MONETA Money Bank, a.s.

Consolidated financial report as of and for the six months ended 30 June 2017

Contents

1 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.

2 Letter from the CEO

We are proud to report the progress we have made in the first half of 2017. We continue to deliver against the strategy we set out at IPO to strengthen our leading position in the retail banking market while building our small business proposition. We have also continued to invest in the development of MONETA's digital capabilities, which we believe will be key to retaining and attracting new customers in a competitive market environment. While we have put significant effort into creating a market-leading franchise for our valued customers in the Czech Republic, we have also succeeded in delivering on our promises to shareholders of driving profitable growth, maintaining cost efficiencies, managing asset quality, and retaining a strong capital position.

In the first half of 2017, the Group delivered an increase in RoTE to 19.1%, with consolidated net profit of CZK 2.2 billion. Continued growth, building on the momentum achieved in 2016, was evident across both our retail and small business franchises, with a 6.4% increase in retail net performing loans and a 4.4% increase in commercial net performing loans compared to year end 2016. Production in the second quarter of 2017 also increased, reporting year-on-year new volume growth of 42.9% in total retail loans and 37.0% in total commercial loans.

Turnaround in the mortgage book continues

We continue to improve and grow our consumer loans market leading franchise and in the first half of 2017 our mortgage offering in particular delivered excellent growth following our decision to focus on this market. In the first six months of 2017 a year-on-year increase of 236.7% in new mortgage productions helped us to achieve a market share of 4%[1] in new production. In unsecured consumer lending we have retained our market position in new production despite a competitive market environment and continued pressure on new volume pricing. Against this backdrop, we have been focusing on improvement in preventing external refinancing of existing portfolio measures to improve customer retention, including the utilization of a machine learning model and applying a reactive retention program supported by trained and motivated branch network staff. These measures are already starting to deliver results with external loan balance attrition down 12.1% for the first six months of 2017 compared to the same period in 2016.

Strong growth in small business lending

At the heart of our commitment to becoming a national retail and small business bank champion is a desire to support the needs of Czech self-employed professionals, tradesmen and small entrepreneurs. So we are delighted to report significant progress in small business net lending with balance growth of 26.6% from 31 December 2016 and a strong growth in new volumes of 152.1% in unsecured instalment lending in the first six months of 2017 year-on-year. We have committed to further strengthen our offering to small business customers through expanding our offering with traditional and digital products. To this end, we have already launched a commercial credit card in April 2017, and we aim to launch a fully digital small business loan later this year. Elsewhere in our commercial franchise, we delivered significant growth in investment loans net balance, which rose by 6.5% year to date. There was also substantial progress made by MONETA Auto, s.r.o., in our commercial lending portfolio, which delivered year to date

[1] Source: market data based on signed contracts from Hypoindex.cz

growth of 8.4% of net commercial loans and leases balance.

Brand awareness and digital transformation progressing

I am proud of the progress we have made in strengthening our brand and propositions as the bank of choice for households and small business banking customers. In the first half of 2017, awareness of MONETA Money Bank grew to 34%, in comparison to just 2% as at June 2016. This reflects our initiatives to grow our position in our core business segments, as well as the success of our recent rebranding exercise.

We are also pleased to report excellent progress on our digital transformation programme as part of our strategic objective to become the digital leader in the Czech banking market. We have so far invested CZK 120 million of our CZK 600 million budget that we plan to deploy by the end of 2018. In June 2017, we were the first bank in the Czech market to roll out a fully digital retail current account, which can be opened in less than 15 minutes with 2 relevant identification documents. A fully digital unsecured loan product for existing retail and small business clients as well as foreign currency exchange services are expected to be introduced during the third quarter of 2017. Meanwhile our smartphone banking application Smart Banka, launched in July 2016, has helped us to increase our penetration of the mobile banking market. We have received excellent customer feedback from users of the app, and were delighted that Smart Banka was awarded the best mobile application in the Czech Republic and the Slovak Republic in 2017. By the end of June 2017 we had almost 140 thousand of registered users.

These developments have helped to differentiate MONETA as a leading player in the digital banking space, which is reflected in an increase in online consumer loan origination of 20.5% in the first half of 2017 compared to the same period in 2016. Further exciting developments for our digital offering will be launched in the second half of 2017.

Positive performance of cost of risk

We continue to focus on asset quality and achieved further improvements in the first half of the year. MONETA maintained a very low annualized cost of risk of 46bps, supported by gains from debt sales and benign macroeconomic environment, and we expect our cost of risk to be between 60bps and 70bps for the full year 2017, ahead of previous guidance. We have also continued to manage our NPL ratio, which was further reduced to 5.0% in the period from 6.3% at year end, while our total NPL coverage remains prudent at 81.6%. The Group remains committed to maintaining its conservative underwriting policies and improving asset quality in line with our strategic plan.

We continue to pay close attention to cost management while delivering against our strategic goals, as evidenced by a reduction in operating expenses in the 1H'17 by CZK 40m year-on-year and delivery of a cost-to-income ratio of 43.3% for the first six months of 2017. We remain on track to deliver against our full year expectations, despite active investment into our digital transformation programme and efforts to recruit and retain front end employees as we grow as a business.

Confirming dividend capacity

Regarding capital, we remain one of the best capitalised financial institutions in the Czech banking sector[2], with a CET1 Capital Ratio of 18.4%[3]. Our regulatory capital position after the pay-out of the 2016 dividend, along with other capital movements in the first half of the year 2017, remains healthy with excess capital of CZK 3.2 billion. This excess capital, as previously outlined, will be used to absorb the one-off impact of IFRS9, for investment into growth initiatives, further RWA growth and for distribution to shareholders of the Company[4]. The Group confirms its capacity to distribute expected remaining excess capital through 2017 and 2018 dividends[4].

Modernizing working environment

I would also like to underline our effort and commitment to the most important element of our business model – our human capital. We have already invested significant funds, time and effort in modernising the working environment for our employees in our Prague headquarters, Ostrava as well as in our branches. This includes design of new quiet and relax zones as well as new furniture with a

2 Source: Mandatory disclosures from banks and CNB database ARAD

3 Does not include net profit for the first half of the year 2017

4 Use and distribution of any excess capital is, in each case, subject to legal and regulatory limitations, the CNB's additional capital requirements (if any) resulting from the ongoing SREP process to be finalized in the third or fourth quarter of 2017 and an approval of the Company's general meeting.

modern and functional design. At the same time, we are running an enterprise-wide internal campaign "You are MONETA", featuring our real employees, including our top volunteers as MONETA brand ambassadors.

We want to further strengthen our organization to improve its agility, cooperation and its ability to deliver and successfully surmount market challenges. As part of this, we are seeking to preserve the best of our legacy culture whilst improving those elements required for a self-standing local franchise – namely entrepreneurship, transversal cooperation and initiative-taking. We are also mindful and aware of our special standing amongst Czech banks as the only fully publicly listed bank in the country. Thus, we place significant focus on regulatory readiness and the strength of our reputational capital with our regulators and the market at large. We are also committed to making a strong contribution to our country and in the communities in which we operate.

