204	48 627
Consumer authorized overdrafts and credit cards	4 280	5 361	9 641	0
Consumer loans	32 829	567	33 396	0
Mortgages	16 469	1 912	18 381	16 399
Commercial loans	42 928	9 281	52 209	22 621
Auto & Equipment Lease	6 248	0	6 248	5 400
Commercial	6 248	0	6 248	5 400
Retail	0	0	0	0
Auto & Equipment Loans	10 289	39	10 328	4 207
Commercial	8 065	39	8 104	4 207
Retail	2 224	0	2 224	0
Other loans	1	0	1	0
Commercial	0	0	0	0
Retail	1	0	1	0
Issued guarantees and credit limits on guarantees	0	1 548	1 548	145
Letter of credit	0	20	20	0
Other assets	3 733	0	3 733	0

CZK m 31 Dec 16	Statement of financial position	Off balance sheet	Total credit risk exposure	Available collateral
Cash and balances with the central bank	**20 235**	**0**	**20 235**	**0**
Financial assets at fair value through profit or loss	**26**	**0**	**26**	**0**
Currency swaps	20	0	20	0
Currency forwards	6	0	6	0
Financial assets available for sale	**13 749**	**0**	**13 749**	**0**
Treasury bills	0	0	0	0
Treasury bonds	13 700	0	13 700	0
Equity investments	40	0	40	0
Receivables	9	0	9	0
Loans and receivables to banks	**189**	**0**	**189**	**0**
Current accounts at banks	154	0	154	0
Term deposits at banks payable within 3 months	35	0	35	0
Loans and receivables to customers	**111 860**	**15 799**	**127 659**	**47 403**
Consumer authorized overdrafts and credit cards	4 551	5 489	10 040	0
Consumer loans	32 281	460	32 741	0
Mortgages	15 571	1 056	16 627	15 513
Commercial loans	42 639	8 754	51 393	21 988
Auto & Equipment Financial Lease	6 633	0	6 633	5 719
Commercial	6 633	0	6 633	5 719
Retail	0	0	0	0
Auto & Equipment Loans	10 146	40	10 186	4 183
Commercial	7 958	40	7 998	4 183
Retail	2 188	0	2 188	0
Other loans	39	0	39	0
Commercial	22	0	22	0
Retail	17	0	17	0
Issued guarantees and credit limits on guarantees	**0**	**1 512**	**1 512**	**133**
Letter of credit	**0**	**2**	**2**	**2**
Other assets	**3 320**	**0**	**3 320**	**0**

8.15 Fair values of financial assets and liabilities

The following table shows the carrying values and fair values of financial assets and liabilities that are not presented in the Group's statement of financial position at fair values. The fair value includes anticipated future losses while the carrying value (amortised cost and related impairment) includes only losses arising at the end of the reporting period.

CZK m	31 Mar 17	31 Dec 16	31 Mar 17	31 Dec 16
	Carrying value		Fair value	
FINANCIAL ASSETS				
Cash and balances with the central bank	29 083	20 235	29 083	20 235
Loans and receivables to banks	207	189	207	189
Loans and receivables to customers	113 044	111 860	116 139	115 379
FINANCIAL LIABILITIES				
Deposits from banks	5 235	2 657	5 235	2 657
Due to customers	119 898	116 252	119 898	116 252

The following table summarizes the hierarchy of fair values of financial assets and financial liabilities that are carried at fair value in the statement of financial position:

	31 Mar 17			31 Dec 16		
CZK m	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Financial assets at fair value through profit or loss		28			26	
Financial assets available for sale	10 061	126	54	13 444	256	49
FINANCIAL LIABILITIES						
Financial liabilities at fair value through profit or loss		21			7	

There were no transfers between level 1 and 2 during the period of nine months ended 30 September 2016 and the year ended 31 December 2015.

The Group uses the following inputs and techniques to determine the fair value under level 1, 2 and level 3:

The level 1 is based on quoted prices for identical instruments in active markets.

The level 2 assets include mainly financial derivatives and treasury bills. For derivative exposures the fair value is estimated using the present value of the cash flows resulting from the transactions taking into account market inputs like FX spot and forwards rates, benchmark interest rates and swap rates. The fair value of treasury bills is calculated as the present value of cash flows using the benchmark interest rates.

The level 3 assets include equity instruments not traded on the market where the fair value is calculated using the valuation techniques including expert appraisals.

Movement analysis of level 3 financial assets and liabilities

CZK m	As at 1 Jan 17	Sales	Additions	Total gains and losses in the period recognised in OCI	As at 31 Mar 17
Available for sale					
Equity investments	40	0	0	5	45
Debt Investments	9	0	0	0	9
Total	49	0	0	5	54

CZK m	As at 1 Jan 16	Sales	Additions	Total gains and losses in the period recognised in OCI	As at 31 Dec 16
Available for sale					
Equity investments	135	(293)	37	161	40
Debt Investments	0	0	8	1	9
Total	135	(293)	45	162	49

8.16 Subsequent events

In April 2017, Mr. Christopher Michael Chambers, Chairman of the Supervisory Board and member of Audit Committee, decided to step down his offices. Mr. Chambers remains in his positions until 18 May 2017.

On 24 April 2017, The General Meeting elected Mr. Miroslav Singer and Mrs. Maria Luisa Cicognani, as new members of the Supervisory Board of MONETA Money Bank, a.s.

In April 2017, The Supervisory Board elected Mr. Albert Piet van Veen as the fifth member of the Management Board for the next four years, with effect from 1 May 2017.

On 24 April 2017 the General Meeting approved the dividend payment of CZK 9.8 per share which represents amount of CZK 5,007,800,000. The dividend shall be due on 26 June 2017, when the dividend shall be distributed by MONETA Money Bank, a.s. from its accounts and so paid in Czech crowns. The dividend shall be paid by MONETA Money Bank, a.s. through Komerční banka, a.s., ID number: 453 17 054, with its registered office at Prague 1, Na Příkopě 969/33, Post Code: 114 07, as paying agent, by a transfer to bank accounts of the shareholders listed in the registry of book-entry shares of MONETA Money Bank, a.s.

In April 2017, the Bank signed premature termination of lease agreement for the Prague headquarter with expected abandonment in June 2018.

9 Management affidavit

To the best of our knowledge, we believe that this consolidated report gives a fair and true view of the Group's financial position, business activities and results for the first three months of 2017, and outlook for the development of Group's financial situation, business activities and results.

Prague, 10 May 2017

Signed on behalf of the Management Board:

Tomáš Spurný
Chairman of the Management Board

Philip Holemans
Vice Chairman of the Management Board

10 Alternative performance measures

In this report, certain financial data and measures are presented which are not calculated pursuant to any accounting standard and which are therefore non-IFRS measures. These financial data and measures are cost of funds/cost of funding, net interest margin, 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, cost of risk, risk adjusted yield on net customer loans, risk adjusted operating income, loan to deposit ratio, regulatory capital, CET1, CET1 Ratio, Tier 1 Capital, LCR, total NPL coverage, NPL, core NPL coverage, NPL ratio, risk weighted assets, new volume / new loans production.

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.

10.1 Adjusted Return on Tangible Equity – Reconciliation

The following table shows the Group's annualized adjusted return on tangible equity, adjusted at management target CET1 Ratio of 15.5%, for the period of three months ended 31 March 2017 and the year ended 31 December 2016:

CZK million (unless otherwise indicated)	31 Mar 2017	31 Dec 2016
Reported Profit after tax (A)	1,040	4,054
Excess Capital (B=H-(GxJ))	4,901	5,478
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))	(6)	(7)
Adjusted Profit after tax (F)	1,034	4,047
Reported Total Risk Exposures (G)	111,046	109,301
Regulatory Capital (H)	22,113	22,420
Reported CET1 % (I = H / G)	19.9%	20.5%
Target CET1 % (J)	15.5%	15.5%
Excess Capital (B = H - (G x J))	4,901	5,478
Equity (K)	28,082	27,268
Intangible Assets and Goodwill (L)	939	848
Tangible Equity (M = K - L)	27,143	26,420
Excess Capital (B = H - (G x J))	4,901	5,478
Adjusted Tangible Equity (N = M - B)	22,242	20,942
Reported Return on Tangible Equity (A / M)	15.3%	15.3%
Adjusted Return on Tangible Equity (F / N)	18.6%	19.3%

Note: Reported Return on Tangible Equity and Adjusted Return on Tangible Equity for the three months ended 31 March 2017 annualised

The reported return on tangible equity (A/M) is based on actual financial figures for the respective period as calculated in the above tables. Adjusted return on tangible equity (F/N) is based on a management target CET1 Ratio, currently 15.5 % (an anticipated 14.5% required regulatory capital (including a 0.5% countercyclical buffer) and a 1%. management buffer). In addition to a capital rebase to 15.5%. CET1, profit after tax was adjusted (F) for substitution of capital with funding via deposits assuming cost of funding of the period (annualised 0.2 % in period of three months ended 31 March 2017 and 0.2 % in 2016) 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 CET1 Ratio, currently of 15.5 %).