I am proud of the achievements we have made in the first six months of 2017, which confirm our ability to deliver against our commitments to shareholders and our focus on high single digit growth, while progressing MONETA's transformation to become the digital champion for retail and small business customers on the Czech market.

Tomáš Spurný
CEO and Chairperson of the Management Board of MONETA Money Bank, a.s.

3 Key performance indicators

	Six months ended 30 Jun 2017	Year ended 31 Dec 2016 Restated	Change
Profitability			
Yield (% Avg. Net Customer Loans)	6.6%	7.6%	(100) bps
Cost of Funds (% Avg Deposits)	0.15%	0.17%	(2) bps
NIM (% Avg Int Earning Assets)	4.9%	5.9%	(100) bps
Cost of Risk (% Avg Net Customer Loans)	0.46%	0.93%	(47) bps
Risk-adj. yield (% Avg Net Customer Loans)	6.1%	6.7%	(60) bps
Net Fee & Commission Income / Operating Income (%)	17.3%	17.7%	(40) bps
Net Non-Interest Income / Operating Income (%)	29.9%	24.9%	500 bps
Reported RoTE	19.1%	15.3%	380 bps
Adj. RoTE @ 15.5% CET1 Ratio	22.3%	19.3%	300 bps
RoAA	2.8%	2.8%	-
Liquidity / Leverage			
Net Loan to Deposit ratio	93.1%	96.2%	(310) bps
Total Equity / Total Assets	15.0%	18.3%	(330) bps
Liquid Assets / Total Assets	24.3%	22.9%	140 bps
LCR	160.0%	161.0%	(100) bps
Equity			
Total Equity (CZK m)	23,992	27,268	(12.0)%
Tangible Equity (CZK m)	22,940	26,420	(13.2)%
Capital Adequacy			
RWA / Total Assets	70.8%	73.2%	(240) bps
CET1 ratio (%)	18.4%[5]	20.5%[6]	(210) bps
Tier 1 ratio (%)	18.4%[5]	20.5%[6]	(210) bps
Total capital ratio (%)	18.4%[5]	20.5%[6]	(210) bps
Asset Quality			
Non Performing Loan Ratio (%)	5.0%	6.3%	(130) bps
NPL Ratio Retail (%)	7.8%	9.6%	(180) bps
NPL Ratio Commercial (%)	2.2%	3.1%	(90) bps
Core Non Performing Loan Coverage (%)	69.3%	70.9%	(160) bps
Core NPL Coverage Retail (%)	71.0%	72.0%	(100) bps
Core NPL Coverage Commercial (%)	63.1%	67.5%	(440) bps
Total NPL Coverage (%)	81.6%	82.5%	(90) bps
Efficiency			
Cost to Income Ratio	43.3%	45.1%	(180) bps
FTEs	3,287	3,114	173
Branches	232	230	2
ATMs	648	632	16

All ratios are annualised, Liquid Assets include CZK 5.3bn of encumbered assets
Restatement of Year ended 31 Dec 2016 due to reclassification of collection costs from "Administrative expenses" and "Other operating expenses" to "Net impairment of loans and receivables"

[5] Does not include profit after tax for the first half of the year 2017

[6] Does not include profit after tax for the year 2016

4 Macroeconomic environment

The economic growth in the Czech Republic accelerated in the first quarter of 2017 and reached 3.0% year-on-year[7], driven chiefly by strong external demand and growing household consumption. The demand from abroad was broad based and supported most of the domestic industries. The extremely low interest rate environment persisted, however growing inflation, house prices and lending has opened a space for the possibility of an interest rate hike. The economic situation of Czech households keeps improving as the strong economic performance of the country allows for very low unemployment and accelerated wage growth. This positive economic development was also observed in the second quarter of 2017.

The lending as well as the deposit markets benefited from the benign economy and increased the speed of their growth with deposit balance growth accelerating. Growth in the lending market was recorded in all key segments. On the deposit side, growth was also distributed across all key segments, however an important role was played by non-resident deposits, which saw a high double digit increase. This is most probably attributable to the abolishment of the exchange rate commitment in early April.

Economic mood in the private sector suggests that positive macroeconomic conditions should prevail in the near future. Risks remain subdued and mostly outside of the country's borders. The most significant internal limitation of the Czech economy is visible in the labour market, where very low unemployment could lead to a shortage of available labour force in particular industries.

The abolishment of the exchange rate commitment by the Czech National Bank at the beginning of April led to appreciation of the Czech koruna against the Euro. This appreciation did not influence the economic performance of the country, however the exchange rate is an additional variable which might affect foreign trade in the future. In addition, the recent increase of the key interest rate by the Czech National Bank initiated a new interest rate cycle, which, after four and a half years of technically zero interest rates, will play again an important role in the credit market.

Due to continuation of a positive macroeconomic environment, both the lending and deposit markets grew in the second quarter of 2017.

The lending market growth in the first half of 2017 was stronger in the consumer segment (up 9% year-on-year[8]), driven predominantly by mortgages (up 10% year-on-year[8]). The increase of lending to nonfinancial companies (up 6% year-on-year[8]) was observed mainly in long-term loans, whereas the short-term lending increase was not as significant.

The increase of total deposits with banks (up by 13% year-on-year[8]) 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 10% year-on-year[8]). Deposit growth was stronger in the households segment (up by 11% year-on-year[8]) compared to the non-financial companies segment (up by 10% year-on-year[8]).

Favourable macroeconomic conditions translated into an increase in net interest income, which gained 0.3% year-on-year[8] in the first quarter of 2017 after a 0.9% drop in the whole 2016[8]. The main driver was, however greater decline in interest expense rather than a recovery in interest income. Further improvement in total operating income was spurred mainly by other operating income and dividend income, with the help of continually declining net impairment of loans and receivables. This encouraged net profit to climb by more than 38% year-on-year[8] in the first three months of 2017.

The increase of loans and receivables to customers easily outweighed the reduction of NPL stock, which together mirrored a nearly 8% year-on-year[8] growth of gross loans to customers, which is almost double the average growth in the last 3 years. The fall in the stock of receivables in default, accompanied by a provisions decrease, led to a marginal drop in the core NPL coverage to below 49%[8]. The cost of risk declined significantly by more than 16% year-on-year[8] in the first quarter of 2017, partly due to favourable macroeconomic developments. The growth of operating expenses remained subdued, despite the pressure on wage increase.

[7] Source: Czech Statistical Office

[8] Source: The ARAD database, Czech National Bank, banking sector without Building Societies

Higher asset base benefitted from positive developments in both net loans and net other assets, which grew by more than 35% year-on-year[9], and helped improve net assets to Tier 1 capital from 13.7[9] to 16.1[9]. The common equity Tier 1 (CET1) ratio remained almost unchanged, as well as return on equity in the first quarter of 2017, proving that the Czech banking sector continues to be highly stable and is well equipped by high-quality capital to support economic growth.

5 Group performance

5.1 Business performance

The Group generated consolidated net profit of CZK 2.2 billion in the first six months of 2017, supported by a gain on the sale of financial assets and a favourable cost of risk.

Increase in new production across both commercial and retail segments supported the Group's net customer loans portfolio growth of 5.0% to CZK 117.5 billion during the first half of 2017. The loan portfolio growth continued to be impacted by persisting early repayments pressure. Nevertheless, the gross performing receivables growth reached 8.9% on a year-on-year basis.

The retail portfolio of net loans and receivables to customers increased by 5.9% when compared to the 31 December 2016 balance, standing at CZK 57.8 billion as at 30 June 2017. This growth is mainly a result of a continuing strong new production of mortgage loans, driving net balances up 14.0% in the first half of 2017. The retail net loan balance growth is also a result of an increased new production of consumer loans, for which a 28.2% higher production year-on-year led to a 4.3% increase in net receivables during the first six months of 2017. This was a result of the market alignment pricing strategy combined with the structured retention program. MONETA Auto retail loans recorded net receivables growth of 7.8% from the 31 December 2016 driven by strong new production. These positive developments were partially offset by a continued decrease in outstanding credit card and overdraft balances.

The commercial net loans balance to customers stood at CZK 59.7 billion as at 30 June 2017, an increase of 4.2% from the 31 December 2016 net balance. The investment loan net balance grew by 6.5%, or CZK 2 billion, over the same period. Small business new production more than doubled year-on-year, driving net balance growth to 26.6% compared to 31 December 2016. This was achieved through an expanded distribution network. These positive developments were partially offset by the balance of auto and equipment loans and financial leases, which declined by 3.2%, or CZK 0.5 billion in the first six months of 2017, despite the gradually stabilizing production at MONETA Leasing, s.r.o.

The Group's customer deposits continued to grow in both the retail and commercial segments and stood at CZK 126.2 billion as at 30 June 2017, increasing 8.6% from 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 93.1%, well below the Group's medium-term target of less than 100%. The continued growth in deposits further reinforces the self-funding capacity of the Group and its solid liquidity position. The Bank has also obtained regulator's approval of a bond issuance programme of up to CZK 50 billion cumulative in the first quarter.

5.2 Financial performance

The Group's net interest margin declined to 4.9% for the six months ended 30 June 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 an alignment of consumer loan pricing to the market as a part of a structured retention programme.

Net fee and commission income of CZK 918 million for the six months ended 30 June 2017 declined by 7.1% year-on-year. This drop was in line with trends observed in 2016, namely continued reduction of loan servicing fees driven by the running off of the fee earning portfolio and deposit servicing fees as a result of the switch to free current accounts as experienced in prior years.

Net income from financial operations amounted to CZK 516 million in the first half of 2017 compared to CZK 311 million in the first half of the prior year. The

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

increase was driven by a CZK 343 million gain realized on sales of part of the bonds portfolio.

Operating expenses for the first six months of 2017 amounted to CZK 2,298 million, down 1.7% year-on-year. The Group incurred CZK 1,174 million of personnel expenses, a 11.7% year-on-year increase for the same period last year, primarily driven by growth in the number of front end employees and wage inflation in the Czech market. Administrative and other operating expenses reached CZK 954 million, a 15.6% year-on-year decrease, more than compensating for the increase in personnel expenses. This decrease was mainly driven by non-recurring expenses, namely Rebranding & IPO expenses of CZK 121 million and Royalties of CZK 55 million in the first half of 2016, CZK 84 million release of solicitors reserve and by CZK 74 million lower TSA/MSA expense in the first half of 2017. This was partially offset by CZK 41 million higher spend on Digital, CZK 28 million higher deposit insurance and resolution fund contribution, CZK 25 million higher IT separation expenses[10] as well as a release of restructuring reserves of CZK 40 million in the first half of 2016.

Net impairment of loans and receivables amounted to CZK 261 million for the six months ended 30 June 2017, a 45% decrease compared to CZK 476 million in the first half of 2016. This drop was driven by continued favourable macroeconomic conditions resulting in an improvement of risk parameters and supported by proceeds from debt sales. As a result, the cost of risk was very low and stood at 46bps.

A continued low rate of NPL formation complemented by NPL write offs and sales resulted in a reduction of the Group NPL ratio to 5.0% as at 30 June 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 81.6% as at 30 June 2017 versus 82.5% at 31 December 2016.

As a result, the consolidated net profit for the first six months of 2017 was CZK 2,195 million.

Annualized reported RoTE for the half year ended 30 June 2017 jumped up to 19.1% from 15.3% for the year ended 31 December 2016. When adjusted to the management target CET1 Ratio of 15.5%, the adjusted RoTE for the first half of 2017 amounts to 22.3%, exceeding the 2017 guidance of 15.5%.

The CET1 Ratio decreased to 18.4%[11] as at 30 June 2017 against 20.5%[12] as at 31 December 2016. As at 30 June 2017, the excess capital amounted to CZK 3.2 billion. The 2016 dividend of CZK 5 billion was distributed to shareholders in June 2017.

5.3 Outlook for 2017 and risks

The outlook for the economic environment remains optimistic. The latest macroeconomic forecast by the Czech National Bank predicts a 3.6% year-on-year[13] growth of GDP in the whole of 2017, which is significantly more than previously anticipated. The key drivers of economic growth should remain unchanged, as the total output will be supported by strong household consumption and external demand. The forecast assumes a gradual increase of interest rates in the next few years.

Given the start of the new interest rate cycle and recently introduced regulatory measures by the Czech National Bank to limit the size of a potential bubble in the real estate market, the growth in lending volumes is likely to decelerate slightly by the end of the year. However, the development of the lending market should outperform GDP growth in nominal terms.

The expected benign economic environment will most probably support acceleration of savings growth, through increasing disposable income and interest rates. On the other hand, the evolution of savings deposit was, in recent months, influenced by the presence of speculative liquidity, linked to the changes in the monetary policy setting.

The Group recorded CZK 2.2 billion of net profit in the first half of 2017 and is targeting to achieve the 2017 annual consolidated profit after tax of at least CZK 3.65 billion, exceeding the original 2017 guidance of at least CZK 3.4 billion. The net income for the first six months was positively impacted by

[10] Out of total increase of IT separation costs of CZK 37.4m, CZK 12.6m was booked in Depreciation & Amortization line and CZK 24.9m in Administrative Expenses line;

[11] Does not include net profit for the first half of the year 2017

[12] Does not include net profit after tax for the year 2016

[13] Source: CNB web pages: http://www.cnb.cz/en/monetary_policy/forecast

extraordinary gain on bond sale of CZK 343 million pre-tax, offsetting increasing pressure on margins.

Operating expenses reached CZK 2.3 billion with cost-to-income ratio at 43.3%. The Group remains on track to maintain the full-year costs of CZK 4.8 billion as communicated in the first quarter 2017 earnings release.