Definition of other alternative performance measures is provided in the Glossary below.

11 Glossary

Adjusted RoTE or adjusted return on tangible equity (at 15.5% CET1 Ratio)	Adjusted return on tangible equity is based on a management target CET1 Ratio of 15.5% (an anticipated 14.5% required regulatory capital (including a 0.5% countercyclical buffer) and a 1% management buffer).
Annualised	Adjusted so as to reflect the relevant rate on the full year basis.
Average balance of deposits from banks and due to customers	Two-point average of the beginning and ending balances of Deposits from banks and Due to customers for the period
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
CEO	Chief executive officer
CET1	Common equity tier 1 capital represents regulatory capital which 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
CET1 Ratio	CET1 as a percentage of risk-weighted assets
Company	MONETA Money Bank, a.s.
Cost of Funds (% Avg Deposits)	Interest expense and similar charges for the period divided by average balance of deposits from banks and due to customers
CoR or Cost of Risk or Cost of Risk (% Avg Net Customer Loans)	Net impairment of loans and receivables for the period divided by average balance of net loans to customers
Cost to Income Ratio	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 provisions for non-performing loans and receivables to total non-performing loans and receivables
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 sickdays. The denominator represents a standard working hours per an employee and a month.
GDP	Gross domestic product
Gross performing loans	Performing Loans and Receivables to customers as determined in accordance with the Bank's loan receivables categorization rules (Standard)
Group	Company and its consolidated subsidiaries
Q	Quarter
k	thousands

KPI	Key performance indicator
Liquid Assets	Liquid assets comprise of cash and balances with central banks, financial assets at fair value through profit or loss, financial assets - available for sale and loans and receivables to banks
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 2015/61
LGD	Loss given default
Loan to Deposit Ratio or L/D Ratio	Loan to deposit ratio calculated as net loans and receivables to customers divided by customer deposits
LTM	Last twelve months
m	Millions
M2	Monetary aggregate comprising currency in circulation, overnight deposits, deposits with agreed maturity, deposits redeemable at notice and repurchase agreements.
Net Income	Profit for the period after tax
Net Interest Earning Assets	Cash and balances with the central bank, financial assets at fair value through profit and loss, financial assets available for sale, loans and receivables to banks and loans and receivables to customers
Net Interest Margin (% Avg Int Earning Assets)	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
Net Performing Loans	Performing Loans and Receivables to customers as determined in accordance with the Bank's loan receivables categorization rules (Standard) less Loss Allowances for Loans and Receivables to customers
New volume / New loan production	Aggregate of loan principal disbursed in the period for non-revolving loans
No.	Number
NPL	Non-performing loans as determined in accordance with the Prudential Rules Decree
NPL Ratio or Non-performing Loans Ratio	Ratio (expressed as a percentage) of total gross receivables categorized as non-performing to total gross receivables
PD	Probability of default
Q	Quarter
Reported RoTE	Profit after tax divided by tangible equity
Return on average assets	Return on average assets calculated as profit after tax for the period divided by average balance of total assets
Regulatory Capital	CET1
Risk Adjusted Operating Income	Calculated as total operating income less net impairment of loans and receivables and Net impairment of other receivables
Risk Adjusted Yield or Risk Adjusted Yield (% Avg Net Customer Loans)	Interest and similar income from loans to customers less net impairment of loans and receivables divided by average balance of net loans to customers
RWA	Risk Weighted Assets
SME	An enterprise with an annual turnover of up to CZK 200 million
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 1 Ratio	Tier 1 as a percentage of risk-weighted assets
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
Yield (% Avg Net Customer Loans)	Interest and similar income from loans to customer divided by average balance of net loans to customers