The Cost of Risk remained very low at 46bps and as a result the full-year guidance has been further reduced to between 60 and 70 bps, well below the original guidance of 100 to 110 bps.

Capitalization remains solid with the CET1 ratio at 18.4%[11] as at 30 June 2017 and the Group is confident on delivering on its standing dividend policy.

The Group is exposed to standard risks and uncertainties which have already been disclosed in the prospectus of the Company relating to the Offering and the Listing (IPO). A non-exhaustive list of risks, to which the Group continues to be exposed as follows:

- 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 the Leasing platform would further materially impact the commercial performance.
- Interest rate risk, particularly on the negative rate side.
- Changes in the legal environment, including consumer protection laws.
- Changes in the regulatory environment, including capital and liquidity requirements.
- Unsettled court and administrative proceedings, particularly as described under paragraph 9.11.

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

BASIC DETAIL ABOUT MONETA	
Name	MONETA Money Bank, a.s.
Registered Office	Vyskočilova 1422/1a, 140 28 Praha 4 – Michle
Company ID	25672720
Legal form	Joint stock company
Date of registration	9 June 1998
Registered share capital	511,000,000
Paid up	100%

Branches, ATMs and employees:

Number of branches as at 30 June 2017: **232** and 31 December 2016: 230

Number of ATMs as at 30 June 2017: **648** and 31 December 2016: 632

Number of employees (FTEs) in the first six months ended 30 June 2017 was **3,287** (an increase of 5.6% compared to the year end 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 products include consumer and auto loans, credit cards and personal overdrafts. Secured lending is provided in the form of mortgages and finance leases.

Commercial lending products comprise of working capital, investment loans, finance and operating leases, auto loans, financing of small business and entrepreneurs, providing guarantees, letters of credit and foreign exchange transactions.

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. In addition, the Group intermediates additional payment protection insurance which covers the customer's monthly loan payment in the event of unemployment, accident or sickness. The Group also acts as the intermediary to provide its customers with other insurance and investment products.

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.

Company's Supervisory Board

The Company's Supervisory board held four meetings in the first six months of 2017.

Name	Position	Position held from	Position held to
Maria Luisa Cicognani	Chairperson of the Supervisory Board*	22 May 2017**	22 May 2021
Miroslav Singer	Vice-Chairperson of the Supervisory Board*	22 May 2017**	22 May 2021
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

* Christopher Chambers held the position of the Chairperson of the Supervisory Board until 18 May 2017. Richard Laxer held the position of the Vice-Chairperson of the Supervisory Board until 23 April 2017.

** Maria Luisa Cicognani and Miroslav Singer were elected by the General Meeting as the members of the Supervisory Board on 24 April 2017.

Company's Management Board

The Company's Management Board held 26 meetings in the first six months of 2017.

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

* Philip Holemans was elected by the Supervisory Board as the member of the Management Board on 17 July 2014.

KPMG

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Independent Auditors' Review Report to the Shareholders of MONETA Money Bank, a.s.

Introduction

We have reviewed the accompanying 30 June 2017 condensed consolidated interim financial statements of MONETA Money Bank, a.s. ("the Bank"), as set out in sections 8 and 9 of the consolidated financial report of the Bank as of and for the six months ended 30 June 2017, which comprise:

- the condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2017;
- the condensed consolidated statements of financial position as at 30 June 2017;
- the condensed consolidated statements of changes in equity for the six-month period ended 30 June 2017;
- the condensed consolidated statements of cash flows for the six-month period ended 30 June 2017; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE 2410"). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2017 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter

Management is responsible for the preparation of the Bank's consolidated financial report as of and for the six months ended 30 June 2017 report for the six-month period ended 30 June 2017 in accordance with the Act No. 256/2004 Coll., as amended ("Zakon o podnikani na kapitalovem trhu" / "The Act on Capital Markets Undertaking"), which includes the condensed consolidated interim financial statements, as set out in sections 8 and 9, and other information, as set out in sections 1-6 and 10-12 of the consolidated financial report ("the other information").

Our conclusion on the condensed consolidated interim financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the condensed consolidated interim financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the condensed consolidated interim financial statements or our knowledge obtained during the review. If, based on the work we have performed, we identify a material inconsistency in the other information, we are required to report this fact.

Prague
9 August 2017

KPMG Česká republika Audit

KPMG Česká republika Audit, s.r.o.

8 Condensed consolidated interim financial statements for the six months ended 30 June 2017

8.1 Condensed consolidated statements of profit or loss and other comprehensive income for the three-month and the six-month periods ended 30 June 2017

		Quarter ended		Half-year ended	
CZK m	Note	30 Jun 17	30 Jun 16*	30 Jun 17	30 Jun 16*
Interest and similar income		1,874	2,153	3,813	4,376
Interest expense and similar charges		(50)	(47)	(97)	(95)
Net interest income	9.6	1,824	2,106	3,716	4,281
Fee and commission income		539	576	1,073	1,137
Fee and commission expense		(79)	(78)	(155)	(149)
Net fee and commission income	9.7	460	498	918	988
Dividend income		0	12	0	12
Net income from financial operations		413	238	516	311
Other operating income		74	38	153	81
Total operating income		**2,771**	**2,892**	**5,303**	**5,673**
Personnel expenses		(612)	(534)	(1,174)	(1,051)
Administrative expenses		(395)	(503)	(920)	(936)
Depreciation and amortisation		(86)	(68)	(170)	(157)
Other operating expenses		(53)	(64)	(34)	(194)
Total operating expenses	9.8	**(1,146)**	**(1,169)**	**(2,298)**	**(2,338)**
Profit for the period before tax and net impairment of loans, receivables and financial assets available for sale		1,625	1,723	3,005	3,335
Net impairment of loans and receivables	9.14.5.	(181)	(218)	(261)	(476)
Profit for the period before tax		**1,444**	**1,505**	**2,744**	**2,859**
Taxes on income		(289)	(306)	(549)	(581)
Profit for the period after tax		**1,155**	**1,199**	**2,195**	**2,278**
Items that are or might be reclassified to profit or loss					
- Change in fair value of AFS investments recognised in OCI		26	30	(230)	(24)
- Change in fair value of AFS investments recognised in P&L		(320)	(158)	(343)	(158)
- Deferred tax		57	24	110	34
Other comprehensive income, net of tax		**(237)**	**(104)**	**(463)**	**(148)**
Total comprehensive income attributable to the equity holders		**918**	**1,095**	**1,732**	**2,130**

Earnings per share				
Profit for the year after tax attributable to the equity holders	1,155	1,199	2,195	2,278
Weighted average of ordinary shares (millions of shares)	511	511	511	511
Basic and Diluted earnings per share (in CZK)	2.26	2.35	4.30	4.46

* The comparative figures have been regrouped or reclassified, where necessary, on a basis consistent with the current year

8.2 Condensed consolidated statement of financial position as at 30 June 2017

CZK m	Note	30 Jun 17	31 Dec 16
Assets			
Cash and balances with the central bank		33,099	20,235
Financial assets at fair value through profit or loss	9.15	35	26
Financial assets available for sale	9.15	5,340	13,749
Loans and receivables to banks		536	189
Loans and receivables to customers	9.9	117,491	111,860
Intangible assets		948	744
Property and equipment		657	649
Non-current assets held for sale		0	0
Goodwill		104	104
Investments in associates		2	2
Current tax assets		474	267
Deferred tax assets		612	805
Other assets		920	749
TOTAL ASSETS		**160,218**	**149,379**
Liabilities			
Due to banks	9.10	7,250	2,657
Due to customers	9.10	126,232	116,252
Financial liabilities at fair value through profit or loss	9.15	39	7
Provisions		265	416
Current tax liabilities		30	29
Deferred tax liabilities		250	280
Other liabilities		2,160	2,470
Total liabilities		**136,226**	**122,111**
Equity			
Share capital		511	511
Share premium		5,028	5,028
Legal and statutory reserve		102	102
Available for sale reserve		(100)	363
Share based payment reserve		(2)	(2)
Retained earnings		18,453	21,266
Total equity		23,992	27,268
TOTAL LIABILITIES AND EQUITY		**160,218**	**149,379**

8.3 Condensed consolidated statement of changes in equity for the six-month period ended 30 June 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**
Transactions with owners of the company							
Dividends						(5,008)	(5,008)
Total comprehensive income							
Profit for the year after tax						2,195	2,195
Other comprehensive income after tax							
Change in fair value of AFS assets							
- Change in fair value of AFS investments recognised in OCI				(230)			(230)
- Change in fair value of AFS investments recognised in P&L				(343)			(343)
- Deferred tax				110			110
Balance 30 Jun 17	**511**	**5,028**	**102**	**(100)**	**(2)**	**18,453**	**23,992**

Balance 1 Jan 16	**511**	**5,028**	**167**	**482**	**(2)**	**21,653**	**27,839**
Transactions with owners of the company							
Dividends						(4,506)	(4,506)
Funds release			(65)			65	
Total comprehensive income							
Profit for the year after tax						2,278	2,278
Other comprehensive income after tax							
Change in fair value of AFS assets							
- Change in fair value of AFS investments recognised in OCI				(24)			(24)
- Change in fair value of AFS investments recognised in P&L				(158)			(158)
- Deferred tax				34			34
Balance 30 Jun 16	**511**	**5,028**	**102**	**334**	**(2)**	**19,490**	**25,463**

8.4 Condensed consolidated statement of cash flows for the six-month period ended 30 June 2017

CZK m	Half-year ended 30 Jun 17	30 Jun 16*
Cash flows from operating activities		
Profit after tax	2,195	2,278
Adjustments for:		
- Depreciation and amortization	170	157
- Impairment of tangible and intangible assets	4	0
- Net impairment of loans and receivables	261	476
- Net gain (-) / loss (+) on sale of available for sale financial assets	(343)	(158)
- Amortisation of coupon of financial assets available for sale	(37)	(42)
- Net loss (+) / gain (-) on sale of tangible and intangible assets	3	(2)
- Dividend income	0	(12)
- Taxes on income	549	581
Changes in:		
- Financial assets at fair value through profit or loss	(9)	0
- Loans and receivables to customers	(5,892)	(575)
- Other assets	(171)	(113)
- Due to banks	4,593	312
- Due to customers	9,980	5,718
- Financial liabilities at fair value through profit or loss	32	4
- Other liabilities and provisions	(461)	241
Income taxes paid	(482)	(473)
Net cash from / (used in) operating activities	**10,392**	**8,392**
Cash flows from investing activities		
Acquisition of financial assets available for sale	0	(243)
Proceeds from financial assets available for sale	8,204	2,008
Acquisition of property and equipment and Intangible assets	(397)	(161)
Proceeds from the sale of property and equipment and Intangible assets	20	31
Dividend received	0	12
Net cash from / (used in) investing activities	**7,827**	**1,647**
Cash flows from financing activities		
Dividend paid	(5,008)	(4,506)
Net cash from/(used in) financing activities	**(5,008)**	**(4,506)**
Net change in cash and cash equivalents	**13,211**	**5,533**
Cash and Cash equivalents at the beginning of period	20,424	15,614
Cash and Cash equivalents at the end of period	33,635	21,147
Interest received**	4,014	4,088
Interest paid**	(100)	(119)

* The comparative figures have been regrouped or reclassified, where necessary, on a basis consistent with the current year

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

9 Notes to condensed consolidated interim financial statements

9.1 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 six months ended 30 June 2017 comprise the Company and its consolidated subsidiaries (together referred to as the 'Group').

9.2 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 reviewed by the auditor (please see the Auditor´s Review Report in the section 7 of the Consolidated financial report as of and for the six months ended 30 June 2017).

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", the line "Other operating expenses" and "Administrative expenses" of the consolidated profit or loss statement as at 30 June 2016 were restated. The impact of this restatement is described in detail below in section 9.14.5 Net impairment of loans and receivables.

The Group's interim financial statements were authorised for issue by the Management Board on 9 August 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.

9.3 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.

9.4 Consolidation group

The definition of the consolidation group as at 30 June 2017 has not changed compared to 31 March 2017 and 31 December 2016.

Apart from the Company, the Group's companies included into the consolidation group as at 30 June 2017, together with the ownership were as follows:

Name	Registered office	Business activity	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

9.5 Dividends paid

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 was due on 26 June 2017 and was 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.

9.6 Net interest income

CZK m	Quarter ended		Half-year ended	
	30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16
Interest income from financial assets measured at amortised cost	**1,860**	**2,132**	**3,777**	**4,333**
Loans to customers	1,853	2,130	3,767	4,329
out of which interest income from impaired	65	83	135	180
out of which penalty interest	41	43	76	83
Loans to banks	1	0	1	0
Cash and deposit with central bank and other banks	6	2	9	4
Interest income from available-for-sale financial assets	**14**	**21**	**36**	**43**
Interest income and similar income	**1,874**	**2,153**	**3,813**	**4,376**
Interest expense from financial liabilities measured at amortised cost	(50)	(47)	(97)	(95)
Due to banks	(2)	0	(3)	0
Due to customers	(48)	(47)	(94)	(95)
Interest expense and similar expense	**(50)**	**(47)**	**(97)**	**(95)**
Net interest income	**1,824**	**2,106**	**3,716**	**4,281**

9.7 Net fee and commission income

CZK m	Quarter ended		Half-year ended	
	30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16
Lending servicing fees	54	64	110	133
Deposit servicing fees	122	148	252	305
Investment fund fees	32	14	53	28
Insurance	97	84	188	162
Penalty fee (incl. early termination fees)	85	114	180	222
Transaction fees and other	149	152	290	287
Fee and commission income	**539**	**576**	**1,073**	**1,137**
Fee and commission expense	**(79)**	**(78)**	**(155)**	**(149)**
Net fee and commission income	**460**	**498**	**918**	**988**

9.8 Total operating expenses

CZK m	Quarter ended		Half-year ended	
	30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16
Personnel expenses	(612)	(534)	(1,174)	(1,051)
Administrative expenses	(395)	(503)	(920)	(936)
o/w Rebranding & IPO	0	(111)	0	(121)
Depreciation and amortisation	(86)	(68)	(170)	(157)
Other operating expenses	(53)	(64)	(34)	(194)
Total operating expenses	**(1,146)**	**(1,169)**	**(2,298)**	**(2,338)**
FTEs (average)	**3,320**	**3,080**	**3,287**	**3,065**

Administrative expenses comprise costs on contribution to the Deposit Insurance Fund for half-year ended 30 June 2017 in the amount of CZK 44 million (2016: CZK 57 million) and to the Resolution and Recovery Fund in the amount of CZK 52 million (2016: CZK 12 million).

9.9 Net lending portfolio

Retail net loan balances by product

CZK m	30 Jun 17	31 Dec 16
Consumer Loans	33,659	32,281
Mortgages	17,745	15,571
Credit Card & Overdraft	4,050	4,551
Auto Loans and Financial Leases	2,359	2,188
Other	1	18
Retail loan balances	**57,814**	**54,609**

Commercial net loan balances by product

CZK m	30 Jun 17	31 Dec 16
Investment Loans	33,454	31,426
Working Capital	9,000	8,676
Auto & Equipment Loans and Financial Leases	14,131	14,591
Unsecured Installment Loans and Overdraft[14]	2,179	1,721
Inventory Financing and Other	913	837
Commercial loan balances	**59,677**	**57,251**

[14] Includes commercial credit card balances

9.10 Due to customers and Due to banks

Breakdown of Due to banks

CZK m	30 Jun 17	31 Dec 16
Deposits on demand	162	233
Term Deposits	707	945
Liabilities arising from repurchase agreement*	4,612	1,479
Other due to banks	1,769	0
Total Due to banks	**7,250**	**2,657**

*Transferred financial assets available for sale consist of treasury bonds. Its fair value equals to CZK 5,237million as at 30 June 2017 (31 December 2016: CZK 1,863 million). Further, in 2Q 2017 cash collateral in the amount of CZK 36 million has been transferred within repurchase agreement transactions (in 2016: CZK 0 million).

Other due to banks comprises loan provided by Komerční banka, a.s. to MONETA Leasing s.r.o. during April 2017 in the amount of CZK 1,750 million. Simultaneously, MONETA Money Bank, a.s. provided guarantee for this loan to Komerční banka, a.s. if MONETA Leasing s.r.o. defaults.

Breakdown of Due to customers

CZK m	30 Jun 17	31 Dec 16
Retail Current Accounts	40,741	37,181
Retail Savings Accounts and Term Deposits	38,249	35,986
Commercial Current Accounts	32,923	30,310
Commercial Savings Accounts and Term Deposits	13,706	12,091
Other	613	684
Total Due to customers	**126,232**	**116,252**

9.11 Legal risks

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

9.11.1 Litigation risks in respect of the 1998 acquisition of a part of Agrobanka's banking business

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 (the "Acquisition") and the ongoing liquidation of Agrobanka, please see the Consolidated Annual Report for 2016 (pages 87 through 89).

Further to the information disclosed in the Consolidated Annual Report for 2016, we inform you that:

- in the court proceedings initiated in October 2016 by action filed by Arca Services a.s. with the District Court for Prague 4 against the Company, Agrobanka and Mr. Jiří Klumpar (a forced administrator of Agrobanka in 1998) challenging the legality, validity and enforceability of the Acquisition, the High Court in Prague decided in April 2017, based on the defendants' motions, that the subject matter jurisdiction over the case rests with the Municipal Court in Prague and not with the District Court for Prague 4. The case will, therefore, be moved to, and heard by, the Municipal Court in Prague;

- Agrobanka's liquidator commenced in March 2017 the process of the the payment of the liquidation balance to shareholders of Agrobanka and, to date, majority of Agrobanka's shareholders have received their respective payments. Simultaneously, recorded provision for Agrobanka Praha, a.s. v likvidaci settlement was used in the amount of CZK 143 million that equals the amount paid. This represents a significant milestone of the completion of the ongoing liquidation of Agrobanka and its deregistration from the Czech Commercial Register.

9.11.2 Administrative proceedings initiated by Czech Trade Inspection Authority ("CTI") against MONETA Auto, s.r.o. ("MA")

For information on the risks relating to the administrative proceedings initiated by the Czech Trade Inspection Authority against MONETA Auto, s.r.o. ("MONETA Auto"), please see the Consolidated Annual Report for 2016 (page 89).

Further to the information disclosed in the Consolidateed Annual Report for 2016, in April 2017, the Czech Trade Inspection Authority issued a decision imposing a fine of CZK 900,000 against MONETA Auto for alleged breach of Czech consumer credit law. In June 2017, MONETA Auto filed court action challenging the above decision. Apart from the above, there have been no significant developments in the administrative proceedings initiated by the Czech Trade Inspection Authority against MONETA Auto and related court proceedings in the first half of 2017.

9.12 Segment Reporting

Group's operating segments are following: Commercial, Retail and Treasury / Other. 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 or Loss. For this reason, Operating expenses, Taxes and consequently Profit for the year before tax and Profit for the year after tax are 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 30 June 2017				
Interest and similar income	513	1,339	22	1,874
Interest expense and similar charges	(12)	(38)	0	(50)
Net fee and commission income	124	331	5	460
Dividend income	0	0	0	0
Net income from financial operations	0	0	413	413
Other operating income	16	58	0	74
Total operating income	641	1,690	440	2,771
Net impairment of loans and receivables	(51)	(130)	0	(181)
Risk adjusted operating income	590	1,560	440	2,590
Total operating expense				(1,146)
Profit for the period before tax				1,444
Tax on income				(289)
Profit for the period after tax				1,155

CZK m	Commercial	Retail	Treasury / Other	Total
Quarter ended 30 June 2016				
Interest and similar income	566	1,563	24	2,153
Interest expense and similar charges	(12)	(35)	0	(47)
Net fee and commission income	141	354	3	498
Dividend income	0	0	12	12
Net income from financial operations	0	0	238	238
Other operating income	12	26	0	38
Total operating income	707	1,908	277	2,892
Net impairment of loans and receivables	10	(228)	0	(218)
Risk adjusted operating income	717	1,680	277	2,674
Total operating expense				(1,169)
Profit for the period before tax				1,505
Tax on income				(306)
Profit for the period after tax				1,199

CZK m	Commercial	Retail	Treasury / Other	Total
Half-year ended 30 June 2017				
Interest and similar income	1,031	2,735	47	3,813
Interest expense and similar charges	(21)	(76)		(97)
Net fee and commission income	256	651	11	918
Dividend income	0	0	0	0
Net income from financial operations	0	0	516	516
Other operating income	46	109	(2)	153
Total operating income	1,312	3,419	572	5,303
Net impairment of loans and receivables	(7)	(254)	0	(261)
Risk adjusted operating income	1,305	3,165	572	5,042
Total operating expense				(2,298)
Profit for the period before tax				2,744
Tax on income				(549)
Profit for the period after tax				2,195

CZK m	Commercial	Retail	Treasury / Other	Total
Half-year ended 30 June 2016				
Interest and similar income	1,147	3,182	47	4,376
Interest expense and similar charges	(25)	(70)		(95)
Net fee and commission income	273	712	3	988
Dividend income	0	0	12	12
Net income from financial operations	0	0	311	311
Other operating income	33	48	0	81
Total operating income	1,428	3,872	373	5,673
Net impairment of loans and receivables	(41)	(435)	0	(476)
Risk adjusted operating income	1,387	3,437	373	5,197
Total operating expense				(2,338)
Profit for the period before tax				2,859
Tax on income				(581)
Profit for the period after tax				2,278

Assets and liabilities by segment

CZK m	Commercial	Retail	Treasury/Other	Total
30 June 2017				
Total assets of the segment	63,955	61,687	34,576	160,218
Net value of loans and receivables to customers	59,677	57,814	0	117,491
Total liabilities of the segment	55,677	80,510	39	136,226

CZK m	Commercial	Retail	Treasury/Other	Total
31 December 2016				
Total assets of the segment	61,179	58,032	30,168	149,379
Net value of loans and receivables to customers	57,251	54,609	0	111,860
Total liabilities of the segment	47,083	75,021	7	122,111

9.13 Related parties

The following transactions were done between related parties:

CZK m	Key members of the management*	Former majority shareholder**	Other related parties **	Total
Quarter ended 30 June 2017				
Operating expenses	(30)	0	0	(30)
Other operating income	0	0	0	0
Quarter ended 30 June 2016				
Operating expenses	(44)	(33)	(85)	(118)
Other operating income	0	0	5	5

CZK m	Key members of the management*	Former majority shareholder**	Other related parties **	Total
Half-year ended 30 June 2017				
Operating expenses	(63)	0	0	(63)
Other operating income	0	0	0	0
Half-year ended 30 June 2016				
Operating expenses	(73)	(56)	(128)	(184)
Other operating income	0	0	5	5

*Includes members of Supervisory Board, the 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:

30 June 2017

CZK m	Key members of the management*	Former majority shareholder**	Other related parties **	Total
Loans and receivables to customers	22	0	0	22
Due to customers	34	0	0	34
Financial liabilities at fair value through profit or loss	0	0	0	0

31 December 2016

CZK m	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
Financial liabilities at fair value through profit or loss	0	3	0	3

*Includes members of Supervisory Board, the 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.

9.14 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.

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

9.14.1 Capital Management

Regulatory capital and its components and capital adequacy:

CZK m	30 Jun 17	31 Dec 16
Regulatory Capital	20,819	22,420
RWA	113,370	109,301
out of which Credit Risk	98,077	94,008
out of which Operational Risk	15,293	15,293

Capital adequacy (%)	30 Jun 17	31 Dec 16
RWA / Total Assets	70.8%	73.2%
CET1 Ratio	18.4%	20.5%
Tier 1 Ratio	18.4%	20.5%
Total Capital Ratio	18.4%	20.5%

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.

9.14.2 Loans and receivables to customers

CZK m	30 Jun 17	31 Dec 16
Retail	61,771	59,320
Commercial	60,762	58,715
Gross loans and receivables to customers	**122,533**	**118,035**
Loss allowances for loans and receivables to customers	(5,042)	(6,175)
Net loans and receivables to customers	**117,491**	**111,860**
Gross loans and receivables to customers w/o impairment	116,352	110,547
Loss allowances for loans and receivables to customers w/o impairment	(758)	(865)
Net loans and receivables to customers w/o impairment	115,594	109,682

9.14.3 Loans and receivables to banks and customers according the categorization

CZK m	30 Jun 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	536	111,853	112,389	189	106,525	106,714
Performing past due date	0	4,499	4,499	0	4,022	4,022
Total performing	536	116,352	116,888	189	110,547	110,736
Total non-performing	0	6,181	6,181	0	7,488	7,488
Gross loans and receivables	536	122,533	123,069	189	118,035	118,224
Allowances	0	(5,042)	(5,042)	0	(6,175)	(6,175)
Net loans and receivables	**536**	**117,491**	**118,027**	**189**	**111,860**	**112,049**
Individual allowances	0	(233)	(233)	0	(406)	(406)
Portfolio allowances	0	(4,809)	(4,809)	0	(5,769)	(5,769)
Total allowances	**0**	**(5,042)**	**(5,042)**	**0**	**(6,175)**	**(6,175)**

9.14.4 Non-performing loans and receivables to customers

CZK m	30 Jun 17	31 Dec 16
Retail	4,834	5,686
Commercial	1,347	1,802
Total NPL	**6,181**	**7,488**

CZK m	30 Jun 17	31 Dec 16
Retail	3,434	4,094
Commercial	850	1,216
Total allowances to NPL	4,284	5,310

CZK m	30 Jun 17	31 Dec 16
Retail		
Total coverage	81.9%	82.9%
NPL ratio	7.8%	9.6%
Commercial		
Total coverage	80.5%	81.2%
NPL ratio	2.2%	3.1%
Total		
Total coverage	81.6%	82.5%
NPL ratio	5.0%	6.3%

The Group continued in the reduction of the NPL ratio to 5.0% as at 30 June 2017 from 6.3% as at 31 December 2016 mainly through non-performing loans ("NPLs") sales and write offs. The Total coverage remained at a comparatively high level of 81.6% as at 30 June 2017.

9.14.5 Net impairment of loans and receivables

CZK m	Quarter ended		Half-year ended	
	30 Jun 17	30 Jun 16*	30 Jun 17	30 Jun 16*
Additions and release of loan loss allowances	(216)	(256)	(340)	(499)
Additions and release of unused commitments allowances and Other	13	5	(1)	5
Use of loan loss allowances	511	1,743	1,401	5,815
Income from previously written-off receivables / recoveries	57	64	227	72
Write offs of uncollectable receivables	(519)	(1,743)	(1,490)	(5,815)
Change in allowances to operating receivables	0	0	0	0
Collection expense	(27)	(31)	(58)	(54)
Net impairment of loans and receivables	**(181)**	(218)	**(261)**	(476)

* restated

The decrease of the Additions and release of loan loss allowances from CZK (499) million for a half year ended 30 June 2016 to CZK (340) million for a half year ended 30 June 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 72 million for a half year ended 30 June 2016 to CZK 227 million for a half year ended 30 June 2017 was caused by a sale of nonperforming receivables primarily in 1Q 2017.

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 calculated allowances shown in the line "Other operating expenses" and "Administrative expenses"). Estimate of these costs also reduces present value of recovery cash flows expected from related impaired receivables. This change has been applied retrospectively and the impact is disclosed in the table above as "Collection expense".

9.14.6 Maximum credit risk exposures

CZK m 30 Jun 17	Statement of financial position	Off balance sheet	Total credit risk exposure	Available collateral*
Cash and balances with the central bank	**33,099**	**0**	**33,099**	**0**
Financial assets at fair value through profit or loss	**35**	**0**	**35**	**0**
Currency swaps	0	0	0	0
Currency forwards	35	0	35	0
Financial assets available for sale	**5,340**	**0**	**5,340**	**0**
Treasury bills	0	0	0	0
Treasury bonds	5,288	0	5,288	0
Equity investments	43	0	43	0
Other investments designated as AFS	9	0	9	0
Loans and receivables to banks	**536**	**0**	**536**	**0**
Current accounts at banks	307	0	307	0
Term deposits at banks payable within 3 months	229	0	229	0
Loans and receivables to customers	**117,491**	**19,378**	**136,856**	**51,204**
Consumer authorized overdrafts and credit cards	4,050	5,328	9,378	0
Consumer loans	33,659	659	34,318	0
Mortgages	17,745	2,496	20,241	17,635
Commercial loans	45,546	10,807	56,353	24,299
Auto & Equipment Lease	5,843	0	5,843	5,049
Commercial	5,843	0	5,843	5,049
Retail	0	0	0	0
Auto & Equipment Loans	10,647	75	10,722	4,221
Commercial	8,288	75	8,363	4,221
Retail	2,359	0	2,359	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**	**1,459**	**1,459**	**93**
Letter of credit	**0**	**0**	**0**	**0**
Other assets	**3,717**	**0**	**3,717**	**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
Other investments designated as AFS	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 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**

* Available collateral represents realisable value of collateral relevant for each loan exposure. The realisable value of collateral is capped up to the "Total exposure presented in the statement of financial position" on a loan-by-loan basis for the purpose of the presentation in these breakdowns.

9.15 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	30 Jun 17	31 Dec 16	30 Jun 17	31 Dec 16
	Carrying value		Fair value	
FINANCIAL ASSETS				
Cash and balances with the central bank	33,099	20,235	33,099	20,235
Loans and receivables to banks	536	189	536	189
Loans and receivables to customers	117,491	111,860	120,614	115,379
FINANCIAL LIABILITIES				
Due to banks	7,250	2,657	7,250	2,657
Due to customers	126,232	116,252	126,232	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:

	30 Jun 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		35			26	
Financial assets available for sale	5,288	0	52	13,444	256	49
FINANCIAL LIABILITIES						
Financial liabilities at fair value through profit or loss		39			7	

There were no transfers between level 1 and 2 during the period of six months ended 30 June 2017 and the year ended 31 December 2016.

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 30 Jun 17
Available for sale					
Equity investments	40	0	0	3	43
Other investments designated as AFS	9	0	0	0	9
Total	49	0	0	3	52

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
Other investments designated as AFS	0	0	8	1	9
Total	135	(293)	45	162	49

9.16 Subsequent events

In 3Q 2017 management approved new investment strategy of the Group. According to this strategy the Group will establish held to maturity portfolio for securities intended to be held until maturity. Consequently, securities currently comprised in the available for sale portfolio will be reclassified into the held to maturity portfolio in 3Q 2017 and will be measured at amortized costs rather than fair values. Available for sale reserve in equity will be amortized into Interest income until maturity.

10 Management affidavit

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

Prague, 9 August 2017

Signed on behalf of the Management Board:

Tomáš Spurný
Chairperson of the Management Board

Philip Holemans
Vice Chairperson of the Management Board

11 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 , yield on net customer loans, 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 / Non-performing loans, core NPL coverage, NPL ratio, risk weighted assets, new production / new volume and average turn, RWA density.

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.

11.1 Adjusted Return on Tangible Equity – Reconciliation

The following table shows the Group's annualised adjusted return on tangible equity, adjusted at management target CET1 Ratio of 15.5 %, as at 30 June 2017 and 31 December 2016:

CZK million (unless otherwise indicated)	30 Jun 2017	31 Dec 2016
Reported Profit after tax (A)	2,195	4,054
Excess Capital (B=H-(GxJ))	3,247	5,478
Cost of funds% (C)	0.2%	0.2%
Tax Rate (D)	19.0%	19.0%
Adjustment for cost of funds (E = B x C x (1-D))	(2)	(7)
Adjusted Profit after tax (F)	2,193	4,047
Reported Total Risk Weighted Assets (G)	113,370	109,301
Regulatory Capital (H)	20,819	22,420
Reported CET1 % (I = H / G)	18.4%	20.5%
Target CET1 % (J)	15.5%	15.5%
Excess Capital (B = H - (G x J))	3,247	5,478
Equity (K)	23,992	27,268
Intangible Assets and Goodwill (L)	1,052	848
Tangible Equity (M = K - L)	22,940	26,420
Excess Capital (B = H - (G x J))	3,247	5,478
Adjusted Tangible Equity (N = M - B)	19,693	20,942
Reported Return on Tangible Equity (A / M)	19.1%	15.3%
Adjusted Return on Tangible Equity (F / N)	22.3%	19.3%

Note: 1H 2017 Cost of Funds, Reported Return on Tangible Equity and Adjusted Return on Tangible Equity annualised

The reported return on tangible equity is based on actual financial figures for the respective period as calculated in the above tables. 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). In addition to a capital rebase to 15.5%. CET1, earnings have been adjusted for substitution of capital assuming the blended cost of funding of the period (annualised 0.2 % in period of six months ended 30 June 2017 and 0.2 % in 2016) and 19.0 % corporate tax rate. Earnings have not been adjusted for potential liquidity constraints.

Adjusted tangible equity reflects the tangible equity adjusted for the capital exceeding a management target CET1 Ratio of 15.5 %.

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

12 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.
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
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
AFS	Available for sale
Bps	Basis points
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
CNB	Czech National Bank
CZK	Czech Koruna
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
Customer deposits	Due to customers

Excess capital	Capital exceeding the management target CET1 Ratio, currently 15.5% (consists of an anticipated 14.5% required Regulatory capital (including a 0.5% countercyclical buffer) and a 1% management buffer)
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
k	thousands
KPI	Key performance indicator
IFRS	International Financial Reporting Standards
IPO	Initial public offering
ISRE 2410	International Standard on Review Engagements 2410 (review of the financial statements by the independent auditor)
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 Customer Loans	Net loans and receivables to customers
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

Net Profit	Profit for the period after tax
New volume / New 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 Bank's loan receivables categorization rules (Substandard, Doubtful, Loss)
NPL coverage	Ratio (expressed as a percentage) of Loss allowances for loans and advances to customers to NPL
NPL Ratio or Non-performing Loans Ratio	Ratio (expressed as a percentage) of total gross receivables categorized as non-performing to total gross receivables
Online origination	Represents new volume originated from online applications and leads (client with contact details)
PD	Probability of default
Q	Quarter
RE	Real estate
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 (calculated pursuant to CRR)
RWA density	Ratio of RWA to total assets
Small Business	An enterprise with an annual turnover of up to CZK 60 million
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
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